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Sub: Transcript of Earnings Conference call of Hindalco Industries Limited ["Company"] for the financial results of quarter and financial year ended March 31, 2025.

Ref: a. Regulation 30 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"];
b. ISIN: INE038A01020 and
c. Our Intimation dated May 8, 2025.

Pursuant to the above referred, the transcript of the Earnings Conference Call held on May 20, 2025, for the financial results of quarter and financial year ended March 31, 2025 is enclosed herewith.

The above details along with the audio recording of the Earnings Call are also available on the website of the Company i.e. www.hindalco.com.

Sincerely,

for **Hindalco Industries Limited**

Geetika Anand
Company Secretary & Compliance Officer

Encl: a/a

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“Hindalco Industries Limited Q4 FY ‘2025 Earnings Conference Call”

May 20, 2025



MANAGEMENT: MR. SATISH PAI – MANAGING DIRECTOR, HINDALCO INDUSTRIES LIMITED
MR. BHARAT GOENKA – CHIEF FINANCIAL OFFICER, HINDALCO INDUSTRIES LIMITED
MR. STEVE FISHER – PRESIDENT & CHIEF EXECUTIVE OFFICER, NOVELIS INC.
MR. DEV AHUJA – CHIEF FINANCIAL OFFICER, NOVELIS INC.
MR. SUBIR SEN – HEAD, INVESTOR RELATIONS, HINDALCO INDUSTRIES LIMITED



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Moderator: Ladies and gentlemen, good day and welcome to the Earnings Conference Call of Hindalco Industries 4th Quarter Results for FY '25.

As a reminder, all participants' lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*”, then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Subir Sen, Head of Investor Relations at Hindalco. Thank you, and over to you, sir.

Subir Sen: Thank you, and a very good afternoon or morning, everyone. On behalf of Hindalco Industries, I welcome you all to this earnings call for the 4th Quarter of Financial 2025. In this call, we will refer to the Q4 Financial Year '25 Investor Presentation posted on our Company's Website. Some of the information on this call may be forward-looking in nature and is covered by the Safe Harbor language on Slide #2 of the said presentation.

In this presentation, we have covered the key highlights of our consolidated performance for the 4th Quarter of Financial Year '25 versus the corresponding period of the previous year. A segment wise comparative financial analysis of Novelis and our Indian aluminum and copper businesses is also provided. The corresponding segment information for prior periods have been restated accordingly for a comparative analysis.

Today, we have with us on this call from Hindalco's Management Mr. Satish Pai – Managing Director; and Mr. Bharat Goenka – Chief Financial Officer. From Novelis' Management, we have Mr. Steve Fisher – President and CEO; and Mr. Dev Ahuja – Chief Financial Officer.

Following this presentation, this forum will be open for questions-and-answers. Post this call, an audio replay of this will also be available on the Company's website.



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Now, let me turn this call to Mr. Pai to take you through the Company's performance and key highlights of the 4th Quarter Fiscal '25.

Satish Pai:

Yes. Good afternoon and good morning, everyone. Thank you for joining Hindalco's Earnings Call today.

On Slides #4 to #10 of this presentation, you can see our achievements and progress across various metrics for ESG for this year versus prior periods.

Let me take you through the key highlights:

So let me reiterate and start with the good news. Hindalco has been recognized as the world's most sustainable aluminum Company for the fifth year in a row, achieving highest-ever ESG scores in the S&P Global CSA ranking. It's the only metal Company of the four Indian companies to be placed in the top 1% of the DJSI Sustainability Yearbook 2025.

Safety is a top priority at Hindalco, and I am pleased to report that there were no fatalities this quarter across our Indian operations. Our LTIFR in the Financial Year 2025 stood at 0.26, slightly higher than last year due to increased project-related activities. In the Financial Year 2025, 85% of the total waste generated was recycled and reused. We achieved recycling of 111% of bauxite residue excluding Utkal, and 102% of ash this year. We are proud to share that our Belgavi and Muri plants have achieved zero waste-to-landfill certifications this quarter. Hindalco's total number of zero waste-to-landfill certified units has reached 8 out of a total of 19 units.

Water conservation remains our key focus. As of date, 16 of 19 Hindalco sites met zero liquid discharge standards. Our downstream facility in Chakan has successfully met the zero liquid discharge standards this quarter. We also made significant progress in water recycling, with 18.26 million cubic meters of wastewater being recycled and reused this year. This is 25% of the 73.53 million cubic meters of total water consumed in Financial Year 2025.

Further, we continue our journey towards water positivity with CII Triveni under NITI Aayog's Water Positivity Framework. The certification assessment for five of our manufacturing units, Aditya, Utkal, Hirakud, Alupuram and Belgavi are underway. These units are being assessed under the Aspiring category and has an identified potential to save 17,512 cubic meters of water. This will lead to an annual reduction of 5 million cubic meters via rainwater, harvesting, process optimization and recycling. These efforts show our strong commitments towards efficient resource management and broader responsibility towards the community at large.

Our commitments towards biodiversity remain strong, restoring natural ecosystems in and around our area of operation. In this quarter, our biodiversity management plans were now implemented across 22 of our manufacturing locations, that is 10 plants and 12 mines. The biodiversity management plans are now being implemented additionally at seven of our plants and 11 mines. We have also initiated pilot projects focused on offsite plantation and habitat restoration, including degraded land rehabilitation. As a part of our afforestation efforts, 5.33 lakh trees were planted during FY '25.

Our total renewable energy capacity, primarily solar and wind, stands at 189 megawatts. Recently, we commissioned 6.3 megawatts of solar capacity at Mahan. We are set to add another 9 megawatts of solar and 100 megawatts of hybrid capacity with storage in the first half of Calendar Year '25. Post this, we are well aligned towards our target of reaching 300 megawatts of renewable capacity in the first half of Calendar Year '25. Our aluminum-specific GHG emissions in Financial Year 2025 was recorded at 19.39 tons of CO₂ for producing a ton of aluminum. This was flat compared to the last fiscal.

Let me now give you a glimpse of our quarterly consolidated performance this quarter versus the same quarter of last year on Slide #12:

Our consolidated business segment EBITDA was up 24% year-on-year at Rs. 9,774 crores this quarter. The consolidated net profit after tax was up 66% on a year-on-year basis at Rs. 5,284 crores this quarter.

At Hindalco India business level, our business segment EBITDA was up 56% year-on-year at Rs. 5,671 crores. The net profit after tax was up 63% on a year-on-year basis at Rs. 3,208 crores this quarter. In our Indian aluminum business, for Q1 FY '26, we are currently hedged at around 15% of the commodity at a price of \$2,695 per ton, and hedged 13% of currency at Rs. 86 per dollar.

On the balance sheet side, our consolidated net debt stands at Rs. 35,332 crores. In the Indian operations, we have a net cash of Rs. 7,187 crores, while Novelis' net debt stands at Rs. 43,485 crores at the end of March 2025. Hindalco, at the consolidated level, continues to maintain a strong balance sheet with a net debt to EBITDA well below 2x at 1.06x at the end of March 2025, which is much lower than last year. All our strategic CAPEX in India are mapped with cash flow generation in the business and are in line with our capital allocation policy.

Coming to our business-wise performance this quarter:

Novelis' shipments were at 957 KT versus 951 KT in the prior period, up 1% year-on-year. Novelis delivered a quarterly EBITDA of \$473 million, down 8% year-on-year due to higher aluminum scrap prices and operating costs. The resultant EBITDA per ton stood at \$494 per ton versus \$540 per ton in the previous quarter, down 9% year-on-year.

All our expansion projects including Novelis' Bay Minette project are progressing well and as planned. We have also maintained the recycled content of our products at 63% in fiscal 2025. We are actively implementing initiatives and technologies to diversify our scrap input types, which we believe will help address current elevated scrap costs while continuing to deliver the high recycled content aluminum solutions our customers prefer.

On Hindalco's India upstream aluminum performance this quarter, shipments were down 2% year-on-year and revenues were up 22% year-on-year. This quarter, we achieved a record quarterly EBITDA, which was up 79% year-on-year at Rs. 4,838 crores, primarily driven by lower input costs and favorable macros. The resultant record

EBITDA per ton stood at \$1,684, which was higher by 74% year-on-year. EBITDA margins were also at a record high of 47% this quarter and continue to be the best in the global industry.

This quarter, the Indian Downstream Aluminum business delivered a record performance. Quarterly shipments were flat year-on-year at 105 KT. Aluminum Downstream delivered an all-time high quarterly EBITDA of Rs. 219 crores, up by 52% year-on-year this quarter versus Rs. 144 crores in the prior period, driven by higher realizations and favorable product mix. The resultant EBITDA per ton stood at \$240 a ton, higher by 46% year-on-year this quarter.

On Hindalco's copper business performance this quarter, our overall metal shipments were at 135 KT, flat year-on-year, of which copper rod volumes were at 109 KT, up 12% year-on-year. Our quarterly copper EBITDA stood at Rs. 614 crores, down 21% year-on-year on account of lower TcRc.

Now let me give you a glimpse of the current broader economic environment in slides 15 and 16. After a resilient 2024, the global economy entered a phase of renewed uncertainty with the recently announced US tariff measures. The impact is expected to be seen on other economies, particularly emerging markets, through channels such as trade, slower global growth and weakening consumer and investor confidence. As per IMF, global GDP growth is projected to slow down from 3.3% in 2024 to 2.8% in 2025 amid US trade policy and rising trade tensions between US and China. GDP growth in both US and China is expected to moderate to 1.8% and 4%, respectively, in 2025, a 1% drop from 2024 levels.

However, going forward, the extent of the impact will be determined by US bilateral trade negotiations with major economies. Recently, both US and China agreed to cut tariffs bilaterally for a 90-day period, temporarily easing trade tensions. Despite the headwinds, the global headline inflation is expected to ease from 5.7% in 2024 to 4.3% in 2025, even though inflation is expected to rise. Monetary policy will require a careful

balance with central banks likely to approach rate cuts cautiously to support growth without driving inflation.

Amidst a challenging global environment, India's economic momentum has remained resilient. High-frequency indicators present a mixed picture. Looking ahead, RBI forecasts GDP growth to hold steady at 6.5% in FY '26 versus FY '25, with growth expected to moderate slightly in the second half of FY '26. Improved demand in both rural and urban and a resilient service sector bode well for growth outlook. While headwinds from global trade disruptions pose a downward risk to growth, the impact will depend on the extent to which US tariff actions are dilutive to bilateral trade negotiations.

Headline inflation is expected to ease to 4% in FY '26, down from 4.6% in FY '25, moving closer to the RBI's medium-term target. As per RBI, growth is still moderating and recovering, and there is a need for monetary policy to nurture domestic demands to give further impetus to growth momentum. In response to the evolving growth inflation dynamics, RBI has further reduced policy rates by 25 bps to 6% in its latest Monetary Policy Review.

Moving on to the aluminum industry outlooks on Slides #17 and #18:

Starting with Slide #17, in China, production in Q1 Calendar Year '25 reached 10.6 million tons, with consumption increasing to 10.7 million tons, resulting in a deficit of 0.1 million tons. The growth in demand was primarily driven by a 31% rise in solar installation and a 50% increase in new energy vehicle production. However, the construction sector continued to face challenges with declining investment.

Moving on to the rest of the world, production was at 7.3 million tons, while consumption was slightly lower at 7 million tons, resulting to a surplus of 0.3 million tons this quarter. While demand in Europe was weak, countries such as India, Indonesia, Brazil and Turkey showed growth. As a result, the overall global aluminum market recorded a marginal surplus of 0.2 million tons in Q1 Calendar Year '25.

Turning to India on Slide #18:

The aluminum demand in Q4 FY '25 is expected to reach 1.435 kilotonnes, reflecting an 18% year-on-year growth. The key demand drivers were strong growth in the electrical segment, particularly cables and conductors, along with robust demand in packaging and consumer durables. The building and construction segment demand remained stable.

Global FRP demand remains resilient, with strong momentum across key end markets. Beverage packaging continues to witness robust growth globally, supported by rising consumption and a clear shift in packaging preferences towards sustainable solutions such as aluminum.

In the automotive segment, light-weighting remains a key demand driver, particularly in North America, where a favorable vehicle mix of SUVs and trucks support higher aluminum usage. However, growth in China has moderated to a shift in vehicle mix, while tariff uncertainties in Europe and North America are adding to near-term volatility.

In the Specialty segment, we are seeing seasonal pickup in building and construction demand. The US housing market remains structurally undersupplied, and potential favorable trade rulings could further benefit the domestic light gauge market. Aerospace demand remains robust backed by multi-year OEM order backlog and a rising focus on sustainability. However, supply chain constraints continue to limit OEM production ramp-up. Additionally, geopolitical tensions and trade policy uncertainties remain key watch factors.

Overall, while certain regions face policy-related headwinds, the medium to long-term outlook for global FRP demand across the end-use sectors remains positive, driven by strong sustainability tailwinds and secular growth drivers. The Indian FRP demand in Financial Year '25 is expected to grow by around 17% on a year-on-year basis, led by a strong demand from packaging and consumer durables.

Turning to the copper industry on Slide #20 & #21:

In Q1 Calendar Year '25, Chinese production reflected a growth of around 1% year-on-year, reaching around 3 million tons, while consumption increased by around 6 million year-on-year to 3.5 million tons, resulting in a deficit of around 0.5 million tons.

In the rest of the world, production degrew by 3% year-on-year at 3.5 million tons, while consumption increased by around 2% year-on-year to 2.9 million tons, leading to a surplus of 0.7 million tons this quarter. As a result, the overall global production of copper degrew by around 1% on a year-on-year basis at 6.5 million tons, and consumption increased by around 4% year-on-year at 6.4 million tons, leading to a surplus of 0.1 million tons this quarter.

On the domestic front, in Q4 FY '25, market demand, including domestic supplies and scrap, increased by 1% year-on-year at 224 KT versus 222 KT in Q4 of FY '24. Domestic producers' share increased to 83% in Q4 FY '25 versus 70% in the same period last year. The annual TcRc benchmark for 2025 settled at 5.45 cents per pound, representing a 73% year-on-year decline from 20.5 cents per pound in 2024. Concentrate markets continue to be extremely tight, resulting in declining spot TcRc terms.

The market is expected to remain under pressure in the short to medium term until market rebalances through potential smelter closures or through new mining capacity additions.

Details of the operational and financial performance in each of our business segments this quarter compared to the corresponding period of last year as well as previous quarters are covered in further slides and annexures in this presentation.

Now let me conclude today's presentation with some key takeaways:

Hindalco is future-ready aligning to its core philosophy of Engineering Better Futures. Our strategic focus to double down on upstream capacities in both aluminum and

copper, and our target to quadruple our downstream EBITDA by FY '30 from the base of FY '24 remains intact. Hindalco delivered a record-breaking performance in FY '25 across value streams, driven by strong operational resilience, cost discipline and sustainability leadership.

Our India operations continued to show exceptional performance, achieving an all-time high EBITDA and industry-best margins in the Aluminum Upstream business. Our cost position is expected to strengthen further as we progress towards enhancing resource security through our captive coal and low-cost alumina. All our major expansion projects are progressing well and on schedule. The Chakla and Meenakshi coal mines, Aditya smelter expansion, along with the new Kansariguda alumina refinery, copper smelter expansion projects are advancing swiftly in line with our strategy.

The proposed acquisition of the Bandha coal mine by Hindalco, subject to shareholders and other regulatory approvals, aims to meet the Company's strategic objective of securing resources for its aluminum smelter. This coal mine has a life of around 45 years and is within 20 kilometers from our Mahan smelter and will help build a sustainable coal supply chain in the foreseeable future.

On the aluminum downstream front, we delivered the highest ever profitability for the quarter and full year FY '25. Our Specialty Alumina business delivered record shipments this year and is now scaling up its capacity to 1 million ton supported by differentiated high margin product portfolio in this segment.

Our state-of-the-art battery enclosure facility in Chakan has delivered 10,000 enclosures to a leading Indian automotive OEM for its eSUVs, reinforcing our strategic entry into the fast-growing EV component space. Our Aditya FRP project remains on track with target commissioning in FY '26, taking total downstream capacity to 600 KTPA.

Our copper tubes, including the inner grooved tubes plant, is now ready to commission to serve India's electrification drive. Our Specialty Alumina precipitated hydrate value-added product project at Belgavi remains on track and is expected to commission this

quarter. Novelis achieved an all-time high beverage can shipments, though EBITDA for the year was muted due to the impact of tighter scrap spread.

Looking ahead, we are structurally transforming our cost base to protect margins and strengthen our profitability in Novelis. Our 3x30 Vision drives this commitment to increase recycled content to 75% by FY '30, reducing carbon intensity and boosting returns to strategic investments in Bay Minette.

Novelis maintained a strong 63% recycled content this year, driven by successful commissioning of two advanced recycling centers at Guthrie in the US with 240 KTPA capacity and at Ulsan in Korea with 100 KTPA capacity. These assets will not only expand our scrap processing capacity but also reinforce our sustainability edge, enabling an estimated 1.5 million tons of carbon savings annually.

We also make good progress on structural cost improvement and efficiency plans by idling one of our auto finishing lines in China due to subdued regional demand. And exiting two North America specialty facilities to consolidate capacity and drive higher asset utilization. Our 600 KT greenfield rolling and recycling facility at Bay Minette is progressing steadily with over 90% of engineering now complete.

Alongside our ongoing high-return debottlenecking projects, our total rolling capacity will reach 5 million tons, and our EBITDA per ton is expected to reach \$600. Our disciplined capital allocation, superior execution and focus on high-value segments will help deliver sustainable growth regardless of near-term market volatility. Hindalco is not just prepared for the future but is advancing into its next phase with its scale, purpose and confidence.

Thank you very much for your attention, and we now open the forum up for questions.

Moderator:

Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Amit Dixit from ICICI Securities. Please go ahead.

Amit Dixit: Yes, hi. Good evening, everyone, and thanks for the opportunity. Congratulations for a good performance. I have two questions. The first one is on downstream aluminum business. After quite a few quarters, we have seen that the EBITDA per ton has increased quite, I would say, quite sharply. I just wanted to understand, Part A, the kind of product mix change that you were talking about, if you could explain it a bit. And secondly, is it the new structural EBITDA per ton that we should expect or there could be some volatility around this?

Satish Pai: So, I think that over the next few quarters, Amit, you are going to see the product mix gradually improving and stabilizing. So, in the short term, in Q4 there was a lot of packaging, foil stock that added, and foil stock demand was very high so the pricing was also very good. We also started to put more value-added engineered products like the battery enclosures. And you are going to see things like aluminum AC fin, and on the copper side IGT. So, all that is going to come out in FY '26. So, we are fairly confident that in FY '26 and going forward, the downstream EBITDA is going to steadily increase. Yes, there could be some sort of short term, depends on market conditions. But I would be very confident in saying that the downstream EBITDA and downstream product mix is going to steadily increase from this point onwards.

Also, the second point is that 160 KTPA FRP in Lapanga is also commissioned. Silvassa Extrusion 36 KT will fully commission this year. The copper IGT plant is commissioning this quarter, and the aluminum AC fin is also commissioning this quarter. So we have quite a variety of higher product mix, products both on aluminum and copper coming into the market.

Amit Dixit: Got it, sir. The second one is on, a little bit intrigued by your greenhouse gas emission intensity. Now, if I look at it, despite our various endeavors putting up solar capacity progressively, it has actually remained constant year-on-year. And in fact, if I compare it to FY '23, it has gone up slightly. So just wanted to understand why is it so? And is it the peak greenhouse gas intensity that we have hit?



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- Satish Pai:** See, if you have got 90% coal around that 19 is the theoretical number that you can get to. So, until our 100 megawatts of round-the-clock renewables kicks in in Aditya, that's when you will start to see the first phase, and then we are going to add 200 megawatts more. So, as that renewable goes in, then you will see the carbon intensity going down. But you have to realize, let's take alumina, Belgavi for more than half the year was running completely on renewables. So our alumina carbon footprint has dramatically gone down. Now, if you take Dahej and copper, we now have a hybrid power being fed in. So the carbon intensity of the copper has also significantly gone down. So the real challenge for us is the aluminum smelter, and that will only go down as more round the clock power starts to come in renewables.
- Amit Dixit:** Okay. So, just for the sake of clarity, this aluminum intensity that you report, that does not include alumina, it's only aluminum?
- Satish Pai:** It's only aluminum, yes.
- Amit Dixit:** Okay. Thank you so much. I have other questions. I will get back in the queue.
- Satish Pai:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Prateek Singh from DAM Capital. Please go ahead.
- Prateek Singh:** Hi, sir. Congrats on a good set of numbers. The first question is largely, if you can elaborate a bit further on the EMIL mining acquisition and also the note about getting an offer about Novelis Fairmont sale.
- Satish Pai:** So let me take the first part. So, in our coal security, if you remember, we got Chakla, which we had planned for Renuagar. We got Meenakshi West, which was for Aditya and Hirakud smelters. And the only smelter that we were still exposed was Mahan. And Mahan is in the Northern Coalfields where coal availability over the years has been going down. And Northern Coalfields' main customer is the IPPs in North India. So, we have been eyeing how to get that coal security.

And now, as per the regulations, and as we said we still got some more clarifications to get from the government, but Bandha has now got its mining lease, that means FC1, FC2, EC have all been done. And hence, as per the regulations, we can take over the subsidiary at cost, which is what we have today presented to the Board and we are progressing with, and we will take shareholder approval. But once we get Bandha, Mahan is secured, because Bandha is 18.5 kilometers from Mahan. So, the future of Mahan, any further expansion of smelter in Mahan, we are now secured from a coal point of view. So it's a fairly significant event for Hindalco.

Prateek Singh: And about the Novelis Fairmont?

Satish Pai: Yes, Dev, Steve, you want to take the Fairmont question?

Steve Fisher: Yes. So, on Fairmont, after announcing that we were moving towards closing the facility in late March, we were approached in early April, we have entered into a non-binding letter of intent to see if we can sell the property. That time period is coming to an end, and we will see if we can get to an agreement or not. If not, we will move forward with the closure of Fairmont over the next few months.

Prateek Singh: Understood. And my second question, sir, is about Slide #18. On Slide #18, it kind of seems that over the last two years, while demand is up at a CAGR of 12%, imports, excluding scrap, have risen quite sharply, around 55% plus over two years, while scrap imports have largely remained flat. So what kind of imports are these? I would assume these are in primary aluminum. Are these finished goods, which currently Indian players are not producing or are not capable of producing? If yes, would a downstream capacity expansion help substitute these?

Satish Pai: So, very specifically, this sudden splurge was because of aluminum coming to make solar panels. So there was a big demand for solar panels that were being assembled, and a lot of that aluminum came in at cheap price from China. Government has subsequently put tariffs and duties on it. And I do not think you are going to see that. But it was this sudden splurge from about 1 million to 1.2 million, a large part of it was aluminum for solar frameworks.



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- Prateek Singh:** Understood. But is it aluminum --
- Satish Pai:** It would not continue, because now the duties have been put in on the solar, so they have to manufacture it in India, so it's not going to continue going forward.
- Prateek Singh:** Understood. Thanks, and all the best, sir.
- Satish Pai:** Yes. Thank you.
- Moderator:** Thank you. The next question comes from the line of Amit Murarka from Axis Capital. Please go ahead.
- Amit Murarka:** Yes, hi. Thanks for the opportunity. So I had a couple of data questions first. Like, what was the alumina sales volume in Q4? And also, what was the hedging gain that you booked in the quarter?
- Satish Pai:** What was the hedging gain?
- Amit Murarka:** Yes, yes, the hedges that you run, what was gain on that? And what was the alumina sales volume?
- Satish Pai:** So the hedging gain was a wash. I mean, we did not gain or did not lose on the hedging side.
- Amit Murarka:** Yes, right. Yes, of course, I can understand.
- Satish Pai:** And the alumina sales, we sold 172 KT in the last quarter, and we will be selling about 190 KT in Q1.
- Amit Murarka:** Okay. So generally, like, to understand the alumina business a bit better, these sales that you make are all on spot basis, or there are some contracts also that go in it?
- Satish Pai:** No, we have quite a lot of contracts. So I think the last quarter also I had mentioned that when spot prices spiked, we did not get the full benefit, because we have long-term contracts. And some of these contracts are sort of 50% based as a percentage of LME



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as well as the Platts Premium, which is the index for alumina. So because we sell about 700 KT, 800 KT, we have thought it prudent to have some longer-term contracts, we are not fully on the spot.

Amit Murarka: Understood. And also, could you guide us on the aluminum COP for Q1? And what was the number in Q4?

Satish Pai: In Q4 we were 1% down versus Q3. And looking at Q1, we could be flat to 1% up, because CP coke prices have gone up, coal looks okay for now. So, flat to 1% up in Q1.

Amit Murarka: Sure. Understood. And lastly, on the Aditya FRP, by when that should start contributing to volumes.

Satish Pai: June. Already we have sold about, I was there the day before yesterday, we have started to sell about 20 coils of foil stock already. June will be where the volumes will pick up. We are planning about 60 KT to 70 KT of commercial sales this year.

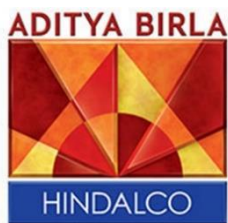
Amit Murarka: Got it. That's all from my side. Thank you.

Satish Pai: Thank you.

Moderator: Thank you. Our next question comes from the line of Sumangal Nevatia from Kotak Securities. Please go ahead.

Sumangal Nevatia: Yes. Good evening, sir. Thank you for the opportunity, and congratulations on very strong numbers. Sir, the first question is on Slide #32. If you see quarter-on-quarter, alumina or aluminum EBITDA per ton has gone up by \$200. Is it possible to share some sort of a bridge as to what has led to this \$200 increase? How much is cost? How much would be the top line value addition? And maybe what is the alumina sales contribution?

Satish Pai: So I do not have the bridge, but I think you have been touching all the points. So the cost was 1% lower. Alumina sales contributed. The specialty chemical sales did well. So, all this is in the upstream EBITDA.



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Sumangal Nevatia: Okay. Everything was not tying up. So just on alumina's sale, did we benefit a lot because of some land price increase versus what the spot was? Is it possible to share what realization was alumina versus 3Q in 4th Quarter?

Satish Pai: No, I think if you remember, Sumangal, in Q3 I had said that many of our prices are sort of M-minus-1 or Q-minus-1. So the higher prices in Q3, I remember some of you asking me we did not get the full impact, whereas one of our competitor had a record quarter. Well, some of the Q4 sales benefited from that higher pricing that was there in Q4.

Sumangal Nevatia: Understood. So for our calculation one quarter lag is what we should kind of --

Satish Pai: It's not one full quarter lag. That's not the way I would put it. Because we sell every month some shipments, the ones that came in January took advantage of the higher pricing, whereas by March we were back to when the index came down to 350, we were back down.

Sumangal Nevatia: Understood. That's very clear. Sir, on the downstream EBITDA, I mean, so you said you expect a steady increase. Any medium-term guidance should be kind of take something like a \$300 on a quarter basis going forward or gradually maybe in few quarters?

Satish Pai: I have been sort of internally guiding \$250 to \$300. It depends a little bit on how the FRP ramps up, how Silvassa gets commissioned. But I think it's between \$250 to \$300 this year. I think after this year, going forward, we will be comfortable giving a much more tighter range.

Sumangal Nevatia: Got it. And sir, what is our captive coal from Chakla expectation in terms of volumes in FY '27-'26?

Satish Pai: So, Chakla, the box cut we are expecting to be somewhere around March, April of next year. So the coal production should start probably by December of next year.

Sumangal Nevatia: Okay. And another one year to ramp up gradually?



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Satish Pai: Yes, yes. I think FY '28 will see the full benefit because even Bandha, the new mine that we should be getting, actually there box cut starts even earlier, but the stripping ratio is high. So by FY '28 you should have both Chakla and Bandha running, which will be a major relief to Hindalco.

Sumangal Nevatia: Understood. And just one last thing on copper, should we expect this Rs. 600 crores kind of run rate on a quarterly basis given the new TcRcs have set in?

Satish Pai: Yes, I think, in the past we have been guiding Rs. 600 crores and doing more. But this time we will guide Rs. 600 crores and probably do Rs. 600 crores, Sumangal.

Sumangal Nevatia: Got it. Thank you so much, sir. And all the best.

Satish Pai: Yes. Thank you.

Moderator: Thank you. The next question comes from the line of Satyadeep Jain from Ambit Capital. Please go ahead.

Satyadeep Jain: Hi. Thank you. First question, there's a slide on the project progress where you are stating that alumina upstream refinery are on track on status. Just wanted to check where is the engineering ordering and all that gives you confidence that the projects are on stage? I just wanted to understand from capital cost, timeline, where have you progressed on this?

Satish Pai: Refinery, majority of the engineering is complete. All the big lead items have already been placed. So on the Aditya refinery, we are fairly comfortable as to where the project is going and what time it will commission as per our plan, so nothing there. The copper recycling plant also land broken, all major equipment orders put, engineering more or less complete. So the two projects that are advanced we are quite comfortable. Do not expect any surprises there. The two newer projects, which is the aluminum smelter and the copper smelter, that we are in getting the EC stage and doing engineering etc. going on now.

Satyadeep Jain: So those projects, there could be an element of surprise, because you were mentioning these are on track on status, just wanted to know, the engineering is still not complete so those two projects, there could be some surprises here or there?

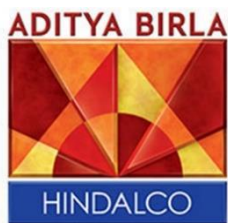
Satish Pai: So Satyadeep, I do not think so. I think that the confidence on being 100% is when the engineering is done. So that's the only thing we are saying. It does not mean that the smelter just because we are doing the engineering, we expect a surprise, that's not the way I would look at it.

Satyadeep Jain: Okay. On the Essel Mining Bandha coal block, just wanted to understand. Because I have seen Essel Mining over period they lost all the iron ore block after 2020 merchant auction. More or less it seemed like coal was the way to go, and these are rated bonds that they sponsor also. So, with Hindalco taking away the coal blocks on a cost basis, this is a related party transaction that's why I am trying to understand what is the rationale for Essel Mining? Is it just to develop coal blocks and give it away to other entities at cost? And how would the lenders also look at this?

And then tied to this would be, when you look at Hindalco between Chakla, Meenakshi and now Bandha coal block, I mean, the Company is going with coal and on the other hand there is also the intent to lower emissions in the RE-RTC. So how does all these coal acquisitions tie up with that RE-RTC that the company has.

Satish Pai: Good questions, so let me try to go one by one. I think for Essel Mining, because of the CAPEX spend and all required, I think that they are quite happy that we take over the CAPEX. And they will continue to be the MDO operator of mine. So Essel today, if you know, is the MDO operator of Amelia, which is just next door to Bandha. So I think for them, they will remain a service provider on the mining side, whereas companies like us with the resources will be providing the capital and having the ownership of the mine. So that's the first part of the answer.

The second is, how does it fit in with the overall renewable strategy and what we have committed on Hindalco? So, as we have been very clear, the base load of any of the smelters for the foreseeable future still has to come from thermal. So while even in



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Mahan we are going to add 100, 200 megawatts of renewables over the coming years, we still have to make sure that the base load is secure. So I think that having these three mines secures the base load for the smelters existing and the expansions that we told you during the analyst meet that we had. Both Mahan and Aditya were built for 720 KT capacity. And over the next five, seven years, we will be going to that capacity. So the way to look at it is that we will be increasing the renewable mix, but at the same time balancing it out with the base load. I think many people have realized that if you do not have a proper base load and just have renewables, you are going to have your grid crash on you. So that is the way we look at it.

Satyadeep Jain: Thanks for the clarification. The second is just one quick question, that's on Novelis. Apologies for asking Novelis question on the call. So we have got some investor questions that at the last earnings call I think the expectation was that the tariffs would be net positive if you net out both direct and Midwest. But now it seems like it's a net negative impact. So just wanted to understand what changed between those quarters. There's too many moving news items on tariffs and all, was there any negative surprise on tariffs after 3rd Quarter? Just the guidance seems different versus 3Q.

Satish Pai: Yes, Steve?

Steve Fisher: So I think that we have been pretty, pretty consistent about the fact that we see trade deals happening. We see, in our view, timing to be determined. But we think that there will be a USMCA 2.0. And really, when we said neutral to positive, it was taking into account that some trade deals are bound to happen. The timing of it is becoming a bit of a factor of volatility. And the reason why it is negative for the time being is awaiting some of these deals to happen. So I think that there is some positivity. I mean, you saw what happened with the UK deal. You saw the deal coming through with China. The rest of the deals, we are pretty sure, are happening, in the works. And as soon as we have some of those, particularly the USMCA 2.0, we will be going in that direction. So you have to take this negative impact as something for the time being.

Satyadeep Jain: Okay. Thanks for the clarification, sir. Thank you so much, and wish you all the best.



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- Dev Ahuja:** Yes.
- Moderator:** Thank you. Our next question comes from the line of Pallav Agarwal from Antique Stockbroking. Please go ahead.
- Pallav Agarwal:** Yes, good evening, sir. So just a question on the CAPEX guidance for the domestic operations, could you just give us the FY '26 and '27 guidance?
- Satish Pai:** So this current year the guidance is about Rs. 7,500 crores to Rs. 8,000 crores. I think the next year will be peak when we will start to have many of the upstream projects kicking in. But let me give you that guidance towards 3rd Quarter of this year when we know exactly what the cash out will be. But this year, our guidance is about Rs. 7,500 crores to Rs. 8,000 crores. Last year we spent Rs. 6,500 crores, just for comparison.
- Pallav Agarwal:** Sure, sir. I mean, India's net cash, so this can be easily funded without any debt being taken on.
- Satish Pai:** Yes.
- Pallav Agarwal:** Yes. Also on the aluminum domestic FRP, the shipments have increased during this year. So given that our capacities would start coming on stream, so any guidance on what type of volumes we can look at?
- Satish Pai:** So it's a little bit complicated in the sense that the FRP 2A, 60 KT will be sold this year. 60 KT to 70 KT, that's additional. And Silvassa, the full ramp-up should slowly happen, so maybe 15 KT more of extrusion. The copper IGT should be about 20 KT. The aluminum AC fin should be about another 20 KT. But you see, many of these 20 KTs, etc., are coming on top of rolling and extrusion. So what you have to realize is that we are now getting more and more engineered products. So it's not just a volume game anymore. I prefer that you start to monitor the EBITDA of the downstream going forward. Because we take an aluminum extrusion then we make it into a battery enclosure, so you do transfer pricing, and then you charge further for the battery



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enclosure. So those type of EBITDAs will start to come into the downstream mix. But I have tried to give you the volumes that I know straight away.

Pallav Agarwal: Sure. So basically what you are saying is the EBITDA per ton will expand, even if the volumes would not grow that much?

Satish Pai: Yes. I mean, the volumes are growing in the sense that 160 KT of FRP is going to come in. I said about 60 KT to 70 KT this year, the remaining next year. So we get to that 600 KT of downstream that we had committed to. But then on top of that, that 600 KT will get further engineered, and there will be more EBITDA that way.

Pallav Agarwal: So over the long run, could we actually bridge the gap between the India FRP and Novelis, which probably is closer to \$500 per ton, or that some differential will always remain?

Satish Pai: Well, we will try to. Let's see how it progresses going forward. But certainly, we are aiming for the \$300-plus EBITDA per ton in India in the mid-term.

Pallav Agarwal: Right. Yes, thank you so much.

Moderator: Thank you. Our next question comes from the line of Ritesh Shah from Investec. Please go ahead.

Ritesh Shah: Hi, sir. Thanks for the opportunity. Sir, first question is on bauxite, can you highlight what is our total requirement? And where are we sourcing it from? And specifically on OMC, if we have any long-term tie-up, if you could highlight the tonnage and pricing over there. And again, a second derivative question over here, we have won a couple of composite leases, including Damchua and Surbena. The hectareage over here is quite significant. Just trying to understand where are we on those two leases as well. That's the first question on bauxite, sir.

Satish Pai: Sorry, what was the second part of the question?



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Ritesh Shah: Sir, Damchua and Surbena, these are the two composite leases that we have won, so wanted to understand what's the status.

Satish Pai: I have never heard of these two.

Ritesh Shah: Okay. I will send you, sir, the fine print that we have. So probably, sir, you can take the first part of the question on OMC and overall sourcing.

Satish Pai: The first part of the question. So, we produce about 3.5 million tons of alumina, so roughly into 3, so 7 million tons of bauxite is our requirement. So 100% of the bauxite required for our alumina smelters that provide metal-grade alumina are from internal sources, we do not buy any. The only plant that needs to buy bauxite is Belgavi. And for Belgavi, we buy some part domestically and some part from imports. Now OMC, currently we have no bauxite contract for delivery, though just last month we did take some amount of bauxite for Belgavi. Going forward, when Aditya refinery comes in place, we have a long-term MOU with OMC to provide the 3 million tons for the 1-million-ton refinery we are putting in place, but that's two years out from now.

Ritesh Shah: But sir, this is something which is done and dusted, the long-term arrangement for 3 million ton from OMC?

Satish Pai: Yes, it is a signed agreement with the Orissa government.

Ritesh Shah: It's a signed agreement, okay. Sir, my second question was on coal. I think to the earlier participant, you indicated that probably EMIL would not want to undertake the CAPEX, and the lease has been transferred at cost to the Company. Just trying to understand, sir, what will be the incremental CAPEX? Based on the debt documents, I figure it's around Rs. 3,000 crores to Rs. 4,000 crores. So, we are trying to get a sense of that.

Secondly, I picked up that the premium which was paid over here was around 21%, so what would it mean on a rupees per Kcal basis? The reason to ask this is we have

surrendered a few leases in past wherein they were not economically viable for us. So just trying to understand from CAPEX as well as OPEX standpoint how Bandha fits in.

Satish Pai:

Yes. I think you got the numbers right. So we are buying it at Rs. 48 lakhs, which is the share capital, plus the Rs. 1,000 crores debt that they have on the books to bring mine to this point. And we probably will spend another Rs. 4,000 crores over the life of mine. So that is the CAPEX for Bandha. The rupees per million Kcal of Bandha will be lower than what we get from NCL today. Now the bigger worry for us of why Bandha is important is that the NCL coal is steadily diminishing and the premiums are going up. And most of the coal from NCL is being allocated to IPPs. So, that is why Bandha has become very critical. But to your specific question, it is better than the price we get today from NCL.

Ritesh Shah:

Sure. Sir, I think there are two more leases under EMIL, Amelia which you indicated and there is one more Subhadra. Is there a need for the Company to probably transfer this at a future date? Or is this something which you are done with?

Satish Pai:

No, no. See, there is a subsidiary of Essel which we are taking over that has got Bandha and has got Radhikapur East. Radhikapur East has already been surrendered. So this is the subsidiary we are taking. Subhadra, Amelia are MDO contracts that Essel runs under their main legal entity, we are not touching those.

Ritesh Shah:

Sure. And sir just the last question. Sir, for full year what was the sourcing mix for linkage, e-auction and import at? And how do you see this for the next fiscal?

Satish Pai:

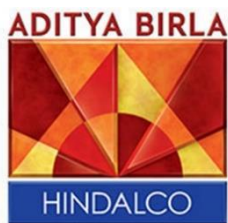
So full year, the linkage coal was 50%, e-auction was 47%, own mines was 2%. I do not see this mix fundamentally changing in FY '26. I think the real change will start to happen when Chakla and Bandha get commissioned.

Ritesh Shah:

Sure. This is very useful, sir. Thank you so much. All the very best.

Moderator:

Thank you. Our next question comes from the line of Somaiah V from Avendus Spark. Please go ahead.



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Somaiah V: Well, thanks for the opportunity, sir. Sir, first question is on Novelis, that \$40 million per quarter impact, just wanted to understand the different moving parts there. So, one, in terms of can sheet imports or in terms of primary aluminum imports, in terms of scrap imports, or the gains that we can have or the backward integration because Midwest premium has gone up, if you could just touch upon how each of them is kind of having a say on this impact?

Satish Pai: Yes, Steve, Dev?

Steve Fisher: Yes, yes. There are multiple impacts that you are highlighting, so I will just try and take them one at a time. One impact is the primary aluminum that comes into the United States, because two-thirds comes from Canada into the US, as the tariff's got put on, Midwest premium has risen. With a higher Midwest premium, we are seeing a better spread as it relates to our recycling business due to that.

Offsetting that, we do have a Canadian facility that serves primarily the auto and specialties markets. And so the coils being imported from that facility back into the US has an impact of 25% to 32%. And then our IR shipments to support the beverage packaging market in the US, where the US has zero capacity, we are importing roughly 150 KT annually, primarily from South Korea but also some from Brazil as well. And so that's being impacted right now as well.

And so when we talk about the \$40 million, we are netting those together right now. We are saying it's near term because, as Dev said earlier, we do think there will be continued movement in the tariffs and trade deals. But we also think we are in the right place from an exemption or exclusion, right? We are serving a US market that does not have any supply today for can sheet. And we are building a facility, the largest private sector investment in Alabama's history, adding jobs, and believe that's exactly what the administration is looking to accomplish. So we think that we do have a good targeted exemption for some of this as well that we are working on with the administration.

Somaiah V: Sure, sir. This is quite helpful. Just a couple of clarifications here. So, one, in terms of this can sheet imports that we are doing, so we do not have a cost where we can pass it

on to the end consumer, so that's why the negative impact is on us. That's the first thing. And second, when we say there's \$40 million net impact, so we are getting a Midwest premium benefit for 60% of our backward integrated. So this benefit is taken into consideration. Over and above that, we are looking at a \$40 million per quarter impact. Is that the right understanding?

Steve Fisher:

Yes. So on the first one, yes, we signed contracts back when we announced Bay Minette long-term contracts in which we do not have the ability to pass through the 232 tariffs. And so that's something we are, as I said before, working with the administration on. The second question, do you want to handle that, Dev, on the Midwest premium increase on recycling net \$40 million?

Dev Ahuja:

Yes. So, as Steve said that we have all these moving parts, so think about it as follows. That the elevated Midwest helps us to pretty much mitigate, to a very significant extent, the import tariff burden of the inter-region flows of metal that happen from Asia or South America to service the North American markets. And by the way, we get arbitrage as well. For example, if we buy at MJP and we sell at Midwest, we get an arbitrage. So basically that does not bother us as much from the point of view of being able to net these things off.

The one that really is very high on the radar is the importation that we have to make from Kingston, Canada. And that is why I made specific reference to USMCA 2.0. Because if that gets taken care of, in principle, these tariffs will stop bothering us. The arbitrages will take care of the elevated Midwest, which will still be there, will take care. So, in other words, the thing that is highest on our radar is really the Canadian tariffs, which if they go away through a deal, will be very, very helpful in neutralizing the impact.

Somaiah V:

Sure, sir. Quite helpful. Thanks for the clarification. Just one more question on Novelis. So when we are saying our scrap markets could be heading tighter, so the concern, is it because incrementally China is going to go more towards scrap? Or within the US

market itself the availability of scrap because of some more plants starting up, it's going to get tighter? So, if you could just help us.

Dev Ahuja:

Yes. So, a couple of things here. Very clearly demand for scrap is going to go up because of new capacities that are coming in. A lot of industry is following the model that we have been implementing over the last decade. We ourselves will need more scrap as we commission new capacities, for example, as we have commissioned Guthrie; on the other end of the world, as we have commissioned the 100 KT expansion in Korea. All this means that we ourselves will need more scrap, and demand is going up faster than the supply. And we are working on them, that's exactly what we are working on, opening up new sources. So to the point about our view on strengthening of scrap prices, I mean, these are the macros that will influence the strengthening of the prices. And again, these are what we are working on in terms of mitigation actions.

Now, remember one thing, I mean, to be amply clear. As we see the trends, I said it at our last earnings call, if you go back. Right now we are in the phase of cycling over last year. We do not see any worsening of the situation as compared to the last two quarters. I mean, it is just that we need two more quarters of cycling over the strengthening of the scrap prices. So at this time, in fact, Q4 was actually an improvement on Q3 and the elevated premium, particularly the Midwest premium, is coming to be of help. So to be clear that things are not getting any worse. I would rather say that things have gotten a bit better. But that is just to give you the total context on where we are.

Somaiah V:

Helpful, sir. Thank you.

Dev Ahuja:

Sure.

Moderator:

Thank you. Ladies and gentlemen, due to time constraint, we will take one last question from the line of Prateek Singh from DAM Capital. Please go ahead.

Prateek Singh:

Hi. Thanks for taking my question again. This is for Steve and Dev. On tariffs itself, so just hypothetically trying to understand if the USMCA 2 happens and Canada is exempted, would not it also mean that the Midwest premium should also fall given the

fact that Canada is a major supplier? In that case, we lose the arbitrage versus MJP, but still need to pay higher tariffs on Asian imports as long as they are not exempted. So, is that understanding correct here? Or am I missing something? That was the first question.

Steve Fisher: Yes, we were referring to how it works under the USMCA previously, which at that time the primary 10% was left on. Everything else was then excluded. And so that's where Dev's targeted a big shift for the products coming out of Kingston down into the US Obviously, there's work that still needs to be done on just overall 232 for primary as well, but that would be a secondary issue.

Dev Ahuja: Yes, exactly. I mean, really what needs to kind of get captured is that overall FRP capacity is short in the country. And therefore, downstream needs to be treated with growing demand. Downstream needs to be treated very differently to meet the country requirements and lack of capacity. That's what we are sort of aiming to see it recognized as the MCA 2.0 happens.

Prateek Singh: Understood. And the last question is on alumina. Two sub-questions here for Mr. Pai. So first, any reason for giving alumina field guidance only for the next quarter? I mean, is this number very volatile and changes on a Q-o-Q basis depending on maintenance and shutdowns or safe to assume that we can do 700 KT to 800 KT in '26?

Satish Pai: Safe to assume that we can do 700 KT to 800 KT. They asked me for a quarter, so I gave a quarter. But yes, safe to assume 700 KT to 800 KT.

Prateek Singh: Understood. And how do we see alumina pricing going ahead, sir, given such a sharp fall that we have seen and then slight recovery? I would assume that some of the loss-making European and Chinese smelters would now have come back to green. So, is there any risk of smelters restarting if aluminum prices remain here? Or do you see aluminum prices rising up a bit once all this volatility is behind us?

Satish Pai: Prices are between \$350 to \$400. The reason it's spiked is because of what Guinea did, because it's such a large supplier of bauxite to China and many alumina refineries. Only



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thing I can say is Guinea remains a completely volatile country. So it can always happen. But when we do our planning and budgeting, we assume that it's going to be between \$350 and \$400.

Prateek Singh: Understood. Thanks a lot for taking my questions again.

Satish Pai: Thank you.

Moderator: Thank you. Thank you, ladies and gentlemen. For any unanswered questions, you can connect with the IR team. I would now like to hand the conference over to Mr. Pai for closing comments.

Satish Pai: No, thank you for your attention during this call. So I just wanted to reiterate that this quarter and this year have probably been the highest ever EBITDA impact for Hindalco in our history. And I think in some ways, it indicates our integrated business model and our commitment towards adding more and more value-added products, along with expanding the upstream. And I think that, on the Novelis side, we are focused on commissioning Bay Minette and getting that done. And on the India side, I think you are going to see now a big upstream CAPEX in the next couple of years that will bring in new volume as we have secured the basic ingredients of our aluminum smelters, which is bauxite and coal. So with that, I thank you for your attention.

Moderator: Thank you. On behalf of Hindalco Industries Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.