

RESEARCH REPORT

HINDALCO INDUSTRIES LTD



PREPARED BY:
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About

Incorporated in 1958, Hindalco Industries Ltd. is a flagship company of the Aditya Birla Group. The Co and its subsidiaries are primarily engaged in the production of Aluminium and Copper. It is also

engaged in the manufacturing of aluminium sheet, extrusion and light gauge products for use in packaging markets like beverage and food, can and foil products, etc.

Revenue Breakup

Novelis- 59%

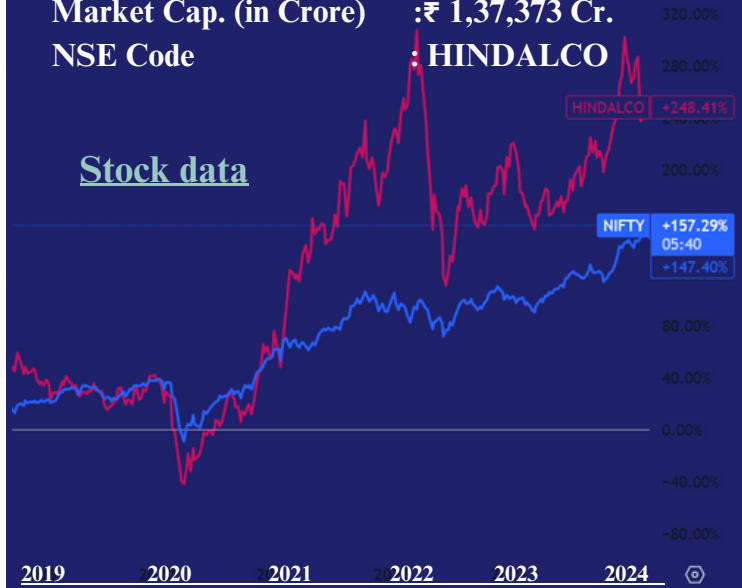
Copper - 23%

Synopsis of Financials

- Consolidated EBITDA increased by 28% year-on-year to ₹8,100 crores.
- Consolidated net profit after tax surged 60% year-on-year to ₹3,735 crores.
- Indian aluminum business reported EBITDA growth of 69% year-on-year at ₹4,776 crores, with net profit after tax up by 134% to ₹2,885 crores.
- Novelis shipments were down 1% year-on-year at 904 Kt, with EBITDA down 19% year-on-year to \$367 million due to high aluminum scrap prices.

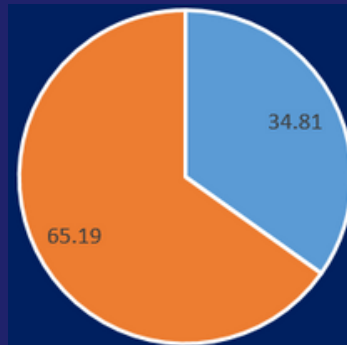
Stock data (as 04th Apr 2025)

Nifty Price : 22,965
52 week High (in Rs.) : 773
52 week Low (in Rs.) : 558
Market Cap. (in Crore) : ₹ 1,37,373 Cr.
NSE Code : HINDALCO



-NIFTY50
-HINDALCO

Shareholding Pattern (March 2024)



-PUBLIC GROUP
-PROMOTER GROUP

Financial Summary

Particulars	Mar 2022	Mar 2023	Mar 2024
Sales	195,059	223,202	215,962
Sales Growth %	47.76%	14.43%	-3.24%
Expenses	166,712	200,536	192,090
Operating Profit	28,347	22,666	23,872
OPM %	15%	10%	11%
Net Profit	13,730	10,097	10,155
EPS in Rs	61.10	44.93	45.19

Quarterly Results

Particular	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Sales	56,176	53,151	55,857	52,991	54,169	52,808	55,994
Expenses	50,814	49,603	50,530	47,277	48,557	46,943	49,314
Operating Profit	5,362	3,548	5,327	5,714	5,612	5,865	6,680
OPM %	10%	7%	10%	11%	10%	11%	12%
Other Income	330	368	354	381	496	281	362
Interest	879	934	986	992	1,034	944	888
Depreciation	1,713	1,768	1,856	1,786	1,843	1,874	2,018
Profit before tax	3,100	1,214	2,839	3,317	3,231	3,328	4,136
Tax %	29%	-12%	15%	26%	32%	30%	23%
Net Profit	2,205	1,362	2,411	2,454	2,196	2,331	3,174

Source: Screener

Key Ratios

	Unit	2023-24 @	2022-23 @	2021-22 @	2020-21 @	2019-20 @	2018-19 @	2017-18 @	2016-17 @	2015-16 @	2014-15
Operating Margin	%	11.22	10.25	14.61	13.39	12.15	11.87	12.02	12.13	8.71	8.38
Net Margin	%	4.70	4.52	7.04	2.64	3.19	4.21	5.25	1.85	(0.25)	0.80
Gross Interest Cover ^	Times	6.16	6.43	7.49	4.73	3.57	4.37	3.86	2.36	1.91	1.95
Net Interest Cover ^^	Times	6.67	6.62	7.87	5.06	3.70	4.40	3.84	2.36	1.95	2.41
ROCE ^^^	%	11.37	11.43	16.61	9.40	8.83	10.94	9.61	8.32	5.08	5.97
ROE	%	10.11	11.67	18.97	5.58	6.51	9.78	12.06	4.39	(0.64)	2.16
Basic EPS	₹	45.68	45.42	61.73	15.66	16.94	24.67	27.30	9.22	(4.55)	4.14
Diluted EPS	₹	45.62	45.36	61.65	15.65	16.93	24.66	27.29	9.22	(4.55)	4.13
Cash EPS ^^^^	₹	81.14	78.24	92.69	46.07	40.03	46.07	47.98	30.91	20.78	21.53
Capital Expenditure (Cash outflow)	₹ Crore	15,943	9,842	5,426	5,565	6,791	6,005	3,001	2,938	4,245	5,978
Debt Equity Ratio	Times	0.53	0.64	0.82	0.99	1.15	0.91	0.95	1.39	1.66	1.79
Book value per Share	₹	472.24	421.79	347.87	296.07	259.56	256.07	244.33	205.32	196.64	185.61

Source: Annual Report

Yearly Results

Particulars	Mar 2022	Mar 2023	Mar 2024
Equity Capital	222	222	222
Reserves	77,969	94,584	105,924
Borrowings	64,486	60,291	56,356
Other Liabilities	79,178	68,392	68,221
Total Liabilities	221,855	223,489	230,723
Fixed Assets	106,874	110,626	111,810
CWIP	4,945	7,700	14,867
Investments	14,119	14,116	15,444
Other Assets	95,917	91,047	88,602
Total Assets	221,855	223,489	230,723

Synopsis Quater Results

Key Highlights

ESG Performance:

- Hindalco achieved a top 1% ranking in the S&P Global Sustainability Yearbook 2025 with the highest ESG score in the aluminum sector.
- 79% of total waste generated was recycled and reused in the first nine months.
- Achieved recycling of 109% of bauxite residue and 101% of ash.
- Six facilities have received Zero Waste to Landfill certification.
- 16 out of 19 Hindalco sites meet Zero Liquid Discharge standards, with significant progress in water recycling.

Operational Highlights:

- Record quarterly EBITDA for Indian aluminum business was up 73% year-on-year at ₹4,222 crores, driven by low input costs and favorable macros.
- Indian downstream aluminum shipments increased by 10% year-on-year to 99 Kt.
- The copper business showed strong performance with metal shipments at 120 Kt and copper EBITDA at ₹777 crores, up 18% year-on-year.

Market Outlook:

- Global GDP growth is projected to remain steady at 3.3% for FY '25 and '26.
- Indian economic growth moderated to 6% in the first half of FY '25 but is expected to pick up in the second half driven by festive demand.
- Aluminum demand in India projected at 1,403 Kt with an 11% year-on-year growth, driven by the electrical segment and packaging.

Strategic Developments:

- Secured the Meenakshi coal mine, which is crucial for long-term coal pricing and security.
- Organic expansion projects include the Aditya FRP project, which will increase total downstream capacity to 600 Kt per annum by June 2025.
- New copper inner grooved tube plant set to commission this month.

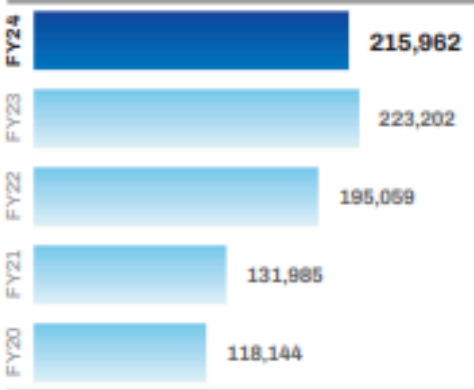
Challenges and Management Insights:

- Higher GHG emissions recorded due to increased power consumption at smelters; management expects improvements in efficiency.
- Novelis faces challenges with high aluminum scrap prices impacting margins, but management is focused on cost control and operational efficiency.
- Anticipated quarterly copper EBITDA guidance for next year is around ₹600 crores, lower than current levels due to expected reductions in TC/RCS.

Highlights

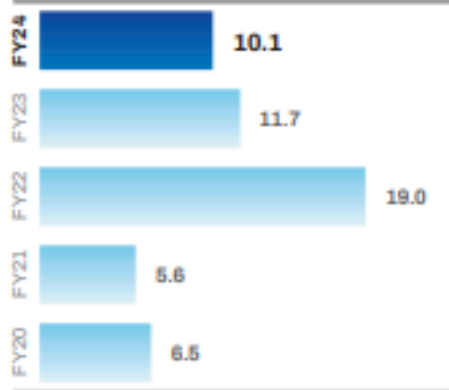
REVENUE

(₹ crore)



ROE

(%)

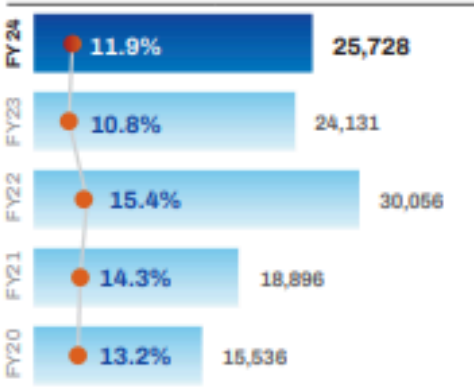


EBITDA

(₹ crore)

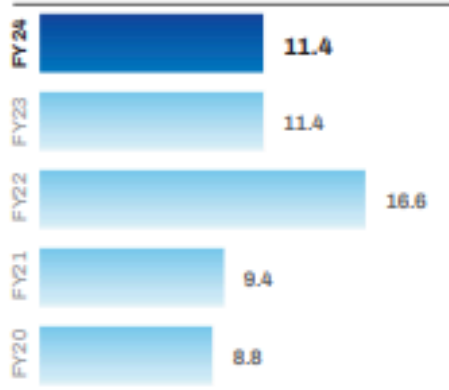
EBITDA MARGIN

(%)



ROCE

(%)

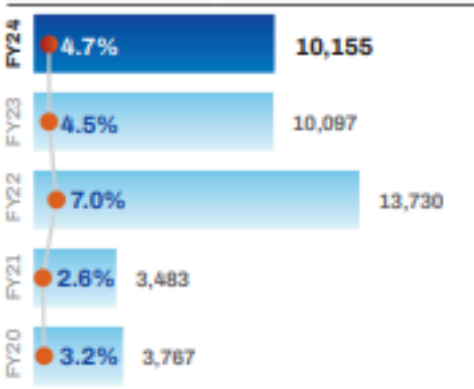


PAT

(₹ crore)

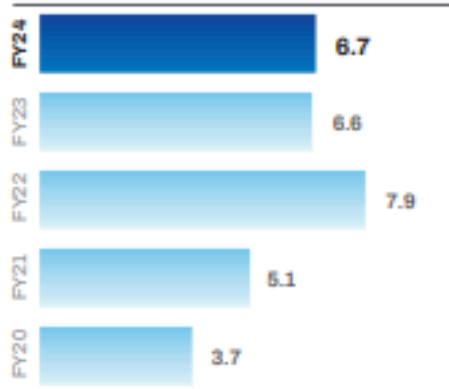
PAT MARGIN

(%)



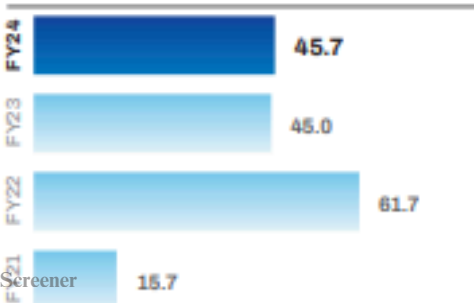
NET INTEREST COVER

(in times)



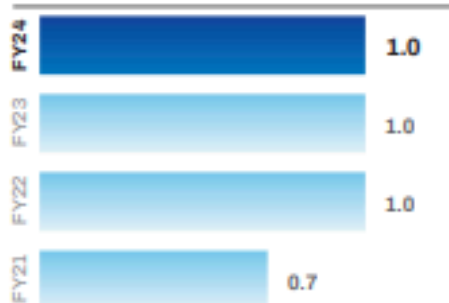
EPS

(₹)



ASSET TURNOVER

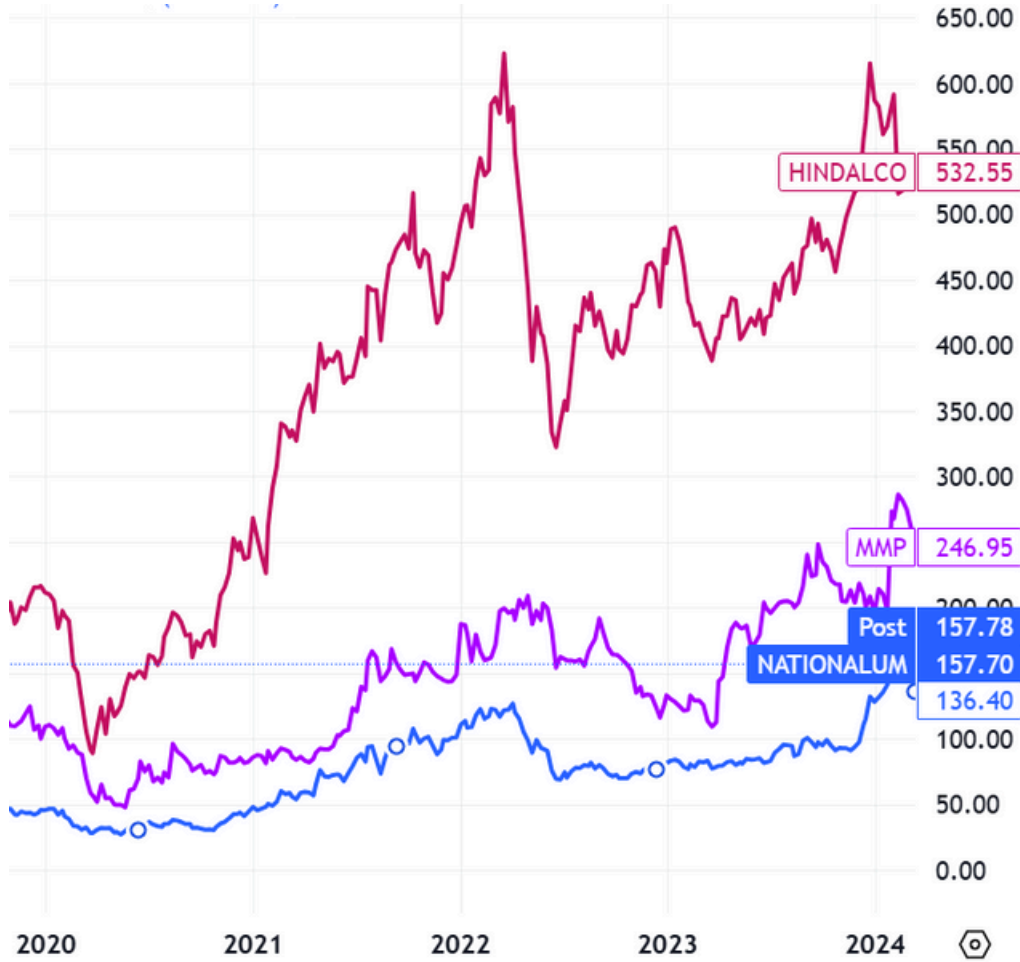
(in times)



Peer Comparison



Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
1.	Hindalco Inds.	600.30	9.31	134901.05	0.56	3735.00	61.37	58390.00	10.57	11.29
2.	Natl. Aluminium	158.00	7.44	29018.77	5.08	1582.90	224.05	4662.22	39.27	16.95
3.	MMP Industries	272.60	18.22	692.46	0.56	10.85	21.50	168.39	19.54	13.45

Source: Screener

Final Outlook



HINDALCO: BUY | LTP: 600

- Tsr Value Index - Good Score of 70.83
- Undervalued - Price to Intrinsic Value of 0.558
- Price to Earning Ratio is 10.57 and EV to EBITDA is 6.10 suggesting company is undervalued
- Tremendous increasing in Book Value last 3 year.
- Earning Yield of 9.46 %
- Good Return on Equity of 12.81% is achieved by the company
- Quarterly sales in last 5 years is trending up
- Steady increase in Total Assets for last 3 Years
- Debt to equity ratio has decreased and is lowest in last five years

I would give **Buy** Recommendation for this stock

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