

ModernGraham Valuation

Colgate-Palmolive
Company



Company Name:

Company Ticker CL

Date of Analysis

4/8/2017

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	\$65,228,629,202	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.31	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	15.24%	Fail
6. Moderate PEmg Ratio	PEmg < 20	29.87	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	-271.55	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	1.31	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	6.31	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 Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.46
MG Growth Estimate	0.33%
MG Value	\$22.55
MG Value based on 3% Growth	\$35.66
MG Value based on 0% Growth	\$20.90
Market Implied Growth Rate	10.68%

MG Opinion

Current Price	\$73.45
% of Intrinsic Value	325.72%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$8.94
Graham Number	\$0.00
PEmg	29.87
Current Ratio	1.31
PB Ratio	-271.55
Current Dividend	\$1.55
Dividend Yield	2.11%
Number of Consecutive Years of Dividend Growth	20

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.87	Next Fiscal Year Estimate	\$2.46
Dec2016	\$2.72	Dec2016	\$2.27
Dec2015	\$1.52	Dec2015	\$2.12
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	Balance Sheet Information 12/1/2016	
Dec1999	\$0.74	Total Current Assets	\$4,338,000,000
Dec1998	\$0.65	Total Current Liabilities	\$3,305,000,000
Dec1997	\$0.57	Long-Term Debt	\$6,520,000,000
		Total Assets	\$12,123,000,000
		Intangible Assets	\$3,420,000,000
		Total Liabilities	\$12,366,000,000
		Shares Outstanding (Diluted Average)	898,400,000





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**
- [Colgate-Palmolive Co Valuation – January 2016 Update \\$CL](#)
 - [32 Companies in the Spotlight This Week – 12/6/14](#)
 - [Colgate-Palmolive Annual Valuation – 2014 \\$CL](#)
 - [10 Companies in the Spotlight This Week – 11/30/2013](#)
 - [ModernGraham Valuation: Colgate-Palmolive \(CL\)](#)

- Other ModernGraham posts about related companies**
- [Coty Inc Valuation – Initial Coverage \\$COTY](#)
 - [Signet Jewelers Ltd Valuation – Initial Coverage \\$SIG](#)
 - [Inter Parfums Inc Valuation – Initial Coverage \\$IPAR](#)
 - [Church & Dwight Co Inc Valuation – Initial Coverage \\$CHD](#)
 - [Service Corporation Intl Valuation – Initial Coverage \\$SCI](#)
 - [Avon Products Inc Valuation – July 2016 \\$AVP](#)
 - [Procter & Gamble Co Valuation – July 2016 \\$PG](#)
 - [International Flavors & Fragrances Inc Valuation – June 2016 \\$IFF](#)
 - [Kimberly-Clark Corporation Valuation – June 2016 \\$KMB](#)
 - [Estee Lauder Companies Inc Valuation – May 2016 \\$EL](#)