Global Markets Research
11 August 2026

Lloyds Metals and Energy LYMT.NS LLOYDSME IN

EQUITY: METALS & MINING

Valuation catches up

Execution on track, much of the growth story is priced in; downgrade to Neutral and lower TP to INR1,950

Rating Down from Buy	**Neutral**
Target price Reduced from INR 2,050	**INR 1,950**
Closing price 11 August 2026	**INR 1,986**
Implied upside	**-1.8%**
Market Cap (USD mn)	11,708.0
ADT (USD mn)	11.6

Earnings visibility improves; valuation turns less compelling

We **slightly trim our FY27F/FY28F/FY29F EBITDA estimates by ~2-3%**, as we recalibrate our commodity price assumptions. The core business and MDO continue to perform strongly in line with our expectations. However, the operational challenges noted in copper asset ramp-up and cost pressures amid the West-Asia crisis led us to **cut our multiple for the non-ferrous business to 12x** from 14x. With commercialisation of the copper mines underway and execution largely on track, we believe **most key catalysts are now reflected in the stock price**. We downgrade our rating on the stock to **Neutral** from Buy as we see limited upside from current levels, despite a favourable earnings outlook. However, we believe upside risks include faster commissioning of CHEMAF (unlisted) assets and favourable commodity prices. As a result, we cut our TP by ~5% to INR1,950 based on an EV/EBITDA multiple of 8.3x (previously 8.4x) reflecting confidence in LMEL's execution and earnings delivery (*rationale*). The stock currently trades at 10.7x one-year-forward EV/EBITDA.

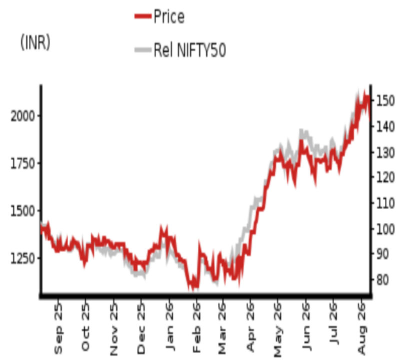
1QFY27 results: Higher realizations and improved mix drive EBITDA beat

Consolidated EBITDA came in at INR27.8bn (+9% q-q), 10% ahead of our estimate, driven by higher iron ore realizations and strong core operations. Iron ore volumes rose 58% y-y to 5.46MT, 6% above our estimates, with realizations at INR6,068/t (+INR220/t q-q,13% above our estimate). Pellets ramp-up supported earnings alongside expanded export market access. The earnings mix shifted towards higher-margin businesses, with value added products at 41% vs 28% in 4Q, in line with our view (*link*).

Non-ferrous adds meaningful medium-term optionality

Beyond ferrous, LMEL has a multi-asset copper platform spanning Surya Mines, CHEMAF, and the early-stage Panguna copper-gold opportunity. Commercial copper production began in 1Q with 2.7kt, generating USD46.8mn in revenue but a USD2.6mn EBITDA loss, mainly due to EPT shutdown and higher sulphuric acid and diesel prices amid the Middle-East conflict.

Relative performance chart



Source: LSEG, Nomura

Research Analysts

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Year-end 31 Mar	FY26	FY27F		FY28F		FY29F	
Currency (INR)	Actual	Old	New	Old	New	Old	New
Revenue (mn)	171,127	310,902	305,028	387,437	384,239	483,968	480,721
Reported net profit (mn)	36,809	65,891	69,221	70,194	73,500	83,798	89,291
Normalised net profit (mn)	36,809	65,891	69,221	70,194	73,500	83,798	89,291
FD normalised EPS	65.40	117.08	122.99	124.72	130.60	148.89	158.66
FD norm. EPS growth (%)	133.6	79.0	88.1	6.5	6.2	19.4	21.5
FD normalised P/E (x)	30.4	–	16.1	–	15.2	–	12.5
EV/EBITDA (x)	21.2	–	10.9	–	9.4	–	7.7
Price/book (x)	8.1	–	5.4	–	4.0	–	3.1
Dividend yield (%)	0.0	–	0.2	–	0.2	–	0.2
ROE (%)	36.3	38.6	40.1	29.6	30.4	26.9	27.8
Net debt/equity (%)	134.1	119.8	118.8	104.4	102.6	84.0	83.0

Source: Company data, Nomura estimates

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Key data on Lloyds Metals and Energy

Performance

(%)	1M	3M	12M		
Absolute (INR)	10.4	13.9	42.9	M cap (USDmn)	11,708.0
Absolute (USD)	10.2	13.7	31.2	Free float (%)	20.4
Rel to NIFTY50	8.8	10.7	42.9	3-mth ADT (USDmn)	11.6

Income statement (INRmn)

Year-end 31 Mar	FY25	FY26	FY27F	FY28F	FY29F
Revenue	67,214	171,127	305,028	384,239	480,721
Cost of goods sold	-41,300	-77,295	-110,694	-131,994	-183,231
Gross profit	25,914	93,832	194,334	252,245	297,490
SG&A	-5,560	-25,572	-69,645	-108,709	-125,197
Employee share expense	-1,633	-12,929	-15,541	-19,212	-24,036
Operating profit	18,721	55,330	109,148	124,324	148,257
EBITDA	19,529	61,402	123,463	149,147	183,587
Depreciation	-808	-6,072	-14,315	-24,822	-35,330
Amortisation					
EBIT	18,721	55,330	109,148	124,324	148,257
Net interest expense	-272	-5,104	-17,921	-23,899	-26,374
Associates & JCEs		206	1,827	1,827	1,827
Other income	512	1,937	2,297	487	508
Earnings before tax	18,961	52,370	95,350	102,738	124,217
Income tax	-4,462	-14,083	-23,568	-25,430	-30,842
Net profit after tax	14,499	38,286	71,782	77,308	93,374
Minority interests	0	-1,478	-2,561	-3,808	-4,083
Other items					
Preferred dividends					
Normalised NPAT	14,499	36,809	69,221	73,500	89,291
Extraordinary items					
Reported NPAT	14,499	36,809	69,221	73,500	89,291
Dividends	-523	-523	-1,688	-2,251	-2,251
Transfer to reserves	13,976	36,285	67,533	71,249	87,040
Valuations and ratios					
Reported P/E (x)	70.9	30.4	16.1	15.2	12.5
Normalised P/E (x)	70.9	30.4	16.1	15.2	12.5
FD normalised P/E (x)	70.9	30.4	16.1	15.2	12.5
Dividend yield (%)	0.1	0.0	0.2	0.2	0.2
Price/cashflow (x)	85.3	38.3	11.1	8.8	7.4
Price/book (x)	16.1	8.1	5.4	4.0	3.1
EV/EBITDA (x)	57.6	21.2	10.9	9.4	7.7
EV/EBIT (x)	60.1	23.5	12.3	11.2	9.6
Gross margin (%)	38.6	54.8	63.7	65.6	61.9
EBITDA margin (%)	29.1	35.9	40.5	38.8	38.2
EBIT margin (%)	27.9	32.3	35.8	32.4	30.8
Net margin (%)	21.6	21.5	22.7	19.1	18.6
Effective tax rate (%)	23.5	26.9	24.7	24.8	24.8
Dividend payout (%)	3.6	1.4	2.4	3.1	2.5
ROE (%)	31.5	36.3	40.1	30.4	27.8
ROA (pretax %)	28.1	22.7	24.2	21.7	21.4
Growth (%)					
Revenue	3.0	154.6	78.2	26.0	25.1
EBITDA	13.0	214.4	101.1	20.8	23.1
Normalised EPS	14.0	133.6	88.1	6.2	21.5
Normalised FDEPS	14.0	133.6	88.1	6.2	21.5

Source: Company data, Nomura estimates

Cashflow statement (INRmn)

Year-end 31 Mar	FY25	FY26	FY27F	FY28F	FY29F
EBITDA	19,529	61,402	123,463	149,147	183,587
Change in working capital	-3,092	-14,288	-3,447	536	-4,437
Other operating cashflow	-4,384	-17,901	-19,445	-23,116	-28,508
Cashflow from operations	12,053	29,213	100,571	126,566	150,641
Capital expenditure	-36,104	-99,615	-140,000	-140,000	-140,000
Free cashflow	-24,051	-70,402	-39,429	-13,434	10,641
Reduction in investments	-4,147	4,832	0	0	0
Net acquisitions	-2	-8,803	0	0	0
Dec in other LT assets					
Inc in other LT liabilities					
Adjustments	494	-1,839	0	0	0
CF after investing acts	-27,706	-76,212	-39,429	-13,434	10,641
Cash dividends	-523	-523	-1,688	-2,251	-2,251
Equity issue	21,412	17,702	0	0	0
Debt issue	7,462	61,336	0	0	0
Convertible debt issue					
Others	-271	18,516	23,824	16,101	-11,374
CF from financial acts	28,080	97,031	22,136	13,849	-13,626
Net cashflow	374	20,819	-17,293	415	-2,984
Beginning cash	26	400	21,219	3,926	4,341
Ending cash	400	21,219	3,926	4,341	1,357
Ending net debt	68,709	185,945	244,983	284,568	302,552

Balance sheet (INRmn)

As at 31 Mar	FY25	FY26	FY27F	FY28F	FY29F
Cash & equivalents	400	21,219	3,926	4,341	1,357
Marketable securities	7,744	6,861	6,861	6,861	6,861
Accounts receivable	1,714	14,805	14,723	15,388	19,251
Inventories	4,318	26,596	27,551	32,600	40,786
Other current assets	16,027	28,758	28,758	28,758	28,758
Total current assets	30,202	98,239	81,819	87,948	97,014
LT investments	0	5,606	5,606	5,606	5,606
Fixed assets	57,936	243,266	368,951	484,129	588,799
Goodwill	0	16,951	16,951	16,951	16,951
Other intangible assets	0	10,932	10,932	10,932	10,932
Other LT assets	6,031	41,504	41,504	41,504	41,504
Total assets	94,169	416,499	525,763	647,070	760,806
Short-term debt	53	66,078	66,078	66,078	66,078
Accounts payable	363	26,642	24,068	30,318	37,931
Other current liabilities	20,726	28,259	28,259	28,259	28,259
Total current liabilities	21,142	120,980	118,405	124,655	132,268
Long-term debt	7,898	141,086	182,831	222,831	237,831
Convertible debt	0	0	0	0	0
Other LT liabilities	1,107	11,773	11,773	11,773	11,773
Total liabilities	30,148	273,838	313,009	359,259	381,872
Minority interest	0	3,952	6,513	10,321	14,404
Preferred stock					
Common stock	523	563	563	563	563
Retained earnings					
Proposed dividends					
Other equity and reserves	63,498	138,146	205,679	276,928	363,968
Total shareholders' equity	64,021	138,709	206,242	277,490	364,530
Total equity & liabilities	94,169	416,499	525,763	647,070	760,806
Liquidity (x)					
Current ratio	1.43	0.81	0.69	0.71	0.73
Interest cover	68.8	10.8	6.1	5.2	5.6
Leverage					
Net debt/EBITDA (x)	3.52	3.03	1.98	1.91	1.65
Net debt/equity (%)	107.3	134.1	118.8	102.6	83.0
Per share					
Reported EPS (INR)	28.00	65.40	122.99	130.60	158.66
Norm EPS (INR)	28.00	65.40	122.99	130.60	158.66
FD norm EPS (INR)	28.00	65.40	122.99	130.60	158.66
BVPS (INR)	123.65	246.46	366.46	493.05	647.71
DPS (INR)	1.01	0.93	3.00	4.00	4.00
Activity (days)					
Days receivable	6.8	17.6	17.7	14.3	13.2
Days inventory	18.0	73.0	89.3	83.4	73.1
Days payable	11.7	63.8	83.6	75.4	68.0
Cash cycle	13.1	26.8	23.3	22.3	18.3

Source: Company data, Nomura estimates

Company profile

Lloyds Metals currently operates the single largest iron ore mine in India, which is in the process of ramping up dispatchable iron ore capacity to 26MTPA. DRI production is being scaled up to 0.7MTPA. The company has also recently commissioned a 4MTPA pellet plant and is in the process of increasing pellet production capacity to a total of 12 MTPA in a staggered manner to meet future demand. Further strengthening its portfolio, Lloyds Metals is establishing its first integrated steel plant with a wire-rod capacity of 1.2 MTPA, followed by a 3 MTPA HRC plant in the future. The company also hosts captive power plants with ~34 MW capacity and has further secured 100+ MW of solar & wind power for captive consumption.

Valuation Methodology

We arrive at SOTP-based TP of INR1,950 by applying a target EV/EBITDA of 8.3x on new steady-state EBITDA in Jun'28. The benchmark for this stock is NIFTY50

Risks that may impede the achievement of the target price

Downside risks: (1) a delay in steel capacity, (2) political unrest in the Democratic Republic of the Congo affecting the copper business, (3) BHQ beneficiation not yielding the same results as seen in the pilot project, and (4) resurfacing of Naxal activities. Upside risks include faster commissioning of CHEMAF (unlisted) assets and favourable commodity prices

ESG

Sustainability is also deeply embedded in Lloyds Metals’ growth strategy. The company is pioneering initiatives such as battery-operated vehicles and EV fleets for mining operations, establishing slurry pipelines to reduce carbon emissions, and prioritizing renewable energy solutions. These efforts underscore its commitment to environmentally responsible practices while meeting the demands of an evolving industry

1QFY27 results: Higher realizations and improved mix drive EBITDA beat

Consolidated EBITDA came in at INR27.8bn (+9% q-q), 10% ahead of our estimate, driven by higher iron ore realizations and strong core operations. Iron ore volumes rose 58% y-y to 5.46MT, 6% above our estimates, with realizations at INR6,068/t (+INR220/t q-q,13% above estimate). Pellets ramp-up supported earnings alongside expanded export market access, while copper commercial production commenced albeit at a loss. The earnings mix shifted towards higher-margin businesses, with value-added products at 41% vs 28% in 4Q, in line with our view (*link*).

Fig. 1: Consolidated EBITDA beat our estimates by 10% on higher realizations and improved mix

INR mn	1QFY27	1QFY26	%YoY	4QFY26	%QoQ	Nomura	% Dev
Total Revenue	**73,544**	**23,835**	**209%**	**60,197**	**22%**	**73,706**	**0%**
Raw material (incl. stock adj.)	34,432	11,534	199%	10,319	234%	29,879	15%
Employee cost	4,000	638	527%	4,498	-11%	3,685	9%
Mining, Royalty and Freight Expenses	22,673	12,092	88%	18,458	23%	20,835	9%
Other Expenses	6,540	1,225	434%	8,060	-19%	22,833	-71%
Total Expenditure	45,729	15,893	188%	34,744	32%	48,328	-5%
EBITDA	**27,815**	**7,942**	**250%**	**25,453**	**9%**	**25,378**	**10%**
Depreciation	2,615	307	751%	2,244	17%	4,768	-45%
EBIT	25,199	7,635	230%	23,210	9%	20,609	22%
Other income	1,283	282	355%	112	1045%	338	280%
Interest expense	2,755	146	1783%	1,676	64%	5,055	-45%
PBT	23,727	7,770	205%	21,646	10%	15,892	49%
Tax expense	6,715	1,354	396%	6,571	2%	4,005	68%
Reported PAT	17,339	6,416	170%	15,301	13%	12,387	40%
Adj EPS basic (Rs)	31	12	153%	20	54%	20	51%

Source: Company data, Nomura estimates

Fig. 2: Iron ore volumes and realizations came in 6% and 13% higher, respectively

Unitary	1QFY27	1QFY26	%YoY	4QFY26	%QoQ	Nomura	% Dev
Iron ore volumes (MT)	5.5	3.5	58%	6.2	-11%	5.13	6%
Iron ore realisation/t (INR/t)	6,068	6,252	-3%	5,848	4%	5,391	13%
Standalone EBITDA (INR bn)	21.20	7.80	172%	16.14	31%	18	21%
Consolidated EBITDA (INR bn)	27.81	7.94	250%	25.45	9%	25	10%

Source: Company data, Nomura estimates

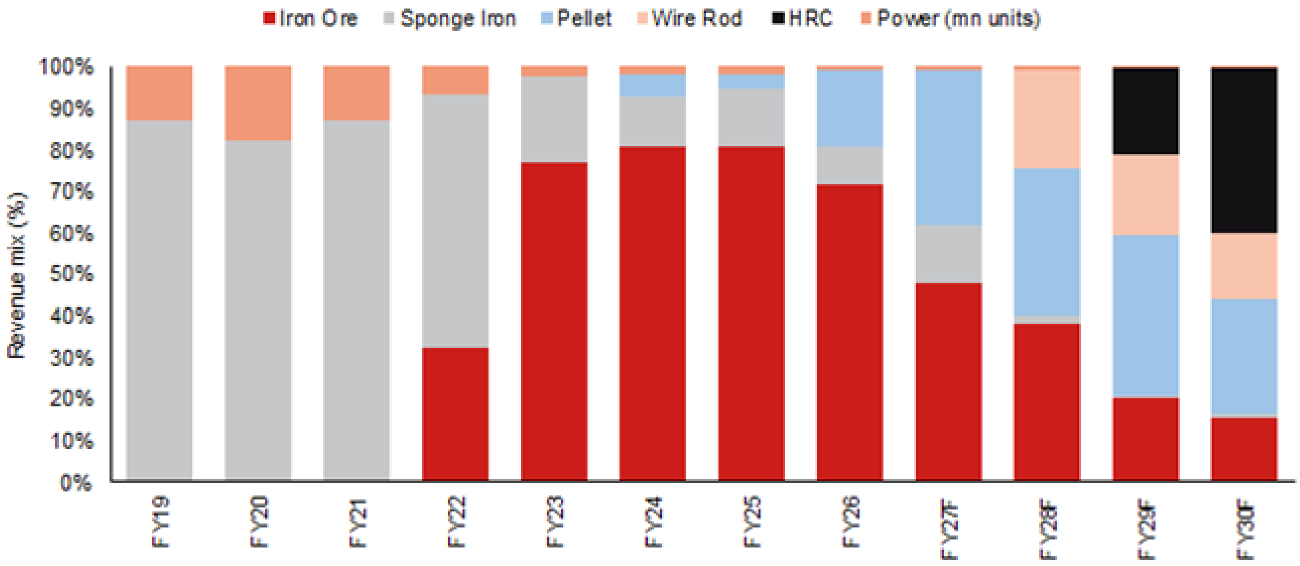
Mix improvement should drive higher-quality earnings

LMEL’s growth is increasingly driven by structural mix improvement rather than pure volume expansion. Segment profitability indicates a clear hierarchy, with pellets and downstream steel delivering materially superior EBITDA/t versus legacy iron ore exposure.

We expect pellet capacity to expand to 14MT by FY28F (*Fig. 6*), increasing the pellet’s contribution to core business’ EBITDA from 28% in FY26 to 43% by FY30F, while downstream steel’s contribution rises to 34% as newer capacities ramp (*Fig. 4*). Commissioning of the 1.2MT wire rod facility by the end of FY27F and the 3MT HRC plant by FY30F should further increase exposure to higher-realization products, in our view.

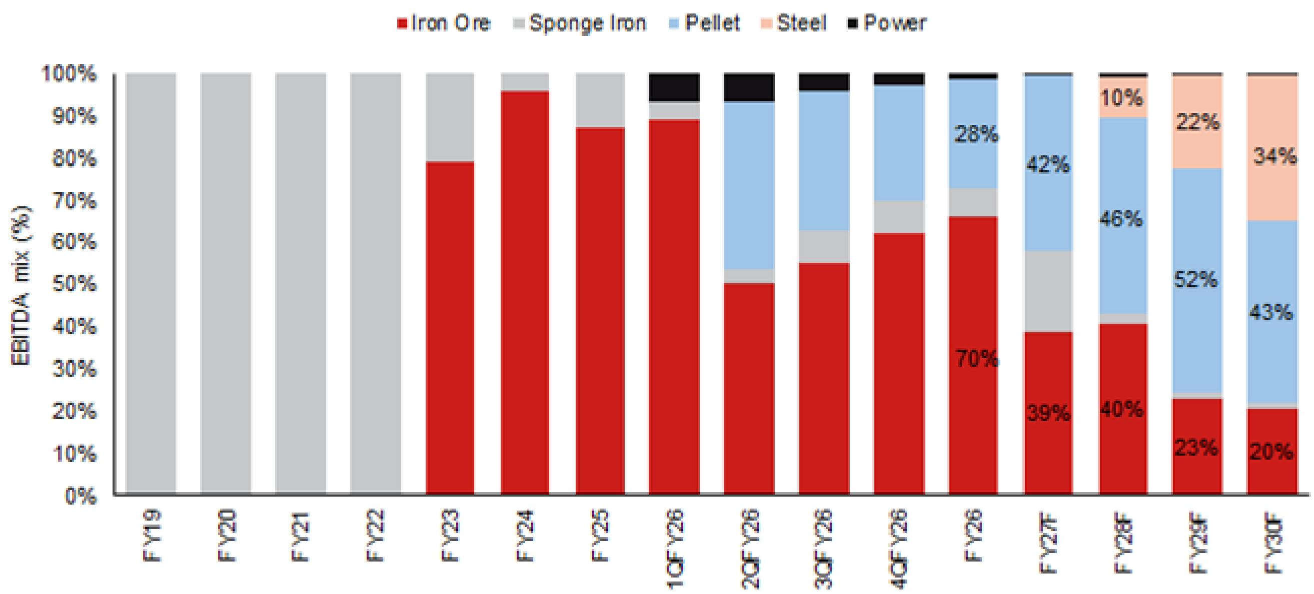
Our assumptions incorporate a measured EBITDA/t across key assets (*Fig. 5*), supporting confidence in forecast deliverability rather than relying on aggressive absorption assumptions.

Fig. 3: Revenue mix of core business over FY19-30F



Source: Company data, Nomura estimates

Fig. 4: EBITDA mix of core business over FY19-30F



Source: Company data, Nomura estimates

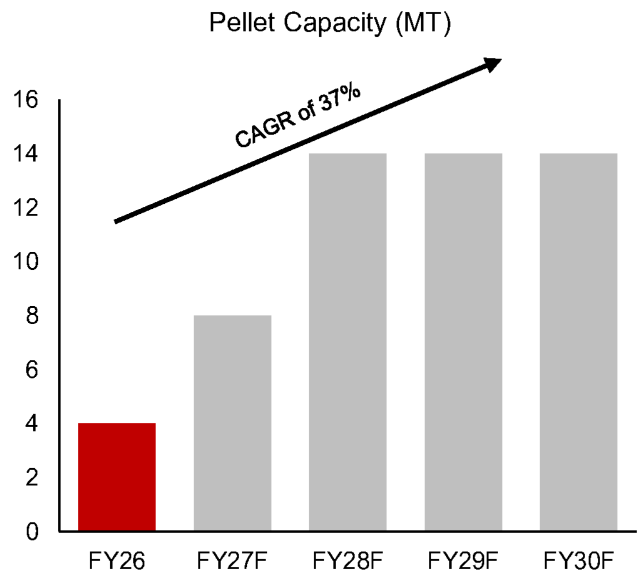
Fig. 5: Snapshot of consolidated financial performance and outlook

Consol. Revenue	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27F	FY28F	FY29F	FY30F
Mining	-	-	2,380	27,544	54,330	55,963	103,016	99,111	85,882	59,922	57,531
Steel and other related segments	4,053	2,783	4,952	8,240	13,009	13,453	44,436	101,837	128,710	230,418	304,978
Core business	**4,053**	**2,783**	**7,331**	**35,784**	**67,339**	**69,415**	**147,452**	**200,948**	**214,592**	**290,340**	**362,509**
MDO Operation and related services	-	-	-	-	-	-	65,716	108,470	114,247	123,560	133,619
Non-Ferrous	-	-	-	-	-	-	-	13,474	45,442	56,862	63,074
Intersegment and other income	(336)	(249)	(356)	(1,861)	(2,528)	(3,152)	(44,944)	(23,742)	-	-	-
Consol. revenue from operations (INR mn)	**3,717**	**2,534**	**6,975**	**33,923**	**64,810**	**66,263**	**168,224**	**299,150**	**374,280**	**470,762**	**559,202**

Consol. EBITDA	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27F	FY28F	FY29F	FY30F
Mining	-	-	-	6,417	16,550	17,037	31,801	37,628	40,367	29,193	28,082
Steel and other related segments	211	109	1,455	1,686	734	2,492	10,701	57,943	60,361	98,752	109,435
Core business	**211**	**109**	**1,455**	**8,103**	**17,284**	**19,529**	**42,502**	**95,571**	**100,728**	**127,945**	**137,517**
MDO Operation and related services	-	-	-	-	-	-	19,277	26,694	29,326	31,145	32,706
Non-Ferrous	-	-	-	-	-	-	-	3,708	19,092	24,497	26,733
Non-attributable	0	0	0	-	29	(0)	(377)	(2,510)	-	-	-
Total Consol. EBITDA (INR mn)	**211**	**109**	**1,455**	**8,103**	**17,313**	**19,529**	**61,402**	**123,463**	**149,147**	**183,587**	**196,956**

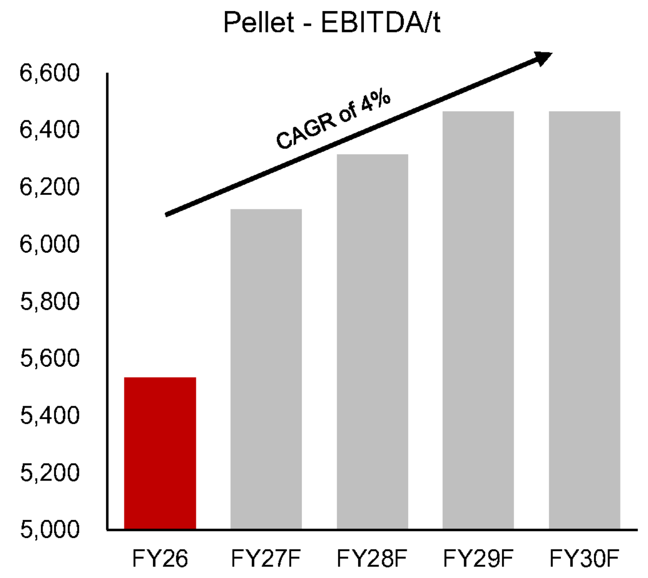
Source: Company data, Nomura estimates

Fig. 6: LMEL pellet plant capacity is set to reach 14MT by FY28F



Source: Company data, Nomura estimates

Fig. 7: We expect LMEL to generate >INR6,000/t from external sales of pellet

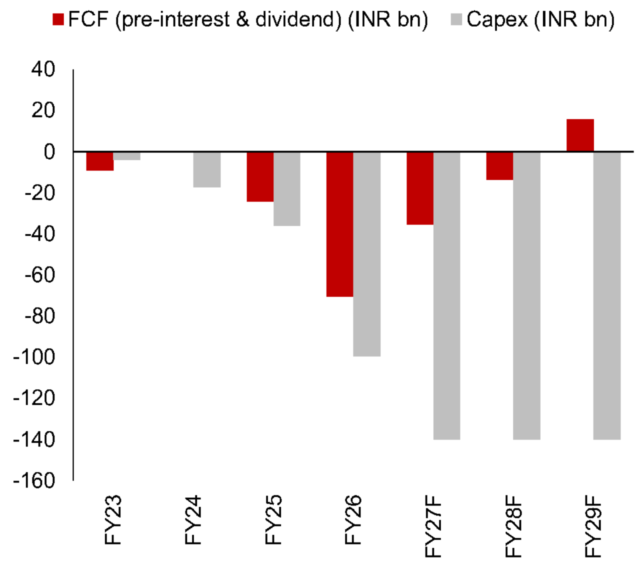


Source: Company data, Nomura estimates

Investment-led leverage should be offset by earnings expansion

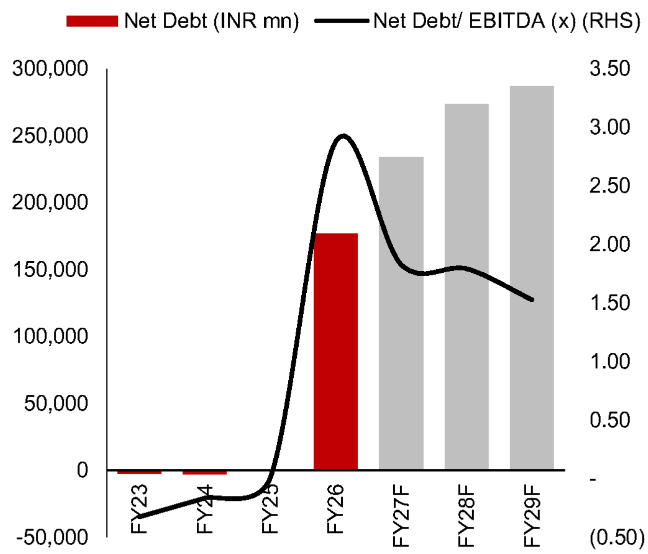
We expect net debt to increase from INR177bn in FY26 to INR293bn by FY29F as LMEL executes its capex cycle; however, stronger earnings should keep leverage manageable, with net debt/EBITDA moderating from peak levels of 2.8x in FY26 to 1.6x by FY29F (*Fig. 9*). Incremental leverage is being deployed toward higher-margin capacity creation rather than sustaining the existing portfolio, with measured utilisation assumptions underpinning forecast deliverability.

Fig. 8: LMEL to generate negative to slightly positive FCF (pre-interest & dividend) after building in capex over FY27-29F



Note: Net debt is calculated as sum of long-term debt, short-term debt less cash, further reduced by bank balances as reported
Source: Company data, Nomura research

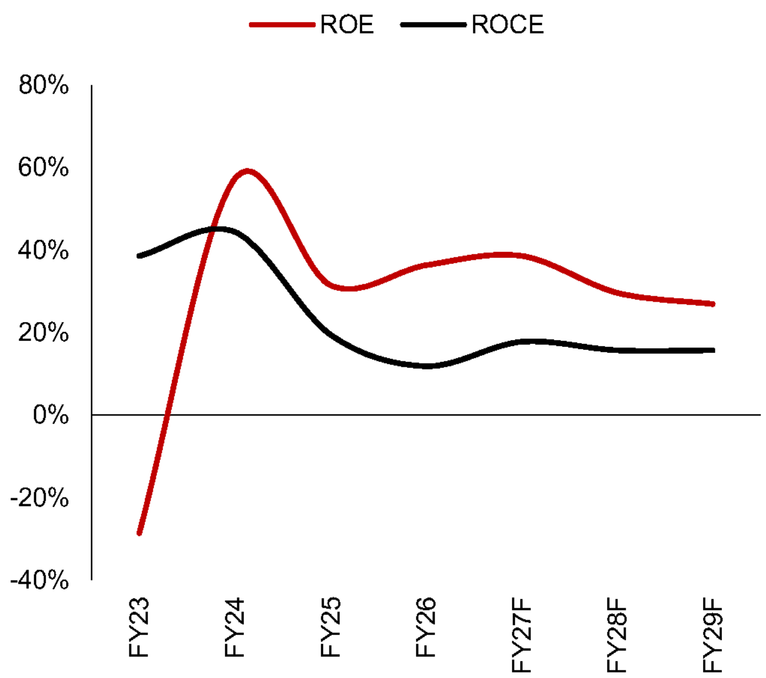
Fig. 9: We expect net debt-to-EBITDA (x) to remain below 2x over FY27-29F despite aggressive capex phase



Note: Net debt is calculated as sum of long-term debt, short-term debt less cash, further reduced by bank balances as reported
Source: Company data, Nomura research

Incremental debt is being deployed into structurally higher-margin businesses, supporting stronger EBITDA, cash flow generation, and return expansion over time. In our view, temporary balance sheet expansion remains acceptable given the visible earnings ramp, improving asset mix, and expected return accretion.

Fig. 10: We expect LMEL to generate around 33% and 17% average ROE and ROCE, respectively, during FY27F-29F

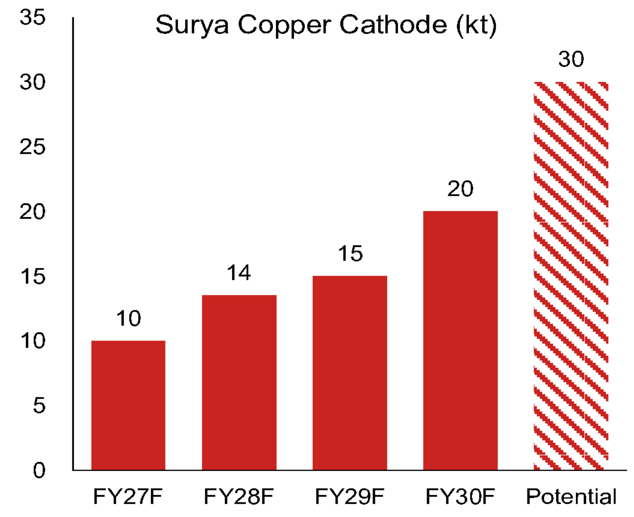


Source: Company data, Nomura research

Non-ferrous adds meaningful medium-term optionality

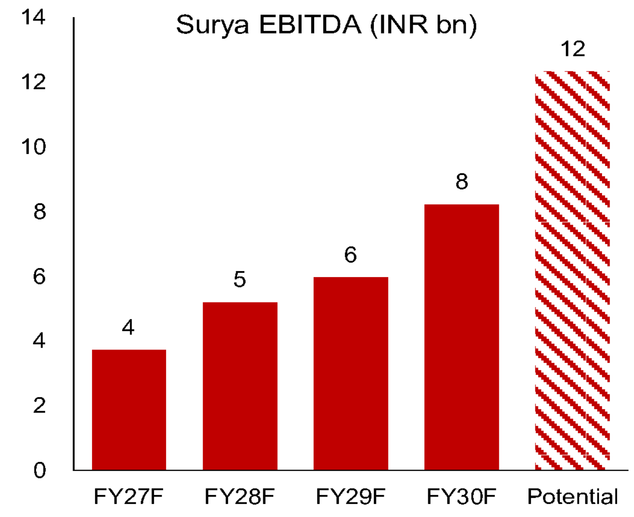
Beyond ferrous, Lloyds has built a multi-asset copper platform spanning Surya Mines (12-30ktpa copper cathode), CHEMAF (~70ktpa copper cathode + ~20ktpa cobalt), and the early-stage Panguna copper-gold opportunity in Papua New Guinea (PNG). Commercial copper production began in 1Q with 2.7kt, generating USD46.8mn in revenue but a USD2.6mn EBITDA loss, mainly due to EPT shutdown and higher sulphuric acid and diesel prices amid the Middle-East conflict. We estimate the non-ferrous portfolio could contribute ~INR25bn of EBITDA by FY29F (assuming ~40kt copper and ~4kt cobalt volumes), equivalent to 14% of consolidated EBITDA, while PNG remains a longer-duration upside option outside our core base case.

Fig. 11: Surya is presently operating a 12kt cathode plant with a potential ramp up to 30kt



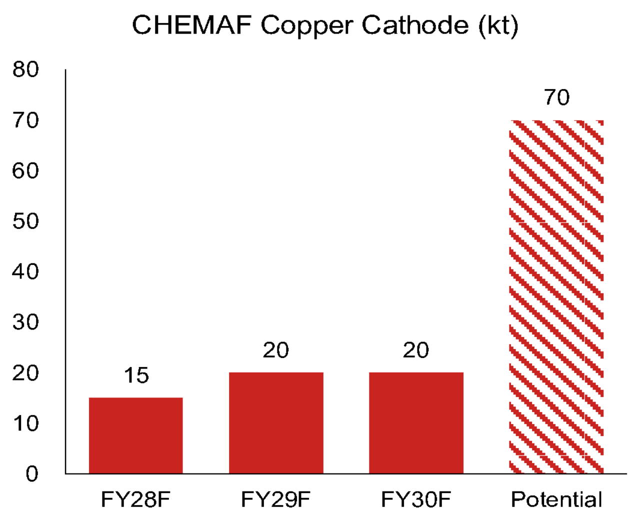
Note: On 100% basis; Lloyds' stake is 50%
Source: Company data, Nomura estimates

Fig. 12: While we estimate ~INR6bn EBITDA by FY29F, it can increase significantly post expansion



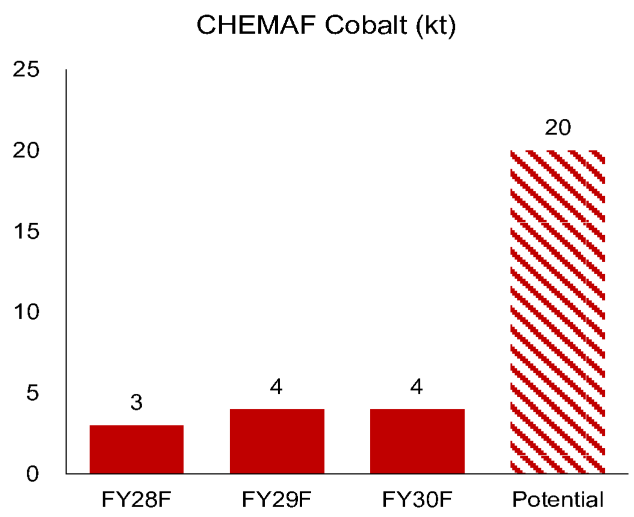
Note: On 100% basis; Lloyds' stake is 50%; copper price assumed at USD13,000/t
Source: Company data, Nomura estimates

Fig. 13: Post commissioning of Mutoshi site, CHEMAF will have 70ktpa copper cathode capacity



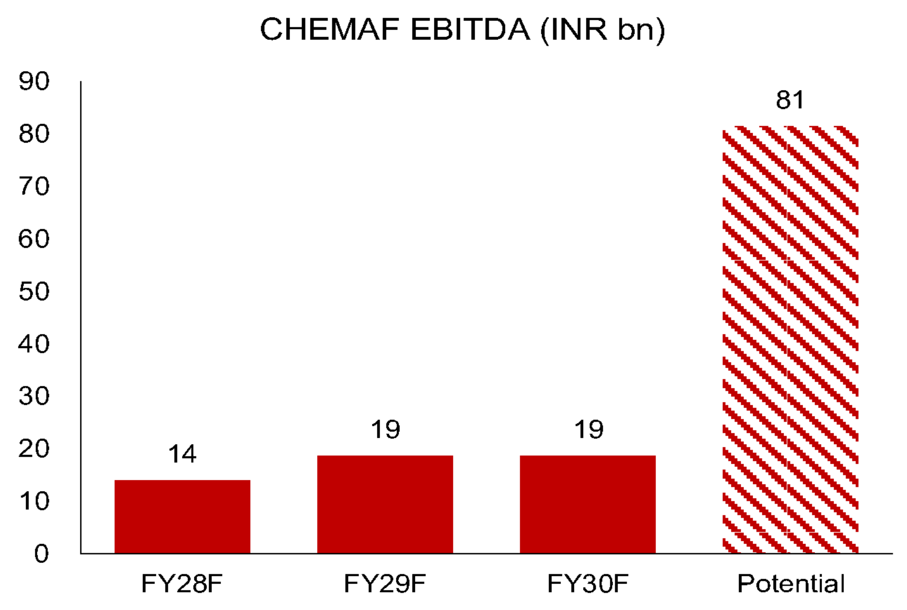
Note: On 100% basis; Lloyds' stake is 49%
Source: Company data, Nomura estimates

Fig. 14: Similarly, Mutoshi site will add another 16ktpa to cobalt capacity



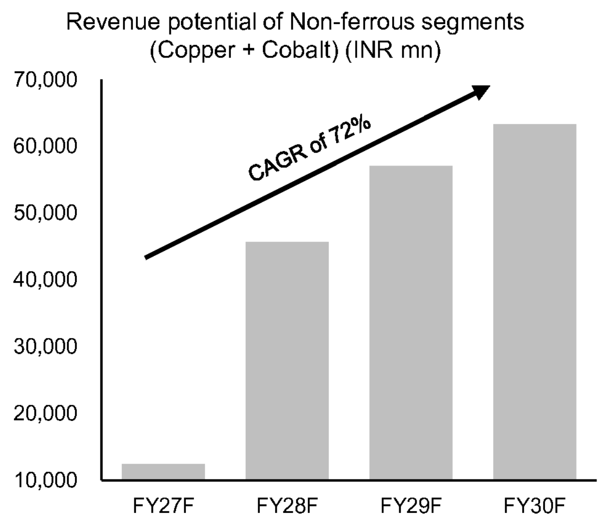
Note: On 100% basis; Lloyds' stake is 49%
Source: Company data, Nomura estimates

Fig. 15: Once both the sites are fully ramped up, CHEMAF can contribute ~INR81bn of EBITDA



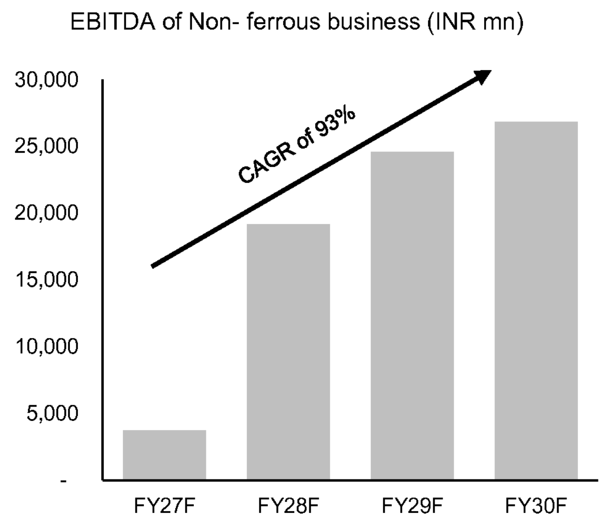
Note: On 100% basis; Lloyds' stake is 50%; copper price assumed at USD13,000/t and cobalt prices at USD35,000/t
Source: Company data, Nomura estimates

Fig. 16: We expect non-ferrous business revenue to increase at a 72% CAGR over FY27-30F...



Source: Company data, Nomura estimates

Fig. 17: ... while we expect EBITDA to improve at a 93% CAGR over the same period



Source: Company data, Nomura estimates

Earnings visibility improves; valuation turns less compelling

We **slightly trim our FY27F/FY28F/FY29F EBITDA estimates by ~2-3%**, as we recalibrate our commodity price assumptions. The core business and MDO continue to perform strongly in line with our expectations. However, the operational challenges noted in copper asset ramp-up and cost pressures amid the West-Asia crisis led us to **cut our multiple for the non-ferrous business to 12x** from 14x. With commercialisation of the copper mines underway and execution largely on track, we believe **most key catalysts are now reflected in the stock price**. We downgrade our rating on the stock to **Neutral** from Buy as we see limited upside from current levels, despite a favourable earnings outlook. However, upside risks include faster commissioning of CHEMAF assets and favourable commodity prices. As a result, we cut our TP by 5% to INR1,950 based on an EV/EBITDA multiple of 8.3x (previously 8.4x) reflecting confidence in LMEL's execution and earnings delivery (*rationale*). The stock currently trades at 10.7x one-year-forward EV/EBITDA.

Fig. 18: We slightly trim our FY27F/28F/29F EBITDA estimates by 3%/2%/2% as we recalibrate our commodity price assumptions

	FY27F			FY28F			FY29F		
Consolidated	Old	Revised	% change	Old	Revised	% change	Old	Revised	% change
Operating revenue (INR bn)	311	305	-2%	387	384	-1%	484.0	481	-1%
EBITDA (INR bn)	128	123	-3%	153	149	-2%	188	184	-2%
Net Debt (INR bn)	234	236	1%	274	275	1%	287	293	2%
RoE (%)	39%	40%	150bps	30%	30%	80bps	26.9%	28%	90bps
RoCE (%)	18%	18%	-10bps	16%	16%	50bps	15.7%	16%	60bps
Target Price (INR/share)				**2,050**	**1,950**	**-5%**			

Note: Net debt is calculated as sum of long-term debt, short-term debt less cash, further reduced by bank balances as reported
Source: Nomura estimates

Fig. 19: Valuation: We downgrade our rating to Neutral and cut TP to INR1,950 based on target EV/EBITDA multiple of 8.3x

	FY27F EBITDA	FY28F EBITDA	FY29F EBITDA	Jun'28 EBITDA	Target EV/EBITDA (x)	Asset Value (Rs bn)	Months of FY29F
Core Business EBITDA	96	101	128	108	8.0	860	3
MDO Business EBITDA	27	29	31	30	8.0	238	3
Non-Ferrous Business EBITDA	2	9	12	10	12.0	121	3
Enterprise Value	**124**	**139**	**171**	**147**	**8.3**	**1,219**	
Less: Net Debt	236	275	293	246		246	
Add: CWIP (15% discount)						119	
Equity Value						1,092	
Shares Outstanding (mn)						563	
Target price						**₹ 1,950**	

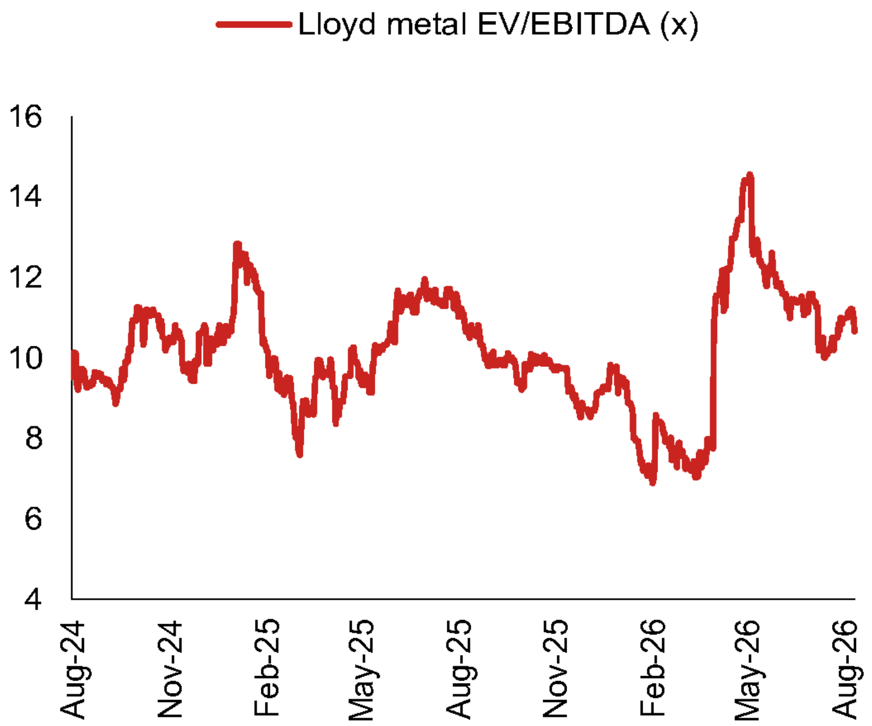
Note: Net debt is calculated as sum of long-term debt, short-term debt less cash, further reduced by bank balances as reported
Source: Nomura estimates

Fig. 20: We slightly tweak our commodity price assumptions to reflect the current conditions

		Revised assumptions			Old assumptions			Change (%)		
Price Deck	FY26	FY27F	FY28F	FY29F	FY27F	FY28F	FY29F	FY27F	FY28F	FY29F
Steel										
China domestic HRC ($/t)	467	480	495	510	475	489	504	1%	1%	1%
China Export HRC ($/t)	466	495	510	525	488	504	519	1%	1%	1%
North Europe HRC (Eur/t)	618	688	702	716	688	702	716	0%	0%	0%
India Domestic HRC (Rs/t)	50,529	57,013	58,712	60,288	56,428	58,198	59,753	1%	1%	1%
India Domestic Rebar (Rs/t)	51,950	53,667	59,172	60,760	54,974	58,654	60,221	-2%	1%	1%
Raw Materials										
Iron Ore 62% China CFR ($/t)	98	95	97	99	99	101	103	-4%	-4%	-4%
Aus Low-Vol Coking Coal ($/t)	200	226	231	235	223	227	231	2%	2%	2%
China coking coal ($/t)	202	202	207	211	202	207	211	0%	0%	0%
NMDC Chattisgarh fines (Rs/t)	4768	5,258	5,434	5,589	5,244	5,415	5,569	0%	0%	0%
India FOB pellet price ($/t)	99	97	99	101	97	99	101	0%	0%	0%
Metal Spreads										
china domestic HRC margin ($/t)	188	207	216	225	196	204	213	6%	6%	6%
China export HRC Margin ($/t)	188	222	231	241	209	219	228	6%	6%	5%
North Europe HRC Margin (Eur/t)	320	375	382	390	375	383	391	0%	0%	0%
India HRC margin (Rs/t)	30,746	33,956	35,018	36,031	33,624	34,779	35,777	1%	1%	1%

Source: Bloomberg Finance L.P., BigMint, Nomura estimates

Fig. 21: LMEL is currently trading at a 10.7x one-year-forward EV/EBITDA multiple



Source: Bloomberg Finance L.P., Nomura research

Appendix A-1

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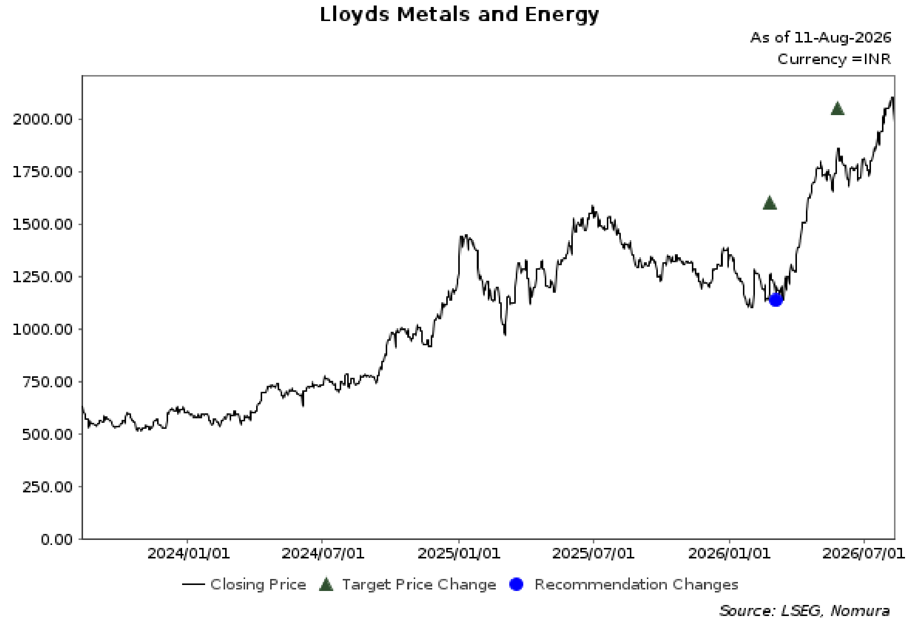
Issuer	Ticker	Price	Price date	Stock rating	Sector rating	Disclosures
Lloyds Metals and Energy	LLOYDSME IN	INR 1,986	11-Aug-2026	Neutral	N/A	

Lloyds Metals and Energy (LLOYDSME IN) **INR 1,986 (11-Aug-2026)** Neutral (Sector rating: N/A)

Rating and target price chart (three year history)



Date	Rating	Target price	Closing price
26-May-26		2,050.00	1,854.00
24-Feb-26	Buy		1,164.00
24-Feb-26		1,600.00	1,164.00

For explanation of ratings refer to the stock rating keys located after chart(s)

Valuation Methodology We arrive at SOTP-based TP of INR1,950 by applying a target EV/EBITDA of 8.3x on new steady-state EBITDA in Jun'28. The benchmark for this stock is NIFTY50
Risks that may impede the achievement of the target price Downside risks: (1) a delay in steel capacity, (2) political unrest in the Democratic Republic of the Congo affecting the copper business, (3) BHQ beneficiation not yielding the same results as seen in the pilot project, and (4) resurfacing of Naxal activities. Upside risks include faster commissioning of CHEMAF (unlisted) assets and favourable commodity prices

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