

ModernGraham Valuation

Colgate-Palmolive
Company



Company Name:

Company Ticker CL

Date of Analysis

6/24/2018

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	\$56,378,091,813	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.08	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	18.36%	Fail
6. Moderate PEmg Ratio	PEmg < 20	26.10	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	563.05	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	1.08	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	20.99	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	\$2.48
MG Growth Estimate	2.45%
MG Value	\$33.18
MG Value based on 3% Growth	\$35.90
MG Value based on 0% Growth	\$21.05
Market Implied Growth Rate	8.80%

MG Opinion

Current Price	\$64.63
% of Intrinsic Value	194.79%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$9.95
Graham Number	\$0.00
PEmg	26.10
Current Ratio	1.08
PB Ratio	563.05
Current Dividend	\$1.59
Dividend Yield	2.46%
Number of Consecutive Years of Dividend Growth	20

Useful Links:

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[GuruFocus](#)

[Morningstar](#)
[MSN Money](#)
[Seeking Alpha](#)
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.06	Next Fiscal Year Estimate	\$2.48
Dec2017	\$2.28	Dec2017	\$2.15
Dec2016	\$2.72	Dec2016	\$2.10
Dec2015	\$1.52	Dec2015	\$1.90
Dec2014	\$1.52	Dec2014	\$2.13
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	Balance Sheet Information 3/1/2018	
Dec2000	\$0.85	Total Current Assets	\$4,292,000,000
Dec1999	\$0.74	Total Current Liabilities	\$3,980,000,000
Dec1998	\$0.65	Long-Term Debt	\$6,550,000,000
		Total Assets	\$13,144,000,000
		Intangible Assets	\$4,354,000,000
		Total Liabilities	\$13,043,000,000
		Shares Outstanding (Diluted Average)	879,900,000





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**
- [Colgate-Palmolive Co. Valuation – April 2017 \\$CL](#)
 - [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](#)

- Other ModernGraham posts about related companies**
- [Coty Inc Valuation – May 2018 \\$COTY](#)
 - [Church & Dwight Co Inc Valuation – April 2018 \\$CHD](#)
 - [Kimberly-Clark Corp Valuation – March 2018 \\$KMB](#)
 - [International Flavors & Fragrances Inc Valuation – March 2018 \\$IFF](#)
 - [Signet Jewelers Ltd Valuation – March 2018 \\$SIG](#)
 - [Estee Lauder Companies Inc Valuation – February 2018 \\$EL](#)
 - [Proctor & Gamble Co Valuation – February 2018 \\$PG](#)
 - [Colgate-Palmolive Co. Valuation – April 2017 \\$CL](#)
 - [Coty Inc Valuation – Initial Coverage \\$COTY](#)
 - [Signet Jewelers Ltd Valuation – Initial Coverage \\$SIG](#)