

## EDUCATIONAL EQUITY RESEARCH REPORT :

# NESTLE INDIA LTD.

( NSE: NESTLEIND, BSE : 500790)

DATE : 20/4/24

WE AT AS RESEARCH TECHNIC, INITIATE OUR COVERAGE ON NESTLE INDIA LTD.

NESTLE has been a partner in India's growth for over a century now and has built a very special relationship of trust and commitment with the people of India. The Company's activities in India have facilitated direct and indirect employment and provides livelihood to about one million people including farmers, suppliers of packaging materials, services and other goods.

### ABOUT THE BUSINESS :

Nestle India Limited is the Indian subsidiary of Nestlé which is a Swiss multinational company. The company is headquartered in Gurgaon, Haryana. The company's products include food, chocolate, and confectioneries. The company was incorporated on 28 March 1959 and was promoted by Nestle Alimentana S.A. via a subsidiary, Nestle Holdings Ltd. As of 2020, the parent company Nestle owns 62.76% of Nestlé India.

### PROS :

- Company has a good return on equity (ROE) track record: 3 Years ROE 110%.
- Company has been maintaining a healthy dividend payout of 78.6%.

### CONS :

- Stock is trading at 79.1 times its book value.
- The company has delivered a poor sales growth of 11.1% over past five years.

### RESEARCH ANALYST

P.SUNANDINI @ AS RESEARCH TECHNIC



### FINANCIAL SNAP SHOT :

MARKET CAP	₹ 2,44,530 Cr.
STOCK P/E	81.4
ROE	108 %
CURRENT PRICE	2437.7
BOOK VALUE	₹ 32.1
ROCE	135 %
HIGH	₹ 2,771
LOW	1,950
DIVIDEND YIELD	0.66 %
FACE VALUE	₹ 1.00

### SHARE HOLDING PATTERN:

PROMOTERS	62.76%
FIIS	12.09%
DIIS	9.16%
PUBLIC	15.98%
GOVERNMENT	0
OTHERS :	0
NO.OF SHAREHOLDERS	2,13,977

## PEER COMPARISON :

**SECTOR: FMCG      INDUSTRY: FOOD - PROCESSING - MNC**

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	Sales Qtr Rs.Cr.	ROCE %
1	Nestle India	2536.2	81.43	244529.54	0.66	4600.42	135.09
2	Britannia Inds.	4751.75	53.05	114454.59	1.52	4256.33	48.59
3	Swojas Energy	12.54	3882	38.82	0	0	0.29

## KEY POINTS :

- NESTLE CONTINUES TO BE THE LARGEST FOOD COMPANY IN THE WORLD WITH OVER 2000 BRANDS.  
NESTLE INDIA LAUNCHED ITS FIRST EVER ' DIRECT TO CONSUMER ' (D2C) PLATFORM- [www.mynestle.in](http://www.mynestle.in). THAT OFFERS PRODUCTS MANUFACTURED BY THE COMPANY IN INDIA.
- THE COMPANY REMAINED AT THE FOREFRONT OF DATA AND ANALYTICS LED DECISION MAKING BY SCALING DIGITAL CAPABILITIES, UNLOCKING NEW INSIGHTS, ANTICIPATING TRENDS AND LAUNCHING NEW PRODUCT VARIANTS.
- BY SHARPENING ITS GEOGRAPHIC FOCUS AND INCREASING DISTRIBUTION PRODUCTS, NESTLE SUSTAINED ITS MOMENTUM ON THE STRONG URBAN- FOCUSED STRATEGY AND PILOTED PROJECT SWABHIMAAN TO EMPOWER RURAL WOMEN THROUGH ENTREPRENEURSHIP.
- WHILE THE COMPANY CONTINUES TO INCREASE PRODUCING WITH ROBUST OPERATIONS, ITS ENDEVOUR HAS ALWAYS BEEN TO MINIMIZE CONSUMPTION OF NATURAL RESOURCES AND REDUCE WATER, ENERGY AND CO2 EMISSIONS.
- THE COMPANY HAS RECOMMENDED A FINAL DIVIDEND OF ₹ 75.00 PER EQUITY SHARE AMOUNTING TO ₹ 7,231.2 MILLION
- THE COMPANY OVER THE YEARS HAS BEEN ENABLING SIGNIFICANT CONTRIBUTION TO VARIOUS TAXES.
- DURING THE YEAR 2022, NESTLE INDIA THROUGH ITS BUSINESSES, ENABLED TAX COLLECTION AT CENTRAL AND STATE LEVEL CLOSE TO ₹ 42.6 BILLION, IN AGGREGATE.
- NESTLE INDIA WAS AWARDED THE 'MNC OF THE YEAR ' BY ALL INDIA MANAGEMENT ASSOCIATION (AIMA).
- PROJECT JAGRITI IS AIMED AT PROMOTING OPTIMAL HEALTH OUTCOMES IN COLLABORATION WITH HEALTHCARE PROVIDERS AND COMMUNITY STAKEHOLDERS.
- LAUNCHED BY PARTNERSHIP WITH MAMTA, AN NGO WORKING IN THE FIELD OF NUTRITION, PROJECT JAGRITI FOCUSES ON FOUR KEY GROUPS- ADOLESCENTS , YOUNG COUPLES, PREGNANT WOMEN AND LACTATING MOTHERS.
- THE COMPANY ALSO LAUNCHED PROJECT ' SERVE SAFE FOOD' .
- THE COMPANY HAS BEEN AWARDED AAA CREDIT RATING FOR ITS BANK CREDIT FACILITIES BY CRISIL. IT IS THE HIGHEST RATING AND INDICATES A STABLE OUTLOOK FOR THE COMPANY.
- MAGGI NOODLES HAS BEEN IN INDIA FOR 40 YEARS . IT IS AVAILABLE IN MASALA, VEG ATTA, SPINACH AND OATS VARIANTS.

- THE SHARE PRICE CAN GO UPTO 2639.13 IF IT BREAKS 2608.06 ON THE UPPER SIDE.
- THE SHARE PRICE CAN GO UPTO 2324.87 IF IT BREAKS 2368 ON THE UPPER SIDE.

### PIVOT TABLE :

		SUPPORT				RESISTANCE			
DATE	WEEK CLOSE	S3	S2	S1	PIVOT	R1	R2	R3	PRV CLOSE
18-04-2024	2437.7	2324.87	2367.7	2456.92	2499.78	2589	2631.83	2721.02	2546.1
16-04-2024	2437.7	2494.73	2518.5	2536.08	2559.87	2577.4	2601.22	2618.78	2553.65
15-04-2024	2437.7	2438.13	2474.1	2505.13	2541.07	2572.1	2608.07	2639.13	2536.2
12-04-2024	2536.2	2466.73	2491.5	2509.53	2534.27	2552.3	2577.07	2595.13	2527.6
10-04-2024	2536.2	2447.95	2471	2486.9	2509.95	2525.9	2548.9	2564.8	2502.8
09-04-2024	2536.2	2464.1	2480.6	2489.3	2505.75	2514.5	2530.95	2539.7	2498.05

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