

- ❑ The company reported revenue of ₹51,434 million for the quarter ended June 2025, marking an 78.6% year-on-year increase from ₹28,795 million in the same quarter last year, and a growth of 61.3% rise on a sequential basis.
- ❑ The company reported EBITDA of ₹27,887 million and Profit After Tax (PAT) of ₹8,359 million for the June 2025 quarter. While EBITDA grew by 96.7% year-on-year, PAT grew by 56.5% over the same period.
- ❑ The company reported an EBITDA margin (EBIDTAM) of 54.2% and a profit after tax margin (PATM) of 16.3% in Q1 FY26, up from 49.2% whereas PATM was down from 18.6% respectively in the same quarter last year.
- ❑ Net generation rose 71% year-on-year to 13.5 BUs, supported by organic renewable energy (RE) capacity additions, contributions from O2 Power and the Mahanadi plant, along with higher output from Vijayanagar following a long-term tie-up. RE generation grew 54% YoY to 5.0 BUs, led by organic wind capacity additions and O2 Power, while thermal generation surged 83% YoY to 8.5 BUs, driven by increased contributions from Vijayanagar, Mahanadi, and Utkal plants. Long-term PPA generation also improved, rising 73% YoY to 11.8 BUs.
- ❑ Installed capacity increased to 12.8 GW with an addition of 1.9 GW during the quarter, including 1.3 GW from the O2 Power acquisition. One 80 MW unit of the 240 MW (3 x 80 MW) Kutehr hydro power plant was synchronized with the grid, with phase-wise synchronization and commissioning of the full project expected soon. During the quarter, the company signed PPAs for 605 MW (250 MW wind and 355 MW hybrid), and post-quarter end, additional PPAs were signed for 350 MW FDRE and 100 MW solar with a 100 MWh battery energy storage system (BESS).
- ❑ JSW Energy is progressing on its green hydrogen initiative, with trial runs underway for the 3,800 TPA plant. In energy storage, the company signed PPAs for 12.5 GWh during the quarter and an additional 680 MWh post quarter-end, taking the total locked-in storage capacity to 29.4 GWh.
- ❑ The company is strengthening its thermal portfolio with Mahanadi's 1,800 MW generating 2.7 BUs in Q1 FY26, yielding ₹8,670 million EBITDA. Post quarter-end, the NCLT approved its debt settlement for KSK Water Infrastructures, closing the insolvency process. Utkal Unit-2 (350 MW), commissioned in March 2025, generated 370 MUs during the quarter. The company also tied up imported coal-based open capacity at Vijayanagar, boosting long-term generation 124% YoY to 1.3 BUs and ensuring stable EBITDA.
- ❑ They have completed the acquisition of O2 Power, a 4.7 GW renewable platform, on 9 April 2025. As of 31 March 2025, O2 Power had an operating capacity of 1,343 MW, which increased to 1.8 GW by June 2025. During Q1 FY26, the platform generated 768 MUs and delivered an EBITDA of ₹2,190 million.
- ❑ The management has given a full year FY26 capex guidance of ₹1,50,000 – 1,80,000 million. They have added capacities in various sectors such renewable energy, solar, wind etc. The company is developing a 20 MW floating solar plant in Karnataka along with setting up wind blade manufacturing facilities in western and southern India to improve supply chain efficiency. We maintain a **BUY** rating on the stock with an unchanged target price of **₹650 per share**.

Key takeaways from Management Commentary

- ❑ For FY26, the company has provided a capital expenditure guidance of ₹1,50,000–1,80,000 million and plans to add 3–4 GW of incremental capacity, excluding the 1.3 GW from the O2 Power acquisition. The KSK Mahanadi plant is expected to deliver a minimum EBITDA of ₹24,000 million, while the O2 Power platform is projected to achieve a steady-state EBITDA of ₹37,500 million upon full buildout by June 2027.
- ❑ The company's merchant market margins were supported by resilient pricing, as Day-Ahead Market (DAM) rates remained stable on a quarter-on-quarter basis despite lower coal prices and record capacity additions. Its domestic coal-based open capacity benefited from favorable dark spreads compared to imported coal-based generation. Additionally, margin stability improved as the company reduced its exposure to volatile imported coal prices by securing long-term power purchase agreements (PPAs) for its capacity.
- ❑ India has achieved 50% clean energy capacity ahead of schedule, reaching 243 GW of non-fossil fuel capacity. In Q1, the country added 12.3 GW of renewable capacity, including 10.6 GW from solar and 1.6 GW from wind, with renewables contributing 16% to total electricity generation.
- ❑ In Q1 FY26, JSW Energy added 1.9 GW of capacity, comprising 550 MW of organic renewable energy and the acquisition of O2 Power with 1.3 GW capacity. O2 Power is expected to expand from its current 1.8 GW to 4.7 GW by June 2027, with a projected steady-state EBITDA of ₹37,500 million. Additionally, the company is developing a 20 MW floating solar plant in Karnataka.
- ❑ Solar power played a key role in India's renewable energy capacity additions in Q1, contributing 10.6 GW out of the total 12.3 GW. JSW Energy is currently constructing a 20 MW floating solar plant at Vijayanagar in Karnataka, which is expected to be commissioned within the current quarter. However, solar generation declined by 7% year-over-year due to the early onset of monsoons and increased cloud cover, which impacted solar irradiance.
- ❑ Wind energy contributed 1.6 GW to India's total power capacity additions in Q1 FY26. JSW added 1.3 GW of organic wind capacity in H2 FY25, which has now begun contributing meaningfully to earnings. The wind Capacity Utilization Factor (CUF) improved from 26% to 30%, driven by higher wind speeds, the deployment of more efficient 2.7–3.3 MW turbines operating at 33–34% CUF, and changes in the portfolio mix.
- ❑ The company is establishing wind blade manufacturing facilities in western and southern India to enhance supply chain efficiency, while wind generation from Mytrah saw a 23% year-over-year increase.
- ❑ The Supreme Court has directed JSW Energy to supply 18% free power to the Government of Himachal Pradesh starting July 19, 2025, and the company is also in discussions regarding an additional 6% free power supply for the period from September 2023 to July 2025. Additionally, JSW Energy is awaiting CERC tariff approval for its SECI BESS plant, with the matter currently pending before APTEL, where the order has been reserved.



Financials:

(In ₹ mn)	Q1-FY26	Q1-FY25	Chg	FY25	FY24	Chg
Net Sales	51,434	28,795	78.6%	117,454	114,859	2.3%
Operating Expense	23,547	14,617	61.1%	65,246	61,041	6.9%
EBITDA	27,887	14,177	96.7%	52,208	53,818	-3.0%
Other Income	2,679	1,632		8,941	4,554	
Depreciation	7,386	3,755		16,546	16,334	
EBIT	23,179	12,055	92.3%	44,603	42,038	6.1%
Interest	13,055	5,111		22,691	20,534	
PBT	10,154	6,982	45.4%	22,139	21,669	2.2%
Tax	1,796	1,641		2,310	4,423	
Exceptional Items	-	-		-	-	
PAT	8,359	5,341	56.5%	19,829	17,247	15.0%
Minority /Other Adj.	-	-		-		
Consolidated PAT	8,359	5,341	56.5%	19,829	17,247	15.0%

Margins	Q1-FY26	Q1-FY25	Chg BPS	FY25	FY24	Chg BPS
Operating Margin %	54.2%	49.2%	498	44.4%	46.9%	-241
Net Margin %	16.3%	18.6%	-230	16.9%	15.0%	187



Consolidated Financials:

(In ₹ mn)	FY-24	FY-25	FY-26E	FY-27E
Net Sales	114,859	117,454	181,114	262,275
Operating Expense	61,041	65,246	93,388	125,630
EBITDA	53,818	52,208	87,726	136,645
Other Income	4,554	8,941	14,489	20,982
Depreciation	16,334	16,546	25,356	36,719
EBIT	42,038	44,603	76,859	120,909
Interest	20,534	22,691	34,412	49,832
Misc. items	-	228	-	-
PBT	21,504	21,669	42,448	71,077
Tax	4,423	2,310	4,415	7,392
PAT	17,081	19,829	38,033	63,684
Margins	FY-24	FY-25	FY-26E	FY-27E
Sales Growth %	11.2%	2.3%	54.2%	44.8%
Operating Margin %	46.9%	44.4%	48.4%	52.1%
Net Margin %	14.9%	16.9%	21.0%	24.3%

(In ₹ mn)	FY-24	FY-25	FY-26E	FY-27E
Liabilities				
Equity Share Capital	17,309	17,453	17,628	17,804
Reserves & Surplus	191,009	256,162	343,513	460,651
Total Shareholder's Funds	208,317	273,614	361,141	478,455
Minority Interest	1,825	17,236	17,619	18,324
Long-Term Liabilities	277,312	417,668	629,008	947,286
Other Long-term Liabilities	40,577	61,114	92,038	138,609
Deferred Tax Liability	8,367	25,998	25,998	25,998
Short Term Liabilities	72,694	117,154	187,446	198,683
Total	609,093	912,786	1,313,250	1,807,355
Assets				
Net Fixed Assets	392,285	534,212	770,375	1,041,364
Long-Term L&A	51,245	76,373	156,574	219,933
Non-Current Investments	59,458	88,614	132,034	196,730
Other Non-Current Assets	19,430	28,958	43,147	64,289
Current Asset	86,648	120,758	211,115	285,039
Total	609,093	912,786	1,313,250	1,807,355
Key Ratios	FY-24	FY-25	FY-26E	FY-27E
EPS (₹)	9.9	11.3	21.8	36.4
P/E (x)	54.5	47.4	24.7	14.8
P/B (x)	4.5	3.4	2.6	2.0
ROE	8.3%	7.2%	10.5%	13.3%

Source: Company, Anand Rathi Research

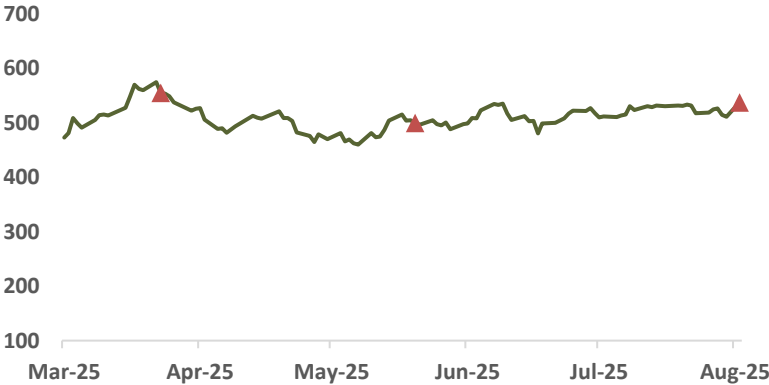
Key Risks:

- ❑ Any execution risk in projects or delays in clearances can be a big challenge for the company.
- ❑ Impact on margins of the company due to fuel cost and tariff fluctuations.
- ❑ Non-renewal of the PPAs can have an adverse effect on the business of the company.



Rating and Target Price history:

JSW Energy rating history & price chart



JSWENERGY rating details

Date	Rating	Target Price (₹)	Share Price (₹)
25-March-2025	Buy	650	553
22-May-2025	Buy	650	500
05-August-2025	Buy	650	537

Source: Bloomberg, Anand Rathi Research
NOTE: Prices are as on 5 August 2025 close.

Source: Bloomberg, Anand Rathi Research



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