



CHF million	FY 2022	FY 2023	FY 2024	FY 2025
Gross profit	43.035	43.023	42.050	42.410
EBITDA	16.076	17.804	18.662	18.058
EBIT	12.535	14.346	15.080	14.442
Net Income	9.270	11.209	10.884	10.305

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Investment Thesis

We're going **long** Nestlé because the market is currently pricing it like a slow-moving defensive while missing near-term catalysts that can re-rate the stock. Recent weakness looks largely technical and sentiment-driven, not fundamental, and we think that disconnect creates an attractive entry.

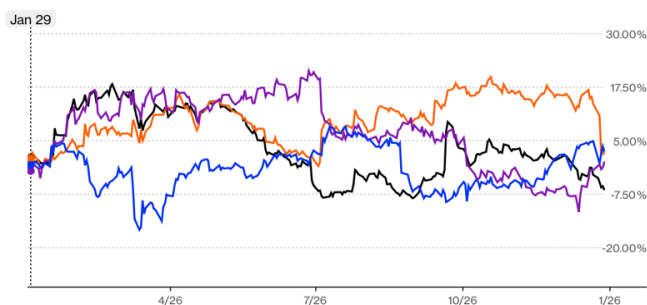
Over the next 6–12 months, we expect portfolio optimization, most notably monetization or restructuring of the water business, to unlock capital and shift investor focus toward Nestlé's higher-margin, faster-growing categories like pet care, nutrition, and premium brands. As execution becomes clearer, we expect improved capital returns and multiple expansion to be priced in.

In short, the stock is being treated as dead money, but improving mix, balance-sheet optionality, and normalization of sentiment should drive outperformance versus staples peers within a defined time window.

Basic Information

Last Closing Price	CHF 72.47
Target Price	CHF 81.25
Potential	CHF 91.5
Ticker	NESN:SW
GICS Sector	Consumer Defensive
GICS Sub-Industry	Packaged Food

■ NESN:SW +0.93%	■ BN:FP +0.81% ×	■ MDLZ:US -2.06% ×
■ SPGI:US -0.68% ×		



Valuation

We use intrinsic as well as relative methods for valuing Nestlé to arrive at an estimate for its intrinsic value versus the current stock price. Also, the intrinsic model points to an intrinsic value of CHF 91.54 for Nestlé as of now; as such, our judgment is that Nestlé stocks may have limited room to grow from current stock prices.

Downside Risk: Risks for Nestle on the downside include pressures resulting from weak technical trends, sensitivity to potential inflation in input costs, and risk emanating from its plans to divest strategically. For one, sustained negative momentum could cause the stock to fall to major levels in support of weaker sentiment.

Upside risks: The monetization of its stake in the water segment may act as an impetus for the company to improve its capital allocation of rationality. Over the medium to long term, Nestlé's low beta, stable cash flows, and global brand strength could attract defensive capital, particularly in a more volatile market environment.

Market Cap	186.72B
Basic Shares O/S	2.58B
52-Week High	69.90
52-Week Low	91.72

Business

Nestlé is a Swiss multinational conglomerate, founded by Henri Nestlé in Vevey, Switzerland. It operates in the food and beverage industry, classified under consumer retail, holding a market capitalization of €207.58 bn. Nestlé is a company that started from a small domestic town and expanded internationally. The main objective of the firm can be appropriately summed up by the phrase 'Creating Shared Value' (Honoré-Livermore et al., 2021). This principle at Nestlé is described as having a conviction to build long-term and beneficial relationships with its stakeholders, comply with all legal requirements, and ensure that all activities that the business undertakes result in value creation for both the company and society at large.

Nestlé operates in 189 countries, and its supply chain consists of three major parts: purchasing of the raw materials, turning raw materials into the ready-to-use products, and distribution. Product manufacturing is capital-intensive since it requires machines, high-quality maintenance, and compliance with food safety laws. Once products are made, they go to regional distribution warehouses, retail stores, and online fulfillment centers. Nestlé's global distribution network enables its products to be present in every customer's shop (Honoré-Livermore et al., 2021). In addition, the company outsources logistics and transportation and information technology activities as part of its supply chain management.

Furthermore, the firm holds a dominant global market position (24.2% of total global sales) due to its global scale, brand portfolio depth, and geographic diversification. The global food industry is moderately consolidated, dominated by a few global players, such as Unilever, Kraft Heinz, Danone, PepsiCo, and Coca-Cola. By acquiring former competitors, such as Atrium Innovations or Novartis Medical Nutrition, Nestlé eliminates any threats and gains access to its suppliers.

Additionally, as part of the company's tailwinds is its strategic implementation of initiatives aimed at improving nutrition, enhancing sustainable sourcing, and reducing its carbon footprint (Butt, 2024). While these efforts coexist, there are many controversies against Nestlé, such as allegations of unethical marketing, over-reliance on plastic packaging, and resource exploitation (Martins & Fernandez, 2025).

Nestlé operates under a consumer-packaged goods and beverages (CPG) revenue model, in which value creation depends on brand equity, scale manufacturing, global distribution, and pricing power rather than customization (Porter, 2008). In particular, it is not dependent on one type of good but rather has many revenue streams. This implies that if one category slows down, other good categories help keep the company growing, displaying a secular type of growth. The examples of categories are specialized nutrition, restaurant-hotel services, and food and beverages. In addition, Nestlé's revenue is predictable and large because many of its products are affordable and

are characterized as high-frequency consumer purchases, often habitual rather than discretionary. One example is a Nespresso coffee machine going together with pods (Honoré-Livermore et al., 2021). The machine itself is sold once; however, pods are sold repeatedly, similar to a subscription purchase. Another example is pet food. Pet owners buy it regularly, creating recurring cash flow. On top of this, Nestlé licenses Starbucks coffee products and earns a share of revenue from these deals. Finally, e-commerce is a large part of Nestlé's revenue. Partnerships with digital platforms, like Alibaba and AI providers, enable the brand to access potential consumers more easily.

Management

Nestlé's management style clearly reflects a bias toward disciplined capital allocation to fund a defensive yet value-accretive equity story. Nestlé's management continues to maintain an elevated focus on investing capital internally to generate high levels of return, namely R&D as well as brand investment, yet also continues to maintain a selective and disciplined approach to driving mergers and acquisitions activities. This decision to fundamentally change low-return or operationally complex businesses across Europe, namely investing in a joint venture as part of their pizza business, again reinforces a strong tendency to maintain group-level ROIC rather than any legacy asset-based business. Furthermore, consistent dividends as well as large levels of share repurchases reflect an elevated level of conviction regarding long-term cash flow durability yet also slightly increase their debt levels.

On an overall basis, capital deployment would indicate that the management team is working close to their tolerance for risk, yet still squarely inside that normally exhibited by a global stable compounder. From an operational standpoint, the Nestlé leadership team appears well poised in a more challenging Europe in terms of the general populace. Defending margins has clearly not been driven merely through pricing action, which also includes productivity actions as well as a focus on mix, particularly important in maintaining volumes as real incomes continue to face headwinds. The speedup in structural cost-saving measures as well as the emphasis on fewer, more material innovation creations appears well designed. Importantly, in our view, in making the stock judgment, the execution record shows that management has exhibited an ability to balance short-run margin strength with ongoing investment in growth platforms such as coffee, pet stores, and nutrition.

On a governance/incentive basis, Nestlé's management practices, in principle, are aligned towards shareholder interests, which would validate a faith in long-duration capital allocationalism. As such, Nestlé's executive compensation practices are designed around ROIC, EPS growth, and relative TSR, as well as a baseline requirement of equity ownership, as well as a suite of sustainability-linked metrics, which should minimize the risk of empire building that could destroy shareholder value while increasing the probability that excess capital

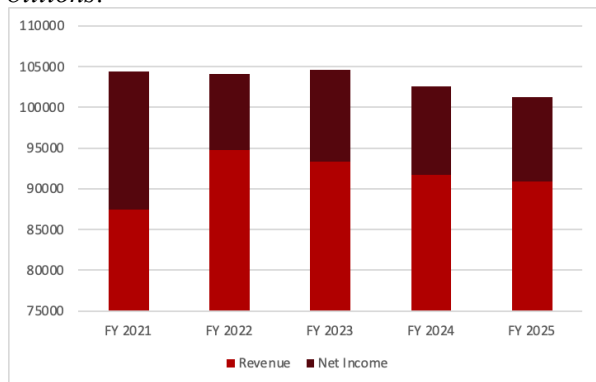
is allocated at attractive returns or returned to shareholders. All things considered, management quality would be a net positive in the investment case for Nestlé, underpinning a constructive stance on the stock as a high-quality, defensively positioned holding with credible long-term compounding potential rather than a tactical, short-cycle trade.

Financial Analysis

Nestlé generated strong sales and maintained generally consistent profitability in recent years, supported by a broad product line and strong market position. In 2025, sales improved by approximately 3-4% YoY on an organic basis, following greater growth in previous years. Profitability metrics have been generally stable but have demonstrated a slight decline during the past years since cost pressures increased and revenue growth has slowed in a difficult macroeconomic environment; however, the company still maintained solid operating profitability and pricing power. Despite modest liquidity ratios, highly predictable operating cash flows, consistent free cash flow generation, and the ability to maintain shareholder returns alongside sustainable leverage, the company is able to maintain a stable long-term financial position.

Figure 1.1: Stable Revenues and Profitability Growth

Revenues and Net Income (FY 2021 – FY 2025) in billions:

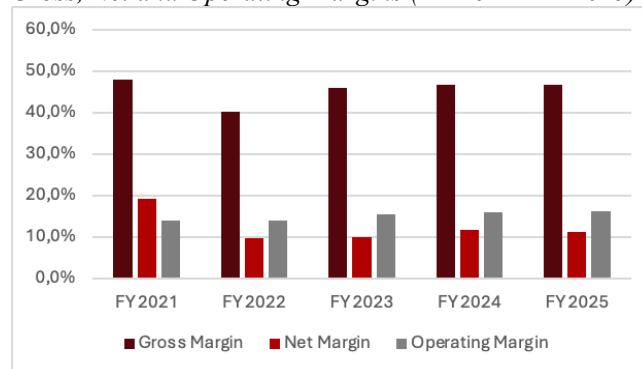


Nestlé's gross profit margin for FY2024 was 46.7%, while the operating margin was 17.2%, as a result of pricing actions that significantly offset inflation in major commodities like cocoa and coffee. Due to lower sales, cost inflation, and unfavorable foreign exchange effects, net profit fell by about 2.9% to CHF 10.9 billion. This slowdown in profitability continued into the first half of 2025, when net profit decreased by about 10.3%, gross margin fell to about 46.6% (-60 bps YoY), and the underlying trading operating margin fell to 16.5% (by about 90 bps). The decline was caused by continuing input-cost inflation and increased marketing and growth investments, which were only partially offset by pricing. Nestlé's profitability ratios have not deteriorated sharply; they show a modest decline in 2024-2025 relative to the prior period. A combination of slower revenue growth, ongoing inflation in input costs, increased investment, and negative currency impacts together have constrained margin expansion in the short term. Despite these limitations, the company's diversified brand portfolio, competitive pricing, and cost discipline support its

profitability, which is still strong compared with peers in the consumer goods sector.

Figure 1.2: Five-Year Margin Performance

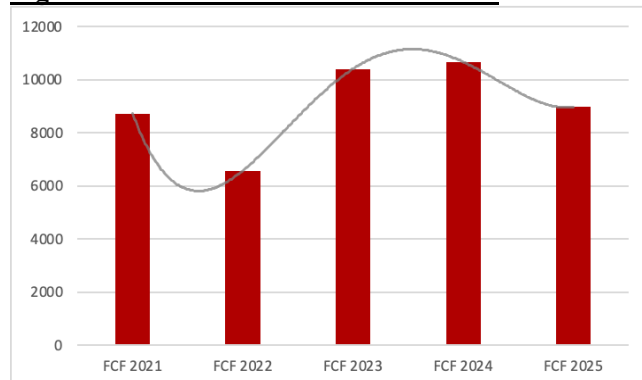
Gross, Net and Operating Margins (FY 2021–FY 2025)



Cash Flow

Cash generation softened in FY 2025, reflecting weaker operating performance rather than structural deterioration. To compare, cash generated from operations declined to CHF 6.2 billion from CHF 8.1 billion in H1 2024, driven primarily by lower EBITDA. Free cash flow decreased to CHF 2.3 billion from CHF 4.0 billion year-on-year, as negative working-capital movements and reduced profitability more than offset lower capital expenditure of around CHF 3.9 billion during the period. Consequently, FCF for the whole financial year softened to ±CHF 9 billion in 2025, compared to CHF 10.6 billion in 2024.

Figure 1.3: Free Cash Flow Performance



Nestlé's business model requires minimal heavy fixed-asset investment; capital expenditure constantly accounts for 4-5% of sales, maintaining a moderate and stable capital expenditure intensity. In order to ensure fundamentally healthy free cash flow generation, investment is mostly focused on capacity optimization, digitalization, and strategic expansion rather than huge new projects. To ensure fundamentally healthy free cash flow generation, investment is mostly focused on capacity optimization, digitalization, and strategic expansion rather than huge greenfield projects. Despite short-term volatility from working-capital movements, cash conversion is still strong, with operating cash flow representing a significant portion of EBIT. The company continued to effectively convert profits into cash in 2025 despite a slight reduction of margins and liquidity ratios.

Liquidity

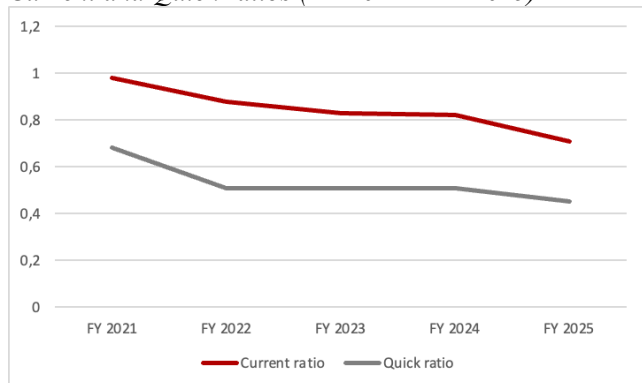
The current ratio declined to around 0.71x in FY2025, from 0.82x in FY2024; current assets cover roughly 71%

of current liabilities, as current liabilities grew slightly faster than current assets. At the same time, the quick ratio has fallen to approximately 0.45x in mid-2025 from about 0.51x in 2024. Decrease driven by higher trade payables reflecting working-capital optimization together with foreign exchange movements that lowered the value of cash balance.

Ratios below the 1x benchmark mean that the company cannot fully cover short-term liabilities with only liquid assets. However, as the company operates in fast-moving consumer goods, with fast inventory turnover and predictable and strong cash inflows, continuous operating cash flows reduce the need to hold large liquid asset buffers.

Figure 1.4: Liquidity Ratios

Current and Quick ratios (FY 2021 – FY 2025)



Capital Structure

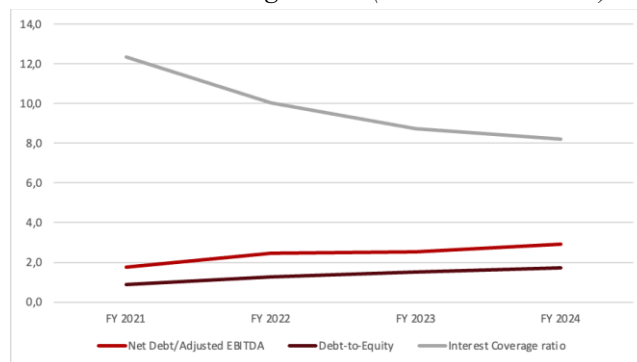
Nestlé's present capital structure, which is supported by the company's steady and predictable cash-flow profile, shows a deliberate trend toward increasing leverage. The company's net financial debt at the end of FY2024 was CHF 56.0 billion; by mid-2025, it had risen to almost CHF 60.0 billion. The rise was primarily driven by cash outflows for the CHF 7.8 billion dividend payment, which were partly offset by a benefit from foreign exchange movements, rather than operating underperformance.

As equity fluctuates due to shareholder distributions, the company's reporting places greater emphasis on net debt relative to EBITDA as a more representative measure of leverage and debt sustainability. Net debt/EBITDA ratio, which increased from 2.9x in 2024 to slightly above 3.0x in 2025. While this indicates a further tightening of

balance-sheet flexibility compared to 2024, leverage remains consistent with its low-risk operating profile and strong cash-generative capacity.

Figure 1.5: Capital Structure and Solvency Ratio

D/E & Interest Coverage ratios (FY 2021 – FY 2025)



Nestlé's interest coverage ratio is strong, indicating that the company generates operating profits that comfortably exceed its interest expenses. An interest coverage ratio in the 7-8x range in 2024 and EBIT of roughly CHF 14.4 bn compared with net interest expense of about CHF 1.8 bn suggest low debt-servicing risk, even though overall leverage has increased in recent years.

Final Recommendation

We recommend **going long Nestlé** as a high-quality, defensive compounder that is currently mispriced due to muted sentiment and a lack of near-term catalysts, despite resilient fundamentals, strong brand equity, and highly predictable cash flows. Our valuation work, combining intrinsic and relative approaches, indicates an intrinsic value of approximately **CHF 91.5 per share**, suggesting **limited upside from current levels** but meaningful downside protection given Nestlé's scale, pricing power, and cash-flow durability. The risk-reward profile is therefore skewed toward **capital preservation with steady returns rather than aggressive upside**, supported by strong free-cash-flow generation, disciplined capital allocation, and a diversified global portfolio, while key risks such as margin pressure from input costs, FX volatility, and near-term leverage increases are manageable within Nestlé's conservative operating and financial framework

Appendix

Discounted Free Cash Flow Valuation Method (DCF)

To perform the DCF valuation method, we forecasted the company's future five-year cash flows from 2025 to 2030. These represent the flow of cash that is available to debt and equity holders after a company pays for all operational requirements. The estimations were based on recent financial statements reported by Nestle (2023, 2024, and 2025 half-year reports), and the 3% industry growth rate was implied.

Further, all accounts were estimated, including revenue, cost of goods sold (COGS), selling, general, and administrative expenses, gross profit, EBITDA, NOPAT, and others and unlevered free cash flow (FCF) was derived for each forecast year, using the formula:

$$FCF = NI + A + D - CapEx - \Delta WC$$

where NI is the Net Income, A is Amortization, and D is Depreciation

The next step involved discounting the free cash flows using the Weighted Average Cost of Capital (WACC), which represents the rate of using the firm's own equity (E) and debt (D) to finance its activities:

$$WACC = \left(\frac{E}{D+E} \times \text{Cost of Equity} \right) + \left(\frac{D}{D+E} \times \text{Cost of Debt} \times (1 - \text{Tax Rate}) \right)$$

Figure 2.1: Weighted Average Cost (WACC)

Weighted Average Cost of Capital (WACC)	
Equity (mm)	29 047
Debt (mm)	18 616
Cost of Debt	9,9%
Tax Rate	26,4%
D/(D+E)	39,1%
After Tax Cost of Debt	7,3%
Risk Free Rate (10-Yr Treasury Yield)	0,30%
Expected Market Return	5,8%
Market Risk Premium	5,5%
Levered Beta	0,51
E/(D+E)	60,9%
Cost of Equity	3,1%
WACC	4,0%

Also, the Capital Asset Pricing Model (CAPM) was used to estimate the cost of equity, 3.1%, assuming a risk-free rate of 0.30%, a market risk premium of 5.5%, and a leveraged beta of 0.51:

$$r = r_f + \beta(r_m - r_f)$$

where r_f is the risk-free rate, β is the sensitivity of the company to market changes, and r_m is the expected return on the market.

The WACC for Nestle was estimated to be 4%. Further, each projected free cash flow was discounted to its present value and resulted in CHF 57,042 billion:

$$PV \text{ of FCF} = \frac{FCF}{(1+WACC)^n}$$

The enterprise value, CHF 278,84bn, was then calculated as the sum of the present value of projected free cash flows, CHF 57,042bn, and the present value of the terminal value, CHF 269,852bn :

$$\text{Enterprise Value} = PV \text{ of FCF} + PV \text{ Terminal Value}$$

Furthermore, equity value and price per share were calculated:

$$\text{Equity Value} = \text{Enterprise Value} + \text{Cash} - \text{Debt} - \text{Minority Interest}$$

$$\text{Share Price} = \frac{\text{Equity Value}}{\text{Shares Outstanding}}$$

It resulted in the total equity value of CHF 235,812bn. Moreover, there are 2.58 million diluted shares outstanding, which resulted in a share price of CHF 91.54bn.

Assumptions:

This valuation model used assumptions of the weighted average cost of capital and the terminal growth rate. Thus, a sensitivity table was constructed to show that the estimated price per share is moderately sensitive to changes of WACC and terminal growth rate. Therefore, variations in WACC were between 3.0% and 3.5%, leading to a share price range between approximately CHF 95.80 and CHF 87.52.

Figure 2.2: Sensitivity Table

Sensitivity Table					
	Growth Rate				
91,54	2,00%	2,50%	3,00%	3,50%	
3,00%	95,80	95,80	95,80	95,80	95,80
3,50%	93,64	93,64	93,64	93,64	93,64
4,00%	91,54	91,54	91,54	91,54	91,54
4,50%	89,50	89,50	89,50	89,50	89,50
5,00%	87,52	87,52	87,52	87,52	87,52

Restated Balance Sheet

(in millions of CHF)

Balance Sheet	2021	2022	2023	2024	2025
Assets					
<i>Current assets</i>					
Cash and cash equivalents	6988	5511	4816	5556	4652
Inventories	11982	15019	11896	13260	14434
Trade and other receivables	11155	11116	10995	11251	10654
Short-term investments	7007	1176	1035	2315	836
Other current assets	2125	2240	2115	2806	2856
Total current assets	39257	35062	30857	35188	33432
<i>Non-current assets</i>					
Property, plant and equipment	28345	30141	30467	33706	37259
Goodwill	31012	31262	28693	30595	27863
Intangible assets	22223	20237	18225	19245	17272
Other non-current assets	18305	18480	18308	20530	14297
Total non-current assets	99885	100120	95693	104076	96691
Total assets	139142	135182	126550	139264	130123
Liabilities and Equity					
<i>Current liabilities</i>					
Financial debt	10092	10892	9416	11863	18616
Derivative liabilities	464	352	317	408	649
Trade and other payables	10907	20523	19204	21807	19141
Other current liabilities	18557	8209	8147	8785	8418
Total current liabilities	40020	39976	37084	42863	46824
<i>Non-current liabilities</i>					
Financial debt	36482	43420	45825	51697	46988
Derivative liabilities	-	470	239	307	112
Other payables	234	856	108	222	331
Other non-current liabilities	8679	47644	45478	7482	8821
Total non-current liabilities	45395	92390	53079	59708	56252
Total liabilities	85415	9239	90163	102571	
<i>Equity</i>					
Total equity attributable to shareholders of the parent	53140	41982	35742	35917	28826
Non-controlling interests	587	810	645	776	221
Total equity	53727	42792	36387	36693	29047
Total liabilities and equity	139142	134182	126550	139264	29047

Restated income statement

(in millions of CHF)

Income Statement	2021	2022	2023	2024	2025
Revenue	874700	947800	933510	917200	908990
Cost of Revenue	454680	517450	503280	486700	484890
Gross Profit	420020	430350	430230	430500	424100
Operating Expense	270720	273670	273520	274370	275060
Operating Income	149300	156680	156710	156130	149040
Net Non Operating Interest Income	-8730	-10400	-13600	-14850	-15000
Pretax Income	108060	112860	127030	132390	125970
Tax Provision	22610	27300	23140	33140	32390
Net Income Common Stockholders	169050	92700	112090	108840	103050

Unlevered Free Cash Flow

(in millions of CHF)

Unlevered Free Cash Flow (mm)								
Fiscal Year	2023	2024	2025	2026	2027	2028	2029	2030
Revenue	93,351	91,72	90,899	89,898	88,784	87,826	86,825	85,825
COGS	50,328	48,67	48,489	48,041	47,306	46,860	46,329	45,772
Gross Profit	43,023	42,684	42,410	41,856	41,478	40,966	40,496	40,052
Operating Expenses	10,954	9,234	14,330					
Selling, General, Administrative	17,549	18,112	25,637	20,002	19,532	19,322	19,102	18,881
Total Operating Expenses	28,503	27,346	27,506					
EBITDA	14,063	18,306	18,058	21,854	21,945	21,644	21,394	21,171
Depreciation & Amortization	3,458	3,582	3,616	4,051	4,324	4,600	4,895	5,208
Operating Profit (EBIT)	17,521	14,724	14,442	17,803	17,621	17,044	16,499	15,963
Operating Taxes	2,801	3,314	3,812	3,851	3,877	3,750	3,630	3,512
NOPAT (Net Operating Profit After Taxes)	11,267	11,034	10,63	13,952	13,745	13,294	12,870	12,451
(+) Depreciation & Amortization	3,458	3,582	3,616	4,051	4,324	4,600	4,895	5,208
(-) Capital Expenditures	5,714	5,638	5,608	6,459	6,862	7,302	7,769	8,266
(-) Change in NWC	1,313	1,448	5,717	-4,128	-0,047	-0,099	-0,104	-0,104
NWC	-6,227	-7,675	-13,392	-9,264	-9,218	-9,118	-9,014	-8,910
Current Assets	30,857	35,188	33,432	32,079	31,623	31,282	30,925	30,569
Current Liabilities	37,084	42,863	46,824	41,344	40,841	40,400	39,940	39,479
Unlevered Free Cash Flow	7,698	7,530	2,921	15,672	11,253	10,692	10,099	9,497

Assumptions

Assumptions								
Fiscal Year	2023	2024	2025	2026	2027	2028	2029	2030
Revenue Growth	-0,69%	-1,72%	-0,90%	-1,10%	-1,24%	-1,08%	-1,14%	-1,15%
COGS % of Revenue	54%	53%	53%	53%	53%	53%	53%	53%
SG&A % of Revenue	19%	20%	28%	22%	22%	22%	22%	22%
Tax % of EBIT	16%	23%	26%	22%	22%	22%	22%	22%

DCF Model. (Sensitivity table- Figure 2.2)

(in millions of CHF)

Unlevered Free Cash Flow (mm)								
Fiscal Year	2023	2024	2025	2026	2027	2028	2029	2030
Unlevered Free Cash Flow	7,698	7,530	2,921	15,672	11,253	10,692	10,099	9,497
Projection Year				1	2	3	4	5
Present Value of Free Cash Flow				15,625	11,219	10,660	10,069	9,469
Implied Share Price Calculation		Sensitivity Table						
Sum of PV of FCF	57,042							
Growth Rate	3%							
WACC	4,0%							
Terminal Value	269,852		91,54	2,00%	95,80	2,50%	95,80	3,00%
PV of Terminal Value	221,799		3,50%	93,64	93,64	93,64	93,64	93,64
Enterprise Value	278,841		4,00%	91,54	91,54	91,54	91,54	91,54
(+) Cash	4,635		4,50%	89,50	89,50	89,50	89,50	89,50
(-) Debt	18,616		5,00%	87,52	87,52	87,52	87,52	87,52
(-) Minority Interest	29,047							
Equity Value	235,8127							
Diluted Shares Outstanding (mm)	2,58							
Implied Share Price	91,54							

Net Working Capital

(in millions of CHF)

Net Working Capital								
Fiscal Year	2023	2024	2025	2026	2027	2028	2029	2030
Cash and cash equivalents	4,816	5,556	4,652	4,895	4,794	4,743	4,689	4,635
Short-term investments	1,035	2,315	0,863	1,030	0,977	0,966	0,955	0,944
Inventories	11,896	13,260	14,434	12,909	12,785	12,647	12,503	12,359
Trade and other receivables	10,995	11,251	10,654	10,717	10,581	10,467	10,348	10,228
Prepayments	0,521	0,543	0,846	0,624	0,621	0,615	0,608	0,601
Derivative assets	0,278	0,792	0,347	0,462	0,444	0,439	0,434	0,429
Current income tax assets	1,284	1,334	1,340	1,290	1,243	1,230	1,216	1,202
Assets held for sale	0,032	0,137	0,296	0,153	0,178	0,176	0,174	0,172
Current Assets	30,857	35,188	33,432	32,079	31,623	31,282	30,925	30,569
Current Liabilities								
Financial debt	9,416	11,863	18,616	13,035	12,874	12,735	12,590	12,445
Derivative liabilities	0,317	0,408	0,649	0,449	0,444	0,439	0,434	0,429
Trade and other payables	19,204	21,807	19,141	19,599	19,355	19,146	18,928	18,710
Accruals	5,112	5,466	5,230	9,113	9,000	8,903	8,801	8,700
Provisions	0,675	0,865	0,798	0,762	0,710	0,703	0,695	0,687
Current income tax liabilities	2,360	2,435	2,364	2,332	2,308	2,283	2,257	2,231
Liabilities directly associated with assets held for sale		0,019	0,026	0,022	0,022	0,022	0,022	0,021
Current Liabilities	37,084	42,863	46,824	41,344	40,841	40,400	39,940	39,479
Assumptions								
Fiscal Year	2023	2024	2025	2026	2027	2028	2029	2030
Revenue	93,351	91,720	90,899	89,898	88,784	87,826	86,825	85,825
COGS	50,328	48,670	48,489	48,041	47,306	46,860	46,329	45,772
Days Sales Outstanding (DSO)	43	45	43	44	44	44	44	44
Days Inventory Outstanding (DIO)	86	99	109	98	98	98	98	98
Days Payable Outstanding (DPO)	37	41	39	37	37	37	37	37
Cash and cash eq. as a % of Revenue	5,2%	6,1%	5,1%	5,4%	5,4%	5,4%	5,4%	5,4%
Short-term inv. as a % of Revenue	1,1%	2,5%	0,9%	1,1%	1,1%	1,1%	1,1%	1,1%
Inventories as a % of Revenue	12,7%	14,5%	15,9%	14,4%	14,4%	14,4%	14,4%	14,4%
Prepayment as a % of Revenue	0,6%	0,6%	0,9%	0,7%	0,7%	0,7%	0,7%	0,7%
Derivative assets as a % of Revenue	0,3%	0,9%	0,4%	0,5%	0,5%	0,5%	0,5%	0,5%
Current income tax assets as a % of Revenue	1,4%	1,5%	1,5%	1,4%	1,4%	1,4%	1,4%	1,4%
Assets held for sale as a % of Revenue	0,0%	0,1%	0,3%	0,2%	0,2%	0,2%	0,2%	0,2%
Current liabilities as a % of Revenue	10,1%	12,9%	20,5%	14,5%	14,5%	14,5%	14,5%	14,5%
Financial debt as a % of Revenue	0,3%	0,4%	0,7%	0,5%	0,5%	0,5%	0,5%	0,5%
Derivative liabilities as a % of Revenue	20,6%	23,8%	21,1%	21,8%	21,8%	21,8%	21,8%	21,8%
Accruals as a % of Revenue	0,7%	0,9%	0,9%	0,8%	0,8%	0,8%	0,8%	0,8%
Provisions as a % of Revenue	2,5%	2,7%	2,6%	2,6%	2,6%	2,6%	2,6%	2,6%
Current income as a % of Revenue		0,021%	0,029%	0,025%	0,025%	0,025%	0,025%	0,025%
Lia. as. with assets held for sale as a % of Revenue	39,7%	46,7%	51,5%	46,0%	46,0%	46,0%	46,0%	46,0%

Weighted Average Cost of Capital/ Figure 2.1

Weighted Average Cost of Capital (WACC)	
Equity (mm)	29 047
Debt (mm)	18 616
Cost of Debt	9,9%
Tax Rate	26,4%
D/(D+E)	39,1%
After Tax Cost of Debt	7,3%
Risk Free Rate (10-Yr Treasury Yield)	0,30%
Expected Market Return	5,8%
Market Risk Premium	5,5%
Levered Beta	0,51
E/(D+E)	60,9%
Cost of Equity	3,1%
WACC	4,0%

Fixed Assets

(in millions of CHF)

Fixed Assets Schedule								
Fiscal Year	2023	2024	2025	2026	2027	2028	2029	2030
Beginning PP&E	30,141	32,886	35,267	37,259	39,667	42,206	44,907	47,781
D&A	3,458	3,582	3,616	4,051	4,324	4,600	4,895	5,208
CapEx	5,714	5,638	5,608	6,459	6,862	7,302	7,769	8,266
Ending PP&E	32,397	34,942	37,259	39,667	42,206	44,907	47,781	50,839
Assumptions								
Fiscal Year								
D&A as a % of Beginning PP&E	11,5%	10,9%	10,3%	10,9%	10,9%	10,9%	10,9%	10,9%
CapEx as a % of Beginning PP&E	19,0%	17,1%	15,9%	17,3%	17,3%	17,3%	17,3%	17,3%

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