

April 26, 2024



Nestlé

**Current Price:** ₹ 2562.70

## STOCK DATA

BSE Code	500790
NSE Symbol	NESTLEIND
Reuters	NEST.BO
Bloomberg	NEST IN

## VALUE PARAMETERS

52 W H/L(Rs)	2770.75/2048.56
Mkt. Cap.(Rs Cr)	247084.56
Latest Equity(Subscribed)	96.42
Latest Reserve (cons.)	2996.33
Latest EPS (cons.) -Unit Curr.	31.15
Latest P/E Ratio -cons	82.27
Latest Bookvalue (cons.) -Unit Curr.	32.08
Latest P/BV - cons	79.88
Dividend Yield -%	1.01
Face Value	1.00

## SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/03/2024
Foreign	13.00
Institutions	9.04
Non Promoter Corp. Hold.	1.56
Promoters	62.77
Public & Others	13.62

## Standalone Financials Result

In Cr.

Particulars	Qtr Ending Mar. 24	Qtr Ending Mar. 23	Var. (%)
Total Income	5267.59	4830.53	9
OPM (%)	25.61	22.68	293bps
OP	1348.82	1095.48	23
Other income	36.83	33.69	9
PBIDT	1385.65	1129.17	23
Net Finance Charges	26.20	37.01	-29
PBDT	1359.45	1092.16	24
Depreciation	108.87	101.70	7
PBT before EO	1250.58	990.46	26
EO	7.53	0.00	
PBT after EO	1243.05	990.46	26
Tax expense	316.41	253.82	25
PAT	926.64	736.64	26
EPS (Rs)	9.61	7.64	

### Nestle India Limited Q5 FY24 – PAT up 26.81%, Above estimates

For the quarter ending March 2024, standalone Net sales (including other operating income) of Nestle India has increased 9.05% to Rs 5,267.59 crore compared to quarter ended March 2023. Operating profit margin has jumped from 22.68% to 25.61%, leading to 23.13% rise in operating profit to Rs 1,348.82 crore. Raw material cost as a % of total sales (net of stock adjustments) decreased from 44.71% to 41.00%. Purchase of finished goods cost rose from 2.05% to 2.27%. Employee cost decreased from 9.31% to 9.23%. Other expenses rose from 21.49% to 21.92%. Provisions writeoffs cost fell from 0.30% to 0.19%. Other provisions fell from 0.30% to 0.19%.

Other income fell 20.60% to Rs 26.75 crore. PBIDT rose 21.82% to Rs 1375.57 crore. Provision for interest fell 29.21% to Rs 26.2 crore. Loan funds remained nil. PBDT rose 23.55% to Rs 1349.37 crore. Provision for depreciation rose 7.05% to Rs 108.87 crore. Profit before tax grew 25.24% to Rs 1,240.50 crore. Provision for tax was expense of Rs 316.41 crore, compared to Rs 253.82 crore. Effective tax rate was 25.30% compared to 25.63%. Profit after tax rose 26.81% to Rs 934.17 crore.

### Full year results analysis

Net sales (including other operating income) of Nestle India has increased 13.19% to Rs 19,126.30 crore. Operating profit margin has jumped from 21.97% to 23.38%, leading to 20.43% rise in operating profit to Rs 4,470.99 crore. Raw material cost as a % of total sales (net of stock adjustments) decreased from 44.63% to 42.03%. Purchase of finished goods cost rose from 2.03% to 2.18%. Employee cost increased from 9.54% to 9.65%. Other expenses rose from 22.16% to 22.82%. Provisions writeoffs cost fell from 0.27% to 0.21%. Other provisions fell from 0.27% to 0.21%.

Other income up 20.01% to Rs 121.21 crore. PBIDT rose 20.42% to Rs 4592.2 crore. Provision for interest fell 22.82% to Rs 119.29 crore. Loan funds stood at Rs 270.52 crore as of 31 December 2023 to Rs 270.52 crore as of 31 December 2022. Inventories stood at Rs 1,928.77

crore as of 31 December 2023 to Rs 1,928.77 crore as of 31 December 2022. Sundry debtors stood at Rs 191.89 crore as of 31 December 2023 to Rs 191.89 crore as of 31 December 2022. Cash and bank balance stood at Rs 945.55 crore as of 31 December 2023 to Rs 945.55 crore as of 31 December 2022. Investments stood at Rs 777.54 crore as of 31 December 2023 to Rs 777.54 crore as of 31 December 2022.

PBDT rose 22.24% to Rs 4472.91 crore. Provision for depreciation rose 6.43% to Rs 428.91 crore. Fixed assets stood at Rs 3,402.06 crore as of 31 December 2023 to Rs 3,402.06 crore as of 31 December 2022. Profit before tax grew 24.20% to Rs 4,044.00 crore. Provision for tax was expense of Rs 1039.62 crore, compared to Rs 865.45 crore. Effective tax rate was 25.74% compared to 26.58%. Profit after tax rose 25.44% to Rs 2,998.67 crore.

### Other Highlights

- Board Recommended Final Dividend of Rs 8.50 per equity shares of Re 1 each for the fifteen months financial year ended 31st March 2024. Board has fixed record date as 15 July 2024 for determining the entitlement of Final Dividend.
- The company launched NESPRESSO coffees and machines for consumers, coffee aficionados and coffee connoisseurs in India, to unlock new experiences and discover extraordinary coffees. The first NESPRESSO boutique is intended to be opened in Delhi, before expanding to other key cities. NESPRESSO will also be sold online through e-commerce platforms.
- The company entered into a definitive agreement to form a joint venture with Dr. Reddy's Laboratories to take health science nutraceutical portfolio to consumers. The joint venture company would be formed with Dr Reddy's holding 51% and Nestlé India's holding 49%. Nestlé India will have a call option to increase shareholding upto 60% after six years at a Fair Market Value. Dr Reddy's shall continue to hold at least 40% of the shareholding after the Company exercises its call option.
- Commodity Outlook: Commodity prices are seeing unprecedented headwinds in Coffee and Cocoa with all time high prices and an ongoing price rally. Cereals and grains are going through a structural cost increase backed by MSP. Milk prices expected to rise on account of expected harsh summer.

### Management Comments :

**Mr. Suresh Narayanan, Chairman and Managing Director, Nestlé India said,** "I am pleased to share that we have delivered double-digit growth, despite challenges posed by rising food inflation and volatile commodity prices. We have witnessed a strong growth momentum across our product portfolio led by a combination of pricing and mix. Our domestic sales crossed INR 5,000 crore this quarter, a notable milestone for us. I would like to extend my heartfelt gratitude to my colleagues, distributors, retailers and partners for their unwavering dedication, determination, and diligence. In the financial year ended 31st March 2024, Confectionery delivered strong performance, fuelled by KITKAT, making India the second-largest market for the brand globally. Our Beverages business recorded robust performance. NESCAFÉ has introduced its coffee to over 30 million households in India in the last 7 years. Milk Products and Nutrition witnessed strong growth despite inflationary pressures. Prepared Dishes and Cooking Aids registered strong growth across portfolio led by MAGGI Noodles and MAGGI Masala-ae-Magic. India emerged as the largest market worldwide for MAGGI. The Out-of-Home business reported strong growth and e-commerce sustained its upward trajectory, contributing to 6.8 % of sales. We remained steadfast on our RUrban journey and expanded to encompass over 200,000 villages, marking a significant milestone in our journey. The pursuit of new platforms and categories is a key component of Nestlé India`s overall growth strategy and reflects our

commitment to anticipating and responding to evolving market trends and consumer preferences. By leveraging our existing competencies and capabilities, and by investing in new areas of opportunity, Nestlé India strives to deliver long-term value to its stakeholders.”

Note - The Financial Year of the Company stands changed from 1st January - 31st December cycle to 1st April - 31st March cycle. Accordingly, the current Financial Year of the Company stands extended up to 31st March 2024 covering a period of 15 months commencing from 1st January 2023 to 31st March 2024 comprising five quarters (“Financial Year 2023-24”). In view of the above, the Company considered the period from 1st October 2023 to 31st December 2023 as a standalone fourth quarter of the Financial Year 2023-24.

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