

# ModernGraham Valuation

## Company Name:

Company Ticker CL

Date of Analysis

1/27/2016

Colgate-Palmolive  
Company



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass 6 out of the following 7 tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$57,698,999,975	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.29	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	60.09%	Pass
6. Moderate PEmg Ratio	PEmg < 20	25.52	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	228.68	Fail

*Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.*

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.29	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.69	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.52
MG Growth Estimate	2.29%
<b>MG Value</b>	<b>\$32.95</b>
MG Value based on 3% Growth	\$36.53
MG Value based on 0% Growth	\$21.41
Market Implied Growth Rate	8.51%

### MG Opinion

Current Price	\$64.30
% of Intrinsic Value	195.13%
<b>Opinion</b>	<b>Overvalued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$9.06
Graham Number	\$4.14
PEmg	25.52
Current Ratio	1.29
PB Ratio	228.68
Dividend Yield	2.30%
Number of Consecutive Years of Dividend Growth	20

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.72	Next Fiscal Year Estimate	\$2.52
Dec2014	\$2.36	Dec2014	\$2.41
Dec2013	\$2.38	Dec2013	\$2.41
Dec2012	\$2.57	Dec2012	\$2.36
Dec2011	\$2.47	Dec2011	\$2.19
Dec2010	\$2.16	Dec2010	\$1.96
Dec2009	\$2.19	Dec2009	\$1.78
Dec2008	\$1.83	Dec2008	\$1.52
Dec2007	\$1.60	Dec2007	\$1.34
Dec2006	\$1.23	Dec2006	\$1.20
Dec2005	\$1.22	Dec2005	\$1.17
Dec2004	\$1.17	Dec2004	\$1.12
Dec2003	\$1.23	Dec2003	\$1.05
Dec2002	\$1.10	Dec2002	\$0.93
Dec2001	\$0.95	Dec2001	\$0.81
Dec2000	\$0.85	Dec2000	\$0.72
Dec1999	\$0.74	Dec1999	\$0.60
Dec1998	\$0.65	<b>Balance Sheet Information</b> <b>Sep2015</b> Total Current Assets \$5,089,000,000 Total Current Liabilities \$3,937,000,000 Long-Term Debt \$6,554,000,000 Total Assets \$13,563,000,000 Intangible Assets \$3,506,000,000 Total Liabilities \$13,308,000,000 Shares Outstanding (Diluted Average) 906,900,000	
Dec1997	\$0.57		
Dec1996	\$0.49		
Dec1995	\$0.00		





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

## Recommended Reading:

Other  
ModernGraham  
posts about the  
company

[32 Companies in the Spotlight This Week – 12/6/14](#)

Other  
ModernGraham  
posts about related  
companies

[International Flavors & Fragrances Valuation – December 2015 Update \\$IFF](#)

[The Estee Lauder Company Valuation – October 2015 Update \\$EL](#)

[International Flavors & Fragrances Inc. Analysis – August 2015 Update \\$IFF](#)

[Estee Lauder Companies Analysis – August 2015 Update \\$EL](#)

[International Flavors & Fragrances Inc. Quarterly Valuation – May 2015 \\$IFF](#)

[Estee Lauder Companies Quarterly Valuation – April 2015 \\$EL](#)

[International Flavors & Fragrances Inc. Quarterly Valuation – February 2015 \\$IFF](#)

[Proctor & Gamble Annual Valuation – 2015 \\$PG](#)

[Kimberly Clark Corporation Annual Valuation – 2015 \\$KMB](#)

[Estee-Lauder Quarterly Valuation – January 2015 \\$EL](#)