NESCO Ltd — Aug 2024 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

The punchline. Read this first — it frames everything below.

Result: First Entry / Baseline **One-line:** This is a "land-bank monetization" thesis where 86% of the Goregaon asset remains unutilized; the focus is on the transition from a legacy exhibition business to a high-yield IT/ Commercial campus.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance / Prior Quarter	First entry	Baseline data only; no financial performance provided in document.	□
Earnings Quality	High (Asset-backed)	Value is derived from owned, debt-free land in prime Mumbai micro-market.	□
Guidance Confidence	Neutral	Dependent on implementation of Maharashtra IT/ITeS Policy 2024.	□
Management Credibility	Strong	Conservative FSI utilization (14%) suggests long-term value preservation.	□
Business Quality Signal	Improving	Massive unlock potential in FSI (from 2.2L sqm to 13.8L sqm).	□
Key Q&A Exchange	N/A — PPT_ONLY	Not applicable.	□
The Street's Primary Anxiety	Execution Timeline	Pace of converting 86% available FSI into yielding assets.	□
Capital Cycle Stage	Investment	Hall-VI under construction; IT Tower expansion planned.	□
Margin / Return Ratio Trajectory	Stable	Asset-heavy model with high operating leverage once built.	□
Pricing Power	Stable	Prime Goregaon location provides location-based moats.	□
FCF Conversion & Quality	Strong	Typical of debt-free commercial leasing/exhibition models.	□
Competitive Moat Signals	Widening	Only major private exhibition center (BEC) in Mumbai.	□
Balance Sheet Strength	Strong	Owned land bank; limited visible debt.	□
Working Capital Efficiency	Not in document	Data absent from presentation.	□
Mgmt Guidance Track Record	First entry	Baseline quarter.	□
Key Vulnerability / Red Flag	Regulatory Dependency	FSI incentives rely on incorporation of IT Policy 2024 into DCPR.	□
Management Tone	Professional/ Technical	Data-heavy focus on land potential and area master-planning.	□

Sentiment: □Positive

Key Takeaways (Positives & Negatives): * **Positives:** Nesco sits on a massive 2.48 lakh sqm (approx. 61 acre) land parcel in Goregaon, Mumbai, with an extremely low current FSI consumption of only 14%. The total potential built-up area is a staggering 25.60 lakh sqm, providing a multi-decade growth runway without the need for further land acquisition. The business is diversified across the Bombay Exhibition Centre (BEC) and IT Park

(Nesco IT Towers). * **Negatives:** The realization of the 13.81 lakh sqm potential FSI is contingent on the Maharashtra IT/ITeS Policy 2024 being fully incorporated into the Development Control and Promotion Regulations (DCPR), introducing a layer of regulatory and timing risk. * **Watchpoint:** Progress on Hall-VI (13,200 sqm) construction is the immediate catalyst for BEC revenue growth.

2. BUSINESS PERFORMANCE

2A. KEY METRICS

DATA SOURCE: Concall not available — commentary absent.

Metric	Current Qtr	YoY Change	QoQ Change	Trend	Mgmt Commentary
Operational Metrics					
Total Plot Area (sqm)	2,48,354	First entry	First entry	→	Total Goregaon land bank.
Potential FSI Area (sqm)	13,81,329	First entry	First entry	→	Total development headroom.
Existing FSI Consumed	2,20,200	First entry	First entry	→	Only 14% of potential utilized.
Available FSI (sqm)	23,41,561	First entry	First entry	→	Future development potential.
Financials					
Revenue	Not in doc	First entry	First entry	-	Not provided in current slide.
EBITDA	Not in doc	First entry	First entry	-	Not provided in current slide.
EBITDA Margin %	Not in doc	First entry	First entry	-	Not provided in current slide.
PAT	Not in doc	First entry	First entry	-	Not provided in current slide.
Cash Flow (OCF)	Not in doc	First entry	First entry	-	Not provided in current slide.
Net Debt / (Cash)	Not in doc	First entry	First entry	-	Not provided in current slide.

2B. SEGMENT BREAKDOWN

Segment	Area Potential (sqm FSI)	Existing FSI	% Utilized	Trend	vs Company Avg	Key Development
IT Park	9,72,085	1,38,700	14.3%	→	In-line	Future expansion via IT Towers 3 & 4.
BEC (Exhibitions)	4,09,244	81,500	19.9%	↑	Above Avg	Hall-VI (13,200 sqm) under construction.
Others	28,556 (Plot)	N/A	N/A	→	N/A	Includes Food Court (The Grande), Gaming Zone.

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	Volume / Capacity	Expansion of BEC via Hall-VI (13,200 sqm).	Construction is ongoing; needs timely regulatory approvals for commissioning.	First entry	Construction delay.
Guidance	Capacity	Potential for 25.60 lakh sqm Built-up Area.	Long-term target; requires 10x expansion from current footprint.	First entry	Regulatory (DCPR).
Strategy	Competitive Positioning	Leveraging Maharashtra IT/ITeS Policy 2024 for FSI incentives.	Feasibility depends on final incorporation of policy into local zoning laws.	First entry	Policy reversal.
Strategy	Capital Allocation	Development of IT Towers and Gaming Zone.	High capex required; company likely to use internal accruals.	First entry	Project IRR risk.

4. ANALYST Q&A

Section not applicable — investor presentation only. No concall conducted or available.

5. WHAT CHANGED vs PRIOR QUARTER

First entry — no prior quarter to compare.

What Changed	Prior Quarter	This Quarter	Direction
N/A	N/A	N/A	N/A