

# NUVOCO VISTAS CORP. LTD.



Ref. No.: Sec/114/2023-24

October 31, 2023

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

**Sub: Investor and Analyst Conference Call presentation for the quarter and half year ended September 30, 2023**

In furtherance of our letter no. Sec/107/2023-24 dated October 20, 2023 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 half year ended September 30, 2023, to be presented to Investors and Analysts on Wednesday, November 01, 2023.

The presentation is also being made available on the Company's website at [www.nuvoco.com](http://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



## Nuvoco Vistas Corp. Ltd.

Registered Office: Equinox Business Park, Tower-3, East Wing, 4th Floor, Off. Bandra Kurla Complex, LBS Road, Kurla (West), Mumbai 400070  
Tel: +91 (0) 22 67692500 / +91 (0) 22 67692525 | Fax: +91 (0) 22 67692572 | Website: [www.nuvoco.com](http://www.nuvoco.com) | CIN-L26940MH1999PLC118229



# Investor Presentation

Second quarter ended September 30, 2023  
October 31, 2023



## 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



- ✓ 5<sup>th</sup> largest cement group in India and leading player in East India
- ✓ Installed cement capacity of 23.82 MMT and 55\* 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: \* Added 4 RMX plants during H1 FY24, MMT - Million metric tons





# Q2 FY24 consolidated performance at a glance



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

### Financial



₹ 2,573 Cr. ▲ 7% YoY

Revenue



₹ 336 Cr. ▲ 73% YoY

EBITDA



₹ 4,734 Cr. ▼ ₹ 549 Cr. YoY

Net debt

### Operational



4.5 MMT<sup>1</sup> ▲ 1% YoY

Cement sales volume



74% ▲ 2% YoY

Trade Share



14% ▲ 5% YoY

Alternate fuel rate

### Other key highlights

- ✓ High trade share at 74%, reinforcing strength of the network
- ✓ Risda & Nimbol clinker capacity enhanced to 12,000 TPD<sup>2</sup> and 6,000 TPD<sup>2</sup> with the completion of debottlenecking projects
- ✓ Premiumisation stood at 37% of cement trade volumes
  - Secured Patent for 'Fibre Reinforced Cement Composition' (Duraguard Microfiber) for 20 years<sup>3</sup>
  - Extended premium cement variants 'Concreto UNO' and 'Duraguard F2F' to Jharkhand



Note: 1. MMT - Million metric tons, 2. Tons per day, 3. Patent effective from Apr'18



# Economy & Industry





# Macro indicators showing positive outlook



FY24 GDP projected at 6.5% led by private consumption, public consumption and investments



Manufacturing PMI increased 3.6% YoY to 57.9 in Q2 FY24<sup>1</sup> indicating rise in economic activity



Annual consumer inflation at ~5% in Sep'23



Imported petcoke prices at ~US\$ 130/t at the end of Q2 FY24



Index of Industrial production for manufacturing sector increased by 10.3% in Aug'23



Note: 1. Average for the quarter, 2. Source: Reserve Bank of India, Mospi





# Robust demand drivers in place



₹ 19,518 Cr. allocated under Union Budget 2023-24 for metro projects and ₹ 3,596 Cr. for Delhi-Meerut RRTS project

Under Sagarmala Programme, 581 projects worth ₹ 4.27 lakh Cr. are under various stages of development



~93 lakh houses under PMAY schemes yet to be constructed with ~33 lakh houses in East. Of East, ~45% houses is in West Bengal

460 km of Western Dedicated Freight Corridor targeted for commissioning by 2024



66% of total 34,800 km under Phase 1 of Bharatmala Pariyojana targeted for award by FY26

Development of 6 'Twin City' airports by 2030



**Strong pre-election spend expected prior to Union & State Assembly elections scheduled in 2024**



# Business update



# Status of growth projects



## Debottlenecking projects at Risda and Nimbol

- ✓ Completed with Risda and Nimbol clinker capacity enhanced to 12,000 TPD and 6,000 TPD respectively



## 1.2 MMT Cement expansion at Haryana

- ✓ No-load trials completed
- ✓ Commissioning scheduled in Q3 FY24, which will take the Company's cement capacity to 25 MMT



## Railway sidings at Sonadih and Odisha

- ✓ Track laying activity is proceeding as planned; operations targeted to commence from Q4 FY24



Note: TPD - Tons per day, MMT - Million metric tons





# RMX and MBM businesses provide additional lever for growth



## Ready-Mix Concrete (RMX)

- ✓ Commissioned 4 RMX plants in H1 FY24. Currently, 55 plants across India
- ✓ Continuous thrust to improve premiumisation. Value added product mix at 34.4% of total sales volume in Q2 FY24



## Modern Building Materials (MBM)

- ✓ Construction chemicals, tile adhesive and cover block segments continue to witness sales improvement
- ✓ Non-cement channel witnessed healthy QoQ growth

**India's Artiste Masterpiece**

Necklace Road, Hyderabad, Telangana.

- Situated near the historic **Hussain Sagar Lake**.
- In a remarkable display of efficiency, the entire project came to life in just 3 months.
- This project was brought to life by Artiste Decorative Concrete in a captivating random stone pattern.

The image features a night view of Hussain Sagar Lake with the Charminar in the background. In the foreground, there are two circular insets showing decorative concrete patterns: a pinkish-red one and an orange one with a stone pattern. The NUVOCO logo is in the top right corner of the image.





# Awards and recognitions showcasing our achievements



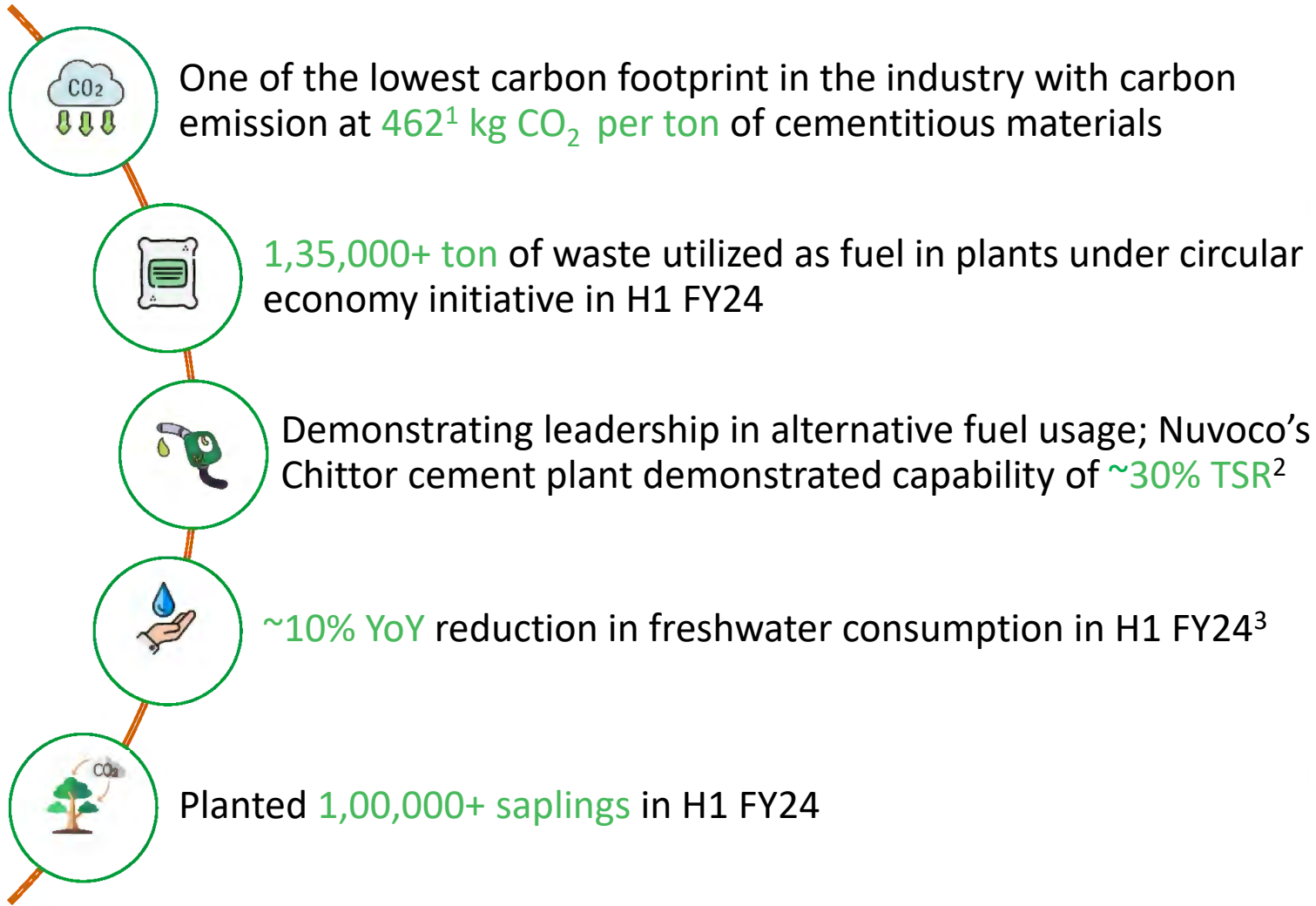
- ① “Harit Bharat Award” for creating positive impact on environment through 15 green RMX plants
- ② “15<sup>th</sup> ELSC Leadership Award” 2023 for Outstanding Achievements in Digital Transformation within the Supply Chain
- ③ 9<sup>th</sup> ILSC Award 2023 for “Best in Class Customer Service for Leveraging Supply Chain Process and Technology and Customer Delight through Best Usage of GPS Technology”
- ④ Indian CSR Awards - 2023 in the "Best Skill Development in Youth & Women Empowerment" category



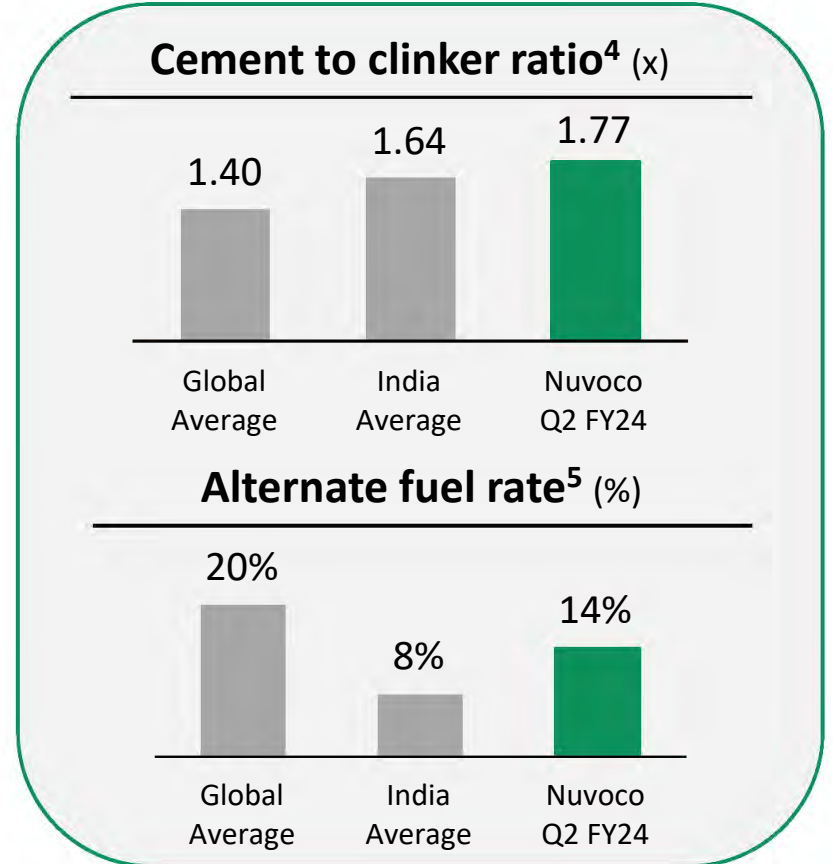
# Sustainability & CSR



# Focus on sustainability parameters



## Sustainability agenda PROTECT OUR PLANET



Note: 1. Audited FY23 figure  
2. Thermal substitution rate in Sep'23  
3. Litre per ton of cement

4. Global average - IEA (CY22), Indian average - average of top 5 Indian peers  
5. Global average - GCCA (CY21), Indian average - average of top 5 Indian peers





# Social initiatives



Training programs conducted across 22 schools on effective use of digital classrooms

11 health checkup camps organized; 2,600+ people benefitted

300+ members trained under various skill development initiatives

3,500+ people benefitted by the introduction of mobile medical vans

80,000+ Cum pond deepening activities conducted to increase the harvesting capacity

12,000+ saplings planted across 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: H1 FY24 highlights





# Key financials



# Positive outlook on demand to ensure stability in prices

## Market

## Prices

## Cost

### Q2 FY24

- ✓ Cement demand in East a mixed bag. Subdued demand in West Bengal & Bihar while other regions witnessed growth
- ✓ North witnessed strong growth on YoY basis

- ✓ East cement prices improved in Sep'23
- ✓ Pan-India prices increased by 0.3% QoQ<sup>1</sup>

- ✓ Raw material cost increased QoQ led by rise in slag prices while fuel cost reduced due to lower petcoke prices

### Near-term outlook

- ✓ Cement demand to pick up post seasonally weak quarter of Q2. Empirically, strong demand observed post festival season
- ✓ Pre-election spendings to drive growth in states where elections will be scheduled in 2023-2024
- ✓ PMAY scheme to drive demand. ~33 lakh houses pending for completion in East<sup>2</sup>. Of this, 14.7 lakh houses is in West Bengal

- ✓ Price hike directionally favourable for the Industry given expectation of pre-election spend supporting demand

- ✓ Petcoke prices continue to remain volatile. Geo-political situations needs to be monitored
- ✓ Slag availability continue to remain tight
- ✓ Players with long-term tie-up for slag and better fuel mix will be cost competitive

# Key consolidated financial indicators



	Cement volumes (MMT)	Revenue (₹ Cr.)	EBITDA (₹ Cr.)
Q2 FY24	4.5 (+1% YoY)	2,573 (+7% YoY)	336 (+73% YoY)
H1 FY24	9.5 (+4% YoY)	5,378 (+6% YoY)	738 (+30% YoY)

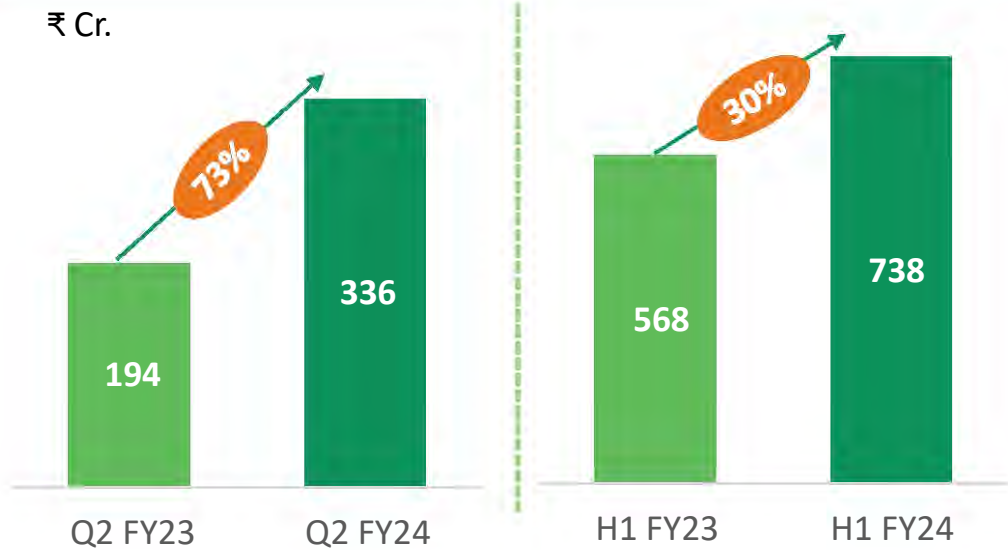


Note: MMT - Million metric tons

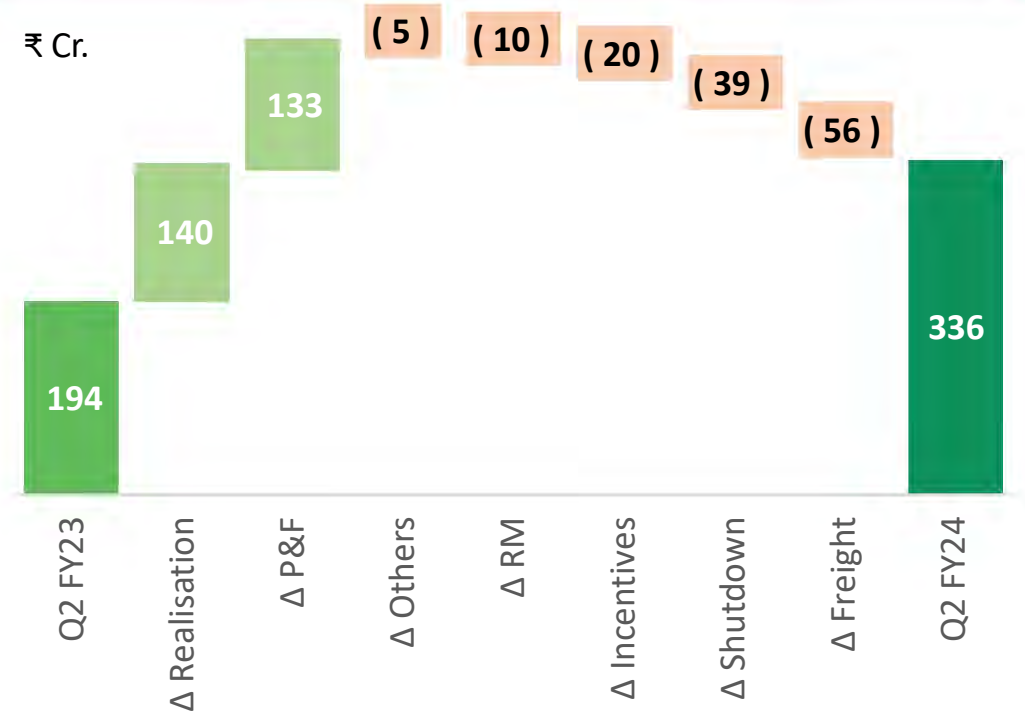


# Revenue growth aided by cost control driving EBITDA

## EBITDA growth YoY



## EBITDA movement YoY<sup>1</sup>



- ✓ EBITDA improved 73% YoY primarily driven by revenue growth of 7% YoY and decline in power & fuel cost
- ✓ Planned shutdown taken for annual maintenance and completion of debottlenecking projects



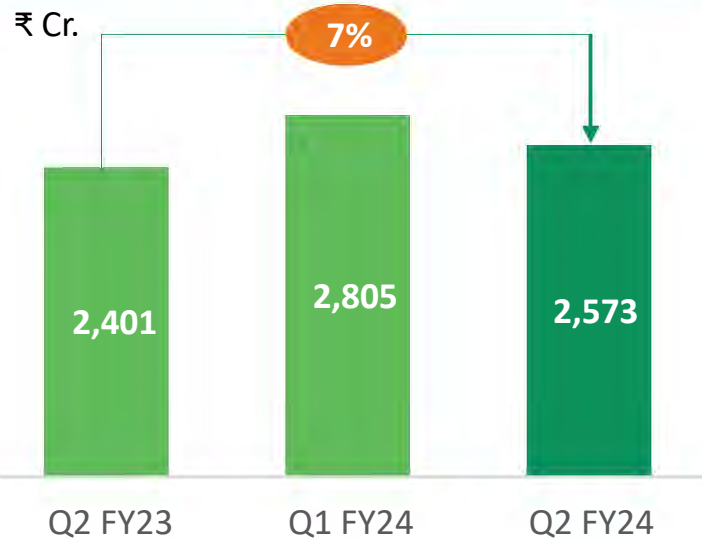
Note: 1. Others include incremental employee cost, other opex, other operating income, other income



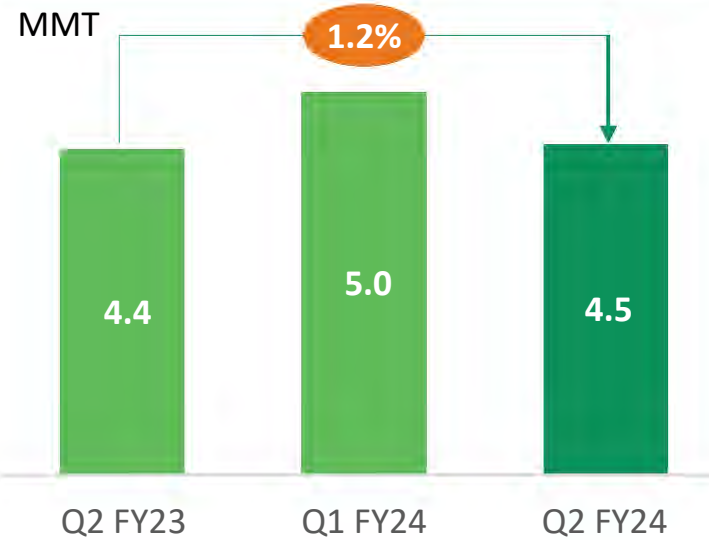


# Value led revenue growth

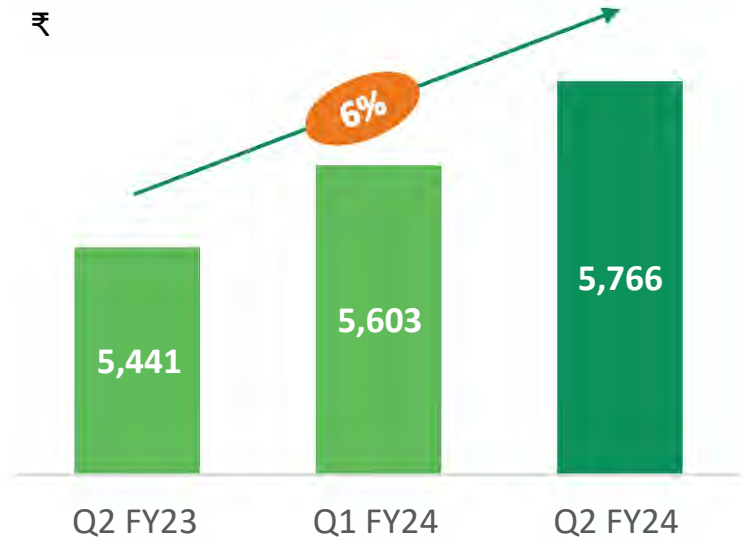
## Revenue



## Volume



## Revenue/t<sup>1</sup>



- ✓ Volume growth of 1.2% YoY while Revenue/t improved 6% YoY, reflecting Company's priority on **Value over Volume growth**
- ✓ Trade share improved 2% YoY to 74% in Q2 FY24
- ✓ Revenue/t increased 3% QoQ aided by price hike initiated in East in Sep'23



Note: 1. Q2 FY23 includes ~₹35/t incentives from Panagarh. Stopped accruing Panagarh incentives from April 1, 2023



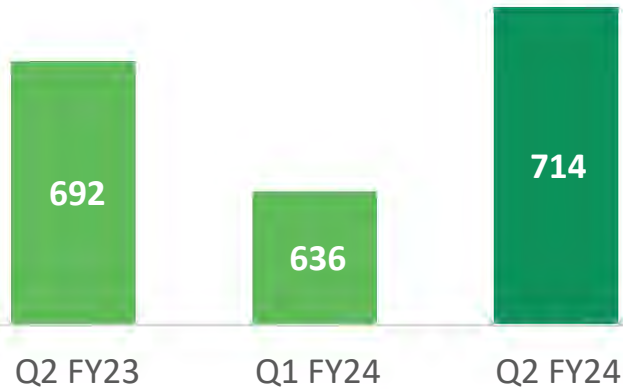


# Key cement cost elements



## Raw material cost<sup>1</sup>

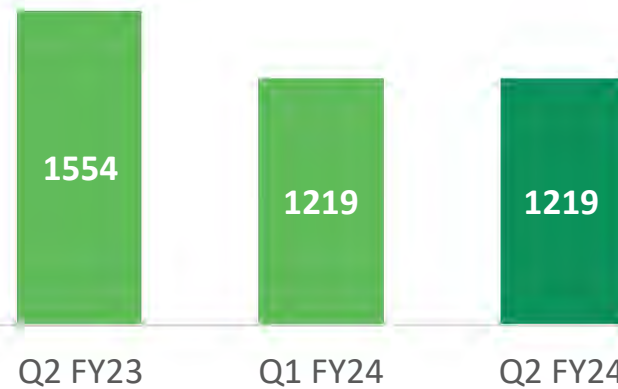
(₹/ton)



- ✓ QoQ impacted by purchase of clinker and rising slag prices
- ✓ Nuvoco continues to be better placed due to long term slag contract despite spot rate increasing by ~5% QoQ<sup>2</sup>

## Power & fuel cost<sup>1</sup>

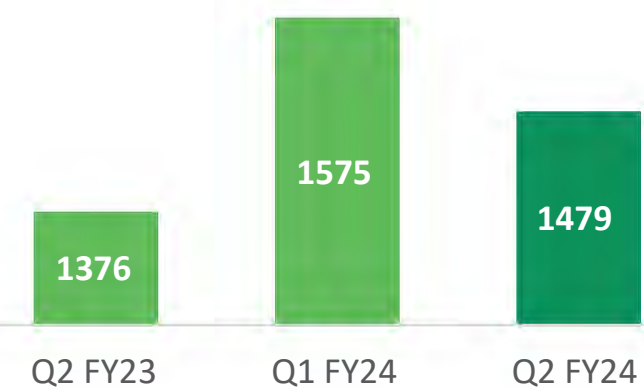
(₹/ton)



- ✓ Flat QoQ. Fuel cost reduced QoQ due to decline in coal & petcoke prices and increased AFR usage
- ✓ Power cost increased QoQ due to maintenance shutdown of CPPs & WHRs and subsequent drawing of power from Grid

## Distribution cost<sup>1</sup>

(₹/ton)



- ✓ Reduced QoQ primarily due to lower clinker road movement and absence of Busy Season Surcharge on rail freight in the month of Aug'23 & Sep'23

Note: 1. Only for cement business segment and excludes RMX & other segments; 2. Open market prices; 3. 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



# Focus on Brand strengthening and efficiency improvement

## Strengthening brand

- ✓ Reinforcing brand popularity via campaign - “Concrete naam hi Kaafi hai”
- ✓ Continue to reinforce marketing communication with the recent patent<sup>1</sup> received on Fibre Reinforced Cement
- ✓ Integrating and rationalizing brands across our business lines in all markets
- ✓ Extended premium cement variants ‘Concrete UNO’ and ‘Duraguard F2F’ from Bihar and West Bengal to Jharkhand



## Project “BRIDGE” – cost saving measures from efficiency improvement

- ✓ **Optimizing power & fuel cost** by improving SHC<sup>2</sup> and SPC<sup>3</sup> in Kiln and increasing usage of AFR
- ✓ **Elimination of losses in materials** across plants including transit and handling
- ✓ **Controlling damages & demurrages** in transit and warehouse and improve warehouse utilization
- ✓ **Logistics areas** of direct orders and lead distance reduction
- ✓ **Productivity improvement programs** with effective redeployment and focus on customer facing functions

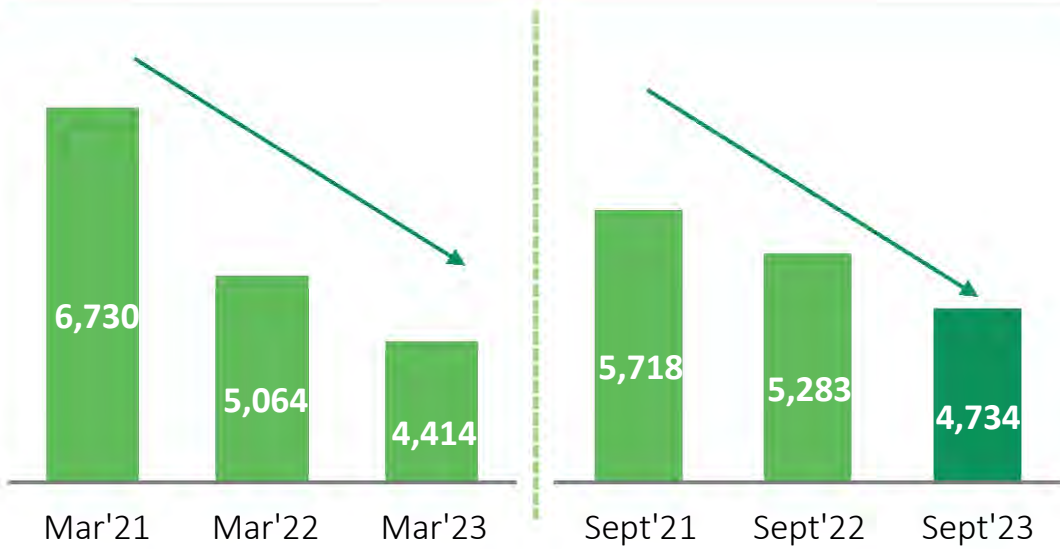
Note: 1. Patent number – ‘433981’, 2. Specific heat consumption, 3. Specific power consumption



# Net debt reduction remains a top priority

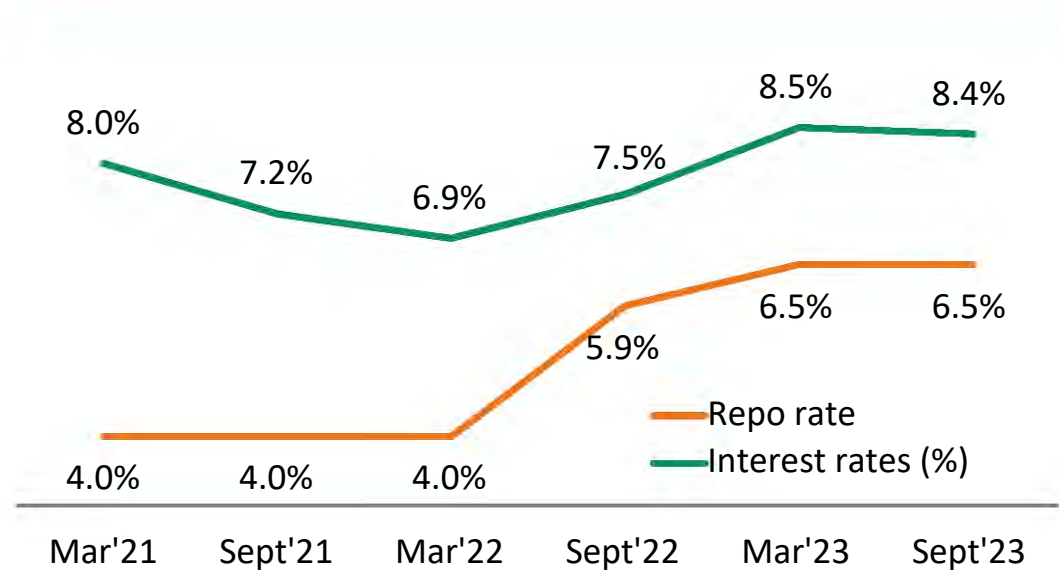


## Net debt (₹ Cr.)



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

## Nuvoco's interest rate vs. repo rate



- ✓ Interest rate reduced by ~9 bps compared to Mar'23 despite repo rate remaining the same



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





# Consolidated income statement



(₹ Cr.)	Q2 FY23	Q1 FY24	Q2 FY24	H1FY23	H1FY24
<b>Total Income</b>	<b>2,403</b>	<b>2,815</b>	<b>2,579</b>	<b>5,060</b>	<b>5,394</b>
Cost of materials consumed	418	487	441	854	928
Purchase of stock in trade	10	11	11	23	22
Changes in inventories	31	(44)	18	(101)	(25)
Power and fuel	670	622	537	1,380	1,160
Freight and forwarding charges	626	819	682	1,362	1,501
Employee benefits expense	148	174	173	301	346
Other expenses	305	344	381	673	725
<b>EBITDA</b>	<b>194</b>	<b>402</b>	<b>336</b>	<b>568</b>	<b>738</b>

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



# Summary

- ✓ Cement demand to be driven by
  - Infrastructure led spendings by the government
  - Pick up in housing. 93 lakhs units pending for completion under PMAY. ~33 lakh houses in East and majority of which is in West Bengal
- ✓ Shutdown completed as per plan along with debottlenecking projects and enhanced clinker production capacity
- ✓ Planned capacity expansion at Haryana to cater to strong growth in North. Continue to prioritise “Value over Volume” growth in East
- ✓ Remain committed to cost mitigating measures and continuous innovation
- ✓ Focus areas continues to be premiumisation, geo-optimization, trade share, fuel mix optimization, brand strengthening and project BRIDGE



Panagarh Cement Plant



# Thank you

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## Nuvoco Vistas Corporation Ltd.

**Corporate Identity Number:** L26940MH1999PLC118229

**Registered and Corporate Office:** Equinox Business Park, Tower 3, East Wing, 4th Floor, LBS Marg, Kurla (West), Mumbai - 400 070, Maharashtra, India; Website: [www.nuvoco.com](http://www.nuvoco.com)

### Company Contacts

Madhumita Basu; Email: [investor.relations@nuvoco.com](mailto:investor.relations@nuvoco.com)

Bishnu Sharma; Email: [bishnu.sharma@nuvoco.com](mailto:bishnu.sharma@nuvoco.com)

Hari Gupta; Email: [hari.gupta@nuvoco.com](mailto:hari.gupta@nuvoco.com)

