equirus SECURITIES

# Lloyds Metals And Energy Ltd

## Diversified Commodities; Multiple Growth Engines

| CMP | Target Price |
|---|---|
| Rs 1,986 | Rs 2,350 |
| | Sep 2027 |
| Rating | Upside |
| LONG | 18% (↑) |

- Lloyds Metals & Energy (LMEL) EBITDA rose 3.5x yoy to Rs 27.8bn (+9% qoq), 16% above EE of Rs 24.1bn, as standalone operations delivered a 32% beat.
- FY27E growth remains volume-led across all three verticals; product mix, value addition and cost savings provide further upside to profitability.
- Maintain LONG; raise SOTP-based TP to Rs 2,350 for Sep'27 (Rs 2,200 for Jun'27).

**Standalone strength delivers beat:** LMEL reported consolidated EBITDA increased 3.5x yoy to Rs 27.8bn (+ 9% qoq), 16% above EE of Rs 24.1bn. Standalone accounted for the upside, with EBITDA rising 2.7x yoy to Rs 21.2bn, 32% ahead of EE of Rs 16.1bn. The beat was both volume- and margin-led: (1) iron ore production increased 53% yoy to 6.05mt, (2) external iron ore sales rose 58% yoy to 5.46mt, supported by pithead inventory, and (3) pellet sales increased 24% qoq to 1.34mt, with both the plants exiting the quarter at 100% utilisation. Iron ore and pellet EBITDA/t both expanded qoq, reflecting a favourable product/geographical mix, stronger operating leverage and the growing benefits of the slurry pipeline. Thriveni maintained robust momentum: iron ore volumes rose 93% yoy to 19.09mt, driving EBITDA of Rs 6.6bn, up 2.5x yoy. As Thriveni was consolidated only from 2QFY26, it was excluded from consolidated base-period earnings. Net income rose 2.7x yoy to Rs 17.3bn (EPS: Rs 30.7), 28% above EE.

**Volume ramp-up broadens growth outlook:** LMEL retained FY27E production guidance of: (1) 26mt iron ore, (2) 7.5-8mt pellets and (3) 825kt DRI. Copper production is expected to reach 8-10kt in FY27E, while combined copper and cobalt output is targeted to scale ~10x by FY29E. These projects broaden LMEL's commodity exposure and reduce reliance on the domestic iron ore cycle. Thriveni's FY27E volumes should benefit from higher contributions from the Gadchiroli and Odisha mines. Stronger domestic execution should underpin Thriveni's near-term growth. Beyond FY27E, we expect international operations and a potential expansion of the Tata Steel partnership across its Indian mining portfolio to drive the next leg of mining-services growth. Management guided to FY27E capex of Rs 110bn, including Rs 85bn in India. Chemaf's debt restructuring is expected to close within three months, materially lowering consolidated debt vs end-FY26 and creating balance-sheet headroom for growth. While disclosure on Panguna remains limited, we expect investments to scale following transaction closure; the project is currently at an early evaluation stage.

**Diversification supports premium valuation:** LMEL is building multiple earnings streams across iron ore, pellets, DRI, base metals and mining services, supported by volume growth, value addition and cost optimisation. This combination offers earnings growth and diversification, with contributions from newer assets increasing over the forecast period. We expect these levers to drive ~46% EBITDA CAGR over FY26–29E. The expanding earnings mix, improving scale and scarcity of comparable listed peers should support premium multiples vs the sector. Maintain LONG.

**Financial Summary**

| YE Mar Rs bn | Sales | EBITDA | Recurring PAT | EPS (Rs) | P/E (x) | P/B (x) | EV/ EBITDA (x) | ROE (%) | Core ROIC (%) | EBITDA Margin (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| FY26A | 171 | 61 | 37 | 65.4 | 30.4 | 8.1 | 21.1 | 26.5 | 29.3 | 35.9 |
| FY27E | 331 | 124 | 35 | 62.9 | 31.6 | 5.1 | 10.4 | 16.3 | 32.8 | 37.4 |
| FY28E | 410 | 155 | 87 | 154.5 | 12.9 | 3.6 | 8.9 | 28.0 | 28.6 | 37.7 |
| FY29E | 456 | 190 | 105 | 187.2 | 10.6 | 2.6 | 7.4 | 25.0 | 25.2 | 41.6 |

*Source: Company, Equirus Securities*

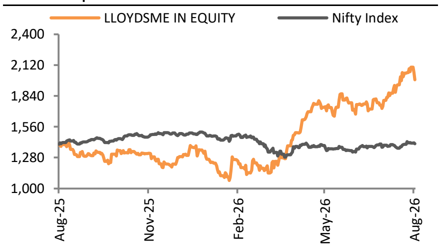
**Estimate Revision**

| | Forecasts | | % Change | |
|---|---|---|---|---|
| (Rs bn) | FY27E | FY28E | FY27E | FY28E |
| Sales | 331 | 410 | 0.0 | 0.0 |
| EBITDA | 124 | 155 | 0.0 | 0.0 |
| PAT | 35 | 87 | 0.0 | 0.0 |
| EPS | 62.9 | 154.5 | 0.0 | 0.0 |

| Stock Information | |
|---|---|
| Market Cap (Rs Mn) | 11,18,046 |
| 52 Wk H/L (Rs) | 2,127/1,043 |
| Avg Daily Volume (1yr) | 7,09,358 |
| Avg Daily Value (Rs Mn) | 11.8 |
| Equity Cap (Rs Mn) | 1,38,709 |
| Face Value (Rs) | 1 |
| Share Outstanding (Mn) | 562.9 |
| Bloomberg Code | LLOYDSME IN |
| Ind Benchmark | BSE METL |

| Ownership (%) | Recent | 3M | 12M |
|---|---|---|---|
| Promoters | 61.6 | (2.1) | (1.8) |
| DII | 1.7 | (0.2) | (0.2) |
| FII | 2.3 | 0.4 | 0.2 |
| Public | 34.4 | 1.9 | 1.9 |

**Relative price chart**




*Source: Bloomberg*

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Exhibit 1: Quarterly Performance (Standalone)

| | | | | | % Change | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Rs mn** | **1QFY27** | **1QFY27E** | **4QFY26** | **1QFY26** | **1QFY26E** | **4QFY25** | **1QFY25** | **FY26** | **FY25** | **YoY (%)** |
| Revenue From Operations | 54,129 | 42,482 | 49,129 | 23,799 | 27 | 10 | 127 | 1,36,806 | 67,214 | 104 |
| Cost of Goods Sold | 8,686 | | 5,517 | 1,938 | | 57 | 348 | 20,001 | 8,061 | 148 |
| Gross Profit | 45,443 | | 43,612 | 21,861 | | 4 | 108 | 1,16,805 | 59,153 | 97 |
| Employee Expenses | 1,261 | | 1,331 | 638 | | -5 | 98 | 3,898 | 1,633 | 139 |
| Mining, Royalty & Selling Expenses | 19,722 | | 22,414 | 12,202 | | | | 58,996 | 33,640 | |
| Other Expenses | 3,259 | | 3,724 | 1,220 | | -12 | 167 | 8,736 | 4,609 | 90 |
| EBITDA | 21,202 | 16,055 | 16,144 | 7,801 | 32 | 31 | 172 | 45,176 | 19,272 | 134 |
| Depreciation | 1,003 | | 993 | 278 | | 1 | 261 | 2,425 | 805 | 201 |
| EBIT | 20,199 | | 15,151 | 7,523 | | 33 | 168 | 42,751 | 18,467 | 131 |
| Other Income | 954 | | 645 | 286 | | 48 | 234 | 1,556 | 773 | 101 |
| Interest Expenses | 1,072 | | 644 | 145 | | 66 | 640 | 1,323 | 271 | 389 |
| Exceptional Items | 0 | | 0 | 0 | | | | 0 | 0 | |
| Profit Before Tax | 20,081 | | 15,151 | 7,664 | | 33 | 162 | 42,983 | 18,970 | 127 |
| Tax Expenses | 4,812 | | 4,495 | 1,318 | | 7 | 265 | 11,040 | 4,460 | 148 |
| Profit After Tax | 15,269 | | 10,656 | 6,346 | | 43 | 141 | 31,943 | 14,509 | 120 |
| EPS (Rs/share) | 27.1 | | 18.9 | 12.1 | | 43 | 124 | 58.9 | 28.1 | 109 |
| **Key Ratios (%)** | | | | | | | | | | |
| Gross Margin | 84.0 | | 88.8 | 91.9 | | (482 bps) | (790 bps) | 85.4 | 88.0 | (263 bps) |
| EBITDA Margin | 39.2 | | 32.9 | 32.8 | | 631 bps | 639 bps | 33.0 | 28.7 | 435 bps |
| EBIT Margin | 37.3 | | 30.8 | 31.6 | | 648 bps | 570 bps | 31.2 | 27.5 | 377 bps |
| PBT Margin | 37.1 | | 30.8 | 32.2 | | 626 bps | 490 bps | 31.4 | 28.2 | 320 bps |
| PAT Margin | 28.2 | | 21.7 | 26.7 | | 652 bps | 154 bps | 23.3 | 21.6 | 176 bps |
| Tax Rate | 24.0 | | 29.7 | 17.2 | | (571 bps) | 676 bps | 25.7 | 23.5 | 217 bps |
| **Production (mt)** | | | | | | | | | | |
| Iron Ore | 6.05 | | 9.09 | 3.96 | | -33 | 53 | 21.96 | 10.00 | 120 |
| Sponge Iron | 0.18 | | 0.19 | 0.08 | | -5 | 130 | 0.48 | 0.31 | 57 |
| Pellets | 1.70 | | 1.08 | 0.00 | | 57 | | 3.03 | 0.00 | |
| **Sales (mt)** | | | | | | | | | | |
| Iron Ore | 5.46 | | 6.16 | 3.45 | | -11 | 58 | 16.18 | 9.46 | 71 |
| Sponge Iron | 0.18 | | 0.19 | 0.08 | | -2 | 133 | 0.48 | 0.31 | 56 |
| Pellets | 1.34 | | 1.08 | 0.00 | | 24 | | 2.77 | 0.00 | |

*Source: Company Data, Equirus*

### Exhibit 2: Quarterly Performance (Consolidated)

| Rs mn | 1QFY27 | 1QFY27E | 4QFY26 | 1QFY26 | % Change | | | FY26 | FY25 | YoY (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | 1QFY26E | 4QFY25 | 1QFY25 | | | |
| Revenue From Operations | 73,544 | 51,722 | 60,197 | 23,835 | 42 | 22 | 209 | 1,71,127 | 67,214 | 155 |
| Cost of Goods Sold | 12,517 | | 3,729 | 1,938 | | 236 | 546 | 18,482 | 8,061 | 129 |
| Gross Profit | 61,027 | | 56,469 | 21,897 | | 8 | 179 | 1,52,645 | 59,153 | 158 |
| Employee Expenses | 4,000 | | 4,498 | 638 | | -11 | 527 | 12,929 | 1,633 | 692 |
| Mining, Royalty & Selling Expenses | 22,673 | | 18,458 | 12,092 | | | | 58,813 | 33,640 | |
| Other Expenses | 6,540 | | 8,060 | 1,110 | | -19 | 489 | 19,369 | 4,612 | 320 |
| EBITDA | 27,815 | 24,055 | 25,453 | 8,057 | 16 | 9 | 245 | 61,533 | 19,269 | 219 |
| Depreciation | 2,615 | | 2,244 | 314 | | 17 | 734 | 6,078 | 808 | 652 |
| EBIT | 25,199 | 21,805 | 23,210 | 7,744 | 16 | 9 | 225 | 55,455 | 18,461 | 200 |
| Other Income | 1,283 | | 112 | 276 | | 1,045 | 365 | 1,915 | 772 | 148 |
| Interest Expenses | 2,755 | | 1,676 | 146 | | 64 | 1,783 | 5,104 | 272 | 1,775 |
| Exceptional Items | 0 | | 0 | 0 | | | | 0 | 0 | |
| Profit Before Tax | 23,727 | | 21,646 | 7,873 | | 10 | 201 | 52,266 | 18,961 | 176 |
| Tax Expenses | 6,715 | | 6,571 | 1,354 | | 2 | 396 | 14,083 | 4,462 | 216 |
| Profit After Tax | 17,012 | 15,127 | 15,075 | 6,519 | 12 | 13 | 161 | 38,183 | 14,499 | 163 |
| Share of Associates | 327 | | 226 | 0 | | 45 | | 206 | 0 | |
| Minority Interest | 73 | | 1,106 | 0 | | -93 | | 1,478 | 0 | |
| Consolidated Net Profit | 17,266 | 13,453 | 14,195 | 6,519 | 28 | 22 | 165 | 36,911 | 14,499 | 155 |
| EPS (Rs/share) | 30.7 | 23.9 | 25.2 | 12.5 | 28 | 22 | 146 | 67.8 | 28.1 | |
| **Key Ratios (%)** | | | | | | | | | | |
| Gross Margin | 83.0 | | 93.8 | 91.9 | | (1083 bps) | (889 bps) | 89.2 | 88.0 | 119 bps |
| EBITDA Margin | 37.8 | 46.5 | 42.3 | 33.8 | (869 bps) | (446 bps) | 402 bps | 36.0 | 28.7 | 729 bps |
| EBIT Margin | 34.3 | 42.2 | 38.6 | 32.5 | (789 bps) | (429 bps) | 178 bps | 32.4 | 27.5 | 494 bps |
| PBT Margin | 32.3 | 0.0 | 36.0 | 33.0 | 3226 bps | (370 bps) | (77 bps) | 30.5 | 28.2 | 233 bps |
| PAT Margin | 23.1 | 29.2 | 25.0 | 27.3 | (611 bps) | (191 bps) | (422 bps) | 22.3 | 21.6 | 74 bps |
| Tax Rate | 28.3 | | 30.4 | 17.2 | 2830 bps | (205 bps) | 1110 bps | 26.9 | 23.5 | 341 bps |
| **Segment Revenue** | | | | | | | | | | |
| Mining | 35,026 | | 38,423 | 21,347 | | -9 | 64 | 1,03,775 | 56,223 | 85 |
| Steel & Other Related Segments | 22,693 | | 13,779 | 3,168 | | 65 | 616 | 44,435 | 13,452 | 230 |
| MDO Operations & Related Services | 27,624 | | 25,239 | 0 | | 9 | | 64,052 | 0 | |
| Copper & Related Products | 4,443 | | 0 | 0 | | | | 0 | 0 | |
| Others | 0 | | 0 | 0 | | | | 0 | 0 | |
| Less: Inter Segment Revenue | 16,242 | | 17,244 | 679 | | -6 | 2,291 | 39,608 | 1,689 | 2,245 |
| Total | 73,544 | | 60,197 | 23,835 | | 22 | 209 | 1,72,654 | 67,986 | 154 |
| **Segment Results** | | | | | | | | | | |
| Mining | 12,052 | | 10,847 | 7,454 | | 11 | 62 | 29,358 | 17,030 | 72 |
| Steel & Other Related Segments | 8,162 | | 4,304 | 289 | | 90 | 2,721 | 14,130 | 2,207 | 540 |
| MDO Operations & Related Services | 5,817 | | 8,151 | 0 | | -29 | | 13,586 | 0 | |
| Copper & Related Products | -831 | | -93 | 0 | | | | -93 | 0 | |
| Others | 0 | | 0 | 0 | | | | 0 | 0 | |
| Total | 25,199 | | 23,210 | 7,744 | | 9 | 225 | 56,982 | 19,237 | 196 |

*Source: Company Data, Equirus*

### Exhibit 3: Iron ore production increased by 53% yoy to 6.05mt in 1QFY27

| mt | 1QFY25 | 2QFY25 | 3QFY25 | 4QFY25 | 1QFY26 | 2QFY26 | 3QFY26 | 4QFY26 | 1QFY27 | Change (%) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 4QFY26 | 1QFY26 |
| **Production** | | | | | | | | | | | |
| Iron Ore | 4.00 | 1.90 | 2.70 | 1.40 | 3.96 | 3.42 | 5.49 | 9.09 | 6.05 | (33.44) | 52.78 |
| Sponge Iron | 0.08 | 0.08 | 0.08 | 0.07 | 0.08 | 0.09 | 0.12 | 0.19 | 0.18 | (5.50) | 130.28 |
| Pellets | - | - | - | - | - | 0.81 | 1.14 | 1.08 | 1.70 | 57.41 | |
| **Sales** | | | | | | | | | | | |
| Iron Ore | 3.39 | 1.98 | 2.43 | 1.66 | 3.45 | 2.47 | 4.10 | 6.16 | 5.46 | (11.36) | 58.26 |
| Sponge Iron | 0.08 | 0.08 | 0.08 | 0.07 | 0.08 | 0.09 | 0.12 | 0.19 | 0.18 | (2.34) | 133.05 |
| Pellets | - | - | - | - | - | 0.69 | 1.00 | 1.08 | 1.34 | 24.07 | |

*Source: Company Data, Equirus*

Exhibit 4: Iron ore EBITDA stood at Rs 2,230/t in 1QFY27

| | | | | | | | | | | Change (%) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Rs mn** | **1QFY25** | **2QFY25** | **3QFY25** | **4QFY25** | **1QFY26** | **2QFY26** | **3QFY26** | **4QFY26** | **1QFY27** | **4QFY26** | **1QFY26** |
| **Iron Ore** | | | | | | | | | | | |
| Production (mt) | 4.00 | 1.90 | 2.70 | 1.40 | 3.96 | 3.42 | 5.49 | 9.09 | 6.05 | (33.44) | 52.78 |
| External Sales (mt) | 3.39 | 1.98 | 2.43 | 1.66 | 3.45 | 2.47 | 4.10 | 6.16 | 5.46 | (11.36) | 58.26 |
| Revenue | 19,331 | 10,930 | 14,322 | 9,961 | 20,631 | 13,758 | 23,258 | 35,350 | 32,177 | (8.98) | 55.96 |
| EBITDA | 6,265 | 3,303 | 4,911 | - | 7,669 | 4,399 | 7,483 | 11,667 | 12,176 | 4.36 | 58.76 |
| EBIT | 6,258 | 3,293 | 4,942 | 2,538 | 7,342 | 4,330 | 7,364 | 10,847 | 12,052 | 11.11 | 64.15 |
| Realisation (Rs/t) | 5,702 | 5,520 | 5,894 | 6,001 | 5,980 | 5,570 | 5,673 | 5,739 | 5,893 | 2.69 | (1.45) |
| EBITDA (Rs/t) | 1,848 | 1,668 | 2,021 | - | 2,223 | 1,781 | 1,825 | 1,894 | 2,230 | 17.74 | 0.31 |
| EBIT (Rs/t) | 1,846 | 1,663 | 2,034 | 1,529 | 2,128 | 1,753 | 1,796 | 1,761 | 2,207 | 25.35 | 3.72 |

*Source: Company Data, Equirus*
*Note: EBITDA/t is not comparable yoy as base numbers include other income*

Exhibit 5: Pellet EBITDA stood at Rs 5,803/t in 1QFY27

| | | | | | | | | | | Change (%) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Rs mn** | **1QFY25** | **2QFY25** | **3QFY25** | **4QFY25** | **1QFY26** | **2QFY26** | **3QFY26** | **4QFY26** | **1QFY27** | **4QFY26** | **1QFY26** |
| **Pellets** | | | | | | | | | | | |
| Production (mt) | - | - | - | - | - | 0.81 | 1.14 | 1.08 | 1.70 | 57.41 | |
| External Sales (mt) | - | - | - | - | - | 0.69 | 1.00 | 1.08 | 1.34 | 24.07 | |
| Revenue | - | - | - | - | - | 6,842 | 10,289 | 10,357 | 15,789 | 52.45 | |
| EBITDA | - | - | - | - | - | 3,477 | 4,535 | 4,363 | 7,776 | 78.22 | |
| Realisation (Rs/t) | | | | | | 9,916 | 10,289 | 9,590 | 11,783 | 22.87 | |
| EBITDA (Rs/t) | | | | | | 5,039 | 4,535 | 4,040 | 5,803 | 43.64 | |

*Source: Company Data, Equirus*
*Note: EBITDA/t is not comparable yoy as base numbers include other income*

Exhibit 6: TEIPL iron ore volumes increased by 93% yoy to 19.09mt driven by ramp-up in both LMEL and Odisha

| | | | | | | | | | | Change (%) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Rs mn** | **1QFY25** | **2QFY25** | **3QFY25** | **4QFY25** | **1QFY26** | **2QFY26** | **3QFY26** | **4QFY26** | **1QFY27** | **4QFY26** | **1QFY26** |
| **TEIPL P&L** | | | | | | | | | | | |
| Revenue | - | - | - | - | 16,387 | 16,070 | 21,971 | 25,154 | 26,719 | 6.22 | 63.05 |
| Total Expenses | - | - | - | - | 13,702 | 13,805 | 16,516 | 15,410 | 20,138 | 30.68 | 46.97 |
| EBITDA | - | - | - | - | 2,685 | 2,265 | 5,455 | 9,744 | 6,581 | (32.46) | 145.10 |
| Cash PAT | - | - | - | - | 1,827 | 760 | 3,427 | 5,948 | 4,468 | (24.88) | 144.55 |
| Net Debt incld (RPS) | - | - | - | - | - | 56,707 | 56,707 | 53,734 | 58,205 | 8.32 | |
| **Operational Data** | | | | | | | | | | | |
| Iron Ore (mt) | - | - | - | - | 9.87 | 8.35 | 15.63 | 19.92 | 19.09 | (4.17) | 93.41 |
| Baryte (mn cubic meters) | - | - | - | - | 2.43 | 0.76 | 2.01 | 2.20 | 2.14 | (2.73) | (11.93) |
| Coal (India) (mn cubic meters) | - | - | - | - | 23.09 | 16.87 | 27.02 | 28.37 | 26.02 | (8.28) | 12.69 |
| Coal (Overseas) (mn cubic meters) | - | - | - | - | 9.89 | 8.41 | 9.88 | 8.26 | 5.93 | (28.21) | (40.04) |

*Source: Company Data, Equirus*

Exhibit 7: 1QFY27 growth was driven by higher iron ore volumes and TEIPL integration

| | | | | | | | | | | Change (%) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Rs mn** | **1QFY25** | **2QFY25** | **3QFY25** | **4QFY25** | **1QFY26** | **2QFY26** | **3QFY26** | **4QFY26** | **1QFY27** | **4QFY26** | **1QFY26** |
| **EBITDA Bridge** | | | | | | | | | | | |
| Iron Ore | 6,265 | 3,303 | 4,911 | - | 7,669 | 4,399 | 7,483 | 11,667 | 12,176 | 4.36 | 58.76 |
| Pellets | - | - | - | - | - | 3,477 | 4,535 | 4,363 | 7,776 | 78.22 | |
| Others | 922 | 805 | 454 | 2,613 | 132 | 541 | 796 | 113 | 1,250 | | |
| Standalone EBITDA | 7,187 | 4,108 | 5,365 | 2,613 | 7,801 | 8,417 | 12,814 | 16,144 | 21,202 | 31.33 | 171.78 |
| MDO Business | - | - | - | - | 2,685 | 2,265 | 5,455 | 9,744 | 6,581 | (32.46) | 145.10 |
| Others | (0) | (1) | (1) | (2) | (2,429) | (251) | (677) | (435) | 32 | (107.30) | (101.31) |
| Total Consolidated EBITDA | 7,187 | 4,107 | 5,364 | 2,611 | 8,057 | 10,431 | 17,592 | 25,453 | 27,815 | 9.28 | 245.21 |

*Source: Company Data, Equirus*

Exhibit 8: LMEL has maintained its guidance for FY27E across cateogries

## Strategic Growth Trajectory Across Key Product Vertical

| Product Category | FY26 Actual | FY27 Guidance |
| --- | --- | --- |
| Iron Ore Production | 21.96 MnT | 26 MnT |
| Pellet Production | 3.03 MnT | 7.75-8 MnT |
| DRI Production | 484 KT | 825 KT |
| Steel (WRM) Production | - | Q4FY27 Commissioning |
| Copper | 2.5 KT | 8-10 KT |

*Source: Company Data, Equirus*

Exhibit 9: LMEL expects a sharp ramp-up in Copper and Cobalt operations from FY28E

## New Horizons: The rise of Green metals – Copper and Cobalt

Actively building Chemaf to bring into full scale operations in FY28

**SURYA MINES | DRC | 12,000 TPA 50% STAKE**

- Operational capacity of **~800 TPM** and ramp up to **~1,000 TPM** by FY27 end
- Large exploration targets with more than **100 sq Km**
- Set foothold in a high growth territory giving access to larger assets
- Potential for mineral discovery with large upsides
- Exploration in full swing with more than **20,000+ meters** drilled with awaiting results.

Established Asset Footprint | Market Access | Full Operational Control | Operational Plant

**CHEMAF GROUP | DRC | 70,000 TPA Cu 20,000 TPA Co | 49% STAKE**

- Both projects (**ETOILE & MUTOSHI**) in full phase of development.
- **5,000+** workforce deployed for project implementation .
- Mutoshi and EP II together represents ~2.11 Mt (Cu) and ~0.48 Mt (Co) based on JORC standards.
- Copper production by **Q1-FY28**
- **54+ Mining** concessions with uncovered resources

100% Captive Ore | US-DRC Aligned Transaction | Modern processing plants | Critical Mineral Supply Chain

*Source: Company Data, Equirus*

Exhibit 10: LMEL is looking to further expand via a large global acquisition

## Mineral Resource Details

LLOYDS METALS

**1 Agreements & Government Relations**

Mining Lease commencement with the ABG on 7 August

**2 Workforce & Employment**

400+ people employed in project with active engagement of more than 1,200 people across multiple activities

**3 Community & Workforce Development**

Learning & Development Centre was inaugurated on 11 July, with 300 cadets in training. First batch graduation expected in September

**4 Social & Health Infrastructure**

- Hospital construction in full swing, to complete in 6 months
- Accommodation camp progressing
- Village training programs continue to scale.

**5 Exploration Commenced**

- Exploration Drilling started to validate historical geology

| | Mt | Copper grade (%) | Gold grade (g/t) | Copper (Mt) | Gold (Moz) |
|---|---|---|---|---|---|
| Measured & Indicated | 1,538 | 0.30 | 0.33 | 4.6 | 16.1 |
| Inferred | 300 | 0.30 | 0.40 | 0.7 | 3.2 |
| **Total** | **1,838** | **0.30** | **0.34** | **5.3** | **19.3** |

**Panguna is moving from agreement to activity** — people hired, leases signed, infrastructure rising and the resource base being re-validated.

*Source: Company Data, Equirus*

Exhibit 11: LMEL expects to expand its partnership with Tata going ahead

## Tata Steel Partnership: Stable income and rising aspirations for a bright future

LLOYDS METALS

BRPL's Slurry Pipeline and Pelletisation assets (Odisha) shifting from a single stable-income business to a multi-engine growth platform integrating MDO and logistics projects for minerals

BRPL

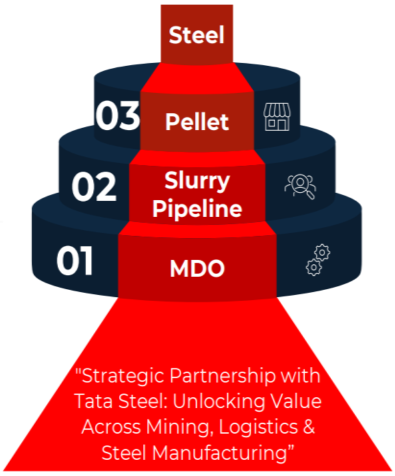
EBITDA Q1'FY27

**INR ~48 Cr.**

BRPL

Pellet Production

**540 KTPA**




**Tata Steel - Lloyds Metals MoU to explore strategic collaboration opportunities across key growth areas**

**01 Mine Developer & Operator (MDO) Business**

BRPL began MDO operations at Tata Steel's Joda West manganese mines on 1 June 2026

Feasibility for expansion of volume is underway

**02 Sustainable Logistics Infrastructure**

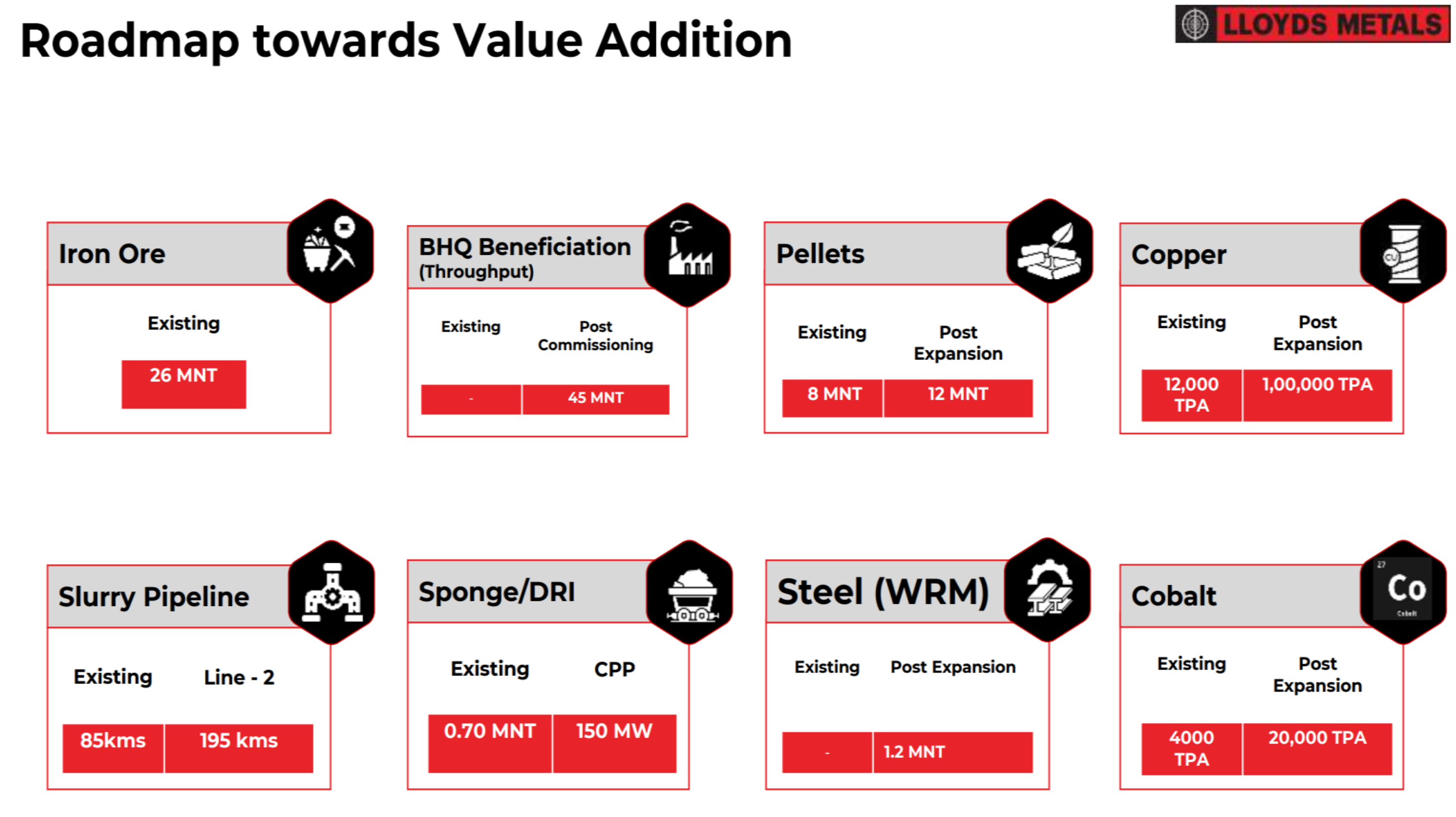
(Slurry Pipeline)

Feasibility for slurry pipeline linking Tata Steel's Odisha mines to its steel plants is under discussion between the partners. Feasible projects to be developed by BRPL under BOT service model

BRPL **"Stable Today, Strategic Tomorrow, Transformative for the Future."**

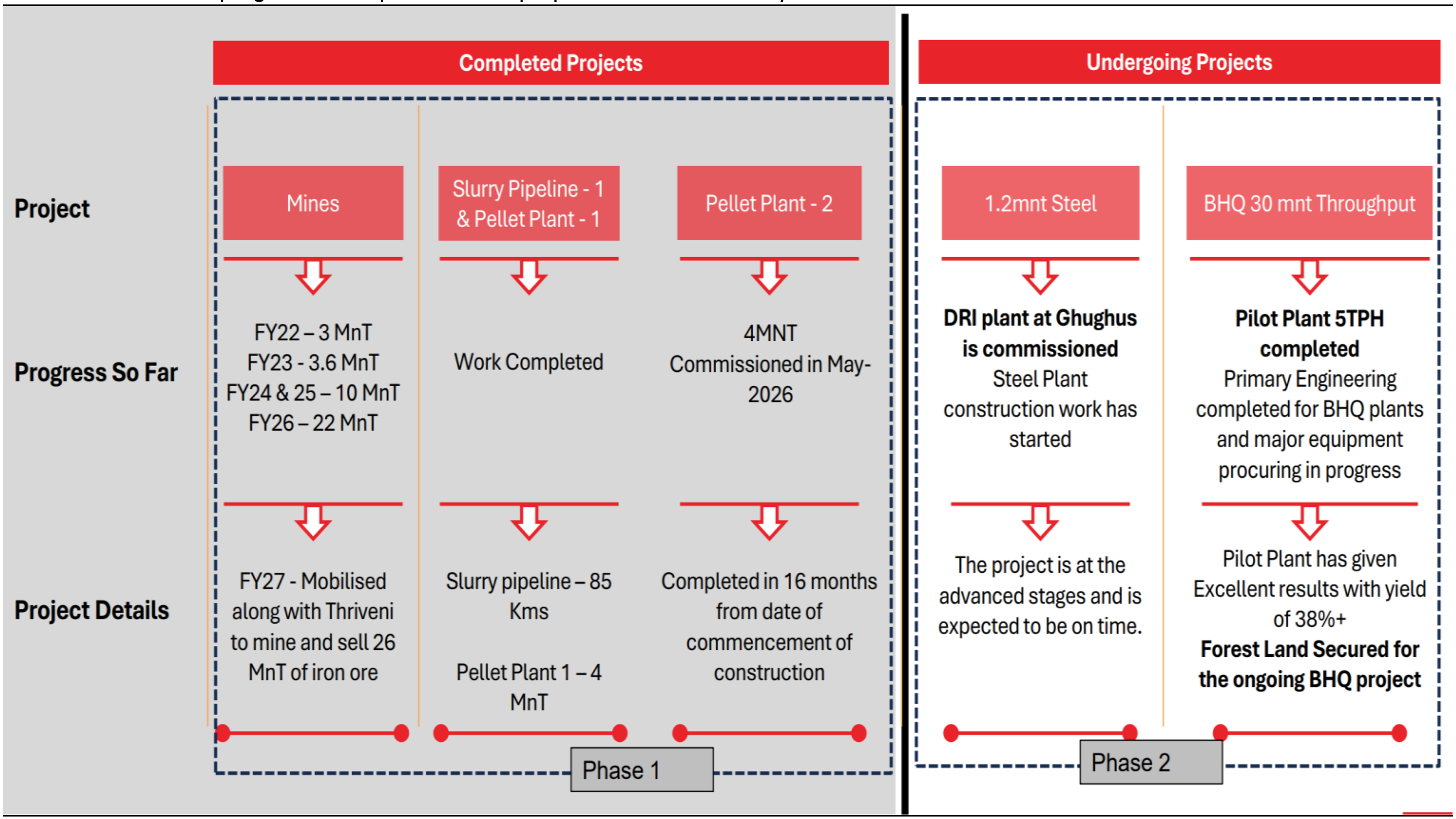
*Source: Company Data, Equirus*

Exhibit 12: LMEL is expanding across the value chain towards higher value addition products



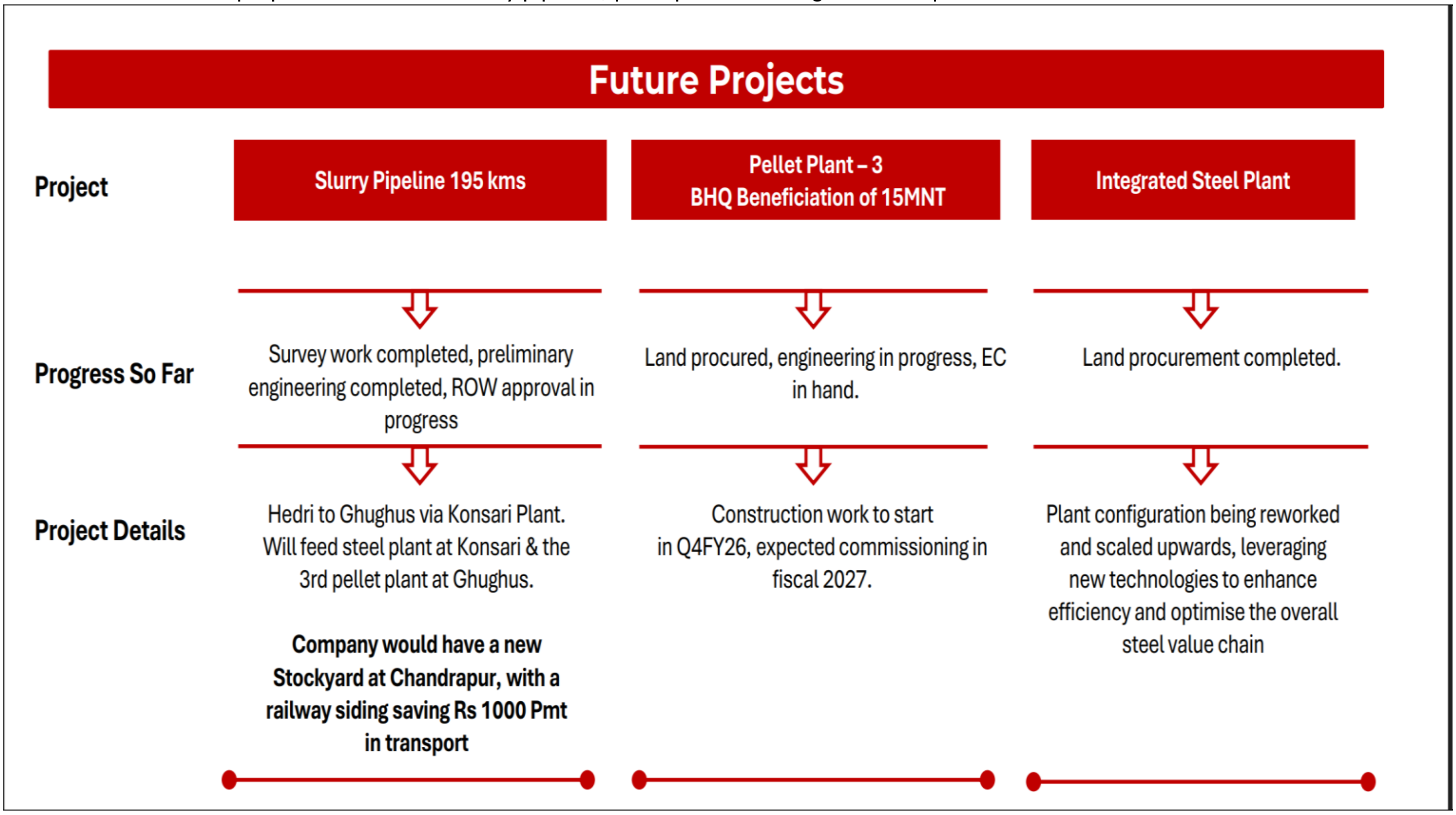

*Source: Company Data, Equirus*

Exhibit 13: LMEL is in progress to complete Phase 2 projects over the next 2-3 years



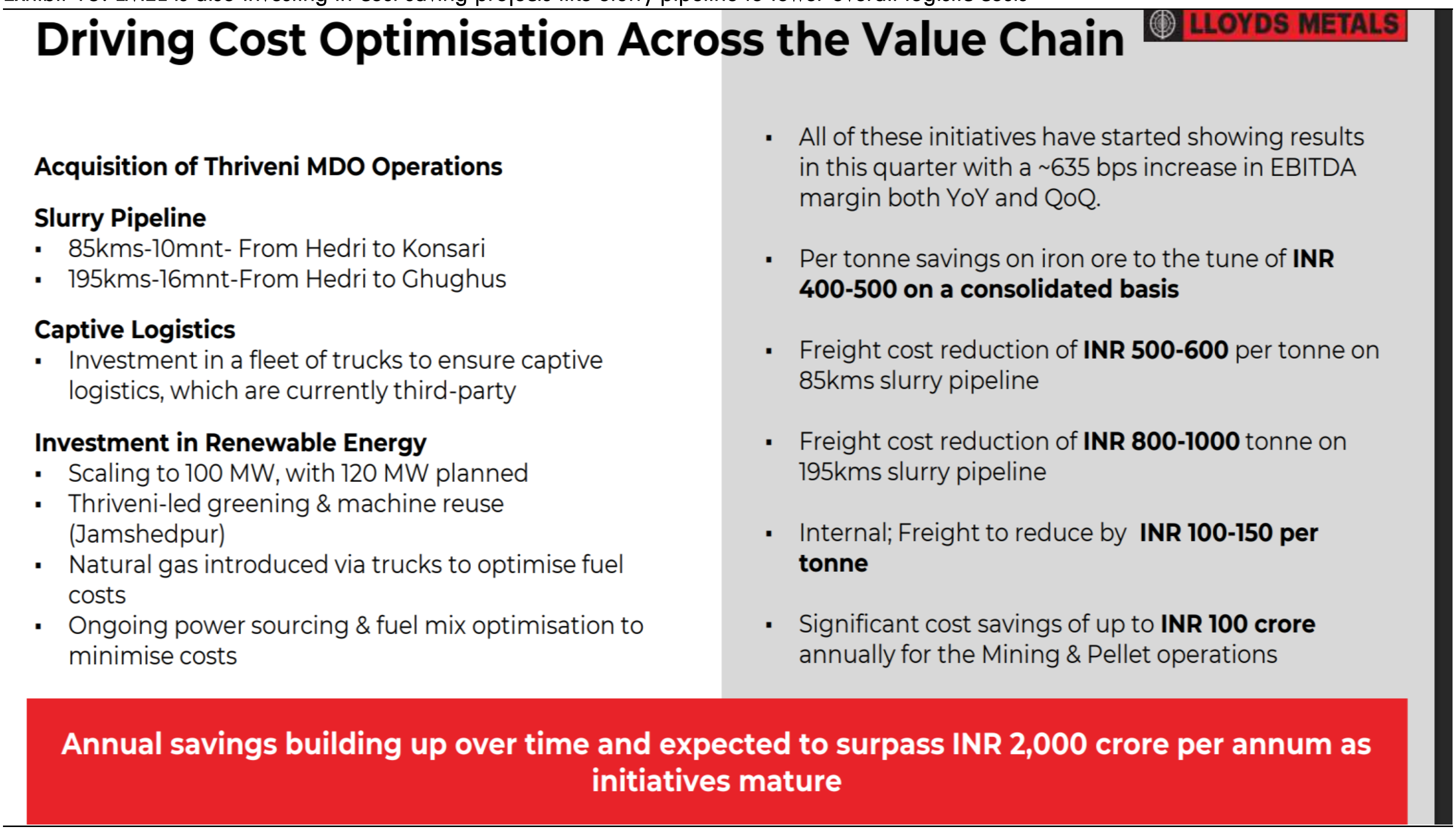

*Source: Company Data, Equirus*

Exhibit 14: LMEL future projects include a new slurry pipeline, pellet plant and integrated steel plant




*Source: Company Data, Equirus*

Exhibit 15: LMEL is also investing in cost saving projects like Slurry pipeline to lower overall logistic costs




*Source: Company Data, Equirus*

Exhibit 16: India Iron ore industry cost curve is set to increase sharply over 2026-30E as 80mtpa of iron ore mining capacity is due for auction till 2030E

## Iron Ore Supply Coming at Higher Premiums

LLOYDS METALS

| Year | Avg. auction premium (% of IBM notified prices) |
|---|---|
| 2016 | 86.14 |
| 2017 | 93.62 |
| 2018 | 98.98 |
| 2019 | 85.92 |
| 2020 | 115.15 |
| 2021 | 116.58 |
| 2022 | 114.62 |
| 2023 | 178.61 |
| 2024 | 108.95 |
| 2025 | 160.67 |
| 2026 | 126.00 |

| Year | Number of Mines due for Auction | Estimated total production capacity (MTPA) |
|---|---|---|
| **2026** | 6 | 5 |
| **2027** | 3 | 2 |
| **2029** | 2 | 17 |
| **2030** | 8 | 59 |
| Average 21 MTPA of iron ore mine due for upcoming auctions | | |

Source: Ministry of Mines, only mining leases with iron ore as the primary mineral considered; extreme outliers (above 200% duty are removed.

- **More than 80 MTPA** of Iron ore mining capacity due for auction till CY 30
- With the current auction premium, **cost curves of the upcoming mines have a risk of sharp increase**

**LMEL mines are valid till year 2057, making them one of the prominent miners beyond CY30**

*Source: Company Data, Equirus*

## Earnings Call Takeaways

**Operations:** Growth was driven by higher iron ore EC limits, faster-than-planned pellet ramp-up and higher sponge iron volumes. Value-added products now contribute 41% of standalone revenue and 40% of EBIT. DRI sales stood at 183.92kt, up 133% yoy, at realisation of Rs 27,376/t and EBITDA of Rs 6,273/t, while power volumes increased 87% yoy. Fuel-mix optimisation, including partial substitution of LSHS with LNG, is also supporting cost control, while the company expects structural margins to remain supported by captive ore, logistics integration and higher value-added product contribution.

**Iron Ore:** Iron ore production increased 53% yoy to 6.05mt and sales rose 58% yoy to 5.46mt, with realisation at Rs 6,068/t and EBITDA at Rs 2,230/t; monthly production run-rate is now above 2mt. FY27E production target is 26mt, while sales are expected to exceed 26mt due to ~1.5mt of opening inventory. Iron ore realisation has remained around Rs 6,000/t, with higher internal consumption transferring incremental margin into value-added products rather than increasing iron ore EBITDA/t. The slurry pipeline is generating Rs 500-550/t savings, while better geographical placement of ore and increased pelletisation are expected to improve long-term realisations and margins. Indicative iron ore requirement is ~2t per tonne of steel, with around 2.4mt of iron ore/pellets expected to be consumed internally once the 1.2mt steel plant is operational.

**Pellets:** The second pellet plant was commissioned in May'26 and reached 100% capacity utilisation within four months; 1QFY27 production stood at 1.69mt, with realisation of Rs 11,783/t and EBITDA of Rs 5,803/t. Sales mix was 75.3% domestic and 24.7% exports, with exports expanded to Kenya, South Korea, Indonesia and China; export mix is expected to remain around 25%. Slurry pipeline, captive ore and favourable geographical mix are supporting pellet profitability. FY27E pellet production is targeted at ~8mt, while the next phase includes a third pellet plant and additional slurry/iron ore handling infrastructure. Iron ore-to-pellet conversion is ~1.07x, while pellet-to-DRI conversion is ~1.5x.

**BHQ:** BHQ beneficiation remains on schedule for 4QFY28E, with pilot-plant recovery of ~38% vs 35% initially assumed and project cost broadly within the original estimate. Finished product is expected at 66-67% Fe with total gangue below 3%, including alumina and silica. The project will be implemented in two phases across nine modules, with progressive commissioning; planned saleable output is ~16-17mt (30mt throughput) depending on recovery. Fourteen mobile crushers and 26 HEMM units have been mobilised for BHQ crushing, while higher-capacity 240t dumpers are being deployed to support enhanced production.

**Copper:** The existing operating copper asset is running at ~800t/month, equivalent to ~2.4kt/quarter, with ~US$130mn already invested in the asset. The larger JV asset is under construction, with operations targeted around 1QFY28E and financial closure expected within the next 3-4 months. DRC's copper export restriction is not expected to impact LMEL as both assets are designed to produce finished cathodes rather than concentrate. Copper production is expected to scale materially as the larger asset is completed, although the company has not provided a sustainable margin target given commodity-price dependence. The US$ 300mn is JV-level capex, so LMEL will contribute only its share; funding is expected through a combination of equity and debt, with discussions underway with US, Africa-based and Indian financial institutions. Financial closure is targeted within ~3 months, with the final funding mix expected to be clearer at that point.

**TEIPL:** Iron ore volumes including BHQ nearly doubled yoy to 19.09mt, while Indian coal volumes including overburden were 26.02mn cubic metres, overseas volumes 5.93mn cubic metres and baryte volumes 2.14mn cubic metres. Gadchiroli ROM handling capacity increased to 55mt, with 12.83mt production including BHQ in 1QFY27; 88 electric equipment units are operational at the mine and another 20 at the railway siding. Laserda-Pacheri commenced in 1QFY27 with 1.5mt capacity and Dalpahar is expected to commence in 2QFY27E with 3mt capacity, taking Odisha volumes towards 34-35mt in FY27E. These two new contracts carry >40% EBITDA margins, supporting TEIPL's 28-30% FY27E EBITDA margin guidance. Laserda-Pacheri and Dalpahar together are expected to add ~5mt of Odisha volumes, while NTPC and OMC contracts are growing at ~3-5% and potential Tata Steel contracts could add 3-4mt. TEIPL is also scaling Gold, PV Northwest and existing Odisha operations, supporting further volume growth beyond the new mines.

**Capex:** FY27E capex on ongoing projects, excluding the larger Konsari integrated steel plant, is expected at ~Rs 85bn, with ~Rs 30bn already incurred in 1QFY27; separately, ~US$300mn is planned for foreign operations. FY28E and FY29E are expected to be the next two elevated capex years at ~Rs 110bn each, while FY30E is expected to be the high-capex year at Rs 150-200bn as the larger integrated steel plant enters the investment cycle. The original Konsari plan was ~3mt, but LMEL is evaluating a larger steelmaking capacity using newer technology and existing land; technical, commercial and financial studies are underway and no final capacity has been approved by the Board. Panguna capex is excluded as the project remains under study.

**Others:**

- The previously indicated ~Rs 4,000/t structural savings comprises Thriveni consolidation, slurry pipeline, fuel efficiency and other savings, although no precise breakup was provided.
- For Chemaf, EPC contractor liabilities have already been settled, while the remaining debt restructuring is expected in the next quarter. Final restructuring/refinancing could reduce overall debt by ~40-50%, although some existing debt would be replaced by new debt.
- TEIPL's logistics business currently has ~150 electric/LNG vehicles, with 200 additional vehicles planned, comprising 150 EVs and 50 LNG vehicles; 20 charging stations are installed and another 30 are being added, with the green fleet expected to deliver 30-40% cost savings and lift logistics EBITDA margin from 32% to 40%.
- 1.2mt long-product steel plant is under execution and targeted for commissioning by 4QFY27E.
- Tata Steel JV generated ~Rs 990mn EBITDA in 1QFY27 under the existing long-term conversion contract.
- Joda West MDO has commenced as a small operation, with further mine scaling/EC opportunities being evaluated over the next 3-5 years.
- Potential Tata Steel BOT slurry pipelines are being evaluated to connect its mines with steel plants.
- TEIPL blended interest cost was ~9-9.5% in 1QFY27, with Rs 1.5bn interest paid during the quarter.
- TEIPL is raising Rs 6.5bn to refinance high-cost debt, fund capex/electrification and support overseas subsidiaries/MDO operations.
- Geomysore produced 0.17mt ROM and completed >14,000m drilling in 1QFY27.
- Standalone net debt was Rs 56.16bn, while consolidated net debt remained ~Rs 190bn.
- Other income increased to Rs 1.28bn, partly due to government IPS benefit and interest income.
- NTPC wage receivable stands at Rs 3bn; no provision is currently intended, with resolution expected in 2-3 months.

## Earnings Revision

We leave our earnings estimates unchanged for FY27-29E.

Exhibit 17: Earnings Revision Table

| | Old Estimates | | | New Estimates | | | Change (%) | | |
|---|---|---|---|---|---|---|---|---|---|
| **Rs bn** | **FY27E** | **FY28E** | **FY29E** | **FY27E** | **FY28E** | **FY29E** | **FY27E** | **FY28E** | **FY29E** |
| **Global** | | | | | | | | | |
| HRC Price (US$/t) | 525 | 530 | 530 | 525 | 530 | 530 | - | - | - |
| Iron Ore (US$/t) | 100 | 96 | 96 | 100 | 96 | 96 | - | - | - |
| Coking Coal (US$/t) | 231 | 220 | 220 | 231 | 220 | 220 | - | - | - |
| LME Copper (US$/t) | 12,500 | 13,500 | 13,500 | 12,500 | 13,500 | 13,500 | - | - | - |
| LME Cobalt (US$/t) | 43,000 | 43,000 | 43,000 | 43,000 | 43,000 | 43,000 | - | - | - |
| USDINR | 93.5 | 95.0 | 96.0 | 93.5 | 95.0 | 96.0 | - | - | - |
| **Standalone** | | | | | | | | | |
| Iron Ore Production (mt) | 26.0 | 32.5 | 42.3 | 26.0 | 32.5 | 42.3 | - | - | - |
| Pellet Production (mt) | 6.8 | 9.0 | 12.6 | 6.8 | 9.0 | 12.6 | - | - | - |
| Revenue | 226 | 268 | 299 | 226 | 268 | 299 | - | - | - |
| EBITDA | 90 | 108 | 138 | 90 | 108 | 138 | - | - | - |
| **Consolidated** | | | | | | | | | |
| Revenue | 331 | 410 | 456 | 331 | 410 | 456 | - | - | - |
| EBITDA | 124 | 155 | 190 | 124 | 155 | 190 | - | - | - |
| Net Income Post Minority | 35 | 87 | 105 | 35 | 87 | 105 | - | - | - |
| EPS (Rs/share) | 63 | 154 | 187 | 62.9 | 154.5 | 187.2 | - | - | - |
| Net Debt | 160 | 257 | 283 | 160 | 257 | 283 | - | - | - |

*Source: Company Data, Equirus*

Exhibit 18: Key Assumptions

| | FY22 | FY23 | FY24 | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|---|---|
| **Global** | | | | | | | | |
| Average HRC Price (US$/t) | 899 | 666 | 566 | 497 | 466 | 525 | 530 | 530 |
| Iron Ore (US$/t) | 155 | 118 | 120 | 104 | 100 | 100 | 96 | 96 |
| Coking Coal (US$/t) | 312 | 331 | 287 | 210 | 201 | 231 | 220 | 220 |
| USDINR | 74.51 | 80.39 | 82.79 | 84.57 | 88.36 | 93.50 | 95.00 | 96.00 |
| LME Copper | 9,666 | 8,551 | 8,416 | 9,488 | 10,830 | 12,500 | 13,500 | 13,500 |
| LME Cobalt | 58,562 | 55,464 | 31,851 | 25,842 | 42,839 | 43,000 | 43,000 | 43,000 |
| **Key Volume Assumptions (mt)** | | | | | | | | |
| Net Iron Ore Production | 2.80 | 3.59 | 10.00 | 10.00 | 21.96 | 26.00 | 32.50 | 42.25 |
| Iron Ore External Sales | 0.44 | 5.30 | 9.65 | 9.46 | 16.18 | 18.72 | 16.37 | 12.52 |
| Pellet Production | - | - | - | - | 3.03 | 6.80 | 9.00 | 12.60 |
| Pellet External Sales | - | - | - | - | 3.03 | 5.24 | 6.61 | 10.01 |
| Steel Production | - | - | - | - | - | 0.18 | 1.08 | 1.08 |
| Steel Sales | - | - | - | - | - | 0.18 | 1.08 | 1.08 |
| Copper Ore Mined | - | - | - | - | - | 2.61 | 7.90 | 10.10 |
| Copper Cathode Sales | - | - | - | - | - | 0.01 | 0.03 | 0.04 |
| **Others (Rs bn)** | | | | | | | | |
| Standalone | 2 | 8 | 17 | 20 | 45 | 90 | 108 | 138 |
| MDO | - | - | - | - | 19 | 30 | 31 | 31 |
| International (Copper + Cobalt) | - | - | - | - | - | 4 | 17 | 21 |
| Others | (0) | (0) | (0) | 0 | (2) | (0) | (0) | 0 |
| Consolidated EBITDA | 1 | 8 | 17 | 20 | 61 | 124 | 155 | 190 |
| Net Debt | 1 | (3) | (3) | 2 | 170 | 160 | 257 | 283 |

*Source: Company Data, Equirus*

*Maintain LONG; raise SOTP-based TP to Rs 2,350 for Sep'27 (Rs 2,200 for Jun'27).*

## Maintain LONG

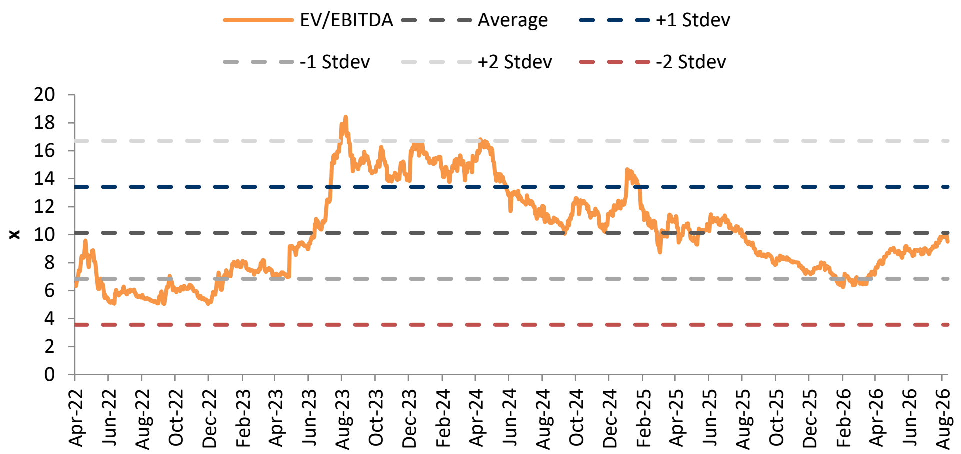
LMEL is building multiple earnings streams across iron ore, pellets, DRI, base metals and mining services, supported by volume growth, value addition and cost optimisation. This combination offers earnings growth and diversification, with contributions from newer assets increasing over the forecast period. We expect these levers to drive ~46% EBITDA CAGR over FY26–29E. The expanding earnings mix, improving scale and scarcity of comparable listed peers should support premium multiples vs the sector. Maintain LONG.

Exhibit 19: Target Price Methodology

| | | EBITDA (Rs mn) | | | | Multiple | LMEL's Stake | Enterprise Value |
|---|---|---|---|---|---|---|---|---|
| Item | Unit | FY27E | FY28E | FY29E | Sep'28E | (x) | (%) | (Rs mn) |
| Standalone EBITDA | Rs mn | 89,744 | 1,07,543 | 1,38,059 | 1,22,801 | 9.0 | 100.0 | 11,05,211 |
| TEIPL EBITDA | Rs mn | 29,868 | 30,510 | 31,062 | 30,786 | 12.0 | 75.6 | 2,79,365 |
| Non Ferrous EBITDA | Rs mn | 4,363 | 16,622 | 20,604 | 18,613 | 14.0 | 50.0 | 1,30,290 |
| Others EBITDA | Rs mn | - | - | - | - | | | - |
| Conslidated EBITDA | Rs mn | 1,23,975 | 1,54,676 | 1,89,725 | 1,72,200 | 8.8 | | 15,14,866 |
| Net Debt Attributable to LMEL | Rs mn | | | | | | | 2,12,912 |
| Equity Value | Rs mn | | | | | | | 13,01,954 |
| Value of BRPL (1.5x Book Value) | Rs mn | | | | | | | 16,500 |
| Equity Value | Rs mn | | | | | | | 13,18,454 |
| 1-year Forward Price Target | Rs/Share | | | | | | | 2,350 |

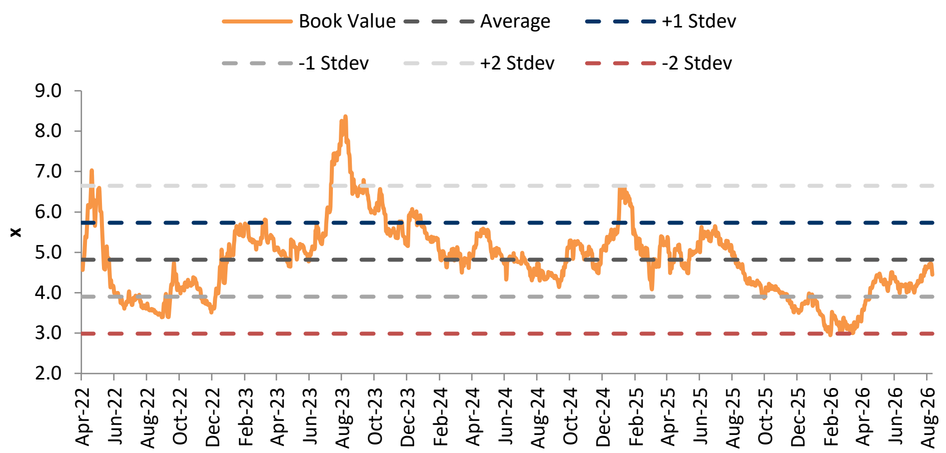
Source: Company Data, Equirus

Exhibit 20: LMEL is trading at 9.5x 1-year forward EV/EBITDA




Source: Bloomberg, Company Data, Equirus

Exhibit 21: LMEL is trading at 4.4x 1-year forward Book Value




*Source: Bloomberg, Company Data, Equirus*

Exhibit 22: Equirus Coverage Comparison

| Company Name | Reco | CMP | MCap | Target Price | Target Date | EBITDA (Rs bn) | | | | Net Debt (Rs bn) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Rs | Rs bn | Rs | | FY26A | FY27E | FY28E | FY29E | FY26A | FY27E | FY28E | FY29E |
| Coal India | Short | 413 | 2,543 | 350 | Jun-27 | 372 | 392 | 386 | 390 | -429 | -410 | -444 | -476 |
| GPIL | Long | 232 | 156 | 290 | Sep-27 | 13 | 18 | 23 | 26 | -8 | 3 | 10 | 16 |
| Hindalco | Add | 1,049 | 2,358 | 1,120 | Sep-27 | 352 | 496 | 510 | 531 | 740 | 657 | 538 | 422 |
| Jindal Steel | Add | 1,095 | 1,117 | 1,150 | Sep-27 | 97 | 134 | 175 | 207 | 158 | 168 | 140 | 85 |
| JSW Steel | Reduce | 1,283 | 3,138 | 1,260 | Sep-27 | 298 | 367 | 399 | 442 | 540 | 481 | 455 | 457 |
| Lloyds Metals | Long | 1,986 | 1,118 | 2,350 | Sep-27 | 61 | 124 | 155 | 190 | 170 | 160 | 257 | 283 |
| NMDC | Add | 85 | 751 | 105 | Jun-27 | 93 | 110 | 116 | 122 | -55 | -88 | -106 | -131 |
| SAIL | Short | 173 | 715 | 135 | Sep-27 | 120 | 166 | 163 | 170 | 210 | 259 | 348 | 477 |
| Tata Steel | Reduce | 188 | 1,314 | 180 | Sep-27 | 344 | 410 | 434 | 457 | 813 | 793 | 763 | 705 |

| Company Name | EV/EBITDA (x) | | | | P/B (x) | | | | RoE (%) | | | | Div Yield (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FY26A | FY27E | FY28E | FY29E | FY26A | FY27E | FY28E | FY29E | FY26A | FY27E | FY28E | FY29E | FY27E |
| Coal India | 5.7 | 5.4 | 5.4 | 5.3 | 2.1 | 2.0 | 1.8 | 1.7 | 25.5 | 22.2 | 19.8 | 18.4 | 5.8 |
| GPIL | 11.9 | 8.9 | 7.2 | 6.7 | 2.5 | 2.0 | 1.7 | 1.5 | 11.9 | 11.3 | 12.0 | 10.9 | 0.4 |
| Hindalco | 8.8 | 6.1 | 5.7 | 5.2 | 1.7 | 1.4 | 1.2 | 1.0 | 13.5 | 18.8 | 15.6 | 12.4 | 0.5 |
| Jindal Steel | 13.2 | 9.6 | 7.2 | 5.8 | 2.2 | 1.9 | 1.7 | 1.4 | 7.0 | 11.2 | 14.1 | 14.9 | 0.2 |
| JSW Steel | 12.3 | 9.9 | 9.0 | 8.1 | 3.1 | 2.6 | 2.3 | 2.0 | 20.1 | 13.8 | 11.8 | 11.6 | 0.6 |
| Lloyds Metals | 21.0 | 10.3 | 8.9 | 7.4 | 8.1 | 5.1 | 3.6 | 2.6 | 26.5 | 16.3 | 28.0 | 25.0 | 0.1 |
| NMDC | 7.5 | 6.0 | 5.6 | 8.4 | 2.2 | 1.9 | 1.7 | 1.5 | 21.9 | 22.8 | 20.8 | 19.2 | 4.8 |
| SAIL | 7.7 | 5.9 | 6.5 | 7.0 | 1.2 | 1.1 | 1.0 | 1.0 | 6.4 | 10.7 | 8.4 | 7.0 | 1.4 |
| Tata Steel | 9.2 | 7.7 | 7.2 | 6.7 | 2.3 | 2.1 | 1.8 | 1.6 | 10.9 | 15.1 | 14.6 | 14.1 | 2.1 |

*Source: Bloomberg, Company Data, Equirus*

Exhibit 23: Global Comparison (Iron Ore)

| Company Name | Bloomberg Ticker | CMP | Mcap | Net Debt | EV/EBITDA (x) | | P/E (x) | | P/BV (x) | | ROE (%) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Local Currency | US$ mn | | 1 Year Frwd | 2 Year Frwd | 1 Year Frwd | 2 Year Frwd | 1 Year Frwd | 2 Year Frwd | 1 Year Frwd | 2 Year Frwd |
| BHP | BHP AU | 64 | 2,29,513 | 8,903 | 10.4 | 10.6 | 25.4 | 25.4 | 6.0 | 5.5 | 24.4 | 23.3 |
| Champion Iron | CIA AU | 4 | 1,397 | 537 | 5.6 | 4.3 | 18.9 | 7.9 | 1.3 | 1.2 | 8.3 | 13.5 |
| Deterra Royalties | DRR AU | 4 | 1,646 | 191 | 11.5 | 11.7 | 14.9 | 16.3 | 15.1 | 12.1 | 109.3 | 79.5 |
| Fortescue (FMG) | FMG AU | 18 | 39,199 | 785 | 6.6 | 8.3 | 15.4 | 21.0 | 2.6 | 2.5 | 17.1 | 12.2 |
| Godawari Power & Ispat | GODPI IN | 232 | 23,169 | -1,090 | 9.0 | 7.0 | 23.3 | 13.7 | 2.1 | 1.7 | 13.1 | 15.0 |
| Kumba Iron Ore | KIO SJ | 26 | 5,158 | -921 | 3.1 | 3.2 | 1.0 | 1.0 | 0.1 | 0.1 | 16.3 | 15.7 |
| Lloyds Metals & Energy | LLOYDSME IN | 1,986 | 11,714 | 1,876 | 11.1 | 10.1 | 18.7 | 14.4 | 5.3 | 3.9 | 35.9 | 31.4 |
| Mineral Resources | MIN AU | 65 | 9,148 | 3,758 | 7.1 | 6.7 | 15.4 | 13.8 | 3.1 | 2.4 | 20.7 | 16.7 |
| NMDC | NMDC IN | 85 | 7,871 | -523 | 6.6 | 6.1 | 9.0 | 8.6 | 1.9 | 1.7 | 22.7 | 21.0 |
| Rio Tinto | RIO AU | 180 | 1,75,322 | 9,960 | 9.1 | 8.7 | 21.6 | 21.6 | 4.3 | 4.0 | 20.4 | 18.9 |
| Vale | VALE3 BZ | 76 | 63,228 | 12,098 | 4.7 | 4.7 | 8.2 | 7.9 | 1.6 | 1.5 | 20.6 | 18.5 |
| **Global Average** | | | | | **7.7** | **7.4** | **15.6** | **13.8** | **3.9** | **3.3** | **28.1** | **24.2** |
| **Global Average (Ex-Conglomerates)** | | | | | **6.4** | **5.8** | **13.9** | **10.6** | **2.1** | **1.8** | **17.4** | **17.0** |

*Source: Bloomberg, Company Data, Equirus*

Exhibit 24: Global Comparison (Copper)

| Company Name | Bloomberg Ticker | CMP | Mcap | Net Debt | EV/EBITDA (x) | | P/E (x) | | P/BV (x) | | ROE (%) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Local Currency | US$ mn | | 1 Year Frwd | 2 Year Frwd | 1 Year Frwd | 2 Year Frwd | 1 Year Frwd | 2 Year Frwd | 1 Year Frwd | 2 Year Frwd |
| Freeport-McMoRan | FCX US | 71 | 1,01,254 | 7,678 | 9.0 | 6.2 | 24.3 | 17.6 | 4.6 | 3.6 | 19.3 | 23.4 |
| BHP | BHP AU | 64 | 2,29,513 | 8,903 | 10.4 | 10.6 | 25.4 | 25.4 | 6.0 | 5.5 | 24.4 | 23.3 |
| Zijin Mining | 2899 HK | 35 | 1,28,340 | 11,158 | 7.8 | 6.5 | 11.7 | 10.3 | 3.7 | 2.9 | 36.3 | 31.9 |
| Southern Copper | SCCO US | 200 | 1,66,958 | 2,504 | 15.5 | 16.1 | 25.9 | 28.4 | 11.8 | 10.8 | 48.9 | 39.2 |
| Glencore | GLEN LN | 6 | 90,610 | 52,040 | 5.3 | 5.1 | 9.8 | 10.0 | 1.6 | 1.6 | 16.3 | 15.8 |
| Anglo American | AAL LN | 41 | 64,533 | 12,210 | 6.9 | 5.2 | 25.2 | 16.6 | 1.8 | 2.4 | 10.3 | 13.2 |
| KGHM Polska Miedź | KGH PW | 366 | 19,677 | 1,389 | 4.8 | 5.1 | 8.6 | 9.9 | 1.8 | 1.5 | 23.1 | 15.6 |
| Antofagasta | ANTO LN | 40 | 53,832 | 3,713 | 6.4 | 6.0 | 21.9 | 20.5 | 3.5 | 3.3 | 16.4 | 15.7 |
| First Quantum Minerals | FM CN | 44 | 26,597 | 3,740 | 19.2 | 9.8 | 321.9 | 23.2 | 3.2 | 2.8 | 2.0 | 12.0 |
| Rio Tinto | RIO LN | 180 | 1,75,322 | 9,960 | 9.1 | 8.7 | 21.6 | 21.6 | 4.3 | 4.0 | 20.4 | 18.9 |
| Hindustan Copper | HCP IN | 533 | 5,403 | -73 | 20.9 | 18.0 | 30.1 | 26.4 | 11.4 | 8.7 | 43.4 | 37.4 |
| **Global Average** | | | | | **10.5** | **8.8** | **47.9** | **19.1** | **4.9** | **4.3** | **23.7** | **22.4** |

*Source: Bloomberg, Company Data, Equirus*

Exhibit 25: Global Comparison (Steel)

| Company Name | Bloomberg Ticker | CMP | Mcap | Net Debt | EV/EBITDA (x) | | P/E (x) | | P/BV (x) | | ROE (%) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Local Currency | US$ mn | | 1 Year Frwd | 2 Year Frwd | 1 Year Frwd | 2 Year Frwd | 1 Year Frwd | 2 Year Frwd | 1 Year Frwd | 2 Year Frwd |
| Arcelor Mittal | MT NA Equity | 65 | 57,696 | 9,254 | 7.0 | 5.5 | 14.3 | 9.4 | 0.9 | 0.8 | 6.2 | 8.7 |
| ThyssenKrupp | TKA GY Equity | 12 | 8,867 | -5,347 | 2.0 | 1.7 | -27.3 | 11.4 | 0.8 | 0.8 | -0.7 | 6.5 |
| Voestalpine | VOE AV Equity | 46 | 9,554 | 1,474 | 5.4 | 4.6 | 12.5 | 9.4 | 1.0 | 0.9 | 8.1 | 9.8 |
| SSAB | SSABA SS Equity | 102 | 10,708 | -1,202 | 6.4 | 5.5 | 13.5 | 10.6 | 1.4 | 1.3 | 10.6 | 12.3 |
| Klockner & Co | KCO GY Equity | 12 | 1,421 | 811 | 8.5 | 7.6 | 32.9 | 21.6 | 0.8 | 0.7 | 2.3 | 3.4 |
| Salzgitter | SZG GY Equity | 51 | 3,548 | 1,340 | 5.6 | 4.7 | 12.0 | 7.3 | 0.6 | 0.6 | 5.6 | 7.8 |
| **Europe Average** | | | | | **5.8** | **4.9** | **9.6** | **11.6** | **0.9** | **0.8** | **5.3** | **8.1** |
| Cleveland-Cliffs Inc | CLF US Equity | 12 | 7,126 | 7,880 | 9.5 | 6.6 | -91.8 | 14.7 | 1.2 | 1.1 | -1.1 | 8.1 |
| Commercial Metals Co | CMC US Equity | 73 | 8,099 | 507 | 6.4 | 7.1 | 11.4 | 10.2 | 1.7 | 1.5 | 15.0 | 15.2 |
| Nucor Corporation | NUE US Equity | 275 | 62,540 | 4,808 | 8.8 | 8.5 | 14.8 | 14.4 | 2.6 | 2.3 | 18.2 | 16.5 |
| Steel Dynamics | STLD US Equity | 269 | 38,498 | 3,613 | 10.6 | 9.2 | 16.0 | 13.5 | 3.7 | 3.1 | 24.0 | 22.7 |
| **North America Average** | | | | | **8.8** | **7.9** | **-12.4** | **13.2** | **2.3** | **2.0** | **14.0** | **15.6** |
| Companhia Siderurgica National | CSNA3 BZ Equity | 4 | 1,157 | 7,617 | 4.1 | 3.8 | -4.0 | -54.4 | 0.5 | 0.4 | -9.1 | -0.9 |
| Gerdau | GGBR4 BZ Equity | 25 | 9,314 | 1,799 | 4.6 | 4.2 | 9.5 | 8.7 | 0.9 | 0.8 | 9.4 | 10.0 |
| Ternium | TX US Equity | 55 | 10,986 | -525 | 4.2 | 3.9 | 10.5 | 8.9 | 0.9 | 0.8 | 8.3 | 9.6 |
| Usiminas | USIM5 BZ Equity | 7 | 1,626 | -88 | 2.9 | 2.4 | 5.4 | 6.2 | 0.4 | 0.4 | 7.4 | 5.7 |
| **South America Average** | | | | | **3.9** | **3.6** | **5.4** | **-7.7** | **0.7** | **0.6** | **4.0** | **6.1** |
| Angang Steel Co | 347 HK Equity | 1 | 2,549 | 3,778 | | 12.2 | -2.2 | -6.5 | 0.3 | 0.3 | -11.7 | -5.2 |
| Bao Steel | 600019 CH Equity | 6 | 18,503 | 1,655 | 4.1 | 3.6 | 11.3 | 9.9 | 0.6 | 0.6 | 5.4 | 6.0 |
| Hyundai Steel Co | 004020 KS Equity | 28,850 | 2,725 | 3,927 | 4.4 | 4.9 | 32.7 | 11.2 | 0.2 | 0.2 | 0.6 | 1.6 |
| Maanshan Iron & Steel Co | 323 HK Equity | 2 | 2,619 | 2,106 | 7.0 | 3.5 | 23.4 | 9.1 | 0.5 | 0.5 | 2.4 | 6.4 |
| POSCO | 005490 KS Equity | 3,26,000 | 18,287 | 10,071 | 5.3 | 4.8 | 12.8 | 10.3 | 0.4 | 0.4 | 3.5 | 4.2 |
| Bluescope Steel | BSL AU Equity | 35 | 10,814 | 20 | 7.8 | 6.8 | 17.9 | 14.4 | 1.4 | 1.4 | 7.8 | 9.6 |
| Sims Ltd | SGM AU Equity | 26 | 3,607 | 436 | 8.3 | 6.5 | 19.8 | 14.3 | 1.9 | 1.7 | 9.8 | 12.3 |
| **Asia (Ex-India) Average** | | | | | **6.1** | **6.1** | **16.6** | **9.0** | **0.8** | **0.7** | **2.5** | **5.0** |
| Jindal Steel | Jindalsteel IN Equity | 1,095 | 11,703 | 1,714 | 9.5 | 7.4 | 18.2 | 12.4 | 2.0 | 1.7 | 10.9 | 14.3 |
| JSW Steel | JSTL IN Equity | 1,283 | 32,883 | 8,132 | 10.9 | 8.9 | 21.4 | 17.9 | 2.8 | 2.4 | 13.5 | 14.1 |
| SAIL | SAIL IN Equity | 173 | 7,486 | 3,268 | 6.1 | 6.0 | 10.4 | 10.3 | 1.1 | 1.0 | 10.9 | 9.8 |
| Tata Steel | TATA IN Equity | 188 | 24,623 | 8,520 | 7.4 | 6.7 | 13.9 | 11.8 | 2.1 | 1.8 | 15.4 | 16.2 |
| Lloyds Metal & Energy | LLOYDSME IN Equity | 1,986 | 11,714 | 1,876 | 11.1 | 10.1 | 18.7 | 14.4 | 5.3 | 3.9 | 35.9 | 31.4 |
| Godawari Power | GODPI IN Equity | 232 | 1,637 | -77 | 9.0 | 7.0 | 13.7 | 10.0 | 2.1 | 1.7 | 13.1 | 15.0 |
| **India Average** | | | | | **9.0** | **7.7** | **16.1** | **12.8** | **2.5** | **2.1** | **16.6** | **16.8** |
| **Global Average** | | | | | **6.7** | **6.0** | **7.0** | **7.8** | **1.4** | **1.3** | **8.5** | **10.3** |

*Source: Bloomberg, Company Data, Equirus*

# Company Snapshot

How we differ from consensus

| Particular (Rs mn) | | Equirus | Consensus | % Diff | Comment |
|---|---|---|---|---|---|
| Sales | FY27E | 3,31,096 | 2,67,251 | 23.9 | |
| | FY28E | 4,09,921 | 3,19,626 | 28.3 | |
| EBITDA | FY27E | 1,23,975 | 1,04,729 | 18.4 | |
| | FY28E | 1,54,676 | 1,30,052 | 18.9 | |
| PAT | FY27E | 35,417 | 65,159 | (45.6) | |
| | FY28E | 86,927 | 82,958 | 4.8 | |

## Our Key Investment arguments:

*Improved business mix, reduced risk profile and credible strategic partners justify higher multiples across standalone, copper and pellet businesses.*

- **Structural cost leadership in iron ore remains intact till 2057E:** LMEL continues to be India's lowest-cost iron ore producer, benefiting from legacy mining rights without auction-linked premiums—an advantage unmatched by peers and sustainable over decades.By investing in steel assets, LMEL is poised to become India's most cost-efficient steel producer, a status it is likely to maintain well beyond 2030E.
- **Diversification materially reduces earnings cyclicality:** By FY30E, steel, MDO, pellets and copper will drive the bulk of earnings, sharply lowering reliance on volatile iron ore prices and improving earnings stability.
- **Copper entry adds long-duration, green-energy-linked growth:** The DRC copper investment provides exposure to a structurally undersupplied metal critical for electrification, EVs and renewables, positioning LMEL within the global energy transition value chain.
- **BRPL delivers high-return, low-risk cash flows:** Integration with Tata Steel ensures assured iron ore supply, near-full utilisation and strong margins, translating into sub-two-year payback and steady-state free cash flow visibility.
- **Tata Steel partnership lowers execution risk and expands optionality:** The MoU across mining, logistics and steelmaking in Maharashtra de-risks LMEL's steel plans and opens the door for a larger 5–6mtpa steel opportunity alongside a global major.

## Risks to Our View

- Fluctuation in Seaborne iron ore prices.
- Potential Structural Downside risk in long term
- Third party infrastructure
- Regulatory risk

## Key Triggers

- Sharp improvement in Chinese steel demand.
- Global steel companies continued focus on decarbonisation.

### Company Description

Lloyds Metals and Energy Limited (LMEL) is the leading player in the Iron and Steel making industry, with its operations spread around Nagpur, Maharashtra. LMEL is the sole iron ore miner in the State of Maharashtra, operating at 10mtpa, with 2,70,000 tonne DRI and 30MW CPP; the Company is all set to be one of the most efficient steel makers going ahead. Leveraging on the latest technology and five decades of experience, LMEL constantly seek new ways to revolutionise mining, iron and steel making.

## Key Financials (Consolidated)

### Income Statement

| Y/E Mar (Rs bn) | FY23A | FY24A | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|---|
| **Revenue** | **34** | **65** | **67** | **171** | **331** | **410** | **456** |
| COGS | 5 | 9 | 8 | 18 | 29 | 45 | 52 |
| Employee Cost | 1 | 1 | 2 | 13 | 19 | 24 | 28 |
| Other Expenses | 20 | 38 | 38 | 79 | 159 | 186 | 186 |
| | | | | | | | |
| **EBITDA** | **8** | **17** | **20** | **61** | **124** | **155** | **190** |
| Depreciation | 0 | 0 | 1 | 6 | 9 | 16 | 24 |
| **EBIT** | **8** | **17** | **19** | **55** | **115** | **139** | **166** |
| Interest Exp. | 1 | 0 | 0 | 5 | 13 | 18 | 19 |
| Other Income | 1 | 0 | 1 | 2 | 2 | 2 | 2 |
| **Profit before Tax** | **8** | **17** | **19** | **52** | **104** | **123** | **148** |
| Tax Expenses | (1) | 5 | 4 | 14 | 26 | 31 | 37 |
| **Profit After Tax** | **9** | **12** | **15** | **38** | **78** | **92** | **111** |
| Minority Interest | 0 | 0 | 0 | (1) | (44) | (7) | (7) |
| Profit/(Loss) from Associates | 0 | 0 | 0 | 0 | 1 | 1 | 1 |
| **Recurring PAT** | **9** | **12** | **15** | **37** | **35** | **87** | **105** |
| Exceptional Items | (12) | 0 | 0 | 0 | 0 | 0 | 0 |
| **Reported PAT** | **(3)** | **12** | **15** | **37** | **35** | **87** | **105** |
| Other comprehensive income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **PAT after comp. income.** | **(3)** | **12** | **15** | **37** | **35** | **87** | **105** |
| FDEPS | (5.7) | 24.6 | 27.8 | 65.4 | 62.9 | 154.5 | 187.2 |
| DPS | 0 | 1 | 1 | 1 | 1 | 1 | 1 |
| BVPS | 30 | 56 | 123 | 246 | 386 | 552 | 750 |

| YoY Growth (%) | FY23A | FY24A | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|---|
| Sales | 386.4 | 92.3 | 3.0 | 154.6 | 93.5 | 23.8 | 11.3 |
| EBITDA | 456.8 | 113.7 | 13.0 | 214.0 | 101.9 | 24.8 | 22.7 |
| EBIT | 517.2 | 113.7 | 11.5 | 195.1 | 107.4 | 21.0 | 19.2 |
| PAT | 0.0 | 0.0 | 17.1 | 152.9 | (3.8) | 145.4 | 21.2 |

### Key Ratios

| Profitability (%) | FY23A | FY24A | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|---|
| Gross Margin | 84.1 | 86.3 | 88.0 | 89.4 | 91.3 | 88.9 | 88.5 |
| EBITDA Margin | 23.9 | 26.5 | 29.1 | 35.9 | 37.4 | 37.7 | 41.6 |
| PAT Margin | (8.5) | 19.0 | 21.7 | 21.5 | 10.7 | 21.2 | 23.1 |
| ROE | 37.8 | 44.2 | 22.5 | 26.5 | 16.3 | 28.0 | 25.0 |
| ROIC | 69.0 | 74.7 | 36.4 | 26.7 | 30.0 | 26.8 | 24.6 |
| Core ROIC | 80.4 | 86.5 | 40.9 | 29.3 | 32.8 | 28.6 | 25.2 |
| Dividend Payout | 0.0 | 4.1 | 3.6 | 1.5 | 1.6 | 0.6 | 0.5 |

| CAGR (%) | | 1 year | 2 years | 3 years | 5 years | 7 years | 10 years |
|---|---|---|---|---|---|---|---|
| Revenue | | 154.6 | 61.9 | 71.5 | 132.2 | 66.8 | 46.5 |
| EBITDA | | 214.0 | 88.3 | 96.4 | 255.1 | 134.5 | 84.8 |
| PAT | | 152.9 | 72.1 | (333.7) | 680.8 | 109.7 | 134.8 |

| Valuation (x) | FY23A | FY24A | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|---|
| P/E | 0.0 | 80.7 | 71.4 | 30.4 | 31.6 | 12.9 | 10.6 |
| P/B | 65.6 | 35.7 | 16.1 | 8.1 | 5.1 | 3.6 | 2.6 |
| P/FCFF | (104.2) | (5,511.2) | (40.6) | (15.4) | 34.1 | (17.0) | 128.4 |
| EV/EBITDA | 137.6 | 64.4 | 57.3 | 21.1 | 10.4 | 8.9 | 7.4 |
| EV/Sales | 32.9 | 17.1 | 16.7 | 7.6 | 3.9 | 3.4 | 3.1 |
| Dividend Yield (%) | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |

## Balance Sheet

| Y/E Mar (Rs bn) | FY23A | FY24A | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|---|
| Equity Capital | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Reserves | 15 | 28 | 64 | 138 | 217 | 310 | 422 |
| **Net Worth** | **15** | **28** | **65** | **139** | **217** | **311** | **422** |
| Total Debt | 0 | 0 | 10 | 204 | 202 | 292 | 292 |
| Other long term liabilities | 4 | 6 | 12 | 39 | 39 | 39 | 39 |
| Minority Interest | 0 | 0 | 0 | 4 | 48 | 55 | 61 |
| Account Payables | 1 | 4 | 1 | 27 | 31 | 38 | 42 |
| Other Current Liabilities | 0 | 0 | 0 | 2 | 2 | 2 | 2 |
| **Total Liabilities** | **20** | **39** | **89** | **416** | **542** | **738** | **861** |
| Gross Fixed Assets | 9 | 17 | 22 | 172 | 240 | 420 | 623 |
| Acc. Depreciation | (4) | (4) | (5) | (57) | (67) | (82) | (107) |
| Net Fixed Assets | 5 | 12 | 17 | 115 | 173 | 338 | 516 |
| Capital WIP | 3 | 13 | 43 | 139 | 177 | 197 | 172 |
| long term investments | 0 | 0 | 0 | 6 | 6 | 6 | 6 |
| Others | 1 | 3 | 6 | 42 | 57 | 64 | 56 |
| Inventory | 3 | 2 | 4 | 27 | 21 | 29 | 30 |
| Receivables | 0 | 1 | 2 | 15 | 26 | 30 | 32 |
| Loans and advances | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other current assets | 3 | 5 | 9 | 29 | 29 | 29 | 29 |
| Cash & Cash Equivalents. | 3 | 3 | 8 | 28 | 36 | 29 | 3 |
| **Total Assets** | **20** | **39** | **89** | **416** | **542** | **738** | **861** |
| Non-Cash WC | 5 | 4 | 14 | 42 | 42 | 48 | 47 |
| Cash Conv. Cycle | 23.6 | (4.7) | 26.9 | 31.5 | 16.9 | 18.8 | 15.9 |
| WC Turnover | 6.6 | 17.5 | 4.9 | 4.1 | 7.9 | 8.6 | 9.8 |
| Gross Asset Turnover | 3.7 | 3.9 | 3.1 | 1.0 | 1.4 | 1.0 | 0.7 |
| Net Asset Turnover | 4.1 | 2.6 | 1.1 | 0.7 | 0.9 | 0.8 | 0.7 |
| Net D/E | (0.2) | (0.1) | 0.0 | 1.2 | 0.6 | 0.7 | 0.6 |

| Days (x) | FY23A | FY24A | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|---|
| Receivable Days | 3 | 4 | 9 | 32 | 28 | 26 | 25 |
| Inventory Days | 29 | 13 | 23 | 57 | 23 | 26 | 24 |
| Payable Days | 8 | 22 | 6 | 57 | 35 | 34 | 34 |
| Non-cash WC days | 55 | 21 | 75 | 89 | 46 | 43 | 37 |

## Cash Flow

| Y/E Mar (Rs bn) | FY23A | FY24A | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|---|
| Profit Before Tax | (4) | 17 | 19 | 52 | 104 | 123 | 148 |
| Depreciation | 0 | 0 | 1 | 6 | 9 | 16 | 24 |
| Others | 0 | 0 | 0 | 0 | 30 | 2 | 16 |
| Tax paid | 0 | (2) | (5) | (12) | (26) | (31) | (37) |
| Change in WC | (1) | 2 | (3) | (22) | (1) | (6) | 1 |
| **Operating Cashflow** | **(5)** | **17** | **12** | **29** | **129** | **121** | **172** |
| Capex | (4) | (17) | (37) | (100) | (105) | (200) | (178) |
| Change in Invest. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Others | (2) | 0 | (3) | (6) | 0 | 0 | 0 |
| **Investing Cashflow** | **(6)** | **(17)** | **(40)** | **(105)** | **(105)** | **(200)** | **(178)** |
| Change in Debt | (1) | 0 | 7 | 61 | (2) | 90 | 0 |
| Change in Equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Others | 12 | 0 | 21 | 26 | (13) | (18) | (19) |
| **Financing Cashflow** | **11** | **0** | **28** | **86** | **(15)** | **72** | **(20)** |
| **Net Change in Cash** | **0** | **0** | **0** | **10** | **8** | **(7)** | **(26)** |

*Source: Company, Equirus Research*

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|---|---|---|
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