

Lloyds Metals And Energy Ltd

Scaling Up in Critical Minerals

CMP Rs 1,272	Target Price Rs 2,100 Mar 2027
Rating LONG	Upside 65% (↑)

- Lloyds Metals And Energy (LMEL) has acquired a 49% stake in Virtus Lloyds Minerals Holding (VLMH) for US\$ 30mn; VLMH holds 100% of CHEMAF, which owns 50+ copper and cobalt mining permits in the DRC.
- Media reports indicate the transaction involved funding commitments and restructuring of CHEMAF's debt, suggesting a stressed asset turnaround opportunity.
- This marks LMEL's second DRC acquisition; at peak, combined assets could scale to 100ktpa copper and 20ktpa cobalt, alongside ~50mtpa mining volumes by Thriveni.
- Maintain LONG with an unchanged SOTP-based Mar'27 TP of Rs 2,100.

Debt-led entry into CHEMAF; strategic resource access: As per media articles ([Link here](#)), Virtus Minerals' acquisition of CHEMAF was structured around significant capital infusion, including funding for stalled projects and the assumption/restructuring of existing debt. This indicates a capital-constrained asset, with value creation contingent on execution and balance sheet repair. The transaction is part of a broader US-led push to secure critical mineral supply chains and reduce reliance on China, supported by the US–DRC strategic partnership framework.

LMEL builds DRC platform via VLMH: LMEL has acquired a 49% stake in VLMH (30th Mar'26, [link here](#)) via its wholly owned subsidiary LGRF for US\$ 30mn. VLMH is a JV with Virtus Minerals (51%), providing LMEL indirect exposure to CHEMAF. The asset base includes the Etoile facility (20ktpa copper, 4ktpa cobalt) and the Mutoshi expansion (50ktpa copper, 16ktpa cobalt), located in the Katanga Copper Belt. The transaction positions LMEL within a US-aligned critical minerals ecosystem, with the DRC accounting for >70% of global cobalt reserves and being a key copper-producing region.

Platform buildout with execution lever: LMEL's DRC strategy is evolving into a scalable copper–cobalt platform, with two assets now in place (Exhibit 1). At peak, combined capacity could reach ~100ktpa copper and ~20ktpa cobalt, alongside ~50mtpa mining volumes by Thriveni, driving product and geographic diversification. While the CHEMAF asset appears to involve balance sheet repair, we see this as an opportunity for value creation, contingent on execution. Strong cash flows from the domestic iron ore business provide funding visibility for this expansion.

Key monitorable and risks: Execution of the CHEMAF turnaround will be key, particularly timelines for completion and ramp-up of the Mutoshi project, along with visibility on debt restructuring and funding requirements. Strategically, the acquisition enhances LMEL's exposure to energy transition metals, where copper and cobalt demand remains structurally strong. Key risks include execution slippages, higher capital intensity, balance sheet repair at CHEMAF, and geopolitical/regulatory risks in the DRC, along with commodity price volatility.

Financial Summary

YE Mar Rs mn	Sales	EBITDA	Recurring PAT	EPS (Rs)	P/E (x)	P/B (x)	EV/ EBITDA (x)	ROE (%)	Core ROIC (%)	EBITDA Margin (%)
FY25A	66,263	19,529	14,499	27.7	45.9	10.4	34.2	22.6	40.6	29.1
FY26E	1,30,635	53,089	38,577	68.9	18.5	5.9	12.2	32.2	59.7	39.5
FY27E	1,95,423	80,665	57,921	103.4	12.3	4.0	8.1	32.7	55.8	40.0
FY28E	2,22,465	1,00,997	71,132	127.0	10.0	2.9	6.4	28.7	46.8	43.4

Source: Company, Equirus Securities

Estimate Revision

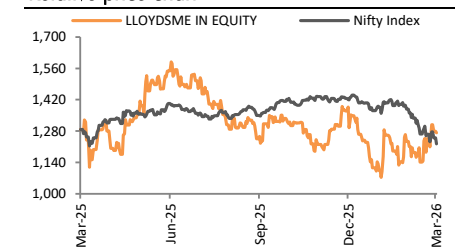
(Rs mn)	Forecasts		% Change	
	FY26E	FY27E	FY26E	FY27E
Sales	1,30,635	1,95,423	0.0	0.0
EBITDA	53,089	80,665	0.0	0.0
PAT	38,577	57,921	0.0	0.0
EPS	68.9	103.4	0.0	0.0

Stock Information

Market Cap (Rs Mn)	7,15,694
52 Wk H/L (Rs)	1,613/1,005
Avg Daily Volume (1yr)	5,91,109
Avg Daily Value (Rs Mn)	7.8
Equity Cap (Rs Mn)	64,021
Face Value (Rs)	1
Share Outstanding (Mn)	562.8
Bloomberg Code	LLOYDSME IN
Ind Benchmark	BSE METL

Ownership (%)	Recent	3M	12M
Promoters	63.7	0.7	0.2
DII	1.9	(0.3)	0.1
FII	1.9	(0.4)	(0.1)
Public	32.5	0.0	(0.3)

Relative price chart



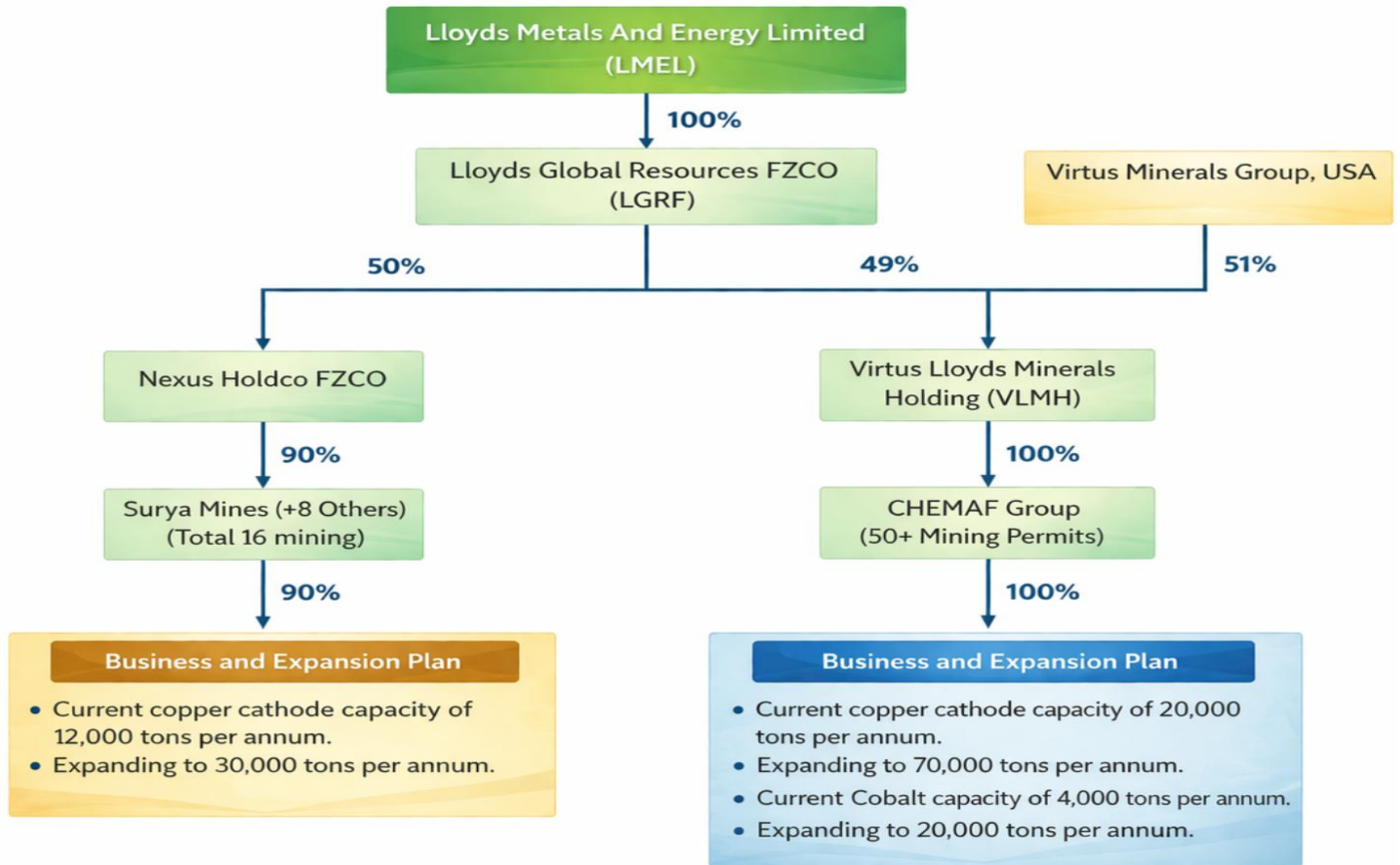
Source: Bloomberg

Analysts

Siddharth Gadekar
 siddharth.gadekar@equirus.com
 +91-022 4332 0670

Shivansh Singh
 shivansh.singh@equirus.com
 +91-079 6901 5012

Exhibit 1: LMEL's operations in DRC are via Lloyds Global Resources FZC (LGRF), a 100% owned subsidiary



Source: Company Data, Equirus

Exhibit 2: Background on CHEMAF Group

Chemaf Group - Company Overview



Copper & Cobalt Mining and Processing - Katanga Copper Belt, DRC

Company Background

- Chemaf SA - operating in DR Congo since 2002
- Copper and cobalt exploration, mining, and hydrometallurgical processing
- Located in the heart of **Katanga Copper Belt** - world's richest copper-cobalt geological zone
- **Chemaf is vertically integrated:**
- Mining concessions + Hydrometallurgical processing

Key Assets

Etoile Processing Facility (Operating and Expansion)

- Current operating plant has oxide circuit. Planned expansion to include sulphide circuit
- Current : 20,000 TPA Copper Cathodes
- Current : 4,000 TPA Cobalt

Mutushi Plant (Expansion - Advanced Stage)

- Currently at advanced stage of construction
- Target: 50,000 TPA Copper
- Target: 16,000 TPA Cobalt

50+ mining permits and exploration licenses, spread across the DRC, with rich potential of resources

100% of Chemaf Group Ltd. now owned by VLMH | DRC Government Approved

Source: Company Data, Equirus

Exhibit 3: LMEL acquired 49% stake in CHEMAF

LMEL through its subsidiary Secures 49% Stake in Chemaf Group: firmly establishing itself in DRC's Copper & Cobalt belt

March 2026



Source: Company Data, Equirus

Exhibit 4: LMEL's production plans in DRC

LMEL's DRC Production Roadmap



Group Target: 100,000 TPA Copper | 20,000 TPA Cobalt

Asset	Copper (TPA)	Cobalt (TPA)
Chemaf - Current (Etoile)	20,000	4,000
Chemaf - Planned (Mutoshi)	50,000	16,000
Existing DRC Ops through Nexus Holdco (Surya Mines)	Current 12,000; Pathway to 30,000	-
Total Group Capacity	100,000	20,000

Future Outlook

- Peak Production Potential: **100,000 Tons of Copper and 20,000 Tons of Cobalt** annually at full capacity. Potential for rare earths with further exploration
- Production at Surya Mines already started @ 30-33 TPD (~12,000 TPA) **copper cathode levels currently**; clear pathway to scale the plant to 30,000 TPA
- Additionally, Thriveni is expected to do MDO services for ~50 Mn Tons material, providing additional income streams
- Enter into a future and strategic commodities with strong and rising demand to meet carbon goals globally

Lloyds' Cobalt Debut – Entry into strategic and Critical minerals, supported by US

Source: Company Data, Equirus

Earnings Revision

We maintain our earnings estimates for now and will factor in the acquisition post 4QFY26 results, pending greater clarity on timelines and the debt profile of the acquired asset.

Exhibit 5: Earnings Revision Table

Rs mn	Old Estimates			New Estimates			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Global									
HRC Price (US\$/t)	470	525	530	470	525	530	-	-	-
Iron Ore (US\$/t)	102	100	96	102	100	96	-	-	-
Coking Coal (US\$/t)	190	231	220	190	231	220	-	-	-
USDINR	88.0	90.5	92.0	88.0	90.5	92.0	-	-	-
Standalone									
Iron Ore Production (mt)	21.0	26.0	26.0	21.0	26.0	26.0	-	-	-
External Iron Ore Sales (mt)	18.2	18.7	17.4	18.2	18.7	17.4	-	-	-
Revenue	1,34,454	2,01,864	2,32,715	1,34,454	2,01,864	2,32,715	-	-	-
EBITDA	53,089	80,665	1,00,997	53,089	80,665	1,00,997	-	-	-
PAT	38,577	57,921	71,132	38,577	57,921	71,132	-	-	-
Net Debt	(15,811)	(9,818)	(15,335)	(15,811)	(9,818)	(15,335)	-	-	-

Source: Company Data, Equirus

Note: Based on Standalone Operations

Exhibit 6: Key Assumptions

	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Global Assumptions								
Iron Ore (US\$/t)	128	155	118	120	104	102	100	96
USDINR	74.2	74.5	80.4	82.8	84.6	88.0	90.5	92.0
Production (mt)								
Iron Ore	-	2.80	3.59	10.00	10.00	21.00	26.00	26.00
Sponge Iron	0.09	0.12	0.20	0.26	0.31	0.55	0.79	0.93
Pellets	-	-	-	-	-	2.60	6.80	8.00
Hot Metal	-	-	-	-	-	-	0.63	0.76
Wire Rod	-	-	-	-	-	-	0.18	1.02
External Sales (mt)								
Iron Ore	-	0.44	5.30	9.65	9.46	18.22	18.72	17.44
Sponge Iron	0.09	0.12	0.20	0.26	0.31	0.55	0.69	0.40
Pellets	-	-	-	-	-	1.80	4.61	5.39
Hot Metal	-	-	-	-	-	-	0.52	0.11
Wire Rod	-	-	-	-	-	-	0.18	1.02
Financials (Rs mn)								
EBITDA	300	1,732	8,472	17,313	19,529	53,089	80,665	1,00,997
Net Debt	1,461	547	(2,384)	(1,877)	1,503	(15,811)	(9,818)	(15,335)

Source: Company Data, Equirus

Note: Based on Standalone Operations

Maintain LONG

Maintain LONG with an unchanged SOTP-based Mar'27 TP of Rs 2,100.

We have not incorporated the new acquisition into our earnings model given limited disclosures on the asset. We continue to value LMEL on a SOTP basis, assigning 9x EV/EBITDA to standalone operations, 10x EV/EBITDA to the TEIPL (MDO) business, and 12.5x EV/EBITDA to the copper segment. Maintain LONG with an unchanged SOTP-based Mar'27 TP of Rs 2,100.

Exhibit 7: Target Price Methodology

Item	Unit	Valuation
LMEL Business		
Standalone Business FY28E EBITDA	Rs mn	1,00,997
1- year Forward Multiple	x	9.0
End FY27E EV	Rs mn	9,08,971
End FY27E Net Debt	Rs mn	(818)
End FY27E Equity Value	Rs mn	9,09,789
End FY27E Equity Value	Rs/share	1,624
1-year Forward Price Target (A)	Rs/share	1,624
TEIPL Business		
FY28E EBITDA (Including Copper Mining Share)	Rs mn	31,951
1- year Forward Multiple	x	10.0
End FY27E EV	Rs mn	3,19,510
Gurantees & Debt (over FY27-28E)	Rs mn	34,860
End FY27E Equity Value	Rs mn	2,84,650
LMEL Stake in the Business	%	80
Value Attributable to LMEL Holders	Rs mn	2,27,207
End FY27E Equity Value	Rs/share	406
1-year Forward Price Target (B)	Rs/share	406
Copper Business		
FY28E EBITDA (LMEL's Share)	Rs mn	1,991
1- year Forward Multiple	x	12.5
End FY27E EV	Rs mn	24,886
End FY27E Equity Value	Rs/share	44
1-year Forward Price Target (C)	Rs/share	44
BRPL		
FCF from Pellet Plant (LMEL's Share)	Rs mn	1,397
1- year Forward Multiple	x	10.0
End FY27E EV	Rs mn	13,972
End FY27E Equity Value	Rs/share	25
1-year Forward Price Target (D)	Rs/share	25
Consolidated 1-year Forward Price Target (A+B+C+D)	Rs/share	2,100

Source: Company Data, Equirus

Exhibit 8: Equirus Coverage Comparison

Company Name Reco		CMP		MCap	Target Price	Target Date	EBITDA (Rs bn)				Net Debt (Rs bn)			
		Rs	Rs bn				Rs	FY25A	FY26E	FY27E	FY28E	FY25A	FY26E	FY27E
Coal India	Short	450	2,776	370	Mar-27	430	387	408	410	-285	-412	-430	-491	
GPIL	Add	269	180	275	Mar-27	12	12	20	24	-4	-3	3	-4	
Hindalco	Reduce	884	1,988	890	Mar-27	328	333	403	441	406	504	664	698	
Jindal Steel	Add	1,113	1,135	1,175	Mar-27	95	94	147	190	120	152	141	95	
JSW Steel	Reduce	1,123	2,745	1,100	Mar-27	229	292	353	411	769	407	411	359	
Lloyds Metals	Long	1,272	716	2,100	Mar-27	20	53	81	101	2	-16	-10	-15	
NMDC	Add	76	671	90	Mar-27	83	95	98	101	-63	-94	-102	-108	
SAIL	Short	151	625	115	Mar-27	106	114	144	153	289	281	356	398	
Tata Steel	Reduce	192	1,314	190	Mar-27	253	335	406	449	827	802	752	658	
Company Name	EV/EBITDA (x)				P/B (x)				RoE (%)				Div Yield (%)	
	FY25A	FY26E	FY27E	FY28E	FY25A	FY26E	FY27E	FY28E	FY25A	FY26E	FY27E	FY28E	FY26E	
Coal India	5.8	6.1	5.8	5.6	2.8	2.5	2.2	2.0	35.2	27.3	25.0	22.3	5.1	
GPIL	14.8	15.1	9.2	7.4	3.4	3.0	2.3	1.9	13.8	12.7	13.7	13.9	0.4	
Hindalco	7.3	7.5	6.6	6.1	1.6	1.5	1.4	1.2	13.4	7.9	8.7	12.8	0.4	
Jindal Steel	13.2	13.7	8.7	6.5	2.4	2.2	1.9	1.6	6.9	7.5	12.9	15.5	0.0	
JSW Steel	15.3	10.8	8.9	7.6	3.4	2.2	1.9	1.7	4.6	6.6	9.4	10.9	0.2	
Lloyds Metals	36.7	13.2	8.8	6.9	10.4	5.9	4.0	2.9	22.6	32.2	32.7	28.7	0.1	
NMDC	7.4	6.1	5.8	5.6	2.3	2.0	1.8	1.6	22.6	23.1	21.0	18.8	5.5	
SAIL	8.6	7.9	6.8	6.7	1.1	1.1	1.0	0.9	4.3	5.5	7.9	7.3	1.1	
Tata Steel	12.7	9.5	7.8	6.8	2.6	2.4	2.2	1.9	7.7	10.7	13.2	14.5	1.9	

Source: Bloomberg, Company Data, Equirus

Exhibit 9: 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	50	1,75,304	8,632	8.4	8.6	19.4	19.8	4.6	4.2	24.7	22.3	
Champion Iron	CIA AU	5	1,929	458	6.3	4.8	13.7	10.6	1.9	1.8	14.2	15.8	
Deterra Royalties	DRR AU	4	1,458	-16	9.5	10.6	13.9	14.9	14.3	11.1	109.0	82.3	
Fortescue (FMG)	FMG AU	20	42,834	761	7.4	8.4	17.0	21.1	2.9	2.8	17.8	13.7	
Godawari Power & Ispat	GODPI IN	269	26,129	-558	15.0	9.0	21.0	19.8	2.9	2.3	14.2	16.5	
Kumba Iron Ore	KIO SJ	32	5,960	-871	3.3	3.7	0.9	1.0	0.2	0.2	19.7	17.8	
Lloyds Metals & Energy	LLOYDSME IN	1,272	7,549	-2	13.0	9.1	17.1	11.5	5.9	3.9	40.2	40.0	
Mineral Resources	MIN AU	54	7,257	3,643	6.8	6.2	14.5	15.1	2.4	2.1	17.4	13.2	
NMDC	NMDC IN	76	7,072	-613	6.5	5.8	9.0	8.6	2.0	1.7	22.6	21.3	
Rio Tinto	RIO AU	161	1,53,317	9,657	8.4	8.1	19.9	19.6	3.9	3.6	20.1	18.8	
Vale	VALE3 BZ	80	64,600	11,767	4.4	4.6	7.1	7.6	1.6	1.5	25.3	20.6	
Global Average					8.1	7.2	14.0	13.6	3.9	3.2	29.6	25.7	
Global Average (Ex-Conglomerates)					7.2	6.0	12.3	11.7	2.1	1.9	19.1	17.7	

Source: Bloomberg, Company Data, Equirus

Exhibit 10: 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	55	78,543	7,678	6.7	4.7	18.7	14.2	3.5	2.9	19.3	21.0	
BHP	BHP AU	50	1,75,304	8,632	8.4	8.6	19.4	19.8	4.6	4.2	24.7	22.3	
Zijin Mining	2899 HK	34	1,23,877	11,171	7.7	6.6	11.8	10.3	3.6	2.8	34.5	30.7	
Southern Copper	SCCO US	159	1,30,467	2,504	12.8	13.7	22.5	24.8	9.5	8.8	45.8	35.9	
Glencore	GLEN LN	6	85,761	50,886	5.7	5.4	12.4	11.5	1.6	1.5	12.8	12.7	
Anglo American	AAL LN	31	48,108	11,940	5.4	4.3	18.0	13.6	1.6	1.6	7.7	12.9	
KGHM Polska Miedz	KGH PW	261	13,984			3.8	7.2	7.3	1.3	1.1	19.7	15.1	
Antofagasta	ANTO LN	32	41,145	3,630	5.3	5.3	18.8	18.5	2.8	2.6	14.3	13.2	
First Quantum Minerals	FM CN	31	18,586	3,739	11.6	6.2	35.8	13.7	2.2	2.0	5.5	11.5	
Rio Tinto	RIO LN	161	1,53,317	9,657	8.4	8.1	19.9	19.6	3.9	3.6	20.1	18.8	
Hindustan Copper	HCP IN	454	4,625	10	44.8	16.1	72.0	23.1	14.2	9.9	21.2	50.5	
Global Average					11.7	7.5	23.3	16.0	4.4	3.7	20.5	22.2	

Source: Bloomberg, Company Data, Equirus

Exhibit 11: 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
Arcelor Mittal	MT NA	43	38,363	9,198	4.9	4.1	9.0	6.7	0.6	0.5	6.6	8.2
ThyssenKrupp	TKA GY	7	5,133	-5,315	-0.1	0.1	-342.3	7.0	0.5	0.5	-1.0	6.7
Voestalpine	VOE AV	37	7,656	1,889	5.7	4.6	17.3	10.6	0.9	0.8	5.0	7.5
SSAB	SSABA SS	72	7,485	-1,195	4.8	4.8	10.3	9.4	1.0	0.9	9.9	10.1
Klockner & Co	KCO GY	12	1,375	806	8.1	7.0	28.3	17.4	0.7	0.7	2.5	3.6
Salzgitter	SZG GY	34	2,351	1,331	4.9	4.0	10.5	5.9	0.4	0.4	3.8	6.7
Europe Average					4.7	4.1	-44.5	9.5	0.7	0.6	4.5	7.1
Commercial Metals Co	CMC US	60	6,668	507	5.3	6.5	8.8	8.8	1.4	1.3	15.8	14.4
Nucor Corporation	NUE US	165	37,503	4,808	7.6	6.9	13.5	12.3	1.6	1.5	12.6	12.7
Steel Dynamics	STLD US	172	24,860	3,613	8.7	7.5	12.6	11.0	2.4	2.1	20.1	19.8
North America Average					7.2	7.0	11.7	10.7	1.8	1.6	16.2	15.6
Companhia Siderurgica Nacional	CSNA3 BZ	6	1,550	7,409	4.2	4.0	65.3	15.5	0.6	0.6	-1.0	2.4
Gerdau	GGBR4 BZ	18	6,768	1,750	3.9	3.5	7.9	7.2	0.6	0.6	8.4	8.8
Temium	TX US	38	7,714	-1,383	3.0	3.2	9.0	6.7	0.6	0.6	7.1	9.0
Usiminas	USIM5 BZ	7	1,577	-85	3.6	3.2	12.4	10.6	0.4	0.4	2.7	3.4
South America Average					3.7	3.5	23.7	10.0	0.5	0.5	4.3	5.9
Angang Steel Co	347 HK	2	3,003	3,249	19.1	8.4	-8.1	50.3	0.3	0.3	-1.3	1.8
Bao Steel	600019 CH	6	20,281	512	4.4	4.1	13.4	11.8	0.7	0.7	5.1	5.7
Hyundai Steel Co	004020 KS	33,500	2,917	3,620	4.2	4.7	14.6	10.3	0.2	0.2	1.7	2.2
Maanshan Iron & Steel Co	323 HK	3	3,802	2,108	7.0	5.5	26.6	13.4	0.8	0.7	7.0	9.6
POSCO	005490 KS	3,33,500	17,614	9,283	5.3	4.8	13.6	11.2	0.5	0.5	3.4	4.0
Bluescope Steel	BSL AU	26	7,722	19	5.8	5.6	13.6	13.0	1.0	1.0	7.7	7.8
Sims Ltd	SGM AU	18	2,370	422	6.6	5.0	16.6	10.9	1.3	1.2	8.0	10.8
Asia (Ex-India) Average					7.5	5.5	12.9	17.3	0.7	0.7	4.5	6.0
Jindal Steel	JindalSP IN	1,113	11,976	1,321	13.0	8.9	27.3	15.9	2.2	2.0	7.6	13.0
JSW Steel	JSTL IN	1,123	28,953	10,566	12.4	9.4	30.3	18.8	3.1	2.6	10.6	14.5
SAIL	SAIL IN	151	6,596	3,794	8.8	7.0	19.1	13.7	1.0	1.0	5.6	7.7
Tata Steel	TATA IN	192	25,263	8,724	9.4	7.6	20.5	13.5	2.4	2.2	12.1	16.6
India Average					10.9	8.2	24.3	15.5	2.2	1.9	9.0	13.0
Global Average					6.8	5.6	5.6	12.6	1.2	1.1	7.7	9.5

Source: Bloomberg, Company Data, Equirus

Company Snapshot

How we differ from consensus

Particular (Rs mn)		Equirus	Consensus	% Diff	Comment
Sales	FY26E	1,34,454	1,57,367	(14.6)	
	FY27E	2,01,864	2,29,965	(12.2)	
EBITDA	FY26E	53,089	55,137	(3.7)	
	FY27E	80,665	82,204	(1.9)	
PAT	FY26E	38,577	41,870	(7.9)	
	FY27E	57,921	63,499	(8.8)	

Our Key Investment arguments:

- **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.

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

Key Financials (Consolidated)

Income Statement

Y/E Mar (Rs mn)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	6,815	33,430	64,810	66,263	1,30,635	1,95,423	2,22,465
COGS	3,129	5,401	8,920	8,061	5,918	5,267	8,317
Employee Cost	184	543	1,178	1,633	1,796	1,976	2,173
Other Expenses	2,207	19,876	37,837	37,992	73,652	1,13,956	1,21,228
EBITDA	1,732	8,472	17,313	19,529	53,089	80,665	1,00,997
Depreciation	180	230	490	808	1,801	3,767	6,445
EBIT	1,552	8,242	16,823	18,721	51,288	76,898	94,552
Interest Exp.	181	650	57	272	240	0	0
Other Income	21	376	500	512	505	506	506
Profit before Tax	1,392	7,967	17,265	18,961	51,553	77,404	95,058
Tax Expenses	(95)	(1,091)	4,836	4,462	12,976	19,482	23,926
Profit After Tax	1,487	9,059	12,429	14,499	38,577	57,921	71,132
Minority Interest	0	0	0	0	0	0	0
Profit/(Loss) from Associates	1	0	0	0	0	0	0
Recurring PAT	1,487	9,058	12,429	14,499	38,577	57,921	71,132
Exceptional Items	(514)	(11,944)	0	0	0	0	0
Reported PAT	974	(2,886)	12,429	14,499	38,577	57,921	71,132
Other comprehensive income.	7	21	28	(7)	0	0	0
PAT after comp. income.	981	(2,865)	12,457	14,492	38,577	57,921	71,132
FDEPS	2.6	(5.7)	24.7	27.7	68.9	103.4	127.0
DPS	0	0	1	1	1	1	1
BVPS	13	30	56	122	214	316	442

YoY Growth (%)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Sales	185.0	390.5	93.9	2.2	97.1	49.6	13.8
EBITDA	476.5	389.2	104.4	12.8	171.8	51.9	25.2
EBIT	857.2	431.0	104.1	11.3	174.0	49.9	23.0
PAT	76,695.7	0.0	0.0	16.7	166.1	50.1	22.8

Key Ratios

Profitability (%)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Gross Margin	60.5	86.4	86.9	89.3	98.4	100.6	100.9
EBITDA Margin	23.9	24.7	26.5	29.1	39.5	40.0	43.4
PAT Margin	13.5	(8.4)	19.1	21.6	28.7	28.7	30.6
ROE	19.2	2.7	44.3	22.6	32.2	32.7	28.7
ROIC	24.5	73.0	74.7	36.5	52.8	51.3	44.2
Core ROIC	25.0	83.6	85.1	40.6	59.7	55.8	46.8
Dividend Payout	0.0	0.0	4.1	3.6	1.5	1.0	0.8

CAGR (%)	1 year	2 years	3 years	5 years	7 years	10 years
Revenue	2.2	40.8	113.4	78.9	49.9	26.7
EBITDA	12.8	51.8	124.2	147.3	97.9	0.0
PAT	16.7	0.0	146.0	114.6	88.7	0.0

Valuation (x)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	480.3	0.0	51.6	45.9	18.5	12.3	10.0
P/B	97.8	42.0	22.9	10.4	5.9	4.0	2.9
P/FCFF	(560.9)	(62.0)	(3,279.8)	(24.2)	1,221.6	(122.5)	109.5
EV/EBITDA	384.6	78.3	38.3	34.2	12.2	8.1	6.4
EV/Sales	97.7	19.8	10.2	10.1	5.0	3.4	2.9
Dividend Yield (%)	0.0	0.0	0.1	0.1	0.1	0.1	0.1

Balance Sheet

Y/E Mar (Rs mn)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Equity Capital	370	505	505	523	560	560	560
Reserves	4,446	14,785	27,603	63,498	1,19,228	1,76,588	2,47,160
Net Worth	4,817	15,290	28,109	64,021	1,19,788	1,77,149	2,47,720
Total Debt	765	630	1,285	9,647	0	0	0
Other long term liabilities	2,365	3,475	4,977	19,165	29,732	40,328	45,195
Minority Interest	0	0	0	0	0	0	0
Account Payables	152	745	3,951	363	726	1,090	1,256
Other Current Liabilities	139	121	190	217	238	262	288
Total Liabilities	8,238	20,260	39,376	94,169	1,51,241	2,19,585	2,95,217
Gross Fixed Assets	7,615	9,152	16,596	21,123	62,934	1,12,934	1,87,934
Acc. Depreciation	(3,618)	(3,828)	(4,249)	(4,998)	(6,799)	(10,566)	(17,011)
Net Fixed Assets	3,997	5,324	12,347	16,125	56,135	1,02,368	1,70,923
Capital WIP	859	2,979	12,682	41,811	50,000	75,000	75,000
long term investments	2	0	0	0	0	0	0
Others	9	1,364	3,072	6,029	5,706	5,706	5,706
Inventory	1,668	2,697	2,311	4,318	5,526	7,190	8,288
Receivables	237	245	799	1,714	1,842	2,765	3,188
Loans and advances	0	0	0	0	0	0	0
Other current assets	965	3,264	5,003	16,027	16,219	16,736	16,775
Cash & Cash Equivalents.	219	3,013	3,162	8,143	15,811	9,818	15,335
Total Assets	8,238	20,260	39,376	94,169	1,51,241	2,19,586	2,95,217
Non-Cash WC	2,580	5,340	3,972	21,479	22,622	25,339	26,707
Cash Conv. Cycle	88.3	23.4	(4.7)	30.8	18.0	16.0	16.0
WC Turnover	2.6	6.3	16.3	3.1	5.8	7.7	8.3
Gross Asset Turnover	0.9	3.7	3.9	3.1	2.1	1.7	1.2
Net Asset Turnover	1.4	4.0	2.6	1.1	1.2	1.1	0.9
Net D/E	0.1	(0.2)	(0.1)	0.0	(0.1)	(0.1)	(0.1)
Days (x)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Receivable Days	12	3	4	9	5	5	5
Inventory Days	84	29	13	23	15	13	13
Payable Days	8	8	22	2	2	2	2
Non-cash WC days	138	58	22	118	63	47	44
Cash Flow	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Profit Before Tax	878	(3,977)	17,265	18,961	51,553	77,404	95,058
Depreciation	180	230	490	808	1,801	3,767	6,445
Others	0	1,093	(67)	23	349	28	31
Tax paid	(3)	(33)	(2,273)	(4,920)	(12,976)	(19,482)	(23,926)
Change in WC	(1,939)	(2,538)	1,538	(3,092)	9,398	7,851	3,469
Operating Cashflow	(782)	(5,164)	17,010	12,053	50,365	69,567	81,077
Capex	(563)	(3,869)	(17,207)	(36,988)	(50,000)	(75,000)	(75,000)
Change in Invest.	(5)	0	78	(460)	0	0	0
Others	(6)	(2,254)	(125)	(2,311)	0	0	0
Investing Cashflow	(574)	(6,123)	(17,254)	(39,760)	(50,000)	(75,000)	(75,000)
Change in Debt	(429)	(750)	0	7,462	(9,647)	0	0
Change in Equity	2,016	13,059	2	21,412	17,750	0	0
Others	(99)	(661)	(8)	(271)	(240)	0	0
Financing Cashflow	1,489	11,425	(6)	28,080	7,303	(560)	(560)
Net Change in Cash	133	138	(250)	374	7,668	(5,993)	5,517

Source: Company, Equirus Research



<p>Rating & Coverage Definitions:</p> <p>Absolute Rating</p> <ul style="list-style-type: none"> • LONG : Over the investment horizon, ATR \geq Ke for companies with Free Float market cap $>$Rs 5 billion and ATR \geq 20% for rest of the companies • ADD: ATR \geq 5% but less than Ke over investment horizon • REDUCE: ATR \geq negative 10% but $<$5% over investment horizon • SHORT: ATR $<$ negative 10% over investment horizon <p>Relative Rating</p> <ul style="list-style-type: none"> • 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 <p>Investment Horizon</p> <p>Investment Horizon is set at a minimum 3 months to maximum 18 months with target date falling on last day of a calendar quarter</p>	<p>Registered Office:</p> <p>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</p> <p>Corporate Office:</p> <p>1205 & 1206, A-Block, 12th Floor, Navratna Corporate Park, Bopal-Ambli Road, Ahmedabad - 380 058 Tel. No: +91 (0)79 - 6190 9550 Fax No: +91 (0)79 - 6190 9560</p>
---	--

2026 Equirus Securities Private Limited. All rights reserved. For Private Circulation only. This report or any portion hereof may not be reprinted, sold or redistributed without the written consent of Equirus Securities Private Limited

Analyst Certification

I, Siddharth Gadekar/Shivansh Singh, author of 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 investment 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 |