

## Hindustan Zinc Limited

### Results for the Third Quarter and Nine Months Ended December 31, 2022

---

***“Highest-ever nine months Mined Metal, Refined Metal & Silver production, PAT up 18% y-o-y to a record high of INR 7,928 Cr. Third interim Dividend of INR 13 per share.”***

#### Highlights for the Quarter

- Mined metal production: 254 kt
- Refined metal production: 257 kt
- Saleable silver production: 161 MT
- Zinc COP: US\$ 1,293 per MT

**Udaipur, January 19, 2023:** Hindustan Zinc Limited, the leading global integrated producer of zinc, lead and silver, reported its results for the third quarter and nine months ended December 31, 2022.

Commenting on the performance, **Mr Arun Misra, CEO**, said: *“Hindustan Zinc delivered best-ever 9 months refined metal on the back of highest ever mined metal. In FY22, we reached the one million tonne mined metal landmark, and this year with the current run-rate, we are confident of achieving the one million tonne refined metal mark and are fully geared to deliver another stellar annual performance. Reaching this milestone in FY23 along with a resilient pipeline of projects will bring us closer to our vision of 1.2 million tonne mined metal in coming years.*

*On the sustainability front, I am pleased to share that Hindustan Zinc is now in the top 3 sustainable companies in metal & mining sector as rated in S&P Global Corporate Sustainability Assessment which is a testimony to our efforts and to the multiple initiatives that we are pursuing to achieve net zero by 2050. In this journey, our focus is to reduce dependence on thermal coal in near term through right investments in renewable projects.”*

**Mr Sandeep Modi, Deputy & Interim CFO**, said: *“We delivered a strong operational & financial performance with yet another landmark of record 9 months Revenue, EBITDA and PAT, delivering a robust EBITDA margin of 52% despite heightened volatility in commodity prices on account of global macro-economic environment. The consolidated quarterly performance was a blend of operational efficiencies impacted by input commodity inflation. With softening of coal cost and ongoing structured cost optimization plan targeted with operational efficiencies, we are confident to deliver yet another stellar financial performance and continue to maintain our cost leadership in global cost curve. With our continuing efforts to expand our Renewable Power investments and with current tie ups of up to 450MW, we foresee a better cost predictability and improved cost structure.”*

## Financial Summary Standalone

INR. Crore or as stated

Particulars	Q3			Q2		9M		
	2023	2022	Change	2023	Change	2023	2022	Change
<b>Sales<sup>1</sup></b>								
Zinc	5,631	5,667	-1%	5,824	-3%	18,319	13,885	32%
Lead	884	900	-2%	991	-11%	2,863	2,610	10%
Silver	983	1,081	-9%	1,079	-9%	3,171	3,170	0%
Others	368	342	8%	442	-17%	1,236	978	26%
Total	7,866	7,990	-2%	8,336	-6%	25,589	20,643	24%
<b>EBITDA</b>	3,717	4,392	-15%	4,390	-15%	13,385	11,282	19%
Profit After Taxes	2,157	2,701	-20%	2,681	-20%	7,931	6,701	18%
<b>Earnings per Share</b>	5.10	6.39	-20%	6.35	-20%	18.77	15.86	18%
(INR, not annualised)								
<b>Mined Metal Production ('000 MT)</b>	254	252	1%	255	-1%	761	722	5%
<b>Refined Metal Production ('000 MT)</b>								
Total Refined Metal								
Zinc	210	214	-2%	189	11%	606	565	7%
Saleable Lead	46	47	-1%	57	-18%	157	142	10%
Zinc & Lead	257	261	-2%	246	5%	762	707	8%
Saleable Silver <sup>2</sup> (in MT)	161	173	-7%	194	-17%	532	485	10%
Wind Power (in million units)	50	59	-15%	124	-59%	324	348	-7%
<b>Refined Metal Sales</b>								
Zinc (kt)	210	212	-1%	189	12%	605	563	7%
Lead (kt)	46	47	-2%	57	-19%	157	142	10%
Silver (MT)	161	173	-7%	194	-17%	532	485	10%
Zinc CoP without Royalty (INR/MT)	1,06,203	85,969	24%	1,00,307	6%	1,01,312	82,834	22%
Zinc CoP without Royalty (\$/MT)	1,293	1,148	13%	1,259	3%	1,272	1,116	14%
Zinc LME (\$/MT)	3,001	3,364	-11%	3,271	-8%	3,386	3,093	9%
Lead LME (\$/MT)	2,098	2,331	-10%	1,976	6%	2,088	2,269	-8%
Silver LBMA (\$/oz.)	21.2	23.3	-9%	19.2	10%	21.0	24.8	-15%
USD-INR (average)	82.14	74.90	10%	79.69	3%	79.64	74.23	7%

(1) Including other operating income

(2) Silver occurs in Lead & Zinc ore and is recovered in the smelting and silver-refining processes.

## Financial Summary Consolidated

INR. Crore or as stated

Particulars	Q3			Q2		9M		
	2023	2022	Change	2023	Change	2023	2022	Change
<b>Sales<sup>1</sup></b>								
Zinc	5,631	5,667	-1%	5,824	-3%	18,319	13,885	32%
Lead	884	900	-2%	991	-11%	2,863	2,610	10%
Silver	983	1,081	-9%	1,079	-9%	3,171	3,170	0%
Others	368	342	8%	442	-17%	1,236	978	26%
Total	7,866	7,990	-2%	8,336	-6%	25,589	20,643	24%
<b>EBITDA</b>	3,717	4,392	-15%	4,387	-15%	13,382	11,282	19%
Profit After Taxes	2,156	2,701	-20%	2,680	-20%	7,928	6,701	18%
<b>Earnings per Share</b>	5.10	6.39	-20%	6.34	-20%	18.76	15.86	18%
(INR, not annualised)								
<b>Mined Metal Production ('000 MT)</b>	254	252	1%	255	-1%	761	722	5%
<b>Refined Metal Production ('000 MT)</b>								
Total Refined Metal								
Zinc	210	214	-2%	189	11%	606	565	7%
Saleable Lead	46	47	-1%	57	-18%	157	142	10%
Zinc & Lead	257	261	-2%	246	5%	762	707	8%
Saleable Silver <sup>2</sup> (in MT)	161	173	-7%	194	-17%	532	485	10%
Wind Power (in million units)	50	59	-15%	124	-59%	324	348	-7%
<b>Refined Metal Sales</b>								
Zinc (kt)	210	212	-1%	189	12%	605	563	7%
Lead (kt)	46	47	-2%	57	-19%	157	142	10%
Silver (MT)	161	173	-7%	194	-17%	532	485	10%
Zinc CoP without Royalty (INR/MT)	1,06,203	85,969	24%	1,00,307	6%	1,01,312	82,834	22%
Zinc CoP without Royalty (\$/MT)	1,293	1,148	13%	1,259	3%	1,272	1,116	14%
Zinc LME (\$/MT)	3,001	3,364	-11%	3,271	-8%	3,386	3,093	9%
Lead LME (\$/MT)	2,098	2,331	-10%	1,976	6%	2,088	2,269	-8%
Silver LBMA (\$/oz.)	21.2	23.3	-9%	19.2	10%	21.0	24.8	-15%
USD-INR (average)	82.14	74.90	10%	79.69	3%	79.64	74.23	7%

(1) Including other operating income

(2) Silver occurs in Lead & Zinc ore and is recovered in the smelting and silver-refining processes.

## Operational Performance

Mined metal production for the quarter was at 254 kt, marginally up from Q3 FY22 driven by higher ore production and marginally down compared to last quarter due to overall mined metal grades. Highest-ever nine months mined metal production at 761 kt up 5.4% y-o-y, driven by higher ore production, improved mined metal grades and operational efficiency.

Integrated metal production for the quarter was at 257 kt, lower by 1.7% y-o-y as per mined metal availability. Sequentially, up by 4.5% with better plant and mined metal availability. Highest-ever nine months refined metal production at 762 kt, up 7.9% y-o-y, resulting from better plant availability and consistent mined metal flow from mines.

Zinc production during the quarter was at 210 kt, down 1.7% y-o-y and up 11.3% sequentially. Nine months integrated zinc production was at 606 kt, up 7.3% y-o-y.

Lead production for the quarter was at 46 kt, lower by 1.4% y-o-y and 18.1% sequentially due to planned shutdown at Dariba Lead plant in Q3 FY23. Nine months refined lead production was at 157 kt, up 10.3% y-o-y.

Silver production for the quarter was at 161 MT, down 6.9% y-o-y owing to lower feed grade at SK Mine in line with mine plan for the quarter. It was down 17.1% sequentially in line with lead metal production. Nine months silver production was at 532 MT, up 9.6% y-o-y in line with lead metal production.

## Financial Performance

Revenue from operations during the quarter was INR 7,866 Crore, down 1.6% y-o-y, on account of lower LME coinciding with lower refined metal and silver volumes partially offset by favourable exchange rates and gains from strategic hedging.

Sequentially revenue witnessed a decline of 5.6%, owing to lower zinc LME, lower lead & silver volumes and lower gains from strategic hedging partly offset by favourable exchange rates, improved zinc volumes and improved lead and silver prices.

For the nine months ended Dec'22, revenue from operations stood at INR 25,589 Crore, an increase of 24.0% y-o-y led by improved zinc LME and volumes, gains from strategic hedging, favourable exchange rates and better lead & silver volumes which was partially offset by lower lead & silver prices.

Zinc cost of production before royalty (COP) for the quarter was US\$ 1,293 (INR 1,06,203) per MT, up 12.7% (23.5% higher in INR terms) y-o-y and 2.7% (5.9% higher in INR terms) sequentially. The COP for the nine months ended Dec'22 was US\$ 1,272 (INR 1,01,312) per MT, an increase of 14.0% (22.3% higher in INR terms) y-o-y. The COP was affected largely on account of elevated coal prices, input commodity inflation and lower domestic coal (linkage) availability partially offset by higher volumes & improved operational efficiencies.

EBITDA for the quarter was INR 3,717 Crore, down 15.4% y-o-y and 15.3% sequentially, primarily due to lower revenues and increased costs on account of the prevailing input commodity inflationary environment. EBITDA for the nine months ended Dec'22 was INR 13,382 Crore, up 18.6% y-o-y, driven by improved metal and silver volumes, higher zinc LME prices, gains from strategic hedging and favourable exchange rates partly offset by higher costs and lower lead & silver prices.

Net profit for the quarter was at INR 2,156 Crore, down 20.2% y-o-y and 19.6% sequentially on account of lower EBITDA partly offset by lower tax expense. For the nine months ended Dec'22, net profit was at INR 7,928 Crore, up 18.3% y-o-y, led by higher EBITDA partly offset by increase in tax.

## Projects Update

- For the Fumer commissioning, we have completed the cold commissioning of equipment in the presence of a few experts from NFC team. We are now ready to begin the hot commissioning for which OEM's are required along with the hot commissioning team from NFC. The visa for this team is in advanced stage but looking at the current COVID scenario in China we expect slight delays in actual visa issuance. We are working with Ministry of Home Affairs on the same and target the completion of Fumer commissioning by Mar'23.
- For Hindustan Zinc Alloys Private Limited (HZAPL), engineering & major supplies have been completed and construction work is at advanced stage, target commissioning by Q4 FY23.
- For the New Roaster at Debari, we have placed order for technology partner and OEC. The EPC order placement is ongoing, with a partner lock in target by mid Q4 FY23.
- Rajpura Dariba Mill entire engineering & supply has been completed. Construction works at advanced stage, and we target commissioning in Q4 FY23.
- For Hindustan Zinc Fertilisers Private Limited (HZFPL), major process package orders have already been finalized and partner has also been locked in. The remaining orders are targeted by Q4 FY23.

## ESG Update

- Hindustan Zinc ranked 3<sup>rd</sup> in S&P Global Corporate Sustainability Assessment (CSA) & 1<sup>st</sup> in Asia-Pacific region in Metal and Mining Sector.
- EV policy rolled out for all employees under "EVolving for Good" initiative propelling us further on our journey of decarbonization of light motor vehicles by 2030.
- Total of 9 Electric Vehicles deployed at smelter operations.
- Safety Pause with the theme of "Right to refuse unsafe work" observed across all units of HZL in all the shifts on 29<sup>th</sup> Dec'22.
- Miyawaki afforestation completed at DSC and CLZS. 12,000 Indigenous plants and 6,500 native seeds planted in area of 1 hectare at each of the location to create a self-sustaining forest in the span of 3 years.
- Strengthening our commitment towards health, Hindustan Zinc provided Oncology vehicle for early detection of various cancers to Rabindra Nath Tagore Medical Institution on its 60<sup>th</sup> Foundation Day.
- Zinc Football Academy (ZFA):
  - Team played AIFF Elite Under-17 Youth Cup and achieved incredible wins
  - Two of our ZFA players got selected for National camp
  - Under-17 team secured third place in the 18<sup>th</sup> edition of Administrator's Challenge cup
- HZL won the "Industry Leadership Award - Base, Precious and Specialty Metals" and "Corporate Social Responsibility" at S&P Global Platts Global Metal Awards.
- The company was awarded with CII EXIM Business Excellence Award 2022.
- Rajpura Dariba Mine emerged as the overall winner in mining sector in metal sector at 51<sup>st</sup> All India Mines Rescue Competition.

## Key Strategic Update

- Board has approved the subscription to equity shares of THL Zinc Limited, Mauritius through HZL's wholly owned subsidiary ("HZL WOS") to be incorporated overseas for a cash consideration not exceeding US\$ 2,981 Mn (in a phased manner basis agreed milestones). THL Zinc Limited comprises of shares held in Black Mountain Mining Pty Limited, South Africa (69.6%) and THL Zinc Namibia Holdings (Pty) Ltd, Namibia (100%) with total Reserves & Resources of about 35 MnT.
- Board has also approved long term Group Captive Renewable Energy (RE) power development program up to a capacity of ~250 MW for a further investment of up to INR 438 Crore.

## Liquidity and Investment

As on Dec 31, 2022, the Company's consolidated gross investments and cash & cash equivalents were INR 16,482 Cr as compared to INR 17,807 Cr at the end of Sept'22.

The Company's consolidated net investments as at end of Dec 31, 2022, were INR 11,378 Cr as compared to INR 15,696 Cr at end of Sept'22. During the quarter, the company paid dividend of INR 6,549 Cr.

## Earnings Call on Thursday, January 19, 2023, at 18:30 hours (IST)

The Company will hold an earnings conference call on Thursday, January 19, 2023, at 18:30 hours IST, where senior management will discuss the Company's results and performance.

### Conference Dial-In Information:

[Express Join via internet registration](#)

*Please dial the below number at least 5-10 minutes prior to the conference schedule.*

**Universal Access** +91 22 6280 1340, +91 22 7115 8241

**Playback Dial-In Numbers** +91 22 71945757

**January 19 - January 26, 2023** Playback Code: 73603

### For further information, please contact:

**Jhalak Rastogi**

Associate Director - Investor Relations

[jhalak.rastogi2@vedanta.co.in](mailto:jhalak.rastogi2@vedanta.co.in)

+91 8287262850

**Siddharth George**

Associate Manager - Investor Relations

[hzi.ir@vedanta.co.in](mailto:hzi.ir@vedanta.co.in)

**Maitreyee Sankhla**

Interim Head - Corporate Communications

[maitreyee.sankhla@vedanta.co.in](mailto:maitreyee.sankhla@vedanta.co.in)

+91 7742161333

## About Hindustan Zinc

Hindustan Zinc, a Vedanta Group Company, is one of the world's largest and India's only integrated producer of Zinc-Lead and Silver. The Company has its headquarters at Udaipur in the State of Rajasthan where it has its Zinc-Lead mines and smelting complexes. Hindustan Zinc is self-sufficient in power with captive thermal power plants and has ventured into green energy by setting up wind power plants. The Company is ranked 1st in Asia-Pacific for the fourth consecutive year and globally 3rd in S&P Global Corporate Responsibility Assessment in 2022 amongst Mining & Metal companies. Hindustan Zinc is a certified Water Positive Company and is the only Indian company to be recognized at the S&P Global Platts Metal Award 2022 and has won the two prestigious awards for 'Industry Leadership Award – Base, Precious and Specialty Metals' Award and 'Corporate Social Responsibility' Award.

The company takes pride in having some of the best-in-class people practices and employee-centric initiatives, which have certified Hindustan Zinc as – 'Great Place to Work 2022', 'Company with Great Managers 2020' by People Business and the PeopleFirst HR Excellence Award.

As a socially responsible corporate, Hindustan Zinc has been relentlessly working to improve the lives of rural and tribal people residing near its business locations. The company is amongst the Top 15 CSR Spenders in India and is currently transforming the lives of 1.4 million people in 234 villages out of which 184 in Rajasthan, 34 in Uttarakhand and 16 villages in Gujarat. As a market leader, Hindustan Zinc governs about ~80% of the growing Zinc market in India.

Learn more about Hindustan Zinc on - <https://www.hzindia.com/home/> and follow us on [LinkedIn](#), [Twitter](#), [Facebook](#), and [Instagram](#) for more updates.

### Disclaimer

This press release contains "forward-looking statements" – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "should" or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, uncertainties arise from the behaviour of financial and metals markets including the London Metal Exchange, fluctuations in interest and or exchange rates and metal prices; from future integration of acquired businesses; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.