12th May 2026

Hindustan Zinc Ltd.

BSE: 500188 | NSE: HINDZINC

Recommendation	Time Period	Current Price	Target Price	Potential Upside
BUY	**12 months**	**648/-**	**745/-**	**15.0%**

Hindustan Zinc Ltd (HZINC) a part of the Vedanta Group, is the world's largest integrated zinc producer and is amongst the top 5 silver producers globally. The company supplies to more than 40 countries and holds a market share of about 77% of the domestic primary zinc market.

Key Investment Rationale:

- **FY27 Guidance:** a) Mined metal production: 1,150 kt (+/- 10 kt), b) Refined metal production: 1,100 kt (+/- 10 kt), c) Saleable silver production: 680 MT (+/- 10 MT), d) Zinc CoP (per MT): USD 975 – 1,000, e) Growth Capex of ~USD 500 – 600 mn. Renewable energy mix stood at 18% for FY26, and is guided to reach 30%-35% for FY27, and improve towards 70% by FY28. At 70%, the RE mix is expected to deliver annual savings of ~Rs 250 to 300 cr ($20-25 per tonne).

- **Favourable Macro Scenario:** The government's push on infrastructure is driving robust steel demand which is expected to reach 300 million tonnes (mnt) by CY30, which would require ~2 mnt of demand for Zinc and Lead in India itself. This positions HZINC to be a key beneficiary given it is the world's largest integrated producer of zinc.

- **Critical Minerals push:** The company has secured 3 critical mineral blocks - **(i) Tungsten, Andhra Pradesh:** Composite license received, Exploration started in 4QFY26. Exploration timeline: Sep'28, Mining timeline: Sep'30. **(ii) Potash, Rajasthan:** LoI received. Exploration timeline: Dec'28, Mining timeline: Apr'30. **(iii) REEs, Uttar Pradesh:** LoI received. Exploration timeline: Dec'28, Mining timeline: Jun'30.

- **Record financial performance in 4QFY26:** During 4QFY26, the company reported its consolidated Revenue/EBITDA/PAT at Rs 13,544 cr/Rs 7,706 cr/Rs 5,033 cr growing in at 49.0%/59.9%/67.6% YoY respectively. EBITDA margins expanded ~390 bps to 56.9% vs 53.0% YoY led by lowest-ever Zinc CoP since underground transition. Silver production stood at 176 MT, flat YoY. For FY26, Silver contributed 45% to the overall profitability.

- **Attractive Valuation:** At the CMP of Rs 648, the stock trades at FY27E/FY28E Bloomberg consensus EV/EBITDA multiple of 10.0x/9.6x respectively.

Key risks: Unfavourable changes in Zinc & Silver prices; Delay in capacity expansion

SBI Securities
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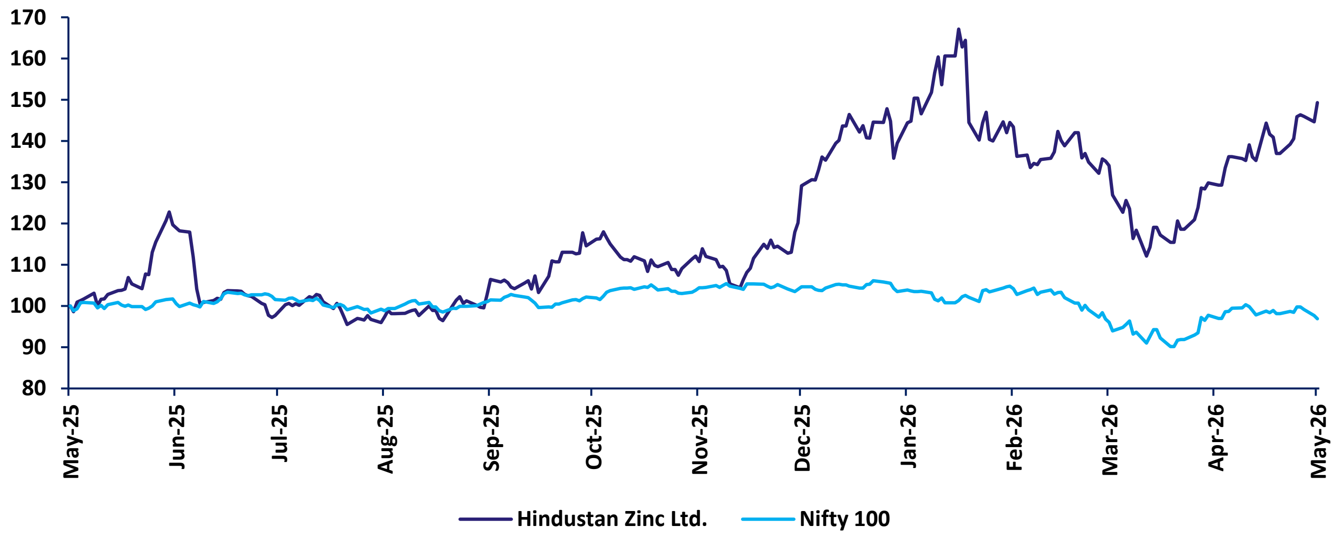
Financial Summary

Particulars (Rs cr)	FY25A	FY26A	FY27E	FY28E
Net Sales	34,083	40,844	46,842	48,805
EBITDA	17,431	22,064	27,011	28,119
Net Profit	10,401	13,813	17,420	18,191
EBITDA Margin (%)	51.1	54.0	57.7	57.6
EPS (Rs)	24.5	32.7	41.1	42.9
RoE (%)	78.3	61.5	68.9	57.4
P/E (x)	26.3	19.8	15.8	15.1
EV/EBITDA (x)	16.2	12.8	10.0	9.6

Source: Bloomberg Estimates

Stock Performance (since listing) – Indexed to 100



Source: Ace equity, SSL Research

Recommendation History

Date	Stock Price (Rs)	Target Price (Rs)	Recommendation	Status
-	-	-	-	-

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