

May 27, 2024


**Current Price:** ₹ 673.10

## STOCK DATA

BSE Code	500440.00
NSE Symbol	HINDALCO
Reuters	HALC.BO
Bloomberg	HNDL IN

## VALUE PARAMETERS

52 W H/L(Rs)	699.45/398.00
Mkt. Cap.(Rs Cr)	1,51,260.14
Latest Equity(Subscribed)	224.72
Latest Reserve (cons.)	105924.00
Latest EPS (cons.) -Unit Curr.	45.12
Latest P/E Ratio -cons	14.92
Latest Bookvalue (cons.) -Unit Curr.	472.36
Latest P/BV - cons	1.42
Dividend Yield -%	0.51
Face Value	1.00

## SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/03/2024
Foreign	28.61
Institutions	29.50
Govt Holding	0.23
Non Promoter Corp. Hold.	0.48
Promoters	34.64
Public & Others	6.55

## Consolidated Financial Results

In Cr.

	Qtr Ended Mar. 24	Qtr Ended Mar. 23	Var. (%)
Net Sales (including other operating income)	55,994.00	55,857.00	0.25
OPM (%)	11.93	9.54	-
OP	6,681.00	5,327.00	25.42
Other Inc.	362.00	352.00	2.84
PBIDT	7,043.00	5,679.00	24.02
Interest	888.00	986.00	-9.94
PBBDT	6,155.00	4,693.00	31.15
Depreciation	2,018.00	1,856.00	8.73
PBT	4,137.00	2,837.00	45.82
Share of Profit/(Loss) from Associates	-1.00	2.00	PL
PBT	4,136.00	2,839.00	45.69
Taxation	962.00	428.00	124.77
PAT	3,174.00	2,411.00	31.65
EPS (Rs)	14.30	10.86	-

### Hindalco Industries Q4 results: Net profit jumps 32% on improved margins, Beats Estimates

Consolidated net sales (including other operating income) of Hindalco Industries has increased 0.25% to Rs 55994 crore. Sales of Novelis has gone down 6% to Rs 33859 crore (accounting for 58% of total sales). Sales of Aluminium upstream rose 5% to Rs 8469 crore (accounting for 14% of total sales). Sales of Aluminium downstream was up 7% to Rs 2920 crore (accounting for 5% of total sales). Sales of Copper segment was up 20% to Rs 13424 crore (accounting for 23% of total sales). Inter-segment sales rose 16% to Rs Rs 2678 crore.

Profit before interest, tax and other unallocable items (PBIT) has jumped 26% to Rs 7907 crore. PBIT of Novelis rose 29% to Rs 4270 crore (accounting for 54% of total PBIT). PBIT of Aluminium upstream rose 24% to Rs 2709 crore (accounting for 34% of total PBIT). PBIT of Aluminium downstream increased 36% to Rs 152 crore (accounting for 2% of total PBIT). PBIT of Copper segment rose 30% to Rs 776 crore (accounting for 10% of total PBIT).

PBIT margin of Novelis rose from 9.2% to 12.6%. PBIT margin of Aluminium upstream rose from 27.2% to 32%. PBIT margin of Aluminium downstream increased from 4.1% to 5.2%. PBIT margin of Copper segment rose from 5.3% to 5.8%. Overall PBIT margin rose from 10.7% to 13.5%.

Operating profit margin has jumped from 9.54% to 11.93%, leading to 25.42% rise in operating profit to Rs 6,681.00 crore. Raw material cost as a % of total sales (net of stock adjustments) decreased from 62.69% to 60.10%. Purchase of finished goods cost fell from 0.25% to 0.24%. Employee cost increased from 6.41% to 6.89%. Other expenses fell from 20.75% to 20.51%. Power and Oil fuel cost fell from 7.16% to 6.65%. Provisions writeoffs cost rose from 0.18% to 0.29%. Other provisions rose from 0.18% to 0.29%.

Other income rose 2.84% to Rs 362 crore. PBIDT rose 24.02% to Rs 7043 crore. Provision for interest fell 9.94% to Rs 888 crore. Loan funds declined from Rs 60,291.00 crore as of 31 March 2023 to Rs 56,356.00 crore as of 31 March 2024. Inventories declined from Rs 42,958.00 crore

## Hindalco Industries: Consolidated Segment Results

In Cr.

	Qtr Ending March 24	Qtr Ending March 23	Var.(%)	% of (Total)
<b>Sales</b>				
Novelis	33,859.00	36,176.00	-6	58
Aluminium Upstream	8,469.00	8,050.00	5	14
Aluminium Downstream	2,920.00	2,738.00	7	5
Copper	13,424.00	11,206.00	20	23
Total Reported Sales	58,672.00	58,170.00	1	100
Less: Inter segment revenues	2,678.00	2,313.00	16	-
Net Sales	55,994.00	55,857.00	0	-
<b>PBIT</b>				
Novelis	4,270.00	3,314.00	29	54
Aluminium Upstream	2,709.00	2,192.00	24	34
Aluminium Downstream	152.00	112.00	36	2
Copper	776.00	598.00	30	10
Total PBIT	7,907.00	6,216.00	27	100
Less : Interest	888.00	956.00	-7	-
Add: Other un-allcoable	-2,883.00	-2,421.00	19	-
<b>PBT</b>	4,136.00	2,839.00	4	-

as of 31 March 2023 to Rs 40,812.00 crore as of 31 March 2024. Sundry debtors were higher at Rs 16,404.00 crore as of 31 March 2024 compared to Rs 16,214.00 crore as of 31 March 2023. Cash and bank balance declined from Rs 15,083.00 crore as of 31 March 2023 to Rs 14,437.00 crore as of 31 March 2024. Investments rose to Rs 15,444.00 crore as of 31 March 2024 from Rs 14,116.00 crore as of 31 March 2023.

PBDT rose 31.15% to Rs 6155 crore. Provision for depreciation rose 8.73% to Rs 2018 crore. Fixed assets increased to Rs 1,00,602.00 crore as of 31 March 2024 from Rs 92,581.00 crore as of 31 March 2023. Intangible assets increased from Rs 25,745.00 crore to Rs 26,075.00 crore.

Profit before tax grew 45.82% to Rs 4,137.00 crore. Provision for tax was expense of Rs 962 crore, compared to Rs 428 crore. Effective tax rate was 23.26% compared to 15.08%. Minority interest was nil in both the periods. Net profit attributable to owners of the company increased 31.65% to Rs 3,174.00 crore driven by a robust performance and improved margins across all business segments. Novelis reported a strong fourth quarter performance with EBITDA per tonne at US \$540\*, up 25% YoY.

### Business Segment Performance in Q4 FY24 (vs Q4 Fy23)

**Novelis:** Total shipments of flat rolled products were at 951 KT in Q4 FY24 vs 936 KT in Q4 FY23, up 2% YoY, and up 5% QoQ supported by stronger demand for beverage packaging and record automotive shipments. Novelis' revenue in Q4 FY24 stood at \$4.1 billion (vs \$4.4 billion), down 7% YoY, impacted by lower average aluminium prices YoY. Novelis reported an adjusted EBITDA of \$514 million (vs \$403 million), up 28% YoY, and up 13% QoQ supported by favourable metal benefit from recycling and lower operating costs. Novelis' adjusted EBITDA per tonne at \$540 was up 25% YoY, and up 8% sequentially. Net income from continuing operations, excluding special items, was \$179 million in Q4 FY24, up 2% YoY, and up 3% QoQ.

**Aluminium (India):** Quarterly Upstream revenue was Rs 8,469 crore in Q4 FY24 vs Rs 8,050 crore in the prior year period. Aluminium Upstream EBITDA stood at Rs 2,709 crore in Q4 FY24, compared with Rs 2,192 crore for Q4 FY23, up 24% YoY, and up 11% QoQ supported by lower input costs. Upstream EBITDA margins, at 32%, were the best in the global industry.

Downstream revenue was Rs 2,920 crore in Q4 FY24 vs Rs 2,738 crore in the prior year period. Sales of Downstream Aluminium stood at 105 KT vs 90 KT in Q4 FY23, up 17% YoY, and up 16% sequentially. Downstream EBITDA per tonne was \$174 in Q4 FY24, compared to \$152 for Q4 FY23, up 15% YoY and up 27% QoQ.

**Copper:** Quarterly revenue from the Copper Business stood at Rs 13,424 crore, up 20% YoY, on account of higher volumes. EBITDA for the Copper Business was at an all-time high of Rs 776 crore in Q4 FY24 compared to Rs 598 crore in Q4 FY23, up 30% YoY, and up 18% QoQ backed by stable operations, higher domestic sales and better Tc/Rc. Quarterly Copper metal sales were at 135 KT (vs 119 KT). Copper Continuous Cast Rod (CCR) sales were at 98 KT in Q4 FY24 (vs 95 KT), up 3% YoY in line with growing market demand for value added products.

**Commenting on the results, Mr. Satish Pai, Managing Director, Hindalco Industries, said,** "Hindalco concluded the year with very strong results across all business segments. This was a clear testament to our strategic focus on value-added products and margin improvement. The Copper business has grown to become the 2nd largest in the world for Copper rods (excluding China). It achieved its best ever performance with sales crossing 500,000 tonnes for the first time, and an alltime high EBITDA for the quarter and the year. Similarly, the Aluminium India Upstream Business reported industry-best quarterly EBITDA margins of 32%, driven by higher volumes and cost optimisation. Our continued focus on enhancing share of the downstream segment is evident in its promising sales trajectory. Novelis demonstrated an improved EBITDA per tonne driven by lower operating costs, favourable metal benefits and market recovery.

We continue to maintain a strong balance sheet and solid liquidity even after repaying Rs 5,195 crore of debt in Hindalco India business during the year. This positions us well to stay on our growth track and drive our future organic growth plans with prudent capital allocation.

On the ESG front, our large scale renewable and energy storage projects have put us well on track for our climate action targets, and we have further advanced our initiatives in waste recycling, protecting biodiversity and water conservation."

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