Lloyds Engineering Works Limited

RECOMMENDATION SNAPSHOT				
*CMP	Target	Potential Upside	MCap (Rsbn)	Recommendation
Rs80	Rs100	25%	123	Accumulate

**as on 03rd Nov, 2026*

About the Company:

Incorporated in 1994, Lloyds Engineering Works Ltd (LEWL), (earlier known as Lloyds Steels Industries Ltd) is a completely customised process plant equipment provider. The company provides engineering and infrastructure solutions package by carrying out design, engineering, manufacturing, fabrication, and installation. Its products cover various categories in heavy equipment, machinery and systems for the carbon sector, oil & gas, steel plant equipments, power plants, nuclear plant boilers and turnkey projects. Its facilities have been approved by Industrial Boiler Regulatory Authority, SGS UK, Petroleum and Explosives Safety Organisation etc. The company has state-of-the-art manufacturing facilities at Murbad, Thane, Mumbai. The single location of the plant with centralized raw material procurement system, with all workshops adjacent to each other helps in better absorption of overhead costs; as shared infrastructure brings agility in the execution of projects. Mr. Mukesh Gupta is the Chairman & Whole Time Director.

Results: Quick Glance (Consolidated):

- The net sales for the quarter reported a growth of 87.4% to Rs5,936mn as compared to Rs3,167mn in Q2FY26
- The Ebitda margins for the quarter stood at 11.0% as compared to 15.4% in the comparative quarter last year
- The company reported profit of Rs578mn as compared to Rs544mn in the same quarter last year
- The EPS for the quarter stood at Rs0.38 as compared to Rs0.41 in the corresponding period of last year
- For H1FY27, the revenues came in at Rs11207mn as compared to Rs5337mn; growth of 110% while the PAT stood at Rs1260mn as against Rs844mn. The EPS came in at Rs0.85 as against Rs0.67 in H1FY26

Recent development:

The Board approved an investment of Rs1000mn in **Steel Infra Solutions Company Limited (SISCOL),** a subsidiary acquired during the quarter. LEWL proposes to subscribe to up to 3.33 crore equity shares at Rs30 per share through private placement. The investment will be made in two tranches of Rs500mn each. During the quarter, the company completed the acquisition of a 40.74% stake in SISCOL via a share swap valued at Rs4990.5mn. Following this and subsequent ESOP exercises, the company's shareholding in SISCOL reached 51.70%, making it a subsidiary. SISCOL reported a turnover of Rs8168.7mn for FY26 and currently holds an order book of Rs12,601mn.

Financials:

Performance (Q2FY27)									
Q2FY27 Result (Rs mn)	Sept-26	Sept-25	y-o-y	Jun-26	q-o-q	H1FY27	H1FY26	y-o-y	FY27E
Total Revenue	5936	3167	87.4%	5272	12.6%	11207	5337	-	25570
EBITDA	655	486	34.7%	662	(1.0%)	1317	751	75.2%	2941
Other Income	140	82	71.2%	131	7.2%	271	170	59.5%	576
Interest	97	39	-	33	-	129	63	-	255
Depreciation	120	58	-	70	71.6%	190	89	-	379
Tax	145	36	-	139	4.5%	284	165	72.0%	721
Net Profit after assoc.	**578**	**544**	**6.3%**	**682**	**(15.3%)**	**1260**	**844**	**49.3%**	**2582**

Outlook and Recommendations: LEWL has reported consolidated revenue growth of 87.4% y-o-y; reflects ongoing execution across industrial equipment and EPC segments. The sustained sequential momentum from Q1 indicates consistent order book conversion. The merged platform includes LEWL standalone, Metalfab, Techno and LICL giving the overall company a new face of growth and momentum. Due to higher operating and depreciation linked to recent acquisitions, the Ebitda margins are impacted standing at 11% for the quarter under reference; thereby leading to single digit PAT growth of 6.3%. In terms of the **segmental** performance, the engineering segment reported growth of 88.6% while Electrical grew by 34.1% y-o-y. The consolidated **order book** position as on Oct'26, stood at Rs45,916.7mn, as against Rs15809.9mn as on Oct'25. The order book position of LICL, stood at Rs57637.2mn. When combined with the core engineering and fabrication segments, the total platform order book reached Rs1,03,554mn as of Sept'26, spanning EPC, fabrication, defence, and industrial projects.

Outlook and Recommendations (contd.):

The massive jump in the order book significantly outpaces current revenue conversion rates, indicating a strong forward-looking pipeline that may require working capital support. Indeed, cash flow from operations remained negative at Rs445.4mn for H1FY27, driven by high working capital requirements despite improved profitability. The balance sheet reflects this expansion, with fixed assets rising to Rs3,440mn and CWIP increasing to Rs1215mn, signaling ongoing capacity investments. **Techno Industries** has reported a healthy order book of Rs2527mn; blend of orders being received from Railways and Real estate developers. It reported revenues of Rs5070mn for Q2FY27. **Metalfab** has been consistently delivering on the margins front with stable growth expected going forward backed by an OB of Rs1899mn. **LICL** reported strong revenue growth of 55% y-o-y with Ebitda margins of 14.02%. It has a healthy OB of Rs57,637mn; providing the required visibility going forward. **SISCOL** is the proposed subsidiary (51.70%) which reported revenue of Rs5002mn for H1 with an order book of Rs12,601mn. **Lloyds Advance Defence (LADS)** the defence system arm (85% stake) reported revenues of Rs74mn and margins of 16.2%. The order book stands at Rs81mn. The Management has indicated that the **combined platform target** stands at Rs100bn revenue with improving margins and return ratios by FY29/30E. As on date R&D investment in Defense is Rs310mn and Rs267mn in Electrical engineering. Poised to thrive in the infrastructure and capex sector; LEWL strategically aligns with the anticipated surge in government spending, demonstrating a foresight in capitalizing on opportunities within this burgeoning industry. Furthermore, through strategic technological collaborations with industry leaders like **TMWL** and **TBG**; LEWL is poised to innovate and diversify its product portfolio, ensuring a competitive edge in the evolving market landscape. The company has commercialized EPS Gen 4 in India and the expanded agreement now makes it a globally addressable technology enabling international and export opportunities except in China, Macao, Hongkong, Taiwan and within 350 miles of Red Bud Illinois. Through the agreement with TBG; LEWL will provide marine loading arms and swivel joints; engineering products that are the **first of their kind in the Indian market**. LEWL and TBG can serve high quality products for any fluid type and gas. The collaboration with **Fincantieri S.p.A** aims to jointly manufacture high-quality products for the Indian Navy and Coast Guard. The agreement scope has been increased for various products in Defence and Navy. LEWL, Metalfab, Techno and LICL have been **merged**. Regarding future strategies, with focus on the motors & pumps segment, the company is expanding capacities, adding new channel dealers, and leveraging pre-qualification with entities like NTPC, BHEL etc. to build a more robust clientele. In the elevators and escalators, LEWL is ramping up on export of elevators to UAE, US and Africa and expanding in industrial elevators space. The company is also working on expanding its existing parking lifts & parking systems aggressively. Efforts are towards catering to the growing demand for escalators due to upcoming metro and rail projects nationwide. LEWL is also expanding the **AMC** business which is a source of recurring revenue in nature. The company is working towards creating a niche in underpenetrated sector through defence tie-ups through FlyFocus (Poland), Fincantieri (Italy), Virtualabs (Italy) and Kliver Polska making the transition from mechanical supplier to multi domain defence engineering company. LEWL has **entered into an MoU** with FlyFocus (Poland) to jointly develop and introduce advanced FPV drones and next-gen UAV systems for defence & security applications; LEWL to hold exclusive rights for Indian deployment. It has also entered into tie-up with **CEMI Process Optimisation**, for advanced process control, dynamic simulation, and industrial vision systems positioning LEWL at the intersection of industrial growth and digital transformation while opening new, high-margin revenue streams, including recurring SaaS-based services. The company is well depicting its move from fabrication to defence; engineering at scale with diversified industry presence and broad-based clientele. The key growth levers include the performance of the merged entities involved in EPC and other infrastructure solutions and the technological tie-ups for (i) Steel Eco Pickling, (ii) Defence and Navy and (iii) Loading Arms. Overall, we feel that the triggers for growth are intact for LEWL and as and when there will be pick-up across the different business initiatives; better growth should trickle in. We maintain accumulate on the stock for a revised target of Rs100.

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Registered Office Address:

Progressive Share Brokers Pvt. Ltd,

122-124, Laxmi Plaza, Laxmi Indl Estate,

New Link Rd, Andheri West,

Mumbai-400053, Maharashtra

www.progressiveshares.com | Contact No.:022-40777500

Compliance Officer:

Ms. Mamatha Poojari,

Email: compliance@progressiveshares.com,

Contact No.:022-40777500

Grievance Officer:
Email: grievancecell@progressiveshares.com