



NESTLE INDIA LIMITED

ISIN: INE239A01016 BSE: 500790 NSE: NESTLEIND CMP: Rs. 18,650

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OVERVIEW

- With eight facilities and a huge number of co-packers, NESTLÉ India is a subsidiary of NESTLÉ S.A. of Switzerland.
- Nestlé India is a thriving company that offers global-standard products to Indian consumers and is dedicated to long-term growth and shareholder pleasure.
- This has gained it the confidence and respect of every segment of society with whom it interacts, and it is recognised as one of India's "Most Respected Companies" and "Top Wealth Creators."

STRENGTHS

- Nestle's goods are distinguished by their creativity and growing focus on localization. The overall goal is to integrate itself into various geographical places by incorporating local flavors into products and adopting local language while selling them.
- Nestle has always been able to pivot its structural savings plan not only across production divisions, but also across administration and procurement, thanks to its strict and rigorous cost control.

BUSINESS STRATEGY

- Nestle's active presence in 187 countries is beneficial to its unbroken expansion. This implies that their product is available to individuals in a wide range of nations and has a long-term influence on them.
- The Nestle group supports local innovation, incorporates technology. As a result, the company is able to generate significant operating savings.
- Nestle's investment in digital transformation has enabled them to become data-driven in areas such as marketing, social media, e-commerce, production.

OPPORTUNITIES

- Nestle has a great chance to expand the number of small food start-ups under its well-known brand. Nestle may also work with fresh start-ups to spread the word about its brand.
- Nestlé's cereals and oats market have shown fast growth in recent years. Thus, penetrating this market more would be highly lucrative for the company.
- The demand for tea and coffee is continuously on the rise, rendering a profitable opportunity for Nestle to groom this market more.

EDGE OVER COMPETITORS

- CRISIL has reaffirmed its 'CRISIL AAA/Stable/CRISIL A1+' ratings on Nestle India Limited (Nestle India's) long-term and short-term debt programme and bank loan facilities.
- Nestle has always come up with some unique marketing ideas when they need to brand their products.
- The competitor products are less expensive as compared to Nestle products belonging to same category.

SUMMARY OF FINANCIALS

- Revenue / turnover of NESTLE INDIA LIMITED is Over INR 10,000 crs
- Operating income of the company is 11.0%.
- EBITDA of the company has increased by 10%.
- Total assets of the company has increased by 2.40%.
- Liabilities of the company has decreased by 0.5%.
- PAT has increased by 32%

Disclaimer: The analysis is only for information purposes only. Please consult your financial advisor, agent, broker before acting on any information. We may or may not have positions in the stock. We would not be responsible for the profit/loss resulting from this analysis.

Growth Rates (Compound Annual)	1 Yr	3 Yr	5 Yr	10yr
Revenue %	8.1	10.1	10.4	7.8
Operating Income %	11.0	16.4	18.3	9.5
Earnings/Share %	5.8	19.3	29.9	9.8
Dividends %	55.6	31.6	35.8	15.0
Book Value/Share %	5.2	(16.1)	(7.8)	9.0
Stock Total Return	21.5	27.5	23.9	-16.8
Market +/-	(12.8)	12.9	13.4	7.7

Valuation Analysis	Current	5Yr Avg	Ind	Mkt.
Price/Earnings	82.8	74.9	69.4	15.2
Forward P/E	69.4	-	-	-
Price/Cash Flow	70.7	57.9	-	9.9
Price/Free Cash Flow	96.8	65.8	-	-
Dividend Yield %	1.2	1.1	1.0	2.8
Price/Book	82.9	31.4	10.0	2.1
Price/Sales	12.9	9.2	4.2	-

Profitability Analysis	Current	5Yr Avg	Ind.	Mkt.
Return on Equity %	97.9	58.0	15.0	15.4
Return on Asset %	27.3	21.3	7.7	5.6
Gross Margin %	56.6	56.7	32.1	-
Operating Margin %	22.1	19.7	11.2	-
Net Margin %	15.6	13.9	6.1	21.4
Inventory Turns	3.7	4.7	4.4	-
Fixed Asset Turns	5.1	4.1	5.1	-

Financial Position (INR)	12-20(Mil.)	12-20 (Mil.)
Cash	17548	13534
Inventories	14165	17288
Receivables	—	—
Current Assets	41851	41878
Fixed Assets	28180	30301
Intangibles	-	-
Total Assets	78997	80896
Payables	20381	16887
Short-Term Debt	31	57
Current Liabilities	24926	23241
Long-Term Debt	317	296
Total Liabilities	58804	58520
Total Equity	20193	22376

Source: Company filings & Analyst research