

Vedanta Limited

“Vedanta quarterly Profit After Tax (PAT) at ₹ 5,095 crore, surges 54% YoY”

“Demerger scheme filed with NCLT; demerger is on track”

“Net debt to EBITDA improved to industry best 1.5x from 1.9x”

Mumbai, August 6, 2024: Vedanta Limited today announced its Unaudited Consolidated Results for the First Quarter ended 30th June 2024.

Financial Highlights*

- Consolidated **Revenue of ₹ 35,239 crore**, up 1% QoQ and 6% YoY.
- Consolidated **EBITDA of ₹ 10,275 crore**, up 15% QoQ and up 47% YoY.
- **Industry best EBITDA margin* of 34%**, ~1000 bps YoY.
- **Profit after tax at ₹ 5,095 crore**, up 124% QoQ and 54% YoY.
- **Strong double-digit return on capital employed c.25%**, improved 181 bps QoQ and 763 bps YoY.
- **Liquidity improved by 17% YoY** with Strong Cash and Cash Equivalent of ₹ 16,692 crore.
- Generated robust **Free cash flow (pre capex) of ₹ 4,371 crore** up 41% YoY.
- Net debt of ₹ 61,324 crore as on 30th June 2024.
- Net debt/ EBITDA at industry best 1.5x in 1QFY25 vs 1.9x in 1QFY24.
- Raised Rs. 8500 Cr through one of the largest QIP in industry.
- All the requisite approvals secured, and demerger scheme filed with NCLT; demerger is on track.

Operational Highlights

Below are the key operational highlights across the Group during the Quarter:

- Overall cost of production declined by ~20% YoY on back of structural changes and other initiatives.
- **Aluminium**
 - Highest ever Alumina production at Lanjigarh refinery at 539 kt, up 11% QoQ and 36% YoY driven by new capacity.
 - Cast Metal production of Aluminium at 596 kt flat QoQ and up 3% YoY.
 - Aluminium cost of production lower by 11% YoY and flat QoQ.
- **Zinc India**

* Excludes custom smelting at copper business

- Highest-ever mined metal production in first quarter at 263 kt, up 2% YoY.
- Highest-ever refined metal production in first quarter at 262 kt, up 1% YoY.
- **Zinc International**
 - Mined metal production of Zinc International at 38 kt, up 13% QoQ because of higher zinc grades and recoveries, down 45% YoY due to lower tonnes milled and zinc grades.
 - Overall cost of production down by 4% QoQ.
- **Oil and Gas**
 - Average daily gross operated production of 112.4 kboepd, natural decline was partially offset by the infill wells brought online in Mangala and RDG fields.
- **Iron ore**
 - Karnataka saleable ore production at 1.2 million tonnes, down 4% YoY and 33% QoQ due to temporary suspension of mine production during the month of May'24.
 - Pig Iron production at 205 kt up 4% QoQ.
- **Steel**
 - Saleable steel production at 356 kt up 4% QoQ and 10% YoY on account of improved operational efficiency.
- **Facor**
 - Highest ever quarterly Ferro Chrome production at 28 kt up 4% QoQ and ~3x YoY.
- **Copper India:**
 - Tuticorin Smelting operations have remained halted since April 2018. The company is evaluating the legal remedies for sustainable restart of Tuticorin plant.

Commenting on Q1FY25 results, Mr Arun Misra, Executive Director Vedanta Limited said “Vedanta has delivered a strong start to the year, with exceptional EBITDA improvement of 47% and PAT improvement by 54% year over year on the back of improved margins, and robust cost reduction across all operations. Our aluminium and zinc divisions continue to outperform industry benchmarks, consistently ranking in the top quartiles and deciles of the global cost curve. These achievements are a direct result of our strategic focus on cost, as reflected in a 20% year-over-year reduction in overall Cost. Our growth projects are well on track, and we remain committed to commission the majority of these projects in FY25. Moving ahead, our focus on operational efficiency, sustained expansion, and ESG excellence will guide our journey. With this dedication, we are confident in our ability to create substantial shareholder value in the year ahead.”

Mr Ajay Goel, CFO, Vedanta, said “The start of FY25 has demonstrated phenomenal growth. In this quarter, we achieved an impressive EBITDA of Rs 10,275 crore, a jump of 47% YoY, with robust EBITDA margin of 34% and a PAT of Rs 5,095 crore, with YoY growth of 54%. This reflects strong business performance on cost and volume which is additionally supported by elevated commodity prices. The overwhelming response to the Vedanta’s \$1 bn QIP, one of the largest in industry, underscores investor’s huge confidence. The proceeds from the QIP will be further instrumental in deleveraging balance sheet and reduction of finance cost. We have received all the requisite approvals and have filed the demerger scheme with the National Company Law Tribunal (NCLT) taking our demerger a step closer to reality.”

1QFY25 ESG Highlights

- **Renewable Energy (RE):** RE Power Delivery agreements (PDAs) of 1836 MW in place. Initiated utilization of renewable energy at HZL for its operations from RE-RTC projects. HZL already consumed c.8.5% RE power of total requirement in Q1 FY25 vs c.5.4% in Q4 FY24
- **Gender Diversity:** Achieved our workplace gender diversity target for full-time employees 7 years in advance. Gender diversity for full-time employees stands at 22% (FY24: 20%)
- **Waste Utilization:** HVLT waste usage at 80%; Sustained Fly ash utilization at 100+%
- **Tree Plantation:** 2.2 million trees planted as part of commitment to plant 7 million trees by 2030
- **Women & Child Welfare:** ~7,000 Nand Ghars created for women and child welfare
- **CSR contribution:** Spent INR 66 crore in Q1 FY'25 on CSR initiatives for communities, positively touching over 16 million lives

Consolidated Financial Performance –

(In ₹ crore, except as stated)

Particulars	1Q FY2025	4Q FY2024	% Change QoQ	1Q FY2024	% Change YoY
Revenue from operations	35,239	34,937	1%	33,342	6%
Other Operating Income	525	572	(8%)	391	34%
EBITDA	10,275	8,969	15%	6,975	47%
EBITDA Margin ¹	34%	30%	13%	24%	39%
Finance cost	2,222	2,415	(8%)	2,110	5%
Investment Income	742	543	37%	506	47%
Exploration cost write off	97	111	(13%)	312	(69%)
Exchange loss - (Non operational)	(41)	(49)	(16%)	(203)	(80%)
Profit before depreciation and taxes	8,657	6,937	25%	4,856	78%
Depreciation & Amortization	2,731	2,743	(0%)	2,550	7%
Profit before exceptional items & tax	5,926	4,194	41%	2,306	157%
Exceptional Items Credit/(Expense) ²	-	(201)	-	1780	-
Profit Before Tax	5,926	3,993	48%	4,086	45%
Tax Charge	831	1,741	(52%)	778	7%
Tax on Exceptional items/ (Credit)	-	(21)	-	-	-
Profit After Taxes	5,095	2,273	124%	3,308	54%
Profit After Taxes before exceptional items	5,095	2,453	108%	1,528	233%

1. Excludes custom smelting at copper business.

2. Exceptional items Gross of Tax.

- **Revenue:**
 - 1QFY25 consolidated revenue at ₹35,239 crore, up 1% QoQ and 6% YoY driven by favorable market prices.
- **EBITDA and EBITDA Margin:**
 - 1QFY25 EBITDA increased by 15% QoQ to ₹10,275 crore mainly driven by higher output commodity prices partially offset by lower volumes.

- 1QFY25 EBITDA higher by 47% YoY on account of structural cost saving initiatives across businesses, easing of input commodity inflation, favorable output commodity prices.
- EBITDA margin¹ at 34% in 1QFY25, improved ~1000 bps YoY.
- **Depreciation & Amortization:**
 - 1QFY25 Depreciation & Amortization ₹2,731 crore flat QoQ and increased 7% YoY mainly in oil and gas and increased capitalization at Zinc India.
- **Finance Cost:**
 - 1QFY25 in line with average borrowings; lower by 8% QoQ due to one-time charges in 4QFY24.
 - 1QFY25 higher by 5% YoY in line with increase in average borrowings.
- **Investment Income:**

1QFY25 higher by 37% QoQ and 47% YoY due to increase in average investments and interest on income tax refund in 1QFY25.
- **Taxes:**

Normalized ETR for 1QFY25 is 26%[†] as compared to 32% in 4QFY24. Decrease is mainly due to change in profit mix.
- **Profit After Tax:**

1QFY25 Profit after tax at ₹ 5,095 crore, higher 124% QoQ and 54% YoY.
- **Leverage, liquidity, and credit rating:**
 - Gross debt at ₹78,016 crore as on 30th June 2024.
 - Net debt at ₹61,324 crore as on 30th June 2024. Net debt to EBITDA ratio improved to 1.5x vs at 1.9x YoY.
 - Cash and cash equivalents position remain healthy at ₹16,692 crore, increased by ₹1,271 crore QoQ. The Company follows a Board-approved investment policy and invests in high quality debt instruments with mutual funds, bonds, and fixed deposits with banks.
 - CRISIL Ratings and India Ratings have maintained the ratings of Vedanta at CRISIL AA- and IND A+ respectively in 1Q FY25 while continuing on Watch with developing implications.
 - In 1Q FY25, ICRA Ratings assigned a rating of ICRA AA- while placing the ratings on Watch with Developing Implications.

[†] Excluding Deferred tax asset (DTA) of ₹ 662 crore created for utilization of brought forward losses pursuant to ongoing reorganization of capital structure in Avanstrate Inc (ASI)

1QFY25 Awards and Recognitions -

- **Risk Management:** Double Sweep for Hindustan Zinc Limited at ICICI Lombard India Risk Management Awards - Best Risk Practice and Master of Risk in ESG
- **Safety:** Cairn India won RoSPA Gold Award 2023 for occupational health and safety by The Royal Society for the Prevention of Accidents.
- **Business Excellence:**
 - Vedanta Limited Lanjigarh received “Par excellence” award for elevated efficiency through power of ‘5S’ at 10th National Conclave On ‘5S’ by Quality Circle Forum of India
 - Hindustan Zinc received Best TQM Organisation Award at TQM India Unison 2024 Hindustan Zinc won Digital Transformation Project of the Year Award at BW CFO Finance & Strategy Awards
- **Sustainability:**
 - Vedanta Aluminium, Jharsuguda conferred with prestigious Kalinga CSR & Sustainability Excellence Award 2023 by IQEMS.
 - Vedanta Limited Lanjigarh crowned as Best National Water Efficient Unit in Co-generation Power Plant by Council for Enviro Excellence

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 August 6, 2024, 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 August 6, 2024, from 5:00 PM to 6:00 PM (IST)	Universal Dial-In	+91 22 6280 1114 +91 22 7115 8015	
	India National Toll Free	1 800 120 1221	
	International Toll Free*	Canada	01180014243444
		Hong Kong	800964448
		Japan	00531161110
Netherlands		08000229808	
Singapore		8001012045	
	UK	08081011573	
	USA	18667462133	
Online Registration Link	Click Here - Registration Link		
Call Recording	This will be available on Company website on August 7, 2024		

**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 critical minerals, energy and technology companies spanning across India, South Africa, Namibia, Liberia, UAE, Saudi Arabia, 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 electronics and display glass manufacturing. 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 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. ranked 3rd in the S&P Global Corporate Sustainability Assessment 2023, and has been listed in the Dow Jones Sustainability World Index. The company has also been 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

Vedanta Limited

Vedanta, 75, Nehru Road,
Vile Parle (East), Mumbai - 400 099
www.vedantalimited.com

Registered Office:

Regd. Office: 1st Floor, ‘C’ wing, Unit 103,
Corporate Avenue, Atul Projects,
Chakala, Andheri (East),
Mumbai – 400 093
CIN: L13209MH1965PLC291394

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:

Prerna Halwasiya, Company Secretary and Deputy Head - Investor Relations (Prerna.Halwasiya@vedanta.co.in)
Mohit Khobragade, Manager - Investor Relation (Mohit.Khobragade@vedanta.co.in)

For any media queries, please contact:

Mr. Mukul Chhatwal, Group Head – PR & Media Relations, Mukul.Chhatwal@caimindia.com