

May 6, 2025

Q4FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	374		357	
Sales (Rs. m)	1,13,701	1,25,795	1,14,239	1,24,746
% Chng.	(0.5)	0.8		
EBITDA (Rs. m)	15,967	19,445	15,597	18,901
% Chng.	2.4	2.9		
EPS (Rs.)	3.7	9.6	5.4	12.9
% Chng.	(30.7)	(25.5)		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	1,07,329	1,03,567	1,13,701	1,25,795
EBITDA (Rs. m)	16,237	13,720	15,967	19,445
Margin (%)	15.1	13.2	14.0	15.5
PAT (Rs. m)	1,281	100	1,333	3,440
EPS (Rs.)	3.6	0.3	3.7	9.6
Gr. (%)	746.0	(92.2)	1,231.8	158.0
DPS (Rs.)	-	-	-	-
Yield (%)	-	-	-	-
RoE (%)	1.4	0.1	1.5	3.7
RoCE (%)	5.3	3.9	4.9	6.6
EV/Sales (x)	1.5	1.5	1.5	1.3
EV/EBITDA (x)	10.0	11.6	10.4	8.4
PE (x)	95.6	1,223.8	91.9	35.6
P/BV (x)	1.4	1.4	1.3	1.3

Key Data

NUVO.BO | NUVOCO IN

52-W High / Low	Rs.386 / Rs.287
Sensex / Nifty	80,797 / 24,461
Market Cap	Rs.123bn / \$ 1,454m
Shares Outstanding	357m
3M Avg. Daily Value	Rs.99.98m

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	8.4	(3.3)	2.8
Relative	1.1	(4.8)	(6.0)

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Robust qtr on improved Eastern prices; execution is key to success

Quick Pointers:

- Sonadih and Jajpur railway sidings and other cost saving measures to result in Rs100-150/ t cost savings in the next two years.
- Nuvoco plans to raise Rs6bn of long-term debt in own books and rest Rs12bn through bridge loans for Vadraj upfront payment. Post the deal, it plans to raise Rs12bn through the CCPS and CCD route to keep leverage at lower side.

Nuvoco Vistas (NUVOCO) reported a robust operating performance in Q4FY25, driven by 6.6% YoY volume growth and a strong uptick in cement pricing in key markets, supported by increased government spending. Pure cement NSR rose 5% QoQ, aided by price increases in the eastern markets during Q4FY25. As per mgmt., April prices are higher by Rs8-10/bag, which is expected to support Q1FY26 NSR. Operating costs declined due to softer pet coke and coal prices, along with operational efficiencies. Further savings of Rs100-150/t over the next 2-3 years are expected through continued cost initiatives such as railway sidings and WHRS utilization. Post receiving NCLT approval for Vadraj acquisition, Nuvoco is now focused on restarting the assets by Q3FY27. It also plans to incur an incremental Rs3bn to set up a 2mtpa GU in Kutch over the next 18 months. An upfront payment of Rs18bn is expected in Q1FY26, followed by Rs12bn in refurbishment capex for the 3.5mtpa clinker unit at Kutch and 6mtpa GU at Surat over the next 24-30 months. Mgmt. expects to commission the 2mtpa GU and clinker unit in Kutch by the end of Q3FY27, with cement volume contribution of ~0.3-0.4mt in FY27E.

With Gol's push to develop the East and North-East region where Nuvoco has ~75% of its capacity—the outlook remains favorable for the company with recent price hikes. After two years of weak demand in the East, demand is expected to improve, which should support pricing. With the Vadraj acquisition, Nuvoco has entered the Western markets; however, timely ramp-up of these assets will be crucial, as debt levels are set to rise again. Key things to watch out for: a) Nuvoco's effective execution to timely restart the Vadraj assets, b) stability of prices in the East supporting cash flows, and c) Gol spending on infrastructure projects and demand pick up. We raise FY26/27E EBITDA estimates by 2%/3% on higher pricing assumption and expect EBITDA to grow ~19% CAGR on a weak base over FY25-27E. The stock is trading at EV of 10.4x/8.4x FY26E/FY27E EBITDA. Maintain 'Accumulate' with revised TP of Rs374 (earlier Rs357) valuing at 9x EV of Mar'27E EBITDA (8x earlier).

- **Revenue grew due on higher NSR and Volume:** Nuvoco's cons. revenue grew 3.7% YoY to Rs30.4bn (up 24% QoQ; in-line with PLe Rs30.5bn) on higher NSR. Volumes grew 6.6% YoY to 5.7mt (+21% QoQ; PLe 5.8mt) while pure cement realisation (ex-RMC) grew sharp 5% QoQ to Rs4,900/t (-1.4% YoY; PLe Rs4,787/t) led by price hikes in the Eastern region during the quarter. Cement revenue grew 5% YoY to Rs27.9bn while RMC revenue de-grew 9% YoY to Rs2.7bn. Cement EBIT grew 28% YoY to Rs3.2bn while RMC EBIT turned positive to Rs101mn.

- EBITDA/t improved on lower P&F costs:** Cons. EBITDA grew 12% YoY to Rs5.5bn (up 114% QoQ; higher than PLe of Rs4.2bn) aided by lower P&F costs. On cons. basis, RM cost/t increased 3.3% YoY to Rs1,133. P&F cost/t declined 13% YoY to Rs864/t. Blended fuel cost was Rs1.43/m Cal. Freight cost declined 6.4% YoY to Rs1,409/t due to improvement in operational efficiency and new rail sidings. Other expenses per ton grew 1.5% YoY to Rs681/t. Resultant, EBITDA/t grew 5.4% YoY to Rs968/t; higher than PLe of Rs729/t aided by lower operating costs which decreased by Rs56/t due to Project Bridge 2.0 cost optimization plan.

Exhibit 1: Q4FY25 Consolidated Result Overview

Y/e March (Rs mn)	Q4 FY25	Q4 FY24	YoY gr. (%)	Q4 FY25E	% Var.	Q3 FY25	QoQ gr. (%)	FY25	FY24	YoY gr. (%)
Net Sales	30,423	29,334	3.7	30,492	(0.2)	24,094	26.3	1,03,567	1,07,329	(3.5)
Raw Material	6,457	5,863	10.1	6,142	5.1	4,204	53.6	20,618	19,537	5.5
% of Net Sales	21.2	20.0		20.1		17.4		19.9	18.2	
Staff Costs	1,617	1,614	0.2	1,695	(4.6)	1,724	(6.2)	6,758	6,818	(0.9)
% of Net Sales	5.3	5.5		5.6		7.2		6.5	6.4	
Power & Fuel	4,922	5,312	(7.3)	6,098	(19.3)	5,104	(3.6)	19,700	21,402	(8.0)
% of Net Sales	16.2	18.1		20.0		21.2		19.0	19.9	
Freight	8,030	8,049	(0.2)	7,971	0.7	6,605	21.6	27,937	29,285	(4.6)
% of Net Sales	26.4	27.4		26.1		27.4		27.0	27.3	
Other Expenses	3,881	3,588	8.2	4,379	(11.4)	3,874	0.2	14,834	14,050	5.6
% of Net Sales	12.8	12.2		14.4		16.1		14.3	13.1	
Total Expenditure	24,906	24,426	2.0	26,285	(5.2)	21,511	15.8	89,847	91,092	(1.4)
EBITDA	5,516	4,908	12.4	4,207	31.1	2,583	113.6	13,720	16,237	(15.5)
Margin (%)	18.1	16.7		13.8		10.7		13.2	15.1	
Depreciation	2,196	2,181	0.7	2,268	(3.2)	2,174	1.0	8,685	9,186	(5.5)
EBIT	3,320	2,727	21.7	1,939	71.2	409	712.3	5,035	7,051	(28.6)
Other income	43	72	(39.7)	60	(27.4)	2	2,600.0	194	335	(42.0)
Interest	1,125	1,249	(9.9)	1,299	(13.4)	1,257	(10.5)	4,964	5,326	(6.8)
PBT	2,238	1,550	44.4	700	219.7	-847	NA	265	2,059	(87.1)
Extraordinary income/(expense)	-	-	-	-	-	-	-	-	-	-
PBT (After EO)	2,238	1,550	44.4	700	219.7	-847	NA	265	2,059	(87.1)
Tax	582	547	6.5	35	1,568.5	-233	NA	47	586	(92.0)
% PBT	26.0	35.3		5.0		27.6		17.6	28.4	
Reported PAT	1,655	1,004	65.0	665	148.9	-614	NA	218	1,474	(85.2)
Minority Interest	-	-	-	-	-	-	-	-	-	-
Share of profit in JV/Associates	-	-	-	-	-	-	-	-	-	-
Net Profit Attributable to shareholders	1,655	1,004	65.0	665	148.9	-614	NA	218	1,474	(85.2)

Source: Company, PL

Exhibit 2: Operating Metrics

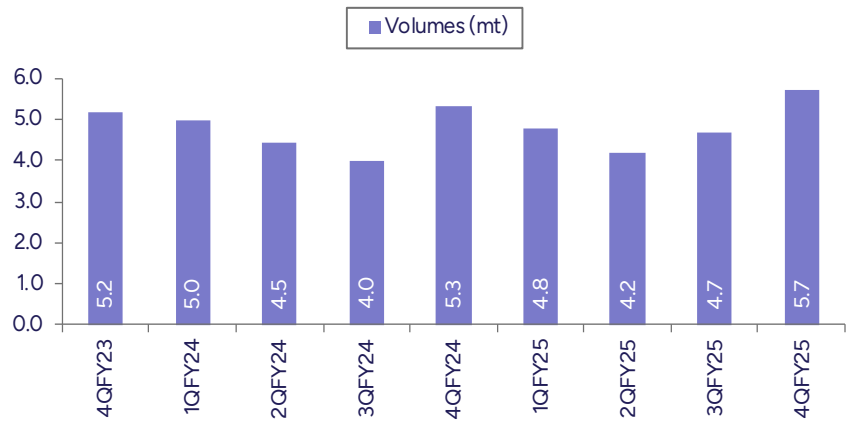
Y/e March (Rs mn)	Q4 FY25	Q4 FY24	YoY gr. (%)	Q4 FY25E	% Var.	Q3 FY25	QoQ gr. (%)	FY25	FY24	YoY gr. (%)
Volume (mt)	5.7	5.3	6.6	5.8	(1.3)	4.7	21.3	19.4	18.8	3.2
Net Realisations/t (Rs)	5,337	5,486	(2.7)	5,280	1.1	5,126	4.1	5,338	5,709	(6.5)
EBITDA/t (Rs)	968	918	5.4	729	32.8	549	76.1	707	864	(18.1)

Source: Company, PL

Q4FY25 Conference Call Highlights:

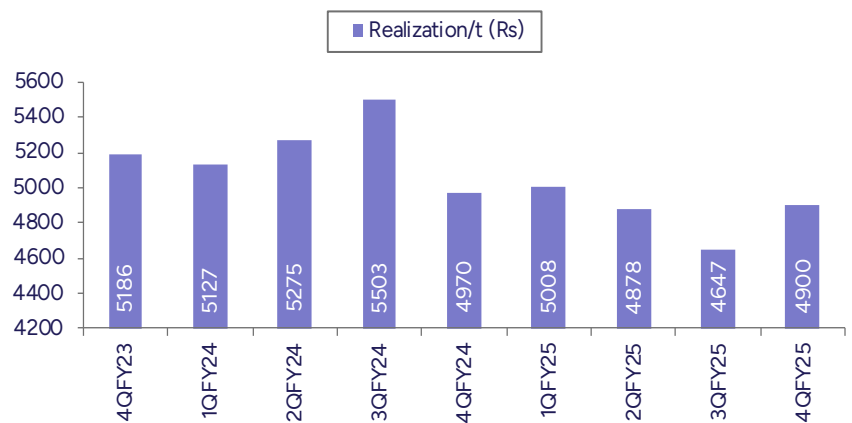
- Current cement market prices are higher by Rs8-10/bag from the Q4FY25 average prices.
- Nuvoco achieved total cost savings of ~Rs235/t (RM costs (Rs5-7/t), Packaging & Freight (Rs130/t) and Rs100/t on Distribution costs) in FY25, out of which Project Bridge 2.0 contributed Rs56/t in savings.
- Sonadih and Jajpur railway sidings and other cost savings measures will result in Rs100-150/t cost savings in the next 2-3 yrs.
- The premium product share was at 40% in Q4FY25 vs 39% in Q3FY25.
- Rail and road share stood at 37:63. Lead distance reduced marginally to 324km during the quarter vs 327km in the previous quarter.
- The blended fuel cost for Q4FY25 was Rs1.43/mcal, the lowest in the last 14 quarters.
- Pet coke:coal:AFR mix was 52:38:11 during the quarter.
- CC ratio for the FY25 was 1.72/kcal.
- Trade volume share for the quarter was 75% vs 71% in the last quarter.
- Net debt reduced by Rs3.9 bn to Rs36.4 bn at the end of FY25.
- Nuvoco targets to sell 1mn units of Concreto Uno in FY26.
- Nuvoco added Ready-Mix plants in Ranchi and Nagpur in Q4FY25.
- **On Vadraj acquisition:** Nuvoco is focusing on restarting the Vadraj operations by Q3FY27, plans to spend incremental Rs3bn to setup 2mtpa GU in Kutch in next 18 months (Rs18bn upfront payment in Q1FY26, Rs12bn refurbishment cost for 3.5mtpa clinker at Kutch + 6mtpa GU at Surat in next 24-30 months). Maintenance capex is expected to be Rs1-1.5bn; excess capex on debottlenecking or Chittor won't be there till FY29.
- There are lucrative incentives available for capex in Kutch region which led to decision of 2mtpa GU at Kutch; Nuvoco will target markets of Saurashtra, Rajkot, and Porbandar while Surat 6mtpa GU would be used to cater to the markets of South Gujarat and West/ North Maharashtra.
- Out of upfront payment, Rs6bn LT debt to be taken for Vadraj in the books of Nuvoco and rest Rs12bn bridge loan for maximum of 6 months. Nuvoco would raise Rs12bn through the CCPS and CCD route to keep leverage at check post-acquisition in the next 6 months. Nuvoco will target to keep the total debt in the range of Rs35-40bn after this capex cycle.
- The company targets to sell 0.3-04mt from Vadraj in Gujarat in FY27, and 2mt in FY28, with further growth expected in FY29.

Exhibit 3: Volumes grew 6.6% YoY led by improved demand in Eastern markets



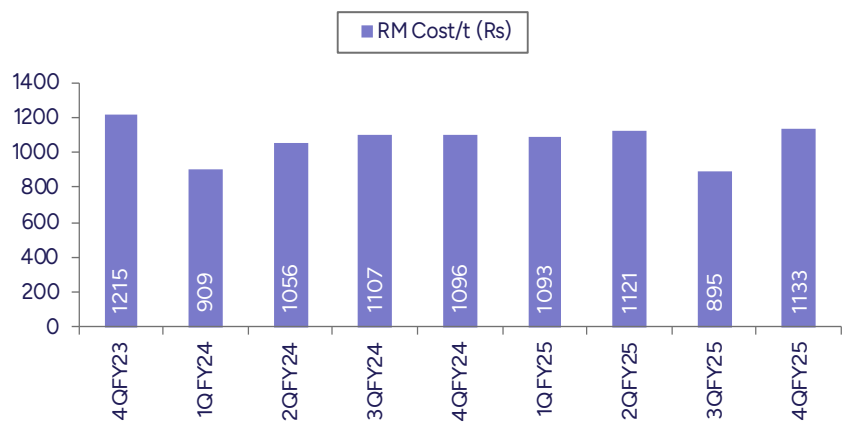
Source: Company, PL

Exhibit 4: NSR declined 5% QoQ due to major prices increase in the Eastern markets



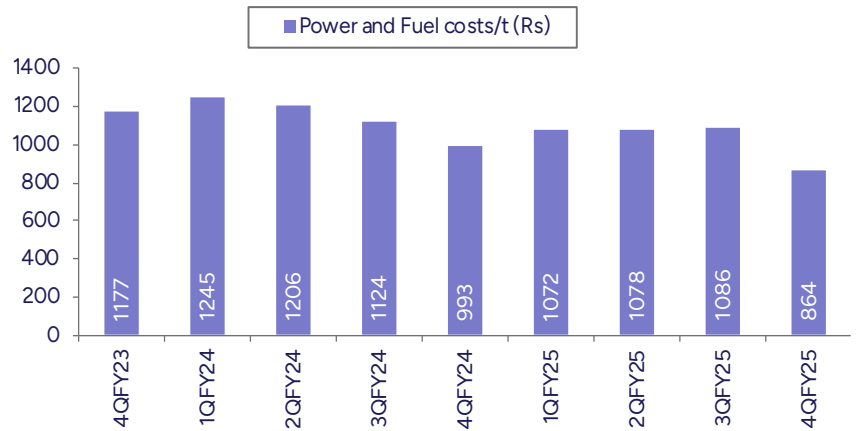
Source: Company, PL

Exhibit 5: RM cost/t grew 3.3% YoY despite long term contract for slag supply



Source: Company, PL

Exhibit 6: Power and fuel costs/t declined 13% YoY on softer pet coke and coal prices



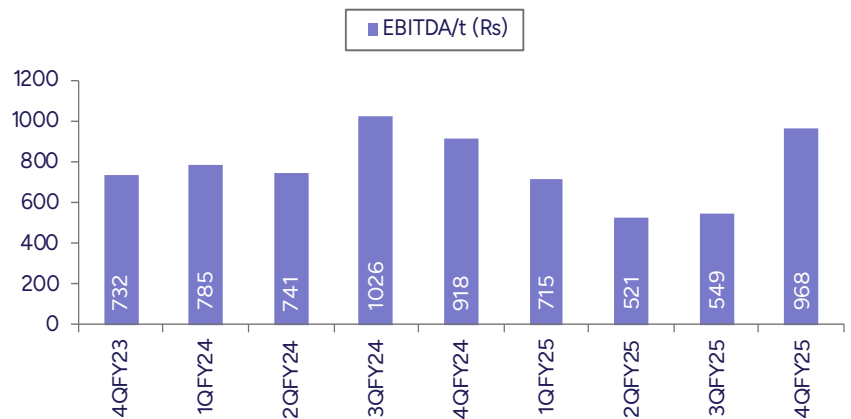
Source: Company, PL

Exhibit 7: Freight cost declined 6.4% YoY on new rail sidings & operational efficiencies



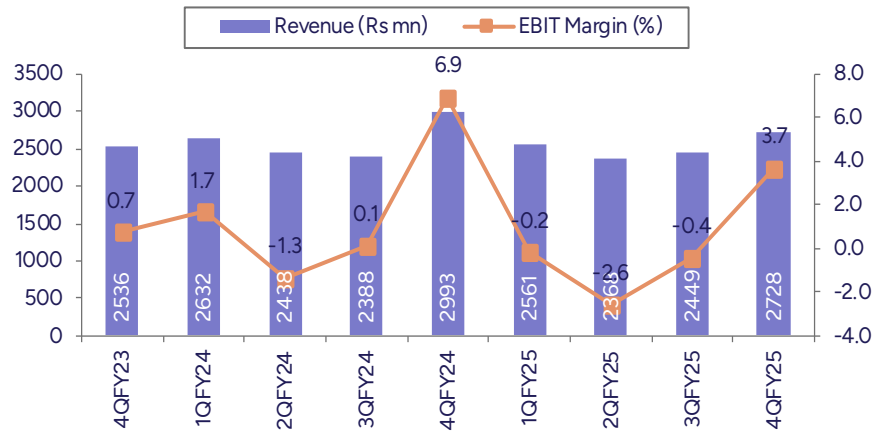
Source: Company, PL

Exhibit 8: EBITDA/t grew 5.4% YoY aided by lower operating costs



Source: Company, PL

Exhibit 9: RMC revenue de-grew 9% YoY



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	1,07,329	1,03,567	1,13,701	1,25,795
YoY gr. (%)	1.4	(3.5)	9.8	10.6
Cost of Goods Sold	19,537	20,618	22,698	25,596
Gross Profit	87,792	82,949	91,003	1,00,199
Margin (%)	81.8	80.1	80.0	79.7
Employee Cost	6,818	6,758	7,299	7,882
Other Expenses	64,737	62,471	67,737	72,871
EBITDA	16,237	13,720	15,967	19,445
YoY gr. (%)	34.1	(15.5)	16.4	21.8
Margin (%)	15.1	13.2	14.0	15.5
Depreciation and Amortization	9,186	8,685	9,408	10,212
EBIT	7,051	5,035	6,560	9,233
Margin (%)	6.6	4.9	5.8	7.3
Net Interest	5,326	4,964	5,295	5,418
Other Income	335	194	361	380
Profit Before Tax	2,059	265	1,626	4,195
Margin (%)	1.9	0.3	1.4	3.3
Total Tax	586	47	293	755
Effective tax rate (%)	28.4	17.6	18.0	18.0
Profit after tax	1,474	218	1,333	3,440
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	1,281	100	1,333	3,440
YoY gr. (%)	746.0	(92.2)	1,231.8	158.0
Margin (%)	1.2	0.1	1.2	2.7
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,474	218	1,333	3,440
YoY gr. (%)	829.2	(85.2)	510.4	158.0
Margin (%)	1.4	0.2	1.2	2.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,474	218	1,333	3,440
Equity Shares O/s (m)	357	357	357	357
EPS (Rs)	3.6	0.3	3.7	9.6

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	87,584	97,796
Tangibles	61,901	70,586	79,994	90,206
Intangibles	7,590	7,590	7,590	7,590
Net fixed assets	1,13,116	1,10,119	1,18,036	1,19,749
Tangibles	94,028	91,810	99,727	1,01,440
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	9,345	10,339
Trade receivables	5,907	6,601	7,246	8,017
Cash & Bank Balance	1,070	1,823	6,207	2,744
Other Current Assets	2,002	1,789	1,789	1,789
Total Assets	1,87,099	1,81,576	1,98,177	1,99,517
Equity				
Equity Share Capital	3,572	3,572	3,572	3,572
Other Equity	86,264	86,452	87,785	91,225
Total Networth	89,835	90,023	91,356	94,796
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	17,428	19,282
Other current liabilities	23,020	22,037	23,751	25,797
Total Equity & Liabilities	1,87,099	1,81,576	1,98,177	1,99,517

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	2,059	265	1,626	4,195
Add. Depreciation	9,186	8,685	9,408	10,212
Add. Interest	5,326	4,964	5,295	5,418
Less Financial Other Income	335	194	361	380
Add. Other	(79)	(371)	(361)	(380)
Op. profit before WC changes	16,493	13,544	15,967	19,445
Net Changes-WC	(164)	(274)	893	2,135
Direct tax	(403)	15	(293)	(755)
Net cash from Op. activities	15,925	13,285	16,568	20,825
Capital expenditures	(5,822)	(3,501)	(19,250)	(13,250)
Interest / Dividend Income	33	51	361	380
Others	56	79	-	-
Net Cash from Invst. activities	(5,734)	(3,371)	(18,889)	(12,870)
Issue of share cap. / premium	-	-	-	-
Debt changes	(4,656)	(3,014)	12,000	(6,000)
Dividend paid	-	-	-	-
Interest paid	(4,985)	(4,500)	(5,295)	(5,418)
Others	(1,500)	(1,612)	-	-
Net cash from Fin. activities	(11,141)	(9,126)	6,705	(11,418)
Net change in cash	(949)	788	4,384	(3,463)
Free Cash Flow	10,112	9,784	(2,682)	7,575

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	26,365	22,686	24,094	30,423
YoY gr. (%)	(6.0)	(11.8)	(0.5)	3.7
Raw Material Expenses	5,249	4,708	4,204	6,457
Gross Profit	21,116	17,978	19,889	23,965
Margin (%)	80.1	79.2	82.6	78.8
EBITDA	3,434	2,188	2,583	5,516
YoY gr. (%)	(12.5)	(33.7)	(37.1)	12.4
Margin (%)	13.0	9.6	10.7	18.1
Depreciation / Depletion	2,162	2,153	2,174	2,196
EBIT	1,272	35	409	3,320
Margin (%)	4.8	0.2	1.7	10.9
Net Interest	1,266	1,315	1,257	1,125
Other Income	45	104	2	43
Profit before Tax	51	(1,176)	(847)	2,238
Margin (%)	0.2	(5.2)	(3.5)	7.4
Total Tax	23	(325)	(233)	582
Effective tax rate (%)	44.2	27.6	27.6	26.0
Profit after Tax	28	(852)	(614)	1,655
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	28	(852)	(614)	1,655
YoY gr. (%)	(80.4)	(5,666.7)	(297.8)	65.0
Margin (%)	0.1	(3.8)	(2.5)	5.4
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	28	(852)	(614)	1,655
YoY gr. (%)	(80.4)	(5,666.7)	(297.8)	65.0
Margin (%)	0.1	(3.8)	(2.5)	5.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	28	(852)	(614)	1,655
Avg. Shares O/s (m)	357	357	357	357
EPS (Rs)	0.1	(2.4)	(1.7)	4.6

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	3.6	0.3	3.7	9.6
CEPS	29.3	24.6	30.1	38.2
BVPS	251.5	252.1	255.8	265.4
FCF	28.3	27.4	(7.5)	21.2
DPS	-	-	-	-
Return Ratio(%)				
RoCE	5.3	3.9	4.9	6.6
ROIC	3.8	3.2	4.2	5.5
RoE	1.4	0.1	1.5	3.7
Balance Sheet				
Net Debt : Equity (x)	0.4	0.4	0.5	0.4
Net Working Capital (Days)	(5)	(6)	(3)	(3)
Valuation(x)				
PER	95.6	1,223.8	91.9	35.6
P/B	1.4	1.4	1.3	1.3
P/CEPS	11.7	13.9	11.4	9.0
EV/EBITDA	10.0	11.6	10.4	8.4
EV/Sales	1.5	1.5	1.5	1.3
Dividend Yield (%)	-	-	-	-

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Total cement volume (mt)	19	19	21	22
Blended Real. (Rs/t)	5,161	4,818	4,986	5,111
Blended EBITDA/t (Rs)	865	707	778	873

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Apr-25	Accumulate	357	316
2	23-Jan-25	Hold	339	353
3	08-Jan-25	Hold	372	355
4	24-Oct-24	Accumulate	372	342
5	07-Oct-24	Accumulate	386	354
6	02-Aug-24	Accumulate	374	338
7	07-Jul-24	Accumulate	388	373

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ACC	BUY	2,383	1,938
2	Ambuja Cement	BUY	658	545
3	Dalmia Bharat	Accumulate	2,117	1,974
4	Hindalco Industries	BUY	736	620
5	Jindal Stainless	BUY	655	581
6	Jindal Steel & Power	Accumulate	978	893
7	JSW Steel	Accumulate	1,150	973
8	National Aluminium Co.	BUY	181	159
9	NMDC	Accumulate	69	68
10	Nuvoco Vistas Corporation	Accumulate	357	316
11	Shree Cement	Reduce	28,336	30,788
12	Steel Authority of India	Hold	118	116
13	Tata Steel	BUY	173	138
14	Ultratech Cement	BUY	13,668	12,114

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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