

University of Wales Trinity Saint David

Module Title: International Financial Management

Module Code: LCBB6002

Assessment 1

Essay

Nestle multinational corporation

Student Name: Desislava Yordanova

Student ID: 1912503

Lecturer Name: Dr Taye Osadiya

Table of Contents

Introduction	3
Discussions	3
Conclusions	6
References	7

Introduction

Presentations of accounting engagement associated with individual organisational approaches provide some systematic financial engagement. Accounting is categorised into different aspects and “Financial management” is considered a supportive branch that is managed for different financial contexts. It allows managerial formulation associated with the engagement of “capital structure, shareholders’ wealth formulation, liquidity processing, working capital approach and other associated factors mainly that provides the positive approach as well”. The primary processing regarding such an approach also provides the feasibility support associated with accounting growth with the maintenance of which primary processing can also be formulated as well. Formulation support regarding effective “Financial management also initiates the formulated development including operating maintenance also that brings the performance development approach of business” in a supportive basis (Goyal *et al.*, 2021).

This detailing is basically providing importance to the maintenance of financial management approach for the business of Nestle Multinational Corporation is associated to general operating engagement.

Discussions

The General conceptual approach regarding “Financial management indicates a different pathway with support of which a formulated goal completion including objective formulation approach can also be formulated on a supportive basis. Including the basic approach, it also provides the general formulation regarding organisational efficiency measurement support including the proper growth determination approach of business associated with capital structure processing also through the maintenance of which the primary growth can be supportively initiated. It also allows formulated support regarding the accounting measurement approach also, with a determination of which fundamental initiatives of business can efficiently be structured and managed (Atmadja and Saputra, 2018). Associated with the same response, it also allows the determination of support regarding dividend policy engagement also through maintenance of which the feasibility growth of a business can also be initiated in a formulated manner. In the case of an individual business, the maintenance approach of “financial management also brings the identification approach regarding applicability, failure recognition and also recognising the supportive return on investment also that is initiated for managerial formulation and other associated growth determination of individual business also.

Nestle is recognised as a multinational corporation that is mainly engaged in producing and distributing “multinational food and drinks processing, its present headquarter is located in Vevey, Vaud, Switzerland”. This corporation was founded in 1866 and at present around 273,000 employees are noticed that provide a level of sustainability including a formulation approach associated with business development on an efficient basis. In the present period of 2021, the “organisation agreed to acquire vitamin manufacturing Bountiful Company, formerly known as *The Nature's Bounty Company* for \$5.75 billion” in order to maintain the formulation approach including operating engagement of the business on an efficient basis (Nestlé Global, 2022).

General, conceptual approach regarding **Dividend** is considered as the primary share of business profit that is shared among shareholders for financial growth and other associated formulation purposes. It is initiated for managing optimised processing including financial formulation purposes with the maintenance of which general compatibility including some positive attributes can be managed on a supportive basis. Applied engagement of dividend policies is considered as the formulated approach regarding dividend formulation approach that can be initiated for developing the optimised processing in a supportive and developing manner (Al Ahbabi and Nobanee, 2019). The formulated engagement of supportive dividend processing is maintained for optimised processing including a performance development approach with the identification of which the fundamental growth of a business can efficiently manage and develop. Generally, depending on the business' nature of earning approach in the case of Nestle **Constant dividend policy** is noticed under which the management of the company usually provides a particular percentage of earnings as the way of dividend to the shareholders that generally initiate for maintaining the volatility of earnings and dividends in an efficient and systematic order for stable business growth purpose (Martin *et al.*, 2020). However, applied residual policies can also be able to provide importance to the dividend formulated approach, but it generally indicates a highly volatile approach regarding investment formulation in non-supportive order. In the case of this organisation in the present accounting period, the proposed dividend was 2.80 which indicates around 1.80%+ increasing approach compared to the previous period. Associated with the present operating approach the organisation also issued the approach of dividend reinvestment processing including share buyback option also with the support of which the overall compatibility including formulation approach of business performances are also influenced in an efficient basis (Nestlé Global, 2022).

The associated performance regarding the dividend approach for the business is providing efficient dividend engagement. The conceptual framework of MM hypothesis of dividend can supportively note that indicates the approach that *“dividend policy has no effect on the price of the shares of the firm and believes that it is the investment policy that increases the firm's share value”*. However, associated with the same approach the conceptual approach regarding MM irrelevance indicates *“in a perfect world with no taxes or bankruptcy cost, the dividend policy is irrelevant, it also indicates the approach that applied dividend policy of a company does no effect on the stock price of a company or the company's capital structure”* (Brigham and Ehrhardt, 2019).

An efficient **market hypothesis theory** states the approach that the applied engagement regarding individual share price is used to deliver all the necessary information associated with an organisational share in a supportive order along with considering the supportive marketing engagement approach mainly. It also provides the emphasised approach regarding the share formulated approach also in the market that formulates the operating compatibility approach on an efficient basis. According to the current operating approach, the overall volume of the business' present market capitalization value has resulted in 362.602 billion along with a level of a beta of 0.26 including a PE ratio structure of 20.44 respectively. Including the current operating level EPS structure is noted as 6.41 which provides the present dividend yield as 3.04 on an efficient basis (Uk.finance.yahoo.com, 2022).

According to the operating approach, the organisation will increase the volume of business investment in Brazil in 2022 which generally extends the output capacity of production on an efficient and sustainable basis for maintaining the accountability processing in an efficient and sustainable manner mainly (Uk.finance.yahoo.com, 2022). Associated with the present operating approach the organisation also initiated the engagement regarding the cost inflation approach mainly that probably impacts the investment approach in a supportive and developing manner. Such formulated approach also impacts a significant basis over the investment processing including the share price development approach on an effective basis mainly (Uk.finance.yahoo.com, 2022). Associated with the same approach in the present period regarding the Brexit approach the organisation also decides to close the Fawdon sweets factory closure approach mainly with the initiatives of which the general compatibility including the operating approach of such organisation also formulated in an efficient basis (Uk.finance.yahoo.com, 2022). From that approach, it is recognisable that the formulated approach related to sharing pricing performance initiates a systematic engagement regarding

the market operating approach mainly with the maintenance of which the primary growth including operating sustainability can also be formulated in efficient basis.

Associated with the same approach, a general “conceptual Framework related to “investment appraisal processing under financial management is applied for evaluating the significance of individual project investment of business on an efficient basis. Generally, the process of investment appraisal approach provides importance to four different methods associated with NPV, IRR, ARR and payback method as well. The presentation of **NPV** provides importance to the recognition of cash flow initiative for individual projects by considering the time value of money concept concerning which the significance of business projects can be realised. On the contrary, the application of **ARR** identifies a particular volume of accounting returning rate with the support of which financial growth including development can be initiated. The presentation of **IRR** is initiated for managing the returning percentage amount associated with the time value of money considered as well as that initiated for maintaining the compatibility growth on a supportive basis (Brigham and Daves, 2018). Along with this, the presence of the Payback **period** is initiated for recognising the overall time period approach within which the overall investment cost can be recovered with cost reimbursement processing through.

With respect to the present operating approach, the management of Nestle has initiated the approach of **Alliance for Water Stewardship (AWS)** regarding regenerating local water cycle approach mainly with the support of which a compatibility processing including investment approach are supportively initiated. Under this method is “applied engagement of investment appraisal processing associated with net present value concepts that support every initiative that provides a systematic identification related to project appraisal processing in a supportive order” (Nestlé, 2022). It provides a systematic volume of consistent appearance with the respect to which the formulated appearance is including some of the positive attributes of business projects that are also initiated on a proper basis.

Conclusion

Applied processing of “supportive investment appraisal processing in financial management provides a systematic volume of financial identification including project evaluation approach with respect of which probable opportunity including some compatibility determination can also be managed on a proper business. It also initiated a systematic volume of identification of the photo also through the formulation of which the general compatibility, as well as some positive attributes related to performance management of the business, can be structured in proper order. It also initiated in order to bring the compatibility development structure as well through the processing of which fundamental initiatives including some of the compatibility structure of the business can also be formulated”.

References

- Al Ahbabi, A.R. and Nobanee, H., 2019. Conceptual building of sustainable financial management & sustainable financial growth. *Available at SSRN 3472313*.
- Atmadja, A.T. and Saputra, K.A.K., 2018. Determinant factors influencing the accountability of village financial management. *Academy of Strategic Management Journal*, 17(1), pp.1-9.
- Brigham, E.F. and Daves, P.R., 2018. *Intermediate financial management*. Cengage Learning.
- Brigham, E.F. and Ehrhardt, M.C., 2019. *Financial management: Theory & practice*. Cengage Learning.
- Goyal, K., Kumar, S. and Xiao, J.J., 2021. Antecedents and consequences of Personal Financial Management Behavior: a systematic literature review and future research agenda. *International Journal of Bank Marketing*.
- Martin, J.D., Keown, A.J. and Titman, S., 2020. *Financial management: principles and applications*. Prentice Hall.
- Nestlé Global. 2022. *Nestlé's 2021 Annual Report*. [online] Available at: <<https://www.nestle.com/investors/annual-report#download>> [Accessed 17 April 2022].
- Nestlé Global. 2022. *Our stories*. [online] Available at: <<https://www.nestle.com/stories#/category/featured-stories/1>> [Accessed 17 April 2022].
- Nestlé. 2022. *Nestlé Waters targets positive water impact by regenerating local water cycles*. [online] Available at: <<https://www.nestle.co.uk/en-gb/media/pressreleases/allpressreleases/positive-water-impact>> [Accessed 17 April 2022].
- Uk.finance.yahoo.com. 2022. *Yahoo is part of the Yahoo family of brands*. [online] Available at: <<https://uk.finance.yahoo.com/news/nestle-double-investments-brazil-2022-193805199.html>> [Accessed 17 April 2022].
- Uk.finance.yahoo.com. 2022. *Yahoo is part of the Yahoo family of brands*. [online] Available at: <<https://uk.finance.yahoo.com/news/nestle-expects-slower-growth-2021-062738391.html>> [Accessed 17 April 2022].
- Uk.finance.yahoo.com. 2022. *Yahoo is part of the Yahoo family of brands*. [online] Available at: <<https://uk.finance.yahoo.com/news/nestl-confirms-fawdon-sweets-factory-182137367.html>> [Accessed 17 April 2022].

Uk.finance.yahoo.com. 2022. *Yahoo is part of the Yahoo family of brands*. [online] Available at: <<https://uk.finance.yahoo.com/quote/NSRGY/>> [Accessed 17 April 2022].