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Ref:
a. Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
b. ISIN: INE038A01020 and
c. Our Intimation dated October 30, 2026.

Pursuant to the above referred, the transcript of the Earnings Conference Call held on November 6, 2026, for the quarter and half year ended September 30, 2026, is enclosed herewith.

The same is also available on the website of the Company i.e. www.hindalco.com.

This is for your information and record.

Sincerely,

for **Hindalco Industries Limited**

Geetika Anand
Digitally signed by Geetika Anand
Date: 2026.11.12 11:00:19 +05'30'

Geetika Anand
Company Secretary & Compliance Officer

Encl: a/a

Hindalco Industries Limited

"Second Quarter Earnings Conference Call FY27"

November 06, 2026

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

Moderator: Ladies and gentlemen, good day and welcome to the Earnings Conference call of Hindalco Industries Second Quarter Results for FY27. As a reminder, all participant lines will be in 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 star and zero 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: Good morning and good evening, everyone. Thank you for joining us. On behalf of Hindalco Industries, I welcome you all to our Q2 FY27 Earnings call. We will be referring to the Q2 investor presentation available on our website. Please note that certain statements made during this call may be forward-looking and should be read in conjunction with the safe harbor statement on Slide 2 of the said presentation.

The presentation highlights our consolidated performance for the quarter, along with our segment-wise performance review of Novelis and our India aluminium and copper businesses. The corresponding segment information of prior periods have been restated accordingly for a comparative analysis wherever applicable.

Joining us today from Hindalco are Mr. Satish Pai, Managing Director, Mr. Bharat Goenka, Chief Financial Officer. From Novelis, we have Mr. Steve Fisher, President and CEO, and Mr. Dev Ahuja, Chief Financial Officer. Following the management's remarks, we will open the floor for questions and answers. Post this call, an audio replay will also be available on company's website. With that, let me now hand over the call to Mr. Pai to take you through company's performance and key highlights of the second quarter of FY27.

Satish Pai: Hello everyone. I would like to take this opportunity to wish everyone a happy and healthy festive season. Thank you for joining Hindalco's earnings con call today. On slides five to nine of this presentation, you can see our achievements and progress across quarterly metrics of safety and sustainability for this quarter.

Let me take you through the key highlights of these initiatives. At Hindalco, safety is always our highest priority, and I am pleased to report that there were no fatalities this quarter across all our Indian operations. Our LTIFR for this quarter stands at 0.16, showing significant improvement over the prior period.

I am also pleased to share that Aditya Alumina Refinery was honored with the British Safety Council Award 2026, a testament to our unwavering commitment to occupational health and safety. We also launched an AI-powered behavior-based safety observation app in 22 plus regional languages to strengthen critical risk identification while developing 40 certified TapRooT experts to enhance incident investigation and root cause analysis across our businesses.

At Hindalco, we continue to make strong progress on circularity and responsible waste management. This quarter, 62% of the total waste generated was recycled or reused, impacted by the higher rainfall at certain plants and temporary logistical challenges. We achieved 93%

recycling rates for bauxite residue, excluding Utkal, 77% recycling of ash, and 110% recycling of copper slag this quarter.

We have made consistent progress in improving water efficiency across our operations through a series of forecasted interventions. In our aluminium business, higher recycling rates of 33% were recorded in this quarter, up from 30% a year ago, with increased rainwater harvesting across the sites that helped us reduce freshwater consumption on a year-on-year basis.

In our copper business as well, specific freshwater consumption improved year-on-year due to continued recycling and higher rainwater harvesting this quarter. Biodiversity conservation remains an integral part of our sustainability agenda. At the end of Q2 FY27, our cumulative tree plantation has crossed 6.8 million trees, with nearly 5.4 lakh saplings that were planted this quarter to strengthen greenbelt coverage and enhance local biodiversity around our operations. We have implemented conservation programs for special status species across 10 high-priority sites, reinforcing our commitment to biodiversity conservation and ecosystem protection. We also commenced implementation of 'No Net Loss' project at our Belagavi plant, aimed at restoring 123 hectares of habitat and strengthening local biodiversity in the region.

Renewable energy remains a key pillar of our decarbonization strategy. As of the end of Q2, we have 643 MW of renewable energy capacity across Solar, Wind, and Hydel resources, along with 35 MW of pump storage tie-ups under our round-the-clock renewable energy program. By FY27 exit, our renewable energy portfolio is set to reach 884 megawatt. Complemented by 125 megawatt of RE-RTC capacity, accelerating our transition to a cleaner and more sustainable energy mix and building a more sustainable and future-ready Hindalco.

Our aluminium-specific greenhouse gas footprint stood at 19.4 tons of CO2 per ton of aluminium in Q2, lower than the comparable period last year.

Now let me give you a glimpse of the current broader economic environment on Slide 11. IMF projects global growth at 3.1% in 2026, slowing from 3.5% in 2025, as the global economy remains resilient but divergent in its performance. A significant drag is arising from the Middle East and Central Asia region, where growth is expected to contract by 0.3% in 2026 after expanding 3.7% a year earlier, reflecting the economic disruptions caused by the prolonged conflict and energy supply constraints.

The negative supply shock arising from the conflict and its impact on global economic activity has been partially offset by strong investments in artificial intelligence and the broader technology sector. The U.S. economy is expected to grow by 2.3% in 2026, supported by resilient domestic demand and continued investment.

While in China, it is projected to slow down to 4.5% from 5% amid weak domestic demand and ongoing structural challenges. Global growth remains vulnerable to escalating geopolitics, continued commodity price volatility, higher financial conditions, and increasing trade fragmentation. Global inflation is projected to rise from 4.1% in 2025 to 4.7% in 2026, driven primarily by higher energy and food prices before easing begins again in 2027.

India continues to demonstrate resilience of its domestic economy despite a challenging global environment. The RBI forecasted GDP growth for FY27 at 7.1% against 7.8% in FY26.

Recent high-frequency indicators suggest that economic activity continues to maintain momentum. Manufacturing remains steady despite cost pressures, while the services sector continues to benefit from robust domestic and external demand. Investment activity continues to strengthen, aided by government infrastructure spending, improving private sector capex, and strong credit growth.

Rural consumption is expected to be supported by resilient non-farm activity, although deficient monsoon conditions and strong El Niño effects pose risk to agricultural output and rural demand. Urban demand remains healthy, backed by stable employment conditions. Meanwhile, external headwinds, including geopolitical tensions, elevated commodity prices, supply chain disruptions, tighter global financial conditions and trade-related uncertainties continue to weigh on growth outlook. Inflation prospects have become less favorable, with the CPI inflation projected at 5.2% in FY27, driven by food and fuel price pressures, deficit monsoon conditions, El Niño-related risk, and volatility in the global crude oil prices. With signs of inflation becoming more broad-based, the RBI has raised the policy repo rate by 25 basis points to 5.5% and shifted its policy stance to calibrated tightening, signalling its focus on containing inflation while ensuring macroeconomic and financial stability.

Moving on to the industry outlook on Slides 12 to 14. On Slide 12, from a pricing perspective, the quarter was marked by significant volatility. Looking ahead, the global aluminium market is expected to remain in deficit through calendar year 2026. Current estimates point to a deficit of around 0.8 million tons, significantly higher than earlier expectations. Any further disruptions in the Middle East could tighten supply further and provide additional support to aluminium prices. While capacity restarts and new supply additions are expected to gradually rebalance the market, the medium-term outlook remains constructive.

Looking at the global aluminium market in Q3 calendar year 2026, Chinese aluminium production grew about 3% year-on-year to nearly 11 million tons, supported by capacity additions in Yunnan, partially offset by capacity rationalization in Shandong. In the rest of the world, production declined 6% to around 8 million tons, primarily due to disruptions stemming from the Middle East conflict and the closure of Mozal, partially offset by higher production in Indonesia. As a result, the global aluminium production stood at approximately 19 million tons, down 1% year-on-year.

On the demand side, aluminium consumption in China increased 4% to around 12 million tons, supported by continued strength in new energy vehicles and healthy export demand for semi-fabs and finished products. However, the construction sector remained weak amid ongoing challenges in the real estate market. Outside China, consumption declined 2% to around 7 million tons, reflecting softer demand in Europe, Middle East, and North America, partially offset by growth in India. Overall, the global aluminium consumption reached approximately 19 million tons, up 1% year-on-year. With demand continuing to outpace supply, global aluminium markets remained in deficit by roughly 0.5 million tons this quarter.

Turning to India, demand remains resilient and continues to be among the strongest growth markets globally. Aluminium demand in Q2 FY27 is estimated to be around 1.7 million tons, representing growth of approximately 6% year-on-year. This growth is primarily driven by the automotive sector, supported by healthy vehicle production and sustained demand across both passenger and commercial vehicles. Overall, India continues to outperform most global markets and remains one of the most attractive long-term growth opportunities for aluminium demand.

Turning to the Indian copper industry on slide 14. In India, refined copper demand remained relatively subdued during the quarter, declining 3% year-on-year to 388 KT. While demand from building and construction and power sectors continued to grow, this was partially offset by softer demand from consumer durables and electrical equipment segments. On the copper concentrate side, Q2 FY27 continued to witness extremely tight copper concentrate markets, with spot TC/RC remaining at negative levels in the range of (-48) to (-58) cents per pound, and concentrate availability remaining constrained. The market continued to be affected by the structural gap between expanding global smelting capacity and constrained growth in mine supply.

Coming to slide 14, our consolidated business EBITDA was up 52% year-on-year at INR13,869 crores this quarter, and the consolidated profit after tax was up 59% on a year-on-year basis at INR7,533 crores. At Hindalco India business, our business segment EBITDA was up 66% year-on-year at INR9,011 crores this quarter, whereas the quarterly profit after tax was at INR5,852 crores, up 91% on a year-on-year basis this quarter.

Turning to Slide 17, it is encouraging to see the earnings from our non-LME-linked businesses, namely Novelis, aluminium downstream and copper, continued to grow, reaching INR6,860 crores this quarter, with momentum continuing to accelerate. These businesses have a much lower correlation to LME price movements and are driven by factors such as value-added products, recycling, innovation, customer relationships, and operational performance. ur growth is increasingly being driven by three key factors, that is, recovery at Novelis, strong operational performance in our copper business, and the continued expansion of our aluminium downstream portfolio into new products, applications, and premiumization.

Coming to our business-wise performance this quarter on Slide 18, the India upstream aluminium shipments were up 1% year-on-year and revenues were up 33% year-on-year. Our quarterly EBITDA stood at INR7,009 crores, up 55% year-on-year, backed by favorable macros and our strong performance across the value chain. This delivered an EBITDA per ton of $2,125 this quarter. EBITDA margins were at 52% and continued to be among the best in the global industry.

Our hedging position in aluminium for the rest of FY27 stands at around 29% on the commodity at $3,000 per ton and 21% in the currency at INR93 per dollar.

Our Indian downstream aluminium business continues to deliver a strong core performance, while quarterly shipments were up 6% year-on-year at 119 KT. Aluminium downstream delivered a quarterly EBITDA of INR329 crores, up 26% year-on-year this quarter versus

INR261 crores in the prior period. This was driven by product mix and premiumization. The resultant EBITDA per ton stood at $289 per ton this quarter.

Copper performed exceptionally well during this quarter, delivering another strong set of results. Overall metal shipments were at 116 KT, up 2% year-on-year, while CCR volumes were stable at 96 KT. Quarterly copper EBITDA reached a record INR1,673 crores, a significant 164% increase year-on-year, driven by strong operational performance, healthy domestic demand across segments despite elevated LME prices. In addition, higher realization from sulfuric acid and other by-products, along with certain one-time gains, further supported earnings during this quarter. Copper is expected to deliver an underlying quarterly EBITDA of around INR1,200 crores on a normalized basis, underscoring the strength and resilience of this business.

Turning to cash flows and capital allocation in Slide 20, our business continued to generate strong cash flows of INR23,319 crores during the period, representing a robust 57% year-on-year increase. At the same time, we invested INR20,719 crores in capital expenditure, up 83% year-on-year as we continue to advance our growth and capacity expansion projects. These investments are forecasted on strengthening our competitive position and delivering long-term value creation. Importantly, we continue to maintain a strong balance sheet with consolidated net debt to EBITDA at 1.80 times as of September 2026, providing us flexibility to fund growth while maintaining a disciplined approach to capital allocation and shareholder returns.

Now let me conclude today's presentation with some key takeaways. At Novelis, our second quarter performance once again reflected the strength and resilience of the underlying business. We are now normalized production at Oswego Hot Mill and through September 2026 received cumulative insurance recoveries of $519 million. Importantly, our long-term EBITDA per ton guidance of $600 remains unchanged. We are confident that the strength of the business supported by cost restructuring will drive a return to positive free cash flow and mark the beginning of our deleveraging journey by the end of FY27. We also achieved a major milestone at Bay Minette, where our 600 KT greenfield rolling and recycling facility produced its first cold rolled coil in September 2026. Commercial shipments are expected to commence in the first quarter of FY28. Bay Minette will further strengthen our operating footprint, expand our recycling capabilities, and position Novelis for the next phase of long-term profitable growth.

Turning to our India business, we continue to deliver record-breaking performance with industry-leading profitability across both our aluminium and copper businesses. This performance reflects the strength of our integrated business model, our relentless focus on operational excellence, disciplined cost management, and consistent execution across market cycles.

On the growth front, all our key upstream expansion projects are progressing well and remain aligned with our strategic ambition of doubling our upstream capacity. These investments will further strengthen our integration and cost leadership, our goal of delivering fourfold increase in downstream EBITDA by FY 2030. A key aspect of our transformation is the growing contribution of non-LME-linked businesses, as our portfolio increasingly shifts towards value-

added products, recycling, innovation-led solutions, stronger customer partnership, and operational excellence. Our earning profile is becoming more resilient and less correlated to movements in LME prices.

We are also making steady progress on strengthening our resource security. As the Chakla Bandha and Meenakshi mines become operational, we will enhance raw material self-sufficiency, lower production costs, support margin expansion, and further strengthen the earnings profile of our upstream business. With over INR50,000 crores of expansion projects currently under execution across our businesses in India, and another INR50,000 crores of growth opportunities are under evaluation, we are preparing for the next phase of our growth journey. These investments of over INR One lakh crores in growth projects over the next five years reflect our confidence in India's long-term demand outlook and reaffirm our commitment to creating sustainable value. Overall, Hindalco is exceptionally well-positioned for the future. Backed by our integrated business model, strong resource base, disciplined capital allocation, and strategic investments across the value chain, we are well-equipped to capitalize on emerging growth opportunities. We remain committed to our purpose of 'Engineering Better Futures' while delivering sustainable growth, enhanced profitability, and long-term value creation for our stakeholders.

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

Moderator: Thank you very much. We will now begin the question-and-answer session. First question is from the line of Pinakin from HSBC. Please go ahead. Pinakin, please go ahead with your question. Your line is unmuted.

Pinakin: Yeah. Thank you very much for the opportunity. Can you, sir, give us some clarity on when do you expect to have detailed timelines on the INR50,000 crores of expansions that are being evaluated in the India business?

Satish Pai: Yeah, Pinakin, I think that our focus right now is to get the first set of projects completed. Just so that we can recap, the copper recycling plant in Pakhajan commissions in December of this year, and then starting Aditya Alumina Refinery commissions in December of 2027.

The 180 KT Aditya smelter first line commissions in December of 2027. So, these three big projects are our focus. Then the next Aditya smelter line will commission in December of 2028, and the copper smelter will commission in December of 2028. So, this is in that first INR50,000 crores. Once we are doing this, we will then start from Mahan Smelter.

The Mahan smelter expansion, we are now going through the EC approvals and trying to get the licensing and all sorted out. So, that will be the next big project. And then, of course, we have downstream, further copper recycling expansion from 50 KT to 150 KT. It will be fair to say that every year and a half, we will be starting one more project. What we are trying to do, Pinakin, is to stay on the consol net debt to EBITDA within two times that we have committed. As we go along, we will give you as some of these new projects are to get approved for execution.

Pinakin: Sure. Got it.

Moderator: We will go on to the next question, which is from the line of Sumangal Nevatia from Kotak Securities. Please go ahead.

Sumangal Nevatia: Yeah, good evening, and thanks for the chance. My first question is, on the cost, if you could guide us, how are costs moving for the aluminium division in the coming quarters? What are the timelines for the captive coal mine commissioning, both Chakla and Bandha? Is it on track for end of FY 2027? On the copper division, I wish you mentioned something that INR1,200 crores is a sustainable run rate for copper. Can you just elaborate on that? What has changed in terms of quarterly EBITDA run rate? One, of course, is sulfur, but some elaboration will help. Thanks.

Satish Pai: All right. Let me remember all your questions, Sumangal. Starting with the cost. Q2 costs were up roughly 5% above Q1. The cost up was two main factors, coal and CP coke prices. The coal, it is a monsoon quarter, and we got badly impacted in the northern region. It was basically Renusagar, Renukoot, and Mahan, because the rainfall was very heavy and the demand for the northern power plants was very strong. We had a low linkage materialization and had to buy a lot of coal on the spot auctions. On the Odisha side, we did not have an impact. Long story short, that led to a 5% increase in the cost of production of aluminium Q1 to Q2. We expect Q2 to Q3 to also be around that 5% because the northern area, the coal is still not stabilized. October continued to be very hot. We are slowly at mid, at November, starting to see some signs of improvement. I think Q2 to Q3 will also be 5% up. In Q4, we will start to see the price go down as the coal prices and coal availability improve in Q4. Now, of course, as your second question is, what is important for us is to get Chakla and Bandha coal mines started so that by next monsoon, we are not under this pressure. At Bandha, the first box cut has already happened. It is a high stripping ratio. First coal should start to come out towards the second half of the next financial year. Chakla, we are expecting still that we will be getting coal by sometime middle of next year. Then on copper, you heard right. We think that it is about INR1,200 crore-INR1,300 crore in the next coming quarters, largely driven by sulfuric acid pricing, along with precious metal sales. Of course, I think that the copper downstream products pricing is also helping.

Sumangal Nevatia: Understood. Sir, if you can just elaborate, what is the proportion of sulfuric acid realization, say, in a normalized year like FY25-26 and versus what is it today?

Satish Pai: See right now I think we are running at roughly INR16,000 a ton. Last year, at the same quarter, it was around INR7,000 a ton. Let me tell you, even INR7,000 is quite high. We were normally, if you go before that, it used to be around INR3,000 or INR4,000 a ton. So sulfuric acid and sulfur prices are really high right now.

Sumangal Nevatia: Okay. In terms of contribution to EBITDA, what is the proportion, and what is the volume that we kind of produce and sell?

Satish Pai: I think contribution, let's say that, it's like 50% comes from other stuff, 50% comes from copper, more or less. The volumes of sulfuric acid is around 300,000 tons a quarter.

Sumangal Nevatia: Understood. I have just one more question on Novelis. Given that we are seeing so many moving parts with respect to tariffs and Oswego and recoveries of insurance, overall, the predictability of earnings and margins have really gone down for us. Is it possible now, since we are going back to normalized level, at least for, say, FY28, give us some guidance on volumes and some range of margin that we are expecting given the current tariffs and current scrap spreads?

Dev Ahuja: Yes, Sumangal, I will take this on. I do not know why you are saying there are so many moving parts, because we have been pretty clear to say that right now, we have some headwinds from tariffs, but we are working with a clear plan, and by fourth quarter, tariffs would come down to a fairly marginal level.

That is swing factor number one. We are giving you predictability, to be clear. Number two, Oswego fire impact. On the Yeongju strike impact, we have told you that we have a $20 million impact in Q2, and you can broadly expect a similar impact in Q3, and after that, it is over. That is swing factor number two for you. The third thing is insurance recoveries. Now, insurance recoveries, you can expect that we have another $47 million of insurance recoveries that will fall into EBITDA, and that should pretty much be by this fiscal year end. I do not know what else is in your mind a swing factor, but we have clearly called out these factors. Having said that, we will gain as the supply chains normalize. I am telling you one more thing now, which is actually on the positive side, that right now, we are still facing some impact of our customer supply chains not having normalized, which are putting some negative colour on shipments for the time being. But that is in the course of normalization, and the shipments momentum based on the underlying markets should pick up pretty well starting from Q4 of this fiscal. I think that we have sliced and diced all the factors for you, and I hope that that should help.

Sumangal Nevatia: Got it. That's helpful. Thanks and all the best.

Satish Pai: Thank you.

Moderator: Thank you. Next question is from the line of Jashandeep Singh Chadha from Nomura. Please go ahead.

Jashandeep Singh Chadha: Yeah. Hi. Thank you for the opportunity. Happy Diwali in advance, sir. My first question is regarding your hedging. How is your hedging position? Also, if you can give some sense on the regional premium and how do you see them in the near future?

Satish Pai: Yeah. The second, let's say H2 of FY27, the remaining six months, we are hedged 29% at $3,000 per ton. If we now go into FY 2028, we are about 26% hedged at $3,168. That's our position. I think the MJP is correcting. I think Q3 MJP is already about 270-ish. I think that we expect MJP to be in that $200-$250 range in Q4.

Jashandeep Singh Chadha: Thank you, sir. My next question, sir, would be largely on the pot relining capitalization. Any rough estimate how much it would have added to the EBITDA per ton? Also, the India business depreciation seems to have increased significantly. Is this just this quarter, or should we start building higher depreciation going forward?

Satish Pai: No, it's the impact of the pot relining. Basically, what we have done is we have capitalized the pot relining, which is more or less, we were the only company in the aluminium business not doing it. All our competitors do it. The impact roughly adds about INR130 crores to the EBITDA line, and it adds INR130 crores to the depreciation line. That's why you're seeing the depreciation a little bit up, and the positive impact in the EBITDA line is INR130 crores. You'll see this now going forward. In Q2, there was a little bit more additional catch-up of the Q1 as well, which is why the number was slightly higher. On an ongoing basis now, you are seeing probably INR130 crore additional due to the pot relining expense being amortized and the depreciation correspondingly going up by the same amount.

Jashandeep Singh Chadha: Understood, sir. Sir, just one last question. In your presentation, last quarter, I believe you were showing or estimating close to 1 million ton of deficit. Now it has, I think, come down to 0.8 million ton. How are you seeing LME prices over the next year? Just one bookkeeping question, what will be your run rate of capex over the next couple of years?

Satish Pai: Let me first start with your first question was on the LME prediction. Look, 0.8 to 1 million, this is a call that's been made in the last few months. It really depends on I would not read too much into the difference, but next year is an interesting one. If the Middle East supplies get normalized and if the expected Indonesian volumes come, and there's a big if in that 1.5 million tons additional will come or not, then the LME Week, the consensus was, in some ways, the LME next year could be between $2,600 and $2,800. That's the next year's outlook. Difficult to say because one geopolitical event, as you know, changes that whole scenario very quickly.

Satish Pai: On Capex. This year will be around INR12,000 crores. Next year will be substantially higher, which I'll give you the number with our February results when we have done our budgeting. But next year will be high, and the year after will be at the same levels because of all these projects that I mentioned to you. The sort of capex outflow in FY 2028, 2029 will be quite high.

Jashandeep Singh Chadha: Understood, sir. It is fair to say that by next year, you will hit your peak net debt. Just one last, if I can squeeze. For your smelters, upcoming smelters, for internal calculation, what sort of LME prices are you building in for IRR?

Satish Pai: I think we took about 2,600 we took.

Jashandeep Singh Chadha: Understood, sir. You will hit peak net debt by next year, right?

Satish Pai: No, console net debt to EBITDA, let's just stick with our commitment that we will keep the console at around 2x. Novelis in Q4, we have said, will reach about 4x, and then over the next two years, they're going to go through a deleveraging cycle, ending up between 2.5x to 2.8x is the plan. The India, which is now negative, once we get into our growth capex, it won't remain negative. It will become 1.0 to 1.5 times. But the consol then for us, what we are trying to do is to keep it at what we committed, which is around 2 times.

Jashandeep Singh Chadha: Understood, sir. Thank you so much. I'll join back in the queue.

Satish Pai: Yeah, thank you.

Moderator: Thank you. Next question is from the line of Pallav Agarwal from Antique Stock Broking. Please go ahead.

Pallav Agarwal: Yeah, good evening, sir. The first question was, could you quantify the one-off in the copper segment? Is it correct to assume that out of some INR1,600, if we assume that INR1,200 crores are normal one, so this quarter is a INR400 crores of one-off?

Satish Pai: It is not a single one-off. There were a couple of things that happened. We had a certain amount of copper slag sales where our accruals and what we realized by selling was higher. There is a certain amount of derivative noise. There is a certain amount of precious metals extra sales. All that put together, there was about roughly INR350-INR400 crores, what we think is not on a sustainable basis repeatable.

Pallav Agarwal: Sure, sir. Also, if I look at the aluminium upstream EBITDA on a sequential basis, given the fall in the LME and the 5% increase in cost, probably the EBITDA decline could have been higher. Did we get the benefit of some higher premium, or what led to the better-than-expected performance over there?

Satish Pai: We realized a higher net premium, one, because of the exports that we were doing, which went to high-premium countries, not MJP countries. The second is the value-added upstream parts, which is the conductor cables, etc, we got a better pricing on it. The VAP and the premiums resulted in the EBITDA per ton being higher.

Pallav Agarwal: Sure, sir. Also, in terms of the copper pricing, you said concentrate availability is tight, which is reflecting in the low TC/RC or negative TC/RC. But the inventories on the London Metal Exchange don't seem to be declining to that extent. So, where is the disconnect between the two?

Satish Pai: The London Metal Exchange, you're talking about the copper inventories. People, especially in the U.S. and all, have been holding copper because they are worried about. I think that for us, let me be one thing is clear, the copper concentrate availability is tight. But for people like us, we are now very comfortable because we have got large miners with which we have long-term contracts. So, we have no problem in getting the concentrate. But the overall supply-demand, because of the huge Chinese smelting capacities, the TC/RCs are negative.

Pallav Agarwal: Sure, sir. Yeah, okay. Thank you, sir.

Satish Pai: Yeah, thank you.

Moderator: Thank you. Next question is from the line of Indrajit Agarwal from CLSA. Please go ahead.

Indrajit Agarwal: Hi, sir. Two questions. First, on copper EBITDA, as you mentioned, INR1,200 crore quarterly run rate. What kind of sulfuric acid price are you taking in that?

Satish Pai: We are taking a high sulfuric acid, Indrajit. I mean, somewhere between INR 14,000 and 15,000 per ton. I think we are seeing that in Q3 and Q4. So, we are taking it at these higher levels.

Indrajit Agarwal: Sure, makes sense. Second, you mentioned about 2,600-2,800 LME. Just to understand, where do you think is the 90th percentile cost of today is, and what is the kind of cash cost Indonesian capacities could have?

Satish Pai: The Indonesian one, we are not really clear, but the average on these are. Let's take the first, the highest side of the cash cost on Aluminium is roughly around $2,000-$2,200 per ton.

Indrajit Agarwal: Sure, that helps. Thirdly, on the console capex, with Novelis tapering off, console capex may not rise next year. Is that understanding correct? Even though India rises, but?

Satish Pai: Yeah, that's a fair point, because this year, the Novelis capex is very high. Next year, it will go back to normal maintenance plus project around $500 million-$600 million levels. So yes, the console capex may not go up that much. You're right.

Indrajit Agarwal: Sure. Lastly, on the Pot relining EBITDA adjustment at aluminium of INR130 crores, the quarterly run rate, is this the first quarter we have done? So, sequentially, EBITDA improvement looks better optically than what the underlying number is. Is that understanding?

Satish Pai: No, so you are right. It looks better because this is the first quarter we did it.

Indrajit Agarwal: Of INR 130 crores. All right. Thanks. That is all from my side. Thank you and Happy Diwali.

Satish Pai: Thank you.

Moderator: Thank you. Next question is from the line of Satyadeep Jain from Ambit Capital. Please go ahead.

Satyadeep Jain: Hi. Thank you. Mr. Pai, just one more question on the LME expectations. I know LME Week, a lot of people expect LME to go down on higher supplies. Now, when you strategize, would you I know you have a hedging strategy, you like to keep something open. But if generally the expectation is prices go down, would you like to hedge more? And would Mahan 370 Kt expansion, would you still want to go ahead if we see more capacity and prices come down, the 370 Kt that you have on board which you are evaluating?

Satish Pai: Yeah, I think that, look, Satyadeep, fundamentally, these things you have to take a 10, 15, 20 year view. We think that aluminium demand, let's take Bharat, is going to grow at 7% - 8%, which is fairly conservative. The second thing is that general aluminium demand worldwide is growing at 3%. It is also very clear that nobody in the Western world is adding any smelting capacity. The only places left is India and Indonesia. Then if you go and look at our cost curve, Satyadeep, once we are Chakla, Bandha and Meenakshi coal mines running, we have locked in, except CP coke, our cost curve at very attractive levels. LMEs can swing up and down, but we will be the last man standing. Yes, we think that taking advantage of the backward integration of bauxite and coal is the reason why we should do the investment. There can be

some years where it goes down, but the fundamental demand of aluminium, we think the long-term trend is good.

Satyadeep Jain: In the brownfield optionality, after you reach this two million tons between Aditya and Mahan, how much optionality would be there beyond this?

Satish Pai: Look, in the downstream now, we still have the capability to add another cold mill in Aditya, by 170 KT. So on top of 600 KT, we can add 170KT of rolling capacity. Then on the extrusions, we are already looking at in Kuppam and Silvassa with the auto demand and the consumer electronics. If we get to two million tons of aluminium, we will get to about 1 million tons of downstream capacity in India.

Satyadeep Jain: In the Brownfield optionality after this, after 2 million tons on the, sorry, after two million tons for the upstream, what optionality you have between Aditya and Mahan?

Satish Pai: You are talking about upstream optionality or downstream?

Satyadeep Jain: Upstream.

Satish Pai: See, upstream we can easily add another 360 KT in Mahan. We have checked, we have the land. Aditya land, we put the rolling mill, so we do not have any more land in Aditya after this 360 expansion. But in Mahan, we can do another 720 KT expansion.

Satyadeep Jain: Okay. Just one more question on this bookkeeping. Of the INR50,000 crores that you have in Bharat, how much have you already spent and what was the royalty payment? I know Novelis, I think was about $11 million. Overall, the Hindalco level, what was the royalty payment? Out of INR50,000 crores, how much has been spent so far?

Satish Pai: Hindalco was also the same level, $11 million. Because we pay on a quarterly basis till we hit the cap of INR225 crores. That's how the royalty thing has been set up. And of the capex of INR 50,000 crores, we were calculating, I think we have probably spent about INR 20,000 crores at the end of this financial year.

Satyadeep Jain: Okay. Thank you so much.

Moderator: Thank you. Next question is from the line of Ashish Jain from Macquarie. Please go ahead.

Ashish Jain: Hi, sir. Good evening. Sir, my first question is on the aluminium EBITDA for this quarter. Is it possible to give a breakup in terms of how much is sulfuric acid led and how much is pure copper and copper downstream?

Satish Pai: You are talking about the copper EBITDA, not aluminium EBITDA?

Ashish Jain: Yes. Sorry, my bad. Copper EBITDA, yeah.

Satish Pai: No, I don't think we want to give you a breakup there. I think it's fair to say that we have given you that the underlying run rate on a going basis is around INR 1,200-1,300 crores.

Ashish Jain: Okay. Sir, just to confirm that, did you say earlier in the call that 50% of EBITDA this quarter was copper led? Did I hear you right on that?

Satish Pai: Yes, more or less. Copper is sold, we do not sell too much cathode, so we convert it to rods and then we convert it to other downstream products. So, when I look at the premiums on all of that and put it, yeah, roughly 40% to 50% will come from copper products, the rest will come from sulfuric acid, precious metals, et cetera.

Ashish Jain: Sir, this is in spite of TC/RC being where it is. That is why I am asking.

Satish Pai: That is why if I was selling cathodes, I would been losing money.

Ashish Jain: Got it.

Satish Pai: Yeah.

Ashish Jain: Sir, secondly, in terms of the cost curve, like for 3Q and 4Q, what is the outlook on other cost? Coal you explained, but what is the outlook on the other cost drivers from aluminium business point of view?

Satish Pai: It is only CP coke. All the rest, we do not expect too much variation from the current levels. Actually, caustic prices are more or less.

Ashish Jain: CP coke is also trending higher.

Satish Pai: Yes. These are the two that are high, but CP coke, we don't expect that it's going to go up a lot more than current levels. It's already high. The coal is the one that needs to come down, because that's got a nearly 40% impact on the cost curve.

Ashish Jain: Got it. Okay, sir. Thank you so much, sir. Thanks.

Satish Pai: Yeah, thank you.

Moderator: Thank you. Next question is from the line of Raashi from Citigroup. Please go ahead.

Raashi: Thank you. I do not know if I missed it, but did you indicate the alumina sales in the quarter, the expectation going forward?

Satish Pai: Yeah, the external alumina sales, we sold 194 KT in Q2, and in Q3, we should sell in the similar range, 190-200 Kt .

Raashi: 190-200. Got it. On the capex, how much do you spend in India in the first half?

Satish Pai: About INR6,000 crores. This year, I think our expectation is we would spend about INR12,000-13000 crores by the end of the year.

Raashi: Got it. What did you mention? You said that India has a net cash balance. How much was that?

Satish Pai: INR16,000 crores. We are sitting with treasury of INR16,000 crores.

Raashi: Got it.

Satish Pai: Net cash is nine thousand.

Raashi: Net cash is nine thousand.

Satish Pai: Yes, because we have long-term loans of about INR6,000 crore-INR7,000 crore.

Raashi: This is only India books?

Satish Pai: That's only the India. That's why net debt to EBITDA is - 0.35 times in India.

Raashi: Okay. Thank you.

Satish Pai: Thank you.

Moderator: Thank you. Next question is from the line of Ritesh Shah from Investec. Please go ahead.

Ritesh Shah: Hi, sir. Thanks for the opportunity. Sir, you did indicate broad outlook on aluminium. Can you please help us with your thoughts on alumina as well?

Satish Pai: Alumina, the only good news is the alumina index is starting to trend slightly up. It had been low for the last two quarters. Currently, it is running about $350 per ton . We expect that it should be firmer, closer to $400 per ton next year.

Ritesh Shah: Sir, what will be the underlying variables which will drive that?

Satish Pai: See, when the Middle East capacity went off, that is when the alumina demand went down, because the third-party alumina market is largely driven by people who are not integrated, which is the Middle East smelters, because everyone else than China, is less backward integrated.

Ritesh Shah: Sure. Sir, second is you indicated with respect to the aluminium EBITDA bump this quarter, you attributed it to higher premium and higher value-added products.

Satish Pai: Yes.

Ritesh Shah: Is it possible to give some color on how is that on spot basis? How do you see this on Q3 basis? And is this something which is sustainable?

Satish Pai: I mean, the value-added products are of course sustainable, so that will happen. But the premium may not be because MJP has already come down in Q3. So we had managed to get quite a good premium on the export side in Q2. In Q3, already the MJP is down by more than $100. The percentage of VAP should continue.

Ritesh Shah: Sure. Last question. You did indicate on the incremental projects, we will take one new project every one and a half years. Just wanted to understand, say hypothetically, if we go ahead with Mahan 370 KT first, it would be contingent to what variables on the projects which are due for

commissioning in say, 2027 and 2028? Is it we are looking at a particular utilization level or is it more contingent to the balance sheet?

Satish Pai: It is actually an execution capability and the balance sheet. Because we are working with one large EPC contractor as our partner. Really, I would like to use the crew that is finishing Aditya to go and do Mahan. So we have to phase it because the capacity to execute large projects is quite limited in the country right now. So we have to be careful. So execution capability and the balance sheet, both are the two things you need to closely look at. Utilization, no. I mean, if you produce aluminium, the market is there.

Ritesh Shah: Perfect. This is quite helpful. Thank you so much. All the very best.

Satish Pai: Yeah, thank you.

Moderator: Thank you. Next question is from the line of Rahul Gupta from Morgan Stanley. Please go ahead.

Rahul Gupta: Yeah, hi. Thank you for taking my questions. Two questions. First, the downstream EBITDA per ton has been largely stable over the past couple of quarters. How should we look at in the second half? That's my first question.

Satish Pai: Yeah, it should start to go up because we are qualifying quite a few products in Aditya FRP right now. Aditya FRP is now at the 50% loading level. So in the next two quarters, we would like to get many products under qualifications like the battery foil, the ULG foil, the can body stock. So as those volumes pick up, the EBITDA per ton should cross $300.

Rahul Gupta: Got it. Thank you so much. My second question is slightly longer term. When you talked about the newer upstream projects that you have been undertaking is on the back of estimate of $2,600 aluminium prices. Can you help us understand with all the backward integration and also moving downstream, what kind of IRRs are you thinking about at $2,600 aluminium prices?

Satish Pai: At least sort of mid-teens at the $2,600, because there is a certain amount of inflation in capex and cost of execution as well. So at $2,600, we want to be at least in the teens.

Rahul Gupta: Got it. So this is just a follow-up. When you talk about around INR 1 Trillion of capex over the next few years, that does take into account the inflation over the next few years, right?

Satish Pai: Yes.

Rahul Gupta: Got it. Thank you so much. Wish you a very happy festive season.

Moderator: Thank you. Next question is from the line of Jashandeep Singh Chadha from Nomura. Please go ahead.

Jashandeep Singh Chadha: Yeah, hi, sir. Thank you for the opportunity again. Sir, around 50% of the copper EBITDA came from non-copper materials. Can you give us a similar number for, let's say, last quarter, and on an average run rate, how much is it?

Satish Pai: Last quarter was at similar levels. I mean, you will have to go down to when TC/RCs were 15 – 17 cents per pound in the last year. So then the contribution from the copper side will go up. But it's fair to say that the copper value chain is fairly diverse. So you do get a little bit of one goes up, the other goes down, and sort of balances out. You can't really average it over the last five years and say where it has been.

Jashandeep Singh Chadha: Understood, sir. And sir, the next question is on alumina strategy. I see that, and it might be in the last quarter, but AluChem, you have terminated that. Does that change your specialty alumina strategy or the 4x downstream target? I mean, how should we look at that?

Satish Pai: Not at all, because we just commissioned the Alumina PPT hydrate plant, which the technology was fully indigenously developed. Of course, it took us five years to do that. We were hoping with AluChem for the tabular alumina, we would shortcut that. So, A, we are out looking for other people who can help us fast-track that, and B, we have our internal program to develop tabular alumina. We are, of course, going to launch the white fused alumina project very soon. So, our plan to get to about a million tons of specialty alumina output is not changed.

Jashandeep Chadha: Understood, sir. And sir, just one last thing. I believe you answered this earlier, but I would like to ask you in separate thing. So most of Hindalco and your peers are putting up capacity, and you were saying that even for India, there is a lot of demand, so utilization is not an issue. So if you can just maybe tell the demand drivers in domestic market, which sector, which region you are looking the mainly demand coming for aluminium over the next couple of years, that would be great.

Satish Pai: Yeah, that's a good question, requires a more detailed answer, but I'll just give you a highlight. Historically, the electrical sector, which is conductors and cables, were nearly 40% of the aluminium demand. We are now starting to see automotive sector becoming significant. We are starting to see packaging sector become significant. We are starting to see industrial and home appliances becoming significant. So, as this Indian economy grows and urbanization come in, and now, by the way, Data Centers is starting to become significant. So, all these other drivers are starting to come in. So it's fairly, Indian demand is now starting to replicate Japanese or European or U.S. demand in many ways. For many years before, it was very much concentrated on the conductor cable market, which was nearly 40% of our aluminium. Now it is much more broad-based.

Jashandeep Singh Chadha: Understood, sir. I'll get in touch with you off and on to get details further. But if you have to put out a number, let's say demand number for next five year, what will be the CAGR that you will be building for demand?

Satish Pai: I always say, can go up and down. India grows at roughly 7% CAGR. That is the number we use.

Jashandeep Singh Chadha: Understood, sir. Thank you so much. I will join back now.

Moderator: Thank you. Ladies and gentlemen, we take that as the last question for today. For any further questions, please connect to Hindalco IR team. I now hand the conference over to Mr. Pai for closing comments.

Satish Pai: Yeah, thank you very much. So, another good quarter, and I think for me, the upstream business did well, but in the coming quarters going ahead, we believe the recovery of Novelis, the ongoing strengthening of copper business, and the aluminium downstream are going to be important. Overall, the strength of Hindalco is in its diversified business model, with at least four pillars driving the growth. Thank you very much for your attention, and Happy Dhanteras and Happy Diwali to all of you.

Moderator: Thank you. Ladies and gentlemen, on behalf of Hindalco Industries, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.