NESCO Ltd — Nov 2025 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

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

Result: Inline / Expansionary **One-line:** Nesco is transitioning from a passive landlord to an active services operator, with the "Events & Hospitality" vertical achieving critical mass and the ₹400 Cr "Wayside Amenities" (WSA) project moving from concept to execution (8 sites now in possession).

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance / Prior Quarter	Inline	Events H1 revenue at ₹14 Cr; BEC realization stable at ₹244.	□
Earnings Quality	High (Core driven)	Growth driven by operational scaling of the Events vertical and high-yield BEC assets.	□
Guidance Confidence	Strong	Possession of 8/11 WSA sites indicates project velocity is high.	□
Management Credibility	Strong	Executing the pivot into hospitality (Gourmet Craft) and owned events as promised.	□
Business Quality Signal	Improving	Diversifying revenue away from Goregaon concentration via highway infrastructure.	□
Key Q&A Exchange	N/A — PPT_ONLY	Not applicable.	□
The Street's Primary Anxiety	Execution Risk	Managing 11 dispersed highway sites vs. a single concentrated campus.	□
Capital Cycle Stage	Investment	Active capex phase for WSA (₹400 Cr) and new Hall construction.	□
Margin / Return Ratio Trajectory	Stable	BEC realizations steady (₹244); Hospitality scaling should aid margins.	□
Pricing Power	Stable	BEC maintains premium pricing (₹244 Psm/pd) despite volatile utilization.	□
FCF Conversion & Quality	Strong	Core BEC/IT Park cash flows funding the ₹400 Cr WSA expansion.	□
Competitive Moat Signals	Widening	Pillar-free halls (4 & 6) and 80k meals/day catering capacity are unique in Mumbai.	□
Balance Sheet Strength	Strong	Historically debt-free; internal accruals sufficient for current capex.	□
Working Capital Efficiency	Not in document	Data absent from presentation.	□
Mgmt Guidance Track Record	Reliable	Consistent delivery on site acquisition for the WSA vertical.	□
Key Vulnerability / Red Flag	Geographic Dispersion	Operating across 3 states/expressways introduces logistics complexity.	□
Management Tone	Confident	Tone focused on "Elevating Journeys" and "Creating Myriad Experiences."	□

Sentiment: □Positive

Key Takeaways (Positives & Negatives): * **Positives:** The operational pivot is yielding results; the "Outdoor/Events/Hospitality" segment grew 136% YoY in H1 FY26. The Wayside Amenities project has reached a major milestone with 8 of 11 sites now in possession, de-risking the "land access" phase of the ₹400 Cr capex. The core BEC business continues to enjoy high realizations (₹244 Psm/pd) and is now offering 100% renewable energy, a key ESG pull for international exhibitors. * **Negatives:** Average BEC realization dipped slightly to ₹244 from ₹249 reported in prior periods. The surrender of 2 sites in the Bengaluru-Chennai corridor suggests potential hurdles in specific highway tenders or land viability. * **Watchpoint:** The execution of the "Gourmet Craft" central kitchen (80,000 meals/day) will be the litmus test for Nesco's ability to manage high-volume, high-standard hospitality operations.

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2. BUSINESS PERFORMANCE

2A. KEY METRICS

DATA SOURCE: Concall not available — Mgmt Commentary column absent.

Metric	Current Qtr (H1 FY26)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Exhibition Metrics (BEC)					
Avg Realization (₹Psm/pd)	244	↓ (vs 249)	First entry	↓	Lower vs prior context of 249.
Total Area (Sq. Mtr.)	71,418	→	→	→	Hall 4 & 6 are pillar-free.
Annual Footfall (Mn)	2.0+	→	→	→	Includes 100+ exhibitions.
Events & Hospitality					
H1 Revenue (₹Cr)	14	+136%	First entry	↑	Significant YoY scaling.
FY25 Revenue (₹Cr)	26	+55.7%	N/A	↑	Full year base for comparison.
Meals Capacity (Daily)	80,000	New	New	↑	Via 24k sq. ft. central kitchen.
Wayside Amenities					
Total Estimated Capex (₹Cr)	400	→	→	→	Includes fuel, retail, food.
Total Sites Awarded	11	→	→	→	Across 3 Expressways.
Sites in Possession	8	↑ (vs 2)	First entry	↑	Critical execution milestone.
Manufacturing (Indrabator)					
Manufacturing Space (Sq. Ft.)	1.4 Lakh	→	→	→	Vishnoli and Karamsad plants.
Sales Hubs	4	→	→	→	Mumbai, Delhi, Kolkata, Chennai.
General Financials					
Net Debt / (Cash)	(Net Cash)	→	→	□	Internal accruals fund capex.
Renewable Energy Usage	100%	↑	↑	□	Full transition for BEC by 2025.

2B. SEGMENT BREAKDOWN

Segment	Revenue (₹ Cr)	YoY Growth	Margin	Trend	vs Company Avg	Key Development
BEC (Exhibitions)	Not in doc	15.9% (FY25)	High	→	Core Cash Cow	Shift to green power by April 2025.
Nesco Events	14 (H1)	136% (H1)	Improving	↑	Growth Driver	Focus on owned brands like "Rangilo Re".
Indrabator (Mfg)	Not in doc	Not in doc	Stable	→	Laggard	Focus on spares and abrasives.
Wayside Amenities	0 (Project)	N/A	N/A	↑	Future Engine	8 sites possession taken; project initiated.

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	Capex Plan	₹400 Cr for Wayside Amenities (WSA).	Feasible; represents ~₹36 Cr per site for development.	On track (8 sites secured).	Cost inflation.
Guidance	Volume / Capacity	80,000 meals per day catering capacity.	Requires full utilization of the 24k sq. ft. Central Kitchen.	Scaling up.	Logistics/ Waste.
Strategy	Competitive Positioning	Transition to "Service Operator" via Gourmet Craft and Events.	High; Events revenue grew 136% in H1, validating the pivot.	Delivered.	Margin dilution.
Strategy	Capital Allocation	Develop 11 highway sites into "holistic ecosystems" (fuel + non-fuel).	High complexity; requires managing retail and fuel ops across states.	2 sites surrendered.	Execution risk.
Strategy	ESG	100% Renewable energy for all operations by April 2025.	IT Park already 100%; transition for BEC/HO underway.	On track.	Operating costs.

4. ANALYST Q&A

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

5. WHAT CHANGED vs PRIOR QUARTER

This analysis compares the current H1 FY26 presentation against the prior context provided.

What Changed	Prior Quarter	This Quarter	Direction
WSA Execution	Possession of 2 sites.	Possession of 8 sites.	□
BEC Pricing	Realization of □49 Psm/pd.	Realization of □44 Psm/pd.	□
Events Trajectory	□6 Cr FY25 Revenue.	□4 Cr H1 FY26 Revenue (Annualizing to □8 Cr+).	□
Segment Mix	Nascent Hospitality focus.	Scaling "Gourmet Craft" (8 owned brands).	□
WSA Portfolio	11 sites awarded.	2 sites (Bengaluru-Chennai) surrendered back.	□
ESG Commitment	IT Park Green Power.	100% Green Power for BEC/HO by April 2025.	□

- **Accelerated Execution on Highways:** The jump from 2 to 8 sites in possession for the Wayside Amenities project is the most material fundamental change. It moves the thesis from "theoretical diversification" to "active construction/development."
- **Events Momentum:** The 136% YoY growth in the Events/Outdoor segment indicates that Nesco is successfully monetizing its land beyond simple exhibition rentals.
- **Minor Yield Softness:** The small dip in realization (□44 vs □49) needs monitoring to see if it's a pricing strategy to drive utilization (currently 44%) or competitive pressure.
- **Portfolio Pruning:** The surrender of 2 LOAs (Letters of Award) for the Bengaluru-Chennai corridor suggests management is being disciplined about project viability rather than just chasing site count.