Q1FY27 Quarterly Result Review

Capacity Execution on Track, Realisation Resilient — Coverage Delivers a Strong Start to FY27

Choice Institutional Equities

Sector View: Positive

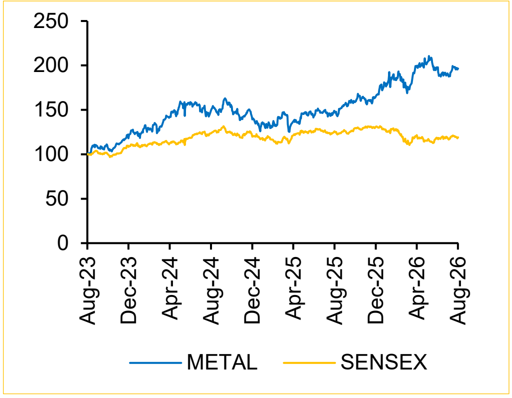
Recommendation			
Company (Ticker)	**CMP (INR)**	**TP (INR)**	**Rated**
LLOYDSME	1,834	2,390	BUY
NMDC	85.8	107	BUY
MONOLITH	1,060	1,060	BUY

**CMP as on Aug 24, 2026*

Relative Performance (%)

YTD	3Y	2Y	1Y
METAL	95.6	30.0	33.8
SENSEX	18.9	(4.3)	(4.6)

Source: Choice Institutional Equities



Source: Choice Institutional Equities

Our **Metals & Mining coverage — NMDC, Lloyds Metals & Energy (LLOYDSME) and Monolithisch India (MONOLITH)** — enters into FY27 with **strong operating momentum**, supported by India's structural **steel-capacity expansion cycle**. India's crude steel capacity is targeted to rise from **~220 MnT in FY26 to 300 MnT by FY31** under the National Steel Policy, implying **~150 MnT of incremental iron-ore demand** and a corresponding increase in **refractory (ramming mass) consumption** for the induction-furnace route.

Both, **LLOYDSME and MONOLITH, delivered a record Q1FY27 performance**. LLOYDSME's consolidated revenue surged **209% YoY**, with **EBITDA up 245% YoY and margin at 37.8%**, driven by a **53% YoY**. MONOLITH also reported its **highest-ever quarterly revenue, EBITDA and PAT**, supported by a sharp **premiumisation-led mix shift**, with SGB-Limited contributing **~50% of Q1FY27 revenue as compared to ~15% in Q4FY26**.

NMDC, India's largest iron-ore producer, ended FY26 on a strong note with a **record production of 53.15 MnT (+21% YoY)**. The company is now embarking on an **INR-400 Bn five-year capex programme (FY27E–FY30E)** aimed at nearly **doubling its production capacity to ~110 MnT**. Notably, the planned capex is **broadly equivalent to NMDC's cumulative investment over the preceding three decades**, highlighting the scale of its expansion programme.

Across our coverage, **capacity expansion, premiumisation/value-added product mix and structural cost/logistics advantages** remain the key earning drivers through **FY27E–FY29E**. We remain **BUY-rated on all three stocks**, supported by a strong volume growth, capacity ramp-ups and improving earnings visibility.

Long-term Investment Ideas

LLOYDSME_Q1FY27_Result Update

TP: 2,390 | Upside: 30.3%

Volume & ramp-up: Iron-ore volumes on track for 26 MnT FY27E; Pellet Plant 2 at 100% utilisation, with EC raised to 55 MTPA.

Downstream shift: Value-added products now 41% of revenue vs 13% YoY, driving higher-margin growth.

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Coverage Comparison and Financial Metrics

Company	CMP (INR)	TP (INR)	Rev. CAGR (FY26-29E)	EBITDAM % FY26 / FY29E	PATM % FY26 / FY29E	EV/EBITDA (x) FY26 / FY29E
NMDC	85.8	107.0	5.0%	28.9 / 38.8	23.2 / 26.4	7.6 / 5.2
LLOYDSME*	1,834	2,390	27.2%	33.0 / 37.2	23.3 / 25.0	23.9 / 10.7
MONOLITH	1,060	1,060	50.4%	23.6 / 24.0	17.0 / 17.0	80.8 / 22.0

Source: Company, Choice Institutional Equities

**LLOYDSME figures are standalone*

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Key Takeaways from Management Commentary in Q1FY27

Coverage Companies	Q1FY27 Key Result & Concall Highlights
LLOYDSME	▪ **Iron-ore production** +53% YoY to 6.05 MnT, sales +58% YoY to 5.46 MnT, realisation INR 6,068/t, EBITDA/t INR 2,230. Pellet production 1.69 MnT — 100% utilisation within 4 months of Plant-2 commissioning. ▪ **DRI sales** +133% YoY to 183.9 Kt. VAP revenue share up to 41% (from 13% YoY); VAP EBIT contribution up to 40% (from 2%). ▪ **FY27 guidance:** 26 MnT iron ore, 7.75-8 MnT pellets, 825 Kt DRI, 8-10 Kt copper; 1.2 MnT steel plant targeted for Q4FY27 commissioning. Gadchiroli EC raised capacity to 5.5x, to 55 MTPA. ▪ **Capex** INR 135.1 Bn (FY24-26) + INR 30.1 Bn (Q1FY27); net debt INR 56.2 Bn (Jun-26).
MONOLITH	▪ **Record revenue** of INR 472 Mn (+63.9% YoY, +16.1 % QoQ); highest-ever EBITDA of INR 131 Mn (+99.1% YoY, 27.8% margin); highest-ever PAT of INR 101 Mn (+134.8% YoY). ▪ **SGB Limited contributed** ~50% of Q1FY27 revenue (vs 15% in Q4FY26), guided to reach ~65% in Q2FY27; ~50% of legacy SGB-777 customers already migrated. ▪ **Capacity on track** to scale up from 2,10,000 MTPA to 5,75,000 MTPA by early FY27 (Metalurgica Purulia greenfield + Ranchi brownfield optimisation). ▪ **FY27 guidance:** Revenue INR 2,500-3,000 Mn, EBITDA margin 22-25%.
NMDC	▪ **FY26 wrap-up:** Record production 53.16 MnT (+21% YoY), revenue +33% YoY to INR 315.5 Bn, PAT +11% YoY to INR 74.2 Bn; standalone iron-ore EBITDA margin ~41-42%. ▪ **FY27 production guidance:** 60 MnT (58.5 MnT standalone + 1.5 MnT JV); capex guidance INR 60-70 Bn (FY27) scaling up to INR 90-100 Bn/yr (FY28-30). ▪ **Deposit 4 (NCL JV)** commercial mining from Q2FY27; deposit 13 from Q2/Q3FY27. ▪ **Karnataka retrospective-tax** contingent liability of INR 154.82 Bn remains a monitorable.

Source: LLOYDSME, MONOLITH, NMDC, Choice Institutional Equities

LONG-TERM INVESTMENT IDEAS

Key Financials (Standalone)

INR Bn	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	67.2	136.8	203.4	233.3	281.4
YoY (%)	3.0	103.5	48.7	14.7	20.6
EBITDA	19.5	45.2	79.0	89.6	104.8
EBITDAM %	29.0	33.0	38.9	38.4	37.2
Adj. PAT	14.5	31.9	54.5	59.2	70.3
EPS	27.7	56.8	96.8	105.3	124.9
ROE %	31.5	35.1	37.6	29.5	26.7
ROCE %	27.4	25.3	22.9	18.2	18.1
EV/EBITDA (x)	49.3	23.9	14.6	12.8	10.7

Source: LLOYDSME, Choice Institutional Equities

LLOYDSME | Rating: BUY | TP: INR 2,390

We maintain our **BUY rating on LLOYDSME** and raise our **SoTP-based Target Price to INR 2,390 from INR 2,075**, as the **record Q1FY27 performance reinforces the company's structural transition from a pure-play iron-ore miner to a higher-margin, integrated metals and new-metals platform**.

Q1FY27 delivered exceptional financial growth, with consolidated revenue surging 209% YoY to INR 73,544 Mn, EBITDA rising 245% YoY to INR 27,815 Mn (a 37.8% margin), and PAT increasing 166% YoY to INR 17,340 Mn. This strong performance was driven by higher iron-ore environmental-clearance limits, 100% capacity utilization at Pellet Plant 2, and robust DRI sales.

Operationally, standalone iron-ore production and sales grew **53%/58% YoY**, respectively, with the monthly run-rate already exceeding **~2 MnT**, providing a strong visibility towards the **FY27E production guidance of 26 MnT**. **Rising iron-ore volumes, downstream integration and increasing contribution from value-added products** should remain the key earnings drivers, supporting a sustained margin expansion and stronger cash-flow generation.

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CHOICE RATING DISTRIBUTION & METHODOLOGY	
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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