

CMP: 2,378.70

INDEX DETAILS	
SENSEX	81006.61
NIFTY (S&P CNX)	24749.85

(Source: Capitaline, [Investing.com](https://www.investing.com))

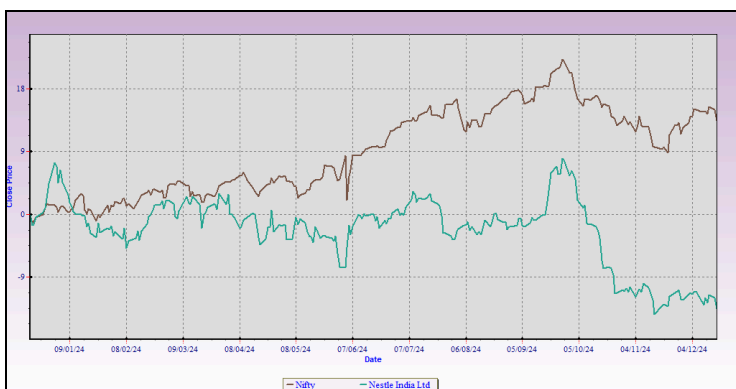
SCRIP DETAILS	
Industry	Packaged Foods
Mkt Cap (Rs in Crore)	212394.19
Book Value (Rs)	41.39
Free Float (%)	37.24
Avg Vol Weekly (NSE)	883945
52 Week H/L (NSE)	2777.00 / 2170.00
Dividend Yield (%)	1.46
BSE Code	500790
NSE Code	NESTLEIND

(Source: [Investing.com](https://www.investing.com))

SHAREHOLDING PATTERN (%)		
PARTICULARS	LATEST QUARTER	PREVIOUS QUARTER
Promoters	62.76	62.76
FIIIs	11.94	11.94
DIIIs	8.89	8.48
Others	16.41	16.82
Totals	100	100

(Source: Capitaline)

Price Comparison with Nifty



OP down 4.66%

For quarter ending Sept 2024, standalone net sales (including other operating income) of Nestle India has increased 1.33% to Rs 5,104.00 crore compared to quarter ended Sept 2023. Operating profit margin has declined from 24.32% to 22.88%, leading to 4.66% decline in operating profit to Rs 1,167.73 crore. Raw material cost as a % of total sales (net of stock adjustments) increased from 39.42% to 40.34%. Purchase of finished goods cost rose from 2.09% to 2.10%. Employee cost decreased from 10.64% to 9.99%. Other expenses rose from 22.67% to 24.31%.

Other income fell 79.38% to Rs 6.86 crore. PBDIT fell 6.64% to Rs 1174.59 crore. Provision for interest up 2.68% to Rs 32.22 crore. Loan funds remained nil.

PBDT fell 6.88% to Rs 1142.37 crore. Provision for depreciation rose 9.39% to Rs 121.6 crore.

Profit before tax down 8.50% to Rs 1,020.77 crore. Extraordinary items were increased to Rs 290.82 crore. Provision for tax was expense of Rs 325.23 crore, compared to Rs 313.94 crore. Effective tax rate was 24.80% compared to 25.69%.

Profit after tax rose 8.62% to Rs 986.36 crore.

Promoters' stake was 62.76% as of 30 September 2024, compared to 62.76% as of 30 September 2023.

For year-to-date (YTD) results analysis

Net sales (including other operating income) of Nestle India has increased 14.92% to Rs 14,525.88 crore.

Operating profit margin has jumped from 21.67% to 23.24%, leading to 23.23% rise in operating profit to Rs 3,375.87 crore. Raw material cost as a % of total sales (net of stock adjustments) decreased from 44.42% to 42.25%. Purchase of finished goods cost rose from 1.99% to 2.16%. Employee cost increased from 9.66% to 9.93%. Other expenses fell from 22.37% to 22.19%. Provisions writeoffs cost fell from 0.33% to 0.15%. Other provisions fell from 0.33% to 0.15%.

Other income up 27.24% to Rs 90.91 crore. PBITD rose 23.33% to Rs 3466.78 crore. Provision for interest fell 7.80% to Rs 101.17 crore.

PBDT rose 24.59% to Rs 3365.61 crore. Provision for depreciation rose 5.21% to Rs 320.22 crore. Profit before tax grew 27.05% to Rs 3,045.39 crore. Provision for tax was expense of Rs 808.75 crore, compared to Rs 634.44 crore. Effective tax rate was 25.66% compared to 26.47%. Profit after tax rose 32.94% to Rs 2,343.06 crore.

Promoters' stake was 62.76% as of 30 September 2023 ,compared to 62.76% as of 30 September 2022 .

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. PBITD 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.

Promoters' stake was 62.76% as of 31 December 2023 ,compared to 62.76% as of 31 December 2022 .

Cash flow from operating activities increased to Rs 3,392.19 crore for year ended December 2023 from Rs 2,737.43 crore for year ended December 2022. Cash flow used in acquiring fixed assets during the year ended December 2023 stood at Rs 1,371.35 crore, compared to Rs 549.92 crore during the year ended December 2022.

Other Highlights

In Q2 FY25, e-commerce continued its accelerated growth by almost 38% YoY, primarily driven by quick commerce and fueled by brands such as KITKAT, NESCAFÉ, MAGGI and MILKMAID.

The company continued to expand its export footprint by introducing new SKUs across categories to Canada, Middle East, Maldives and Papua New Guinea.

Commodity Outlook: Commodity prices remain elevated specially for coffee and cocoa, with prices of cereals and edible oils also being accentuated with recent developments. There is relative stability in milk prices and packaging so far.

Management Comments:

Mr. Suresh Narayanan, Chairman and Managing Director, Nestlé India said, “Despite a challenging external environment with muted consumer demand and high commodity prices especially for coffee and cocoa, we remained resilient in our pursuit to deliver growth. This quarter, 5 of our top 12 brands grew at double-digit. However, some key brands witnessed pressure due to softer consumer demand and we focus on them and have in place robust action plans. It is heartening to note that in the last 9 months, 65% of our top 12 brands including MAGGI noodles showed positive volume growth. I am pleased to share that our Beverages business continued to do well and has posted high double-digit growth backed by strong performance across NESCAFÉ CLASSIC, NESCAFÉ SUNRISE, and NESCAFÉ GOLD, which can be attributed to category recruitment and premiumization of coffee. MILKMAID also reported high double-digit growth. Masala-Ae-Magic continued to grow at high double-digit. The toddlers' range also recorded high double-digit growth. KITKAT delivered high single digit growth. Amongst the newer categories, the petcare business demonstrated high single-digit growth. We kept relentless focus on investing behind our core brands, wherein advertising and marketing investments increased this quarter. There was a strong focus on efficiencies in media buying, strengthening digital capabilities and reinforcing brand equity. Innovation is a core strength of Nestlé India, and we continue to invest in it as an engine for growth. I am happy to inform you that over the past eight years, we have recalibrated and rejuvenated our product portfolio by launching over 145 new products contributing to approximately 7% of sales. Eight new projects are now in the pipeline. I am delighted to inform you that we have achieved our ambition of introducing 'CERELAC' variants with no refined sugar. This was initiated three years ago and has culminated this

year with the introduction of new CERELAC variants with no refined sugar. The expanded CERELAC range in India will now consist of 21 variants, of which 14 variants will have no refined sugar. Of these 14 variants, 7 will be available by end of November 2024 and the balance will be introduced in the coming weeks. I am also happy to share that CERELAC, Nestlé's cereal-based complementary food has entered its 50th year in India. The first batch of CERELAC was manufactured in our flag ship factory in Moga, Punjab on 15th September 1975. Today, hundreds of dedicated employees continue to manufacture quality nutrition products with the same tender care and passion at the Moga factory in Punjab and Samalkha factory in Haryana.

Apart from product innovation, new channels have maintained momentum. E-commerce delivered high double-digit growth, which was the highest in the last seven quarters contributing to 8.3% of domestic sales. Our Out-of-Home business continues to be one of our fastest growing businesses with strong double-digit growth. We are a total solution provider with a comprehensive portfolio spanning hot and cold vending solutions, tin and spoon coffee applications and a wide range of food solutions in the savoury and dessert culinary space, to cater to every channel need. Environmental sustainability is a core objective of the company, and I am delighted to inform you about the installation of biomass boilers in three major factories - Nanjangud, Moga and Sanand, which will mitigate GHG emissions. We have a unique biomass boiler at Moga factory which will use briquettes made from stubble. We expect this will use 3-4% of stubble in Moga district which would have been burnt otherwise."

Consolidated Results

Particulars	Quarter ended			Year to Date			Year ended		
	Q2FY25	Q3FY24	Var. (%)	H1FY25	H1FY24	Var. (%)	FY24	FY23	Var. (%)
Net Sales (including other operating income)	5,104.00	5,036.82	1.33	14,525.88	12,640.17	14.92	19,126.30	16,896.96	13.19
OPM (%)	22.88	24.32	-144 bps	23.24	21.67	157 bps	23.38	21.97	140 bps
OP	1,167.73	1,224.87	-4.66	3,375.87	2,739.55	23.23	4,470.99	3,712.55	20.43
Other Inc.	6.86	33.27	-79.38	90.91	71.45	27.24	121.21	101	20.01
PBIDT	1,174.59	1,258.14	-6.64	3,466.78	2,811.00	23.33	4,592.20	3,813.55	20.42
Interest	32.22	31.38	2.68	101.17	109.73	-7.8	119.29	154.57	-22.82
PBBDT	1,142.37	1,226.76	-6.88	3,365.61	2,701.27	24.59	4,472.91	3,658.98	22.24
Depreciation	121.6	111.16	9.39	320.22	304.36	5.21	428.91	403.01	6.43
PBT	1,020.77	1,115.60	-8.5	3045.39	2396.91	27.05	4044	3255.97	24.2
PBT before EO	1020.77	1115.6	-8.5	3045.39	2396.91	27.05	4044	3255.97	24.2
EO Income	290.82	106.42	173.28	106.42	0	-	-5.71	0	-
PBT after EO	1311.59	1222.02	7.33	3151.81	2396.91	31.49	4038.29	3255.97	24.03
Taxation	325.23	313.94	3.6	808.75	634.44	27.47	1039.62	865.45	20.12
PAT	986.36	908.08	8.62	2343.06	1762.47	32.94	2998.67	2390.52	25.44
P/(L) from discontinued operations net of tax	0	0	-	0	0	-	0	0	-
Net profit after discontinued operations	986.36	908.08	8.62	2343.06	1762.47	32.94	2998.67	2390.52	25.44
EPS (Rs)*	7.96	8.6	-7.4	23.48	18.28	28.45	31.15	24.79	25.62

(Source: [NSE](#))

DISCLAIMER

This Document has been prepared by Capital Market Publishers India Pvt. Ltd. (the company) and is being distributed in India by Shriram Insight Share Brokers Limited (hereinafter referred to as "SISBL"). This document is not, and should not be construed, as an offer to sell or solicitation to buy any securities. This document may not be reproduced, distributed or published, in whole or in part, without prior permission from the Company. SISBL does not guarantee that the document is complete or accurate and it should not be relied on as such. Investors should make his/her own research, analysis and investigation as he/she deems fit and reliable to come at an independent evaluation of an investment (including the merits, demerits and risks involved), and should further take opinion of their own consultants, advisors to determine the advantages and risks of investment. SISBL, its affiliates, group companies, directors, employees, agents or representatives shall not be held responsible, liable for any kind of consequential damages whether direct, indirect, special or consequential including but not limited to lost revenue, lost profits, notional losses that may arise from or in connection with the use of the information in the document.

Shriram insight Share Brokers Limited. SEBI Reg. No. : NSE-CM [INB 230947033] | BSE-CM [INB 010947035] | NSE-F&O [INF 230947033] | NSE _CDS [INE231348633] Main Office : Ck-15, Sector-II, Salt Lake City,Kolkata-700091.

EQUITIES | DERIVATIVES | COMMODITIES | DP SERVICES | MUTUAL FUNDS | RESEARCH

SHRIRAM INSIGHT SHARE BROKERS LTD. | SEBI Reg. No. : NSE-CM [INB 230947033] | BSE-CM [INB 010947035] | NSE-F&O [INF 230947033] | NSE _CDS [INE231348633] | Main Office: CK-5, Sector-II, Saltlake City, Kolkata - 700091 | Tel : 2359 4612, 2359 4614, 2359 4877 | Fax : (033) 2321-8429 | E-mail : research@shriraminsight.com | www.shriraminsight.com |