

# Vedanta Limited

**Mumbai, January 25, 2024:** Unaudited Consolidated Results for the Third Quarter and Nine Months ended 31<sup>st</sup> December 2023.

**PAT up 112% QoQ<sup>1</sup>**

(before exceptional items)

**₹2,868 crore**

**Highest ever 3Q**

**Revenue**

**₹34,968 crore**

**EBITDA up 21%**

**QoQ<sup>1</sup>**

**₹8,677 crore**

## Financial Highlights

Performance Surge: Accelerated metrics, Strong growth

- Highest ever 3Q consolidated Revenue of ₹34,968 crore, up 4%QoQ<sup>1</sup> and 4%YoY.
- Consolidated quarterly EBITDA of ₹8,677 crore, up 21%QoQ<sup>1</sup> and 22%YoY.
- **EBITDA margin<sup>2</sup> of 29% up 438 bps QoQ<sup>1</sup> and 507 bps YoY.**
- PAT before exceptional items of ₹2,868 crore, up 112%QoQ<sup>1</sup> and 8%YoY.
- Generated strong free cash flow (pre capex) of ₹4,306 crore in 3QFY24.
- Strong double-digit return on capital employed ~23% up 140bps QoQ.
- Successful Liability Management exercise at Holdco resulted in structural improvement in capital structure.
- Dividend of ₹4,089 crore paid in 3Q.

## Operational Highlights

Powerful Momentum: Amplified production, Streamlined costs across businesses.

- **Aluminium**
  - Highest ever Quarterly Aluminium Production at 599kt up 6%YoY and 1%QoQ.
  - Highest ever 9M Aluminium Production at 1,772kt up 3%YoY.
  - Quarterly Aluminium CoP down 19%YoY and 4%QoQ. ~ \$900/t reduction in last 6 quarters.
  - Quarterly Lanjigarh Alumina CoP at \$323/t, lower 8%YoY and 1%QoQ.
- **Zinc India**
  - Highest ever 9M mined metal at 780kt and silver production at 556 tonnes.
  - Quarterly Silver production increased by 22%YoY, to leverage elevated silver prices.

<sup>1</sup> QoQ comparatives exclude impact of one-time claim arbitration gain in 2QFY24.

<sup>2</sup> EBITDA margin excludes custom smelting at Copper Business.

- Quarterly cost reduction of 15%YoY and 4%QoQ driven by strong volume and commercial efficiency.
- Lowest Zinc CoP in last 10 quarters, led by four consecutive quarters of cost reduction.
- **Zinc International**
  - 9M mined metal production stood at 175kt with 126kt production at Gamsberg.
  - Highest recovery achieved at Gamsberg in Oct'23 at 82.3%.
  - Reinitiated 700ktpa Magnetite project to create value from waste by recovering iron ore from tailings.
- **Oil and Gas**
  - India's first Field Development Plan under OALP regime submitted for Jaya field, Gujarat. Production commenced with initial plan to deliver > 2kboepd.
  - 9MFY24 average gross operated production stood at 131kboepd.
- **Iron ore**
  - Karnataka ore sales increased 43%YoY and 11%QoQ to 1.6mn tonnes.
  - Highest ever 9M Pig Iron production, increased 24%YoY to 633kt.
- **Steel**
  - Highest ever 9M saleable production at 1,043kt, up 16%YoY in line with capacity expansion through debottlenecking.
  - Quarterly saleable production increased 11%YoY to 341kt.
  - Quarterly Cost of sales decreased 14%YoY driven by operational efficiency and higher production.
- **Facor**
  - Chrome Ore production increased 3%YoY and 278%QoQ to 66kt in line with improved operational efficiency.
  - Ferro chrome production up 15%YoY to 22kt in line with new capacity addition.
- **Copper India:**
  - Cathode production at 43kt, up 27%YoY and 23%QoQ driven by improvement in operational efficiencies and raw material supply chain management.

## **ESG Highlights**

ESG Excellence: Leading with Sustainable Impact

- Vedanta Limited ranked 3<sup>rd</sup> in S&P Global Corporate Sustainability Assessment (CSA) in Metal and Mining Industry Group among 238 companies. Our subsidiary Hindustan Zinc topped the index.
- HZL inaugurated 6 LNG vehicles as part of MoU signed for 180 LNG vehicles; Expected to drive GHG reduction by ~2000 tons of CO<sub>2</sub>.

- VAL-J improved water recycling rate to 14%.
- HZL flagged off 10 EV trucks, each with a capacity of 55MT, at Rampura Agucha Mine.
- Achieved 100% ash utilization in Aluminium business.
- Achieved 2.1 mn tree plantation across Vedanta. Progressing well in our commitment to plant 7mn trees.

**Mr Arun Misra, Executive Director, Vedanta, said** “I am pleased to share that we have delivered the quarter of highest ever 3Q Revenue ₹34,968 crore, up 4%YoY. Our strategic focus on substantial cost compression, paralleled by an impressive production ramp-up across businesses has helped us to deliver remarkable performance. Aluminium and zinc continued to set new benchmarks with highest-ever nine months production and placed in the 1<sup>st</sup> quartile cost position of global Aluminium and in the first decile of Global Zinc mining cost curves, respectively. I am elated to share that Vedanta has been ranked 3rd in **S&P Global Corporate Sustainability Assessment 2023**, amongst 238 global peers whereas HZL has been ranked 1st. We are very focussed and confident to achieve significant milestones with the various debottlenecking projects going on across all our businesses. With our unwavering commitment to operational excellence and strong ESG practices, we are optimistic to remain well positioned to navigate challenges and seize opportunities.”

**Mr Ajay Goel, Chief Financial Officer, Vedanta, said** “With our consistent focus on operational excellence, Vedanta delivered exemplary financial performance with EBITDA of ₹8,677 crore and PAT before exceptional items of ₹ 2,868 crore. These represents a superlative increase of 21%QoQ<sup>1</sup> and 112%QoQ<sup>1</sup> respectively. Our continuous strategic cost optimization resulted in a remarkable 438 bps margin expansion. We are committed to rewarding our shareholders with attractive returns and have announced dividend of ₹ 11/share amounting ₹ 4,089 crore during the quarter. Our five-year average dividend yield stands 10 times higher than Nifty 50 companies. With a balanced capital structure through successful liabilities management at Holdco, Vedanta has a stronger balance sheet and will remain committed towards deleveraging and value creation.”

## **Consolidated Financial Performance**

(In ₹ crore, except as stated)

Particulars	Q3	Q2	% Change	Q3	% Change
	FY2024	FY2024		FY2023	
<b>Net Sales/Income from operations</b>	<b>34,968</b>	<b>33,738<sup>1</sup></b>	<b>4%</b>	<b>33,691</b>	<b>4%</b>
Other Operating Income	573	399	44%	411	39%
<b>EBITDA</b>	<b>8,677</b>	<b>7,197<sup>1</sup></b>	<b>21%</b>	<b>7,100</b>	<b>22%</b>
EBITDA Margin <sup>2</sup>	29%	25% <sup>1</sup>	-	24%	-
Finance cost	2,417	2,523	(4%)	1,572	54%
Investment Income	724	566	28%	679	7%
Exploration cost write off	92	270	(66%)	130	(29%)
Exchange gain/(loss) (Non-operational)	1	(11)	-	134	(99%)
Depreciation & Amortization	2,788	2,642	6%	2,720	2%
Tax Charge/ (Credit) other than exceptional	1,237	962 <sup>1</sup>	29%	839	47%
<b>PAT before exceptional items</b>	<b>2,868</b>	<b>1,355<sup>1</sup></b>	<b>112%</b>	<b>2,652</b>	<b>8%</b>

<sup>1</sup> QoQ comparatives excludes impact of one-time Cairn arbitration gain in 2QFY24.

<sup>2</sup> Excludes custom smelting at Copper business.

## ▪ Revenue

- 3QFY24 Revenue at ₹34,968 crore, up 4% QoQ<sup>1</sup>, driven by higher sales volume, favorable output commodity prices and favorable movement in exchange rate.
- 3QFY24 Revenue at ₹34,968 crore, up 4% YoY, driven by higher sales volume, premia and favorable movement in exchange rate which is partially offset by decrease in commodity prices.

## ▪ EBITDA and EBITDA Margin

- 3QFY24 EBITDA at ₹8,677 crore up 21% QoQ<sup>1</sup>, driven by improved operational performance, favorable forex impact and higher output commodity prices.
- 3QFY24 EBITDA at ₹8,677 crore up 22% YoY, driven by softening of input commodity prices, improved cost of production, higher premia and favorable forex movement which is partially offset by decrease in output commodity prices.

## ▪ Depreciation & Amortization

- Increased by 6% QoQ and 2% YoY mainly on account of capitalization at HZL.

## ▪ Finance Cost

- 3QFY24 Finance cost was at ₹2,417 crore, down 4% QoQ on account of one-time expenses in 2QFY24 which is partially offset by increase in average cost of borrowings in 3QFY24.

## ▪ Investment Income

- Investment income for 3QFY24 was at ₹724 crore, up 28% QoQ mainly due to one-time gain in 3QFY24 from sale of long-term investment.
- Investment Income, up 7% YoY mainly due to one-time gain from sale of long-term investment which is partially set off by decrease in average investments.

## ▪ Taxes

- Normalized ETR for 3QFY24 is 30%.

## ▪ PAT before exceptional items

- 3QFY24 PAT (before exceptional) is at ₹2,868 crore, up 112% QoQ<sup>1</sup>.

## ▪ Leverage and liquidity

- Gross debt stood at ₹75,227 crore as on 31<sup>st</sup> Dec'23
- Net debt was ₹62,493 crore as on 31<sup>st</sup> Dec'23; Net debt to EBITDA ratio at 1.70x.
- Cash and cash equivalents position remains healthy at ₹12,734 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.

<sup>1</sup> QoQ comparatives exclude impact of one-time claim arbitration gain in 2QFY24.

## **Key Recognitions –**

Vedanta has consistently received various awards and accolades. Few recognitions received during 3QFY24 are:

- VAL – Jharsuguda was awarded with Best energy efficient units in 'National Awards for Energy Efficiency' in 135+ MW and 50-135 MW categories respectively.
- BALCO was awarded with exemplary performance at Chapter Conventions on Quality Concepts (CCQC).
- BALCO was awarded with 'CSRBOX Award' for company with best CSR impact.
- VAL-Jharsuguda was awarded with Frost & Sullivan Awards for 'Future Ready Factory of the year' among mega large businesses.
- VAL-Jharsuguda was awarded 'Kalinga Safety Excellence' by Institute of Quality & Environment Management Services.
- VAL-Lanjigarh was awarded with 'Odisha State Energy Conservation Award 2023' by Bureau of Energy Efficiency.
- Cairn India was awarded with "Award for Best Practices in Waste Management" in Northern Region Green Practices Award for Industries by Confederation of Indian Industry (CII).
- Cairn India was awarded with Platinum award in FICCI 10<sup>th</sup> Safety Systems Excellence award 2023.
- HZL won '6 Gold Awards at QCFI' at Rudrapur Chapter for Allied Concepts & Kaizen category and Quality Circle by Quality Circle Forum of India.
- ESL Steel won 'Gender Equality and Women Empowerment Initiatives' at the 10th CSR India Awards.
- ESL Steel won the title of 'The Disruptor' at the SAP Ace Awards organized by SAP India.

## **Results Conference Call –**

Please note that the results presentation is available in the Investor Relations section of the company website [Vedanta Limited | Investor Relations | Results and Reports](#)

Following the announcement, a conference call is scheduled at 4:45 PM (IST) on 25<sup>th</sup> January 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 January 25, 2024, from 4:45 to 5:45 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	1180014243444
		Hong Kong	800964448
		Japan	531161110
		Netherlands	8000229808
		Singapore	8001012045
		UK	8081011573
	USA	18667462133	
Online Registration Link	<a href="#">Click Here - Registration Link</a>		
Call Recording	Will be available on Company website on January 26, 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 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. 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](http://www.vedantalimited.com)**

#### **Vedanta Limited**

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**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 than 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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