



# FINANCIAL MODELLING AND VALUATION REPORT

NSE: NESTLEIND

































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## NOTE:

This is made for educational purpose only and is a part of personal education



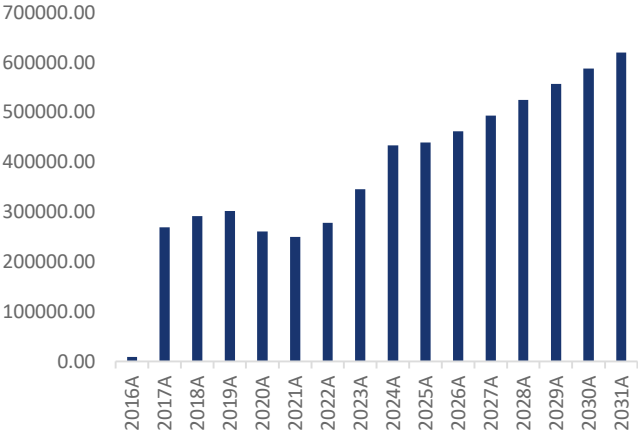


Ratio Analysis - NESTLE INDIA LTD													
Years	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Mar-24	Mar-25	Trend	Mean	Median
SalesGrowth	-	9.50%	12.81%	9.53%	7.93%	10.42%	14.63%	13.19%	27.54%	-17.19%		9.82%	10%
EBITDA Growth		13.34%	24.86%	11.78%	9.42%	11.27%	4.04%	20.63%	30.69%	-18.34%		11.96%	12%
EBIT Growth		18.30%	30.54%	11.82%	9.90%	11.35%	6.03%	24.58%	30.77%	-20.17%		13.68%	12%
Net Profit Growth		21.72%	28.59%	27.71%	12.49%	15.19%	2.35%	26.27%	30.89%	-21.50%		15.97%	22%
Dividend Growth		0.00%	82.54%	197.39%	-41.52%	0.00%	10.00%	-20.91%	85.06%	-16.15%		32.93%	0%
Gross Margin	43.06%	41.84%	44.73%	43.37%	42.42%	42.19%	39.51%	46.24%	42.19%	42.35%		42.79%	42%
EBITDA Margin	35.54%	36.02%	41.94%	41.77%	41.65%	41.81%	36.26%	43.48%	41.44%	40.97%		40.09%	42%
EBIT Margin	16.37%	17.53%	20.21%	20.66%	21.21%	21.51%	19.55%	21.13%	21.63%	20.95%		20.07%	21%
EBT Margin	15.37%	16.61%	19.22%	19.62%	19.98%	20.15%	18.63%	20.51%	21.03%	20.27%		19.14%	20%
Net Profit Margin	9.42%	10.47%	11.94%	13.92%	14.51%	15.13%	13.51%	15.07%	15.47%	14.66%		13.41%	14%
SalesExpenses%Sales	22.83%	20.90%	21.55%	19.72%	18.44%	18.03%	17.57%	22.87%	18.24%	18.73%		19.89%	19%
Depreciation%Sales	3.87%	3.42%	2.97%	2.99%	2.77%	2.65%	2.39%	2.24%	2.33%	2.67%		2.83%	3%
OperatingIncome%Sales	16.37%	17.53%	20.21%	20.66%	21.21%	21.51%	19.55%	21.13%	21.63%	20.95%		20.07%	21%
Return on Capital Employed	45.13%	50.76%	61.53%	121.25%	130.66%	143.32%	121.01%	148.08%	143.14%	80.08%		104.50%	121%
Retained Earnings%	29.47%	42.05%	17.74%	0.00%	0.42%	13.56%	7.10%	41.81%	17.73%	12.12%		18.20%	16%
Return on Equity%	26.24%	30.65%	36.69%	89.72%	95.90%	114.61%	92.85%	117.24%	112.96%	71.95%		78.88%	91%
Self Sustained Growth Rate	7.73%	12.89%	6.51%	0.00%	0.41%	15.54%	6.59%	49.02%	20.03%	8.72%		12.74%	8%
Interest Coverage Ratio	16.46x	19.09x	20.38x	19.79x	17.24x	15.72x	21.37x	33.88x	36.26x	31.11x		2313.21%	2009%
Debtor Turnover Ratio	93.35x	112.51x	90.64x	99.48x	80.94x	88.81x	88.06x	99.67x	81.19x	55.63x		8902.75%	8973%
Creditor Turnover Ratio	2.62x	2.56x	2.58x	2.44x	2.33x	2.45x	2.70x	3.06x	3.57x	2.87x		271.77%	260%
Inventory Turnover	9.72x	11.09x	11.70x	9.64x	9.42x	9.26x	8.76x	9.92x	11.68x	7.09x		982.71%	968%
Fixed Asset Turnover	3.35x	3.83x	4.70x	5.28x	6.13x	4.92x	5.55x	6.28x	7.05x	3.69x		507.84%	510%
Capital Turnover Ratio	2.79x	2.93x	3.07x	6.45x	6.61x	7.57x	6.87x	7.78x	7.30x	4.91x		5.63x	6.53x
Debtor Days	4 days	3 days	4 days	4 days	5 days	4 days	4 days	4 days	4 days	7 days		4 days	4 days
Payable Days	140 days	142 days	142 days	149 days	157 days	149 days	135 days	119 days	102 days	127 days		136 days	141 days
Inventory Days	38 days	33 days	31 days	38 days	39 days	39 days	42 days	37 days	31 days	51 days		38 days	38 days
Cash Conversion Cycle	-98 days	-106 days	-106 days	-108 days	-114 days	-106 days	-89 days	-79 days	-67 days	-69 days		-94 days	-102 days
CFO/Sales	4.29x	3.34x	1.54x	0.94x	2.37x	1.96x	0.21x	1.69x	3.08x	3.53x		2.30x	2.17x
CFO/Total Assets	5.76x	4.54x	2.15x	1.63x	4.01x	3.51x	0.39x	3.59x	7.15x	5.78x		3.85x	3.80x
CFO/Total Debt	1182.87x	952.02x	495.82x	61.77x	214.92x	108.49x	13.06x	119.26x	218.38x	61.07x		342.76x	167.09x

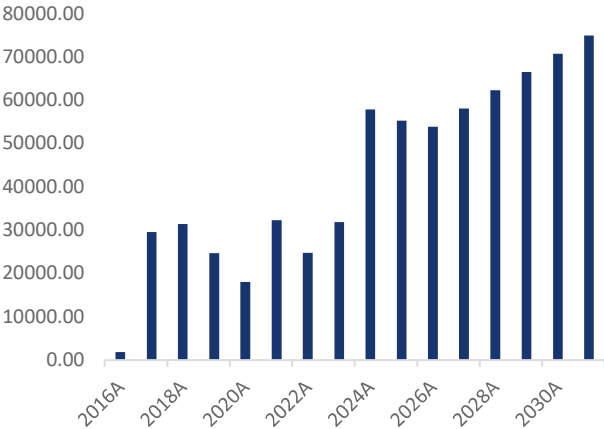
NESTLE INDIA LTD -Sales Forecast			
Year weight	Year	Sales	Sales Growth
1	2016A	9141.34	
2	2017A	269692.51	2850.25%
3	2018A	291550.48	8.10%
4	2019A	301938.40	3.56%
5	2020A	261067.97	-13.54%
6	2021A	249794.75	-4.32%
7	2022A	278453.62	11.47%
8	2023A	345966.97	24.25%
9	2024A	434016.00	25.45%
10	2025A	439695.00	1.31%
11	2026E	461985.11	5.07%
12	2027E	493594.82	6.84%
13	2028E	525204.53	6.40%
14	2029E	556814.24	6.02%
15	2030E	588423.96	5.68%
16	2031E	620033.67	5.37%

NESTLE INDIA LTD -EBITDA Forecast			
Year weight	Year	Sales	Sales Growth
1	2016A	1849.84	
2	2017A	29588.69	1499.53%
3	2018A	31457.68	6.32%
4	2019A	24664.33	-21.60%
5	2020A	17987.07	-27.07%
6	2021A	32287.43	79.50%
7	2022A	24720.09	-23.44%
8	2023A	31815.80	28.70%
9	2024A	57824.00	81.75%
10	2025A	55216.00	-4.51%
11	2026E	53881.12	-2.42%
12	2027E	58088.40	7.81%
13	2028E	62295.68	7.24%
14	2029E	66502.95	6.75%
15	2030E	70710.23	6.33%
16	2031E	74917.51	5.95%

Sales Forecast



EBITDA Forecast



## Common size Income Statement - NESTLE INDIA LTD

Particulars	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Mar-24	Mar-25
Sales	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Raw Material Cost	35.30%	36.93%	33.91%	36.55%	36.72%	35.96%	39.42%	44.30%	37.72%	37.85%
Change in Inventory	0.08%	0.79%	0.05%	1.17%	0.52%	0.46%	1.48%	0.21%	0.19%	0.69%
Power and Fuel	2.55%	2.88%	3.05%	2.75%	2.35%	2.77%	3.39%	0.00%	2.77%	2.66%
Other Mfr. Exp	9.31%	8.97%	8.41%	8.32%	7.79%	9.15%	9.49%	0.00%	7.93%	7.82%
Employee Cost	9.86%	10.16%	9.96%	10.17%	11.24%	10.38%	9.68%	9.67%	9.58%	10.02%
Selling and admin	19.16%	18.22%	19.00%	18.00%	16.83%	19.69%	18.89%	0.00%	19.83%	20.40%
Other Expenses	3.66%	2.68%	2.55%	1.72%	1.60%	-1.66%	-1.32%	22.87%	-1.59%	-1.68%
Other Income	1.53%	1.77%	2.29%	2.00%	1.09%	-0.76%	0.63%	0.60%	0.65%	1.74%
Depreciation	3.87%	3.42%	2.97%	2.99%	2.77%	2.65%	2.39%	2.24%	2.33%	2.67%
Interest	0.99%	0.92%	0.99%	1.04%	1.23%	1.37%	0.91%	0.62%	0.60%	0.67%
Profit before tax	16.91%	18.38%	21.51%	21.61%	21.07%	19.38%	19.27%	21.11%	21.68%	22.02%
Net profit	10.95%	12.24%	14.23%	15.91%	15.60%	14.37%	14.15%	15.68%	16.12%	16.41%
Dividend Amount	6.65%	8.28%	9.82%	26.66%	14.44%	13.08%	12.55%	8.77%	12.73%	12.89%
EBITDA	20.24%	20.95%	23.18%	23.66%	23.98%	24.17%	21.93%	23.38%	23.95%	23.62%

## Common size Balance sheet - NESTLE INDIA LTD

Particulars	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Mar-24	Mar-25
<b>Total Liabilities</b>	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Equity Share Capital	1.42%	1.31%	1.19%	1.34%	1.22%	1.17%	1.07%	1.07%	0.92%	0.78%
Reserves	46.78%	45.15%	44.23%	25.41%	24.34%	22.47%	26.31%	26.31%	30.83%	32.63%
Borrowings	0.49%	0.48%	0.43%	2.63%	1.87%	3.24%	3.01%	3.01%	3.27%	9.47%
Other Liabilities	51.32%	53.06%	54.14%	70.61%	72.57%	73.13%	69.60%	69.60%	64.98%	57.12%
<b>Total Assets</b>	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Net Block	40.09%	35.53%	29.68%	32.64%	27.59%	36.37%	33.90%	33.90%	32.88%	44.41%
Capital Work in Progress	2.76%	1.28%	1.30%	2.00%	8.08%	2.99%	3.99%	3.99%	16.55%	9.51%
Investments	25.78%	26.88%	32.87%	24.41%	18.53%	9.40%	8.66%	8.66%	4.41%	5.73%
Other Assets	3.21%	3.05%	2.76%	3.09%	3.38%	20.95%	19.30%	19.30%	16.05%	13.50%
Receivables	1.44%	1.21%	1.54%	1.73%	2.09%	2.02%	2.14%	2.14%	2.86%	2.95%
Inventory	13.80%	12.26%	11.94%	17.89%	17.93%	19.34%	21.48%	21.48%	19.86%	23.13%
Cash & Bank	12.92%	19.79%	19.91%	18.24%	22.40%	8.93%	10.53%	10.53%	7.40%	0.78%

# Comparable Valuation

Amount in crores

## Comparable Company Valuation

Company	Ticker	Market Data					Financials			Valuation		
		Share Price	Shares Outstanding	Equity Value	Net Debt	Enterprise Value	Revenue	EBITDA	Net Income	EV/Revenue	EV/EBITDA	P/E
Nestle India	NESTLEIND	2407	96.42	232054	1071	233125	20202	4831	3315	11.5x	48.3x	70.3x
Hind. Unilever	HINDUNILVR	2357	234.96	553765	-5906	547859	63121	15862	10671	8.7x	34.5x	51.3x
ITC	ITC	423	1251.41	529910	-3728	526182	75323	28612	35052	7.0x	18.4x	15.0x
Varun Beverages	VBL	477	338.19	161334	376	161710	21257	5126	2818	7.6x	31.6x	57.4x
Britannia Inds.	BRITANNIA	5653	24.09	136192	934	137126	17943	3404	2178	7.6x	40.3x	63.0x
Godrej Consumer	GODREJCP	1210	102.30	123732	3521	127253	14364	3319	1852	8.9x	38.3x	68.7x
United Spirits	UNITDSPR	1505	72.74	109441	-1550	107891	12069	2572	1582	8.9x	42.0x	68.2x
Tata Consumer	TATACONSUM	1097	98.95	108528	-425	108103	17618	2648	1287	6.1x	40.8x	84.0x
Marico	MARICO	699	129.60	90603	-223	90380	10831	2347	1658	8.3x	38.5x	54.5x
Dabur India	DABUR	480	177.37	85146	372	85519	12563	2867	1740	6.8x	29.8x	49.1x
High										11.5x	48.3x	84.0x
75th Percentile										8.8x	40.7x	68.6x
Average										8.2x	36.2x	58.2x
Median										8.0x	38.4x	60.2x
25th Percentile										7.1x	32.3x	52.1x
Low										6.1x	18.4x	15.0x

Nestle India Comparable Valuation										EV/Revenue	EV/EBITDA	P/E
Implied Enterprise Value										161481.5	185616.2	200529.5
Net Debt										1071.2	1071.2	1071.2
Implied Market Value										160410.3	184545.0	199458.3
Shares Outstanding										96.4	96.4	96.4
Implied Value per Share										1663.7	1914.0	2068.6

Source: The Valuation School, Screener.in

overvalued      overvalued      overvalued