

**Long-Term Outlook Remains Intact; Maintain BUY**
**Est. Vs. Actual for Q1FY25** : Revenue – **MISS**; EBITDA – **MISS**; PAT – **MISS**
**Changes in Estimates post Q1FY25**
**CY24E/CY25E – Revenue NA\***; EBITDA NA\*; PAT NA\*

(Due to change in reporting in the previous quarter)

**Recommendation Rationale**

- **Weak set of numbers**: Nestle posted a weak set of numbers led by merely 1% volume growth. However, overall Revenue grew by 4% YoY largely led by price hikes. Management reiterated five out of 12 brands saw double-digit, with the beverage portfolio seeing stronger growth. The company's Gross margins improved by 310bps YoY to 56.7% owing to softer RM(ex. Coffee/cocoa) and price hikes. The company reported an EBITDA margin of 23.2%, up 40bps YoY, while PAT grew 7% YoY to Rs 747 Cr.
- **'Rurban' strategy**: The company reiterated that its 'Rurban' strategy has facilitated deeper penetration and distribution expansion in rural markets. It has successfully added over 800 new distribution touchpoints, including cash distributors, re-distributors, and wholesale hubs. As of June 2024, the company's reach extends to 205,000 villages, compared to 200,000 villages as of March 2024.

**Sector Outlook: Positive**
**Company Outlook: Positive**; We maintain our **BUY** recommendation on the stock as we remain positive about the company's future prospects, key downside risk to our call is continued volatility in coffee and cocoa prices.

**Current Valuation: 70x June-26 EPS (Earlier: 70x CY25 EPS)**
**Current TP: Rs 2,800/share (Earlier TP: Rs 2,880/share)**
**Recommendation**: With a 13% upside potential from the CMP, we maintain our **BUY** rating on the stock.

**Outlook**

We remain positive on Nestle from a long-term perspective, as current challenges (lower volume growth and volatility in raw material prices) are expected to be short-term in nature. With the rural market likely to recover in the coming quarters, Nestle is poised to benefit significantly, given its substantial expansion in rural presence over the past three years, increasing its reach from 110k to 200k villages. Additionally, its long-term initiatives include: 1) Efforts toward rural penetration and market share gains through the RURBAN strategy, 2) Constant focus on innovation (launching 125 products in the last seven years), thereby driving growth, 3) Driving premiumization in core categories (e.g., Maggi noodles range) and launching differentiated products, 4) Entering new categories of the future (e.g., Nespresso, Purina Pet Care, and Gerber's for toddler nutrition), 5) Introducing a D2C platform to engage consumer attention, and 6) Renewed focus on its fast-growing nutraceutical portfolio. We believe Nestle has all the right levers for long-term growth.

**Valuation & Recommendation**

We expect Nestle's Sales, EBITDA, and PAT to grow at 12%, 14%, and 15% CAGR over CY22-FY27E, respectively. **We maintain our BUY stance with a TP of Rs 2,800/share, representing a 13% upside from the CMP.**

**Key Financials (Standalone)**

(Rs Cr)	Q1FY25	QoQ (%)	YoY (%)	Axis Est.	Variance (%)
Net Sales	4,793	(8.8)	3.8	5,066	(5.4)
EBITDA	1,114	(17.4)	5.6	1,179	(5.5)
EBITDA Margin (%)	23.2	-242 bps	40 bps	23.3	-2 bps
Net Profit	747	(20.1)	6.9	791	(5.6)
EPS (Rs)	8	(20.1)	6.9	8	(5.6)

Source: Company, Axis Research

 (CMP as of 25<sup>th</sup> July 2024)

CMP (Rs)	2480
Upside /Downside (%)	13%
High/Low (Rs)	2770/2145
Market cap (Cr)	239149
Avg. daily vol.(6m)Shrs. '000	965
No. of shares (Cr)	96.4

**Shareholding (%)**

	Dec-23	Mar-24	Jun-24
Promoter	62.8	62.8	62.8
FIIs	12.1	12.1	11.9
MFs / UTI	4.9	4.5	4.4
FIs/Banks	0.0	0.0	0.1
Others	20.2	20.7	20.9

**Financial & Valuations**

Y/E Mar (Rs Cr)	FY25E	FY26E	FY27E
Net Sales	21,464	23,751	26,297
EBITDA	5,094	5,629	6,287
Net Profit	3,429	3,744	4,181
EPS (Rs)	35.6	38.8	43.4
PER (x)	69.7	63.9	57.2
EV/EBITDA (x)	47.0	42.3	37.7
P/BV (x)	57.4	45.9	35.7
ROE (%)	82.3	71.8	62.5

**Change in Estimates (%)**

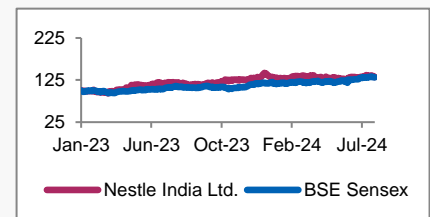
Y/E Mar	FY25E	FY26E
Sales	NA	NA
EBITDA	NA	NA
PAT	NA	NA

**ESG disclosure Score\*\***

Environmental Disclosure	19.09
Social Disclosure Score	24.40
Governance Disclosure Score	78.60
<b>Total ESG Disclosure Score</b>	<b>40.74</b>
<b>Sector Average</b>	<b>40.54</b>

Source: Bloomberg, Scale: 0.1-100

\*\*Note: This score measures the amount of ESG data a company reports publicly and does not measure the company's performance on any data point. All scores are based on 2022 disclosures

**Relative performance**


Source: Ace Equity, Axis Securities

**Preeyam Tolia**

 Research Analyst  
 email: preeyam.tolia@axissecurities.in

**SuhaneeShome**

 Research Associate  
 email: suhanee.shome@axissecurities.in

## Financial Performance

Nestle delivered a weak set of numbers. Domestic revenue grew by 4% YoY and exports de-grew 7% YoY. Gross margins improved by 303bps YoY to 56.7% owing to softer RM and price hikes. It reported EBITDA margins of 23.2%, up 40bps YoY. The company's adjusted PAT grew 7% YoY to Rs 747 cr.

## Other Highlights

- **Out of home:** Despite the extreme weather conditions across India. Out-of-home business continued its growth momentum fuelled by portfolio transformation, innovations, penetration and premiumisation.
- **Other channels:** E-commerce continued its upward trajectory, contributing to 7.5% of domestic sales led by KITKAT, NESCAFÉ, MAGGI, Masala-Ae-Magic, MILKMAID and RTD. Their Masala-Ae-Magic and KITKAT portfolio grew by double-digit growth. Milk products and Nutrition portfolio also maintained growth.
- **Organized Trade:** Retail business grew in double digits, led by value-added noodles, beverages and overall premiumization.
- **Export:** Export business de-grew by 7% YoY in Q1FY25. Although it expanded its footprint by introducing new SKUs to USA markets, Canada, the Middle East and North Africa. In addition, they also introduced exports of breakfast cereals such as KOKO KRUNCH and NESTLE GOLD Oats and Corn Flakes.
- **New Collaboration** - Nestle has made a successful collaboration with SOCIAL for the plant-based range. Also in addition, they have launched a new special Korean Noodles menu across all SOCIAL outlets pan India.

## Product Performance

- **Prepared Dishes and Cooking Aids** has maintained its growth performance with innovations contributing to ~30% of the growth in Q1FY25.
- **Confectionary:** MUNCH continued to make regional inroads. Category-first initiatives were initiated on OTT platforms for KITKAT, while MUNCH entered a movie partnership.
- **Beverages:** The company's beverages portfolio performed robustly across all products. NESCAFÉ Sunrise gained traction in South India, strengthening NESCAFÉ's leadership position in the market with increased market share and significant household penetration gains. The recently launched NESCAFÉ Roastery has further bolstered the premium coffee portfolio, and NESCAFÉ Classic achieved double-digit growth.
- **Petcare Business:** Felix Wet Cat Food continued to receive positive responses from trade and cat parents. A strong focus on e-commerce and quick commerce has helped in reaching out to more pet families.

## Key Risks to Our Estimates and TP

- Increase in competitive intensity;
- RM inflation;
- Weakening of demand environment

### Change in Estimates

	Old est.		Revised est.		% Revision	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	NA	NA	23,751	26,297	NA	NA
EBITDA	NA	NA	5,629	6,287	NA	NA
PAT	NA	NA	3,744	4,181	NA	NA
EPS (Rs)	NA	NA	39	43	NA	NA

Source: Company, Axis Securities

### Results Review

(Rs Cr)	Q1FY24	Q4FY24	Axis Sec Est.	Q1FY25	YoY growth (%)	QoQ growth (%)	Axis Sec Est. (Var %)
Volume growth (% YoY)	5	5	5	1			
<b>Net Sales</b>	<b>4,620</b>	<b>5,254</b>	<b>5,066</b>	<b>4,793</b>	<b>3.8</b>	<b>(8.8)</b>	<b>(5.4)</b>
Gross Profits	2,514	2,979	2,786	2,754	9.5	(7.5)	(1.2)
Gross Margin (%)	54.4	56.7	55.0	57.5	303 bps	78 bps	246 bps
Staff costs	457	487	503	505	10.5	3.8	0.5
Other operating expenses	1,041	1,156	1,124	1,155	11.0	(0.1)	2.8
<b>EBITDA</b>	<b>1,056</b>	<b>1,349</b>	<b>1,179</b>	<b>1,114</b>	<b>5.6</b>	<b>(17.4)</b>	<b>(5.5)</b>
<b>EBITDA margin (%)</b>	<b>22.8</b>	<b>25.7</b>	<b>23.3</b>	<b>23.2</b>	<b>40 bps</b>	<b>-242 bps</b>	<b>-2 bps</b>
Depreciation	107	109	114	113	5.0	3.5	(1.4)
Interest Cost	33	26	26	32	(3.4)	20.9	20.9
Other Income	24	27	31	39	63.3	46.2	27.2
PBT	939	1,241	1,069	1,009	7.4	(18.7)	(5.6)
Tax	241	316	278	262	8.9	(17.1)	(5.6)
Tax rate (%)	25.7	25.5	26.0	26.0	35 bps	50 bps	1 bps
<b>Reported PAT</b>	<b>698</b>	<b>934</b>	<b>791</b>	<b>747</b>	<b>6.9</b>	<b>(20.1)</b>	<b>(5.6)</b>
<b>EPS (Rs.)</b>	<b>7</b>	<b>10</b>	<b>8</b>	<b>8</b>	<b>6.9</b>	<b>(20.1)</b>	<b>(5.6)</b>

Source: Company, Axis Securities

## Financials (Standalone)

### Profit & Loss

(Rs Cr)

Y/E Mar, Rs. cr	FY24	FY25E	FY26E	FY27E
<b>Net sales</b>	<b>24,275</b>	<b>21,464</b>	<b>23,751</b>	<b>26,297</b>
Growth, %	45	(12)	11	11
Other operating income	118	107	117	129
Total income	24,394	21,570	23,868	26,426
Raw material expenses	(10,709)	(9,531)	(10,531)	(11,584)
Employee expenses	(2,336)	(2,032)	(2,256)	(2,504)
Other Operating expenses	(5,529)	(4,913)	(5,451)	(6,050)
<b>EBITDA (Core)</b>	<b>5,820</b>	<b>5,094</b>	<b>5,629</b>	<b>6,287</b>
Growth, %	57	(12)	11	12
Margin, %	24	24	24	24
Depreciation	(538)	(477)	(589)	(659)
<b>EBIT</b>	<b>5,282</b>	<b>4,617</b>	<b>5,040</b>	<b>5,628</b>
Growth, %	60	(13)	9	12
Margin, %	22	22	21	21
Interest paid	(145)	(116)	(122)	(128)
Other Income	148	133	141	150
Non-recurring Items	(4)	-	-	-
<b>Pre-tax profit</b>	<b>5,280</b>	<b>4,634</b>	<b>5,059</b>	<b>5,650</b>
Tax provided	(1,356)	(1,205)	(1,315)	(1,469)
<b>Profit after tax</b>	<b>3,924</b>	<b>3,429</b>	<b>3,744</b>	<b>4,181</b>
Unadj. shares (cr)	96	96	96	96

Source: Company, Axis Securities

### Balance Sheet

(Rs Cr)

Y/E Mar, Rs. Cr	FY24	FY25E	FY26E	FY27E
Cash & bank	779	(119)	837	2,336
Marketable securities at cost	40	40	40	40
Debtors	300	235	260	288
Inventory	2,089	1,847	2,044	2,263
Loans & advances	76	76	76	76
Other current assets	275	275	275	275
Total current assets	3,559	2,354	3,532	5,278
Investments	424	424	424	424
Gross fixed assets	6,119	8,319	9,319	10,319
Less: Depreciation	(2,658)	(3,135)	(3,724)	(4,383)
Add: Capital WIP	1,742	1,742	1,742	1,742
Net fixed assets	5,202	6,925	7,336	7,677
Non-current assets	1,338	1,338	1,338	1,338
<b>Total assets</b>	<b>10,523</b>	<b>11,041</b>	<b>12,629</b>	<b>14,717</b>
Current liabilities	3,918	3,947	4,216	4,516
Provisions	2,917	2,579	2,854	3,160
Total current liabilities	6,835	6,526	7,070	7,676
Non-current liabilities	347	347	347	347
Total liabilities	7,182	6,873	7,418	8,024
Paid-up capital	96	96	96	96
Reserves & surplus	3,244	4,071	5,115	6,597
Shareholders' equity	3,341	4,167	5,212	6,693
<b>Total equity &amp; liabilities</b>	<b>10,523</b>	<b>11,041</b>	<b>12,629</b>	<b>14,717</b>

Source: Company, Axis Securities

**Cash Flow**

(Rs Cr)

Y/E Mar, Rs. Cr	FY24	FY25E	FY26E	FY27E
Pre-tax profit	5,280	4,634	5,059	5,650
Depreciation	538	477	589	659
Chg in working capital	396	(2)	322	359
Total tax paid	(1,313)	(1,205)	(1,315)	(1,469)
Other operating activities	-	-	-	-
<b>Cash flow from operating activities</b>	<b>4,901</b>	<b>3,905</b>	<b>4,655</b>	<b>5,199</b>
Capital expenditure	(2,338)	(2,200)	(1,000)	(1,000)
<b>Chg in investments</b>	<b>136</b>	<b>-</b>	<b>-</b>	<b>-</b>
Chg in marketable securities	177	-	-	-
Other investing activities	-	-	-	-
Cash flow from investing activities	<b>(2,024)</b>	<b>(2,200)</b>	<b>(1,000)</b>	<b>(1,000)</b>
Free cash flow	2,877	1,705	3,655	4,199
Equity raised/(repaid)	(837)	-	-	-
Debt raised/(repaid)	(1)	-	-	-
Dividend (incl. tax)	(21,208)	(2,603)	(2,699)	(2,699)
Other financing activities	-	-	-	-
<b>Cash flow from financing activities</b>	<b>(22,047)</b>	<b>(2,603)</b>	<b>(2,699)</b>	<b>(2,699)</b>
<b>Net chg in cash</b>	<b>(19,170)</b>	<b>(898)</b>	<b>956</b>	<b>1,499</b>
<b>Opening cash balance</b>	<b>946</b>	<b>779</b>	<b>(119)</b>	<b>837</b>
<b>Closing cash balance</b>	<b>779</b>	<b>(119)</b>	<b>837</b>	<b>2,336</b>

Source: Company, Axis Securities

**Ratio Analysis**

(%)

Y/E Mar	FY24	FY25E	FY26E	FY27E
EPS (INR)	40.8	35.6	38.8	43.4
Growth, %	64.3	(12.7)	9.2	11.7
Book NAV/share (INR)	34.7	43.2	54.1	69.4
FDEPS (INR)	40.8	35.6	38.8	43.4
CEPS (INR)	46.4	40.5	44.9	50.2
CFPS (INR)	48.2	39.1	46.8	52.4
DPS (INR)	220.0	27.0	28.0	28.0
<b>Return ratios</b>				
Return on assets (%)	41.7	32.9	32.7	31.5
Return on equity (%)	117.6	82.3	71.8	62.5
Return on capital employed (%)	64.9	51.8	49.9	46.3
<b>Turnover ratios</b>				
Asset turnover (x)	7.7	4.8	4.5	4.7
Sales/Total assets (x)	2.5	2.0	2.0	1.9
Sales/Net FA (x)	5.6	3.5	3.3	3.5
Receivable days	4.5	4.0	4.0	4.0
Inventory days	31.4	31.4	31.4	31.4
Payable days	44.0	52.1	52.1	52.2
Working capital days	(17.7)	(25.7)	(24.0)	(22.4)
<b>Liquidity ratios</b>				
Current ratio (x)	0.9	0.6	0.8	1.2
Quick ratio (x)	0.4	0.1	0.4	0.7
Interest cover (x)	36.3	39.7	41.2	43.9
Total debt/Equity (%)	0.0	0.0	0.0	0.0
Net debt/Equity (%)	(0.2)	0.0	(0.2)	(0.4)
<b>Valuation</b>				
PER (x)	60.9	69.7	63.9	57.2
PEG (x) - y-o-y growth	0.9	(5.5)	7.0	4.9
Price/Book (x)	71.6	57.4	45.9	35.7
EV/Net sales (x)	9.8	11.1	10.0	9.0
EV/EBITDA (x)	40.9	47.0	42.3	37.7
EV/EBIT (x)	45.1	51.8	47.3	42.1

Source: Company, Axis Securities

## Nestle India Price Chart and Recommendation History



Date	Reco	TP	Research
17-Feb-23	BUY	22,00	Result Update
26-Apr-23	BUY	23,00	Result Update
28-Jul-23	BUY	24,60	Result Update
26-Oct-23	BUY	26,90	Result Update
02-Feb-24	BUY	2,800	Top Picks
08-Feb-24	BUY	2,800	Result Update
01-Mar-24	BUY	2,800	Top Picks
01-Apr-24	BUY	2,800	Top Picks
26-Apr-24	BUY	2,880	Result Update
02-May-24	BUY	2,880	Top Picks
03-Jun-24	BUY	2,880	Top Picks
01-Jul-24	BUY	2,880	Top Picks
26-Jul-24	BUY	2,800	Result Update

Source: Axis Securities

Axis Securities Limited is a subsidiary company of Axis Bank Ltd. Axis Bank Ltd. is a listed public company and one of India's largest private sector banks and has its various subsidiaries engaged in businesses of Asset management, NBFC, Merchant Banking, Trusteeship, Venture Capital, and Stock Broking, the details in respect of which are available on [www.axisbank.com](http://www.axisbank.com).

Axis Securities Limited, is registered as a

- Stock Broker, Depository Participant, Portfolio Manager, Investment Adviser and Research Analyst with Securities and Exchange Board of India
- Corporate Agent with Insurance Regulatory and Development Authority of India
- Point of Presence with Pension Fund Regulatory and Development Authority
- Distributor for Mutual Funds with AMFI

Registration Details:

SEBI Single Reg. No.- NSE, BSE, MSEI, MCX & NCDEX – INZ000161633 | SEBI Depository Participant Reg. No. IN-DP-403-2019 | Portfolio Manager Reg. No.- INP000000654 | Investment Advisor Reg No. INA000000615 | SEBI-Research Analyst Reg. No. INH000000297 | IRDA Corporate Agent (Composite) Reg. No. CA0073 | PFRDA – POP Reg. No. POP387122023 | Mutual Fund Distributor ARN- 64610.

Compliance Officer Details: Name – Mr. Jatin Sanghani, Tel No. – 022-68555574, Email id – [compliance.officer@axisdirect.in](mailto:compliance.officer@axisdirect.in).; Registered Office Address – Axis House, 8th Floor, Wadia International Centre, P.B. Marg, Worli, Mumbai-400025.

Corporate Office Address – Axis Securities Limited, Unit No.002 A, Ground Floor, Agastya Corporate Park- Piramal Realty, Near Phoenix Market City Mall, Kurla (W), Mumbai – 400070.

Administrative office address: Aurum Q Parc, Q2 Building, Unit No. 1001, 10th Floor, Level – 6, Plot No. 4/1 TTC, Thane – Belapur Road, Ghansoli, Navi Mumbai, Pin Code – 400710.

In case of any grievances please call us at 022-40508080 or write to us [helpdesk@axisdirect.in](mailto:helpdesk@axisdirect.in).

We hereby declare that our activities were neither suspended nor we have defaulted with any stock exchange authority with whom we are registered in last five years. However, SEBI, Exchanges, Clearing Corporations and Depositories etc. have conducted the routine inspection and based on their observations have issued advise/warning/show cause notices/deficiency letters/ or levied penalty or imposed charges for certain deviations observed in inspections or in normal course of business, as a Stock Broker / Depository Participant/Portfolio Manager. We have not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has our certificate of registration been cancelled by SEBI at any point of time.

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

By referring to any particular sector, Axis Securities does not provide any promise or assurance of favourable view for a particular industry or sector or business group in any manner.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors. Our research should not be considered as an advertisement or advice, professional or otherwise. This research report and its respective content by Axis Securities made available on this page or otherwise do not constitute an offer to sell or purchase or subscribe for any securities or solicitation of any investments or investment services for the residents of Canada and / or USA or any jurisdiction where such an offer or solicitation would be illegal.

Subject company (ies) may have been client during twelve months preceding the date of distribution of the research report. Derivatives are a sophisticated investment device. The investor is requested to take into consideration all the risk factors before actually trading in derivative contracts.

Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment of its original date of publication by ASL and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments.

The information and opinions in this report have been prepared by Axis Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of Axis Securities. The report must not be used as a singular basis of any investment decision. The views herein are of a general nature and do not consider the risk appetite, investment objective or the particular circumstances of an individual investor. The investor is requested to take into consideration all the risk factors including their financial condition, suitability to risk return profile and the like and take professional advice before investing.

While we would endeavour to update the information herein on a reasonable basis, Axis Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Axis Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or Axis Securities policies, in circumstances where Axis Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained in good faith from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Axis Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Axis Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Axis Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months. Axis Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction. Axis Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months. Axis Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. Axis Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither Axis Securities nor Research Analysts and / or their relatives have any material conflict of interest at the time of publication of this report. Please note that Axis Securities has a proprietary trading desk. This desk maintains an arm's length distance with the Research team and all its activities are segregated from Research activities. The proprietary desk operates independently, potentially leading to investment decisions that may deviate from research views.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

Research Analyst may have served as an officer, director or employee of subject company(ies). Axis Securities or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report. Since associates of Axis Securities and Axis Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report. Axis Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Certain transactions -including those involving futures, options and other derivatives as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Reports based on technical analysis centres on studying charts of a stock's price movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals.

We and our affiliates/associates, officers, directors, and employees, Research Analyst(including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of Research Report or at the time of public appearance. Axis Securities may have proprietary long/short position in the above mentioned scrip(s) and therefore may be considered as interested. This should not be construed as invitation or solicitation to do business with Axis Securities. Axis Securities is also a Portfolio Manager. Portfolio Management Team (PMS) takes its investment decisions independent of the PCG research and accordingly PMS may have positions contrary to the PCG research recommendation.

RATING SCALE: Definitions of ratings

Ratings	Expected absolute returns over 12 – 18 months
BUY	More than 10%
HOLD	Between 10% and -10%
SELL	Less than -10%
NOT RATED	We have forward looking estimates for the stock, but we refrain from assigning valuation and recommendation.
UNDER REVIEW	We will revisit our recommendation, valuation and estimates on the stock following recent events
NO STANCE	We do not have any forward-looking estimates, valuation or recommendation for the stock

Note: Returns stated in the rating scale are our internal benchmark.

List of Research Analyst (Fundamental):

Sr. No	Name	Designation	Sector	E-mail
1	Neeraj Chadawar	Head of Research	All Sectors	neeraj.chadawar@axissecurities.in
2	Preeyam Tolia	Research Analyst	FMCG and Retail, Real Estate	preeyam.tolia@axissecurities.in
3	Omkar Tanksale	Research Analyst	IT, Telecom, Internet	omkar.tanksale@axissecurities.in
4	Uttamkumar Srimal	Research Analyst	Cement, Infra, Railway	uttamkumar.srimal@axissecurities.in
5	Ankush Mahajan	Research Analyst	Pharmaceutical, Hospital, Hotel	ankush.mahajan@axissecurities.in
6	Dnyanada Vaidya	Research Analyst	BFSI	dnyanada.vaidya@axissecurities.in
7	Aditya Welekar	Research Analyst	Metal and Mining, Power Utilities	aditya.welekar@axissecurities.in
8	Sani Vishe	Research Analyst	Chemicals Capital Goods, Mid-cap	sani.vishe@axissecurities.in
9	Eesha Shah	Research Analyst	Real Estate, Special Situation	eesha.shah@axissecurities.in
10	Shridhar Kallani	Research Associate	Auto and Auto ancillaries	shridhar.kallani@axissecurities.in
11	Shikha Doshi	Research Associate	Cement, Infra, Railway	shikha.doshi@axissecurities.in
12	Suhanee Shome	Research Associate	FMCG and Retail	suhanee.shome@axissecurities.in
13	Shivani More	Research Associate	Chemicals Capital Goods, Mid-cap	shivani.more@axissecurities.in
14	Pranav Nawale	Research Associate	BFSI	pranav.nawale@axissecurities.in
15	Darsh Solanki	Research Associate	Metal and Mining, Power Utilities	darsh.Solanki@axissecurities.in
16	Arundhati Bagchi	Research Associate	Database Analyst, Economy	Arundhati.Bagchi@axissecurities.in