HOLD (Downgrade from BUY)

CMP: **INR 1,764** Target Price: **INR 1,740 (INR 1,540)** ▼ -1%

ICICI Securities Limited is the author and distributor of this report

06 May 2026

India | Equity Research | Results Update

Lloyds Metals and Energy

Metals & Mining

Transforming from an iron ore miner to a multi-commodity company; looks fairly valued

Lloyds Metals & Energy's (LMEL) Q4FY26 EBITDA was in line with our expectations at INR 25.4bn—up 874% YoY and 45% QoQ—driven by record iron ore sales and improved Thriveni performance. LMEL successfully commenced commercial production at its 12kt copper cathode plant in Mar'26. With the iron ore business providing a steady stream of cash, LMEL is aggressively expanding into steel, copper and MDO operations. This diversified strategy promises sustained growth with minimal stress on the balance sheet. However, we believe current valuations fully factor in the iron ore business; further upside is dependent on the upcoming steel mill and Thriveni ramp-up. Our SoTP-based TP stands at INR 1,740, applying a 7.5x FY28E EV/EBITDA to ferrous and 10.0x to Thriveni and copper business. Downgrade to **HOLD**.

Outperformance anchored by improved iron ore and Thriveni

LMEL's Q4FY26 EBITDA at INR 25.4bn jumped sharply by ~9x YoY and 45% QoQ, fuelled by a rise in iron ore volumes to 6.1mt (up 271% YoY and 50% QoQ) following an increased iron ore EC limit (26mntpa). This was further supported by better Thriveni EBITDA at INR 9.7bn, up 78% QoQ, driven by higher volumes for both iron ore and coal. Key points: 1) Higher volume, complemented by better realisation at INR 5,848/t (up 3% QoQ), resulted in an EBITDA/t of INR 1,894 (+4%QoQ). 2) Economies of scale also kicked in, as RM cost fell 43% YoY and 58% QoQ to INR 502/t. 3) Pellet plant, commissioned during Q2FY26, reached 100% utilisation, resulting in a volume uptick of 8% QoQ. 4) DRI volume at 0.188mnt grew 170%/52% YoY/QoQ. 5) Higher depreciation (INR 2.2bn, +21% QoQ), higher interest (INR 1.7bn, +10% QoQ) and lower other income partially offset the record EBITDA. 6) Consolidated PAT stood at INR 15.1bn (+646%/+39% YoY/QoQ).

Capex intensity to increase on multiple growth projects

LMEL has undertaken multiple expansion initiatives to sustain growth beyond FY27. Key projects include the commissioning of Pellet Plant 2 and a wire rod mill in FY27, along with the BHQ beneficiation plant targeted for completion by Dec'27. Additionally, the company has invested in a copper plant and will soon begin work on a 3mntpa steel plant. We expect a cumulative capex of INR 260-270bn over the next couple of years, which may temporarily increase the company's debt levels in FY28.

Financial Summary

Y/E March (INR mn)	FY25A	FY26A	FY27E	FY28E
Net Revenue	67,214	171,127	295,032	319,438
EBITDA	19,532	61,402	107,443	125,773
EBITDA Margin (%)	29.1	35.9	36.4	39.4
Net Profit	14,509	46,536	91,046	107,571
EPS (INR)	27.7	82.7	161.8	191.1
EPS % Chg YoY	16.8	198.2	95.6	18.2
P/E (x)	63.6	21.3	10.9	9.2
EV/EBITDA (x)	34.2	19.0	10.8	9.3
RoCE (%)	37.4	33.2	32.0	24.2
RoE (%)	40.5	59.5	65.1	49.6

Vikash Singh
singh.vikash@icicisecurities.com
+91 22 6807 7289
Pritish Urumkar
Pritish.urumkar@icicisecurities.com

Market Data

Market Cap (INR)	962bn
Market Cap (USD)	10,203mn
Bloomberg Code	LLOYDSME IN
Reuters Code	LYMT.BO
52-week Range (INR)	1,863 /1,043
Free Float (%)	24.0
ADTV-3M (mn) (USD)	11.6

Price Performance (%)	3m	6m	12m
Absolute	39.9	34.2	45.9
Relative to Sensex	46.6	40.7	49.3

ESG Score	2024	2025	Change
ESG score	59.2	61.0	1.8
Environment	39.1	42.1	3.0
Social	66.2	75.9	9.7
Governance	73.5	69.7	(3.8)

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY27E	FY28E
Revenue	12.0	8.3
EBITDA	18.9	16.5
EPS	22.3	19.0

Previous Reports

05-02-2026: Q3FY26 results review

12-12-2025: Company Update

Outlook: Multi-business growth levers but valuations getting stretched

LMEL's outlook remains positive, driven by a large, well-directed capex cycle that is already translating into scale, margins and structural advantages. The company is transitioning from a pure iron ore player to a fully integrated mining-to-steel platform with a rising share of value-added products. This is supported by significant capacity expansions in pellets, DRI and steel, alongside logistics investments (slurry pipelines, stockyards) that materially lower costs and could deliver over INR 20bn of annual savings over time. In parallel, strategic tie-ups (such as with Tata Steel) ensure offtake and return visibility, while entry into copper and cobalt marks a move into the critical materials segment. Given the Indian government continues to focus on auctioning and ramping up of mines across commodities, we expect Thriveni to maintain a high growth path in the near to medium term. However, a sharp capex jump for the next couple of years—while other businesses are still in a growth phase—could result in an increase in net debt (expected to peak in FY28), having some bearing on valuations.

We increase FY27/28E EBITDA by 19%/17% and EPS by 22%/19%, respectively. Consequently, our SoTP-based target price jumped to INR 1,740 (from INR 1,540). Given the limited upside, we downgrade the stock to **HOLD** (from *BUY*).

Exhibit 1: Earnings revisions

(INR mn)	FY27E			FY28E		
	New	Old	% Chg	New	Old	% Chg
Revenue	295,032	263,322	12.0	319,438	294,951	8.3
EBITDA	107,443	90,335	18.9	125,773	107,954	16.5
PAT	91,046	74,470	22.3	107,571	90,381	19.0

Source: I-Sec research

Key risks

Upside risks

- Sharp increase in iron ore and pellet prices.
- Thriveni growth is exceeding estimates, assuming further relaxation in mining rules.

Downside risks

- Delays in execution of projects.
- Sharp correction in iron ore prices.

Exhibit 2: Result snapshot

(INR mn)	Q4FY26	Q4FY25	YoY	Q3FY26	QoQ
Net Sales	60,197	11,933	404.5	50,581	19.0
EBITDA	25,453	2,611	874.8	17,581	44.8
EBITDA Margin (%)	42.3	21.9		34.8	
Other Income	112	193	-41.8	984	-88.6
Interest	1,676	134	1,150.4	1,524	10.0
Depreciation	2,244	223	904.3	1,856	20.9
Exceptional	0	0		0	
PBT	21,646	2,446	784.9	15,185	42.5
Tax	6,571	426	1,442.8	4,357	50.8
Reported PAT	15,075	2,020	646.2	10,828	39.2
Adj. Net Profit	15,075	2,020	646.2	10,828	39.2
PAT Margin (%)	25.0	16.9		21.4	
EPS (Rs)	26.8	3.9	593.7	19.9	34.7

Source: I-Sec research, Company data

Exhibit 3: Operational highlight

Volumes (mnte)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
Iron Ore	6.16	1.66	271.1	4.10	50.2
DRI	0.18832	0.06962	170.5	0.1242	51.6
Power (mn units)	64.00	46.92	36.4	36.00	77.8

Source: I-Sec research, Company data

Q4FY26 conference call takeaways

Guidance for FY27

- Iron ore production is recorded at 26mnt, with sales at 27mnt
- Pellet sales are guided at 7.75-8mnt.
- DRI production for FY27 is guided at 825kt.

Capex

- Company incurred INR 135bn in capex from FY24 to FY26, with FY26 standalone capex totalling INR 81bn. Key projects funded include two pellet plants, DRI expansion, slurry pipeline investments, and the ongoing CE plant.
- Management guided for capex of INR 145bn for the next two years.
- Capex for FY27 is guided at INR 100-110bn, and INR 50bn for FY28.
- Majority of copper-related capex will be incurred during FY27, with profits expected to be generated from FY28.
- Capex for Thriveni will be INR 10bn.

Cost savings

Annual cost savings are expected to surpass INR 20bn/year as logistics initiatives mature by Mar'28. The savings from the second slurry pipeline alone will be INR 10bn.

Details of the projects:

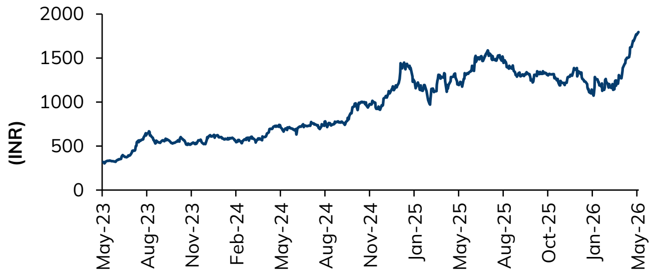
- The first copper project was commissioned in Mar'26 and produced around 700-750 tonnes; management has guided the copper unit to produce ~10kt in FY27.
- The second project (Chemaf) is expected to start production by FY28, with an expected production rate of 6-6.6kt/month.
- Chemaf has a total debt of USD 800mn, out of which USD 475mn is to be paid to the large creditor. The remaining debt of USD 300mn is non-recourse.
- The company plans to borrow an additional debt of USD 200mn, which will be non-recourse debt towards the Chemaf project.
- Management aims to achieve a volume of 100kt from both projects within five years.

Exhibit 4: Shareholding pattern

%	Sep'25	Dec'25	Mar'26
Promoters	62.8	63.7	61.4
Institutional investors	4.2	4.0	4.1
MFs and other	1.9	1.7	1.7
Banks/ FIs	0.0	0.0	0.0
Insurance Cos.	0.2	0.1	0.1
FIIs	2.1	1.9	2.3
Others	33.0	33.3	34.6

Source: Bloomberg, I-Sec research

Exhibit 5: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 6: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Net Sales	**67,214**	**171,127**	**295,032**	**319,438**
Operating Expenses	39,621	91,539	100,005	104,572
EBITDA	**19,532**	**61,402**	**107,443**	**125,773**
EBITDA Margin (%)	29.1	35.9	36.4	39.4
Depreciation & Amortization	805	6,072	7,286	8,743
EBIT	18,727	55,330	100,157	117,030
Interest expenditure	271	5,104	5,614	6,175
Other Non-operating Income	513	1,937	2,131	2,344
Recurring PBT	**18,970**	**52,164**	**96,674**	**113,199**
Profit / (Loss) from Associates	**-**	**-**	**-**	**-**
Less: Taxes	4,460	5,628	5,628	5,628
PAT	14,509	46,536	91,046	107,571
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	**14,509**	**46,330**	**91,046**	**107,571**
Net Income (Adjusted)	**14,509**	**46,536**	**91,046**	**107,571**

Source Company data, I-Sec research

Exhibit 7: Balance sheet

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Total Current Assets	30,202	98,239	163,009	176,260
of which cash & cash eqv.	7,393	27,029	81,931	89,299
Total Current Liabilities & Provisions	21,124	55,668	97,014	104,865
Net Current Assets	**9,078**	**42,571**	**65,994**	**71,395**
Investments	0	5,606	5,606	5,606
Net Fixed Assets	15,315	99,925	132,639	203,896
ROU Assets	-	-	-	-
Capital Work-in-Progress	41,811	139,461	199,461	219,461
Total Intangible Assets	-	27,883	27,883	27,883
Other assets	810	3,968	3,968	3,968
Deferred Tax Assets	2	1,010	1,010	1,010
Total Assets	**73,045**	**360,831**	**481,009**	**582,111**
Liabilities				
Borrowings	**7,558**	**203,804**	**253,804**	**272,654**
Deferred Tax Liability	**757**	**2,017**	**2,017**	**2,017**
provisions	709	3,796	3,986	4,185
other Liabilities	-	8,554	8,554	8,554
Equity Share Capital	523	563	563	563
Reserves & Surplus	63,498	138,146	208,055	290,028
Total Net Worth	**64,021**	**138,709**	**208,618**	**290,591**
Minority Interest	-	3,952	4,031	4,111
Total Liabilities	**73,045**	**360,831**	**481,009**	**582,111**

Source Company data, I-Sec research

Exhibit 8: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Operating Cashflow	**11,663**	**44,898**	**133,436**	**122,259**
Working Capital Changes	(7,867)	(5,173)	31,621	2,114
Capital Commitments	(33,682)	(199,264)	(100,000)	(100,000)
Free Cashflow	**(22,018)**	**(154,366)**	**33,436**	**22,259**
Other investing cashflow	**(2,151)**	**(41,053)**	**(1,862)**	**(2,048)**
Cashflow from Investing Activities	(35,832)	(240,317)	(101,862)	(102,048)
Issue of Share Capital	21,927	15,922	(20,495)	(24,955)
Interest Cost	(271)	(5,104)	(5,614)	(6,175)
Inc (Dec) in Borrowings	7,558	204,801	50,000	18,849
Dividend paid	(523)	(563)	(563)	(563)
Others	-	-	-	-
Cash flow from Financing Activities	28,691	215,056	23,329	(12,844)
Chg. in Cash & Bank balance	**4,522**	**19,637**	**54,902**	**7,367**
Closing cash & balance	7,393	27,029	81,931	89,299

Source Company data, I-Sec research

Exhibit 9: Key ratios

(Year ending March)

	FY25A	FY26A	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	27.7	82.7	161.8	191.1
Adjusted EPS (Diluted)	27.7	82.7	161.8	191.1
Cash EPS	29.3	93.5	174.7	206.7
Dividend per share (DPS)	1.0	1.0	1.0	1.0
Book Value per share (BV)	122.4	246.5	370.7	516.3
Dividend Payout (%)	3.6	1.2	0.6	0.5
Growth (%)				
Net Sales	3.1	154.6	72.4	8.3
EBITDA	15.9	214.4	75.0	17.1
EPS (INR)	16.8	198.2	95.6	18.2
Valuation Ratios (x)				
P/E	63.6	21.3	10.9	9.2
P/CEPS	60.3	18.9	10.1	8.5
P/BV	14.4	7.2	4.8	3.4
EV / EBITDA	34.2	19.0	10.8	9.3
P / Sales	14.8	5.8	3.4	3.1
Dividend Yield (%)	0.0	0.0	0.0	0.0
Operating Ratios				
Gross Profit Margins (%)	88.0	89.4	70.3	72.1
EBITDA Margins (%)	29.1	35.9	36.4	39.4
Effective Tax Rate (%)	23.5	10.8	5.8	5.0
Net Profit Margins (%)	21.6	27.2	30.9	33.7
NWC / Total Assets (%)	0.1	0.1	0.1	0.1
Net Debt / Equity (x)	0.0	1.2	0.8	0.6
Net Debt / EBITDA (x)	0.0	2.8	1.5	1.4
Profitability Ratios				
RoCE (%)	37.4	33.2	32.0	24.2
RoE (%)	40.5	59.5	65.1	49.6
RoIC (%)	42.1	36.7	37.4	28.6
Fixed Asset Turnover (x)	4.5	3.6	3.3	2.0
Inventory Turnover Days	28	96	46	34
Receivables Days	11	53	50	37
Payables Days	50	101	102	75

Source Company data, I-Sec research

This report may be distributed in Singapore by ICICI Securities, Inc. (Singapore branch). Any recipients of this report in Singapore should contact ICICI Securities, Inc. (Singapore branch) in respect of any matters arising from, or in connection with, this report. The contact details of ICICI Securities, Inc. (Singapore branch) are as follows: Address: 10 Collyer Quay, #40-92 Ocean Financial Tower, Singapore - 049315, Tel: +65 6232 2451 and email: navneet_babbar@icicisecuritiesinc.com, Rishi_agrawal@icicisecuritiesinc.com and Kadambari_balachandran@icicisecuritiesinc.com.

"In case of eligible investors based in Japan, charges for brokerage services on execution of transactions do not in substance constitute charge for research reports and no charges are levied for providing research reports to such investors."

New I-Sec investment ratings (all ratings based on absolute return; All ratings and target price refers to 12-month performance horizon, unless mentioned otherwise)
BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return

ANALYST CERTIFICATION

I/We, Vikash Singh, MBA; Pritish Urumkar, MBATech (Finance); authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager, Research Analyst and Alternative Investment Fund. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities AIF Trust's SEBI Registration number is IN/AIF3/23-24/1292 ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Institutional Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Retail Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts 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 ICICI Securities nor Research Analysts and their relatives 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.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report 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 ICICI Securities 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 certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

This report has not been prepared by ICICI Securities, Inc. However, ICICI Securities, Inc. has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, **E-mail Address** : complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122