CMP: ₹ 388 | Target: ₹ 465 (20%) | Target Period: 12 months | BUY

July 15, 2026

Result Update

Volume growth to pick-up led by capacity expansion…

About the stock: Nuvoco Vistas Corporation (NVCL) is the fifth largest cement manufacturer in India with cement capacity of 27 mtpa

- The company has 11 cement plants (5 Integrated Units and 6 Grinding Units). Out of total capacity of 25 mtpa, ~70% (19 mtpa) is located in East region followed by ~30% (8 mtpa) in North region

Q1FY27 Performance: Revenue increased by 8.9% YoY (-5.4% QoQ) to Rs 3128.7 crore, led by 3.9% YoY (-11.7% QoQ) volume growth (to 5.3 mtpa) and 4.8% YoY (+7.1% QoQ) improvement in realization. EBITDA/ton stood at Rs 1072/ton (+5.4% YoY, +9.5% QoQ). Subsequently, EBITDA came at Rs 568.2 crore (+9.6% YoY, -3.3% QoQ). On PAT level, the company reported profit of Rs 159.6 crore (+19.9% YoY, +13.4% QoQ)

Investment Rationale

- **Ongoing expansion plan to support volume growth from FY28E**: Company's consolidated volume grew at 3.9% YoY in Q1FY27 to 5.3 mtpa (largely in line with expectations). Overall capacity utilisation stood at ~85% during the quarter (vs ~82% in Q1FY26). However, we believe that with recent commissioning of 2 mtpa at Gujarat and ongoing expansion plan, company's volume growth visibility remains healthy over FY27E-28E. The company is refurbishing remaining 4 mtpa capacity acquired from Vadraj Cement (to be commissioned in phases over Q3FY27E to Q1FY28E). Additionally, 4 mtpa brownfield expansion in eastern region is on track (to be completed in phases till FY27E end). Together, these projects will increase total cement capacity to 35 mtpa by FY28E from 27 mtpa at present. Management also guides growing in line with industry with about 7-8% in FY27E as demand remains healthy in east & north markets. We estimate volume CAGR at ~10% over FY26-28E
- **EBITDA/ton expected to improve over FY27-28E**: Company's EBITDA/ton improved by 5.4% YoY to Rs 1072/ton despite increase in total cost (mainly power & fuel costs), supported by price hikes (~₹240/tonne QoQ), favourable geographic mix and focus on premium products. Though management guides a cost increase of ~Rs 100/ton in Q2FY27E (due to geo-political uncertainty and scheduled yearly shutdowns), we believe that overall operational performance for FY27E should remain better YoY despite cost pressure due to ongoing geo-political uncertainties. This would be mainly account of better realisations and positive operating leverage. Long-term outlook remains healthy led by focus on premiumization and cost optimization which includes measures such as changing mix of petcoke and coal, increase in share of AFR (expected to increase to 13-15% from 6% at present), increase in green power consumption, cost optimisation in raw materials (through increasing share of blended cement). We estimate EBITDA/ton of Rs 994/ton in FY28E (vs Rs 910/ton in FY26)

Rating and Target Price

- With healthy volume growth and improvement in EBITDA/ton over FY27E-28E, we expect revenue to grow 13% CAGR over FY27-28E while EBITDA & PAT are expected to grow at ~19% & ~52% CAGR respectively. We maintain **BUY** on NUVOCO with a revised target price of ₹ 465 per share (based on 8x EV/EBITDA on FY28E)

NUVOCO Shaping a new world

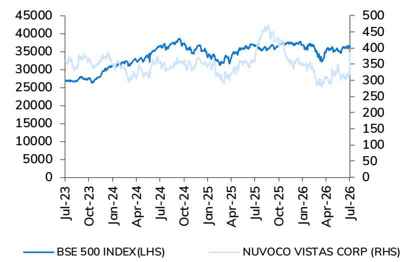
Particulars

Particular	Amount
Market Capitalisation (Rs Crore)	14,036
FY25 Gross Debt (Rs Crore)	3,823
FY25 Cash (Rs Crore)	182
EV (Rs Crore)	17,677
52 Week H/L (Rs)	478 / 276
Equity Capital	357.2
Face Value	10.0

Shareholding pattern

	Jun-25	Sep-25	Dec-25	Mar-26
Promoter	72.0	72.0	72.0	72.0
FII	3.8	5.2	5.0	4.9
DII	19.1	18.1	18.1	18.4
Others	5.1	4.7	4.9	4.8

Price Chart



Recent Event & Key risks

(1) Slowdown in demand (2) Delays in capacity expansion (3) Increase in commodity prices (4) High competition

Research Analyst

Vijay Goel
vijay.goel@icicisecurities.com

Deep Lapsia
deep.lapsia@icicisecurities.com

ICICI Securities – Retail Equity Research

Key Financial Summary

(Rs crore)	FY23	FY24	FY25	FY26	3 Year CAGR (FY23-26)	FY27E	FY28E	2 Year CAGR (FY26-28E)
Revenues	10,586	10,733	10,357	11,338	2.3%	12,628	14,450	12.9%
EBITDA	1,210	1,624	1,372	1,857	15.3%	2,073	2,449	14.8%
EBITDA margin (%)	11.4	15.1	13.2	16.4		16.4	16.9	
Net Profit	16	147	22	360	183.1%	480	715	40.9%
EPS	0.4	4.1	0.6	10.1		13.5	20.0	
P/E (x)	885.0	95.2	642.7	35.9		29.2	19.6	
EV/EBITDA (x)	15.2	11.1	12.9	10.0		8.6	6.9	
EV/Ton ($)	86	80	79	82		64	54	
RoCE (%)	2.0	5.6	4.1	6.7		7.3	9.5	
RoE (%)	0.2	1.6	0.2	3.8		4.5	6.3	

Source: Company, ICICI Direct Research

Q1FY27 Result Highlights:

- Revenue increased by 8.9% YoY (-5.4% QoQ) to Rs 3128.7 crore, led by 3.9% YoY (-11.7% QoQ) volume growth (to 5.3 mtpa) and 4.8% YoY (+7.1% QoQ) improvement in realization
- Total cost/ton increased by 4.7% YoY (+6.6% QoQ)
- EBITDA/ton stood at Rs 1072/ton (+5.4% YoY, +9.5% QoQ). Subsequently, EBITDA came at Rs 568.2 crore (+9.6% YoY, -3.3% QoQ)
- On PAT level, the company reported profit of Rs 159.6 crore (+19.9% YoY, +13.4% QoQ)

Recent earnings call highlights:

- Management remains positive on cement demand and expects industry demand to grow 7-8% in FY27, supported by government infrastructure spending and housing demand. The company targets volume growth broadly in line with industry growth during FY27E
- Cement prices have remained stable during the first half of July despite the monsoon, which management considers an encouraging trend
- Sequential realisations improved by around ₹320/tonne, supported by price hikes (₹240/tonne on an average in the quarter), favourable geographic mix and higher premium product sales
- Fuel cost was maintained at ₹1.52/kcal, remaining within the guided range despite volatile global fuel prices
- Sequential cost inflation was driven by higher fuel, raw material, packaging and freight costs; however, management expects packing bag costs to moderate in Q2FY27, while fuel costs should remain largely stable
- Annual shutdowns during Q2FY27 are likely to increase power costs by around ₹30-40/tonne. Overall, management expects a cost increase of ~₹100/tonne in Q2FY27E on QoQ basis
- The company reduced pet coke consumption from 37% in Q4FY26 to 27% in Q1FY27, while increasing coal usage to 67%, helping offset the sharp rise in pet coke prices. Operational initiatives, including increased use of better-quality domestic coal and optimisation of kiln operations, helped contain fuel costs
- The Kutch clinker unit remains on track for phased commissioning during Q3/Q4FY27, while the grinding unit is progressing as planned
- Gujarat cement sales are expected to increase from the current 1.3-1.4 mtpa to around 2 mtpa (annualised) by Q4FY27. Management expects Gujarat profitability to gradually improve, with EBITDA/t likely to reach levels comparable to its North India operations over the next two to three years
- The company is on track for its 4 mtpa debottlenecking programme across Jojobera, Panagarh, Jajpur and Arasmeta and are expected to be commissioned over phases in this year
- Premium products continued to gain traction, with Concreto Uno and Duraguard Microfiber each crossing 1mt annualised sales, while premium products accounted for around 42% of total sales in Q1FY27. Trade sales continued to contribute around 75% of overall volumes
- Company's road-rail mix was 62:38 in Q1FY27 compared to 54:46 in Q4FY26 due to railway rake unavailability.
- Management maintained FY27 Capex guidance at ₹900 crore, with ₹370 crore already incurred in Q1FY27. FY28E Capex is expected to be around

₹950-1,000 crore, mainly towards Gujarat expansion and routine maintenance

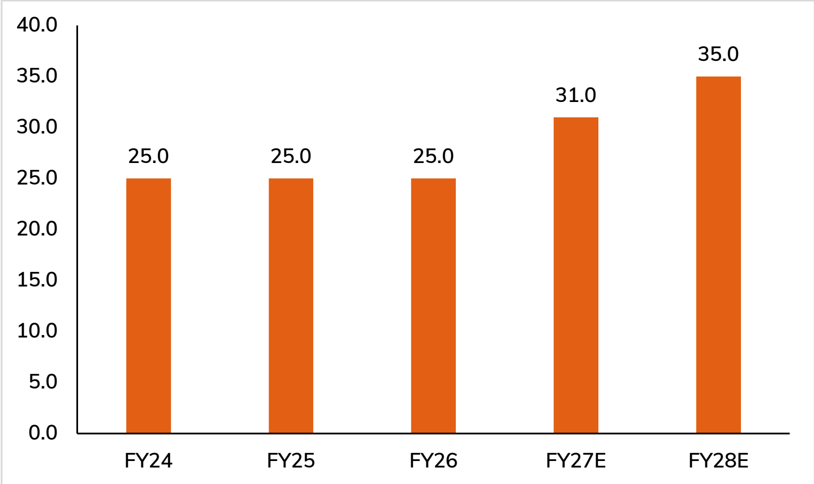
- Net debt reduced to ₹4,595 crore as of June 2026 from ₹5,274 crore a year ago, reflecting continued balance sheet improvement

Exhibit 1: Quarterly Analysis – Q1FY27

	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	Comments
Operating Income	3,128.7	2,872.7	8.9	3,306.8	-5.4	Revenue increased YoY led by better realisation and volume growth
Other income	3.6	14.8	-75.6	2.6	37.8	
Total Revenue	3,132.3	2,887.5	8.5	3,309.4	-5.3	
Raw materials costs	522.2	492.5	6.0	697.4	-25.1	
Employees Expenses	197.1	179.5	9.8	183.0	7.7	
Other Expenses	443.3	382.5	15.9	425.2	4.3	
Total Expenditure	2,560.5	2,354.1	8.8	2,719.2	-5.8	
EBITDA	568.2	518.6	9.6	587.6	-3.3	
EBITDA margins (%)	18.2	18.1	11 bps	17.8	39 bps	EBITDA margins improved due to better sales realisation
Interest	70.3	117.1		81.0		
Depreciation	225.6	214.7	5.1	227.9	-1.0	
Tax	116.4	68.4	70.1	92.4	26.0	
PAT	159.6	133.2	19.9	140.8	13.4	

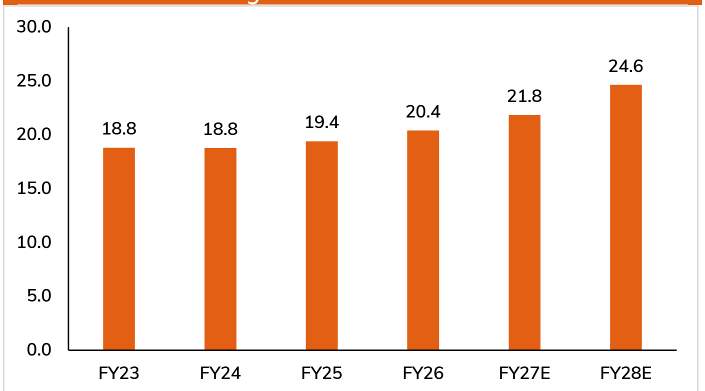
Source: Company, ICICI Direct Research

Exhibit 2: Capacity expansion plan over FY25-FY28E



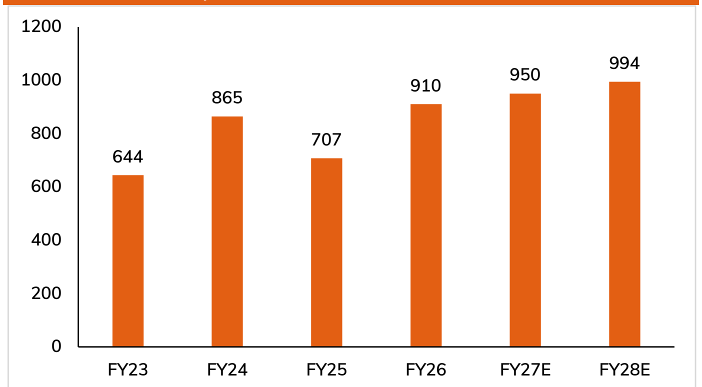
Source: Company, ICICI Direct Research

Exhibit 3: Volumes to grow at ~10% CAGR over FY27E-28E



Source: Company, ICICI Direct Research

Exhibit 4: EBITDA/ton trend



Source: Company, ICICI Direct Research

Financial summary

Exhibit 5: Profit and loss statement ₹ crore

(Rs Crore)	FY25	FY26	FY27E	FY28E
Revenue	10,356.7	11,338.3	12,627.9	14,449.7
% Growth	*(3.5)*	*9.5*	*11.4*	*14.4*
Other income	19.4	24.1	15.0	16.5
Total Revenue	10,356.7	11,338.3	12,627.9	14,449.7
% Growth	*(3.5)*	*9.5*	*11.4*	*14.4*
Total Raw Material Costs	2,061.8	2,127.6	2,226.5	2,586.8
Employee Expenses	675.8	723.3	784.8	867.2
other expenses	1,483.4	1,599.3	1,767.2	1,944.0
Total Operating Expenditure	8,984.7	9,481.4	10,554.7	12,000.6
Operating Profit (EBITDA)	1,372.0	1,856.9	2,073.1	2,449.1
% Growth	*(15.5)*	*35.3*	*11.6*	*18.1*
Interest	496.4	398.3	343.3	289.3
PBDT	895.0	1,482.6	1,744.8	2,176.4
Depreciation	868.5	884.0	1,010.2	1,083.7
PBT before Exceptional Items	26.5	598.7	734.6	1,092.6
Total Tax	4.7	190.8	254.2	378.1
PAT before MI	21.8	359.8	480.4	714.6
PAT	21.8	359.8	480.4	714.6
% Growth	*(85.2)*	*1,547.3*	*33.5*	*48.7*
EPS	0.6	10.1	13.5	20.0

Source: Company, ICICI Direct Research

Exhibit 6: Cash flow statement ₹ crore

(Rs Crore)	FY25	FY26	FY27E	FY28E
Profit after Tax	21.8	359.8	480.4	714.6
Depreciation	868.5	884.0	1,010.2	1,083.7
Interest	496.4	398.3	343.3	289.3
Cash Flow before WC changes	1,386.8	1,642.0	1,833.9	2,087.6
Changes in inventory	185.0	16.6	(154.5)	(110.0)
Changes in debtors	(69.4)	(83.9)	(86.4)	(119.8)
Changes in loans & Advances	2.1	(3.4)	1.0	(0.4)
Changes in other current assets	21.3	(95.9)	(28.3)	(43.7)
Net Increase in Current Assets	158.9	(187.2)	(268.2)	(273.9)
Changes in creditors	(98.5)	55.3	190.8	264.5
Changes in provisions	1.8	66.6	11.6	91.9
Net Inc in Current Liabilities	(196.8)	10.9	451.0	440.9
Net CF from Operating activities	1,348.9	1,465.7	2,016.8	2,254.6
Changes in deferred tax assets	25.4	37.1	-	-
(Purchase)/Sale of Fixed Assets	(443.2)	(2,955.6)	(950.0)	(1,010.0)
Net CF from Investing activities	(460.5)	(2,738.3)	(1,074.9)	(1,088.5)
Dividend and Dividend Tax	-	-	-	-
Net CF from Financing Activities	(813.8)	1,186.5	(843.3)	(1,139.3)
Net Cash flow	74.5	(86.1)	98.6	26.8
Opening Cash/Cash Equivalent	107.9	182.3	96.3	194.9
Closing Cash/ Cash Equivalent	182.3	96.3	194.9	221.7

Source: Company, ICICI Direct Research

Exhibit 7: Balance sheet ₹ crore

(Rs Crore)	FY25	FY26	FY27E	FY28E
Equity Capital	357.2	357.2	357.2	357.2
Reserve and Surplus	8,645.2	9,871.6	10,352.1	11,066.6
Total Shareholders funds	9,002.3	10,228.8	10,709.2	11,423.8
Total Debt	3,822.6	4,540.8	4,040.8	3,190.8
Total Liabilities	14,366.5	16,497.0	16,477.4	16,342.0
Gross Block	16,308.2	16,905.1	19,729.6	21,189.6
Acc: Depreciation	7,128.1	8,012.1	9,022.3	10,106.0
Net Block	9,180.2	8,893.1	10,707.3	11,083.6
Capital WIP	382.5	2,474.5	600.0	150.0
Total Fixed Assets	15,088.6	17,160.2	17,100.0	17,026.2
Non Current Assets	797.9	766.5	891.4	969.9
Inventory	761.7	745.0	899.5	1,009.5
Debtors	660.1	743.9	830.3	950.1
Other Current Assets	178.9	274.8	303.1	346.8
Cash	182.3	96.3	194.9	221.7
Total Current Assets	2,271.2	2,372.3	2,739.2	3,039.9
Current Liabilities	1,587.5	1,642.8	1,833.6	2,098.2
Provisions	169.1	181.0	181.0	181.0
Total Current Liabilities	3,791.2	3,802.1	4,253.1	4,694.0
Net Current Assets	(1,520.0)	(1,429.7)	(1,513.9)	(1,654.1)
Total Assets	14,366.5	16,497.0	16,477.4	16,342.0

Source: Company, ICICI Direct Research

Exhibit 8: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
EPS	0.6	10.1	13.5	20.0
Cash per Share	5.1	2.7	5.5	6.2
BV	252.1	286.4	299.8	319.9
EBITDA Margin	13.2	16.4	16.4	16.9
PAT Margin	0.2	3.2	3.8	4.9
RoE	0.2	3.8	4.5	6.3
RoCE	4.1	6.7	7.3	9.5
RoIC	4.0	6.6	7.3	9.5
EV / EBITDA	12.9	10.0	8.6	6.9
P/E	642.7	35.9	29.2	19.6
EV / Net Sales	1.7	1.6	1.4	1.2
Sales / Equity	1.2	1.1	1.2	1.3
Market Cap / Sales	1.4	1.2	1.1	1.0
Price to Book Value	1.6	1.4	1.3	1.2
Asset turnover	0.8	0.8	0.9	1.0
Debtors Turnover Ratio	16.6	16.2	16.0	16.2
Creditors Turnover Ratio	6.3	7.0	7.3	7.4
Debt / Equity	0.4	0.4	0.4	0.3
Current Ratio	0.5	0.5	0.6	0.6
Quick Ratio	0.3	0.3	0.3	0.3

Source: Company, ICICI Direct Research

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Sell: <-15%

Pankaj Pandey Head – Research pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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Name of the Compliance officer (Research Analyst): Mr. Atul Agarwal
Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jwarani Email address: headservicequality@icicidirect.com Contact Number: 18601231122

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