



HZL/ 2019-Secy

August 07,2019

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai 400 001

National Stock Exchange of India Limited  
Exchange Plaza  
Plot No.C/1, G Block  
Bandra – Kurla Complex  
Bandra (East)  
Mumbai 400 051

Scrip Code: 500188

Trading Symbol: "HINDZINC"

Sub:- Intimation of Investor Meet / Site Visit.

Dear Sir(s),

In continuation to our letter No. HZL/ 2019-Secy dated 06.08.2019 we hereby by inform that the Corporate Presentation presented during this visit is uploaded on the website of the Company i.e. [www.hzlindia.com](http://www.hzlindia.com)

This is for your information and record.

Thanking you.

Yours Sincerely  
For Hindustan Zinc Ltd

For Hindustan Zinc Limited

(R. Pandwal)  
Company Secretary

**Hindustan Zinc Limited**

Registered Office: Yashad Bhawan, Udaipur (Rajasthan) - 313 004

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# Hindustan Zinc Limited



INVESTOR PRESENTATION

AUGUST 2019



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# A premium zinc-lead and silver company

2<sup>nd</sup>

LARGEST ZINC-LEAD MINER GLOBALLY

4<sup>th</sup>

LARGEST ZINC-LEAD SMELTER GLOBALLY

Largest

INTEGRATED PRODUCER OF ZINC-LEAD

9<sup>th</sup>

LARGEST SILVER PRODUCER GLOBALLY

1<sup>st</sup>

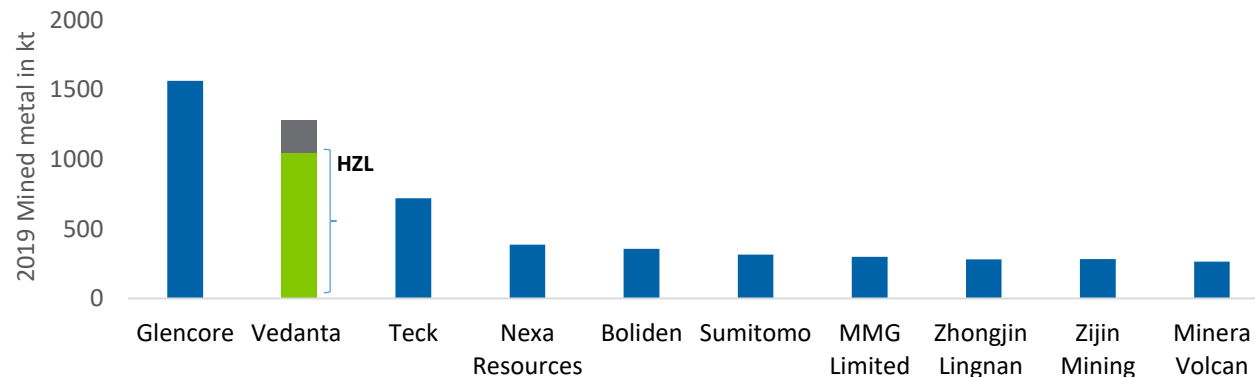
DECILE POSITION IN GLOBAL ZINC COST CURVE

1<sup>st</sup>

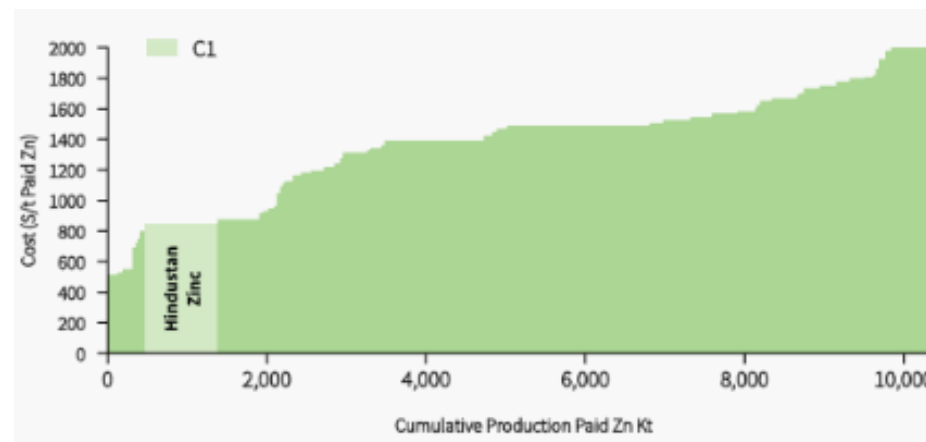
RAMPURA AGUCHA – LARGEST ZINC LEAD UG MINE; SK RANKED 3<sup>rd</sup>

Zinc-Lead rankings source: Wood Mackenzie  
Silver ranking Source : Thomson Reuters

## Vedanta set to become the largest Zinc-Lead miner globally in the next 2 years



## Hindustan Zinc lies in first decile on global Zinc Cost Curve (2019)





## Sustainability efforts are centred around safe mining and optimizing waste, water, land & carbon footprint

### Safe Mining – Setting right Culture

Felt Leadership

Safety Town Hall

Personal Safety Plan

Monthly safety interactions at sites

Project Ru - Ba - Ru for business partners

Technology – Eliminating Human Interface

**52%**  
waste recycling

**36%**  
water recycling

**Zero**  
liquid discharge

**14% - 20%**  
committed to reduce GHG  
emissions by 2026

#### Paste fill plant

- 60% of tailings to be used for void filling in UG mines back fill, Reduce land required for tailing dams

#### Dry tailing

- 1st dry tail stack plant in Zawar in Q2
- Water and land savings

#### Fumer Plant

- Reduce land required by 1 hectare pa
- Reducing carbon footprint

#### Ancillary Plant

- Recover & recycle metal in high value add forms
- Potential value creation of over Rs 150 Crore

#### Sewage Treatment plant

- Treat Udaipur's sewage (60 MLD)
- Minimise fresh water usage; enhance cleanliness of lakes

#### Solar projects over waste land

- 39MW solar power saving 190 acres land
- Another 35MW expected during FY2020

Ranked 1<sup>st</sup> in environment and 5<sup>th</sup> overall in global metal & mining sector in Dow Jones Sustainability Index



Provide **academic support** in Science, Maths and English to 7500 students in 64 govt schools

Observed improvement in grades and interest in going to school due to high quality of education

**Shiksha Sambal**



Support for **high performers to prepare for engineering institutions** of national repute

Students especially girls are continuing their higher education due to free education

**Unchi Udaan**



- **On-farm sustainable livelihood** project reaching out to more than 8000 farmers and 4300 families

- Increase in yield by improved seed varieties; new technology for livestock reproduction

**Samadhan**



- Aims for **2300 women Self Help Groups** touching lives of 27,000 families

- High impact due to household income enhancement, loans for business and behavioral change

**Sakhi**



- Regular **coaching to nearly 2000 children** at at Zavar and 64 community football centres

- Buoyed by impressive results, plans to roll-out across Rajasthan and Under-13 team at I-league

**Zinc Football**



- Caters to **health, nutrition & pre-school needs**, reaching 60,000 children in 0-6 years age group

- Increase in enrolment; focus on cognitive development; nutritious food

**Khushi & Nandghar**



# Strong foundation driving growth and transformation

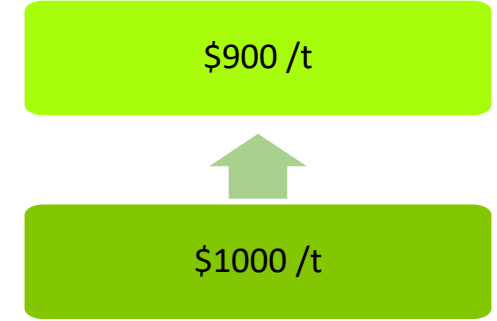
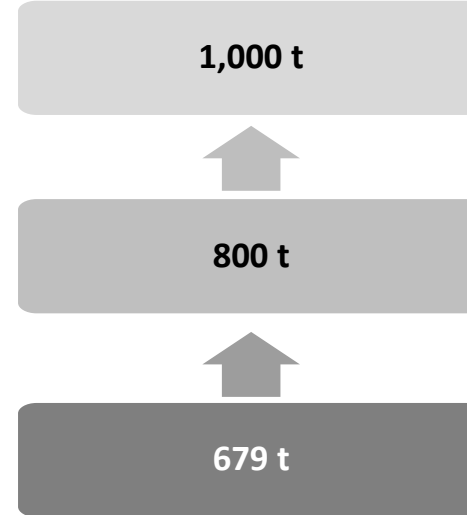
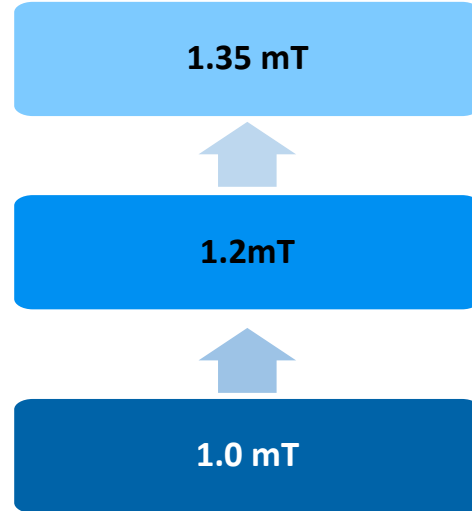


## R&R

## ZINC – LEAD

## SILVER

## COSTS



- Expanding R&R across the mines
- Best in class technology and expertise
- Largest and the most active mineral explorer in India with an exploration spend of \$16 mn out of the total \$50mn spent nationwide

- Completion of 1.2 mtpa capacity in H2
- 1.35 mtpa planning underway
- Smelter debottlenecking in progress
- New resource from new ore bodies
- Focus on reserve to resource conversion

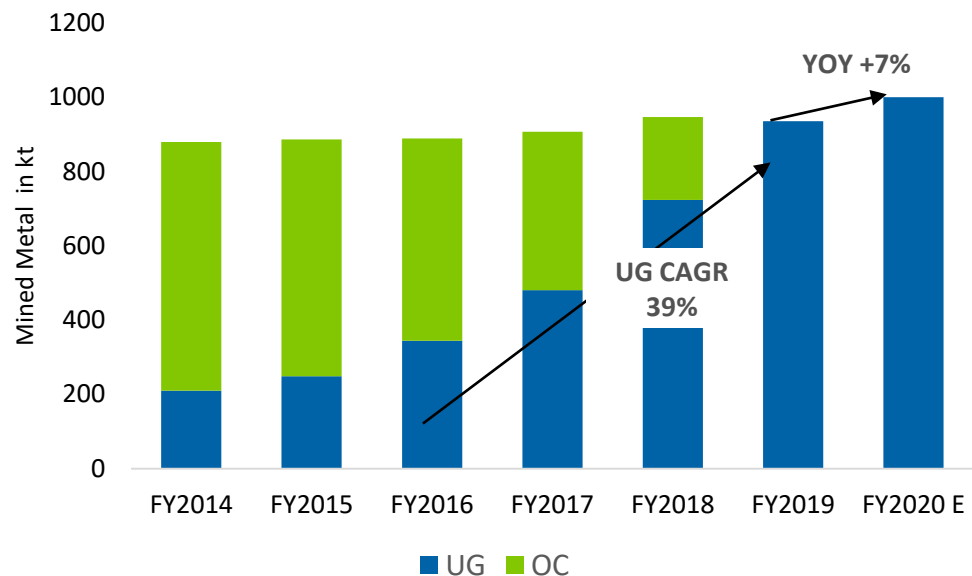
- Focus on silver rich deposits
- Enhanced recoveries
- New technology - Fumer and recovery from tailings
- Natural volume growth

- Key structural initiatives on
- Digital transformation
  - Minor metal extraction
  - Ore to metal ratio to 90%
  - Operational efficiencies via shaft, paste fill, etc.
  - Energy basket optimisation

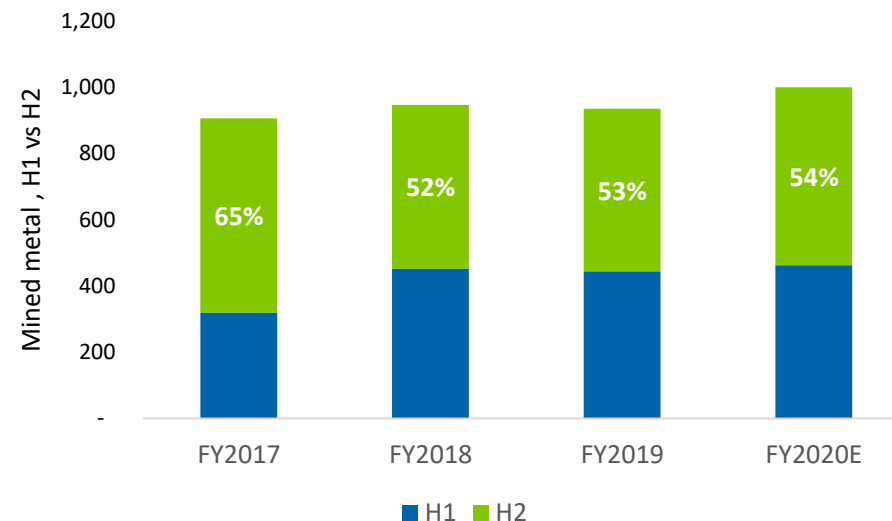


# Confident of delivering FY2020 guidance

## Production ramp up to 1.0 million tonne mined metal



## H2 – Completing 1.2 mtpa project activities



### RAMPURA AGUCHA

- Shaft commissioning in H2
- Rapid development crew to open new levels from Q2

### SINDESAR KHURD

- Shaft fully ramped-up in H2
- Faster paste filling

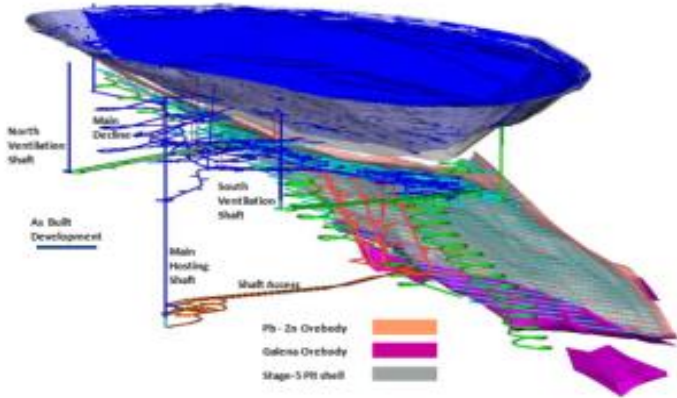
### ZAWAR

- Commissioning of two paste fill in Q3
- Ballaria ramp-up in Q4
- Pillar mining



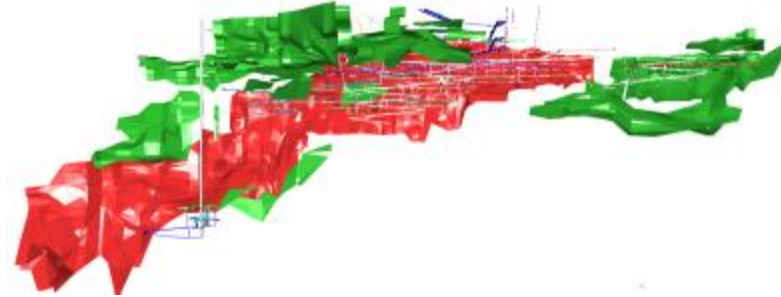
# Setting Business for 1.35 mtpa and beyond – concurrent mining

Rampura Agucha (3.3 → 4.5 → 5)



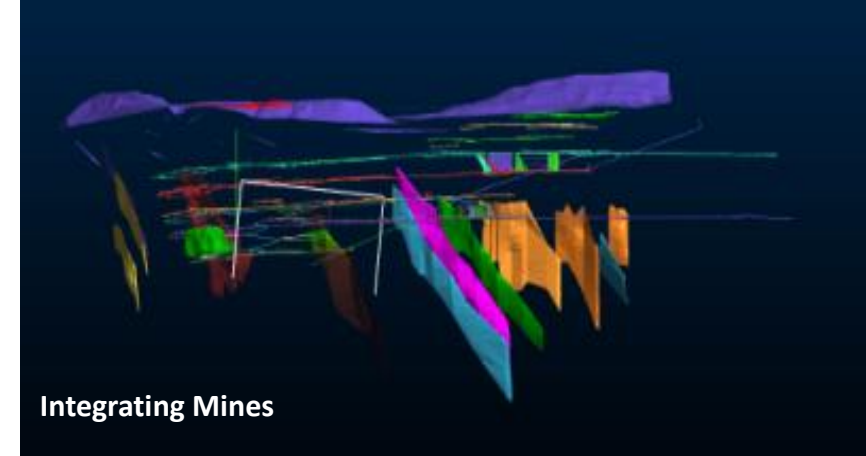
Safe Transition

Sindesar Khurd (5.3 → 6 → 8)



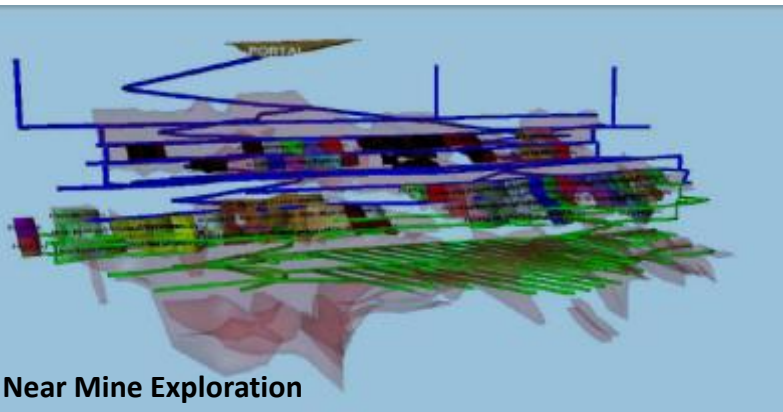
Fully Digitised Mine

Zawar ( 2.8 → 4.0 → 8 )



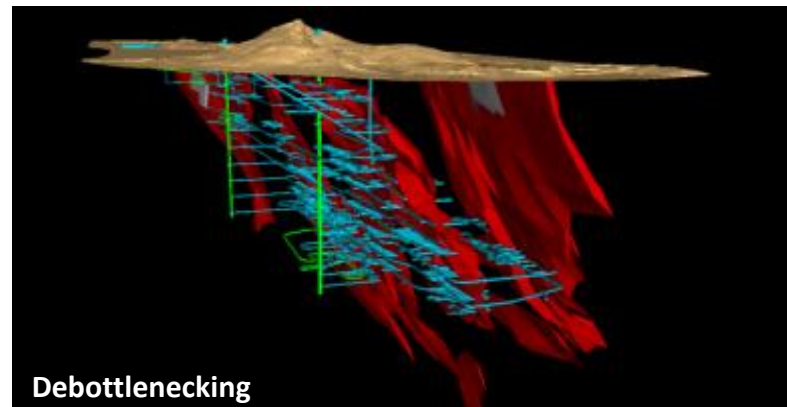
Integrating Mines

Kayad (1.2, extending mine life)



Near Mine Exploration

Rajpura Dariba (0.9 → 2 → 4)



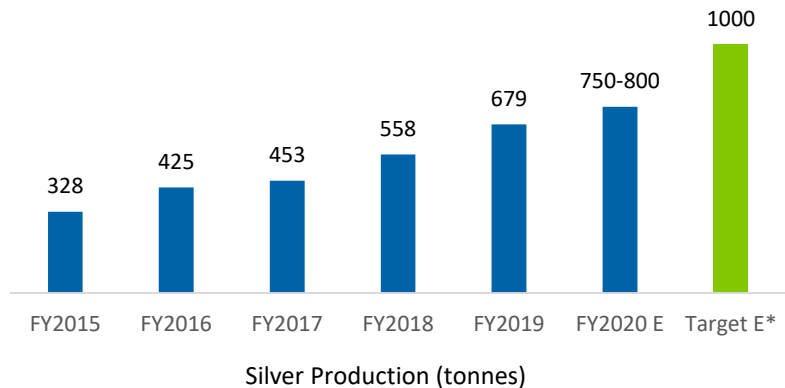
Debottlenecking

Sindesar Khurd and Rampura Agucha are top 3 zinc lead producing UG mines globally, contributing ~ 70 % of HZL's total metal production



# On track to become top 3 silver producers globally

## Fastest growing silver company with a CAGR of 18%

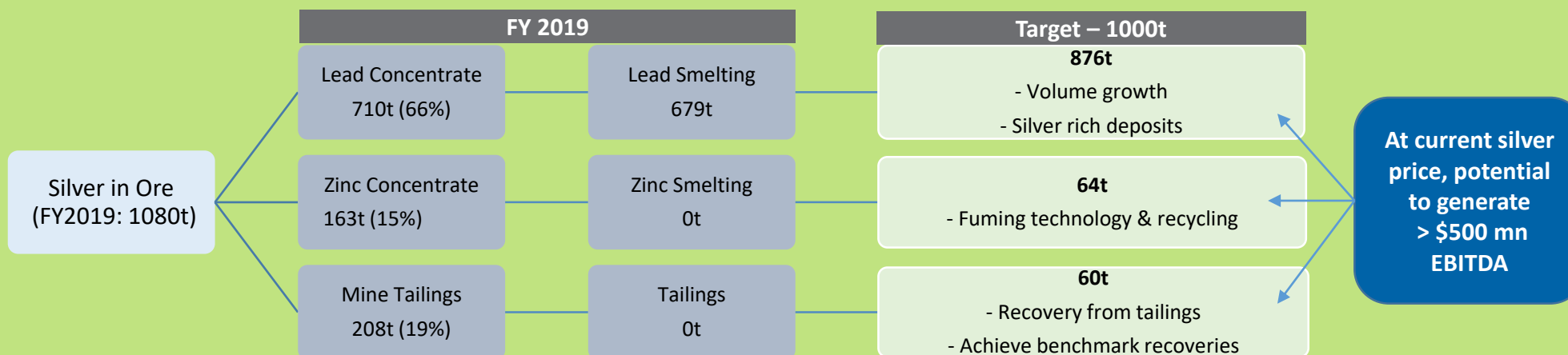


## Ranked 9<sup>th</sup> globally in primary silver production



Source: GFMS, Reuters

## We expect to be among Top 3 silver producers and the largest integrated silver producer globally in the next 2-3 years

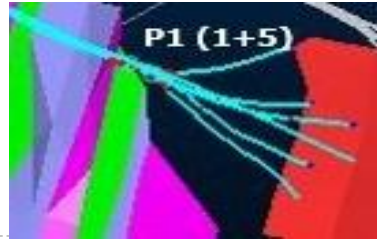


# Reserve & Resource upgrade – World class technology adopted



## Motorised Directional Drilling

Motorised Directional Drilling technology creates multiple branches from a parent hole resulting in saving cost and time



## Core Scanner and IQ Logger

High quality lithological and structural data acquisition along with complete suite of assay data with XRF with least manual intervention



## ATV Logging

Acquire all downhole in-situ structural data as soon as holes are drilled in a cost effective manner for finding exploration target and mine design



## Geophysics: Introduction of Drones

Cost effective, faster and safer method to carry out geophysical survey in tough terrains and complex environment



Latest lightweight (<1kg) drone magnetometers

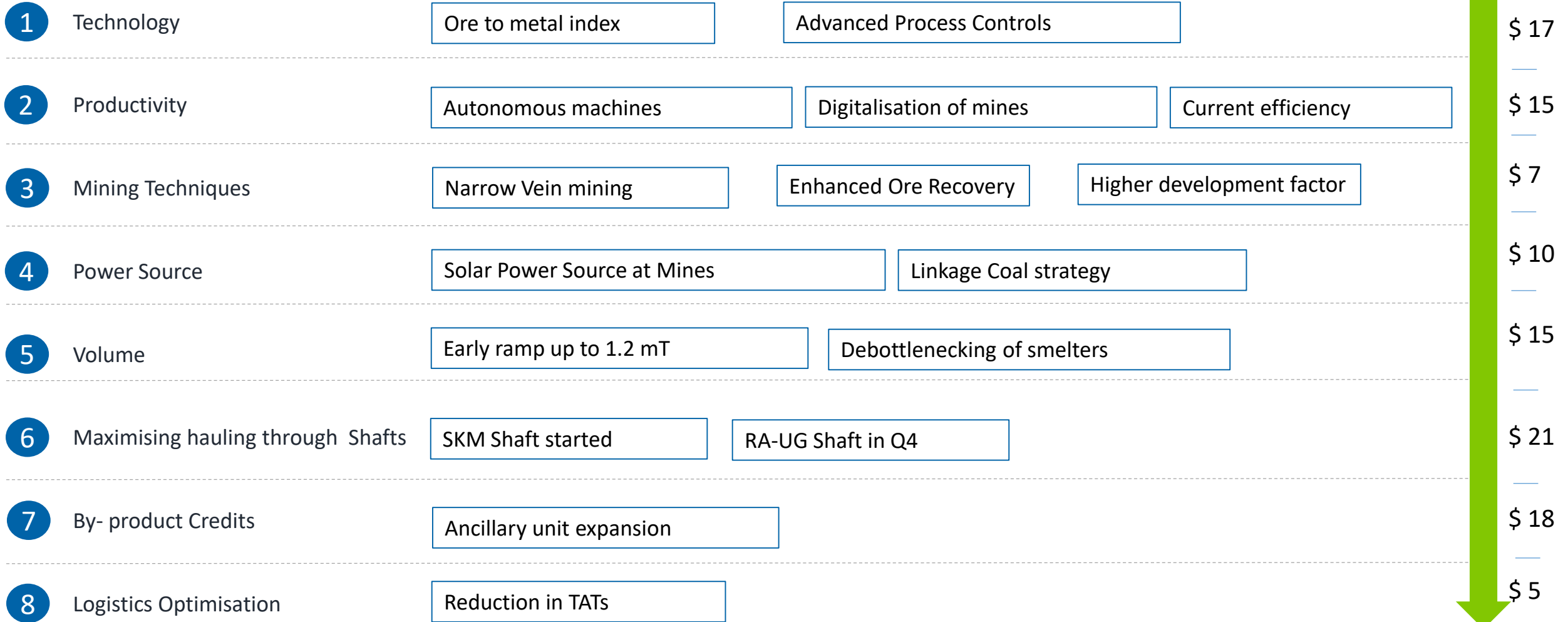
## Opportunities across mines ( 400 → 600 mT )

Mine	Technical program
RAM	<ul style="list-style-type: none"> <li>Galena &amp; Main orebody upgradation – 10 mT</li> </ul>
ZM	<ul style="list-style-type: none"> <li>Deep Extension all lenses - 20 mT</li> <li>New lenses - B Magra, S Rupariya - 20 mT</li> </ul>
SKM	<ul style="list-style-type: none"> <li>New lenses - main orebody below shaft, satellite lense – 10 mT</li> <li>Deep Extension under main lense – 15 mT</li> </ul>
RDM	<ul style="list-style-type: none"> <li>Delineate main lense</li> <li>Deep extension – 20 mT</li> </ul>
Kayad	<ul style="list-style-type: none"> <li>Prime target to add new resource</li> <li>Exploration potential 12Mt</li> </ul>
BK	<ul style="list-style-type: none"> <li>Open pit mining opportunity – 50 mT</li> </ul>



# Time bound cost optimization programs in place

Zinc COP: \$1000 per MT



Zinc COP: \$900 per MT



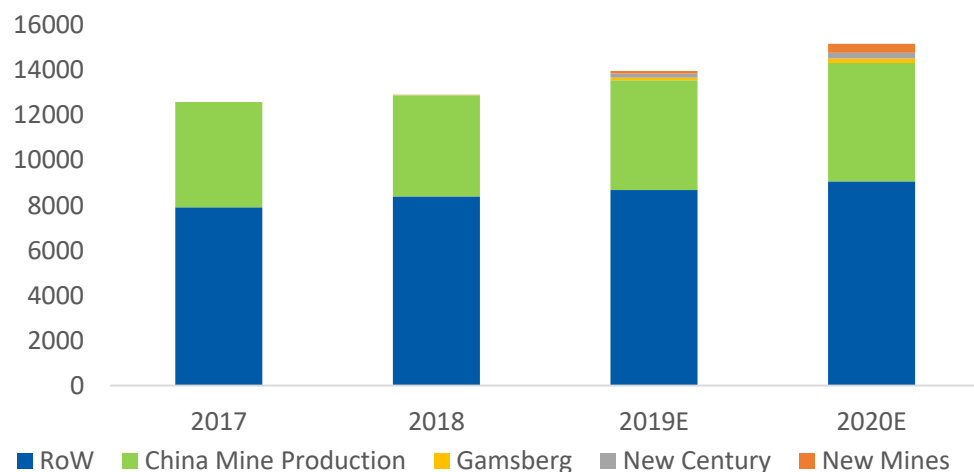


# Zinc supply shortfall and low stocks expected to support price

## Mine supply increasing at slower than expected rate

- Slower start at key projects and some smaller mines
- Reduction in production at some existing mines (Penasquito, Antamina, Red Dog, Myra Falls, Empire State)

Global Mine Production, '000 MT



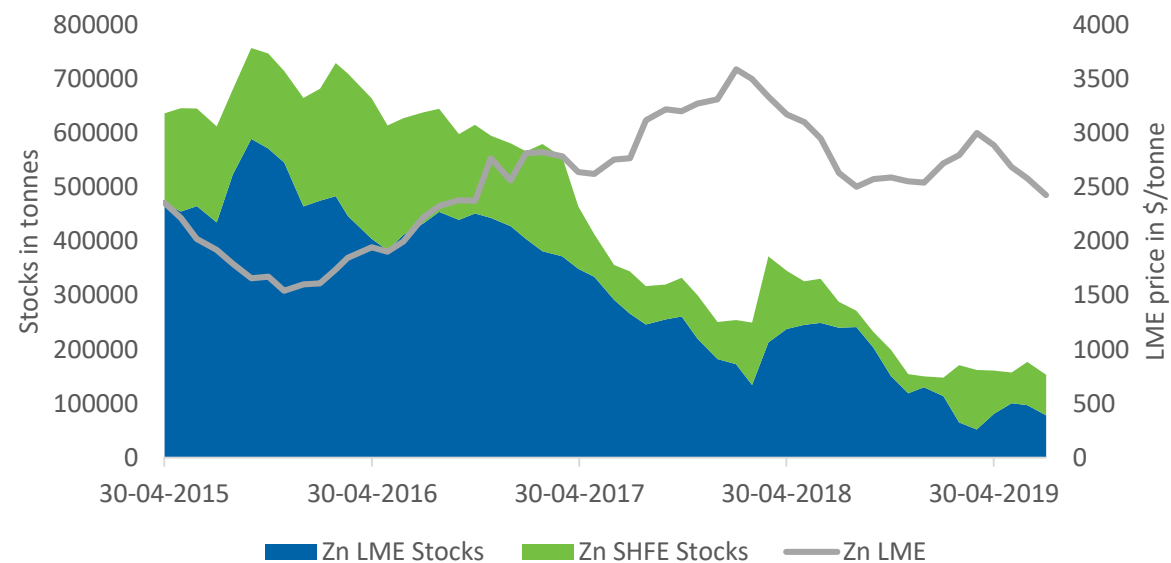
Forecast includes ~400kt increase each year in China which is at risk due to ongoing environmental issues

No major new mine expected; production declining from 2023 onwards

## Underperformance of smelters keeping stocks at all time lows and market in deficit

- Chinese production declined in 2018 and YTD due to environmental regulations
- Exchange Metal stocks are at 5 days of consumption
- RoW smelters operating at high CU; No major smelter project in pipeline

Zinc exchange stocks and LME price trend



Source: Wood Mackenzie Q2 2019 Long Term Outlook



## Strong Financial Profile

- Net Cash of \$2.65bn
- **Strong FCF** ~\$1BN in FY19, potential 1.5X in 2Y
- **Zero Debt**; 3 year **EBIDTA** margin of 51.5%
- **Domestic, VAP, Minor metal** - > \$150M value

## Proven Execution

- ~35% **5-yr CAGR** of UG mines to 936kt MIC
- 18% **5-yr CAGR** in silver volume
- **High IRR** of >40% of growth projects

## Clear Growth Path

- **1.2 mtpa** MIC capacity in CY
- Planning for **1.35 mtpa Metal**
- **Silver:** 679t → 800t → 1000t
- Driven by **Automation and digitization**

## Sustainable Enterprise

- Globally **1<sup>st</sup> in Environment\***
- 347MW **Renewable energy**
- **Waste-to-wealth** initiatives and community connect

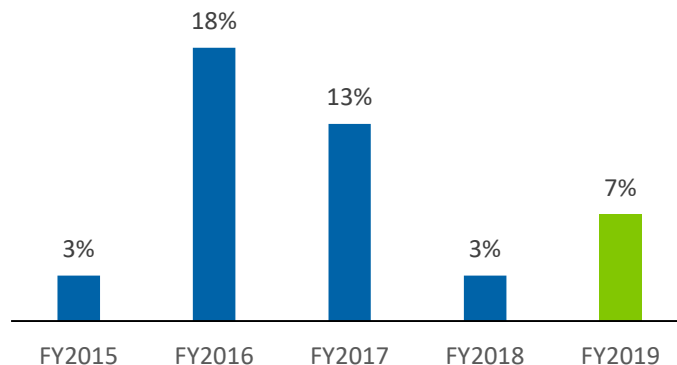
## Derisked Business

- **Low cost** producer
- **Integrated** operations
- 25+ yr mine life
- **Robust Management** team
- **Technology** as enablers

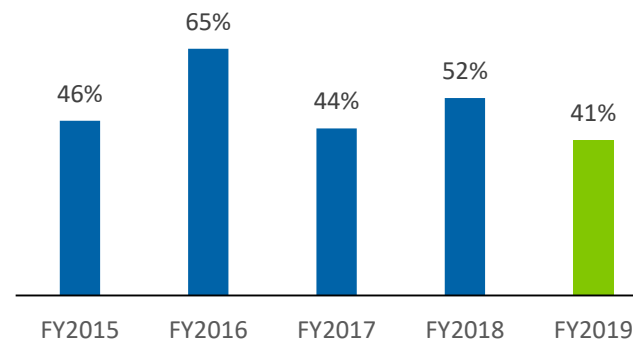
*\*Dow Jones Sustainability Index 2018, Metals & Mining*

## KEY RETURN INDICATORS

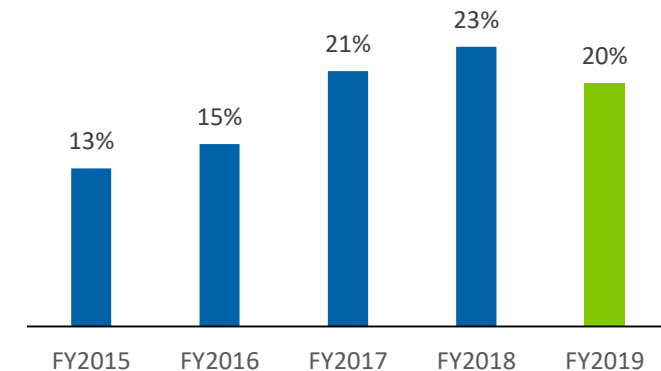
### Dividend Yield



### RoCE



### RoE





# Thank You

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ZINC | LEAD | SILVER |