

July 20, 2025

Q1FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	422		381	
Sales (Rs. m)	1,13,886	1,23,161	1,11,644	1,23,598
% Chng.	2.0	(0.4)		
EBITDA (Rs. m)	19,039	21,007	17,455	19,640
% Chng.	9.1	7.0		
EPS (Rs.)	12.2	13.1	6.8	9.7
% Chng.	79.1	34.1		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	1,07,329	1,03,567	1,13,886	1,23,161
EBITDA (Rs. m)	16,237	13,720	19,039	21,007
Margin (%)	15.1	13.2	16.7	17.1
PAT (Rs. m)	1,281	100	4,355	4,664
EPS (Rs.)	3.6	0.3	12.2	13.1
Gr. (%)	746.0	(92.2)	4,250.2	7.1
DPS (Rs.)	-	-	-	-
Yield (%)	-	-	-	-
RoE (%)	1.4	0.1	4.7	4.8
RoCE (%)	5.3	3.9	7.6	7.5
EV/Sales (x)	1.7	1.7	1.6	1.4
EV/EBITDA (x)	11.1	12.8	9.5	8.5
PE (x)	108.8	1,391.7	32.0	29.9
P/BV (x)	1.6	1.5	1.5	1.4

Key Data

52-W High / Low	Rs.417 / Rs.287
Sensex / Nifty	81,758 / 24,968
Market Cap	Rs.139bn / \$ 1,617m
Shares Outstanding	357m
3M Avg. Daily Value	Rs.130.87m

Shareholding Pattern (%)

Promoter's	72.02
Foreign	3.55
Domestic Institution	19.37
Public & Others	5.06
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	12.4	11.5	11.8
Relative	12.0	4.5	11.3

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Higher pricing & lower RM costs drive EBITDA

Quick Pointers:

- As per the mgmt. cement prices in July are still holding up compared to Q1FY26 average and industry volume is likely to grow at 7-10% for FY26.
- NUVOCO expects Rs50/t savings in FY26 from higher WHRS (6.6MW), AFR at 15-16%, shorter lead distance, and hybrid wind-solar in the North.

Nuvoco Vistas (NUVOCO) reported strong operating performance in Q1FY26, led by higher pricing and 6% YoY volume growth. Pure cement realization grew by 5.5% QoQ, driven by price hikes taken in the eastern region since Mar'25. Operating costs declined due to lower RM costs (long-term contract for slag) and optimized fuel mix. This led to EBITDA/t increasing by 42% YoY to Rs1,019. The management will continue its efforts to reduce operating costs by Rs50/t in FY26 led by higher WHRS, higher AFR and lower lead distance under its Project Bridge.

NUVOCO has 75% of its capacities in the East, where prices have improved in anticipation of increase in demand since Feb'25. Although monsoon-led weakness in demand is expected to hamper pricing till Sep'25, we believe price fall may not be as sharp as last year due to expectation of higher Gol infra capex and improving rural demand. We raise FY26/27E EBITDA estimates by 9%/7% on higher pricing assumption and expect EBITDA to grow at 24% CAGR on a weak base over FY25-27E. The stock is trading at EV of 9.5x/8.5x FY26E/FY27E EBITDA. Maintain 'Accumulate' with revised TP of Rs422 (earlier Rs381) valuing at 9x EV of Mar'27E EBITDA.

- Revenue growth on strong pricing:** NUVOCO's cons revenue grew 9% YoY to Rs28.7bn (-6% QoQ; PLe Rs27.4bn) on higher NSR. Volumes grew 6% YoY to 5.1mt (-11% QoQ; PLe 5 mt), while blended NSR increased 5.7% QoQ to Rs5,644/t (PLe Rs5,444/t). Pure cement realization (ex-RMC) grew sharp 5.5% QoQ to Rs5,168/t (3.2% YoY; PLe Rs4,998/t) led by price hikes in the eastern region during the quarter. Cement revenue grew 9% YoY to Rs26.3bn, while RMC revenue de-grew 0.6% YoY to Rs2.5bn.
- EBITDA/t growth driven by cost efficiencies and pricing gains:** Cons EBITDA grew 51% YoY to Rs5.2bn (-6% QoQ; PLe Rs4.68bn) aided by lower RM costs. On blended basis, RM cost/t declined 12% YoY to Rs968 led by better priced slag supply on a long-term contract. P&F cost/t declined 6% YoY to Rs1,010/t led by optimized fuel mix and strategic sourcing. Blended fuel cost was flat at Rs1.43/mcal. Freight costs increased 4% YoY to Rs1,543/t. Other expenses/t declined 2% YoY to Rs751/t. Resultantly, EBITDA/t grew 42% YoY to Rs1,019/t, higher than PLe of Rs929/t, aided by higher pricing.

Exhibit 1: Q1FY26 Consolidated Result Overview

Y/e March (Rs mn)	Q1FY26	Q1FY25	YoY gr. (%)	Q1FY26E	% Var.	Q4FY25	QoQ gr. (%)	FY26E	FY25	YoY gr. (%)
Net Sales	28,727	26,365	9.0	27,438	4.7	30,423	(5.6)	1,13,886	1,03,567	10.0
Raw Material	4,925	5,249	(6.2)	5,566	(11.5)	6,457	(23.7)	21,977	20,618	6.6
<i>% of Net Sales</i>	<i>17.1</i>	<i>19.9</i>		<i>20.3</i>		<i>21.2</i>		<i>19.3</i>	<i>19.9</i>	
Staff Costs	1,795	1,762	1.9	1,885	(4.8)	1,617	11.0	7,231	6,758	7.0
<i>% of Net Sales</i>	<i>6.2</i>	<i>6.7</i>		<i>6.9</i>		<i>5.3</i>		<i>6.3</i>	<i>6.5</i>	
Power & Fuel	5,140	5,148	(0.1)	4,865	5.7	4,922	4.4	21,110	19,700	7.2
<i>% of Net Sales</i>	<i>17.9</i>	<i>19.5</i>		<i>17.7</i>		<i>16.2</i>		<i>18.5</i>	<i>19.0</i>	
Freight	7,856	7,104	10.6	6,974	12.6	8,030	(2.2)	28,699	27,937	2.7
<i>% of Net Sales</i>	<i>27.3</i>	<i>26.9</i>		<i>25.4</i>		<i>26.4</i>		<i>25.2</i>	<i>27.0</i>	
Other Expenses	3,825	3,670	4.2	3,465	10.4	3,881	(1.4)	15,830	14,834	6.7
<i>% of Net Sales</i>	<i>13.3</i>	<i>13.9</i>		<i>12.6</i>		<i>12.8</i>		<i>13.9</i>	<i>14.3</i>	
Total Expenditure	23,541	22,931	2.7	22,755	3.5	24,906	(5.5)	94,847	89,847	5.6
EBITDA	5,186	3,434	51.0	4,683	10.7	5,516	(6.0)	19,039	13,720	38.8
<i>Margin (%)</i>	<i>18.1</i>	<i>13.0</i>		<i>17.1</i>		<i>18.1</i>		<i>16.7</i>	<i>13.2</i>	
Depreciation	2,147	2,162	(0.7)	2,270	(5.4)	2,196	(2.3)	8,724	8,685	0.4
EBIT	3,039	1,272	139.0	2,412	26.0	3,320	(8.4)	10,315	5,035	104.9
Other income	148	45	227.4	60	148.7	43	242.6	214	194	10.0
Interest	1,171	1,266	(7.5)	1,317	(11.0)	1,125	4.1	5,086	4,964	2.5
PBT	2,016	51	3,860.7	1,155	74.5	2,238	NA	5,443	265	1,953.2
Extraordinary income/(expense)	-	-	-	-	-	-	-	-	-	-
PBT (After EO)	2,016	51	3,860.7	1,155	74.5	2,238	NA	5,443	265	1,953.2
Tax	684	23	2,941.8	35	1,861.0	582	NA	1,089	47	2,231.1
<i>% PBT</i>	<i>33.9</i>	<i>44.2</i>		<i>3.0</i>		<i>26.0</i>		<i>20.0</i>	<i>17.6</i>	
Reported PAT	1,332	28	4,588.7	1,120	18.8	1,655	NA	4,355	218	1,893.8
Minority Interest	-	-	-	-	-	-	-	-	-	-
Share of profit in JV/Associates	-	-	-	-	-	-	-	-	-	-
Net Profit Attributable to shareholders	1,332	28	4,588.7	1,120	18.8	1,655	NA	4,355	218	1,893.8

Source: Company, PL

Exhibit 2: Operating Metrics

Y/e March (Rs mn)	Q1FY26	Q1FY25	YoY gr. (%)	Q1FY26E	% Var.	Q4FY25	QoQ gr. (%)	FY26E	FY25	YoY gr. (%)
Volume (mt)	5.1	4.8	6.0	5.0	1.0	5.7	(10.7)	20.5	19.4	5.5
Net Realisations/t (Rs)	5,644	5,493	2.8	5,444	3.7	5,337	5.7	5,562	5,338	4.2
EBITDA/t (Rs)	1,019	715	42.4	929	9.7	968	5.3	930	707	31.5

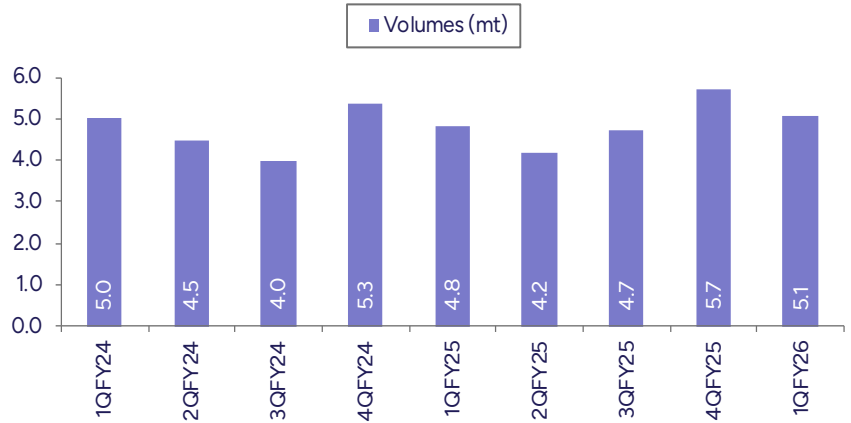
Source: Company, PL

Q1FY26 Conference Call Highlights:

- The management expects the industry to grow at 7-10% in FY26 led by higher government capex in H2FY26.
- Cement prices in Jul still seem to be holding up compared to Q1FY26 average.
- NUVOCO aims to reduce lead distance by 10–13 km, which is expected to lower freight costs by Rs70–80/t in the coming quarters.
- Lead distance increased to 334km from 324km in the previous quarter.
- Current prices for slag in the eastern region have gone up due to increase in composite cement players in the region. NUVOCO has secured 2.5mt of slag contract from Tata Steel for 20 years, covering 55–60% of its requirement. This ensures Jojobera plant is supported by below-market slag cost.
- Vadraj Cement has no plans to enter slag cement manufacturing, as Gujarat is predominantly an OPC and PPC market.
- NUVOCO is planning to add 2.5mtpa GU (with 6.3m vertical rolling mill) at Kutch at Rs3bn capex.
- Surat has 3×2mtpa GUs. Initially, one 2.5mt Kutch GU and one 2mt Surat GU will start to optimize capex. The other two mills at Surat will come up in the next 3–5 years.
- Depreciation is expected to be around Rs2bn, while interest costs are estimated at Rs1–1.1bn QoQ going forward.
- NUVOCO will launch UNO in Concreto brand in Odisha as well, in the coming days.
- NUVOCO has plans to bring its blended clinker-to-cement (C/K) ratio to 1.74, with efforts underway to raise the East region's C/K ratio to 2.1.
- Fuel costs have likely bottomed out across petcoke, domestic open market coal, and linkage coal. Going forward, any further reduction will depend upon optimizing the fuel mix and enhancing operational efficiencies.
- AFR usage was slightly lower at ~10% in Q1FY26, due to issues in Chhattisgarh. With the issues resolved and the Chittor shredder now fully operational, AFR usage is targeted to reach 15%.
- NUVOCO expects Rs50/t savings in FY26 driven by higher WHRS capacity (increasing to 6.6MW from 4.7MW), AFR rising to 15–16%, reduced lead distance (12–15km), and upcoming hybrid wind-solar in the North. With the Odisha siding set to be operational by Q3, 100% clinker movement to Jajpur will shift to rail.
- Premium product share was at 43% in Q1FY26 vs 40% in Q4FY25.
- Blended fuel cost continued to be Rs1.43/mcal. CC ratio was 1.72/kcal.
- Trade volume share was 76% vs 75% in the last quarter.

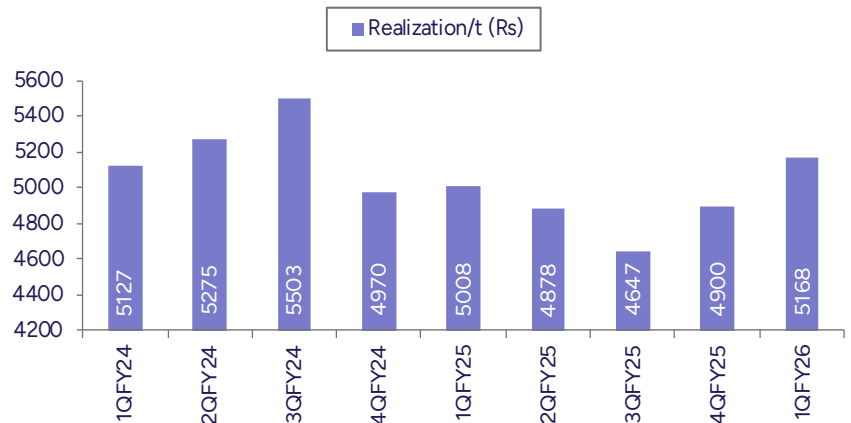
- Net debt reduced by Rs8.8bn to Rs34.75bn at the end of Q1FY26.
- The financing plan for Vadraj acquisition includes Rs6bn in long-term debt and Rs12bn through CCPs/CCDs that won't appear as debt on the balance sheet.

Exhibit 3: Volumes grew 6% YoY led by better demand in Apr & May



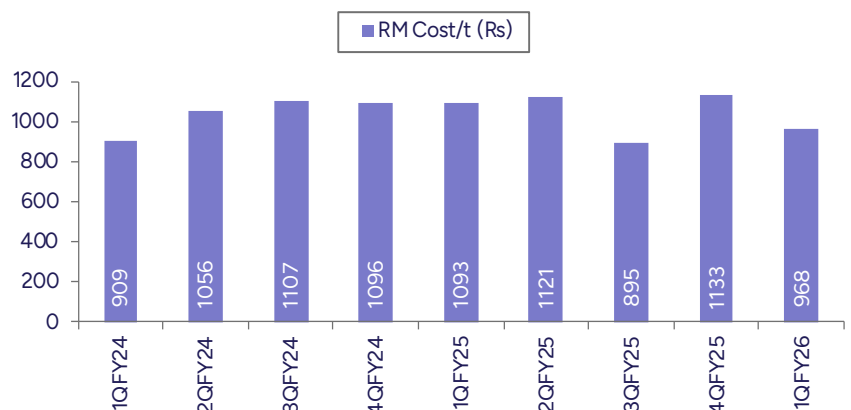
Source: Company, PL

Exhibit 4: NSR improved 5.5% QoQ led by price increase in eastern markets



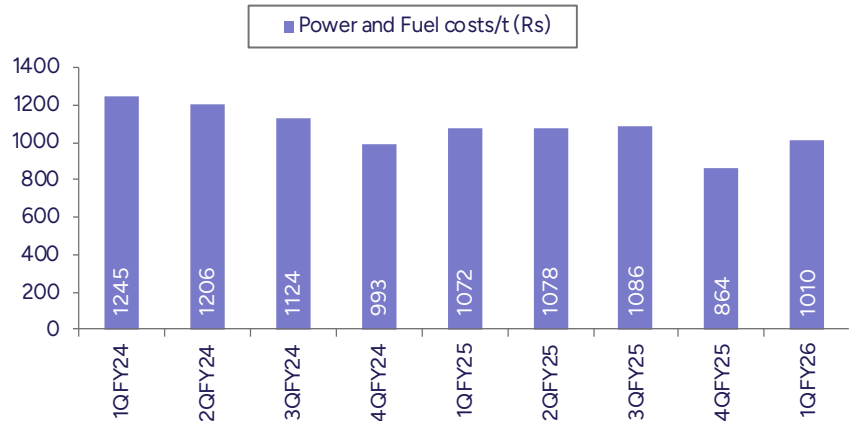
Source: Company, PL

Exhibit 5: RM cost/t declined 12% YoY due to long-term contract for slag supply



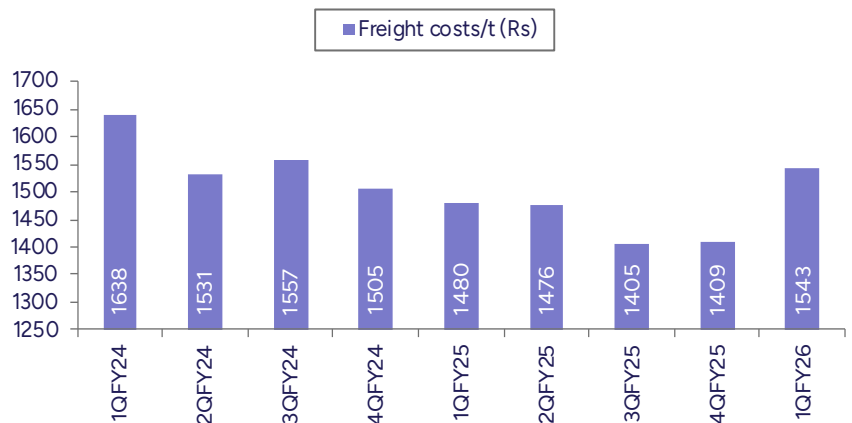
Source: Company, PL

Exhibit 6: P&F costs/t declined 6% YoY on softer pet coke and coal prices



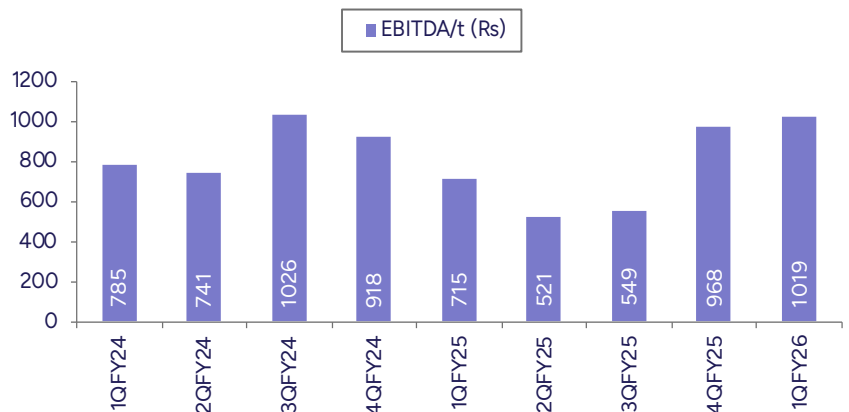
Source: Company, PL

Exhibit 7: Freight costs increased 4% YoY due to higher lead distance



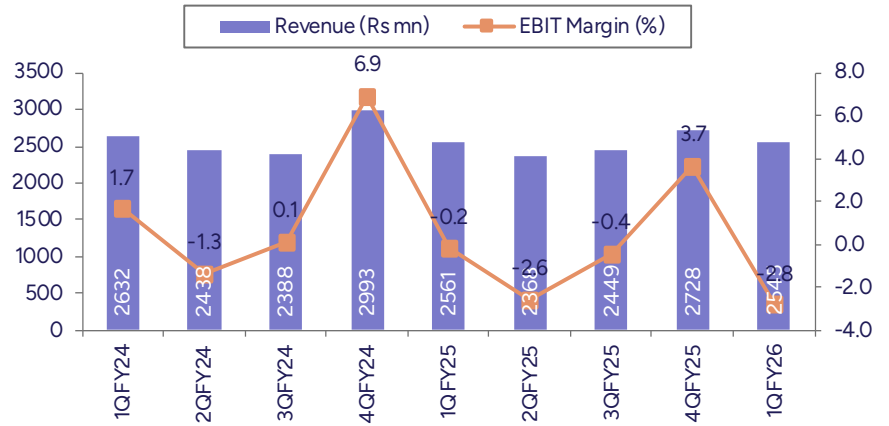
Source: Company, PL

Exhibit 8: EBITDA/t grew 42% YoY due to strong pricing and better volumes



Source: Company, PL

Exhibit 9: RMC revenue de-grew 1% YoY



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	1,07,329	1,03,567	1,13,886	1,23,161
YoY gr. (%)	1.4	(3.5)	10.0	8.1
Cost of Goods Sold	19,537	20,618	21,977	23,933
Gross Profit	87,792	82,949	91,909	99,227
Margin (%)	81.8	80.1	80.7	80.6
Employee Cost	6,818	6,758	7,231	7,737
Other Expenses	64,737	62,471	65,639	70,483
EBITDA	16,237	13,720	19,039	21,007
YoY gr. (%)	34.1	(15.5)	38.8	10.3
Margin (%)	15.1	13.2	16.7	17.1
Depreciation and Amortization	9,186	8,685	8,724	10,212
EBIT	7,051	5,035	10,315	10,795
Margin (%)	6.6	4.9	9.1	8.8
Net Interest	5,326	4,964	5,086	5,195
Other Income	335	194	214	231
Profit Before Tax	2,059	265	5,443	5,830
Margin (%)	1.9	0.3	4.8	4.7
Total Tax	586	47	1,089	1,166
Effective tax rate (%)	28.4	17.6	20.0	20.0
Profit after tax	1,474	218	4,355	4,664
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	1,281	100	4,355	4,664
YoY gr. (%)	746.0	(92.2)	4,250.2	7.1
Margin (%)	1.2	0.1	3.8	3.8
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,474	218	4,355	4,664
YoY gr. (%)	829.2	(85.2)	1,893.8	7.1
Margin (%)	1.4	0.2	3.8	3.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,474	218	4,355	4,664
Equity Shares O/s (m)	357	357	357	357
EPS (Rs)	3.6	0.3	12.2	13.1

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	1,82,608	1,88,295	2,05,620	2,17,545
Tangibles	1,55,929	1,62,396	1,79,721	1,91,646
Intangibles	26,678	25,899	25,899	25,899
Acc: Dep / Amortization	69,491	78,176	86,900	97,112
Tangibles	61,901	70,586	79,310	89,522
Intangibles	7,590	7,590	7,590	7,590
Net fixed assets	1,13,116	1,10,119	1,18,720	1,20,433
Tangibles	94,028	91,810	1,00,411	1,02,124
Intangibles	19,088	18,309	18,309	18,309
Capital Work In Progress	4,876	3,870	5,795	7,120
Goodwill	32,785	32,785	32,785	32,785
Non-Current Investments	5,545	5,439	5,439	5,439
Net Deferred tax assets	(11,736)	(11,508)	(11,508)	(11,508)
Other Non-Current Assets	7,230	6,652	6,652	6,652
Current Assets				
Investments	-	-	-	-
Inventories	9,467	7,617	9,360	10,123
Trade receivables	5,907	6,601	7,258	7,849
Cash & Bank Balance	1,070	1,823	8,577	5,841
Other Current Assets	2,002	1,789	1,789	1,789
Total Assets	1,87,099	1,81,576	2,01,258	2,02,913
Equity				
Equity Share Capital	3,572	3,572	3,572	3,572
Other Equity	86,264	86,452	90,806	95,470
Total Network	89,835	90,023	94,378	99,042
Non-Current Liabilities				
Long Term borrowings	28,783	23,632	29,632	29,632
Provisions	1,887	1,691	1,691	1,691
Other non current liabilities	2,391	2,216	2,216	2,216
Current Liabilities				
ST Debt / Current of LT Debt	12,588	14,594	20,594	14,594
Trade payables	16,860	15,875	17,457	18,878
Other current liabilities	23,020	22,037	23,782	25,351
Total Equity & Liabilities	1,87,099	1,81,576	2,01,258	2,02,913

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	2,059	265	5,443	5,830
Add. Depreciation	9,186	8,685	8,724	10,212
Add. Interest	5,326	4,964	5,086	5,195
Less Financial Other Income	335	194	214	231
Add. Other	(79)	(371)	(214)	(231)
Op. profit before WC changes	16,493	13,544	19,039	21,007
Net Changes-WC	(164)	(274)	926	1,637
Direct tax	(403)	15	(1,089)	(1,166)
Net cash from Op. activities	15,925	13,285	18,876	21,478
Capital expenditures	(5,822)	(3,501)	(19,250)	(13,250)
Interest / Dividend Income	33	51	214	231
Others	56	79	-	-
Net Cash from Invst. activities	(5,734)	(3,371)	(19,036)	(13,019)
Issue of share cap. / premium	-	-	-	-
Debt changes	(4,656)	(3,014)	12,000	(6,000)
Dividend paid	-	-	-	-
Interest paid	(4,985)	(4,500)	(5,086)	(5,195)
Others	(1,500)	(1,612)	-	-
Net cash from Fin. activities	(11,141)	(9,126)	6,914	(11,195)
Net change in cash	(949)	788	6,754	(2,736)
Free Cash Flow	10,112	9,784	(374)	8,228

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Revenue	22,686	24,094	30,423	28,727
YoY gr. (%)	(11.8)	(0.5)	3.7	9.0
Raw Material Expenses	4,708	4,204	6,457	4,925
Gross Profit	17,978	19,889	23,965	23,802
Margin (%)	79.2	82.6	78.8	82.9
EBITDA	2,188	2,583	5,516	5,186
YoY gr. (%)	(33.7)	(37.1)	12.4	51.0
Margin (%)	9.6	10.7	18.1	18.1
Depreciation / Depletion	2,153	2,174	2,196	2,147
EBIT	35	409	3,320	3,039
Margin (%)	0.2	1.7	10.9	10.6
Net Interest	1,315	1,257	1,125	1,171
Other Income	104	2	43	148
Profit before Tax	(1,176)	(847)	2,238	2,016
Margin (%)	(5.2)	(3.5)	7.4	7.0
Total Tax	(325)	(233)	582	684
Effective tax rate (%)	27.6	27.6	26.0	33.9
Profit after Tax	(852)	(614)	1,655	1,332
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	(804)	(587)	1,463	1,279
YoY gr. (%)	(341.0)	(286.3)	45.8	4341.7
Margin (%)	(3.5)	(2.4)	4.8	12.5
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	(852)	(614)	1,655	1,332
YoY gr. (%)	(5,666.7)	(297.8)	65.0	4,588.7
Margin (%)	(3.8)	(2.5)	5.4	4.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	(852)	(614)	1,655	1,332
Avg. Shares O/s (m)	357	357	357	357
EPS (Rs)	(2.3)	(1.6)	4.1	3.6

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	3.6	0.3	12.2	13.1
CEPS	29.3	24.6	36.6	41.7
BVPS	251.5	252.1	264.2	277.3
FCF	28.3	27.4	(1.0)	23.0
DPS	-	-	-	-
Return Ratio(%)				
RoCE	5.3	3.9	7.6	7.5
ROIC	3.8	3.2	6.5	6.3
RoE	1.4	0.1	4.7	4.8
Balance Sheet				
Net Debt : Equity (x)	0.4	0.4	0.4	0.4
Net Working Capital (Days)	(5)	(6)	(3)	(3)
Valuation(x)				
PER	108.8	1,391.7	32.0	29.9
P/B	1.6	1.5	1.5	1.4
P/CEPS	13.3	15.9	10.7	9.4
EV/EBITDA	11.1	12.8	9.5	8.5
EV/Sales	1.7	1.7	1.6	1.4
Dividend Yield (%)	-	-	-	-

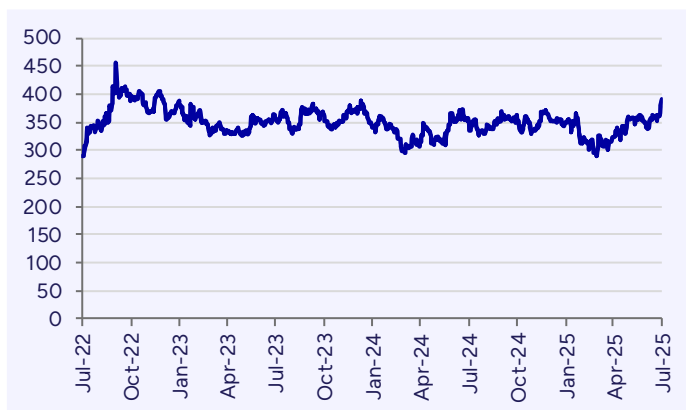
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Total cement volume (mt)	19	19	20	22
Blended Real. (Rs/t)	5,161	4,818	5,010	5,136
Blended EBITDA/t (Rs)	865	707	930	970

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Jul-25	Accumulate	381	358
2	06-May-25	Accumulate	374	343
3	07-Apr-25	Accumulate	357	316
4	23-Jan-25	Hold	339	353
5	08-Jan-25	Hold	372	355
6	24-Oct-24	Accumulate	372	342
7	07-Oct-24	Accumulate	386	354
8	02-Aug-24	Accumulate	374	338

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ACC	BUY	2,602	1,965
2	Ambuja Cement	BUY	690	592
3	Dalmia Bharat	Accumulate	2,303	2,156
4	Hindalco Industries	Accumulate	738	692
5	Jindal Stainless	Hold	678	675
6	Jindal Steel & Power	Accumulate	1,008	954
7	JSW Steel	Hold	1,068	1,043
8	National Aluminium Co.	BUY	218	189
9	NMDC	Accumulate	73	68
10	Nuvoco Vistas Corporation	Accumulate	381	358
11	Shree Cement	Reduce	29,516	31,170
12	Steel Authority of India	Hold	136	133
13	Tata Steel	Accumulate	171	162
14	Ultratech Cement	Accumulate	13,668	12,345

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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