

ADITYA BIRLA



HINDALCO

AM:SJV:STOEX: 18

Date: 27th August,2018

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai: 400 001	National Stock Exchange of India Limited Exchange Plaza, 5th Floor Plot No. C/ 1, G Block Bandra Kurla Complex Bandra (East) MUMBAI - 400 051
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Dear Sir,

Further to our letter dated 24th August, 2018, please find enclosed herewith Presentation to be given on investor meetings at the 14th Motilal Oswal Securities Ltd.

Thanking You.

Yours Faithfully

For Hindalco Industries Limited

SUNITA NARAYAN
MANAGER

Encl: as above

Hindalco Industrie, Limited

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Corporate ID No.: L27020MH1958PLC011238



Hindalco Industries Ltd.

Leading Sustainably, with Balance



Motilal Oswal Annual Investor Conference 2018
27th August, 2018

Presented by : Satish Pai, Managing Director

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“Hindalco - Leading Sustainably, with Balance”



Hindalco focuses on long horizon sustainable growth, through a unique business portfolio across non-ferrous metals in upstream and downstream segments, Globally and in India. We solidify sustainability of our business model through resource security, recycling and focus on environment.

As a result, Hindalco will be the last man standing in the downcycle and the first man forward in the upcycle.

Hindalco : Long Horizon, Balanced Business

PORTFOLIO

ALUMINIUM

- India (EBITDA): Rs. 4,692 Crore
- Novelis Inc. (EBITDA) : \$ 1.2 Billion

COPPER

- EBITDA : Rs. 1,594 Crore

SEGMENTS

UPSTREAM

- Primary Aluminium (Shipments) : 805 Kt

DOWNSTREAM

- India FRP (Shipments) : 469 Kt
- Novelis FRP (Shipments) : 3,188 Kt
- Copper (Shipments) : 407 Kt

GEOGRAPHY

INDIA

- Revenues : Rs. 43,812 Crore

OVERSEAS (Novelis Inc.)

- Revenues : \$ 11.5 Billion

Note : All above figures are for FY18

Hindalco : A Sustainable Business

SUSTAINABILITY

RESOURCE SECURITY

- Coal linkages and captive mines
- Captive Bauxite mines and integrated alumina
- Long term contracts for procurement of copper concentrate

RECYCLING

- Novelis using 1.5 mt of Recycled inputs
- Novelis increasing its recycling content

FOCUS ON ENVIRONMENT

- Focus on meeting lower emission norms
- Trialing energy sources like solar, hydro etc
- Evaluating natural gas

About Hindalco

Leading Global Industry Player



Aluminium	
Alumina	2.9 Mt
Primary Metal	1.3 Mt
VAP including Wire Rod	479 Kt

Copper	
Copper Cathode	410 Kt
Copper Rods	156 Kt
DAP	205 Kt

Aluminium Flat Rolled Products (FRP)	
#1 Rolled Products Supplier Worldwide	
Global Presence	Shipments 3.2 Mt
Global leader in Aluminium recycling	Focused on premium segments

Business Highlights



Novelis
Largest aluminium FRP producer globally



Aditya and Mahan
1st quartile cost producer of Aluminium



Utkal
Amongst the most economical producers of Alumina in the world



One of the **Largest custom copper smelter** at single location in Asia - Commissioned new CCR#3 Plant in Dahej



Global operations across **11 countries**



Revenue of **USD 18 billion**



EBITDA of **USD 2.2 billion**



~35,000 employees across the world

The Above number are for FY18

India Aluminium: Manufacturing Excellence



Capacity
1,500 Kt

**Utkal
Alumina**



Capacity
360 Kt

**Mahan
Aluminium**

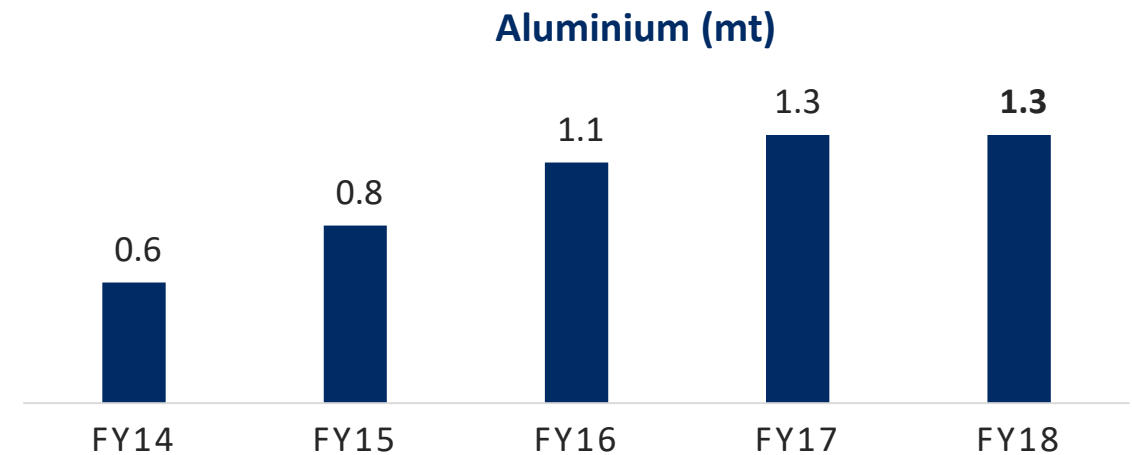
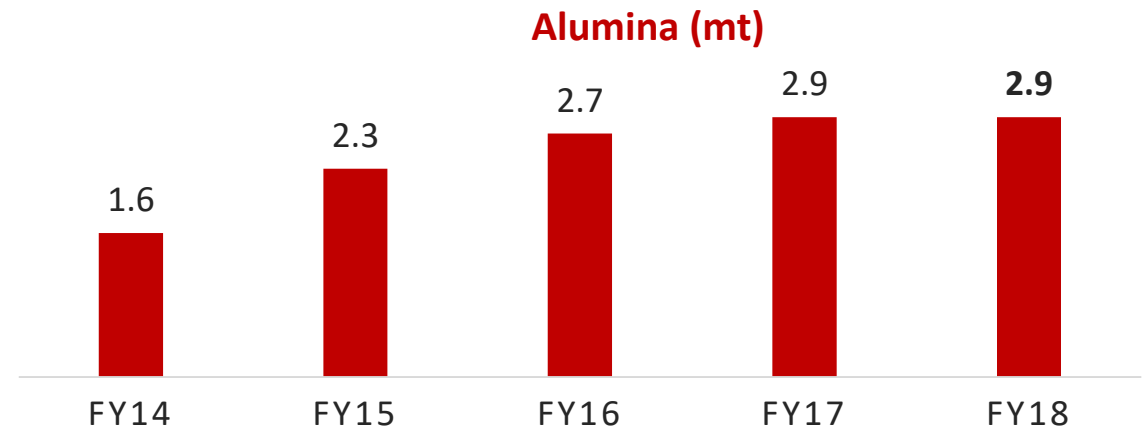


Capacity
360 Kt

**Aditya
Aluminium**

Implemented 3 large greenfield projects in the past few years ;
Prepaid Large amount of these project Loans in last 2 years

Reaping Benefits of Global Scale Operations



All 3 Greenfield projects in India operating at their rated capacities

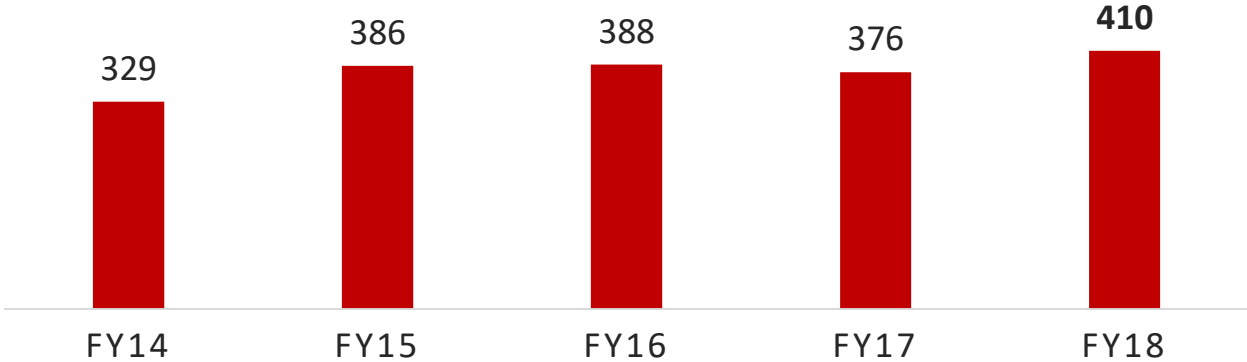
Copper: Manufacturing Excellence



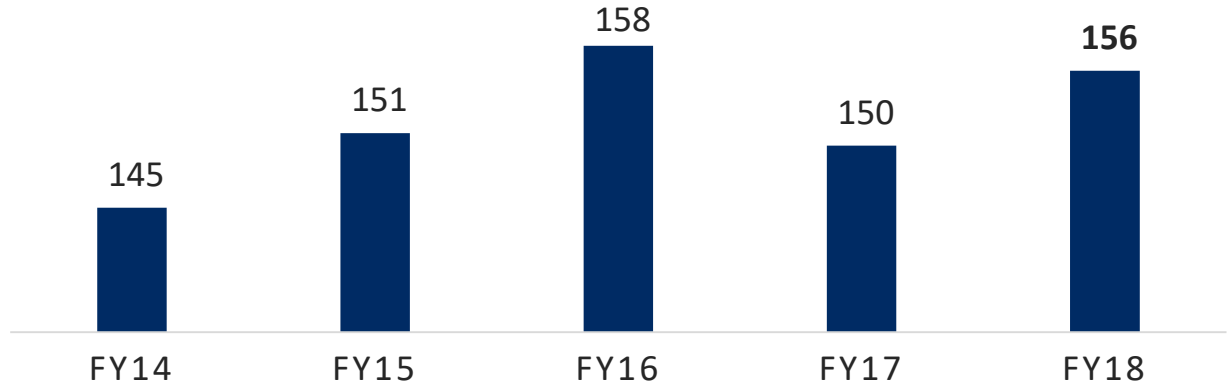
Recently commenced new Copper Continuous Cast Rod facility (CCR#3) at Dahej with a capacity of ~240 Kt

One of the Largest Single Location Copper Smelters

Cathode Production (Kt)

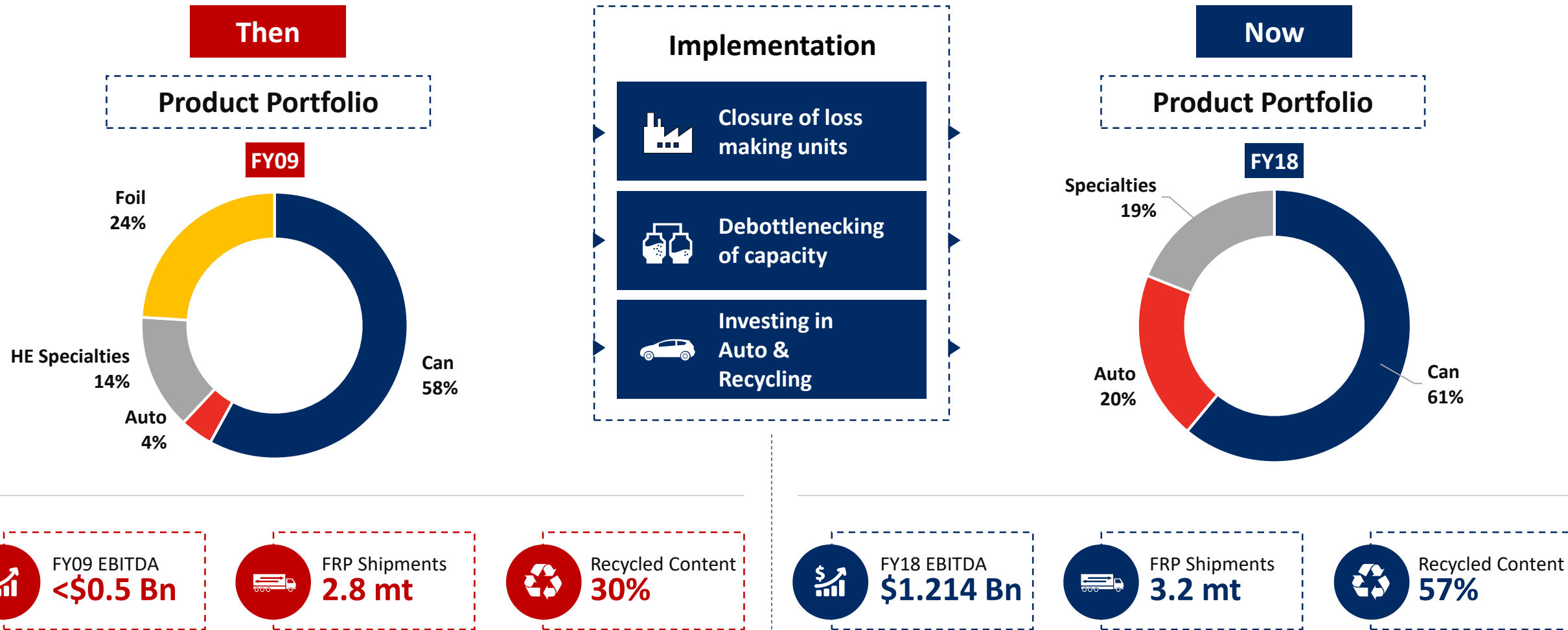


CC Rod Production (Kt)



Cathode production was highest ever in FY18

Novelis Transformation – Through Strategic Shift



Moving from predominantly a Can and Foil maker to a high margin enriched product portfolio

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Sustainable Business

India Resource Security (Coal & Bauxite)

COAL



Coal Procurement Options



Linkage coal

Long term coal linkage contract with Coal India; typically for 5 years



Captive mines

Acquired 4 coal blocks in 2015 located in close proximity to most of the smelters



Open Market Purchase

Via e-auction route

MTPA – Million Tonnes Per Annum

ALUMINA (Input : Bauxite)



Integrated Alumina



Self sufficient in Alumina (the intermediate product for Aluminium smelting) with capacity of 3.0 mt to feed its 1.3 mt Aluminium Capacities



Access to excellent quality bauxite with a most economical cost of Alumina from Utkal Alumina (Hindalco's wholly owned subsidiary)



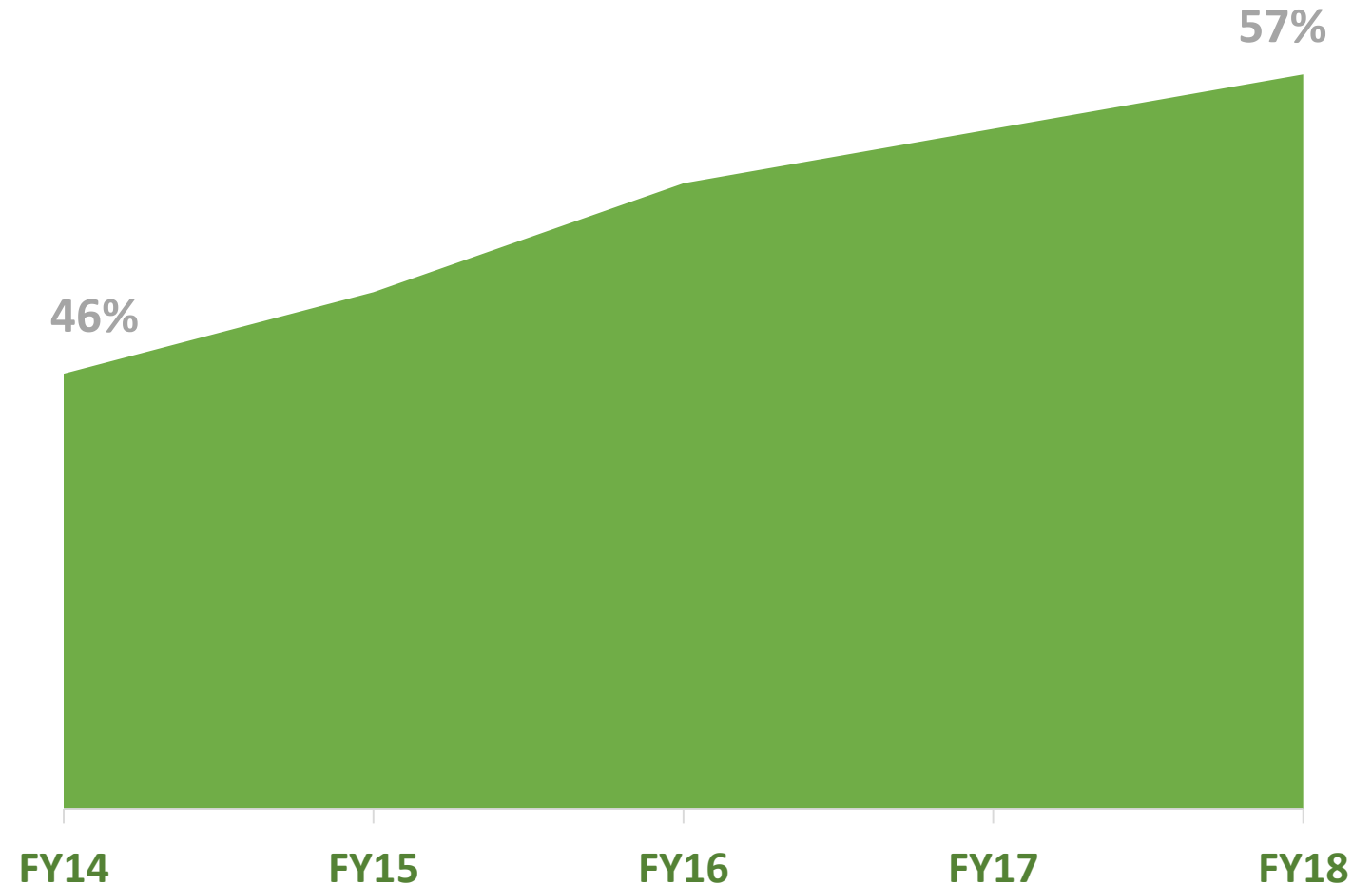
All its Alumina refineries located in close proximity to the bauxite mines is an added advantage



Excellent Logistics - Bauxite is transported through a long distance conveyer belt – considered as an engineering marvel

Novelis - Growing Recycled Content for Sustainable Advantage

- World's largest recycler of used beverage cans (UBCs), recycling **65 billion UBCs each year**
- Recycled aluminum requires **95% less energy** and produces **95% fewer greenhouse gas emissions**, delivering a competitive and sustainable advantage.



Increased recycled content from 46% in FY14 to 57% in FY18

Focus on Environment

- Meeting the emission norms
- Zero water discharge
- Green cover expansion
- Focus on waste utilization (Red mud, Fly ash, Slags etc.)
- Trialing energy sources like Solar, Hydro, Oil from plastic etc.

Hindalco to focus on long term sustainability

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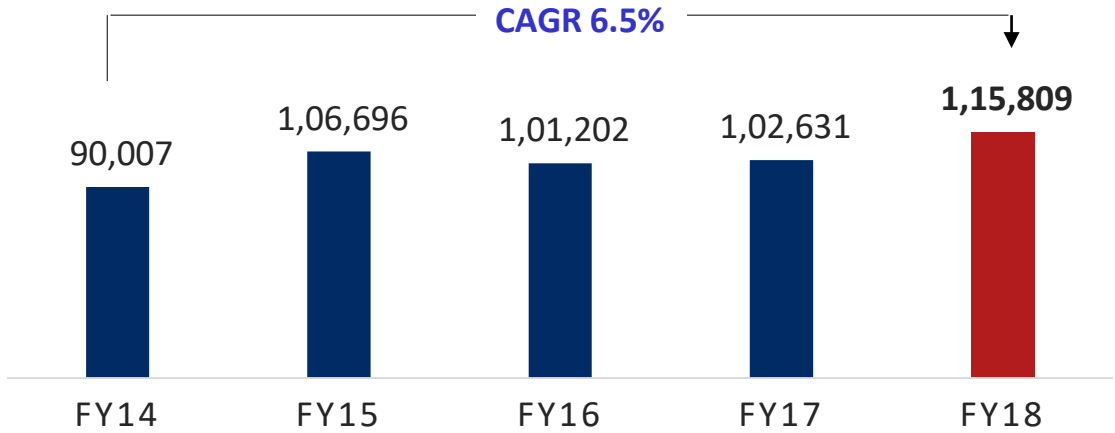


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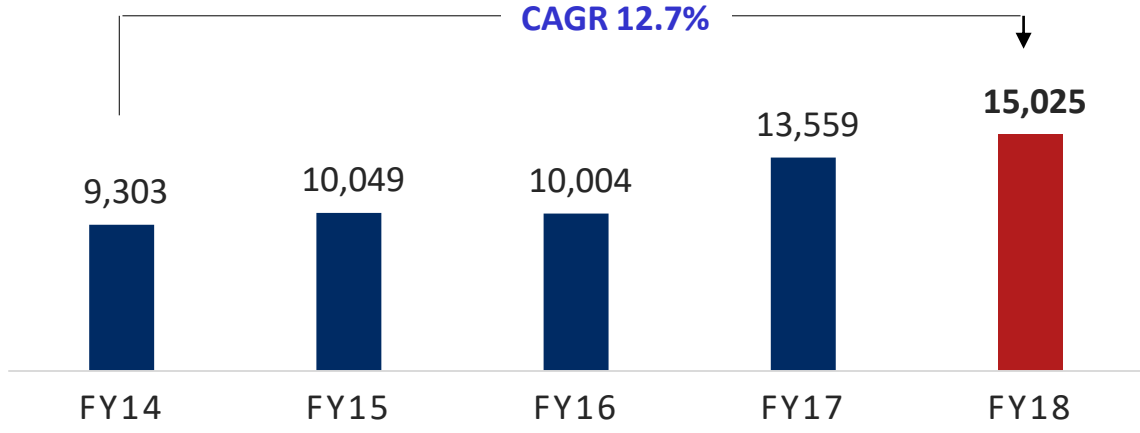
Financial Performance - Consolidated

5 Year Financial Snapshot - Consolidated

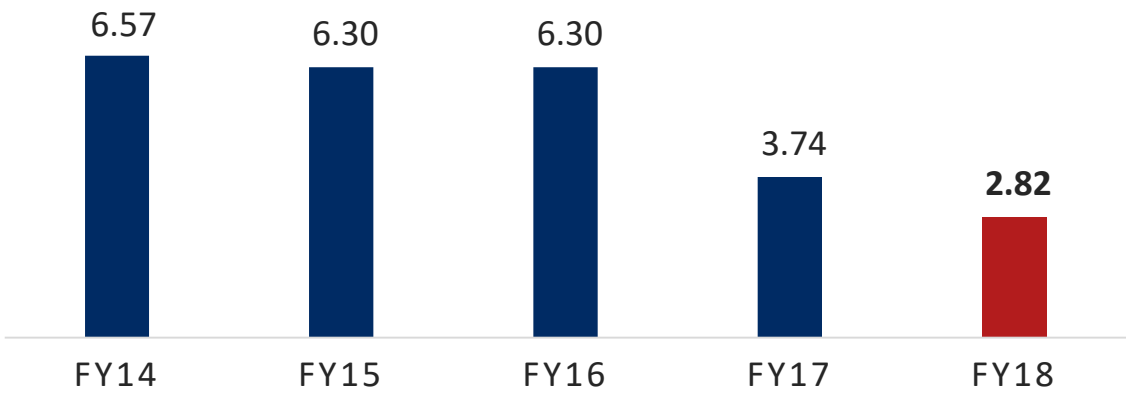
Revenues (Rs. Crore)



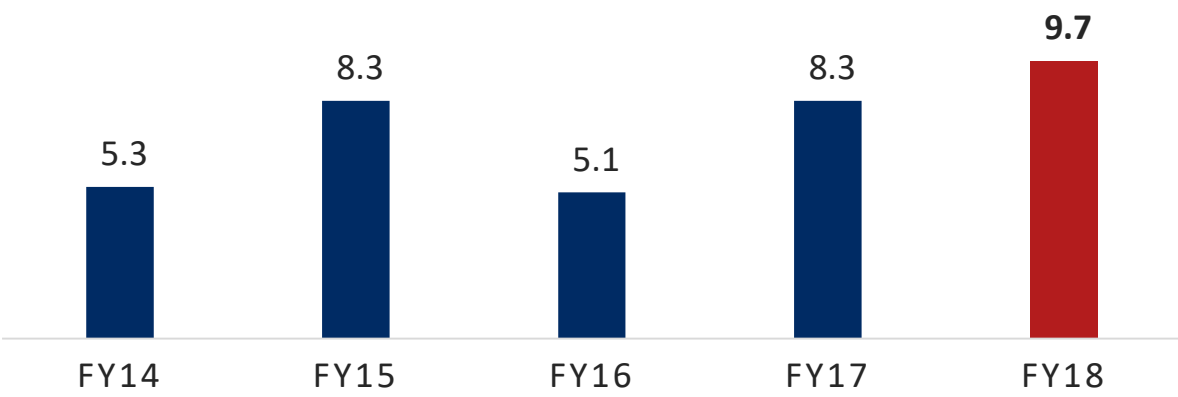
EBITDA (Rs. Crore)



Net Debt / EBITDA (x)

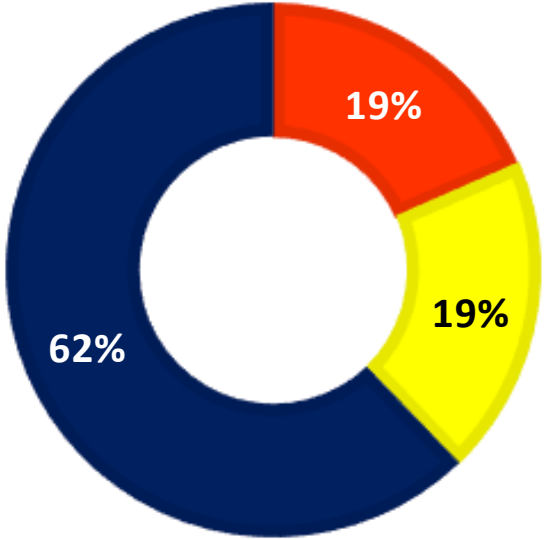


Return on Capital Employed (%)



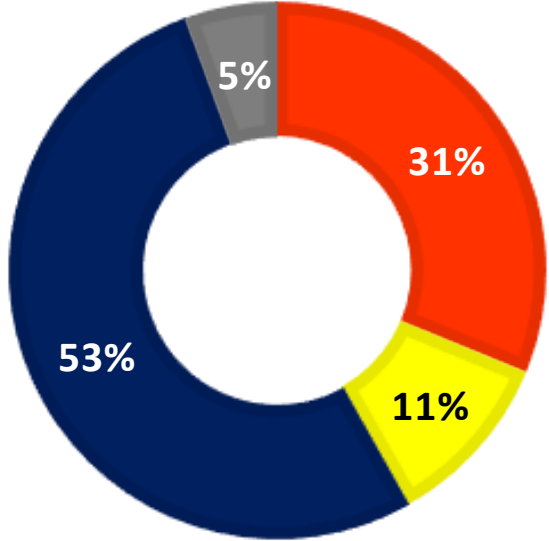
FY18 - Consolidated Revenue & EBITDA Split

Revenue
(Rs. 115,809 Crore)



Aluminium Copper Novelis

EBITDA
(Rs. 15,025 Crore)



Aluminium Copper Novelis Other Income

Novelis & Copper together contributed 81% to Revenue and 64% to EBITDA

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Growth Opportunities

Focus on Value Added Products (VAP)

1 High growth potential in global Flat Rolled Products (FRP) - Automotive

2 Huge potential in new segments – Defence & Aerospace

3 Lower capital intensity compared to primary metal

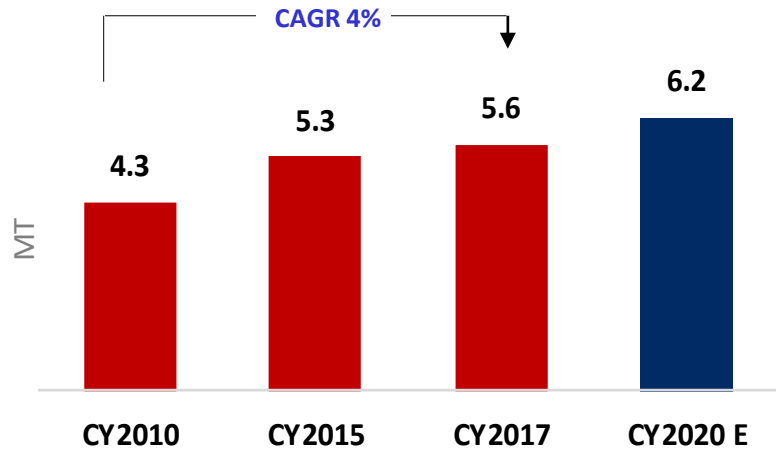
4 Stable cash flows - less impacted by the LME volatility

5 Large underpenetrated VAP market in India

6 Downstream presence leads to competitive advantage

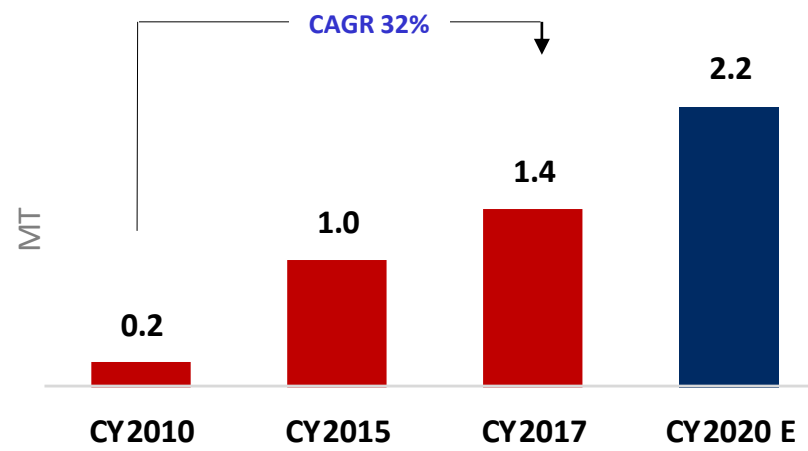
Global Aluminium FRP Market

Beverage Can (Mt)



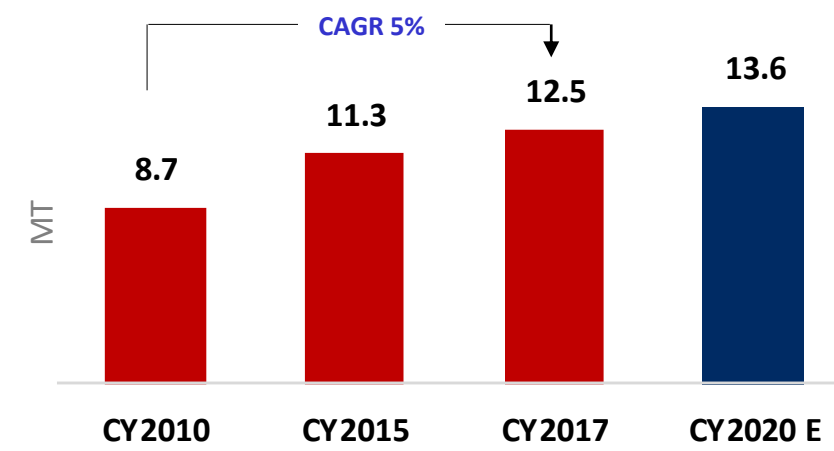
Demand remained stable for beverage cans and is expected to grow at the same pace

Automotive (Mt)



Strong Demand form increased adoption of aluminium globally with focus on EVs, energy efficiency and light weighting

Specialties (Mt)

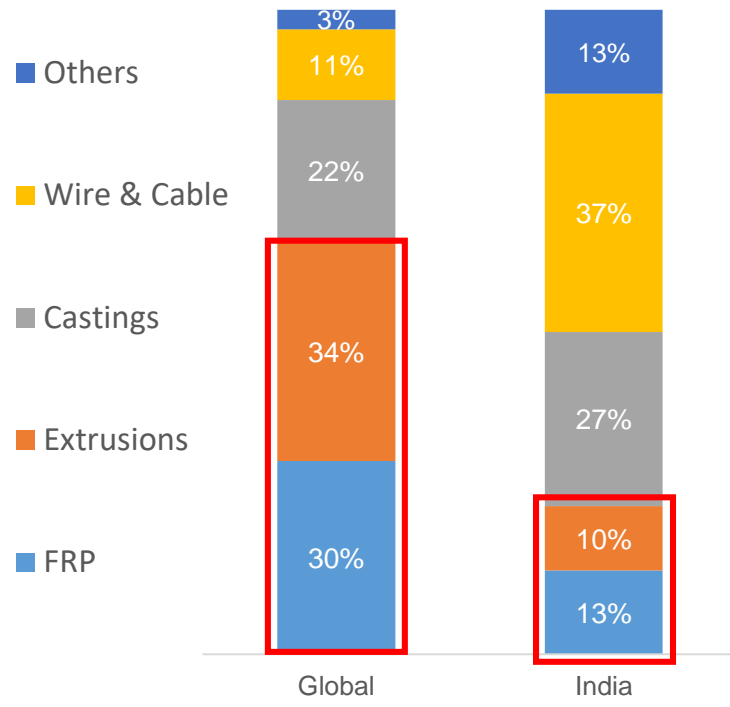


Market grew by 5% CAGR and expected to grow at a good pace

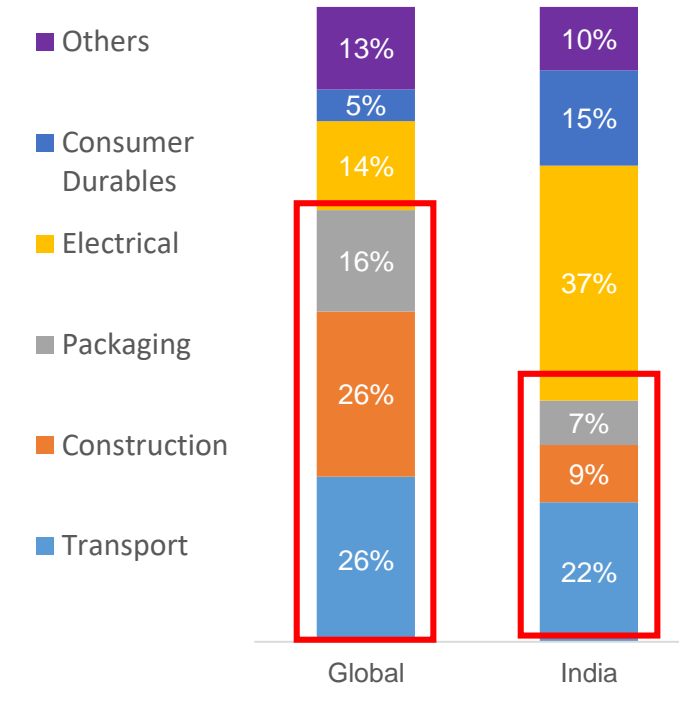
Aluminium Consumption - Underpenetrated in India vs. Global Trend

- India has large untapped opportunities in FRP & Extrusions segments compared to Global.
- FRP & Extrusions together constitute ~23% of India consumption vs. ~64% of global, reflecting significant opportunity
- Demand to come from segments like transport, Construction and packaging

Downstream Product Segments (2017)



Downstream Market Segments (2017)



Global Downstream Demand :82.6 mt
India Downstream Demand: 3.3 mt

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Next Phase of Sustainable Growth

Novelis to Strengthen its Leadership Position through Strategic Moves

- Strengthening automotive leadership position with increasing share of automotive in total shipments year after year
- Addition of automotive finishing lines by 200 Kt in Kentucky, US and 100 Kt in China; both facilities to be commissioned in CY20.
- Invested significantly in recycling initiatives and developed high-tech recycling capabilities over the years
- Recently signed definitive agreement to acquire Aleris Corp which will provide :
 - Diversity in the current product portfolio with addition of high-end Aerospace
 - Enhancement and will complement Novelis' Asia operations with access to the SHFE metal
 - Strength to its ability to meet the increasing global automotive demand
 - Access to the technology for Building & Construction and Truck Trailer products and help in India operations



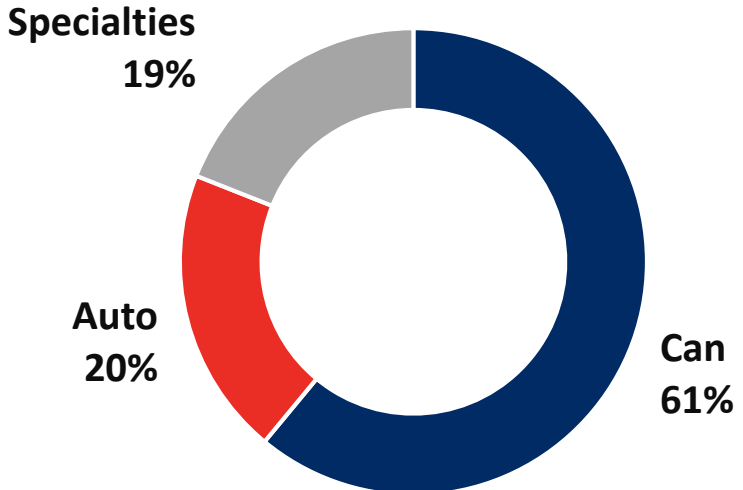
Aleris Acquisition Solidifies Hindalco's #1 Position in Global Aluminium VAP



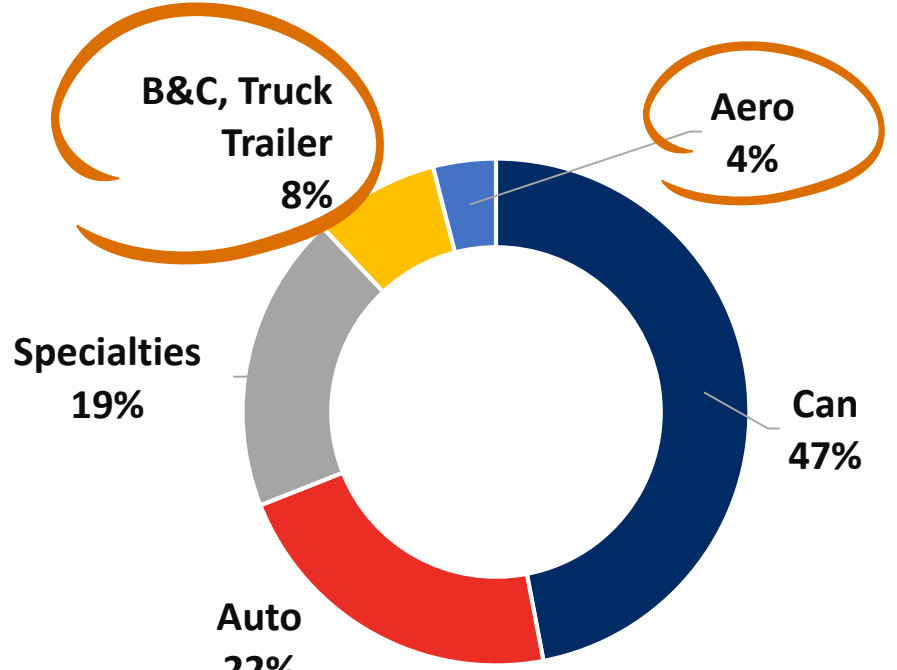
Post acquisition, expected value added product capacity at over ~ 4.7 Mt/annum (incl. India)

Product Portfolio Diversification & Enrichment post Aleris Acquisition

Novelis - Now

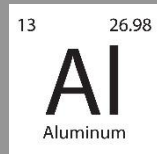


Novelis Pro-Forma Run Rate



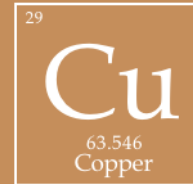
Enhanced product mix with addition of Aerospace and Building & Construction (B&C)
Increased share of high margin products

VALUE ADDED PRODUCTS



**PARTICIPATE IN THE INDIAN
GROWTH OPPORTUNITY IN :**

- Flat Rolled Products (FRP)
- Extrusions



EXPLORE & GROW IN :

- New VAPs
- Expansions

India Value Added Products Business - Aluminium

Indian Demand

 Consumption dominated by Electrical Segment

 Growth expected in FRP and Extrusions



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Focus on growth in FRP, Foil, Extrusions

Aluminium VAP production to Double in next 5 years

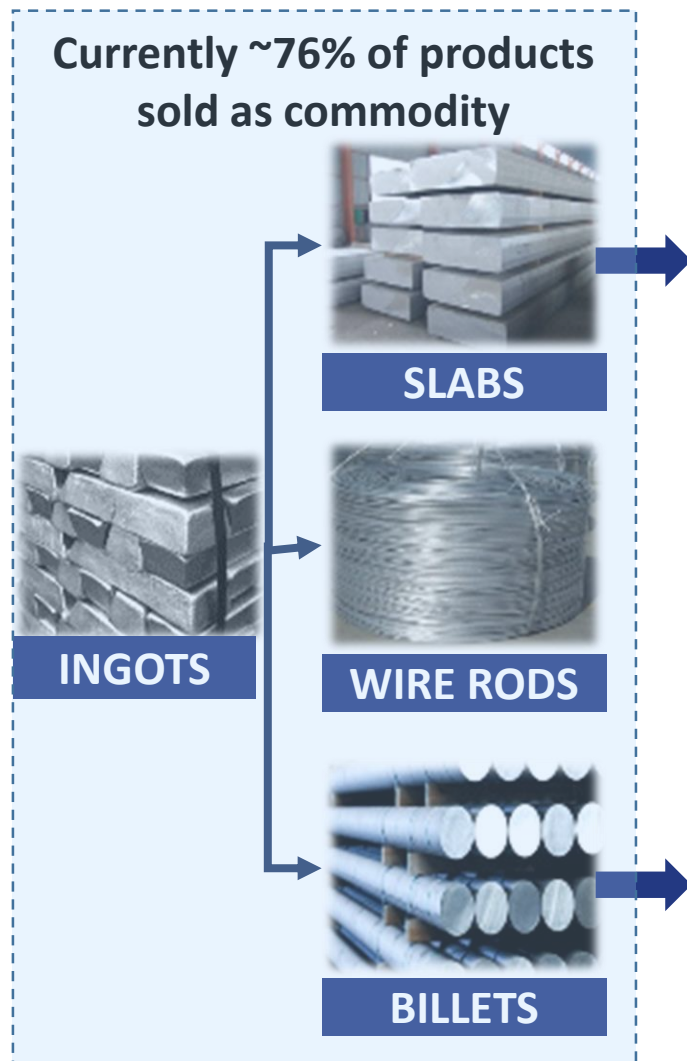
Key Success Factors

-  Skillset
-  Training
-  Technology

Access to Aleris manufacturing capabilities - helps in Building & Construction and Transport segments

Aluminium Downstream Strategy

“Focus on growing downstream – Higher Leverage with end Customers”



Copper Downstream Strategy

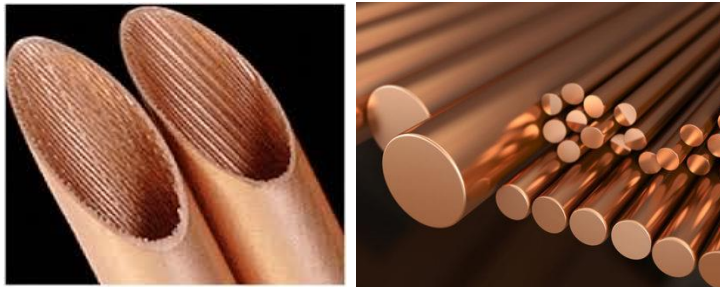
“Focus on growing downstream and upstream”



Looking to explore

New VAPs :

- Inner-grooved Tubes
- Copper Alloy Rods



Capacity Expansion :

Expanded its Copper Continuous Cast Rods (CCR#3) with Capacity of ~240 Kt



Copper concentrate :

Entered into long term contracts for sustainable procurement of Concentrate



To Sum up

Long Term Sustainable Business

1

Further strengthen our leading position



Healthy balance sheet & stable cash flows



Solidify sustainability with focus on resource security, recycling and environment

Diversified product mix across geographies



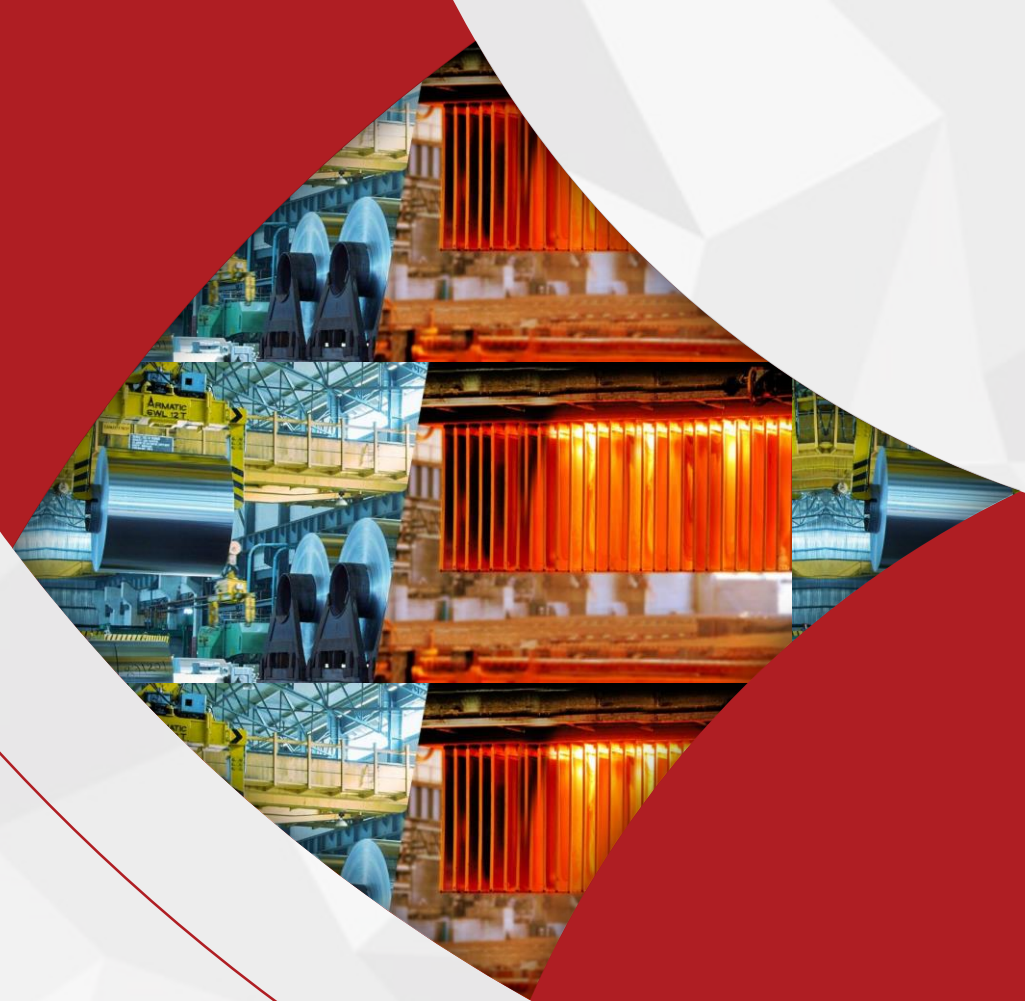
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Thank You



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