

# Value-added products lift Hindalco Q1 profits

Firm set to see long-term growth as key projects go on stream after FY28

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**R**obust sales of value-added products such as mobile phone parts and battery enclosures helped aluminium and copper producer Hindalco Industries Ltd post a 30% year-on-year increase in profit for the first quarter of FY26.

The Aditya Birla Group company reported a consolidated net profit of ₹4,004 crore in the three months to June, compared to ₹3,074 crore in the same period last year, beating consensus estimate of ₹3,788 crore in a Bloomberg poll of 15 analysts.

"Looking ahead, our integrated business model, strategic investments and cost discipline, position us well to deliver sustained growth," Satish Pai, managing director at Hindalco, said in a statement.

Consolidated revenue for the April-June period rose 13% to ₹64,232 crore, from ₹57,013 crore in the same period last year. Consolidated Ebitda, or earnings before interest, taxes, depreciation, and amortization, for the first quarter stood at ₹8,673 crore, up 9% from a year earlier.

The company's Ebitda from the aluminium downstream segment rose to ₹229 crore in the first three months of FY26, compared to ₹110 crore in the same

period a year ago. Its shares closed 0.7% lower at ₹666.95 a piece on BSE on Tuesday.

However, analysts expect the cost of aluminium production to go up in the ongoing quarter, as the entire Q2 falls in the peak monsoon season, which typically disrupts production and raises expenses.

"The cost of coal will be higher and for copper they have maintained their Ebitda guidance of ₹600 crore (quarterly run rate), so no change in that," Aditya Welekar, senior research analyst, metals, at Axis Securities, said.



Hindalco Industries posted 30% year-on-year rise in profits in Q1 FY26, driven by strong sales of value-added products like mobile phone parts and battery enclosures.

As a result, earnings during the July-September period might be flat or slightly negative sequentially, said Welekar. However, the company is positioned for strong growth in the long run, as several large projects are expected to become fully

second half of CY26.

The company has been able to push a lot of its value-added products into the market, including parts for high-end braking systems, Pai said, underlining the reason behind a 2x jump in downstream

Ebitda. Upstream refers to producing metal from raw ore and downstream involves value-added processes that turn the metal into finished products.

Its aluminium upstream Ebitda rose on account of low input costs. "On alumin-

ium upstream segment, cost control was quite surprisingly positive, the cost of coal was on the lower side because of which upstream aluminium Ebitda has also beaten the expectation," said Welekar.

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## DOWNSTREAM GAINS

**ITS** consolidated net profit was ₹4,004 cr in April-June period, beating analysts' estimate of ₹3,788 cr

**ITS** revenue rose 13% to ₹64,232 cr, while consolidated Ebitda rose 9% to ₹8,673 cr year-on-year

**US** arm Novelis saw 13% revenue growth to \$4.72 billion in Q1 but adjusted Ebitda fell 17% to \$416 mn

operational after FY28, he added. These include an 850 kilo tonnes per annum (ktpa) alumina refinery, a 180 ktpa aluminium smelter, a 300 ktpa copper smelter, a 50 ktpa copper recycling plant, and Novelis' Bay Minette project, which will add 600 kilo tonnes of capacity by the