Strong Balance Sheet which Aids Growth Capex

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Financial Capital

KEY HIGHLIGHTS

Revenue **₹274,944 crore**	Operating Cash Flow **₹10,250 crore**
EBITDA **₹38,097 crore**	Net Debt / EBITDA **1.83**
PAT **₹13,391 crore**	ROCE* **20%**

** ROCE is EBIT excl Treasury Income divided by Average Capital Employed (Net Worth + Gross Debt + Net DTL – CWIP - Treasury Investments – Investment in Group Companies)*

Capital Linkages

- *Manufactured Capital*
- *Human Capital*
- *Intellectual Capital*
- *Natural Capital*
- *Social and Relationship Capital*

Alignment with Strategic Priorities

- ***SP-1*** *Prudent Capital Structure*
- ***SP-2*** *Scaling up Upstream though Doubling-down on Capacities*
- ***SP-3*** *Scaling up Downstream with through Portfolio Enrichment (Non-LME linked)*

Material Topics

- M4 *Economic Performance & Market Growth*

Key Risks and Opportunities Addressed

- R4 *Supply chain risks*
- R5 *Price volatility of commodities (aluminium, copper)*
- R7 *Stakeholders' focus on ESG*
- O1 *Rising demand for aluminium and copper products*
- O4 *Emerging applications of specialty alumina*

Contribution to SDGs

8 DECENT WORK AND ECONOMIC GROWTH

A strong, stable and reliable financial foundation that aids our growth aspirations — is at the core of our business model. Our financial capital philosohy, based on resilience, allows us to expand our offerings, capacities and capabilities as required. In turn, it allows us to create a robust, financially-stable organisation, with a visible growth strategy.

We continue to expand our range of offerings, focusing on value-added solutions using high-end technologies, enabling us to explore newer business avenues.

We are committed to investing in building capabilities and infrastructure that enable us to realise our long-term financial objectives. A well-structured financial management approach enables us to assess and allocate capital effectively and efficiently. It helps create value and strengthen the balance sheet. Our focus on building sustainable cost curves ensures we generate free cash flows in line with our capital allocation framework. This strategic approach of funding through internal accruals supplements our proactiveness in navigating the evolving business landscape while sustaining and enhancing our competitive edge.

Our ongoing expansion projects across India business are directed towards doubling our upstream capacities in Aluminium and Copper businesses, making us ready to serve the upcoming multifold surge in demand for these metals. Our ongoing expansion projects in downstream capacities across Aluminium, Copper, Specialty Alumina and Recycling are progressing well, towards achieving a fourfold increase in EBITDA by FY 2029-30 compared to FY 2023-24 levels.

Novelis, driven by its purpose of shaping a sustainable world together, remains committed to its stated goals to build a more circular and low carbon future by 2030. It aims to reduce emissions to less than three tonnes of carbon dioxide equivalents (CO_2e) emissions per tonne of rolled product shipments. It also aims to push the boundaries on recycled content in its products by increasing average recycled content to 75% from the baseline of 63% in fiscal 2024; both by the end of calendar year 2030. This will reinforce its leadership with first mover investments in offering Aluminium solutions as a material of choice.

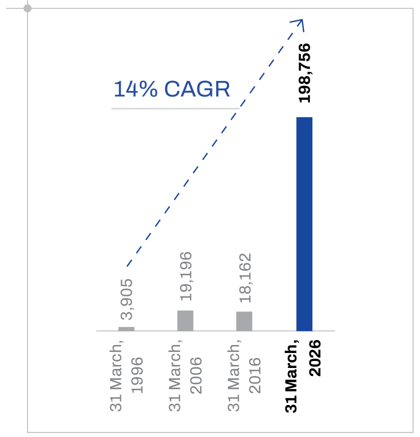
Focus Areas

- Preserve Balance Sheet Strength
- Re-invest internal accruals into growth capex

Shareholder Value Creation

We remain steadfast in delivering consistent long-term value for shareholders; by means of disciplined capital allocation for sustainable growth.

Market Capitalisation (₹ crore)



This approach has been rewarded by our investors who continue to repose their trust in our equity growth trajectory.

Our market capitalisation has witnessed growth of 30% from ₹ 152,869 crore as on 31 March 2025 to ₹198,756 crore on 31 March 2026.

We follow a progressive dividend policy, a testament to our commitment to sharing our success with our shareholders. For the year FY 2025-26, the Board has recommended a dividend of ₹5 per equity share of face value ₹1 each.

Economic Value Creation (In ₹ crore)

Particulars	FY 2024-25	FY 2025-26
Revenue from Operations	238,496	274,944
Other Income	2,708	2,889
Economic Value Generated	241,204	277,833
Operating Costs	159,345	190,660
Employee Wages and Benefits	15,406	17,148
Payment to providers of capital	4,002	4,399
Payments to government	6,354	7,531
Community Investments	186	281
Depreciation and other expense	39,831	40,993
Economic Value Distributed	**225,123**	**261,011**
Economic Value Retained*	**16,081**	**16,822**

** Economic value retained = Direct economic value generated - Economic value distributed*

Consolidated Financial Performance Highlights

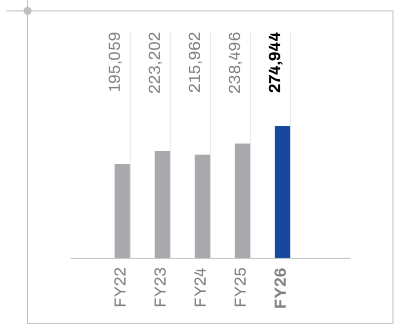
In FY 2025-26, we generated consolidated revenue of ₹274,944 crore, a historic high with an increase of 15% year on year. This was mainly driven by favourable macros and strong performance by the India business.

Our performance however was impacted by the Oswego fire incident, facing transient production interruptions leading to lower shipments as well as higher net tariffs in servicing U.S customers through imports. This interruption as well as higher net tariffs are only temporary, as Oswego hot mills are expected to get back to operation much earlier than suggested timeline of Q1 FY 2026-27 end.

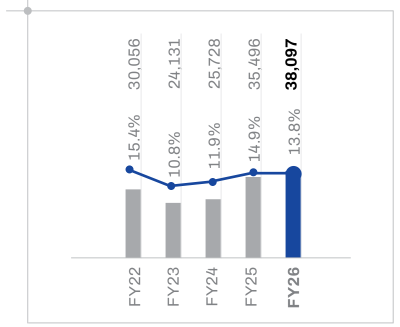
We achieved Consolidated EBITDA of ₹38,097 crore, its highest ever, registering a growth of 7% Y-o-Y. This growth was mainly led by robust operational performance in India operations and prudent cost management across India operations as well as Novelis.

Our Consolidated Profit before Tax before exceptional item for the year stood at ₹25,459 crore, registering a growth of 10% Y-o-Y. This exceptional item pertains to net impact of Novelis Oswego plant fires and Sierre recoveries to the tune of ₹5,796 crore. Our Consolidated Profit after Tax for the year stood at ₹13,391 crore, reflecting inherent strength of business model and execution capabilities.

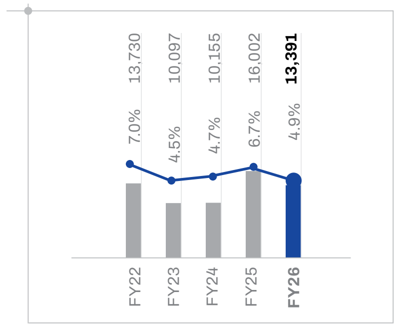
Revenue (₹ crore)



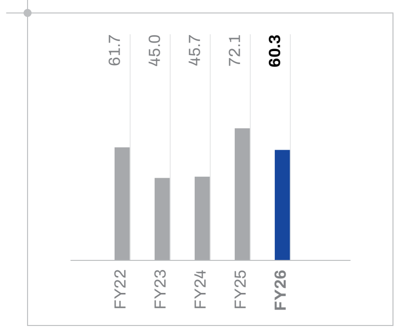
EBITDA (₹ crore)
EBITDA Margin (%)



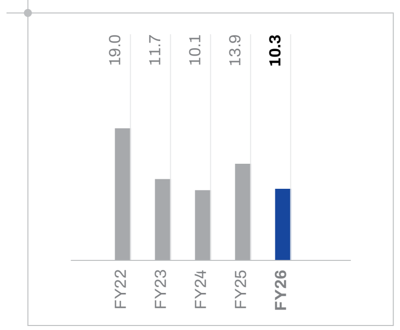
PAT (₹ crore) | PAT Margin (%)



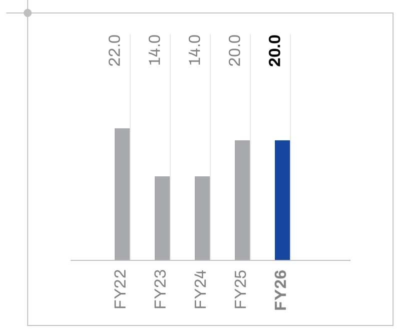
EPS (₹/share)



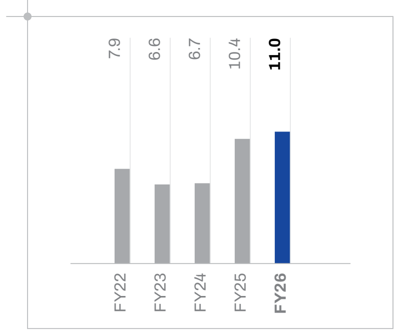
ROE (%)



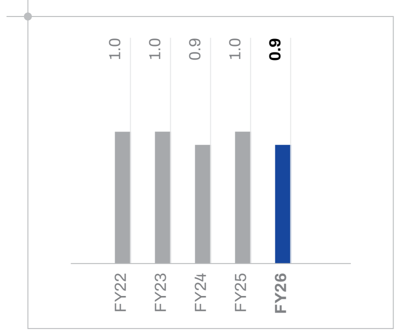
ROCE* (%)



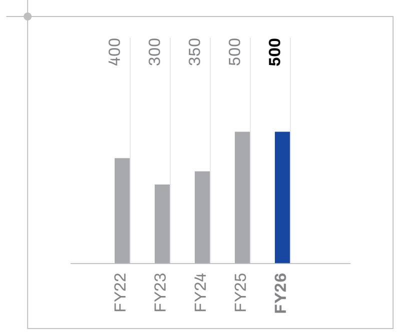
Net Interest Cover (in times)



Asset Turnover (in times)



Dividend Payout (%)



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Novelis Financial Performance

The fundamental strength of Novelis' business model reflected in its successful navigation of external challenges throughout the year. Its agility in dealing of Oswego fire incident combined with its robustness in absorbing the impact of the tariffs, highlighted the depth of its operational and leadership capabilities.

During FY 2025-26, our plant located in Oswego, New York was impacted by two fire incidents on 16 September 2025, and 20 November 2025 respectively. There were no injuries, as all the employees were safely evacuated. The fire was contained to the hot mills, finishing mill, and the hot mill motor room and did not impact the rest of the plant.

It successfully leveraged its network as well as third party partnerships to service its planned shipments to its U.S customers via imports and expanded alternative sourcing channels, to mitigate capacity constraints in North America.

The combined total free cash flow impact before insurance is to tune of ~US$ 1.7 billion. We estimate ~70-75% of the cash flow to be recoverable through insurance, which will majorly be received in future period.

The recovery efforts at the Oswego plant have advanced considerably, with commissioning activities already initiated. This will enable us to effectively capitalise on pent-up demand and normalise shipments by H1 FY 2026-27.

Our net sales are at US$ 18.4 billion, growth of 7% over previous year primarily driven by higher average Aluminium prices. Total shipments for the year witnessed a decrease of 5% over previous year.

Adjusted EBITDA was impacted by the fires at the Oswego plant due to lower shipment volumes and higher net tariff costs in servicing planned shipments. This was offset by our ongoing cost optimisation initiatives under our 2025 Efficiency Plan. This programme is designed to sustainably reduce our cost base through SG&A streamlining, operational and footprint efficiencies. Through a strong focus on execution, Novelis exited FY 2025-26 at a run-rate exceeding US$200 million of realised savings compared to original target of US$ 75 million.

Our cost reduction programme helped limit the decline in Adjusted EBITDA to 5%, with Adjusted EBITDA reported at US$ 1.6 billion in FY 2025-26 as compared to US$ 1.8 billion in FY 2024-25.

Adjusted EBITDA / tonne for the year remains at US$ 462/tonne excluding impact of tariff and Oswego fires. We remain committed to our long-term target of reaching US$ 600 per tonne, driven by new raised target of US$ 350-400 million in cost savings by end of FY 2027-28, as compared to previous target of US$ 300 million and operating leverage from upcoming Bay Minette plant.

Credit Ratings

Backed by market leading position in Aluminium industry, first quartile position in global cost curve, well diversified portfolio along with healthy return profile, Crisil has reaffirmed its 'Crisil A1+' rating on our ₹2,050 crore Commercial Paper. Likewise, CARE has reaffirmed its CARE AA+ rating with Stable outlook on its ₹9,766 crore long term bank facilities and CARE AA+ rating with Stable outlook / CARE A1+ on its ₹34,771 crore long term / short term bank facilities.

Key Focus Areas

Preserving Balance Sheet Strength

We continue to pursue our growth ambitions, despite ongoing geopolitical risks and recent incidents. At the same time, we are continuously striving to build a resilient balance sheet.

Such resilience comes from structured and planned approach to investing in growth capex with optimum levels of debt and prudent management of liquidity through the capex journey, while utilising internal accruals.

Novelis has incurred US$ 3.2 billion towards capex at our Greenfield Bay Minette project of the intended US$ 5 billion. This was funded through an optimal mix of internal cash flows and external borrowings.

During the reporting year, AV Minerals (Netherlands) Holding company of Novellis Inc. infused US$ 750 million, followed by an additional US$ 200 million in February 2026. These equity infusions were undertaken to support liquidity requirements arising from exceptional operational disruptions and ongoing strategic investments. These equity infusions helped maintaining a strong Balance Sheet strength for its global operations.

Our disciplined capital allocation continued to anchor our financial strategy in FY 2025–26. Strong operating performance enabled cash generation of ₹10,250 crore; however, cash flows were adversely impacted by disruptions arising from the Oswego fire, including repair costs, operational downtime, customer servicing expenses (including associated tariffs), recovery-related expenditures, and working capital timing effects. We invested ₹29,758 crore in planned capital expenditure, reinforcing our focus on capacity expansion and long-term capability building. This is aligned with our strategy of driving sustainable value creation while maintaining balance sheet discipline.

Cold Rolling Mill Plant at Aditya Flat Rolling Plant

Our current consolidated Debt-Equity ratio is at 0.73 with consolidated Net Debt: EBITDA at 1.83 times as on 31 March 2026.

Our cash from operations are expected to normalise post commissioning of Oswego hot mills. We are confident of maintaining our consolidated net leverage ratio (net debt-to-EBITDA ratio) below 2x as we move ahead in our investment cycle.

Our consolidated cash and cash equivalents stood at ₹14,350 crore, as Hindalco continues to strengthen its balance sheet by ensuring a stable cash position, providing a cushion against business uncertainties.

Reinvesting Accruals for Growth

In line with our long-term strategy to build a future-ready business, we initiated various capex projects. With the objective of improving our cost position sustainably, we are investing in developing captive coal mines. While Chakla (Jharkhand), Bandha (Madhya Pradesh) captive coal mines are expected to be commissioned by FY 2026-27, Meenakshi (Odisha) captive coal mine is expected to be commissioned by FY 2028-29. In addition to lowering the upstream cost of production, these investments will also ensure raw material security. These captive coal mines will further our objective to become self-sufficient for energy requirement by FY 2032-33.

Our plans to double down upstream capacities in Alumina, Aluminium and Copper businesses are progressing well. As a part of this roadmap, Aluminium capacity is planned to scale from 1.34 million tonnes to 1.71 million tonnes and Copper smelter capacity expected to scale up from 421 KT to 721 KT by FY 2028-29.

Further, we undertook a pioneering investment to set up India's first integrated copper and e-waste recycling operation, reinforcing our commitment to circularity, sustainability, and securing strategic raw materials.

Our upcoming Bay Minette plant, a 600 KT state-of-the-art Aluminium facility in the capacity constrained US market, with its low-carbon, greenfield rolling and recycling facility is strategically positioned to support long-term growth in North America. So far, US$ 3.2 billion has been incurred through the end of FY 2025-26, of the estimated total capital outlay of ~ US$ 5 billion. The project is progressing well with commencement of commissioning activities for the cold mill in March 2026 and remains on track for full commissioning during the second half of CY 2026.

Overall, we envisaged a phased capex programme over the next three to four years, for growth investment in in India and Novelis operations. These investments, funded primarily through internally generated cash flows, position us for resilient, cost efficient growth while preserving balance sheet strength.