

## Retail Equity Research

# JSW Infrastructure Ltd.

**CMP Rs. 308**

**Rating: Overweight**

## Healthcare

**NSE CODE: JSWINFRA BSE CODE: 543994**

JSW Infrastructure Ltd showcased resilience despite sequential volatility. Sales growth rebounded in Q3FY24 (+17% QoQ) before moderating in subsequent quarters, ending Q2FY25 at ₹1,001.36 crore (-1% QoQ). Operating profit mirrored sales trends, peaking in Q3FY24 (+21% QoQ) and stabilizing at ₹520.54 crore in Q2FY25 (+1% QoQ). Efficient expense management supported margins despite revenue dips.

Notably, net profit surged 21% QoQ in Q2FY25, driven by reduced interest costs (₹-80.43 crore) and strong other income. Tax outflows, however, rose sharply to ₹180.21 crore, tempering bottom-line growth.

JSW's strategic focus on operational efficiency and financial restructuring signals sustained profitability. Upcoming quarters may benefit from steady revenue streams and a robust cost framework. Further insights await capex updates and sectoral growth cues.

### Company Data

Market Cap (cr)	Rs.	64,585.55
Enterprise Value (cr)	Rs.	52,191.76
Outstanding Shares (cr)		210.00
52 week high	Rs.	361.00
52 week low	Rs.	202.00
1m average volume (lacs)		28.92
Face value	Rs.	2.00

Consolidated (cr)	FY22	FY23	FY24
Sales	2273.06	3194.74	3762.89
Growth(%)	42%	41%	18%
EBITDA	1215.11	1798.3	2233.97
EBITDA Margin(%)	53.5%	56.3%	59.4%
PAT	327.95	739.84	1,155.91
Growth(%)	13%	126%	56%
EPS	54.0	4.0	5.5
P/E	0.0	0.0	44.6
P/B	0.0	0.0	6.4
EV/EBITDA	3.0	1.6	23.4
ROE(%)	10%	18.5%	14%
ROCE(%)	11%	16.4%	14.1%
ROIC(%)	8%	15.8%	11.4%
D/E	1.45	1.14	0.59

**Management Transition & Leadership Change:** Arun Maheshwari, CEO, announced his retirement, with Rinkesh Roy, an industry veteran, set to take over as CEO from November 7, 2024. Roy brings over 30 years of expertise in ports and logistics.

**Strong Operational Performance & Growth:** JSW Infrastructure achieved a 16% YoY growth in cargo handling (27.5 million tons) and a 46% YoY increase in third-party cargo. Revenue for the quarter grew by 22%, and net profit rose by 46%.

**Expansion & Strategic Growth Plans:** The company is investing ₹2,359 crores for port capacity expansions, aiming to increase handling capacity from 170 million tons per annum to 288 million tons by FY28 and 400 million tons by FY30. Additionally, JSW is exploring Greenfield projects and acquiring new assets, including Navkar and a Greenfield port in Maharashtra.

## Key Highlights

### Overview and Business Model

Incorporated in 2006, JSW Infrastructure Limited is a prominent provider of maritime services, specializing in cargo handling, storage solutions, and logistics. As part of the JSW Group, it has grown into India's second-largest commercial port operator by cargo handling capacity. The company also operates two port terminals in the UAE under O&M agreements, enhancing its international footprint.

### Port Infrastructure and Operations

JSW Infrastructure operates nine ports across India, with a combined cargo handling capacity of 158.43 MTPA as of June 2023, up from 119.23 MTPA in March 2021. These ports are strategically located along India's western and eastern coasts, catering to industrial hubs in Maharashtra, Goa, Karnataka, Odisha, and Tamil Nadu. The ports handle diverse cargo, including dry bulk, break bulk, liquid bulk, gases, and containers, with key commodities such as thermal coal, iron ore, and LNG.

The company's UAE operations include a 5 MTPA liquid storage terminal in Fujairah and O&M management at dry bulk terminals in Fujairah (24 MTPA) and Dibba (17 MTPA).

### Revenue Streams and Bifurcation

Revenue is primarily derived from cargo handling, storage services, and vessel-related charges. As of FY23, JSW Group customers contributed 51% of revenues, while third-party customers accounted for 33.5%. Vessel-related charges constituted 15.5%. Cargo-wise, the mix includes iron ore (32%), thermal coal (29%), and liquid and gas (29%). Port-wise, Jaigarh Port remains the largest contributor (41%), followed by Dharamtar Port (15%).

### Operational Performance and Financials

In FY24, JSW Infrastructure handled 106 million tons of cargo, a 15% YoY increase, with an improved capacity utilization rate of 62.65%. Key financial metrics for FY24 include:

- Revenue: ₹4,032 crore (+20% YoY)
- EBITDA: ₹2,234 crore (margin 55.4%, +24% YoY)
- Net Profit: ₹1,161 crore (+55% YoY)

The company maintains a robust financial position with a net cash balance of ₹4,316 crore and gross debt of ₹4,381 crore as of March 2024.

### Growth and Expansion Initiatives

JSW Infrastructure has ambitious plans to expand capacity from 158.5 MTPA to over 400 MTPA by FY30. Major projects include:

- Brownfield expansions at Jaigarh Port and Dharamtar Port, adding 36 MTPA capacity by FY27.
- Greenfield developments, such as the Murbe Port in Maharashtra, with a 33 MTPA capacity.
- Investments in LPG terminal upgrades and Mangalore Container Terminal expansion.

The company has also secured PPP projects, including the North Cargo Berth-III at Tuticorin and liquid berths at JN Port, collectively adding 11.5 MTPA capacity.

### Strategic Outlook

With a clear focus on increasing third-party cargo share and diversifying its revenue base, JSW Infrastructure is positioned to benefit from India's growing trade and logistics demand. Its efficient cost management, strong balance sheet, and well-executed expansion plans underscore its growth potential in the coming years.

**Quarterly Financial Consolidated**

**Profit and loss account**

**(Rs Cr)**

	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24
<b>Sales</b>	848.31	940.11	1,096.38	1,009.77	1,001.36
Growth(%)	-3%	11%	17%	-8%	-1%
Expenses	396.14	460.22	515.20	495.13	480.82
Operating Profit	452.17	479.89	581.18	514.64	520.54
Growth(%)	0%	6%	21%	-11%	1%
Other Income	47.17	78.19	103.92	93.92	86.83
Depreciation	100.51	107.58	133.65	134.58	133.86
Interest	70.67	143.45	134.08	82.34	-80.43
Profit before tax	328.16	307.05	417.37	391.64	553.94
Tax	72.29	53.48	88.29	95.09	180.21
Net profit	254.40	250.66	330.01	292.44	371.51
Growth(%)	-26%	-1%	24%	-13%	21%

**Financial Consolidated**

**Profit & Loss**

**(Rs Cr)**

	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Sales	1,143.15	1,603.57	2,273.06	3,194.74	3,762.89
Growth(%)	6%	40%	42%	41%	18%
Expenses	523.95	787.13	1,163.63	1,572.18	1,795.37
Operating Profit	619.20	816.44	1,109.43	1,622.56	1,967.52
Growth(%)	17%	32%	36%	46%	21%
Other Income	94.22	74.69	105.68	175.74	266.45
Depreciation	201.86	270.66	369.51	391.22	436.48
Interest	277.46	227.86	419.62	596.08	332.46
Profit before tax	234.10	392.61	425.98	811.00	1,465.03
Tax	37.58	108.00	95.55	61.48	304.34
Net profit	190.42	291.38	327.95	739.84	1,155.91
Growth(%)	-29%	53%	13%	126%	56%

**Balance Sheet**

(Rs Cr)

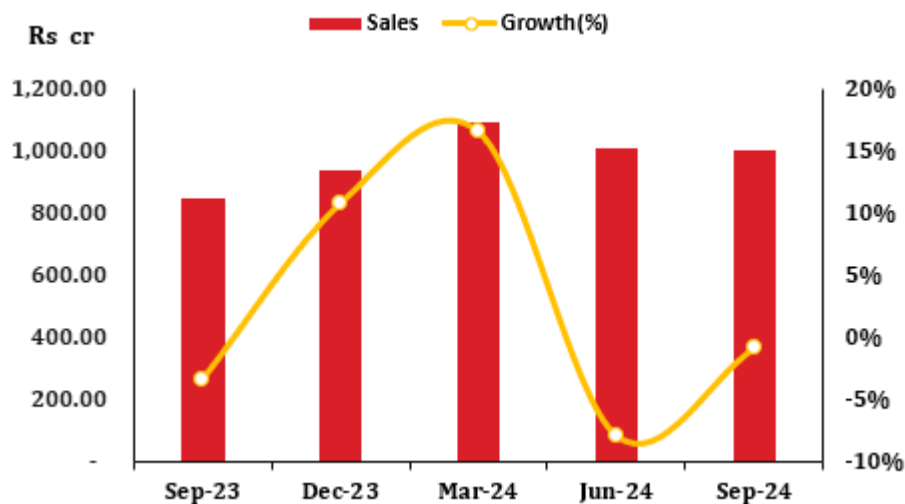
Report Date	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Equity Share Capital	59.93	59.93	59.93	359.57	410.30
Reserves	2,488.29	2,831.24	3,212.19	3,635.05	7,616.06
Borrowings	3,109.22	3,945.82	4,740.17	4,567.61	4,758.48
Other Liabilities	1,089.45	1,286.34	1,165.17	749.92	908.75
<b>Total</b>	<b>6,746.89</b>	<b>8,123.33</b>	<b>9,177.46</b>	<b>9,312.15</b>	<b>13,693.59</b>
Net Block	3,947.99	4,923.98	6,133.89	5,974.55	7,757.46
Capital Work in Progress	751.58	1,125.05	79.68	46.01	132.04
Investments	376.44	295.51	283.01	307.03	244.49
Other Assets	1,670.88	1,778.79	2,680.88	2,984.56	5,559.60
<b>Total</b>	<b>6,746.89</b>	<b>8,123.33</b>	<b>9,177.46</b>	<b>9,312.15</b>	<b>13,693.59</b>

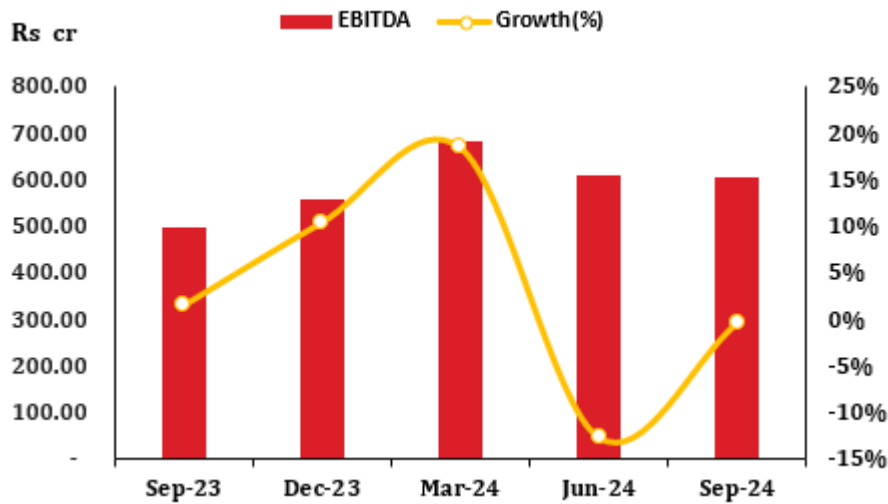
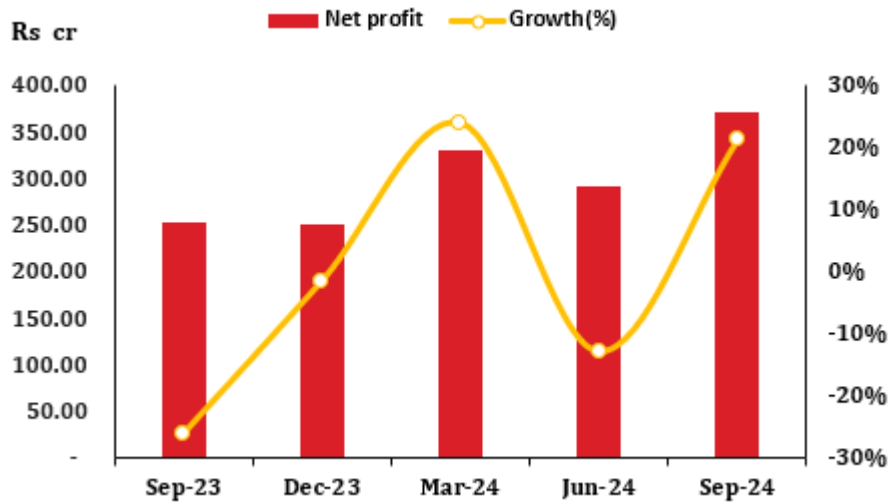
**Cash Flow**

(Rs Cr)

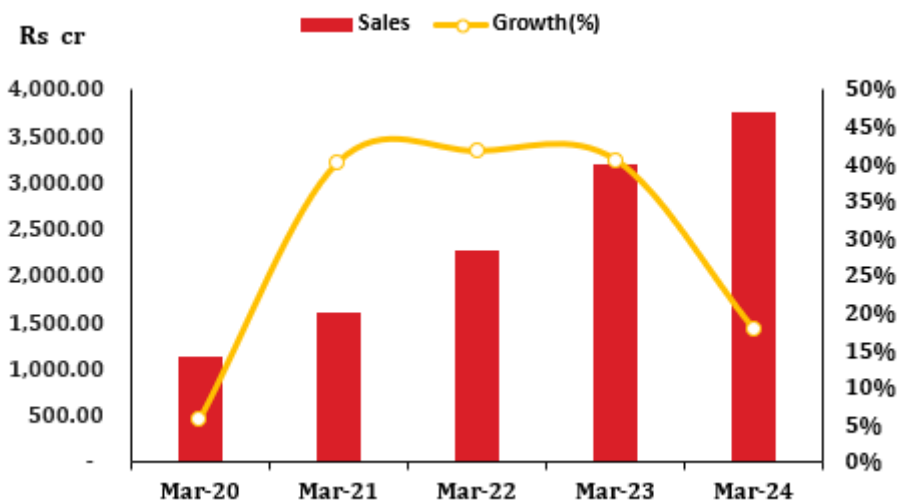
	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Cash from Operating Activity	258.7	1010.84	1176.23	1797.24	1803.21
Cash from Investing Activity	-392.68	-1636.79	-801.32	-882.62	-4202.39
Cash from Financing Activity	240.78	620.21	2.55	-824.74	2503.88
Net Cash Flow	106.8	-5.75	377.46	89.88	104.7

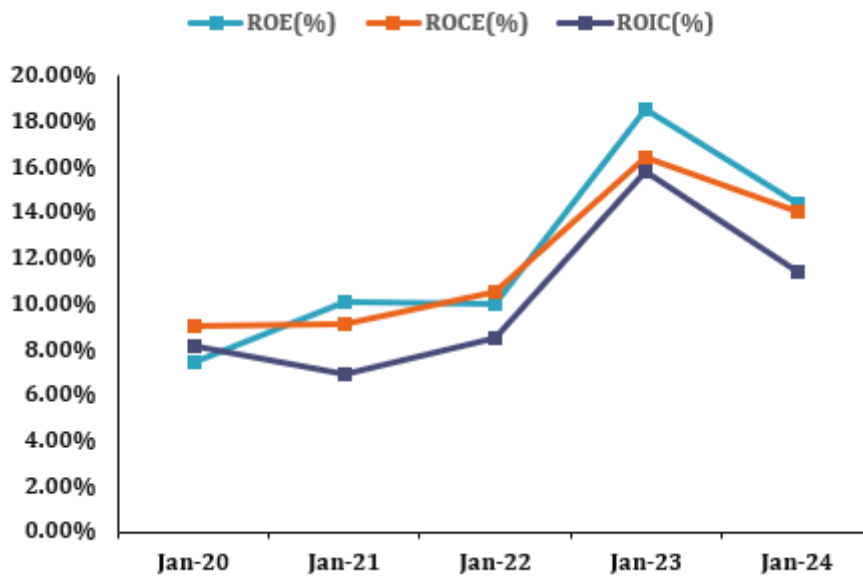
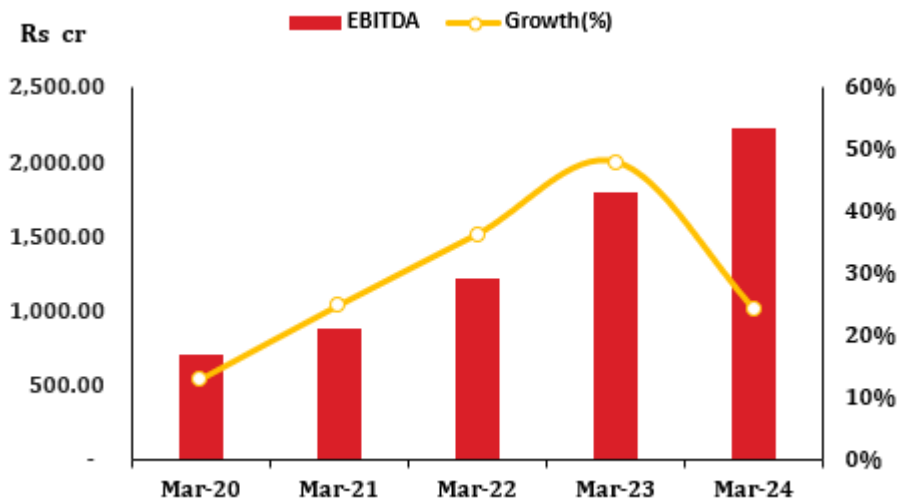
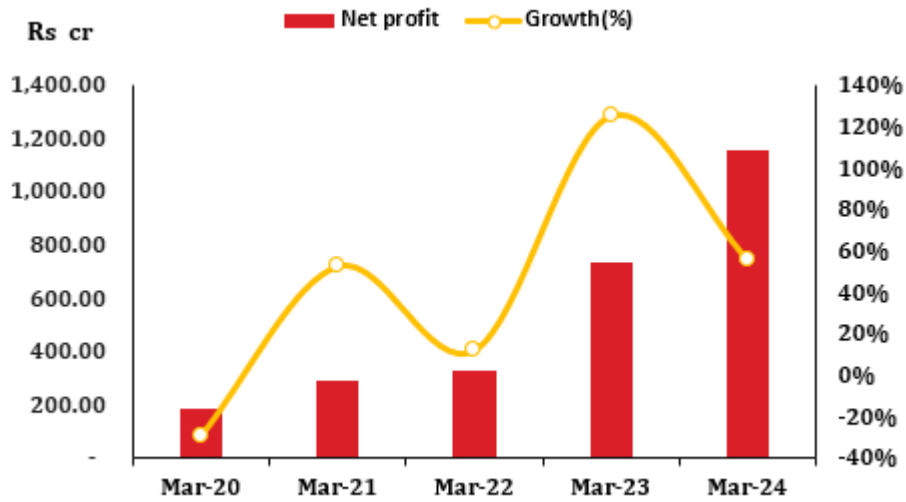
**Key Metrics: Quarterly**





**Key Metrics: Yearly**





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