

Volume growth sustained in challenging times...

About the stock Nestlé India (NIL) is the largest food company in India with over ₹ 14000 crore of sales. It is broadly present in infant & baby food products, noodles, chocolates & beverage categories. In the last five years, the company has forayed into newer categories and launched more than 100 new products.

- The company has nine manufacturing facilities including newly commissioned plant in Sanand, Gujarat. Its major brands include Maggi, Nescafe, KitKat, Cerelac among others

Q2CY22 Results: Nestlé India reported strong sales growth & sharp dip in margins

- Sales were up 16.1% YoY led by mix of price hike & volume growth
- EBITDA was at ₹ 819.5 crore, down 3.4% YoY with margins at 20.3%
- PAT was at ₹ 515.3 crore (down 4.3% YoY) impacted by margin contraction

What should investors do? Nestlé India's share price has given return of 184% in the last five years (from ₹ 6702 in July 2017 to ₹ 19104 in July 2022).

- We have cut out CY22 earnings estimates on the back of inflation challenges in near term. Introducing CY24 numbers
- We continue to maintain our HOLD rating on the stock

Target Price and Valuation: We value the stock at ₹ 21600, valuing the business 65x CY24 earnings

Key triggers for future price performance:

- The company is undertaking a capex of ₹ 2600 crore in the next three to four years to expand the capacity of its existing products
- NIL is increasing its rural footprint from 0.8 lakh villages to 1.2 lakh villages in the next three years
- Out of home space, modern trade growth has come back to normal level, which is supporting growth in core categories. Sanand factory enhance supply of noodles & other high growing brands
- Acquisition of pet-food brand PURINA & Introduction of global brand 'GERBER' in nutrition segment would increase the addressable market in premium food space

Alternate Stock Idea: We like Tata Consumer Products in our FMCG coverage

- Strong innovation & premiumisation strategy in salt, tea, Sampaan & Souful in India market expected to drive sales and margins
- We value the stock at ₹ 910 on ascribing 55x FY24 earnings multiple



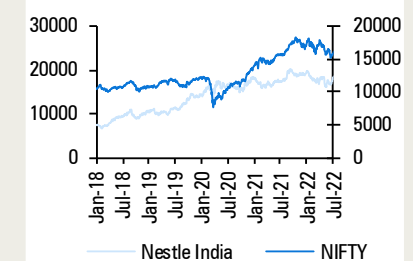
Particulars

Particulars (₹ crore)	Amount
Market Capitalization	184201
Total Debt (CY20)	97.5
Cash & Investments (CY20)	2,492.8
EV	1,81,805.4
52 week H/L (₹)	20599 / 16000
Equity capital	96.4
Face value (₹)	10.0

Shareholding pattern

(in %)	Sep-21	Dec-21	Mar-22	Jun-22
Promoter	62.8	62.8	62.8	62.8
FII	12.3	12.4	12.0	11.7
DII	8.0	7.9	8.6	9.1
Others	16.9	17.0	16.6	16.5

Price Chart



Recent event & key risks

- NIL acquired petcare business from Nestle SA at a consideration of ₹123.5 crore
- Key Risk:** (i) High inflation in milk, coffee & wheat could continue to hurt margins (ii) Strong volume growth in core categories with capacity addition

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Key Financial Summary

Key Financials	CY20	CY21	5 Year CAGR (CY15-CY20)	CY22E	CY23E	CY24E	CAGR (CY21-24E)
Net Sales	13290.2	14633.7	9.2%	16376.7	18091.8	19952.1	10.9%
EBITDA	3201.5	3591.5	11.7%	3621.0	4397.5	4908.8	11.0%
EBITDA Margin %	24.0	24.4		22.0	24.2	24.5	
Adjusted Net Profit	2082.4	2320.8	18.3%	2297.2	2834.3	3202.0	11.3%
Adjusted EPS (₹)	215.97	240.69	18.3%	238.25	293.95	332.08	11.3%
P/E	88.5	85.9		80.2	65.0	57.5	
RoNW %	103.1	111.3		111.1	118.3	122.8	
RoCE (%)	54.6	58.7		57.0	64.7	69.4	

Source: Company, ICICI Direct Research

Key takeaways of recent quarter

Q2CY22 Results: Strong volume growth of ~7%; margins to recover with major commodities cooling down...

- NIL witnessed a revenue growth of 16.1% to ₹4036.6 crore led by 8.5% price growth & 7.6% volume growth during the quarter. Some of the important out of home space like hotels, restaurants, education institutes & workplaces opened up completely which aided the growth in Q2. Out of home channel was adversely impacted by Covid-19 second wave in corresponding quarters. The ecommerce segment is contributing 6.4% to the sales & it is growing at 14-15%.
- All the segment (Milk products, Noodles, Beverage, Chocolates) witnessed double digit growth driven by mix of prices & volumes. The price hikes were taken by company to pass on commodity inflation in Milk, edible oil, wheat & packaging costs. The double digit growth in Milk products segment is largely led by very strong growth in Milkmaid.
- The company saw sales growth of 13.3% in H1CY22 aided by 7% volume growth & 6.3% pricing growth. The revenue growth of 13.3% was contributed by 24.4% growth in chocolate & confectionary segment, 21.7% growth in beverage segment, 13.9% growth in prepared dishes (noodles, ketch-up etc) and 7.2% in milk product & nutrition brands
- The growth in H1 was secular across mega cities, metros and smaller towns with 14-16% growth in last two years (average 7-8% pa). However, the growth in villages have been 31% in last two years (average 15% pa). It is important to note that NIL's presence in rural regions have been relatively less & it is enhancing its rural reach from 80k villages to 120k by 2024.
- The commodity inflation has been unprecedented in last one year. Average raw material inflation during 2018-2020 was 3% pa which is 15% in 2022. Though, crude, edible oil have started cooling off recently, but milk, green coffee, wheat & fuel inflation still remains at an elevated level.
- NIL has launched over 100 new products in last five years & 15 new innovations are under pipeline, which would be launched in future. New innovations, which used to contribute 2.7% to the sales in 2017, is now contributing 5.6% to the sales in 2022 (H1CY22).
- Given most of the commodity prices were at elevated levels for most part of the quarter, gross margins contracted by 304 bps. The company was able to save some costs with 77 bps lower employee spends (% to sales) however, other overhead spends were higher by 81 bps. We believe higher freight cost due to sharp increase in fuel prices has increased this expense. Provision for contingencies, CSR spends were also higher during the quarter.
- Considering sharp increase in raw material & other overhead costs, operating profit saw a dip of 3.4% to ₹819.5 crore. Operating margins contracted by 409 bps to 20.3% during the quarter. Other income was down by 34.3% due to lower liquidity. Net profit de-grew by 4.3% to ₹515.3 crore
- The company has been focusing on volume growth, which reflects from the fact that it has not passed on entire raw material inflation in terms of price hikes. Though, the company is undertaking cost rationalisation measures, the recovery in margins would come with considerable dip in commodity prices
- The company acquired Nestle SA's 100% subsidiary PURINA petcare India, which involves in the business of Pet food. It sells PFB (dry dog and wet cat foods) under global brands such as Purina Supercoat, Purina Pro Plan and Purina Friskies. The cost of transaction was ₹123.5 crore, which values the business 3.4x its turnover for FY22 i.e. ₹ 36.1 crore. The integration of the business would be effected from 1st October 2022.

- The pet care market size in India is ~₹ 4,000 crore and is expected to grow at ~25%. Dry dog food is the biggest segment in the market with a 75% share. Wet cat food is a strong opportunity and is growing at 35%. Faster rate of pet adoption and expansion of the pet food category to smaller towns and general retail stores as well as ecommerce will further aid growth.
- PURINA has a presence in 46 towns with 2000 retail touch points. The company's revenue has grown at a cagr of 39.5% to ₹ 31.2 crore in 2021. It is likely to clock ₹46.3 crore sales in CY22
- The company would be launching its global brand 'GERBER' in nutrition space. With this launch, it would be looking to revive its presence in Nutrition category for toddlers (2-6 years). The estimate size of the opportunity is ₹3500 crore. Gerber has been present globally since the past 90 years. The products will be made in India and sold domestically.
- Both the forays in Pet Food & Nutrition space is part of the premiumisation strategy for the company. The price of Purina & GERBER indexed 100 to Maggi noodles in 130 & 700 respectively.

Exhibit 1: Peer Comparison

Sector / Company	CMP	TP	Rating	M Cap (₹ Cr)	Sales growth (%)			EBITDA Margins (%)			P/E(x)			RoE (%)			RoCE (%)		
	(₹)	(₹)			FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Hindustan Unilever (HINLEV)	2620	2700	Hold	610844	11.3	12.1	7.5	24.8	24.1	24.5	69.3	63.6	58.0	18.1	19.7	21.5	20.2	22.5	24.6
Varun Beverage (VARBEV)	876	900	Buy	55179	36.8	23.7	11.6	18.75	20.32	20.39	49.31	49.23	42.04	18.29	22.78	23	17.15	25.65	29.7
Nestle (NESIND)	19104	21600	Hold	184201	10.2	11.9	10.5	24.4	23.2	20.3	79.4	80.2	65.0	111.3	111.1	118.3	58.7	57.0	64.7
Tata Consumer (TATGLO)	807	910	Buy	67201	7.1	9.7	9.7	13.8	15.6	16.1	66.2	48.7	41.7	7.0	8.8	9.8	8.4	10.3	11.3

Source: Company, ICICI Direct Research

Nestle India witnessed its highest growth in 15 quarters aided by strong pricing growth & sustainable high single digit volume growth (7% in H1CY22). On a three year CAGR basis, revenue growth has been robust 10.4%. We believe opening up of modern trade, out of home space & high pricing growth has led to this strong growth. Though, margins have been adversely impacted by commodity inflation, the trend of softening inflation is likely to result in margin recovery from December-quarter onwards. With the acquisition of PURINA in petcare & launch of GERBER in nutrition space, the company is increasing its addressable market in its existing & newer category. This would pave the way for long term growth in underpenetrated packaged foods & fast growing pet food category in India. Though, we are positive on long term growth prospects for the company, the stock is trading at premium multiples. We maintain our HOLD rating on the stock with a target price of ₹21600/share (earlier ₹19050)

Exhibit 2: Variance Analysis

Particulars (₹ crore)	Q2CY22	Q2CY22E	Q2CY21	YoY (%)	Q1CY22	QoQ (%)	Comments
Total Operating Income	4,036.6	3,837.8	3,476.7	16.1	3,980.7	1.4	Revenue grew by 16.1% led by 8.5% pricing growth & 7.6% volume growth
Operating Income	29.7	20.8	14.4	107.0	29.8	-0.3	
Raw Material Expenses	1,858.3	1,709.5	1,494.8	24.3	1,775.7	4.7	Gross margins contracted by 304 bps on account of elevated raw material prices of milk, edible oil & crude based packaging costs
Employee Expenses	408.4	397.6	378.3	7.9	396.6	3.0	
Other operating Expenses	950.4	841.0	755.6	25.8	883.7	7.5	Overhead spends were higher due to increasing freight costs in line with higher fuel prices
EBITDA	819.5	889.7	848.0	-3.4	924.7	-11.4	
EBITDA Margin (%)	20.3	23.2	24.4	-409 bps	23.2	-293 bps	Subsequently, operating margins contracted by 409 bps
Depreciation	101.6	109.0	95.3	6.6	104.3	-2.6	
Interest	37.0	46.0	51.7	-28.5	35.6	3.9	
Other Income	19.4	22.3	29.5	-34.3	21.4	-9.7	Other income dipped by 34.3% due to lower liquidity. The company has increased its dividend payout & it is undertaking huge capex
Exceptional Items	0.0	0.0	0.0	NA	0.0	NA	
PBT	700.4	756.9	730.5	-4.1	806.2	-13.1	
Tax Outgo	185.0	190.7	191.9	-3.6	211.5	-12.5	
PAT	515.3	566.1	538.6	-4.3	594.7	-13.3	Net profit declined by 4.3%
Adjusted PAT	515.3	566.1	538.6	-4.3	594.7	-13.3	

Source: Company, ICICI Direct Research

Exhibit 3: Change in estimates

(₹ Crore)	CY22E			CY23E			CY24E	Comments
	Old	New	% Change	Old	New	% Change	New	
Net Sales	16,242.6	16,376.7	0.8	17,946.7	18091.8	0.8	19952.1	Small tweaking in sales estimate due to price hikes by the company. Introducing CY24 numbers
EBITDA	3809.8	3621.0	-5.0	4366.3	4397.5	0.7	4908.8	
EBITDA Margin(%)	23.5	22.0	-146 bps	24.3	24.2	-15 bps	24.5	We have cut our operating margin estimates given high raw material prices would continue to impact adversely in september quarter as well
PAT	2438.9	2297.2	-5.8	2811.3	2834.3	0.8	3202.0	
EPS (₹)	252.9	238.3	-5.8	291.6	294.0	0.8	332.1	

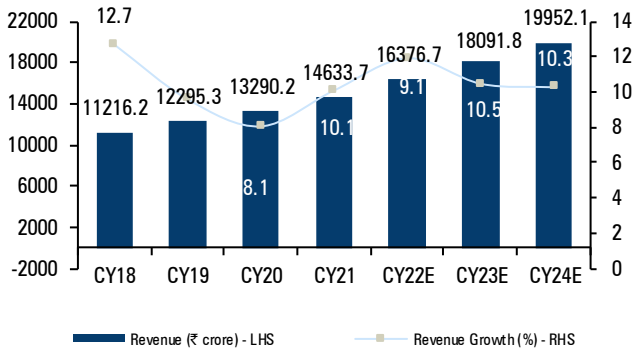
Source: ICICI Direct Research

Exhibit 4: Assumptions

	Current					Earlier				Comments
	CY18	CY19	CY20	CY21	CY22E	CY23E	CY24E	CY22E	CY23E	
Gross Sales (₹ crore)										
Milk Product and Nutrition	5,187.6	5,651.8	6,148.8	6,268.3	6,975.4	7,541.8	8,000.3	6,841.2	7,396.7	Small tweaking in sales estimates given sharp increase in milk product prices. Introducing CY24 numbers
Beverages	1,522.6	1,501.8	1,476.3	1,691.8	1,913.8	2,088.7	2,300.9	1,913.8	2,088.7	
Prepared dishes	3,105.3	3,498.2	3,910.8	4,550.1	5,193.1	5,932.6	6,837.9	5,193.1	5,932.6	
Chocolate & confectionery	1,400.7	1,643.5	1,754.3	2,123.1	2,294.5	2,528.7	2,813.0	2,294.5	2,528.7	
Volume Growth (%)										
Overall Volume Growth	11.1	7.0	2.6	10.5	10.8	9.8	10.2	10.8	9.8	
Milk Product and Nutrition	4.8	1.4	-0.4	-2.7	7.0	6.0	4.0	7.0	6.0	
Beverages	10.6	-2.3	-21.3	18.0	12.0	7.0	8.0	12.0	7.0	
Prepared dishes	14.5	9.6	6.6	16.4	13.0	12.0	13.0	13.0	12.0	
Chocolate & confectionery	14.7	16.2	2.7	10.5	7.0	7.0	8.0	7.0	7.0	

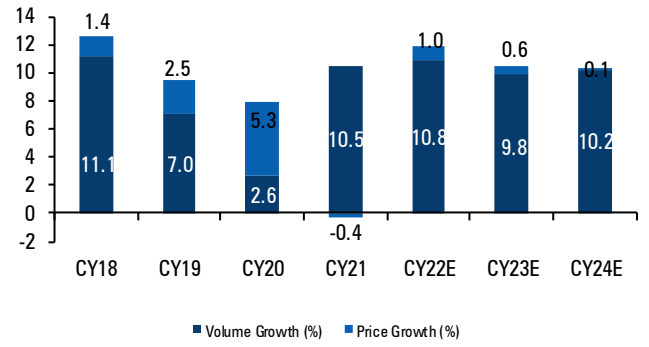
Source: ICICI Direct Research

Exhibit 5: Revenue growth trend



Source: ICICI Direct Research, Company

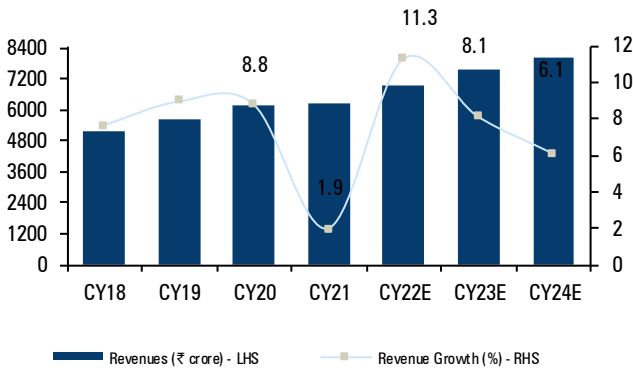
Exhibit 6: Volume growth to drive revenue



Source: ICICI Direct Research, Company

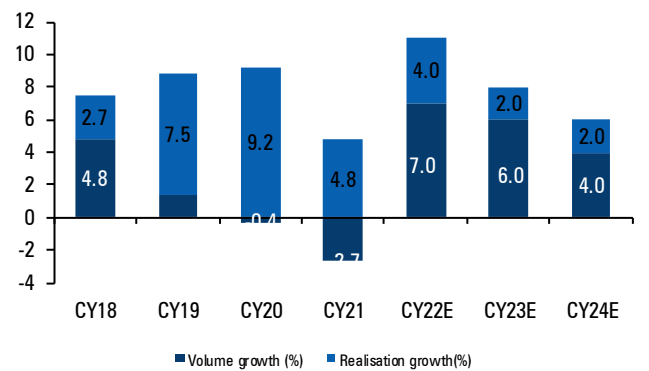
Milk products & nutrition

Exhibit 7: Milk products segment revenue growth



Source: ICICI Direct Research, Company

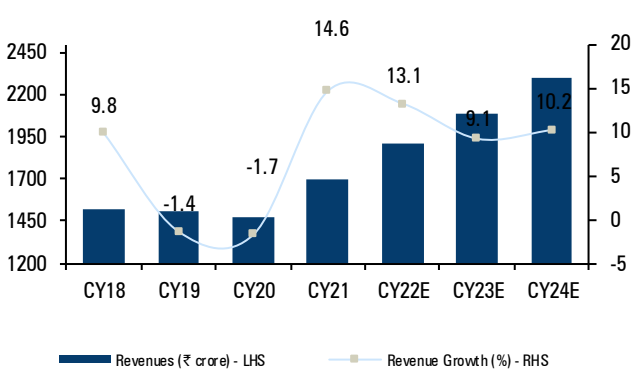
Exhibit 8: Revenue growth to be mix of volume & price growth



Source: ICICI Direct Research, Company

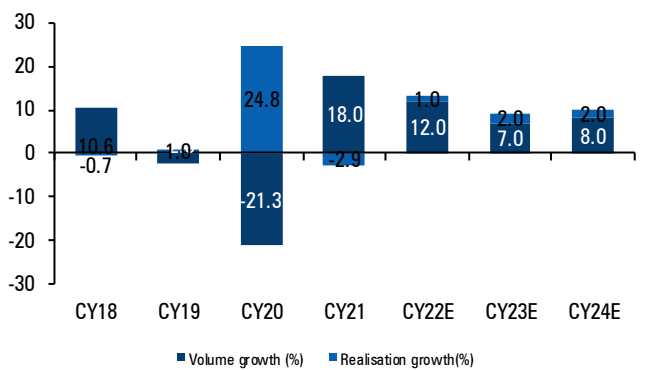
Beverages

Exhibit 9: Beverages revenue growth expected



Source: ICICI Direct Research, Company

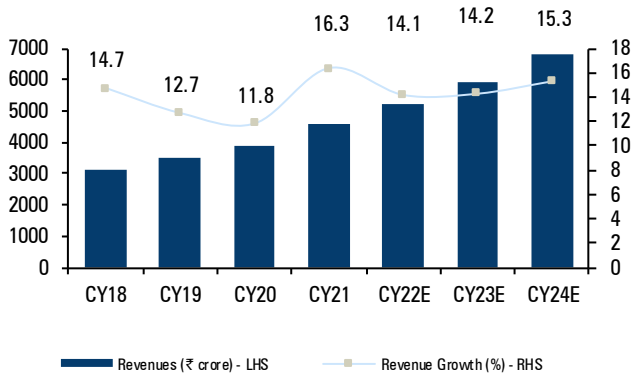
Exhibit 10: Beverage segment volume & value growth %



Source: ICICI Direct Research, Company

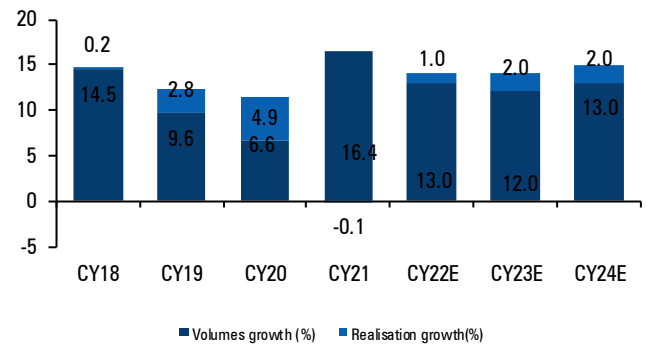
Prepared dishes

Exhibit 11: Robust revenue growth in Maggi continues



Source: ICICI Direct Research, Company

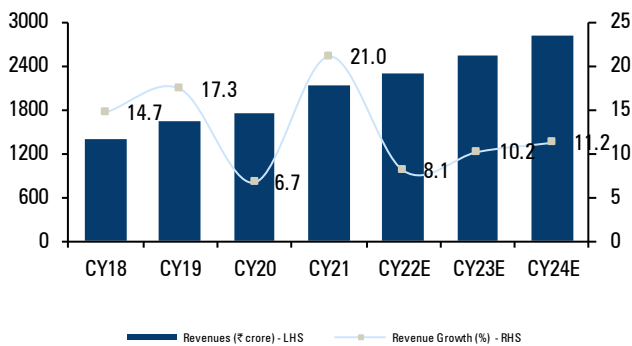
Exhibit 12: Strong volume growth trend



Source: ICICI Direct Research, Company

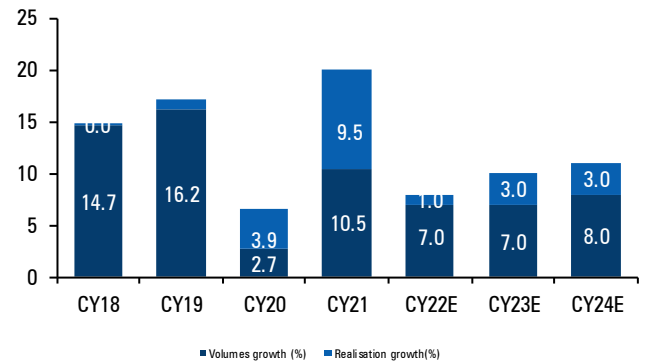
Chocolate & confectionery

Exhibit 13: Sales to gain traction, going forward



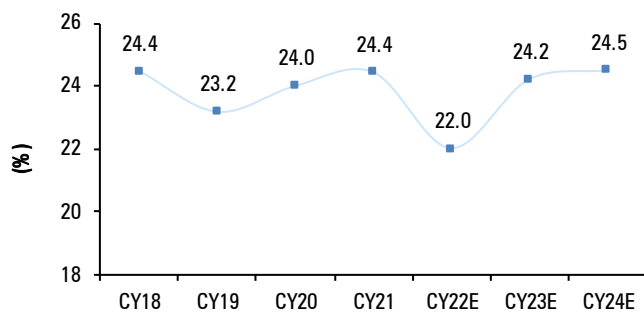
Source: ICICI Direct Research, Company

Exhibit 14: Volumes to recovered in CY21



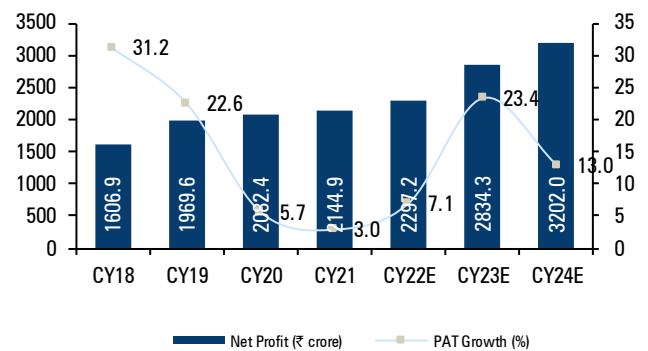
Source: ICICI Direct Research, Company

Exhibit 15: EBITDA margin to remain at elevated levels



Source: ICICI Direct Research, Company

Exhibit 16: Adjusted PAT to grow at 11.9% CAGR in CY21-24E



Source: ICICI Direct Research, Company

Exhibit 17: Valuations

	Sales (₹ cr)	Growth (%)	EPS (₹)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
CY21	14633.7	10.1	222.4	3.0	85.9	51.2	111.3	58.7
CY22E	16376.7	11.9	238.3	7.1	80.2	50.9	111.1	57.0
CY23E	18091.8	10.5	294.0	23.4	65.0	41.9	118.3	64.7
CY24E	19952.1	10.3	332.1	13.0	57.5	37.5	122.8	69.4

Source: Company, ICICI Direct Research

Financial Summary

Exhibit 18: Profit and loss statement				
	₹ crore			
(Year-end December)	CY21	CY22E	CY23E	CY24E
Total operating Income	14,709.4	16,460.0	18,183.4	20,052.8
Growth (%)	10.2	11.9	10.5	10.3
Raw Material Expenses	6,318.9	7,631.1	8,014.6	8,759.4
Employee Expenses	1,521.3	1,670.4	1,863.5	2,075.0
Marketing Expenses	0.0	0.0	0.0	0.0
Administrative Expenses	29.5	98.3	108.6	119.7
Other expenses	3,248.2	3,439.1	3,799.3	4,189.9
Total Operating Expenditure	11,117.9	12,838.9	13,785.8	15,144.0
EBITDA	3,591.5	3,621.0	4,397.5	4,908.8
Growth (%)	12.2	0.8	21.4	11.6
Depreciation	390.2	454.1	522.9	563.4
Interest	201.2	185.5	184.6	201.3
Other Income	120.1	89.7	99.1	136.7
PBT	3,120.3	3,071.2	3,789.1	4,280.7
Others	236.5	0.0	0.0	0.0
Total Tax	738.9	773.9	954.9	1,078.7
PAT	2,144.9	2,297.2	2,834.3	3,202.0
Growth (%)	3.0	7.1	23.4	13.0
EPS (₹)	222.4	238.3	294.0	332.1

Source: Company, ICICI Direct Research

Exhibit 19: Cash flow statement				
	₹ crore			
(Year-end December)	CY21	CY22E	CY23E	CY24E
Profit after Tax	2,144.9	2,297.2	2,834.3	3,202.0
Add: Depreciation	390.2	454.1	522.9	563.4
(Inc)/dec in Current Assets	411.9	-1,971.9	-416.3	-998.2
Inc/(dec) in CL	110.7	361.3	305.4	331.3
CF from operating activities	3,057.6	1,140.7	3,246.3	3,098.5
(Inc)/dec in LT loans & adv	-2.5	49.1	0.0	0.0
(Inc)/dec in other investments	30.1	-20.0	-20.0	-20.0
(Inc)/dec in Fixed Assets	-812.4	-920.0	-820.0	-220.0
Others	14.2	80.0	100.0	100.0
CF from investing activities	-2,132.6	660.3	-740.0	-140.0
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0
Inc/(dec) in loan funds	120.2	0.0	0.0	0.0
Dividend paid & dividend tax	-2,073.0	-2,314.1	-2,506.9	-2,989.0
Inc/(dec) in Sec. premium	0.0	0.0	0.0	0.0
Others	-6.7	0.0	0.0	0.0
CF from financing activities	-1,959.5	-2,314.1	-2,506.9	-2,989.0
Net Cash flow	-1034.5	-513.1	-0.6	-30.6
Opening Cash	1,769.9	735.4	222.3	221.7
Closing Cash	735.4	222.3	221.7	191.1

Source: Company, ICICI Direct Research

Exhibit 20: Balance Sheet				
	₹ crore			
(Year-end December)	CY21	CY22E	CY23E	CY24E
Liabilities				
Equity Capital	96.4	96.4	96.4	96.4
Reserve and Surplus	1,988.1	1,971.2	2,298.6	2,511.5
Total Shareholders funds	2,084.5	2,067.6	2,395.0	2,607.9
Total Debt	217.7	217.7	217.7	217.7
Deferred Tax Liability	0.0	0.0	0.0	0.0
Long Term Provisions	3,284.5	3,384.5	3,484.5	3,584.5
Total Liabilities	5,606.7	5,669.9	6,097.3	6,410.2
Assets				
Gross Block	5,155.7	6,055.7	6,855.7	7,055.7
Less: Acc Depreciation	2,161.7	2,615.8	3,138.7	3,702.1
Net Block	2,994.0	3,439.9	3,717.0	3,353.6
Capital WIP	246.2	266.2	286.2	306.2
Total Fixed Assets	3,240.2	3,706.1	4,003.2	3,659.8
LT Loans & Advances	49.1	0.0	0.0	0.0
Inventory	1,580.2	1,794.7	1,982.7	2,186.5
Debtors	165.3	179.5	198.3	218.7
Loans and Advances	11.9	179.5	198.3	218.7
Current Investments	246.0	1,821.6	2,012.4	2,766.0
Cash	735.4	222.3	221.7	191.1
Total Current Assets	2,738.8	4,197.6	4,613.3	5,580.9
Creditors	1,734.9	1,974.2	2,180.9	2,405.2
Provisions	138.5	269.2	297.4	328.0
Other Current Liabilities	729.9	721.1	791.6	868.1
Total Current Liabilities	2,603.2	2,964.5	3,269.9	3,601.2
Net Current Assets	135.5	1,233.0	1,343.3	1,979.7
Application of Funds	5,606.7	5,669.9	6,097.3	6,410.2

Source: Company, ICICI Direct Research

Exhibit 21: Key ratios				
(Year-end December)	CY21	CY22E	CY23E	CY24E
Per share data (₹)				
EPS	222.4	238.3	294.0	332.1
Cash EPS	262.9	285.3	348.2	390.5
BV	216.2	214.4	248.4	270.5
DPS	215.0	240.0	260.0	310.0
Cash Per Share	224.2	271.3	325.5	384.0
Operating Ratios (%)				
EBITDA Margin	24.4	22.0	24.2	24.5
PBT / Net Sales	19.7	18.8	20.9	21.5
PAT Margin	14.7	14.0	15.7	16.0
Inventory days	39.4	40.0	40.0	40.0
Debtor days	4.1	4.0	4.0	4.0
Creditor days	43.3	44.0	44.0	44.0
Return Ratios (%)				
RoE	111.3	111.1	118.3	122.8
RoCE	58.7	57.0	64.7	69.4
RoIC	68.9	60.6	68.7	72.9
Valuation Ratios (x)				
P/E	85.9	80.2	65.0	57.5
EV / EBITDA	51.2	50.9	41.9	37.5
EV / Net Sales	12.6	11.3	10.2	9.2
Market Cap / Sales	12.6	11.2	10.2	9.2
Price to Book Value	88.4	89.1	76.9	70.6
Solvency Ratios				
Debt/EBITDA	0.1	0.1	0.1	0.1
Debt / Equity	0.1	0.1	0.1	0.1
Current Ratio	0.8	1.4	1.4	1.5
Quick Ratio	0.2	0.7	0.7	0.9

Source: Company, ICICI Direct Research

Exhibit 22: ICICI Direct coverage universe (FMCG)

	CMP	TP	Rating	M Cap	EPS (₹)			P/E (x)			Price/Sales (x)			RoCE (%)			RoE (%)		
	(₹)	(₹)		(₹ Cr)	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Colgate (COLPAL)	1,549	1,690	Hold	42,548	39.6	40.6	44.4	39.1	38.2	34.9	8.4	7.8	7.2	77.8	84.1	91.2	62.2	64.1	69.6
Dabur India (DABIND)	573	680	Buy	96,113	9.9	11.7	13.1	58.1	48.7	43.6	8.8	8.0	7.2	24.9	25.3	26.1	20.8	22.7	22.9
Hindustan Unilever (HINLEV)	2,620	2,700	Hold	6,10,844	37.5	40.9	44.8	69.8	64.1	58.4	12.1	10.8	10.1	20.2	22.5	24.6	18.1	19.7	21.5
ITC Limited (ITC)	303	310	Buy	3,60,223	12.4	14.0	15.5	24.5	21.7	19.6	6.1	5.6	5.1	31.4	34.9	36.6	24.5	26.7	28.1
Jyothy Lab (JYOLAB)	169	145	Hold	6,077	4.3	5.6	6.4	39.8	30.3	26.6	2.8	2.5	2.3	18.7	24.2	27.7	16.6	21.2	23.8
Marico (MARLIM)	515	530	Hold	64,929	9.7	10.6	11.7	52.9	48.7	43.9	6.8	6.3	5.8	41.2	46.8	52.9	37.5	41.4	47.4
Nestle (NESIND)	19,104	21,600	Hold	1,84,201	222.4	238.3	294.0	85.9	80.2	65.0	12.6	11.2	10.2	58.7	57.0	64.7	111.3	111.1	118.3
Tata Consumer Products (TAT)	807	910	Buy	67,201	11.0	15.0	17.5	73.2	53.9	46.1	5.4	4.9	4.5	8.4	10.3	11.3	7.0	8.8	9.8
VST Industries (VSTIND)	3,175	3,425	Hold	4,986	229.3	252.9	290.5	13.8	12.6	10.9	4.2	3.9	3.6	39.2	44.6	50.6	30.0	33.4	37.8
Varun Beverage (VARBEV)	876	900	Buy	55,179	17.2	17.3	20.2	50.9	50.8	43.4	6.3	5.1	4.5	17.1	25.6	29.7	18.3	22.8	23.0
Zydus Wellness (ZYDWEL)	1,653	2,200	Buy	10,299	48.5	62.6	72.5	34.1	26.4	22.8	5.1	4.6	4.1	6.1	7.8	8.8	6.4	8.1	9.2

Source: Bloomberg, ICICI Direct Research

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Reduce: -15% to -5%;

Sell: <-15%



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