

# Nestlé India | ADD

## Superior execution continues

Nestlé India's Q2FY27 earnings print was largely in line with JMF/consensus estimates. It reported strong domestic revenue growth (+20% YoY) with a two-year CAGR of 15.5% led by double-digit volume growth, which shall be the best-in-class among F&B/staples players in our view. EBITDA margin delivery was also impressive despite RM inflation (milk, sugar, edible oils) and high A&P spends (+46% YoY). Over the past four-five quarters, a combination of GST rate rationalisation and Nestlé's interventions around distribution expansion, premiumisation, and innovation have led to a sharp acceleration in growth/profitability. Sales growth is expected to be optically lower in H2FY27 (versus H1FY27) which is more due to base effect and not led by any deterioration in Nestlé's fundamental strengths. While commodity outlook remains volatile, Nestlé's portfolio and pricing power makes it the best placed to navigate the challenge. Stock has corrected ~15%+ in the past two months and NTM valuation is below the ten-year average. Festive demand trends and sustaining volume momentum going ahead would be key. We like Nestlé's execution but given the broader sector de-rating, we are cutting target multiple to 58x (65x earlier), yielding a revised TP of INR 1,450 (earlier INR 1,610); maintain ADD.

- **In-line revenue performance:** Nestlé's total sales grew 20.5% YoY to INR 67.8bn (broadly in-line with JMF/consensus estimates) driven by robust double-digit volume growth (JMF: 14–15%). Domestic sales increased 20.4% YoY, supported by broad-based growth across all categories, while exports rose 22% YoY, aided by portfolio expansion and continued market development.
- **Healthy momentum across product segments and channels:** i) Prepared Dishes and Cooking Aids reported strong YoY growth led by MAGGI's continued expansion in rural markets. Focus remains on brand building by widening portfolio and scaling up newer launches. Pet Food sustained strong double-digit momentum; focus remains on strengthening the cat food portfolio. ii) Milk Products & Nutrition saw broad-based growth driven by brand investments and portfolio optimisation with the Nutrition category seeing sequential improvement. iii) Confectionery sustained volume-led double-digit growth driven by continued market share gains in KITKAT and healthy momentum in MUNCH/MILKYBAR. iv) Beverages delivered strong volume-led double-digit growth, supported by wider household reach, improved affordability and premiumisation across the NESCAFÉ portfolio, while scaling up newer growth spaces such as ready-to-drink beverages. v) Nestlé Professional sustained double-digit, volume-led growth in the out-of-home segment through premium, customer-centric and innovative offerings. vi) Channel performance was healthy with organised trade including e-commerce, sustaining momentum and general trade delivering strong double-digit growth led by rural markets.
- **Resilient margin delivery despite RM inflation and higher A&P spends:** Gross profit rose 26% YoY to INR 38.6bn with margin expanding ~270bps YoY to 56.9% (JMF: 56%), supported by productivity and operational efficiencies. Positive gross margin progression and lower staff cost (+6% YoY) aids higher A&P spends (+46% YoY). EBITDA increased 30.6% YoY to INR 16.2bn with EBITDA margin up ~190bps to 23.8% (in-line with JMF). Adjusted PAT rose 36.7% YoY to INR 10.3bn. Management expects coffee and wheat to stay range-bound, while sugar and edible oil prices have settled, but at high levels. Cocoa remains volatile amid weather-related crop concerns and milk prices shall ease as flush-season supply arrives. We believe continued focus on productivity initiatives along with calibrated pricing actions, will help mitigate input cost pressures.

### Recommendation and Price Target

|                            |          |
|----------------------------|----------|
| Current Reco.              | ADD      |
| Previous Reco.             | ADD      |
| Current Price Target (12M) | INR1,450 |
| Upside/(Downside)          | 13.6%    |
| Previous Price Target      | INR1,610 |
| Change                     | -9.9%    |

### Key Data – NEST IN

|                          |                     |
|--------------------------|---------------------|
| Current Market Price     | INR1,276            |
| Market cap (bn)          | INR2,460.1/US\$25.9 |
| Free Float (%)           | 32.3                |
| Shares in issue (mn)     | 1,928.3             |
| Diluted share (mn)       | 1,928               |
| 3-mon avg daily val (mn) | INR2,744.3/US\$28.9 |
| 52-week range            | INR1,553/1,158      |
| Sensex/Nifty             | 74,316/22,997       |
| INR/US\$                 | 95.1                |

### Price Performance

| %         | 1M   | 6M  | 12M  |
|-----------|------|-----|------|
| Absolute  | -6.3 | 1.7 | 4.6  |
| Relative* | -6.3 | 6.7 | 17.5 |

\*To the NSE Nifty 50

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### Financial Summary

|                        | (INR mn) |         |         |         |         |
|------------------------|----------|---------|---------|---------|---------|
| Y/E Mar                | FY25A    | FY26A   | FY27E   | FY28E   | FY29E   |
| Net Sales              | 200,775  | 230,715 | 266,559 | 290,269 | 316,393 |
| Sales Growth (%)       | -17.3    | 14.9    | 15.5    | 8.9     | 9.0     |
| EBITDA                 | 47,737   | 53,061  | 64,563  | 70,451  | 77,223  |
| EBITDA Margin (%)      | 23.6     | 22.9    | 24.1    | 24.2    | 24.3    |
| Adjusted Net Profit    | 30,237   | 34,238  | 41,648  | 45,904  | 50,966  |
| Diluted EPS (INR)      | 15.7     | 17.8    | 21.6    | 23.8    | 26.4    |
| Diluted EPS Growth (%) | -23.0    | 13.2    | 21.6    | 10.2    | 11.0    |
| ROIC (%)               | 148.5    | 110.5   | 129.0   | 150.6   | 195.1   |
| ROE (%)                | 81.1     | 72.6    | 76.2    | 79.3    | 82.2    |
| P/E (x)                | 74.2     | 69.4    | 59.1    | 53.6    | 48.3    |
| P/B (x)                | 59.8     | 46.3    | 43.8    | 41.2    | 38.2    |
| EV/EBITDA (x)          | 51.7     | 46.1    | 41.1    | 37.5    | 34.1    |
| Dividend Yield (x)     | 0.0      | 0.0     | 0.0     | 0.0     | 0.0     |

Source: Company data, JM Financial. Note: Valuations as of October 15, 2026

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

**Exhibit 1: Result snapshot – Operating performance in line with JMFe**

| Standalone (INR mn)                  | Q2FY27        | Q2FY26        | YoY growth   | Q2FY27E       | % variance   | H1FY27          | H1FY26          | YoY growth   |
|--------------------------------------|---------------|---------------|--------------|---------------|--------------|-----------------|-----------------|--------------|
| <b>Net Sales</b>                     | <b>67,822</b> | <b>56,302</b> | <b>20.5%</b> | <b>67,281</b> | <b>0.8%</b>  | <b>1,31,454</b> | <b>1,07,042</b> | <b>22.8%</b> |
| Other Operating Income               | 62            | 134           | -54%         | 150           | -58.9%       | 211             | 356             | -40.8%       |
| Total Revenue                        | 67,883        | 56,436        | 20%          | 67,431        | 0.7%         | 1,31,665        | 1,07,398        | 22.6%        |
| <b>Gross Profit</b>                  | <b>38,578</b> | <b>30,522</b> | <b>26%</b>   | <b>37,677</b> | <b>2.4%</b>  | <b>74,941</b>   | <b>58,427</b>   | <b>28.3%</b> |
| Gross Profit Margin %                | 56.9%         | 54.2%         | 267bps       | 56.0%         | 88bps        | 57.0%           | 54.6%           | 243bps       |
| Staff Cost                           | 5,687         | 5,367         | 6.0%         | 5,853         | -2.8%        | 11,393          | 10,533          | 8.2%         |
| Other Expenses                       | 16,798        | 12,922        | 30.0%        | 15,910        | 5.6%         | 32,223          | 24,882          | 29.5%        |
| <b>EBITDA</b>                        | <b>16,155</b> | <b>12,366</b> | <b>30.6%</b> | <b>16,064</b> | <b>0.6%</b>  | <b>31,536</b>   | <b>23,368</b>   | <b>35.0%</b> |
| EBITDA margin %                      | 23.8%         | 22.0%         | 186bps       | 23.9%         | -6bps        | 24.0%           | 21.8%           | 216bps       |
| Depreciation                         | 1,924         | 1,634         | 17.8%        | 1,900         | 1.3%         | 3,802           | 3,203           | 18.7%        |
| EBIT                                 | 14,231        | 10,733        | 32.6%        | 14,164        | 0.5%         | 27,734          | 20,165          | 37.5%        |
| Interest Expense                     | 403           | 464           | -13.2%       | 425           | -5.2%        | 825             | 933             | -11.6%       |
| Financial Other Income               | 203           | 16            | 1135.4%      | 238           | -14.7%       | 427             | 58              | 635.5%       |
| <b>PBT (before exceptional item)</b> | <b>14,031</b> | <b>10,285</b> | <b>36.4%</b> | <b>13,977</b> | <b>0.4%</b>  | <b>27,336</b>   | <b>19,290</b>   | <b>41.7%</b> |
| <b>PBT (after exceptional item)</b>  | <b>13,994</b> | <b>10,285</b> | <b>36.1%</b> | <b>13,977</b> | <b>0.1%</b>  | <b>27,237</b>   | <b>19,290</b>   | <b>41.2%</b> |
| Taxes                                | 3,726         | 2,753         | 35.3%        | 3,564         | 4.5%         | 7,219           | 5,166           | 39.7%        |
| <b>Reported Net Profit</b>           | <b>10,268</b> | <b>7,532</b>  | <b>36.3%</b> | <b>10,413</b> | <b>-1.4%</b> | <b>20,019</b>   | <b>14,124</b>   | <b>41.7%</b> |
| <b>Adjusted Net Profit*</b>          | <b>10,295</b> | <b>7,532</b>  | <b>36.7%</b> | <b>10,413</b> | <b>-1.1%</b> | <b>20,092</b>   | <b>14,124</b>   | <b>42.2%</b> |

Source: Company, JM Financial. \*Adjusted profit = Reported profit adjusted for exceptional item\*(1-tax rate)

**Exhibit 2: Quarterly financial performance – Standalone**

| INR mn                              | Q2FY25        | Q3FY25        | Q4FY25        | Q1FY26        | Q2FY26        | Q3FY26        | Q4FY26        | Q1FY27        | Q2FY27        |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Sales</b>                        | <b>50,748</b> | <b>47,621</b> | <b>54,476</b> | <b>50,740</b> | <b>56,302</b> | <b>56,435</b> | <b>67,238</b> | <b>63,633</b> | <b>67,822</b> |
| <b>YoY</b>                          | <b>1%</b>     | <b>4%</b>     | <b>4%</b>     | <b>6%</b>     | <b>11%</b>    | <b>19%</b>    | <b>23%</b>    | <b>25%</b>    | <b>20%</b>    |
| Other operating income              | 292           | 176           | 562           | 222           | 134           | 235           | 240           | 149           | 62            |
| <b>Revenue from operations</b>      | <b>51,040</b> | <b>47,797</b> | <b>55,039</b> | <b>50,962</b> | <b>56,436</b> | <b>56,670</b> | <b>67,478</b> | <b>63,782</b> | <b>67,883</b> |
| <b>YoY</b>                          | <b>1%</b>     | <b>4%</b>     | <b>4%</b>     | <b>6%</b>     | <b>11%</b>    | <b>19%</b>    | <b>23%</b>    | <b>25%</b>    | <b>20%</b>    |
| Gross Profit                        | 28,901        | 26,951        | 30,914        | 28,127        | 30,656        | 31,582        | 37,579        | 36,512        | 38,640        |
| Staff cost                          | 5,017         | 4,947         | 5,240         | 5,166         | 5,367         | 5,910         | 5,194         | 5,706         | 5,687         |
| Other expenses                      | 12,207        | 10,978        | 11,791        | 11,960        | 12,922        | 13,652        | 14,669        | 15,425        | 16,798        |
| <b>EBITDA</b>                       | <b>11,677</b> | <b>11,027</b> | <b>13,883</b> | <b>11,001</b> | <b>12,366</b> | <b>12,021</b> | <b>17,716</b> | <b>15,381</b> | <b>16,155</b> |
| <b>YoY</b>                          | <b>-5%</b>    | <b>-1%</b>    | <b>3%</b>     | <b>-1%</b>    | <b>6%</b>     | <b>9%</b>     | <b>28%</b>    | <b>40%</b>    | <b>31%</b>    |
| Depreciation                        | 1,216         | 1,503         | 1,553         | 1,569         | 1,634         | 1,744         | 2,045         | 1,878         | 1,924         |
| Interest                            | 322           | 346           | 375           | 469           | 464           | 283           | 368           | 422           | 403           |
| Other income                        | 69            | 44            | 91            | 42            | 16            | 117           | 185           | 225           | 203           |
| <b>PBT before exceptional items</b> | <b>10,208</b> | <b>9,223</b>  | <b>12,046</b> | <b>9,005</b>  | <b>10,285</b> | <b>10,111</b> | <b>15,488</b> | <b>13,306</b> | <b>14,031</b> |
| <b>YoY</b>                          | <b>-9%</b>    | <b>-7%</b>    | <b>-3%</b>    | <b>-11%</b>   | <b>1%</b>     | <b>10%</b>    | <b>29%</b>    | <b>48%</b>    | <b>36%</b>    |
| Exceptional income / (expense)      | 2,908         | 0             | 0             | 0             | 0             | 1,570         | -362          | -62           | -37           |
| <b>PBT after exceptional items</b>  | <b>13,116</b> | <b>9,223</b>  | <b>12,046</b> | <b>9,005</b>  | <b>10,285</b> | <b>11,681</b> | <b>15,126</b> | <b>13,244</b> | <b>13,994</b> |
| Tax                                 | 3,252         | 2,261         | 3,192         | 2,412         | 2,753         | 1,500         | 3,985         | 3,493         | 3,726         |
| <b>Reported PAT</b>                 | <b>9,864</b>  | <b>6,961</b>  | <b>8,854</b>  | <b>6,592</b>  | <b>7,532</b>  | <b>10,181</b> | <b>11,141</b> | <b>9,751</b>  | <b>10,268</b> |
| <b>YoY</b>                          | <b>9%</b>     | <b>6%</b>     | <b>-5%</b>    | <b>-12%</b>   | <b>-24%</b>   | <b>46%</b>    | <b>26%</b>    | <b>48%</b>    | <b>36%</b>    |
| <b>Adjusted PAT*</b>                | <b>7,677</b>  | <b>6,961</b>  | <b>8,854</b>  | <b>6,592</b>  | <b>7,532</b>  | <b>8,813</b>  | <b>11,408</b> | <b>9,797</b>  | <b>10,295</b> |
| <b>YoY</b>                          | <b>-7%</b>    | <b>-5%</b>    | <b>-4%</b>    | <b>-12%</b>   | <b>-2%</b>    | <b>27%</b>    | <b>29%</b>    | <b>49%</b>    | <b>37%</b>    |
| <b>% to sales</b>                   | <b>Q2FY25</b> | <b>Q3FY25</b> | <b>Q4FY25</b> | <b>Q1FY26</b> | <b>Q2FY26</b> | <b>Q3FY26</b> | <b>Q4FY26</b> | <b>Q1FY27</b> | <b>Q2FY27</b> |
| Gross margin                        | 56.4%         | 56.2%         | 55.7%         | 55.0%         | 54.2%         | 55.5%         | 55.5%         | 57.1%         | 56.9%         |
| Staff cost                          | 9.9%          | 10.4%         | 9.6%          | 10.2%         | 9.5%          | 10.5%         | 7.7%          | 9.0%          | 8.4%          |
| Other expenses                      | 24.1%         | 23.1%         | 21.6%         | 23.6%         | 23.0%         | 24.2%         | 21.8%         | 24.2%         | 24.8%         |
| EBITDA margin                       | 23.0%         | 23.2%         | 25.5%         | 21.7%         | 22.0%         | 21.3%         | 26.3%         | 24.2%         | 23.8%         |

Source: Company, JM Financial \*Adjusted profit = Reported profit adjusted for exceptional item\*(1-tax rate)

Exhibit 3: Five-year average PE Band



Source: Bloomberg, JM Financial

Exhibit 4: Ten-year average PE Band



Source: Bloomberg, JM Financial

Exhibit 5: Changes in estimates

| INR mn | Revised  |          |          | Earlier  |          |          | Change (%) |       |       |
|--------|----------|----------|----------|----------|----------|----------|------------|-------|-------|
|        | FY27E    | FY28E    | FY29E    | FY27E    | FY28E    | FY29E    | FY27E      | FY28E | FY29E |
| Sales  | 2,66,559 | 2,90,269 | 3,16,393 | 2,63,698 | 2,89,046 | 3,15,156 | 1.1%       | 0.4%  | 0.4%  |
| EBITDA | 64,563   | 70,451   | 77,223   | 64,179   | 71,044   | 77,847   | 0.6%       | -0.8% | -0.8% |
| PAT    | 41,648   | 45,904   | 50,966   | 41,533   | 46,548   | 51,681   | 0.3%       | -1.4% | -1.4% |
| EPS    | 21.6     | 23.8     | 26.4     | 21.5     | 24.1     | 26.8     | 0.3%       | -1.4% | -1.4% |

Source: JM Financial

# NEST - Financial Tables (Standalone)

| Income Statement (INR mn)   |                |                |                |                |                |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| Y/E Mar                     | FY25A          | FY26A          | FY27E          | FY28E          | FY29E          |
| Net Sales                   | 200,775        | 230,715        | 266,559        | 290,269        | 316,393        |
| Sales Growth (%)            | -17.3          | 14.9           | 15.5           | 8.9            | 9.0            |
| Other Operating Income      | 1,241          | 831            | 800            | 871            | 949            |
| <b>Total Revenue</b>        | <b>202,016</b> | <b>231,546</b> | <b>267,359</b> | <b>291,140</b> | <b>317,342</b> |
| Cost of Goods Sold/Op. Exp  | 87,498         | 103,413        | 116,029        | 126,615        | 137,819        |
| Personnel Cost              | 20,237         | 21,658         | 23,391         | 25,379         | 27,536         |
| Other Expenses              | 46,543         | 53,414         | 63,375         | 68,694         | 74,763         |
| <b>EBITDA</b>               | <b>47,737</b>  | <b>53,061</b>  | <b>64,563</b>  | <b>70,451</b>  | <b>77,223</b>  |
| EBITDA Margin (%)           | 23.6           | 22.9           | 24.1           | 24.2           | 24.3           |
| EBITDA Growth (%)           | -18.4          | 11.2           | 21.7           | 9.1            | 9.6            |
| Depn. & Amort.              | 5,399          | 6,992          | 7,857          | 8,361          | 8,815          |
| EBIT                        | 42,338         | 46,068         | 56,707         | 62,091         | 68,408         |
| Other Income                | -              | -              | -              | -              | -              |
| Finance Cost                | 1,360          | 1,583          | 1,657          | 1,623          | 1,640          |
| PBT before Excep. & Forex   | 41,567         | 44,889         | 55,903         | 61,616         | 68,411         |
| Excep. & Forex Inc./Loss(-) | -              | -              | -              | -              | -              |
| PBT                         | 41,567         | 44,889         | 55,903         | 61,616         | 68,411         |
| Taxes                       | 11,330         | 10,651         | 14,255         | 15,712         | 17,445         |
| Extraordinary Inc./Loss(-)  | 2,908          | 1,208          | -              | -              | -              |
| Assoc. Profit/Min. Int.(-)  | -              | -              | -              | -              | -              |
| Reported Net Profit         | 33,145         | 35,446         | 41,648         | 45,904         | 50,966         |
| <b>Adjusted Net Profit</b>  | <b>30,237</b>  | <b>34,238</b>  | <b>41,648</b>  | <b>45,904</b>  | <b>50,966</b>  |
| Net Margin (%)              | 15.0           | 14.8           | 15.6           | 15.8           | 16.1           |
| Diluted Share Cap. (mn)     | 1,928          | 1,928          | 1,928          | 1,928          | 1,928          |
| <b>Diluted EPS (INR)</b>    | <b>15.7</b>    | <b>17.8</b>    | <b>21.6</b>    | <b>23.8</b>    | <b>26.4</b>    |
| Diluted EPS Growth (%)      | -23.0          | 13.2           | 21.6           | 10.2           | 11.0           |
| Total Dividend + Tax        | 13,016         | 32,781         | 38,568         | 42,425         | 46,282         |
| Dividend Per Share (INR)    | 6.7            | 17.0           | 20.0           | 22.0           | 24.0           |

Source: Company, JM Financial

| Cash Flow Statement (INR mn) |                |                |                |                |                |
|------------------------------|----------------|----------------|----------------|----------------|----------------|
| Y/E Mar                      | FY25A          | FY26A          | FY27E          | FY28E          | FY29E          |
| Profit before Tax            | 41,567         | 44,889         | 55,903         | 61,616         | 68,411         |
| Depn. & Amort.               | 5,678          | 5,399          | 6,992          | 7,857          | 8,361          |
| Net Interest Exp. / Inc. (-) | -25            | 771            | 1,180          | 804            | 475            |
| Inc (-) / Dec in WCap.       | -7,112         | 7,930          | 863            | 3,814          | 4,054          |
| Others                       | -858           | 2,199          | -527           | -893           | -1,129         |
| Taxes Paid                   | -9,905         | -10,713        | -14,255        | -15,712        | -17,445        |
| <b>Operating Cash Flow</b>   | <b>29,345</b>  | <b>50,476</b>  | <b>50,155</b>  | <b>57,485</b>  | <b>62,727</b>  |
| Capex                        | -20,044        | -8,263         | -7,000         | -6,000         | -6,000         |
| Free Cash Flow               | 9,301          | 42,213         | 43,155         | 51,485         | 56,727         |
| Inc (-) / Dec in Investments | -1,491         | 1,701          | -              | -              | -              |
| Others                       | 3,426          | 325            | 210            | -412           | 1,077          |
| <b>Investing Cash Flow</b>   | <b>-18,109</b> | <b>-6,237</b>  | <b>-6,790</b>  | <b>-6,412</b>  | <b>-4,923</b>  |
| Inc / Dec (-) in Capital     | -              | -              | -              | -              | -              |
| Dividend + Tax thereon       | -24,586        | -23,140        | -38,568        | -42,425        | -46,282        |
| Inc / Dec (-) in Loans       | 7,222          | -7,289         | -35            | 220            | 231            |
| Others                       | -1,099         | -1,366         | -1,657         | -1,623         | -1,640         |
| <b>Financing Cash Flow</b>   | <b>-18,463</b> | <b>-31,795</b> | <b>-40,259</b> | <b>-43,827</b> | <b>-47,690</b> |
| <b>Inc / Dec (-) in Cash</b> | <b>-7,227</b>  | <b>12,444</b>  | <b>3,106</b>   | <b>7,246</b>   | <b>10,114</b>  |
| Opening Cash Balance         | 8,183          | 965            | 13,409         | 16,515         | 23,761         |
| Closing Cash Balance         | 957            | 13,409         | 16,515         | 23,761         | 33,874         |

Source: Company, JM Financial

| Balance Sheet (INR mn)                            |               |               |               |               |               |
|---------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Y/E Mar                                           | FY25A         | FY26A         | FY27E         | FY28E         | FY29E         |
| Shareholders Fund                                 | 41,172        | 53,092        | 56,172        | 59,651        | 64,336        |
| Share Capital                                     | 964           | 1,928         | 1,928         | 1,928         | 1,928         |
| Reserves & Surplus                                | 40,207        | 51,164        | 54,244        | 57,723        | 62,408        |
| Preference Share Capital                          | -             | -             | -             | -             | -             |
| Minority Interest                                 | -             | -             | -             | -             | -             |
| Total Loans                                       | 7,533         | 244           | -             | -             | -             |
| Def. Tax Liab. / Assets (-)                       | 536           | 865           | 865           | 865           | 865           |
| Other non-current liabilities / Lease Liabilities | 4,135         | 4,197         | 4,407         | 4,627         | 4,859         |
| <b>Total - Equity &amp; Liab.</b>                 | <b>52,840</b> | <b>57,534</b> | <b>60,579</b> | <b>64,278</b> | <b>69,195</b> |
| Net Fixed Assets                                  | 60,982        | 62,545        | 62,704        | 61,411        | 59,702        |
| Gross Fixed Assets                                | 79,949        | 94,931        | 101,931       | 107,931       | 113,931       |
| Intangible Assets                                 | -             | -             | -             | -             | -             |
| Less: Depn. & Amort.                              | 30,692        | 37,456        | 44,297        | 51,590        | 59,299        |
| Capital WIP                                       | 11,726        | 5,070         | 5,070         | 5,070         | 5,070         |
| Investments                                       | 17,032        | 7,056         | 7,056         | 7,056         | 7,056         |
| Current Assets                                    | 39,746        | 58,542        | 67,163        | 78,253        | 92,559        |
| Inventories                                       | 28,501        | 25,692        | 30,032        | 32,703        | 35,647        |
| Sundry Debtors                                    | 3,632         | 3,295         | 3,662         | 3,988         | 4,347         |
| Cash & Bank Balances                              | 957           | 13,409        | 16,515        | 23,761        | 33,874        |
| Loans & Advances                                  | 6,656         | 16,146        | 16,953        | 17,801        | 18,691        |
| Other Current Assets                              | -             | -             | -             | -             | -             |
| Current Liab. & Prov.                             | 69,863        | 75,172        | 80,743        | 87,554        | 94,910        |
| Current Liabilities                               | 23,735        | 29,667        | 32,962        | 35,894        | 39,124        |
| Provisions & Others                               | 46,128        | 45,506        | 47,781        | 51,660        | 55,786        |
| Net Current Assets                                | -30,118       | -16,631       | -13,581       | -9,301        | -2,351        |
| Other Non Current Assets/ROU Assets               | 5,480         | 5,429         | 5,265         | 5,977         | 5,653         |
| <b>Total - Assets</b>                             | <b>52,840</b> | <b>57,534</b> | <b>60,579</b> | <b>64,278</b> | <b>69,195</b> |

Source: Company, JM Financial

| DuPont Analysis     |       |       |       |       |       |
|---------------------|-------|-------|-------|-------|-------|
| Y/E Mar             | FY25A | FY26A | FY27E | FY28E | FY29E |
| Net Margin (%)      | 15.0  | 14.8  | 15.6  | 15.8  | 16.1  |
| Asset Turnover (x)  | 4.5   | 4.1   | 4.5   | 4.6   | 4.7   |
| Leverage Factor (x) | 1.2   | 1.2   | 1.1   | 1.1   | 1.1   |
| RoE (%)             | 81.1  | 72.6  | 76.2  | 79.3  | 82.2  |

Source: Company, JM Financial

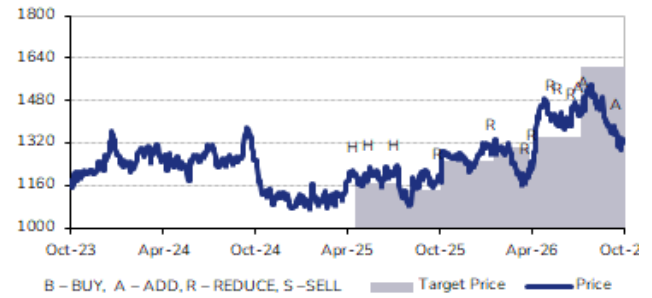
| Key Ratios          |       |       |       |       |       |
|---------------------|-------|-------|-------|-------|-------|
| Y/E Mar             | FY25A | FY26A | FY27E | FY28E | FY29E |
| BV/Share (INR)      | 21.4  | 27.5  | 29.1  | 30.9  | 33.4  |
| ROIC (%)            | 148.5 | 110.5 | 129.0 | 150.6 | 195.1 |
| ROE (%)             | 81.1  | 72.6  | 76.2  | 79.3  | 82.2  |
| Net Debt/Equity (x) | 0.2   | -0.2  | -0.3  | -0.4  | -0.5  |
| P/E (x)             | 74.2  | 69.4  | 59.1  | 53.6  | 48.3  |
| P/B (x)             | 59.8  | 46.3  | 43.8  | 41.2  | 38.2  |
| EV/EBITDA (x)       | 51.7  | 46.1  | 41.1  | 37.5  | 34.1  |
| EV/Sales (x)        | 12.2  | 10.6  | 9.9   | 9.1   | 8.3   |
| Debtor days         | 5     | 6     | 4     | 5     | 5     |
| Inventory days      | 38    | 45    | 35    | 38    | 38    |
| Creditor days       | 53    | 49    | 53    | 55    | 55    |

Source: Company, JM Financial

## NEST – Recommendation history table

| Date      | Recommendation | Target Price | % Change |
|-----------|----------------|--------------|----------|
| 5-Oct-26  | ADD            | 1,610        | 0.0      |
| 4-Aug-26  | ADD            | 1,610        | 0.0      |
| 22-Jul-26 | ADD            | 1,610        | 19.7     |
| 6-Jul-26  | REDUCE         | 1,345        | 0.0      |
| 8-Jun-26  | REDUCE         | 1,345        | 0.0      |
| 26-May-26 | REDUCE         | 1,345        | 0.0      |
| 21-Apr-26 | REDUCE         | 1,345        | 8.0      |
| 7-Apr-26  | REDUCE         | 1,245        | -4.6     |
| 30-Jan-26 | REDUCE         | 1,305        | 4.4      |
| 16-Oct-25 | REDUCE         | 1,250        | 9.2      |
| 24-Jul-25 | HOLD           | 1,145        | -2.1     |
| 3-Jun-25  | HOLD           | 1,170        | 0.0      |
| 1-May-25  | HOLD           | 1,170        |          |

## NEST – Recommendation history chart



# APPENDIX I

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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| Rating System: Definition of ratings |                                                                     |
|--------------------------------------|---------------------------------------------------------------------|
| Rating                               | Meaning                                                             |
| BUY                                  | Expected return $\geq$ 15% over the next twelve months.             |
| ADD                                  | Expected return $\geq$ 5% and $<$ 15% over the next twelve months.  |
| REDUCE                               | Expected return $\geq$ -10% and $<$ 5% over the next twelve months. |
| SELL                                 | Expected return $<$ -10% over the next twelve months.               |

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

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