

Hindustan Zinc Limited

Results for the Fourth Quarter and Full Year Ended March 31, 2023

“Highest ever PAT of INR 10,511 Crores on the back of record production of more than 1 million tonne metal”

Highlights for the Quarter

- Best-ever production:
 - Mined metal: 301 kt
 - Refined metal: 269 kt
- Saleable silver: 182 MT
- Zinc COP: US\$ 1,214 per MT

Highlights for the Year

- Best-ever production:
 - Mined metal: 1,062 kt
 - Refined metal: 1,032 kt
 - Saleable silver: 714 MT
- Zinc COP: US\$ 1,257 per MT

Udaipur, April 21, 2023: Hindustan Zinc Limited, the leading global integrated producer of zinc, lead and silver, reported its results for the fourth quarter and full year ended March 31, 2023.

Commenting on the performance, **Mr. Arun Misra, CEO**, said: *“By registering a historic high annual operational and financial performance, it was undeniably a landmark year for Hindustan Zinc. This year saw us accomplish the superlative milestone of crossing 1 million tonne metal mark which is a true reflection of our persistent focus on volume delivery and operational efficiency. I am happy to share that Hindustan Zinc is now ranked as the 5th largest silver producer globally. Further, we are progressing well on our strategic development projects directed towards capacity expansion, synergetic growth, and value integration.*

With the mission of decarbonising our operations, we signed a Power Delivery Agreement for sourcing up to 450MW renewable energy. This historic year, Hindustan Zinc also flagged off India’s first Battery Electric Vehicle in underground mining, adding the same to its ever-expanding EV fleet. These significant developments corroborate our commitment to deliver on our ESG roadmap of achieving net zero by 2050.”

Mr. Sandeep Modi, CFO, said: “This year, Hindustan Zinc surpassed its own records by delivering best-ever financial performance, recording its highest ever annual revenue, EBITDA and PAT. This feat was attributable to our pioneering efforts towards operating efficiently resulting in cost optimisation. Overall, the year has been characterized by resilience and dynamism in decision making which enabled us to achieve the annual guidance and generate record cash flows. We delivered the lowest quarterly cost of this FY in Q4 and with our track record of strong and improving performance, we are confident of delivering another stellar year.”

Financial Summary Standalone

INR. Crore or as stated

Particulars	Q4			Q3		FY		
	2023	2022	Change	2023	Change	2023	2022	Change
Sales¹								
Zinc	5,861	6,414	-9%	5,631	4%	24,180	20,299	19%
Lead	1,050	940	12%	884	19%	3,913	3,550	10%
Silver	1,217	1,036	17%	983	24%	4,388	4,206	4%
Others	381	407	-6%	368	4%	1,617	1,385	17%
Total	8,509	8,797	-3%	7,866	8%	34,098	29,440	16%
EBITDA	4,211	5,007	-16%	3,717	13%	17,596	16,289	8%
Profit After Taxes	2,589	2,929	-12%	2,157	20%	10,520	9,630	9%
Earnings per Share	6.13	6.93	-12%	5.10	20%	24.90	22.79	9%
(INR, not annualised)								
Mined Metal Production ('000 MT)	301	295	2%	254	19%	1,062	1,017	4%
Refined Metal Production ('000 MT)								
Total Refined Metal								
Zinc	215	211	2%	210	2%	821	776	6%
Saleable Lead	54	49	10%	46	17%	211	191	10%
Zinc & Lead	269	260	3%	257	5%	1,032	967	7%
Saleable Silver ² (in MT)	182	162	13%	161	13%	714	647	10%
Wind Power (in million units)	71	66	8%	50	41%	395	414	-5%
Refined Metal Sales								
Zinc (kt)	216	214	1%	210	3%	821	777	6%
Lead (kt)	54	49	10%	46	17%	211	192	10%
Silver (MT)	182	162	13%	161	13%	714	647	10%
Zinc CoP without Royalty (INR/MT)	99,824	85,378	17%	1,06,203	-6%	1,00,893	83,511	21%
Zinc CoP without Royalty (\$/MT)	1,214	1,136	7%	1,293	-6%	1,257	1,122	12%
Zinc LME (\$/MT)	3,124	3,754	-17%	3,001	4%	3,319	3,257	2%
Lead LME (\$/MT)	2,140	2,335	-8%	2,098	2%	2,101	2,285	-8%
Silver LBMA (\$/oz.)	22.6	24.0	-6%	21.2	7%	21.4	24.6	-13%
USD-INR (average)	82.21	75.17	9%	82.14	-	80.27	74.46	8%

(1) Including other operating income

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

Hindustan Zinc Limited

Registered Office: Yashad Bhawan, Udaipur (Rajasthan) - 313 004

T+91-294 660 4000 F+91-294 242 7734 www.hzindia.com

CIN: L27204RJ1966PLC001208

Financial Summary Consolidated

INR. Crore or as stated

Particulars	Q4			Q3		FY		
	2023	2022	Change	2023	Change	2023	2022	Change
Sales¹								
Zinc	5,861	6,414	-9%	5,631	4%	24,180	20,299	19%
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Others	381	407	-6%	368	4%	1,617	1,385	17%
Total	8,509	8,797	-3%	7,866	8%	34,098	29,440	16%
EBITDA	4,208	5,007	-16%	3,717	13%	17,590	16,289	8%
Profit After Taxes	2,583	2,928	-12%	2,156	20%	10,511	9,629	9%
Earnings per Share (INR, not annualised)	6.11	6.93	-12%	5.10	20%	24.88	22.79	9%
Mined Metal Production ('000 MT)	301	295	2%	254	19%	1,062	1,017	4%
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(2) Silver occurs in Lead & Zinc ore and is recovered in the smelting and silver-refining processes.

Operational Performance

Highest ever quarterly mined metal production since UG transition at 301 kt, an increase of 2.0% y-o-y and 18.6% sequentially owing to higher ore production and improved mined metal grades. Highest ever annual mined metal production at 1,062 kt, a growth of 4.4% y-o-y, driven by higher ore production, improved mined metal grades and operational efficiencies.

Historic-high quarterly refined metal production at 269 kt, an increase of 3.4% y-o-y and 4.9% sequentially, owing to better plant and mined metal availability. Record annual refined metal production at 1,032 kt, a growth of 6.7% y-o-y, resulting from better plant availability and consistent MIC flow from mines.

Integrated zinc production for the quarter was at 215 kt, an increase of 1.9% y-o-y and 2.3% sequentially. Integrated lead production for the quarter was at 54 kt, an increase of 10.0% y-o-y and 16.9% sequentially, on account of better plant availability and consistent MIC flow from mines. Best-ever full year integrated zinc production at 821 kt, a growth of 5.8% y-o-y and integrated lead production at 211 kt, a growth of 10.2% y-o-y.

Saleable silver production for the quarter was at 182 MT, an increase of 12.5% y-o-y in line with lead metal production and 13.4% sequentially in line with lead metal production and higher WIP depletion in base period. Record annual saleable silver production of 714 MT, a growth of 10.3% y-o-y in line with lead metal production.

Financial Performance

Revenue from operations during the quarter was INR 8,509 Crore, down 3.3% y-o-y on account of lower zinc, lead & silver prices partly offset by higher metal & silver volumes and favourable exchange rates.

Sequentially, revenue was up by 8.2%, led by improved metal & silver volumes coinciding with higher zinc, lead & silver prices.

For the full year, revenue from operations stood at INR 34,098 Crore, witnessing an increase of 15.8% y-o-y, led by improved zinc LME, metal & silver volumes, gains from strategic hedging and favourable exchange rates while being partially offset by lower lead & silver prices.

Zinc cost of production before royalty (COP) for the quarter was US\$ 1,214 (INR 99,824) per MT, up 6.9% (16.9% higher in INR terms) y-o-y and better by 6.1% (6.0% better in INR terms) sequentially, q-o-q COP improvement on account of higher volumes, better grades, strong operational efficiencies, supported by softened coal and input commodity prices. COP for the full year was US\$ 1,257 (INR 1,00,893) per MT, an increase of 12.1% (20.8% higher in INR terms) y-o-y. 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 4,208 Crore, down 16.0% y-o-y and up 13.2% sequentially. Sequential EBITDA improved primarily due to better revenue and reduced costs. EBITDA for the full year was INR 17,590 Crore, up 8.0% y-o-y, driven by improved metal & silver volumes, higher zinc LME, 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 2,583 Crore, down 11.8% y-o-y and up 19.8% sequentially. Increase was primarily on account of improved EBITDA and lower tax expense. For the full year, net profit was at INR 10,511 Crore, up 9.2% y-o-y, led by higher EBITDA partly offset by increase in tax.

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Reserves & Resources (R&R)

Total Ore Reserves stand at 173.5 million tonnes (net of production of 16.7 million tonnes in FY23) at the end of FY23 (161.2 million tonnes at the end of FY22) led by continued focus on resource to reserve conversion during the year. Exclusive Mineral Resource totalled 286.6 million tonnes.

Total contained metal in Ore Reserves is 9.6 million tonnes of zinc, 2.7 million tonnes of lead and 310.2 million ounces of silver. The Mineral Resource contains 12.8 million tonnes of zinc, 5.7 million tonnes of lead & 545.7 million ounces of silver.

Total R&R as on March 31, 2023 stood at 460.1 million tonnes containing metal of 30.8 million tonnes (net of production of 1.1 million tonnes in FY23). At current mining rates, the R&R underpins metal production of more than 25 years.

Projects Update

- For Hindustan Zinc Alloys Private Limited (HZAPL), all mechanical installations of Line 1 have been completed. Remaining plant installation is expected to be completed by mid Q1 FY24, subsequently followed by overall plant commissioning targeted during the quarter.
- For Rajpura Dariba Mill, the entire engineering & supply has been completed with construction works in advanced stages and commissioning targeted in Q1 FY24.
- For the Fumer commissioning, in absence of Chinese experts due to Visa issues, HZL team is working on commissioning with internal experts and online OEM support, with team traveling to China for training in May'23. Completion of commissioning of the plant is targeted in Q1 FY24.
- For the New Roaster at Debari, technology partner, OEC and OMC have been onboarded. EPC order placement is currently ongoing with partner lock in targeted in Q1 FY24.
- For Hindustan Zinc Fertilisers Private Limited (HZFPL), major process package order has been finalized and partner lock in has also been completed. Remaining orders targeted by Q1 FY24.

ESG Update

- Hindustan Zinc ranks amongst top 5% ESG Score in the metals & mining sector in S&P Global Sustainability Yearbook 2023. The company has been featured for the sixth consecutive year reaffirming our best-in-class sustainable practises.
- CDP recognized HZL with prestigious 'A' rating for climate change, 'A-' for water stewardship and amongst the top 8% assessed for supplier engagement on climate change. HZL also recognised as supplier engagement leader by CDP for cascading environmental action across the supply chain.
- Launched India's 1st ever Battery Electric Vehicle in UG Mining at Sindesar Khurd mine, adding to our total fleet of 23 Electric Vehicles.
- Rampura Agucha Mine and Zawar Mine received 'Silver' rating in GreenCo rating with Rampura Agucha becoming India's first mine to be GreenCo certified.
- Partnered with Rajasthan Cricket Association for developing India's 2nd largest and world's 3rd largest cricket stadium in Jaipur, Rajasthan.
- Hindustan Zinc published its 1st Environmental Product Declaration (EPD) for zinc products, reinforcing its commitment to sustainability, transparency, and minimizing environmental footprint.
- Hindustan Zinc ranked 3rd in S&P Global Corporate Sustainability Assessment (CSA) & 1st in Asia-Pacific region in Metal and Mining Sector.

- Signed Power Delivery Agreements (PDA) for sourcing up to 450MW renewable energy, which will avoid 2.7 million MT of carbon emissions.
- Pantnagar Metal Plant becomes the first unit of Vedanta to source 100% green power supply.
- Zinc Football Academy (ZFA):
 - One of our Zinc Football goalkeeper Sahil Poonia got selected in U-17 national team
 - Two of our ZFA players got selected for national camp
- The company was awarded with CII EXIM Business Excellence Award 2022.
- Dariba Smelting Complex (DSC) awarded with Five Star Grading in the British Safety Council Occupational Health and Safety Audit.

Contribution to the exchequer

During the year, the Company contributed INR 24,949 Crore (73% of total operating revenue) to the Government treasury.

Liquidity and Investment

As on March 31, 2023, the Company's consolidated gross investments and cash & cash equivalents were INR 10,061 Crore as compared to INR 16,482 Crore as at end Dec'22 and INR 20,789 Crore as at end Mar'22 which was invested in high quality debt instruments. Total borrowings outstanding as on Mar'23 was INR 11,841 Crore.

During the year, a total sum of INR 31,901 Crore was paid in the form of dividends.

Outlook for FY24

Both mined metal and refined metal production in FY24 is expected to be higher than last year. Mined metal is expected to be between 1,075-1,100 kt & refined metal production in the range of 1,050-1,075 kt.

FY24 saleable silver production is projected to be between 725-750 MT.

Zinc cost of production in FY24 is expected to be in between US\$ 1,125-1,175 per MT. Project capex for the year is expected to be in the range of US\$ 175-200 million.

Earnings Call on Friday, April 21, 2023, at 1600 hours (IST)

The Company will hold an earnings conference call on Friday, April 21, 2023, at 1600 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

April 21 - April 28, 2023 Playback Code: 44737

For further information, please contact:

Jhalak Rastogi

Associate Director - Investor Relations

jhalak.rastogi2@vedanta.co.in

+91 8287262850

Siddharth George

Associate Manager - Investor Relations

hzi.ir@vedanta.co.in

Maitreyee Sankhla

Interim Head - Corporate Communications

maitreyee.sankhla@vedanta.co.in

+91 7742161333

About Hindustan Zinc

Hindustan Zinc, a Vedanta Group company in Zinc-Lead and Silver business is world's 2nd largest integrated Zinc producer and 5th largest Silver producer. The company governs about ~80% of the growing Zinc market in India with its headquarters at Udaipur along with Zinc-Lead mines and smelting complexes spread across the state of Rajasthan. 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 winning two prestigious awards for 'Industry Leadership Award - Base, Precious & 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 2022' by People Business and the 'People-first HR Excellence Award'.

As a socially responsible corporate, Hindustan Zinc has been relentlessly working towards transforming lives of 1.7 million people in 237 villages in the states of Rajasthan and Uttarakhand. The company is amongst the Top 15 CSR Spenders 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 businesses 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 behavior of financial and metals markets including the London Metal Exchange, London Bullion Metal Association, 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 and/or business operations to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements and investors should take their own decisions.