VALOREM ADVISORS

INVESTOR RELATIONS MANAGEMENT SERVICES

LLOYDS METALS

1 Lloyds Metals and Energy Ltd

Lloyds Metals & Energy Ltd (LMEL) is a major Indian metals and mining company engaged in iron ore mining, sponge iron (DRI) production, power generation and pellet manufacturing. Incorporated in 1977 and listed on NSE and BSE, it operates the largest iron ore mine in India and is expanding capacities in iron ore, pellets and steel products while developing an integrated steel business. The company also emphasizes sustainability through green initiatives like slurry pipelines and renewable energy use, positioning itself as a significant contributor to India's industrial infrastructure.

2 Business Segments

- **Mining (Iron Ore)**: Extraction of iron ore from the Surjagarh mines in Gadchiroli, Maharashtra — one of India's largest iron ore mining operations by capacity. This segment forms the backbone of LMEL's business, supplying raw material for downstream production and external sales.
- **Sponge Iron (DRI) Production**: Manufactures direct reduced iron (DRI) at plants in Maharashtra, converting iron ore fines into sponge iron for use in steelmaking, with capacities being scaled up to enhance value-added output.
- **Power Generation:** Operates captive power facilities including a waste-heat recovery based plant, providing energy for internal operations and contributing surplus power to the grid, improving cost efficiency.
- **Pellet Manufacturing:** Lloyds Metals operates a state-of-the-art 4 MTPA pellet plant at Konsari, Maharashtra, converting iron ore fines into high-grade iron ore pellets for steelmaking. The pellets are used both in-house (e.g., DRI/steel production) and sold to external customers, enhancing value addition and strengthening the company's integrated metals value chain.

3 Key Strengths

- Experienced leadership: Management team brings over 45 years of deep expertise across mining, metals, and operations.
- Strong board backing: Board includes Thriveni Earthmover, one of India's leading Mine Developer & Operators (MDOs).
- Strategic land bank: Owns a large contiguous land bank of ~278 acres supporting future expansion.
- Skilled workforce: Backed by a highly trained and experienced operational workforce.
- Established customer base: Benefits from long-standing relationships with key customers across the value chain.
- Safety excellence: Achieved a Zero Accident milestone in FY15, reflecting strong safety culture.
- Raw material advantage: Operations benefit from close proximity to iron ore sources, lowering logistics costs.
- Long mine visibility: Holds a 50-year mining lease (valid till 2057) over ~350 hectares at Surjagarh, Gadchiroli.

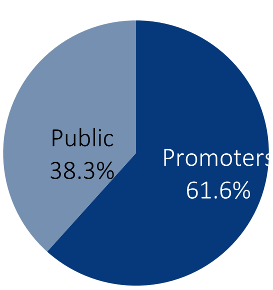
4 Key Growth Drivers

- Ramp-up of iron ore mining volumes: Increasing extraction from Surjagarh mine to drive scale and operating leverage.
- Pellet capacity utilisation: 4 MTPA pellet plant ramp-up to improve value addition and margin profile.
- Downstream integration: Expansion into DRI/steel enhances captive consumption and reduces earnings volatility.
- Infrastructure push in India: Rising steel demand supported by government-led infrastructure and capex cycle.
- Logistics optimisation: Slurry pipeline and improved evacuation to structurally lower freight costs.
- Long mine life visibility: 50-year mining lease ensures sustained production and supports long-term capacity expansion.
- Operating leverage: High fixed-cost absorption as volumes scale up across mining and pellet operations.

Key Financials	FY23	FY24	FY25	FY26
Revenue from Operations (INR Mn)	34,667	65,746	67,748	1,73,064
Sales Growth (Y-O-Y)	376.69%	89.65%	3.01%	154%
EBITDA (INR Mn)	*8,847*	*17,812*	*20,095*	63,339
EBITDA Margins (%)	25.52%	27.09%	29.66%	36.60%
Net Profit (INR Mn)	(2,886)	12,429	14,553	38,286
Net Profit Margins (%)	N.A	18.90%	21.48%	22.12%
Diluted EPS (INR)	(4.74)	24.43	26.12	66.87
Diluted EPS Growth (Y-O-Y)	-	*NA*	*6.92%*	156%

Key Financial Ratios	FY26
Net Debt to Equity	1.20
Fixed Asset Turnover	2.97
Interest Coverage Ratio	12.41
Return on Equity	27.60%
Return on Capital Employed	20.23%
Debtor Days	32
Inventory Days	310
Working Capital Days	-16

Shareholding Pattern



Capital Structure	
Share Price as on 31st March, 2026	1,270
Number of Shares o/s (in Mn)	562.78
Market Capitalisation (in Mn)	7,15,131.0
Add: Debt	2,03,804.3
Add: Minority Interest	3,951.6
Less: Cash & Equivalents	21,218.6
Enterprise Value	9,01,668.3
Net worth	1,38,708.9