Vedanta FY26 earnings tops estimates ahead of its split

Vedanta reported FY26 revenue of ₹1.74 trillion, up 15.8% year-on-year, beating estimates

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Billionaire Anil Agarwal-led Vedanta Ltd capped FY26 with a record financial performance in its last earnings before a planned demerger, beating Street estimates, although analysts said the gains were largely driven by firm commodity prices rather than structural improvements.

The mining and metals major reported revenue of ₹1,74,075 crore for FY26, up 15.83% year-on-year and above Bloomberg's ₹1,70,000 crore estimate based on a poll of 16 analysts. Profit attributable to owners rose 16% to ₹17,391 crore, show exchange filings.

Operating performance was stronger, with Ebitda climbing 29% year-on-year to ₹55,976 crore, supported by higher aluminium and zinc prices as well as cost efficiencies that pushed production costs to multi-year lows. "Our continued focus on operational excellence resulted in lowest costs in the last five years at aluminium and zinc business," the company's executive director Arun Misra said in a statement.

Capital expenditure for the year stood at ₹14,918 crore, focused on capacity expansion and supply chain integration. The company also announced a dividend of ₹34 per share. In the fourth quarter, Vedanta reported revenue of ₹51,524 crore, up 29% compared to Q4FY25, and a profit attributable to owners of Vedanta almost doubled to Rs 6,698 crore from Rs 3,483 crore in Q4FY25.

The firm described the quarter as a milestone ahead of its restructuring. "The quarter marks a defining point for Vedanta, with the delivery of strongest-ever financial performance... and a clear positioning for the next phase of growth with demerger effective from 1 May 2026," CFO Ajay Goel said.

The company's profit rose 16% to ₹17,391 crore, while Ebitda jumped 29% to ₹55,976 crore on higher metal prices and cost efficiencies. REUTERS

However, analysts remained cautious on the quality of earnings. "The current performance looks largely supported by higher LME prices and strong numbers from key businesses rather than structural benefits," said Suman Kumar, metals and mining analyst at Philip Capital.

He added that the aluminium segment remained mostly flat on full-year basis. "Costs have only eased marginally by about $50–60 year-on-year, so profitability is still heavily dependent on favourable prices," Kumar said, adding that Vedanta's integration of bauxite mines will be important.

"Lack of full vertical integration—due to continued delays in the Sijimali bauxite mine, now pushed to the first half of FY27—means margins may continue to lag peers," Kumar said.

The market, however, was impressed, with Vedanta's stock closing 4.83% higher on the NSE on Wednesday, outperforming benchmark Nifty 50, which was up by 0.76%.

Moving forward, proper execution is important for the company. "The oil and gas segment remains structurally weak, so growth is largely tied to expansions across aluminium, Hindustan Zinc, and international zinc operations. Projects like Gamsberg Phase 2 are nearing completion, with commissioning expected in FY27, and further expansion plans are being discussed—but delivery on the ground will be critical to watch. While these projects could support future earnings, execution remains key," Kumar said.

For FY26, Vedanta Limited reported flattish production numbers across key businesses, with aluminium rising 1% from a year ago to 2.46 million tonnes, zinc India mined metal up 2% to 1.11 million tonnes, zinc international up 27% to 225 kt, while oil & gas output declined 16% to 87.2 kboepd (thousand barrels of oil equivalent per day), and pig iron production increased 10% to 895 kt.

Vedanta is undergoing a major restructuring, splitting itself into five independent listed companies: Vedanta Aluminium, Vedanta Oil & Gas, Vedanta Power, Vedanta Iron & Steel, and parent Vedanta Ltd, which will house the zinc and silver businesses through Hindustan Zinc and act as an incubator for new opportunities. "The shares of resulting companies are expected to list and commence trading by mid June," Deshnee Naidoo, chief executive officer of Vedanta's parent company Vedanta Resources, said during a post-earnings interaction with analysts on Wednesday.

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PRE-DEMERGER PEAK

ITS Q4 results were strong, with profit nearly doubling to ₹6,698 crore and revenue rising 29%

DELAYS in bauxite mine integration and weak oil and gas output are concerns for margins

VEDANTA is set to demerge into five listed entities, with shares expected to list by mid-June

THE stock rose 4.83% after results, outperforming the Nifty 50, but growth hinges on execution