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# Hindalco Reports strong financial performance for quarter ended September 30, 2017

**03 November 2017**

[Click here to view the results \(/upload/pdf/hindalco-results-q2fy18.pdf\)](/upload/pdf/hindalco-results-q2fy18.pdf)

[Click here to view the presentation \(/upload/pdf/hindalco-investor-presentation-Q2fy18.pdf\)](/upload/pdf/hindalco-investor-presentation-Q2fy18.pdf)

**Record Standalone EBITDA at Rs. 1,577 crore (up 6 percent over Q2 FY2017)**

**EBT (before exceptional items) at Rs. 713 crore (up by 30 percent over Q2 FY2017)**

## Highlights Q2 FY2018

Net profit for quarter before exceptional items was at Rs. 461 crore.

Exceptional items (post tax adjustment) were Rs. 68 crore.

Reported net profit after adjustment for exceptional items Rs. 393 crore.

Robust Aluminium segment performance driven by higher volume, stable operations and supportive macro factors - Q2 FY18 EBITDA at Rs. 957 crore grew year on year by 18 percent

Strong financial performance for Copper segment bolstered by higher by-product realization and supportive macro factors - Q2 FY18 EBITDA at Rs. 467 crore year on year rose by 28 percent

Novelis achieved record quarterly shipments of 802 kilotonne and record adjusted EBITDA of USD 302 million - Q2 FY18 EBITDA

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Delivering continued - till date total prepayment of project debts



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| Description  | Q2<br>FY17 | Q1<br>FY18 | Q2<br>FY18 | H1<br>FY17 | H1<br>FY18 |
|--|------------|------------|------------|------------|------------|
| Revenue from Operations                                | 9,562      | 10,407     | 10,308     | 17,721     | 20,715     |
| Earning Before Interest, Tax and Depreciation (EBITDA) |            |            |            |            |            |
| Aluminium  | 808        | 875        | 957        | 1,679      | 1,832      |
| Copper   | 366        | 322        | 467        | 630        | 789        |
| Other Income   | 319        | 207        | 154        | 535        | 361        |
| Total EBITDA   | 1,493      | 1,404      | 1,577      | 2,844      | 2,981      |
| Depreciation   | 352        | 379        | 380        | 690        | 760        |
| Finance Costs  | 594        | 488        | 484        | 1,194      | 971        |
| Earnings before Exceptional Items and Tax              | 547        | 537        | 713        | 960        | 1,250      |
| Exceptional Income/ (Expenses) (Net)                   | 85         | (104)      | (106)      | 85         | (210)      |
| Profit Before Tax                                      | 632        | 433        | 608        | 1,045      | 1,040      |
| Profit/ (Loss) After Tax                               | 440        | 290        | 393        | 734        | 682        |
| Earnings per Share (EPS) - Basic (In Rupees)           | 2.1        | 1.3        | 1.8        | 3.6        | 3.1        |



applicability of GST with effect from July 1, 2017. Hindalco is required to be disclosed net of GST as per requirement of the 'evenue'. Accordingly, the Revenue figures for the year ended September 30, 2017 are not comparable with the corresponding periods.

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**Standalone highlights**  
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Hindalco attained Revenues of Rs. 10,308 crore, higher as compared to Q2 FY2017, led by aluminium volumes and improved realization across both the segments. EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) for the quarter was Rs. 1,577 crore, up by 6 percent compared to the previous year, on account of higher aluminium volumes and supportive macro factors, partly offset by higher input costs and lower volumes in copper segment. Depreciation rose by 8 percent Y-o-Y, due to progressive capitalization. Interest expense for the quarter was lower by 19 percent given the prepayment of loans. Net Profit for Q2 FY2018 was at Rs. 393 crore vs. Rs. 440 crore in the previous year, after factoring in net exceptional provisioning of Rs. 106 crore, based on various recent judgements pronounced by the Hon'ble Supreme Court.

## Business highlights

### Aluminium:

The standalone Aluminium Revenue for Q2 FY2018 was up Y-o-Y at Rs. 5,213 crore, led by higher sales of Aluminium metal and increased realization. EBITDA for Q2 FY2018 was Y-o-Y grew 18% to Rs. 957 crore on the back supporting macro factors and higher volumes, partly offset by rise in input costs.

For Q2 FY2018, Aluminium metal production stood at 326 kilotonne (Y-o-Y increased by 2%) and Alumina (including Utkal Alumina) at 712 kilotonne (Y-o-Y fell by 2%). VAP (including Wire Rod) production was at 119 kilotonne, marginally lower by 2 percent as compared to the previous year, mainly due to subdued demand. Aditya, Mahan and Utkal Alumina continued to operate at their rated capacities.



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For Q2 FY2018, the Company's Cathode production was 96 kilotonne lower by 10 percent, because of certain operational issues and CC Rod production at 39 kilotonne was down 7 percent as compared to Q2 FY2017, mainly due to subdued demand.

### Utkal Alumina International Limited:

The EBITDA for Q2 FY2018 surged by 18 percent to Rs. 201 crore on the back of higher realization.

Utkal Alumina continues to be amongst the lowest cost producers globally. During the Quarter, Utkal Alumina refinery produced 380 kilotonne of alumina, up 1 percent vis-a-vis the previous year.

### Novelis Inc.:

Net sales increased 18 percent Y-o-Y to USD 2.8 billion in Q2 FY2018, which was supported by all-time record quarterly shipment of 802 kilotonnes (Y-o-Y grew by 4 percent), including a 12 percent increase in shipments of automotive products and higher average aluminium prices.

Adjusted EBITDA (excluding metal price lag), increased 12 percent to USD 302 million in Q2 FY2018, from USD 270 million in the previous year. The year-over-year improvement in Adjusted EBITDA is primarily a result of higher shipments, favourable metal costs and operational efficiencies, partially offset by lower beverage can pricing. Adjusted EBITDA reached USD 377 per ton in the quarter.

Novelis completed its joint venture transaction with Kobe Steel this quarter by selling approximate 50 percent of its ownership interest in its Ulsan, South Korea facility. It received USD 314 million in cash proceeds for the transaction.



Hindalco reported a Net income of USD 307 million for the Q2

ed to a net loss of USD 89 million in the previous

ax-affected special items in both years, the

ome is at USD 78 million in Q2 FY2018, up

ported in Q2 FY2017.

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Hindalco (including Novelis) delivered a robust business performance and the Company continued strengthening its balance sheet by deleveraging. The overall domestic demand from user industries remained subdued in July and August, signs of improvement were visible in September. High level of the Copper imports and an increase in domestic aluminium production continue to affect domestic sales volumes. Overall, we remain positive on the outlook, Government reforms are expected to facilitate domestic investment and growth in the coming years. Hindalco remains focused on accelerated deleveraging, operational excellence, higher value addition, customer centricity and cash conservation to deliver stakeholder value.

**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 negotiations. The company assume no responsibility to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent development, information or events, or otherwise.**



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