

Ref. No.: Sec/147/2022-23

February 6, 2023

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, 2022

In furtherance of our letter no. Sec/143/2022-23 dated January 27, 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 nine months ended December 31, 2022, to be presented to Investors and Analysts on Tuesday, February 7, 2023.

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

Third quarter and nine months ended December 31, 2022
February 06, 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.

01

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 23.8 MMTPA and 50+ 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



Performance snapshot for the quarter



Revenue from operations increased by 20% YoY



Launched super premium cement variant - 'Concreto UNO'



Cement sales volume improved by 6% YoY



Alternate Fuel (TSR) share improved 4% YoY



Premium share of products improved 3% YoY to 37% of trade volumes



Ready-Mix Concrete and Modern Building Material verticals growing well



TSR: Thermal Substitution Rate



02

Economy & Industry





Union Budget 2023-24 reinforces infrastructure focus



- Increased capital investment outlay by 33% to Rs 10 lakh crore



- Enhanced outlay for Pradhan Mantri Awas Yojana by 66% to over Rs 79,000 crore



- Identified 100 transport infrastructure projects for end-to-end connectivity with investment of Rs 75,000 crores



- Continuation of 50-year interest-free loans to state governments to spur infrastructure investment



- Highest-ever outlay for Railways at Rs 2.4 lakh crore



- Outlay for Urban Infrastructure Development Fund at Rs 10,000 crore per year for infra creation



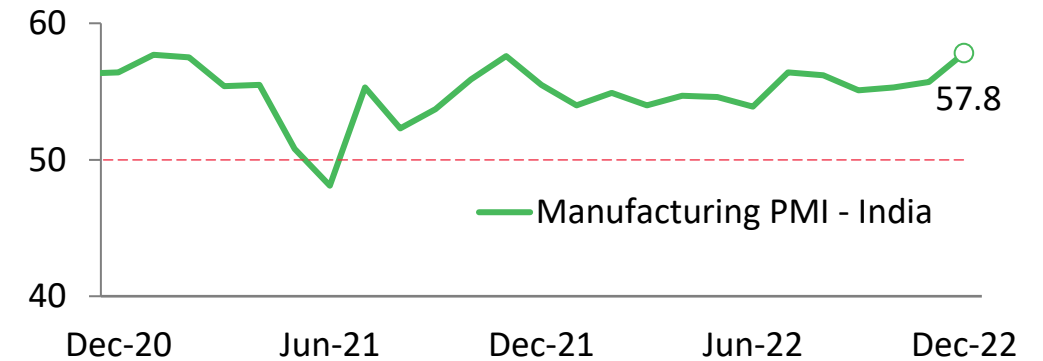
Source: Union budget announcement 2023-24, research & media reports



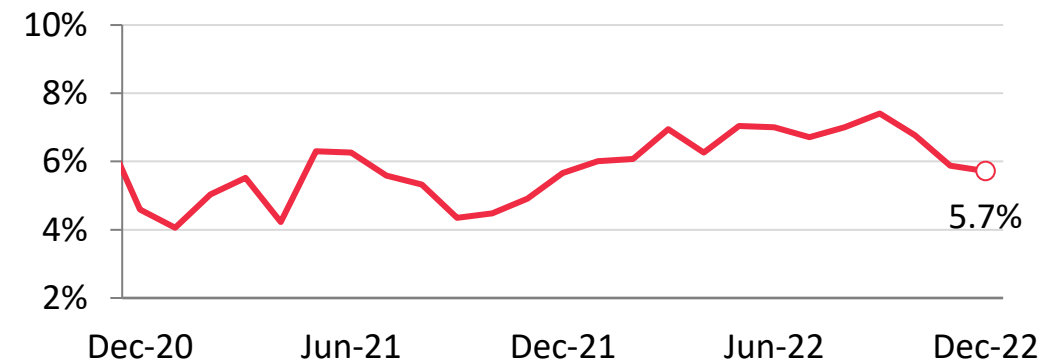
Indian economy is exhibiting resilience

- Indian economic growth in FY23 is principally led by private consumption and capital formation; GDP growth in FY24 is expected at 6.0-6.8%
- Broad based demand conditions have recently been supported by pent-up spending and discretionary expenditures during the festival season
- Increasing average monthly gross GST collection to support healthy spending ahead of the general elections in 2024
- While moderating inflation and expectation of ending rate hike cycle are supportive for growth, global slowdown and geopolitical risks remain a key watch

PMI continues to be in expansion mode



CPI moderated to 1-year low in Dec'22





Robust demand drivers



- Housing demand remains strong with rapid urbanization, rising per capita income and family nuclearization
- Rural demand to improve with better winter crop, elevated reservoir levels and labor-intensive infrastructure projects
- Disposable income to increase with change in income tax slab



- Government capital expenditure as a percentage of GDP is on the rise
- New investments announced by private sector are at an all-time high aided by rising capacity utilization and better balance sheets



03

Business update





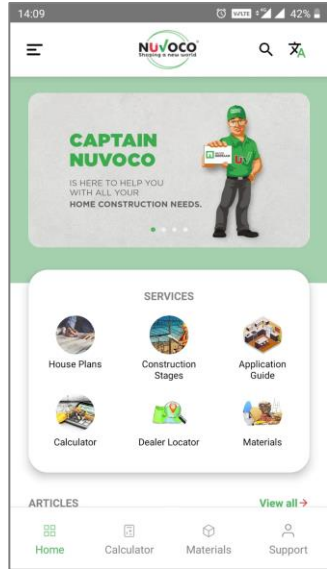
Launched Concreto UNO – a super premium cement variant



- Concreto UNO has unique water-repelling properties which protects the house from water ingress, dampness and efflorescence, resulting in higher durability and better surface finish protection from harmful waterborne environmental pollutants.



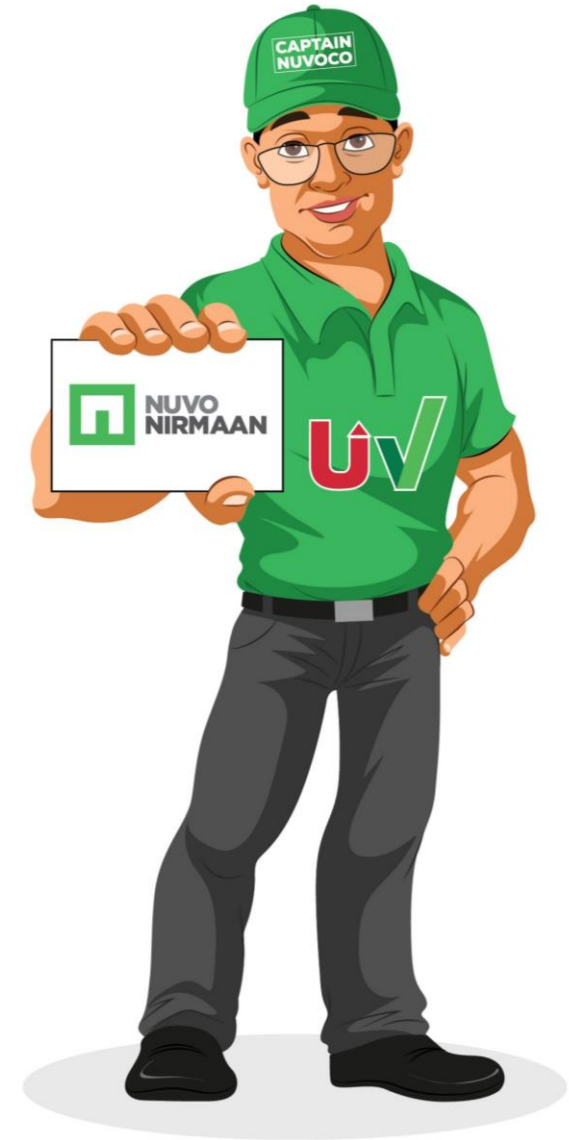
Reinforcing brand strength through phygital consumer connect



- First D2C Home Assist app covering wide range of information and guidance throughout the home building stages
- **1.2 Lacs+ downloads** under 60 days of launch



- Introduced Tech Express Vehicles to provide **on-site services to customers**
- Fully equipped vehicle with the testing facilities and is manned by a qualified civil engineer





1.2 MTPA cement capacity expansion at Bhiwani on-going



Clinker Silo, Bhiwani Cement Plant



Cement Silo, Bhiwani Cement Plant

Civil and fabrication advancement is on mark; all major orders have been released

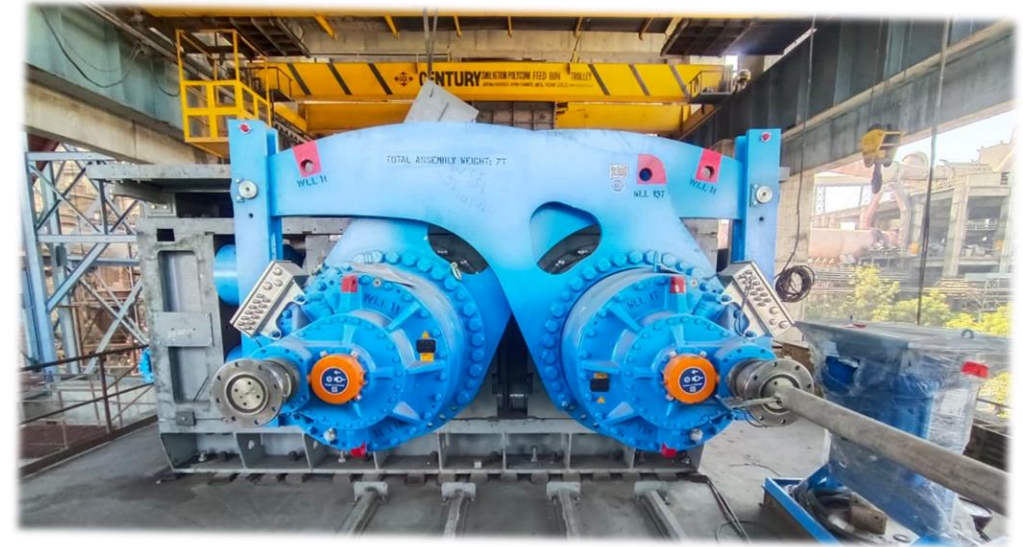


Debottlenecking & Sustainability projects



Debottlenecking projects

- Clinker capacity enhancement project through debottlenecking at Nimbol and Risda
- Projects to improve clinker availability in North and East



Placement of Roller press at Nimbol Cement Plant



Sustainability projects

- Alternate fuel feeding commenced at Risda through co-processing system; work on pre-processing system underway
- Circuit fabrication and erection activities at Nimbol are on target

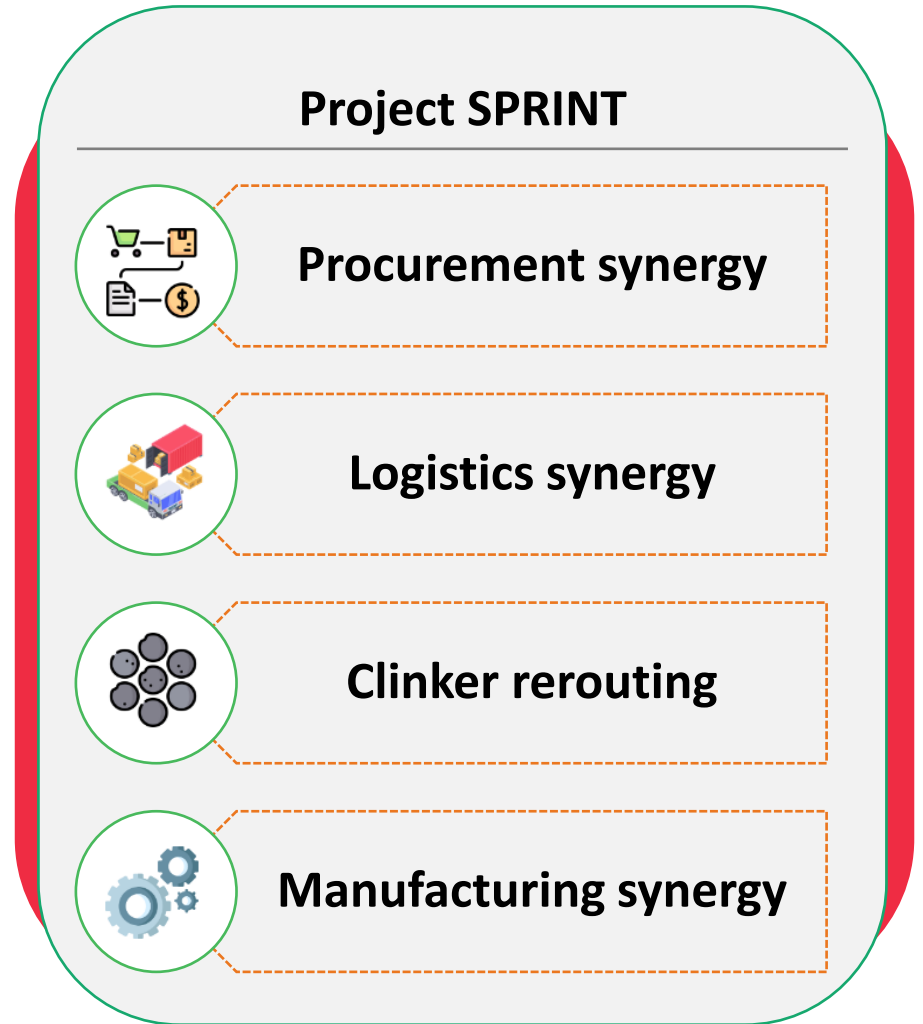
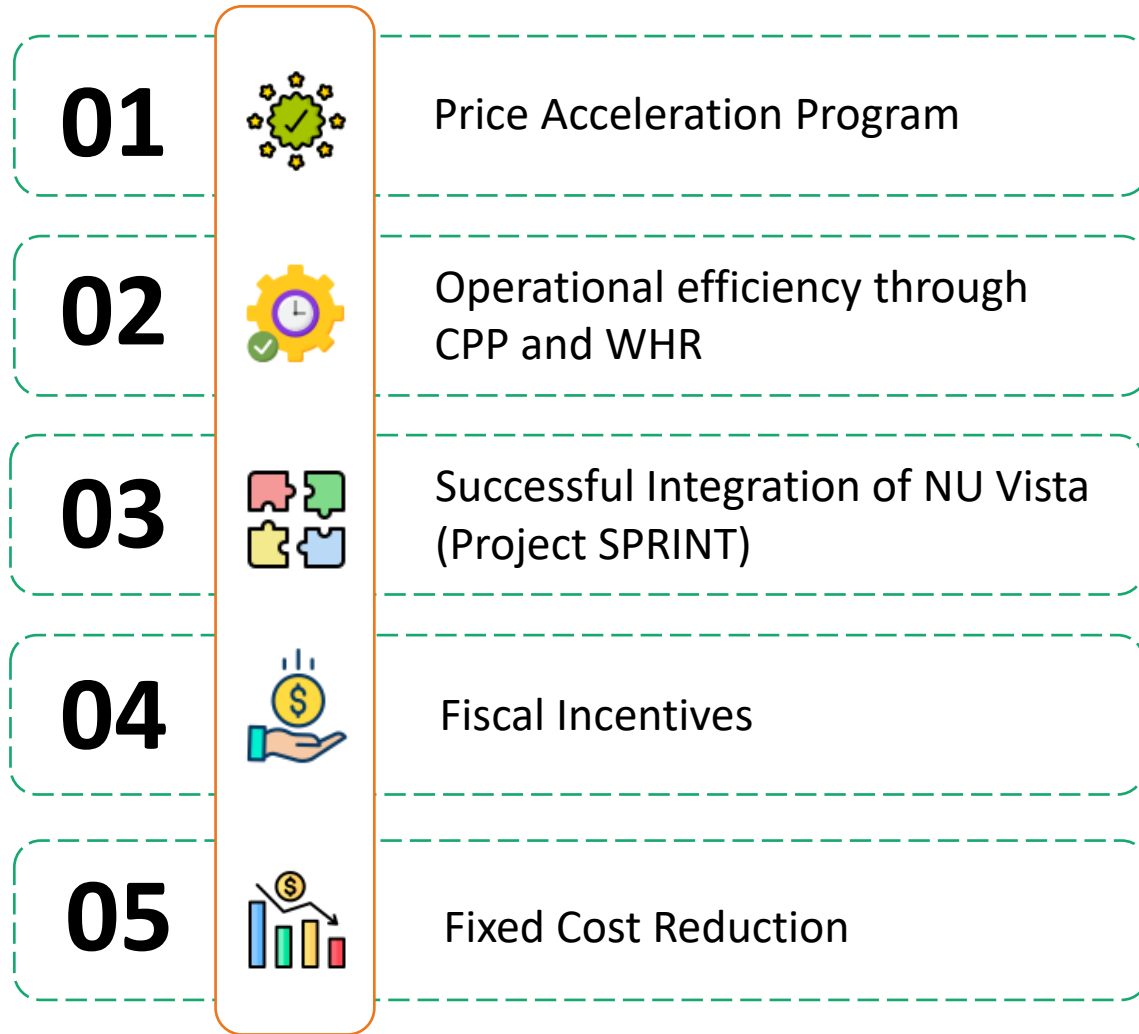


Erection of Alternative Fuel Feeder and Transfer Tower at Nimbol





Internal levers continue to support in high cost environment



CPP: Captive Power Plant; WHR: Waste Heat Recovery systems



RMC and MBM businesses on a growth trajectory



Ready-Mix Concrete (RMC)

- 50+ operational plants across India
- Continuous thrust to improve premiumisation; value added product mix stood at ~32% of total sales volume in Q3 FY23



Modern Building Materials (MBM)

- Construction chemicals and tile adhesive segments continue to witness sales improvement
- Healthy growth in the regions of North and West with expansion into non-cement channels



*With 2.5 Lac+ sq feet, we have built magnificent external pathways, driveways and landscaping of Birsa Munda Hockey Stadium, Odisha – one of the largest hockey stadiums in India – with our **Artiste** offering*





Awards & recognitions showcasing our achievements



A Chittorgarh Cement plant won **National Award for circular economy** in the 17th NCB International Conference for Cement



A

B Won the **Golden Peacock Award** for Excellence in Corporate Governance



B

C Recognized as the **Most Preferred Workplace** in the Manufacturing Industry



C



Nuvoco Vistas Corp. Ltd.

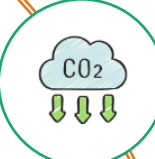



04


Sustainability & CSR





Sustainability – a key thrust area

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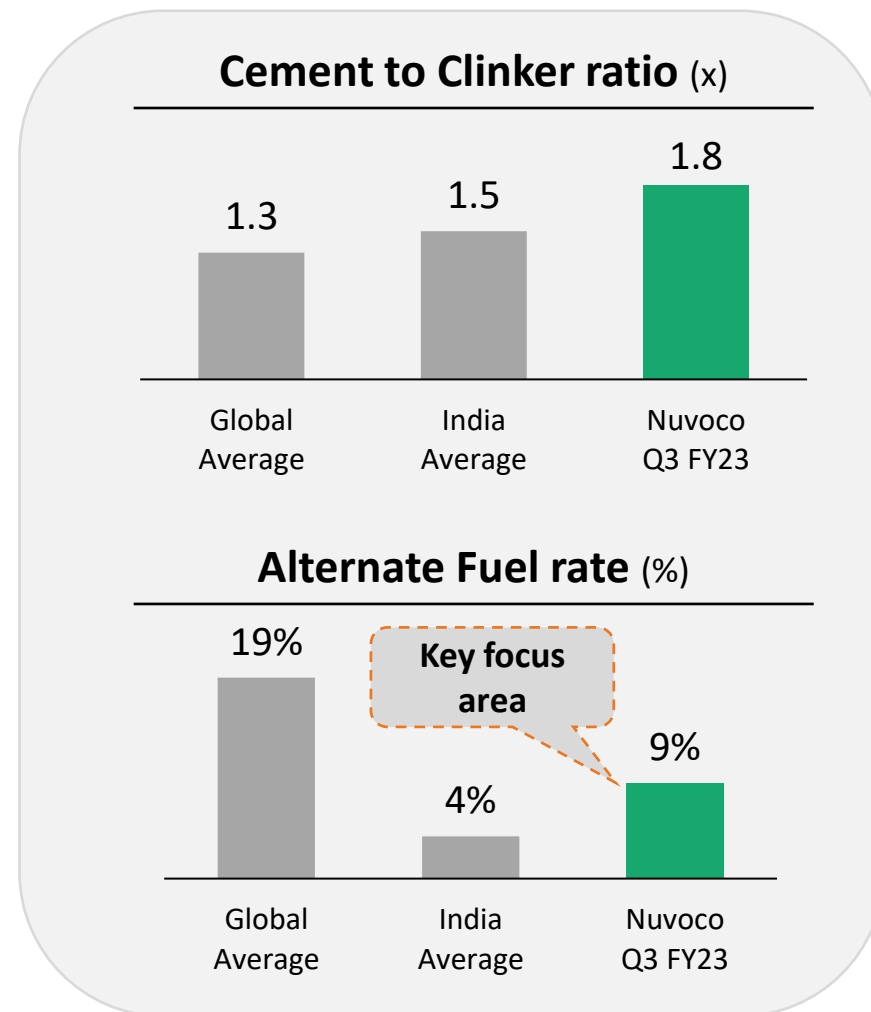
One of the lowest carbon footprint in the industry with net carbon emission at **478 kg CO₂ per ton** cementitious materials in FY22
- 

One of the largest producer of blended cement; share of **Composite cement improved 8% YoY** in 9M FY23
- 

Demonstrating leadership in alternative fuel usage; one of Nuvoco's cement plant achieved **23% TSR¹** in 9M FY23
- 

>7% reduction in Fresh Water Consumption (Litre per ton of cementitious material) in 9M FY23 over FY22
- 

Progressive steps towards carbon sequestration through native plantation; **planted 90,000+ saplings** in 9M FY23



1. TSR: Thermal Substitution Rate; Source: Global & India average are for CY20 based on latest available data of GCCA





Added ultra-modern Aluminium Body Trucks to further sustainability goals



- 🌿 The introduction of lighter Aluminium body trucks for cement dispatches – a first in the industry – will help **reduce ~28 tCO₂/vehicle** in its life-cycle by reducing fossil fuel consumption leading to natural resource conservation
- 🌿 Aluminium also offers excellent resistance to corrosion and rust, resulting in a longer lifespan for vehicles



Touching lives of communities through our CSR activities



**Shikshit
Bharat**



Organized special coaching classes & competitions for children under various streams & felicitated best performing students



**Swastha
Bharat**



Conducted awareness campaigns about 'Menstrual Hygiene Management' among adolescent girls & established a 'Sanitary Napkin Pad Bank'



**Saksham
Bharat**



Trained 250+ members in enhancing various skills like Handicrafts & Stitching; 100+ girls commenced their own business



**Sangrahit
Bharat**



Promoted unique model of nutrition gardens in nearby villages to meet the goal of nutritional self-sufficiency



**Sanrachit
Bharat**



Established 'Village Resource Centre' for conducting various awareness programs, training and coaching; 500+ villagers & students will be benefitted




Note: Highlights for 9M FY23







Introduced Nuvo Mason - a Masonry Skill Development Program



 The program comprises 300 hours of training on application of brick masonry, plastering, putty, tile masonry and PCC work certified by NSDC

 It aims at enhancing the masonry skills of youth and construction workers, empowering them, expanding their work opportunities, and improving their quality of life overall

 The skilled masons will help meet customer expectations of constructing a safe, enduring and aesthetically pleasing homes



05

Key Financials





Price hikes remain essential to mitigate lingering high-cost



Market

Prices

Cost

Q3 FY23

- Cement demand in East and North witnessed double digit demand growth on YoY basis with low base last year
- Demand is primarily driven by rural housing and infrastructure sector

- Prices improved in Oct'22 and Nov'22 with pick up in East demand post the festive season, while North prices remained muted
- However, prices softened in later part of Dec'22

- Cost pressure continued during the quarter; cost increased with decline in linkage coal availability, higher slag cost and levy of Busy season surcharge
- Internal levers continue to support margins

Near-term outlook

- Cement demand expected to remain robust with the onset of peak construction period
- Boost in government spending on infrastructure projects ahead of general election in 2024 to support cement demand

- Prices in East and North remain rangebound in Jan'23 with optimism around price hikes on the back of robust demand
- Further price hikes remain essential to mitigate fuel price inflation

- Fuel cost have peaked; benefit of recent softness should translate in near term profitability
- Improvement in Alternate Fuel Rate coupled with focus on internal levers to abate headwinds



Key consolidated financial indicators

Cement Volumes
(MMT)

Total Revenue
(Rs. crores)

Total EBITDA
(Rs. crores)

Q3 FY23

4.5

2,605

272

9M FY23

13.6

7,658

841

Revenue improved 20%YoY in Q3 FY23 on the back of higher volumes and better prices



Key cement cost elements in Q3 FY23

Raw Material cost

699

(Rs./t)

Increased by 21% YoY

Power & Fuel cost

1,611

(Rs./t)

Increased by 25% YoY

Distribution cost

1,450

(Rs./t)

Increased by 5% YoY

Increase in slag consumption cost with higher Slag and Composite cement volumes. This benefitted overall cost with improvement in c/k¹ ratio to 1.8x vs India average of 1.5x

External pressure from high energy prices were partially mitigated by dialing up measures to improve thermal substitution rate

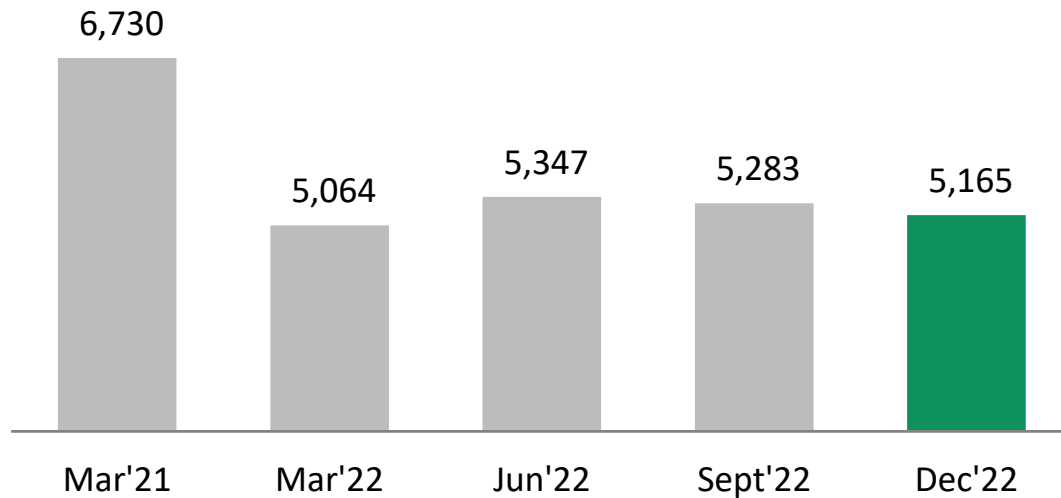
Reimposition of Busy Season Surcharge on rail freight on cement and clinker movement

1. C/k ratio: Clinker to Cement ratio; Note: 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

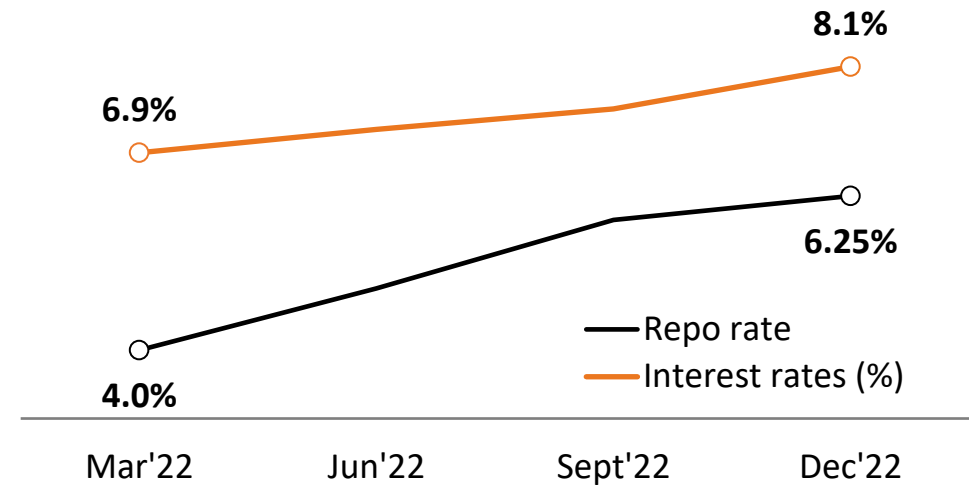


Focus upon strengthening balance sheet

Net debt as at month end (Rs. Crores)



Nuvoco's Interest rate vs. repo rate



- Net debt marginally declined since Sept'22
- Interest rate increased by ~120 bps to 8.1% as of Dec'22 vs Mar'22 despite 225 bps increase in repo rate



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



Consolidated income statement

(All amount in Rs. crores)	Q3 FY23	Q3 FY22	9M FY23	9M FY22
Total Income	2,609	2,180	7,668	6,415
Cost of materials consumed	469	374	1,322	1,046
Purchase of stock in trade	11	10	33	26
Changes in inventories	(110)	(140)	(211)	(296)
Power and fuel	801	648	2,181	1,497
Freight and forwarding charges	672	610	2,034	1,713
Employee benefits expense	147	151	448	441
Other expenses	347	285	1,020	890
EBITDA	272	241	841	1,099

EBITDA improvement in Q3 FY23 was moderated by steep increase in fuel prices



Summary

- ✓ Continuous thrust by the Indian Government on infrastructure spending
- ✓ Strong foothold in East markets to capitalize on the robust demand in the region
- ✓ North expansion with an aspiration to diversify market base is on track
- ✓ Persistent product innovation demonstrated with a new product launch in each quarter of FY23
- ✓ Fuel costs have peaked; to benefit margins
- ✓ Focused investments on cost saving and sustainability projects progressing well



Nimbol Cement Plant



Nuvoco Vistas Corporation Limited

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

Company Contact

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