

VALUE SCANNER

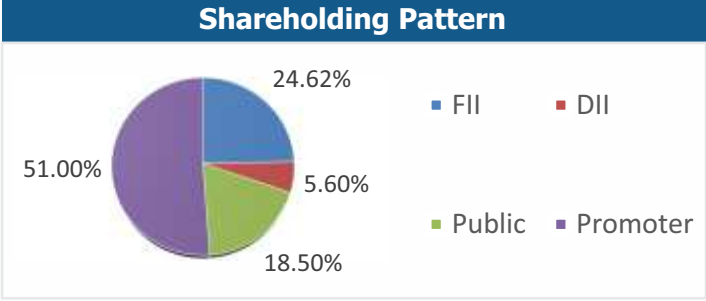
Colgate-Palmolive (COLPAL)	
Recommendation	Buy
CMP	Rs. 2659
Target Price	Rs. 3050
Time Frame	12-15 Months
Risk	Medium
Sector	Personal Care

Price & Ratio Analysis	
% Change from previous Day	-3.30%
% Change from previous Month	5.08%
52 Week High/ Low	2761-1491
Market Cap (Rs. CR)	72321
Book Value / Share	64.80
% of Deliverable Qty to Traded Qty	39.51%
EPS	12.14
ROCE	79.1%
P/E	56.70

Company Description	
COLPAL continues to be the preferred bet amongst long term investors and enjoys tremendous confidence which is also reflected at its stock price which is seen flirting with 52 Week high of Rs 2,759.50 while 52 week low is Rs 1,490.10.	
COLPAL has been a big outperformer as has generated a 3 year return of 78.39% as compared to Nifty 100 which gave a return of 54.45% and Nifty FMCG which gave investors 58.75%. Please note, within the FMCG sector, Colgate-Palmolive with a market cap of Rs 72,321 Cr is ranked 7.	
Stock generated 78.39% return as compared to Nifty FMCG which gave investors 58.75% return over 3 year time period. (as of last trading session).	
The positive takeaway is that despite significant outperformance the % of Deliverable Qty to Traded Qty is at around 40%.	
Also note, Domestic Institutional Investors holding has gone up from 5.57 (30 Sep 2023) to 5.59 (31 Dec 2023). Foreign Institutional Investors holding has gone up from 24.08 (30 Sep 2023) to 24.62 (31 Dec 2023).	

Support, Resistance & Trend Analysis	
Support	2381/2151
Resistance	2775/3251
Moving Average 50 days/200 days	2565/2179
Pivot Level	1951
ADX (14d)	11.99
Bollinger Band (Weekly)	2783/2181
MACD Weekly	43.28
RSI (14, E9) Monthly	53.81
Stochastic oscillator monthly (1,3,3)	64.91

Technical Analysis	
COLPAL is flirting with its all-time-high at 2754, which suggests strong bullish momentum and most importantly, is on backdrop of stock price potentially breaking out of previous trading ranges. The sequence of higher/high low is intact on all time frames.	
Several indicators like the Keltner Channel, High Low Band, and MA Channel are showing strong bullish signals, indicating strong breakouts.	
The ADX (Average Directional Index) is seen fluctuating near 12, signaling a strong trend ahead. An ADX value over 25 would typically indicate a stronger trend. Rate of Change and RSI (21) indicators are positive, suggesting upward price momentum.	
The big long-term supports are placed at 2381/2151 area. The 200-DMA is placed at 2179 mark.	
Look to accumulate at CMP, and on dips between 2300-2350 zone, targeting 2771/2889 and then aggressive targets at 3050 with stop below 2151. Holding Period: 12-15 months.	



Quarterly Result					
Rs. Crs	Q3FY23-24	Q2FY23-24	Q3FY22-23	Q-o-Q%	Y-o-Y%
Net Sales	1,395.7	1,471.1	1,291.3	-5.1%	8.1%
EBIT	427	438	318	-2.5%	34.4%
EBIT Margin (%)	30.6%	29.8%	24.6%	0.0	24.3%
EBITDA	443.4	457.8	326.9	-3.1%	35.6%
EBITDA Margin (%)	31.8%	31.1%	25.3%	0.0	25.5%
Net Profit	330	340	243	-2.9%	35.7%
Net Profit Margin	23.7%	23.1%	18.8%	0.0	25.6%
EPS (Rs.)	12.14	12.5	8.94	-3%	35.8%

Peer Comparison					
Company	DABUR	GODREJ CONSUMER	HUL	MARICO	P&G
CMP	523	1235.05	2239.7	494.8	16640.05
Market Cap (Rs. CR)	92438.42	126323.42	526237.95	64032.16	54014.83
Book Value/Share	39.96	105.09	224.63	35.27	324.24
EPS	8.23	17.16	43.67	8.14	232.85
Dividend Yield (%)	1.00%	0.00%	1.74%	0.90%	1.11%
P/E	63.35	71.96	51.29	60.81	71.46
P/B	13.05	11.75	9.97	14.03	51.32
52W H	524.4	1314.3	2769.65	591.75	19086.2
52W L	519.1	897	2232	462.7	13101.05



Valuation & Outlook	
"COLPAL is seen reaffirming its commitment to advancing the nation's oral health through 'The Sweet Truth - Brush at Night' campaign, reaching over 300 million people in urban India. Colgate MaxFresh underwent a relaunch, introducing a new-to-world proprietary formula infused with unique cooling crystals to deliver a superior freshness experience which is winning with consumers ahead of our direct competition.	
The top line growth is supported by the strong performance of core equities.	
Profitability indicators are on an upward trend and seen continuing to enhance the investment support behind COLPAL brands.	
The performance underscores the effectiveness of the firm's strategy, focus on technology, securing the right talent, and efforts in governance and cost management.	
These initiatives have yielded consistent growth for the company, with toothpaste segment achieving double-digit growth and positive volume expansion.	

Incorporated in 1937, Colgate-Palmolive (India) is the market leader in the country in Oral Care, and is a caring, innovative growth company that is reimagining a healthier future for all people, their pets and the planet. Focused on Oral Care, Personal Care, Home Care and Pet Nutrition. COLPAL sells products in more than 200 countries and territories under brands such as Colgate, Palmolive, elmex, hello, meridol, Sorriso, Tom's of Maine, EltaMD, Filorga, Irish Spring, PCA SKIN, Protex, Sanex, Softsoap, Speed Stick, Ajax, Axion, Fabuloso, Soupline and Suavitel, as well as Hill's Science Diet and Hill's Prescription Diet. The Colgate brand is present in most homes, thus creating a healthier and more sustainable future for all.

## **9M Domestic Growth Net Sales Growth @ 9.1%; NPAT growth of 29.1%**

- 9M EBITDA at 32.9% of Net Sales.
- Relaunch of Colgate MaxFresh with new Campaign “#NeendBhagaoTaazgiJagao”
- Continued focus on building Oral Health in the country through "Brush at night"

## **Q3 2023-2024 Highlights**

**Net Sales:** COLPAL reported a Net Sales of Rs. 1,386 crore for the quarter ended December 31, 2023, an increase of 8.2% over the previous year quarter. Domestic growth reported at 8.8% for the quarter.

**Profitability:** The Company reported a Net Profit after tax of Rs. 330 crore for the quarter as against Rs. 243 crore for the previous year quarter. This was a 35.7% growth for the quarter.

## **9M 2023-2024 Highlights**

**Net Sales:** For the nine months ended December 31, 2023 the Company reported a Net Sales growth of 8.3% at Rs. 4,164 crore as compared to Rs. 3,846 crore for the same period in the previous year.

**Profitability:** Net profit after tax for the nine months ended year was reported at Rs. 944 crore, an increase of 29.1% over the same period of the previous year.



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