

ModernGraham Valuation

Colgate-Palmolive
Company



Company Name:

Company Ticker CL

Date of Analysis

3/25/2019

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	\$57,098,959,614	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.14	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	7.02%	Fail
5. Earnings Growth	PEmg < 20	26.06	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	291.66	Fail
7. Moderate Price to Assets			

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	1.14	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	14.06	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	\$2.54
MG Growth Estimate	3.00%
MG Value	\$36.88
MG Value based on 3% Growth	\$36.88
MG Value based on 0% Growth	\$21.62
Market Implied Growth Rate	8.78%

MG Opinion

Current Price	\$66.27
% of Intrinsic Value	179.68%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

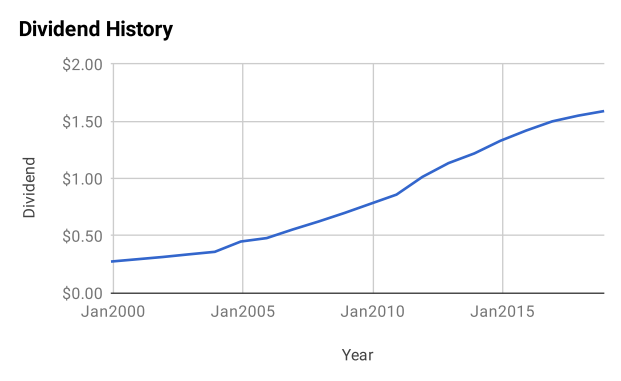
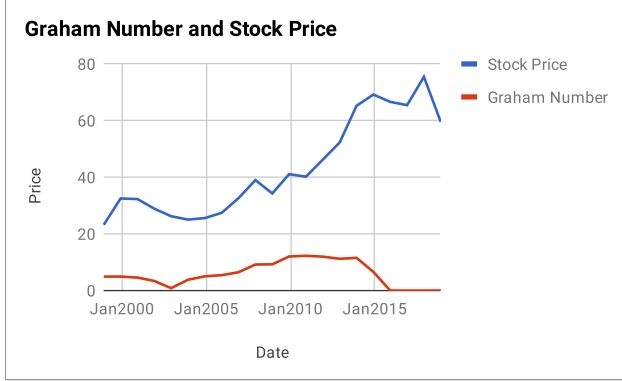
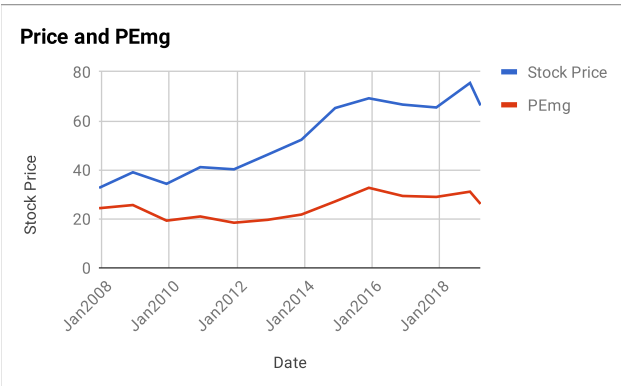
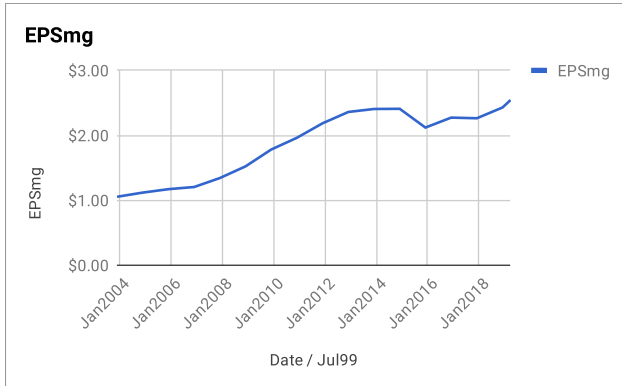
Net Current Asset Value (NCAV)	-\$9.42
Graham Number	\$0.00
PEmg	26.06
Current Ratio	1.14
PB Ratio	291.66
Current Dividend	\$1.66
Dividend Yield	2.50%
Number of Consecutive Years of Dividend Growth	20

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	\$2.67	Next Fiscal Year Estimate	\$2.54
Dec2018	\$2.75	Dec2018	\$2.43
Dec2017	\$2.28	Dec2017	\$2.26
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	Balance Sheet Information 12/1/2018	
Dec2001	\$0.95	Total Current Assets	\$3,793,000,000
Dec2000	\$0.85	Total Current Liabilities	\$3,341,000,000
Dec1999	\$0.74	Long-Term Debt	\$6,354,000,000
		Total Assets	\$12,161,000,000
		Intangible Assets	\$4,167,000,000
		Total Liabilities	\$11,964,000,000
		Shares Outstanding (Diluted Average)	867,000,000





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 – June 2018 \\$CL](#)
 - [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](#)

- Other ModernGraham posts about related companies**
- [Coty Inc Valuation – March 2019 #COTY](#)
 - [Signet Jewelers Ltd Valuation – March 2019 #SIG](#)
 - [Church & Dwight Co Inc Valuation – February 2019 \\$CHD](#)
 - [International Flavors & Fragrances Inc Valuation – January 2019 \\$IFF](#)
 - [Estee Lauder Companies Inc Valuation – December 2018 \\$EL](#)
 - [Proctor & Gamble Co Valuation – November 2018 \\$PG](#)
 - [Johnson & Johnson Valuation – November 2018 \\$JNJ](#)
 - [Inter Parfums Inc Valuation – July 2018 \\$IPAR](#)
 - [Service Corp International Valuation – July 2018 \\$SCI](#)
 - [Avon Products Inc Valuation – June 2018 \\$AVP](#)