

October 21, 2021



Nestlé

**Current Price:** ₹ 19273.70

## STOCK DATA

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

## VALUE PARAMETERS

52 W H/L(Rs)	20599.95/15435.00
Mkt. Cap.(Rs Cr)	185828.77
Latest Equity(Subscribed)	96.42
Latest Reserve (cons.)	2141.13
Latest EPS (cons.) -Unit Curr.	229.34
Latest P/E Ratio -cons	84.04
Latest Bookvalue (cons.) -Unit Curr.	232.07
Latest P/BV - cons	83.05
Dividend Yield -%	1.04
Face Value	10

## SHARE HOLDING PATTERN (%)

Description as on	% of Holding 30/09/2021
Institutions	8.00
Non Promoter Corp. Hold.	1.98
Promoters	62.77
Public & Others	14.13

## Standalone Financials Result

In Cr.

Particulars	Qtr Ending	Qtr Ending	Var. (%)
	Sept. 21	Sept. 20	
Total Income	3,882.57	3,541.70	10
OPM (%)	24.42	24.95	-2
OP	947.99	883.59	7
Other income	33.66	34.47	-2
PBIDT	981.65	918.06	7
Net Finance Charges	51.88	40.45	28
PBDT	929.77	877.61	6
Depreciation	95.53	91.11	5
PBT before EO	834.24	786.50	6
EO	0.00	0.00	
PBT after EO	834.24	786.50	6
Tax expense	216.87	199.41	9
PAT	617.37	587.09	5
EPS (Rs)	64.03	60.89	

Food and beverages major Nestle India reported a 5% growth in net profit at Rs.617.37 crore for the September quarter as compared to Rs.587.09 crore in the year-ago period.

Nestle India, which follows a January to December financial year, saw its total income grow by 10% to Rs.3882.57 crore for the reporting period. It was Rs.3541.70 crore in the corresponding quarter last year. On a year-on-year basis, exports grew 1.3% while domestic sales growth was at 10.1% driven by volume and mix.

Margin came in at 24.42% versus 24.95% over the preceding three months amid rising commodity prices across oils and packaging materials.

Nestle India approved a second interim dividend of Rs 110 per equity share of Rs 10 each for the year 2021 amounting to Rs 1,060.57 crore, which will be paid on and from November 16, 2021.

## Business Comments – Q3 2021

**E-commerce:** The channel is expected to continue its growth journey and Nestlé India is gaining increasing traction herein. More players have increased their footprint in the E-commerce space along with infrastructure development by existing E-commerce customers. E-commerce as a channel is also developing new models like Quick Commerce (hyper-local) leading to lower delivery lead times, effectively improving shopper experience.

**Organised Trade:** Decrease in pandemic intensity and increase in vaccination coverage contributed to broad-based growth across all food & beverages categories especially coffee & confectionery.

**Out of Home (OOH):** OOH channel is on a recovery path with gradual opening of hotels, restaurants, offices and malls. There are signs of a return to pre-pandemic levels of business traction in some geographies, categories and channels.

**Exports:** MAGGI Noodles and POLO have been introduced in the markets of Middle East recently. Crunch Wafers have been introduced in ASEAN markets.

### **Commodity Outlook In Short To Medium Term**

Price outlook for key categories like wheat, coffee, edible oils remains firm to bullish while costs of packaging materials continue to increase amid supply constraints, rising fuel and transportation costs. Input prices expected to be on bullish trend both globally and to some extent locally. Fresh milk prices are expected to remain firm with continued increase in demand and rise in feed costs to farmers. The recent announcement of scrapping import duties on edible oils, if continued next year, beyond March 2022, can have positive impact in muting food inflation pressures. We continue to, in an environment of raw and packaging material inflation, keenly look for opportunities for cost optimisation and efficiencies as we have successfully done in the past.

### **Management Comments**

**Mr. Suresh Narayanan, Chairman and Managing Director, Nestlé India commented,** "Nestlé with a 109 year history of serving consumers in India is proud to reach a milestone with our ninth factory, or 'Navaratna' as we call it, in Sanand. I am extremely proud of the fact that the Sanand factory was built, equipped and made worthy entirely in the pandemic period. It's a tribute to the dedication, ingenuity, commitment and tenacity of all my colleagues, our partners, vendors and stakeholders for whom 'impossible' was not a word in their dictionary.

With over 60% of the factory workforce being women, it is the largest contingent of any such work force of the Company. This will rank amongst the highest proportion in the manufacturing sector in India. Equipped with a state-of-the-art biomass boiler, Sanand factory aspires to be a zero-carbon emission unit.

In addition, the factory is digitally, the most sophisticated one, enabling efficiency, being paperless and in tune with the youth who work there. In every sense the Sanand factory is a strong statement to the power of diversity, sustainability and digital sophistication. We hope this becomes an inspiration to other industries in a resonant theme of 'Atmanirbhar Bharat'.

This quarter has once again seen the Company deliver 'double-digit broad-based value growth' in domestic sales across categories. Organized trade witnessed a resurgence in the third quarter with strong revenue growth in mid-twenties after a muted second quarter which was impacted by the pandemic second wave. E-commerce channel showed strong acceleration on the back of convenience and pandemic driven consumer behaviour, fully leveraged by a team who used the power of meaningful shopper insights, data analytics, speed, flexibility, sharp communication and customisation for the channel at scale.

Nestlé India continued its path of robust and sustained double digit growth in not just the large metros, but also "small town Bharat". This reinforces our belief in the power to unlock the potential of small towns with our relevant portfolio. We are firmly and resolutely on a journey to accelerate it further by using a healthy mix of a customized portfolio, enhanced distribution infrastructure and deployment of resources, localized communication, enhanced visibility and building consumer connect.

This sustainable growth is a testimony to the unwavering determination, commitment and resolute focus of our people and partners towards being a 'Force for Good'."



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