

About the Company

Nuvoco Vistas Corporation Ltd (NVCL) is India's 5th largest cement group by capacity (25 MTPA, set to increase to 31 MTPA by Q3 FY27) with a strong foothold in East India and a growing presence in the North and West. The company offers a diversified portfolio including Cement, Ready-Mix Concrete (RMX), and Modern Building Materials (MBM). NVCL is part of the robust Nirma Group.

Investment Rationale

- Strategic Capacity Expansion:** NVCL successfully acquired Vadraj Cement (VCL) in FY25, which received NCLT approval in Apr'25. This acquisition adds 3.5 MTPA clinker and 6 MTPA grinding capacity, significantly increasing NVCL's total installed grinding capacity to 31 MMTPA by Q3FY27. This strategically expands its footprint in the Western market (Gujarat and Maharashtra) and solidifies its position as the 5th largest cement group in India. We pencil in Volume and Revenue growth CAGR of 7% and 10% over FY25-FY27E.
- Product Premiumization to Drive Value:** Premium products continue to be a strategic priority, with their share of trade volume rising to 41% in Q1FY26, contributing to enhanced realisations and profitability. The strong performance of "Concreto" and "Duraguard" brands is a testament to this strategy. NVCL achieved a robust trade mix of 76% in Q1FY26, its highest in the last 13 quarters, indicating strong demand for its flagship products. EBITDA margin is expected to inch higher to 16-17% in FY26/27E.
- Significant Debt Reduction:** Despite the Vadraj acquisition, NVCL demonstrated strong financial discipline by reducing its like-for-like net debt by Rs 884 Cr YoY to Rs 3,474 Cr in Q1FY26. This commitment to deleveraging enhances financial stability and provides flexibility for future growth. The net profit margin improved significantly to 4.71% in Q1FY26 from 0.11% in Q1FY25, and the operating margin rose to 18.35% from 13.25%.

Valuation & Analyst Recommendation

- NVCL's Q1FY26 results demonstrate a significant inflexion point, showcasing robust financial performance driven by strategic expansion, operational efficiencies, and a strong focus on high-margin products. The successful integration of Vadraj Cement positions the company for accelerated growth and market share gains in the rapidly expanding Indian cement sector. With a clear deleveraging path and commitment to sustainability, NVCL presents an attractive investment opportunity.
- The stock is currently trading at 10.5x/9.5x its FY26E/FY27E EV/EBITDA and EV/tonne of \$92 and \$86 for FY26E/27E. **We recommend a BUY on the stock with a target price of Rs 455/share, implying a 10% upside from current levels.**

Financial Summary

Y/E	Sales (Rs Cr)	EBITDA (Rs Cr)	PAT (Rs Cr)	EPS (Rs)	P/E (x)	RoE (%)	RoCE (%)	EV/EBITDA (x)
March								
FY24	10,733	1,624	147	4.0	74	2	5	9
FY25	10,357	1,372	22	0.6	679	1	4	13.5
FY26E	11,657	1,898	384	10.5	39	4	8	10.5
FY27E	12,613	2,111	402	11.0	37	4	8	9.5

 Source: Axis Securities Research; CMP as on 25th July 2025

Duration: 3-6 Months

CMP (Rs)	413
Target Price (Rs)	455
Upside (%)	10%

| Why Nuvoco Vistas

- ✓ **Capacity Expansion**
- ✓ **Strong Cement Demand**
- ✓ **Improvement in EBITDA Margin**

| Key risks

- ✓ **Lower Prices & Delay in Capacity Expansion to Hurt Performance**
- ✓ **Higher Input Costs May Impact EBITDA Margins**

MARKET DATA

No. of Shares	35.7 Cr
Market Cap	Rs 14,750 Cr
52-week High / Low	420/287
BSE Code	543334
NSE Code	NUVOCO

Uttam Kumar Srimal

 Sr Research Analyst
uttamkumar.srimal@axissecurities.in

Shikha Doshi

 Research Associate
shikha.doshi@axissecurities.in

| OBJECTIVE



Axis Punch is designed to generate solid return in short to medium term based on High Conviction Stock Ideas for both investors and traders. This fundamental medium-term product targets return of 10% plus with an investment horizon of 3 to 6 months. Recommendations under Axis Punch are driven by various business and economic events, company valuations, market direction, or a mix of these factors.

| Axis PUNCH is strong research based idea based on



Events Based: Our recommendations are based on the following critical factors, providing a comprehensive approach to medium-term investment opportunities:

- **Company-Specific Events:** Recommendations consider significant company-specific events such as new orders, product launches, acquisitions, management changes, and the commissioning of new plants.
- **Commodity Price Fluctuations:** We analyze changes in commodity prices, including metals, cement, chemicals, and pharmaceutical materials.
- **Macro-Economic Events:** Key macroeconomic events such as RBI Monetary Policy, US Fed decisions, inflation rates, GDP figures, budget announcements, and changes in government policies are factored into our recommendations.
- **Sector Developments:** Material developments within sectors, including monthly production and sales numbers in industries like Auto, Cement, and Steel, as well as competitive landscape changes due to business actions or new entrants/exits, are considered.
- **Earnings Surprises:** We identify companies expected to report better-than-anticipated earnings in upcoming quarters.
- **Corporate Actions:** Corporate actions such as mergers and acquisitions, capital raising programs, and regulatory announcements that impact a company or its industry form crucial elements for our recommendations.

Strategic Insights: Benefit from insights based on a blend of critical business events, economic trends, and thorough company valuations.

Informed Decisions: Make well-informed investment decisions backed by the expertise of our dedicated research team.

Medium-term Horizon: Enjoy the medium-term investment strategy, perfectly suited for those looking to optimize returns over 3 to 6 months.

| Why to choose Axis PUNCH



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Compliance Officer Details: Name – Mr. Rajiv Kejriwal, Tel No. – 022-68555574, Email id – compliance.officer@axisdirect.in;

Registered Office Address – Axis Securities Limited, Unit No.002, Building- A, Agastya Corporate Park, Piramal Realty, Kamani Junction, Kurla (W), Mumbai – 400070.

Administrative office address: Aurum Q Parc, Q2 Building, Unit No. 1001, 10th Floor, Level – 6, Plot No. 4/1 TTC, Thane – Belapur Road, Ghansoli, Navi Mumbai, Pin Code – 400710.

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