

HZL/2022-SECY

November 26, 2022

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai - 400 001

National Stock Exchange of India Ltd
“Exchange Plaza”
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051

Scrip Code: 500188

Scrip Code: HINDZINC-EQ

Dear Sir(s),

Sub: Investor Presentation - Non-Deal Road Shows for residual stake sale by Government of India (GOI)

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015) and in continuation to our letter HZL/2022-SECY dated November 25, 2022, please find enclosed investor presentation to be made by the Company’s CEO & Interim CFO to Institutional Investor for Non-Deal Road Shows for residual stake sale by Government of India (GOI).

This is for your information and record.

Thanking you,

Yours Sincerely,
For Hindustan Zinc Limited

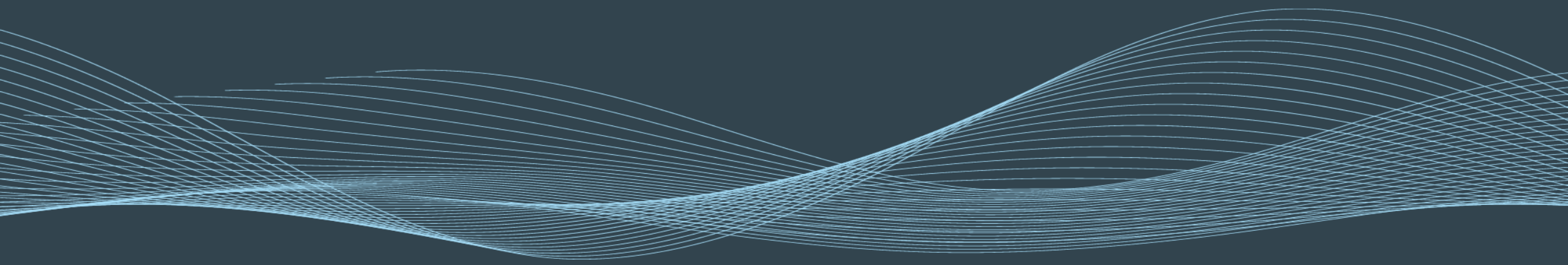
Rajendra Pandwal
Company Secretary
Encl: As above



HINDUSTAN ZINC

Zinc & Silver of India

Investor Presentation



Disclaimer

This presentation is prepared by **Hindustan Zinc Limited (“Company”)** and is for information purposes only without regards to specific objectives, financial situations or needs of any particular person and nothing in it shall be construed as an invitation, offer, solicitation, recommendation or advertisement in respect of the purchase or sale of any securities of the Company or any affiliates in any jurisdiction or as an inducement to enter into investment activity and no part of it shall form the basis of or be relied upon in connection with any contract or commitment or investment decision whatsoever. This presentation does not take into account, nor does it provide any tax, legal or investment advice or opinion regarding the specific investment objectives or financial situation of any person. This presentation and its contents are confidential and proprietary to the Company and/or its affiliates and no part of it or its subject matter be used, reproduced, copied, distributed, shared, or disseminated, directly or indirectly, to any other person or published in whole or in part for any purpose, in any manner whatsoever.

Certain statements in this communication may be ‘forward looking statements’ within the meaning of applicable laws and regulations. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Important developments that could affect the Company’s operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, labour laws, import duties, litigation and labour relations etc.

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Company without necessary diligence and relying on their own examination of Hindustan Zinc Limited along with the equity investment risk which doesn't guarantee capital protection.

1. Overview and Positioning of Hindustan Zinc Limited

Hindustan Zinc Limited (“HZL”) : Overview



Company Overview

- A fully integrated zinc-lead-silver producer with five decades of experience and expertise in mining and smelting
- Headquartered in the mineral-rich belt of Udaipur in Rajasthan and a **subsidiary of Vedanta Limited**



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

Uniquely Positioned in the Metal and Mining Landscape

India’s largest & most 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



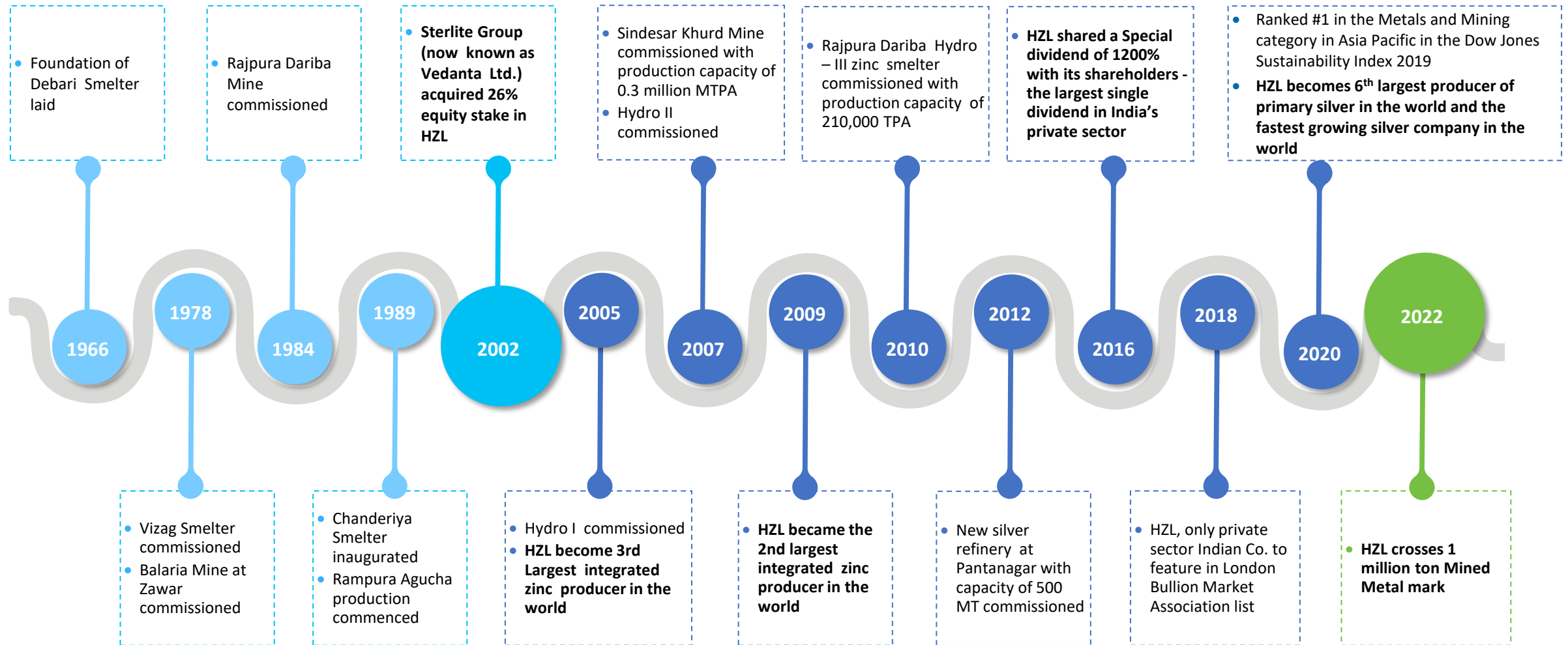
25+ Years Mine Life



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



Glorious Journey of 55 years



2. Key Investment Highlights

Our Well-established Investment Proposition

Production Capacities with Sustainable Mining Operations

- Market understanding and leadership (capacity of 1.123 Mtpa Integrated metal, 1.2 Mtpa Mined metal, 800 tonnes Silver refining)
- Digital and automation capabilities, sustainable operations and trained teams

Diversified Product Portfolio

- 20% proportion of value-added products; target to further increase led by upcoming 30 kt alloys plant

Portfolio of Mines with Long Life

- Growing R&R (currently 448 Mt) through exploration using innovative technologies
- Maintained 25 years+ mine life through sustained replenishment

Sustainable Business with Core Focus on ESG

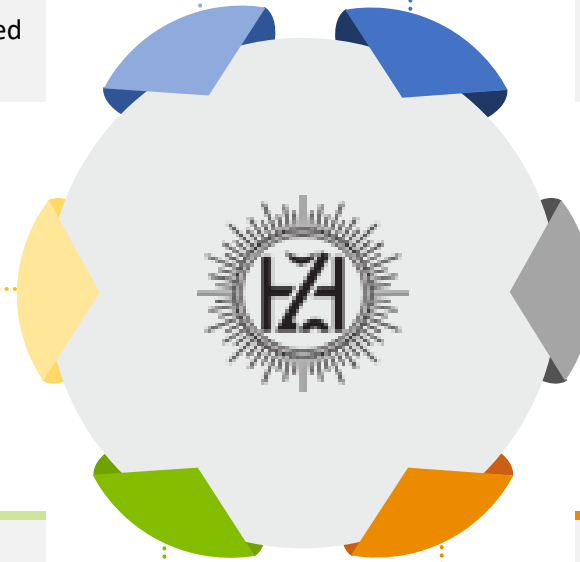
- S&P Global ESG Score 2022^{**}: #1 Overall in Asia-Pacific, #3 globally amongst Mining & Metal companies^{*}
- S&P Global: Featured in the Sustainability Yearbook

Global Zinc Cost Leadership


- Remain amongst lowest cost producers of zinc-lead globally
- Efforts around prudent capital deployment and enhancing asset productivity with focus on cost efficiencies, volume play and automation

Superior Returns to Shareholders

- Return on net funds for business operations: 56%
- Strong operational cash flows: c.US\$ 1586mn
- 5-year average dividend pay-out: 87%



Leading Ahead and Positioned for Long-term with Integrated Operations



Ore Production
16.34 Mt

- Strategic Edge**
- World-class operations and mining practices
 - High safety standards
 - Trained workforce

- Strategic Focus**
- Capacity expansion and sustaining UG operations
 - Cost optimisation



Total R&R
447.9 Mt

- Mine life of 25+ years
- Efforts to delineate & upgrade

- Augmentation of R&R base to 500+ Mt
- Enhancement of ore reserve to 200 Mt



Metal Capacity
1.123 Mt

- Fully integrated
- Optimised operations supported by captive power
- Proximity to mines

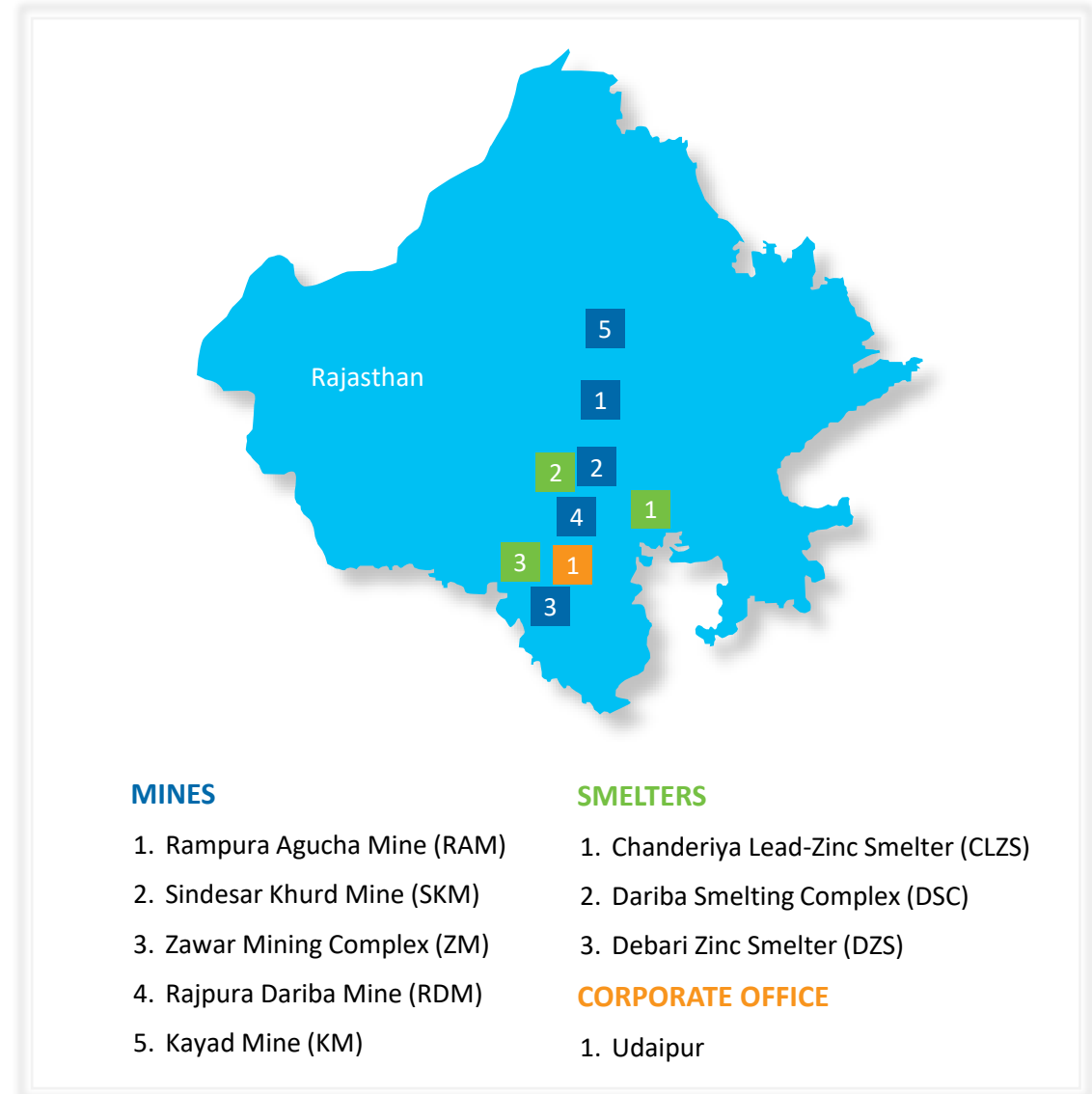
- Debottlenecking of smelters
- Increase in value-added product
- Better utilisation of waste



Captive Power Plants (CPP)
586.59 MW

- Low-cost & reliable power to own operations
- Streamlined demand pattern analysis

- Enhance solar capacity
- Enhance efficiency thermal power capacity



Strong Operational Asset Base

Mines

Key Stats				
Mines	Reserve (Mt)	Resource (Mt)	Reserve Grade Zinc (%)	Reserve Grade Pb (%)
Rampura Agucha Mine	47.0	28.0	11.8	1.3
Sindesar Khurd Mine	45.4	59.3	3.0	2.0
Rajpura Dariba Mine	28.9	38.9	4.9	1.6
Bamnia Kalan	-	39.5	-	-
Kayad Mine	1.9	5.0	7.6	0.9
Zawar Mines	37.9	116.1	2.8	1.2

Smelters

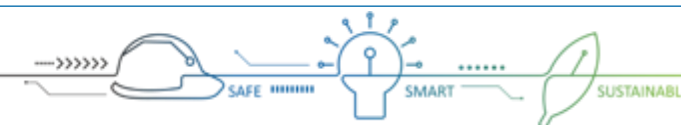
Key Stats				
Smelters	Pyrometallurgical Zinc Smelter (TPA)	Pyrometallurgical Lead Smelter (TPA)	Hydrometallurgical Zinc Smelter (TPA)	Lead Smelter (TPA)
Chanderiya Lead-Zinc Smelter	1,05,000	90,000	4,80,000	-
Dariba Smelting Complex	-	-	2,40,000	1,20,000
Debari Zinc Smelter	-	-	88,000	-

R&R Summary

Key Stats				
Category	Tonnage (Mt)	Zn (%)	Pb (%)	Ag (%)
Reserve	161.2	5.9	1.5	58.0
Mineral Resource – Measured and Indicated	118.8	4.9	1.9	66.0
Mineral Resource – Inferred	168.0	4.4	2.1	60.0

Smelting And Power Summary

Category	Key Stats
Zinc Smelting	9,13,000 TPA
Lead Smelting	2,10,000 TPA
Silver Refining	800 TPA
Thermal Power	505.5 MW
Wind Power	273.5 MW
Solar Power	40.42 MW
WHRB Power	40.67 MW



Unparalleled Operational Excellence at Mines with Focus on Innovation, Automation and Technology (1/3)

107.3 km

Total Mine
Development

1,017 kt

Total Mined Metal

801 kt

Mined Metal – Zinc

216 kt

Mined Metal –
Lead

16.34 Mt

Total Ore
Production 5 Mines



Unparalleled Operational Excellence at Mines with Focus on Innovation, Automation and Technology (2/3)

Efficiency and Productivity Enhancement Measures



Rampura Agucha Mine

- Commissioned integrated command control centre for enabling end-to-end monitoring
- Installed proximity warning and anticollision system
- Initiated 3D visualisation of real-time equipment and personnel monitoring
- Pump automation in UG mine

Sindesar Khurd Mine

- Installed chiller units for improving working conditions
- Zinc recovery improvement in beneficiation plant
- Undertook digital initiatives: digitalised substations to expedite power restoration; real-time monitoring; automating UG pumping stations

Rajpura Dariba Mine

- Brought in expat operator and trainers to operate fully automatic Simba drill machine
- Installed fully enclosed designed cage to improve person safety and skip run hour
- Infrastructure upgrade to improve operational efficiency and throughput

Zawar Mines

- Commenced UG back filling operations at Mochia and Zawarmala
- Established centralised control room at Balaria
- Digitalised equipment utilisation visibility to minimise idling in Mochia and Baroi
- Installed Mine Communication System in Mochia, Balaria and Zawarmala

Kayad Mine

- Shifted to Mine Development Operator modality for having single stakeholder responsibility



Additional Safety Measures Implemented



Rampura Agucha Mine

- India's first UG first-aid station with ambulance
- Fire hydrant lines on the surface and UG
- Sensor-based Auto Ventilation doors UG
- Real-time seismic monitoring

Sindesar Khurd Mine

- Radar-based sensors in LPDTs
- New-age fire fighting vehicles and use of fire banks
- Powder- and foam-based auto fire suppression system

Rajpura Dariba Mine

- UG ambulance
- Replaced old penthouse and steel structure at inset stations and main shaft cage

Zawar Mines

- Surface parking infrastructure at Balaria Mine
- Redesigning of ITMS, mill gate and surface roundabout
- Interconnected the UG raise bore at Mochia and Balaria mines
- Mine Fatigue System in Baroi

Kayad Mine

- Strengthened braking system of LMVs
- LVS type AFDSS and Emergency Stop switches on external sides of passenger compartments
- Deadman switches and door parking interlock in PCs and RBOs
- Stretchers in both PCs

Strengthening Mineral Resource and Upgradation of Resources to Reserves

Ore Reserves and Mineral Resources (R&R), as on March 31, 2022

(based on Annual R&R audit by SRK (UK))

Hindustan Zinc Assets	Total Reserves				Measured and Indicated				Inferred				Total R&R	Total Metal
	Mt	Zn%	Pb%	Ag g/t	Mt	Zn%	Pb%	Ag g/t	Mt	Zn%	Pb%	Ag g/t	Mt	Mt
Rampura Agucha	47.0	11.8	1.3	44	10.3	14.7	2.2	64	17.6	6.0	3.6	97	75.0	9.6
Rajpura Dariba	28.9	4.9	1.6	60	5.3	7.1	2.2	71	33.6	6.3	1.9	96	67.8	5.1
Sindesar Khurd	45.4	3.0	2.0	100	43.8	4.0	2.2	111	15.5	3.4	1.9	96	104.7	5.8
Bamnia Kalan	-	-	-	-	20.0	3.3	1.1	41	19.5	3.5	1.5	47	39.5	1.9
Zawar	37.9	2.8	1.2	23	36.8	3.4	2.0	28	79.3	3.6	2.1	34	154.0	8.0
Kayad	1.9	7.6	0.9	18	2.6	8.0	1.1	21	2.4	6.6	0.9	14	6.9	0.6
Total	161.2	5.9	1.5	58	118.8	4.9	1.9	66	168.0	4.4	2.1	60	447.9	31.1

Mineral resources reported exclusive of ore reserves, reported at variable cut-off grade per mineral asset

A Portfolio with Market Leading Position and Strong Prospects



- ### Key Highlights
- **Wide portfolio:** special high grade (SHG), high grade (HG), continuous galvanising grade (CGG), prime western (PW), jumbo SHG and other grades used in die-casting alloys.
 - **80%** India market share (including alloys)
 - **776 kt** production
 - **US\$ 2,538mn** of revenue

- ### Outlook : Growth and Drivers
- 1.3% (CY 2022E) and 1.7% (CY 2023E and 2024E) global zinc consumption growth driven by de-carbonisation and infrastructure investments, especially in Asia
 - Strong growth in India led by 5G roll-out; 100% electrification target; US\$ 75bn asset monetisation pipeline (FY 2022-25) for funding infrastructure projects; Smart cities project; emerging technology for battery application



- Producing lead ingots (99.99% purity) registered with LME
- **76%** India market share
- **191 kt** production
- **US\$ 444mn** of revenue

- FY 2022-23E price range: US\$ 2,100-2,500/tonne (same as FY 2021-22 levels)
- 1.6% (CAGR 2022-27E) global demand driven: Pent-up automotive demand from Asian countries and restocking of supply chains in North America and Europe
- Strong growth in India averaging 6.4% until 2031 led by automotive sector and inverter battery market key drivers; and emerging opportunity of storing electricity generated from photovoltaics



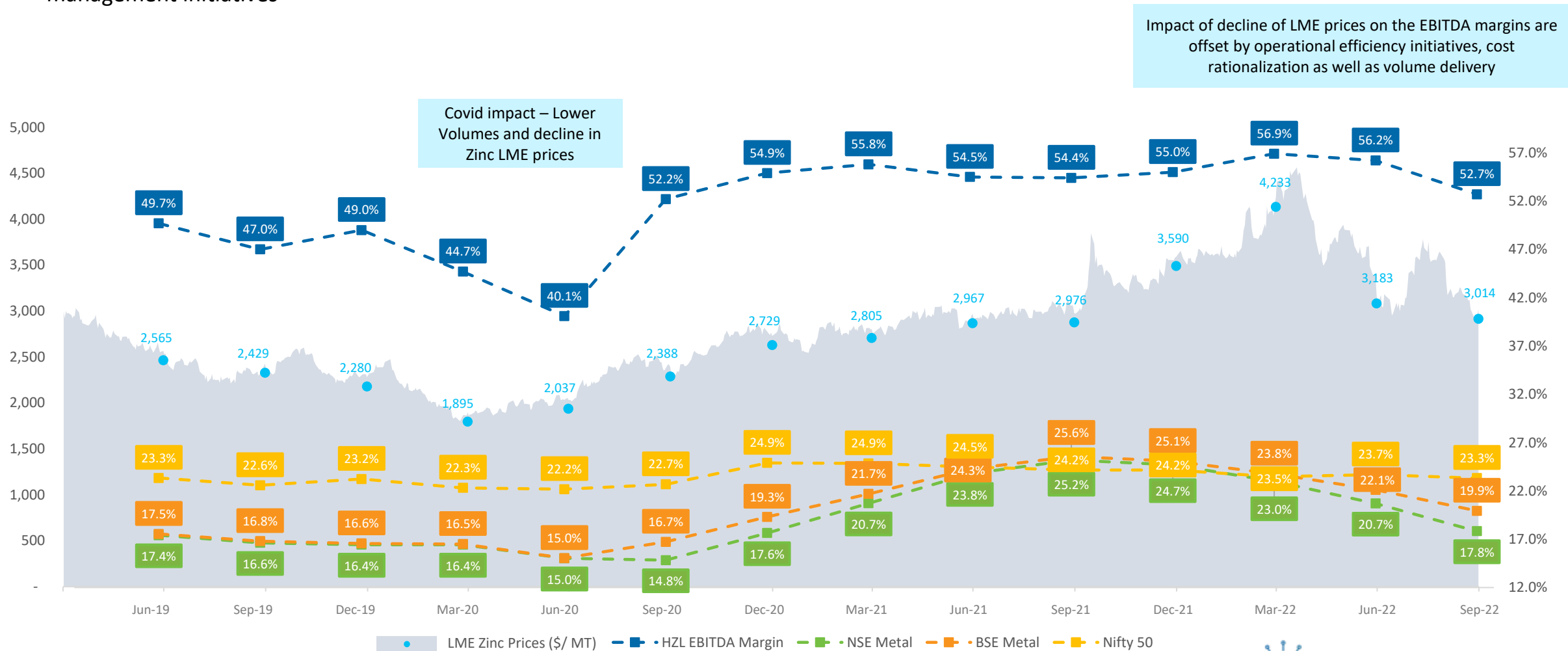
- **Portfolio:** 1 kg Silver bars, Silver powder and Silver nitrate
- **647 MT** production
- **US\$ 525mn** of revenue

- FY 2022-23E prices: US\$ 21-25 band as demand rises led by war, trade implications and weak world economy
- India remains a strong market: 3rd largest physical investment market; emergence of Amazon and Flipkart as an alternate buying destination; digital silver and silver ETFs gaining popularity post SEBI approval



Maintains its Position in the 1st Quartile of Global Cost Curve and Delivers Consistent Profitability despite Macro Headwinds

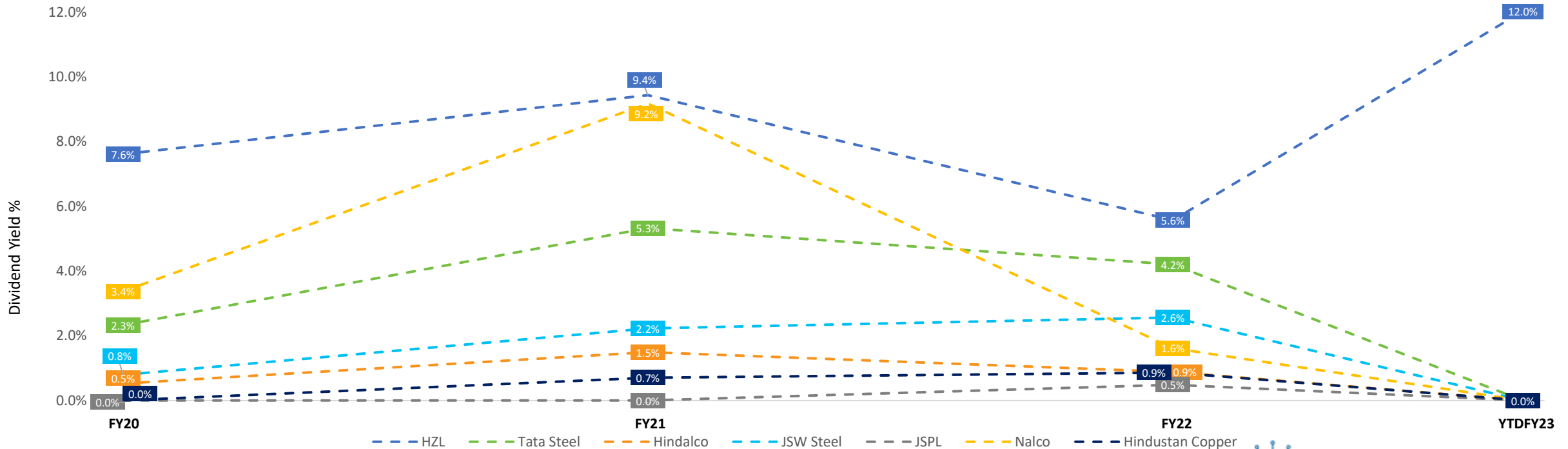
- HZL is one of the **lowest cost producers globally**
- Despite macro-related uncertainties such as movements in LME Zinc prices, the Company has **delivered consistent profitability** through proactive cost management initiatives



HZL is one of the Highest Dividend Payers in the Country

- The Company has stayed **true to its dividend policy** and has been consistent in paying dividends to its shareholders
- It has paid the **highest Dividend per share** and has delivered the **highest Dividend Yield** amongst the key Metals & Mining players

Dividend Yield ⁽¹⁾	HZL		Tata Steel		Hindalco		JSW Steel		JSPL		Nalco		Hindustan Copper	
	DPS	Yield	DPS	Yield	DPS	Yield	DPS	Yield	DPS	Yield	DPS	Yield	DPS	Yield
FY20	16.5	7.6%	1.0	2.3%	1.0	0.5%	2.0	0.8%	-	-	1.5	3.4%	-	-
FY21	21.3	9.4%	2.5	5.3%	3.0	1.5%	6.5	2.2%	-	-	3.5	9.2%	0.4	0.7%
FY22	18.0	5.6%	5.1	4.2%	4.0	0.9%	17.4	2.6%	2.0	0.5%	1.5	1.6%	1.2	0.9%
YTD FY23	36.5	12.0%	-	-	-	-	-	-	-	-	-	-	-	-



3. Financial and Operational Performance

Celebrating a Year of Record Performance and Achievements

Delivering Record Performance in FY22 (vis-à-vis FY21)

Ore production of
16.3 Mt (↑6%)

Mined metal production of
1,017 kt (↑5%),
crossing one million tonne mark

Refined metal production of
967 kt (↑4%)

Revenue of
US\$ 3,680mn (↑30%)

EBITDA of
US\$ 2,036mn (↑39%)

PAT of
US\$ 1,204mn (↑21%)

Internationally Recognised Operational Performance

Sword of Honour 2021

From the British Safety Council for CLZS CPP and Debari Zinc Smelter for excellence in managing health and safety risks

National Award for Manufacturing Competitiveness – 2021

‘Gold Medal’ for SK Mine from International Research Institute for Manufacturing, India

46th International Convention on Quality Control Circles (ICQCC) – 2021

Two awards for Rampura Agucha Mine in ‘Par Excellence at ICQCC’ and ‘Excellence at ICQCC’ categories

‘5 STAR RATED MINES’ Award

to Rampura Agucha and Kayad Mines for sustainable mining efforts

‘Rajasthan Energy Conservation Awards - 2021’

Rampura Agucha becomes the only mine in the industry to win this accolade

CII DX award

For ‘Most Innovative Best Practice in Supply Chain & Logistics’

National Safety Award

For Kayad Mine (FY 2019-20 and FY 2020-21) from the Ministry of Labour and Employment, GoI

Green Leaf Platinum Award in Energy Efficiency

From Apex Green India Foundation for Zawar Mines for reducing carbon emission and achieving ESG common goal

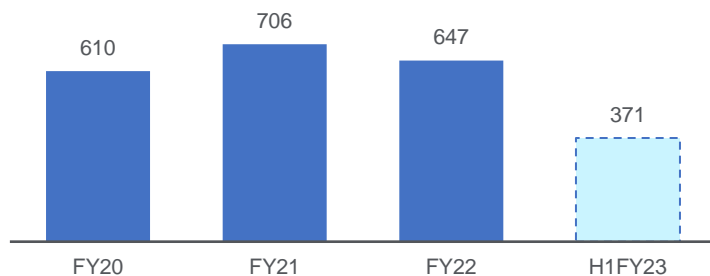
‘FIMI Award of Excellence in Environment’, Safety & Health

To Kayad Mine (in mining sector)



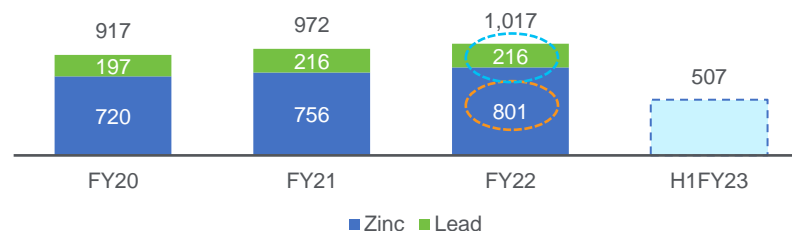
Refined Silver (T)

Integrated silver production was down YoY in FY22, in line with lead production, as the company prioritized Zinc production amid higher LME Zn prices

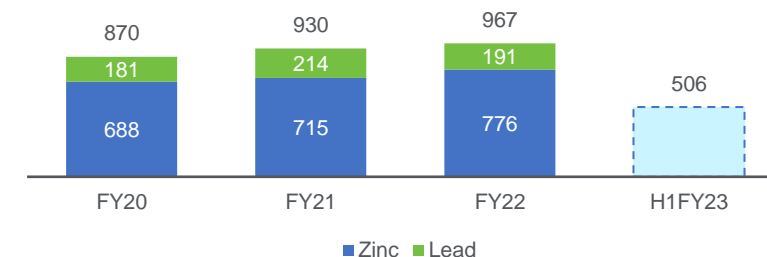


Mined Metal (kT)

- Improvement in Mined Metal is driven by increased ore production, better grades & improved operational efficiency. Refined Metal is improving due to consistent mined metal flow from mines & better plant availability
- The lower lead production volume in FY22 was attributable to running a pyro smelter in zinc and lead mode in FY22, owing to higher production of zinc concentrate as compared to only lead in FY21



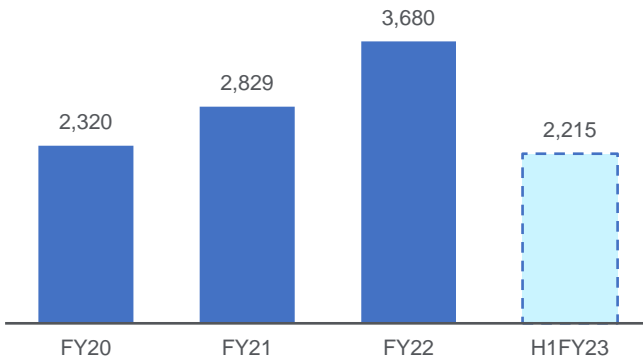
Refined Metal (kT)



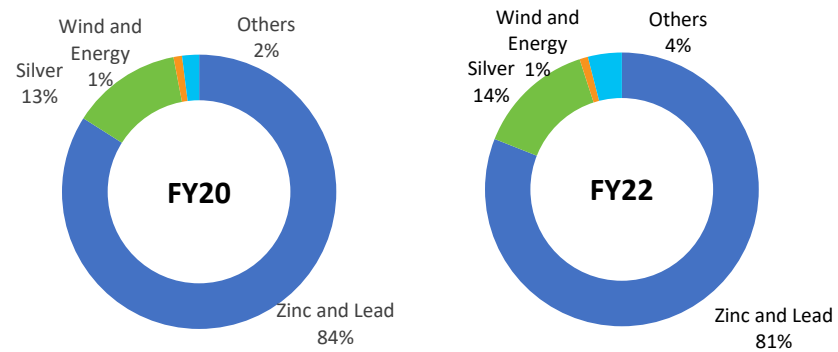
Particulars	Zinc Mined Metal				Lead Mined Metal			
	2020-21		2021-22		2020-21		2021-22	
	('000 Tonnes)	Grade (%)	('000 Tonnes)	Grade (%)	('000 Tonnes)	Grade (%)	('000 Tonnes)	Grade (%)
Rampura Agucha	415	10.89	455	11.16	38	1.61	46	1.64
Sindesar Khurd	157	3.39	166	3.33	100	2.20	97	2.02
Rajpura Dariba	38	4.60	41	4.78	8	1.22	7	1.08
Zawar	89	2.48	100	2.45	62	1.86	61	1.55
Kayad	56	5.15	40	4.57	7	0.80	5	0.66
Total	756	5.45	801	5.43	216	1.78	216	1.65

Financial Highlights

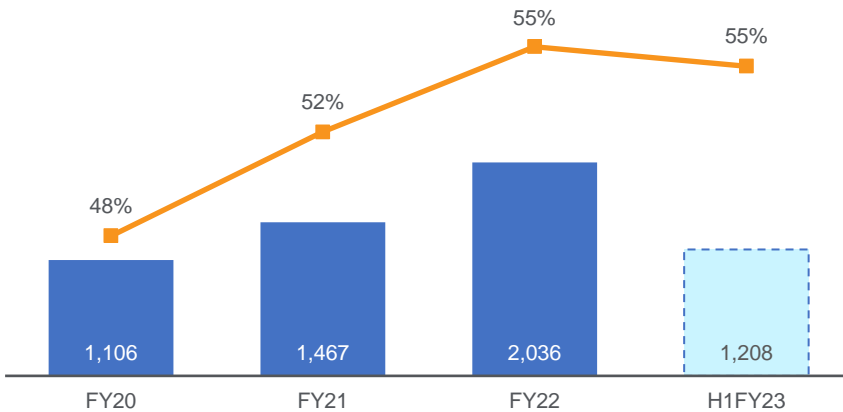
1 Revenue⁽¹⁾ (US\$ mn)



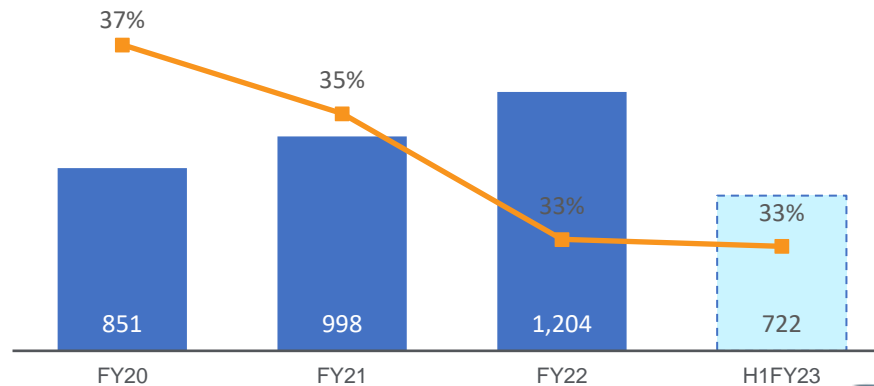
2 Revenue Split (%)



3 EBITDA (US\$ mn) | EBITDA margin %



4 PAT (US\$ mn) | PAT margin %

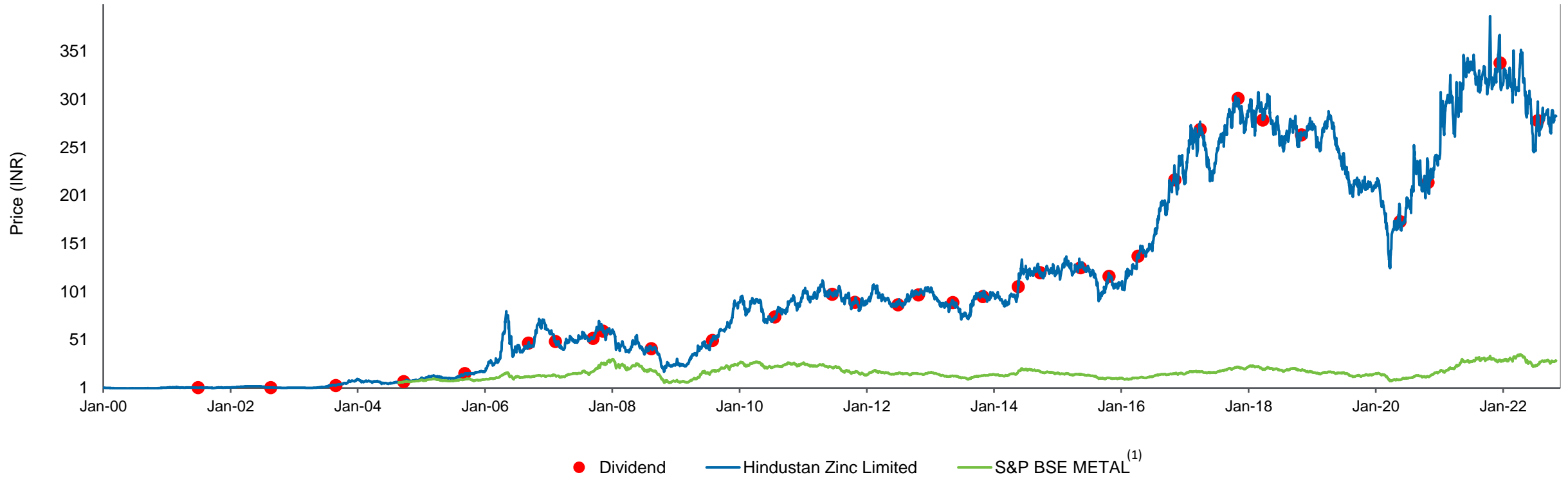


- 1 Growth in revenue is led by higher zinc volume and better premium as well as higher zinc and lead LME prices, which were partly offset by lower lead and silver volumes
- 2 Revenue mix is slowly changing with the increasing contribution from Silver over the years
- 3 EBITDA growth is primarily driven by higher volume, rise in LME prices partially offset by higher imported coal prices, lower domestic linkage coal availability as well as rise in HSD and met coke prices
- 4 PAT has been impacted by higher EBITDA was partially offset by lower investment income due to declining interest rate environment, and higher effective tax rate



Stock Price Performance

	Current price	6 Months	1 Year	3 Years	5 Years	10 Years	15 Years	From 1 Jan 2000
HZL	297.0	-0.7%	-10.0%	41.4%	4.4%	190.5%	478.4%	22887.0%
BSE Metal Index	19,929.9	12.3%	7.1%	107.3%	41.0%	101.4%	13.7%	NA

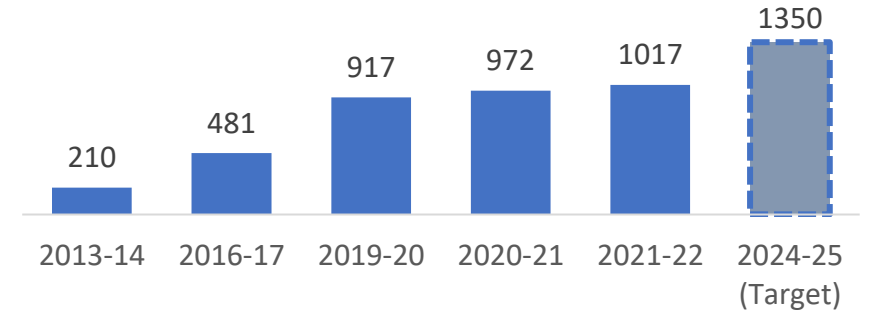


4. Strategy for the Way Forward

Expansion of Capacities

- Expand mined metal capacity (currently at 1.2 Mtpa) and ramp UG mines to deliver on it
- Scale smelters to 1,000-1,025 kt and silver to 800 MT and then to 1,000 MT

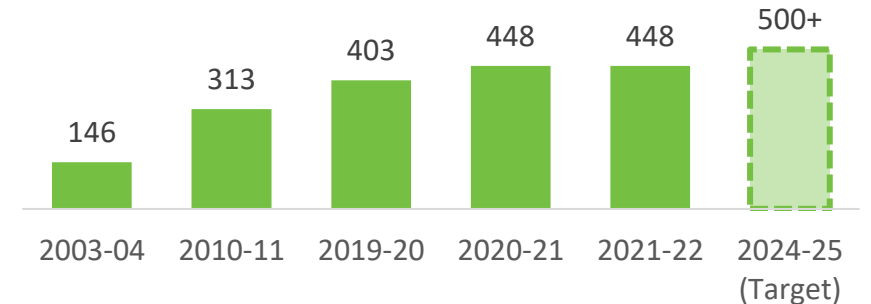
Underground (UG) Production (MIC production, kt)



Maintaining a Portfolio of Mines with Long Life

- Ramp R&R
- Increased exploration to enhance Mineral Resource by 20 Mt Ore and by another 40 Mt Ore by FY 2024-25

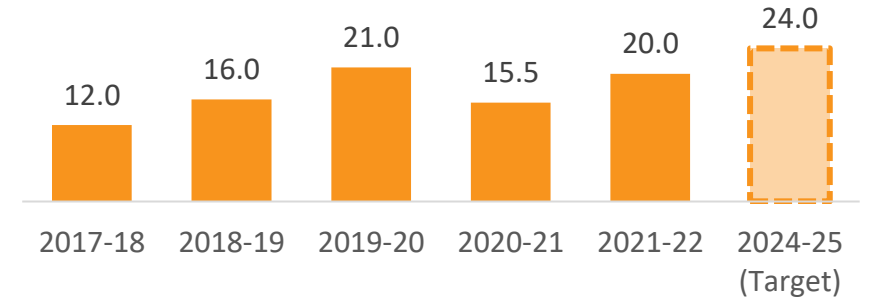
Ramping up R&R (Total R&R Mt)



Expansion of Product Portfolio through Customer Centricity

- Scale capacities for minor metal recovery
- Invest in new product development, especially alloys of zinc and lead; HZAPL to produce high end VAP
- Enhancing value added portfolio share
- Setup of HZFPL to produce fertilizer

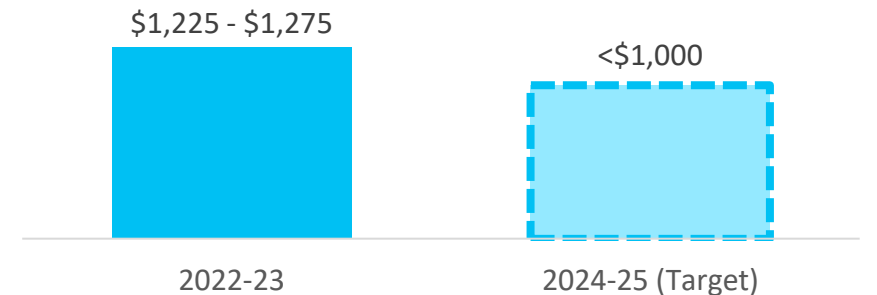
Share of VAP in Our Sales (%)



Strengthen Cost Leadership

- Drive production efficiency
- FY 2021-22 efforts: cell house revamp at ZSD; commissioning of APCs at three mines; ZnO treatment at Fumer Circuit CLZ; digitisation and automation; power optimisation; innovative transportation and shaft hauling processes

Zinc Cost of Production per Tonne Target



Progressing Towards a Sustainable Future

- Commitment to audacious Sustainability Goals 2025 in place
- Efforts in GHG emissions reduction, water stewardship, circular economy, biodiversity conservation and waste management

Road Ahead

200MW
Green power additions

100%
Mechanised charging at Zawar

5-year target
USD 1 billion investment towards climate change initiatives



Exposure to Cyclicity in the Galvanised Steel Sector

- Demand for zinc is closely linked to the galvanised steel industry, which consumes around 70% of the zinc produced in India. The steel industry depends on the growth of end-user segments such as automotive, consumer durables, batteries, home appliances, construction and infrastructure. Downturns in any of the end-user segments will reduce demand for galvanised steel
- Moreover, zinc faces threat of substitution with aluminium and other alloys to produce galvanised steel
- Furthermore, fluctuations in LME zinc and lead prices can lead to volatility in EBITDA

Exposure to Regulatory and Concentration Risks

- Concentration risk persists as the zinc-lead business accounts for more than 75% of revenue and profitability
- The company faces regulatory risks as the business (all mines) is concentrated in Rajasthan
- Royalty cost per tonne of mined metal has increased by more than 125% in the past six years

Other Operational Risks

- Metal and mining companies are subject to various risks associated with the industry and its processes
- These risks range from prospecting to extraction and getting the product to the market and include project risks, technical risks, social risks, product chain risks, and political and security risks



5. Key Initiatives / Developments

Digitization

Evolve

An e-commerce platform for live exchange benchmarked prices and delivery for zinc and lead metals for as low as one ton

Drishti

Real-time connectivity in mines which helps in enhancing efficiency through process optimization

North Star

Connected workforce: Ensured its increased adoption as an in-house reporting, visualisation and data analytics tool to assists teams

Digital Soft Sensor

For prediction of particle size in real time



Environment, Social & Governance

The Company is **amongst the top 15 CSR spenders** in the Country

S&P Global
Platts

Awarded for **Corporate Social Responsibility** at the prestigious **S&P Global Platts Global Metal Awards**

Sustainable1

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

S&P Global



Member of **FTSE4 Good Emerging Index** based on Environment, Social and Governance



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

Energy & carbon community

- Revamping of Turbine
- Switching to RePower and BEVs

Water management community

- Strengthening of recycling system
- Dry Tailing plant
- Rain Water Harvesting Structure

Waste to Wealth community

- Commissioning of Fumer
- Gainful utilization of waste

Biodiversity community

- Biodiversity Reassessment and conservation measures
- Miyawaki plantation

Safety community

- Industrial Hygiene
- Critical Risk Management

CSR community

- Educational interventions
- Grass-root institutions for promoting livelihoods and women empowerment

People community

- Increase diversity at workplace
- Human rights assessment

Supply Chain community

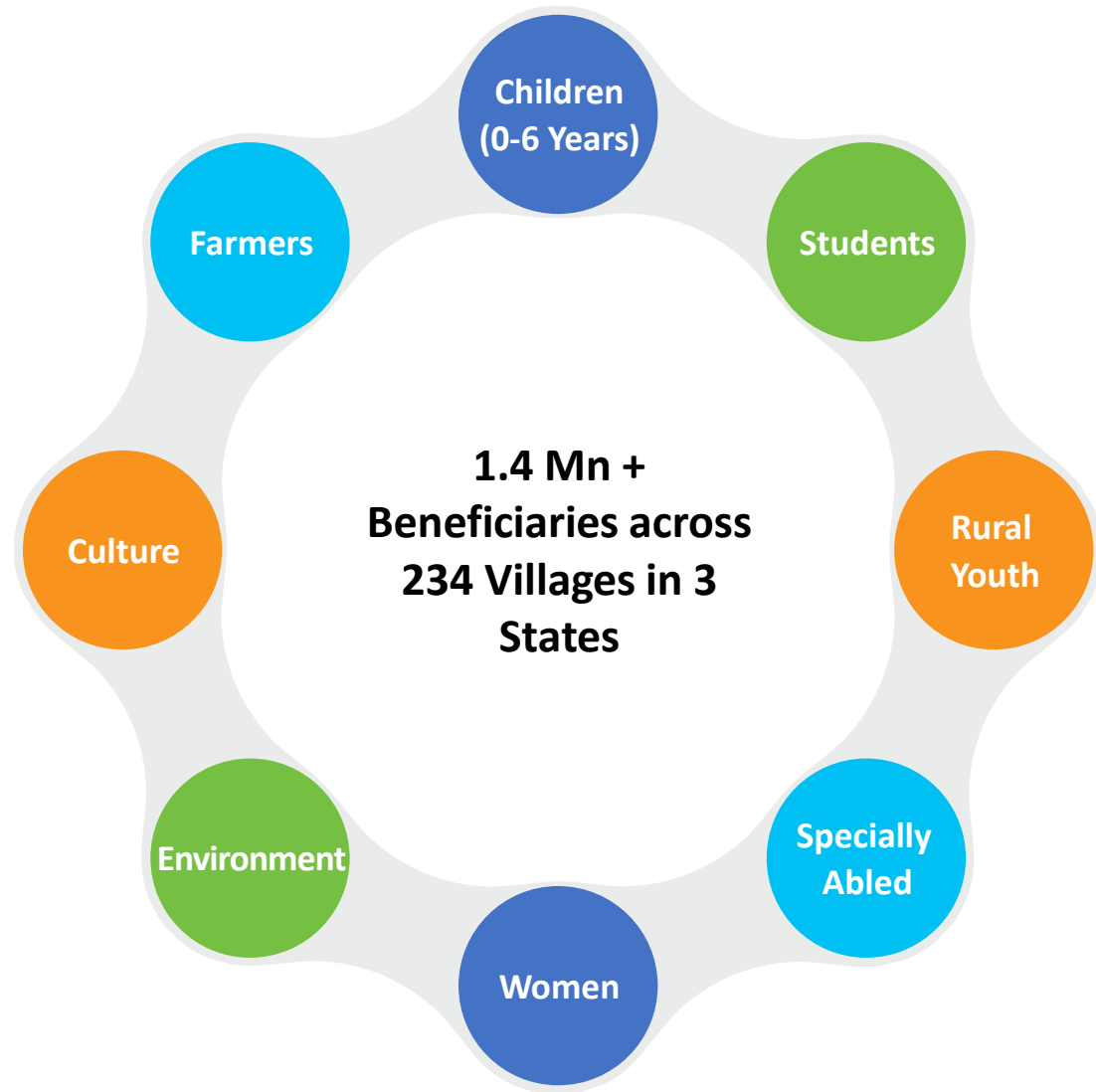
- Implementing LME responsible sourcing guidelines
- Green procurement policy

Finance community

- ESG adjusted internal rate of return (IRR)



Community Development Programs



Sustainability Goals 2025

The Company is **Amongst the top 15 CSR spenders** in the Country





Hindustan Zinc

#3 Globally in metal and mining companies *

#1 Overall in Asia Pacific
for 4th consecutive year

At **S&P Global ESG Score 2022** **



*as of November 18, 2022

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





3rd Consecutive Win for Hindustan Zinc

At the League of American Communications Professionals (LACP)
for *Integrated Annual Report FY22*

Top 50 Communications Materials of FY22



Gold Award –
For Excellence Within
The Annual Report's
Competitions Class



Top 100 Communications
Materials -
Ranked #40
Worldwide
Among All Entries

The Climb Towards Excellence

FY2022

Rank 40 Gold Award

FY2021

Rank 56 Gold Award

FY2020

Rank 85 Silver Award



THANK YOU



HINDUSTAN ZINC
Zinc & Silver of India

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