

HZL/2024-25/SECY/121

October 18, 2024

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

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor Plot No., C/I, G Block
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051

Kind Attn: General Manager – Department
of Corporate Services

Kind Attn: Head Listing & Corporate
Communication

Scrip Code: 500188

Trading Symbol: "HINDZINC"

Dear Sir/Madam,

Sub: Outcome of Board meeting held on October 18, 2024- Press Release

In continuation to our Letter No. HZL/2024-25/SECY/120 dated October 18, 2024, on declaration of the Unaudited Standalone and Consolidated Financial Results of the Company for the second quarter and half year ended on September 30, 2024 ("**Financial Results**"), please find enclosed herewith the copy of Press Release issued on the Financial Results.

Same shall also be made available on the website of the Company at www.hzlindia.com.

This is for your information and records.

Thanking You.

Yours faithfully,
For Hindustan Zinc Limited

Harsha Kedia
Company Secretary & Compliance Officer

Enclosed: as above

Hindustan Zinc Limited

Results for the Second Quarter and Half Year Ended September 30, 2024

“Q2 PAT* jumps 38% y-o-y to INR 2,389 Cr on account of ever-highest metal volume, consistent cost reduction and market tailwinds”

Key Highlights:

- Recorded **highest-ever second quarter and half year mined and refined metal** production
- Clocked **lowest ever Q2 cost of production in the last four years** at \$1,071/MT
- **Highest-ever EBITDA & PAT** (before exceptional items) in last six quarters; **Silver segment** contributes over 40% in overall profitability
- **Best in class EBITDA margin over 50%**; Highest-ever in last eight quarters (up 450 bps y-o-y)
- **Domestic primary zinc market share** jumped from 71% to 78% y-o-y
- Board approved **power delivery agreement III with Serentica** for increasing RE power consumption (round-the-clock) from **c.50% to c.70%**
- **Partnership for developing next-gen zinc-based batteries** with Jawaharlal Nehru Centre for Advanced Scientific Research (JNCASR), a premier institute sponsored by Govt. of India

*PAT after exceptional items was INR 2,327 Cr

Udaipur, October 18, 2024: Hindustan Zinc Limited (“HZL”), the world’s second largest integrated zinc producer and world’s third largest silver producer, reported its results for the second quarter and half year ended September 30, 2024.

Commenting on HZL’s performance, **Arun Misra, Chief Executive Officer**, said: *“Hindustan Zinc has continued to gather momentum from its previous quarter to record historic highs in its second quarter mined and refined metal production. Leveraging strong precious metal prices, we have focused on maximizing our silver production through pyro operations on lead mode, resulting in a 10% sequential increment in silver volumes.*

To advance our net zero commitment, the Board approved the third round-the-clock renewable energy (“RE”) delivery agreement with Serentica for 530 MW, totalling RE power contribution to over 70% of the total power requirement. With an objective to expand zinc applications, we have also signed an MoU with JNCASR, a premier institute sponsored by the Department of Science and Technology, for development work on next-gen zinc-based batteries.

The quarter also witnessed multiple recognitions for HZL’s commitment towards safety, across prestigious platforms like British Safety Council and All India Mine Safety Awards, with our first all-women underground mine rescue team being recognized as world’s second-best women’s task force.”

Sandeep Modi, Chief Financial Officer, said: “During the quarter, Hindustan Zinc recorded a 6-quarter highest EBITDA and PAT before exceptional items with a strong operational performance, supported by favourable market conditions. Substantiating its drive towards continuing operational excellence and global cost leadership, HZL recorded a significant cost reduction of 7% y-o-y in the first half of the fiscal year, clocking a cost of production of \$1,071 per tonne for the quarter. The execution of third renewable power delivery agreement will further support the cost reduction and its predictability. The Company also registered an 8-quarter highest EBITDA margin during the quarter, which clocked over 50% with a 450 bps y-o-y improvement.”

Hindustan Zinc Limited’s consolidated financial statements are detailed below, to be read along with the Company’s Investor Presentation, which is accessible at the end of this release.

Financial Summary Consolidated

INR. Crore or as stated

Particulars	Q2			Q1		H1		
	FY 2025	FY 2024	Change	FY 2025	Change	FY 2025	FY 2024	Change
Sales¹								
Zinc	5,078	4,033	26%	5,325	-5%	10,403	8,701	20%
Lead	1,194	1,117	7%	998	20%	2,192	2,078	5%
Silver	1,550	1,297	20%	1,427	9%	2,977	2,595	15%
Others	430	344	25%	380	13%	810	699	16%
Total	8,252	6,791	22%	8,130	2%	16,382	14,073	16%
EBITDA	4,164	3,122	33%	3,946	6%	8,109	6,481	25%
Profit After Taxes (before exceptional items)	2,389	1,729	38%	2,345	2%	4,734	3,693	28%
Profit After Taxes (after exceptional items)	2,327	1,729	35%	2,345	-1%	4,672	3,693	27%
Earnings per Share (INR, not annualised)	5.51	4.09	35%	5.55	-1%	11.06	8.74	27%
Mined Metal Production ('000 MT)	256	252	2%	263	-2%	519	509	2%
Refined Metal Production ('000 MT)								
Total Refined Metal								
Zinc	198	185	7%	211	-6%	409	394	4%
Saleable Lead	63	57	12%	51	23%	115	107	7%
Zinc & Lead	262	241	8%	262	-	524	501	5%
Saleable Silver ² (in MT)	184	181	2%	167	10%	350	360	-3%
Wind Power (in million units)	129	157	-18%	108	19%	237	278	-15%
Refined Metal Sales ('000 MT)								
Zinc	198	185	7%	211	-6%	408	393	4%
Lead	63	57	11%	51	23%	115	107	7%
Silver (MT)	184	181	2%	167	10%	350	360	-3%
Zinc CoP without Royalty (INR/MT)	89,686	93,981	-5%	92,375	-3%	91,034	96,144	-5%
Zinc CoP without Royalty (\$/MT)	1,071	1,137	-6%	1,107	-3%	1,089	1,167	-7%
Zinc LME (\$/MT)	2,779	2,428	14%	2,833	-2%	2,805	2,476	13%
Lead LME (\$/MT)	2,044	2,170	-6%	2,167	-6%	2,104	2,145	-2%
Silver LBMA (\$/oz.)	29.4	23.6	25%	28.8	2%	29.2	23.8	22%
USD-INR (average)	83.76	82.68	1%	83.42	0%	83.59	82.42	1%

(1) Including other operating income

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

Operational Performance

HZL recorded its highest ever second quarter mined metal production at 256 kt, up 2% y-o-y on account of higher ore production at Zawar Mine, which was partly offset by lower mined metal grade at SK Mine, and down 2% q-o-q due to lower overall mined metal grades. H1 FY25 mined metal production stood at an all-time best figure of 519 kt, up 2% y-o-y with higher ore treatment and improved overall mined metal grades.

HZL recorded the highest ever second quarter refined metal production at 262 kt, up 8% y-o-y and flat sequentially in line with plant availability. For the half year, it recorded the ever-best figure of 524 kt, up 5% y-o-y in line with plant availability.

Refined zinc production was 198 kt, up 7% y-o-y and down 6% sequentially. It was 409 kt for H1 FY25, up 4% y-o-y. Refined lead production for the quarter stood at 63 kt, up 12% y-o-y and 23% q-o-q on account of pyro plant operations on lead mode during the quarter. For the half year, it was up 7% y-o-y at 115 kt.

Saleable silver production for the quarter was 184 MT, up 2% y-o-y. It was up 10% q-o-q on account of pyro plant operations on lead mode during the quarter partly offset by lower silver output input from SK Mine. For the half year, it stood at 350 MT, down 3% y-o-y on account of lower silver input from SK Mine.

Financial Performance

Total revenue from operations during the quarter was INR 8,252 Crore, up 22% y-o-y on account of better metal & silver volumes and zinc & silver prices, further supported by a strong dollar and marginally offset by lower lead prices. It is up 2% q-o-q on account of better lead & silver volumes, partly offset by lower zinc volume and metal prices. For the half year, total revenue from operations stood at INR 16,382 Crore, up 16% y-o-y on account of better metal volumes and zinc & silver prices, further supported by a strong dollar and partly offset by lower silver volume and lead prices.

Zinc cost of production before royalty (COP) for the quarter stood at US\$ 1,071 (INR 89,686) per MT, lower by 6% (lower by 5% in INR terms) y-o-y on account of higher volume, better linkage coal availability, further supported by softened coal and input commodity prices and operational efficiencies year on year. It was lower by 3% (lower by 3% in INR terms) sequentially in line with better linkage coal availability, operational efficiencies and softened coal and input commodity prices, further supported by better acid realisations. Zinc COP for H1 FY25 was US\$ 1,089 (INR 91,034) per MT, lower by 7% (lower by 5% in INR terms) y-o-y on account of higher volume, better grades & linkage coal availability, further supported by softened coal and input commodity prices and operational efficiencies year on year.

EBITDA for the quarter was INR 4,164 Crore, up 33% y-o-y and 6% q-o-q, and for H1 FY25, it stood at INR 8,109 Crore, up 25% y-o-y in line with the revenue from operations and the cost of production.

Net profit before exceptional items for the quarter stood at INR 2,389 Crore, up 38% y-o-y and 2% q-o-q in line with the EBITDA. Net profit before exceptional items for the half year stood at INR 4,734 Crore, up 28% y-o-y in line with the EBITDA.

As part of strategic hedging, Company has an open position for 99 kt of zinc and 83 MT of silver for the expected production of H2 FY25.

Projects Update

- Progress for the new 160 ktpa Roaster at Debari and the 510 ktpa Hindustan Zinc Fertilisers Private Limited (HZFPL) project is on track with final commissioning targeted by Q4 FY25 and Q2 FY26 respectively
- Contract for cellhouse debottlenecking has been awarded to L&T which will enhance the metal capacity by 21 ktpa. Completion is targeted by Q2 FY26 for Dariba Smelting Complex and Q3 FY26 for Chanderiya Lead Zinc Smelter
- Site work for Bamnia Kalan Mines is under progress

ESG Update

- Board approved a round-the-clock renewable power delivery agreement, increasing the total RE power capacity to 530 MW, totalling the overall RE contribution to over 70% of total power requirement
- HZL collaborated with The Energy and Resources Institute (TERI) for Phase 2 of transformation of 16 hectares of wasteland at Chanderiya into a flourishing greenbelt
- Hindustan Zinc received the KPMG India ESG Excellence Award 2024 at ESG Conclave and Awards 2024
- The Company received 4th Rank in the prestigious BW Businessworld's Sustainability Awards for leading the sustainability charter in India's Energy and Mining Industry
- HZL's RAM and SK mines were awarded the prestigious 5-Star Rating from the Indian Bureau of Mines for outstanding implementation of Sustainability Development Framework
- Hindustan Zinc signed an MoU with Jawaharlal Nehru Centre for Advanced Scientific Research (JNCASR) for R&D of new-age zinc-based battery technologies
- HZL onboarded a leading energy advisory company, India Energy Storage Alliance, for policy advisory and market research for establishment of zinc-based gigafactory with Aesir and a battery partner in India
- The Company established all women surface rescue safety teams of 23 women employees, fully equipped and trained in critical areas, including working at height, confined spaces, and first-aid
- Directorate General of Mines Safety recognised RAM, SKM and Baroi among top 3 in "Below Ground Metal Mine" category at the All India Mine Safety Awards
- HZL's all women underground mine rescue team secured 2nd place at the 13th International Mine Rescue Competition in Colombia, earning the title of world's 2nd best women's taskforce
- The British Safety Council honored Zawar Mine and CPP with prestigious Sword of Honour and 5-star rating respectively
- Touted as India's most beautiful marathon, Vedanta Zinc City Half Marathon garnered over 5,000 participants globally, supporting for a noble cause of #RunForZeroHunger
- HZL triumphs at 28th Bhamashah Awards with 6 prestigious awards, recognizing its commitment to education and social progress
- Zinc Football Academy was recognized as the "Sports Academy of the Year" at the Sports India Awards 2024
- Hindustan Zinc won the Bronze Award at the 5th TIOL Taxation Awards 2024 for outstanding tax transparency in the 'Corporate Above Rs 5000 Cr Turnover' category
- The Company was honoured with GST Compliance Excellence Award at the 8th Tax Strategy & Planning Summit & Awards 2024

Liquidity and Investment

The Company had robust free cash flow from operations of INR 3,605 Crore for Q2 FY25 (pre capex of INR 1,004 Crore). Overall free cash flow generation during H1 FY25 was INR 7,037 Crore (pre capex of INR 2,005 Crore including growth capex of INR 608 Crore and RE power investment of INR 230 Cr), contributing to a healthy balance sheet with AAA credit rating.

As on September 30, 2024, the Company's gross investments and cash & cash equivalents were INR 7,948 Crore which was invested in high quality debt instruments. Total borrowings outstanding as on Sep'24 was INR 13,668 Crore. During the quarter, the Company paid dividend of INR 8,028 Crore.

Earnings Call on Friday, October 18, 2024, at 16:30 hours (IST)

The Company will hold an earnings conference call on Friday, October 18, 2024, at 16:30 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 7194 5757
October 18 - October 25, 2024	Playback Code: 28723

For further information, please contact:

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About Hindustan Zinc

Hindustan Zinc Limited (BSE: 500188 and NSE: HINDZINC), a Vedanta Group company, is the world's second-largest integrated zinc producer and the third-largest silver producer. The company supplies to more than 40 countries and holds a market share of about 75% of the primary zinc market in India. Hindustan Zinc has been recognized as the world's most sustainable company in the metals and mining category by the S&P Global Corporate Sustainability Assessment 2023, reflecting its operational excellence, innovation, and leading ESG practices. The company also launched EcoZen, Asia's first low carbon 'green' zinc brand. Produced using renewable energy, EcoZen has a carbon footprint of less than 1 tonne of carbon equivalent per tonne of zinc produced, about 75% lower than the global average. Hindustan Zinc is also a certified 2.41 times Water-Positive company and is committed to achieving Net Zero emissions by 2050 or sooner. Transforming the lives of 1.9 million people through its focused social welfare initiatives, Hindustan Zinc is among the Top 10 CSR companies in India. As a world leader in the metals and mining industry, Hindustan Zinc is pivotal in providing critical metals essential for the global energy transition for a sustainable future.

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.