Lloyds Engineering Works Limited

RECOMMENDATION SNAPSHOT				
*CMP	MCap (Rsbn)	Recommendation	Target	Potential Upside
Rs58	68	Accumulate	Rs80	38%

**as on 10th Nov, 2025*

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 (Standalone):

- The net sales for the quarter reported a growth of 15.0% to Rs2,440mn as compared to Rs2,121mn in Q2FY25
- The Ebitda margins for the quarter stood at 15.4% as compared to 15.0% in the comparative quarter last year
- The company reported profit of Rs332mn as compared to Rs280mn in the same quarter last year
- The EPS for the quarter stood at Rs0.25 as compared to Rs0.24 in the corresponding period of last year
- For H1FY26, the revenues came in at Rs4184mn as compared to Rs3476mn; growth of 20.4% while the PAT stood at Rs508mn as against Rs492mn. The EPS came in at Rs0.40 as against Rs0.43 in H1FY25

Other Highlights:

- The **order book** as on 30th Sept'25 stands at Rs13,038.1mn on a standalone basis (Rs15,809.9mn on consolidated basis). The new orders in H1FY26 stands at Rs4068.3mn. Rs45,580mn orders are for the associate company i.e. Lloyds Infrastructure and Construction Ltd
- Amongst **recent orders,** LEWL along with Primetals part of consortium was awarded Rs6130mn + 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 LEWL's position in core steel plant process equipment manufacturing and validates the company's collaboration-driven strategy to compete in large-scale industrial projects. The project timeline is approx. 39 months, providing strong execution visibility over medium term

Financials:

Performance (Q2FY26)									
Q2FY26 Result (Rs mn)	Sept-25	Sept-24	y-o-y	Jun-25	q-o-q	H1FY26	H1FY25	y-o-y	FY26E
Total Revenue	2440	2121	15.0%	1745	39.8%	4184	3476	20.4%	8993
EBITDA	377	318	18.5%	243	55.0%	621	570	8.9%	1322
Other Income	75	58	30.6%	86	(12.8%)	161	76	-	226
Interest	31	17	84.4%	14	-	44	30	47.2%	88
Depreciation	41	21	95.3%	21	97.1%	62	41	51.1%	126
Tax	49	59	(17.2%)	119	(59.3%)	168	83	-	333
Net Profit	**332**	**280**	**18.7%**	**176**	**88.5%**	**508**	**492**	**3.3%**	**1000**

Outlook and Recommendations: The company has reported decent revenue growth of 15% y-o-y in Q2FY26 and ~20% y-o-y in H1FY26, driven by strong execution across business lines. The Ebitda margins stood stable at 15.4% reflecting disciplined cost management and operational efficiencies. The H1FY26 reflects broad-based performance, with all major verticals contributing to revenue and profitability expansion. 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 company has a diversified order book from multiple clients and has been successful in creating a niche in the underpenetrated sector through technological tie-ups. The **order book** as on 30th Sep'25 stands at Rs13,038.1mn on a standalone basis (Rs15,809.9mn on consolidated basis). The new orders in H1FY26 stand at Rs4068.3mn.

Outlook and Recommendations (contd.):

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. 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 Rs1270mn 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 enhanced its holding to ~88% in TI as a strategic entry into the fast-growing electrical engineering sector. The business realignment is underway; orderbook position remains healthy with new wins from Railways & real estate developers. The order book is Rs1245.4mn. It has an order received from Railways and Real estate developers. The company has acquired 24.2% in LICL, which could bring better business opportunities for the company going forward. LICL demonstrated strong H1FY26 performance, with Ebitda margins expansion to 16.2% v/s 10.5% in FY25 and PAT nearly Rs1000mn, already surpassing FY25 full-year levels. The company is actively securing orders from third-party clients across steel, infrastructure, and industrial projects, strengthening revenue diversification beyond group companies. The order book of ~Rs45.5bn; is a mix of orders from group companies & third-party. The company has acquired a 76% stake in **Metalfab Hightech Pvt. Ltd** for a consideration of Rs284.1mn, strengthening its footprint in the high-growth heavy fabrication and equipment manufacturing; strategic fit that compliments the company's existing business, significantly enhancing its overall capacities, capabilities, and product portfolio. Metalfab is expected to have a stable growth performance ahead with an order book of Rs1526.4mn. 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 has announced **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. The partnership will evolve into a technology-transfer and joint-production program. It also opens export potential, as rising European defence spending and global demand for advanced products. LEWL will hold exclusive rights to adapt and deploy FPV systems for Indian use. LEWL has also entered into a **partnership with CEMI** to accelerate industrial process optimisation in India through advanced automation, control systems, digital simulation and vision technologies. LEWL is moving beyond conventional engineering and bringing cutting-edge digital technologies to India's process industries. The company is focusing on building new manufacturing capacities in order to support increasing order book & future growth. The company has acquired 63 acres of **land in Nagpur** for Rs320mn for adding more capacities and capabilities in the current line of business. The capacity expansion of ~2x is underway which is anticipated to provide headroom to grow. The company also continues to follow an asset light approach while also modernising and overhauling the asset base to deliver superior growth. For FY26E, the company has reiterated to target 4x growth of FY25 revenues and margins to be in the range of 15-18%. 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. 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 target of Rs80.

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