RATING HOLD | CMP INR 2,166 | TP INR 2,242

PL Capital PRABHUDAS LILLADHER

Colgate Palmolive (CLGT IN)

Q1FY27 Result Update

July 29, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	Hold		Hold	
Target Price	2,242		2,214	
Sales (INR mn)	66,541	71,931	65,774	71,102
% Chng.	*1.2*	*1.2*		
EBITDA (INR mn)	20,593	22,525	20,346	22,256
% Chng.	*1.2*	*1.2*		
EPS (INR)	54.2	59.0	53.5	58.2
% Chng.	*1.3*	*1.4*		

Key Data COLG.BO | CLGT IN

BSE Code	500830
NSE Code	COLPAL
52-W High / Low	INR 2,505 / INR 1,781
Face Value	1
Sensex / Nifty	77,655 / 24,250
Market Cap	INR 589 bn / $ 6,161 mn
Shares Outstanding	271.99 mn
3M Avg. Daily Value	INR 853.32 mn

Shareholding Pattern (%)

Promoters	51
FIIs	13.59
Mutual Funds	7.23
Domestic Institutions	8.59
Public & Others	19.58
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	8.4	1.6	2.5	(2.2)
Relative	7.1	1.4	9.0	2.4

Key Financials - Standalone

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	60,402	60,350	66,541	71,931
EBITDA (INR mn)	19,581	18,860	20,593	22,525
Margin (%)	*32.4*	*31.3*	*30.9*	*31.3*
PAT (INR mn)	14,352	13,708	14,751	16,107
EV (INR mn)	578,279	574,542	576,996	576,432
Total Debt (INR mn)	-	-	-	-
C&C Eq. (INR mn)	4,672	833	4,372	5,678
EPS (INR)	52.8	50.4	54.2	59.0
Gr. (%)	*6.9*	*(4.5)*	*7.6*	*8.8*
DPS (INR)	60.0	51.0	49.0	51.0
Yield (%)	*2.8*	*2.4*	*2.3*	*2.4*
RoE (%)	*81.1*	*84.4*	*89.0*	*87.4*
RoCE (%)	*101.5*	*107.1*	*114.6*	*113.1*
EV/Sales (x)	9.6	9.5	8.7	8.0
EV/EBITDA (x)	29.5	30.5	28.0	25.6
PE (x)	41.1	43.0	39.9	36.7
P/BV (x)	35.4	37.2	34.0	30.3

Positive surprise on volume, lags near term triggers

Quick Pointers

- 1QFY27 volume growth at high single digit of ~8.5%
- Full impact of May27 price hike and higher input costs to be reflected in 2Q27
- Premium segments and urban growing faster than rural

CLGT's 1Q27 revenue grew 11.8% YoY to ₹16bn (PLe: ₹15.5bn), driven by healthy high-single-digit volume growth (~8.5%), profits were higher as full impact of input cost increase was not reflected in 1Q27. We raise our FY27/FY28 EPS estimates by 1.3%/1.4%, driven by 1) sustained traction in the premium portfolio, 2) calibrated price hikes to offset RM volatility and 3) cost-saving initiatives to support EBITDA margins despite elevated A&P spends. However, we believe some growth challenges to emerge on expected EL Nino impact on rural demand and full impact of input cost inflation from 2Q27.

We factor in ~5.5% volume growth over FY26-FY28 led by 1) strengthening core toothpaste franchise 2) premiumization (contribution in sales mix up 35% in 2 years) through science-backed innovations within oral care 3) continued focus on innovation across price points. We estimate 9% EPS CAGR over FY26–28. We value CLGT at 38x March'28 EPS, with a target price of ₹2,242 (₹2214 earlier). Retain HOLD.

Sales grew 11.8%, EBITDA Margins contract 144bps YoY

- Revenues grew by 11.8% YoY to Rs16bn. Gross margins expanded by 104bps YoY to 70% (Ple: 68.7%). EBITDA grew by 6.7% YoY to Rs4.8bn (PLe:Rs4.6bn); Margins contracted by 144bps YoY to 30.1% (PLe:29.7%). A&P spends expanded by 257bps YoY to 15.7%. Adj. PAT grew by 8% YoY to Rs3.5bn (PLe:Rs3.25bn)
- Volume growth came in at high single digit of ~8.5%. Premium portfolio continues to grow at a faster pace than mass portfolio.
- Urban demand remains strong and is growing faster than rural demand.
- CLGT has taken low single digit price hike in May, which will enable offset the impact of higher input costs partially in 2Q27.

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	% Var.	Q1'26A	YoY gr. (%)
Net Sales (INR mn)	15,485	16,033	*4.0*	14,341	*12.0*
EBITDA (INR mn)	4,603	4,830	*5.0*	4,526	*7.0*
Margin (%)	*29.7*	*30.1*	*40 bps*	*31.6*	*-150 bps*
PAT (INR mn)	3,250	3,464	*7.0*	3,206	*8.0*

Source: Company, PL

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Key Highlights:

- The company reported high single digit volume growth led by strong performance in premium brands with sustained momentum in core brands
- Amidst current geopolitical scenario CLGT to focus on margin with a mix of cost saving measures and calibrated price hikes
- New launches within sensorial portfolio include Max Fresh berry blast, in toothpaste portfolio the company has launched Total active prevention foaming toothbrush.

Exhibit 1: Quarterly Estimates

(INR mn)	1QFY27	*YoY gr. (%)*	2QFY27E	*YoY gr. (%)*	3QFY27E	*YoY gr. (%)*	4QFY27E	*YoY gr. (%)*
Net Sales	15,906	*12.0*	16,836	*11.7*	16,202	*10.0*	17,135	*8.3*
EBITDA	4,830	*6.7*	5,169	*11.1*	4,990	*12.9*	5,604	*10.0*
Margins (%)	*30.4*	*(143.5)*	*30.7*	*7.0*	*30.8*	*105.6*	*32.7*	*52.5*
Adj. PAT	3,464	*8.0*	3,679	*12.3*	3,599	*8.3*	4,010	*9.6*

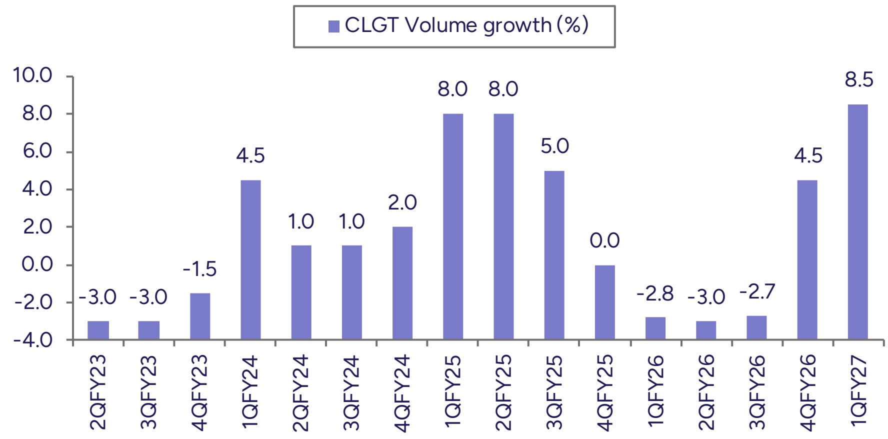
Source: Company, PL

Exhibit 2: Revenue up 11.8% YoY, EBITDA margins contract by 144bps YoY

Particulars (Rs mn)	1Q FY27	1Q FY26	*YoY gr. (%)*	1Q FY27E	*% Var.*	4Q FY26	FY27E	FY26	*YoY gr. (%)*
Net Sales	**16,033**	**14,341**	***11.8***	**15,605**	***2.7***	**15,954**	**65,774**	**60,350**	***9.0***
Gross Profit	11,218	9,884	*13.5*	10,638	*5.4*	11,144	45,384	41,980	*8.1*
Margin %	*70.0*	*68.9*	*1.0*	*68.7*	*1.3*	*69.9*	*69.0*	*69.6*	*(0.6)*
Other Exp	6388	5359	*19.2*	6035	*5.8*	6048	25038	23283	*7.5*
% of Net sales	*39.8*	*37.4*	*6.6*	*38.7*	*1.2*	*37.9*	*38.1*	*38.6*	*(1.3)*
EBITDA	**4,830**	**4,526**	***6.7***	**4,603**	***4.9***	**5,096**	**20,346**	**18,697**	***8.8***
Margin %	*30.1*	*31.6*	*(1.4)*	*29.5*	*0.6*	*31.9*	*30.9*	*31.0*	*(0.0)*
Depreciation	392	375	*4.4*	380	*3.2*	351	1585	1461	*8.5*
Interest	10	10	*1.0*	10	*3.0*	8	43	38	*12.4*
PBT from operations	**4427**	**4140**	***6.9***	**4213**	***5.1***	**4737**	**18,718**	**17,198**	***8.8***
Other Income	228	179	*27.1*	190	*20.0*	169	832	891	*(6.6)*
PBT	**4,655**	**4,320**	***7.8***	**4,403**	***5.7***	**4,906**	**19,550**	**18,089**	***8.1***
Tax	1191	1113	*7.0*	1153	*3.3*	1249	4985	4587	*8.7*
Tax rate %	*25.6*	*25.8*	*(0.7)*	*26.2*	*(0.6)*	*25.4*	*25.5*	*25.4*	*0.6*
Adj. PAT	**3,464**	**3,206**	***8.0***	**3,250**	***6.6***	**3,658**	**14,565**	**13,503**	***7.9***

Source: Company, PL

Exhibit 3: **Volume up by ~8.5% YoY in Q1**



Source: Company, PL

Financials

Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	60,402	60,350	66,541	71,931
YoY gr. (%)	*6.3*	-	*10.3*	*8.1*
Cost of Goods Sold	18,183	18,208	20,630	22,217
Gross Profit	42,219	42,142	45,912	49,713
Margin (%)	*69.9*	*69.8*	*69.0*	*69.1*
Employee Cost	4,468	4,749	5,154	5,501
Other Expenses	4,524	4,534	5,009	5,407
EBITDA	19,581	18,860	20,593	22,525
YoY gr. (%)	*3.0*	*(3.7)*	*9.2*	*9.4*
Margin (%)	*32.4*	*31.3*	*30.9*	*31.3*
Depreciation and Amortization	1,627	1,461	1,585	1,692
EBIT	17,953	17,399	19,008	20,833
Margin (%)	*29.7*	*28.8*	*28.6*	*29.0*
Net Interest	43	38	43	44
Other Income	1,388	1,004	835	832
Profit Before Tax	19,298	18,365	19,800	21,621
Margin (%)	*32.0*	*30.4*	*29.8*	*30.1*
Total Tax	4,946	4,658	5,049	5,513
Effective Tax Rate (%)	*25.6*	*25.4*	*26.0*	*26.0*
Profit After Tax	14,352	13,708	14,751	16,107
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	14,352	13,708	14,751	16,107
YoY gr. (%)	*6.9*	*(4.5)*	*7.6*	*9.2*
Margin (%)	*23.8*	*22.7*	*22.2*	*22.4*
Extra Ord. Income / (Exp)	-	(250)	-	-
Reported PAT	14,352	13,458	14,751	16,107
YoY gr. (%)	*8.4*	*(6.2)*	*9.6*	*9.2*
Margin (%)	*23.8*	*22.3*	*22.2*	*22.4*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	14,352	13,458	14,751	16,107
Equity Shares O/s (mn)	272	272	272	273
EPS (INR)	52.8	50.4	54.2	59.0

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	21,081	21,920	23,745	25,477
Tangibles	21,081	21,920	23,745	25,477
Intangibles	-	-	-	-
Acc: Dep / Amortization	14,570	15,898	17,323	18,843
Tangibles	14,570	15,898	17,323	18,843
Intangibles	-	-	-	-
Net Fixed Assets	6,511	6,022	6,422	6,634
Tangibles	6,511	6,022	6,422	6,634
Intangibles	-	-	-	-
Capital Work In Progress	384	272	500	500
Goodwill	-	-	-	-
Non-Current Investments	190	208	209	219
Net Deferred Tax Assets	680	820	732	752
Other Non-Current Assets	4,793	4,450	4,355	4,434
Current Assets				
Investments	6,280	13,855	7,863	9,287
Inventories	3,773	3,763	4,177	4,407
Trade Receivables	2,263	2,092	2,535	2,642
Cash & Bank Balance	4,672	833	4,372	5,678
Other Current Assets	509	1,654	496	536
Total Assets	30,185	34,082	31,813	35,250
Equity				
Equity Share Capital	272	272	272	273
Other Equity	16,373	15,569	17,050	19,248
Total Networth	16,645	15,841	17,322	19,521
Non-Current Liabilities				
Long Term Borrowings	-	-	-	-
Provisions	299	474	309	330
Other Non Current Liabilities	457	337	376	337
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade Payables	9,208	13,861	9,957	10,960
Other Current Liabilities	3,564	3,569	3,849	4,102
Total Equity & Liabilities	30,185	34,082	31,813	35,250

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	19,298	18,089	19,800	21,621
Add. Depreciation	1,627	1,461	1,585	1,692
Add. Interest	43	38	43	44
Less Financial Other Income	1,388	1,004	835	832
Add. Other	-	(250)	-	-
Op. Profit before WC Changes	20,969	19,338	21,428	23,356
Net Changes-WC	549	(3,729)	2,591	(653)
Direct Tax	(4,930)	(4,587)	(5,049)	(5,513)
Net Cash from Op. Activities	**16,587**	**11,022**	**18,969**	**17,190**
Capital Expenditures	(733)	(766)	(2,118)	(1,932)
Interest / Dividend Income	-	-	-	-
Others	-	-	-	-
Net Cash from Invt. Activities	**(733)**	**(766)**	**(2,118)**	**(1,932)**
Issue of Share Cap. / Premium	(148)	(185)	57	14
Debt Changes	-	-	-	-
Dividend Paid	(16,319)	(13,871)	(13,327)	(13,922)
Interest Paid	(43)	(38)	(43)	(44)
Others	-	-	-	-
Net Cash from Fin. Activities	**(16,510)**	**(14,095)**	**(13,312)**	**(13,952)**
Net Change in Cash	**(655)**	**(3,838)**	**3,538**	**1,306**
Free Cash Flow	15,855	10,256	16,851	15,258

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Net Revenues	**15,195**	**14,861**	**15,954**	**16,033**
YoY gr. (%)	*(6.2)*	*1.7*	*9.1*	*11.8*
Raw Material Expenses	4,642	4,463	4,809	4,815
Gross Profit	10,553	10,398	11,144	11,218
Margin (%)	*69.5*	*70.0*	*69.9*	*70.0*
EBITDA	**4,654**	**4,420**	**5,096**	**4,830**
YoY gr. (%)	*(6.4)*	*(2.7)*	*2.3*	*6.7*
Margin (%)	*30.6*	*29.7*	*31.9*	*30.1*
Depreciation / Depletion	372	363	351	392
EBIT	**4,282**	**4,058**	**4,746**	**4,438**
Margin (%)	*28.2*	*27.3*	*29.7*	*27.7*
Net Interest	10	10	8	10
Other Income	150	393	169	228
Profit before Tax	**4,423**	**4,441**	**4,906**	**4,655**
Margin (%)	*29.1*	*29.9*	*30.8*	*29.0*
Total Tax	1,148	1,118	1,249	1,191
Effective Tax Rate (%)	*25.9*	*25.2*	*25.4*	*25.6*
Profit After Tax	**3,275**	**3,323**	**3,658**	**3,464**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**3,275**	**3,323**	**3,658**	**3,464**
YoY gr. (%)	*(7.2)*	*2.9*	*3.0*	*8.0*
Margin (%)	*21.6*	*22.4*	*22.9*	*21.6*
Extra Ord. Income / (Exp)	-	(84)	(124)	(33)
Reported PAT	**3,275**	**3,239**	**3,533**	**3,431**
YoY gr. (%)	*(17.1)*	*0.3*	*-*	*7.0*
Margin (%)	*21.6*	*21.8*	*22.1*	*21.4*
Other Comprehensive Income	-	(41)	(112)	-
Total Comprehensive Income	**3,275**	**3,198**	**3,422**	**3,431**
Avg. Shares O/s (mn)	272	272	272	272
EPS (INR)	**12.0**	**12.2**	**13.4**	**12.7**

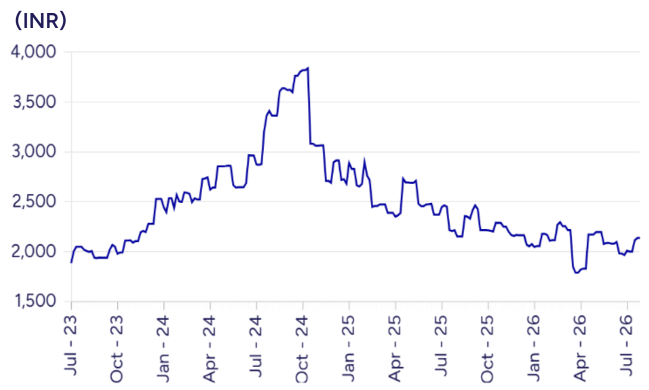
Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	52.8	50.4	54.2	59.0
CEPS	58.8	55.8	60.1	65.2
BVPS	61.2	58.2	63.7	71.5
FCF	58.3	37.7	62.0	55.9
DPS	60.0	51.0	49.0	51.0
Return Ratio (%)				
RoCE	101.5	107.1	114.6	113.1
ROIC	198.0	835.3	325.8	449.0
RoE	81.1	84.4	89.0	87.4
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	(19)	(48)	(18)	(20)
Valuation (x)				
PER	41.0	42.9	39.9	36.7
P/B	35.4	37.1	34.0	30.2
P/CEPS	36.8	38.8	36.0	33.2
EV/EBITDA	29.5	30.4	28.0	25.5
EV/Sales	9.5	9.5	8.6	8.0
Dividend Yield (%)	2.7	2.3	2.2	2.3
FCFF Yield (%)	2.6	1.7	2.8	2.5
PEG Ratio	5.9	(9.6)	5.2	4.1

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	08-Jul-26	Hold	2214	2077
2	22-May-26	HOLD	2214	2157
3	09-Apr-26	Hold	2174	1907
4	30-Jan-26	Hold	2319	2113
5	08-Jan-26	Hold	2355	2077
6	23-Oct-25	Hold	2534	2287
7	08-Oct-25	Hold	2453	2235
8	22-Jul-25	Hold	2453	2376
9	09-Jul-25	Hold	2528	2450
10	22-May-25	Hold	2654	2487

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Asian Paints	Hold	2654	2731
2	Avenue Supermarts	HOLD	4000	3847
3	Britannia Industries	BUY	6441	5452
4	Colgate Palmolive	Hold	2214	2077
5	Dabur India	HOLD	491	454
6	Emami	HOLD	469	146
7	Hindustan Unilever	Accumulate	2320	2023
8	ITC	Reduce	302	289
9	Jubilant FoodWorks	BUY	576	455
10	Marico	Accumulate	876	848
11	Metro Brands	Accumulate	1187	1058
12	Nestle India	Accumulate	1606	1494
13	Pidilite Industries	BUY	1729	1622
14	Restaurant Brands Asia	Accumulate	76	73
15	Titan Company	BUY	5209	4604
16	Westlife Foodworld	Accumulate	552	508

PL's Recommendation Nomenclature (Absolute Performance)

BUY	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

ANALYST CERTIFICATION

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We/I Mr. Amnish Aggarwal MBA, CFA, Mr. Vishwa Solanki PGDM - Finance, Mr. Parth Thakker BFM, Passed CFA Level II Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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