



May 26, 2026

BSE Limited
Scrip Code: 500440

National Stock Exchange of India Limited
Scrip Code: HINDALCO

Luxembourg Stock Exchange
Scrip Code: US4330641022

Sub: Transcript – Q4 and FY2025-26 Earnings Call.

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 May 13, 2026.

Pursuant to the above referred, the transcript of the Earnings Conference Call held on May 22, 2026, for the quarter and year ended March 31, 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
Company Secretary & Compliance Officer

Encl: a/a

Hindalco Industries Limited



Hindalco Industries Limited
“Fourth Quarter FY '26 Results Call”
May 22, 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
MR. DEV AHUJA – CHIEF FINANCIAL OFFICER – NOVELIS
MR. SUBIR SEN – INVESTOR RELATIONS – HEAD – HINDALCO INDUSTRIES LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the earnings conference call of Hindalco Industries Fourth Quarter Results for FY '26. As a reminder, all participant lines will be in the 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 then zero on your touchtone phone.

Please note that this conference is being recorded. I now hand the conference call over to Mr. Subir Sen, Head of Investor Relations at Hindalco. Thank you, and over to you, sir.

Subir Sen: Thank you, and a very good morning and evening, everyone. On behalf of Hindalco Industries, I welcome you all to the earnings call for the fourth quarter of financial year 2026. In this call, we will refer to the fourth quarter financial year '26 investor presentation posted on company's website. Some of the information on this call may be forward-looking in nature and is covered by the safe harbor language on Slide 2 of the said presentation. In this presentation, we have covered the key highlights of our consolidated performance for the fourth quarter financial year '26 versus the corresponding period of the previous prior year.

A segment-wise comparative financial analysis of Novelis and Indian aluminum and Copper business is also provided. The corresponding segment information of prior periods have also been restated accordingly for a comparative analysis. Today, we have with us on this call from Hindalco's management, Mr. Satish Pai, Managing Director; and Mr. Bharat Goenka, Chief Financial Officer.

From Novelis' management, we have Mr. Steve Fisher, President and CEO; and Mr. Dev Ahuja, Chief Financial Officer. Following this presentation the forum will be open for questions and answers. Post this call, an audio replay will also be available on the company's website.

Now let me turn this call to Mr. Pai to take you through company's performance and key highlights in the fourth quarter of financial year 2026.

Satish Pai: Yes. Thank you, Subir, and good morning and evening, everyone. On Slide 5 to 10 of this presentation, you can see our achievements and progress across quarterly metrics of safety and sustainability for this quarter versus prior periods. I will now take you through the key highlights of these initiatives.

Let me begin with a positive highlight. Hindalco has once again been featured in the S&P Global Yearbook 2026 ranking among the top 1% in S&P Global ESG scores within the aluminum industry. Notably, only 11 Indian companies have achieved this distinction. This recognition reinforces Hindalco's leadership in the aluminum sector and underscores our strong commitment and strategic focus on delivering long-term ESG excellence. At Hindalco, safety is always our highest priority.

LTIFR for this year stood at 0.23, showing significant improvement over the prior period. During the year, we sadly report the 3 fatalities at our Indian operations. We deeply regret this loss and remain firmly committed to implementing all necessary corrective actions to prevent such incidents in the future.

We have significantly strengthened our safety capabilities by developing 295 safety SMEs, enhancing the effectiveness of risk controls across operations. This has been complemented by over 0.6 million line management-led safety interventions, which have helped sustain ALARP risk environment while reinforcing overall operational safety resilience. In parallel, we are driving real-time experiential learning through the development of safety theme parks across multiple units, embedding a culture of proactive and hands-on safety awareness across the organization.

We are also implementing measures to prevent man-machine interface risk across all our manufacturing units. At Hindalco, we continue to make strong progress on circularity and responsible waste management. This year, 88% of the total waste generated was recycled or reused indicating stronger waste management performance. We achieved 131% recycling of bauxite residue excluding Utkal, 106% recycling of ash, and 126% recycling of copper slag in fiscal 2026.

Ash utilization has increased at Aditya, Renusagar and Utkal driven by strong demand from the cement industry as well as offsite low-lying area filling. At the same time, bauxite residue recycling has scaled up, supported by growing demand from cement manufacturing, road construction and quarry backfilling applications. In addition, recycling of copper slag has also improved, led by higher offtake from abrasives and ready-mix concrete industries, further strengthening our overall waste-to-value initiatives.

We have made consistent progress in improving water efficiency across our operations. In the aluminum business, specific water consumption has steadily declined over the years, driven by a series of focused interventions such as adoption of zero liquid discharge systems, optimization of cooling tower operations and reuse practices. These initiatives have helped us significantly reduce dependence on freshwater sources while improving overall process efficiency.

A similar trend is visible in the copper business as well, where freshwater consumption has also reduced over time, supported by better water management practices, recycling measures and operational efficiencies. Together, these efforts underscore our strong commitment to sustainable water stewardship and resource conservation across the value chain.

We remain deeply committed to preserving and enhancing our biodiversity in and around our areas of operation. Under our no net loss approach, we planted 1.3 lakh mangrove saplings near Dahej, along with 0.2 lakh saplings at Aditya Aluminum, while total plantations increased to 8.7 lakhs across sites versus 5.3 lakhs in FY '25.

Through our Biodiversity Management Plan, we have transplanted over 1,600 trees, developed 1.6 hectares of butterfly gardens and removed invasive species across 7 hectares to restore ecological balance. Additionally, under our Red to Green initiatives, we have converted -- we are converting legacy sites into green ecosystems, including transforming Muri's residue pond into a 17.4-hectare bio-park and undertaking the country's first quarry restoration using over 1 lakh tons of bauxite residue. At the end of this year, our renewable energy capacity stands at 470 megawatts powered by solar, wind and idle sources.

We remain on track to add other 53 megawatts in the coming quarter. At the same time, we are making strong progress in round-the-clock renewable energy initiatives with 30 megawatts of storage-based power scheduled for deployment this quarter, taking our total renewable capacity to 523 megawatts by the end of Q1 FY '27. These achievements reflect our unwavering commitment to clean energy and reducing carbon intensity as we move towards greener, more sustainable future.

Our aluminum specific GHG footprint for fiscal 2026 stood at 19.2 tons of CO₂ per ton of aluminum produced, marking the lowest level achieved. Importantly, this reduction is not a one-off outcome, but a part of a structural and consistent downward trajectory and emissions intensity, underscoring the effectiveness of our decarbonization road map. It reinforces our commitment to building a globally competitive low-carbon aluminum business aligned with evolving customer expectations and long-term sustainability goals.

Now let me give you a glimpse of the current broader economic environment on Slide 12. The current economic scenario is shrouded in geopolitical conflict and uncertainty. The IMF's reference forecast for 2026 pegs the global growth at 3.1% lower than earlier expectations. This slowdown reflects the impact of the conflict in West Asia, in the absence of which the outlook would have been stronger. Advanced economies are expected to see a relatively modest impact from the conflict with growth easing slightly from 1.9% in 2025 to 1.8% in 2026.

In contrast, growth in developing economies is projected to slow down from 4.4% to 3.9% in 2026, largely driven by the Middle East region where growth is expected to moderate significantly from 3.6% to 1.9% due to the more direct impact of the conflict.

The U.S. is projected to grow at 2.3% in 2026 versus 2.1% a year ago, supported by energy exports, fiscal policy and tax initiatives and technology-related investments. China is projected to slow to 4.4% from 5.5%, while policy stimulus and lower U.S. tariffs on Chinese goods are expected to cushion some of the negative impacts of the Middle East conflict.

Global growth remains vulnerable to a combination of geopolitical escalation, energy shocks, inflation persistence and financial tightening with risk reinforcing each other. Global inflation is expected to rise in 2026 to 4.4% from 4.1% in 2025 due to higher energy and food prices with strong upside risk in geopolitical disruptions persist.

India has entered this crisis with a relatively stable macro performance. The National Statistical Office estimates the FY26 growth at 7.6%, implying the Q4 FY26 at 7.3%. The economic momentum from the first half of FY26 continued into the second half with fiscal measures like GST rationalization and monetary policy easing supporting the economy. Manufacturing activity remains steady and business expectation and leading indicators point towards stability. On the demand side, the urban consumption is steadily improving, while rural demand continues to hold.

Sustained performance in the services and agricultural sectors continue to support economic activity. Against this backdrop, the RBI expects a GDP growth of 6.9% in FY27. However, the risks are tilted to the downside, with the growth conditional on further escalation and widespread

of conflict, heightened volatility in the global financial markets and weather-related events. Inflation is projected to more than double to 4.6% in FY27 versus 2.1% in FY26 with heightened upside risks.

Moving to the industry outlook on Slide 13 to 15. On Slide 13, you can see that the aluminium prices have continued to strengthen during the quarter, supported by steady demand across key end use segments such as packaging, electrical, machinery and transportation. On the supply side, the conflict in West Asia, which has led to one of the most significant supply disruptions in the aluminium market. This is expected to tighten availability, particularly through Q2 and Q3 of calendar year '26. As a result, the market has moved from an earlier expectation of 0.3 million tons deficit to 1.5 million tons deficit for calendar year '26, which should support prices and drive visible inventory drawdowns.

At the same time, we do expect a supply response to higher prices, including restarts in Europe and West Asia along with faster ramp-ups in Indonesia and Southeast Asia, which should help rebalance the market over the medium term.

Looking at the global aluminium market in Q1 calendar year '26, Chinese production stood at 11 million tons with increase in Yunnan largely offset by closures in Shandong. Consumption also moderated to similar levels impacted by softness in building and construction, solar and new energy vehicles, resulting in a broadly balanced market in China.

In the rest of the world, production increased marginally to about 7.5 million tons, led by capacity additions in Indonesia and Spain, partially offset by lower output from West Asia. However, consumption softened to around 7 million tons, primarily due to continued weakness in transport, although packaging and electrical demand remained resilient, leading to a surplus of 0.5 million tons. Overall, this resulted in the global market also being in a surplus of 0.5 million tons during this quarter.

Turning to India, as shown in Slide 14. In Q4 FY26, aluminium demand is estimated around 1.6 million tons, reflecting an approximately 9% year-on-year growth. This growth remains broad-based, supported by structural drivers in automotive, continued strength in electrical demand and stable packaging demand. Overall, the Indian market continues to outperform global markets backed by stronger underlying demand fundamentals.

Turning to the Indian copper industry on Slide 15. In the domestic copper market demand this quarter, including domestic supply, scrap and imports and imports excluding rose by 10% year-on-year, reaching 402 KT compared to 364 KT in the same period last year. This strong growth was driven by infrastructure investment, increased electrical applications and strong sectoral demand, particularly from white goods and winding wires.

The global concentrate market remains in an unprecedented tight phase in 2026, driven by a structural mismatch between smelting capacity and mine supply. Spot TCRCs are crunched to record lows in the range of minus \$0.21 to \$0.25 per pound as stronger sulfuric acid realization have partially offset weaker treatment terms, thus sustaining smelter buying interest.

This tight market environment is expected to persist through the year. However, any restart or ramp-up of key mining operations in Africa or Central America could provide some relief and lead to some recovery in TCRC levels.

Let me now give you a glimpse of our quarterly consolidated and business segment wide performance versus the same quarter last year on Slide 17 and 18. Our consolidated business segment EBITDA was up 11% year-on-year at INR10,812 crores this quarter. The consolidated profit after tax was down 51% on a year-on basis at INR2,597 crores this quarter due to the impact of exceptional items, including the impact of the Novelis Oswego plant fire.

If we adjust the impact of this exceptional item, our consolidated PAT stands at INR5,796 crores this quarter, up 10% year-on-year versus the prior period. At Hindalco India business, our business segment EBITDA was up 17% year-on-year at INR6,610 crores this quarter, whereas our quarterly profit after tax was at INR3,549 crores, up 11% on a year-on-year basis.

Coming to our business performance this quarter on Slide 18. The India upstream aluminium shipments were up 2% year-on-year, and revenues were up 11%. Our quarterly EBITDA was up 13% year-on-year at INR5,448 crores, backed by our resilient performance across the value chain, fully aligned with our philosophy of operational excellence by design. This helped us deliver an EBITDA of \$1,756 per ton this quarter. EBITDA margins were at 48% and continued to be among the best in the global industry.

Our hedged position for aluminium in FY27 stands at around 29% of the commodity at \$3,013 per ton and 14% in currency at INR90.13 per \$1.

Our Indian downstream aluminium business continues to deliver a strong performance, while quarterly shipments were up 18% year-on-year at 124 KT. Aluminium downstream delivered a quarterly EBITDA of INR255 crores, up 16% year-on-year versus INR219 crores in the prior period. This was driven by higher volumes, product mix and premiumization. The resulting EBITDA per ton stood at \$226 a ton this quarter. On Hindalco's copper business performance, our overall metal shipments were at 128 KT, down 5%.

Moderator:

Sorry to interrupt, ladies and gentlemen, we have lost line for the management. Please stay connected while we reconnect the line for the management. Ladies and gentlemen, thank you for patiently holding. We have the line for the management reconnected. Yes, sir, please go ahead.

Satish Pai:

Okay. So I'm not sure where I got disconnected, but maybe I'll just start with the copper business performance this quarter. Our overall metal shipments were at 128 KT, down 5% year-on-year, of which CCR volumes were at 91 KT, up 11% year-on-year with market recovery this quarter. Our quarterly copper EBITDA stood at a record INR907 crores, up 48% year-on-year on account of better realization in byproducts and operational efficiencies. Novelis recorded a shipment of 917 KT after adjusting for 73 KT lower shipments due to Oswego fire, reflecting a decline of 4% year-on-year over 957 KT shipments in the same period last year.

Adjusted EBITDA for the quarter stood at \$498 million or \$543 per ton, reflecting a 5% year-on-year. This excludes the impact of \$53 million related to Oswego fire and \$27 million from tariffs, partially offset by \$41 million positive from the Sierre flood insurance recoveries.

Back in April 2025, we set an FY26 exit savings run rate target of \$75 million, which we raised last quarter to \$125 million. With another quarter of solid execution behind us, that run rate is now \$200 million as we accelerate all cost efficiency initiatives. Looking ahead, we remain committed to our 3-year goal of permanently reducing our cost structure by \$350 million to \$400 million by FY28 exit. Additionally, scrap prices continue to move in a positive direction, supporting margin improvement.

Coming to Slide 22 in FY26, our businesses continued to generate healthy cash flows amounting to INR21,858 crores. This represents a strong 11% year-on-year growth. This performance underscores the strength of our operating model and disciplined execution. At the same time, we continue to invest aggressively in future growth with capital expenditures of INR31,619 crores, up 47% year-on-year.

These investments are focused on capacity expansion that will drive long-term growth. The resulting increase in net debt is in line with our long-term value creation strategy, ensuring that we maintain a strong balance between growth investments and shareholder returns.

At the consolidated level, we continue to maintain a strong balance sheet with net debt-to-EBITDA below 2 times at 1.83 at the end of March 2026. Despite the temporary impact of Oswego fires, we remain committed to maintain our net leverage around 2 times at the consol level. Details of the operational and financial performance in each of our business segments this quarter, compared to the corresponding period of last year as well as previous quarters are covered in further slides and annexures to this presentation.

Let me now conclude today's presentation with some key takeaways in Slide 29 and 30. At Novelis, our fourth quarter performance continued to highlight the strength of the underlying business, even as we navigate near-term headwinds from tariffs and the temporary outage of the Oswego facility following the fire.

In Q4 FY26, adjusting for these impacts, our underlying adjusted EBITDA per ton remains close to the \$500 mark, demonstrating the resilience of our operating model. The Oswego Hot Mill is on track to restart in the next few weeks, and we view the outage largely as a timing-related impact with the current year headwinds expected to substantially recover in the next fiscal year.

Importantly, our long-term guidance of \$600 per ton remains intact, supported by accelerated execution of our \$350 million to \$400 million structural cost reduction program, which is driving sustained improvements in efficiency and margins. In parallel, we continue to invest for growth with our 600 KT greenfield rolling and recycling facility at Bay Minette scheduled for completion this year. This will position us well to meet growing demand across automotive, beverage packaging and specialty aluminium segments further strengthens our long-term growth outlook.

Coming to our India business in this quarter and fiscal 2026, we once again delivered global industry-leading aluminium upstream EBITDA per ton, re-infirming our position firmly within the first decile of the global cost curve. This performance is a reflection of our strong operational efficiency, disciplined cost management and consistent execution across cycles.

All our key upstream expansion projects, including Aditya Alumina Refinery and Aluminium Smelters are progressing well and remain on track as we advance with our strategy of doubling our upstream capacities. In addition, our captive coal mines are progressing well across stages where Chakla received Stage 1 forest clearance, Meenakshi is currently under Stage 1 approval and Bandha has completed its box cut this quarter. Once operational, these mines will help reduce our upstream costs and support margin expansion and strengthen EBITDA.

On the downstream side, we see strong momentum in scaling up operations. The Aditya FRP plant is ramping up well and contributing meaningfully to overall production. Our battery enclosure facility has reached full ramp-up and is operating at optimal levels. The Aditya battery foil unit has been commissioned this quarter, while the Taloja AC Fin Facility has begun commissioning with customer qualifications underway.

In our specialty alumina business, the precipitate hydrate facility has also been commissioned this quarter and is currently undergoing customer approvals. Our copper business continues to remain resilient with copper smelter expansion, e-waste recycling, and other sustainability-led initiatives progressing as planned. The inner grooved tubes project is also in trial runs, further strengthening our downstream portfolio and value-added capabilities. Overall, Hindalco is well positioned for the future, driven by our core philosophy of engineering better futures.

Our strategic priorities are clearly defined in our accelerating upstream expansion in aluminium and copper, while driving a fourfold increase in downstream EBITDA in India by FY30. In parallel, Novelis continues to execute its mid- to long-term 3 by 30 strategy, focusing on delivering sustainable growth and enhance profitability by 2030. Together, these initiatives position us strongly to capture emerging opportunities and create long-term sustainable value for all stakeholders. Thank you for your attention, and we'll now open up the forum for any questions.

Moderator: Thank you very much. We will now begin with the question-and-answer session. [Operator Instructions]. Your first question comes from the line of Sumangal Nevatia with Kotak Securities. Please go ahead.

Sumangal Nevatia: Yeah. Good evening and congratulations on a very strong set of numbers. A couple of questions. First one, I just want to understand the hedges better. We understand the aluminium part. So the currency part, when you're saying 14% of the currency is hedged at INR90. So is this broadly the right understanding when we say that, say, half of the aluminium hedges, the dollar is also fixed, currency is fixed, and half will be at the spot currency rate for the 30%?

Satish Pai: Sorry, Sumangal, so in FY27, I'm just going to repeat, we have 29% hedged at \$3,013. And the currency, we are 14% hedged at INR90.13. The hedges are done for the commodity and the currency separately.

- Sumangal Nevatia:** And the currency is full India level or only aluminium?
- Satish Pai:** No, it's at the India level because it's a Rupee. But it's with the hedge accounting, it will be towards the aluminium sales. It won't be applied towards copper.
- Sumangal Nevatia:** Okay, alright. Okay, that's clear. On overall, on the cost, can we share what is our outlook on the aluminium cost of production going up or down in the coming quarters? And with respect to the coal mines, given now we are very close to commissioning, is it possible to share what sort of volumes we are expecting in FY27, FY28 from captive coal?
- Satish Pai:** So on the cost first. In Q4, the costs were up 2.5%, 2.4% versus Q3. And in Q4, we were just starting to see the impact of the war. So I think in Q1, we are anticipating a 5% increase over Q4, and the majority is driven by furnace oil. Furnace oil prices have really gone up high, followed by CP coke and pitch, but furnace oil being the biggest one.
- The coal prices are more or less still under control. So we think that Q1, we are going to see about a 5% inflation in cost versus Q4. On the coal mines, we did the box cut of Bandha, but it's a very high strip ratio, so you're going to see first coal only in FY28. Chakla, we are expecting to box cut in the next 2 months and the first coal may start to come from Q4 itself. So that's the plan on the mines.
- Sumangal Nevatia:** Okay. So '27 also given it is back ended, very minimal incremental volumes from captive coal, right?
- Satish Pai:** That's correct. You're going to see meaningful coal starting to come in only in FY28. And that too Chakla will be the main one because Bandha has a high box, high strip ratio. It will take us a while to ramp up the production there.
- Sumangal Nevatia:** Okay. And just one last question. For the Aditya Refinery, which is coming up, is the margins completely linked to the index alumina prices?
- And at the current spot levels around \$300, what sort of margins do we expect from a thumb rule perspective from specialty alumina?
- Satish Pai:** No, it's nothing to do with the specialty alumina business, there are two bits of it. Some part of it is linked to the index, some part, which is especially the very high value-added VAPs are not linked to it at all.
- So, in our specialty business, probably roughly 50% is index-linked and 50% is value-added, which is not linked to the index. So as the precipitated hybrid project comes in and other, slowly, our plan is to move the specialty business completely away from the index-linked business.
- Moderator:** The next question comes from the line of Pinakin with HSBC.
- Pinakin:** So, my first question is the copper EBITDA rose sharply Q-on-Q, and you highlighted higher sulfuric acid prices. So just wanted to understand the sulfuric acid prices have gone parabolic. So, does Q4 reflect the entire surge in sulfuric acid realizations? Or should more of it come through over the next 2 quarters?

- Satish Pai:** So, Pinakin, the sulfur prices are up largely because of the conflict in the Middle East. So Q1 prices are looking slightly higher than Q4 as well. But I wanted to caution that the moment any Strait of Hormuz opening or thing comes, then you will have to see there will be a correction in the sulfur prices because they're really high right now.
- Pinakin:** My second question is FY26 capex was INR31,619 crores, primarily given the surge in capex at Novelis. Now can you give us a sense of the consol capex across India and Novelis over the next 3 years, how it will play out between the two businesses?
- Satish Pai:** Next three years, maybe not -- let me give you next year's. In FY27, the India capex will be about INR12,000 crores, and the Novelis capex will be between, I think, Dev has already announced on the call about 2.3 billion to 2.4 billion, largely Bay Minette.
- I think it will be fair to say that when you go into FY28, Novelis capex will sharply drop once Bay Minette is commissioned and they go into more of a maintenance capex frame. The India capex will go much higher than INR12,000 crores because we'll be then getting into the full copper smelter, the Aditya Phase 2 ramp-ups. But I think FY28 numbers, I'll give you more closer to Q3 or Q4.
- Pinakin:** Sure, sir. So, is it fair to say that the consol capex should broadly remain in the INR30,000 crores range for the next few years? Or will the pickup in India capex would still be lower than how -- where Novelis capex is today?
- Satish Pai:** India capex, Pinakin, INR12,000 crores this year, next year will be, I don't know, INR15,000 crores to INR17,000 crores, but it's not going to be at the same level as Bay Minette was. So, I do think the consol capex of the two will be lower.
- Moderator:** The next question comes from the line of Raashi Chopra with Citi.
- Raashi Chopra:** Could you just tell us a little bit about the TC/RCs?
- Satish Pai:** Yes, the spot TC/RCs are running at negative \$0.21, like negative \$100 right now. And that's largely because the supply and demand is completely out of skew. There's a shutdown or problems in Grasberg. The Cobre mine in Panama is down. So, TC/RCs are right now at a negative and probably this year will continue to be negative.
- Raashi Chopra:** Okay. So, for this year you haven't contracted yet or?
- Satish Pai:** No, we are contracted. More than 85% is contracted at the benchmark. So, we are going to frankly get TC/RCs at close to zero or slightly negative.
- Raashi Chopra:** Okay. What was the fourth quarter hedges in aluminum?
- Satish Pai:** Fourth quarter, we were hedged about -- where is it, yes, 64% at INR2,807, and currency was 26% at INR88.
- Raashi Chopra:** Fourth quarter alumina sales was how much? And what are you expecting going forward?

- Satish Pai:** Yes. The fourth quarter alumina sales were 211 KT, and in Q1, we expect to sell about 170.
- Raashi Chopra:** 170 you said?
- Satish Pai:** Yes.
- Raashi Chopra:** Okay. And just last question from me. How do you break up the net debt for the company on a consolidated level? I think what was the India cash and Novelis net debt we have, what is the India cash?
- Satish Pai:** Yes. So, India gross debt is INR12,200 crores, cash is INR18,000 crores, so net debt is minus INR6,000 crores. Novelis gross debt is INR75,000 crores, cash is INR11,000, gives you a net debt of INR63,000 crores.
- Moderator:** The next question comes from the line of Indrajit Agarwal with CLSA.
- Indrajit Agarwal:** Congratulations on a good set of numbers. A couple of questions. Can you throw some light on the mid-Japanese port premium that we are seeing? It has rocketed up? And how do you see that panning out? And are we better off more in the export market than domestic as of today?
- Satish Pai:** It's a good question. I think Midwest are now at \$380. So, the delta between domestic realization and exports has narrowed down. So, it's a call -- I mean, I guess in Q1, probably our exports may be slightly higher. The Midwest, the MJP has jumped up because of the supply tightness as well as the freight prices going up, which is what the premiums reflect.
- Indrajit Agarwal:** Sure. And secondly, do you have a peak net debt number in mind? I understand you have a net debt-to-EBITDA number in mind, but absolute net debt number, do you have something in mind on that?
- Satish Pai:** Absolute gross debt or net debt?
- Indrajit Agarwal:** Net debt?
- Satish Pai:** So consolidated net debt peak should be between INR80,000 crores and INR90,000 crores over the next 2 years.
- Moderator:** The next question comes from the line of Vikash Singh with ICICI Securities.
- Vikash Singh:** Congratulations on a very good set of numbers. Sir, my first question pertains to Novelis. This Bay Minette cold mill, which we are going to operationalize, just wanted to understand how would be the spreads on the cold rolling only until your hot mill comes into play? And given that the overall commissioning would take a year's time, how should we look at the fixed cost associated with that startup?
- Satish Pai:** Steve, do you want to take that?
- Steve Fisher:** Sure. So, when we talk about commissioning, we're just commissioning each asset as it comes up. So, we started commissioning the cold mill. The commissioning process is typically in the

4- to 5-month timeframe from cold commissioning to -- and through hot commissioning. So, we will begin commissioning of the hot mill next month.

And so, as that finishes commissioning, we will then also complete the commissioning of the remainder of the equipment. So, by the back half of this year, the full calendar year, we will have all the equipment needed and commissioned so that we can begin qualifying coils or product with our customers and believe that we will enter fiscal '28 with commercial coils being sold at that point in time.

Obviously, we've also talked about 18 to 24 months to fully ramp up and get to the capacities that we've talked about of 600 KT. So, as we continue to ramp up the facility, we'll size our labor force as much as possible towards what we need at that point in time. So, there will be some start-up costs that get excluded from EBITDA as we fully commissioned the plant. I don't know, Dev, if you want to add anything more on the fixed cost outlook.

Dev Ahuja: Yes. So, when it comes to start-up costs during the ramp-up phase, principally the fixed costs that are not getting absorbed from the point of view of the low-capacity utilization are typically in principle, classified as start-up costs and they would basically go below the line, below EBITDA. That is the way we would do it.

And as Steve mentioned, our ramp-up period is 18 to 24 months. So, by implication, we will reach the full potential of Bay Minette on a run rate basis somewhere in that timeframe as we ramp up. That's really how it is.

Vikash Singh: So just a follow-up. When we talked about the \$600 per ton long-term plans on a blended basis, do we factor in the start-up cost below the item as well as the current scrap spreads or the scrap spread is lagging behind a couple of quarters in our assumptions?

Dev Ahuja: Yes, absolutely. We factor in the fact that during the ramp-up phase, the fixed costs that are not getting absorbed are below the line in net income. We have not factored in current scrap spreads. I mean these current scrap spreads and the current scrap market conditions; we take it as not sustainable. Things will come back to normal, and there will be some tightness, which we are aware about.

We have factored that in all our plans, including when we talk about \$600 per ton. To your specific question, no, we are not assuming such optimistic metal prices nor are we assuming spreads staying at current levels. We are assuming that there will be tightening both on pricing as well as on spreads. So, \$600 per ton is more like we will achieve it on a sustainable level, not with special tailwinds that we are enjoying now.

Vikash Singh: Noted, sir. My second question pertains to our coal. Once we get our own coal, given the current prices between the SSAs and e-auction versus our old coal extraction. On a landed cost basis, any idea what kind of savings we could still make because coal prices when we bought the coal mines versus right now spot prices, there's a huge difference.

Satish Pai: Well, the whole point about having your own mines is that the coal prices go up and down in the market. So, you're absolutely right, Q4, the coal prices were low, but we are heading into a

monsoon quarter. All we need is one good hard rain in some NCL mine and suddenly, the spot premiums will jump up.

So, I think the way we should look at our captive mines is that our cost curve gets completely standardized and flat because we control the coal and the pricing for the next 15, 20 years with these mines. So, to your point, if we take today's price of coal on the sort of auction price, yes, it is low.

So Chakla and Bandha will probably be at the same level. Meenakshi will still be substantially lower than today's prices. But I again urge you to look at what it's doing to our cost curve on a sustainable basis.

Moderator: The next question comes from the line of Parthiv Jhonsa with Anand Rathi.

Parthiv Jhonsa: My first question pertains to the copper business. Now considering Grasberg is not ramping up as expected, number one. Number two, your asset prices are up and your TC/RCs are -- because as you mentioned, you are 85% already contracted.

So do you expect that this INR900 crores of EBITDA on a quarterly basis is a new normal till the time global headwinds are not clear? Or should we expect this...

Satish Pai: Our guidance has been INR600 crores is what we were targeting.

Parthiv Jhonsa: Absolutely. Yes, absolutely. That is the reason. INR600 crores and INR900 crores, there is a substantial gap between the two. And considering the global macros where copper is already sustaining over \$13,300, \$13,400 level, and also the crunch is expected to continue for some time now. Do you expect this to remain around say, INR900 crores to INR1,000-odd crores on a quarterly basis?

Satish Pai: No. I think that Q1, to be fair, will also be in the same range because sulfuric prices are high. But I'm not going to stick my neck out to Q2 and Q3. I would still go back to the 600, 700 per quarter there.

Parthiv Jhonsa: Okay. That's actually helpful, sir. And just continuing on the question around Novelis, considering 18 to 24 months of a timeframe for completely ramping up the facility. And would it mean that you would have a certain timeframe to actually ramp it up beyond a certain level would take at least another 2 to 3 years. So, will the volume expansion remain within a certain band for next 2 to 3 years?

Satish Pai: Actually, Steve, if you got the question, you can answer it.

Steve Fisher: Yes. So, the ramp-up from -- once we get to fully qualified coils, we will -- it will ramp fairly evenly over those 18 to 24 months. At times, we'll have to add a shift here or there as we go up. But the guidance that Dev said that as we complete the full commission or the full ramp-up after 24 months, we would be at the run rate of 600 KT and the overall EBITDA per ton that we've been talking about off that facility would be north of \$1,000 per ton.

Parthiv Jhonsa: And is it possible to quantify the start-up cost? Just wanted to check on?

- Dev Ahuja:** We will do that closer to time. But it's not going to be a humongous number. I mean it will be -
- if you ask me to say it now, it will be more like in the 100 million to 150 million range annually.
But let's just park that for closer to time as we commission Bay Minette.
- Moderator:** Your next question comes from the line of Satyadeep Jain with Ambit Capital.
- Satyadeep Jain:** Just another question on sulfuric acid, the most topical thing right now. So, you talked about the West Asia crisis leading to these prices. Also wanted to understand there's a lot of news flow around China restricting export of sulfuric acid. Have you started seeing that in the market? Is that impacting supplies?
- And I believe most of sulfuric acid that you said is it to Indian fertilizer and chemical industries. And if that is the case, is government worried about prices or looking at controlling prices in any way? Just trying to understand what's happening on sulfuric acid.
- Satish Pai:** The sulfuric prices actually are set by a global index on a dollar term just like LME is. And China restricting exports means that in the current April month and all the sulfuric prices have actually gone up further. And no, we don't only sell domestically, we also export sulfuric acids abroad as well.
- Satyadeep Jain:** So, let's say, you mentioned if West Asia crisis, if Strait of Hormuz opens, then sulfuric prices will come down. But this China restricting export of sulfuric acid, is there a possibility that these prices stay elevated?
- Satish Pai:** So Satyadeep, I have no problem if they stay elevated because it helps us because TC/RCs are negative.
- Satyadeep Jain:** That I understood. I was just asking for your opinion on...
- Satish Pai:** Sorry, go ahead.
- Satyadeep Jain:** Secondly, on the Meenakshi mine, I know you mentioned Bandha has high strip ratio, it's going to take a long time, slightly longer ramp-up for some box cut. Meenakshi has a very low strip ratio. So, should we assume -- I know it's still early for clearance, but should we assume some volume in FY29 and the ramp-up from there would be similar to Chakla?
- Satish Pai:** It would be even faster than Chakla because it's got less than 1 strip ratio. So, you should see a reasonably substantial volumes coming in, in FY29 from Meenakshi.
- Satyadeep Jain:** Lastly, the aluminum smelter that you're expecting in '28 and the other one in '29, can you maybe talk about -- you placed some purchase orders, but what is the visibility in terms of civil construction and all for this smelter to get commissioned in FY28?
- Satish Pai:** So, calendar year December '27, the first 180 pots of Aditya will get commissioned. And calendar year December '28, the next 180 pots of Aditya will get commissioned. We are -- the timelines look fairly firm to us. The first 180 for sure by next year, December.
- Moderator:** Your next question comes from the line of Ritesh Shah with Investec.

Ritesh Shah: A couple of questions. Sir, first is on Novelis. We have operations in Ontario. Trump tariffs are still there. There are shipments which move from US to Canada and back. Is there any derisking mitigation moves at your plant, specifically with this particular aspect?

Satish Pai: Steve, do you want to take that?

Steve Fisher: Sure. Yes, we do have a rolling facility in Ontario, Canada, Kingston. It is fed from our Oswego, New York facility, and then that product is then dispersed primarily into the auto industry, some specialty products as well. So, as we've been talking about on the last several calls, we have an overall mitigation strategy as it relates to tariff impacts by sourcing more domestic coal mill capacity inside of the US.

So that now we can -- as Oswego comes back from the fires here in the next few weeks, we're able to utilize some of the cold mill capacity in the US to mitigate the full impact associated with the tariffs, and we continue to work with both governments for further potential scenarios of relief associated with that.

Ritesh Shah: So just to take it further, with the new cold mill expected for 6 months out, is it fair to assume that we won't ship cargo to Canada and there could be incremental savings given we will say something on the tariffs?

Steve Fisher: So, the cold mill capacity that I'm referring to is not the Bay Minette cold mill capacity. So that is even additional. We've secured additional cold mill capacity with our partnership at Logan.

So that's the cold mill I'm referring to and it is more key to getting Oswego hot mill back up and running so that it can be supplied. And then we just need to work through the longer-term planning associated with the Kingston mill that also does serve auto with some finishing equipment.

Ritesh Shah: Perfect. That's helpful. Mr. Pai, a few questions for you, sir. Current coal mix, if you could please highlight, I think that's the first question. Second is if you could give some sense on basically where is -- where does the 90th percent of the cost curve currently stand?

And the third question is power has been chased by several other industries, primarily data centers globally. Given we have the advantage of procuring local coal, how do you see the cost of differential, say, for Hindalco versus Rest of the world? How structural you see and some outlook over there would be quite helpful.

Satish Pai: So, the coal mix for quarter 4 was 61% linkage, 30.7% e-auction and the last few were sort of own mines. Your second question was where is the larger cost curve of the aluminum? So, I think it would be fair to say that the majority of the Western smelters, etcetera, they are at least \$300, \$400 higher than what we have in India. So that cost curve is, I think, more about \$2,000 to \$2,200 per ton.

Your third question, I think, was on power costs. So, you're right. If you are drawing power from the grid, then you are competing with hyperscalers of data centers. But generally, aluminum

smelters, whether it's Middle East, us, Norway, Canada, have long-term PPAs with the government, and hence are not really buying power from the grid.

Where they have a problem like Mozal, they have already shut down or where you have a grid-based power, there the prices of power are going way higher than what a smelter can sustain.

Ritesh Shah: Sir, any sense on what percentage of global production or as a percentage of, say, million-ton capacity, which would be on grid-based power wherein we will see this escalation?

Satish Pai: Sorry, it's based on what green power did you say?

Ritesh Shah: Grid-based power?

Dev Ahuja: It's a grid-based.

Satish Pai: Even if it's grid, let's take Dunkerque or it is based on the grid, but it has a long-term PPA with the energy provider. So even if it's on the grid, a smelter will not be running on spot power, let me tell you that. So, they'll have a long-term, whether it's 2 years, 3 years, they will have a long-term contract with the provider. So, I think that the hyperscaler demand is largely a US phenomena right now.

And there are very few smelters in the US, as you know, there's only Century and probably Alcoa has a small one. So that hyperscaler power thing is largely a European thing where there's very little smelting today.

Ritesh Shah: Perfect. Sir, just last question. Would it be possible to provide some color on off-the-shelf inventories? And secondly, you did touch upon Midwest. If you could provide some color specifically on Europe and MJP premiums as well. The reason to ask this is hypothetically, if Fed increases rates, where do you see the larger impact? Will it be on premiums? Or do you see it on LME?

Satish Pai: So, look, that's -- I will let Steve talk about Midwest. But generally, aluminum inventory worldwide is around 8 million tons, which is 40 days. So, it has dramatically come down, especially with the West Asia conflict. The second thing is the premiums generally reflect local phenomena. So MJP is up because of freight going up and Japan availability being low.

ECDP will go up because of other factors. Midwest is up because of the Trump tariffs of 50% have been baked into the premium rather than the LME because it's a regional issue. So, the LME tends to work on the supply/demand, whereas the premiums reflect local availability and the cost of transportation. Steve, do you want to add anything more on the Midwest?

Steve Fisher: No, no. I think you've highlighted the tariffs because the majority of the primary aluminum coming from Canada into the US, the 50% tariffs is what's driving the higher Midwest premium.

Moderator: The next question comes from the line of Tushar Chaudhari with Prabhudas Lilladher Private Limited.

Tushar Chaudhari: Congratulations on good set of numbers, sir. Sir, can you give us some detailed update on our mitigation efforts for scrap sourcing, which we discussed last year, for example, diversion of landfilling scrap. Do we get any approvals on it? Has it started? Some details will be helpful.

Satish Pai: Steve?

Dev Ahuja: I'll take that.

Satish Pai: Dev, okay.

Dev Ahuja: I'll take that. Okay. So, we are working on a number of fronts, as we have been saying to diversify scrap sources. So, to some of the things about landfill, no, we don't need any approvals. Here, it is more about working with the municipal recycling facilities, putting in technology and extracting UBCs or scrap that would otherwise go into landfill.

So, this is not like a few months' initiative. This is an initiative that we have started to pilot, and then over time, we will expand it to a larger number of these facilities. But the main thing, which is actually very exciting, and that is what we should be really feeling very good and positive about is that we will have a lot more scrap inputs coming from end-of-life automotive where we already have a partner who has brought in the technology for scrap sortation.

As we speak, the aluminum intensive vehicles, which have been produced over the last about 15 years, will start more and more to reach scrap yards. And that is where we are creating a supply chain to be able to get very valuable end-of-life scrap for automotive, and that will have a very positive impact on the margin. It is part of the strategy that will give us access to over \$600 per ton of EBITDA.

On the other side, our initiatives are focused on more diversified scrap versus overdependence on UBCs. So basically, we want to really get into more scrap types. So, there's a pretty comprehensive slew of initiatives on all the matters that I just mentioned, and we are expecting to get positive results from that over time in short.

Tushar Chaudhari: Understood. And sir, on domestic, can you give some more details on the smaller projects which we are doing on copper side. So, we are around spending around INR5,000-odd crores like battery grade copper foil, e-waste IGT. So, any EBITDA potential at full ramp-up will be helpful.

Satish Pai: So, one by one. Copper inner grooved tubes project is undergoing qualification with customers today. So that's 35 KT of copper tube that will go for air condition manufacturing. 50 KT recycling Pakhajan plant will commission in August. So once that is commissioned, we are going to process copper, then e-waste scrap to get 50 KT of copper.

So, these are the two projects that are in the immediate horizon that are going to immediately impact the copper performance over the next year. The copper smelter will be a few years out. We are just starting that, that will take 3 years.

Tushar Chaudhari: And the battery grade copper foil is FY28, which we had given earlier?

Satish Pai: Yes, we are going to commission a much smaller one because honestly, we are seeing that the battery manufacturing in India has not really taken off as fast as we expected. So that's why we are going to time it a little bit, but a smaller capacity based on even exports, we will be coming up with in the next 2 years.

Moderator: Ladies and gentlemen, due to time constraints, this was the last question. You can connect with the Investor Relations team for your further questions. I now hand the conference over to Mr. Pai for closing remarks.

Satish Pai: Yes. Thank you, everyone. So, as you can see, I think the India business is on a solid footing. But I think more important is that Novelis is now coming back. Q4 was a good quarter. And then if Oswego starts in Q1 of this quarter and Bay Minette gets commissioned. So, I think that Novelis is heading to a recovery year in FY27. So, I think overall, that's an important point for us. So, thank you very much for your attention.

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