

NUVOCO VISTAS CORP. LTD.



Ref. No.: Sec/64/2022-23

August 9, 2022

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 ended June 30, 2022

In furtherance of our letter no. Sec/58/2022-23 dated August 5, 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 ended June 30, 2022, to be made to Investors and Analysts on Wednesday, August 10, 2022.

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

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 66306511 | Fax: +91 (0) 22 67692572 | Website: www.nuvoco.com | CIN-L26940MH1999PLC118229



Investor Presentation

First quarter ended June 30, 2022

August 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 at a glance



- 5th largest cement group in India and leading player in East India
- Major player in the building materials industry with diverse product portfolio
- Installed cement capacity of 23.8 MMTPA

VISION

Building a safer, smarter and sustainable world



MISSION

Leading Building Material Company
Delivering Superior Performance



Fastest growing cement company
in terms of capacity addition¹



Market leading brands
with significant market share, market reputation and brand recall



Strategically located production facilities
in close proximity to raw materials and key markets



Focused on retail
Major revenue driven by a robust distribution network



1. with the total installed capacity doubling over the last 5 years with the acquisition of NU Vista Ltd (erstwhile Emami Cements)



Performance snapshot for the quarter



Revenue from operations improved by 20% on YoY basis



1.6 percentage point improvement in premium product share of trade volumes on YoY basis



Continuous focus on sustainability; highest ever power generation through Waste Heat Recovery systems



Concerted efforts led to additional savings under project SPRINT



Improvement in Alternate Fuel rate by ~3 percentage point on YoY basis



Ready-Mix Concrete and Modern Building Material businesses performing well



02

Economy & Industry



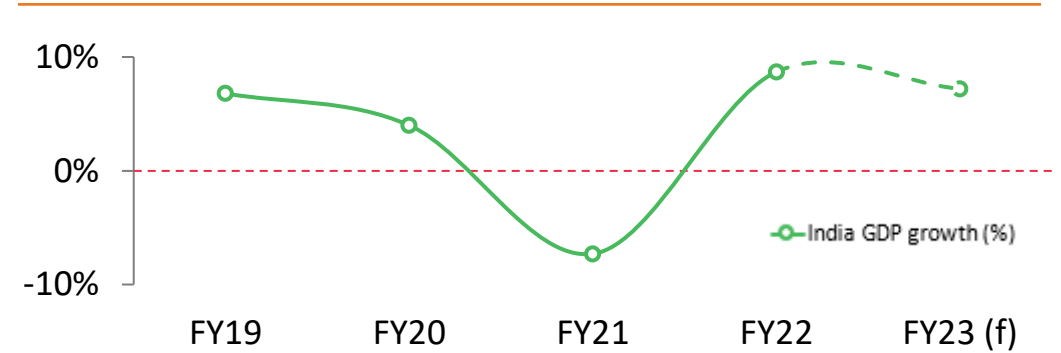


Recovery in Indian economy is gathering strength

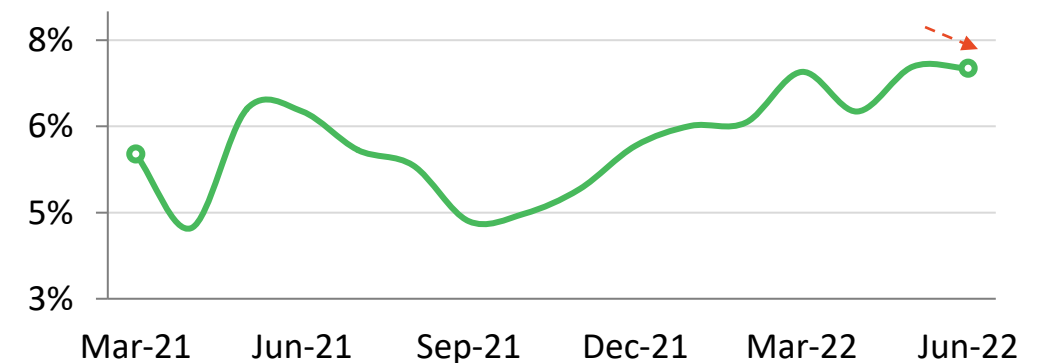


- India real GDP growth is projected at 7.2% in FY23 with improvement in business sentiment and consumer demand:
 - GST collection at Rs 1.49 Lac crores in July'22 - second highest since inception
 - Manufacturing PMI at 56.4 for July'22 – touches eight month high
 - 5G spectrum auctioned worth Rs 1.5 Lac crores
- Inflation moderated a bit in Jun'22 but remained above the RBI's tolerance band of 2-6%
- Lingering global geopolitical situation and the consequent elevated commodity prices continue to weigh on the outlook

India remains one of the fastest growing economy



Inflation started tapering from May'22 high



Healthy demand drivers

Housing



- 80 lakh houses to be completed in FY23 for the identified eligible beneficiaries of Pradhan Mantri Awas Yojana (Rural and Urban)
- Despite increasing interest rates, growth in income levels with positive change in demography to support urban demand; ~160-165 mn sq. ft of new project launches are projected in FY23
- Robust rabi harvest and better crop realization to uplift rural demand

Infrastructure



- Continuous thrust by the Government on infra projects; PM Gati shakti driven by Roads, Railways, Airports, Ports, Mass Transport, Waterways, and Logistics Infrastructure
- High budget allocation of ~Rs 2.3 Lac crores by the central government in FY23 on Smart cities mission, Metro projects, NHAI and other MoRT Roads

Industrial & Commercial



- Capital-intensive sector companies are gearing up capex cycle after significant deleveraging in recent years
- Large planned public infrastructure investments to encourage more private investment



03

Key Focus Areas



Focus on internal levers



Price Acceleration Program

- Continuous focus on premiumisation, value added products and innovation
- Thrust towards improvement in trade share and geo-mix optimization



Successful Integration of Nu Vista

- Deriving synergy benefits through Project SPRINT



Operational Efficiency

- Continuous benefit from WHR systems at integrated units
- Potential benefit from newly commissioned captive power plants with linkage coal availability

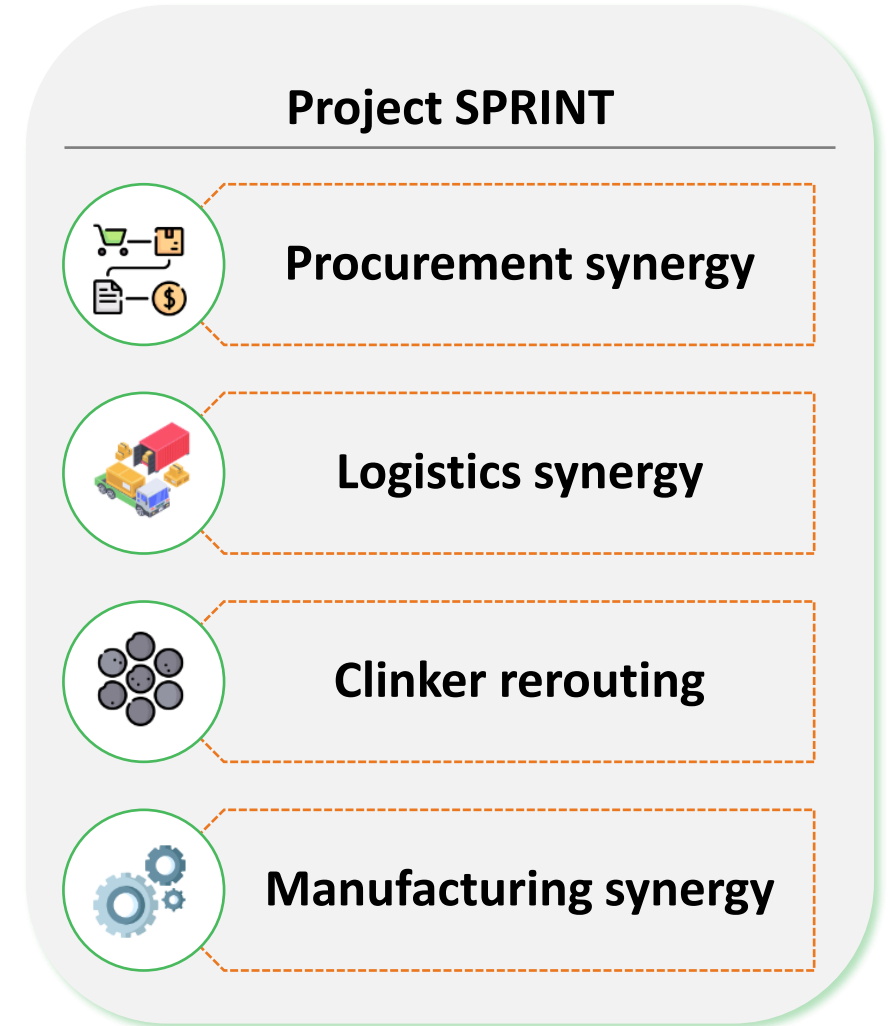


Maximize Fiscal Incentives

- Leveraging enhanced scale and capacity expansions



Fixed Cost Reduction





Growth & sustainability projects progressing well



Growth projects

- Nimbol and Risda clinker capacity enhancement through debottlenecking is on track
- Civil work for new Grinding Unit at Bhiwani Cement plant ready to commence; major orders for key equipment and materials placed



Clinker debottlenecking project at Nimbol Cement Plant



Sustainability projects

- Alternate Fuel material handling (AF) facilities at Nimbol and Risda Cement Plant underway
- Key equipment for co-processing solid waste system at Risda Cement Plant are under erection; civil work at Nimbol also initiated



Alternate Fuel material handling project at Risda Cement Plant



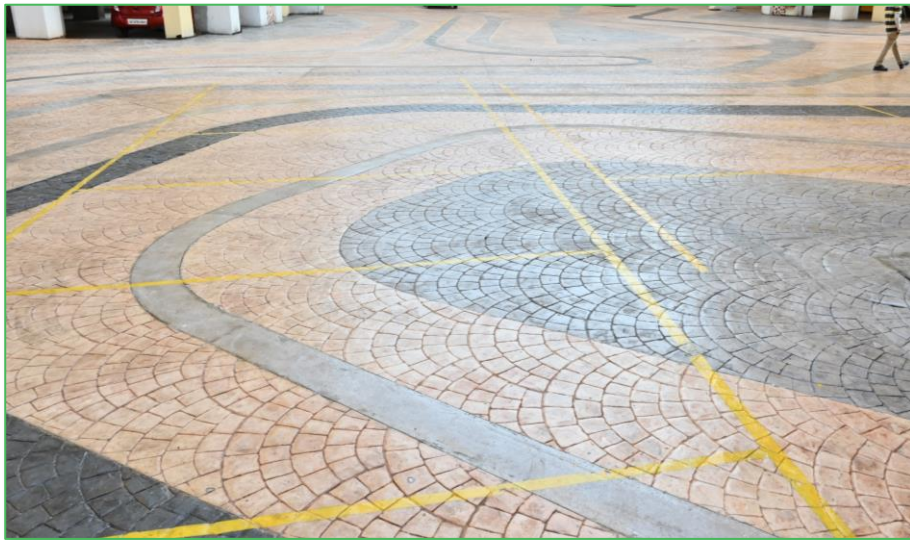


RMC and MBM businesses on a growth trajectory



Ready-Mix Concrete (RMC)

- 53 operational plants across India; new plant set up at Powai, Mumbai
- Continuous thrust to improve premiumisation; value added product mix improved to 28% of total sales volume



RMC Artiste product offering used in ~16,000 sq. ft area in Metro Green Wood estate, Cuttack



Modern Building Materials (MBM)

- Improvement in business with expansion into non-cement channels
- Range extension in Cover Blocks with launch of Grey cover blocks in two sizes in the northern markets

ZERO M
Cover Blocks are
Premium Cover Blocks

- ✓ Built with Superior Quality Concrete
- ✓ Ability to withstand Heavy Pressure and Load
- ✓ Available in Uniform Shapes and Sizes





04

Sustainability & CSR



Sustainability – a key thrust area

Climate

- Focus to reduce net specific CO₂ emissions
- Driving conversion of trucks from diesel to CNG



Circular Economy

- High clinker to cement ratio of 1.8x
- Chittor Cement plant achieved alternate fuel rate of ~20% on consistent basis



Environment

- Reduction in water consumption by 14% on YoY basis
- About 20,000 sapling were planted across cement plants



Community

- Touched 20,000+ lives through our CSR interventions
- Community outreach initiatives like Project Tara, Project Daksh and Project Samriddhi



Nuvoco signed membership with Global Cement & Concrete Association (GCCA)



Project TARA - an initiative to improve Mother and Child Health services in rural areas; Project Daksh - a skill development initiative; Project Samriddhi - initiative to support sustainable source of livelihood





Touching lives of communities through our CSR activities



Five pillars of CSR



**Shikshit
Bharat**



186 tribal children were supported by conducting regular classes to support their education



**Swastha
Bharat**



1,395 nearby villagers were benefitted by 'Blood Pressure & Sugar check-up and treatment camp'



**Saksham
Bharat**



391 farmers were trained on nursery bed raising for paddy and ginger cultivation



**Sangrahit
Bharat**



100 million liter of rainwater harvesting capacity was created through pond deepening



**Sanrachit
Bharat**



05

Awards and Initiatives



Awards & recognitions showcasing our achievements



Won **'Best Brand in Construction and Building Materials'** for setting new standards of innovation and excellence in products, processes, and marketing practices at 'Pride of India Brands' conference by Exchange4media



Rewarded with the **'Resilient Procurement Company of the Year'** Award at the prestigious 4th India Procurement Leadership Awards by the Institute of Supply Chain Management



Won **'Integrated Business Planning Strategy of the Year'** Award at the 5th Edition of Demand Planning and Forecasting Summit & Award 2022



Brand building and customer engagement



73 episodes | 20 days | 92,660 seconds

- ? How to estimate the cost of construction?
- ? What permissions & clearances are required?
- ? What kind of materials to use?
- ? How to be weather-ready and increase longevity?

A unique initiative to disseminate information with focus on Individual Home Builders and leading trade centricity



06

Key Financials





Focus on internal levers to mitigate high energy prices



Q1 FY23

Market

- East and North region cement demand is estimated to improve by ~11% and ~17% respectively on YoY basis

Prices

- Price hikes taken in late Q4 FY22 remains supportive
- Further price hikes taken in Apr'22 in both East and North before partial roll backs in following months

Cost

- Cost pressure continued during the quarter
- Linkage coal supply softened amidst monsoon period
- Benefitted from internal levers

Near-term outlook

- Cement demand expected to dampen in near term with the onset of monsoon
- Expected improvement in construction activities post-monsoon with boost in government spending to support cement demand

- Prices in East and North softened in Jul'22 and remained under pressure
- Price hikes essential to mitigate energy price inflation

- Fuel prices continue to be at record levels; recent softness in petcoke prices should benefit in Q3 FY23
- Linkage coal availability expected to remain weak during monsoon before improving
- Focus on internal levers and improvement in alternate fuel rate to mitigate headwinds





Key consolidated financial indicators for Q1 FY23



4.7

Sales Volume
(MMT)

2,652

Total Revenue
(Rs. crores)

374

Total EBITDA
(Rs. crores)

5,347

Net Debt
(Rs. crores)



Note: Net Debt as on 30th June 2022



Key cement cost elements in Q1 FY23

Raw Material cost

556

(Rs./t)

At same level on YoY basis

Flattish despite inflationary pressure

Power & Fuel cost

1,373

(Rs./t)

Increased by 49% YoY

Efficiencies through internal levers and optimized fuel mix partially mitigated soaring energy costs

Distribution cost

1,546

(Rs./t)

Increased by 15% YoY

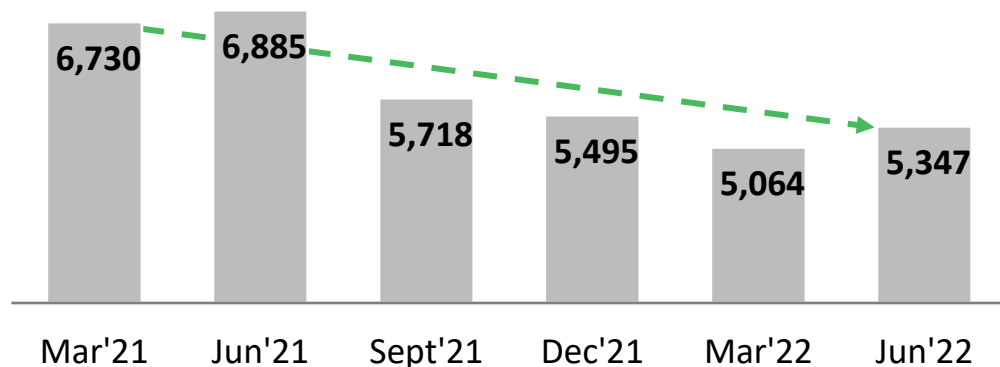
Increase in diesel price and higher freight cost; rake shortage led to higher clinker movement through road

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



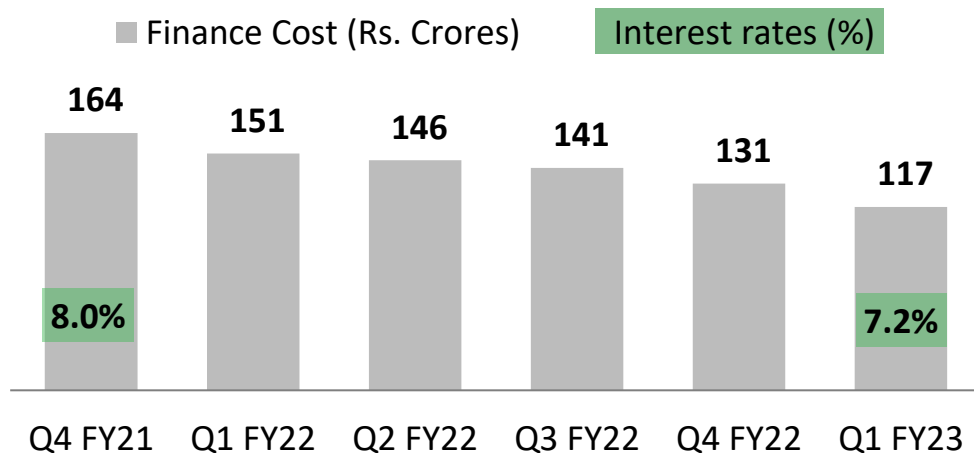
Focus on balance sheet improvement

Net debt as at month end (Rs. Crores)



- Increase in net debt from Mar'22 end amidst higher working capital requirement due to steep rise in fuel prices and seasonality of the business

Declining finance cost



- Consistent decline in finance cost with well managed interest rates and reduction in debt levels
- Marginal increase in interest rates since Mar'22 despite 90 bps increase in repo rate by the RBI



Note: Interest rates as at the end of the quarter



Consolidated quarterly income statement

(All amount in Rs. crores)	Q1 FY22	Q1 FY23
Total Income	2,209	2,666
Cost of materials consumed	336	432
Purchase of stock in trade	6	12
Changes in inventories	(92)	(133)
Power and fuel	429	718
Freight and forwarding charges	592	749
Employee benefits expense	141	154
Other expenses	277	360
EBITDA	520	374

EBITDA declined by 28% YoY mainly driven by steep increase in energy 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
- ✓ Initiatives for sustainable growth with an aspiration to diversify market base; focused augmentation in North markets
- ✓ Ongoing investments in Alternate Fuel material handling facilities and clinker debottlenecking



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

CDR India

Gavin Desa: +91 98206 37649; Email : gavin@cdr-india.com

Rishab Barar: +91 77770 35061; Email : rishab@cdr-india.com

Company Contact

Ms. Madhumita Basu; Email : investor.relations@nuvoco.com

Prassan Goyal; Email : prassan.goyal@nuvoco.com