Hindustan Zinc reports mixed Q2 operational performance

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Hindustan Zinc's revenue growth was underpinned by firmer zinc prices on the London Metal Exchange and improved silver sales, which also supported margin expansion during the quarter. The company's move to invest in Serentica Renewables reflects its push towards cleaner energy, with plans to secure captive green power over the next two years. Meanwhile, the stock's recent performance shows a steady recovery in 2025, though it is yet to reclaim its peak levels.

By Ajay Vaishnav October 4, 2025, 8:39:56 PM IST (Updated)
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Vedanta-owned Hindustan Zinc Ltd released its Q2 FY26 business update, showcasing a mixed operational performance across key segments, while delivering strong financial results.

In terms of production, mined metal output stood at 258 kilo tonnes (kt), marking a 1% year-on-year (YoY) increase, though it dipped 3% quarter-on-quarter (QoQ). Saleable metal production came in at 246 kt, reflecting a 6% YoY decline and a 1% QoQ drop. On the refining front, zinc production rose 2% YoY to 202 kt, remaining flat sequentially.

However, refined lead output fell sharply by 29% YoY and 7% QoQ, settling at 45 kt.

Hindustan Zinc posted a consolidated net profit of ₹2,234 crore in Q1 FY26, beating the CNBC-TV18 poll estimate of ₹2,156 crore. However, this marked a 4.7% decline from ₹2,345 crore reported in the same quarter last year. Revenue for the quarter fell 4.4% year-on-year to ₹7,771 crore from ₹8,130 crore, missing Street expectations of ₹7,850 crore.

Operating profit (EBITDA) came in slightly above expectations at ₹3,859 crore (vs CNBC-TV18 poll estimate of ₹3,858 crore), but declined 2.2% year-on-year from ₹3,946 crore.

At the time, Hindustan Zinc also announced a ₹327 crore investment in Serentica Renewables India Pvt. Ltd. for a minimum 26% equity stake. The partnership aims to develop captive renewable power projects across India, with phased commissioning expected by June 2027.

Shares of Hindustan Zinc settled 2.2% higher at Rs 492.30. The stock has gained almost 11% in 2025 so far, but remains over 14% lower than its 52-week high price of ₹575.40.