

**National Aluminum
Company
Techno Funda
Stock Outlook**

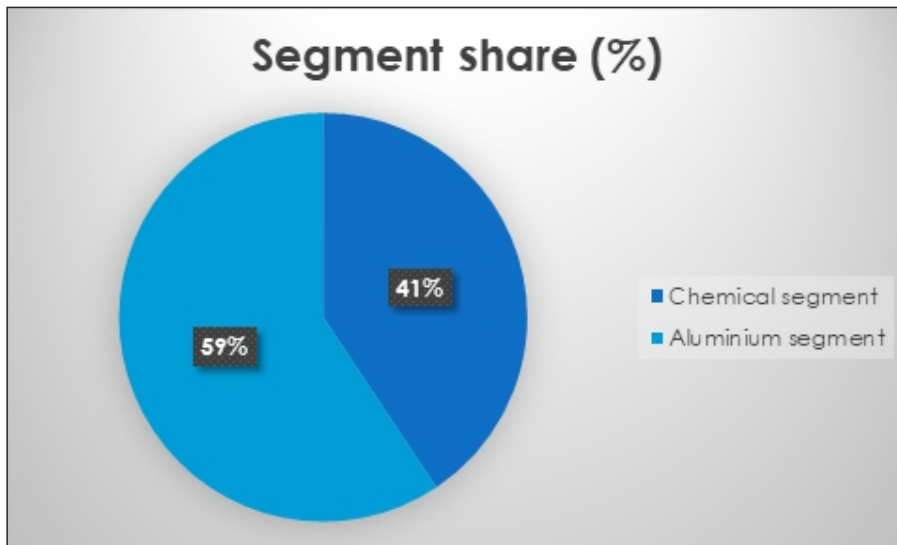


Indbank
Merchant Banking Services Ltd
(A Subsidiary of Indian Bank)

STOCK DETAILS	
NSE Scrip code	NATIONALUM
BSE Scrip code	532234
Market cap (in Cr)	70,903
52-week High/Low (in Rs)	432 / 138
Current Price	354
Price Target (in Rs)	430

BUSINESS DESCRIPTION

NALCO is one of India's largest integrated aluminum producers, with presence across the entire value chain—from mining to metal production and power.



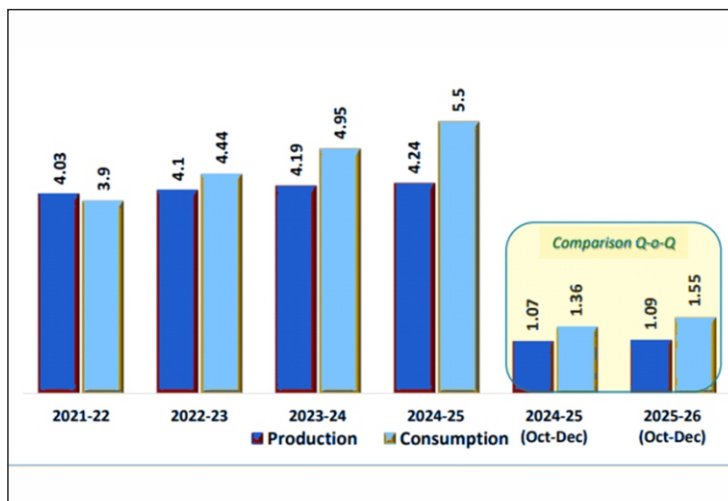
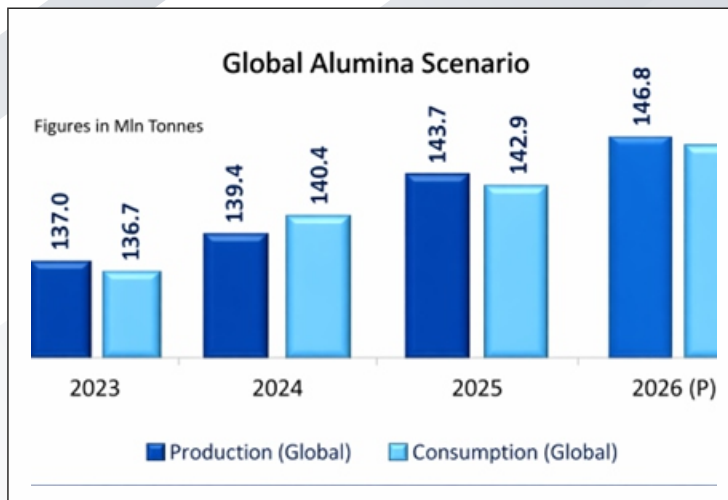
INDUSTRY SCENARIO:

Aluminum consumption has been growing at 9% in the last five years

Aluminum demand CAGR is expected to be 6–7% till 2030

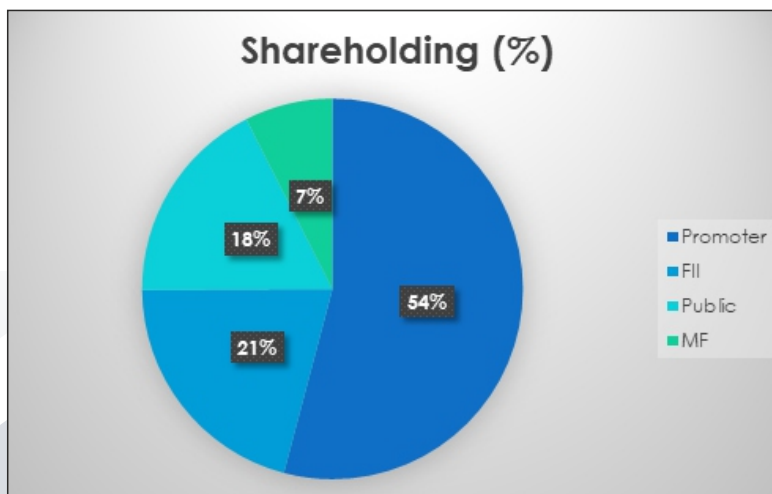
KEY DRIVERS:

- Geopolitical tensions
- Supply constraints (China caps, EU policies)
- Demand from EVs, renewables, infra



Indian aluminum consumption is growing at a CAGR of around 9% in last five years. The demand is expected to grow at a CAGR range of 6-8 per cent till 2030.

SHAREHOLDING PATTERN:



FINANCIAL HIGHLIGHTS

CONSOLIDATED INCOME STATEMENT (ANNUAL)

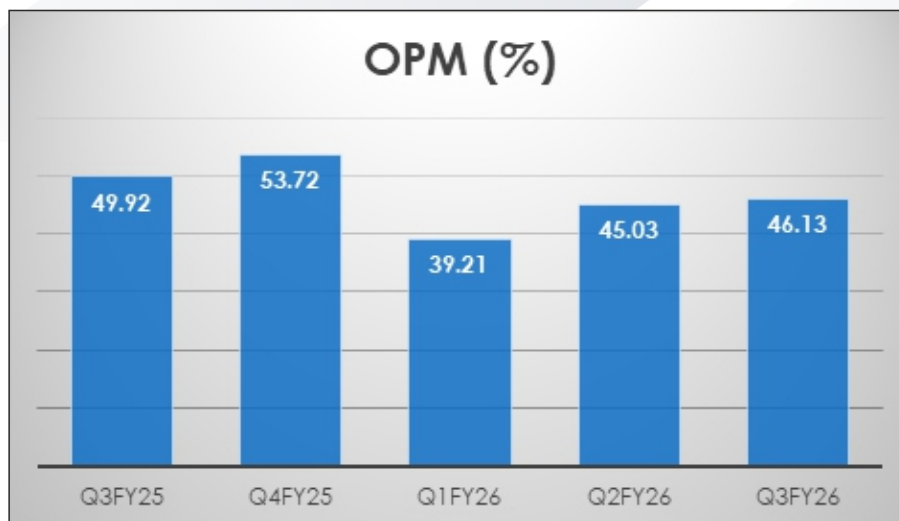
Rs. (Cr)	FY24	FY25	YoY
Revenue	13149	16788	27.7%
Expenses	10348	9280	-10.3%
Operating Profit	2801	7508	168.0%
Other Income	678	357	
Depreciation	750	728	
Interest	17	59	
Profit before tax	2712	7078	161.0%
Tax	724	1810	
Net profit	1988	5268	164.9%
EPS	11	29	

- Higher aluminum prices contributing to upbeat growth in revenue
- Commodity cycle upswing driving exceptional growth in profit

CONSOLIDATED INCOME STATEMENT (Q3FY26)

Rs. (Cr)	Q3FY25	Q2FY26	Q3FY26	yoy change
Sales	4,662	4,292	4730.95	1.5%
Expenses	2351.26	2369.7	2557.54	8.8%
Operating Profit	2,311	1,923	2173.41	-6.0%
Other Income	99	151	194.06	
Depreciation	286	174	182.09	
Interest	19	8	59.61	
Profit before tax	2105.32	1892	2125.77	1.0%
Tax	539	462	530.62	
Net profit	1566.32	1429.94	1595.15	1.8%
OPM	50%	45%	46%	

- Volume growth offset pricing pressure
- Alumina demand was impacted by Middle East tensions
- Power segment was benefited by cost advantage
- Cost inflation is eating into margins
- Overall revenue was up 1.5 % YoY
- PAT stable at Rs 1595 cr vs Rs 1566 cr YOY



Healthy and steady operating margins over the last five quarters



Aluminum price trend displays a year-long sustained increase

KEY STRENGTHS

- Global leader in producing bauxite and alumina at the lowest cost
- Even with falling alumina prices, NALCO delivered strong earnings due to higher volumes, cost efficiencies and strong aluminum prices
- NALCO stands out for clean balance sheet, higher EBITDA margins vs peers

WEAKNESS/CHALLENGES

- Quarterly topline is stable but not growing aggressively
- Q4 cost pressure expected due to higher CP coke & caustic soda prices meaning margins could be hit further
- Alumina outlook weak due to Middle East tensions
- NALCO is coming off a strong earnings cycle, but Q3 suggests early signs of normalization due to rising costs and stabilizing prices.

INVESTMENT RATIONALE:

- Upcoming Pottangi bauxite mines and 5th stream alumina refinery are likely to add a total capacity of 4.5 MTPA from FY27 onwards
- Expanded refinery capacity to protect bottom line in case of LME downswing
- Aluminium outlook strong; Domestic demand provides structural support even if global demand weakens
- Historically trades at low P/E vs private peers
- The company pays dividends consistently

TECHNICAL ANALYSIS:

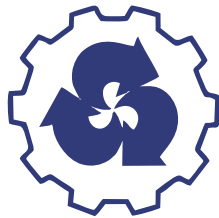


Stock price is currently in uptrend as it is trading above long term moving averages (100 & 200). It is trading near its trendline support of 350. Stock can be entered in the range of 340–350 for short & medium-term targets 380 and 400 respectively.

Web link for Standard & General Disclaimer:

<https://www.indbankonline.com/wp-content/uploads/2025/04/RESEARCH-DISCLAIMER.pdf>

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(A Subsidiary of Indian Bank)

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