

February 08, 2024



Nestlé

Current Price: ₹ 2499.05

STOCK DATA

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

VALUE PARAMETERS

52 W H/L(Rs)	2770.75/1788.80
Mkt. Cap.(Rs Cr)	240947.70
Latest Equity(Subscribed)	96.42
Latest Reserve (cons.)	2760.33
Latest EPS (cons.) -Unit Curr.	30.00
Latest P/E Ratio -cons	83.30
Latest Bookvalue (cons.) -Unit Curr.	29.63
Latest P/BV - cons	84.34
Dividend Yield -%	0.88
Face Value	1.00

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/12/2023
Foreign	12.99
Institutions	9.20
Non Promoter Corp. Hold.	1.63
Promoters	62.77
Public & Others	13.44

Standalone Financials Result

In Cr.

Particulars	Qtr Ending	Qtr Ending	Var. (%)
	Dec. 23	Dec. 22	
Net Sales (including other operating income)	4,600.42	4,256.79	8
OPM (%)	23.8	22.86	95 bps
OP	1,095.12	973.01	13
Other Inc.	30.3	29.55	3
PBIDT	1,125.42	1,002.56	12
Interest	22.95	44.83	-49
PBDT	1,102.47	957.73	15
Depreciation	108.69	98.66	10
PBT	993.78	859.07	16
PBT before EO	993.78	859.07	16
Taxation	230.87	231.01	0
PAT	655.61	628.06	4
EPS (Rs.)	7.62	6.51	

Nestle India Limited Q4 CY23 – OP up 12.55%, board approves stock split, Above estimates

For the quarter ending Dec 2023, standalone Net sales (including other operating income) of Nestle India has increased 8.07% to Rs 4,600.42 crore compared to quarter ended Dec 2022. Operating profit margin has jumped from 22.86% to 23.80%, leading to 12.55% rise in operating profit to Rs 1,095.12 crore. Raw material cost as a % of total sales (net of stock adjustments) decreased from 45.22% to 41.36%. Purchase of finished goods cost rose from 2.14% to 2.25%. Employee cost decreased from 9.17% to 8.79%. Other expenses rose from 21.54% to 24.69%. Provisions writeoffs cost rose from 0.09% to 0.37%. Other provisions rose from 0.09% to 0.37%.

Other income up 2.54% to Rs 30.3 crore. PBIDT rose 12.25% to Rs 1125.42 crore. Provision for interest fell 48.81% to Rs 22.95 crore. Loan funds rose to Rs 341.50 crore as of 31 December 2023 from Rs 270.52 crore as of 31 December 2022. Inventories declined from Rs 1,928.77 crore as of 31 December 2022 to Rs 1,873.26 crore as of 31 December 2023. Sundry debtors were higher at Rs 202.57 crore as of 31 December 2023 compared to Rs 191.89 crore as of 31 December 2022. Cash and bank balance declined from Rs 945.55 crore as of 31 December 2022 to Rs 874.82 crore as of 31 December 2023. Investments declined from Rs 777.54 crore as of 31 December 2022 to Rs 726.42 crore as of 31 December 2023. PBDT rose 15.11% to Rs 1102.47 crore. Provision for depreciation rose 10.17% to Rs 108.69 crore. Fixed assets increased to Rs 4,545.90 crore as of 31 December 2023 from Rs 3,402.06 crore as of 31 December 2022. Profit before tax grew 15.68% to Rs 993.78 crore. Provision for tax was expense of Rs 230.87 crore, compared to Rs 231.01 crore. Effective tax rate was 26.04% compared to 26.89%. Profit after tax rose 4.39% to Rs 655.61 crore.

Other Highlights

- Board declared third Interim Dividend of Rs 7 (Rupees Seven only) per equity share of the face value of Re 1 each for the Financial Year 2023-24. Record Date fixed for the purpose is 15th February 2024.

- On and from the Record Date of 5th January 2024, the equity shares of the Company were sub-divided, such that 1 (one) equity share having face value of Rs 10 each, fully paid-up, stands sub-divided into 10 (ten) equity shares having face value of Re 1 each, fully paid-up.
- Board approved slump sale of the NBS Division of the Company to Purina PetCare India, a 100% subsidiary of Nestlé S.A., for an aggregate consideration of Rs 79.8 crore. The transaction will be effective from 1st July 2024, subject to customary closing conditions.

Commodity Outlook: Coffee prices continue to be volatile and are historically high due to limited availability. Healthy milk flush in winter is expected to keep prices stable. Commodities such as wheat and rice are stable as of now. Rain deficit is expected to impact the production of maize, sugar, oil seeds and spices that may impact pricing.

Management Comments:

Mr. Suresh Narayanan, Chairman and Managing Director, Nestlé India said, "I am pleased to share that despite external challenges, we have once again delivered a strong performance this quarter. Domestic sales grew by 8.9% on the back of pricing and mix growth, with strong growth momentum in e-commerce and out-of-home channels. The quarter was marked by an increase in brand investments across all product groups. I am also pleased to note that during the year 2023, our total sales grew by over 13.3% and we crossed INR 19,000 crore mark. All key brands and product groups have contributed to Nestlé India's consistent growth trajectory. This quarter, strong demand for NESCAFÉ CLASSIC and NESCAFÉ SUNRISE propelled the Beverages product group to be our largest contributor to growth. Our beverages business witnessed a double-digit growth and NESCAFÉ gained significant market share. Milk and Nutrition product group posted double-digit growth. Prepared Dishes and Cooking Aids also maintained credible growth this quarter. Confectionery, one of our strong growth drivers also delivered good growth. The growth across all product groups demonstrates the trust consumers placed in us and the unwavering commitment and dedication of our teams. I am happy to share that our Out-of-Home business continued to accelerate rapidly this quarter by focussing on relevant innovations, potential geographies, and robust penetration in emerging channels with opening of new kiosks in key locations. This clarity of strategies and discipline of execution made our Out-of-Home business to be the fastest-growing business of our company in India. E-commerce delivered strong growth contributing to 7% of domestic sales in this quarter. Organized trade also witnessed strong growth backed by festive walk-ins and new product launches. The teams excelled in rolling our shopper resonant activities across our large portfolio in both legacy platforms and the fast growing 'quick commerce. We are very pleased with an uptick in sales in our RUrban markets which has sustained despite the challenging environment. Our RUrban strategies of creating portfolio, infrastructure analytic platforms, activation has supported deeper penetration and distribution expansion that we have witnessed. We expanded our direct coverage and added 5,300 villages this quarter, reaching a total of over 196,000 villages, close to 200,000 villages, which was our ambition. Our customer-ordering app in RUrban markets, NesMitra has resulted in boosting engagement and gaining significant business traction. NesMitra app has over 7,500 active users which is increasing steadily, and it has been recognised in the Nestlé world for driving efficiency and speed. Service excellence and partnership with our retail and distributor partners is our consistent cornerstone of achieving strong results. Innovation and renovation are key components of our business strategy. We strive to offer our consumers high-quality products that cater to their evolving tastes and preferences. Over the past seven years, we have launched 130 new products by recalibrating our innovation process, which has helped increase our sales and drive growth. Some of our recent launches include MAGGI Korean noodles, MAGGI Oats Noodles with Millet Magic and GERBER Puffs. As we seek new frontiers of culinary experience, I am delighted to announce that we have piloted, through a limited period menu, MAGGI Professional's new

plant-based range consisting of burger patty and mince with a committed and competent partner. Offering tastier and better forms of nutrition in a relevant platform is a constant endeavour of Nestlé to delight consumers. I am also happy to inform you that, we have received the land allotment letter from the government for our 10th factory in Odisha. We have made strong strides toward environmental sustainability by increasing our investments, and regularly assessing the progress of our environmental goals, across four commitment areas such as climate, packaging, sourcing and water. As we walk the path of progress, I would like to express my heartfelt gratitude to our employees, partners, suppliers, distributors and other stakeholders for their resolve, tenacity and extraordinary commitment, even in challenging times.”

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