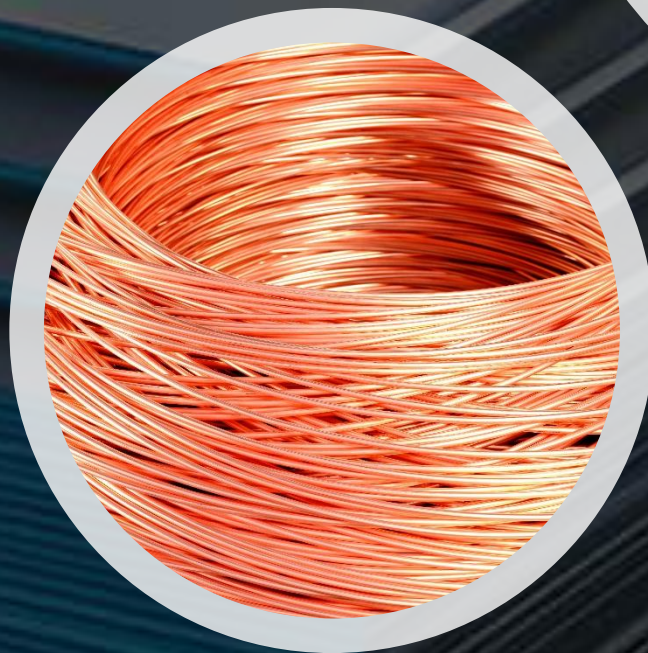


ADITYA BIRLA



HINDALCO



Hindalco Industries Ltd

Q2 FY24 Earnings Presentation

10th Nov 2023

SAFE HARBOUR

Certain statements in this report may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company’s operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the company’s principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the company conducts business and other factors such as litigation and labour negotiations. The company assume no responsibility to publicly amend, modify or revise any forward-looking statement, on the basis of any subsequent development, information or events, or otherwise.

Contents

1. Sustainability Updates

2. Financial performance at a glance

3. Economy & Industry Updates – Global & Domestic

4. Business Performance

- Consolidated
- Novelis
- Aluminium : Upstream Business
- Aluminium : Downstream Business
- Copper

5. Summary – Key Takeaways

6. Annexures :

- Consolidated-Key Financials
- Hindalco (India) Business-Key Financials
- Aluminium (India) Business EBITDA & Sales Reconciliation
- Production Trend



Sustainability Updates



Hindalco India Business: Sustainability @Core

Greenbelt and Biodiversity

- All season BMP study completed for **12 mine sites and four units** till H1. Study at two sites and one mine cluster are in progress
- **CII biodiversity Index and Carbon Sequestration** ground assessment **completed in six units in H1**
- **Hindalco received the UNDP Mahatma Award for excellence in Biodiversity Management**

Waste Recycling

84% of total waste got recycled and reused in H1 FY24 which was in line with same period last year.

- **108%** of bauxite residue (excluding Utkal) is recycled and re-used in cement Industry
- **103%** of Ash is recycled and re-used in Cement industry in H1 FY24

Emissions

- Ozone depleting substances (ODS) phase out programs at all sites- Target to be ODS free by FY26
- FGD projects at Mahan and Aditya commissioned

Renewables

Target to reach 300 MW by 2025

- **Total Installed Capacity (till H1-FY24) - 150 MW of solar and wind.**
- 50 MW Solar & Wind - to be operational by Q1FY25.
- 30 MW Solar & Wind -under feasibility and finalization.
- 100 MW Hybrid (with storage), target COD beginning Dec'24, contract executed in Q2FY24



Workforce Health & Safety

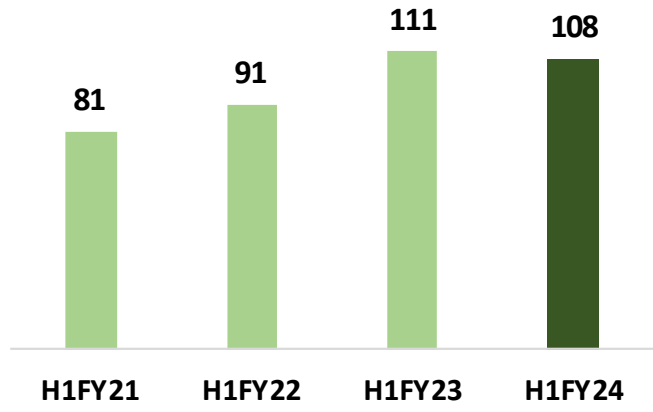
- **Initiatives for developing contractor safety management software (CSM)** and comprehensive safety audit & assurance software with target implementation by March 2024.
- **LTIFR for Hindalco is at 0.18 in H1FY24.**

ZLD & Water Management

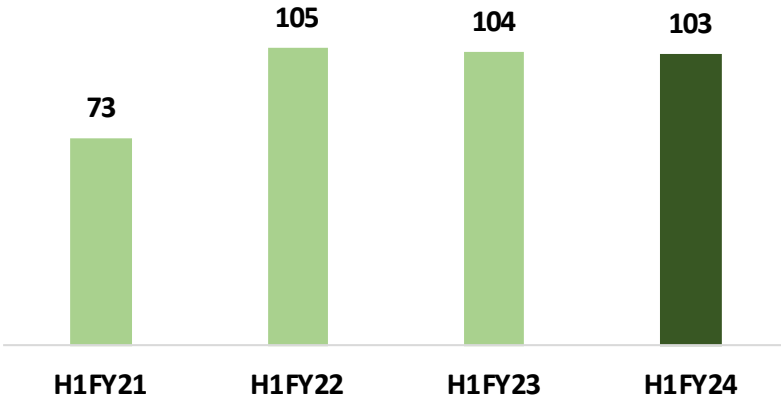
- **Desalination project and Tertiary Water Recycling units** at Dahej, enabled significant drop in freshwater consumption in m3/Ton of metal from 18.5 in H1 FY23 to 10.04 in H1 FY24.
- **ZLD and Recycling Projects:**
 - Renukoot 5000 KLD project, Civil work is in progress
 - Hirakud and Aditya multiple projects with capacity of ~4800 KLD, Ordering and engineering completed.
- **Water Positivity:** Additional 3 mine Clusters in Q2FY24 (Netarhat, Pakhar, Sherandag) have completed Water Positivity certification by third party taking total to 5 mine sites.
- **Various Projects under R&D** and trial stage for Total Dissolved Solids, Silica, fluoride treatment, Removal of Arsenic are underway

Hindalco : ESG metrics in Waste, Water, GHG, LTIFR & Fatality

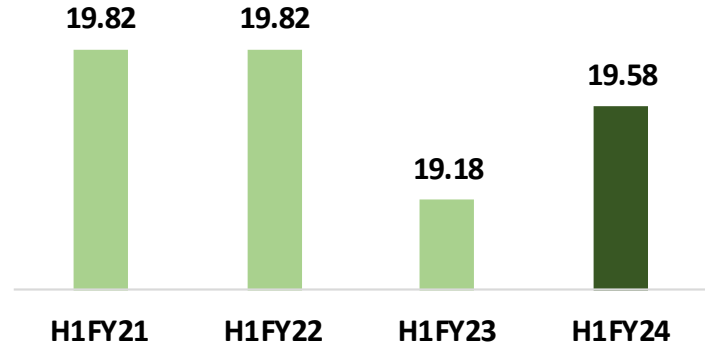
% Recycling of Bauxite Residue/ Red mud (except from Utkal Refinery)



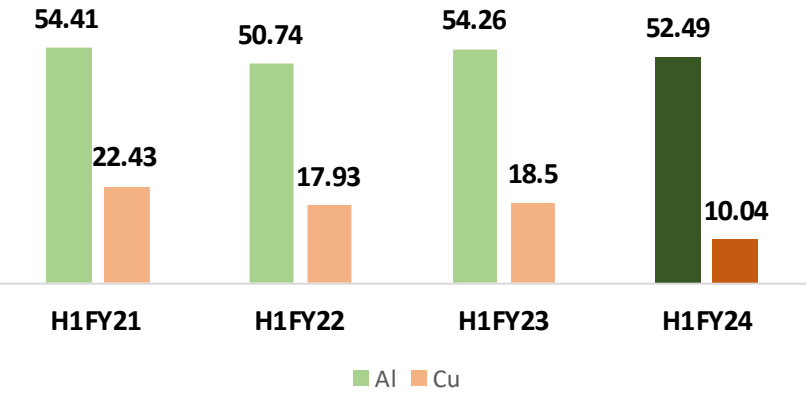
% Recycling of Ash



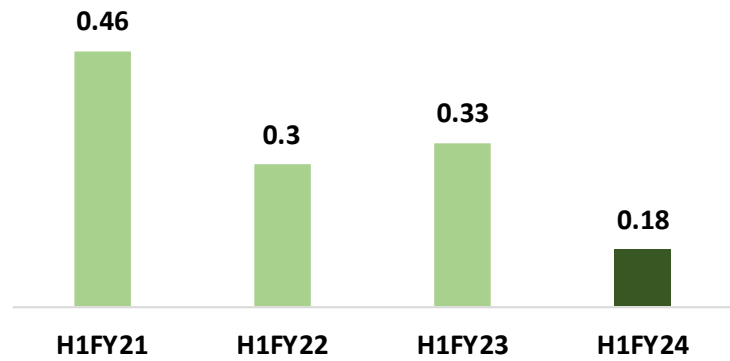
Aluminium Specific GHG Emissions (t CO2e/t)



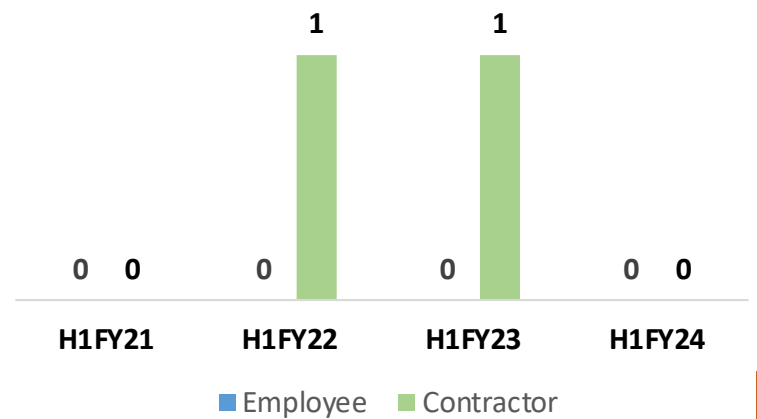
Specific freshwater Consumption (m3/T metal)



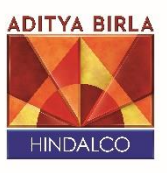
Lost Time Injury Frequency Rate (LTIFR)



Fatality (in Nos)




Financial Performance at a glance



Quarterly Financial Performance at a Glance (Q2FY24 Vs Q1FY24)




Consolidated




Novelis



Aluminium Upstream



Aluminium Downstream



Copper

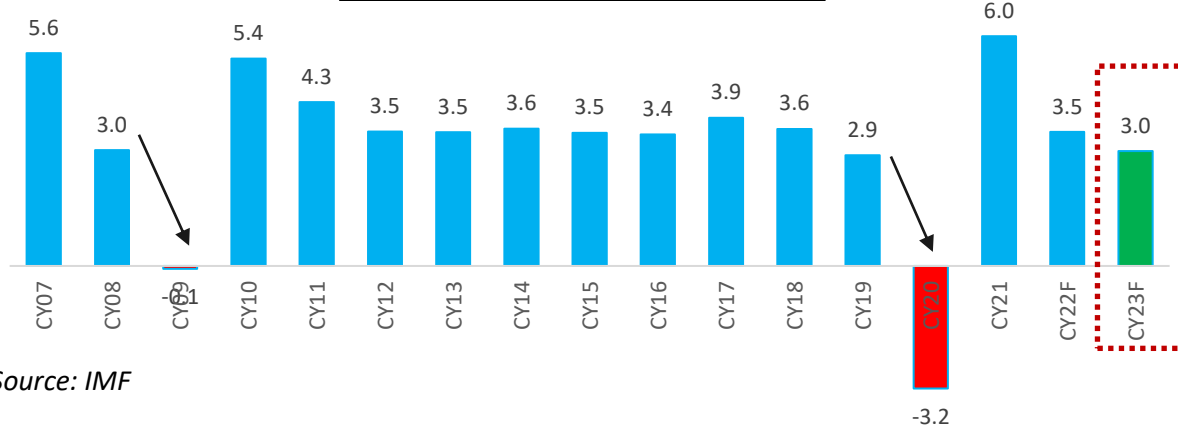
Particulars	UOM	Q1 FY24	Q2 FY24	Change QoQ
Revenue	₹ in Cr	52,991	54,169	2%
Business Segment EBITDA	₹ in Cr	6,069	6,896	14%
EBITDA	₹ in Cr	6,109	6,096	-
PAT	₹ in Cr	2,454	2,196	-11%
Shipments	Kt	879	933	6%
Revenue	\$ Billion	4.10	4.10	-
Business Segment EBITDA	\$ Million	421	484	15%
EBITDA/t	\$/ton	479	519	8%
Shipments	Kt	341	334	-2%
Revenue	₹ in Cr	8,064	7,878	-2%
Business Segment EBITDA	₹ in Cr	1,935	2,074	7%
EBITDA/t	\$/ton	691	751	9%
Shipments	Kt	81	94	15%
Revenue	₹ in Cr	2,435	2,629	8%
Business Segment EBITDA	₹ in Cr	147	171	16%
EBITDA/t	\$/ton	220	221	-
Shipments*	Kt	118	134	13%
*Of which CCR Shipments	Kt	98	100	2%
Revenue	₹ in Cr	11,502	12,441	8%
Business Segment EBITDA	₹ in Cr	531	653	23%

Economy
&
Industry Updates
Global & Domestic



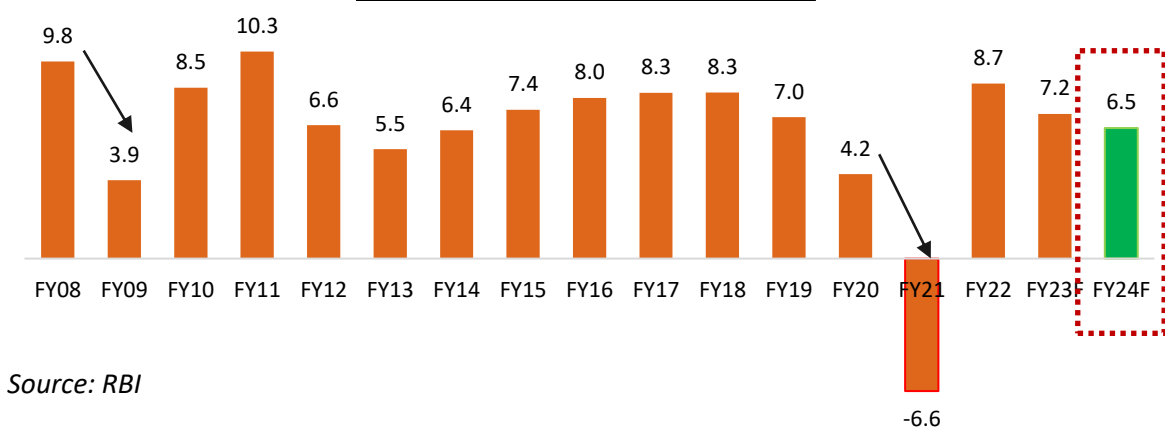
Economy Updates

Global GDP Growth (% YoY)



Source: IMF

India GDP Growth (% YoY)



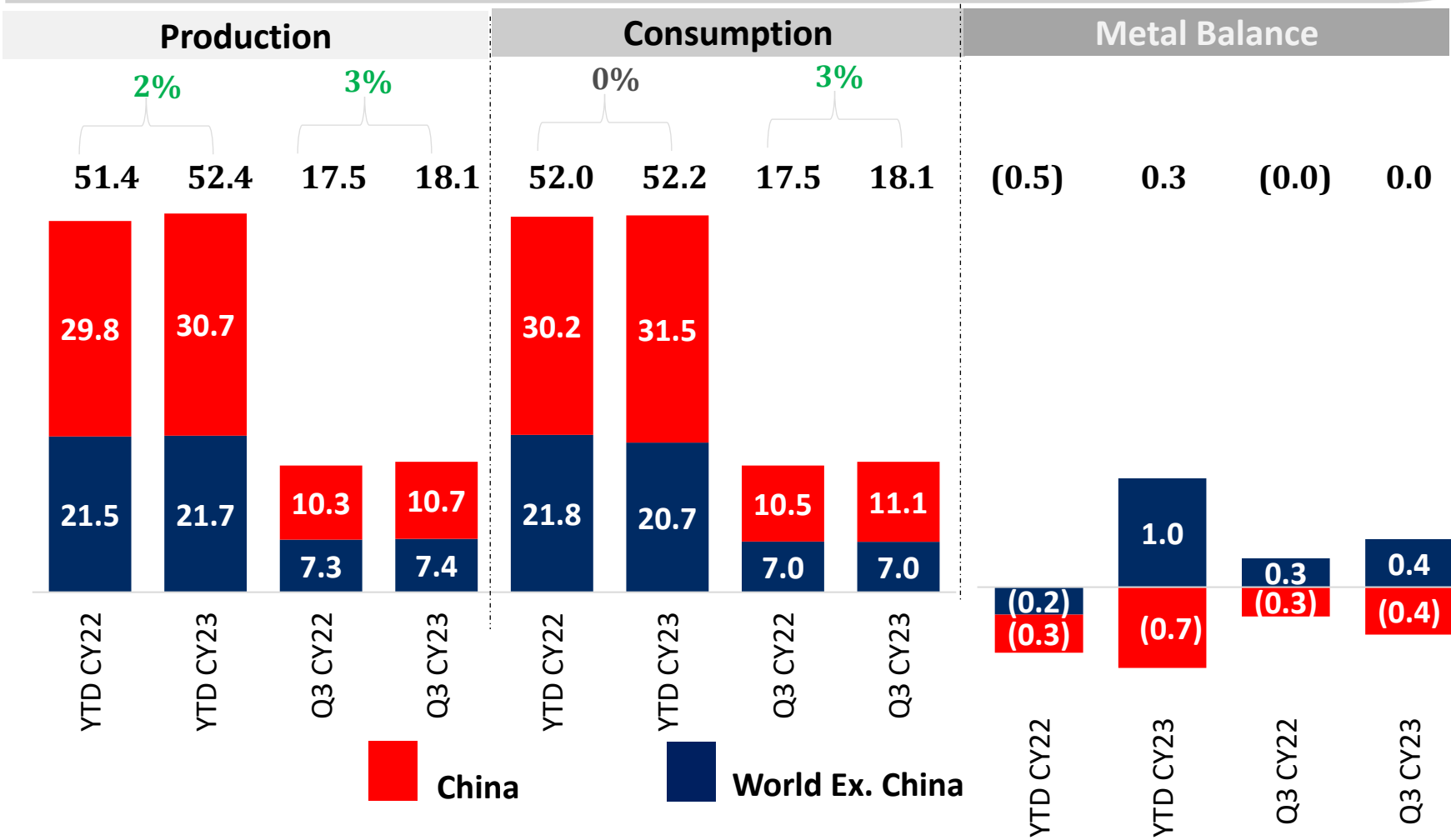
Source: RBI

- Despite multiple shocks, **global economic growth remains resilient**
- Global GDP growth projected to moderate from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024** (IMF, October 2023)
- Moderating price pressures, encouraging signs from activity data in China and strong US economy consistent with a **soft-landing scenario**
- Tighter monetary policy, rising geoeconomic fragmentation and high debt levels are downside risks to the growth
- Global headline inflation continues to decline from 8.7% in 2022 to projected 6.9% in 2023 and 5.8% in 2024 with core declining more gradually**
- Elevated inflation and rising geopolitical risks to keep rates higher for longer

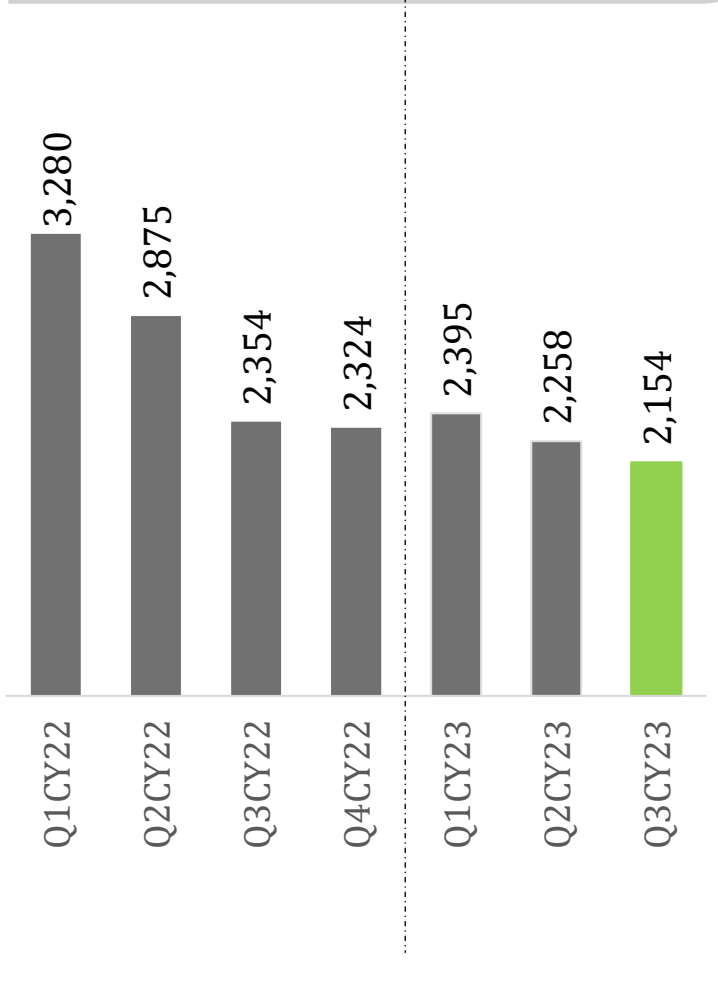
- Despite a challenging global environment, **India continues to outperform**
- Strong domestic consumption, rising infrastructure spending and healthy service sector growth fueling growth. Export performance was a drag.
- Weak external demand, tight credit conditions and rising geopolitical risks headwinds to growth going forward
- RBI projects GDP to grow 6.5% YoY in FY24** slowing from 7.2% YoY in FY23.
- Inflation expected to moderate to 5.4% in FY24** from 6.7% in FY23 on softer commodity and core inflation as per RBI.
- RBI kept the key policy repo rate unchanged at 6.5% (last change 25 bps in Feb 23)

Global Aluminium Industry

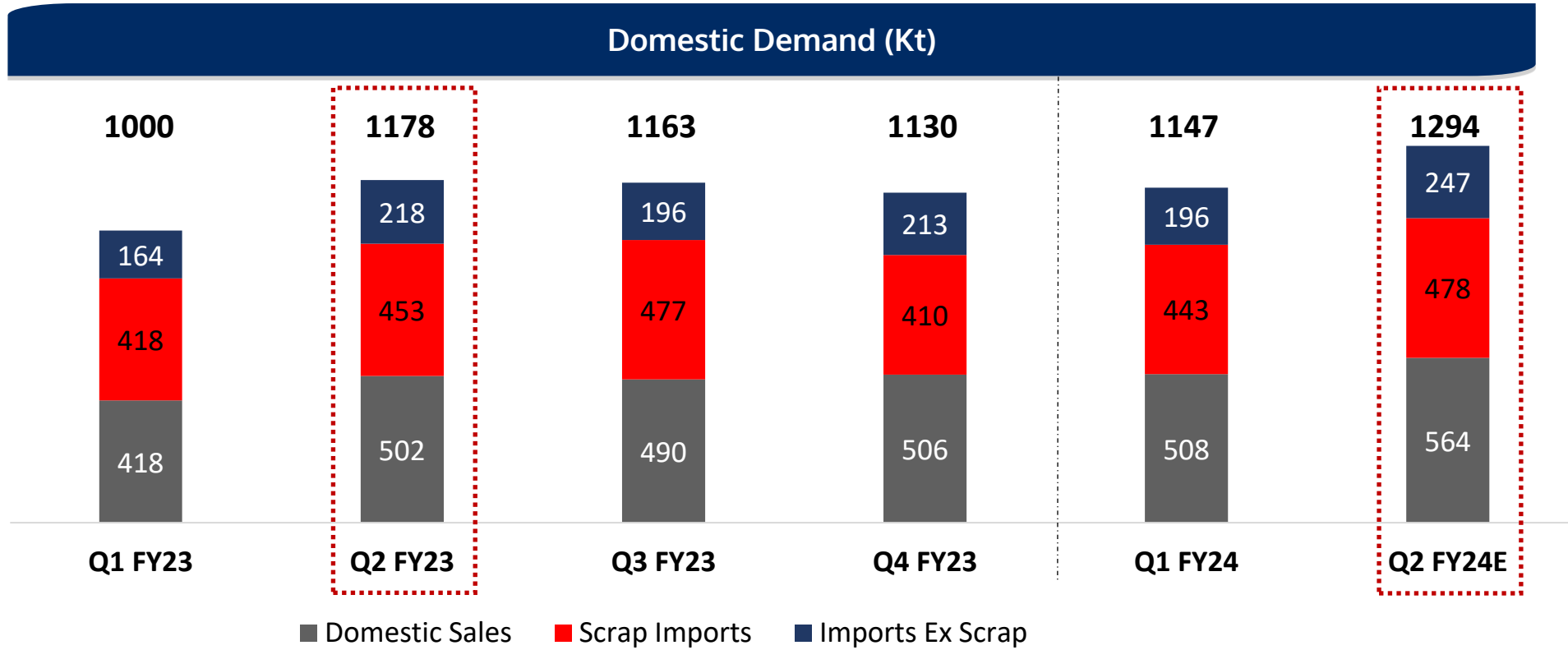
Global Demand & Supply Balance (Million Tons)



Global Price Aluminium (Cash-\$/Ton)



Domestic Aluminium Industry



- In Q2 FY24, the domestic demand is likely to reach 1,294 Kt (10% growth YoY), whereas sequentially this demand is expected to grow by 13%
- Sharp sequential growth is supported by strong demand in Electrical, Building & Construction, and Auto

Aluminium Flat Rolled Products (FRP) Industry

- Global FRP Demand is estimated to decline by ~3% in CY23 (vs CY22 growth of 3%).



Beverage Packaging

- Supply chain inventory reduction is largely complete
- US market demand is strong
- South American market is strengthening going into summer season
- Economic pressure in Mexico & European markets
- CAGR 3% (CY22-31)**



Automotive

- Pent-up demand increasing vehicle production
- Increasing share of electric vehicles in production mix favors aluminum use
- CAGR 11% (FY23-28)**



Speciality

- Demand broadly moves with GDP, and supported by sustainability & product innovation
- Headwinds from high inflation & interest rates impacting B&C
- Increasing competitive activity pressuring prices in container foil



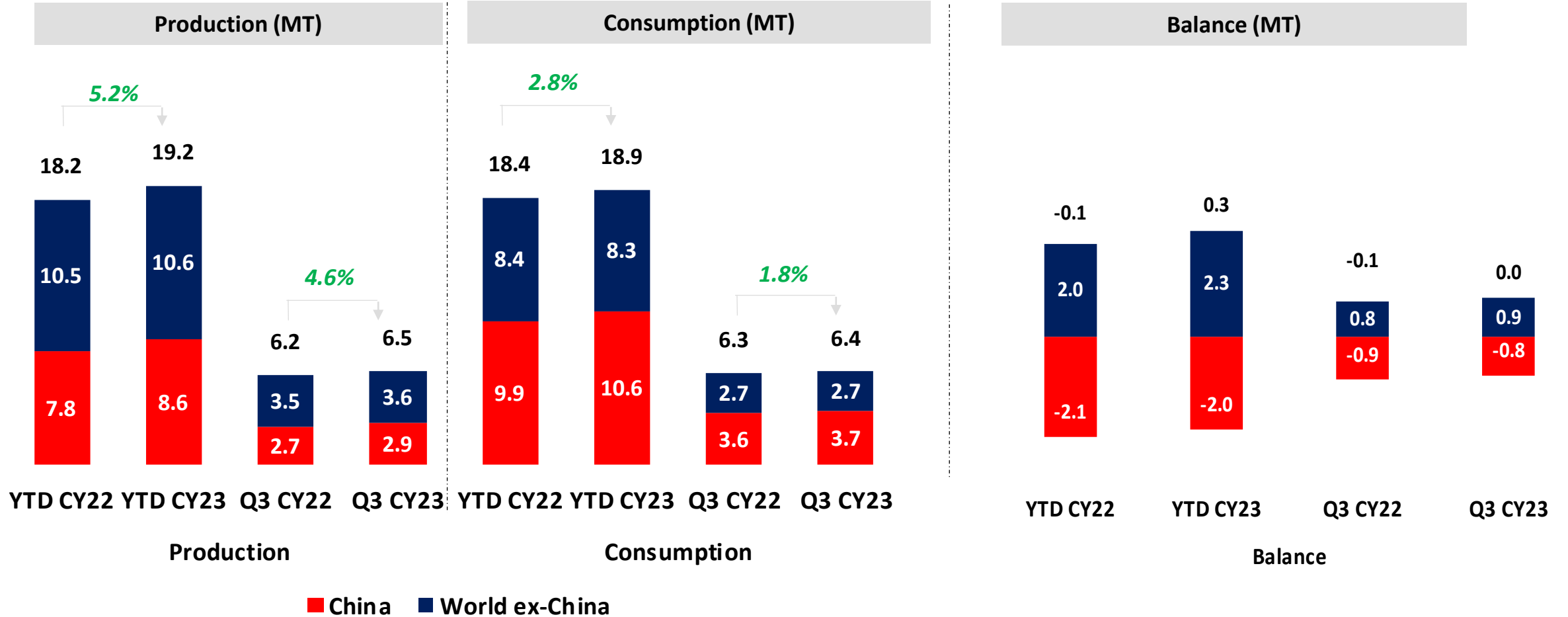
Aerospace

- Strong growth in aircraft build rates at OEMs
- Sustainability in Aerospace is gaining importance
- Multi-year aircraft order backlog continues

- In FY24, Domestic demand is estimated to grow by 7-8%, supported by growth in the auto and packaging segments

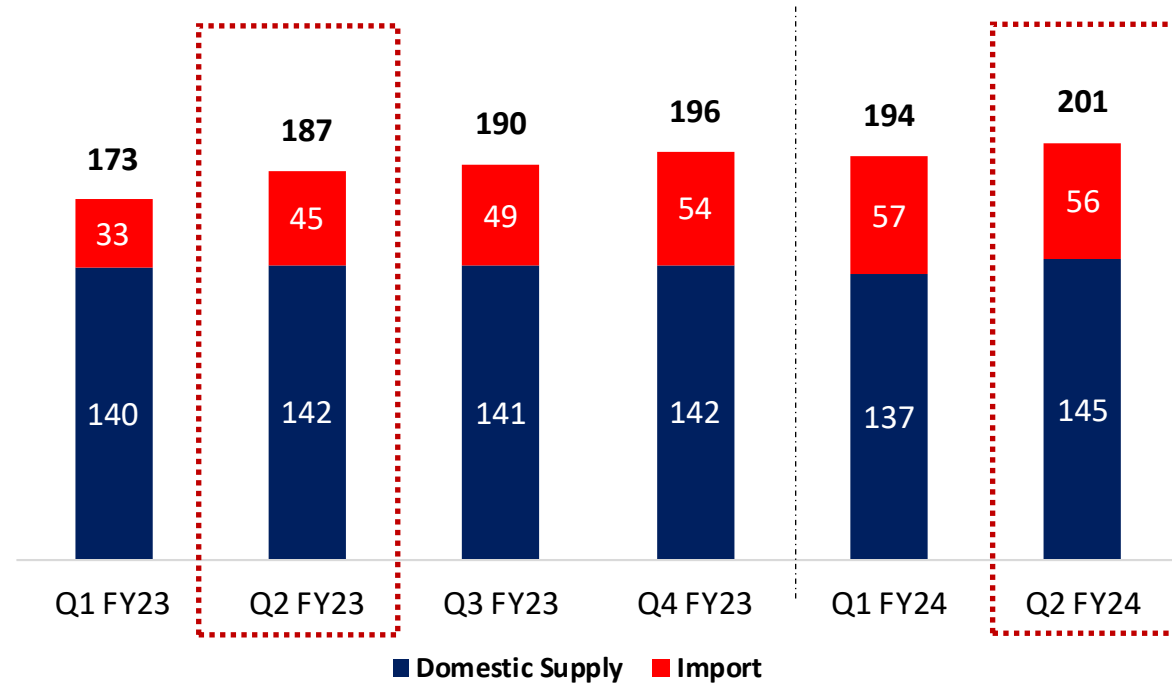
Global Copper Industry

Global Demand & Supply Balance (in Mt)



Domestic Copper Industry

Market Demand (kT)



- In Q2 FY24, market demand increased by ~7% YoY at 201 kt vs 187 KT in Q2 FY23.
- On a sequential basis, In Q2 FY24, market demand increased by 3%, while domestic producer's share is close to 72%.

Key Macro Drivers (Q2 FY23 vs Q2 FY24)

TC/RC 

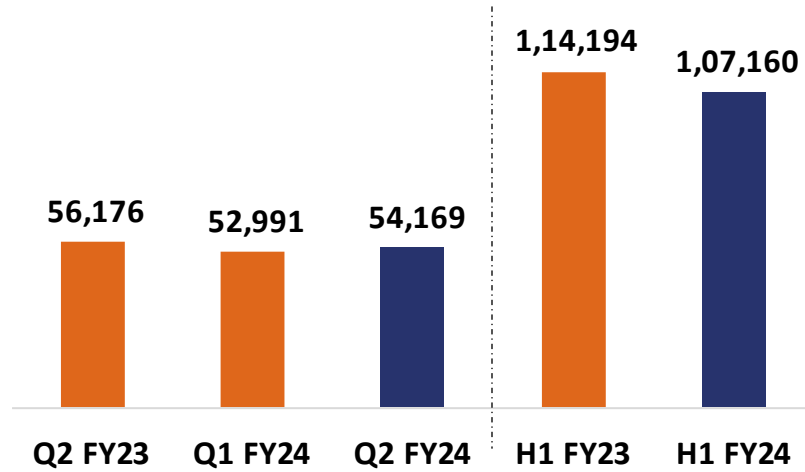
S. Acid Price 

Consolidated Financial Performance

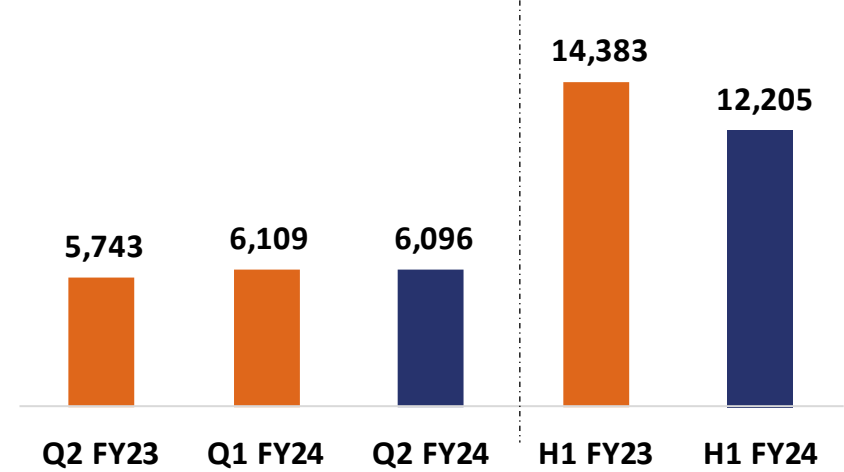


Consolidated Financial Performance

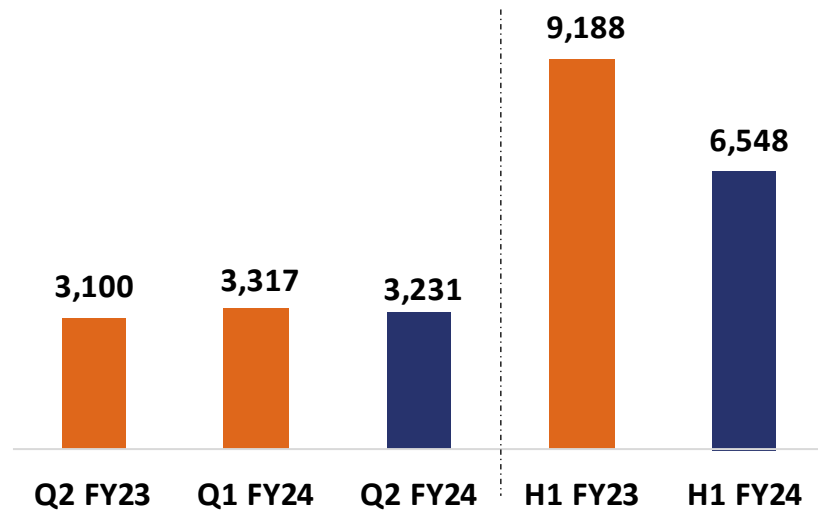
Revenue (₹ Crore)



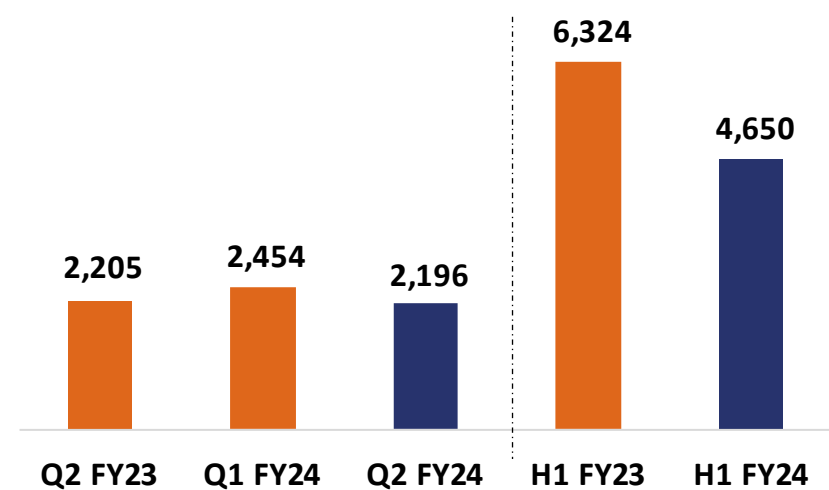
EBITDA (₹ Crore)



PBT after Exceptional Items (₹ Crore)



PAT (₹ Crore)

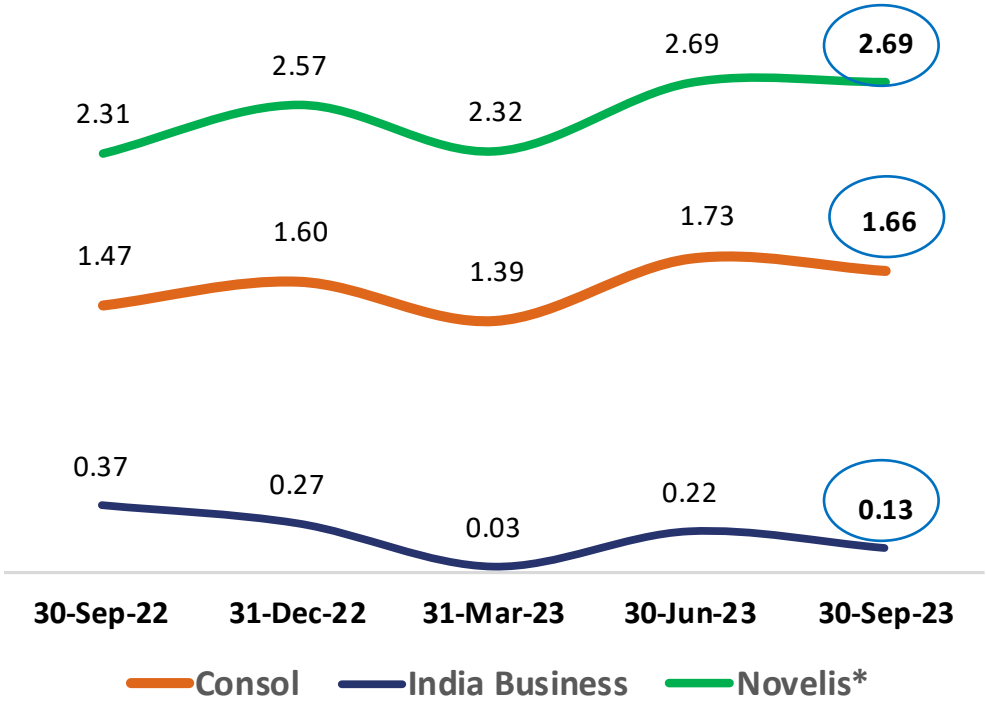


Consolidated Debt and leverage

(₹ Crores)

Particulars (Consolidated)	As on 30-Sep-22	As on 31-Dec-22	As on 31-Mar-23	As on 30-Jun-23	As on 30-Sep-23
Gross Debt	61,536	59,720	58,337	57,382	56,578
Cash & Cash Equivalents	19,473	18,004	24,378	18,919	18,965
Net Debt	42,063	41,716	33,959	38,463	37,613
TTM Adjusted Segment EBITDA	28,559	26,004	24,484	22,218	22,658

Net Debt to EBITDA (x)



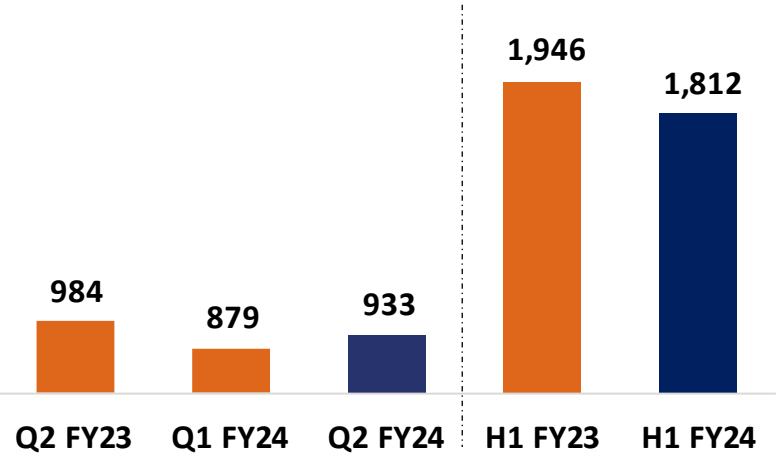
* As per US GAAP

Novelis



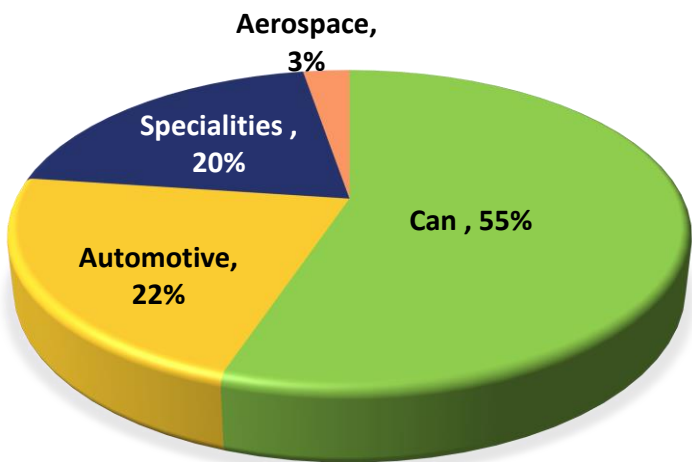
Novelis : An Overview

Overall Shipments (Kt)



- Sequential improvement in Adjusted EBITDA and EBITDA per ton in Q2 FY24 on account of recovery in overall shipments and higher utilization of scrap.
- Shipments at 933 Kt, up by 6% QoQ, contributed largely by sequential increase in can shipments of 12%.
- Beverage packaging sheet demand normalizing with stabilizing supply chains across regions .
- All Expansion projects on track**

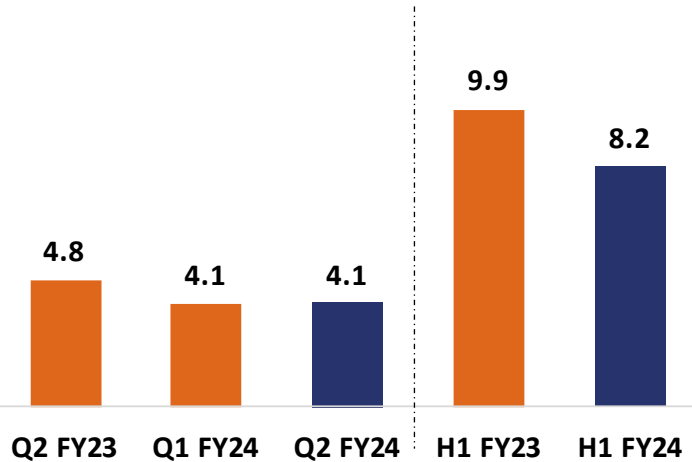
H1 FY24 : Shipments Mix (%)



Project Name	Location	Amount(Approx)
Greenfield rolling & recycling facility	Bay Minette, US	\$2.7-2.8 billion
Automotive recycling center	Guthrie, US	\$365 million
Recycling expansion	Ulsan, S. Korea	\$50 million
Debottlenecking & rolling capacity release investment	Oswego, Logan, Yeongju & Brazil	\$350 million

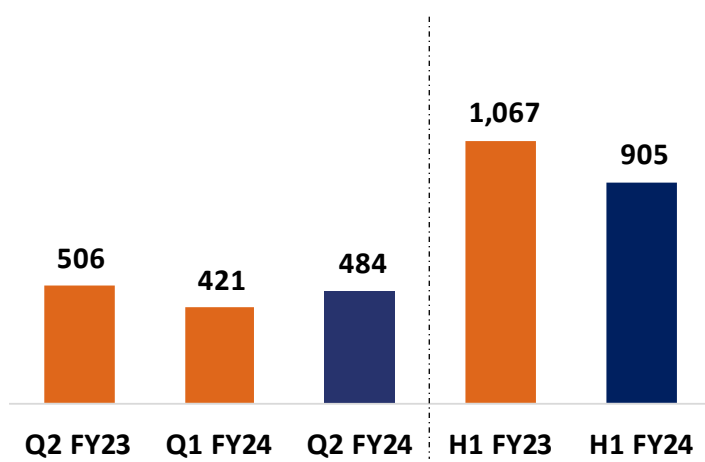
Novelis Financial Performance

Revenue (\$ Billion)



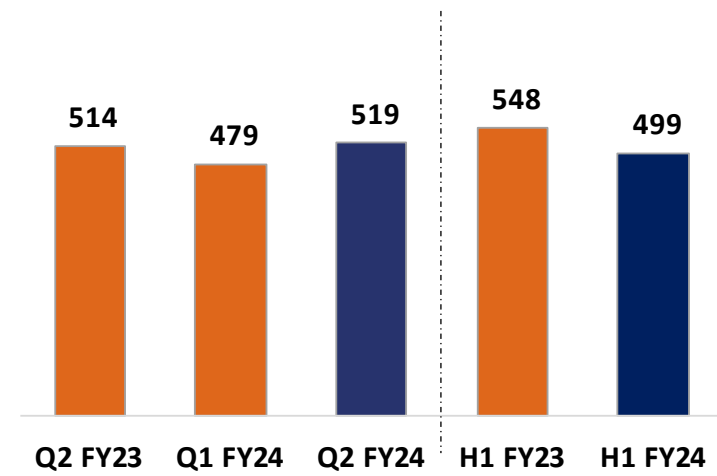
- Net sales in Q2 FY24 stands at \$4.1 billion, flat **QoQ**

Adjusted EBITDA (\$ Million)



- Adjusted EBITDA at \$484 million in Q2 FY24, up **15% QoQ**, on account of higher volumes and better scrap utilization

Adjusted EBITDA (\$/tonne)



- Adjusted EBITDA per ton at \$519/t in Q2 FY24, up **8% QoQ**

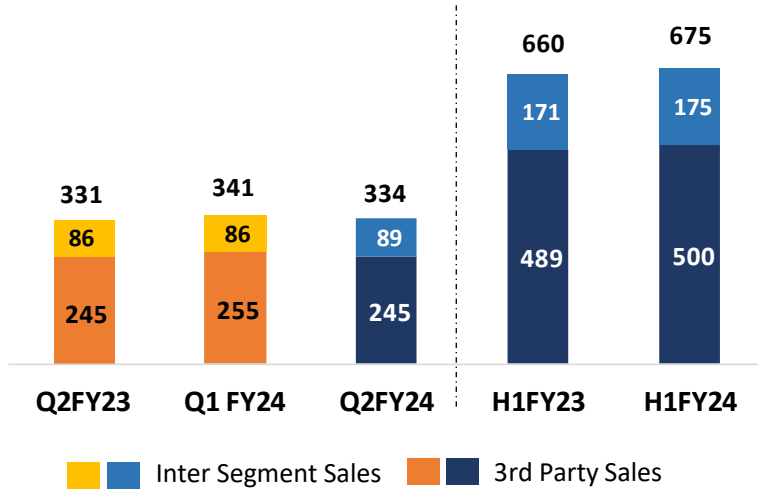
Note: All above numbers are as per the US GAAP

Aluminium Upstream Performance

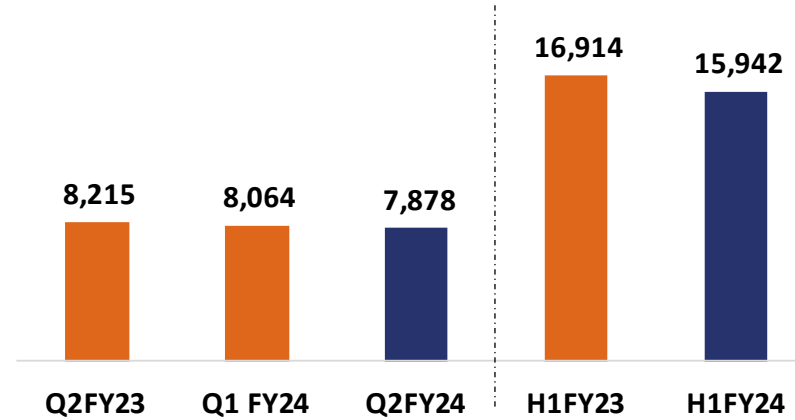


Aluminium Upstream (India)

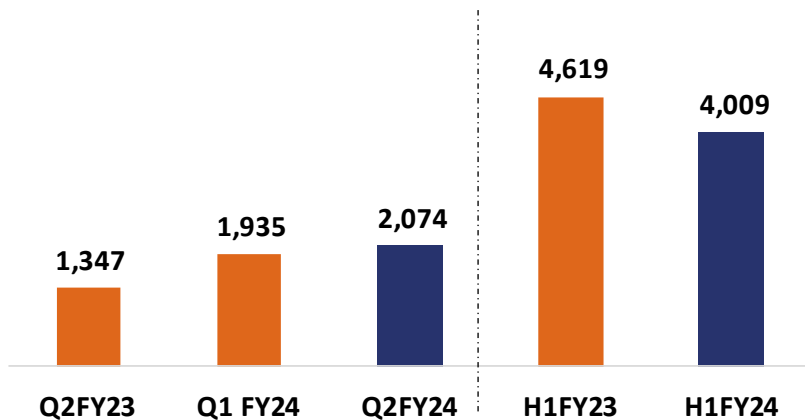
Shipments (Kt)



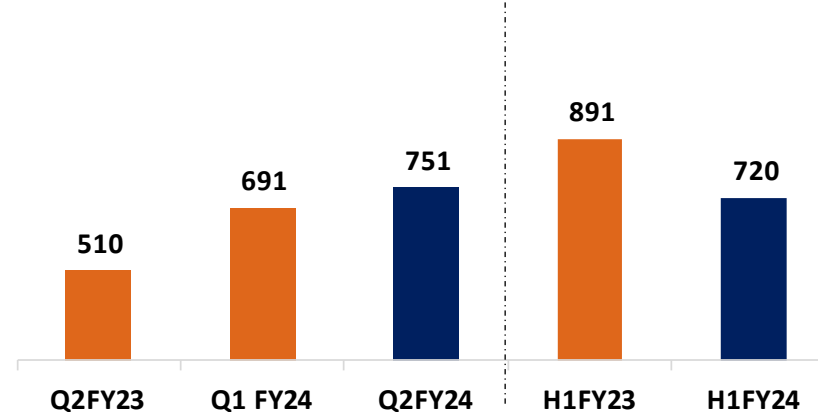
Revenue (₹ Crore)



EBITDA (₹ Crore)



EBITDA per ton (\$)



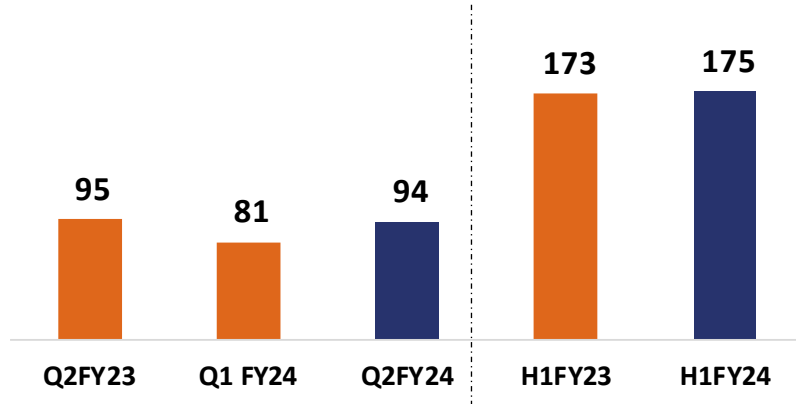
- Shipments were **334 kt** lower by **2%** QoQ
- Revenues were down **2%** QoQ due to lower metal prices and shipments
- EBITDA at **₹2,074** crore, **up 7%** QoQ backed by lower input cost
- EBITDA margin at **26.3%** Vs **24%** in Q1FY24
- EBITDA per ton at **\$751** in Q2 FY24 vs **\$691** in Q1 FY24, **up 9%** QoQ

Aluminium Downstream Performance

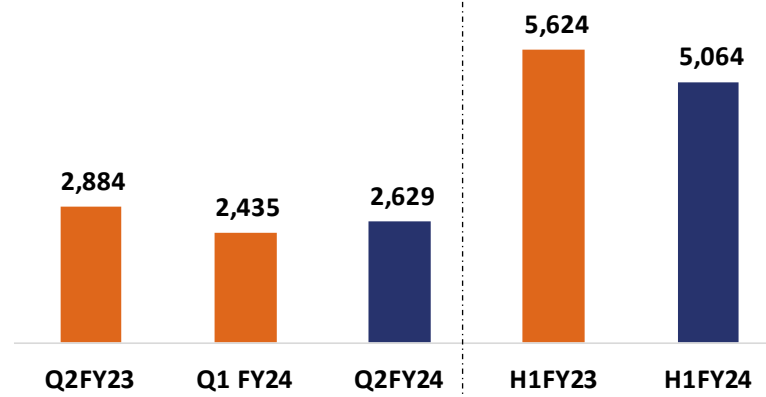


Aluminium Downstream[#] (India)

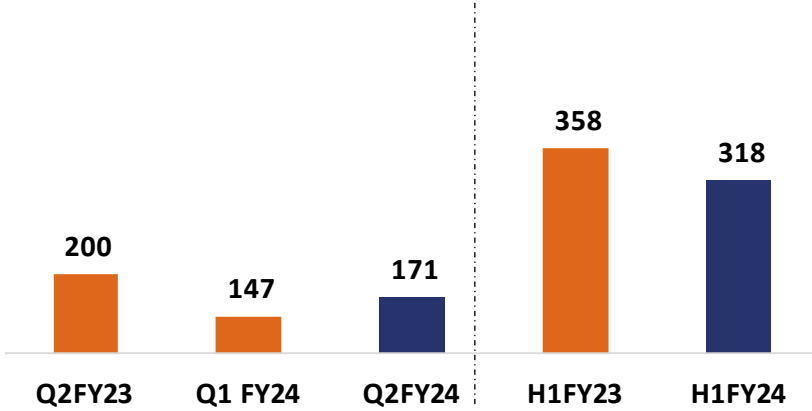
Shipments (Kt)



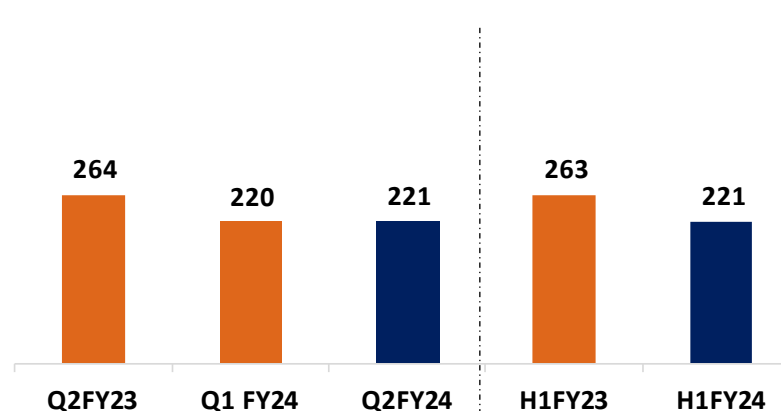
Revenue (₹ Crore)



EBITDA (₹ Crore)



EBITDA per ton (\$)



- In Q2 FY24 **shipments** was higher by 15% QoQ due to market recovery.
- In Q2 FY24 **Revenue** was ₹2,629 crore, up by 8% QoQ on account of higher volumes.
- **EBITDA** at ₹171 crore, up 16% QoQ in Q2 FY24 on account of higher volumes.
- **EBITDA per ton** maintained at \$221 in Q2 FY24 vs \$220/ton in Q1 FY24.

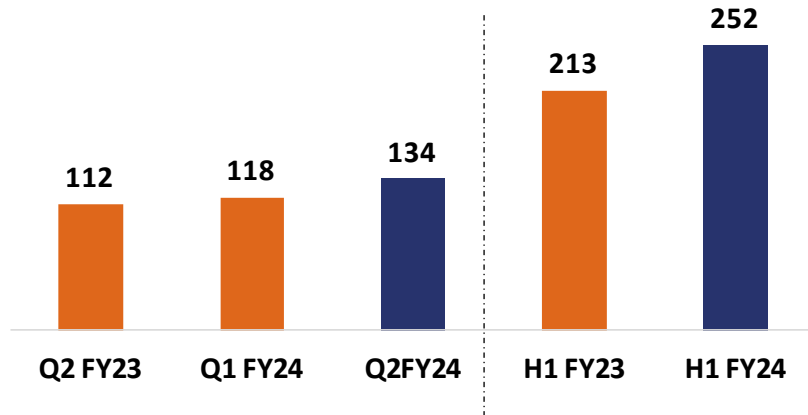
includes Flat Rolled Products, Foils & Extrusions

Copper Performance

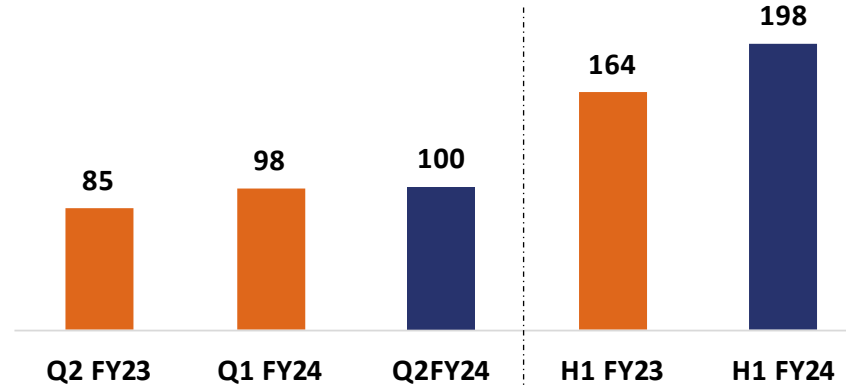


Copper

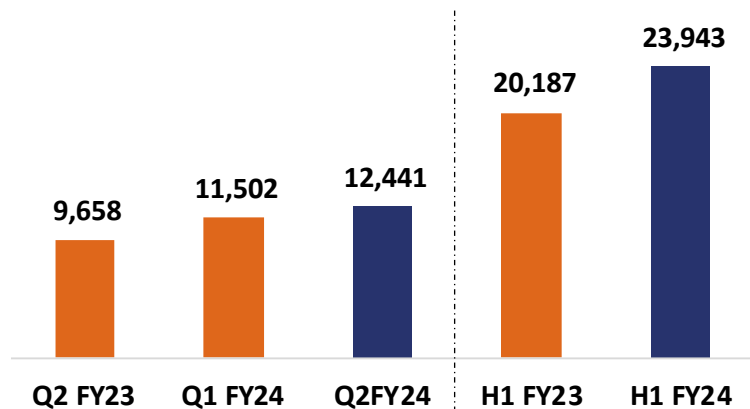
Shipments : Copper Metal (Kt)



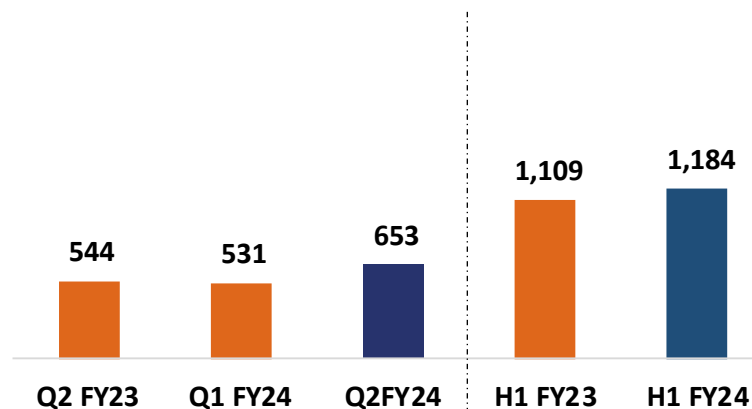
Shipments : CC Rods (Kt)



Revenue (₹ Crore)



EBITDA (₹ Crore)



- Highest ever metal shipments at 134kt **up by 13% QoQ**
- CC Rod shipments at 100Kt, **up 2% QoQ** in line with the market demand
- Revenues were up by **8% QoQ** in Q2 FY24, on account of higher shipments
- **Record EBITDA** in Q2 FY24 up **23% QoQ**, on account of higher shipments

Summary



Resilient India Business

- Strong balance sheet at India Business, an enabler for organic growth
- Focus on resource security and downstream expansion

Copper continues to Outperform

- Copper Business continues to deliver its best-ever quarterly performance
- Focus on VAP expansion catering to the niche segments

Novelis continues on a strong recovery path

- Recovery in Can shipments in Q2 FY24 vs Q1 FY24 by 12%
- Higher shipments and scrap utilization providing support

Focus on ESG

- ~50% target achieved in Renewables in H1 FY24
- LTIFR continues to improve and amongst the industry best
- Focus on 2050 ESG Commitments

Organic Expansion on track

- Committed organic growth projects of ~\$3.5 billion in Novelis & \$1.13 billion projects in India are on track

Our way forward

- Shift from metal manufacturer to a solution provider
- Committed to maintain strong balance sheet
- Continue to focus on shareholder value creation through prudent capital allocation

Thank You

For Further Queries Please Contact :

Subir Sen,
Investor Relations
Telephone +91 22 6662 6666
E mail: hilinvestors@adityabirla.com
Website: www.hindalco.com

Registered Office

21st Floor, One International Centre, Tower 4, Near
Prabhadevi Railway Station, Senapati Bapat Marg,
Prabhadevi, Mumbai – 400013
Telephone:- 91 22 6947 7000
Website: www.hindalco.com
E mail: hindalco@adityabirla.com
Corporate Identity No. L27020MH1958PLC011238



Annexures



Consolidated : Key Financials

Particulars (₹ Crore)	Q2 FY23	Q1 FY24	Q2 FY24	Change YoY %	QoQ Change %	H1 FY23	H1 FY24	Change YoY %
Revenue from Operations	56,176	52,991	54,169	-4%	2%	1,14,194	1,07,160	-6%
Earning Before Interest, Tax, Depreciation & Amortisation (EBITDA)								
<i>Novelis*</i>	4,047	3,456	3,998	-1%	16%	8,381	7,454	-11%
<i>Aluminium Upstream</i>	1,347	1,935	2,074	54%	7%	4,619	4,009	-13%
<i>Aluminium Downstream</i>	200	147	171	-15%	16%	358	318	-11%
<i>Copper</i>	544	531	653	20%	23%	1,109	1,184	7%
Business Segment EBITDA	6,138	6,069	6,896	12%	14%	14,467	12,965	-10%
<i>Inter Segment Profit/ (Loss) Elimination (Net)</i>	437	(10)	(1)			371	(11)	
<i>Unallocable Income/ (Expense) - (Net) & GAAP Adjustments</i>	(832)	50	(799)			(455)	(749)	
EBITDA	5,743	6,109	6,096	6%	0%	14,383	12,205	-15%
Finance Costs	879	992	1,034	-18%	-4%	1,726	2,026	-17%
PBDT	4,864	5,117	5,062	4%	-1%	12,657	10,179	-20%
Depreciation & Amortisation (including impairment)	1,766	1,790	1,864	-6%	-4%	3,515	3,654	-4%
Share in Profit/ (Loss) in Equity Accounted Investments (Net of Tax)	2	2	-			5	2	
Profit before Exceptional Items and Tax	3,100	3,329	3,198	3%	-4%	9,147	6,527	-29%
Exceptional Income/ (Expenses) (Net)	-	(12)	33			41	21	
Profit Before Tax (After Exceptional Item)	3,100	3,317	3,231	4%	-3%	9,188	6,548	-29%
Tax	895	863	1,035	-16%	-20%	2,864	1,898	34%
Profit/ (Loss) After Tax	2,205	2,454	2,196	0%	-11%	6,324	4,650	-26%
<i>EPS (₹/Share) - Basic</i>	9.92	11.05	9.88			28.44	20.93	

Hindalco (India) Business : Key Financials

Particulars (₹ Crore)	Q2 FY23	Q1 FY24	Q2 FY24	YOY Change %	QoQ Change%	H1 FY23	H1 FY24	Change %
Revenue from Operations	18,963	20,230	21,103	11%	4%	38,696	41,333	7%
EBITDA								
<i>Aluminium - Upstream</i>	1,347	1,935	2,074	54%	7%	4,619	4,009	-13%
<i>Aluminium - Downstream</i>	200	147	171	-15%	16%	358	318	-11%
<i>Copper</i>	544	531	653	20%	23%	1,109	1,184	7%
Business Segment EBITDA	2,091	2,613	2,898	39%	11%	6,086	5,511	-9%
<i>Inter Segment (Profit)/ Loss Elimination (Net)</i>	437	(10)	(1)			371	(11)	
<i>Unallocable Income/ (Expense) (Net)</i>	(244)	(133)	(329)			(467)	(462)	
EBITDA	2,284	2,470	2,568	12%	4%	5,990	5,038	-16%
Finance Costs	345	353	340	1%	4%	728	693	5%
PBDT	1,939	2,117	2,228	15%	5%	5,262	4,345	-17%
Depreciation	609	589	597	2%	-1%	1,165	1,186	-2%
Profit before Exceptional Items and Tax	1,330	1,528	1,631	23%	7%	4,097	3,159	-23%
Exceptional Income/ (Expenses) (Net)	-	(12)	33			41	21	
Profit Before Tax (After Exceptional Item)	1,330	1,516	1,664	25%	10%	4,138	3,180	-23%
Tax	409	545	453			1,431	998	
Profit/ (Loss) After Tax	921	971	1,211	31%	25%	2,707	2,182	-19%

Aluminium (India) Business : EBITDA and Sales Reconciliation

Aluminium Business EBITDA

Particulars (in Rs Cr)	Q2FY23	Q1 FY24	Q2 FY24	H1 FY23	H1FY24
EBITDA - Upstream	1,347	1,935	2,074	4,619	4,009
EBITDA - Downstream	200	147	171	358	318
<i>Intersegment Profit /(Loss) Elimination (Net)</i>	<i>437</i>	<i>(10)</i>	<i>(1)</i>	<i>371</i>	<i>(11)</i>
<i>Metal Price Lag*</i>	<i>(234)</i>	<i>(51)</i>	<i>(82)</i>	<i>(277)</i>	<i>(133)</i>
Aluminium Business EBITDA	1,750	2,021	2,162	5,071	4,183

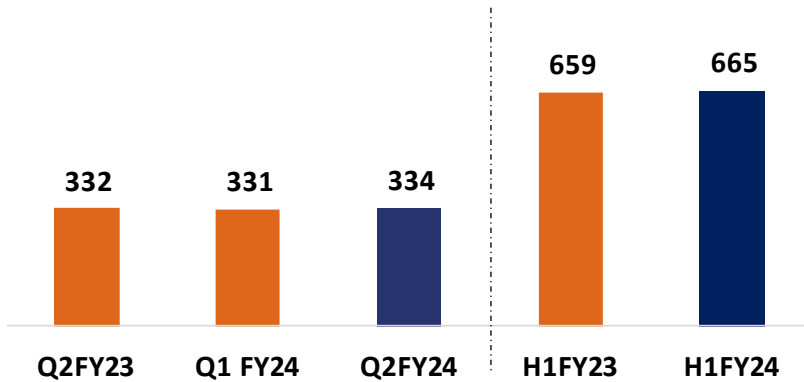
* Part of the Unallocable Income/(Expense) (Net)

Aluminium Sales Reconciliation

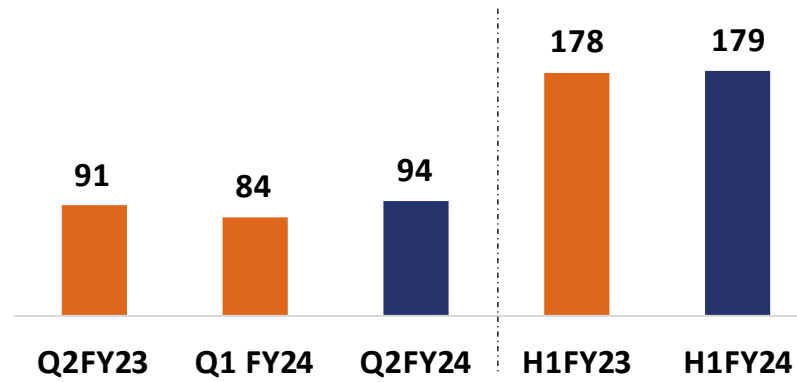
Particulars (in Kt)	Q2FY23	Q1 FY24	Q2 FY24	H1 FY23	H1FY24
Upstream - Sales Third Party (A)	245	255	245	489	500
<i>Intersegment Sales</i>	<i>86</i>	<i>86</i>	<i>89</i>	<i>171</i>	<i>175</i>
Total Upstream Shipments	331	341	334	660	675
Downstream Third Party Sales (B)	95	81	94	173	175
Total Third Party Sales (A)+(B)	340	336	338	663	675

Production Trend

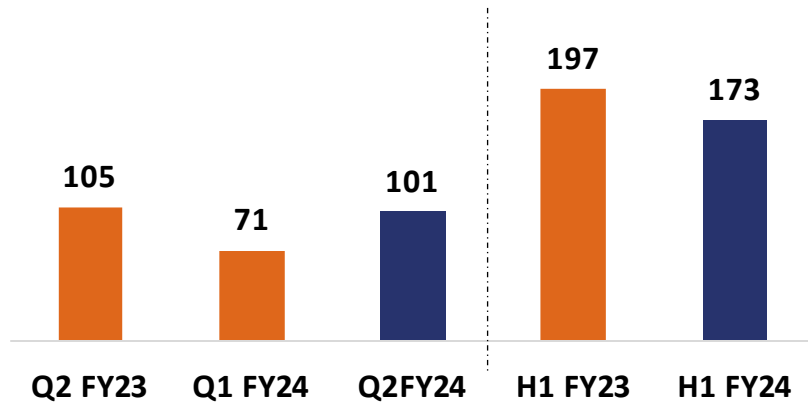
Aluminium Upstream (Kt)



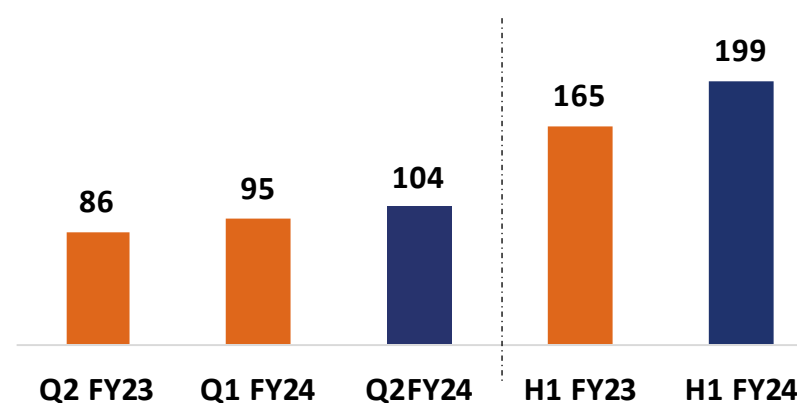
Aluminium Downstream# (Kt)



Copper Cathode (Kt)



Copper CC Rods (Kt)



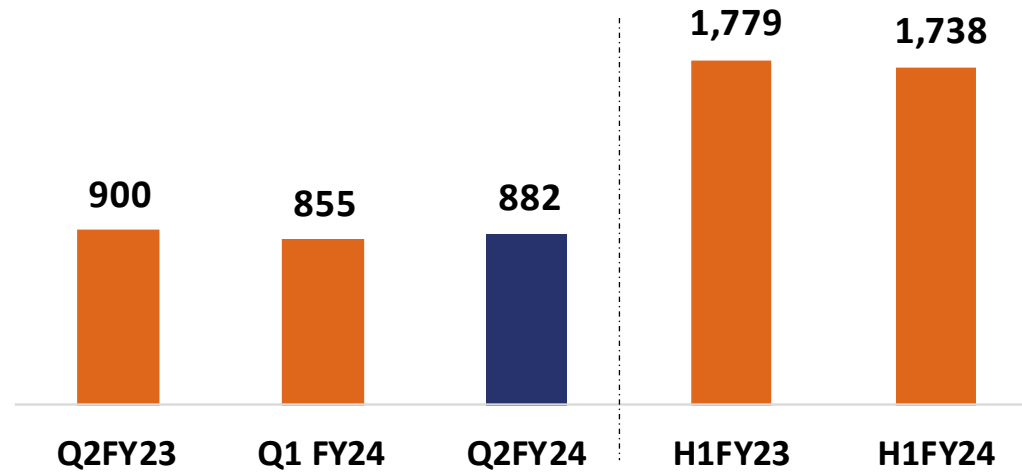
- Aluminium Upstream Production were 334 kt, higher by 1% QoQ
- Aluminium Downstream Production was 94 kt, higher by 12% QoQ
- Copper Cathodes production was 101 kt, up 42% QoQ
- Record Copper CC Rod** production at 104 kt, up 9% QoQ

includes Flat Rolled Products & Extrusions

*Note : The numbers of prior quarters have been re-instated accordingly for a comparative analysis

Production – Total Alumina

Alumina* (KT)

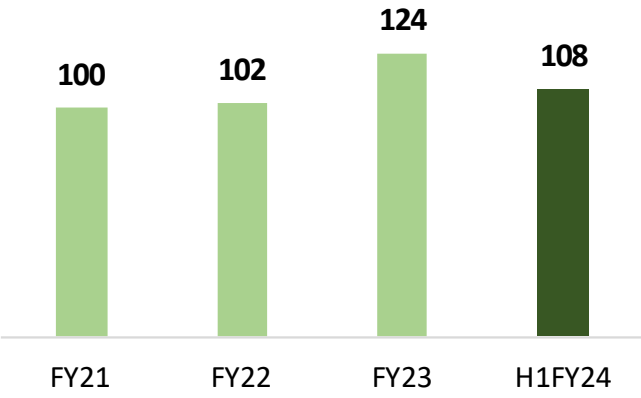


- Total Alumina production was up 3% QoQ
- Of this production at Utkal Alumina refinery at 576 Kt in Q2 FY24, flattish QoQ

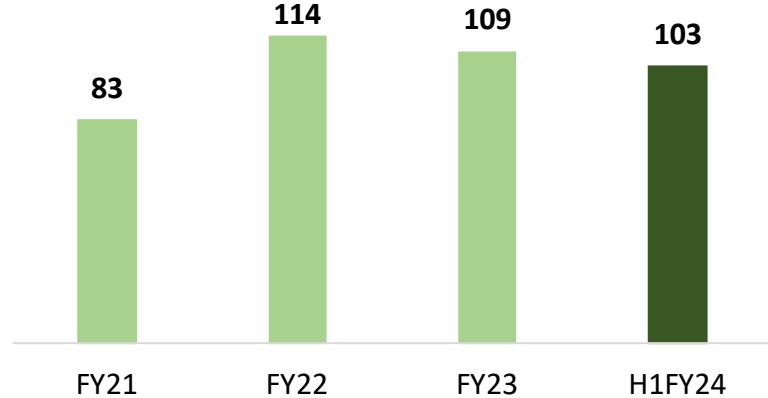
*Hydrate as Alumina

Hindalco : ESG metrics in Waste, Water, GHG, LTIFR & Fatality

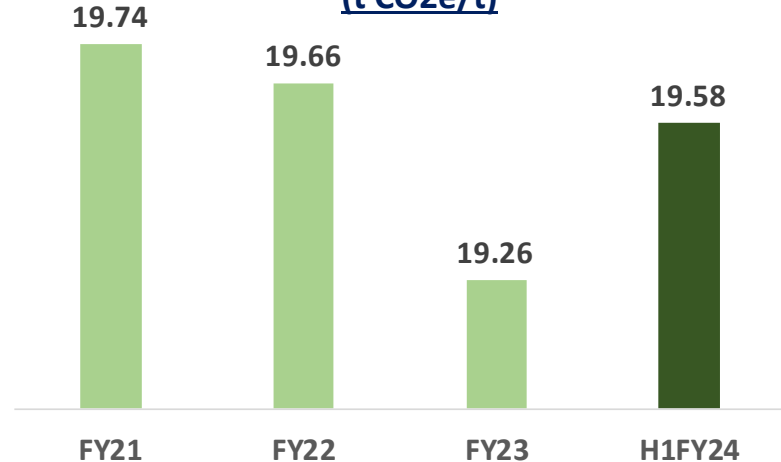
% Recycling of Bauxite Residue/ Red mud (except from Utkal Refinery)



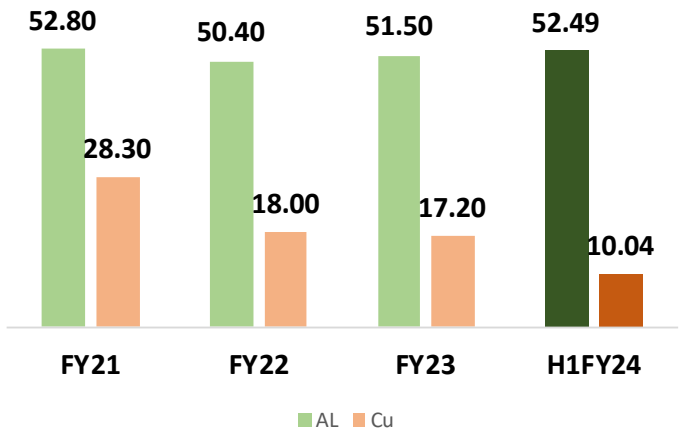
% Recycling of Ash



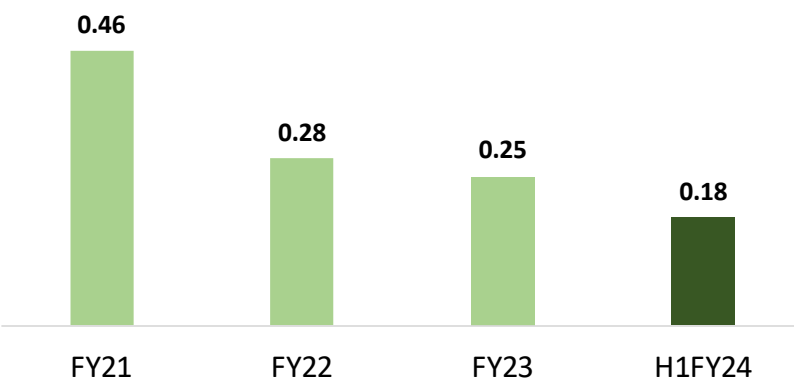
Aluminium Specific GHG Emissions (t CO2e/t)



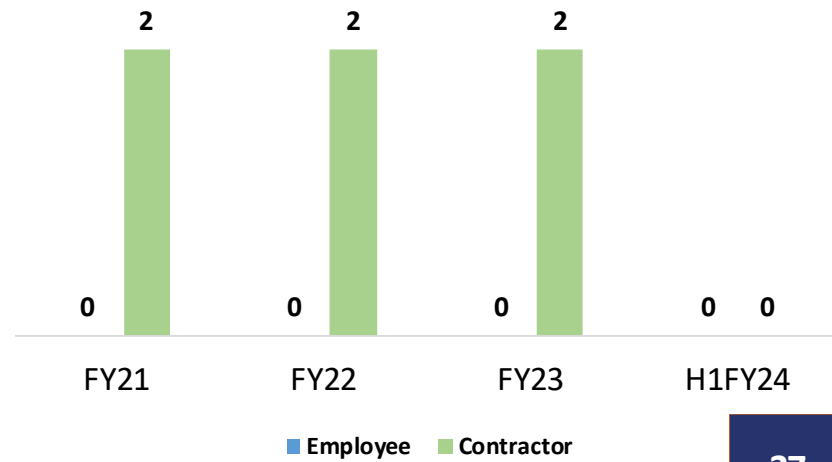
Specific freshwater Consumption (m3/T metal)



Lost Time Injury Frequency Rate (LTIFR)



Fatality (in Nos)



Q2 FY24 : Earnings Concall

Earnings Conference Call is scheduled at 4:00 PM (IST) on November 10, 2023. The dial in numbers for the call are given below

<u>Location:</u>	<u>ACCESS NUMBER</u>
<u>Universal Access (India)</u>	
Primary Number	(+) 91 22 6280 1303
Secondary Number	(+) 91 22 7115 8204
<u>International TollFree Numbers</u>	
USA	(+) 1 866 746 2133
UK	(+) 080 810 11573
Singapore	(+) 800 101 2045
Hong Kong	(+) 800 964 448
<u>Online Pre-Registration Link</u>	
	<u>Click Here</u>
Investor Presentation post announcement of the results (link)	
	<u>Reports and Presentations – Hindalco</u>
Post Earnings Call Recording (link)	