

**STOCK UPDATE**

Result Update - Q4FY2026

**SECTOR**

Consumer Goods

**COMPANY DETAILS**

Market cap:	Rs. 2,69,135 cr
52-week high/low:	Rs. 1424/1085
NSE volume: (No of shares)	11.4 lakh
BSE code:	500790
NSE code:	NESTLEIND
Free float: (No of shares)	71.8 cr

Source: NSE, BSE, Mirae Asset Sharekhan Research

**SHAREHOLDING (%)**

Promoters	62.8
FII	10.9
DII	12.4
Others	13.9

Source: NSE, BSE, Mirae Asset Sharekhan Research

**PRICE CHART**


Source: NSE, BSE, Mirae Asset Sharekhan Research

**PRICE PERFORMANCE**

(%)	1m	3m	6m	12m
Absolute	19.6	6.9	8.4	16.0
Relative to Sensex	11.6	11.5	15.4	17.3

Source: Mirae Asset Sharekhan Research, Bloomberg

 Reco/View: **BUY**

 CMP: **Rs. 1,396**

 Price Target: **Rs. 1,575**
**Quick Snapshot**

- Nestle's Q4FY26 numbers were strong beat on all fronts with volume-led y-o-y revenue growth of 22.6%, OPM rising 102 bps y-o-y to 26.3% and adjusted PAT up by 28.9% y-o-y.
- Revenue growth was broad-based across categories, supported by strong execution and disciplined resource allocation driving penetration and premiumization, while margin expansion was led by operating leverage.
- We expect better volume performance, brand investments, strengthening distribution, increasing capacity, and GST reduction across portfolio to drive growth. Volatile commodity prices are likely to keep a check on near-term margins.
- Stock trades at 67x/58x its FY27E/FY28E EPS, respectively. We maintain a Buy rating with a revised PT of Rs. 1,575.

**Result overview**

- Standalone revenue grew 22.6% y-o-y to Rs. 6,748 crore, beating our expectations of Rs. 6,288 crore, driven by 23.1% y-o-y growth in the domestic business while export sales grew by 31% y-o-y. Revenue growth was volume-driven with market share gains across most categories.
- Gross margins fell by 48 bps y-o-y to 55.7%, on input cost inflation. Despite a decline in gross margin and higher ad spends, OPM rose 102 bps y-o-y to 26.3% (beating expectations of 24.5%) mainly aided by operating efficiencies.
- Operating profit growth of 27.5% y-o-y to Rs. 1,772 crore, higher other income and lower interest cost led to 28.9% y-o-y growth in the adjusted PAT to Rs. 1,141 crore, ahead of our expectation of Rs. 996 crore. Reported PAT grew by 25.8% y-o-y to Rs. 1,114 crore.
- FY26 revenue grew 14.6% y-o-y to Rs. 23,155 crore, OPM fell by 61 bps y-o-y to 22.9% and adjusted PAT grew by 12.1% y-o-y to Rs. 3,454 crore.
- Board has recommended a final dividend of Rs. 5 per share for FY26.

**Our Call**

Strong position in the domestic foods market, innovative product portfolio, focus on distribution expansion, capacity expansion and improving out-of-home consumption will help Nestle compete and achieve better growth in a stable demand environment. Volatile commodity prices are likely to keep a check on margins in the near term. However, Nestle's strong pricing power and cost-saving strategies might help it to mitigate margin pressure. Stock trades at 67x/58x its FY27E/FY28E EPS, respectively. We maintain a Buy rating with a revised PT of Rs. 1,575.

**Key Risks**

Delay in demand recovery or regulatory hurdles in key food categories or a rise in key input prices would act as a risk to our earnings estimates.

**Valuation (Standalone)**

	Rs cr				
Particulars	FY24 (15M)	FY25	FY26	FY27E	FY28E
Revenue	24,394	20,202	23,155	26,421	29,471
OPM (%)	23.9	23.5	22.9	23.6	24.3
Adjusted PAT	3,928	3,082	3,454	4,010	4,669
Adj. diluted EPS (Rs.)*	16.3	16.0	17.9	20.8	24.2
P/E (x)	68.5	87.3	77.9	67.1	57.7
P/B (x)	-	65.4	50.7	49.3	42.9
EV/EBIDTA (x)	46.1	56.4	50.5	43.1	37.5
RoNW (%)*	108.4	82.6	73.3	74.5	79.6
RoCE (%)*	126.5	90.3	80.0	90.0	98.2

Source: Company; Mirae Asset Sharekhan estimates

#FY24 financials are for 15 months due to change in financial year from December 2023 to March 2024; \*FY24 figures adjusted for 12 months.

**Result highlights (FY26)**

- **Confectionery:** Grew in high double-digits in both value and volume terms driven by strong underlying transaction growth across power brands. Increased distribution, enhanced freshness through the visi-cooler program and innovations helped sustain this momentum. Confectionery saw strong distribution gains, while consumer-relevant brand activations drove penetration growth. The company launched KITKAT Pops, expanded the tablets range with MILKYBAR Butterscotch tablet, extended MUNCH MAX with the launch of MUNCH MAX Crunchies and expanded the premium KITKAT portfolio with the launch of KITKAT Salted Caramel and Hazelnut.
- **Powdered and liquid beverages:** Achieved another year of high double-digit growth, driven by increased coffee penetration, accelerated premiumization, and deeper category relevance across consumer segments, supported by strong brand equity and an expanded footprint. A clearly defined strategy focused on penetration and premiumisation continued to build the category across both ends of the spectrum while driving sustainable value creation. Accelerated ready-to-drink (RTD) journey with the launch of innovative Vietnamese Latte and Iced Cappuccino variants, reinforcing RTD as a key pillar of future growth.
- **Prepared dishes and cooking aids:** Posted strong volume-driven growth, fuelled by engaging urban consumers and expanding rural reach, leading to gains in both market share and penetration. Further, focused innovations such as 'Double Masala' and the expanded 'Spicy Range', together with increased media investments behind core brands, helped sustain and accelerate growth momentum.
- **Milk products and nutrition:** Segment clocked steady growth. The company expanded portfolio accessibility and value by introducing new and larger pack sizes across to support consumer needs. Everyday Dairy Whitener continued to strengthen the portfolio, with strong reach in South and East India.
- **Pet foods business:** Reported high double-digit growth, driven by a strong innovation pipeline to expand penetration and trials, wider distribution and a sharper focus on building deeper bonds between pets and pet parents.
- In the premium segment, NESPRESSO continued its growth path with the opening of its second boutique in India in Gurugram.
- **E-commerce:** Growth momentum continued, led by strong quick commerce performance—driven by improved availability, a curated platform-specific pack portfolio across relevant categories, targeted on and off-platform media interventions, and strong festive participation throughout the year.
- **Organised trade channel:** Nestle delivered double-digit growth across key categories, led by impactful in-store activations, improved visibility along with store expansion.
- **Nestlé professional (OOH):** Delivered sustained, penetration-led, volume-driven growth, reinforcing its position as one of Nestlé India's fastest-growing businesses.
- **Exports:** Company expanded to new markets, including the Maldives and Papua New Guinea, taking Nestlé India's export footprint to 28 countries.
- **Rural markets:** Nestle strengthened its route-to-market and accelerated reach expansion through a focused approach anchored on infrastructure, product portfolio, technology, visibility, consumer communication and people and expanded its presence to ~216,000 villages. Nestle shifted its focus from adding outlets to improving the effectiveness of coverage and execution quality.
- Over the last five years, MAGGI Noodles has consistently maintained its leadership position in the market, while KITKAT and NESCAFÉ have accelerated their market share growth.
- **Raw materials:** Coffee prices continue to trend lower, supported by a favourable crop in Vietnam and the forthcoming crop in Brazil. Cocoa prices remain subdued, reflecting improved supply and moderated demand. Sugar prices remain stable. Edible oil prices are firm and have moved higher in line with global crude oil prices, supported by increased diversion to biodiesel. Wheat has been affected by unseasonal rains in April, resulting in a delayed harvest and lower quantity and quality. Milk prices have firmed and are expected to remain elevated through the summer lean season.

**Results (Standalone)**

Particulars	Rs cr				
	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
<b>Net Sales</b>	<b>6,723.8</b>	<b>5,447.6</b>	<b>23.4</b>	<b>5,643.5</b>	<b>19.1</b>
Other Operating income	24.0	56.2	-57.3	23.5	2.2
<b>Total Revenue</b>	<b>6,747.8</b>	<b>5,503.9</b>	<b>22.6</b>	<b>5,667.0</b>	<b>19.1</b>
Raw Material Cost	2,989.9	2,412.4	23.9	2,508.8	19.2
Employee Cost	519.4	522.0	-0.5	591.0	-12.1
Other Expenses	1,466.9	1,180.5	24.3	1,365.2	7.5
Total Operating Cost	4,976.2	4,114.9	20.9	4,465.0	11.4
<b>Operating Profit</b>	<b>1,771.6</b>	<b>1,389.0</b>	<b>27.5</b>	<b>1,202.1</b>	<b>47.4</b>
Other Income	18.5	8.4	-	11.7	57.6
Interest & Other Financial Cost	36.8	37.5	-2.0	28.3	30.1
Depreciation	204.5	155.3	31.7	174.4	17.3
<b>Profit Before Tax</b>	<b>1,548.8</b>	<b>1,204.6</b>	<b>28.6</b>	<b>1,011.1</b>	<b>53.2</b>
Tax Expense	407.6	319.2	27.7	110.5	-
<b>Adjusted PAT</b>	<b>1,141.2</b>	<b>885.4</b>	<b>28.9</b>	<b>900.7</b>	<b>26.7</b>
Exceptional Items	27.1	0.0	-	-117.4	-
<b>Reported PAT</b>	<b>1,114.1</b>	<b>885.4</b>	<b>25.8</b>	<b>1,018.1</b>	<b>9.4</b>
Adj. diluted EPS (Rs)	5.9	4.6	28.9	4.7	26.7
			bps		bps
GPM (%)	55.7	56.2	-48	55.7	-4
OPM (%)	26.3	25.2	102	21.2	504
NPM (%)	16.5	16.1	42	18.0	-145
Tax rate (%)	26.3	26.5	-18	10.9	-

Source: Company; Mirae Asset Sharekhan Research

**Additional Data**
**Top 10 shareholders**

Sr. No.	Holder Name	Holding (%)
1	Life Insurance Corp of India	6.14
2	Vanguard Group Inc.	1.63
3	BlackRock Inc.	1.44
4	SBI Funds Management Co Ltd.	0.92
5	ICICI Prudential AMC Ltd.	0.75
6	UTI Asset Management Co Ltd.	0.61
7	Norges Bank	0.38
8	Nippon Life India AMC Ltd.	0.32
9	Goldman Sachs Group Inc.	0.29
10	Credit Agricole Group	0.25

Source: Bloomberg

**Key management personnel**

Name	Designation
Manish Tiwary	Chairman-Managing Director
Edouard Mac Nab	Executive Director – Finance and Control and CFO
Pramod Kumar Rai	Company Secretary and Compliance Officer

Source: Company Website

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