

Media Release

Hindalco Reports Consolidated Fourth Quarter and Full Year FY22 Results

Quarterly Net Profit doubles to a record-high of ₹3,851 crore

Full year Net Profit jumps four times to ₹13,730 crore

Key Highlights of Q4 FY22 (vs Q4 FY21)

- All-time high Consolidated PAT at ₹3,851 crore, up 100% YoY
- Consolidated EBITDA at ₹7,597 crore, up 30% YoY
- Novelis Net Income from continuing operations at \$217* million, up 21% YoY
- All-time high quarterly Aluminium India EBITDA at ₹4,050 crore, up 123% YoY; EBITDA margins of 41%

Key Highlights of FY22 (vs FY21)

- Consolidated EBITDA at ₹30,056 crore, up 59%; margin at 15% YoY
- Consolidated PAT jumped nearly four times to ₹13,730 crore, up 294% YoY
- Record Novelis Adjusted EBITDA at \$2.0* billion, up 19% YoY
- Novelis Adjusted EBITDA per ton at \$530*, up 12% YoY
- Record Novelis Net Income from continuing operations at \$1.0 billion, up 122% YoY
- Aluminium India Business EBITDA at ₹13,025 crore, up 139%; margin at 41%
- Consolidated Net Debt to EBITDA at a strong 1.36x as of March 31, 2022 vs 2.59x as of March 31, 2021
- Board recommends dividend @400%(₹4/share) for FY22 as against 300%(₹3/share) for FY21
- Hindalco retains position as world's most sustainable aluminium company in DJSI 2021
- Hindalco achieves 'S&P Global Sustainability Yearbook 2022 - Gold Class' distinction

*As per US GAAP

MUMBAI, May 26, 2022

Hindalco Industries Limited, the Aditya Birla Group metals flagship, has outperformed financially and operationally, reporting its highest ever quarterly net profit in Q4 FY22. The Company's consolidated PAT peaked to a record-high of ₹3,851 crore, a 100% growth YoY. The results were driven by an exceptional performance by India Business, supported by favourable macros, strategic product mix and an improved performance by the downstream business. Novelis' Q4 results were impacted primarily due to cost inflation, semiconductor chip shortage in automotive and other short-term operational issues.

Consolidated Financial Highlights for the Full Year and Quarter ended March 31, 2022 (₹ Crore)

| Particulars | Q4 FY21 | Q3 FY22 | Q4 FY22 | FY21 | FY22 |
|---|---------------|---------------|---------------|-----------------|-----------------|
| Revenue from Operations | 40,507 | 50,272 | 55,764 | 1,31,985 | 1,95,059 |
| Earning Before Interest, Tax, Depreciation & Amortisation (EBITDA) | | | | | |
| <i>Novelis*</i> | 3,705 | 3,792 | 3,247 | 12,727 | 15,229 |
| <i>Aluminium</i> | 1,819 | 3,376 | 4,050 | 5,441 | 13,025 |
| <i>Copper</i> | 322 | 390 | 387 | 869 | 1,390 |
| <i>All Other Segments</i> | 13 | 22 | 7 | 26 | 26 |
| Business Segment EBITDA | 5,859 | 7,580 | 7,691 | 19,063 | 29,670 |
| <i>Unallocable Income/(Expense) - (Net) & GAAP Adjustments</i> | (14) | 44 | (94) | (167) | 386 |
| EBITDA | 5,845 | 7,624 | 7,597 | 18,896 | 30,056 |
| Finance Costs | 903 | 852 | 805 | 3,738 | 3,768 |
| PBDT | 4,942 | 6,772 | 6,792 | 15,158 | 26,288 |
| Depreciation & Amortisation (including impairment) | 1,722 | 1,742 | 1,761 | 6,766 | 6,884 |
| Share in Profit/ (Loss) in Equity Accounted Investments (Net of Tax) | - | 3 | 1 | 5 | 6 |
| Profit before Exceptional Items and Tax | 3,220 | 5,033 | 5,032 | 8,397 | 19,410 |
| Exceptional Income/ (Expenses) (Net)# | 34 | 165 | (251) | (492) | 164 |
| Profit Before Tax (After Exceptional Item) | 3,254 | 5,198 | 4,781 | 7,905 | 19,574 |
| Tax | 1,309 | 1,538 | 921 | 2,723 | 5,373 |
| Profit/ (Loss) from Continuing Operations | 1,945 | 3,660 | 3,860 | 5,182 | 14,201 |
| <i>Profit/ (Loss) from Discontinued Operations</i> | (17) | 15 | (9) | (1,699) | (471) |
| Profit/ (Loss) After Tax | 1,928 | 3,675 | 3,851 | 3,483 | 13,730 |
| EPS (₹/Share) | 8.7 | 16.5 | 17.3 | 15.7 | 61.7 |

*As per US GAAP ;

#Exceptional Income / (Expenses) for the quarter and the year ended March 31, 2022, exclude ₹ Nil and ₹ 418 crore, respectively, which represents the principal portion of (a) PIS/COFINS related tax credit income in Brazil ₹ Nil for the Q4FY22 and ₹ 358 crore (net of litigation cost of ₹ 9 crore) for YTD FY22 and (b) tax rebates for sales to Manaus, Brazilian Free Trade Zone ₹ Nil for the Q4FY22 and ₹ 60 crore for YTD FY22, as it is included in the results of Novelis segment.

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

“With record profitability in the fourth quarter, we had a very good end to the year. We attribute Hindalco’s highest-ever profits not just to strong macros, but also our consistent focus on operational excellence and cost optimization. We continue to remain one of the world’s lowest cost and highest EBITDA margin producers of aluminium.

Our strategy to build a more sustainable business model that is isolated from metal cycles is working very well for us. In line with this, we have allocated over 70% of our growth capex to value-enhancing downstream segments. All our growth capex for the next five years will be funded out of internal accruals.

Our growth strategy will continue to be shaped by our 2050 ESG goals – achieving Net Zero in carbon emissions, effluent discharge, biodiversity loss and waste to landfill. To sum up, Hindalco sees a positive horizon which inspires us to invest in future-centric growth projects.”

Business Segment Performance in Q4 FY22 (vs Q4 FY21)

Novelis

Novelis reported quarterly adjusted EBITDA of \$431 million (vs \$505 million), down 15% YoY, primarily due to cost inflation, semiconductor chip shortage in automotive and other short-term operational issues, and a non-recurring regulatory provision taken in the quarter. Novelis reported an Adjusted EBITDA per ton of \$437 in Q4 FY22, compared to \$514 in the prior year.

Novelis' Net Income from continuing operations was \$217 million, up 21% YoY, mainly driven by lower interest expense in Q4 FY22. Revenue was \$4.8 billion (vs \$3.6 billion), up 34% YoY, driven by higher global aluminium prices. Total shipments of flat rolled products (FRPs) were up at 987 Kt vs 983 Kt in Q4 FY21.

Aluminium India

EBITDA was at an all-time high of ₹4,050 crore in Q4 FY22, compared with ₹1,819 crore for Q4 FY21, an increase of 123% YoY, primarily due to favourable macros, higher volumes, better operational efficiencies, and improved performance of downstream business offset by higher input costs. EBITDA margins were at 41% and continue to be the best in the industry. Revenue was ₹9,847 crore in Q4 FY22 vs ₹5,969 crore in the prior year period. Aluminium India Business recorded metal production of 326 Kt vs 316 Kt in the corresponding quarter. Aluminium metal sales were up 2% YoY at 336 Kt vs 329 Kt in the prior year. Aluminium VAP (excluding wire rods) sales volumes were at a record 93 Kt (vs 92 Kt), up 1% YoY, driven by recovery of the domestic market. VAP sales, as a percentage of total metal sales, were at 28% this quarter which was the same as the prior year quarter.

Copper

Copper Cathode production was at 94 Kt in Q4 FY22 (vs 97 Kt in Q4 FY21) while copper rod production was 69 Kt in Q4 FY22 (vs 76 Kt in Q4 FY21). Overall copper metal sales were at 105 Kt (vs 107 Kt in Q4 FY21), Copper Continuous Cast Rod (CCR) sales in Q4 FY22 were up 2% YoY, at 74 Kt (vs 73 Kt in Q4 FY21). EBITDA for the business stood at ₹387 crore in Q4 FY22 compared to ₹322 crore in Q4 FY21, up 20% YoY, on the back of better operational efficiencies and improved by-product realisations. Revenue from the Copper Business was ₹9,787 crore this quarter, up 15% YoY, primarily due to higher global prices of copper and higher volumes.

Consolidated Results

Hindalco reported an EBITDA of ₹7,597 crore (vs ₹5,845 crore), up 30% YoY. The results were driven by positive macros and focus on downstream value-added products along with better operating efficiencies. Consolidated Revenue for the fourth quarter stood at ₹55,764 crore (vs ₹40,507 crore), up 38% YoY. Consolidated PAT in Q4 FY22 doubled to a record ₹3,851 crore



from ₹1,928 crore in Q4 FY21, a jump of 100% YoY. Consolidated Net Debt to EBITDA was at a strong 1.36x on March 31, 2022 compared to 2.59x on March 31, 2021.

Business Updates & Recognition

- Aleris Integration work continues with over \$110 million run-rate combination cost synergies achieved
- Novelis announced \$3.4 billion* of strategic capital investments towards transformational organic growth over the next five years:
 - \$2.5 billion investment in greenfield Rolling Mill in Alabama, US
 - \$365 million highly advanced recycling centre with an annual recycling and sheet ingot casting capacity of 240 Kt in Guthrie, Kentucky in North America
 - \$130 million investment at Oswego, New York, plant to debottleneck and increase hot mill rolling capacity and enhance automotive sheet finishing capabilities
 - \$375 million investment to expand rolling and recycling capabilities in Zhenjiang, China
 - \$50 million investment in Ulsan, South Korea to expand recycling capabilities
- Utkal Refinery fully ramped to 2.1 MT; Additional 350 Kt expansion via debottlenecking in progress
- Won Meenakshi captive coal mine with ~12 MTPA capacity
- Retained position as world's most sustainable aluminium company in the Dow Jones Sustainability Indices 2021
- Achieved 'S&P Global Sustainability Yearbook 2022 - Gold Class' distinction.

**excluding the projects under appraisal*

About Hindalco Industries Limited

Hindalco Industries Limited is the metals flagship company of the Aditya Birla Group. A \$26 billion metals powerhouse, Hindalco is the world's largest aluminium company by revenues, and a major player in copper. It is also one of Asia's largest producers of primary aluminium.

Guided by its purpose of building a greener, stronger, smarter world, Hindalco provides innovative solutions for a sustainable planet. Its wholly-owned subsidiary Novelis Inc. is the world's largest producer of aluminium beverage can stock and the largest recycler of used beverage cans (UBCs).

Hindalco's copper facility in India comprises a world-class copper smelter, downstream facilities, and a captive jetty. The copper smelter is among the world's largest custom smelters at a single location. Hindalco's global footprint spans 50 manufacturing units across 10 countries.

Hindalco was named the world's most sustainable aluminium company in the Dow Jones Sustainability Indices (DJSI) in 2020 and 2021.

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