Choice
Institutional Equities

Management Meet Note

Shyam Metalics and Energy Ltd

Investor & Analyst Day Note

June 18, 2026 | CMP: INR 985 | Target Price: Not Rated

Not Rated

SHYAM METALICS ORE TO METAL

Company Description

Shyam Metalics and Energy is one of India's leading integrated metal producers with operations spanning steel, ferro alloys, aluminium foil, pellets, sponge iron and power generation. SHYAMMET operates strategically located manufacturing facilities in West Bengal and Odisha, benefiting from proximity to key raw material sources. Through its strong backward integration, captive power capabilities and increasing focus on value-added products such as stainless steel, speciality steel and aluminium foil, Shyam Metalics has established itself as a low-cost producer with a diversified growth platform in the metals sector.

Source: SHYAMMET, Choice Institutional Equities

Company Info	
BB Code	SHYAMMET IN EQUITY
Face Value (INR)	10.0
52-week High/Low (INR)	1,014.5 / 745.7
Mkt Cap (Bn)	INR 268.2
Shares o/s (Mn)	279.1
3M Avg. Daily Volume	6,37,177

Source: Bloomberg, BSE, Choice Institutional Equities

Key Financials				
INR Bn	**FY23**	**FY24**	**FY25**	**FY26**
Revenue	126.6	132.0	151.6	185.5
YoY (%)	21.8	4.2	14.9	22.4
EBITDA	15.0	15.7	18.7	23.3
EBITDAM %	11.8	11.9	12.3	12.6
Adj PAT	8.5	10.3	9.1	10.7
EPS (INR)	33.4	37.1	32.5	38.3
PE(x)	29.0	26.1	29.9	25.3
EV/EBITDA	18.7	17.8	15.0	12.0

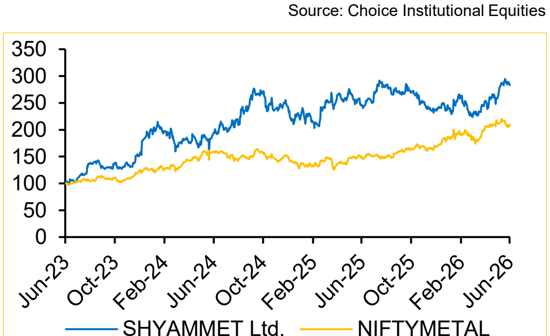
Source: SHYAMMET, Choice Institutional Equities

Shareholding Pattern (%)			
	Mar-26	**Dec-25**	**Sep-25**
Promoters	74.59	74.59	74.59
FIIs	3.09	3.21	3.65
DIIs	9.17	8.87	8.64
Public	13.15	13.33	13.12

Source: *BSE, Choice Institutional Equities*

Relative Performance (%)			
YTD	**3Y**	**2Y**	**1Y**
Nifty Metal	106.7	30.0	37.6
SHYAMMET	188.0	50.0	16.8

Source: Choice Institutional Equities



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We met the **management of SHYAMMET**, including Mr Brij Bhushan Agarwal (Chairman & Managing Director), Mr Deepak Agarwal (CFO), Ms Tanishi Agarwal (CCO), Mr Deepak Gaur (COO – Stainless Steel), Mr Nirmal Uday (COO – Flat Steel) and Mr Shreyansh Ganeriwal (Business Head – Aluminium), among others, at their Investor and Analyst Meet.

Product Mix Transformation to Drive Earnings Growth: Management highlighted a significant shift in its product portfolio over FY26–FY31E, with **higher-margin and value-added products** emerging as key earnings drivers. While **Carbon Steel's EBITDA contribution is expected to decline from 73% to 46%**, the share of **Stainless Steel is projected to increase from 3% to 18%**, supported by a sharp ramp-up in volumes. Additionally, the **newly introduced SBQ (Special Bar Quality) segment is expected to contribute 16% of EBITDA by FY31E**, while CRM and Wagons further diversify the earnings base. This strategic shift towards **value-added products is expected to materially improve profitability, reduce dependence on commodity steel and support a stronger, more resilient EBITDA profile over the medium term.**

Key Takeaways from Investor & Analyst Day

- **16.8 MnT manufacturing capacity** backed by a **strategically located asset base** across **West Bengal, Odisha, Jharkhand and Madhya Pradesh**, providing strong regional presence and logistics advantages
- **Fully integrated operations** spanning from **raw material sourcing to value-added steel products**, enabling **higher operational efficiency, cost control and margin resilience**
- Investing in **next-generation growth segments,** including **HRC, structural long products and stainless steel**, strengthening the company's **value-added product portfolio**
- Supported by a **20,000+ employee workforce**, driving operational excellence and execution of long-term growth initiatives
- Management is targeting **~3x EBITDA growth by 2031**, driven by **higher value addition, forward integration and expansion into the B2C segment**
- **Railway wagon manufacturing** emerges as a new growth vertical through the Ramsarup subsidiary. **Phase 1 (2,400 wagon capacity)** is expected by **September 2026**, with expansion potential to **4,800 wagons** and an estimated **~INR 15 Bn revenue opportunity**
- Announced a fresh **INR 27 Bn capex** program, underscoring a strategic shift towards **higher-margin downstream value-added products** rather than upstream steelmaking expansion. Of the total capex, **INR 9 Bn** will be invested in **speciality long products** with a capacity of **0.8 MnT**, while the remaining **INR 18 Bn** will be allocated to the **stainless steel segment** with a capacity of **0.6 MnT**
- **Value-added products contribution** has increased from **15% in 2019 to ~50% currently**, with management aspiring to achieve **80%+ contribution over the long term**
- SHYAMMET retains a substantial **487-acre land bank** even after planned expansions, providing significant headroom for future growth projects
- **Cost competitiveness remains a key differentiator**, with **81% of power requirements met through captive green power**, resulting in a **power cost of INR 2.49/unit vs INR 5–7/unit grid tariffs**. Additionally, proximity to **coal and iron ore belts** enhances logistics efficiency and strengthens the cost position

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Large Cap*	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

***Large Cap: More Than INR 20,000 Cr Market Cap**
***Mid & Small Cap: Less Than INR 20,000 Cr Market Cap**

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