25th March 2026

National Aluminium Ltd.

BSE: 532234 | NSE: NATIONALALUM

Recommendation	Time Period	Current Price	Target Price	Potential Upside
BUY	**12 months**	**366.0/-**	**420.9/-**	**15.0%**

National Aluminium Company Limited (NALCO) is a Scheduled 'A' Navratna CPSE established on 7th January, 1981 having its registered office at Bhubaneswar. It is one of the largest integrated Bauxite-Alumina-Aluminium-Power complexes in India. The company has been operating its captive Panchpatmali Bauxite Mines for the pit head Alumina refinery at Damanjodi, in the district of Koraput in Odisha and Aluminium Smelter & Captive Power Plant at Angul. The company has regional sales offices in Delhi, Kolkata, Mumbai, Chennai and 7 operating stockyards at various locations in India to facilitate domestic consumers. In addition, it has its own bulk shipment facility for export of products.

Key Investment Rationale:

- **Fully integrated aluminium producer:** NALCO is an integrated aluminium producer encompassing mining ore to metal. It is one of the lowest-cost producers of Alumina. Capacities for respective segment is as follows: 1) Bauxite mining – 68,25,000 TPA (North & Central Block) & 31,50,000 TPA (South Block), 2) Alumina production – 22,75,000 TPA (Normative capacity at 21,00,000 TPA), 3) Power production – 1,200 MW, 4) Aluminium Metal Production – 4,60,000 TPA and 5) Wind Power – 198 MW.

- **Smelter Captive Power Plant:** The company is aggressively pursuing a 0.5 MTPA capacity expansion. Detailed Project Report (DPR) is expected to be ready by Jun'26 /Jul'26. Groundwork & capex are expected to kickstart from FY27 onwards and the commissioning is targeted around Dec'30. The total estimated combined capex is Rs 30,000 cr.

- **Captive coal consumption to further reduce cost:** The company ramped up production at its Utkal D coal block to 2 MTPA in FY24, helping reduce power and fuel costs. The power plant requires approximately 7.2 MTPA of coal. For FY26, the company targets producing 4 MTPA from the Utkal D & E blocks, which is expected to generate cost savings of Rs 200 – Rs 250 per tonne.

- **Capex Guidance:** For FY26, the company plans to incur a capex of Rs 1,700 cr, rising to Rs 1,800 cr – 2,000 cr in FY27. Capex is expected to increase further from FY28 onwards as large projects scale up.

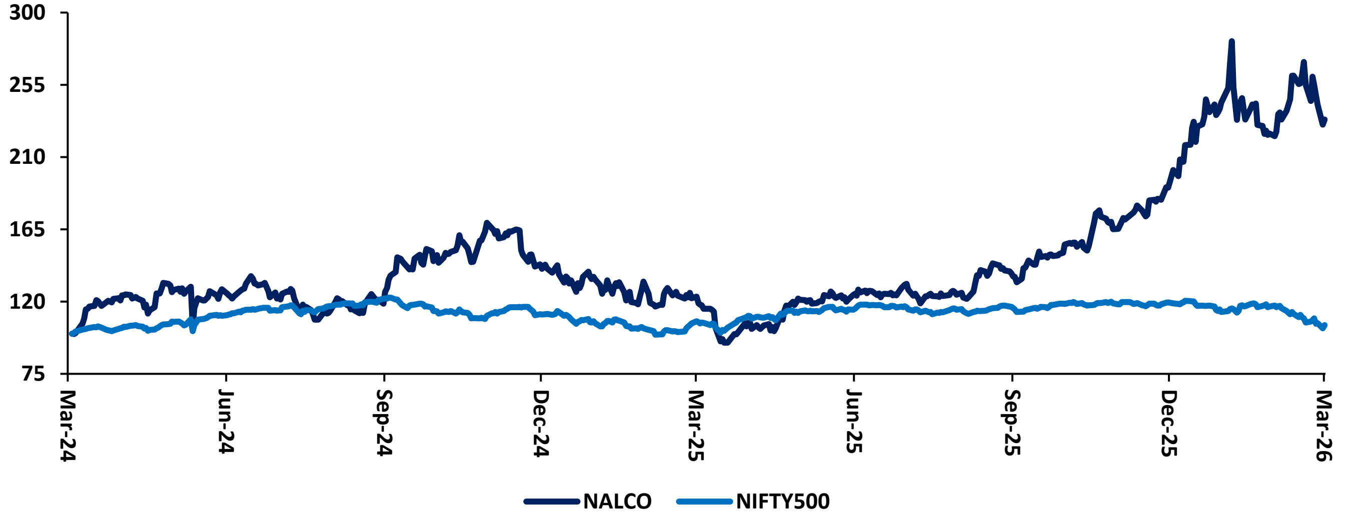
- **1 MTPA Alumina Refinery:** The new 1 MTPA refinery is expected to start commissioning in Jun'26. While the full capacity will stabilize by Dec'26, a realistic production target of 0.3 MTPA is aimed for FY27. At CMP, the stock is trading at 7.6x/7.2x of its FY26E/FY27E EV/EBITDA based on Bloomberg consensus estimates.

Key Risk Factors: Lower LME Aluminium prices; Regulatory risk.

Financial Summary

Particulars (Rs cr)	FY24A	FY25A	FY26E	FY27E
Net Sales	13,149.0	16,788.0	17,251.9	18,459.2
EBITDA	2,801.0	7,508.0	7,754.4	8,194.2
Adj. Net Profit	1,988.0	5,268.0	5,532.6	5,799.0
EBITDA Margin (%)	21.3	44.7	44.9	44.4
RoE (%)	13.8	32.6	27.6	25.1
P/E (x)	33.8	12.6	12.1	11.7
EV/EBITDA (x)	21.3	8.0	7.6	7.2

Stock Performance (2-Years)



Source: BSE, SSL Research

Recommendation History

Date	Stock Price	Target Price	Recommendation	Status
08-09-2025	184.0	211.6	BUY	Booked Profit @ 216.7

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