

HZL/2023-SECY/

April 21, 2023

BSE Limited
P.J. Towers, Dalal Street,
Mumbai - 400001

National Stock Exchange of (India) Ltd.
"Exchange Plaza"
Bandra-Kurla Complex,
Mumbai – 400051

Kind Attn: - General Manager,
Dept. of Corporate Services

Kind Attn:- Head - Listing & Corporate
Communications

Scrip Code: 500188

Trading Symbol: HINDZINC-EQ

Sub: Investor Presentation on Audited Financial Results for the Fourth quarter and year ended March 31, 2023

Dear All,

In continuation to our letter of even number dated April 21, 2023, Investors presentation issued on the Audited Financial Results for the Fourth quarter and year ended March 31, 2023 is attached herewith.

We request you to kindly take the above information on record.

Thanking you,
For **Hindustan Zinc Limited**

R Pandwal
Company Secretary
Encl.: as above

Cautionary Statement and Disclaimer

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

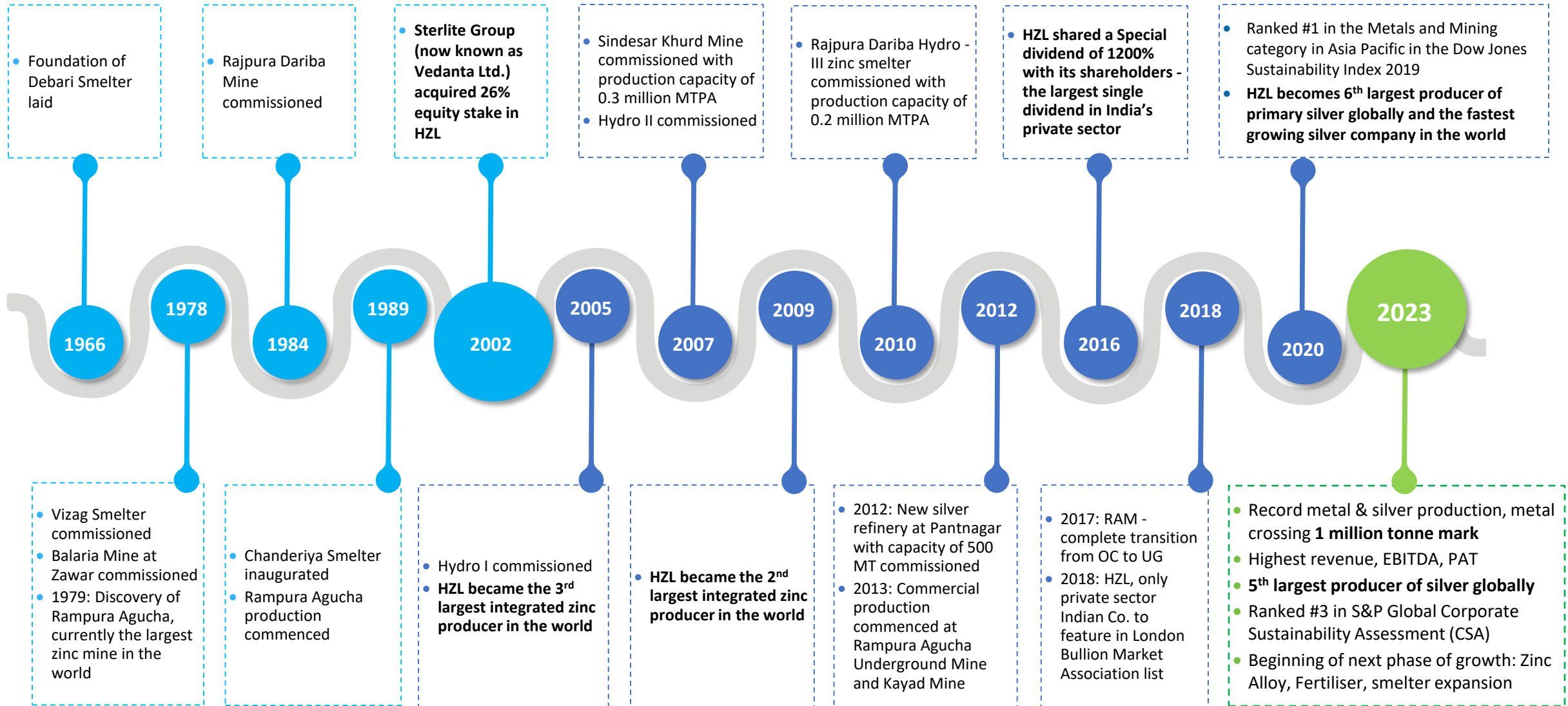
No representation or warranty is made as to the accuracy, completeness, reasonableness, or reliability of this information. Any forward-looking information in this presentation including, without limitation, any tables, charts and/or graphs, has been prepared on the basis of a number of assumptions which 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.

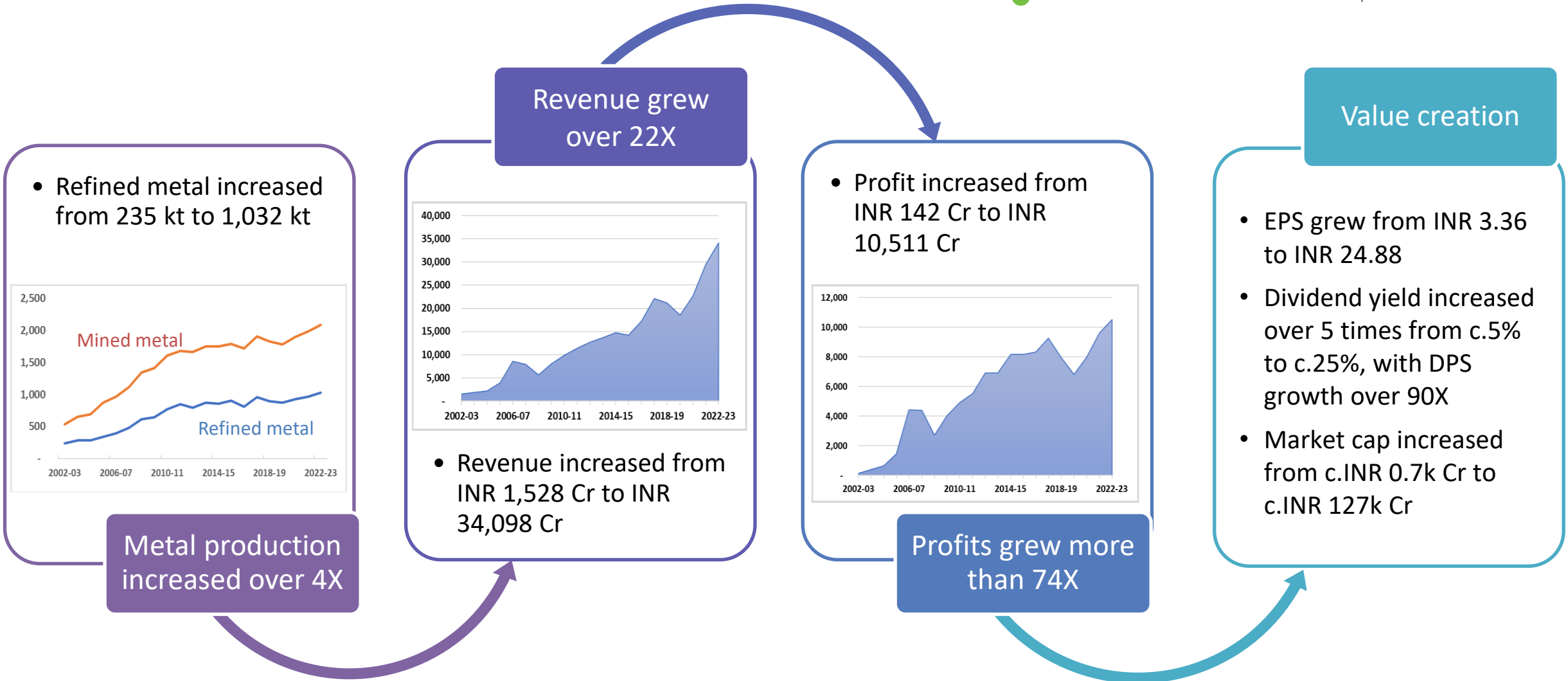
This presentation is not intended, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities in Hindustan Zinc or undertakings or any other invitation or inducement to engage 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.



Glorious Journey of 56 years



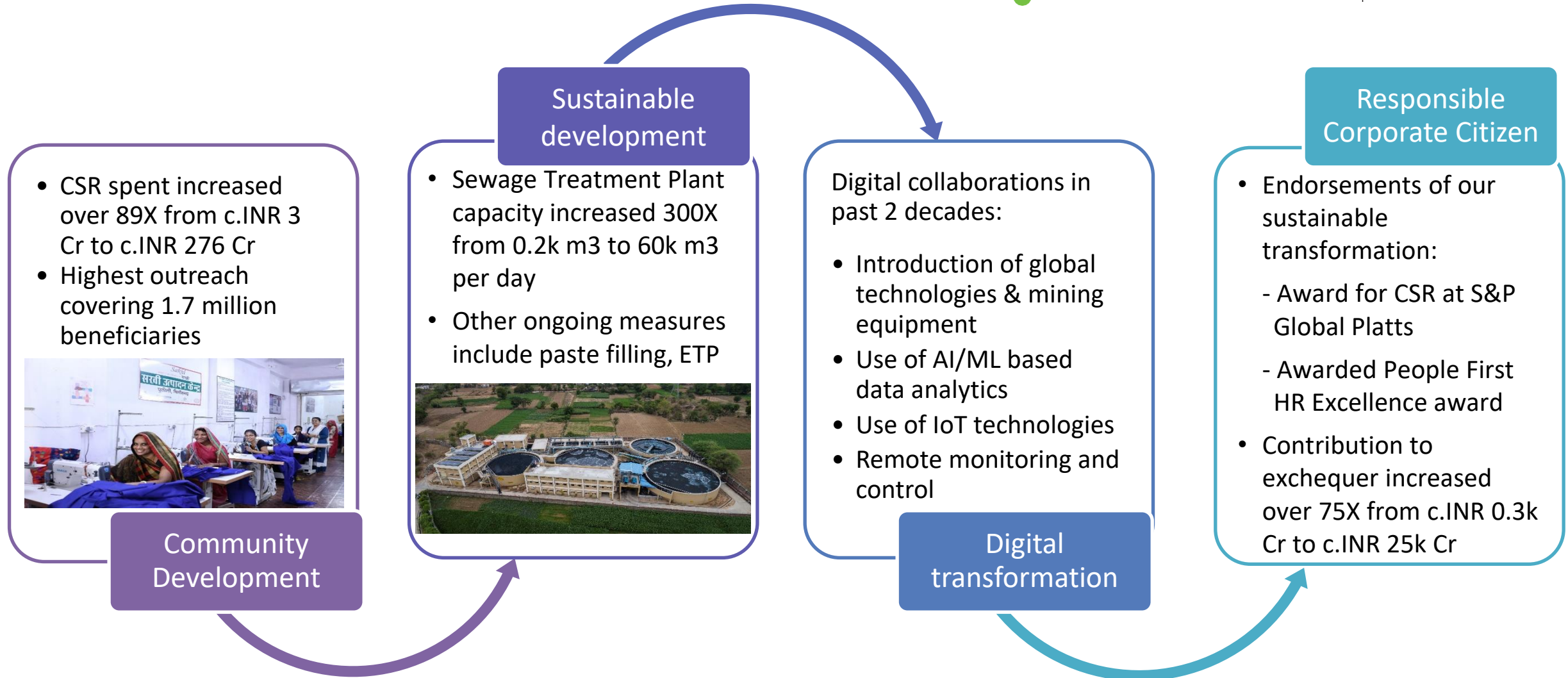
Revitalization of HZL : Two decades of progressive development



Crossed 1 million tonne refined metal mark with highest ever metal and silver production in FY23



Revitalization of HZL : Two decades of sustainable development



Delivered another year of consistent 1 million tonne plus mined metal production





Operational

- Strong operating performance - Refined metal exceeded guidance crossing 1 million tonne
- Highest ever production of mined metal, refined metal & silver
- Highest mine development across mines
- Total R&R of 460 Mt with 25+ yrs mine life
- Robust margins amidst input commodity inflation supported by agile decision making & proactive measures
- 4 mines won 5-Star Rating under 'A' list category of mines by Indian Bureau of Mines
- HZL now REACH registered enabling entry in US & Europe markets



Financial

- Record revenue of c.INR 34k Cr, up 16% YoY
- Record high EBITDA of c.INR 18k Cr & PAT of c.INR 11k Cr, driven by improved volumes & LME partly offset by higher input commodity inflation
- Robust EBITDA margin of 52%
- Record cash flow generation of c.INR 12k Cr attributable to strong EBITDA & working capital release
- Strategic hedging gain of c.INR 0.9k Cr for FY
- Strong dividend yield with record pay out of c.INR 32k Cr
- Q4 exit COP : \$1,214/MT (vs. Q3 \$1,293/MT) supported by softening coal cost & strong operational performance



ESG

- Power Delivery Agreement signed for 450MW RE power
- Pantnagar metal plant producing Green Zinc, 1st unit of Vedanta to source 100% RE power
- India's 1st battery EV in UG mining at SKM
- HZL's 1st LNG Vehicle & 1st EV truck in ZSD
- EV vehicle policy launched for employees
- #3 in S&P Global CSA & #1 in Asia-Pacific region in Metal & Mining Sector
- Rampura Agucha India's 1st GreenCo certified mine
- Ranked A/A- in Climate Change & water security by CDP
- 19.5% gender diversity as of Mar'23, target of 30% creating inclusive & diverse workplace



Smoke Hours Drilling

Additional production drilling by utilizing automation features & tele-remote operations of production drills during shift change over duration.

Impact

- +10% additional drilling at both SK and RA Mines
- Volume impact: c.14 kt
- Value benefit: c.INR 190 Cr

Deployment of Advanced Process Control at Mills

Advanced Process Control (APC) ensuring consistent & stable plant operations, resulting into consistent concentrate grade & recovery improvement with optimized throughput.

Impact

- >1% improvement in recovery resulting in additional volume
- Volume impact: c.5 kt
- Value benefit: c.INR 70 Cr

HEMM Idle Time Reduction

To reduce the dependency on manual reporting & to better capture machine running information via sensors resulting in reduction in idle time.

Impact

- Identification and reduction of idle time by c.5%
- Reduction in contract cost per hour and diesel consumption

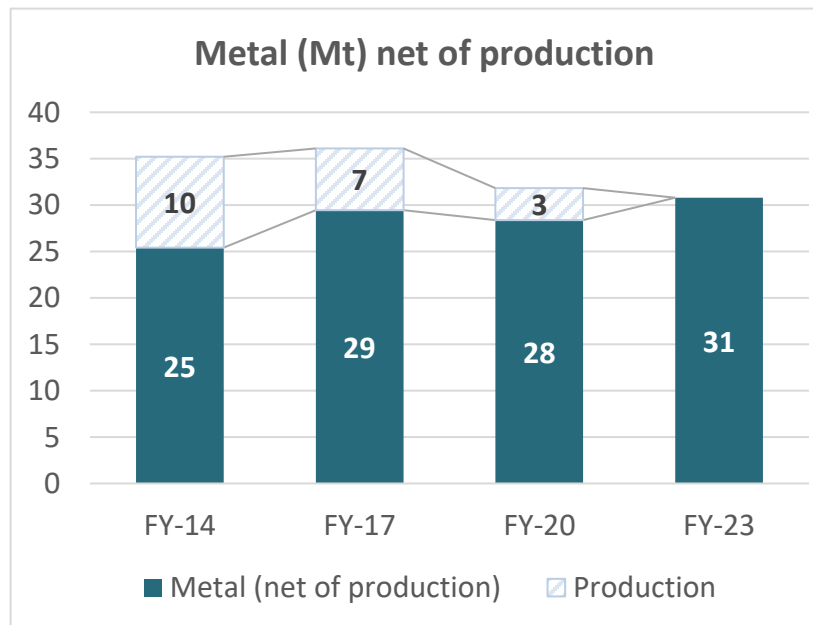
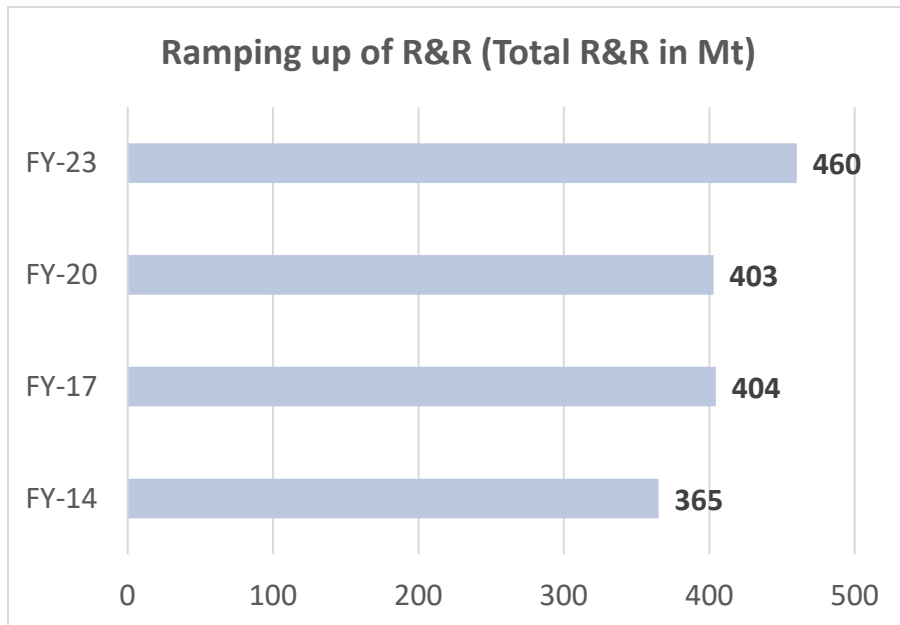


Strengthening Reserves & Resources (R&R)

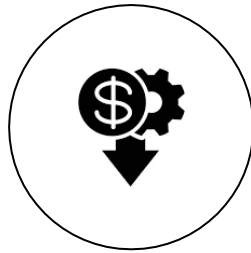
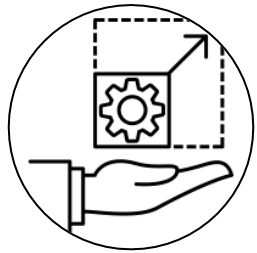
Strategic focus remains on increasing the longevity of our mines to drive future growth & value.

As of Mar'23, our Total Ore Reserves stands at 173.5 Mt (net of production of 16.7 Mt in FY23), as against 161.2 Mt at the end of FY22 led by continued focus on resource to reserve conversion during the year. Total R&R stood at 460.1 Mt containing metal of 30.8 Mt (up by c.21% net of production in last decade).

At current mining rates, the R&R underpins metal production of more than 25 years.



Fundamental Growth Strategy



Expansion of Capacities

- Expand mined metal capacity (currently at 1.2 Mtpa) and ramp up UG mines to deliver on it
- Scale smelters to 1,050-1,075 kt

Maintaining a Portfolio of Mines with Long Life

- Increased exploration to enhance Mineral Resource by 15 Mt Ore by FY24 & another 40 Mt Ore by FY25
- Retain/ acquire new potential areas through auction

Strengthen Cost Leadership

- Drive production efficiency
- Undertaking alternate fuel innovation and pushing operational efficiencies to control the costs

Expansion of Product Portfolio through Customer Centricity

- Scale capacities for minor metal recovery
- Enhancing value added portfolio share
- HZAPL ready for commissioning in Q1 FY24

Progressing towards Sustainable Future

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

MAXIMISING SHAREHOLDER VALUE



Key Priorities: Sustainability Goals 2025

Sustainability Goal 2025

Progress

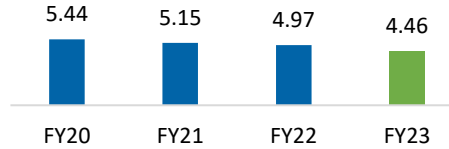
Major Actions

Climate Change



- 0.5MN tCO₂e GHG emission savings in our operations from base year 2017

GHG intensity (Scope 1 + 2)/ MT



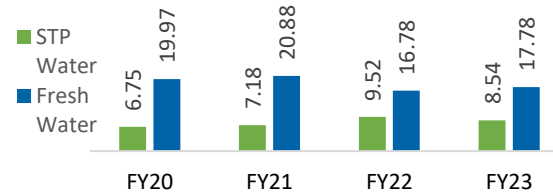
- Green power: 450MW Renewable Energy
- 100% RE power consumption at Panthagar Metal Plant
- Turbine Revamping
- Use of Biomass (5%) in power plant
- Energy efficiency programs/ ISO 50001 certification
- Switching to electrical mobility: SKM inaugurated India's 1st BEV in underground mines, total 23 BEVs across HZL

Water Stewardship



- 5x water positive company & achieve 25% reduction in freshwater

Water Consumption (Mn m3)



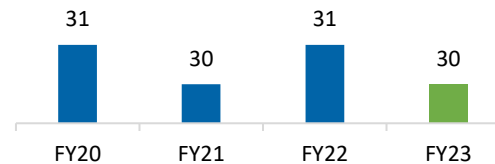
- Utilization of STP treated water (60 MLD Udaipur STP)
- Maintaining zero discharge across HZL
- Water recycling: Integrated water treatment (ETP-RO- MEE/ MVR)
- Shifting from wet tailing disposal to dry tailing disposal
- Rainwater harvesting
- Water risk assessment

Circular Economy



- 3x increase in gainful utilization of smelting process waste

Waste Recycling %



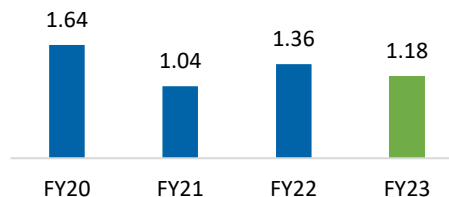
- Fumer for Hydro Smelters
- 100% utilization of Jarosite in Cement from DZS
- Jarofix utilization in road construction
- Metal recovery from waste

Biodiversity Conservation



- Protect and enhance biodiversity throughout the life cycle


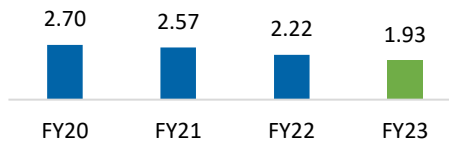

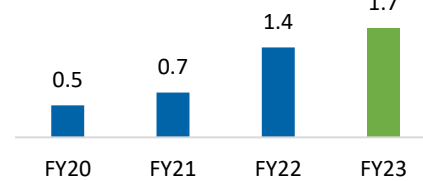

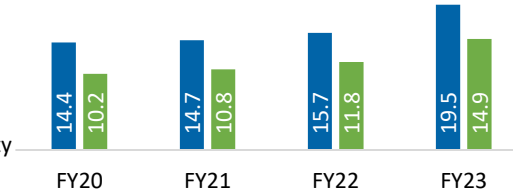

Plantation (Lacs)



- Three years engagement with IUCN
 - IBAT Assessment
 - Ecosystem service review
 - 1st Season biodiversity assessment
- Miyawaki Afforestation
- Restoration of Jarofix Yard
- 1 Million plantation drive by 2025
- Wildlife conservation plan



Key Priorities: Sustainability Goals 2025

Sustainability Goal 2025	Progress	Major Actions															
<p>Zero Harm</p>  <ul style="list-style-type: none"> Zero work-related fatalities and 50% reduction in TRIFR 	<p>7 Fatalities</p> <p>TRIFR</p>  <table border="1"> <caption>TRIFR Data</caption> <thead> <tr> <th>FY</th> <th>TRIFR</th> </tr> </thead> <tbody> <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>FY23</td> <td>1.93</td> </tr> </tbody> </table>	FY	TRIFR	FY20	2.70	FY21	2.57	FY22	2.22	FY23	1.93	<ul style="list-style-type: none"> Critical Risk Management / FSIPP (Fatality & Serious Injury Prevention Programme) Community of practice: structural integrity Infrastructure and automation Safety governance structure for business partners Elimination of high-risk manual activities Industrial hygiene: QLEA and QNEA Strengthening of emergency preparedness 					
FY	TRIFR																
FY20	2.70																
FY21	2.57																
FY22	2.22																
FY23	1.93																
<p>Social Impact</p>  <ul style="list-style-type: none"> 1 Million positively impacting lives through social, economic and environmental 	<p>CSR Outreach (Beneficiaries) in Mn</p>  <table border="1"> <caption>CSR Outreach Data</caption> <thead> <tr> <th>FY</th> <th>Beneficiaries (Mn)</th> </tr> </thead> <tbody> <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>FY23</td> <td>1.7</td> </tr> </tbody> </table>	FY	Beneficiaries (Mn)	FY20	0.5	FY21	0.7	FY22	1.4	FY23	1.7	<ul style="list-style-type: none"> Outreach 237 villages; c.1.7 Mn beneficiaries through sustained CSR initiatives Enhancing the local economy by sustainable livelihood practices Improving quality of life of communities including the lifecycle approach in education sphere & developing model villages Evolving grassroot institutions & promoting microenterprises 					
FY	Beneficiaries (Mn)																
FY20	0.5																
FY21	0.7																
FY22	1.4																
FY23	1.7																
<p>Diversity & Inclusion</p>  <ul style="list-style-type: none"> 30% diversity in an inclusive and diverse workplace 	<p>Gender Diversity Trend (%)</p>  <table border="1"> <caption>Gender Diversity Trend Data</caption> <thead> <tr> <th>FY</th> <th>Gender diversity in Executives (%)</th> <th>Overall Gender Diversity (incl. Non Exec) (%)</th> </tr> </thead> <tbody> <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>FY23</td> <td>19.5</td> <td>14.9</td> </tr> </tbody> </table>	FY	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	FY23	19.5	14.9	<ul style="list-style-type: none"> Improving diversity - (gender & sexual orientation) through focused drive (tie-up with NGOs for tapping talent pool) Mandating gender diversity ratio in campus recruitment Creating safe workplace through “Unconscious Bias” workshops for employees + business partners + families + communities Deployment of development programmes, She Leads, Ambavgarh Dialogue Representation of Women in decision making roles (through V-Build, TRC)
FY	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															
FY23	19.5	14.9															
<p>Responsible Sourcing</p>  <ul style="list-style-type: none"> 100% responsible sourcing in the supply chain 		<ul style="list-style-type: none"> Incorporating ESG into the commercial process ESG questionnaire in prequalification criteria Supplier’s due diligence Standard ESG expectations in the contracts Single use plastic, MSA declaration in RFQ Incorporating subcontractor approval during RFQ Launched vendor grievance through ROBOS portal 															



Key Priorities: Communities



Skill Development

- Zinc Kaushal Kendra, Dariba initiated & trained its 1st female batch for unarmed security guards; 100% placement
- Job fair organized at Zinc Kaushal, Kayad; 72 participants & 26 selected by reputed organizations



Sports

- Zinc Football academy (ZFA) bagged 2nd in Khelo India Under-17 girls football league
- ZFA defeated Rajasthan United FC in Rajsamand Open Age Day-Night Tournament finals
- Partnered with Rajasthan Cricket Association for developing India's 2nd largest cricket stadium



Women Empowerment

- Sakhi Utpadan Samiti earned total income of INR 10.86 lakhs in Q4
- Sakhi utsav celebrated at 7 operational areas of HZL in Mar'23
- Daichi brand launched by HZL's chairperson



Culture

- Promoting local ethnicity & culture, HZL supported 'Smritiyaan' to identify Indian & Folk instrumentalists giving them a stage to perform
- 'Zinc Pratibha Talent Hunt' organized with 162 participants





HINDUSTAN ZINC
Zinc & Silver of India

OPERATIONAL REVIEW & BUSINESS UPDATE



Mr. Arun Misra
CEO HZL

Macro Environment - Demand Drivers

- Key macro factors likely to impact demand:
 - Banking crisis overhang in the US
 - Pace of China's economic recovery post pandemic
 - Infrastructure push in emerging economies
- Domestic zinc demand:
 - With industries maximizing output in the last quarter of FY, domestic demand stayed robust
- Domestic lead demand:
 - Strong lead demand supported by excellent automotive and industrial battery demand
- Silver demand displayed resilience on the back of growing solar panel manufacturing

Global Supply Situation

- Following the drop in European energy prices, smelters in Europe are returning to production
- Owing to power rationing in China, smelters are being forced to cut production, may affect SHFE stocks
- Pace of China's economic recovery likely to impact supply
- Zinc inventories in LME warehouses stood at 45 kt at the end of Mar'23, portraying a minor upsurge as compared to Dec'22
- Lead inventories in LME warehouses stood at historically low levels of 26 kt at the end of Mar'23, with a 35% drop from FY23 start
- Silver inventory in London vaults stood at a multi year low levels as mines output has been dropping continuously



Operational Highlights : Historic high production

FY23

1,062 kt

(up 4% y-o-y)

Mined Metal

1,032 kt

(up 7% y-o-y)

Refined Metal

714 MT

(up 10% y-o-y)

Saleable Silver

Q4 FY23

301 kt

(up 2% y-o-y)

Mined Metal

269 kt

(up 3% y-o-y)

Refined Metal

182 MT

(up 13% y-o-y)

Saleable Silver



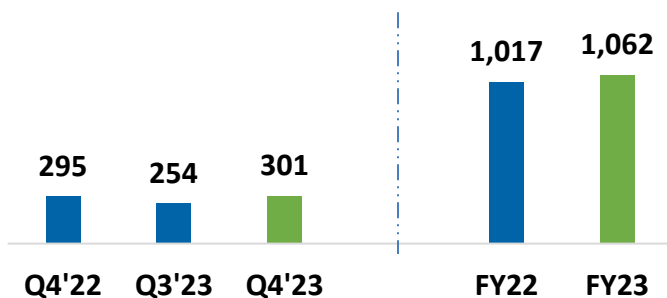
Q4 FY23

- Mined metal up 2% y-o-y; led by higher ore production & improved ore grade
- Refined metal up 3% y-o-y; led by better plant & MIC availability
- Silver production up 13% y-o-y; in line with lead production
- Lowest quarterly zinc COP during FY23 at \$1,214/t, up 7% y-o-y & down 6% q-o-q. Improvement on account of higher volumes, better grades, lower coal prices & improved operational efficiencies

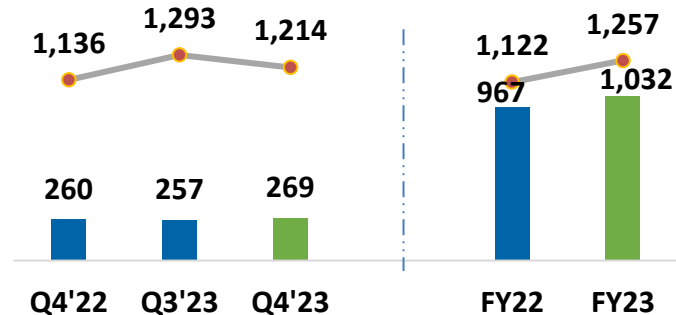
FY23

- Highest-ever FY mined metal, up 4% y-o-y; owing to higher ore production, improved mined metal grades & operational efficiencies
- Record-high FY refined metal, up 7% y-o-y; resulting from better plant availability & consistent mined metal flow from mines
- Highest-ever FY silver production, up 10% y-o-y
- Zinc COP up 12% y-o-y on account of coal & other input commodity inflation partially offset by improvements in operational efficiencies

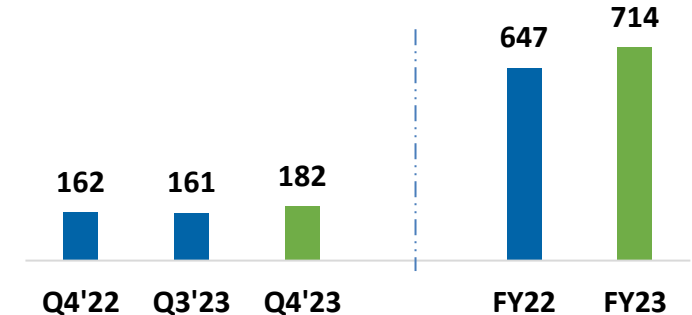
Mined Metal (kt)



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



Saleable Silver (MT)



Project Update

Hindustan Zinc Alloys Private Limited (HZAPL) - All mechanical installations of Line 1 completed. Remaining plant installation followed by overall plant commissioning expected by mid Q1 FY24

Rajpura Dariba Mill - Entire engineering & supply completed with construction works in advanced stages and commissioning targeted in Q1 FY24

Fumer - For commissioning, in absence of Chinese experts due to visa issues, HZL team is working on commissioning with internal experts & online OEM support with team traveling to China for training in May'23, completion of commissioning of plant targeted in Q1 FY24

Roaster at Debari - Technology partner, OEC and OMC have been onboarded. EPC order placement currently ongoing with partner lock in targeted in Q1 FY24

Hindustan Zinc Fertilisers Private Limited (HZFPL) - Major process package order has been finalized & partner lock in also completed. Remaining orders targeted by Q1 FY24





HINDUSTAN ZINC
Zinc & Silver of India







FINANCIAL REVIEW

Mr. Sandeep Modi
CFO HZL



Financial Snapshot : Historic high Revenue, EBITDA, PAT

(All figures in INR Cr unless stated otherwise)

Revenue		EBITDA		Profit After Tax		
 Q4 FY23 8,509 (down 3% y-o-y)	FY23 34,098 (up 16% y-o-y)	 Q4 FY23 4,208 (down 16% y-o-y)	FY23 17,590 (up 8% y-o-y)	 Q4 FY23 2,583 (down 12% y-o-y)	FY23 10,511 (up 9% y-o-y)	
Gross Investments & Cash and Cash Equivalents		EBITDA Margin		Earnings per Share		
 10,061		 Q4 FY23 49%		 Q4 FY23 INR 6.11		FY23 INR 24.88

Note: All financials are at consolidated level



Consolidated Financial Review

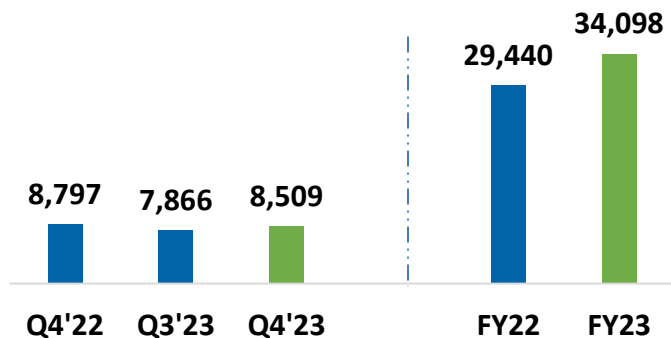
Q4 FY23

- Revenue down 3% y-o-y; due to lower metal & silver prices partly offset by higher volumes and favourable Fx rates
- EBITDA down 16% y-o-y; led by lower revenues and increased cost from input commodity inflation
- Consolidated PAT down 12% y-o-y; driven by lower EBITDA partly offset by lower tax expense
- Effective tax rate of 26.3% for Q4 FY23 lower y-o-y

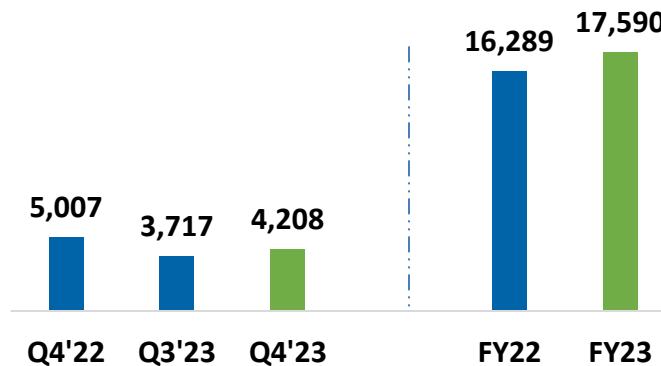
FY23

- Revenue up 16% 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 8% 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 9% y-o-y; led by higher EBITDA partly offset by increase in tax
- Effective tax rate of 31.2% for FY23

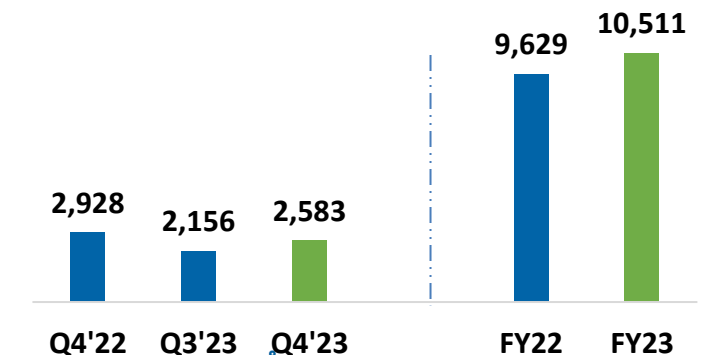
Revenue (INR Cr)



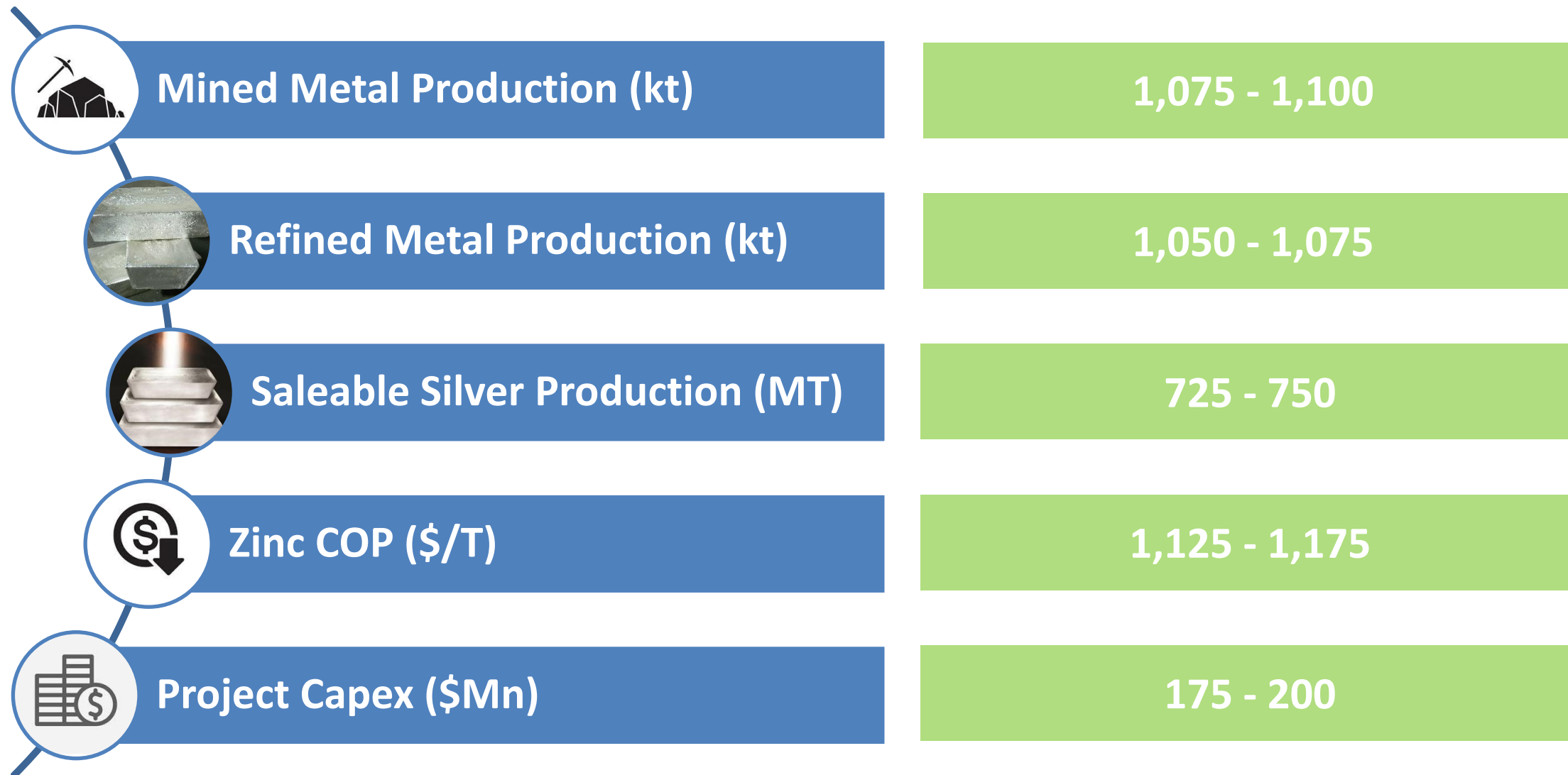
EBITDA (INR Cr)



Profit After Tax (INR Cr)



Outlook for FY24



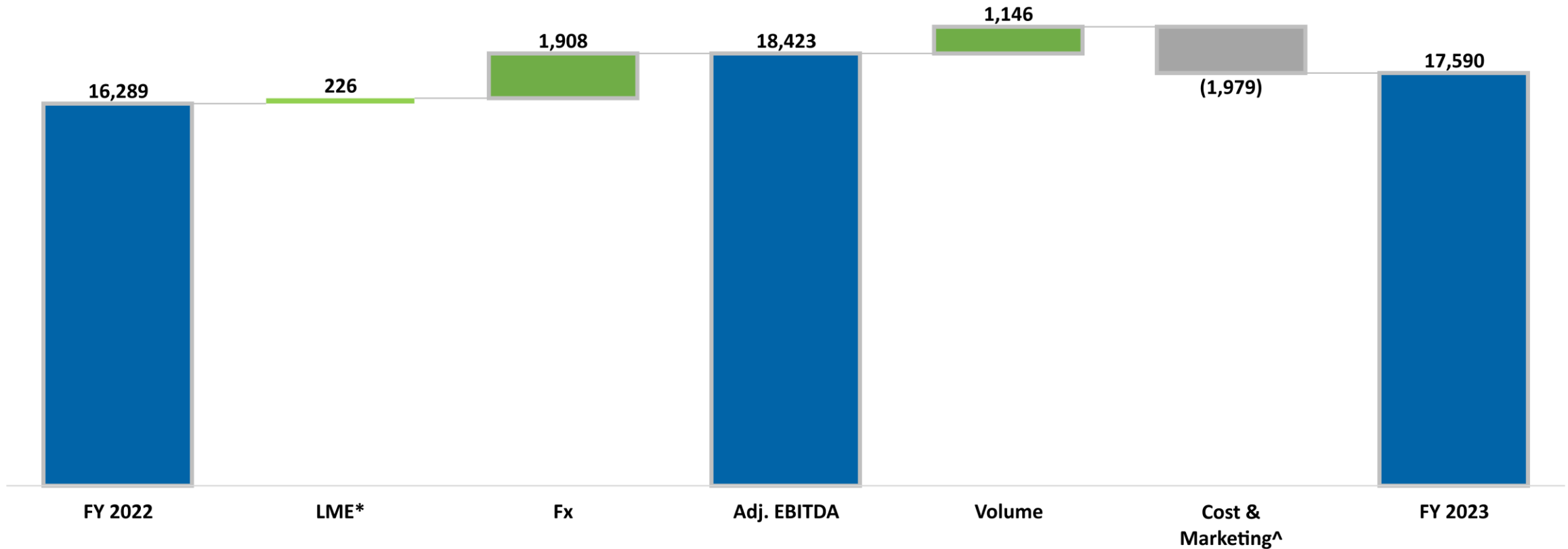


HINDUSTAN ZINC
Zinc & Silver of India

APPENDIX

EBITDA Bridge (FY23 vs. FY22)

(All figures in INR Cr unless stated otherwise)



*Inclusive of gains from Strategic Hedging

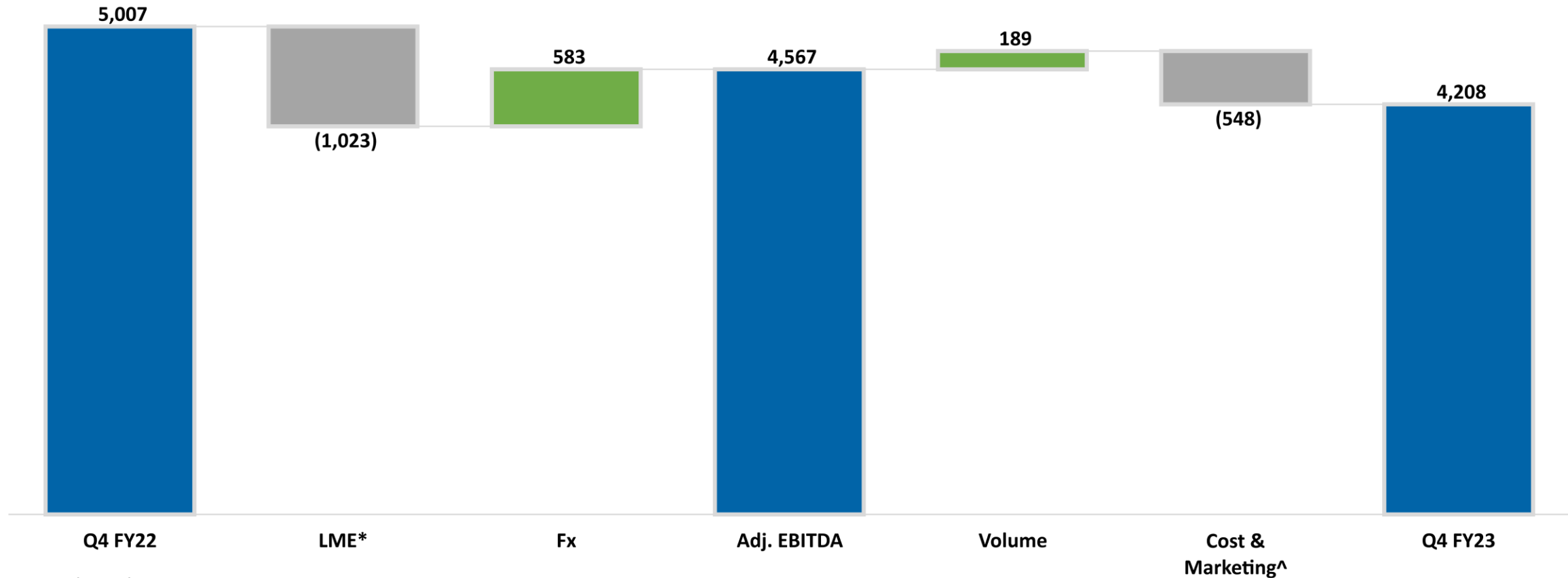
^Inclusive of input commodity inflation

Note: All financials are at consolidated level



EBITDA Bridge (Q4 FY23 vs. Q4 FY22)

(All figures in INR Cr unless stated otherwise)



*Inclusive of gains from Strategic Hedging

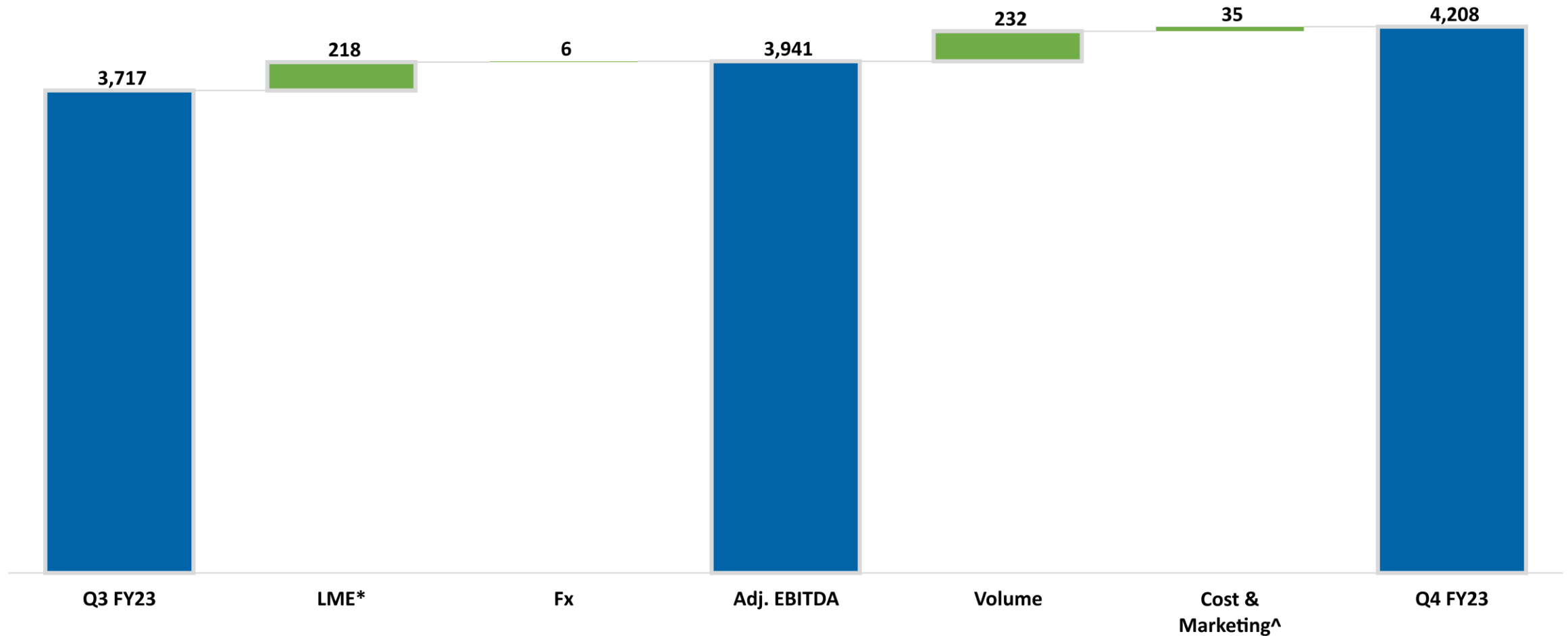
^Inclusive of input commodity inflation

Note: All financials are at consolidated level



EBITDA Bridge (Q4 FY23 vs. Q3 FY23)

(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 - Q4 FY23

- ❖ Hindustan Zinc included in Sustainability Yearbook 2023 for 6th year in a row, amongst the top 5% most sustainable organizations
- ❖ Recognized with 'A' score for Transparency on Climate Change
- ❖ Hindustan Zinc recognized as Supplier Engagement Leader by CDP
- ❖ Four Mines of Hindustan Zinc won 5- Star Rating under 'A' list category of Mines by Indian Bureau of Mines
- ❖ Two of our mines are now GreenCo certified, recognized with silver rating, with Rampura Agucha becoming the 1st ever GreenCo rated mine
- ❖ HZL's CEO appointed as Vice-Chairman of CII Rajasthan
- ❖ Our CFO won Leading CFO of the Year in Industrial & Manufacturing Sector at CII CFO Awards 2022
- ❖ Concluded our flagship event "Global Zinc Summit" along with International Zinc Association

Metal Prices and Exchange Rate trends

Zinc Prices (\$/t): Impacted by macro economic factors



Lead Prices (\$/t): Volatile during FY23



Silver Prices (\$/oz): Volatile during FY23



USD - INR



