

vedanta
transforming for good



HINDUSTAN ZINC
Zinc & Silver of India

Q3 FY2023 Earnings Presentation

January 2023

Cautionary Statement and Disclaimer

The views expressed here may contain information derived from publicly available sources that have not been independently verified.

No representation or warranty is made as to the accuracy, completeness, reasonableness, or reliability of this information. Any forward-looking information in this presentation including, without limitation, any tables, charts and/or graphs, has been prepared on the basis of a number of assumptions which may prove to be incorrect. This presentation should not be relied upon as a recommendation or forecast by Hindustan Zinc Limited. Past performance of Hindustan Zinc cannot be relied upon as a guide to future performance.

This presentation 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,' 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 environmental, climatic, natural, 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. We caution you that reliance on any forward-looking statement involves risk and uncertainties, and that, although we believe that the assumption on which our forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate and, as a result, the forward-looking statement based on those assumptions could be materially incorrect.

This presentation is not intended, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities in Hindustan Zinc or undertakings or any other invitation or inducement to engage in investment activities, nor shall this presentation (or any part of it) nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision.



Unique position of Hindustan Zinc Limited in Metal & Mining landscape



Vision

- Be the **world's largest** and most admired Zinc, Lead & Silver Company



Mission

- Enhance stakeholder value** through exploration, innovation, operational excellence, safety and sustainability
- Be the **lowest cost producer**
- Maintain **market leadership** and customer delight



Values

- Core values being Entrepreneurship, Excellence, Trust, Innovation, Integrity, Respect and Care

India's largest & only integrated

producer of zinc, lead and silver

World's 2nd largest integrated zinc producer and one of the **lowest-cost** producers globally

~80% Market share in India's primary zinc market

Ranked #3 in Metals and Mining companies globally* and **1st Overall in Asia Pacific** at S&P Global ESG Score 2022**

6th largest silver producer globally

World's Largest underground (UG) zinc mining operations at Rampura Agucha

25+ Years Mine Life


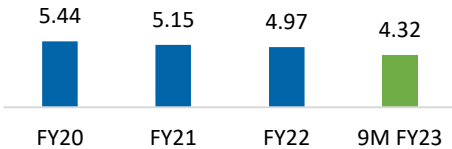

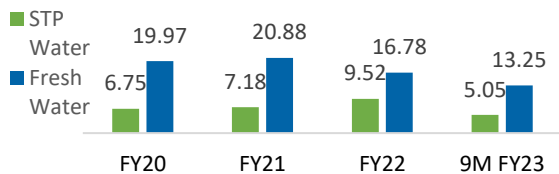

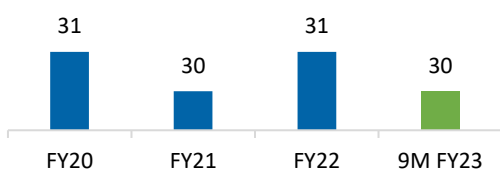

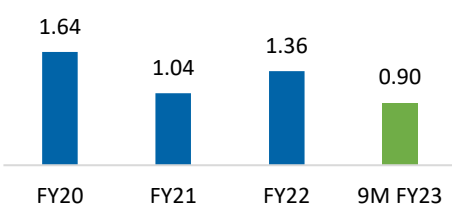
Won the 1st Bronze Medal & featured in the prestigious Sustainability Yearbook for the fifth year in a row by S&P Global

*as of November 18, 2022

**Ranking is provisional as 27% of companies invited for S&P ESG indices awaits their ESG score


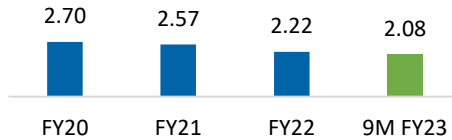

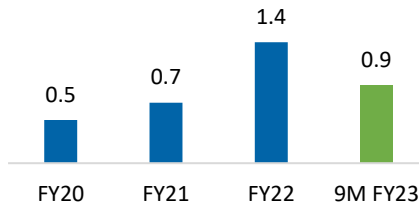

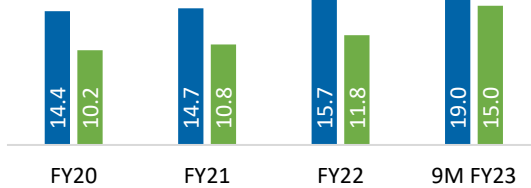



Key Priorities: Sustainability Goals 2025

	Sustainability Goal 2025	Progress	Major Actions															
<div>Climate Change</div> <div></div>	<ul style="list-style-type: none">0.5MN tCO2e GHG emission savings in our operations from base year 2017	<p>GHG intensity (Scope 1 + 2)/ MT</p>  <table><thead><tr><th>Period</th><th>GHG intensity (Scope 1 + 2)/ MT</th></tr></thead><tbody><tr><td>FY20</td><td>5.44</td></tr><tr><td>FY21</td><td>5.15</td></tr><tr><td>FY22</td><td>4.97</td></tr><tr><td>9M FY23</td><td>4.32</td></tr></tbody></table>	Period	GHG intensity (Scope 1 + 2)/ MT	FY20	5.44	FY21	5.15	FY22	4.97	9M FY23	4.32	<ul style="list-style-type: none">Green power: 450 MW Renewable Energy100% RE power consumption at Pantnagar Metal PlantTurbine RevampingUse of Biomass in power plantEnergy Efficiency programs/ ISO 50001 certificationSwitching to Electrical mobility					
Period	GHG intensity (Scope 1 + 2)/ MT																	
FY20	5.44																	
FY21	5.15																	
FY22	4.97																	
9M FY23	4.32																	
<div>Water Stewardship</div> <div></div>	<ul style="list-style-type: none">5x water positive company & achieve 25% reduction in freshwater	<p>Water Consumption (Mn m3)</p>  <table><thead><tr><th>Period</th><th>STP Water (Mn m3)</th><th>Fresh Water (Mn m3)</th></tr></thead><tbody><tr><td>FY20</td><td>6.75</td><td>19.97</td></tr><tr><td>FY21</td><td>7.18</td><td>20.88</td></tr><tr><td>FY22</td><td>9.52</td><td>16.78</td></tr><tr><td>9M FY23</td><td>5.05</td><td>13.25</td></tr></tbody></table>	Period	STP Water (Mn m3)	Fresh Water (Mn m3)	FY20	6.75	19.97	FY21	7.18	20.88	FY22	9.52	16.78	9M FY23	5.05	13.25	<ul style="list-style-type: none">Utilization of STP treated waterMaintaining Zero dischargeWater recycling: RO/ MEE/ MVR plantsDry Tailing PlantRainwater HarvestingWater Risk assessment
Period	STP Water (Mn m3)	Fresh Water (Mn m3)																
FY20	6.75	19.97																
FY21	7.18	20.88																
FY22	9.52	16.78																
9M FY23	5.05	13.25																
<div>Circular Economy</div> <div></div>	<ul style="list-style-type: none">3x increase in gainful utilization of smelting process waste	<p>Waste Recycling %</p>  <table><thead><tr><th>Period</th><th>Waste Recycling %</th></tr></thead><tbody><tr><td>FY20</td><td>31</td></tr><tr><td>FY21</td><td>30</td></tr><tr><td>FY22</td><td>31</td></tr><tr><td>9M FY23</td><td>30</td></tr></tbody></table>	Period	Waste Recycling %	FY20	31	FY21	30	FY22	31	9M FY23	30	<ul style="list-style-type: none">Fumer for Hydro Smelters100% utilization of Jarosite in Cement from DZSJarofix utilization in road constructionMetal recovery from waste					
Period	Waste Recycling %																	
FY20	31																	
FY21	30																	
FY22	31																	
9M FY23	30																	
<div>Biodiversity Conservation</div> <div></div>	<ul style="list-style-type: none">Protect and enhance biodiversity throughout the life cycle	<p>Plantation (Lacs)</p>  <table><thead><tr><th>Period</th><th>Plantation (Lacs)</th></tr></thead><tbody><tr><td>FY20</td><td>1.64</td></tr><tr><td>FY21</td><td>1.04</td></tr><tr><td>FY22</td><td>1.36</td></tr><tr><td>9M FY23</td><td>0.90</td></tr></tbody></table>	Period	Plantation (Lacs)	FY20	1.64	FY21	1.04	FY22	1.36	9M FY23	0.90	<ul style="list-style-type: none">Three years engagement with IUCN<ul style="list-style-type: none">IBAT AssessmentEcosystem service review1st Season biodiversity assessmentMiyawaki AfforestationRestoration of Jarofix Yard1 Million Plantation driveWildlife conservation plan					
Period	Plantation (Lacs)																	
FY20	1.64																	
FY21	1.04																	
FY22	1.36																	
9M FY23	0.90																	



Key Priorities: Sustainability Goals 2025

	Sustainability Goal 2025	Progress	Major Actions															
<div>Zero Harm</div> <div></div>	<ul style="list-style-type: none">Zero Work-related fatalities and 50% reduction in TRIFR	<p>7 Fatalities</p> <p>TRIFR</p>  <table><tr><th>Period</th><th>TRIFR</th></tr><tr><td>FY20</td><td>2.70</td></tr><tr><td>FY21</td><td>2.57</td></tr><tr><td>FY22</td><td>2.22</td></tr><tr><td>9M FY23</td><td>2.08</td></tr></table>	Period	TRIFR	FY20	2.70	FY21	2.57	FY22	2.22	9M FY23	2.08	<ul style="list-style-type: none">Critical Risk Management / FSIPP (Fatality & Serious Injury Prevention Programme)Community of practice: Structural IntegrityInfrastructure and AutomationSafety Governance structure for business partnersElimination of High-Risk Manual activitiesIndustrial Hygiene - QLEA and QNEAStrengthening of Emergency Preparedness					
Period	TRIFR																	
FY20	2.70																	
FY21	2.57																	
FY22	2.22																	
9M FY23	2.08																	
<div>Social Impact</div> <div></div>	<ul style="list-style-type: none">1 Million Positively impacting lives through social, economic and environmental	<p>CSR Outreach (Beneficiaries) in Mn</p>  <table><tr><th>Period</th><th>CSR Outreach (Beneficiaries) in Mn</th></tr><tr><td>FY20</td><td>0.5</td></tr><tr><td>FY21</td><td>0.7</td></tr><tr><td>FY22</td><td>1.4</td></tr><tr><td>9M FY23</td><td>0.9</td></tr></table>	Period	CSR Outreach (Beneficiaries) in Mn	FY20	0.5	FY21	0.7	FY22	1.4	9M FY23	0.9	<ul style="list-style-type: none">Outreach 234 villages; ~1 Mn beneficiaries through sustained CSR initiativesStrengthening the local economyPromoting Skilling & Education in the regionImproving quality of life of communities around us					
Period	CSR Outreach (Beneficiaries) in Mn																	
FY20	0.5																	
FY21	0.7																	
FY22	1.4																	
9M FY23	0.9																	
<div>Diversity & Inclusion</div> <div></div>	<ul style="list-style-type: none">30% Diversity in an Inclusive and diverse workplace <div><div>■ Gender diversity in Executives</div><div>■ Overall Gender Diversity (incl. Non Exec)</div></div>	<p>Gender Diversity Trend (%)</p>  <table><tr><th>Period</th><th>Gender diversity in Executives (%)</th><th>Overall Gender Diversity (incl. Non Exec) (%)</th></tr><tr><td>FY20</td><td>14.4</td><td>10.2</td></tr><tr><td>FY21</td><td>14.7</td><td>10.8</td></tr><tr><td>FY22</td><td>15.7</td><td>11.8</td></tr><tr><td>9M FY23</td><td>19.0</td><td>15.0</td></tr></table>	Period	Gender diversity in Executives (%)	Overall Gender Diversity (incl. Non Exec) (%)	FY20	14.4	10.2	FY21	14.7	10.8	FY22	15.7	11.8	9M FY23	19.0	15.0	<ul style="list-style-type: none">Improving Diversity - Gender, sexual orientation, specially abled, regional diversity - First member from LGBTQ community onboardedSensitization workshop for Diversity and InclusionRolled out various women professional development programmesEffective employee engagement programme
Period	Gender diversity in Executives (%)	Overall Gender Diversity (incl. Non Exec) (%)																
FY20	14.4	10.2																
FY21	14.7	10.8																
FY22	15.7	11.8																
9M FY23	19.0	15.0																
<div>Responsible Sourcing</div> <div></div>	<ul style="list-style-type: none">100% Responsible sourcing in the supply chain		<ul style="list-style-type: none">Suppliers Due DiligenceIncorporating ESG criteria into the commercial process<ul style="list-style-type: none">ESG questionnaire in Prequalification criteriaStandard ESG expectations in the contractsCarbon costing in Commercial processTarget to increase local procurement															



Key Priorities: Communities



Health

On the 60th Foundation Day of Rabindra Nath Tagore Medical Institution, Udaipur, HZL provided an Oncology vehicle for early detection of cancer by providing doorstep facilities.

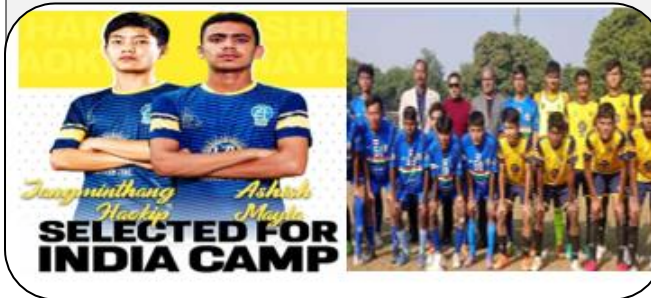


Sports

Zinc Football team played AIFF Elite Under-17 Youth Cup with incredible wins.

2 Zinc Football players got selected in National Camp.

10k+ runners ran in support of “Zero Hunger” in Half Marathons organized at Jaipur & Delhi.



Women Empowerment

Sakhi Utpadan Samiti earned total sales of INR 32.19 lakhs and income of INR 6.62 lakhs during the quarter.

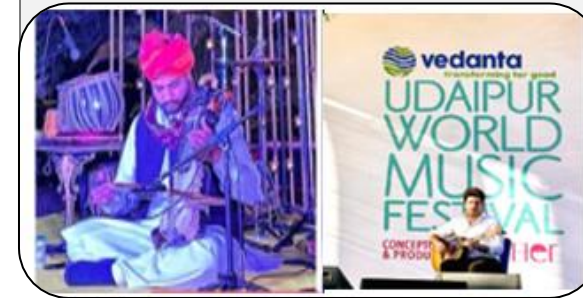
Sakhi microenterprises launched and registered Daichi brand.



Culture

6th Edition of Vedanta Udaipur World Music Festival (VUWMF) with 120+ artists.

Organized talent hunt for amateur musicians at VUWMF
Theme: “Preservation and propagation of the forgotten musical instruments and traditions of Rajasthan” focused on showcasing Sarangi.





HINDUSTAN ZINC
Zinc & Silver of India

Operational Review & Business Update

Macro Environment - Demand Drivers

- Key macro factors likely to impact demand:
 - Covid restrictions and lockdowns in China
 - Inflation and high interest costs impacting consumer & business spending
 - Infrastructure push in USA
- Domestic zinc demand:
 - Government's increasing focus on infrastructure is expected to impact positively on zinc consumption in coming year
- Domestic lead demand remains strong:
 - Supported by automotive demand and utilization of lead batteries in EVs for auxiliary functions
 - Industry battery segment also robust on back of replacement demands from data centers, banks, ATMs etc.
- Silver demand witnessed an uptick owing to lowering of prices and growing silver demand in the solar power sector

Global Supply Situation

- Smelters in Europe put into care & maintenance due to continuously increasing energy prices
- Zinc inventories in LME warehouses stood at 30 kt at the end of Dec'22 witnessing a steep decline of ~79% from the start of FY23
- Lead global supply is set to fall 0.3% to 12.34 MnT because of lower output in Russia, Ukraine and Germany
- Silver inventory at two-year low globally as mines output has been dropping continuously



Operational Highlights : Record 9 months production

9M FY23

761 kt
(up 5% y-o-y)
Mined Metal

762 kt
(up 8% y-o-y)
Refined Metal

532 MT
(up 10% y-o-y)
Saleable Silver

Q3 FY23

254 kt
(up 1% y-o-y)
Mined Metal

257 kt
(down 2% y-o-y)
Refined Metal

161 MT
(down 7% y-o-y)
Saleable Silver

Operational Review

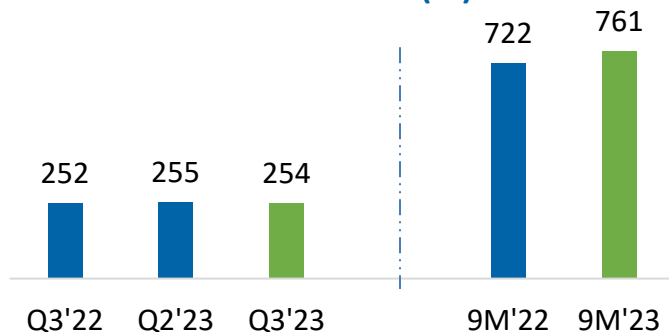
Q3 FY23

- Mined Metal up 1% y-o-y; on account of higher ore production
- Refined Metal up 5% q-o-q, led by better mined metal and plant availability; lower 2% y-o-y due to lower mined metal availability
- Silver production down 7% y-o-y; due to lower feed grade at SK Mine in line with mine plan for the quarter
- Zinc COP increased 13% y-o-y and 3% q-o-q on account of input commodity inflation and high coal cost partly offset by higher volumes & improved operational efficiencies

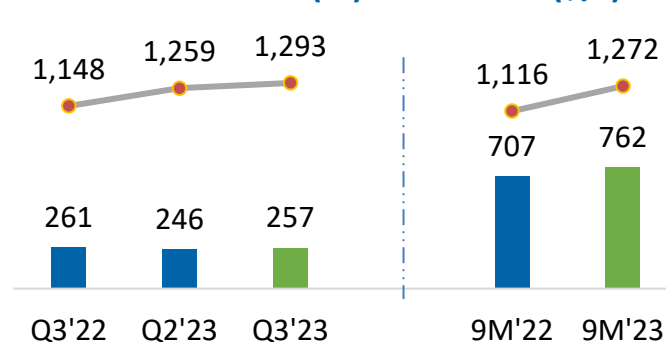
9M FY23

- Highest-ever 9M Mined Metal up 5% y-o-y; driven by higher Ore production, feed grade & operational efficiency
- Highest-ever 9M Refined Metal up 8% y-o-y; driven by better plant availability and consistent mined metal flow from mines
- Highest-ever 9M Silver production up 10% y-o-y
- Zinc COP increased 14% y-o-y on account of input commodity inflation and high coal cost partly offset by higher volumes & improved operational efficiencies

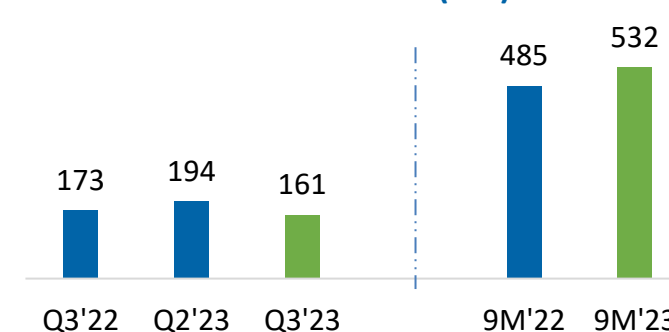
Mined Metal (kt)



Refined Metal (kt) & Zinc COP (\$/t)



Saleable Silver (MT)



Project Update



HINDUSTAN ZINC
Zinc & Silver of India

Hindustan Zinc Fertilisers Private Limited (HZFPL) - Major process package order finalized and partner locked in. Remaining orders targeted by Q4 FY23

Roaster at Debari - Order for technology partner and OEC placed. EPC order placement ongoing with partner lock in target by mid Q4 FY23

Hindustan Zinc Alloys Private Limited (HZAPL) - Engineering and major supplies completed. Construction work is in advanced stage. Target commissioning by Q4 FY23

Rajpura Dariba Mill - Engineering & supply completed. Construction works in advanced stage. Target commissioning in Q4 FY23

Fumer - Cold commissioning completed, ready to start hot commissioning with OEM's, with their visa's being in advanced stage. Working with Ministry of Home Affairs for the same and expect Fumer commissioning by Mar'23



HZF

HINDUSTAN ZINC FERTILISERS



Acquisition of THL Zinc Limited

Key Transaction Terms

- ❑ Hindustan Zinc to acquire 100% stake in THL Zinc Limited, Mauritius for a total consideration not exceeding \$ 2,981 Mn (in a phased manner basis agreed milestones)
- ❑ THL Zinc Limited comprise shares held in Black Mountain Mining Pty Limited, South Africa (69.6%) and THL Zinc Namibia Holdings (Pty) Ltd (100%), Namibia. THL Zinc Limited is a wholly owned subsidiary of THL Zinc Ventures Limited
- ❑ Acquisition to be done through HZL's wholly owned subsidiary to be incorporated overseas ("HZL WOS")
- ❑ Subject to necessary regulatory approvals
- ❑ Transaction to be funded through mix of internal accruals and external debts

Attractive Strategic Investment

- ❑ Zinc International has a resource base of ~35 MnT & ~30+ years mine life. Post integration there will be a combined R&R of 1,000+ MnT of ore & 66+ MnT of metal
- ❑ Access to one of the largest Zinc R&R
- ❑ Establish strong foothold in the African sub-continent and access to new developed markets
- ❑ Leveraging HZL's expertise of converting resource into reserves with its vast experience of exploration in base metals
- ❑ Having built strong cash reserves over time, the target is to use the balance sheet strength to make strategic investments
- ❑ This investment will unlock value and create substantial synergies for both, THL Zinc Limited and HZL



RE Power Procurement: Progressing Towards a Sustainable Future

- ❑ In our commitment to net zero by 2050, one of the actions is to improve the mix of green power used in our operations. We are targeting use of 500 MW of RE RTC power in our operations by 2030
- ❑ In phase I of RE power procurement, in previous quarter, Hindustan Zinc signed a PDA with Special Purpose Vehicle for 200MW of renewable energy under the Group Captive Scheme for an investment up to INR 350 Cr.
- ❑ Board has now approved further investment up to ~INR 438 Cr under the Group Captive Scheme for sourcing up to 250MW of renewable energy in phase II
- ❑ This will enable HZL to get more than 50% of it's total power consumption through RE resulting into reduction in ~2.7 MnT of carbon emission





HINDUSTAN ZINC
Zinc & Silver of India









Financial Review



Financial Snapshot : Record 9 months Revenue, EBITDA, PAT

(All figures in INR Cr unless stated otherwise)

 <h2>Revenue</h2>		 <h2>EBITDA</h2>		 <h2>Profit After Tax</h2>	
Q3 FY23	9M FY23	Q3 FY23	9M FY23	Q3 FY23	9M FY23
7,866	25,589	3,717	13,382	2,156	7,928
(down 2% y-o-y)	(up 24% y-o-y)	(down 15% y-o-y)	(up 19% y-o-y)	(down 20% y-o-y)	(up 18% y-o-y)
 <h2>Cash and Cash Equivalents</h2>		 <h2>EBITDA Margin</h2>		 <h2>Earnings per Share</h2>	
16,482		Q3 FY23	9M FY23	Q3 FY23	9M FY23
		47%	52%	INR 5.10	INR 18.76

Note: All financials are at consolidated level



Consolidated Financial Review

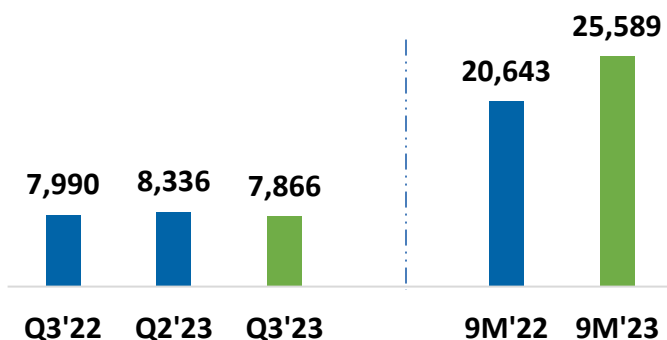
Q3 FY23

- Revenue down 2% y-o-y; due to lower metal and silver prices & volumes partly offset by favourable Fx rates and strategic hedging gains
- EBITDA down 15% y-o-y; led by lower revenues and increased cost from input commodity inflation
- Consolidated PAT down 20% y-o-y; driven by lower EBITDA and partly offset by lower tax expense
- Effective tax rate of ~32% for Q3 FY23 higher y-o-y

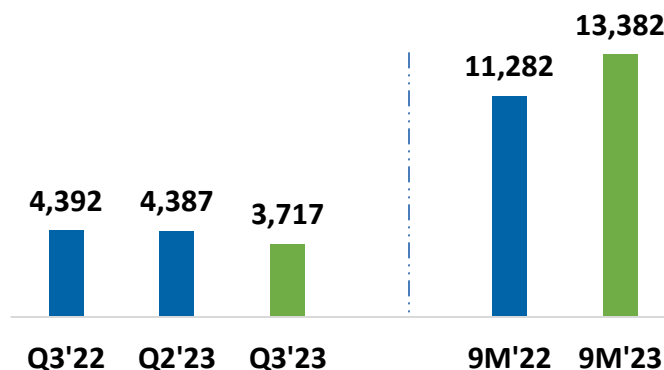
9M FY23

- Revenue up 24% y-o-y; led by improved zinc prices & volumes, strategic hedging gains, favourable Fx rates and better lead & silver volumes partially offset by lower lead & silver prices
- EBITDA up 19% y-o-y; led by improved metal & silver volumes, zinc prices, strategic hedging gains & favourable Fx rates partly offset by higher costs and lower lead & silver prices
- Consolidated PAT up 18% y-o-y; led by higher EBITDA partly offset by increase in tax
- Effective tax rate of ~33% for 9M FY23 higher y-o-y

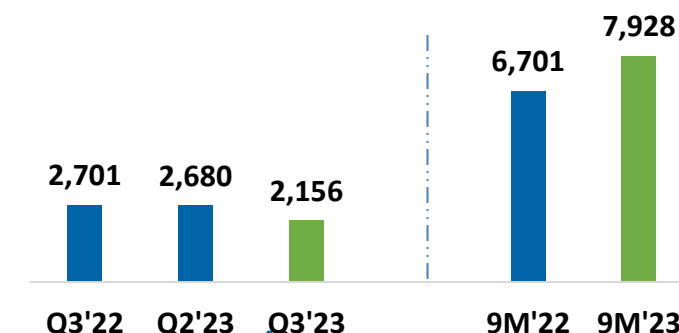
Revenue (INR Cr.)



EBITDA (INR Cr.)



Profit After Tax (INR Cr.)



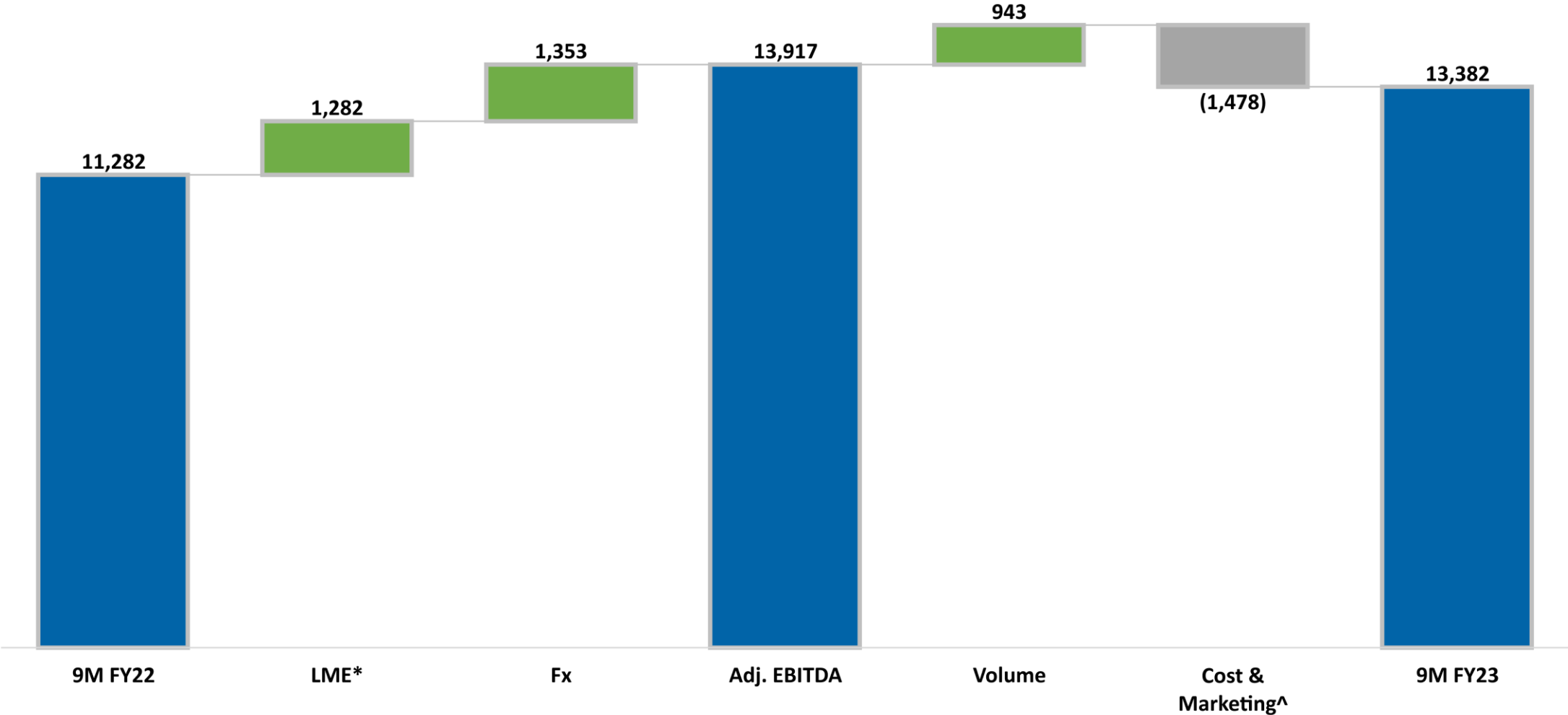


HINDUSTAN ZINC
Zinc & Silver of India

Appendix

EBITDA Bridge (9M FY2023 vs. 9M FY2022)

(All figures in INR Cr unless stated otherwise)

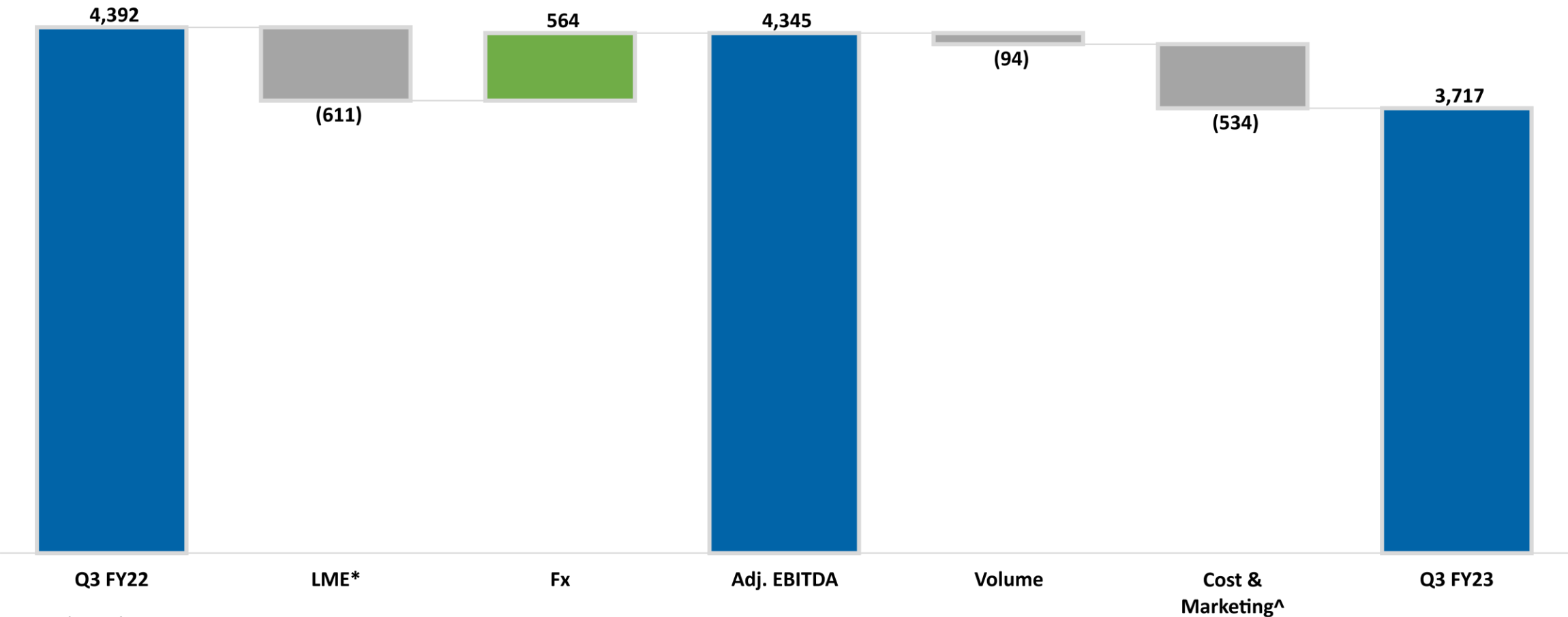


*Inclusive of gains from Strategic Hedging
^Inclusive of input commodity inflation
Note: All financials are at consolidated level



EBITDA Bridge (Q3 FY2023 vs. Q3 FY2022)

(All figures in INR Cr unless stated otherwise)

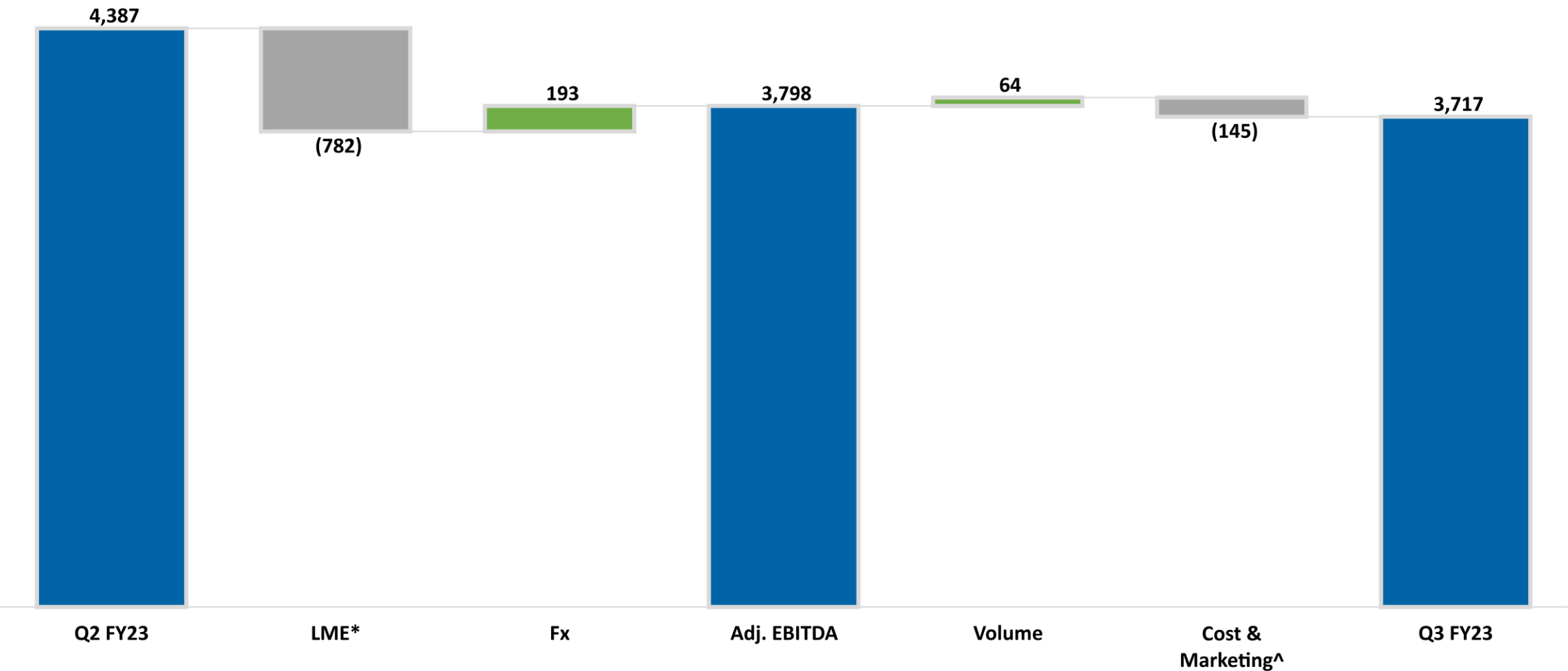


*Inclusive of gains from Strategic Hedging
^Inclusive of input commodity inflation
Note: All financials are at consolidated level



EBITDA Bridge (Q3 FY2023 vs. Q2 FY2023)

(All figures in INR Cr unless stated otherwise)



*Inclusive of gains from Strategic Hedging
^Inclusive of input commodity inflation
Note: All financials are at consolidated level



Awards and Recognition - Q3 FY2023

- ❖ Hindustan Zinc ranked **3rd Globally and 1st overall in Asia-Pacific** at S&P Global ESG score in metal and mining sector
- ❖ Awarded the "Industry Leadership Award - Base, Precious and Specialty Metals" and "Corporate Social Responsibility" at the prestigious **S&P Global Platts Global Metal Awards**
- ❖ Awarded with **CII EXIM Business Excellence Award 2022**
- ❖ Got selected as Leadership Bands A- (A minus) listed company by CDP in two categories "Climate Change "and "Water Security "in **CDP 2022**
- ❖ Rajpura Dariba Mine emerged as the overall winner in mining sector in metal sector at **51st All India Mines Rescue competition**
- ❖ DSC, Zawar and Chanderiya power plants recognized at the **Fame Excellence Awards 2022** with platinum award in different categories
- ❖ 7 units bestowed with the **26th Bhamashah award** reflecting the commitment in the field of Education related community development initiatives



Metal Prices and Exchange Rate trends

Zinc Price (\$/t): stable in Q3



Lead Price (\$/t): trending upward in Q3



Silver Price (\$/oz): trending upward in Q3



USD - INR



THANK YOU



vedanta
transforming for good



HINDUSTAN ZINC
Zinc & Silver of India

HINDUSTAN ZINC LIMITED

Yashad Bhawan, Udaipur-313004, Rajasthan

www.hzlindia.com