

# Hindustan Zinc Investor Rationale

Consistent value delivery, sustainable growth, operational and execution excellence, along with fiscal prudence and customer-centricity, define the Hindustan Zinc value proposition. Together, they lead our business approach and drive our strategy.

Our unprecedented performance in FY2021 came on the back of this value proposition, which we continue to enhance year after year, giving us a strong competitive and investment edge.

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## Excellence in Operations

Operational excellence is vital to ensure long-term value creation and delivery. Its importance was heightened in the challenging market conditions during the COVID-19 crisis. Despite the difficult circumstances that prevailed during the year, we managed to deliver a good performance on account of our decision-making agility, coupled with our ability to adapt quickly to the fast-transforming environment. We are continuously augmenting our digital strength and the automation levels of our processes to further reinforce and streamline our fully integrated operations. Our robust portfolio of operational assets, low cost of production, and market leadership, have put us at a vantage point of operational excellence.

**22%**

Revenue growth

**33%**

EBITDA growth

**Record Mined Metal**

MIC production at 972 kt

**Record Refined Silver**

Production at 706 tons

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## Execution Edge

We are consistently striving to strengthen the foundations of our core operations, and to streamline our operating processes, to ensure disciplined execution of our projects. Technology and digitalization have emerged as powerful tools in ensuring efficient execution. We are augmenting our minor metal production capacity in partnership with leading global technology players. We are also working closely with execution experts to enhance our capabilities to ensure on-time delivery on volumes. Our efforts are focused on rationalizing the operating processes and imbuing our teams with the culture of detailed step-by-step planning to ensure disciplined and efficient execution.

**7%**

Increase in ore production\*

**10+**

International technology partnerships\*\*

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## Value-Accretive Journey

We have a track record of creating and delivering accretive value to our shareholders, with excellent return on investment. By working on delivering strong free cash flow from operations, we continue to invest in our business growth. At the same time, this helps us in exploring new projects, where we focus on investing in projects with above average Internal Rate of Returns (IRRs). Led by this approach, we are also regularly investing in strengthening our assets to deliver consistent shareholder value throughout the economic lifecycles of our projects. We remain committed to ensuring sustained growth in operations, optimizing costs, and implementing sustainability strategies. We are confident this will propel our growth in the coming years, and enable us to maintain a strong balance sheet.

**101%**

5-year average dividend payout

**23%**

5-year CAGR in mined metal production at underground mines

**11%**

5-year CAGR in silver production volume



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### Expanding to Grow

Even as we continue to focus, unwaveringly, on short and mid-term value delivery to our stakeholders, we remain equally committed to pushing business growth in the long term, through concerted expansion. To further push the momentum of our growth, we are partnering with the Government of India to harness the external opportunities powering domestic demand. After completing significant capacity expansion in the previous fiscal in line with the 'Make in India' campaign, we are moving aggressively towards the next phase of our expansion by focusing on Government of India's 'Atmanirbhar Bharat' (Self-Reliant India) drive. We see this campaign triggering a new wave of demand growth in the market in the coming quarters and years, and are fully geared to leverage our core strengths to make the most of this opportunity.

**1.123 Mtpa**

Integrated metal capacity#

**1.2 Mtpa**

Mined metal capacity#

**800 tons**

Silver refining capacity#

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### Managing Costs Prudently

Our robust credit rating, strong balance sheet and high EBITDA margin are a manifestation of our capabilities in the area of capital deployment. These also reflect our sustained focus on efficacious management of cost efficiencies. We realize that a strong balance sheet is vital to our growth and profitability, and thus remain committed to investing in new opportunities, backed by rationalization of our cost structure.

**50%**

3-year average EBITDA margin#

**₹15,130 crore**

Net cash#

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### Sustainability Focus

Our unwavering commitment to sustainability has emerged as a powerful engine of our sustained and value-led growth. Our sustainability thrust is centered on optimal use of natural resources, reduction in carbon footprint, safe operations and renewable energy utilization. Our proven ore deposits with above average zinc-lead grades and long mine life of over 25 years have enabled us to ensure long-term sustainability in our operations.

**2.41X WATER POSITIVE**

Certified by DNV-GL

**1<sup>st</sup> in India**

Dry Tailing Plant

**349.19 MW**

Renewable Energy Portfolio

(Wind - 273.5 MW, Solar - 40.42 MW, WHRB - 35.27 MW)

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### Customer-Centricity

We are cognizant of the importance of understanding and constantly meeting the expectations of our customers. Closely engaged with them, we have deployed the latest technological advancements to innovate products and solutions designed to meet their requirements. To this end, we also collaborate with our customers to develop products that match their needs. It is our continuous endeavor to serve them efficiently through our large distribution network, which helps us remain close to our customers. Redressal of customer grievances through our online CRM system, just-in-time inventory for our long-term partners, and visits by industry experts to our customers' facilities enable us to ensure a long-term, sustained customer connect. Our EVOLVE platform is also helping us scale up customer connect manifold.

**70%+**

5-star feedback on online buying experience\*

**120+**

MSME\*

\*During FY2021 #As on 31<sup>st</sup> March, 2021