

Shyam Metalics and Energy Ltd (SHYAMMETL)

Results in line; steady volume growth offsets softer realisations

CMP: 855 (Market Cap: 23,860 Cr)

Target: 1,214 (42% Upside)







Steady Q2 Performance; Long-Term Outlook Remains Positive

Shyam Metalics delivered a **steady Q2FY26 performance**, **broadly matching expectations**. Strong volumes from expanded capacities offset slightly weaker realisations in the steel and metals market.

While **near-term volatility in commodity prices persists**, the company's **ongoing capacity expansion and backward integration** efforts continue to **underpin our constructive long-term outlook.**

Q2FY26 Highlights

- Revenue: +22.6% YoY to ₹ 4,457 Cr, boosted by stronger sales volumes, partly offset by weaker realisations.
- **EBITDA:** +32% YoY to ₹ 539 Cr, driven by strong execution, operational excellence, and higher share of value-added products.



• **Realisations:** Strength in Aluminium and Iron Pellets offset declines in Carbon Steel, Sponge Iron, and Stainless Steel; Specialty Alloys showed sequential recovery.

Capex Plan below expectations

Exhibit 1: Announcement of New Capex Plan

PRESS RELEASE



Shyam Metalics Unveils Vision 2031 — Targets 2.5x Revenue Growth to ₹ 400bn and ₹ 100bn Capex Plan

National, 16th October 2025: Shyam Metalics and Energy Limited (SMEL), one of India's leading integrated metal producers, today announced its Vision 2031, outlining a transformative strategy to drive scale, value, and sustainability across its operations.

Source: Company, Front Wave Research

While we had expected a ₹15,000–20,000 crore capex plan, Shyam Metalics announced a smaller ₹10,000 crore outlay under Vision 2031.

Despite being lower than anticipated, the plan is well within its funding capacity, backed by strong cash flows and a solid balance sheet, allowing it to be comfortably financed through internal accruals without equity dilution.

Revised Financial Summary (Amount in Cr)

	New				Old			Change (%)		
Particulars	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	
Revenue	₹ 17,495	₹ 21,618	₹ 25,921	₹ 17,583	₹21,702	₹ 25,896	-0.50%	-0.39%	0.09%	
EBITDA	₹2,110	₹ 2,631	₹3,252	₹ 2,026	₹ 2,595	₹3,160	4.14%	1.41%	2.91%	
EBITDA Margins	12.06%	12.17%	12.55%	11.53%	11.96%	12.20%	0.54%	0.22%	0.34%	

The slight upward revision in our EBITDA estimates reflects better-thanexpected efficiency and cost control, even amid softer steel prices.

Front Wave Research LLP (SEBI Regd. INH000018407)



Valuation & View

At CMP, SHYAMMETL trades at 8x FY28E EV/EBITDA, against our target multiple of 11x.

We believe the company merits a premium driven by its successful capacity expansion and shift toward a more value-added product mix.

The commissioning of **new capacities and benefits from backward integration are expected to drive steady volume and EBITDA growth** over the medium term.

We maintain our positive view.

Financial Summary (Amount in Cr)

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Particulars	FY23	FY24	FY25	FY26	FY27	FY28
Revenue	₹ 12,658	₹ 13,195	₹ 15,138	I ₹ 17,495	₹ 21,618	₹ 25,921
Revenue Growth		4.24%	14.73%	I 15.57% I	23.57%	19.90%
EBITDA	₹1,503	₹ 1,570	₹ 1,867	^I ₹ 2,110	₹ 2,631	₹ 3,252
EBITDA Margin	11.87%	11.90%	12.33%	12.06%	12.17%	12.55%
EBITDA Growth		4.45%	18.93%	13.03%	24.69%	23.59%
EV/EBITDA Multiple				1		11x
Enterprise Value				1		₹ 35,773
Less: Net Debt				1		₹ 1,057
Less: NCI						₹ 843
Value of Equity				i		₹ 33,873
No. of Shares (In Crs)				<u>.</u>		27.9
Share Price				I		₹1,214

For The Report, initiating coverage, dated on 4th Oct 2025>

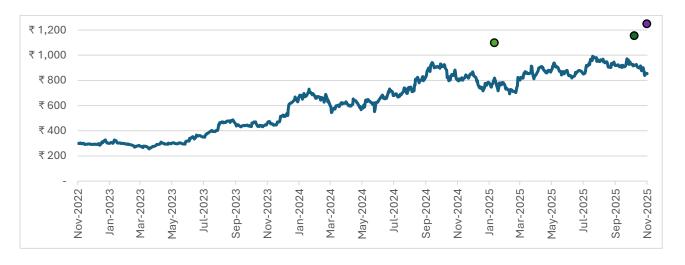




Recommendation Summary

Date	Price	Target	% Upside
31-Jan-25	₹ 763	₹1,146	50%
04-Oct-25	₹ 971	1,194	23%
11-Nov-25	₹ 855	↑ ₹ 1,214	42%

Price Chart



Annexures

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