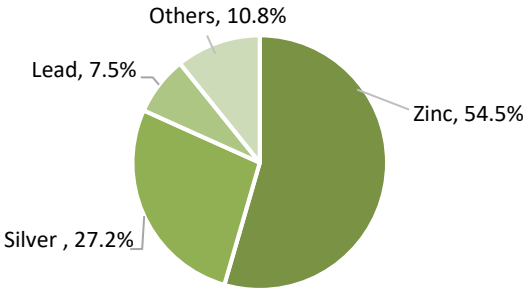
HINDUSTAN ZINC LTD – Q2FY27 RESULT UPDATE

Oct 23, 2026

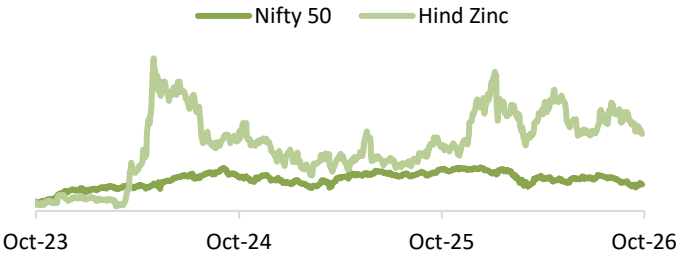
COMPANY DETAILS	
NSE Details	**Particulars**
Symbol	HINDZINC
Market Cap (₹ Cr)	2,18,871.52
CMP (₹) (22-10-2026)	518.00
Face Value (₹)	2.00
52W High/Low (₹)	733.00/453.50
P/E	15.8x
Recommendation	**BUY**
Target Price	**725**
Initiating Coverage	May 11, 2026
Q1FY27 Result Update	July 27,2026

SHAREHOLDING PATTERN				
Category	Dec-25	Mar-26	Jun-26	Sep-26
Promoters	61.84%	60.71%	60.71%	60.71%
FIIs	1.54%	2.39%	2.20%	2.37%
DIIs	4.68%	4.84%	4.96%	4.84%
Government	27.92%	27.92%	27.92%	27.92%
Public	4.01%	4.12%	4.21%	4.15%

Revenue Mix – Q2FY27



Stock Performance vs Nifty



Live Chart

Q2FY27 Business Performance Overview

Hindustan Zinc delivered a record performance in Q2FY27, driven by higher metal production, favourable realisations and lower costs. Mined metal production rose 5% YoY and 1% QoQ to 271 KT, while refined metal production increased 7% YoY and 2% QoQ to a record 264 KT. Silver production grew 20% YoY and 16% QoQ to 173 tonnes. Revenue from operations increased 77% YoY and 10% QoQ to ₹15,093 crore, supported by higher metal prices, increased production, stronger by-product realisations and a favourable US dollar. Zinc cost of production (excluding royalty) declined 29% YoY and 17% QoQ to $703/tonne, reflecting improved mined grades, higher output and better by-product realisations. Consequently, EBITDA margins expanded to 61% from 52% in Q2FY26 and 59% in Q1FY27. Net profit rose 142% YoY and 17% QoQ to ₹6,412 crore, while free cash flow before growth capex stood at ₹6,389 crore. The company maintained a strong liquidity position, with gross investments and cash of ₹17,439 crore against borrowings of ₹6,171 crore as of September 30, 2026, alongside its AAA credit rating from CRISIL.

On the expansion front, Hindustan Zinc is progressing with its 250 KTPA refined zinc capacity expansion at Debari, targeted for completion in Q2FY29, and its zinc tailings reprocessing plant, targeted for Q4FY28. Overall, the quarter reflected strong operating leverage and favourable metal-market conditions; however, sustaining this performance will depend on metal prices, realisations and the company's ability to maintain lower production costs.

VALUATIONS

At the CMP of ₹518, the stock is trading at FY26 PE of 15.8x. The current valuation of 12.9x FY27e and 11.8x FY28e EPS look attractive. On 30 April 2026, we had recommended **ACCUMULATE** the stock in the **₹565–₹585** range for a target price of ₹725, with a 12–15 month investment horizon, implying an expected upside of 24%–28%.

Since our recommendation, the stock has delivered a strong performance and touched a high of ₹678.25. We had advised short-term investors to book profits at ₹653. Long-term investors are advised to stay invested for our final target of ₹725.

In ₹ Crore	Reported Financials				Estimated Financials	
Particulars	**FY2024**	**FY2025**	**FY2026**	**Q2FY27**	**FY2027**	**FY2028**
Revenue	28,932	34,083	40,844	15,093	49,973	54,275
YoY Growth in Revenue	-15%	18%	20%	77%	22%	9%
EBITDA	13,656	17,388	22,064	9,248	28,376	30,518
YoY Growth in EBITDA	-22%	27%	27%	108%	29%	8%
EBITDA Margin	47%	51%	54%	61%	57%	56%
Profit After Tax (PAT)	6,840	10,353	13,832	6,412	17,008	18,530
YoY Growth in PAT	-35%	51%	34%	142%	23%	9%
PAT Margin	24%	30%	34%	42%	34%	34%
EPS	18.36	24.50	32.74	15.18	40.25	43.86
YoY EPS Growth	-26%	33%	34%	142%	23%	9%

Q2FY27 Key Takeaways

1. Operational Performance & Guidance

- **Record production:** Mined metal production increased 5% YoY and 1% QoQ to 271 KT, while refined metal production rose 7% YoY and 2% QoQ to a record 264 KT. Silver production grew 20% YoY and 16% QoQ to 173 tonnes.
- **Strong financial performance:** Revenue rose 77% YoY and 10% QoQ to ₹15,093 crore, while EBITDA increased 108% YoY and 15% QoQ to ₹9,248 crore. EBITDA margin expanded to 61% from 52% in Q2FY26 and 59% in Q1FY27. Net profit grew 142% YoY and 17% QoQ to ₹6,412 crore.
- **Cost guidance revised downward**: Zinc cost of production (excluding royalty) declined 29% YoY and 17% QoQ to US$703/tonne. **Management reduced FY27 cost guidance from $975–1,000/tonne to $825–850/tonne**, supported by better mined grades, higher production, renewable power consumption and stronger by-product realisations. Geopolitical cost pressures of approximately $50/tonne remain a partial offset.
- **Silver outlook:** Silver contributed approximately 45% of first-half profitability. **Management remains confident of achieving FY27 production guidance of 680 tonnes and indicated potential to reach 730–750 tonnes in FY28**, subject to finalising debottlenecking plans.
- **Market outlook and hedging:** Management expects zinc markets to remain tight, with an estimated 180 KT global deficit in 2026. Partial zinc hedges cover 40 KT in Q3FY27 and 36 KT in Q4FY27.

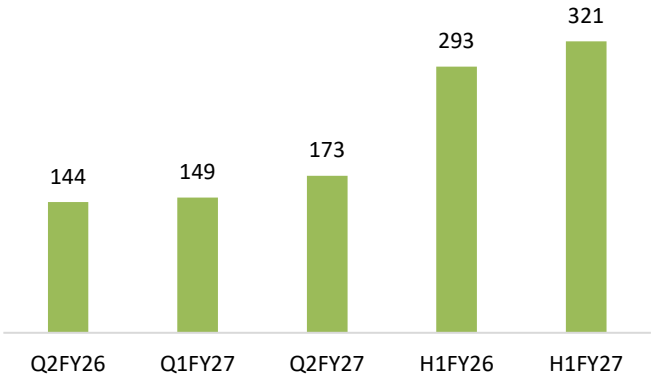
2. Growth Projects

- **Refined zinc capacity expansion:** The company is expanding capacity from 1.1 MTPA to 1.4 MTPA at Debari, involving approved investment of approximately ₹12,000 crore, with completion targeted for Q2FY29. Engineering and procurement milestones are largely achieved, while mine development is progressing.
- **Zinc tailings reprocessing plant:** The 10 MTPA project, with approved investment of ₹3,823 crore, is targeted for completion in Q4FY28. It is expected to recover value from tailings and improve resource utilisation.
- **Critical minerals diversification:** Hindustan Zinc is pursuing opportunities in tungsten, potash and rare earth elements. Most projects remain at the exploration or licensing stage, with exploration for three blocks expected to conclude in Q3FY29.
- **Technology and sustainability:** The company is advancing AI-led process optimisation, predictive maintenance and automation. Renewable energy accounted for 27% of total power consumption during Q2FY27, with management targeting 35% in subsequent quarters.

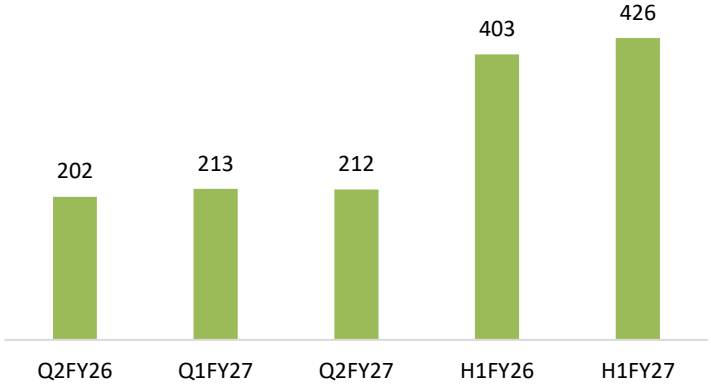
3. Capital Allocation & Balance Sheet

- **Strong cash generation:** Free cash flow before growth capex stood at ₹6,389 crore in Q2FY27 and ₹11,642 crore in 1HFY27.
- **Capex guidance maintained:** Q2FY27 capex included approximately ₹1,200 crore of sustaining capex and ₹700 crore of growth capex. Full-year capex guidance remains around ₹5,000 crore, with spending expected to increase in the second half.

Saleable Silver Production (in tonnes)



Refined Zinc Production ('000 tonnes)



Source: JRK Research, Company Reports

FINANCIAL STATEMENTS

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th September 2026 (in ₹ Crores)

Particulars	Q2FY27	Q1FY27	QoQ	Q2FY26	YoY
Sales	15,093	13,747	10%	8,549	77%
Expenses	5,845	5,697	3%	4,104	42%
EBITDA	**9,248**	**8,050**	15%	**4,445**	108%
EBITDA %	**61%**	**59%**	**200 bps**	**52%**	**900 bps**
Other Income	374	316	18%	238	57%
Interest	88	132	**-33%**	259	**-66%**
Depreciation	962	920	5%	882	9%
Profit before tax	8,572	7,314	**17%**	3,542	**142%**
Tax %	25%	25%	-3 bps	25%	-1 bps
Net Profit	**6,412**	**5,469**	**17%**	**2,649**	**142%**
Net Profit Margin	**42%**	**40%**	**270 bps**	**31%**	**1,150 bps**
EPS in Rs	15.18	12.94	17%	6.27	142%

STATEMENT OF CONSOLIDATED PROFIT & LOSS (in ₹ Crores)

Particulars	FY22	FY23	FY24	FY25	FY26
Revenue from Operations	28,790	33,272	28,082	33,041	39,192
Other Operating Revenue	650	826	850	1,042	1,652
Total Revenue from Operations	**29,440**	**34,098**	**28,932**	**34,083**	**40,844**
Revenue from Operations YoY Growth	30%	16%	-15%	18%	20%
Change in inventories	-278	-143	-157	-64	-195
Employee benefits expense	718	845	828	886	771
Power and fuel	2,452	3,711	2,843	2,702	2,553
Mining Royalty	3,667	4,068	3,517	4,103	4,948
Other expenses	6,656	8,111	8,245	9,068	10,703
Total Operating Expenses	**13,215**	**16,592**	**15,276**	**16,695**	**18,780**
Total Operating Expenses YoY Growth	21%	26%	-8%	9%	12%
Operating Expenses as a % of Sales	44.90%	48.70%	52.80%	49.00%	48.00%
EBITDA	**16,225**	**17,506**	**13,656**	**17,388**	**22,064**
EBITDA YoY Growth	39%	8%	-22%	27%	27%
EBITDA Margin	55%	51%	47%	51%	54%
Depreciation and amortization expense	2,917	3,264	3,468	3,640	3,790
Depreciation and amortization Growth	15%	12%	6.30%	5.00%	4.10%
Depreciation as a % of Sales	10%	10%	12%	11%	9%
EBIT	**13,308**	**14,242**	**10,188**	**13,748**	**18,274**
EBIT Margin	**45%**	**42%**	**35%**	**40%**	**45%**
Finance costs	290	333	955	1,095	881
Finance Cost as a % of Sales	1%	1%	3%	3.20%	2.20%
Other income	1,216	1,379	1,074	983	1090
Exceptional Items	-134	0	0	-83	25
Profit Before Tax	**14,100**	**15,288**	**10,307**	**13,553**	**18,508**
Current tax	2,445	3,431	3,468	3,226	4599
Deferred tax (credit)	2,026	1,346	-1	-26	77
Total Tax Expenses	4,471	4,777	3,467	3,200	4,676
Tax %	34%	34%	34%	23%	26%
Profit after Tax	**9,629**	**10,511**	**6,840**	**10,353**	**13,832**
PAT YoY Growth	21%	9%	-35%	51%	34%
PAT Margin	33%	31%	24%	30%	34%
Basic EPS	22.79	24.88	18.36	24.5	32.74
Diluted EPS	22.79	24.88	18.36	24.5	32.74
EPS Growth	21%	9%	-26%	33%	34%

STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES (in ₹ Crores)

Particulars	FY22	FY23	FY24	FY25	FY26
ASSETS	**44,670**	**35,467**	**33,895**	**34,490**	**42,370**
Property, Plant and Equipment	17,165	17,530	17,971	18,485	19,846
Capital Work in Progress	2,075	2,237	1,696	2,606	3,409
Other Non-Current Assets	**1,448**	**896**	**1,603**	**1,773**	**2,515**
Intangible Assets	231	92	180	123	91
Financial Assets	58	369	709	919	1,186
Non-Current Tax Assets (Net)	884	145	145	140	135
Other Non-Current Asset	275	290	569	591	1,103
Current Assets	**23,982**	**14,804**	**12,625**	**11,626**	**16,600**
EQUITY AND LIABILITIES	**44,670**	**35,467**	**33,895**	**34,490**	**42,370**
Share Capital	845	845	845	845	845
Other Equity/ Reserve	33,436	12,087	14,350	12,481	21,784
Total Equity	**34,281**	**12,932**	**15,195**	**13,326**	**22,629**
Non-Current Liabilities	**4,295**	**5,082**	**7,859**	**9,965**	**8,467**
Current Liabilities	**6,094**	**17,453**	**10,841**	**11,199**	**11,274**
Financial Liabilities (Current)	4,946	15,176	8,217	9,289	9,817
Current Tax Liabilities (Net)	256	564	477	312	386
Other Current Liabilities	860	1,687	2,126	1,579	1,039
Short Term Provisions	-	-	21	19	32
Total Liabilities	**10,389**	**22,535**	**18,700**	**21,164**	**19,741**

RATIO ANALYSIS

Particulars	FY22	FY23	FY24	FY25	FY26
Profitability Ratios					
EBITDA Margin	55%	51%	47%	51%	54%
Net Profit Margin	33%	31%	24%	30%	34%
ROE	28%	45%	55%	73%	77%
ROCE	35%	46%	42%	58%	67%
Liquidity/Solvency Ratio					
Current Ratio (x)	3.94	0.85	1.16	1.04	1.47
Debt-Equity Ratio (x)	0.08	0.92	0.56	0.8	0.37
Working Capital Ratios					
Receivable Days	9	4	2	1	3.59
Inventory Days	24	20	24	20	19
Payable Days	25	22	27	24	30
Cash Conversion Days	8	2	0	-2	-7
Valuation Ratios					
PE (x)	13.6	11.7	15.9	18.8	15.3
EV/EBITDA (x)	7.9	7.2	9.6	11.7	9.9
Market Cap/Sales (x)	4.4	3.6	4.2	5.7	5.1

Source: JRK Research, Annual Report, Company Reports, Screener

JRK Stock Broking Private Limited
Research Analyst Registration Number: INH300008881
SEBI Registration No.: INZ000194836
Registered Office Address: PS Arcadia Central, Office No. 8A, 8th Floor, 4A, Abanindra Nath Thakur Sarani, Camac Street, Kolkata – 700017, West Bengal.
Compliance Officer: Arpita Kedia Contact No.: 033-4017-4777; Email: info@jrkgroup.in

***JRK Research Desk POC**:*
***Mr. Sanjeev Jain**, Head of Research; Email: sanjeev.jain@jrkgroup.in*
***Ms. Khushi Agarwal**, Research Analyst; Email: khushi.agarwal@jrkgroup.in*
***Ms. Smriti Agarwal**, Research Analyst; Email: smriti.agarwal@jrkgroup.in*

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Sources:
JRK Research, Company RHP, SEBI, Screener, Financial Websites.