

# NUVOCO VISTAS CORP. LTD.



**Ref. No.: Sec/16/2024-25**

April 30, 2024

<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 financial year ended March 31, 2024**

In furtherance of our letter no. Sec/11/2024-25 dated April 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 and financial year ended March 31, 2024, to be presented to Investors and Analysts on Thursday, May 2, 2024.

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**



# Investor Presentation

Full year ended March 31, 2024  
April 30, 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



- ✓ 5<sup>th</sup> largest cement group in India and leading player in East India
- ✓ Installed cement capacity of 25 MMT<sup>1</sup> and 58<sup>2</sup> 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 7 Ready-Mix Concrete plants during FY24

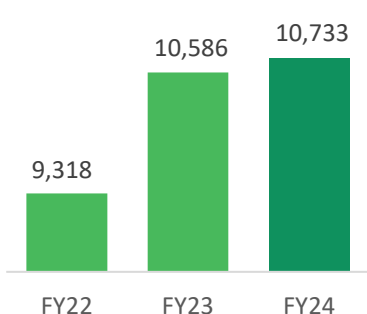




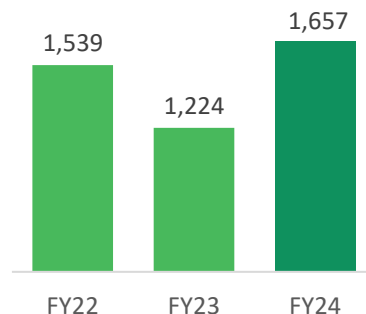
# Strong performance amidst volatile demand environment



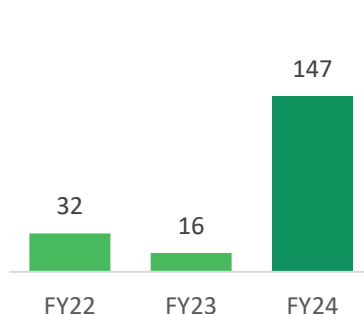
### Revenue (₹ Cr.)



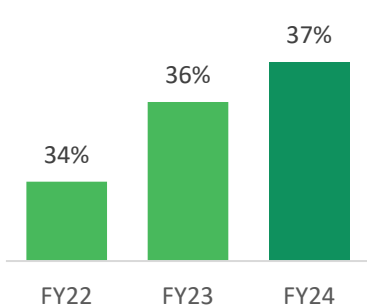
### EBITDA (₹ Cr.)



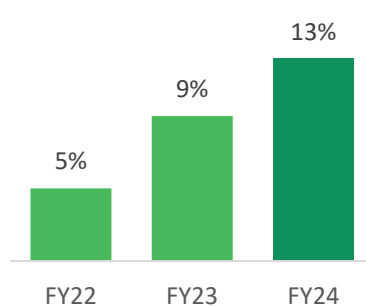
### PAT (₹ Cr.)



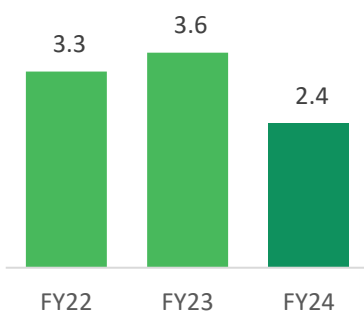
### Premiumisation (%)



### AFR<sup>2</sup> (%)



### Net debt/EBITDA<sup>3</sup> (x)



## FY24 Highlights

### Achieved strong financial performance

- ✓ Record high profitability achieved since IPO; delivered highest ever EBITDA and PAT at ₹ 1,657 Cr. and ₹ 147 Cr. respectively
- ✓ Reduction of ₹ 384 Cr. YoY in net debt to ₹ 4,030 Cr.

### Consistent strategy of "Volume" in North & "Value over Volume" in East

- ✓ Achieved a volume of 18.8 MMT<sup>1</sup>, with North significantly outperforming the Industry
- ✓ Revenue/t improved 1.6% YoY vs. drop in pan-India cement prices by 1.7%<sup>4</sup>

### Delivered cost savings

- ✓ ~₹ 30/t savings achieved under Project BRIDGE 1.0

### Enhanced capacity

- ✓ North cement capacity share improved to 24% from 20% post commissioning of 1.2 MMT<sup>1</sup> grinding unit at Haryana
- ✓ Clinker capacity increased at Risda and Nimbol via debottlenecking
- ✓ Solar power capacity increased from 1.5 MW to 5.3 MW



Note: 1. MMT - Million metric tons; 2. AFR - Alternate fuel rate; 3. Year end net debt ÷ full year EBITDA; 4. CRISIL average prices





## Strategies in place



### 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 <sup>1</sup>



### Profitability

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



### Process

- ✓ SAP unification across entities
- ✓ 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





# Launching BRIDGE 2.0: Building on BRIDGE 1.0 success



## Project BRIDGE 1.0

- Eliminating losses in raw materials
- Inventory optimization
- Optimization of power & fuel cost
- Controlling damages & demurrages in transit

Achieved ~ ₹ 30/t cost savings in FY24

## Project BRIDGE 2.0

- Material cost efficiency programs
- Optimization of power and fuel cost
- Distribution cost reduction
- Productivity improvement programs

~ ₹ 50/t cost savings targeted in FY25





# Economy and Industry





# Economic indicators indicate optimistic outlook



GDP growth estimated to be closer to 8% for FY24 and 7.4% for FY25



Manufacturing PMI reached 16 year high of 59.1 in Mar'24. PMI > 50 consecutively for 33 months, indicating expansion in the sector



CPI inflation within tolerance range of 2-6% for the 7<sup>th</sup> consecutive month at 4.85% in Mar'24. Projected to remain at 4.5% for FY25



Imported petcoke prices at ~US\$ 112/t<sup>1</sup> at the end of Q4 FY24



₹/\$ broadly stable QoQ at ~ ₹ 83 in Q4 FY24



Source: Reserve Bank of India, Mospi  
Note: 1. Spot price as per Argus



# Key demand drivers propelling the industry



~19,000 kms of roads under Bharatmala Pariyojana Phase 1 yet to be constructed including ~3,500 kms in East<sup>1</sup>



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



~72 lakh houses under PMAY yet to be constructed including ~27 lakh houses in East<sup>1</sup>. Of East<sup>1</sup>, ~53% houses is in West Bengal. 2 Cr. more houses to be constructed under PMAY(G) in next 5 years



109 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

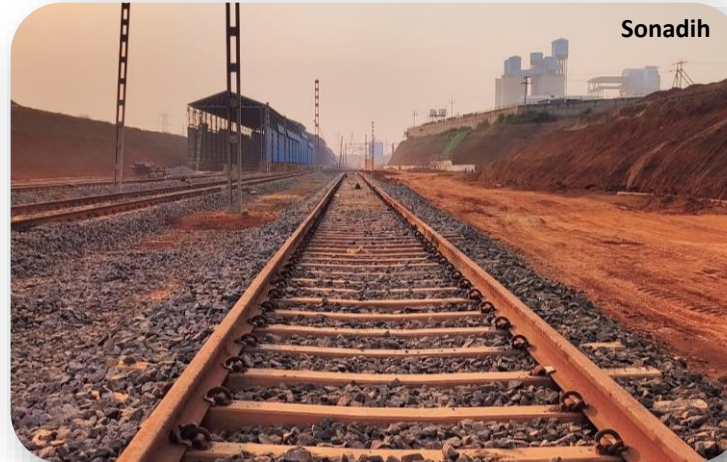


## Haryana cement plant



Capacity utilization ramped up to ~60% within a quarter of commissioning

## Railway sidings at Sonadih & Odisha



Projects at an advanced stage of completion



# RMX and MBM offers supplementary avenues for growth



## Ready-Mix Concrete (RMX)

- ✓ Commissioned 7 RMX plants in FY24. Currently, 58 plants across India
- ✓ Continuous thrust on premiumisation. Value added product mix at ~31% of total sales volume in FY24



## Modern Building Materials (MBM)

- ✓ Tile adhesive and cover block segments continue to witness sales improvement
- ✓ Introduced tile cleaner under the tile application category



# Awards and recognitions showcasing our accomplishments



“14<sup>th</sup> CII<sup>1</sup> National HR Excellence Award” to HR team in the HR Excellence category



“Safety Health & Excellence Award” to Mejia cement plant from CII<sup>1</sup> for exemplary development and implementation of highly effective safety management systems and procedures



“Excellence Award” at the 3<sup>rd</sup> edition of the National Awards to RMX team for various aspects of sustainability in the cement and concrete industry



“Excellent Unit Award” at the “QCFI<sup>2</sup> 3<sup>rd</sup> National Sustainability Awards” to Chittor cement plant in categories of Energy, AFR<sup>3</sup> and Water excellence



“A1 Category Mines Award” to Sonadih limestone mines at the 39<sup>th</sup> Annual Mines Safety Fortnightly Celebration 2023



Note: 1. CII - Confederation of Indian Industry; 2. QCFI - Quality Circle Forum Of India; 3. AFR - Alternate fuel rate

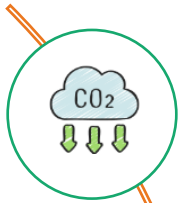


# Sustainability and CSR

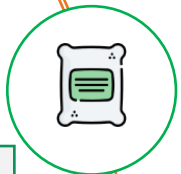




# Focus on sustainability parameters



One of the lowest carbon footprint in the industry. Carbon emission reduced by 2% YoY to **454<sup>1</sup> kg CO<sub>2</sub> per ton** in FY24



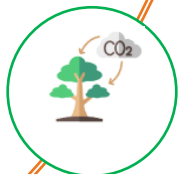
**2,75,000+ ton** of waste utilized as fuel in plants under circular economy initiative in FY24



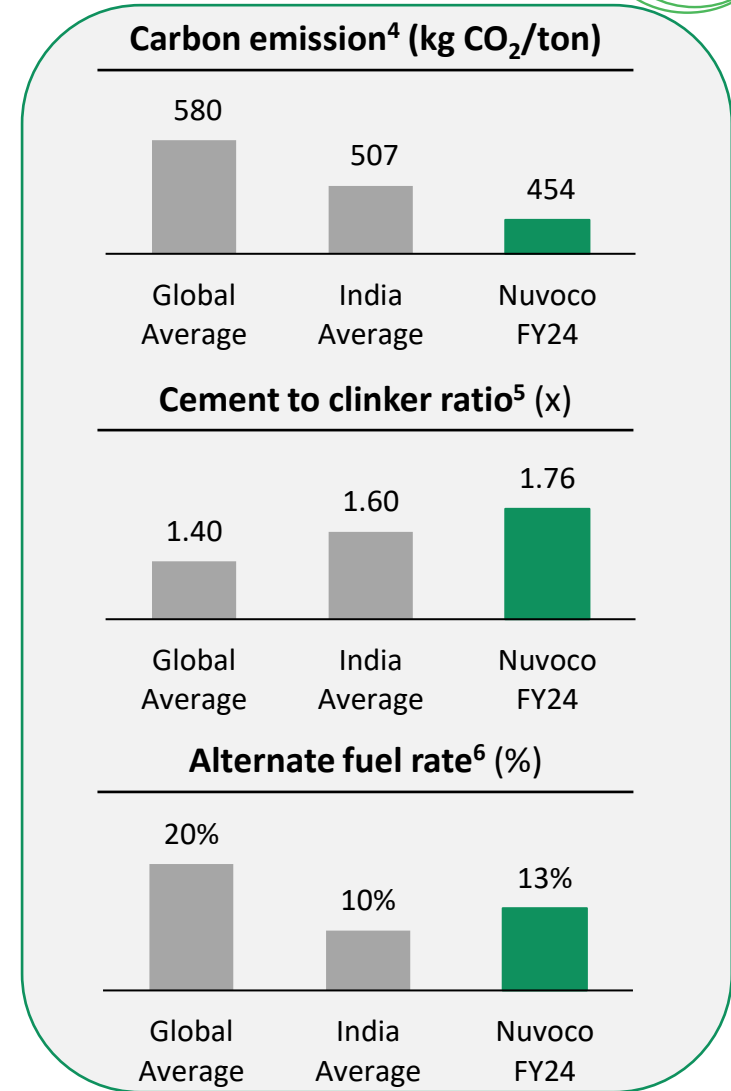
Demonstrating leadership in alternative fuel usage; Nuvoco's Chittor and Nimbol cement plants showcased capability of **~35% and 28% AFR<sup>2</sup>** respectively



**~11% YoY** reduction in freshwater consumption in FY24<sup>3</sup>



Planted **~1,20,000 saplings** in FY24



Note: 1. Unaudited figure; CO<sub>2</sub> per ton of cementitious materials  
 2. Alternate fuel 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 - IEA (CY22), India average - average of top 4 Indian peer Group  
 6. Global average - GCCA (CY21), India average - average of top 4 Indian peer Group





# Social initiatives and community engagement



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

68,700 CuM pond deepening activity conducted in 9 villages under “Project Jal Sanchay”

Running digital smart classrooms across 48 schools; initiative benefitting > 12,000 students

9,000+ people provided free consultations and medicines via “Mobile Medical Service”

Installed more than 100 integrated solar lights across 6 villages



**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 FY24



# Key financials



85	87	87.99	57	34.22
70	34	34.99	90	4
70	85	0	5	588.9
225	70	67.44	343	7
7	225	5	65	34.22
87	7	1125	6	76
300	87	44	66	4
100	300	764	909	87
1125	100	7756	113	34
			787	507
			1798	

# Demand outlook remains positive

**FY24**

## Market

- ✓ Cement demand in the East displayed a varied pattern. Weak demand in West Bengal and Bihar contrasted with strong growth in Chattisgarh and Odisha
- ✓ North witnessed healthy YoY growth

## Prices

- ✓ East cement prices declined by 3.3% in FY24<sup>1</sup>
- ✓ North cement prices flat in FY24<sup>1</sup>
- ✓ Pan-India prices declined by 1.7% in FY24<sup>1</sup>

## Cost

- ✓ Raw material costs remained broadly stable, while a decrease in fuel prices led to reduced fuel costs

**Near-term outlook**

- ✓ Spendings on infrastructure and housing to drive demand
- ✓ Under PMAY scheme ~27 lakh houses pending for completion in East<sup>2</sup>. Of this, 14.3 lakh houses is in West Bengal. Plans to build 2 Cr. more houses Pan-India
- ✓ ~3,500 kms of roads under Bharatmala Phase 1 pending for completion in the East<sup>2</sup>

- ✓ Recent price hike in East directionally favorable for the industry
- ✓ Positive demand outlook augurs well for the prices

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

# Key consolidated financial indicators

	Cement volumes (MMT <sup>1</sup> )	Revenue (₹ Cr.)	EBITDA (₹ Cr.)
FY24	18.8	10,733	1,657
Q4 FY24	5.3	2,933	498

Cost efficiency driving EBITDA growth of 35% YoY in FY24 and 30% YoY in Q4 FY24



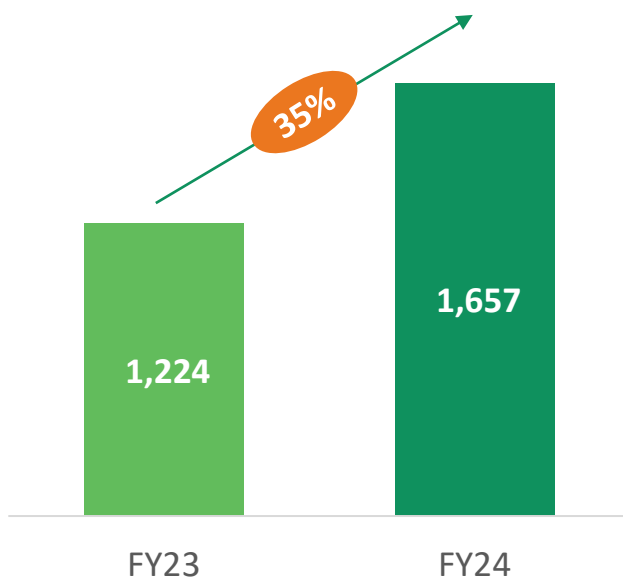
Note: 1. MMT - Million metric tons



# Cost efficiency driving EBITDA growth

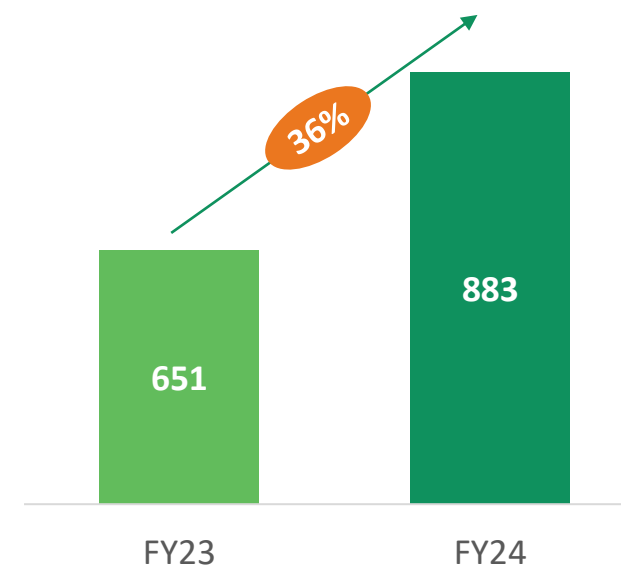
## EBITDA<sup>1</sup> growth YoY

₹ Cr.



## EBITDA/t<sup>1</sup> growth YoY

₹/t



- ✓ Delivered highest ever EBITDA at ₹ 1,657 Cr. in FY24 since IPO
- ✓ EBITDA improved 35% in FY24 primarily driven by decline in power & fuel cost
- ✓ Continuous thrust on **premiumization and cost efficiency supported by Project BRIDGE** driving strong EBITDA growth



Note: 1. The company stopped accruing Panagarh incentives from April 2023 and incentives from Rajasthan plants ended in June 2023





# Q4 FY24 consolidated performance at a glance



## Strong EBITDA growth driven by cost efficiency

### Financial



**₹ 2,933 Cr.**

Revenue



**₹ 498 Cr.**

EBITDA



**₹ 4,030 Cr.**

Net debt

### Operational



**5.3 MMT<sup>1</sup>**

Cement sales volume



**38%**

Premium share



**1.63**

Blended Fuel Cost (₹ /Mcal)

### Other key highlights

- ✓ EBITDA improved 30% YoY to ₹ 498 Cr. - highest in the past 11 quarters
- ✓ PAT at ₹ 100 Cr.
- ✓ Reduction of ₹ 384 Cr. YoY in net debt to ₹ 4,030 Cr.
- ✓ Trade share at 74% of cement trade volumes



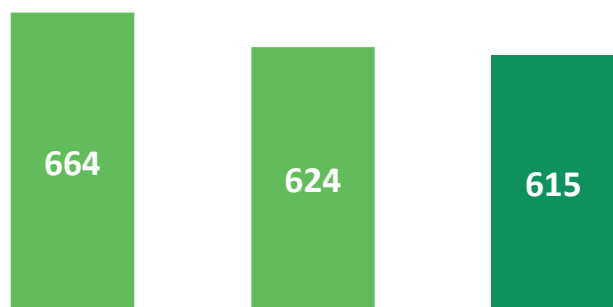
Note: 1. MMT - Million metric tons



# Key cement cost elements – Q4 FY24

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

(₹/t)

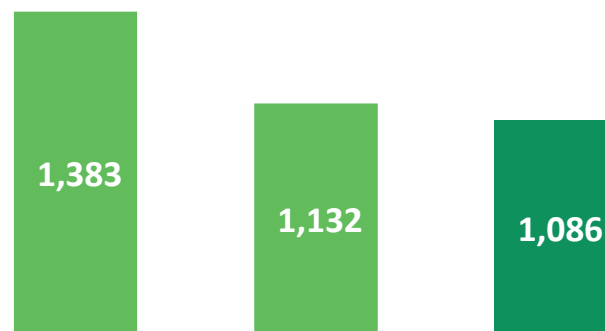


Q4 FY23      Q3 FY24      Q4 FY24

- ✓ Reduced QoQ due to decline in slag cost
- ✓ Nuvoco continues to be better placed due to long term slag contract

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

(₹/t)

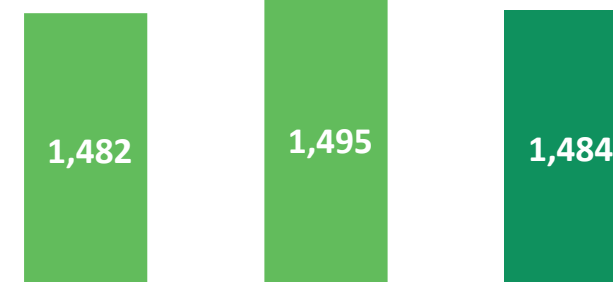


Q4 FY23      Q3 FY24      Q4 FY24

- ✓ Reduced QoQ due to efficient sourcing, optimization of fuel and power mix coupled with decline in petcoke and coal cost

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

(₹/t)



Q4 FY23      Q3 FY24      Q4 FY24

- ✓ QoQ improvement due to operational efficiency in logistics

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





# Marketing initiatives solidifying brand presence

## Marketing campaigns and activities to increase brand visibility



## Introduced new products in RMX



## New packaging signifies stronger bond between the mother brand and sub-brands



- ✓ Introduced 'Duraguard F2F' - a premium composite cement in West Bengal and Jharkhand
- ✓ Extended premium cement variant 'Concreto UNO' to Jharkhand

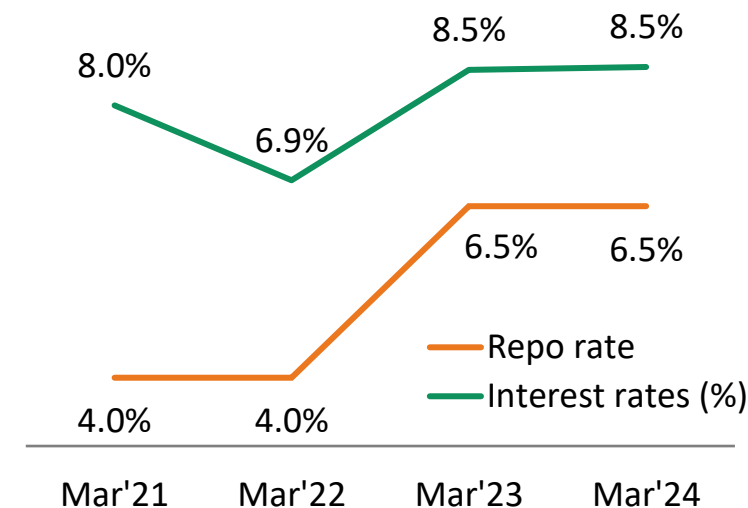
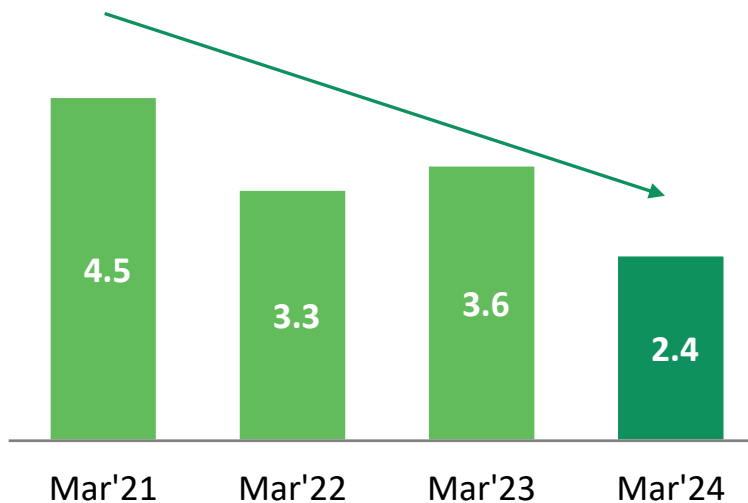
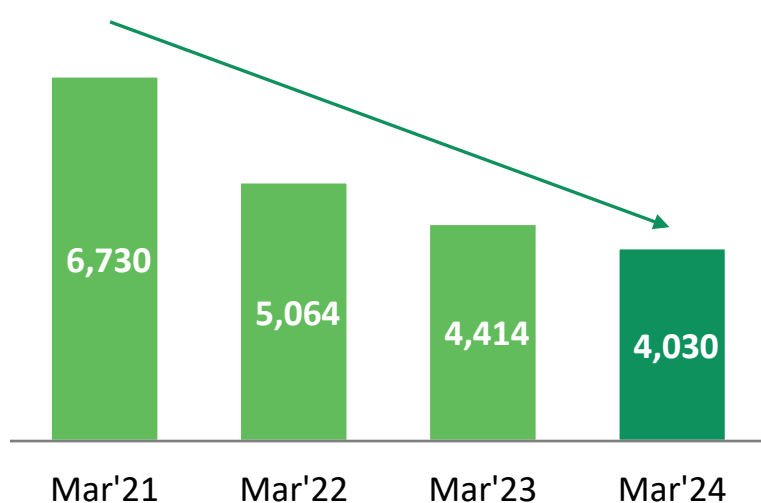


# Continued emphasis on deleveraging

Net debt (₹ Cr.)

Net debt/EBITDA<sup>1</sup> (x)

Nuvoco's interest rate vs. repo rate<sup>2</sup>



- ✓ Continuous reduction in net debt. Reduced net debt by ₹ 384 Cr. in FY24, achieving a net debt to EBITDA ratio of 2.4x
- ✓ Interest rate remained stable at ~8.5%
- ✓ Credit rating - 'CRISIL AA/CRISIL AA-/Stable/CRISIL A1+'



Note: 1. Year end net debt ÷ full year EBITDA; 2. Interest and repo rates as at the end of the month





# Consolidated income statement



(₹ Cr.)	Q4 FY23	Q3 FY24	Q4 FY24	FY23	FY24
<b>Total Income</b>	<b>2,931</b>	<b>2,432</b>	<b>2,941</b>	<b>10,599</b>	<b>10,766</b>
Cost of materials consumed	443	370	443	1,765	1,741
Purchase of stock in trade	11	57	67	44	146
Changes in inventories	187	16	76	(24)	67
Power and fuel	612	449	531	2,792	2,140
Freight and forwarding charges	784	623	805	2,818	2,928
Employee benefits expense	157	174	161	606	682
Other expenses	354	321	359	1,374	1,405
<b>EBITDA</b>	<b>383</b>	<b>421</b>	<b>498</b>	<b>1,224</b>	<b>1,657</b>

**Strong growth in EBITDA YoY primarily driven by cost efficiency**



# Summary

- ✓ Cement demand to be driven by
  - Infrastructure led spendings by the government
  - Pick up in housing. ~72 lakh units pending for completion under PMAY. ~27 lakh houses in East<sup>1</sup> and majority of which is in West Bengal. 2 Cr. more houses to be constructed under PMAY(G) in next 5 years
- ✓ Haryana Cement mill commissioned taking overall cement capacity to 25 MMT<sup>2</sup>
- ✓ Cement expansion at Haryana to cater to strong growth in North. Continue to prioritise “Value over Volume” growth in East
- ✓ Enhancing operational efficiency & cost savings through Project BRIDGE 2.0
- ✓ Focus areas continues to be premiumisation, geo-optimization, fuel mix optimization, brand strengthening



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



# 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)

