

Price hike in LUPs impacts volumes in Q4...

About the stock Nestlé India (NIL) is the largest food company in India with over ₹ 16000 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 110 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

Q4CY22 Results: Nestlé India reported strong sales led by pricing growth

- Sales were up 13.8% YoY with double digit growth across categories
- EBITDA was at ₹ 973 crore, up 12.4% YoY with margins at 23%
- Adjusted PAT was at ₹ 628.1 crore (up 10.8% YoY)

What should investors do? Nestlé India's share price has given return of 159% in the last five years (from ₹ 7583 in February 2018 to ₹ 19621 in February 2023).

- We estimate high single digit volume along with 200 bps operating margin expansion in next two years
- We maintain our **HOLD** rating on the stock

Target Price and Valuation: We value the stock at ₹ 22000, valuing the business 65x CY24 earnings.

Key triggers for future price performance:

- The company is undertaking a capex of ₹ 5000 crore in the next three years to expand the capacity of its existing products. Many of the plants' capacity has reached peak utilisation
- NIL is increasing its rural footprint from 80,000 villages to 1.2 lakh villages in the next two years. Villages, smaller towns have been growing at a faster pace of 15-20%. Rural sales are contributing 20% to overall sales
- Though palm & crude based packaging costs have come down in the last six months, milk & wheat prices have remained at an elevated level. We believe wheat prices would cool off with expected high new crop in April, which would result in expansion in operating margins in future

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

- Strong innovation & premiumisation strategy in salt and tea is expected to drive margins in these established categories. Newer categories like pulses, spices and dry fruits to drive volume growth given large opportunity size We value the stock at ₹ 950 on ascribing 52x FY25 earnings multiple



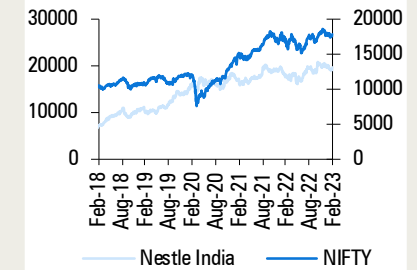
Particulars

Particulars (₹ crore)	Amount
Market Capitalization	189184
Total Debt (CY22)	217.3
Cash & Investments (CY22)	1,452.2
EV	1,87,948.9
52 week H/L (₹)	21053 / 16000
Equity capital	96.4
Face value (₹)	10.0

Shareholding pattern

(in %)	Mar-22	Jun-22	Sep-22	Dec-22
Promoter	62.8	62.8	62.8	62.8
FII	12.0	11.7	12.1	12.1
DII	8.6	9.1	8.9	9.1
Others	16.6	16.5	16.3	16.1

Price Chart



Recent event & key risks

- NIL has launched 110 products in the last seven years, contributing 5.4% to sales
- Key Risk:** (i) High inflation in milk, could continue to impact margins in medium term (ii) Stronger than expected volume growth in core business

Research Analyst

Sanjay Manyal
sanjay.manyal@icicisecurities.com

Key Financial Summary

Key Financials	CY20	CY21	CY22	5 Year CAGR (CY17-CY22)	CY23E	CY24E	CAGR (CY22-24E)
Net Sales	13290.2	14633.7	16789.5	11.0%	18579.8	20529.4	10.6%
EBITDA	3201.5	3591.5	3712.6	10.6%	4254.0	4946.5	15.4%
EBITDA Margin %	24.1	24.5	22.1		22.9	24.1	
Adjusted Net Profit	2082.4	2320.8	2390.5	14.3%	2827.1	3244.1	16.5%
Adjusted EPS (₹)	215.97	240.69	247.93	14.3%	293.21	336.46	16.5%
P/E	90.8	88.2	79.1		66.9	58.3	
RoNW %	103.1	104.1	87.0		84.2	87.5	
RoCE (%)	54.6	57.3	54.4		56.3	60.6	

Source: Company, ICICI Direct Research

Key takeaways of recent quarter

Q4CY22 & CY22 Results: Pricing growth on continued inflation in milk & wheat; full year domestic volume up 5%

- Net sales witnessed growth of 14.2% to ₹ 4233.3 crore led by pricing growth. Domestic sales grew 13.8% to ₹ 4061.9 crore led entirely by pricing growth & product mix changes. Exports were up 17.1% led by mix of volume & pricing growth
- Domestic volumes were down 1% Impacted by de-growth in noodles segment specifically in 'Maggi Chotu pack'. The company increased the 35-gram Maggi noodles price from ₹ 5 to ₹ 7. However, competition has not taken a price hike in smaller SKUs
- The sales growth in mega cities (> 40 lakh population) have remained strong at 12% in Q4. However, it was somewhat impacted by price hike in smaller pack. The sales growth in Metro cities (>10 lakh & <40 lakh) & Tier-1 cities (>1 to <10 lakh) were stronger at 21% & 19%, respectively. In Tier-2 to Tier-6 towns (less than 1 lakh), sales growth de-accelerated at 5% largely due to price hike taken in Maggi noodles low unit pack (LUP)
- The growth in villages has been strong at 25% during the quarter. The company is continuously expanding its distribution reach in rural India, which is leading to such strong growth. Rural regions contribute 20% to the Nestlé India's domestic sales
- Nestlé India direct reach has increased from 1.4 million retail outlets to 1.5 million outlets. Its total coverage stands at 5.1 million retail outlets
- On a full year basis, domestic sales growth is 13.8% led by 5.5% volume growth & 8% pricing growth. The company has taken aggressive price hikes across portfolio in last one year given unprecedented cost inflation in key commodities like milk, wheat, coffee, palm oil & crude based packaging (palm & crude prices softened in last six months)
- In CY22, segment wise milk products & nutrition business (contributes 40.4% to the sales) grew 9.5% led by 2.5% volume growth. Prepared dishes & cooking aids (contributes 32.2%) grew 15.6% despite volumes pressure in LUPs after price hike. LUPs contributes 15-20% of the Maggi noodles volume
- Confectionary & chocolate segment (contributes 16%) has seen best ever growth of 25% led by strong volume growth. The category has grown 10-12% during the year & the company has significantly gained market share
- Liquid beverages (contributes 11.4%) grew 19.2%. The company gained market share in this category as well. Out of home Nestlé Professional sales witnessed growth of 39% (20% above pre-Covid level) in CY22
- The company has introduced 110 new products in the last seven years. These new products are contributing 5.4% to overall sales. However, the company is focusing on core categories from the last two years. In an unprecedented inflationary scenario, it is important to grow core brands given resources (ad-spends) are limited for new launches
- The company has moved away from dependence on consumer promotions & focused more on investing behind brands. It has invested behind core brands, improved efficiency in buying media and accelerated digital spends
- E-commerce channel sales has grown 41% and now contributed 6.5% to overall sales. The company would continue to focus on all channels and have a balanced channel strategy. NIL would not grow e-commerce channels by sacrificing sales of other channels

- Commodity inflation was extremely high in 2022 with all major commodities for the company seeing unprecedented increase. Milk prices (contributes 20% to RM costs) have seen 13% inflation, SMP (contributes 7% to RM) is up 17%, wheat prices (contributes 11% to RM) was up 18%, green coffee (contributes 6% to RM) was up 34% and packaging costs (contributes 16% to RM) was up 14% on a YoY basis
- In 2018-20, NIL witnessed average commodity inflation of 3% whereas it was 18.5% in 2022. The company accelerated economies of scale & procurement strategies to lessen the impact of this inflation. Further, its cost saving programme 'SHARK' has helped in saving 150-160 bps in margins
- Oher than h 150-160 bps saving through 'SHARK' programme, the company has taken calibrated price hikes based on consumer insights
- The company has kept a target of reaching 1.2 lakh villages above 2000 population. It has already reached 91683 such villages in 2022. NIL's total rural reach is 1.65 lakh villages in 2022
- In the last three years, rural distribution touch points (wholesales hubs, redistribution) have increased from ~10,000 to 14,000. The company also increased HAAT activity from 2502 to 20605
- The company has developed/developing new products based of millets with Ceregrow, Maggi & Nestlé A+ brands. It launched 'Ceregrow Grain selection'
- NIL is also developing 30 new products across categories. However, the company would wait for softening of raw material before launching these new products
- Gross margin contracted by 217 bps mainly due to elevated milk prices. However, palm oil & crude based packaging material prices came down sharply in the last three to six months. Employee & overhead spends were down 144 bps, 135 bps, respectively. Operating profit grew 12.4% to ₹ 973 crore whereas operating margin contracted by 37 bps 23%
- Net profit grew 62.4% to ₹ 628.1 crore given the base quarter results included one-off exceptional expense of ₹ 236.5 crore related to employee benefit pension plan to de-risk future liability. Adjusting for this one-off, net profit grew 10.8% to ₹ 628.1 crore. The company declared a dividend of ₹ 75/share. The total dividend for 2022 is ₹ 220 /share
- The company would undertake ₹ 5000 crore capex in the next three years, which is ₹ 1300 crore in 2023, ₹ 2000 crore in 2024 and ₹ 1700 crore in 2025. The biggest capacity addition after noodles would be in chocolates & confectionary

Exhibit 1: Peer Comparison

Sector / Company	CMP	TP	M Cap	Sales growth (%)			EBITDA Margins (%)			P/E(x)			RoE (%)			RoCE (%)		
	(₹)	(₹) Rating		(₹ Cr)	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E
ITC Limited (ITC)	383	450 Buy	467841	23.1	17.0	8.0	32.0	33.7	34.5	30.9	26.1	23.9	24.5	27.7	28.7	31.4	36.0	37.5
Hindustan Unilever (HINLEV)	2527	2800 Hold	604971	11.3	16.3	9.5	24.8	23.5	24.0	67.3	60.1	54.1	18.1	20.3	22.4	20.2	22.9	25.6
Nestle (NESIND)	19621	22000 Hold	189184	10.2	14.9	10.7	24.5	22.1	22.9	88.2	79.1	66.9	104.1	87.0	84.2	57.3	54.4	56.3

Source: Company, ICICI Direct Research

Nestlé India has seen very strong sales growth in CY22 led by mix of volumes & high pricing growth. The company has maintained profitability despite ~300 bps contraction in gross margins in CY22. We believe raw material prices would eventually come down and the company has pricing power to recoup margins in future. The company is driving penetration led volume growth through rural distribution expansion. It would be concentrating on core brands over new launches in medium term given high inflation resulted in lower resources to support newer products. Further, saving programmes along with the expectation of softening of key commodities would help in driving margins, going forward. We estimate 10.6% sales CAGR along with 200 bps operating margin expansion in CY22-24. We maintain our HOLD rating on the stock with a target price of ₹ 22,000 (earlier ₹ 22400).

Exhibit 2: Variance Analysis

Particulars (₹ crore)	Q4CY22	Q4CY22E	Q4CY21	YoY (%)	Q3CY22	QoQ (%)	Comments
Total Operating Income	4,256.8	4,199.2	3,739.3	13.8	4,601.8	-7.5	Net sales witnessed growth of 13.8% largely led by pricing growth
Operating Income	23.5	14.5	33.1	-29.0	24.4	-3.6	
Raw Material Expenses	1,921.5	1,925.5	1,606.7	19.6	2,177.7	-11.8	Gross margins contracted by 217 bps given milk, wheat prices remain at an elevated levels. Price hikes taken in last one year has helped in absorbing some cost pressures
Employee Expenses	407.0	414.6	386.6	5.3	420.0	-3.1	Employee spends were down by 144 bps
Other operating Expenses	955.4	947.7	880.3	8.5	1,000.0	-4.5	Overhead spends were down by 135 bps
EBITDA	973.0	911.4	865.7	12.4	1,004.1	-3.1	Operating profit grew by 12.4% led by strong sales growth & cut down in overhead, employee spends
EBITDA Margin (%)	23.0	21.8	23.4	-37 bps	21.9	105 bps	Operating margins were down by 37 bps
Depreciation	98.7	94.1	105.8	-6.7	98.2	0.5	
Interest	44.8	35.1	43.6	2.9	37.2	20.5	
Other Income	29.6	38.4	27.3	8.1	30.6	-3.6	
Exceptional Items	0.0	0.0	236.5	NA	0.0	NA	
PBT	859.1	820.7	507.2	69.4	899.4	-4.5	
Tax Outgo	231.0	190.1	120.5	91.7	237.9	-2.9	
PAT	628.1	630.6	386.7	62.4	661.5	-5.0	Reported net profit grew by 62.4% due to exceptional expense of ₹ 236.5 crore in base quarter
Adjusted PAT	628.1	630.6	567.0	10.8	661.5	-5.0	Adjusted net profit grew by 10.8%

Source: Company, ICICI Direct Research

Exhibit 3: Change in estimates

(₹ Crore)	CY23E			CY24E			
	Old	New	% Change	Old	New	% Change	
Net Sales	18,456.2	18579.8	0.7	20,349.3	20529.4	0.9	We slightly raise our sales estimates
EBITDA	4445.4	4254.0	-4.3	5091.0	4946.5	-2.8	Given milk prices remain at elevated levels, we cut our gross margins estimates
EBITDA Margin(%)	24.1	22.9	-119 bps	25.0	24.1	-92 bps	
PAT	2903.6	2827.1	-2.6	3328.8	3244.1	-2.5	
EPS (₹)	301.1	293.2	-2.6	345.2	336.5	-2.5	

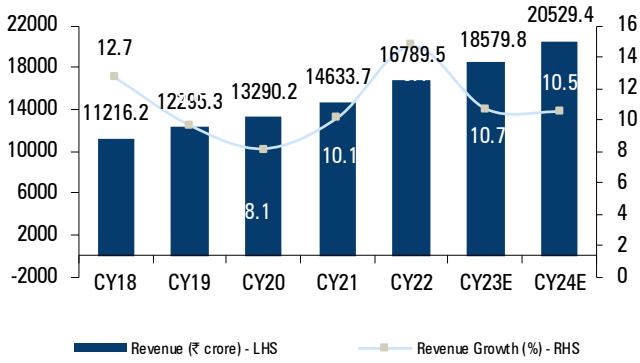
Source: ICICI Direct Research

Exhibit 4: Assumptions

	Current				Earlier				Comments
	CY20	CY21	CY22	CY23E	CY24E	CY23E	CY24E		
Gross Sales (₹ crore)									
Milk Product and Nutrition	6,148.8	6,268.3	6,861.5	7,564.1	8,260.0	7,742.4	8,213.1		
Beverages	1,476.3	1,691.8	2,016.3	2,242.9	2,447.9	2,153.0	2,371.7	We slightly change our segment sales estimate based on CY22 numbers	
Prepared dishes	3,910.8	4,550.1	5,260.0	5,795.6	6,509.6	6,005.8	6,922.3		
Chocolate & confectionery	1,754.3	2,123.1	2,651.8	2,977.2	3,311.8	2,555.0	2,842.2		
Volume Growth (%)									
Overall Volume Growth	2.6	10.5	5.5	8.2	7.2	9.9	10.2		
Milk Product and Nutrition	-0.4	-2.7	2.5	6.0	5.0	6.0	4.0		
Beverages	-21.3	18.0	6.0	8.0	7.0	7.0	8.0		
Prepared dishes	6.6	16.4	6.0	9.0	8.0	12.0	13.0	We cut noodles sales volume growth estimate given price hike taken in LUPs has adversely impacted volumes in smaller towns	
Chocolate & confectionery	2.7	10.5	10.0	9.0	8.0	7.0	8.0	We raise cofectionary sales estimate based on strong growth in CY22	

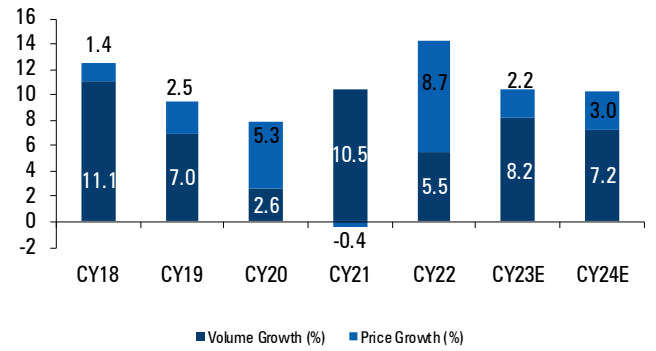
Source: ICICI Direct Research

Exhibit 5: Revenue growth trend



Source: ICICI Direct Research, Company

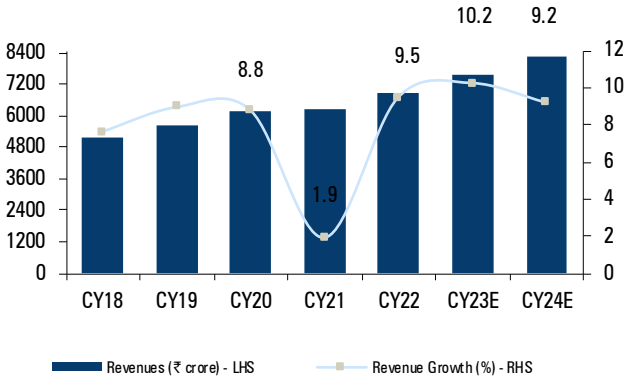
Exhibit 6: Volume growth to drive revenue



Source: ICICI Direct Research, Company

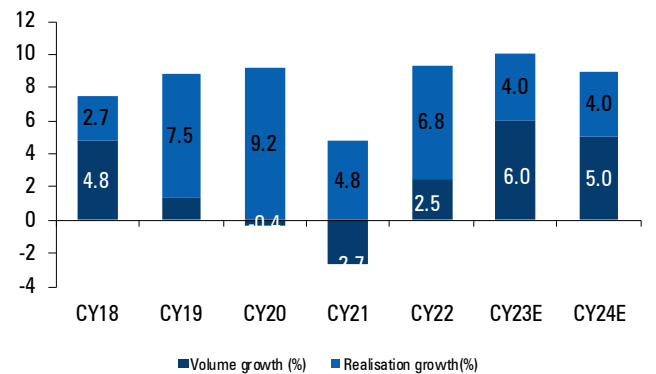
Milk products & nutrition

Exhibit 7: Milk products segment revenue growth



Source: ICICI Direct Research, Company

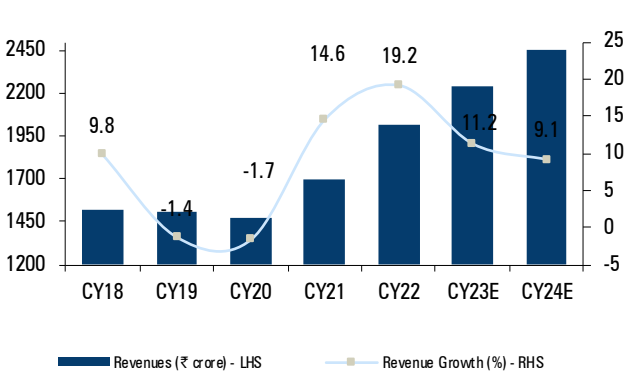
Exhibit 8: Revenue growth to be mix of volume & price growth



Source: ICICI Direct Research, Company

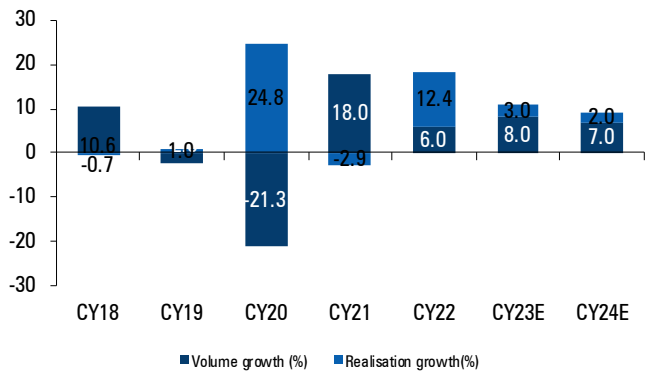
Beverages

Exhibit 9: Beverages revenue growth expected



Source: ICICI Direct Research, Company

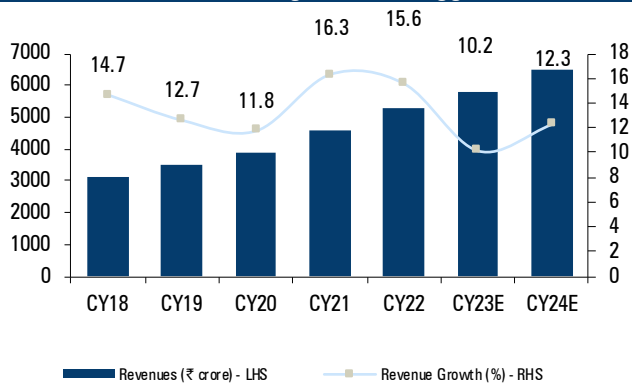
Exhibit 10: Beverage segment volume & value growth (%)



Source: ICICI Direct Research, Company

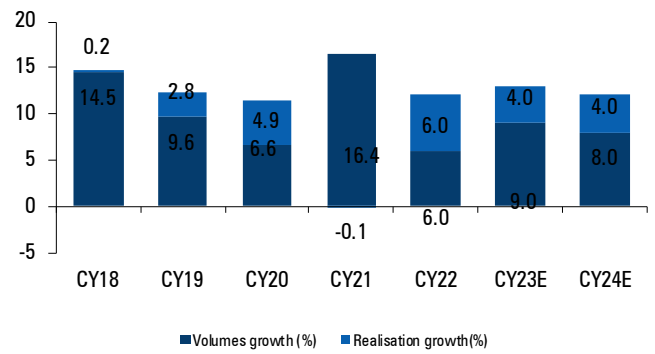
Prepared dishes

Exhibit 11: Robust revenue growth in Maggi continues



Source: ICICI Direct Research, Company

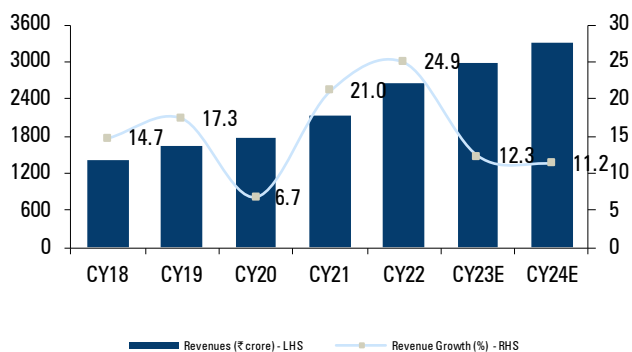
Exhibit 12: Strong volume growth trend



Source: ICICI Direct Research, Company

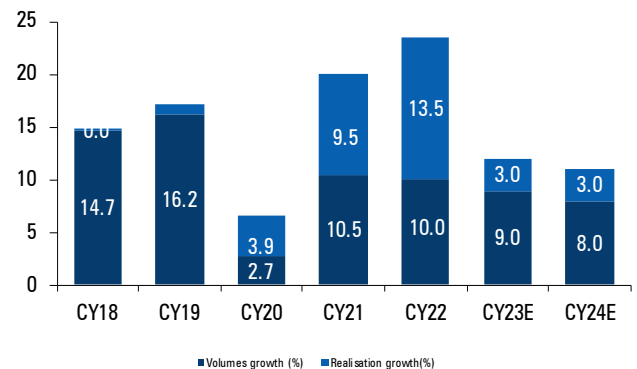
Chocolate & confectionery

Exhibit 13: Sales to gain traction, going forward



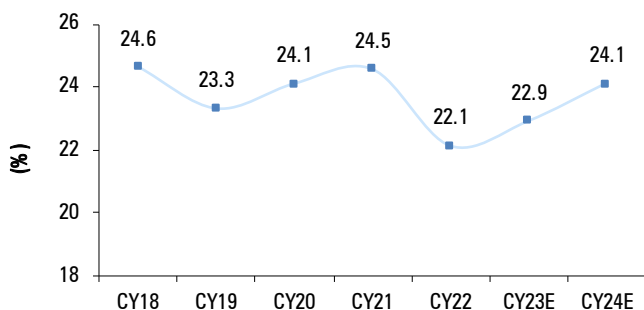
Source: ICICI Direct Research, Company

Exhibit 14: Splendid growth in CY21 & CY22



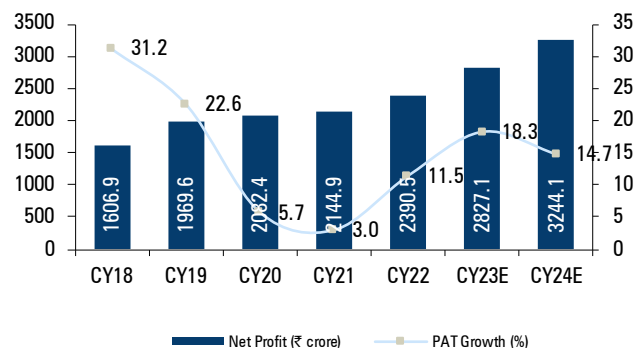
Source: ICICI Direct Research, Company

Exhibit 15: EBITDA margin to remain at elevated levels



Source: ICICI Direct Research, Company

Exhibit 16: Adjusted PAT to grow at 16.5% CAGR in CY22-24E



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	88.2	52.5	104.1	57.3
CY22	16789.5	14.7	247.9	11.5	79.1	50.7	87.0	54.4
CY23E	18579.8	10.7	293.2	18.3	66.9	44.2	84.2	56.3
CY24E	20529.4	10.5	336.5	14.7	58.3	38.0	87.5	60.6

Source: Company, ICICI Direct Research

Financial Summary

Exhibit 18: Profit and loss statement				
	₹ crore			
(Year-end December)	CY21	CY22	CY23E	CY24E
Total operating Income	14,709.4	16,897.0	18,698.0	20,659.3
Growth (%)	10.2	14.9	10.7	10.5
Raw Material Expenses	6,318.9	7,749.9	8,331.2	9,040.8
Employee Expenses	1,521.3	1,635.5	1,913.7	2,135.1
Marketing Expenses	0.0	0.0	0.0	0.0
Administrative Expenses	29.5	102.0	111.5	123.2
Other expenses	3,248.2	3,697.1	4,087.6	4,413.8
Total Operating Expenditure	11,117.9	13,184.4	14,444.0	15,712.8
EBITDA	3,591.5	3,712.6	4,254.0	4,946.5
Growth (%)	12.2	3.4	14.6	16.3
Depreciation	390.2	403.0	469.4	593.1
Interest	201.2	154.6	142.5	155.2
Other Income	120.1	101.0	137.4	138.8
PBT	3,120.3	3,256.0	3,779.6	4,337.0
Others	236.5	0.0	0.0	0.0
Total Tax	738.9	865.5	952.5	1,092.9
PAT	2,144.9	2,390.5	2,827.1	3,244.1
Growth (%)	3.0	11.5	18.3	14.7
EPS (₹)	222.4	247.9	293.2	336.5

Source: Company, ICICI Direct Research

Exhibit 19: Cash flow statement				
	₹ crore			
(Year-end December)	CY21	CY22	CY23E	CY24E
Profit after Tax	2,144.9	2,390.5	2,827.1	3,244.1
Add: Depreciation	390.2	403.0	469.4	593.1
(Inc)/dec in Current Assets	411.9	-541.3	-1,456.4	705.1
Inc/(dec) in CL	110.7	443.5	315.2	347.2
CF from operating activities	3,057.6	2,695.8	2,155.3	4,889.5
(Inc)/dec in LT loans & adv	-2.5	-6.7	55.8	0.0
(Inc)/dec in other investments	30.1	150.5	-20.0	-20.0
(Inc)/dec in Fixed Assets	-812.4	-564.9	-1,320.0	-2,020.0
Others	14.2	-49.0	82.7	100.0
CF from investing activities	-2,132.6	-469.4	269.0	-1,940.0
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0
Inc/(dec) in loan funds	120.2	-0.4	0.0	0.0
Dividend paid & dividend tax	-1,928.4	-2,024.8	-2,217.7	-2,892.6
Inc/(dec) in Sec. premium	0.0	0.0	0.0	0.0
Others	-6.7	153.6	0.0	0.0
CF from financing activities	-1,814.9	-1,871.6	-2,217.7	-2,892.6
Net Cash flow	-889.8	354.8	206.6	56.9
Opening Cash	1,769.9	880.0	1,234.8	1,441.4
Closing Cash	880.0	1,234.8	1,441.4	1,498.3

Source: Company, ICICI Direct Research

Exhibit 20: Balance Sheet				
	₹ crore			
(Year-end December)	CY21	CY22	CY23E	CY24E
Liabilities				
Equity Capital	96.4	96.4	96.4	96.4
Reserve and Surplus	2,132.7	2,652.0	3,261.5	3,613.0
Total Shareholders funds	2,229.1	2,748.4	3,357.9	3,709.4
Total Debt	217.7	217.3	217.3	217.3
Deferred Tax Liability	0.0	33.0	33.0	33.0
Long Term Provisions	3,284.5	3,205.2	3,305.2	3,405.2
Total Liabilities	5,751.3	6,221.3	6,913.4	7,364.9
Assets				
Gross Block	5,155.7	5,608.4	6,908.4	8,908.4
Less: Acc Depreciation	2,161.7	2,564.7	3,034.1	3,627.3
Net Block	2,994.0	3,043.7	3,874.3	5,281.2
Capital WIP	246.2	358.4	378.4	398.4
Total Fixed Assets	3,240.2	3,402.1	4,252.7	5,679.5
LT Loans & Advances	49.1	55.8	0.0	0.0
Inventory	1,580.2	1,928.8	2,036.1	2,249.8
Debtors	165.3	191.9	203.6	225.0
Loans and Advances	11.9	10.3	203.6	225.0
Current Investments	246.0	413.7	1,557.6	596.2
Cash	880.0	1,234.8	1,441.4	1,498.3
Total Current Assets	2,883.4	3,779.4	5,442.5	4,794.3
Creditors	1,734.9	1,933.8	2,239.8	2,474.8
Provisions	138.5	160.7	305.4	337.5
Other Current Liabilities	729.9	952.2	816.8	896.9
Total Current Liabilities	2,603.2	3,046.7	3,361.9	3,709.1
Net Current Assets	280.1	732.7	2,080.5	1,085.1
Application of Funds	5,751.3	6,221.3	6,913.4	7,364.9

Source: Company, ICICI Direct Research

Exhibit 21: Key ratios				
(Year-end December)	CY21	CY22	CY23E	CY24E
Per share data (₹)				
EPS	222.4	247.9	293.2	336.5
Cash EPS	262.9	289.7	341.9	398.0
BV	231.2	285.0	348.3	384.7
DPS	200.0	210.0	230.0	300.0
Cash Per Share	224.2	266.0	314.7	376.2
Operating Ratios (%)				
EBITDA Margin	24.5	22.1	22.9	24.1
PBT / Net Sales	19.7	19.4	20.3	21.1
PAT Margin	14.7	14.2	15.2	15.8
Inventory days	39.4	41.9	40.0	40.0
Debtor days	4.1	4.2	4.0	4.0
Creditor days	43.3	42.0	44.0	44.0
Return Ratios (%)				
RoE	104.1	87.0	84.2	87.5
RoCE	57.3	54.4	56.3	60.6
RoIC	68.9	71.1	73.5	78.8
Valuation Ratios (x)				
P/E	88.2	79.1	66.9	58.3
EV / EBITDA	52.5	50.7	44.2	38.0
EV / Net Sales	12.9	11.2	10.1	9.2
Market Cap / Sales	12.9	11.3	10.2	9.2
Price to Book Value	84.9	68.8	56.3	51.0
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	0.9	1.2	0.9
Quick Ratio	0.2	0.2	0.6	0.3

Source: Company, ICICI Direct Research

Exhibit 22: ICICI Direct coverage universe (FMCG)

	CMP	TP	M Cap	EPS (₹)			P/E (x)			Price/Sales (x)			RoCE (%)			RoE (%)			
	(₹)	(₹) Rating		(₹ Cr)	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E
Colgate (COLPAL)	1,449	1,440	Hold	39,473	39.6	37.7	40.3	36.6	38.4	36.0	7.8	7.6	7.1	77.8	79.3	84.2	62.2	60.4	64.1
Dabur India (DABIND)	536	700	Buy	97,880	9.9	10.3	12.0	54.3	52.2	44.5	9.0	8.5	7.7	24.9	23.9	26.1	20.8	20.5	22.2
Hindustan Unilever (HINLEV)	2,527	2,800	Hold	6,04,971	37.5	42.0	46.7	67.3	60.1	54.1	12.0	10.3	9.4	20.2	22.9	25.6	18.1	20.3	22.4
ITC Limited (ITC)	383	450	Buy	4,67,841	12.4	14.7	16.0	30.9	26.1	23.9	7.9	6.8	6.2	31.4	36.0	37.5	24.5	27.7	28.7
Jyothy Lab (JYOLAB)	202	215	Hold	7,485	4.3	6.7	7.8	47.5	30.3	25.9	3.5	3.1	2.8	18.7	27.5	31.4	16.6	24.2	27.0
Marico (MARLIM)	495	555	Hold	63,710	9.7	10.3	11.1	50.8	48.0	44.4	6.7	6.5	6.0	41.2	44.0	46.2	37.5	38.5	40.6
Nestle (NESIND)	19,621	22,000	Hold	1,89,184	222.4	247.9	293.2	88.2	79.1	66.9	12.9	11.3	10.2	57.3	54.4	56.3	104.1	87.0	84.2
Patanjali Foods (RUCSOY)	939	1,750	Buy	50,721	27.3	30.9	43.5	34.4	30.4	21.6	2.1	1.7	1.5	13.2	15.6	17.3	13.1	11.3	14.2
Tata Consumer Products (TAT)	733	950	Buy	66,879	11.0	14.3	15.8	66.5	51.1	46.3	5.4	4.9	4.4	8.4	8.8	10.3	7.0	7.6	9.0
Varun Beverage (VARBEV)	1,275	1,340	Hold	79,300	17.2	23.9	26.1	74.0	53.4	48.9	9.0	6.0	5.4	17.1	23.8	27.2	18.3	30.4	26.6
VST Industries (VSTIND)	3,032	3,300	Hold	4,807	207.4	214.1	229.4	14.6	14.2	13.2	4.1	3.6	3.4	39.2	41.8	49.1	30.0	31.9	36.9
Zydus Wellness (ZYDWEL)	1,438	2,000	Buy	8,979	48.5	55.0	67.4	29.6	26.1	21.3	4.5	4.0	3.6	6.1	6.8	8.1	6.4	7.1	8.3

Source: Bloomberg, ICICI Direct Research

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Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruiti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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