

Media Release

HINDALCO REPORTS RECORD CONSOLIDATED Q4 FY21 RESULTS on the back of improved macros and operational efficiencies

Q4 Consolidated Business EBITDA up 33% YoY

Q4 Consolidated PAT nearly tripled at ₹1,928 crore, up 189% YoY

Key Highlights of Q4 FY21

- Consolidated Business EBITDA at ₹5,597 crore, up 33% YoY; up 7% QoQ
- Consolidated PAT at ₹1,928 crore, up 189% YoY; up 3% sequentially
- All-time high overall shipments by Novelis at 983 Kt, up 21% YoY and 5% QoQ
- All-time high Novelis Adjusted EBITDA at \$505* million, up 32% YoY and 1% QoQ
- Adjusted EBITDA per ton at Novelis at \$514*, up 9% YoY
- Novelis Net Income from continuing operations at \$180* million (\$63* million), up 186% YoY
- Record quarterly Aluminium India Business VAP (excluding wire rods) sales at 92Kt up 21% YoY reaching 28% of total metal sales
- All-time high Aluminium India Business EBITDA at ₹1,610 crore, up 54% YoY; up 22% QoQ
- India Business PAT at ₹653 crore, up 72% YoY; 32% increase sequentially
- Novelis successfully placed €500 million Senior Unsecured Green Bonds in Europe

Key Highlights of FY21 (vs FY20)

- Consolidated Business EBITDA at ₹18,324 crore, up 19%; margin at 14%
- Consolidated PAT for continuing operations at ₹5,182 crore, up 38%
- Record Novelis Adjusted EBITDA at \$1,714* million, up 16% YoY
- Novelis Adjusted EBITDA per ton at \$474*, up 5%
- Aluminium India Business EBITDA at ₹4,855 crore, up 30%; margin at 24%
- Consolidated Net Debt to EBITDA significantly improved to 2.59x as of March 31, 2021 vs the peak of 3.83x as of June 30, 2020
- Novelis received credit ratings upgrades on unsecured notes by both S&P Global Ratings and Moody's Investor Services in March 2021
- Credit Rating Outlook upgraded from 'Stable' to 'Positive' by CRISIL in April 2021
- Board recommends dividend @300% (₹3/share) for FY21 as against 100%(₹1/share) for FY20.

*As per US GAAP; Novelis FY21 numbers include those of Aleris

MUMBAI, May 21, 2021

Hindalco Industries Limited, the Aditya Birla Group metals flagship, today announced consolidated results for the quarter and year ended March 31, 2021. The Company reported its best quarterly performance with consolidated PAT up 189% at ₹1,928 crore, a nearly three-fold increase YoY. The results were driven by a strong performance by Novelis and India Aluminium Business, supported by higher volumes and better product mix, lower input costs, stability in operations and cost saving actions. The Copper Business recorded a 33% jump in EBITDA sequentially in Q4 FY21 versus Q3 FY21 on account of stable operations. Novelis reported an all-time high EBITDA, as a result of continued demand for innovative, sustainable aluminium solutions and outstanding operational performance across its expanded business.

Table: Consolidated Financial Highlights for the Quarter and Year ended March 31, 2021

(₹ Crore)

Particulars	Q4 FY20	Q3 FY21	Q4 FY21	FY20	FY21	Change YoY %
Revenue from Operations	29,318	34,958	40,507	1,18,144	1,31,985	12%
Earning Before Interest, Tax, Depreciation & Amortisation (EBITDA)						
<i>Novelis*</i>	2,773	3,711	3,705	10,435	12,727	22%
<i>Aluminium</i>	1,043	1,323	1,610	3,749	4,855	30%
<i>Copper</i>	406	202	269	1,276	716	-44%
<i>All Other Segments</i>	(6)	6	13	(38)	26	
Business EBITDA	4,216	5,242	5,597	15,422	18,324	19%
<i>Unallocable Income/ (Expense) - (Net) & GAAP Adjustments</i>	(43)	279	248	114	572	
EBITDA	4,173	5,521	5,845	15,536	18,896	22%
Finance Costs	1,429	861	903	4,197	3,738	11%
PBDT	2,744	4,660	4,942	11,339	15,158	34%
Depreciation & Amortisation (including impairment)	1,349	1,655	1,722	5,135	6,766	-32%
Share in Profit/ (Loss) in Equity Accounted Investments (Net of Tax)	-	2	-	4	5	
PBT before Exceptional Items and Tax	1,395	3,007	3,220	6,208	8,397	35%
Exceptional Income/ (Expenses) (Net)	-	(178)	34	(284)	(492)	
Profit Before Tax (After Exceptional Item)	1,395	2,829	3,254	5,924	7,905	33%
Tax	727	808	1,309	2,157	2,723	-26%
Profit/ (Loss) from Continuing Operations	668	2,021	1,945	3,767	5,182	38%
<i>Profit/ (Loss) from Discontinued Operations</i>	-	(144)	(17)	-	(1,699)	
Profit/ (Loss) After Tax	668	1,877	1,928	3,767	3,483	-8%

*As per US GAAP; FY21 Hindalco consolidated financial statements include Aleris

Commenting on the results, Mr. Satish Pai, Managing Director, Hindalco Industries Ltd., said,

“This past year, with all its volatility and uncertainty, has underscored Hindalco’s resilience and ability to deal with challenges. Our record Q4 results have strengthened our balance sheet even further, absorbing the Aleris acquisition and restoring consolidated net debt to EBITDA ratio to pre-acquisition levels. The Aleris business continues to positively impact the overall top line and EBITDA.

Through Q4, our India business continued to rise with demand higher than pre-Covid levels. Across the entire Hindalco family, we acknowledge the commitment and resilience of our employees, our own Covid warriors. Looking ahead, although FY22 has started with a second Covid wave in India, Hindalco is confident that our inherent strengths and tenacity will support us through it.”

Business Segment Performance in Q4 FY21 (vs Q4 FY20)

Novelis (including Aleris)

Novelis recorded its best-ever quarterly adjusted EBITDA of \$505 million (vs \$383 million), up 32% YoY, on the back of higher organic volume, favourable metal benefits, and a US\$60 million EBITDA contribution from the acquired Aleris business. Adjusted EBITDA per ton was at \$514 in Q4 FY21 (vs \$472/ton), up 9% YoY. Novelis' Net Income (excluding tax-effected special items¹) was at \$172 million, up 12% YoY, partially offset by higher depreciation and amortization associated with the acquisition of Aleris. Revenue was \$3.6 billion (vs \$2.7 billion), up 33% YoY, due to higher shipments, global aluminium prices and market premiums. Total shipments of flat rolled products (FRPs) were at an all-time high of 983 Kt (vs 811Kt), up 21% YoY, with the addition of the acquired Aleris business and strong demand across end-product markets.

Aluminium India

EBITDA was at an all-time high of ₹1,610 crore in Q4 FY21, compared with ₹1,043 crore for Q4 FY20, an increase of 54% YoY, primarily due to favourable macros, better operational efficiencies and lower input costs. EBITDA margin of 27% was the highest in the last 12 quarters and continues to be amongst the best in the industry. Revenue was ₹5,969 crore in Q4 FY21 vs ₹5,299 crore in the prior year period. Aluminium India Business recorded metal production of 316 Kt (vs 327 Kt last year). Aluminium metal sales were higher by 5% YoY at 329 Kt (vs 314 Kt in Q4 FY20). Aluminium VAP (excluding wire rods) sales volumes were at a record high of 92 Kt (vs 76 Kt), up 21% YoY, driven by a sharp recovery in the domestic market. VAP sales as a percentage of total metal sales reached an all-time high of 28% this quarter vs 24% in the same quarter last year.

Copper

Copper Cathode production was at 97 Kt in Q4 FY21 (vs 75 Kt in Q4 FY20), higher by 29% YoY on account of stable operations during the quarter. While overall copper metal sales were at 107Kt (vs 86 Kt in Q4 FY20), Copper Continuous Cast Rod (CCR) sales in Q4 FY21 were in line with the same quarter last year, at 73 Kt. EBITDA for the Business stood at ₹269 crore compared to ₹406 crore in Q4 FY20. Revenue from the Copper Business was ₹8,508 crore this quarter, up 80% YoY, primarily due to higher global prices of copper.



Fourth Quarter Consolidated Results

Hindalco reported its best-ever quarterly financial performance in Q4 FY21 with EBITDA at ₹5,597 crore (vs ₹4,216 crore), up 33% YoY. The record results were driven by an outstanding performance by Novelis as well as India Aluminium business, supported by a sharp recovery in all relevant markets. Consolidated Revenue for the fourth quarter stood at ₹40,507 crore (vs ₹29,318 crore), up 38% YoY. Consolidated PAT was ₹1,928 crore, compared to ₹668 crore in Q4 FY20, a jump of 189% YoY. Gross Debt declined by ₹18,187 crore and Net Debt fell by ₹14,883 crore as of March 31, 2021 from its peak on June 30, 2020. Consolidated net debt to EBITDA ratio improved significantly to 2.59x on March 31, 2020, from a peak of 3.83x on June 30, 2020.

Covid Response

With the onset of the second Covid wave in India, Hindalco has strengthened efforts to protect employees across the ranks and to support the community.

Employee care: Hindalco has facilitated 20,000+ vaccinations, with 80% of eligible employees and families vaccinated, including contract workers. Hindalco has enhanced medical coverage to cover all hospitalisation expenses of not only employees and families, but contract workers, 3rd party employees and their families. Ex-gratia benefits are being provided to support families of deceased employees (including contractual) for housing, medical, schooling and other expenses for the next few years.

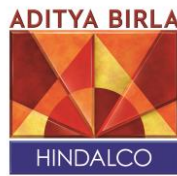
Oxygen support: Novelis has donated 1,000 oxygen concentrators which have been distributed across locations. Hindalco has procured 1,500 oxygen cylinders and accessories which are being distributed to various hospitals and Covid care centres around its plant locations.

Hindalco is supplying oxygen from its plant at Dahej to hospitals in Gujarat daily, with 1,600 tons delivered already.

Hindalco has helped revive the defunct Karahiya oxygen plant in Uttar Pradesh resulting in 300 oxygen cylinders being supplied daily to hospitals in eastern parts of the state.

Business Updates & Recognition

- Aleris Integration work continues with \$79 million run-rate combination cost synergies achieved through the end of Q4FY21.
- The ground-breaking for Novelis' new ~\$325-375 million Cold Mill project in Zhenjiang, China, is expected in mid-FY22.
- Novelis' expansion of recycling, casting, and rolling facilities in Pinda, Brazil is on track, with commissioning expected by end of FY22.



- The greenfield Guthrie, Kentucky automotive finishing plant in the U.S. and the automotive finishing line in Changzhou, China, were both commissioned and started commercial shipments in Q4 FY21.
- Novelis successfully placed a 3.375%, €500 million Senior Unsecured Green bonds in Europe for 8 years, due in 2029.
- Novelis received credit ratings upgrades on its unsecured notes by both S&P Global Ratings and Moody's Investor Services in March 2021:
 - Moody's Investor Services upgraded the corporate family rating of Novelis Inc. to Ba3 from B1
 - S&P Global Ratings raised their issue-level rating on Novelis' unsecured notes to 'BB-' from 'B+'
- 500 Kt Utkal expansion project is on track with mechanical completion by this quarter-end and commercial production to begin in Q2 of the current financial year.
- Hindalco's Credit Rating Outlook upgraded from 'Stable' to 'Positive' while reaffirming the rating at "AA' by CRISIL in April 2021.
- Hindalco featured in the S&P Global Gold Class category as 'Sustainability Leaders of 2021' in the Dow Jones Sustainability Yearbook 2021.

About Hindalco Industries Limited

Hindalco Industries Limited is the metals flagship company of the Aditya Birla Group. An \$18 billion metals powerhouse, Hindalco is the world's largest aluminium company by revenues, and a major player in copper. It is also one of Asia's largest producers of primary aluminium. Guided by its purpose of building a greener, stronger, smarter world, Hindalco provides innovative solutions for a sustainable planet. Its wholly-owned subsidiary Novelis Inc. is the world's largest producer of aluminium beverage can stock and the largest recycler of used beverage cans (UBCs).

Hindalco's copper facility in India comprises a world-class copper smelter, downstream facilities, a fertiliser plant and a captive jetty. The copper smelter is among the world's largest custom smelters at a single location. Hindalco's global footprint spans 47 manufacturing units across 10 countries.

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