

Ref. No.: Sec/65/2024-25

July 31, 2024

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 Scrip Code: 543334 Scrip ID: NUVOCO	National Stock Exchange of India Limited Exchange Plaza, C–1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Trading Symbol: NUVOCO
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Dear Sir/Madam,

Sub: Investor and Analyst Conference Call presentation for the quarter ended June 30, 2024

In furtherance of our letter no. Sec/60/2024-25 dated July 23, 2024 giving intimation of the Investor and Analyst Conference Call, please find enclosed the investor presentation on the performance of the Company for the quarter ended June 30, 2024, to be presented to Investors and Analysts on Thursday, August 1, 2024.

The presentation is also being made available on the Company's website at www.nuvoco.com.

We request you to take the above on record.

Thanking you,

Yours faithfully,
For **Nuvoco Vistas Corporation Limited**

Shruta Sanghavi
SVP and Company Secretary



Encl: a/a



Investor Presentation

First quarter ended June 30, 2024
July 31, 2024



Safe harbour clause



Statements in this 'presentation' describing the Company's objectives, estimates, expectations or predictions may be "forward looking statements". Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in governmental regulations, tax regimes, economic developments within India and other factors such as litigation and labor negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement, due to any subsequent development, information or events, or otherwise.

Company overview





Nuvoco – A major player in building materials space



- ✓ 5th largest cement group in India and leading player in East India
- ✓ Installed cement capacity of 25 MMT¹ and 56 Ready-Mix Concrete plants
- ✓ Diverse product portfolio under Modern Building Materials
- ✓ Market leading brands with significant market share, reputation and brand recall
- ✓ Focused on retail with major revenue driven by a robust distribution network
- ✓ Strategically located production facilities in close proximity to raw materials and key markets



Vision

Building a Safer, Smarter and Sustainable World



Mission

Leading Building Material Company Delivering Superior Performance



Note: 1. MMT - Million metric tons





Q1 FY25 consolidated performance at a glance

Value optimization and cost efficiency in focus amidst benign demand environment



4.8 MMT¹

Cement sales volume



₹ 2,636 Cr.

Revenue



₹ 348 Cr.

EBITDA

Other key highlights

- ✓ Trade share at 73%, with premiumisation reaching a record high of 40% of trade volumes
- ✓ Blended fuel cost of ₹ 1.57/ Mcal - lowest in the last 11 quarters
- ✓ Cost savings target under Project Bridge 2.0 on track
- ✓ Successfully implemented SAP upgradation process in line with the digital transformation journey, a key strategic priority set for FY25



Note: 1. MMT - Million metric tons





Our key priorities for FY25 remain unchanged

Strategies



Revenue

- ✓ Improve realisation per ton by focusing on premiumisation
- ✓ Increase footprint in the North, Central and West markets
- ✓ Geo optimization with specific focus on home markets ¹



Profitability

- ✓ Optimization of fuel mix
- ✓ Enhance operational efficiency & cost savings through Project BRIDGE 2.0



Process

- ✓ SAP upgradation (*implemented in Q1 FY25*)
- ✓ Launch customer portal & simplify order management system
- ✓ Initiate Artificial Intelligence across functions



Culture

- ✓ Promote customer centric culture
- ✓ Foster competencies to nurture talent & develop leadership pipeline via function wide academies



Note: 1. ~200 kms from plants



Economy and Industry





Macro indicators signal stable economic outlook



Imported petcoke prices at ~US\$ 108/t¹ at the end of Q1 FY25



Coal prices stable at ~₹ 3,400/t² at the end of Q1 FY25



₹/\$ broadly stable QoQ at ~ ₹ 83 in Q1 FY25



Manufacturing PMI at 58.3 in Jun'24. PMI > 50 consecutively for 36 months, indicating expansion in the sector



CPI inflation within tolerance range of 2-6% for the 10th consecutive month at 5.08% in Jun'24. Projected to remain at 4.5% in FY25



Source: Reserve Bank of India, Mospi, Coal India

Note: 1. Spot price as per Argus; 2. Domestic coal representative prices provided by Coal India for G7 grade



Long term demand drivers in place



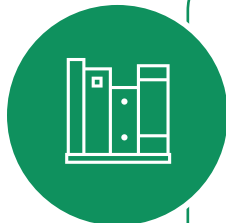
~68 lakh houses under PMAY yet to be constructed including ~25 lakh houses in East¹. Of this, 14.3 lakh houses is in West Bengal

Under Sagarmala Programme, 217 projects worth ₹ 1.63 lakh Cr. are under implementation and 360 projects worth ₹ 2.74 lakh Cr. are under development



~19,000 kms of roads under Bharatmala Pariyojana Phase 1 yet to be constructed including ~3,500 kms in East¹

508 kms Mumbai-Ahmedabad bullet train corridor is under construction. Further, ~ 8,300 kms of high-speed rail lines proposed for various routes



11 industrial corridors are targeted to be completed by 2025 under the National Industrial Corridor Development Programme, out of which 3 corridors² to cover eastern region

Ease in funding as Centre released ₹ 1.4 lakh Cr. in June'24 as tax devolution to states. Bihar (10%) & West Bengal (8%) amongst the top states receiving largest share of the funds



Note: 1. Includes Bihar, Chhattisgarh, Jharkhand, Odisha, West Bengal;

2. Amritsar Kolkata Industrial Corridor, East Coast Industrial Corridor & Odisha Economic Corridor

Sources: Government websites, news articles





Union Budget 2024-25 sets the momentum



- > 3 Cr. additional houses under the PMAY in rural and urban areas



- > Highway projects capital allocation increased to ₹ 2.72 lakh Cr. (Bihar allocated ₹ 26,000 Cr.)



- > Highest-ever outlay for Railways at ₹ 2.4 lakh Cr.



- > Outlay for metro projects increased to ₹ 24,786 Cr.



- > Development of industrial parks with complete infrastructure in ~100 cities



- > All round development including infrastructure in East under Purvodaya mission



~ ₹ 11.11 lakh Cr. infrastructure investment budgeted by Central Government in FY25



Source: Union budget announcement 2024-25



Business update



Railway siding projects nearing completion

Sonadih



Odisha



Projects at an advanced stage of completion,
Sonadih expected by Q2 FY25 and Odisha by Q3 FY25





RMX and MBM offers additional avenues for growth



Ready-Mix Concrete (RMX)

- ✓ Currently, 56 plants across India
- ✓ New products launched:
 1. **Concreto UNO Concrete**, India's first-ever hydrophobic concrete which repels water
 2. **Ecodure Thermal Insulated Concrete**, an eco-friendly product which keeps spaces cooler



Modern Building Materials (MBM)

- ✓ Tile adhesive continue to witness sales improvement
- ✓ Non cement channel witnessing growth



Sustainability and CSR



Sustainability – a key thrust area



Specific CO₂ emissions at **457¹ kg /t** of cementitious materials

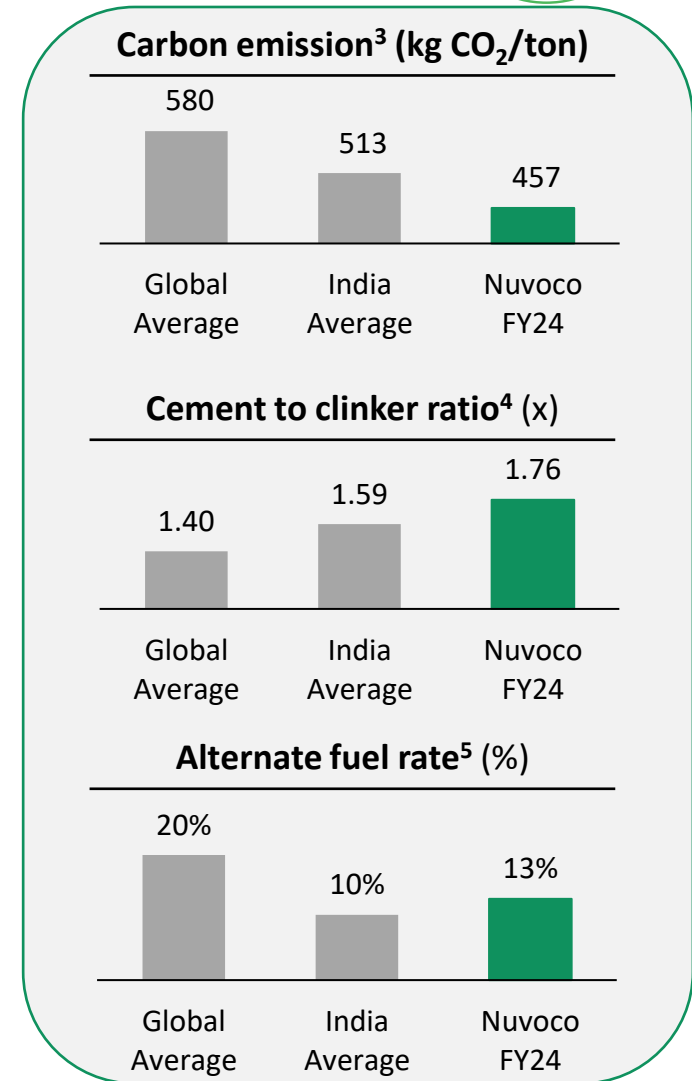
65,000+ tons of waste utilized as fuel in plants under circular economy initiative

1% YoY reduction in freshwater consumption²

Planted **16,000+ saplings** in Q1 FY25

Nuvoco Awarded as the **“Fastest Decarbonising Cement Company of the year”** at SuryaCon Kolkata Conference underscoring our commitment to sustainability and environmental stewardship in the cement manufacturing sector

PROTECT OUR PLANET (POP) as Sustainability Agenda



Note: 1. FY24 Audited figure; CO₂ per ton of cementitious materials
 2. Consumption in litre per ton of cement

3. Global average - IEA (CY22), India average - average of top 4 Indian peer Group
 4. Global average - IEA (CY22), India average - average of top 4 Indian peer Group
 5. Global average - GCCA (CY21), India average - average of top 4 Indian peer Group



Social initiatives and community engagement

140+ members trained under “Nuvo-Mason” - a masonry skill development program

Extended support for education of 100+ children from tribal families

Healthcare support provided to 1,000+ pregnant women across plants

Pond deepening in 5 villages harvesting more than 17,000 cubic meter of water



**SAKSHAM
BHARAT**
Skill Development
& Livelihood



**SANGRAHIT
BHARAT**
Natural Resource
Management



**SHIKSHIT
BHARAT**
Education



**SWASTH
BHARAT**
Health



**SANRACHIT
BHARAT**
Infrastructure

CSR pillars aimed at socially sustainable programs related to health, education, livelihood and environmental protection by collaborating with pertinent stakeholders

Note: Above data pertains to Q1 FY25





Near term demand outlook remains uncertain for the industry



Market

- ✓ Cement demand remained muted due to Union & State elections, extreme heatwaves, labor shortages, and early monsoon

Q1 FY25

Prices

- ✓ Pan-India prices declined by 1% QoQ in Q1 FY25
- ✓ North and East cement prices declined by 2% and 2.4% QoQ respectively in Q1 FY25

Cost

- ✓ Raw material costs marginally up, while fuel cost witnessed moderation

- ✓ Recovery in demand hinges upon spendings on infrastructure and housing. Drivers to watch out for:
 - 57% hike in PMAY budget in FY25
 - Acceleration of Purvodaya Mission targeted towards on all-round development including infrastructure in East
 - Execution of ₹ 26,000 Cr. highway development projects budgeted for Bihar

Near-term outlook

- ✓ Prices remain under pressure, and near-term outlook appears challenging

- ✓ Geo-political impact on international freight rate for petcoke transport needs to be monitored
- ✓ Rake availability needs to be monitored
- ✓ Players with low-cost raw materials and fuel tie-up will be cost competitive

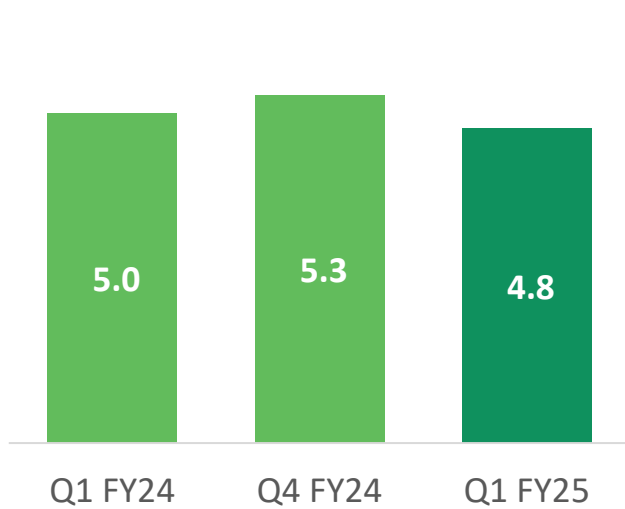


Performance impacted amid weak macro environment



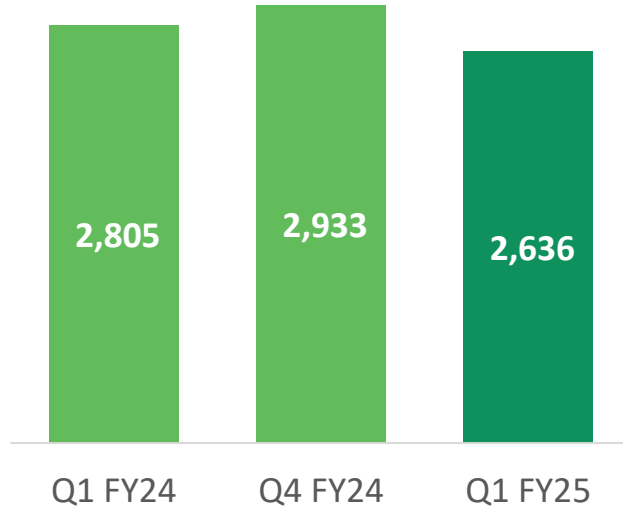
Volume

MT



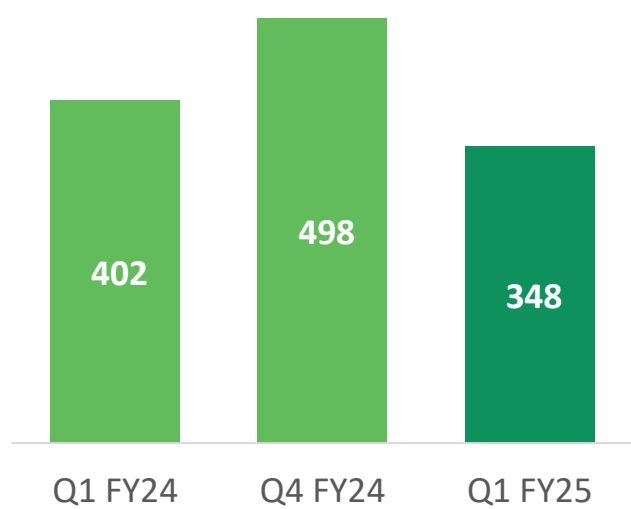
Revenue from operations

₹ Cr.



EBITDA

₹ Cr.



- ✓ Macro factors, coupled with implementation of the company's SAP upgradation program in line with the digital transformation journey, impacted the volume YoY
- ✓ Q1 FY25 EBITDA impacted YoY primarily due to lower volume and prices. Income from incentives is recognized based on realization w.e.f Q1 FY25
- ✓ Focus on **premiumization** and **cost efficiency supported by Project BRIDGE** alleviated the impact of the challenges

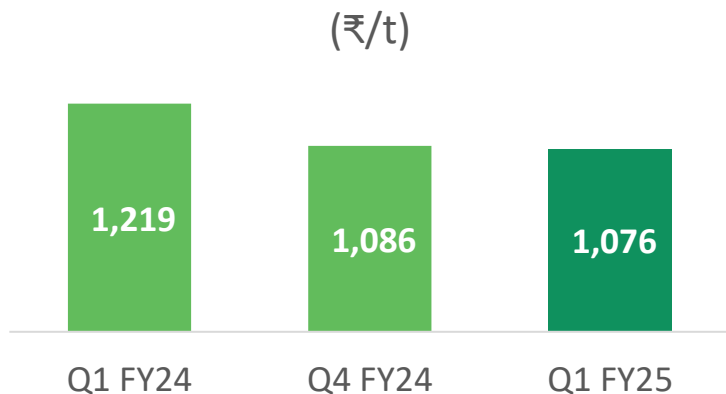




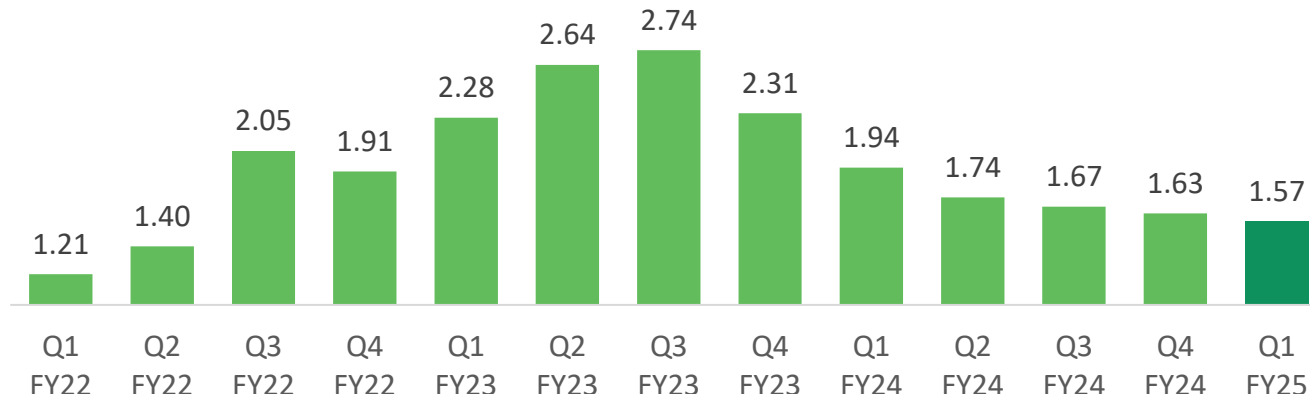
Continued focus on strong cost discipline – Q1 FY25



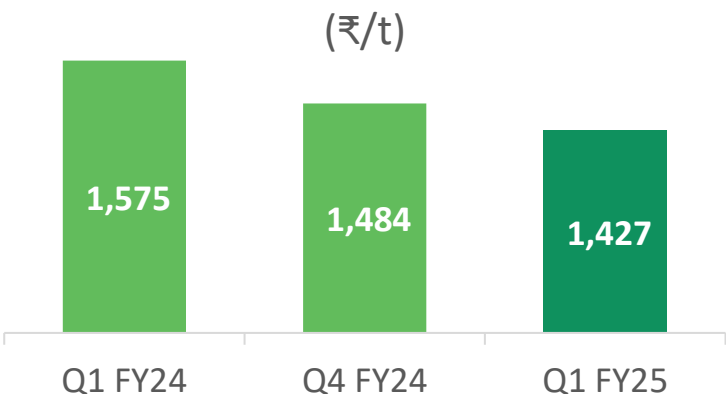
Power and fuel cost¹



Blended Fuel Cost (₹/ Mcal) - lowest in the last 11 quarters



Distribution cost¹



- ✓ Strong focus on cost efficiency
- ✓ Power & fuel cost for Nuvoco continues to be amongst the lowest in the industry. Witnessed impact of annual maintenance shutdown of plants during Q1 FY25
- ✓ Logistics cost reduced QoQ demonstrating efficiency in operations
- ✓ Raw material cost under control. Nuvoco continues to be better placed on slag supply due to long term contract
- ✓ Project Bridge 2.0 on track



Note: 1. Cement cost elements are calculated after adjusting the costs impact of 'Changes in inventories of finished goods, work-in-progress and stock-in-trade' by each cost heads





Enhancing brand equity with effective marketing initiatives



Launched 'Concrete UNO' – a premium composite cement in West Bengal

Brand awareness campaign on importance of microfiber

Campaign continues to enhance brand visibility through engagement with local leaders





Consolidated income statement



(₹ Cr.)	Q1 FY24	Q4 FY24	Q1 FY25
Total Income	2,815	2,941	2,641
Cost of materials consumed	487	443	482
Purchase of stock in trade	11	67	56
Changes in inventories	(44)	76	(13)
Power and fuel	622	531	515
Freight and forwarding charges	819	805	710
Employee benefits expense	174	161	176
Other expenses	344	359	367
EBITDA	402	498	348



Summary

- ✓ Demand remained muted as expected due to elections
- ✓ Timing and pace of recovery depend on the on-ground execution of infrastructure and housing programs announced by the government
- ✓ Headwinds in the near term primarily stem from the demand-supply imbalance and continued pricing pressure
- ✓ Strong mitigation measures are in place
 - Focus areas continues to be value optimisation via premiumisation, geo-optimization, brand strengthening
 - Strong focus on cost optimization complemented by Project Bridge agenda



Thank you

Nuvoco Vistas Corporation Ltd.

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