

RECOMMENDATION SNAPSHOT				
*CMP	MCap (Rsbn)	Recommendation	Target	Potential Upside
Rs53	77.5	Accumulate	Rs65	24%

\*as on 05th Feb, 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 reported a growth of 2.3% to Rs2,725mn as compared to Rs2,662mn in the same quarter last year
- The Ebitda margins for the quarter stood at 19.4% as compared to 16.4% in the comparative quarter last year
- The company reported profit of Rs667mn as compared to Rs363mn in the same quarter last year
- The EPS for the quarter stood at Rs0.51 as compared to Rs0.31 in the corresponding period of last year
- For 9MFY26, the revenues came in at Rs8,061mn as compared to Rs6,138mn; growth of 31.3% while the PAT stood at Rs1511mn as against Rs855mn. The EPS came in at Rs1.18 as against Rs0.74 in 9MFY25

### Other Highlights:

- The **order book** as on 31st Dec'25 stands at Rs16657.8mn (new orders in 9MFY26 stand at Rs9996mn) on a standalone basis and Rs20112.2mn on consolidated basis. Rs46190.1mn orders are for the associate company i.e. LICL. The order book of the **subsidiaries** is reported as Rs1708.8mn for TI and Rs1896.8mn for Metalfab
- Amongst **recent orders**, LEWL along with **Primetals** part of consortium was awarded Rs6,130mn + EU18mn order from SAIL-IISCO steel plant for 4.2MTPA Pellet Project in Q3FY26. LEWL will do detailed engineering and supply of critical process equipment & systems. This strengthens its position in core steel plant process equipment manufacturing and validates the collaboration-driven strategy to compete in large-scale industrial projects. The project timeline is approx. 39 months, providing strong execution visibility over medium term
- On the subsidiaries; for **Techno Industries**, the business realignment is underway; with the orderbook position remaining healthy with new wins from railways & real estate developers. **Metalfab** has maintained the consistent margin delivery. **LICL** has reported strong 9MFY26 performance, with Ebitda margin expansion to 15.87% v/s 10.50% in FY25 full-year levels with PAT nearly Rs1,450mn; already surpassing FY25 full-year levels. The company is actively securing orders from various industries across steel, infrastructure, and industrial projects, strengthening revenue diversification beyond group companies. **LEWL and LICL** merged to form a single vertically integrated platform spanning design manufacturing and execution. The combined entity transitions from a pure equipment maker into a full-cycle engineering and infrastructure solutions provider. The LEWL-LICL merger widens the value capture window from concept to commissioning. Post-merger pro forma order book as on 31st December 2025 is Rs6,6302.3mn

### Financials:

Performance (Q3FY26)									
Q3FY26 Result (Rs mn)	Dec-25	Dec-24	y-o-y	Sept-25	q-o-q	9MFY26	9MFY25	y-o-y	FY26E
Total Revenue	2725	2662	2.3%	3167	(14.0%)	8061	6138	31.3%	10662
EBITDA	529	435	21.6%	486	8.8%	1281	1005	27.4%	1663
Other Income	241	98	-	82	-	411	174	-	579
Interest	40	25	57.9%	39	2.6%	103	56	85.8%	129
Depreciation	64	26	-	58	10.8%	153	67	-	214
Tax	104	119	(12.3%)	36	-	270	202	33.3%	361
Net Profit after assoc.	667	363	83.6%	544	22.7%	1511	855	76.7%	1989

### Outlook and Recommendations:

The company has reported flat revenue growth of 2.3% y-o-y for Q3FY26. Ebitda margins stand strong at 19.4%, translating into profit growth of 83.6% y-o-y. For 9MFY26, revenues reported growth of 31.3% y-o-y with 15.9% margins. The profits have reported growth of 76.7% y-o-y; reflecting broad-based performance with most of the verticals contributing to revenue and profitability. LEWL continues to build a robust order book propelled by traditional excellence and niche tech-driven engineering solutions while delivering record on time execution. The **order book** as on 31st Dec'25 stands at Rs16657.8mn (new orders in 9MFY26 stand at Rs9,996mn) on a standalone basis and Rs20112.2mn on consolidated basis. 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. TMWL has secured orders exceeding Rs500mn and has a huge opportunity ahead with the Steel Ministry vision of building 300mnt steel capacity in India. The exclusive technical tie-up for EPS Gen 4 technology grants a competitive edge, allowing LEWL to capture a larger market share in India and Bangladesh by offering advanced, **eco-friendly pickling** solutions, driving the revenue growth. 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**. It has secured orders exceeding Rs78.8mn while the upcoming port capacities provide headroom for its equipment. 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. It has secured orders exceeding Rs1,270mn in the defence segment. In July 2025, the agreement scope has been increased for various products in Defence and Navy. By acquiring assets of **Bhilai Engineering**, the company has added offerings to provide engineering solutions across industries. The company has acquired 100% holding in TI (now WoS); strategic entry into the fast-growing electrical engineering sector. **LEWL and LICL** are merged to form a single vertically integrated platform spanning design manufacturing and execution. **Metalfab** has maintained the consistent margin delivery. Since the company is **net debt free** it does not need to compromise on the margins by taking up smaller orders; hence the orders are filtered based on the margins (~17-19%) and the WC requirements. 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, USA 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 has reiterated FY26E revenue target of 4x the FY25 revenues with Ebitda margins in the 15-18% range. The key growth levers include key acquisitions like Techno Electric, Metalfab and Bhilai Engineering assets, consolidation of group investee companies 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. 50% payment for partly paid rights issue of equity shares was made at the time of application by the eligible equity shareholders via allotment on 05th June, 2025 while the remaining call money payment opens on 17th Feb and closes on 04th March, 2026. While the RoCE of the company has been stable in the range of 20-22%, the RoE has been declining. This is anticipated to further reduce which will be due to the dilution of shares via the rights issues and constant offering of ESOPs; this will also put some pressure on the EPS as well and considering all these factors we have maintained an accumulate on the stock for a revised target of Rs65.

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