# Colgate-Palmolive (India) Ltd. Q2FY26


**Result update**

**24th Oct 2025**

# Colgate-Palmolive (India) Ltd.

**Sales decline amid GST-led distribution disruption.**

| CMP | Target | Potential Upside | Market Cap (INR Mn) | Recommendation | Sector |
|---|---|---|---|---|---|
| **INR 2,240** | **INR 2,429** | **8.4%** | **6,09,280** | **ACCUMULATE** | **Consumer** |

## Result highlights

Colgate-Palmolive India's Q2FY26 performance stood below our expectations across the board, reflecting persistent headwinds from tough operating conditions, specifically caused by transitory disruption at distributors and retailers across channels caused by GST rate revision.

**Revenue:** The company's revenue declined by 6.2% YoY (6.0% QoQ) to INR 15,195 Mn., impacted by a high growth base and GST led disruptions. Management remains constructive on growth, supported by the continued strong growth momentum of the premium portfolio (led by Colgate Visible White Purple), with recovery anticipated to be gradual in H2FY26E.

**Margin and Profitability:** Gross margin expanded by 91 bps YoY (53 bps QoQ) to 69.5%.EBITDA declined by 6.4% YoY (2.8% QoQ) to INR 4,654 Mn., impacted by decline in gross margins and muted revenue growth. Focus now remains on volume recovery through higher trade incentives, advertisements and promotions. The Company is committed to its long-term strategic goals and continues to prioritize brand investments. EBITDA margin declined by 9 bps YoY (93 bps QoQ) to 30.6%.

Net profit came in at INR 3,275 Mn (-17.1% YoY / 2.1% QoQ), driven by softer operating metrics.

**Demand Drivers:** The company focus on driving growth through deploying strategies including-

**(i) Product innovation**: The company introduced new offerings and launched key campaigns during the quarter:

• Palmolive Body Wash Range: The company introduced Palmolive's newest Moments body wash range. This range is curated for distinct bathing moments during the day and features three unique body washes infused with 100% natural extracts and patented fragrance technologies.

• Colgate Strong Teeth Campaign: The latest campaign, "CAVITY-PROOF," was launched under the flagship Colgate Strong Teeth (CST) brand. This campaign focuses on the confidence of mothers in the product's advanced Arginine + Calcium Boost technology, which provides 24-hours non-stop anti-cavity protection to children

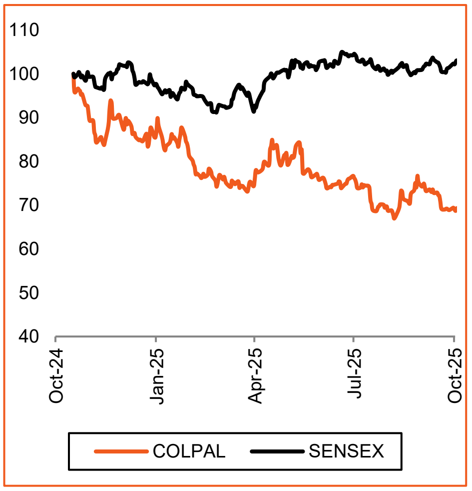
**(ii) Premiumization momentum sustained**: The premium portfolio continued to gain salience, supported by differentiated offerings and targeted brand building.

**(iii) Brand investments steady**: Ad spends remained stable at ~15.0% of sales, underscoring management's commitment to brand equity and long-term consumer engagement.

**Outlook and Valuation:**

Management expects a gradual demand recovery in H2FY26E, supported by improving macro indicators and internal execution initiatives. We have rolled forward our valuation to Sept'27 estimates and assign a multiple of 41.0x Sept'27 EPS, deriving a target price of INR 2,429. We maintain our "ACCUMULATE" rating, as we believe that the recovery will be underpinned by new product launches, strong brand equity, and sustained premiumization trends.

## SHARE PRICE PERFORMANCE




| MARKET DATA | |
|---|---|
| Shares outs (Mn) | 272 |
| Mkt Cap (INR Mn) | 6,09,280 |
| 52 Week H/L (INR) | 3,360/ 2,151 |

*Based on the today's closing
Note: All the market data is as of the today's closing

## SHARE HOLDING PATTERN (%)

| Particulars (%) | Sept-25 | Jun-25 | Mar-25 |
|---|---|---|---|
| Promoters | 51.0 | 51.0 | 51.0 |
| FIIs | 17.2 | 20.4 | 22.2 |
| DIIs | 12.0 | 9.3 | 7.8 |
| Others | 19.8 | 19.3 | 18.9 |
| Total | 100.0 | 100.0 | 100.0 |

**4.4%**
Revenue CAGR between FY25-FY27E

**4.2%**
Adj. PAT CAGR between FY25-FY27E

## KEY FINANCIALS

| Particulars (INR Mn) | FY24 | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| Revenue | 56,804 | 60,402 | 60,844 | 65,862 | 71,358 |
| EBITDA | 19,008 | 19,581 | 19,183 | 21,486 | 23,228 |
| EBITDA Margin | 33.5% | 32.4% | 31.5% | 32.6% | 32.6% |
| Adj. PAT | 13,432 | 14,368 | 13,899 | 15,593 | 16,858 |
| Adj. PAT Margin | 23.6% | 23.8% | 22.8% | 23.7% | 23.6% |
| Adj. EPS | 49.4 | 52.8 | 51.1 | 57.3 | 62.0 |

Source: Company, DevenChoksey Research

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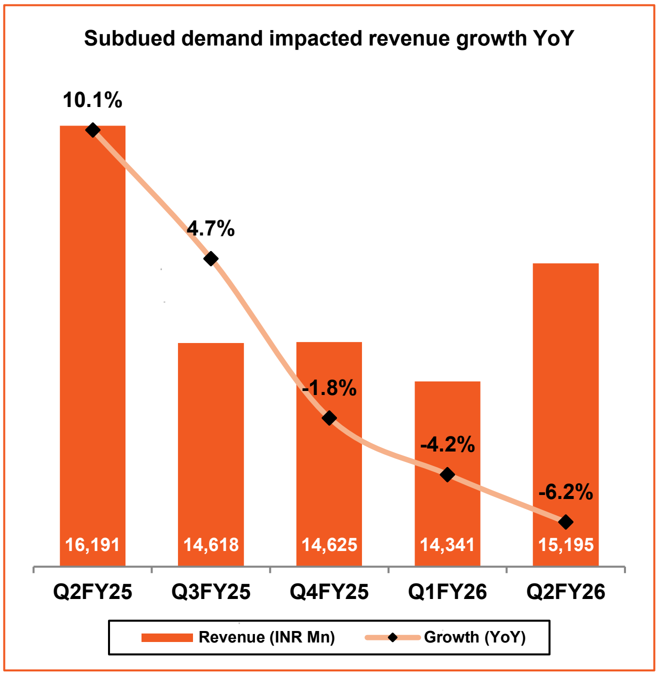
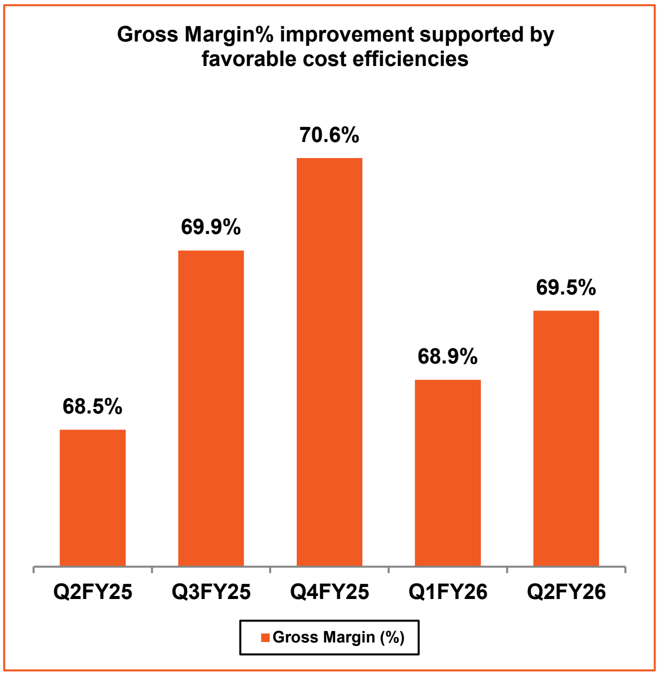
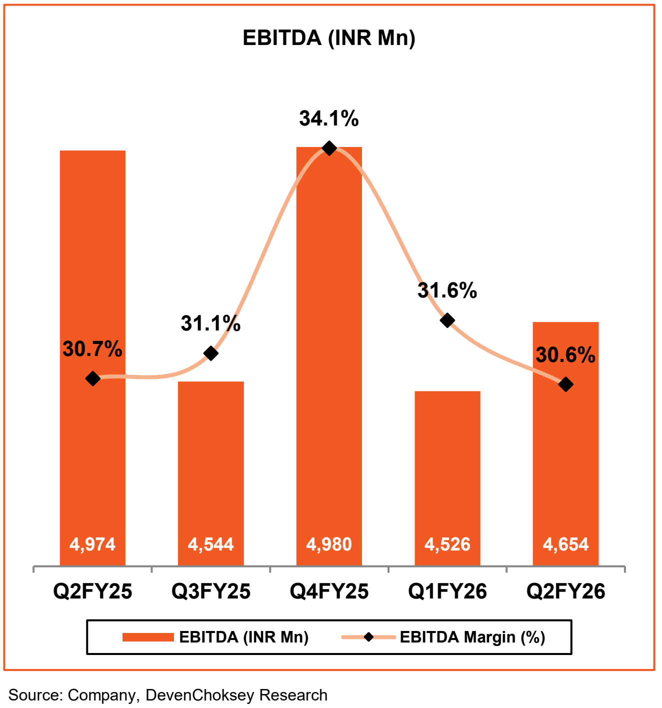
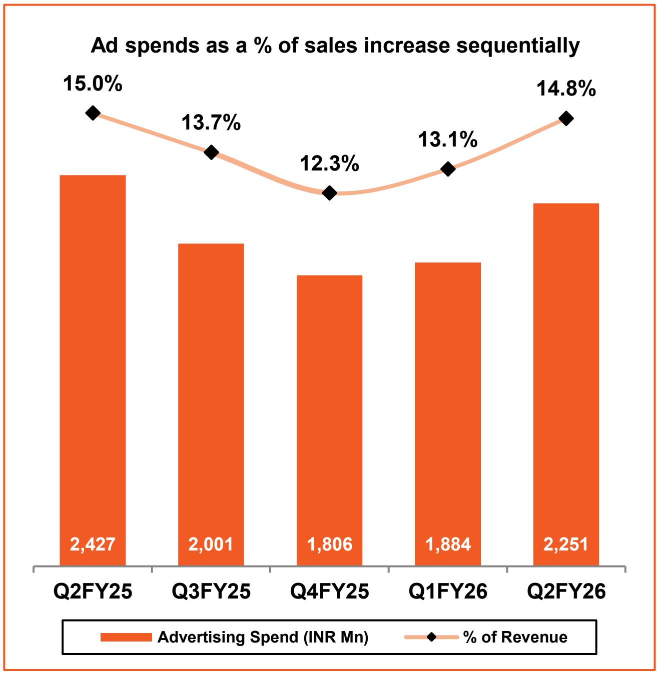
Colgate-Palmolive (India) Ltd.

## STORY IN CHARTS




Source: Company, DevenChoksey Research

# Colgate-Palmolive (India) Ltd.

## RESULT SNAPSHOT

| Particulars (INR Mn) | Q2FY26 | Q1FY26 | Q2FY25 | QoQ | YoY |
|---|---|---|---|---|---|
| **Revenue from Operations** | **15,195** | **14,341** | **16,191** | **6.0%** | **(6.2%)** |
| **Total Expenditure** | **10,541** | **9,815** | **11,218** | **7.4%** | **(6.0%)** |
| Cost of Raw Materials | 3,937 | 3,457 | 4,457 | 13.9% | (11.7%) |
| Purchase of Stock | 844 | 400 | 876 | 111.0% | (3.6%) |
| Changes in Inventories | (139) | 599 | (239) | (123.2%) | (41.9%) |
| Employee Cost | 1,181 | 1,182 | 1,184 | (0.1%) | (0.2%) |
| Other Expenses | 4,718 | 4,177 | 4,941 | 13.0% | (4.5%) |
| **EBITDA** | **4,654** | **4,526** | **4,974** | **2.8%** | **(6.4%)** |
| **EBITDA Margin (%)** | **30.6%** | **31.6%** | **30.7%** | **(93 bps)** | **(9 bps)** |
| Depreciation | 372 | 375 | 417 | (0.9%) | (10.9%) |
| **EBIT** | **4,282** | **4,150** | **4,556** | **3.2%** | **(6.0%)** |
| Interest Expense | 10 | 10 | 12 | (2.9%) | (13.9%) |
| Other Income | 150 | 179 | 760 | (16.2%) | (80.2%) |
| **PBT** | **4,423** | **4,320** | **5,305** | **2.4%** | **(16.6%)** |
| Tax | 1,148 | 1,113 | 1,354 | 3.1% | (15.2%) |
| **PAT** | **3,275** | **3,206** | **3,951** | **2.1%** | **(17.1%)** |
| **PAT Margin** | **21.6%** | **22.4%** | **24.4%** | **(80 bps)** | **(285 bps)** |
| **Adjusted PAT** | **3,275** | **3,206** | **3,951** | **2.1%** | **(17.1%)** |
| **Adjusted PAT Margin** | **21.6%** | **22.4%** | **24.4%** | **(80 bps)** | **(285 bps)** |
| **EPS** | **12.0** | **11.8** | **14.5** | **2.1%** | **(17.1%)** |
| **Adjusted EPS** | **12.0** | **11.8** | **14.5** | **2.1%** | **(17.1%)** |

Source: Company, DevenChoksey Research

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# Colgate-Palmolive (India) Ltd.

## KEY FINANCIALS

### Exhibit 1: Profit & Loss Statement

| INR Mn | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|
| **Revenue** | **60,402** | **60,844** | **65,862** | **71,358** |
| COGS | 18,183 | 18,679 | 19,778 | 21,670 |
| **Gross profit** | **42,219** | **42,166** | **46,084** | **49,687** |
| Employee cost | 4,468 | 4,586 | 4,934 | 5,155 |
| Other expenses | 18,171 | 18,397 | 19,664 | 21,305 |
| **EBITDA** | **19,581** | **19,183** | **21,486** | **23,228** |
| EBITDA Margin | 32.4% | 31.5% | 32.6% | 32.6% |
| D&A | 1,627 | 1,625 | 1,729 | 1,773 |
| **EBIT** | **17,953** | **17,558** | **19,757** | **21,455** |
| Interest expense | 43 | 42 | 42 | 42 |
| Other income | 1,388 | 1,189 | 1,266 | 1,271 |
| PBT | 19,298 | 18,706 | 20,981 | 22,684 |
| Tax | 4,930 | 4,807 | 5,388 | 5,825 |
| PAT | 14,368 | 13,899 | 15,593 | 16,858 |
| **Adj. PAT** | **14,368** | **13,899** | **15,593** | **16,858** |
| EPS (INR) | 52.8 | 51.1 | 57.3 | 62.0 |
| **Adj. EPS** | **52.8** | **51.1** | **57.3** | **62.0** |

### Exhibit 3: Cash Flow Statement

| INR Mn | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|
| CFFO | 13,945 | 15,818 | 17,482 | 19,220 |
| CFFI | 560 | (814) | (1,200) | (1,289) |
| CFFF | (16,713) | (10,877) | (10,871) | (10,863) |
| Net Inc/Dec in cash | (2,209) | 4,127 | 5,412 | 7,068 |
| Opening Cash | 8,890 | 6,681 | 10,808 | 16,220 |
| Closing Cash | 6,681 | 10,808 | 16,220 | 23,288 |

### Exhibit 4: Key Ratios

| Key Ratio | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|
| EBITDA Margin (%) | 32.4% | 31.5% | 32.6% | 32.6% |
| Tax rate (%) | 25.5% | 25.7% | 25.7% | 25.7% |
| Net Profit Margin (%) | 23.8% | 22.8% | 23.7% | 23.6% |
| RoE (%) | 81.2% | 76.6% | 70.8% | 55.5% |
| RoCE (%) | 116.1% | 95.3% | 86.2% | 74.8% |
| EPS (INR) | 52.8 | 51.1 | 57.3 | 62.0 |
| PE | 45.2x | 44.8x | 39.9x | 36.9x |

### Exhibit 2: Balance Sheet

| INR Mn | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|
| **Equity** | | | | |
| Equity Capital | 272 | 272 | 272 | 272 |
| Other Equity | 16,373 | 19,391 | 24,104 | 30,082 |
| **Total Equity** | **16,645** | **19,663** | **24,376** | **30,354** |
| **Non-Current Liabilities** | | | | |
| Borrowings | 13 | 13 | 13 | 13 |
| Lease liabilities | 454 | 454 | 454 | 454 |
| Other Current Liabilities | 302 | 347 | 399 | 458 |
| **Total Non-Current Liabilities** | **769** | **814** | **866** | **925** |
| **Current Liabilities** | | | | |
| Provisions | 1,016 | 1,016 | 1,016 | 1,016 |
| Lease Liabiities | 154 | 154 | 154 | 154 |
| Trade Paybles | 9,208 | 9,459 | 10,016 | 10,974 |
| Other current liabilities | 2,394 | 2,444 | 2,554 | 2,744 |
| **Total Current Liabilities** | **12,771** | **13,072** | **13,739** | **14,887** |
| **Total Liabilities** | **13,541** | **13,887** | **14,605** | **15,813** |
| **Non-Current Assets** | | | | |
| PPE | 7,765 | 6,921 | 6,026 | 5,141 |
| Capital WIP | 384 | 384 | 384 | 384 |
| Other current assets | 4,410 | 4,442 | 4,808 | 5,210 |
| **Total Non-Current Assets** | **12,558** | **11,747** | **11,218** | **10,735** |
| **Current Assets** | | | | |
| Inventories | 3,773 | 3,800 | 4,114 | 4,457 |
| Trade Receivables | 2,263 | 2,279 | 2,467 | 2,673 |
| Loans | 67 | 67 | 67 | 67 |
| Cash and Bank | 6,681 | 10,808 | 16,220 | 23,288 |
| Oher current assets | 4,844 | 4,849 | 4,896 | 4,948 |
| **Total Current Assets** | **17,627** | **21,802** | **27,763** | **35,433** |
| **Total Assets** | **30,186** | **33,550** | **38,981** | **46,167** |

Source: Company, DevenChoksey Research

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# Colgate-Palmolive (India) Ltd.

| Colgate-Palmolive (India) Ltd. | | | |
|---|---|---|---|
| **Date** | **CMP (INR)** | **TP(INR)** | **Recommendation** |
| 24-Oct-25 | 2,240 | 2,429 | ACCUMULATE |
| 25-July-25 | 2,260 | 2,479 | ACCUMULATE |
| 23-May-25 | 2,479 | 2,742 | ACCUMULATE |
| 29-Jan-25 | 2,727 | 2,721 | REDUCE |
| 28-Oct-24 | 3,082 | 3,067 | REDUCE |
| 30-July-24 | 3,367 | 3,265 | REDUCE |
| 22-May-24 | 2,712 | 2,647 | REDUCE |

| Rating Legend (Expected over a 12-month period) | |
|---|---|
| **Our Rating** | **Upside** |
| **Buy** | More than 15% |
| **Accumulate** | 5% – 15% |
| **Hold** | 0 – 5% |
| **Reduce** | -5% – 0 |
| **Sell** | Less than – 5% |

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