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# Hindalco Reports First Quarter 2017 Results (Unaudited Standalone)

12 August 2016

## Hindalco Reports First Quarter 2017 Results [Unaudited Standalone]

Click here to view the results (<http://hindalco.com/upload/pdf/results-june-2016-Q1FY17.pdf>)

**PBDT -- Rs 751 Crore vs Rs 401 Crore in Q1 FY 16**

***Aluminium - Strong operational performance in a challenging macroeconomic environment, efficiency gains and lower input costs helped deliver robust results***

***Significant visibility over coal sourcing and cost. Around 25% annual requirement locked in during recently concluded linkage auctions at a reasonable premium to Govt. notified prices***

***Copper – Lower production due to planned maintenance shutdown. Plant Ramping up smoothly post shutdown***

Hindalco Industries Limited, the flagship company of the Aditya Birla Group, today announced its unaudited results for the quarter ended 30 June 2016.

### First Quarter Highlights:

Copyright © 2020 Aditya Birla Management Corporation Pvt. Ltd. | [Legal disclaimer \(/legal-disclaimer\)](/legal-disclaimer) | **The company attained Revenues of Rs 7,597 Crore, PBITDA was** | [Beware of fraudulent job offers \(/beware-of-fraudulent-job-offers\)](/beware-of-fraudulent-job-offers)



1351 Crore and Net Profit soared 381% to Rs 294

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Aluminium production increased 17% to 308 KT, significant cost efficiencies achieved. Supportive input costs with decline in coal and crude derivative prices

Strong growth in aluminium Value Added Products (FRP and Extrusions) - up 12%, Wire Rod Production increased 80% reflecting a strong focus on power sector

Copper production was lower owing to planned annual maintenance shutdown. However, post shut down, the plant is ramping up smoothly.

Financial Highlights:

	Standalone	
(In Rs. crore)	Q1FY17	Q1FY16
Revenue from Operations	7,597.3	8,575.3
PBITDA	1,350.9	1,004.7
Depreciation	338.2	330.7
Finance Costs	599.6	604.0
Profit before Tax	413.1	70.0
Tax Expenses	118.9	8.6
Profit from Continuing Operations	294.3	61.4
Profit/ (Loss) from Discontinued Operations (Net of Tax)	(0.2)	(0.3)
Net Profit for the Period	294.1	61.1
Basic EPS – Rupees	1.44	0.30

Revenues for the quarter were lower by 11% compared to the



quarter of the previous financial year, due to sharp

ations. In spite of the fall in aluminium realisations

revenues were higher by 8% on the back of strong

however a 28% drop in copper revenues

36% decline in copper volumes due to planned

maintenance

impact of higher aluminium revenues

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The average LME prices (USD) for aluminium and copper were lower by 11% and 22% respectively vs. Q1FY16. In Aluminium Business, the impact was more severe due to a sharp fall in the local market premium, which declined by as much as 50%. Continued strong imports of aluminium in the country also adversely affected the results.

A strong increase in aluminium volumes in line with higher production and value addition helped partially offset the impact of sharp fall in realisations. Weaker Rupee also enabled partially offset the effect of the drop in realisations. The cost of most inputs continued to remain benign for second consecutive quarter. The lower cost of raw materials, especially energy inputs, was a major relief during the quarter.

YOY, quarterly Profit before Interest, Tax, Depreciation and amortisation (PBITDA) at Rs 1,351 crore was higher by 34 %. This reflects a robust operational performance, notwithstanding the macro- economic headwinds. Depreciation and finance charges at Rs 938 crore against Rs 935 crore during Q1FY16 were broadly stable.

Profit before tax for the quarter at Rs 413 crore was sharply higher than that in the corresponding quarter of the previous year, due to strong operational gains. Net profit for Q1FY17 at Rs 294 Crore, was much better than that in Q1FY16.

Hindalco has adopted Indian Accounting Standards (Ind AS) wef 1st April, 2016 as mandated by the Ministry of Corporate Affairs. Figures of quarter ended 30th June, 2015 have been revised to comply with Ind AS.

## Results:



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Revenue	BUSINESSES (/OUR-BUSINESSES)	INDUSTRIES (/INDUSTRIES)	SUSTAINABILITY (/SUSTAINABILITY)
Earnings before Finance Costs, Exceptional Items, Tax Expenses, Depreciation and Amortization (including Impairment) (EBITDA)	OPERATIONS (/OPERATIONS)	MEDIA (/MEDIA)	ABOUT US (/ABOUT-US)
Copper Segment			
Revenue	3,336	4,614	
Earnings before Finance Costs, Exceptional Items, Tax Expenses, Depreciation and Amortization (including Impairment) (EBITDA)	284	398	

**Aluminium Business:**

During the quarter, Alumina production (including Utkal refinery) at 708 KT (kilo tonne) was 10% higher vis- a vis that in Q1FY16. Aluminium metal production stood at 308 KT and was up 17% on YoY basis. Higher production, improved efficiencies, with the stabilisation of operations and supportive input costs resulted in a higher EBITDA of Rs 901 crore, an increase of 64% over the corresponding quarter of the previous year.

The standalone financials do not include Utkal's financial performance.

**Copper Business:**

The Copper business financial results were impacted due lower production volumes on account of the scheduled annual maintenance shut down. YoY Cathode production for Q1FY17 at 65 KT was lower by 36%, resulting in lower sulphuric acid production. However, Fertilizer (DAP) production increased by 20% to 94 KT with the ramp up of expanded facility. On YoY basis, the EBITDA of

... was 29% lower at Rs 284 Crore.



of Aditya Birla Mineral Ltd (ABML) was completed.  
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line with the company's focus on monetisation of  
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The Company secured around 25% of its coal requirement in the recently concluded coal linkage auctions, at a reasonable premium to government notified price. This, along with the existing linkage for Renusagar power plant and captive coal mines will provide adequate coal security and good visibility to power cost for aluminium production. This is a significant development, considering the Company's cost competitive alumina value chain, including Utkal Alumina, which will help bolster our cost competitiveness.

***The Company delivered a robust operational performance in adverse macroeconomic conditions. Its operational performance was also supported by deflationary energy prices. The macroeconomic headwinds still persist and the uncertain global macro factors pose several challenges. The high level of imports continue to impact domestic sales volumes. Hindalco continues to focus on operational excellence, higher value addition, customer centricity and cash conservation to tide over these issues.***

***Statements in this "Press Release" describing the company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the company conducts business and other factors such as litigation and labour***



**The company assume no responsibility to publicly  
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