

## Vedanta Limited

### Highest ever 2Q Revenue of ₹38,546 crores and 2Q EBITDA of ₹11,834 crores

**Mumbai, November 4, 2023:** Unaudited Consolidated Results for the Second Quarter and half year ended 30<sup>th</sup> September 2023.

#### **Financial Highlights –**

- Highest ever second quarter consolidated Revenue of ₹38,546 crore, up 16% q-o-q.
- Highest ever second quarter consolidated EBITDA of ₹11,834 crore, up 70% q-o-q with margin<sup>1</sup> of 35%.
- PAT before exceptional items of ₹4,403 crore, up ~ 3x q-o-q.
- Generated strong free cash flow (pre capex) of ₹5,694 crore in 2QFY24, up 84% q-o-q.
- Strong double-digit return on capital employed ~21%, up ~462 bps q-o-q.
- Net debt decreased by ₹1,420 crore q-o-q to ₹57,771 crore as on 30<sup>th</sup> Sep'23.
- Net Debt/EBITDA of 1.64x as against 1.88x in 1QFY24.
- Contributed to exchequer ₹26,358 crore in 1HFY24.

#### **Operational Highlights –**

Key businesses continue to deliver strong operating performance:

- **Aluminium**
  - Highest ever aluminium production at 594 kt, increased 3% q-o-q and 2% y-o-y.
  - Alumina production at 464 kt, increased 17% q-o-q and 2% y-o-y.
  - Aluminium cost of production lower by 6% q-o-q and 25% y-o-y.
  - Alumina cost of production lower by 13% q-o-q and 20% y-o-y
- **Zinc India**
  - Highest ever first half mined metal production at 509 kt, on account of higher ore production at Rampura Agucha Mine supported by better overall metal grades.
  - Achieved mined metal production of 252 kt, down 2% q-o-q and 1% y-o-y.
  - Refined metal production at 241 kt, down 7% q-o-q and 2% y-o-y due to scheduled maintenance activity.
  - Silver production at 181 tonnes, up 1% q-o-q and down 7% y-o-y on account of accumulation of WIP in 2QFY24.

- Hot commissioning of Hindustan Zinc Alloys Private Limited (HZAPL) completed and first alloy metal produced in first week of Oct'23.
  - RD Mill commissioned; ramp up targeted by early 3QFY24.
  - Fumer commissioned; ramp up targeted by early 3QFY24.
  - 2QFY24 Cost of production down by 5% q-o-q and 10% y-o-y driven by better operational & buying efficiencies and lower input cost.
- **Zinc International**
- MIC production of Gamsberg at 48 kt, down 2% q-o-q and 13% y-o-y largely due to lower throughput, partially offset by higher zinc grades and recoveries.
  - Overall production at 66 kt, decreased 3% q-o-q and 10% y-o-y due to lower tonnes treated.
  - Highest ever Gamsberg plant availability of 96.5% in Jul'23.
  - 2QFY24 cost of production lower by 6% y-o-y and 1% q-o-q.
- **Oil and Gas**
- Stable 2QFY24 Average gross operated production at 134,092 boepd. The natural decline was largely offset by infill wells brought online in Aishwariya Barmer Hill, Aishwariya and RDG fields.
  - 2QFY24 Opex lower by 6% q-o-q primarily driven by optimisation of polymer consumption.
- **Iron ore**
- Karnataka ore sales at 1.5 mn tonnes, up 44% q-o-q and 14% y-o-y driven by operational efficiencies.
  - Highest ever half yearly pig iron production at 430 kt, up 39% y-o-y
  - Pig iron production was up 2% q-o-q and 80% y-o-y to 218 kt on account of operational efficiency and blast furnace relining.
  - IOK enhanced mining EC to 7.2 MTPA.
- **Steel**
- Highest ever half yearly total saleable production at 702 kt, up 18% y-o-y.
  - Saleable production at 378 kt, increased 17% q-o-q and y-o-y on account of improved operational efficiency and debottlenecking activities.
  - Margin (Excluding mines impact) increased 36% q-o-q, driven by a significant decrease in CoS.
- **Facor**
- Ore production at 18 kt, down 77% q-o-q and 48% y-o-y in line with statutory mining limits applicable in each quarter.
  - Ferro chrome production at 22 kt, up 97% y-o-y driven by commissioning of new furnace in 4QFY23 and 130% q-o-q on account of unplanned shutdown in 1QFY24.
  - 2QFY24 margin improved to 195\$/t driven by higher production and operational efficiency.
- **Copper India:**
- Cathode production at 35 kt, up 14% q-o-q and down 14% y-o-y.

## **ESG Highlights –**

- Achieved a score of 81 in Corporate Sustainability Assessment 2023 by S&P Global (Formerly DJSI), which is a 5-point improvement over last year's score, taking Vedanta to the top 100th percentile amongst the metal and mining companies globally as on October'23 end
- HZL became the first Indian metals and mining company to have its near term and long term GHG emission reduction targets validated by Science Based Targets initiative (SBTi)
- Renewable energy consumption stood at 3.18% of the overall energy mix for 2QFY24
- Achieved water positivity ratio of 0.7 with a water recycling rate of 30.2% for 2QFY24
- Achieved 33% gender diversity in Enabling functions.
- Increased biomass firing by a healthy 40% y-o-y
- Utilized 84% of High-Volume Low Toxicity (HVLTL) waste
- Donated 5 million meals through successfully organizing "Vedanta Delhi Half Marathon 2023 – Run for Zero Hunger"
- Spent ₹ 226+ crore in 1HFY24 to uplift communities through various CSR initiatives. Positively touched the lives of 16+ million people
- 5,700+ Nand Ghars (women and childcare centre) operational

**Mr Arun Misra, Executive Director, Vedanta, said "I am pleased to share that we have a quarter of highest ever 2Q turnover of ₹38,546 crores with highest ever 2Q EBITDA of ₹11,834 crores on the back of strong operational volume delivery and aggressive cost reduction across the table in all businesses. While excelling in operational performance we have also achieved a 5-point improvement y-o-y in this year's S&P Global Corporate Sustainability Assessment Index. Strong believer of expanding our portfolio, we are steadfast in our growth journey and are progressing well in all growth projects announced so far with capex worth ~8.4 Bn\$. With this our revenue is estimated to uptick by \$4bn and EBITDA by \$1bn. We remain well positioned, with a rich diversified asset portfolio, strong balance sheet, and cost optimization levers, to withstand challenging macroeconomic environment."**

## Consolidated Financial Performance –

(In ₹ crore, except as stated)

Particulars	Q2	Q1	% Change	Q2	% Change	H1	
	FY2024	FY2024		FY2023		FY2024	FY2023
<b>Net Sales/Income from operations</b>	<b>38,546</b>	<b>33,342</b>	<b>16%</b>	<b>36,237</b>	<b>6%</b>	<b>71,888</b>	<b>74,488</b>
Other Operating Income	399	391	2%	417	(4%)	790	788
<b>EBITDA</b>	<b>11,834</b>	<b>6,975</b>	<b>70%</b>	<b>8,038</b>	<b>47%</b>	<b>18,809</b>	<b>18,779</b>
EBITDA Margin <sup>1</sup>	35%	24%		25%		30%	28%
Finance cost	2,523	2,110	20%	1,642	54%	4,633	2,848
Investment Income	567	506	12%	631	(10%)	1,073	1,214
Exploration cost write off <sup>2</sup>	270	312	(13%)	96	-	582	158
Exchange gain/(loss) - (Non operational)	(12)	(203)	94%	(177)	93%	(215)	(509)
<b>Profit before Depreciation and Taxes</b>	<b>9,596</b>	<b>4,856</b>	<b>98%</b>	<b>6,754</b>	<b>42%</b>	<b>14,452</b>	<b>16,478</b>
Depreciation & Amortization	2,642	2,550	4%	2,624	1%	5,192	5,088
<b>Profit before exceptional items &amp; tax</b>	<b>6,954</b>	<b>2,306</b>	<b>-</b>	<b>4,130</b>	<b>68%</b>	<b>9,260</b>	<b>11,390</b>
Exceptional Items Credit/(Expense) <sup>3</sup>	1,223	1,780	(31%)	234	-	3,003	234
<b>Profit Before Tax</b>	<b>8,177</b>	<b>4,086</b>	<b>100%</b>	<b>4,364</b>	<b>87%</b>	<b>12,263</b>	<b>11,624</b>
Tax Charge/ (Credit)	2,551	778	-	1,828	40%	3,329	3,496
Tax on Exceptional items/ (Credit)	413	-	-	(154)	-	413	(154)
Net tax expense on account of adoption of new tax rate	6,128	-	-	-	-	6,128	-
<b>Profit After Taxes before exceptional items</b>	<b>4,403</b>	<b>1,528</b>	<b>-</b>	<b>2,299</b>	<b>92%</b>	<b>5,931</b>	<b>7,894</b>
<b>Profit After Tax<sup>5</sup></b>	<b>(915)</b>	<b>3,308</b>	<b>-</b>	<b>2,687</b>	<b>-</b>	<b>2,393</b>	<b>8,282</b>
Minority Interest	868	668	30%	879	(1%)	1,536	2,051
Basic Earnings per Share (₹/share)	(4.80)	7.11	-	4.88	-	2.31	16.79
Exchange rate (₹/\$) - Average	82.68	82.16	1%	79.69	4%	82.42	78.38
Exchange rate (₹/\$) - Closing	83.18	82.07	1%	81.50	2%	83.18	81.50

1. Excludes custom smelting at copper business
2. Pertains to unsuccessful exploration wells write off at Oil & Gas business
3. Exceptional items Gross of Tax
4. Previous period figures have been regrouped or re-arranged wherever necessary to conform to current period's presentation
5. Includes share in profit/ loss of jointly controlled entities and associates

### ▪ Revenue:

- 2QFY24 Revenue increased by 16% q-o-q to ₹38,546 crore; driven by higher sales volume, and favourable arbitration award in oil & gas, partially offset by slip in output commodity prices.
- 2QFY24 Revenue increased by 6% y-o-y to ₹38,546 crore; driven by higher sales volume, favourable movement in exchange rate and favourable arbitration award, partially offset by lower commodity prices and strategic hedging gain in 2QFY23.

### ▪ EBITDA and EBITDA Margin:

- 2QFY24 EBITDA increased by 70% q-o-q to ₹11,834 crore; driven by improved operational performance, ease of input commodity inflation, favourable arbitration award, partially offset by lower output commodity prices.
- 2QFY24 EBITDA increased by 47% y-o-y to ₹11,834 crore driven by reduction in operational cost, softening of input commodity prices, foreign exchange gains and favorable arbitration award partially offset by strategic hedging gain in 2QFY23.
- EBITDA margin<sup>1</sup> stood at 35%

- **Depreciation & Amortization:**
  - Depreciation & amortization increased by 4% q-o-q and 1% YoY to ₹2,642 crore, largely due to higher depletion charge in Oil & Gas business.
- **Finance Cost:**
  - 2QFY24 Finance cost was at ₹2,523 crore, up 20% q-o-q and 54% y-o-y mainly due to increase in average borrowings and blended cost of borrowings.
- **Investment Income:**
  - Investment income for 2QFY24 was at ₹567 crore, up by 12% q-o-q mainly due to onetime gain in 2QFY24, partly offset by mark to market movement.
  - Investment Income, down 10% YoY mainly due to change in investment mix and mark to market movement which is partly offset by one-time gains in 2QFY24.
- **Taxes:**
  - One-time net tax impact of ₹6,128 crore as a result of adoption of new tax regime effective FY23.
- **PAT before exceptional items:**
  - 2QFY24 PAT (before exceptional) was at ₹4,403 crore, ~3x QoQ and ~2x YoY.
- **Leverage, liquidity, and credit rating:**
  - Gross debt at ₹74,473 crore as on 30<sup>th</sup> Sep'23 vs ₹73,484 crore as on 30<sup>th</sup> Jun'23.
  - Net debt decreased by ₹1,420 crore q-o-q with Net debt to EBITDA ratio of 1.64x as against 1.88x in 1QFY24.
  - Cash and cash equivalents position remain healthy at ₹16,702 crore. The Company follows a Board-approved investment policy and invests in high quality debt instruments with mutual funds, bonds, and fixed deposits with banks.
  - The company has investment grade credit rating of 'AA' with watch negative by CRISIL and IND 'AA-' with watch negative by India Ratings.

## **Key Recognitions –**

Vedanta has consistently received various awards and accolades. Few recognitions received during 2QFY24 are:

- VAL - J awarded with 'Platinum Award' at the 31<sup>st</sup> Chapter Convention on Quality Concepts (CCQC)
- VAL - J achieved 'Rank-1' at Fire and Security Association of India (FSAI) Award for safe and secure manufacturing facilities
- VAL-J awarded with 'CII National Energy Award' by Confederation of Indian Industry
- BALCO awarded with 'Most Active Industry in Certificates Market' award by Indian Energy Exchange (IEX)
- BALCO awarded with 'National Energy Leader Award' in Metal Sector and Excellent Energy Efficient Unit Award by CII

- HZL awarded with 'Iconic Brands' at ET Edge 6<sup>th</sup> Edition Iconic Brand of India Conclave
- HZL awarded with Innovation in Mining Operations with the Vedanta-Sesa Goa Mining Innovation Award at FIMI's, 57<sup>th</sup> Annual General Meeting
- Cairn Oil and Gas awarded with '7<sup>th</sup> CSR Health Impact Awards 2023' by Integrated Health and Wellbeing council (IHW)

### **Results Conference Call –**

Please note that the results presentation is available in the Investor Relations section of the company website <https://www.vedantalimited.com/eng/investor-relations-overview.php#resultsReports>

Following the announcement, a conference call is scheduled at 5:00 PM (IST) on 4<sup>th</sup> November 2023, where the senior management will discuss the company's results and performance. The dial-in numbers for the call are as below:

Event	Telephone Number		
Earnings conference call on 4 <sup>th</sup> November 2023, from 5:00 - 6:00 PM (IST)	<b>Universal Dial-In</b>	+91 22 6280 1114 +91 22 7115 8015	
	<b>India National Toll Free</b>	1 800 120 1221	
	<b>International Toll Free*</b>	Canada	01180014243444
		Hong Kong	800964448
Japan		00531161110	
Netherlands		08000229808	
Singapore		8001012045	
UK		08081011573	
	USA	18667462133	
Online Registration Link	<a href="#">Click Here - Registration Link</a>		
Call Recording	Will be available on website on 5 <sup>th</sup> November 2023		

\*In case of dial-ins from any other country, please use the online registration link for relevant dial in numbers

### **About Vedanta Limited**

Vedanta Limited ("Vedanta"), a subsidiary of Vedanta Resources Limited, is one of the world's leading natural resources companies spanning across India, South Africa, Namibia, Liberia, UAE, Korea, Taiwan and Japan with significant operations in Oil & Gas, Zinc, Lead, Silver, Copper, Iron Ore, Steel, Nickel, Aluminium, Power & Glass Substrate and foraying into semiconductors and display glass. For two decades, Vedanta has been contributing significantly to nation building. Governance and sustainable development are at the core of Vedanta's strategy, with a strong focus on health, safety, and the environment. Vedanta has put in place a comprehensive framework to be the ESG leader in the natural resources sector, is committed to reducing carbon emissions to net zero by 2050 or sooner and aims to spend \$5 billion over the next 10 years to accelerate this transition. Giving back is in the DNA of Vedanta, which is focused on enhancing the lives of local communities. Anil Agarwal Foundation, the umbrella entity for Vedanta's social initiatives, has pledged Rs 5000 crore over the next five years on various social impact programs and its flagship project, Nand Ghar is setting up model anganwadis across India. Vedanta Ltd. has been listed in Dow Jones Sustainability World Index 2022, conferred Golden Peacock Award for excellence in Corporate Governance 2022 and certified as a Great Place to Work 2023. Vedanta Limited is listed on the Bombay Stock Exchange and the National Stock Exchange.

**For more information, please visit [www.vedantalimited.com](http://www.vedantalimited.com)**

**Vedanta Limited**

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**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 that those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.

**For any investor enquiries, please contact:**

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