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Nestle India Q2FY26 Results :

STRONG SALES, WEAK PROFITS

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NESTLE INDIA Q2FY26 RESULTS: STRONG SALES, WEAK PROFITS

Nestlé India's Q2FY26 results present a mixed picture — **record-breaking domestic sales** but a **sharp fall in profits.** The company's top line grew at a healthy pace, powered by strong consumer demand and double-digit growth across core categories like Maggi, Nescafé, and Pet Food. However, rising input costs and higher depreciation took a toll on the bottom line.

1. FINANCIAL HIGHLIGHTS

Profitability

- **Net Profit:** ₹743.17 crore **(↓17.38% YoY)** vs ₹899.49 crore (Q2FY25) → Profit decline mainly due to **cost pressures and higher expenses.**
- **Standalone Net Profit:** ₹753.20 crore **(↓23.64% YoY)** vs ₹986.36 crore.

Revenue

- **Total Income:** ₹5,645.25 crore **(↑10.46% YoY).**
- **Revenue from Operations:** ₹5,643.61 crore **(↑10.57% YoY).**
- **Sale of Products:** ₹5,630.23 crore **(↑10.95% YoY).**

Takeaway: Solid top-line growth led by volume **expansion and strong domestic demand.**

Other Income

- Down **76.09%** to ₹1.64 crore (vs ₹6.86 crore), further weighing on profitability.

2. EXPENSE BREAKDOWN

Category	Q2FY26 (₹ Cr)	YoY Change	Observation
Total Expenses	4,616.73	**↑12.88%**	Grew faster than revenue
Cost of Materials Consumed	2,402.27	**↑18.62%**	Major pressure point
Purchases of Stock-in-Trade	161.97	**↑53.85%**	Indicates higher sourcing/trade activity
Employee Benefits	536.73	**↑6.99%**	Controlled increase
Depreciation & Amortisation	163.35	**↑34.33%**	Reflects fresh investments
Other Expenses	1,274.91	**↑6.28%**	Largely stable

Rising raw material and depreciation costs squeezed operating margins despite healthy revenue growth.

2. EXPENSE BREAKDOWN

Segment	Growth (YoY)	Highlights
Domestic Sales	**↑10.81%** (₹5,411.02 crore)	**Highest ever quarterly sales**
Export Sales	**↑14.40%** (₹219.21 crore)	Good international traction
Confectionery	Strong double-digit	Volume-driven growth
Beverages (NESCAFÉ)	High double-digit	Market share gain
Prepared Dishes (MAGGI, Masala-ae-	Double-digit	Solid volume & value growth
Pet Food	High double-digit	Highest turnover since integration
Milk Products & Nutrition	Mixed	Some muted categories
Nestlé Professional (OOH)	Strong double-digit	Recovery in foodservice channel

Observation: Growth remains broad-based, anchored by Maggi, Nescafé, and Pet Food.

4. MANAGEMENT COMMENTARY – KEY TAKEAWAYS

- **Volume-led domestic growth** across major product groups.
- **GST rate reduction** seen as a positive for consumption and affordability.
- Nestlé is **passing on GST benefits** to consumers through its partners.

Focus areas include:

- Investing in **brands and capacity.**
- **Accelerating innovation.**
- Expanding presence across geographies.
- Strengthening **penetration-led growth.**

Tone: Confident, long-term focused, committed to growth despite short-term margin pressure.

5. SUMMARY OF KEY POSITIVES & CONCERNS

Positives

- Record **domestic sales and broad-based volume growth**
- Strong traction in **MAGGI, NESCAFÉ, Pet Food**
- Encouraging **export growth**
- **GST rate cuts** to support demand recovery
- Continuous investment in **brands & innovation**

Concerns

- **Net profit down 17% YoY** despite solid sales
- **Raw material inflation** still a major concern
- **Higher depreciation** reflects cost of expansion
- **Milk & Nutrition** showing patchy performance

6. OVERALL VIEW

Nestlé India's Q2FY26 results underline the company's **resilience and brand strength** in a challenging cost environment. While profits have dipped due to input cost inflation, the **robust double-digit sales growth,** record domestic performance, and leadership across categories reflect a **healthy underlying business.**

Short-term pressure, long-term strength —that's the Nestlé story this quarter.

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