

# Colgate-Palmolive

Refer to important disclosures at the end of this report

## Aggressive approach to help gain market share

CMP: Rs 1,335

as of (May 22, 2020)

TP: Rs 1,500 (▲)

12 months

Rating: BUY (■)

Upside: 12.4 %

- Colgate's Q4FY20 performance was weak. EBITDA/adj. PAT fell 15%/5%, higher than expected. Revenue was down 7%, while volume declined 8% - both in line and largely impacted by the Covid-19-led disruption in March end.
- Growth trends were better in Jan-Feb before weakening in March end. After a slight decline in 2019, market shares saw a pick-up in the Mar'20 quarter, with an 80bps MoM improvement in March, which is positive.
- Colgate seems more aggressive and agile now, with stronger innovations, continued ad spends behind the core during disruptions and faster ramp-up in distribution (including ecommerce), which should help gain shares over peers, in our view.
- In addition, Colgate's portfolio offers steady visibility and is likely to be more resilient and less affected by the shifts in consumption post the disruption. Maintain Buy, with a revised TP of Rs1,500 (from Rs1,450) based on 40x Jun-22 EPS.

**In-line sales performance, Covid-19 disruption impacts volumes:** Colgate's revenue declined 7%, while volume fell 8% - largely in-line with our estimates – dragged by the Covid-19-led disruptions in supplies in the second half of March, excluding which growth was healthy during Jan-Feb period as per management. Market shares for 2019 were slightly lower, but recent trends are improving with MoM shares up 80bps in March, which is positive. Colgate seems more aggressive and agile now, with stronger innovations and faster ramp-up in distribution, which should help it gain shares over peers.

**Margins contract due to higher employee costs; outlook remains positive:** Gross margins expanded by 10bps but EBITDA fell 15%, with margins down 240bps due to a 22% increase in employee costs (including one-off costs) and flat ad spends (14.6% of sales vs. 13.6% in Q4FY19), which was marginally offset by the decrease in other overhead costs. Benign input inflation, cost savings and reduced competitive activity are likely to drive further improvement in margins ahead. Excluding the impact of prior tax reversals, adjusted PAT declined 5%, aided by higher other income, partly driven by one-off gains from reversal of provisions.

**Portfolio likely to be steady and resilient; retain Buy:** Colgate's portfolio offers steady visibility as the oral care is likely to be more resilient and less affected by the shifts in consumption post the disruption. Increased aggression in the oral care along with a cautious expansion of portfolio keeps us positive. We estimate a sales/earnings CAGR of 7%/11% over FY20-22. Maintain Buy / OW in EAP, with a revised TP of Rs1,500 (from Rs1,450) based on 40x Jun-22 EPS.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Consumer Goods & Retail \(page 8\)](#)

### Financial Snapshot (Standalone)

(Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	44,624	45,251	47,042	51,661	56,814
EBITDA	12,361	12,017	13,022	14,601	16,227
EBITDA Margin (%)	27.7	26.6	27.7	28.3	28.6
APAT	7,451	8,165	8,483	9,665	10,819
EPS (Rs)	27.4	30.0	31.2	35.5	39.8
EPS (% chg)	8.8	9.6	3.9	13.9	11.9
ROE (%)	50.1	55.4	55.9	61.6	64.9
P/E (x)	48.7	44.5	42.8	37.6	33.6
EV/EBITDA (x)	29.1	30.0	27.6	24.5	21.9
P/BV (x)	25.1	24.2	23.7	22.7	21.0

Source: Company, Emkay Research



### Change in Estimates

EPS Chg FY21E/FY22E (%)	1.6/0.5
Target Price change (%)	3.4
Target Period (Months)	12
Previous Reco	BUY

### Emkay vs Consensus

EPS Estimates		
	FY21E	FY22E
Emkay	31.2	35.5
Consensus	32.6	36.2
Mean Consensus TP (12M)	Rs 1,390	

### Stock Details

Bloomberg Code	CLGT IN
Face Value (Rs)	1
Shares outstanding (mn)	272
52 Week H/L	1,643 / 1,065
M Cap (Rs bn/USD bn)	363 / 4.80
Daily Avg Volume (nos.)	9,71,381
Daily Avg Turnover (US\$ mn)	17.1

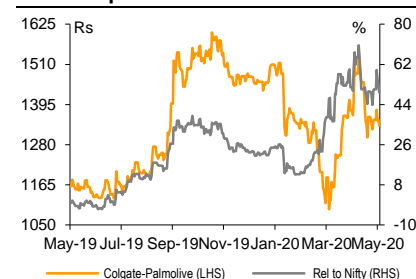
### Shareholding Pattern Mar '20

Promoters	51.0%
FIIIs	16.2%
DIIIs	10.0%
Public and Others	22.8%

### Price Performance

(%)	1M	3M	6M	12M
Absolute	(5)	(1)	(12)	16
Rel. to Nifty	(6)	32	16	49

### Relative price chart



Source: Bloomberg

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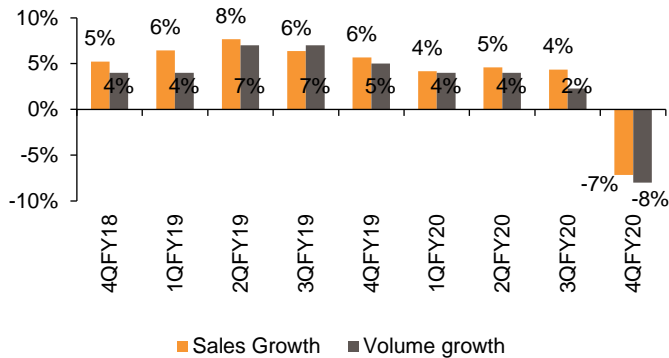
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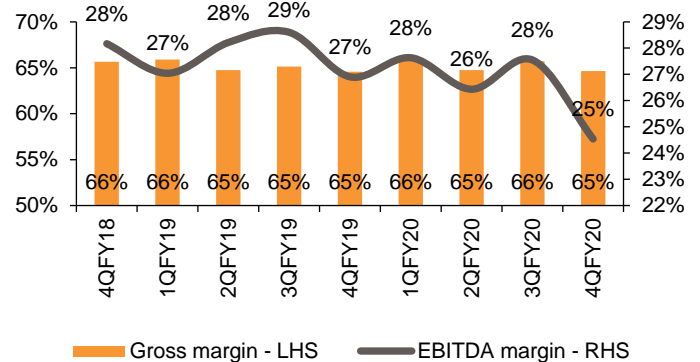
## Story in Charts

**Exhibit 1: Volume decline due to Covid-19 related supply issues**



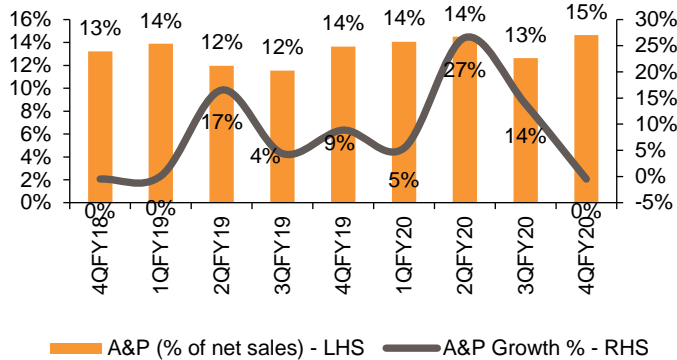
Source: Company, Emkay Research

**Exhibit 2: Margins impacted by high employee costs**



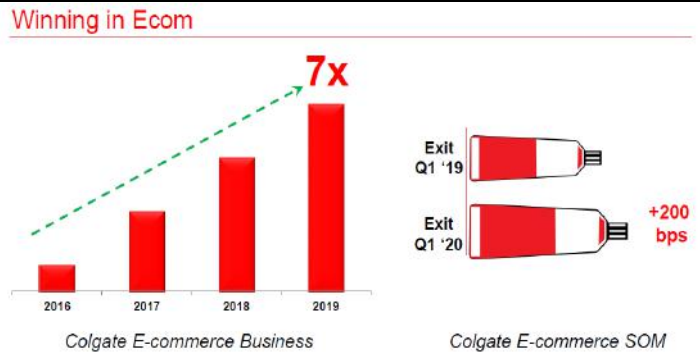
Source: Company, Emkay Research

**Exhibit 3: A&P investments remain flat, despite lower sales**



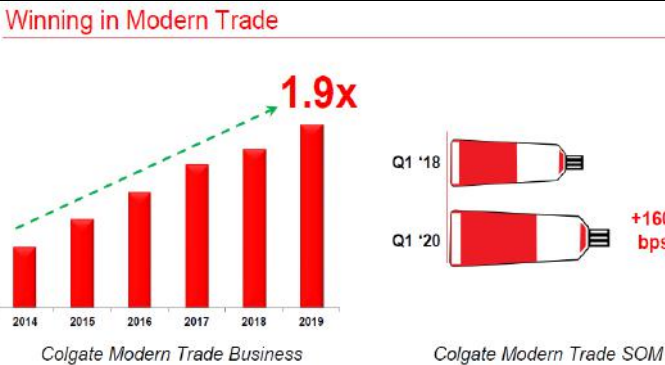
Source: Company, Emkay Research

**Exhibit 4: Ramp up in Ecom before Covid-19 driving share gains**



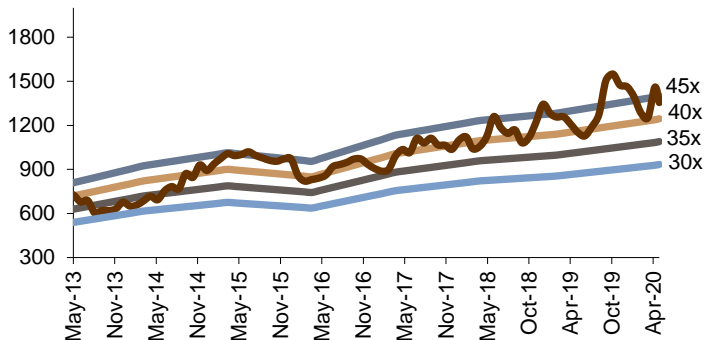
Source: Company, Emkay Research

**Exhibit 5: Market share improvement in modern trade**



Source: Company, Emkay Research

**Exhibit 6: One-year forward P/E band chart**



Source: Company, Emkay Research

**Exhibit 7: Actual vs. Estimates (Q4FY20)**

Rs mn	Actual	Estimate		% variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Revenues	10,713	10,868	11,395	-1.4%	-6.0%	In-line revenue; volumes decline of 8%
EBITDA	2,629	2,892	3,075	-9.1%	-14.5%	
EBITDA Margin (%)	24.5%	26.6%	27.0%	-207	-245	Margins impacted by 22% increase in employee costs
APAT	1,732	1,798	1,976	-3.7%	-12.3%	

Source: Company, Emkay Research

**Exhibit 8: Quarterly Performance (Standalone)**

Y/E, Mar (Rs. mn)	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	YoY (%)	QoQ (%)	FY19	FY20	YoY (%)
<b>Revenue</b>	<b>11,538</b>	<b>10,849</b>	<b>12,218</b>	<b>11,472</b>	<b>10,713</b>	<b>-7.1</b>	<b>-6.6</b>	<b>44,624</b>	<b>45,251</b>	<b>1.4</b>
<b>Expenditure</b>	<b>8,433</b>	<b>7,851</b>	<b>8,988</b>	<b>8,311</b>	<b>8,084</b>	<b>-4.1</b>	<b>-2.7</b>	<b>32,264</b>	<b>33,234</b>	<b>3.0</b>
Consumption of RM	4,088	3,704	4,308	3,931	3,786	-7.4	-3.7	15,586	15,729	0.9
as % of sales	35.4%	34.1%	35.3%	34.3%	35.3%			34.9%	34.8%	
Employee Cost	735	835	819	770	899	22.3	16.7	2,959	3,323	12.3
as % of sales	6.4%	7.7%	6.7%	6.7%	8.4%			6.6%	7.3%	
Advertising & SP	1,563	1,513	1,758	1,434	1,555	-0.5	8.4	5,647	6,260	10.9
as % of sales	13.5%	13.9%	14.4%	12.5%	14.5%			12.7%	13.8%	
Other expenditure	2,048	1,799	2,104	2,176	1,844	-9.9	-15.3	8,072	7,922	-1.9
as % of sales	17.7%	16.6%	17.2%	19.0%	17.2%			18.1%	17.5%	
<b>EBITDA</b>	<b>3,104</b>	<b>2,998</b>	<b>3,230</b>	<b>3,161</b>	<b>2,629</b>	<b>-15.3</b>	<b>-16.8</b>	<b>12,361</b>	<b>12,017</b>	<b>-2.8</b>
Depreciation	394	499	504	515	462	17.3	-10.3	1,592	1,979	24.4
<b>EBIT</b>	<b>2,711</b>	<b>2,500</b>	<b>2,726</b>	<b>2,646</b>	<b>2,167</b>	<b>-20.1</b>	<b>-18.1</b>	<b>10,769</b>	<b>10,038</b>	<b>-6.8</b>
Other Income	120	152	86	58	196	64.4	238.6	377	492	30.7
Interest cost	25	23	24	29	20			25	96	
Exceptional items	-36	0	0	0	0			305	0	
<b>PBT</b>	<b>2,769</b>	<b>2,628</b>	<b>2,788</b>	<b>2,674</b>	<b>2,344</b>	<b>-15.4</b>	<b>-12.4</b>	<b>11,426</b>	<b>10,434</b>	<b>-8.7</b>
Total Tax	793	937	347	683	302	-61.9	-55.8	3,670	2,269	-38.2
<b>Reported PAT</b>	<b>1,976</b>	<b>1,691</b>	<b>2,441</b>	<b>1,991</b>	<b>2,042</b>	<b>3.3</b>	<b>2.5</b>	<b>7,756</b>	<b>8,165</b>	<b>5.3</b>
Extra ordinary items	-161	0	0	-0	0			-632	-310	
<b>Adjusted PAT</b>	<b>1,815</b>	<b>1,691</b>	<b>2,441</b>	<b>1,991</b>	<b>1732</b>	<b>-4.6</b>	<b>-13.1</b>	<b>7,124</b>	<b>7,855</b>	<b>10.3</b>
<b>Adjusted EPS</b>	<b>6.7</b>	<b>6.2</b>	<b>9.0</b>	<b>7.3</b>	<b>6.4</b>	<b>-4.6</b>	<b>-13.1</b>	<b>26.2</b>	<b>28.9</b>	<b>10.3</b>

Margins (%)						(bps)	(bps)			(bps)
Gross Margin	64.6	65.9	64.7	65.7	64.7	10	-110	65.1	65.2	20
EBIDTA	26.9	27.6	26.4	27.6	24.5	-240	-300	27.7	26.6	-110
EBIT	23.5	23.0	22.3	23.1	20.2	-330	-280	24.1	22.2	-200
EBT	24.0	24.2	22.8	23.3	21.9	-210	-140	25.6	23.1	-250
PAT	15.7	15.6	20.0	17.4	16.3	60	-110	16.0	17.4	140
Effective Tax rate	28.6	35.7	12.4	25.6	12.9	-1,580	-1,270	32.1	21.7	-1,040

Source: Company, Emkay Research

**Exhibit 9: Revision in Earnings**

Y/E, Mar (Rs. mn)	FY21E			FY22E			FY23E
	Earlier	Revised	% Change	Earlier	Revised	% Change	Introduced
Revenues	46,939	46,648	-0.6	52,239	51,248	-1.9	56,380
EBITDA	13,016	13,022	0.0	14,747	14,601	-1.0	16,227
EBITDA Margin (%)	27.7	27.9	20 bps	28.2	28.5	30 bps	28.8
APAT	8,351	8,483	1.6	9,616	9,665	0.5	10,819
EPS	30.7	31.2	1.6	35.4	35.5	0.5	39.8

Source: Company, Emkay Research

**Exhibit 10: Revenue Assumptions**

	FY19	FY20	FY21E	FY22E	FY23E
Toothpaste Volume Growth	5%	1%	3%	6%	6%
Toothpaste Realization growth	2%	1%	1%	4%	4%
Revenue (Rs mn)	44,624	45,251	47,042	51,661	56,814
Growth	7%	1%	4%	10%	10%

Source: Company, Emkay Research

**Exhibit 11: Relative Valuation**

Companies	Price (Rs)	Mcap (Rs bn)	Reco	Target Price (Rs)	EPS (Rs)			P/E (x)			EV / EBITDA (x)		
					FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E
Asian Paints	1,574	1,510	Hold	1,650	28.6	34.2	39.1	55.1	46.0	40.3	35.1	29.4	25.8
Berger Paints	465	452	Sell	430	6.9	8.7	10.1	67.4	53.4	46.1	41.9	33.6	29.0
Britannia	3,111	748	Buy	3,250	56.9	61.3	70.5	54.7	50.7	44.1	40.3	36.8	31.9
<b>Colgate</b>	<b>1,335</b>	<b>363</b>	<b>Buy</b>	<b>1,500</b>	<b>30.0</b>	<b>31.2</b>	<b>35.5</b>	<b>44.5</b>	<b>42.8</b>	<b>37.6</b>	<b>30.0</b>	<b>27.6</b>	<b>24.5</b>
Dabur	440	778	Hold	465	9.1	10.2	11.6	48.5	43.3	38.1	39.9	35.4	30.1
Emami	210	95	Hold	240	11.5	11.3	11.9	18.1	18.6	17.6	12.5	12.2	11.3
GCPL	576	588	Hold	600	13.8	15.6	17.6	41.6	36.9	32.7	28.3	25.5	22.8
HUL	1,971	4,627	Hold	2,300	31.2	35.7	42.0	63.2	55.1	46.9	47.6	41.9	35.9
ITC	189	2,323	Buy	240	11.7	12.1	13.4	16.2	15.6	14.1	11.7	11.0	9.7
Marico	317	409	Hold	320	8.3	8.5	9.5	38.1	37.1	33.4	27.2	25.8	23.3
Nestle	16,289	1,570	Sell	15,000	206.8	235.7	275.9	78.8	69.1	59.0	54.8	49.2	42.4
Pidilite	1,419	721	Sell	1,170	22.7	25.2	29.2	62.6	56.4	48.6	46.1	41.7	35.9
Radico Khaitan	306	41	Buy	400	15.8	17.5	22.1	19.3	17.5	13.8	12.1	11.0	8.8
United Breweries	927	245	Buy	1,230	17.0	20.4	27.0	54.5	45.5	34.4	27.3	23.4	18.7
United Spirits	610	443	Buy	660	11.9	13.0	16.5	51.3	47.0	37.0	30.5	28.4	23.3

Source: Company, Emkay Research

**Key Financials (Standalone)****Income Statement**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
<b>Revenue</b>	<b>44,624</b>	<b>45,251</b>	<b>47,042</b>	<b>51,661</b>	<b>56,814</b>
<b>Expenditure</b>	<b>32,264</b>	<b>33,234</b>	<b>34,020</b>	<b>37,061</b>	<b>40,588</b>
<b>EBITDA</b>	<b>12,361</b>	<b>12,017</b>	<b>13,022</b>	<b>14,601</b>	<b>16,227</b>
Depreciation	1,592	1,979	2,042	2,116	2,287
<b>EBIT</b>	<b>10,769</b>	<b>10,038</b>	<b>10,980</b>	<b>12,485</b>	<b>13,939</b>
Other Income	377	492	522	605	702
Interest expenses	25	96	100	100	100
<b>PBT</b>	<b>11,121</b>	<b>10,434</b>	<b>11,402</b>	<b>12,991</b>	<b>14,542</b>
Tax	3,670	2,269	2,919	3,326	3,723
Extraordinary Items	305	0	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
<b>Reported Net Income</b>	<b>7,756</b>	<b>8,165</b>	<b>8,483</b>	<b>9,665</b>	<b>10,819</b>
<b>Adjusted PAT</b>	<b>7,451</b>	<b>8,165</b>	<b>8,483</b>	<b>9,665</b>	<b>10,819</b>

**Balance Sheet**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Equity share capital	272	272	272	272	272
Reserves & surplus	14,196	14,744	15,067	15,756	17,055
<b>Net worth</b>	<b>14,468</b>	<b>15,016</b>	<b>15,339</b>	<b>16,028</b>	<b>17,327</b>
<b>Minority Interest</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Loan Funds</b>	<b>777</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net deferred tax liability	(686)	(1,430)	(1,430)	(1,430)	(1,430)
<b>Total Liabilities</b>	<b>14,558</b>	<b>13,586</b>	<b>13,909</b>	<b>14,598</b>	<b>15,897</b>
<b>Net block</b>	<b>11,909</b>	<b>11,229</b>	<b>10,487</b>	<b>10,072</b>	<b>9,484</b>
<b>Investment</b>	<b>312</b>	<b>186</b>	<b>186</b>	<b>186</b>	<b>186</b>
<b>Current Assets</b>	<b>10,555</b>	<b>8,709</b>	<b>10,366</b>	<b>11,870</b>	<b>14,713</b>
Cash & bank balance	3,994	2,449	3,792	5,095	7,419
Other Current Assets	801	812	833	853	903
<b>Current liabilities &amp; Provision</b>	<b>10,203</b>	<b>8,438</b>	<b>9,030</b>	<b>9,430</b>	<b>10,386</b>
<b>Net current assets</b>	<b>351</b>	<b>271</b>	<b>1,336</b>	<b>2,440</b>	<b>4,327</b>
Misc. exp	0	0	0	0	0
<b>Total Assets</b>	<b>14,558</b>	<b>13,586</b>	<b>13,909</b>	<b>14,598</b>	<b>15,897</b>

**Cash Flow**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
<b>PBT (Ex-Other income) (NI+Dep)</b>	<b>10,744</b>	<b>9,941</b>	<b>10,880</b>	<b>12,385</b>	<b>13,839</b>
Other Non-Cash items	0	0	0	0	0
Chg in working cap	284	(2,208)	279	198	438
<b>Operating Cashflow</b>	<b>9,656</b>	<b>8,032</b>	<b>10,904</b>	<b>12,079</b>	<b>13,644</b>
Capital expenditure	(2,442)	(1,213)	(1,300)	(1,700)	(1,700)
<b>Free Cash Flow</b>	<b>7,214</b>	<b>6,819</b>	<b>9,604</b>	<b>10,379</b>	<b>11,944</b>
Investments	0	125	0	0	0
Other Investing Cash Flow	(377)	(492)	(522)	(605)	(702)
<b>Investing Cashflow</b>	<b>(2,442)</b>	<b>(1,088)</b>	<b>(1,300)</b>	<b>(1,700)</b>	<b>(1,700)</b>
Equity Capital Raised	0	0	0	0	0
Loans Taken / (Repaid)	777	(777)	0	0	0
Dividend paid (incl tax)	(7,509)	(7,616)	(8,160)	(8,976)	(9,520)
Other Financing Cash Flow	(1,025)	0	0	0	0
<b>Financing Cashflow</b>	<b>(7,782)</b>	<b>(8,489)</b>	<b>(8,260)</b>	<b>(9,076)</b>	<b>(9,620)</b>
<b>Net chg in cash</b>	<b>(568)</b>	<b>(1,545)</b>	<b>1,344</b>	<b>1,303</b>	<b>2,324</b>
Opening cash position	4,562	3,994	2,449	3,792	5,095
<b>Closing cash position</b>	<b>3,994</b>	<b>2,449</b>	<b>3,792</b>	<b>5,095</b>	<b>7,419</b>

Source: Company, Emkay Research

**Key Ratios**

<b>Profitability (%)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
EBITDA Margin	27.7	26.6	27.7	28.3	28.6
EBIT Margin	24.1	22.2	23.3	24.2	24.5
Effective Tax Rate	33.0	21.7	25.6	25.6	25.6
Net Margin	16.7	18.0	18.0	18.7	19.0
ROCE	75.3	74.8	83.7	91.8	96.0
ROE	50.1	55.4	55.9	61.6	64.9
RoIC	127.7	115.9	128.6	161.6	201.9

<b>Per Share Data (Rs)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
EPS	27.4	30.0	31.2	35.5	39.8
CEPS	33.2	37.3	38.7	43.3	48.2
BVPS	53.2	55.2	56.4	58.9	63.7
DPS	23.0	28.0	30.0	33.0	35.0

<b>Valuations (x)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
PER	48.7	44.5	42.8	37.6	33.6
P/CEPS	40.2	35.8	34.5	30.8	27.7
P/BV	25.1	24.2	23.7	22.7	21.0
EV / Sales	8.1	8.0	7.7	7.0	6.3
EV / EBITDA	29.1	30.0	27.6	24.5	21.9
Dividend Yield (%)	1.7	2.1	2.2	2.5	2.6

<b>Gearing Ratio (x)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
Net Debt/ Equity	(0.2)	(0.2)	(0.2)	(0.3)	(0.4)
Net Debt/EBIDTA	(0.3)	(0.2)	(0.3)	(0.3)	(0.5)
Working Cap Cycle (days)	(29.8)	(17.6)	(19.1)	(18.8)	(19.9)

<b>Growth (%)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
Revenue	6.6	1.4	4.0	9.8	10.0
EBITDA	11.1	(2.8)	8.4	12.1	11.1
EBIT	12.7	(6.8)	9.4	13.7	11.6
PAT	15.2	5.3	3.9	13.9	11.9

<b>Quarterly (Rs mn)</b>	<b>Q4FY19</b>	<b>Q1FY20</b>	<b>Q2FY20</b>	<b>Q3FY20</b>	<b>Q4FY20</b>
Revenue	11,538	10,849	12,218	11,472	10,713
EBITDA	3,104	2,998	3,230	3,161	2,629
<b>EBITDA Margin (%)</b>	<b>26.9</b>	<b>27.6</b>	<b>26.4</b>	<b>27.6</b>	<b>24.5</b>
PAT	1,976	1,691	2,441	1,991	2,042
<b>EPS (Rs)</b>	<b>7.3</b>	<b>6.2</b>	<b>9.0</b>	<b>7.3</b>	<b>7.5</b>

Source: Company, Emkay Research

<b>Shareholding Pattern (%)</b>	<b>Mar-19</b>	<b>Jun-19</b>	<b>Sep-19</b>	<b>Dec-19</b>	<b>Mar-20</b>
Promoters	51.0	51.0	51.0	51.0	51.0
FIs	15.4	15.1	15.5	16.5	16.2
DIs	10.2	10.3	11.4	10.2	10.0
Public and Others	23.5	23.6	22.2	22.3	22.8

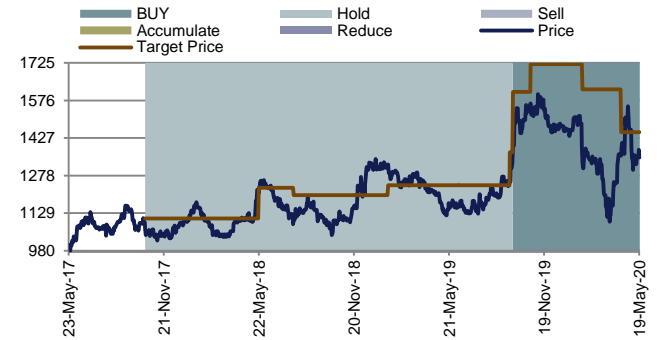
Source: Capitaline

## RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
14-Apr-20	1,357	1,450	12m	Buy	Ashit Desai
31-Jan-20	1,329	1,620	12m	Buy	Ashit Desai
25-Dec-19	1,474	1,720	12m	Buy	Ashit Desai
24-Oct-19	1,564	1,720	12m	Buy	Ashit Desai
20-Sep-19	1,397	1,610	12m	Buy	Ashit Desai
14-Sep-19	1,254	1,370	12m	Hold	Ashit Desai
18-Jul-19	1,204	1,240	12m	Hold	Ashit Desai
27-May-19	1,180	1,240	12m	Hold	Ashit Desai
09-Apr-19	1,231	1,240	12m	Hold	Ashit Desai
24-Jan-19	1,322	1,240	12m	Hold	Ashit Desai
30-Oct-18	1,100	1,200	12m	Hold	Ashit Desai
27-Jul-18	1,103	1,200	12m	Hold	Ashit Desai
21-May-18	1,208	1,230	12m	Hold	Ashit Desai
16-Oct-17	1,063	1,108	12m	Hold	Amit Purohit

Source: Company, Emkay Research

## RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research



## Emkay Alpha Portfolio – Consumer Goods & Retail



### Analyst: Ashit Desai

#### Contact Details

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+91 22 6612 1340

#### Sector

Consumer Goods & Retail

#### Analyst bio

Ashit Desai holds a PGDM and FRM (US GARP) with 12 years of research experience on the sell side. His team currently covers 24 stocks in the Indian Consumer and Retail space.

### EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight (Normalised)
<b>Consumer Goods &amp; Retail</b>	<b>14.14</b>	<b>14.14</b>	<b>0%</b>	<b>0</b>	<b>100.00</b>
Asian Paints	1.46	0.65	-55%	-81	4.61
Berger Paints	0.23	0.00	-100%	-23	0.00
Britannia Industries	0.75	1.08	44%	33	7.66
Colgate-Palmolive	0.37	0.52	42%	15	3.68
Dabur India	0.51	0.61	19%	10	4.29
Emami	0.09	0.00	-100%	-9	0.00
Godrej Consumer Products	0.45	0.00	-100%	-45	0.00
Hindustan Unilever	3.61	3.08	-15%	-53	21.78
ITC	3.31	3.72	13%	42	26.33
Marico	0.34	0.32	-5%	-2	2.26
Nestle India	1.19	0.95	-20%	-24	6.75
Pidilite Industries	0.45	0.00	-100%	-45	0.00
Radico Khaitan	0.00	0.30	NA	30	2.12
United Breweries	0.13	0.72	450%	59	5.08
United Spirits	0.00	0.50	NA	50	3.56
ABFRL	0.07	0.29	302%	22	2.07
Jubilant FoodWorks	0.24	0.44	83%	20	3.14
Page Industries	0.22	0.00	-100%	-22	0.00
Shoppers Stop	0.00	0.00	NA	0	0.00
Titan Company	0.73	0.94	29%	21	6.66
<b>Cash</b>	<b>0.00</b>	<b>0.00</b>	<b>NA</b>	<b>0</b>	<b>0.00</b>

Source: Emkay Research

\* Not under coverage: Equal Weight

■ High Conviction/Strong Over Weight ■ High Conviction/Strong Under Weight

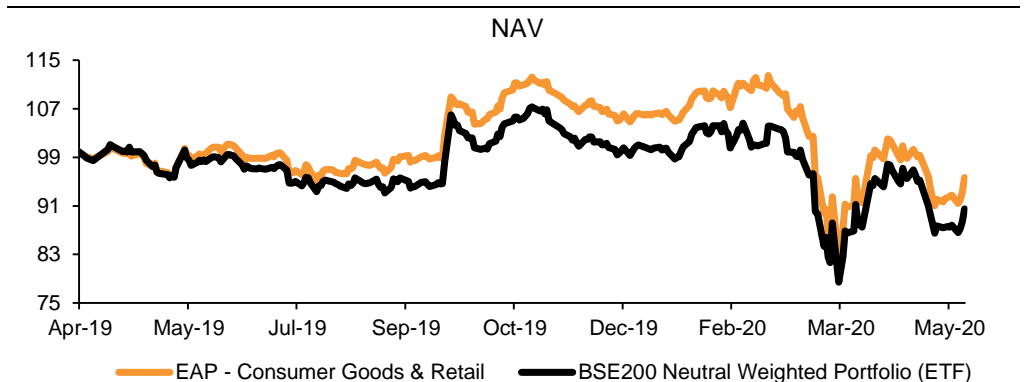
### Sector portfolio NAV

	Base					Latest
	1-Apr-19	20-Aug-19	21-Nov-19	20-Feb-20	21-Apr-20	21-May-20
EAP - Consumer Goods & Retail	100.0	97.7	107.0	111.4	98.6	95.6
BSE200 Neutral Weighted Portfolio (ETF)	100.0	94.6	101.4	104.2	94.6	90.5

\*Performance measurement base date 1<sup>st</sup> April 2019

Source: Emkay Research

### NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”



## Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 23 May 2020 02:12:31 (SGT)

Dissemination Date: 23 May 2020 02:13:31 (SGT)

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