Dated: 10 August 2026

Hindalco Industries (HNDL) - BUY

Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.1060	**Rs 1200**

Rationale:

- HNDL's Q1FY27 consolidated EBITDA beat estimates across both copper and aluminum divisions.
- Novelis' reported adjusted EBITDA was largely in line, with operations expected to gradually normalize in 2HFY27E after the fire accident at Oswego.
- Domestic margins should reduce qoq in Q2FY27 on higher coal prices and sequentially lower aluminum prices.
- We expect net debt to peak in FY27 with completion of growth capex at Novelis and normalization of operations.
- We raise earnings and FV to Rs1,200. BUY.

Positives:

- Q1FY27: India division reported a beat in both aluminum and copper divisions.
- Major upstream projects should commission starting the end of FY28.
- We expect HNDL's leverage ratio to remain capped despite increasing capex.
- Q1FY27: Aluminum margins stood at multi-year high.
- We expect copper EBITDA to remain rangebound over FY27-28E.
- We expect volume growth for India business largely from FY29E.
- We raise earnings on lower aluminium CoP and better near-term copper performance.

Negatives:

- Consolidated net debt increased qoq led by Novelis.

(EPS: Earnings Per Share, CAGR: Compound Annual Growth Rate, EBITDA - Earnings before Interest, Tax, Depreciation, and Amortisation)

Holding Period: 12 months

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RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY – We expect the stock to deliver more than 15% returns over the next 12 months

ADD – We expect the stock to deliver 5% - 15% returns over the next 12 months

REDUCE – We expect the stock to deliver -5% - +5% returns over the next 12 months

SELL – We expect the stock to deliver < -5% returns over the next 12 months

NR – **Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.

SUBSCRIBE – We advise investor to subscribe to the IPO.

RS – **Rating Suspended.** Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.

NA – **Not Available or Not Applicable.** The information is not available for display or is not applicable

NM – **Not Meaningful.** The information is not meaningful and is therefore excluded.

NOTE – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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