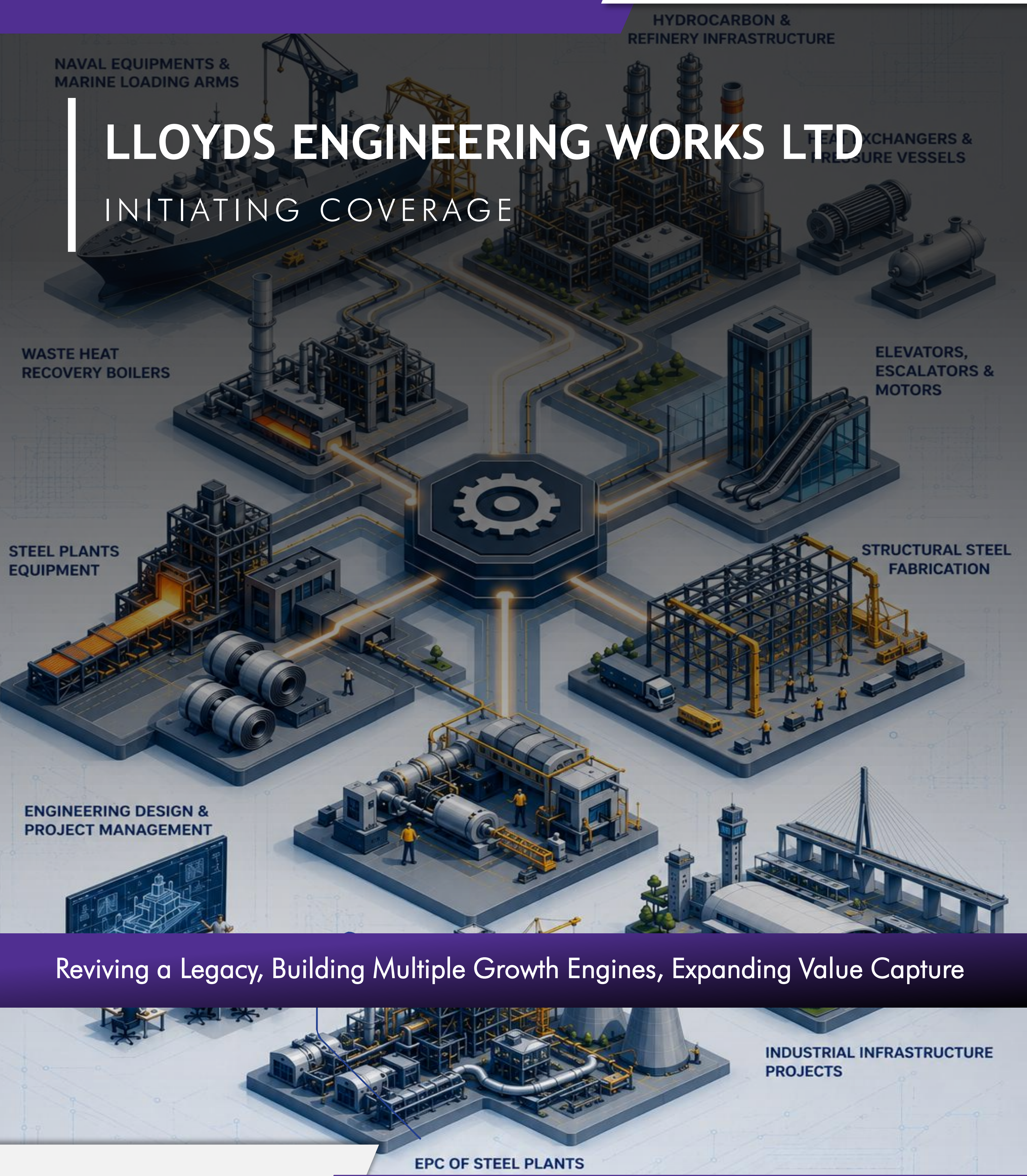
LLOYDS ENGINEERING WORKS LTD

INITIATING COVERAGE



Reviving a Legacy, Building Multiple Growth Engines, Expanding Value Capture

3rd August

2026

Pankaj Motwani

Pankaj.motwani@equirus.com

equirus PRIVE

LLOYDS ENGINEERING WORKS LTD

CMP	Target
Rs 89	Rs 125 *(Sep'27)*
Rating	**Upside**
BUY	41% ▲

Reviving a Legacy, Building Multiple Growth Engines, Expanding Value Capture – Initiate with BUY

- Lloyds Engineering Works Limited (LEWL), incorporated in 1994, is an integrated engineering and infrastructure solutions provider offering end-to-end capabilities across design, engineering, manufacturing, fabrication and installation. The company caters to Mining-to-Metal (steel), hydrocarbons, oil & gas, power, nuclear, heat recovery and defence/naval sectors through customized and turnkey solutions. LEWL operates state-of-the-art manufacturing facilities across Murbad (Thane), Nagpur, Ahmedabad, Vadodara and Bhilai, with its headquarters located in Mumbai.
- LEWL is poised for a multi-year growth trajectory, underpinned by a management-led turnaround, strong positioning across India's steel, infrastructure and defence capex cycles, strategic acquisitions that expand its addressable market, and a proposed merger that transforms the company into a vertically integrated engineering platform capable of capturing value from concept to commissioning.
- We expect LEWL's Revenue/EBITDA/PAT to grow at a 62.7%/68.4%/47.4% CAGR over FY26-FY29E supported by organic growth, defence ramp-up and acquisition-led expansion.
- LEWL is currently trading at FY27E/FY28E P/E multiples of 44x/32x. We initiate coverage on the stock with a BUY rating and a Sep'27 target price of 125, based on our SOTP valuation, implying a 1-year forward P/E multiple of 37x.

From Promoter Exit to Promoter Return: A Management-Led Revival: Lloyds Engineering's turnaround highlights a successful management-led revival following the return of the Gupta family in 2021. After a decade of stagnation under previous ownership, the company revived key business verticals through capacity expansion, improved asset utilization, strategic technology partnerships and investments in engineering talent. Backed by promoters with a proven execution track record, engineering revenues have grown from 501 million in FY22 to 10.5 billion in FY26, representing a CAGR of over 110%.

Mining-to-Metal, Positioned to capitalize on India's steel capex cycle : We believe LEWL and LICL are well positioned to benefit from India's steel capex cycle through their integrated Mining-to-Metal platform spanning steel plant equipment, beneficiation, structural fabrication, utilities and EPC execution. With India targeting 300 MT steelmaking capacity by FY31 and Lloyds Metals undertaking a 420 billion capex program through FY30, the two companies are strategically placed to capture a meaningful share of upcoming steel investments.

Building a high-entry barrier Defence franchise: Positioned to benefit from India's naval modernization and indigenization push: Defence is one of LEWL's most promising emerging verticals, supported by India's naval modernization and indigenization push. The company is expanding its addressable opportunity per ship from 80–100 million to 400–500 million through new naval products. Leveraging partnerships with Fincantieri, FlyFocus, Virtualabs and Kliver Polska, LEWL is evolving into a multi-domain defence engineering platform. The naval division has ~19 bn sales visibility with ~3 bn expected order inflows over two years, while the Aerospace & Strategic Systems division has ~60 bn sales visibility and ~20 bn projected order inflows over the next three years.

Strategic Acquisitions expanding addressable markets and building an integrated engineering platform: Over the last two years, LEWL has pursued an aggressive inorganic growth strategy through acquisitions of SISCOL (structural steel fabrication), Metalfab (heavy fabrication) and Techno Industries (electrical engineering and vertical mobility). These acquisitions have materially broadened its addressable market, accelerated capability building, and strengthened its ability to execute larger multi-disciplinary projects. We believe LEWL's integrated engineering platform is well positioned to benefit from India's industrial and infrastructure capex cycle.

Merger to create a vertically integrated engineering platform, Expanding value capture from Concept to Commissioning: The proposed merger of LICL, Metalfab and Techno will transform LEWL from a equipment manufacturer into vertically integrated engineering platform spanning design, manufacturing, fabrication and EPC. The merger enhances value capture across the project lifecycle, improves bidding capabilities for larger projects and is EPS accretive despite dilution. Management targets 100+ billion in annual revenues by FY29/FY30 while improving margins and return ratios.

Financial Summary

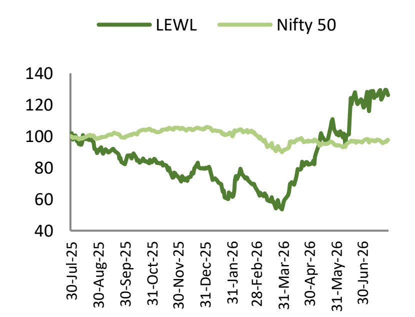
YE Mar Rs mn	Sales	EBITDA	Recurring PAT	EPS (Rs)	P/E (x)	P/B (x)	EV/EBITDA (X)	ROE (%)	ROIC (%)	EBITDA Margin (%)
FY26A	13,011	1,892	1,899	1.5	59.5	7.6	65.6	16.4%	16.4%	14.5%
FY27E	28,673	4,040	3,116	2.0	44.1	7.1	30.7	17.3%	17.5%	14.1%
FY28E	41,817	6,107	4,288	2.8	32.1	6.0	20.7	20.3%	20.1%	14.6%
FY29E	56,023	9,040	6,086	3.9	22.6	4.9	14.1	24.0%	22.7%	16.1%

Source: Company, Equirus

Stock Information	
Market Cap (Rs Mn)	129,330
52 Wk H/L (Rs)	95/37
Avg Daily Volume (1yr)	7,453,507
Avg Daily Value (Rs Mn)	521.8
Equity Cap (Rs Mn)	1,440
Face Value (Rs)	1
Share Outstanding (Mn)	1,440
Bloomberg Code	LLOYDSEN IN
Ind Benchmark	

Ownership (%)	Recent	3M	12M
Promoters	41.9	0.0	-7.4
FII	2.4	0.5	0.2
DII	0.2	0.1	0.1
Others	55.4	-0.5	7.1

Relative price chart



Source: Bloomberg

Analyst

Pankaj Motwani

Pankaj.motwani@equirus.com

Investment Rationale

From Promoter Exit to Promoter Return: A Management-Led Revival

Refer to Exhibit 1 for a detailed chronology of LEWL's evolution across its key phases

Lloyds Engineering's (LEWL) turnaround over the last five years is arguably one of the strongest examples of a management-led revival in India's engineering space. The company's engineering roots date back to 1974, when the Gupta family established the business in Mumbai and subsequently built capabilities across heavy fabrication, process equipment, steel plant machinery, boilers, marine equipment and turnkey engineering solutions with relationships across steel, power, hydrocarbons and defence industries.

However, a combination of aggressive expansion in steel and mounting leverage culminated in a change in control in 2012, when the Miglani family (promoters of Uttam Galva Steels) acquired Lloyds Steel Industries. While the engineering business remained part of the group, management attention shifted towards steel manufacturing. In 2015, the engineering division was demerged into Lloyds Steels Industries Limited, while the steel assets remained with Uttam Value Steels (UVSL). Consequently, several engineering verticals including boilers, heat exchangers, naval equipment and steel plant machinery, witnessed limited investments and remained largely stagnant during FY15-FY21, with revenues declining from 4.3 bn to 0.7 bn.

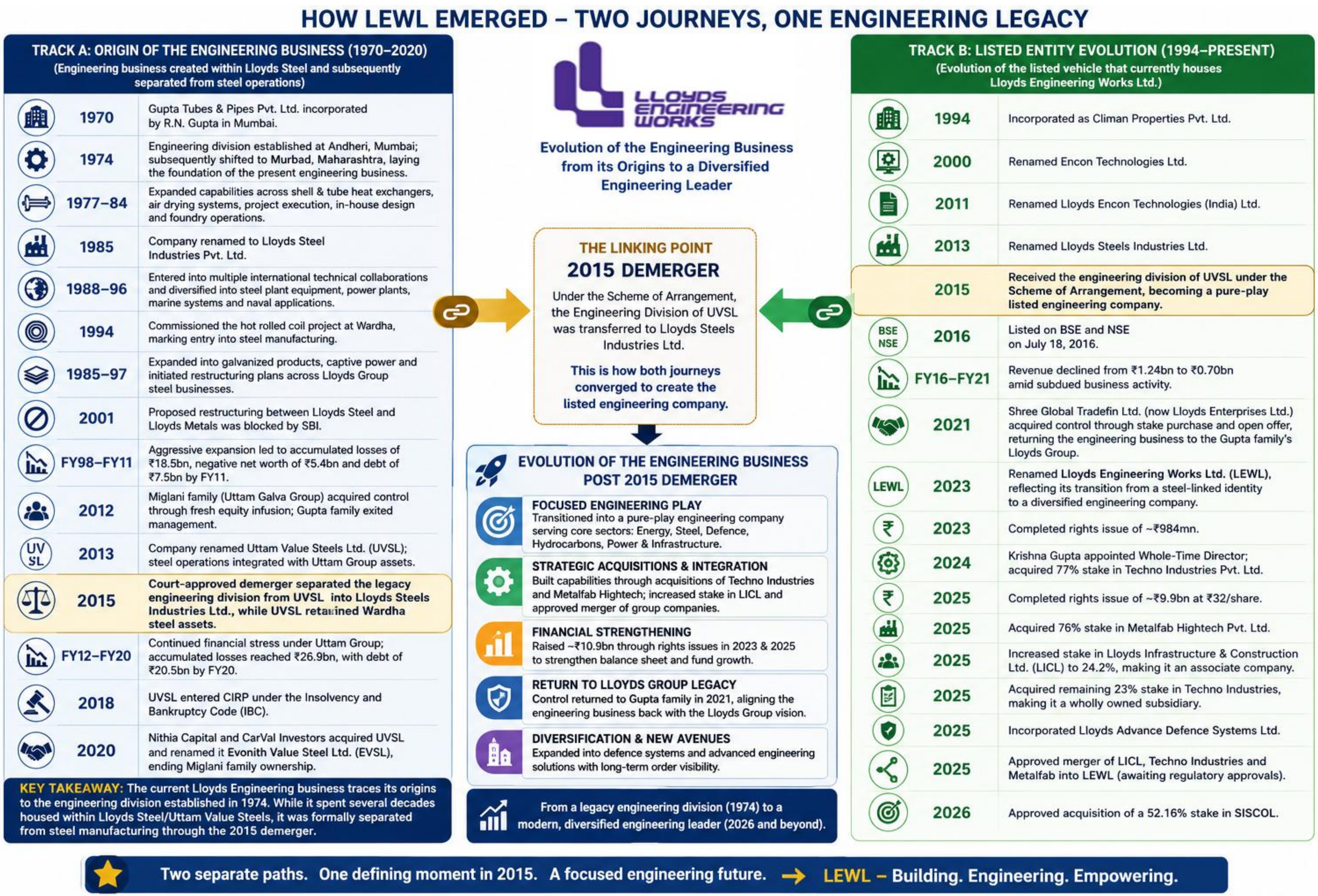
The inflection point came in May 2021, when Shree Global Tradefin Limited (now Lloyds Enterprises), controlled by the Gupta family, reacquired control of the company from Miglani-linked entities. Importantly, this was not merely a change in shareholding, but the return of the engineering business to its original promoters after nearly a decade. Sri Krishna Gupta had joined the company in 2019 and spent two years understanding the business from the ground up, interacting with customers, studying legacy capabilities and identifying bottlenecks before assuming a larger operating role. The management team subsequently rebranded the company from 'Lloyds Steels Industries' to 'Lloyds Engineering Works' in 2023, reinforcing its identity as an engineering and manufacturing company rather than a steel-related entity.

Post the change in control, the management pursued the opportunity through multiple strategic levers simultaneously, as follows:

- **Business Revival:** The first lever was rebuilding dormant business verticals including boilers, heat exchangers, marine equipment and steel plant machinery which had seen limited investments under the previous ownership. Notably, the Mining-to-Metal segment was built from a near-zero base through the creation of a dedicated team of nearly 100 professionals spanning design, engineering, execution and marketing.
- **Asset Utilisation:** The second was improving utilization of the existing asset base, which management believes was significantly underutilized relative to the available infrastructure and engineering expertise.
- **Capacity Expansion:** Simultaneously, the company embarked on an aggressive capacity expansion program. Manufacturing floor space has expanded nearly 10x since FY21 from approximately 30,000 sq. meters to ~300,000 sq. meters supported by acquisitions such as Techno Industries, Metalfab Hightech, Bhilai Engineering assets and SISCOL. Investments in automation including robotic welding systems and automated eight-torch panel process welding machines have further improved throughput, quality and manufacturing efficiency.
- **Human Capital:** The company has invested heavily in attracting experienced engineers and designers across power, steel and infrastructure verticals. Complex businesses such as boilers, which require proprietary designs and advanced engineering calculations, have been revived by hiring specialist talent. In an industry where employee ownership is uncommon, LEWL has introduced KPI-linked variable compensation (5-30% of CTC) and Employee Stock Option Plans (ESOPs), aligning employee incentives with shareholder value creation and fostering an ownership culture across the organization.
- **Technology Partnerships:** The company has also pursued a differentiated technology strategy centered on indigenization and exclusive partnerships. LEWL has entered into collaborations with global technology leaders to participate in high-value segments including eco-pickling, beneficiation and advanced steel technologies. The company has also strengthened its positioning in strategic sectors through partnerships in defence and marine engineering.
- **Strategic Leadership:** Finally, Lloyds Engineering benefits from the backing of a promoter group with a demonstrated track record of value creation. The same promoters have successfully transformed Lloyds Metals into one of India's fastest-growing integrated steel companies and are now replicating a similar playbook at LEWL.

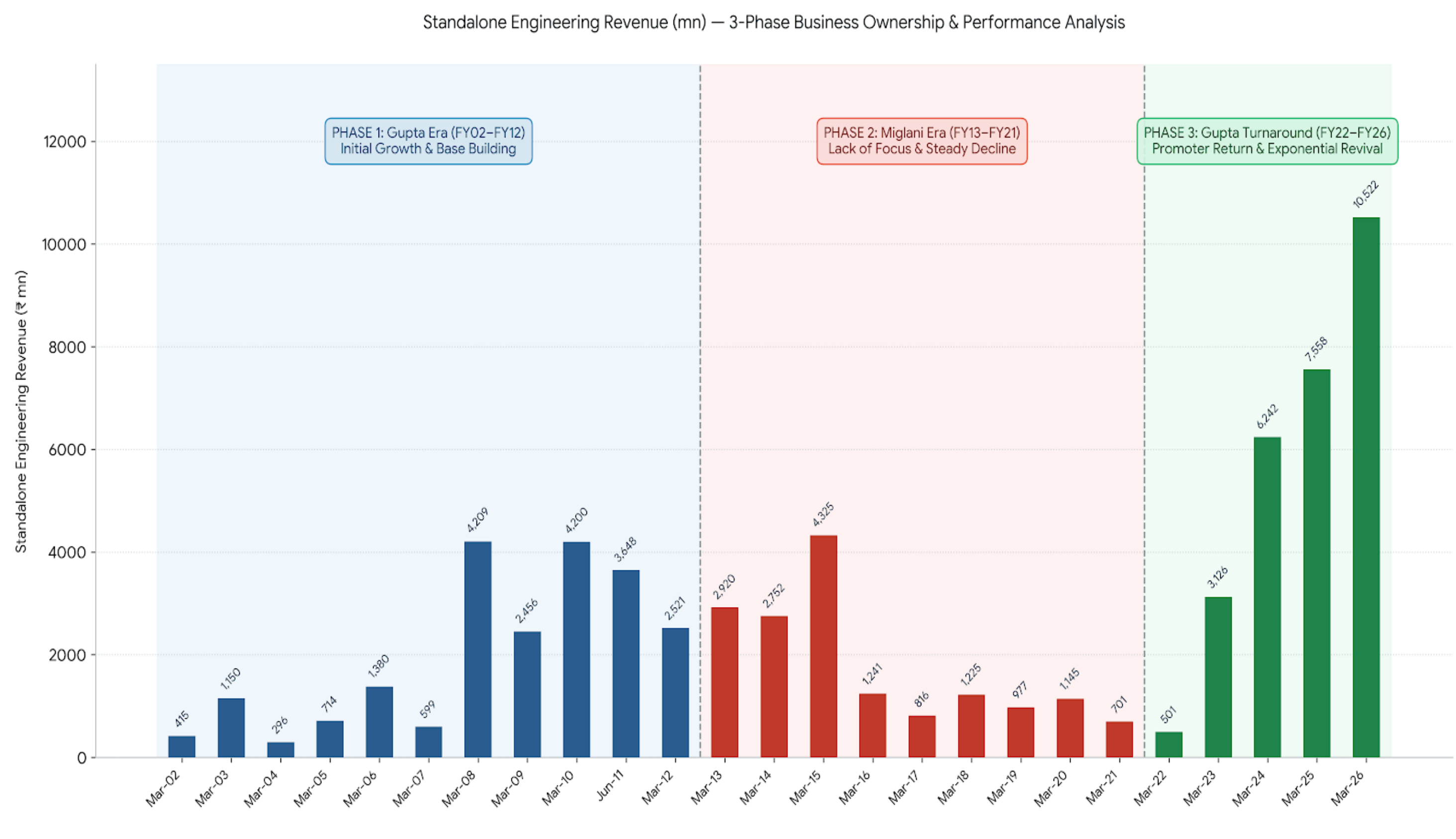
As a result, engineering revenues have grown from 501 mn in FY22 to 10.5 bn in FY26, representing a CAGR of over 110%. We believe this performance is not merely a function of a favorable capex cycle, but evidence of a fundamental transformation underway. With a revitalized management team, significantly expanded manufacturing capabilities, strengthened engineering talent and a growing portfolio of proprietary technologies, LEWL is evolving from a legacy fabrication business into a diversified engineering platform positioned to capitalize on India's multi-year industrial capex opportunity.

Exhibit 1: Chronology of LEWL's evolution across its key phases



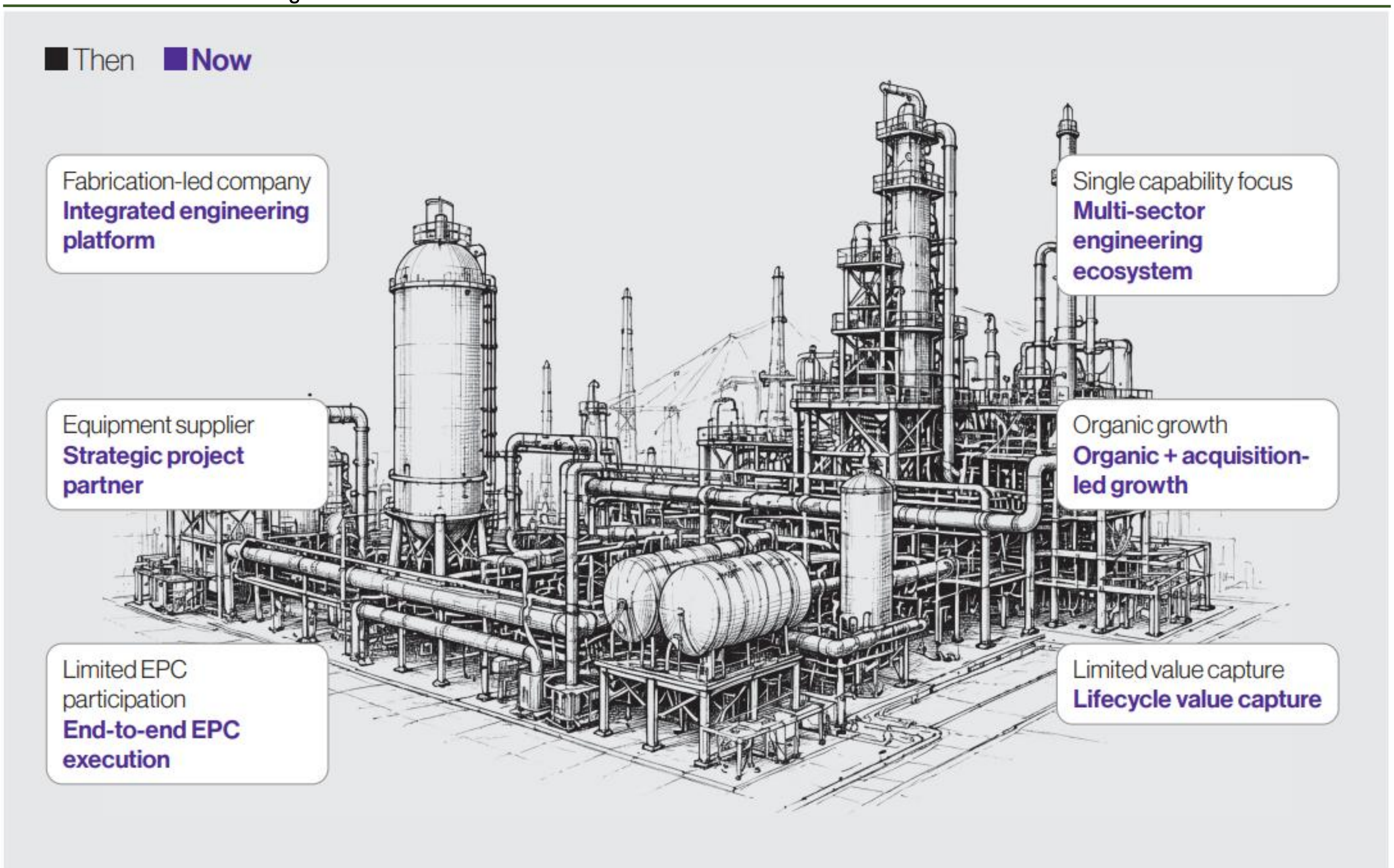
Source: Company, Equirus

Exhibit 2: From Growth to Decline to Revival: LEWL's Three-Phase Evolution



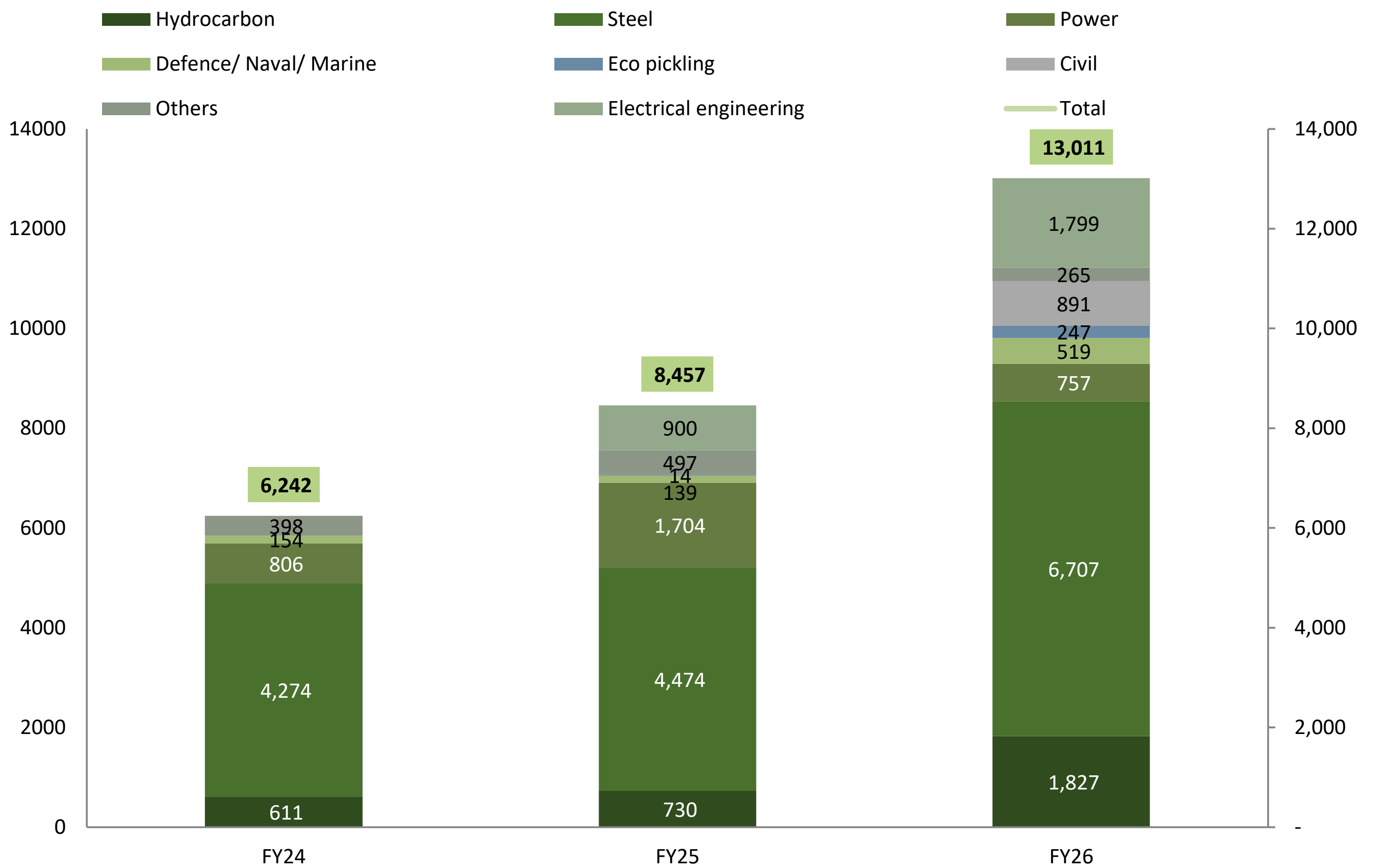
Source: Company, Equirus

Exhibit 3: 5 Years since Change of Control



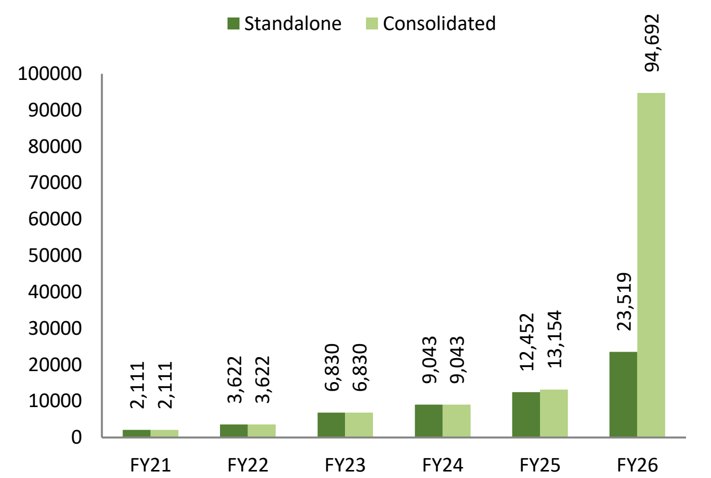
Source: Company, Equirus

Exhibit 4: Sector wise Consolidated Revenue Breakdown



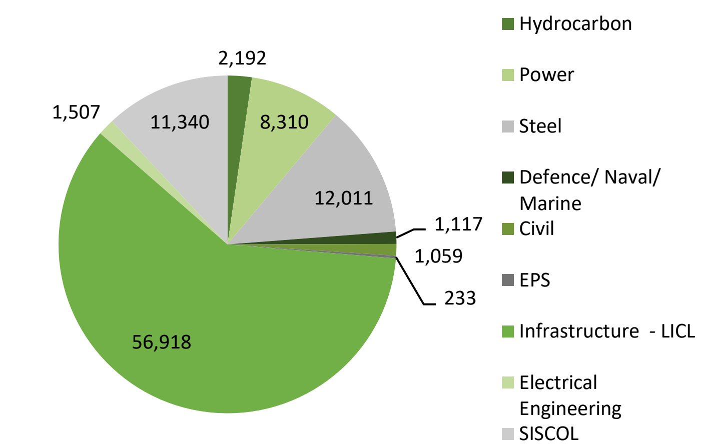
Source: Company data, Equirus

Exhibit 5: Order Book (Rs Mn) trajectory strengthened following the change in control



Source: Company data, Equirus

Exhibit 6: Order Book (Rs Mn) Breakdown (as of Mar'26)



Source: Company data, Equirus

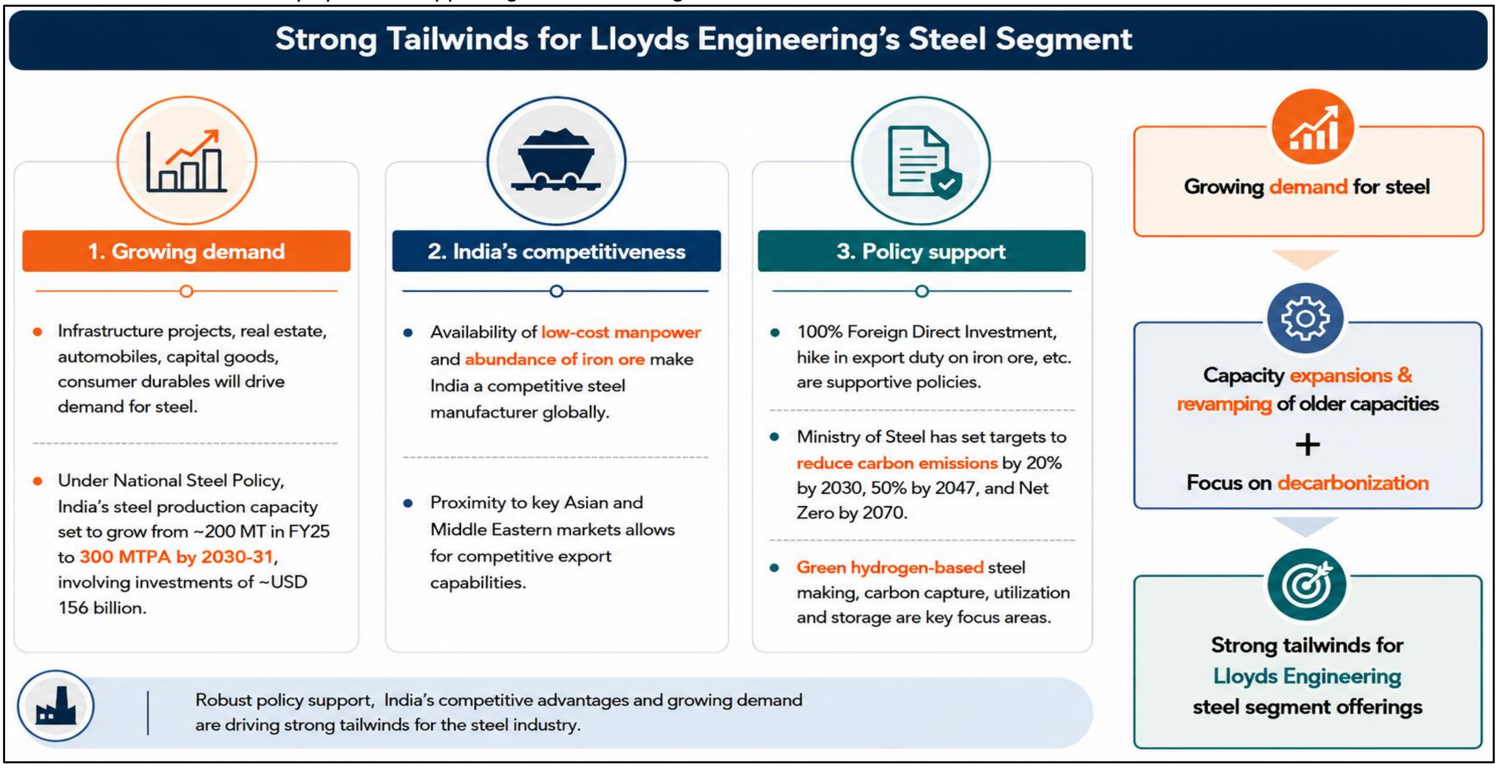
Source: Company, Equirus

Mining-to-Metal: Positioned to capitalize on India's steel capex cycle

We believe LEWL and its associate, Lloyds Infrastructure & Construction Limited (LICL), are uniquely positioned as beneficiaries of India's ongoing steel capex cycle. Together, the two companies are steadily building capabilities across the steel value chain from mineral beneficiation and steel plant equipment to structural fabrication, utilities and EPC execution; creating a differentiated 'Mining-to-Metal' platform that can participate in a meaningful portion of future steel investments.

India's steel industry is entering a multi-year investment phase. The Government of India has articulated a target of achieving 300 MT of steelmaking capacity by FY31, compared to approximately 200 MT currently. Management estimates that every 1 MT of incremental steel capacity requires a minimum investment of ~40 bn, translating into a significant addressable opportunity of LEWL & LICL. Further, India's per-capita steel consumption (~100 kg) remains substantially below the global average (~220 kg), providing structural support for long-term demand growth.

Exhibit 7: Favourable Industry dynamics supporting LEWLs Steel segment



Source: Company, Equirus

LEWL's Mining-to-Metal segment has emerged as the company's largest business vertical, contributing ~64% of standalone revenues in FY26 and ~51% of the standalone order book. Over the last four years, the segment's order book has expanded more than six times from 1,938 mn in FY22 to 1,2011 mn in FY26.

The combined **capabilities of LEWL and LICL** span a significant portion of the steel manufacturing value chain:

The company is also developing biochar production facilities to offer a green substitute for coal in DRI production

During FY26 LEWL manufactured one of the **world's largest Vertical Tower Mills** for iron ore beneficiation applications, marking a significant milestone in indigenous manufacturing capability

- **Mining & Beneficiation:** Tower mills, mineral processing equipment, iron ore grinding plants and beneficiation systems
- **Iron Making:** Equipment for sponge iron and pellet plants including DRI kilns, rotary dryers, gas coolers, ball mills, slurry handling and conveying systems
- **Steel Making:** Steel melting shop equipment, hot and cold rolling mill equipment
- **Utilities:** Waste Heat Recovery Boilers (WHRB), AFBC/CFBC boilers and captive power solutions
- **Infrastructure & EPC:** Pellet plants, Iron ore grinding plant, beneficiation projects, slurry pipelines, material handling systems and associated civil and infrastructure work
- **Engineering Consultancy:** Design and engineering services for steel plants, mining & material handling and energy & infrastructure projects
- **Downstream Processing:** Eco-Pickling Surface (EPS) technology and biochar facilities

The company has established relationships with several marquee **steel and technology players**, including Jindal Steel & Power (JSPL), ArcelorMittal Nippon Steel (AM/NS), SMS Group, Primetals, FLSmidth and Steel Authority of India (SAIL).

A key demand driver over the next five years is expected to be the ongoing expansion at **Lloyds Metals & Energy (LMEL)**, which is undertaking a **420 bn capex program (FY24–FY30)** across mining, beneficiation, pelletization, DRI, wire rods, hot metal, and blast furnace facilities, to be executed in phases as part of its integrated steel plant project. As of FY26, cumulative capex of ~135 bn has been incurred (FY24–FY26). We see LEWL and LICL, based on their current capabilities, can jointly address approximately 20-30% of this capex, although order allocation remains competitive and dependent on technical qualifications. Notably, we expect Lloyds Metals' contribution to gradually decline as a percentage of revenues, with plans to reduce dependence to ~40-50% from 65-70% currently, thereby balancing growth with diversification.

LICL has begun diversifying beyond LMEL-linked projects, securing a 3,500+ mn road EPC project

Beyond conventional equipment, LEWL possesses a potentially transformational technology in **Eco-Pickled Surface (EPS).** Through an exclusive partnership with The Material Works (USA), the company holds exclusive rights to manufacture and supply EPS Gen-4 systems. Unlike traditional pickling lines that utilize hazardous acids, EPS employs a slurry-blast process, resulting in zero hazardous waste, lower operating costs and a significantly smaller footprint.

The economics are compelling. EPS installations are 20-30% cheaper than conventional acid pickling lines and require only ~50 meters of floor space versus 150-200 meters for traditional facilities. Additionally, acid pickling entails significant recurring costs associated with acid handling, disposal and regeneration, with mid-sized processors reportedly incurring annual management expenses. This creates a meaningful retrofit opportunity as steel processors increasingly seek environmentally compliant and cost-efficient alternatives

LEWL had introduced EPS technology in India pursuant to an earlier arrangement in 2023. The expanded agreement enables global deployment, unlocking international and export opportunities

The **market opportunity of EPS** is sizeable. With India could add 100MT of incremental steel capacity over the coming years, of which nearly 20% (~20 MT) would require pickling infrastructure. At an equipment realization of ~30-35 crore per one lakh tonnes of pickling capacity, with economics becoming increasingly attractive at larger scales due to sub-linear cost expansion; this translates into a multi-thousand-crore addressable market. Furthermore, LEWL has inherited an existing international inquiry pipeline and is currently in discussions with 3-4 domestic customers (including one in advanced stages), along with two European and two American customers. We expect LEWL to deliver at least three EPS projects over the next year, providing an important proof point for broader adoption

As per the Right Issue Monitoring Agency Report, the cost of acquisition of Bhilai Engineering Corporation's assets is 1,340 mn

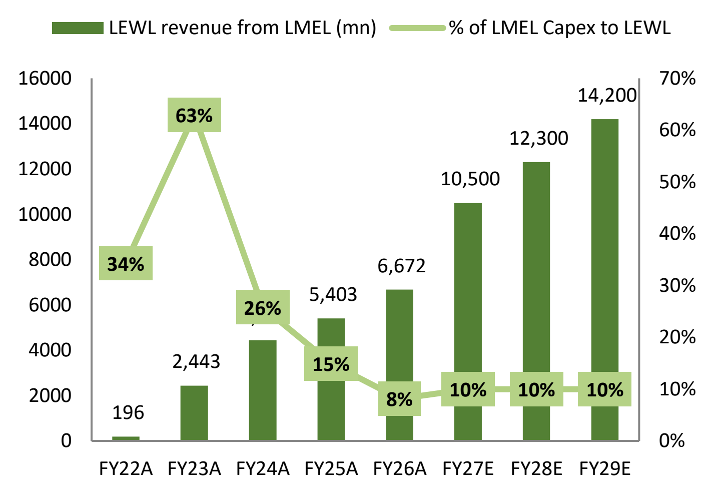
The acquisition of **Bhilai Engineering** Corporation's engineering assets further strengthens LEWL's positioning within the Mining-to-Metal ecosystem. While the transaction is still awaiting formal closure, the company is already operating the facility and consolidating revenues generated from it. This facility can be viewed the as the volume of workspace required to manufacture, assemble and dispatch equipments across steel plant manufacturing value chain.

Strategically located in Bhilai, Chhattisgarh, the facility enhances LEWL's proximity to key steel clusters and expands manufacturing space by approximately 2.4x. Combined with its expertise in metallurgy, mining and heavy engineering, Bhilai significantly improves LEWL's ability to execute larger and more complex steel projects.

Given strong order momentum and full utilisation levels, the Company planned further investments during FY27 to **Double monthly manufacturing capacity**, alongside procurement of advanced equipment such as Vertical Turning Lathes (VTL),rolling machines and CNC cutting systems

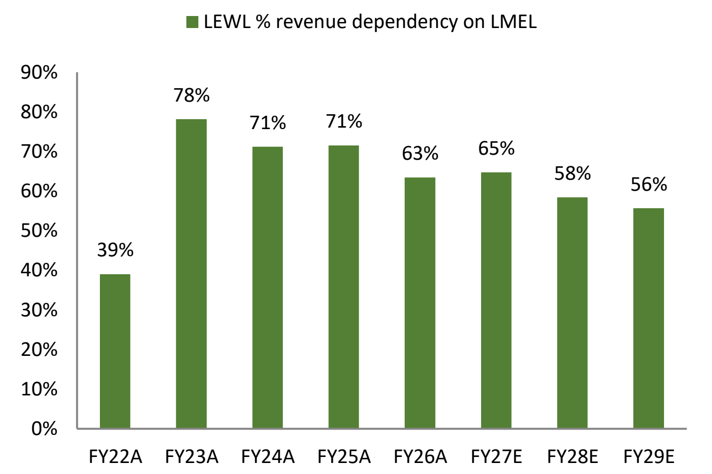
While Lloyds Metals remains a meaningful growth catalyst, we view LEWL and LICL's investment proposition as broader than a single-customer story. The companies are progressively evolving into engineering proxies on India's steel capex cycle, with capabilities spanning equipment manufacturing, EPC execution, infrastructure development and proprietary technologies. As India's steel industry embarks on a decade-long expansion journey, we believe LEWL's integrated Mining-to-Metal platform places it in a favorable position to capture an increasing share of the value chain.

Exhibit 8: LEWL (Standalone) well positioned to benefit from LMEL's ongoing capex cycle



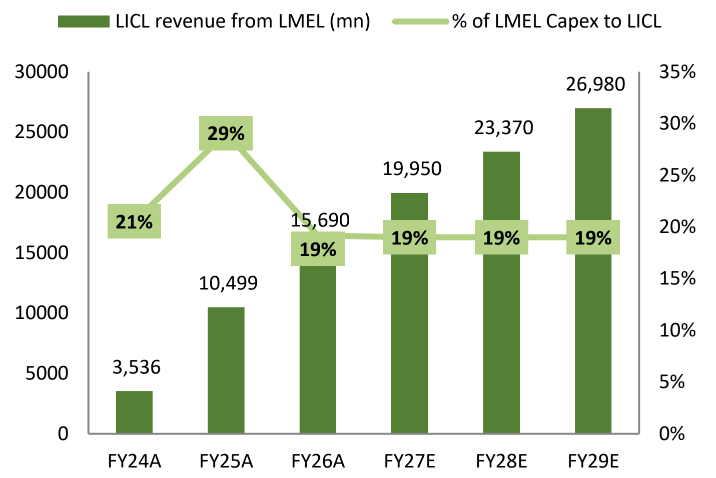
Source: Company data, Equirus

Exhibit 9: Standalone LEWL's revenue dependence on LMEL expected to moderate over time



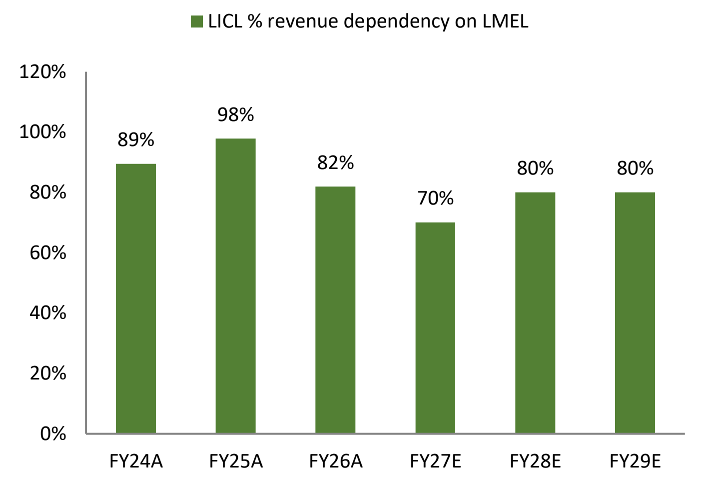
Source: Company data, Equirus

Exhibit 10: LICL is also well positioned to benefit from LMEL's expansion plans



Source: Company data, Equirus

Exhibit 11: LICL's revenue dependence on LMEL likely to remain elevated



Source: Company data, Equirus

Reviving legacy energy businesses: Power and Hydrocarbon segments emerging as additional growth drivers

Beyond Mining-to-Metal, Lloyds Engineering is simultaneously reviving two legacy businesses: **Power and Hydrocarbons**, which historically formed an integral part of the company's engineering portfolio. During the Gupta-led era, LEWL had established capabilities across boilers, captive power plants and process equipment. However, these businesses witnessed limited traction during FY15-FY21 due to a lack of management focus. Following the return of the original promoters in 2021, the company has undertaken significant investments in talent, manufacturing capabilities and engineering expertise to re-enter these high-value segments.

The Power segment is one of LEWL's oldest engineering verticals, with established capabilities across Waste Heat Recovery Boilers (WHRB), Atmospheric Fluidized Bed Combustion (AFBC) boilers, Circulating Fluidized Bed Combustion (CFBC) boilers, condensers and feed water heaters. These products are critical components across steel, cement, power generation and industrial facilities, providing opportunities to participate in both greenfield and brownfield expansion projects.

Importantly, management has rebuilt dedicated engineering teams, including senior designers and boiler specialists, to revive this technically intensive business. This has enabled LEWL to successfully re-enter a segment that had remained largely dormant under previous ownership. **The company has order book worth ~5,994 mn on Mar-26, demonstrating early success in rebuilding customer confidence and execution capabilities.**

Management has articulated an ambitious vision for the segment, **targeting Lloyds Engineering to become one of India's top three specialized boiler engineering solution providers** over the foreseeable future. To achieve this, the company is pursuing a multi-pronged strategy encompassing domestic expansion, international opportunities and participation in the growing retrofit market. Notably, LEWL has submitted multiple proposals for overseas projects, underscoring management's confidence in the competitiveness of its engineering capabilities.

In addition to greenfield opportunities, LEWL is targeting the sizeable retrofit market, wherein aging industrial boilers are upgraded to improve efficiency, emissions and operating performance rather than being replaced entirely. Given the increasing focus on sustainability and energy efficiency across industries, management believes boiler retrofits could emerge as a meaningful source of recurring business over time.

The segment also benefits from strong synergies with LEWL's broader Mining-to-Metal business. Integrated steel facilities increasingly require captive power generation, waste heat recovery and energy-efficient systems as part of their operations. Consequently, the company is well positioned to leverage its existing customer relationships and engineering expertise to capture a larger share of project value.

We believe the long-term opportunity remains attractive. India's growing power demand, rising industrialization and increasing focus on energy efficiency are expected to drive investments across captive power and waste heat recovery systems over the coming decade. Further, LEWL is actively bidding for projects in the cement sector, expanding its addressable market beyond steel and industrial applications. Management anticipates significant growth in the Power segment over the next two to three years, supported by successful execution of the 30 MW power project for a steel-based industrial complex at Ghugus, Maharashtra, one of the most complex integrated power projects in the Company's existence, which is expected to strengthen market confidence and serve as a catalyst for additional order inflows.

Alongside Power, LEWL has also rebuilt its Hydrocarbon business, which caters to the refining, petrochemical, industrial gas and oil & gas sectors. The company manufactures a wide range of critical process equipment, including pressure vessels, heat exchangers, columns, mounded storage vessels, industrial dryers and fire water tanks. These products typically involve stringent technical specifications and long qualification cycles, creating meaningful entry barriers and limiting the number of credible suppliers.

Over the years, LEWL has developed relationships with several marquee customers, including Reliance Industries, ONGC, IOCL, Nayara Energy, HMEL, Deepak Chemtech, INOX Air Products, BCPL, TN Petro and MDS Canada. Additionally, the company has executed projects alongside leading engineering and technology companies such as Engineers India Limited (EIL), SMS Group and Primetals, reinforcing its credentials in delivering complex engineering solutions.

The Hydrocarbon segment is expected to benefit from favorable industry tailwinds over the coming decade. India aims to increase its refining capacity from ~266.5 MMTPA to ~450 MMTPA by 2030, while domestic oil demand is projected to nearly double to approximately 11 million barrels per day by 2045. Furthermore, Government has recently articulated ambitions of attracting **$100 billion of investments** across the oil and gas sector by 2030, significantly expanding the demand for specialized engineering equipment and infrastructure services. As India continues its rapid industrialization journey, investments across refining, petrochemicals and industrial gases are expected to remain robust, providing steady year-round revenue opportunities for suppliers of critical process equipment.

Formal qualification processes with ADNOC, Saudi Aramco and Qatar Energy, alongside active RFQs from Iraq, Algeria and Qatar, enhanced the Company's positioning for future export opportunities

LEWL has also initiated export operations within the Hydrocarbon segment and is witnessing a steady increase in inquiries from international markets. **Management remains optimistic regarding the outlook for the business, supported by a healthy project pipeline over the next two to three years.** Combined with enhanced engineering capabilities, digital transformation initiatives and an increasing export focus, the company appears well positioned to capitalize on both domestic and international opportunities.

Collectively, the Power and Hydrocarbon businesses represent management's broader strategy of monetizing legacy engineering capabilities that remained underutilized for nearly a decade. While these segments are currently smaller than the Mining-to-Metal business, they benefit from attractive industry tailwinds, higher technical barriers to entry and established customer relationships. As India's investments across power generation, refining and industrial infrastructure continue to accelerate, we believe these revived energy businesses could emerge as meaningful contributors to LEWL's next phase of growth.

Building a high-entry barrier Defence franchise: Positioned to benefit from India's naval modernization and indigenization push

Defence represents one of Lloyds Engineering's most promising emerging business verticals and exemplifies management's strategy of building niche businesses characterized by high entry barriers, limited competition and attractive lifecycle economics. While the segment remains a relatively small contributor to current revenues, we believe it has the potential to emerge as a meaningful growth driver over the medium term, supported by India's naval modernization program, increasing indigenization initiatives and a series of strategic global technology partnerships.

Unlike several new entrants pursuing broad-based defence opportunities, LEWL has adopted a focused strategy centered on **specialized naval equipment**, a domain where the company possesses over 35 years of engineering experience. The business requires deep expertise in marine engineering and product development capabilities that can withstand harsh maritime environments, including high salinity, corrosion, shock, vibration and dynamic sea conditions. These technical requirements, coupled with stringent qualification standards and long approval cycles, create significant barriers to entry and limit the number of credible domestic suppliers.

LEWL's legacy in naval engineering is well established. The company has supplied critical equipment to over 116 Indian Navy vessels and has successfully executed projects across multiple classes of warships and Coast Guard platforms. Its current product portfolio comprises **Steering Gear Systems and Fin Stabilizers:** two mission-critical components used extensively across naval vessels.

These capabilities have enabled LEWL to establish itself as one of only three domestic suppliers of such equipment, with company operates at the largest scale amongst its peers. Today, LEWL derives an addressable value of approximately **80-100 mn per ship** through its existing portfolio, with Steering Gear Systems and Fin Stabilizers each contributing roughly **30-40 mn** depending on vessel size and complexity.

Importantly, the opportunity extends well beyond initial equipment sales. Naval assets typically have operating lives of 20-30 years and require **periodic maintenance, refurbishment and replacement of critical components**. LEWL currently maintains dedicated teams across naval bases to undertake refurbishment and maintenance activities, converting one-time deliveries into annuity-like revenue streams. Management estimates that lifecycle revenues through spares, servicing and refurbishment could potentially be as much as **five times the original equipment value**, making the segment structurally attractive from both a profitability and cash flow perspective.

The broader **industry backdrop** remains highly favorable. India's naval sector has entered an inflection point, supported by increasing geopolitical considerations and the government's emphasis on indigenous defence manufacturing. The Indian Navy currently operates a fleet of approximately 150 ships and submarines and has articulated a long-term vision of becoming a 200+ ship maritime force by 2035. Further, the Indian Coast Guard is also undertaking fleet expansion, providing an additional avenue for marine engineering opportunities. Including the Indian Coast Guard, management estimates that the combined fleet size could reach nearly 400 vessels over the next decade, creating a significant opportunity for domestic engineering and equipment suppliers.

This expansion is supported by **substantial government investments**. The Indian Navy has already announced orders for 68 warships and vessels valued at approximately 2 lakh crore, while contracts for Next Generation Offshore Patrol Vessels and Next Generation Missile Vessels alone account for nearly 19,600 crore. Furthermore, India's Budget 2026-27 defence outlay of 7.85 lakh crore and continued emphasis on 'Atmanirbhar Bharat' are expected to drive increased localization across the naval ecosystem.

Against this backdrop, LEWL has undertaken a significant strategic transformation, **evolving from a mechanical equipment supplier into a multi-domain (Air + Sea + Sensors)** defence engineering company spanning naval systems, unmanned systems, sensors and underwater technologies. Central to this strategy is the company's growing portfolio of international **technology partnerships.**

Core focus areas:

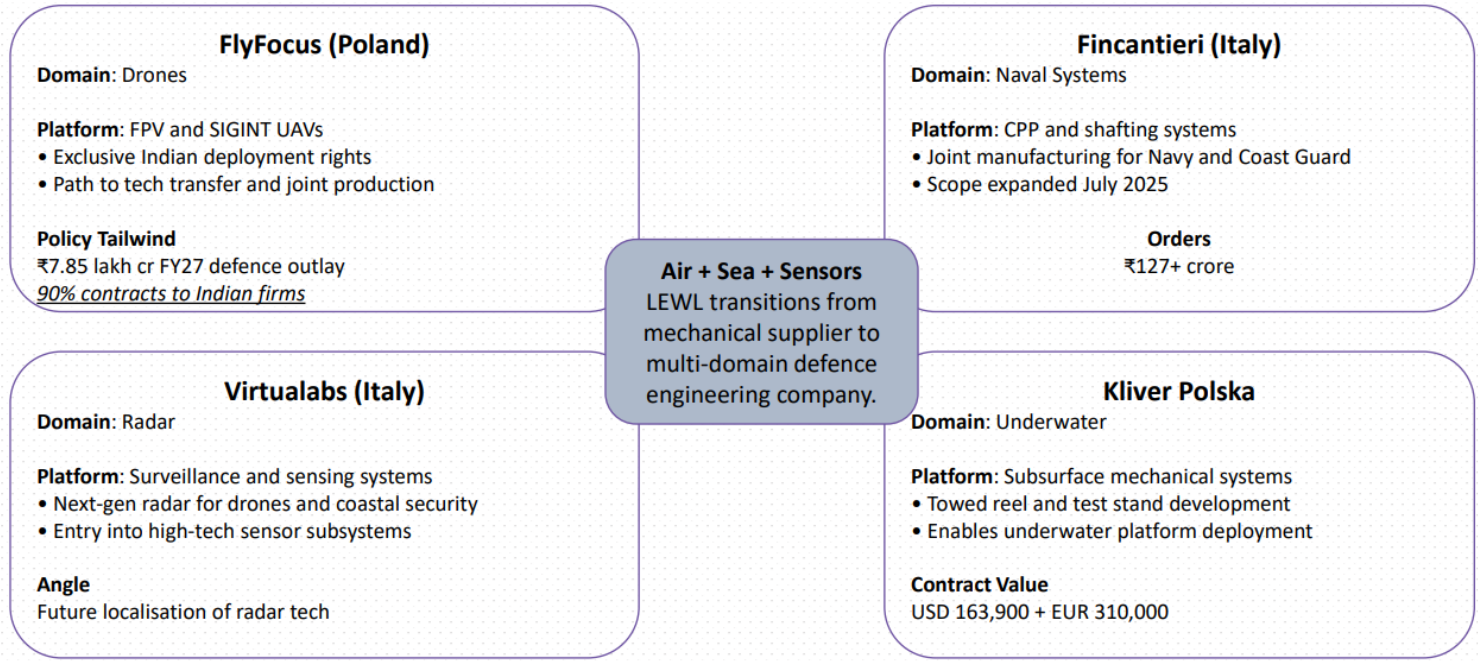
- Naval systems (steering gears, fin stabilizers),
- Marine technologies (propulsion, hydraulic & automation systems),
- Aerospace platforms (airborne defence, surveillance & unmanned systems), and
- Strategic defence systems (underwater weapons support, anti-drone and defence electronics)

- **Fincantieri S.p.A. (Italy):** LEWL entered into a strategic partnership with Fincantieri S.p.A., one of the world's leading shipbuilders with over 230 years of operating history and more than 7,000 ships constructed globally. The partnership, announced in November 2024 and subsequently expanded in July 2025, focuses on the joint manufacturing of advanced naval systems for the Indian Navy and Coast Guard. Initially centered around naval self-defence systems, the collaboration has since expanded to include **Controllable Pitch Propeller (CPP) systems and Shafting Systems**, critical propulsion components that are currently imported into India. Management believes LEWL will be among the first domestic manufacturers of CPP and Shafting Systems, significantly enhancing its strategic relevance within India's naval supply chain. The commercial implications are substantial. With the addition of CPP and shafting systems, LEWL's addressable opportunity per ship is expected to increase from approximately **80-100 mn currently to nearly 400-500 mn**. Applied across the expected fleet additions over the coming decade, we estimates a standalone addressable market of nearly 200 bn for naval equipment.
- **FlyFocus Sp. z.o.o. (Poland):** Through its collaboration with FlyFocus Sp. z o.o. (Poland), the company is developing advanced First Person View **(FPV) drones**, Defender **SIGINT UAVs** for electronic surveillance applications and Unmanned Aerial Systems **(UAS)**. Importantly, LEWL holds

exclusive rights to adapt and deploy FlyFocus's FPV systems within India, with the partnership expected to evolve into a full technology transfer and localized manufacturing program over time.

- **Virtualabs (Italy):** LEWL has partnered with Virtualabs (Italy) to develop next-generation **radar technologies** for drone and coastal security applications, providing an entry point into high-value sensor systems.
- **Kliver Polska (Poland):** The company has entered into a collaboration with Kliver Polska for **underwater systems**, including towed reel and test stand development for subsurface platform deployment.

Exhibit 12: Creating a niche in underpenetrated sector through 'Defence Tie-ups'



Source: Company, Equirus

LEWL is also **evaluating additional collaborations with European defence** technology providers to introduce specialised, high-impact systems including aerospace subsystems, electronic warfare payloads, and tactical mobility solutions into India's growing defence manufacturing ecosystem

Collectively, the company currently has **10-12 products under development** across naval, drone and aerospace applications. At present, most of these initiatives remain in the prototype, qualification or approval stages.

Defence procurement is characterized by extensive qualification requirements, vendor registrations and product approvals. For instance, products under the Fincantieri partnership are currently undergoing registration with the Indian Navy, Coast Guard and major shipyards & approvals are in their final stages.

Encouragingly, LEWL has already begun participating in tenders and quotations across several naval programs. The company secured orders worth from Garden Reach Shipbuilders & Engineers, Goa Shipyard and Mazagon Dock. **As a result, the Defence order book has increased materially from just 74 mn in FY22 to over 1,440 mn in FY26** along with a strong medium term business pipeline across naval and aerospace systems.

The naval systems division maintained a two-year sales pipeline visibility of approximately ~19 bn , with order inflows estimated at approximately 3 bn. The Aerospace and Strategic Systems Division witnessed strong business development momentum supported by strategic partnerships, indigenous capability development initiatives and participation in emerging defence and aerospace programmes. **The Division maintained a sales visibility of approximately 60 bn over the next three years, with projected order inflows estimated at around 20 bn.**

From a profitability standpoint, initial equipment margins typically range between 15-35%, depending on competitive intensity and tender dynamics. However, margins are expected to improve over time as LEWL builds scale, localizes components and increases in-house R&D capabilities. More importantly, the aftermarket opportunity through spares, maintenance and refurbishment carries significantly higher margins, providing an attractive recurring revenue stream over the life of naval assets.

In our view, LEWL's Defence strategy embodies management's broader philosophy of targeting niche engineering markets with high barriers to entry and strong policy tailwinds. Supported by India's naval modernization program, increasing indigenization efforts and strategic global partnerships, the company appears well positioned to become a meaningful participant in the country's evolving defence ecosystem. As qualification cycles conclude and order inflows begin to accelerate, we believe the Defence segment could emerge as one of LEWL's most valuable long-term growth engines.

Strategic Acquisitions expanding addressable markets and building an integrated engineering platform

Over the last two years, Lloyds Engineering Works Ltd. (LEWL) has undertaken an aggressive inorganic expansion strategy aimed at transforming itself from a niche engineering company into a diversified engineering and infrastructure platform.

Management's **acquisition philosophy** is centered around three pillars: (i) adding complementary capabilities & broadening product portfolio, (ii) expanding manufacturing capacity and workspace, and (iii) enabling participation in larger EPC and infrastructure opportunities. Consequently, LEWL has evolved from a process equipment manufacturer into a multi-disciplinary engineering company with exposure across heavy engineering, structural fabrication, infrastructure EPC, elevators, motors, defence and marine engineering.

SISCOL: Entry into Structural Steel Fabrication

LEWL, Lloyds enterprises (LEL) and Streamland Estate LLP will collectively acquire ~88.1% stake in SISCOL, implying an equity valuation of ~12.2 bn. LEWL will acquire a 52.16% stake for ~6.35 bn (cash + share swap), while LEL and Streamland Estate LLP will each acquire a 17.98% stake for 2.19 bn in cash

The acquisition of SISCOL represents the largest strategic acquisition undertaken by LEWL to date. SISCOL is a leading structural steel fabrication company with an established execution track record of nearly 200 projects, including marquee developments such as Delhi Airport, Noida International Airport and major sports infrastructure projects.

The company provides end-to-end structural steel solutions spanning design, engineering, fabrication and on-site installation, serving customers across infrastructure, industrial and energy sectors. SISCOL operates six manufacturing facilities with aggregate fabrication capacity of ~100,000 MT per annum and possesses in-house engineering capabilities through four Centers of Excellence across Bengaluru, Chennai, Hyderabad and Bhilai. It is further supported by a **land bank of ~25 acres**, providing ample room for future expansion.

SISCOL portfolio includes marquee projects such as Delhi Airport Terminal 1, Noida International Airport, Dwarka Convention Centre, International Hockey Stadium (Rourkela), International Tech Park (Bengaluru), railway and road bridges

Importantly, SISCOL brings longstanding relationships with leading **EPC and infrastructure players**, including L&T, Shapoorji Pallonji, Tata Projects, Adani Group entities, KEC International, Jindal Stainless and DP World. Strategically, the acquisition provides LEWL with exposure to structural fabrication across: Infrastructure projects, Industrial structures, Energy infrastructure, Commercial real estate and Transportation assets (airports, ports and stadiums).

We believes structural fabrication is likely to witness secular growth as a preferred construction methodology. Compared to conventional construction, structural steel reduces cement consumption, shortens project timelines and lowers pollution. Further, in premium commercial markets such as Mumbai, Bengaluru, Hyderabad, Delhi and Ahmedabad; the incremental cost of structural steel construction can be recovered within a few months through faster occupancy, making it increasingly attractive for developers. The acquisition also positions LEWL to capitalize on India's anticipated investment cycle across airports, ports, logistics parks and sporting infrastructure over the next decade.

Metalfab Hightech: Strengthening Heavy Fabrication capabilities

Complementing SISCOL is the acquisition of Metalfab Hightech, a specialist in heavy steel fabrication. Metalfab operates a 24,000 MT per annum fabrication facility in Nagpur spread across 16 acres and enhances LEWL's capabilities in manufacturing large and complex fabricated structures.

Acquired 76.0% stake in Metalfab Hightech in May 2025 for 284.1 mn

Financially, SISCOL reported revenues of ~8,150 mn with an order book of approximately ~11,340 mn. Historically, the company accepted lower-margin projects due to balance sheet constraints. However, under LEWL's ownership and stronger capital backing, management intends to become increasingly selective and focus on higher-quality opportunities. Combined with Metalfab, the structural fabrication business produced ~70,000-80,000 MT in FY26, with target of ~200,000 MT over the next 2-3 years through improved utilization, incremental assets and additional investments. At full utilization, we believe the structural fabrication platform could generate revenues of **25,000-30,000 mn.** Combined, SISCOL and Metalfab provide LEWL with meaningful fabrication capacity and establish structural steel as a key growth vertical.

Techno Industries: Diversifying into Electrical Engineering and Vertical Mobility

While SISCOL and Metalfab strengthen LEWL's industrial capabilities, the acquisition of Techno Industries Private Limited (TIPL) provides diversification into electrical engineering and vertical mobility. The acquisition was undertaken with three objectives:

- Diversify LEWL's product portfolio
- Establish a presence in electrical and mechanical engineering markets
- Create an entry point into the B2C segment

Acquired 100% stake in Techno Industries in phases between Jul'24 and Dec'25 for a total consideration of 2,227 mn

Techno operates one of Gujarat's largest integrated manufacturing facilities for elevators, motors and pumps, with an estimated ~16% share of the state's elevator market. The company operates across two key verticals:

- **Vertical Mobility:** Elevators, escalators, parking lifts and automated parking systems
- **Power & Fluid Handling:** Motors, pumps and energy-efficient pumping systems

Exhibit 13: Brief Product profile across Techno's verticals

	Elevators	Motors & Pump Division
Products & Services offered	Passenger Lifts	Fire Fighting Pumps
	Industrial Elevators	Solar Pumps
	Kits	Submersible Pumps
	AMC Services	Induction Motors
Key customers Served	Offerings for commercial and residential Setups	Fire Fighting Motors to Reputed Clients
	High Tonnage Elevators for Industrial Setup	Long-term contract with leading engine manufacturers to supply general-purpose motors
	Kits being sold outright to 3rd party vendors	Vast clientele, with existing empanelled clients for pumps
	AMC services for lifts and escalators	
Key Strengths: Diversified Product Mix, wide existing Empanelment, Recurring AMC revenues, High installed base of Motors, pumps and elevators.		

Source: Company, Equirus

The company's scale is noteworthy. Over its operating history, TIPL has manufactured more than 800,000 induction motors and over 11.5 million pumps, while establishing an installed base of more than 21,000 elevators across India. Its capabilities span the entire product lifecycle from design and manufacturing to supply, installation and turnkey execution. Products cater to residential, commercial, industrial and public infrastructure applications.

Elevators and escalators currently contribute approximately 90% of revenues, while motors and pumps account for the remaining 10%. However, latter represents the high growth opportunity and its contribution to increase nearly 30% over time. In particular, LEWL is investing aggressively in High-Tension (HT) motors up to 3.5 MW, a segment currently dominated by a handful of players such as Siemens and Bharat Bijlee. The company believes that superior lead times, competitive pricing and internal consumption opportunities could enable it to gain market share over the medium term.

During FY26, the company secured RDSO approval for elevators and, post year-end, for escalators, expanding its addressable opportunity in Indian Railways and metro infrastructure projects

The **market opportunity** is substantial. Management estimates the Indian elevator and escalator market opportunity is ~165 bn in FY26, driven by rapid urbanization, commercial real estate development and public infrastructure investments. In addition to new installations, the industry also benefits from modernization and maintenance opportunities across the installed base. India's ongoing railway station redevelopment and metro rail expansion programs provide meaningful demand tailwinds. Under the Amrit Bharat Station Scheme, more than 1,300 railway stations are being redeveloped, while metro networks continue to expand across major cities. Larger railway and metro stations typically require multiple elevators and escalators, representing a sizeable opportunity for vertical mobility infrastructure providers. Elevator and escalator systems could account for investments of approximately 30-50 mn per railway station and 80-100 mn per metro station, depending on station specifications and passenger capacity

Average pricing: Elevators (~15–20 lakh/unit); escalators (~60 lakh/unit)

LEWL also sees meaningful **export opportunities** for Techno's products. Management highlighted that products supplied to North America are largely identical to domestic offerings, albeit with significantly higher realizations, potentially up to three times domestic levels. Future export markets include the United States, Middle east and Africa, particularly in refurbishment and replacement markets.

The company is also strengthening its nationwide footprint through new branches and dealer additions, enabling deeper penetration into residential and commercial markets. Over time, we expects recurring revenues from Annual Maintenance Contracts (AMCs), spare parts and modernization services to become an increasingly important contributor to profitability.

Initiated capacity expansion, including a larger elevator & escalator facility, LT motor expansion, and a proposed dedicated HT motor manufacturing facility

Under LEWL's ownership, Techno is transitioning toward more sophisticated and higher-margin manufacturing. **Production capacity is being expanded from approximately 3,000 units to 5,000 units annually, supported by planned capex of ~300 mn over the next three years**. Additionally, Techno serves as a manufacturing partner for Kirloskar in the low-tension motor segment. Institutional registrations are already in place with NTPC & BHEL for motors in the 100-500 kW category, opening access to government and industrial projects.

Financially, Techno is targeting revenue growth of **30-40% CAGR over the medium term**. While margins currently remain in the single digits, we believes a richer mix of services, exports and HT motors could drive EBITDA margins toward 12-15% over the next few years. Following a period of organizational stabilization, certification approvals and capacity expansion, management expects the business to exceed 2,500 mn in revenues in the near term and has articulated aspiration of building a 5,000 mn electrical engineering franchise over the next 3-4 years.

<u>Investment Implications:</u>

Collectively, LEWL's acquisitions are materially expanding the company's addressable market. Historically, the company was predominantly focused on heavy engineering and process equipment. Today, it has established exposure across: Heavy engineering, Structural steel fabrication, Infrastructure EPC, Elevators & escalators, Motors & pumps and Defence and marine engineering

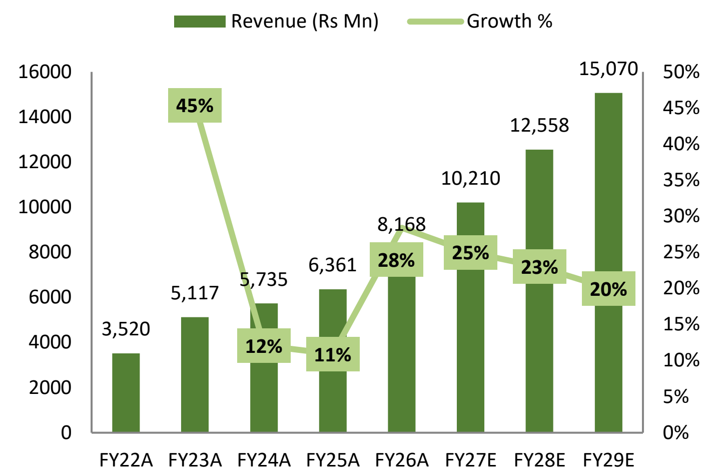
Each business vertical has a dedicated team and leadership (P&L ownership); separate teams for marketing and execution per segment

We believe LEWL's inorganic expansion strategy provides three key advantages:

- Accelerates capability building that would otherwise require years of organic investment
- Enables participation in larger, multi-disciplinary projects by combining engineering, fabrication and EPC expertise
- Creates a diversified business model with multiple growth drivers across sectors

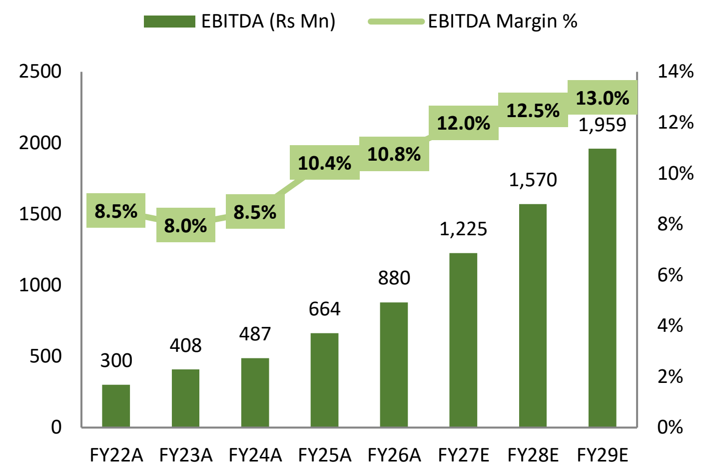
As India enters a prolonged industrial and infrastructure capex cycle, LEWL's broadened product portfolio and integrated engineering capabilities position the company favorably to capture opportunities across both private and public sector investments. In our view, LEWL's recent acquisitions are not merely incremental additions to revenue but strategic building blocks in management's vision of creating a scaled, diversified engineering platform.

Exhibit 14: SISCOL: Revenue Performance and Growth



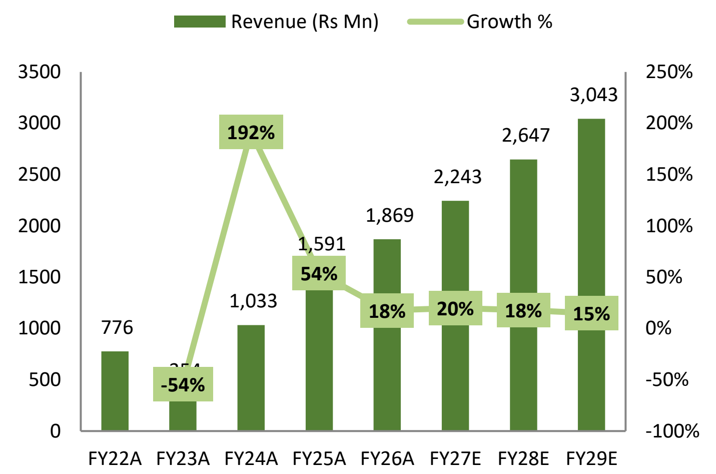
Source: Company data, Equirus

Exhibit 15: SISCOL: EBITDA and Margin profile



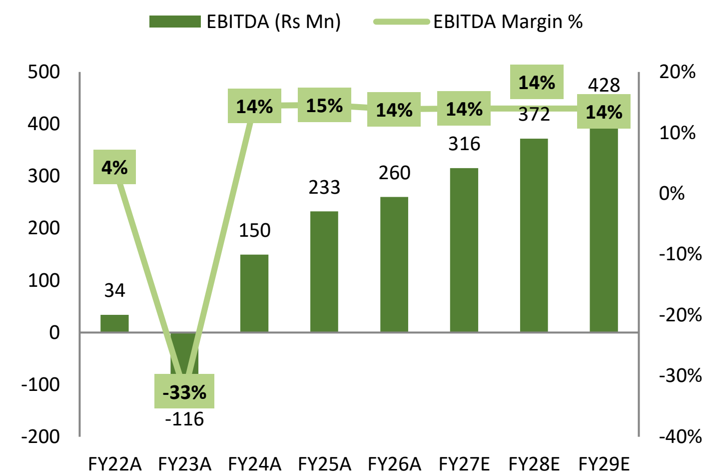
Source: Company data, Equirus

Exhibit 16: Metalfab Hightech: Revenue Performance and Growth



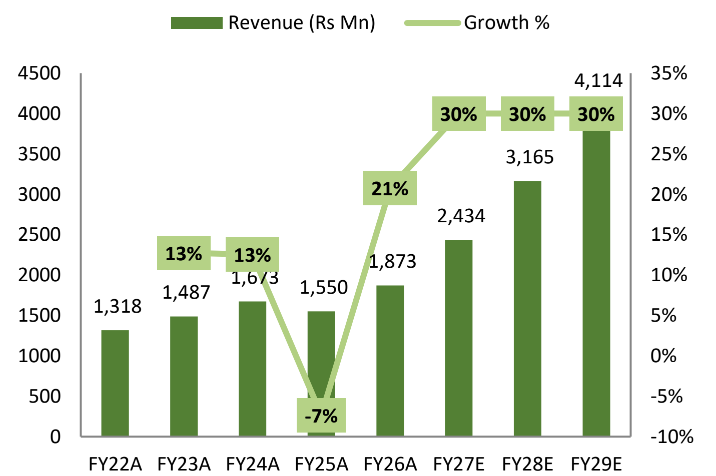
Source: Company data, Equirus

Exhibit 17: Metalfab Hightech: EBITDA and Margin profile



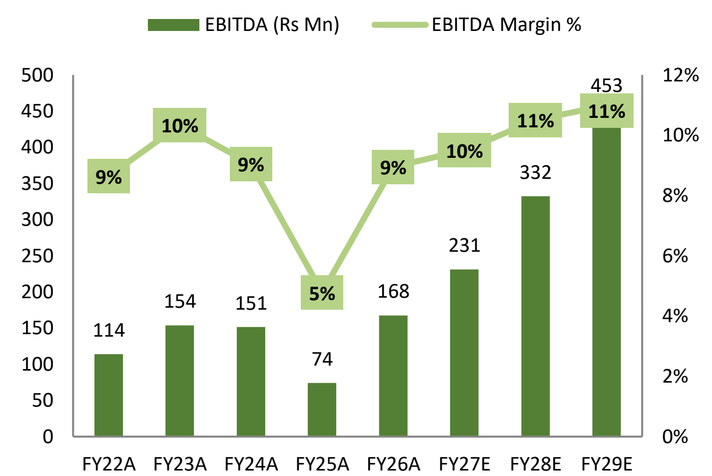
Source: Company data, Equirus

Exhibit 18: Techno Industries: Revenue Performance and Growth



Source: Company data, Equirus

Exhibit 19: Techno Industries: EBITDA and Margin profile



Source: Company data, Equirus

Merger to create a vertically integrated engineering platform: Expanding value capture from Concept to Commissioning

We believe the proposed merger of Lloyds Infrastructure & Construction (LICL), Metalfab Hightech and Techno Industries into LEWL represents one of the significant milestones in the company's history. While the acquisitions themselves broadened LEWL's capabilities, the merger is expected to unlock the true value of these businesses by bringing the entire engineering value chain under a single balance sheet.

Historically, LEWL operated largely as a manufacturer of specialized equipment. Post-merger, the company will transition into a fully integrated engineering and infrastructure platform spanning design, manufacturing, structural fabrication, EPC execution and lifecycle services. In essence, management is attempting to build a 'concept-to-commissioning' business model, wherein the company can participate across every stage of a customer's capital expenditure cycle.

The valuation for the merger has been pegged as:

- Lloyds Infra (LICL): Valued at 28,490 mn
- Metalfab: Valued at 3,170 mn

The merger, approved by the Board in December 2025, proposes the absorption of Lloyds Infrastructure & Construction Limited (LICL), Metalfab Hightech and Techno Industries into LEWL. Under the approved scheme, LICL's minority shareholders will receive 1,798 LEWL shares for every 1,500 LICL shares held, while minority shareholders of Metalfab will receive 94 LEWL shares for every five shares held. Upon completion, LEWL will issue approximately 38.1 crore new shares, taking its total share capital to ~1,932 mn shares. **Importantly, the proposed merger is EPS accretive** for LEWL despite the equity dilution arising from the share issuance. Refer to Exhibit 21 for a comparison of LEWL's EPS under the existing and pro-forma merged structures.

At its core, the merger combines three complementary capabilities:

- **Design:** LICL's engineering consulting and project planning capabilities
- **Manufacturing:** LEWL's heavy engineering & equipment manufacturing expertise and Techno's electromechanical offerings
- **Execution:** LICL's EPC capabilities, supplemented by SISCOL's & Metalfab's structural fabrication platform

The result is a single entity capable of executing projects from initial engineering design through manufacturing, installation and final commissioning. Rather than participating in only one part of the value chain, the company aims to capture margins across every stage of the process. In LEWL's case, this translates into monetizing design margins, manufacturing margins and EPC margins under one balance sheet, materially widening the company's value capture window.

This integrated approach significantly enhances LEWL's competitive positioning. Historically, a steel plant developer or infrastructure customer would separately appoint engineering consultants, equipment suppliers, structural fabricators and EPC contractors. Going forward, LEWL intends to offer a single integrated solution.

For example, a **large steel project** could involve Engineering and plant design through LICL, Process equipment supplied by LEWL, Structural fabrication through SISCOL and Metalfab, Civil and infrastructure execution through LICL, Motors, pumps and elevators through Techno and Final commissioning and lifecycle maintenance through the combined platform. We believe this integrated capability could allow LEWL to address nearly 20-30% of the capital cost of a typical million-ton steel plant, materially increasing wallet share and reducing dependence on third-party contractors.

The implications extend **beyond the industrial segment**. In commercial real estate and infrastructure projects, LEWL now possesses capabilities spanning the entire construction lifecycle. Civil infrastructure is supported through LICL, structural steel requirements through SISCOL and Metalfab, while elevators and escalators are supplied by Techno Industries.

Importantly, the merger also enhances the company's ability to **bid for larger and more complex projects**. Individually, several of these businesses lacked the balance sheet strength, technical credentials or execution capabilities required to pursue large multidisciplinary opportunities. Combined, the group can now participate in larger infrastructure contracts.

The financial impact of the merger is equally compelling. Refer to Exhibit 21 for a comparison of LEWL's current financials and the pro-forma financial profile of the merged entity post the proposed mergers. Similarly, the pro-forma order book stood at ~83.4 bn as of Mar 2026. Including SISCOL's order backlog, management indicated that the **combined order book is approaching the ~95 bn mark.**

Management believes this integrated model will not only improve revenue opportunities but also support margin expansion. The company currently targets an EBITDA hurdle rate of over 14-16% on all projects and expects consolidated margins to improve from approximately 15% currently toward 17-18% in the near term, with an aspirational target of ~20% as high-margin technology businesses scale.

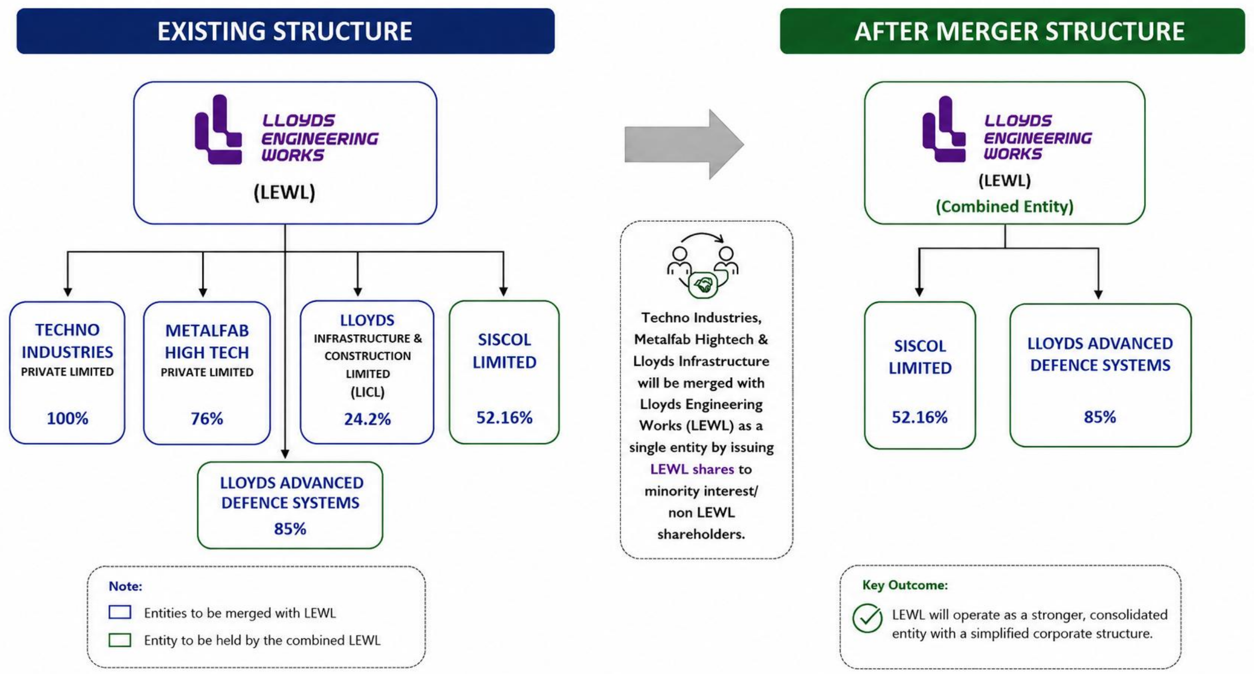
Supporting this ambition is a healthy balance sheet and ongoing investments in capacity. The company's cash reserves of approximately ~4 bn have been earmarked for strategic land acquisitions in Raipur and Ahmedabad to support future manufacturing expansion and logistics capabilities. Simultaneously, management continues to invest in up grading existing facilities and expanding capacities across business verticals.

The company entered FY27 with a strong order book and expects sustained growth in order book from here on, driven by the ongoing industry capex cycle. It is expanding capacities and modernizing its asset base to support higher order inflows and execution in the coming years

Execution visibility also remains strong. Standalone engineering projects typically have execution cycles of 10-12 months, while larger steel projects extend to approximately 24 months. Management expects to execute its current order book ex of LICL, ~26 bn within 1.5-2 years, while targeting execution of 60-70% of the infrastructure order book of ~57 bn during FY27.

Looking ahead, management has articulated an ambitious long-term vision. The company intends to deliver sustained annual growth, supported by India's infrastructure cycle, a diversified order book and significant opportunities arising from Lloyds Metals' planned 420 bn capex program. **Ultimately, management's aspiration is to build a business capable of exceeding 100 bn in annual revenues by FY29/FY30 which means 25% CAGR while simultaneously improving margins and return ratios.**

Exhibit 20: Merger Scheme: Existing vs. Post-Merger Structure



Source: Company, Equirus

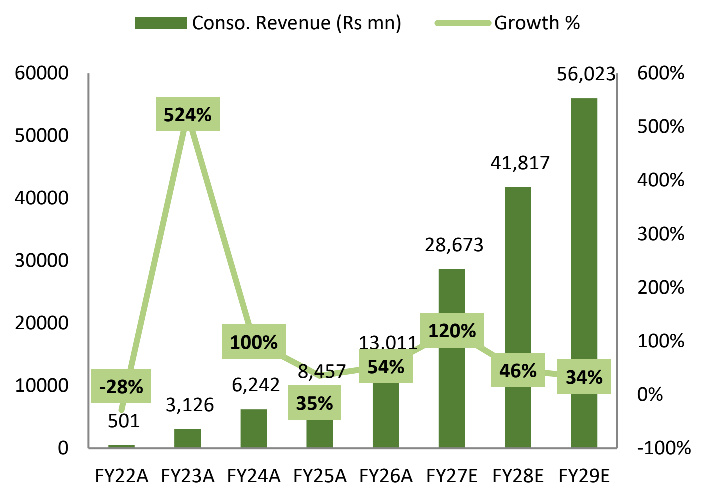
Exhibit 21: P&L Snapshot: Existing vs. Post-Merger Structure

Particular	Reported no. under existing Structure				Proforma no. after merger			
	FY26A	FY27E	FY28E	FY29E	FY26A	FY27E	FY28E	FY29E
Revenue	13,011	28,673	41,817	56,023	33,422	57,132	71,030	89,748
Growth %		120%	46%	34%		71%	24%	26%
EBITDA	1,892	4,040	6,107	9,040	4,737	7,740	9,905	13,424
EBITDA Margin %	14.5%	14.1%	14.6%	16.1%	14.2%	13.5%	13.9%	15.0%
Recurring PAT	1,555	2,887	4,297	6,292	3,308	5,123	6,592	8,945
Minority Interest	-77	-312	-565	-848	-	-262	-506	-780
Profit/(Loss) from Associates	421	541	555	641	-	-	-	-
Reported PAT	1,899	3,116	4,288	6,086	3,308	4,861	6,086	8,165
PAT Margin %	14.6%	10.9%	10.3%	10.9%	9.9%	8.5%	8.6%	9.1%
EPS	1.5	2.0	2.8	3.9	1.8	2.5	3.2	4.2
No. of Shares	1,440	1,551	1,551	1,551	1,817	1,932	1,932	1,932
PE	60	44	32	23	49	35	28	21

Source: Company, Equirus

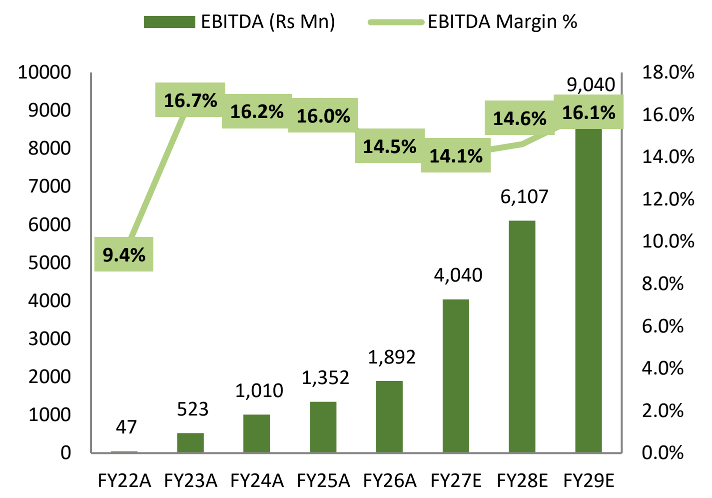
Financial Profile

Exhibit 22: We expect consolidated revenue to register a 62.7% CAGR over FY26–FY29E, supported by organic growth, defence ramp-up and acquisition-led expansion



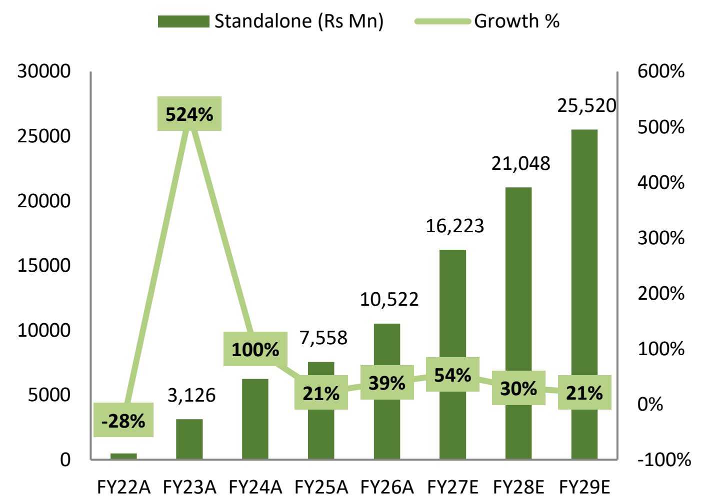
Source: Company data, Equirus

Exhibit 23: … & expect consolidated EBITDA to register a 68.4% CAGR over FY26–FY29E, with margins increasing to 16%



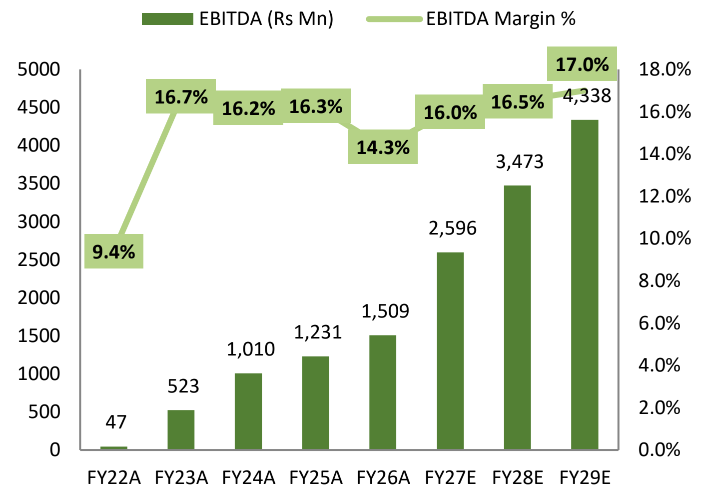
Source: Company data, Equirus

Exhibit 24: We expect standalone revenue to grow at CAGR of 34.4% over FY26–FY29E, driven by the execution of a healthy order book and anticipated order inflows from LMEL's ongoing capex program



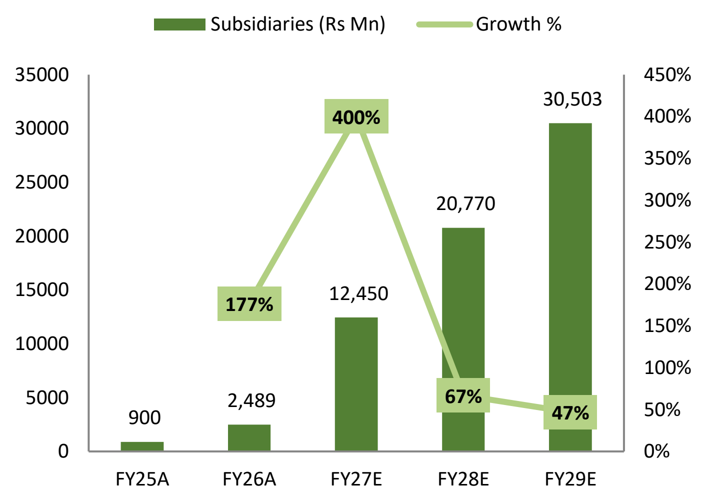
Source: Company data, Equirus

Exhibit 25: … & expect standalone EBITDA to register a 42.2% CAGR over FY26–FY29E, with margins increasing to 17%



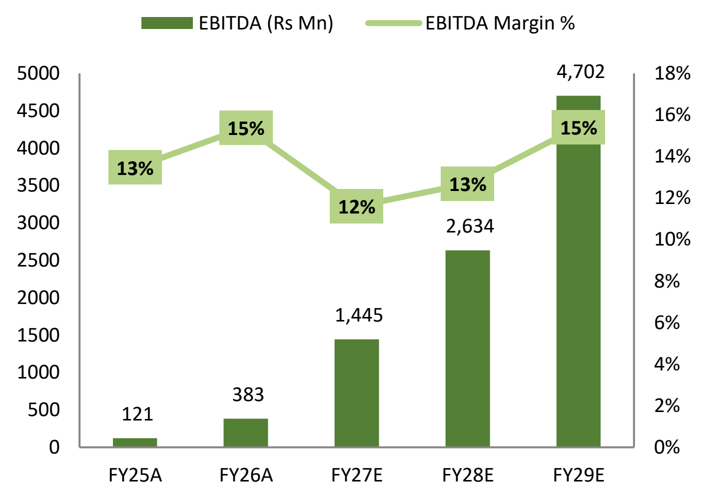
Source: Company data, Equirus

Exhibit 26: We expect combined subsidiaries to register a 130.5% CAGR over FY26–FY29E, mainly led by consolidation of SISCOL & defence ramp-up



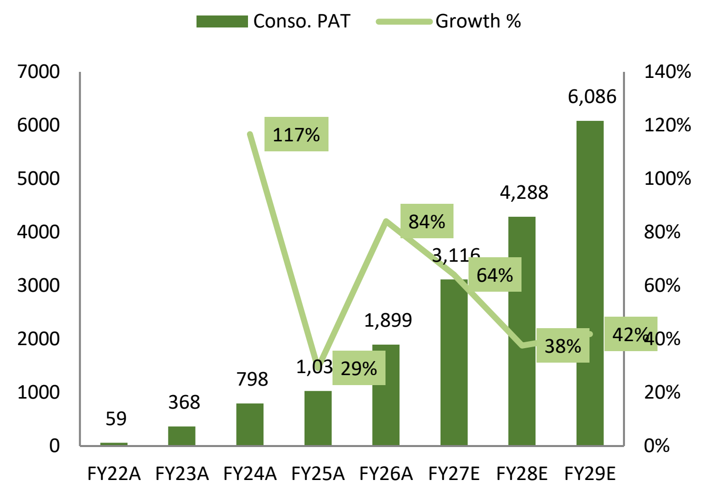
Source: Company data, Equirus

Exhibit 27: … & expect combined subsidiary's EBITDA to register a 130.7% CAGR over FY26–FY29E, with margins increasing to 15%



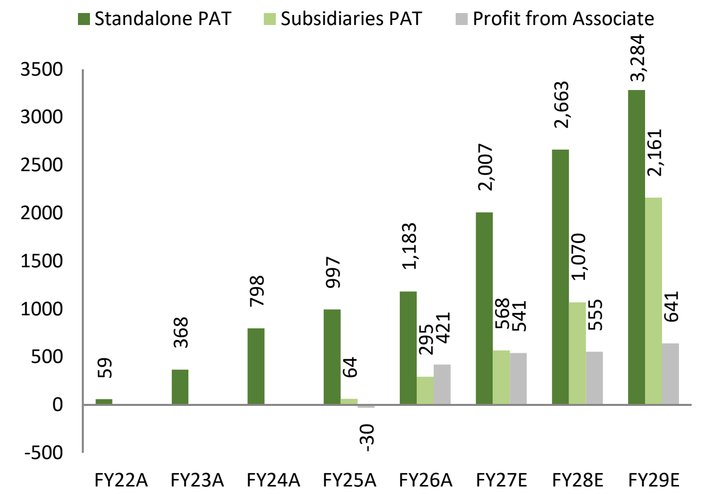
Source: Company data, Equirus

Exhibit 28: We expect consolidated PAT to to register a 47.4% CAGR over FY26–FY29E



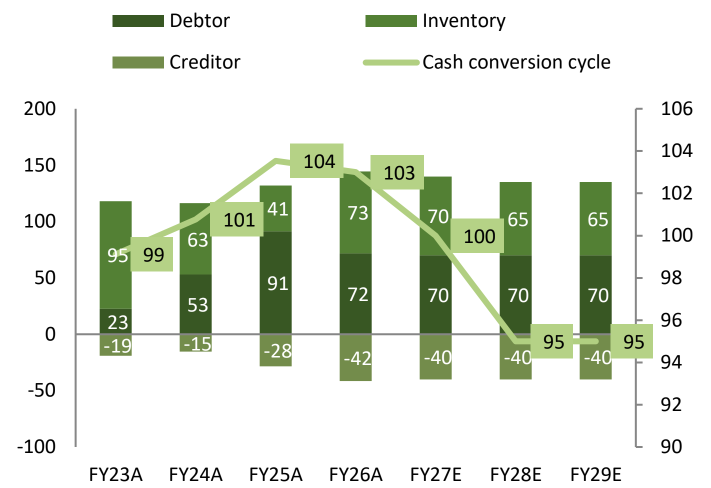
Source: Company data, Equirus

Exhibit 29: PAT Breakdown: Standalone, Combined Subsidiaries and Associate



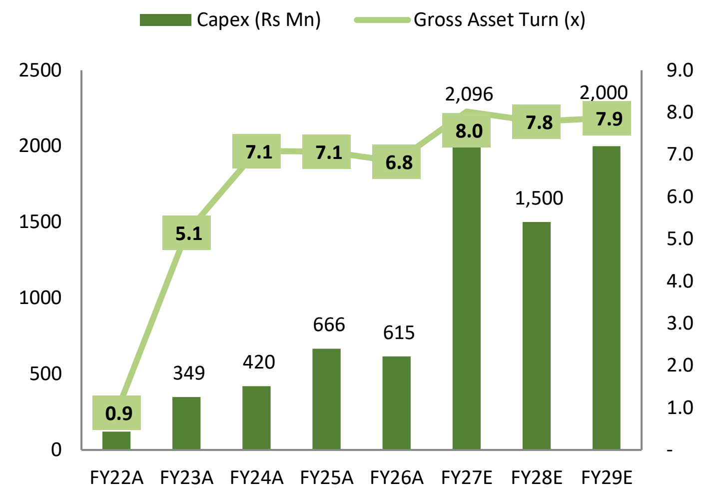
Source: Company data, Equirus

Exhibit 30: Cash Conversion Cycle to remain stable



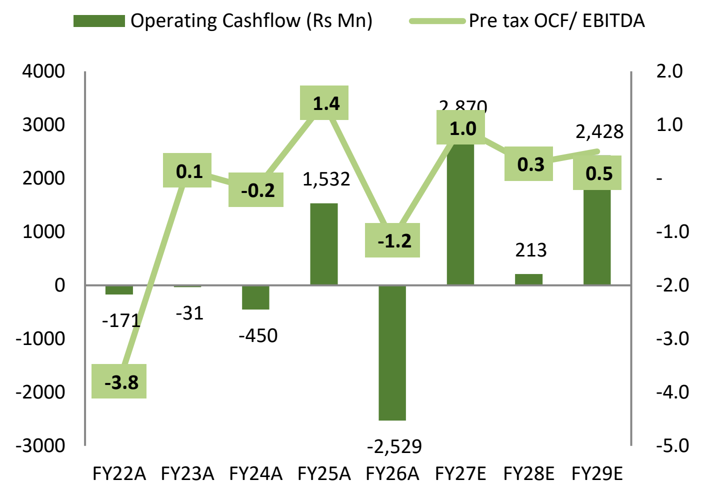
Source: Company data, Equirus

Exhibit 31: Capex & Asset Turns



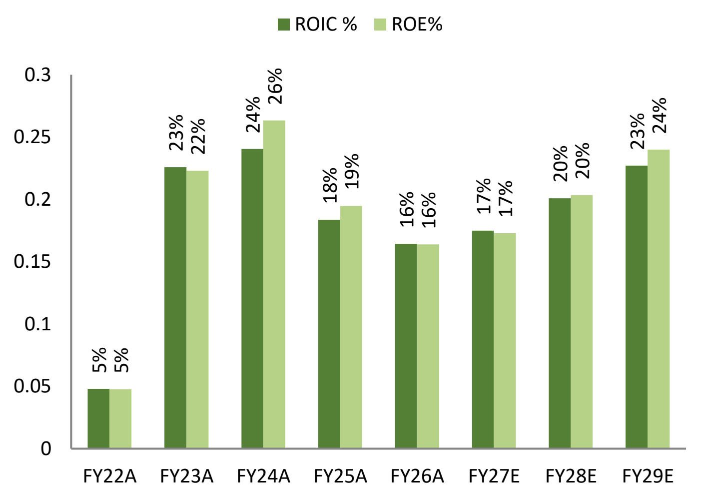
Source: Company data, Equirus

Exhibit 32: Operating cashflow to turn positive with healthy EBITDA conversion



Source: Company data, Equirus

Exhibit 33: ROIC & ROE Trend



Source: Company data, Equirus

Valuation & View

Initiate with BUY

Initiating coverage with BUY rating and Sep'27 TP of Rs. 125

- LEWL is well-positioned to capitalize on India's multi-year industrial and infrastructure capex cycle, driven by a management-led revival following the return of the original promoters, expanding opportunities in the Mining-to-Metal segment amid India's steel capacity additions, the revival of legacy Power and Hydrocarbon businesses, and the emergence of a high-entry-barrier Defence franchise benefiting from India's naval modernization and indigenization initiatives. Additionally, strategic acquisitions have significantly broadened the company's addressable market and product portfolio, while the proposed merger is expected to create a vertically integrated engineering platform, enabling LEWL to capture value across the entire project lifecycle from concept and design to manufacturing, EPC execution and commissioning.
- We expect Consolidated LEWL's Revenue/EBITDA/PAT to grow at a 62.7%/68.4%/47.4% CAGR over FY26-FY29E supported by organic growth, defence ramp-up and acquisition-led expansion.
- LEWL is currently trading at FY27E/FY28E P/E multiples of 44x/32x. We initiate coverage on the stock with a BUY rating and a Sep'27 target price of 125, based on our SOTP valuation, implying a 1-year forward P/E multiple of 37x.

LEWL's SOTP Valuation

Particular	Sep'28 PAT (attributable to LEWL)	1 year fwd valuation	Equity Valuation (Rs Mn)
Standalone	2,973	45	133,788
SISCOL + Metalfab	781	20	15,630
LICL	598	15	8,976
Techno Industries	212	20	4,239
Lloyds Advance Defence	623	50	31,158
Total	**5,188**	**37**	**193,790**
No. of Shares			1,551
Value per share (Sep'27)			**125**

Comparable Valuation

Company	Reco.	CMP	Mkt Cap Rs. Mn.	Price Target	Target Date	P/E				P/B				EV / EBITDA				RoE				Div Yield
						FY25A	FY26E	FY27E	FY28E	FY25A	FY26E	FY27E	FY28E	FY25A	FY26E	FY27E	FY28E	FY25A	FY26E	FY27E	FY28E	FY25A
LEWL	BUY	89	1,29,330	125	Sep'27	59.5	44.1	32.1	22.6	7.6	7.1	6.0	4.9	65.6	30.7	20.7	14.1	16.4%	17.3%	20.3%	24.0%	0.3%
John Cockerill	NR	8,646	42,690	NA	NA	155	NA	NA	NA	20.3	NA	NA	NA	89.4	NA	NA	NA	9.0%	NA	NA	NA	0.1%
Thermax	NR	4,306	5,13,090	NA	NA	67.3	61.7	45.0	36.4	9.2	8.1	7.2	6.3	47.9	42.8	31.8	26.3	13.7%	13.7%	16.6%	18.1%	0.3%
Anup Engineering	NR	2,173	43,530	NA	NA	39.5	36.2	28.8	22.3	6.3	5.5	4.8	4.3	25.6	23.0	19.4	16.1	16.9%	16.2%	17.1%	18.9%	0.6%
Inox India	NR	1,908	1,73,180	NA	NA	66.5	52.3	43.3	35.4	15.5	12.3	9.9	7.9	49.5	39.6	32.6	27.1	25.9%	25.7%	23.8%	22.4%	0.1%
Power Mech	NR	2,566	81,140	NA	NA	22.3	17.8	13.5	NA	3.2	2.7	2.3	NA	11.9	9.7	7.5	5.9	15.6%	16.4%	17.3%	NA	0.1%
Cemindia Projects	NR	1,368	2,34,970	NA	NA	39.3	31.4	23.0	18.2	9.8	7.6	5.7	NA	22.8	18.0	13.9	11.3	28.2%	27.3%	27.9%	26.4%	0.2%
Skipper	NR	528	59,600	NA	NA	28.7	22.8	16.9	NA	4.0	3.4	2.8	NA	12.0	10.6	8.6	NA	15.6%	15.8%	17.7%	NA	0.0%
Interarch Building	NR	1,809	30,340	NA	NA	26.4	19.8	16.2	12.2	3.4	3.0	2.5	2.1	16.8	14.9	12.4	9.8	16.5%	15.5%	16.2%	NA	0.0%
EPack Prefab	NR	267	26,900	NA	NA	29.0	23.9	18.9	NA	3.7	2.4	2.1	NA	15.6	13.0	10.3	8.7	17.0%	13.5%	15.0%	NA	0.0%
Data Patterns	NR	4281	2,39,670	NA	NA	88.7	69.5	53.5	41.7	13.8	11.8	9.9	7.9	63.0	51.4	39.7	31.1	16.7%	18.3%	20.0%	21.3%	0.3%
Astra Microwave	NR	1,862	1,76,750	NA	NA	91.8	74.4	56.6	47.5	13.5	11.7	9.8	8.2	53.1	51.1	40.1	32.8	16.0%	16.5%	17.9%	18.1%	0.1%
L. T. Elevator	NR	280	5,360	NA	NA	31.5	NA	NA	NA	5.8	NA	NA	NA	20.4	NA	NA	NA	25.0%	NA	NA	NA	0.0%

Source: Bloomberg, Equirus

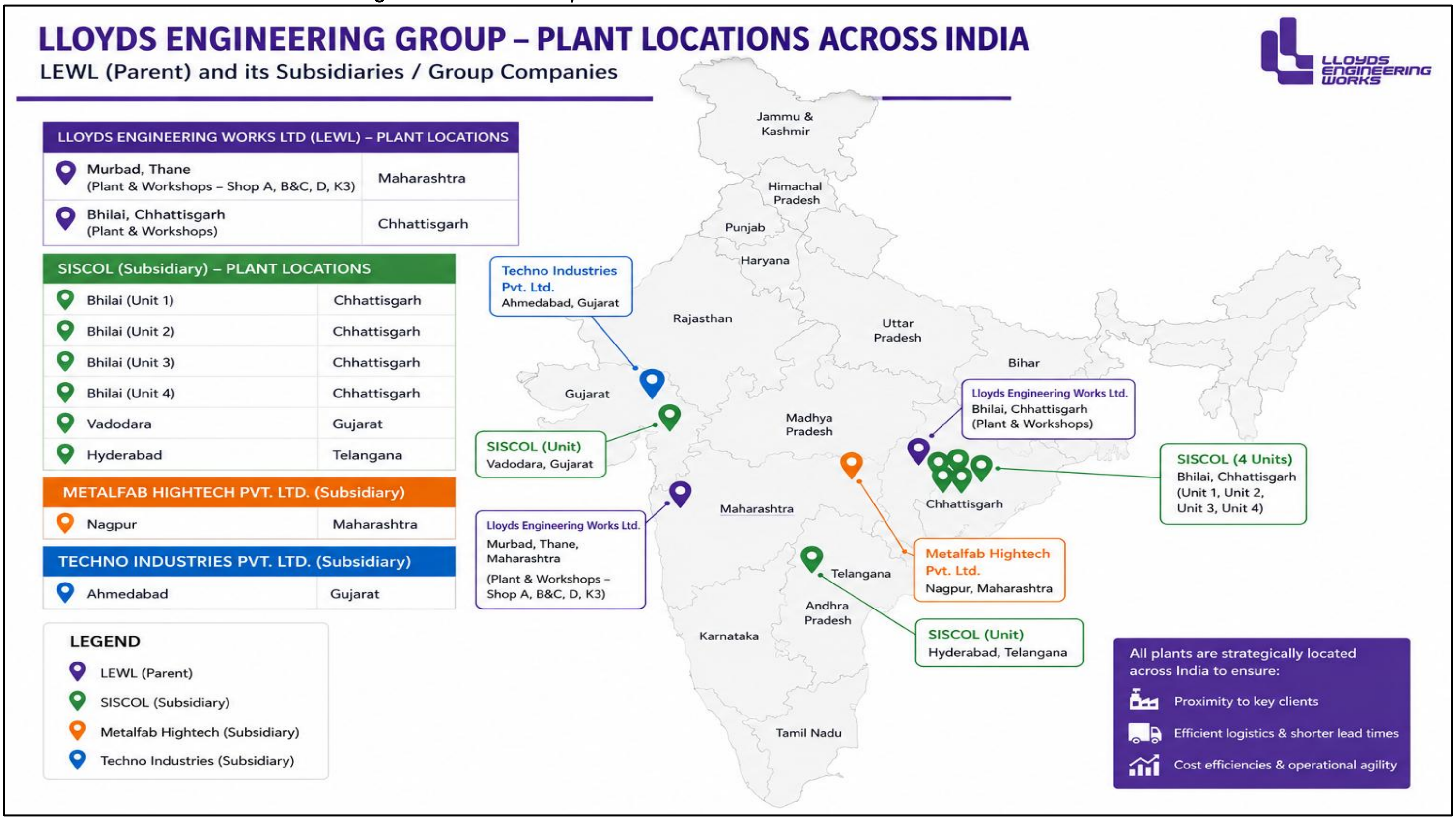
Risk in our view

- Slower-than-expected conversion of the capex pipeline into order inflows could moderate growth
- Failure to successfully integrate recent acquisitions may delay realization of expected synergies
- Any slowdown in India's industrial and infrastructure capex cycle could impact order inflows
- Customer concentration from group capex opportunities remains a monitorable factor
- Margin expansion may lag expectations if business mix remains unfavorable
- Slower than expected order inflows in the Defence segment

Company Overview

Lloyds Engineering Works Limited, incorporated in 1994, is a complete customised Process plant equipment-providing company in India. It provides a complete engineering and infrastructure solutions package by designing engineering, manufacturing, fabrication and installation. Its products cover various categories in Heavy Equipment, Machinery and Systems for the Mining to Metal (Steel), Hydro carbon, Oil & Gas, Thermal Power Plants, Heat recovery, Marine sectors on Turnkey basis. Various authorities like the Industrial Boiler Regulatory Authority, SGS UK, Petroleum and Explosives Safety Organisation, etc. have approved its facilities. The company's state of-the-art manufacturing facilities are located in Murbad, Thane, Nagpur, Ahmedabad, Vadodara & Bhilai and headquartered in Mumbai.

Exhibit 34: A diversified manufacturing network across key Industrial Hubs



Source: Company, Equirus

Exhibit 35: Marquee Clientele across strategic industries

Source: Company, Equirus

Income Statement (Consolidated)

Y/E Mar (Rs mn)	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Revenue	6,242	8,457	13,011	28,673	41,817	56,023
EBITDA	1,010	1,352	1,892	4,040	6,107	9,040
Depreciation	41	97	222	465	698	926
EBIT	969	1,255	1,670	3,575	5,409	8,114
Interest Exp.	42	85	140	253	416	483
Other Income	74	242	498	535	749	777
Profit before Tax	1,002	1,411	2,029	3,858	5,742	8,408
Tax Expenses	204	331	474	971	1,445	2,116
Profit After Tax	798	1,080	1,555	2,887	4,297	6,292
Minority Interest	0	-19	-77	-312	-565	-848
Profit/(Loss) from Associates	0	-30	421	541	555	641
Recurring PAT	798	1,031	1,899	3,116	4,288	6,086
Exceptional Items	-	-	-	-	-	-
Reported PAT	798	1,031	1,899	3,116	4,288	6,086
FDEPS	0.7	0.9	1.5	2.0	2.8	3.9
DPS	0.2	0.3	0.3	0.4	0.5	0.6
BVPS	3.6	5.6	11.6	12.5	14.7	18.0

YoY Growth (%)	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Sales	100%	35%	54%	120%	46%	34%
EBITDA	93%	34%	40%	114%	51%	48%
EBIT	94%	29%	33%	114%	51%	50%
PAT	117%	29%	84%	64%	38%	42%

CAGR (%)	1 year	2 years	3 years	5 years	7 years	10 years
Revenue	54%	44%	61%	79%	45%	26%
EBITDA	40%	37%	54%	NA	NA	NA
PAT	84%	54%	69%	228%	82%	76%

Cash Flow Statement

Y/E Mar (Rs mn)	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Profit Before Tax	1,002	1,411	2,029	3,858	5,742	8,408
Depreciation	41	97	222	465	698	926
Others	24	-83	-108	-282	-333	-294
Tax paid	-236	-377	-342	-971	-1,445	-2,116
Change in WC	-1,281	485	-4,331	-199	-4,450	-4,496
Operating Cashflow	-450	1,532	-2,529	2,870	213	2,428
Capex	-420	-666	-615	-2,096	-1,500	-2,000
Change in Invest.	-607	-574	-4,137	-	-	-
Others	59	148	142	535	749	777
Investing Cashflow	-968	-1,092	-4,611	-1,561	-751	-1,223
Change in Debt	351	-171	-245	500	500	500
Change in Equity	1,218	9	8,546	111	-	-
Others	-146	-289	-425	-855	-1,214	-1,468
Financing Cashflow	1,423	-451	7,876	-244	-714	-968
Net Change in Cash	6	-10	736	1,066	-1,253	237

Source: Company Data, Equirus

Balance Sheet

Y/E Mar (Rs mn)	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Equity Capital	1,145	1,166	1,440	1,551	1,551	1,551
Reserves	2,967	5,314	15,269	17,783	21,272	26,373
Net Worth	4,112	6,480	16,709	19,334	22,823	27,924
Total Debt	596	584	338	838	1,338	1,838
Other long-term liabilities	94	270	738	738	738	738
Minority Interest	-	177	125	436	1,001	1,848
Account Payables	280	1,036	1,923	2,284	3,863	5,361
Other Current Liabilities	566	1,360	3,859	3,426	5,794	8,042
Total Liabilities	5,648	9,907	23,691	27,057	35,556	45,751
Gross Fixed Assets	1,112	1,279	2,527	4,623	6,123	8,123
Acc. Depreciation	347	424	645	1,110	1,809	2,735
Net Fixed Assets	765	856	1,882	3,513	4,314	5,388
Capital WIP	107	631	711	711	711	711
Goodwill	10	1,228	1,670	1,670	1,670	1,670
long term investments	49	158.7	765.3	1,306	1,862	2,503
Others	235	604	1,975	1,975	1,975	1,975
Inventory	1,020	862	4,328	3,997	6,277	8,712
Receivables	1,518	2,715	2,399	3,997	6,759	9,382
Loans and Other assets	702	1,584	5,994	4,854	8,208	11,392
Cash & Cash Equivalents.	1,252	1,270	3,967	5,034	3,780	4,018
Total Assets	5,647	9,907	23,691	27,057	35,556	45,751
Non-Cash WC	2,394	2,764	6,939	7,138	11,588	16,083
Cash Conv. Cycle	101	104	103	100	95	95
WC Turnover	3.1	3.3	2.7	4.1	4.5	4.0
Net D/E	-0.6	-0.6	-2.5	-2.7	-1.6	-1.4
Gross Asset Turnover	7.1	7.1	6.8	8.0	7.8	7.9
Net Asset Turnover	11.5	10.4	9.5	10.6	10.7	11.5

Days (x)	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Receivable Days	53	91	72	70	70	70
Inventory Days	63	41	73	70	65	65
Payable Days	15	28	42	40	40	40
Non-cash WC days	117	111	136	90	82	90

Key Ratios

Profitability (%)	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
EBITDA Margin	16%	16%	15%	14%	15%	16%
PAT Margin	13%	12%	15%	11%	10%	11%
ROE	26%	19%	16%	17%	20%	24%
ROIC	24%	18%	16%	17%	20%	23%
ROCE	27%	20%	13%	18%	23%	28%
Dividend Payout	27%	28%	16%	19%	19%	16%

Dupont Analysis	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Net Profit Margin %	12.8%	12.2%	14.6%	10.9%	10.3%	10.9%
Asset Turnover (X)	1.3	1.1	0.8	1.1	1.3	1.4
Financial Leverage (X)	1.5	1.5	1.4	1.4	1.5	1.6
ROE %	26.3%	19.5%	16.4%	17.3%	20.3%	24.0%

Valuation (x)	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
P/E	120	100	60	44	32	23
P/B	24.7	15.9	7.6	7.1	6.0	4.9
P/FCFF	-121	111	-42	143	-141	174
EV/EBITDA	126	94	66	31	21	14
EV/Sales	20	15	10	4	3	2
Dividend Yield (%)	0.2%	0.3%	0.3%	0.4%	0.6%	0.7%

equirus PRIVE

Rating & Coverage Definitions:	Registered Office:
Absolute Rating (Over the Investment Horizon) • BUY: ATR ≥ 15% • HOLD: ATR ≥ -5% to < 15% • SELL: ATR < -5% **Relative Rating** • OVERWEIGHT: Likely to outperform the benchmark by at least 5% over investment horizon • BENCHMARK: likely to perform in line with the benchmark • UNDERWEIGHT: likely to under-perform the benchmark by at least 5% over investment horizon **Investment Horizon** Investment Horizon is set at a minimum 3 months to maximum 18 months with target date falling on last day of a calendar quarter	Equirus Securities Private Limited Unit No. A2102B, 21st Floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai-400013. Tel. No: +91 – (0)22 – 4332 0600 Fax No: +91- (0)22 – 4332 0601 **Corporate Office:** 3rd floor, House No. 9, Magnet Corporate Park, Near Zydus Hospital, B/H Intas Sola Bridge, S.G. Highway Ahmedabad-380054 Gujarat Tel. No: +91 (0)79 - 6190 9550 Fax No: +91 (0)79 – 6190 9560

Analyst Certification

I, Pankaj Motwani, author to this report, hereby certify that all of the views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

Disclosures

Equirus Securities Private Limited (ESPL) having CIN: U65993MH2007PTC176044 is registered in India with Securities and Exchange Board of India (SEBI) as Research Analyst (Reg. No. INH000001154), Stock Broker:(Reg. No. INZ000251536), RA: INH000001154, DP: (Reg. No. IN-DP-324-2017) NSE Mem id: 13017|BSE Mem id: 3309|DP ID:84500| having its Registered office at A 2102 B, A wing, 21st Floor, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai-400013.. There are no disciplinary actions taken by any regulatory authority against ESPL for Research Analyst activity. ESPL is a subsidiary of Equirus Capital Private Limited (ECPL) which is registered with SEBI as Category I Merchant Banker and provides investment banking services including but not limited to merchant banking services, private equity, mergers & acquisitions and structured finance.

As ESPL and its associates are engaged in various financial services business, it might have: - (a) received compensation (except in connection with the preparation of this report) from the subject company for investment banking or merchant banking or brokerage services or any other product or services in the past twelve months;(b) managed or co-managed public offering of securities for the subject company in the past twelve months; or (c) received a mandate from the subject company; or (d) might have other financial, business or other interests in entities including the subject company (ies) mentioned in this Report. ESPL & its associates, their directors and employees may from time to time have positions or options in the company and buy or sell the securities of the company (ies) mentioned herein. ESPL and its associates collectively do not own (in their proprietary position) 1% or more of the equity securities of the subject company mentioned in the report as the last day of the month preceding the publication of the research report. ESPL or its Analyst or Associates did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ESPL nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. ESPL has not been engaged in market making activity for the subject company.

The Research Analyst engaged in preparation of this Report:-

(a) has not received any compensation from the subject company in the past twelve months; (b) has not managed or co-managed public offering of securities for the subject company in the past twelve months; (c) has neither received any compensation for inves tment banking or merchant banking or brokerage services from the subject company in the past twelve months nor received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (d) has not received any compensation or other benefits from the subject company or third party in connection with the research report; (e) might have served as an officer, director or employee of the subject company;
(f) is not engaged in market making activity for the subject company.

This document is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ESPL and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession of this document are required to inform themselves of, and to observe, such applicable restrictions. Please delete this document if you are not authorized to view the same. By reading this document you represent and warrant that you have full authority and all rights necessary to view and read this document without subjecting ESPL and affiliates to any registration or licensing requirement within such jurisdiction.

This document has been prepared solely for information purpose and does not constitute a solicitation to any person to buy, sell or subscribe any security. ESPL or its affiliates are not soliciting any action based on this report. The information and opinions contained herein is from publicly available data or based on information obtained in good faith from sources believed to be reliable, but ESPL provides no guarantee as to its accuracy or completeness. The information contained herein is as on date of this report, and report and is subject to change or modification and any such changes could impact our interpretation of relevant information contained herein. While we would endeavour to update the information herein on reasonable basis, ESPL and its affiliates, their directors and employees are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent ESPL and its group companies from doing so. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document including the merits and risks involved. This document is intended for general circulation and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. ESPL and its group companies, employees, directors and agents accept no liability, and disclaim all responsibility, for the consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it. ESPL/its affiliates do and seek to do business with companies covered in its research report. Thus, investors should be aware that the firm may have conflict of interest.

A graph of daily closing prices of securities is available at http://www.nseindia.com/ChartApp/install/charts/mainpage.jsp and www.bseindia.com (Choose a company from the list on the browser and select the "three years" period in the price chart).

Disclosure of Interest statement for the subject Company	Yes/No	If Yes, nature of such interest
Research Analyst' or Relatives' financial interest	No	
Research Analyst' or Relatives' actual/beneficial ownership of 1% or more	No	
Research Analyst' or Relatives' material conflict of interest	No	

Standard Warning: Investment in securities market are subject to market risks. Read all the related documents carefully before investing. | Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Compliance & Grievance Officer: Naman Shah | **Tel. No.** 079-61909561|email: naman.shah@equirus.com | www.equirus.com |