

Ref. No.: Sec/115/2022-23

November 9, 2022

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

Dear Sir/Madam,

**Sub: Investor and Analyst Conference Call presentation for the quarter and half year ended September 30, 2022**

In furtherance of our letter no. Sec/110/2022-23 dated November 7, 2022 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, 2022, to be presented to Investors and Analysts on Thursday, November 10, 2022.

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

Second quarter and first half ended September 30, 2022  
November 09, 2022



## 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



- ✓ 5<sup>th</sup> 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




Cement sales volume improved by 15% YoY




Revenue from operations increased by 19% YoY




Premium share of products increased to 38% of trade volumes



Increase in composite cement sales volume on YoY basis



Alternate Fuel (TSR) share improved by 5% on YoY basis



Ready-Mix Concrete and Modern Building Material verticals growing well



TSR: Thermal Substitution Rate





# 02

## Economy & Industry



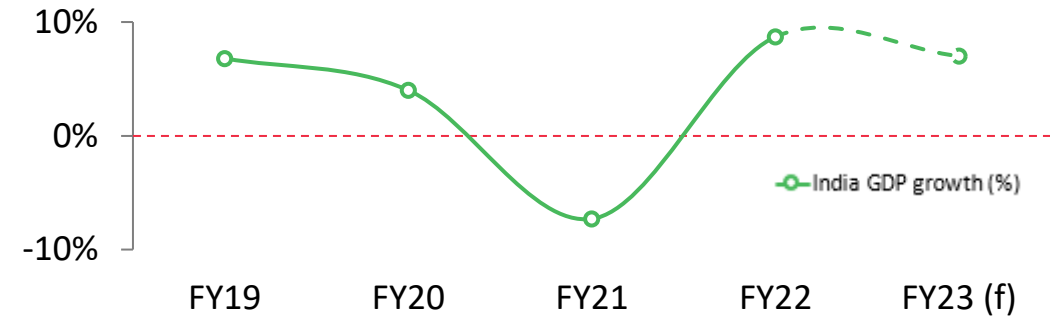


# India remains one of the fastest growing economy

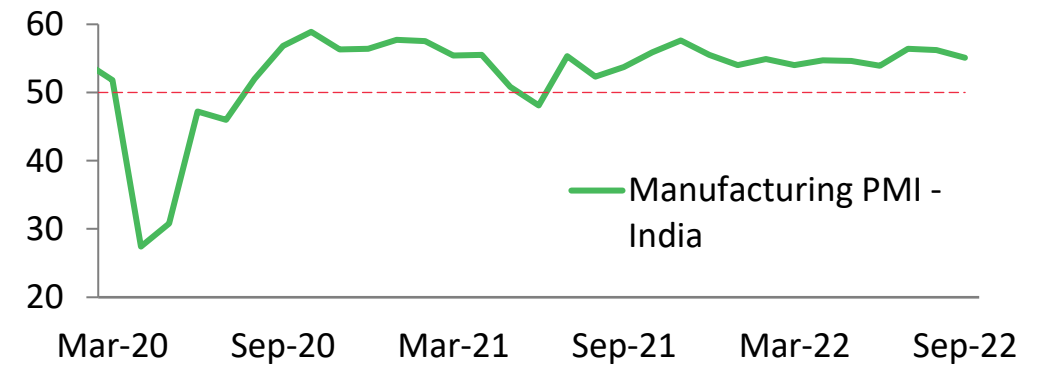


- Urban consumption improved by discretionary spending ahead of the festive season while rural demand is gradually improving
- Rainfall in the monsoon period of June-September has exceeded the Long Period Average; but was deficient in Eastern India
- Government's continued thrust on capex, improvement in capacity utilization in manufacturing and pick-up in non-food credit should sustain the expansion in industrial activity
- However, economic growth outlook is clouded by geopolitical tensions and inflationary pressures led by elevated food and energy prices

## Indian economy is projected to grow at 7% in FY23 despite global headwinds



## PMI continues to be in expansion mode





# Healthy demand drivers

## Housing



- 80 lakh houses targeted to be completed under PMAY (Urban and Rural) in FY23; ~93% of the allocated funds have been utilized
- Residential housing demand has bounced back despite rise in interest rates and property prices – housing sales rose 49%YoY in Q2 FY23 across 8 major Indian cities, surpassing pre-pandemic level
- Rural demand to improve further with offset of festive season and expectation of retail inflation cooling

## Infrastructure



- Upthrust in govt's public spending with over 1,500 ongoing projects worth Rs 26 lakh crore; momentum in urban infra and metro projects continued
- High budget allocation of about Rs 2 Lac crores by the central government in FY23 on metro rails, highways and other MoRT roads

## Industrial & Commercial



- Broad-based recovery in commercial real estate, especially office spaces, after the disruptions from Covid-19 pandemic
- Capital-intensive sector companies gearing up capex cycle

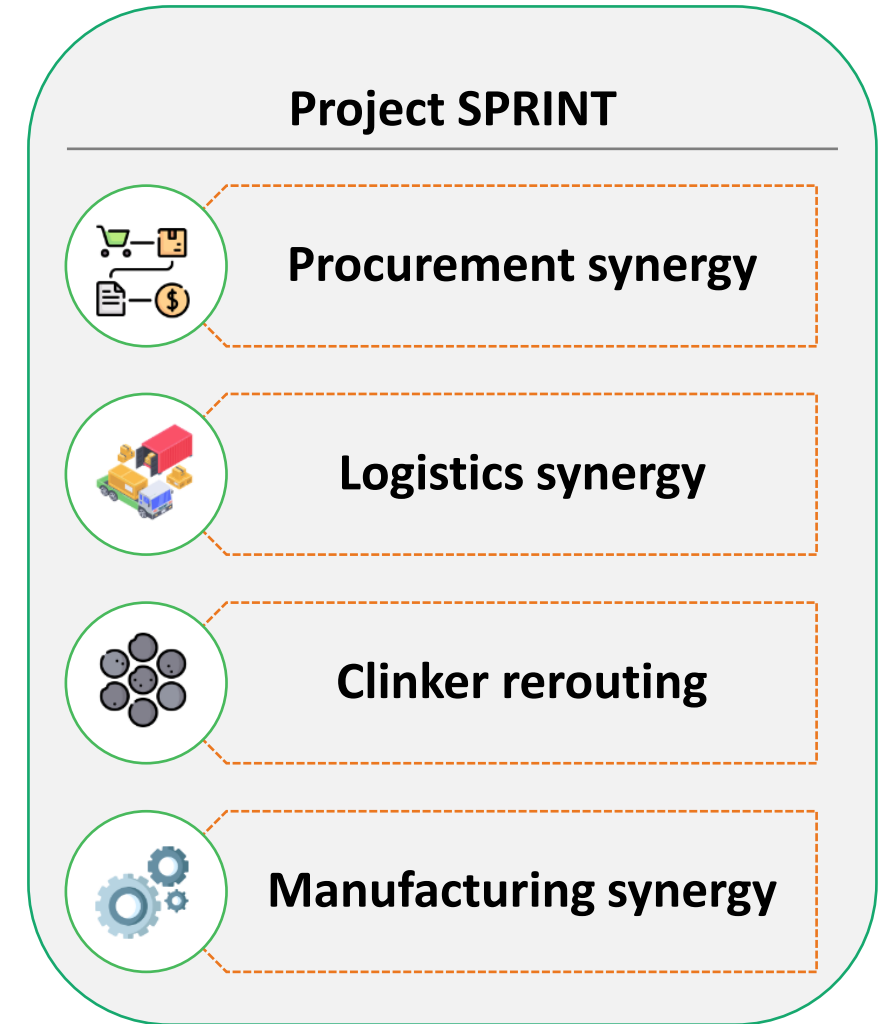
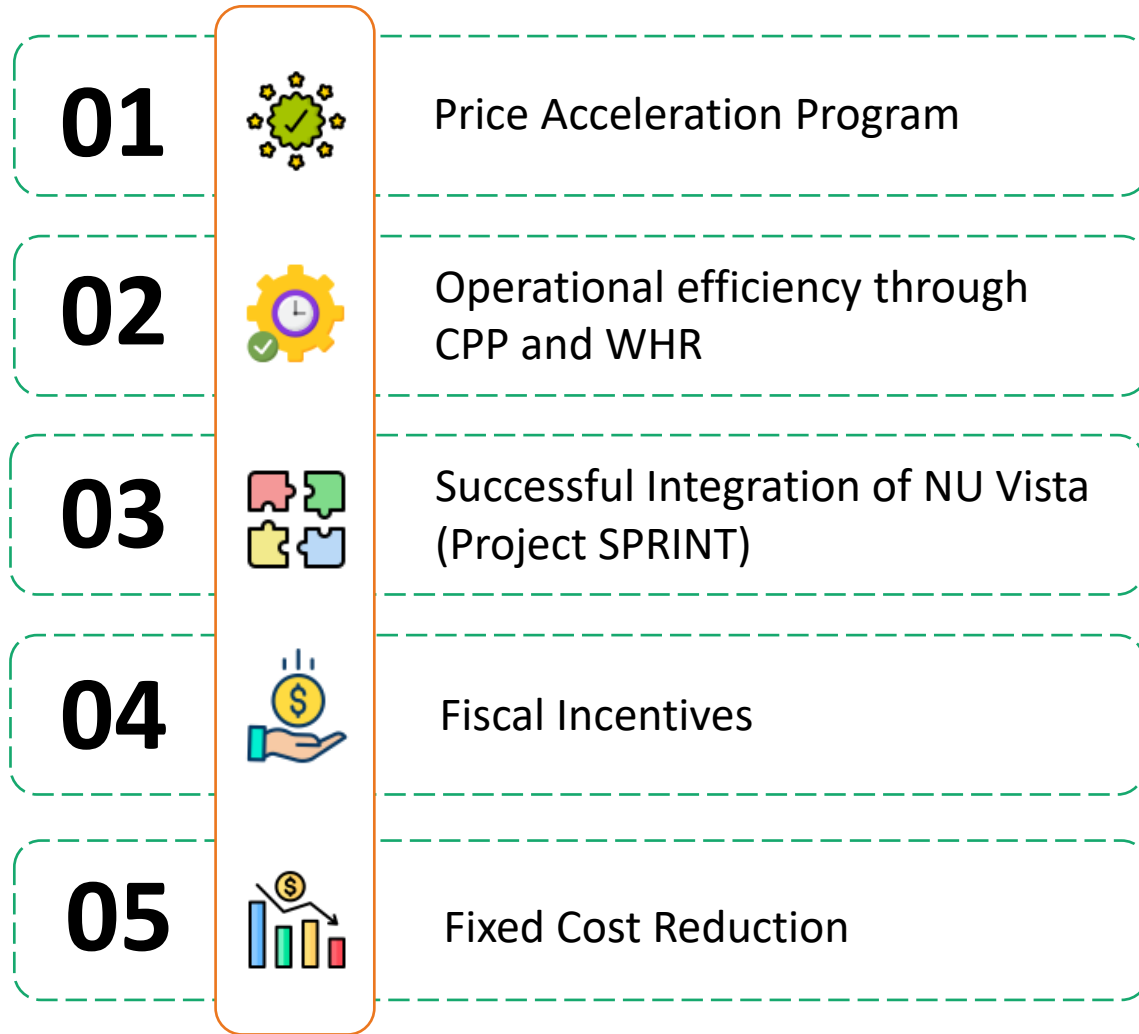


# 03

## Business update



# Consistent focus on internal levers



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





# Launched 'Duraguard Xtra F2F' in Bihar market



- Launched 'Duraguard Xtra F2F' in Bihar - a premium composite cement that improves workability, provides a superior finish and strengthen the construction from foundation to finish (F2F)



Duraguard Xtra F2F first shipment flagged off

A foundation that **withstands blows**,  
and a finishing that **glows!**

**DURAGUARD XTRA**  
F2F  
FOUNDATION TO FINISH  
PREMIUM COMPOSITE CEMENT

CONCRETING | BRICKWORK | PLASTERING | FLOORING



# Launched 'Concreto Glyde' - a Ready-Mix Concrete solution

One-stop solution for amazing **FLOORS** and robust **ROOF OVERLAYS**



Launched Concreto Glyde in Bhubaneswar, Odisha in July 2022

- Concreto Glyde is a premium quality effective solution designed for interior and exterior flooring underlay with early drying time
- Variants of Glyde include:
  - Smooth finish
  - Light weight
  - Water & crack resistant
  - Self-levelling



# Growth & Sustainability projects



## Growth projects

- Clinker capacity enhancement project through debottlenecking at Nimbol and Risda
- 1.2 MTPA cement expansion at Bhiwani plant



Additive conveyor for cement mill, Nimbol debottlenecking project



## Sustainability projects

- Commencement of alternate fuel feeding at Risda with commissioning of alternate fuel co-processing system; erection of pre-processing system is underway
- Civil work of alternate fuel material handling facility at Nimbol Cement Plant is ongoing



Inauguration of co-processing system, Risda Cement Plant





# RMC and MBM businesses on a growth trajectory



## Ready-Mix Concrete (RMC)

- 52 operational plants across India
- Continuous thrust to improve premiumisation; value added product mix stood at ~30% of total sales volume



RMC Artiste product offering used in ARCE Polymers, Hyderabad as most durable paving option and enhance the look of the flooring



## Modern Building Materials (MBM)

- Improvement in business with expansion into non-cement channels
- Tapping newer markets with expansion of footprint in Maharashtra, Uttar Pradesh and Gujarat



Modern Building Material's retailer and Painter meet







# Awards & recognitions showcasing our achievements



Concreto Cement has been awarded No. 1 Premium Cement Brand under the 'Excellence in Infrastructure Development' category at Jagran Achievers Awards 2022

GREENPRO award conferred by CII – Indian Green Building Council to Nuvoco Vistas for Ecodure range of products under 'Ready-Mix Concrete' category



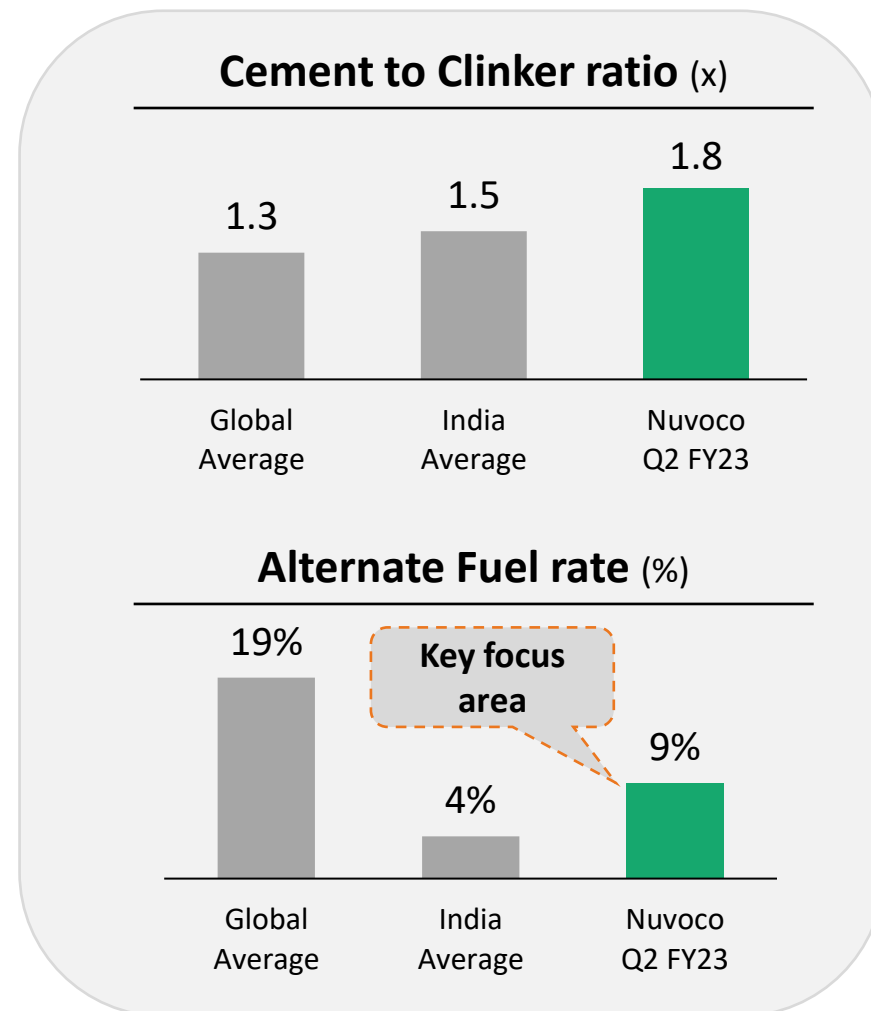
# 04

## Sustainability & CSR



# Sustainability – a key thrust area

- One of the lowest carbon footprint in cement industry with net carbon emission at 478 kg CO<sub>2</sub> per ton cementitious materials in FY22
- One of the largest producer of blended cement
- Demonstrating leadership in alternate fuel usage; one of Nuvoco's cement plant achieved 24% alternate fuel rate
- Consumption of alternate fuel and alternate raw material increased ~2.4 times in H1 FY23 on YoY basis
- 6 Ready-mix Concrete plants are certified GreenPro ecolabel plants for its ECODURE product
- Progressive steps towards carbon sequestration through native plantation, thereby enhancing biodiversity



Source: Global & India average are for CY20 based on latest available data of GCCA





# Touching lives of communities through our CSR activities



## Shikshit Bharat

Set up a digital classroom solution and a SMART class in nearby school and university of Panagarh and Chittor respectively



## Swastha Bharat

Organized eye, blood pressure & sugar check up and treatment camp in nearby villages; benefitting ~2,000 members



## Saksham Bharat

Trained 200+ members under various skill enhancement initiatives including Handicrafts & Stitching



## Sangrahit Bharat

Installed 3 KW Solar Power Plant in Government High Schools at Dudhwa and Chiriya; benefitting 300+ students



## Sanrachit Bharat

Installed 5K Lts water storage tank, motor pump along with drinking water platform for providing clean drinking water to the adjacent community



Note: Highlights for H1 FY23

# 05

## Key Financials



# Lingering high-cost continues to pressure margins

## Market

## Prices

## Cost

### Q2 FY23

- Cement demand in East improved by high double digit while North witnessed mid single digit demand growth on YoY basis
- Cement demand is primarily driven by rural and housing sector

- Prices softened in early part of this seasonally weak quarter
- However, Sept'22 witnessed price hike in East with pick up in demand while North prices remain muted

- Cost pressure continued during the quarter; increase in operational cost primarily led by higher fuel and slag cost
- Benefit from internal levers supporting in inflationary environment

### Near-term outlook

- Cement demand expected to remain robust with the withdrawal of monsoon and end of festive season
- Expected improvement in construction activities with boost in government spending to support cement demand

- Prices in East improved moderately in Oct'22 despite festive season
- Further price hikes remain essential to mitigate fuel price inflation

- Fuel prices continue to be at elevated levels; recent softness in petcoke was short-lived
- Improvement in AFR coupled with focus on internal levers like WHR utilisation to abate headwinds



AFR: Alternate Fuel Rate; WHR: Waste Heat Recovery



# Key consolidated financial indicators

|         | Cement Volumes<br>(MMT) | Total Revenue<br>(Rs. crores) | Total EBITDA<br>(Rs. crores) |
|---------|-------------------------|-------------------------------|------------------------------|
| Q2 FY23 | 4.4                     | 2,401                         | 194                          |
| H1 FY23 | 9.1                     | 5,053                         | 568                          |





# Key cement cost elements in Q2 FY23

## Raw Material cost

**692**

(Rs./t)

Increased by 24% YoY

Increase in slag prices and consumption led by higher slag and composite cement volumes

## Power & Fuel cost

**1,554**

(Rs./t)

Increased by 60% YoY

Significant increase in fuel costs partially mitigated by improvement in alternate fuel rate and higher linkage coal usage

## Distribution cost

**1,376**

(Rs./t)

Increased by 8% YoY

Impact of higher freight cost contained with internal levers like cross sourcing

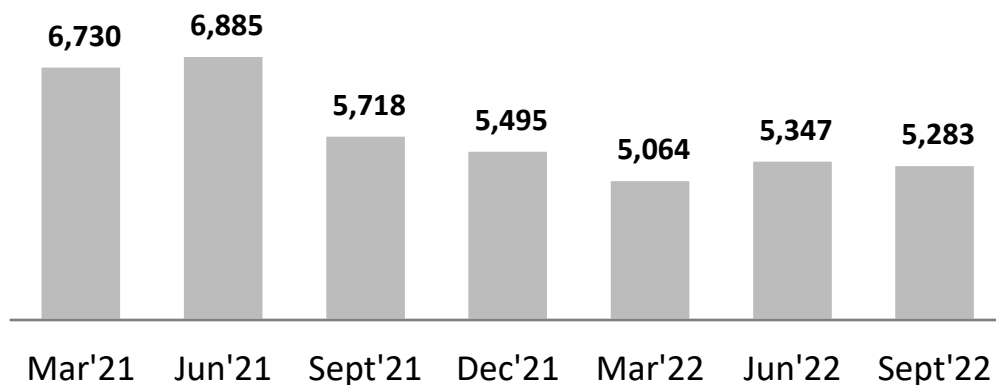
Note: Cement cost elements are calculated after adjusting the costs impact of 'Changes in inventories of finished goods, work-in-progress and stock-in-trade' by each cost heads



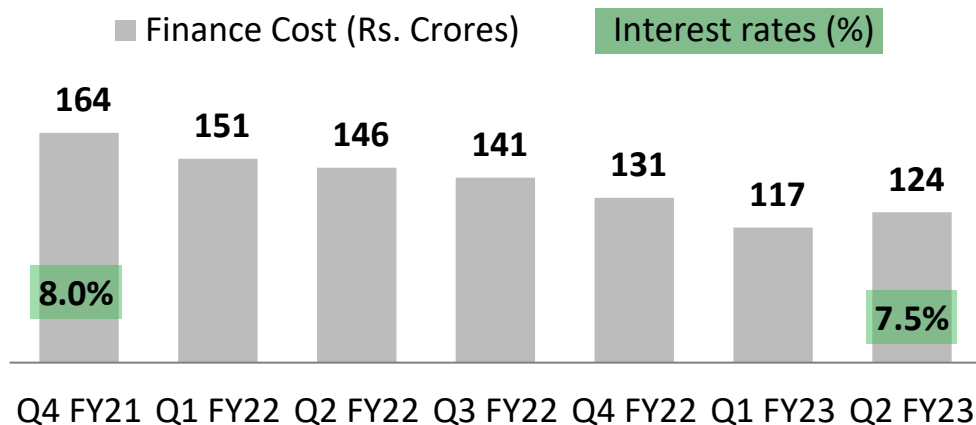


# Focus on balance sheet improvement

## Net debt as at month end (Rs. Crores)



## Finance cost trending lower over the quarters



- Reduction in net debt from Jun'22 end
- Despite 190 bps repo rate hike by the RBI since Mar'22, Nuvoco's interest rates increased by 63 bps through sustained focus on opportunistic refinancing and debt repayment
- Refinanced non-convertible debentures of Rs. 350 crores at 7.75% for a period of 3 years



Note: Interest rates as at the end of the quarter



# Consolidated quarterly income statement

| (All amount in Rs. crores)     | Q2 FY22      | Q2 FY23      | H1 FY22      | H1 FY23     |
|--------------------------------|--------------|--------------|--------------|-------------|
| <b>Total Income</b>            | <b>2,027</b> | <b>2,403</b> | <b>4,235</b> | <b>5060</b> |
| Cost of materials consumed     | 334          | 418          | 672          | 854         |
| Purchase of stock in trade     | 10           | 10           | 16           | 23          |
| Changes in inventories         | (65)         | 31           | (156)        | (101)       |
| Power and fuel                 | 419          | 670          | 849          | 1,380       |
| Freight and forwarding charges | 521          | 626          | 1,103        | 1,362       |
| Employee benefits expense      | 147          | 148          | 289          | 301         |
| Other expenses                 | 322          | 305          | 605          | 673         |
| <b>EBITDA</b>                  | <b>338</b>   | <b>194</b>   | <b>857</b>   | <b>568</b>  |

**EBITDA decline mainly driven by steep increase in fuel prices**



# Summary

- ✓ Strong foothold in East markets with healthy trade ratio and higher share of premium products
- ✓ Elevated costs continue to weigh margins; internal levers to support performance
- ✓ Persistent focus on product innovation
- ✓ Initiatives for sustainable growth with an aspiration to diversify market base; focused augmentation in North markets
- ✓ Ongoing investments in growth and sustainability projects



Panagarh 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](http://www.nuvoco.com)

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