

NUVOCO VISTAS CORP. LTD.



Ref. No.: Sec/145/2023-24

January 29, 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 and nine months ended December 31, 2023

In furtherance of our letter no. Sec/140/2023-24 dated January 22, 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 and nine months ended December 31, 2023, to be presented to Investors and Analysts on Tuesday, January 30, 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**

Maneesh Agrawal
Chief Financial Officer

Encl: a/a



Nuvoco Vistas Corp. Ltd.

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Investor Presentation

Third quarter and nine months ended December 31, 2023
January 29, 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 56² 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, 2. Added 5 Ready-Mix Concrete plants during 9M FY24





Q3 FY24 consolidated performance at a glance



Robust improvement in EBITDA YoY driven by growth in realisation and cost efficiency

Financial



₹ 2,421 Cr. ▼ 7% YoY

Revenue



₹ 421 Cr. ▲ 55% YoY

EBITDA



₹ 4,533 Cr. ▼ ₹ 632 Cr. YoY

Net debt

Operational



4.0 MMT¹ ▼ 10% YoY

Cement sales volume



73% ▲ 2% YoY

Trade Share



14% ▲ 5% YoY

Alternate fuel rate

Other key highlights

- ✓ EBITDA/t of ₹ 1,048 - highest in the past 10 quarters
- ✓ Premiumisation at 36% of cement trade volumes
- ✓ 1.2 MMT¹ cement mill commissioned at Haryana Cement Plant taking overall cement capacity to 25 MMT¹



Note: 1. MMT - Million metric tons



Economy and Industry





Macro indicators indicate positive outlook



GDP growth projections for FY24 raised from 6.5% to 7%



Manufacturing PMI at 54.9 in Dec'23. Continues to remain >50 consecutively for 30 months, indicating expansion in the sector



CPI inflation at ~5.7% in Dec'23 and projected to remain at 5.4% for FY24



Imported petcoke prices at ~US\$ 118/t¹ at the end of Q3 FY24



₹/\$ broadly stable QoQ at ~ ₹ 83 in Q3 FY24





Demand drivers remain intact



~20,000 kms of roads under Bharatmala Pariyojana Phase 1 yet to be constructed including ~3,600 kms in East¹



Civil contracts awarded for 508 kms Mumbai-Ahmedabad bullet train corridor. Further, ~ 8,300 kms of high-speed rail lines proposed for various routes



~84 lakh houses under PMAY schemes yet to be constructed including ~30 lakh houses in East¹. Of East¹, ~49% houses is in West Bengal



330 kms of Western Dedicated Freight Corridor targeted for commissioning by 2024



Capex plan of over ₹ 98,000 Cr. including ₹ 25,000 Cr. by AAI during 2019-24 for development, upgradation and modernisation of airports



Source: Government websites, news articles

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



Business update





Status of growth projects



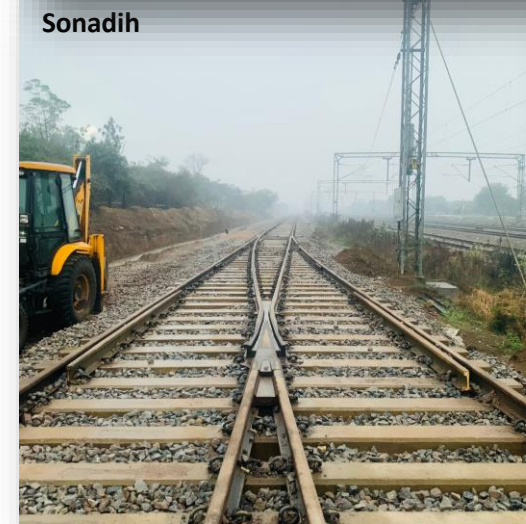
1.2 MMT¹ Cement expansion at Haryana

- ✓ Cement mill commissioned taking overall cement capacity to 25 MMT¹
- ✓ New capacity will enable the Company to cater to the demand in the Northern region



Railway sidings at Sonadih and Odisha

- ✓ Track laying activity is under progress



Note: 1. MMT - Million metric tons





Ready-Mix Concrete (RMX)

- ✓ Commissioned 5 RMX plants in 9M FY24. Currently, 56 plants across India
- ✓ Continuous thrust on premiumisation. Value added product mix at ~29% of total sales volume in Q3 FY24



Modern Building Materials (MBM)

- ✓ Tile adhesive and cover block segments continues to witness sales improvement
- ✓ Launched tile cleaner under tile application category



Awards and recognitions showcasing our achievements



“Environmental Excellence Award” to Risda plant in the Gold Category by the Indian Chamber of Commerce



“23rd Annual Greentech Environment Excellence Award” to Panagarh plant for commitment to sustainable and eco-friendly practices



“Best-in-class Usage of GPS Technology in the Cement Industry” at the 10th edition of the SCALE (Supply Chain and Logistics Excellence) awards 2023



“Golden Peacock Award 2023” to Chittorgarh plant for the second consecutive year showcasing commitment to excellence and innovation in the industry



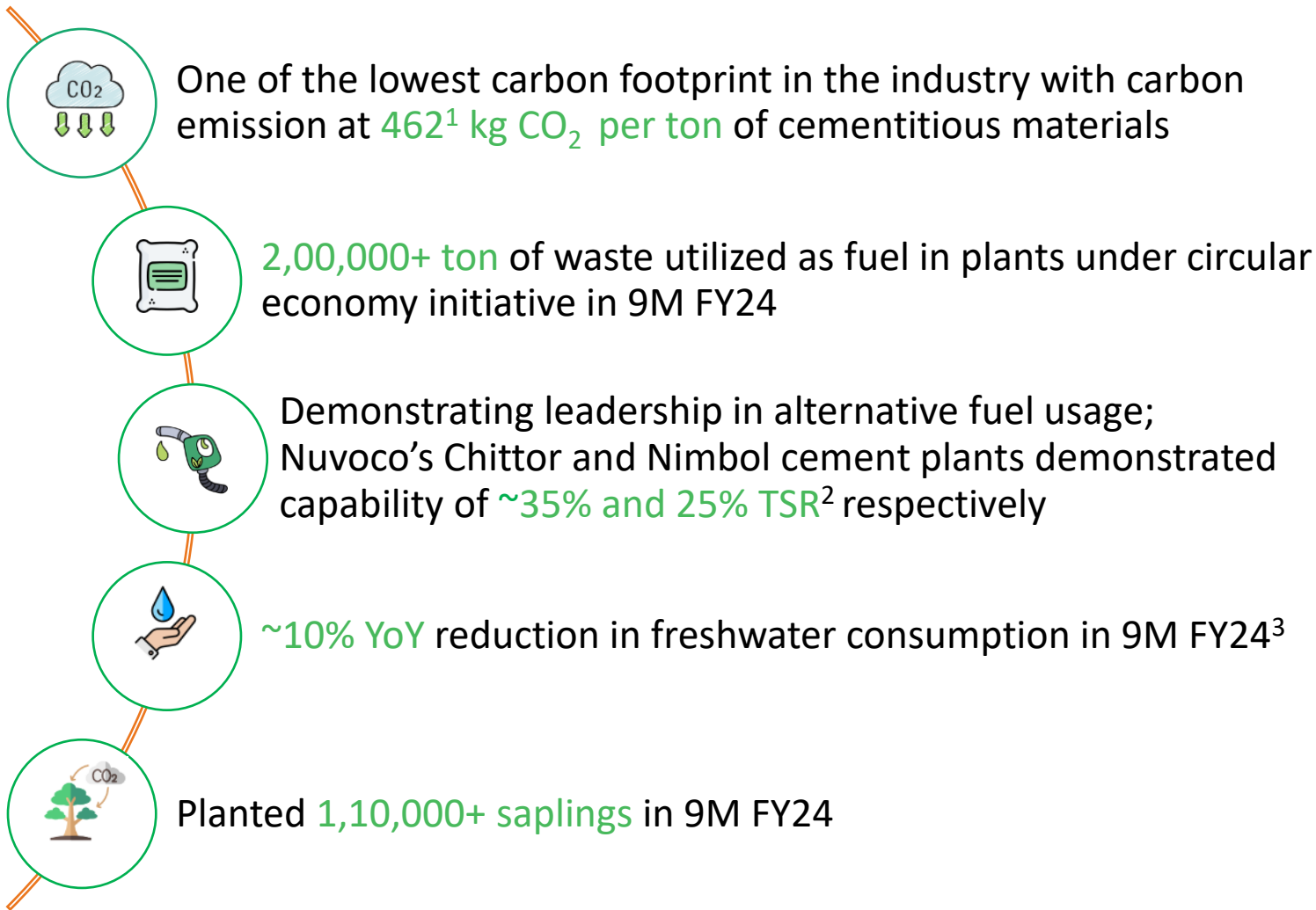
“HR Innovation Of The Year” award at the India HR Summit & Awards 2023



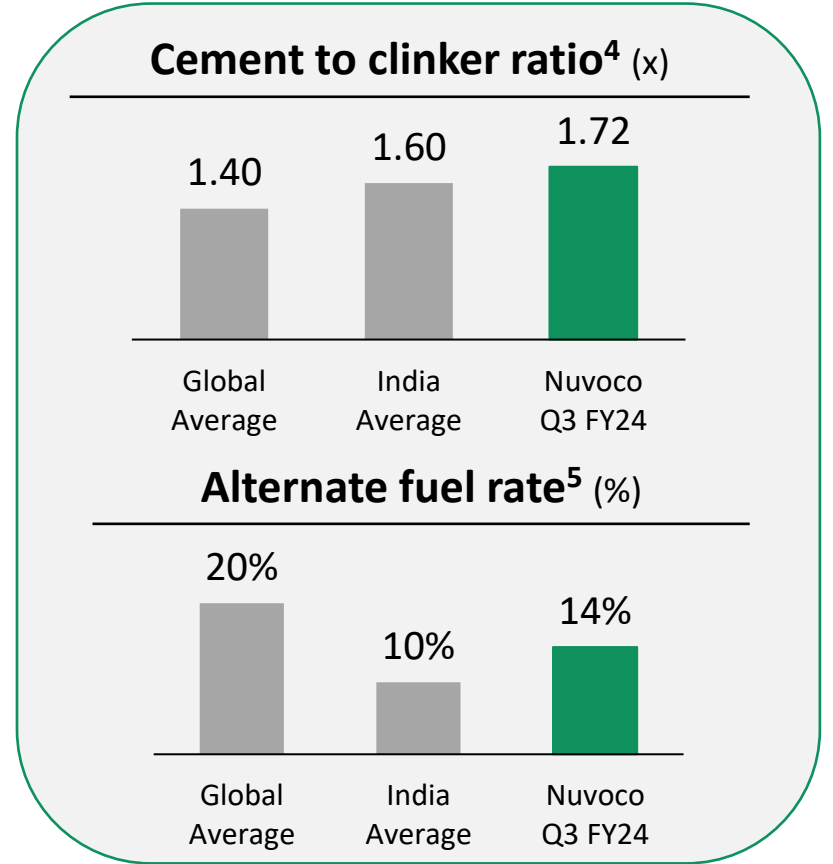
Sustainability and CSR



Focus on sustainability parameters



Sustainability agenda PROTECT OUR PLANET



Note: 1. Audited FY23 figure
 2. Thermal substitution rate
 3. Consumption in litre per ton of cement

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

- ✓ Equipped 16 schools with digital smart classrooms; initiative benefitting > 10,000 students
- ✓ 1,100+ girls benefitted from “Sanitary Napkin Pad Bank” initiative
- ✓ 150+ masons trained under “Nuvo-Mason” - a masonry skill development program
- ✓ 3,980+ meter concrete road constructed across 7 villages
- ✓ 100+ solar lights installed in 6 villages



**SHIKSHIT
BHARAT**
Education

**SWASTH
BHARAT**
Health

**SAKSHAM
BHARAT**
Skill Development
& Livelihood

**SANGRAHIT
BHARAT**
Natural Resource
Management

**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 9M FY24



Key financials



Prices expected to remain stable on positive demand outlook

Market

- ✓ Cement demand in East a mixed bag. West Bengal, Bihar, Jharkhand and Chattisgarh witnessed weak demand while Odisha saw growth
- ✓ North witnessed growth on YoY basis

Q3 FY24

Prices

- ✓ East cement prices improved by 0.8% QoQ¹
- ✓ Pan-India prices increased by 2.1% QoQ¹

Cost

- ✓ Raw material cost declined and fuel cost reduced due to reduction in fuel prices

Near-term outlook

- ✓ Infra spend by government and housing demand to drive growth
- ✓ Under PMAY scheme ~30 lakh houses pending for completion in East². Of this, 14.5 lakh houses is in West Bengal
- ✓ ~3,600 kms of roads under Bharatmala Phase 1 pending for completion in the East²

- ✓ Price expected to remain stable for the Industry given positive outlook on demand

- ✓ Geo-political impact on international freight rate for Petcoke transport needs to be monitored
- ✓ Rakes availability needs to be monitored
- ✓ Players with low-cost fuel tie-up will be cost competitive

Key consolidated financial indicators

	Cement volumes (MMT ¹)	Revenue (₹ Cr.)	EBITDA (₹ Cr.)
Q3 FY24	4.0 (-10% YoY)	2,421 (-7% YoY)	421 (+55% YoY)
9M FY24	13.5 (-1% YoY)	7,799 (+2% YoY)	1,159 (+38% YoY)

Priority on value over volume and focus on cost efficiency driving EBITDA growth



Note: 1. MMT - Million metric tons

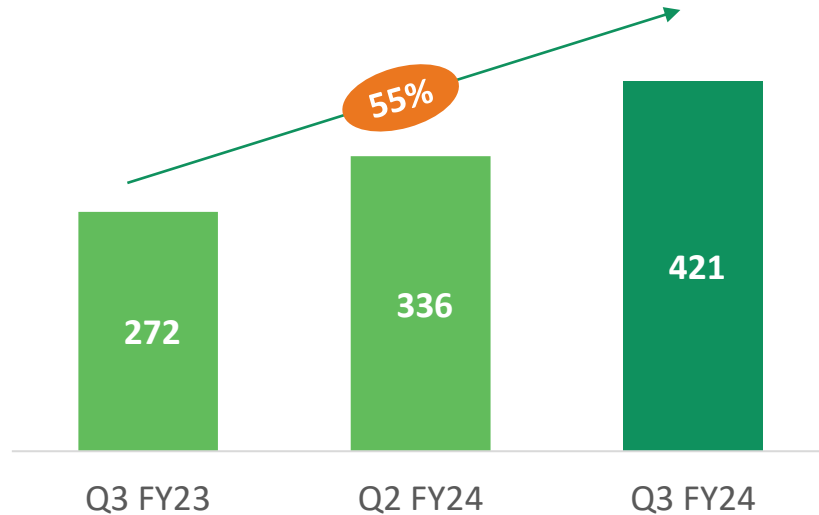




Uptick in realisation and cost control driving EBITDA

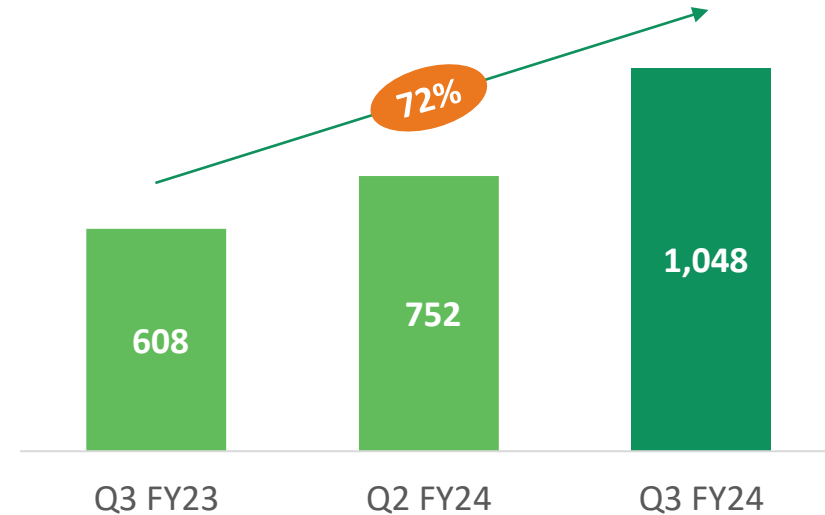
EBITDA growth

₹ Cr.



EBITDA/t growth

₹/t



- ✓ EBITDA improved 55% YoY primarily driven by realisation and decline in power and fuel cost
- ✓ EBITDA/t at ₹ 1,048 - highest in the past 10 quarters
- ✓ Continuous operational improvement plan focused on **“cost efficiency”** and **“value led growth”** driving strong EBITDA growth



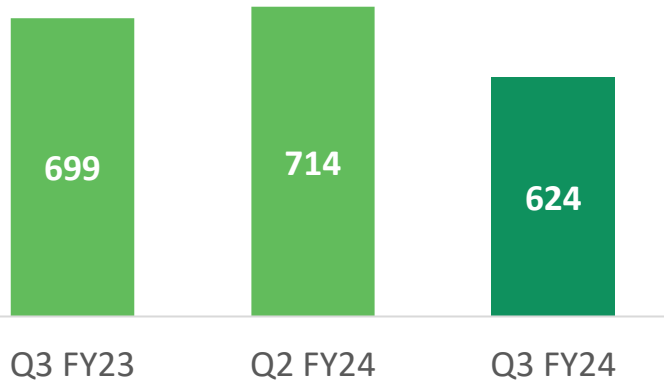


Key cement cost elements



Raw material cost¹

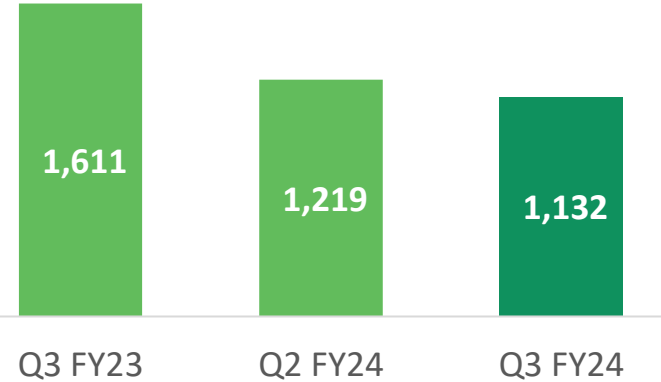
(₹/t)



- ✓ Reduced QoQ due to decline in slag and fly ash costs
- ✓ Nuvoco continues to be better placed due to long term slag contract

Power and fuel cost¹

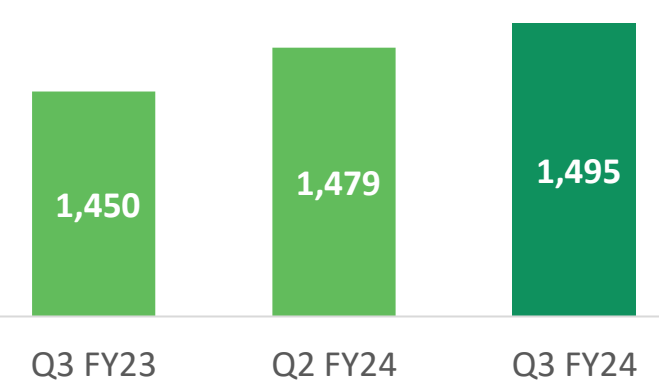
(₹/t)



- ✓ Reduced QoQ due to increase in linkage mix, reduction in fuel prices and higher utilization of CPPs and WHRs

Distribution cost¹

(₹/t)



- ✓ Increased QoQ mainly due to Busy Season Surcharge on rail freight effective from Oct'23 (QoQ impact of ~₹ 20/t)



Note: 1. Only for cement business segment and excludes RMX and other segments. 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





Launching new look for Nuvoco range of products



New design highlights stronger bond between the mother brand and sub-brands



Enhancing brand visibility



- ✓ Campaign exclusively designed to promote entire range of Duraguard products
- ✓ Campaign launched in key markets of Rajasthan, Haryana, Gujarat, Madhya Pradesh, Uttar Pradesh, Punjab and Chhattisgarh

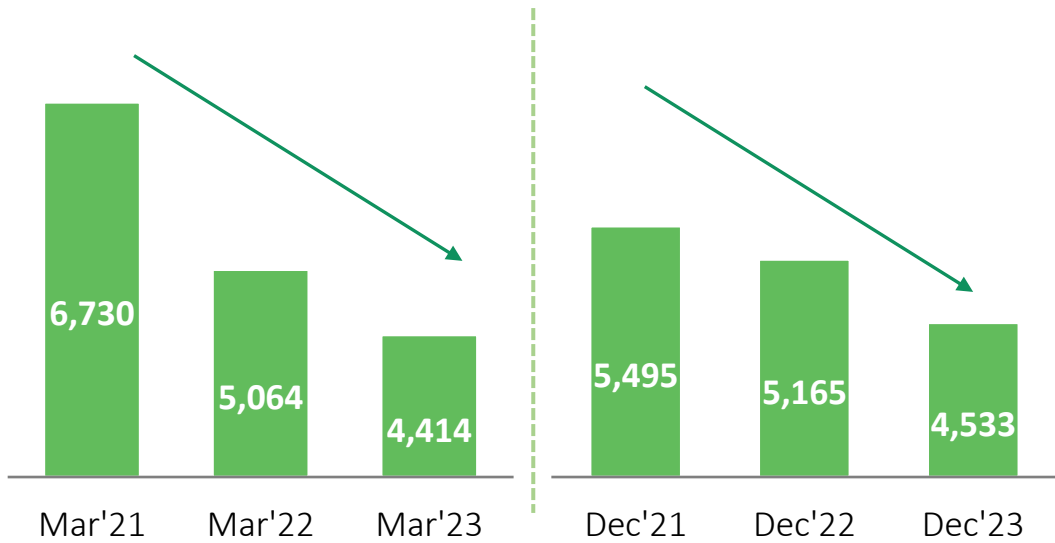


- ✓ "Sabse Khaas Sarpanch" is aimed at elevating brand visibility for Duraguard Cement by building relationship and fostering community engagement with local leaders



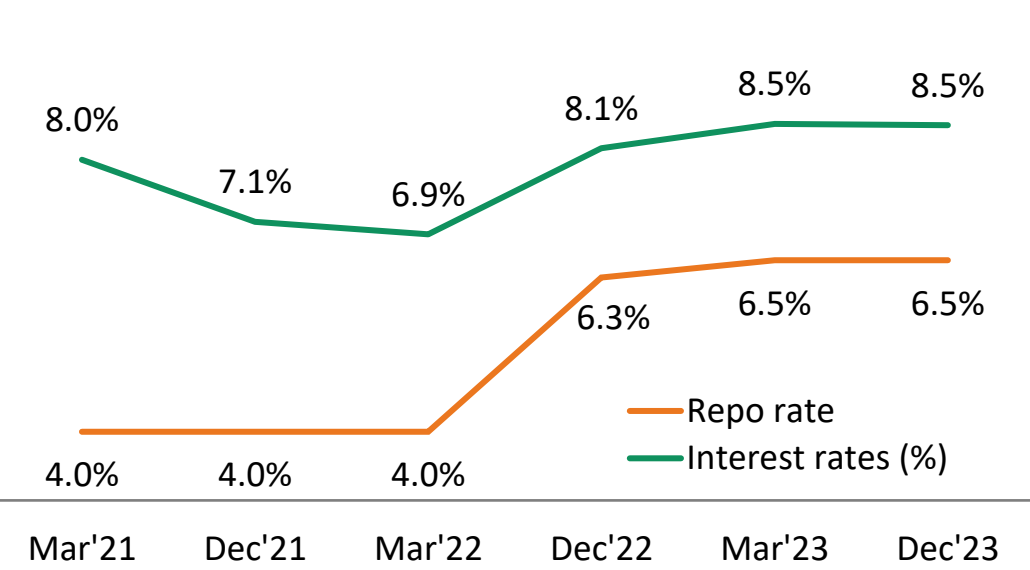
Deleveraging remains a top priority

Net debt (₹ Cr.)



- ✓ YoY reduction in Net Debt
- ✓ Credit rating
 - 'CRISIL AA/CRISIL AA-/Stable/CRISIL A1+'

Nuvoco's interest rate vs. repo rate¹



- ✓ Despite repo rate remaining the same, Interest rate reduced by ~2 bps compared to Mar'23



Note: 1. Interest and repo rates as at the end of the month





Consolidated income statement



(₹ Cr.)	Q3 FY23	Q2 FY24	Q3 FY24	9M FY23	9M FY24
Total Income	2,609	2,579	2,432	7,668	7,826
Cost of materials consumed	469	441	370	1,322	1,298
Purchase of stock in trade	11	11	57	33	79
Changes in inventories	(110)	18	16	(211)	(10)
Power and fuel	801	537	449	2,181	1,609
Freight and forwarding charges	672	682	623	2,034	2,124
Employee benefits expense	147	173	174	448	521
Other expenses	347	381	321	1,020	1,046
EBITDA	272	336	421	841	1,159

Strong growth in EBITDA YoY driven by realisation and reduction in power and fuel cost



Summary

- ✓ Cement demand to be driven by
 - Infrastructure led spending by the government
 - Pick up in housing. ~84 lakh units pending for completion under PMAY. ~30 lakh houses in East¹ and majority of which is in West Bengal
- ✓ Haryana Cement mill commissioned taking overall cement capacity to 25 MMT²
- ✓ Cement expansion at Haryana to cater to strong growth in North. Continue to prioritise “Value over Volume” growth in East
- ✓ Remain committed to cost mitigation measures and continuous innovation
- ✓ Focus areas continues to be premiumisation, geo-optimization, trade share, fuel mix optimization, brand strengthening and cost efficiency



Note: 1. Includes Bihar, Chhattisgarh, Jharkhand, Odisha, West Bengal, 2. MMT - Million metric tons

Thank you

Nuvoco Vistas Corporation Ltd.

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