# **ModernGraham Valuation**

### **Company Name:**

Company Ticker CL Date of Analysis Colgate-Palmolive Company



1/27/2016

## 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.

	<ol><li>Earnings Stability</li></ol>	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 b	e 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			
	Defensive	No	

No

Enterprising

#### Stage 2: Determination of Intrinsic Value

U	EPSmg		\$2.52
	MG Growth Estimate		2.29%
	MG Value		\$32.95
	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%
	Opinion	Overvalued	

#### Stage 3: Information for Further Research

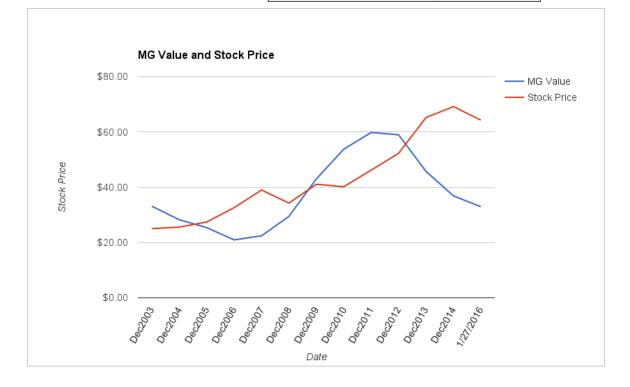
Yahoo Finance

GuruFocus

Useful

	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 Divid Growth	end	20
I Links:	ModernGraham tagged articles	Morningstar	
	Google Finance	MSN Money	

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	Balance Sheet Information	Sep2015
Dec1997	\$0.57	Total Current Assets	\$5,089,000,000
Dec1996	\$0.49	Total Current Liabilities	\$3,937,000,000
Dec1995	\$0.00	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





#### 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

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