

BUY:
CL

Current Price:
\$75

Target Price:
\$89

Upside:
18%

Colgate-Palmolive (NYSE: CL)

Consumer Staples

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Senior Analyst: Ryan Faude

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Industry Overview

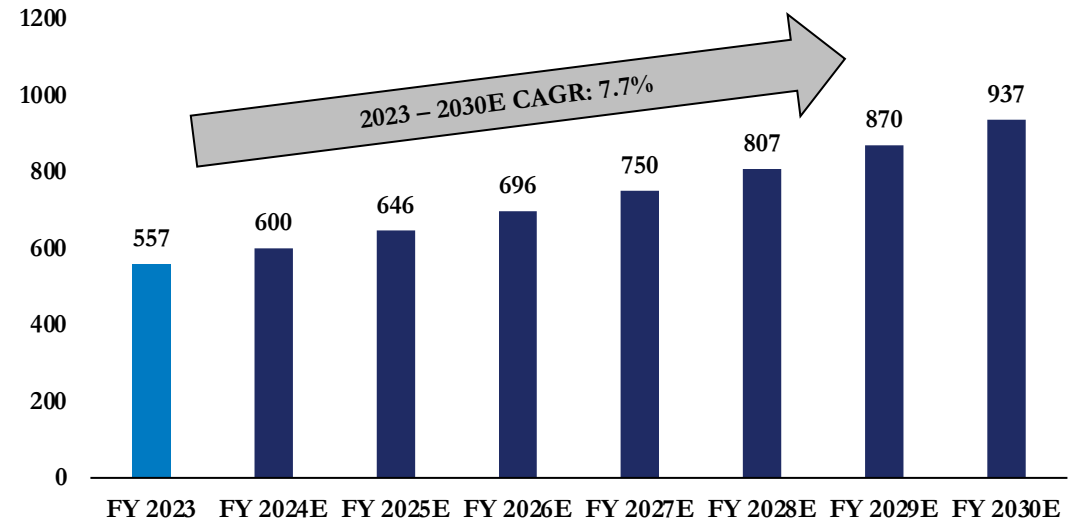
Industry Description

- 1 Focuses on personal cleaning and hygiene products within the consumer staples sector
- 2 The goal of the industry is to cater to the consumer's desire to maintain personal health
- 3 Brand loyalty and recognition dictates consumer preferences and spending habits

Key Competitors



Industry Valuation (Billions, USD)



Emerging Trends



Technological Advancements

Innovations in oral care technology, smart skincare devices, and devices that provide insight into health and beauty



Clean Beauty in Consumer Products

Consumers are avoiding artificial ingredients and chemicals found in their skincare, beauty, and haircare products



Prioritization of Pet Nutrition

Pet owners have prioritized providing their pets with organic diets filled with various vitamins and minerals

Company Overview

Company Description

Leading provider of oral, personal, and household care products as well as pet nutrition

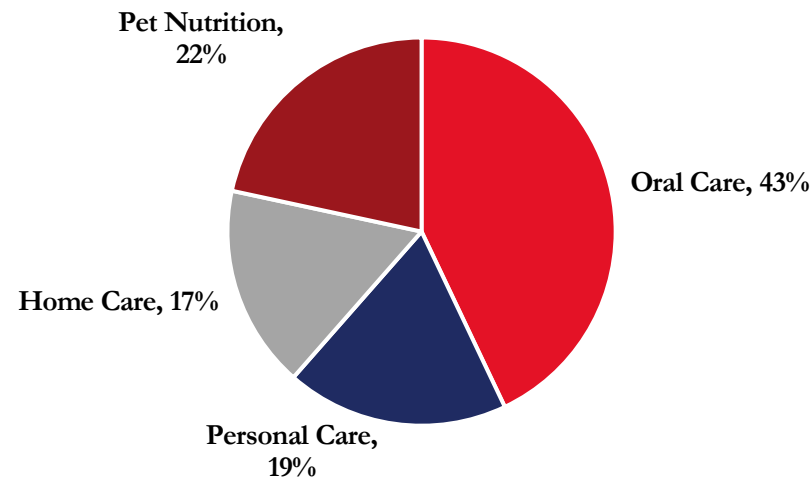
#1 Global Leader in Toothpaste, Manual Toothbrushes, Vet Clinics, and Liquid Hand Soap

#2 Global Leader in Mouthwash, Bar Soap, Liquid Body Cleansing, Liquid Fabric Conditioners, and Hand Dishwashing

Product Overview



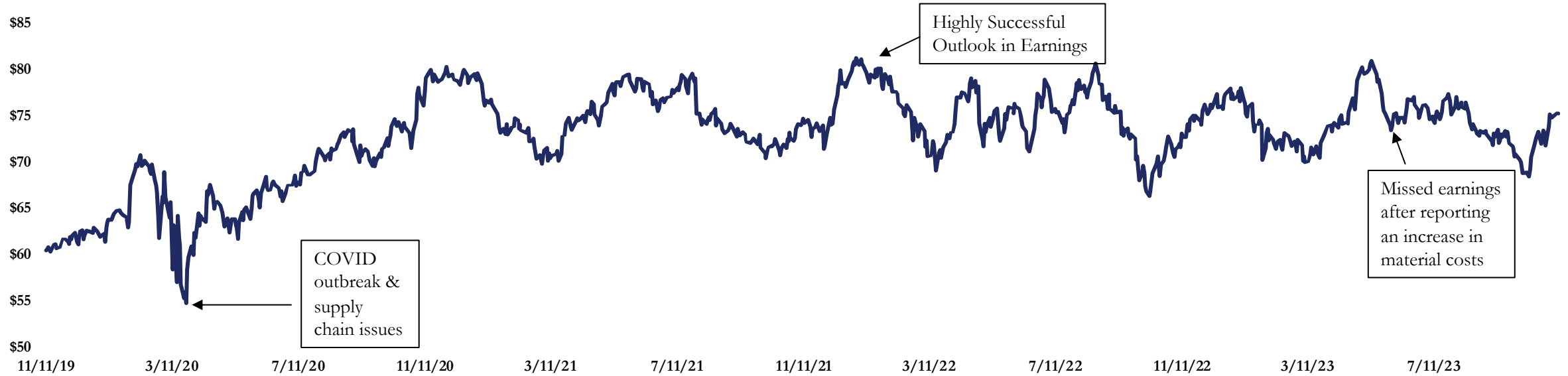
Revenue Breakdown



Key Information

Current Share Price	\$75.63
52 Week Range	\$67.62 - \$82.09
Market Cap	63.12B
Enterprise Value	\$69 Billion
Founding Year	1806
CEO	Noel R Wallace

Why Buy Now?



Recent shift to Technology and AI based stocks, as well as safer investments

Consumer Staples Down as A Whole

Recession Resilience

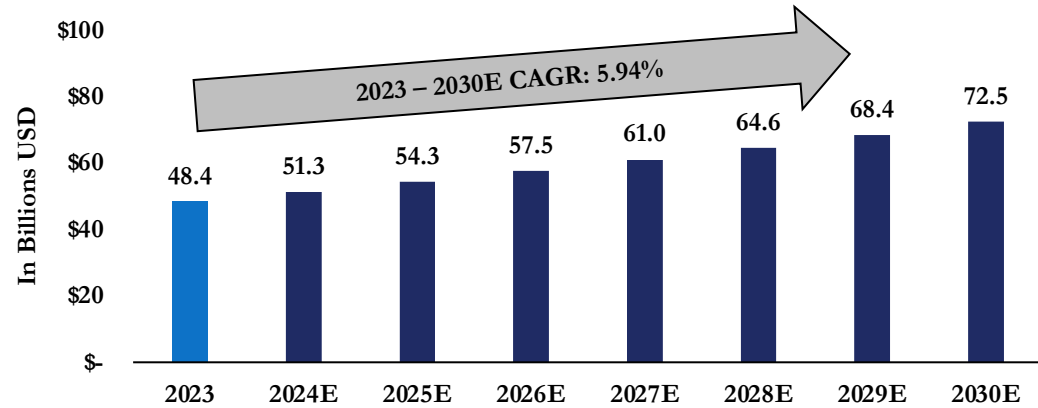
Investment Thesis



Latin America Winner

Latin America Industry Valuation

The #2 LatAM brand – only trailing Coca-Cola



Key Drivers



Customers are opting for more sophisticated and specialized products



Higher skincare concerns, and increased healthcare spending power



The use of more natural and organic inputs which can be locally sourced

Brazil



Holds a **43%** market share of the personal care products industry

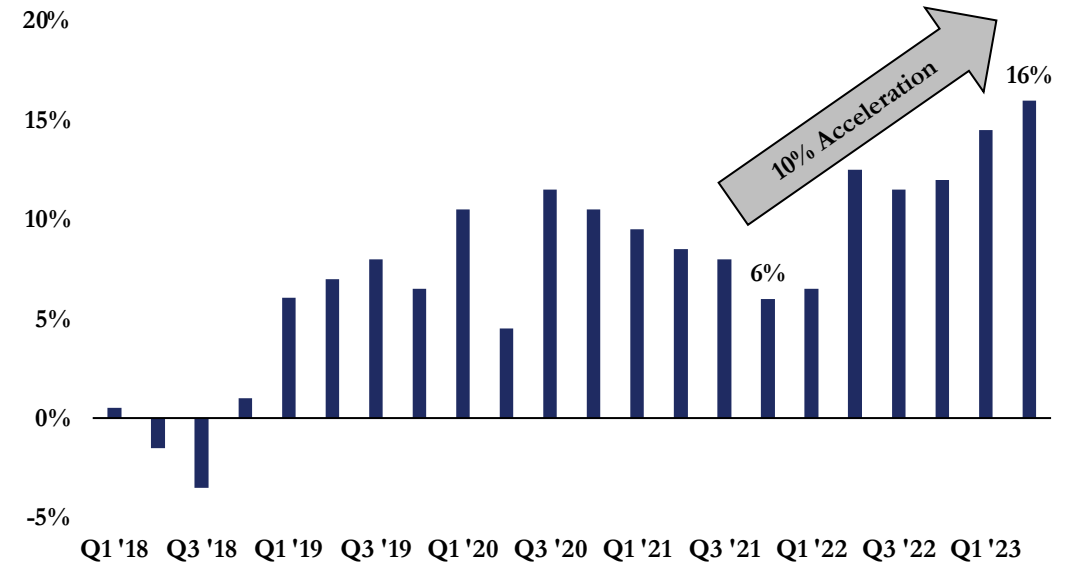


Generates around **\$24.5 Billion** in revenue lead by the Personal Care segment



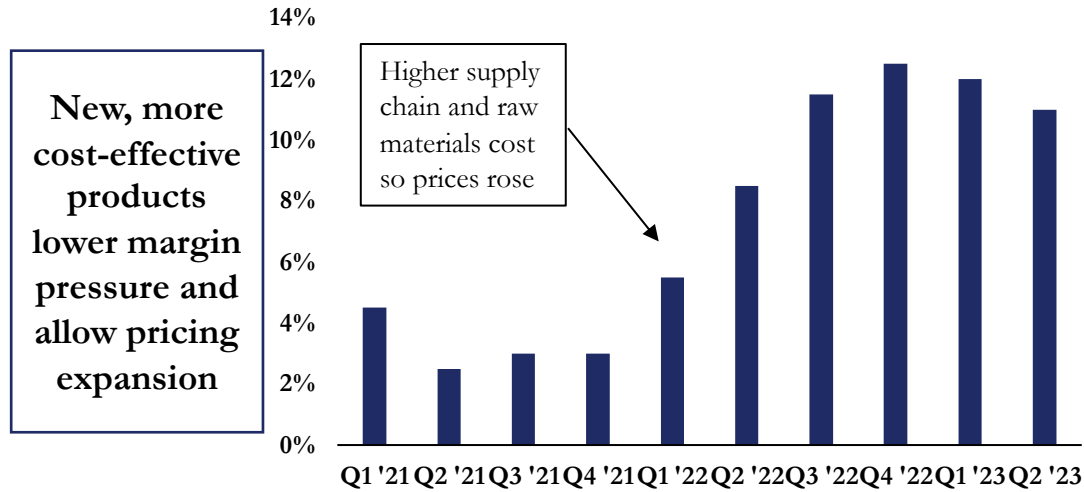
Rising pollution levels in major cities drive the use of protective personal care cosmetics

Organic Sales Growth in Latin America



Expansion Across Price Points

Global Pricing

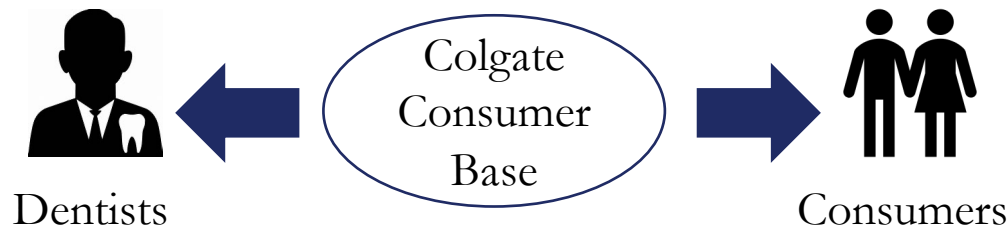


Market Expansion for Strong Brands

Brand	Number of New Markets
Elmex	31
Meridol	10
Tom's	4
Hello	4

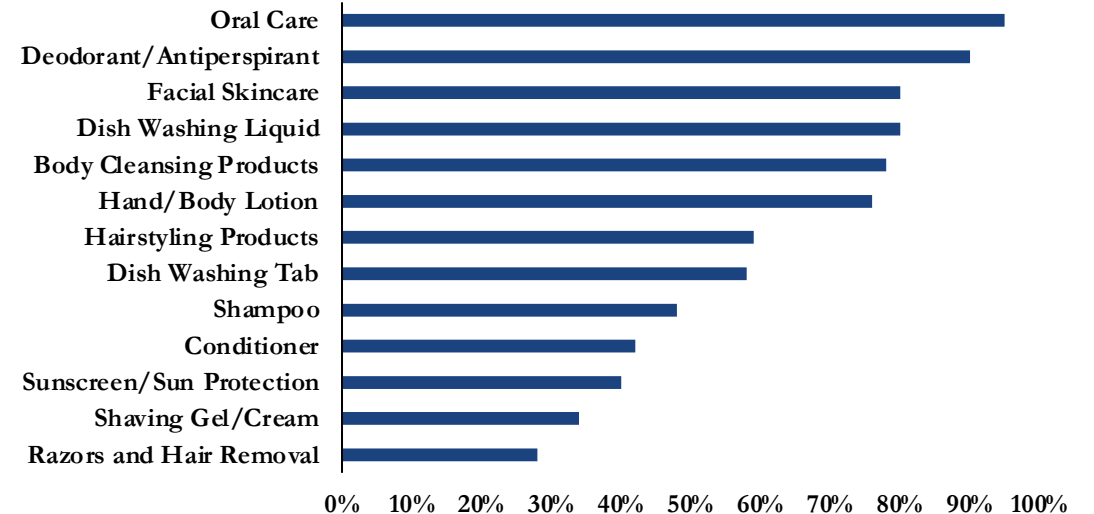
- Sales from eCommerce grew double digits in 2022
- 7 of 10 key markets grew online market share

Dual Consumer Base



Over 80% of Dentists recommend Colgate over competing brands

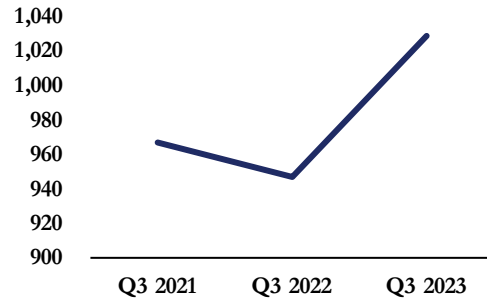
Daily Product Utilization



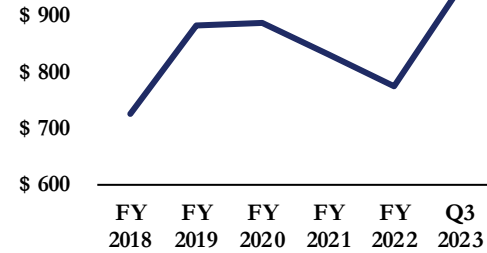
Financial Positioning

Improved Cash Flow

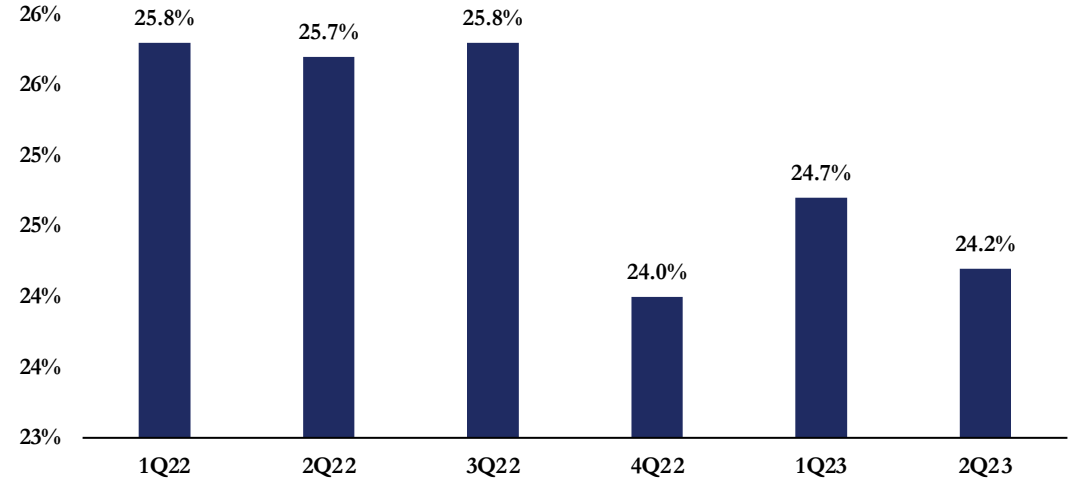
Increasing Operation Cash Flow



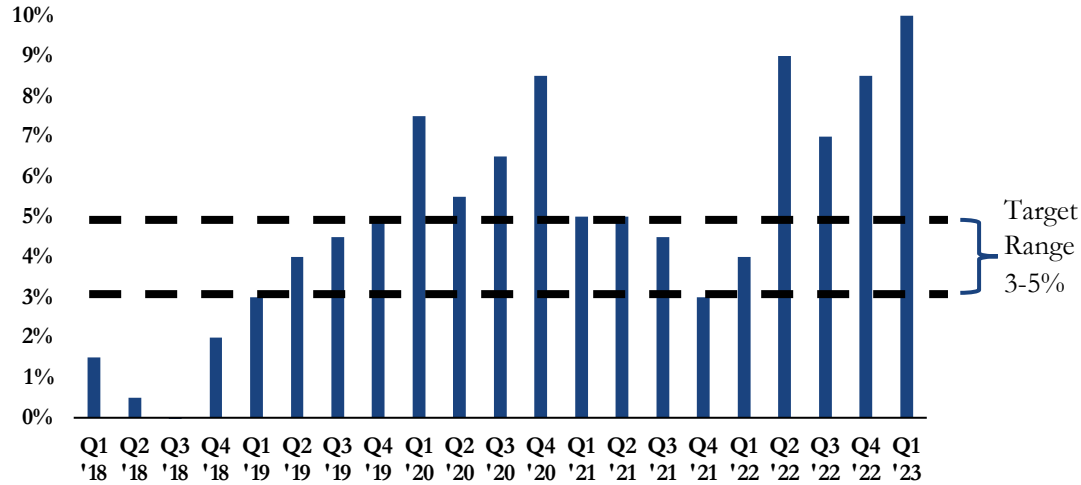
Strong Cash Balance



Decrease in Operating Leverage



Organic Sales Growth

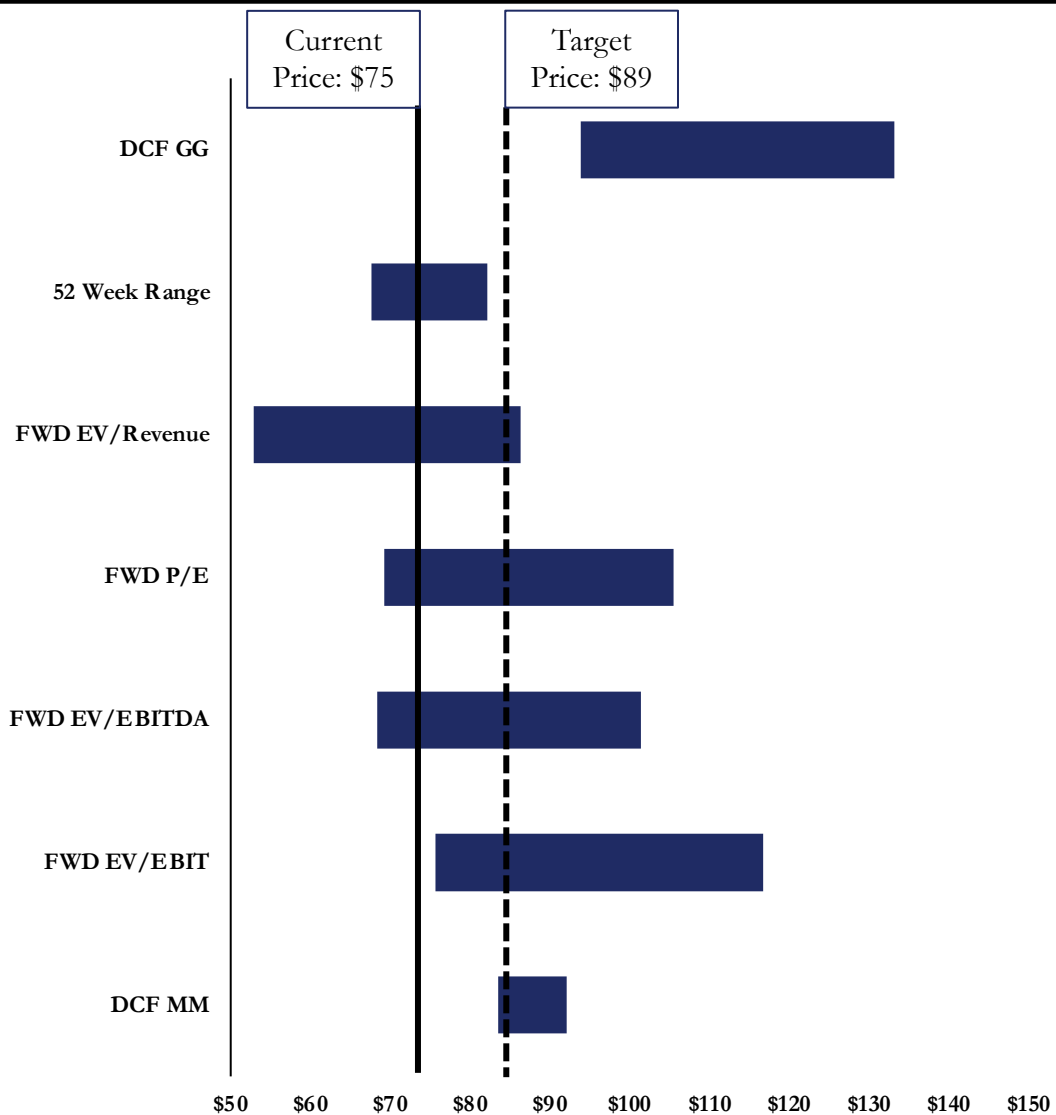


Efforts to Offset Increased Costs

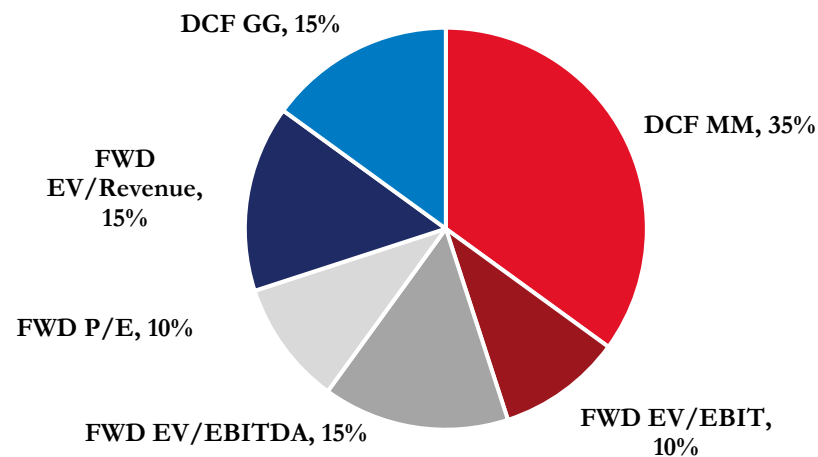
- Creation of a Revenue Growth Management Team to allow for improvement of pricing models
- Investments in the technological areas of advertising and media to raise consumer awareness
- Continuance to offer products across multiple price tiers to please consumers

Valuation

Football Field



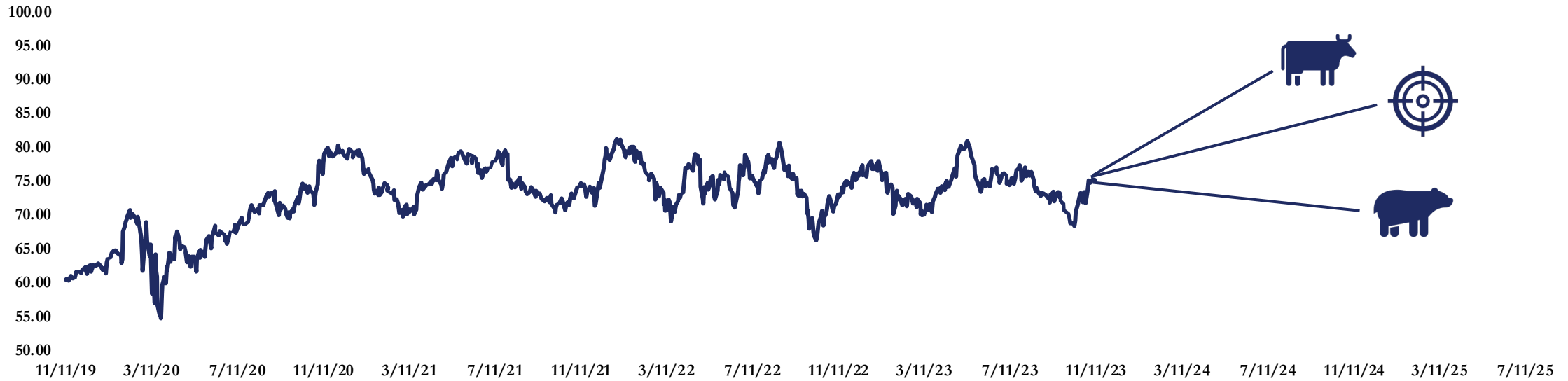
Weightings



Sensitivity Analysis

		WACC				
		4.32%	4.82%	5.32%	5.82%	6.32%
Terminal G.R.	2.00%	184.72	149.92	125.60	107.65	93.85
	1.75%	168.06	138.77	117.69	101.79	89.37
	1.50%	154.47	129.38	110.88	96.66	85.39
	1.25%	142.87	121.15	104.78	91.99	81.73
	1.00%	133.12	114.08	99.45	87.86	78.45
		WACC				
		4.32%	4.82%	5.32%	5.82%	6.32%
Terminal Multiple (EV/EBIT)	21.83	100.45	98.01	95.64	93.34	91.10
	20.83	96.27	93.93	91.66	89.45	87.30
	19.83	92.09	89.85	87.68	85.56	83.50
	18.83	87.91	85.77	83.69	81.67	79.70
	17.83	83.74	81.69	79.71	77.78	75.90

Risks



Colgate-Palmolive Company (NYSE: CL)


Bull Case

- Latin America growth continues above expectations
- Consumer & professional loyalty increases among and new products launch
- AI Bubble bursts and investors put more focus than expected into safe stocks like Colgate


Base Case

- Continuous company updates and new technology
- AI Bubble dwindles and investors begin putting money into safe stocks
- Latin America sector maintains stable growth


Base Case

- Latin American consumer loyalty decreases
- Products fail as inflation increases and consumers cut back on spending on new items
- Investor conversation passes over Staples

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Thank You! Questions?

Appendix Overview

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Appendix A: Income Statement



Colgate-Palmolive Co. (NYSE: CL)																						
Consolidated Statements of Income (USD \$)																						
In Millions, except Per Share data, unless otherwise specified	FY 2018	FY 2019	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023E	FY 2023E	FY 2024E	FY 2025E	FY 2026E	FY 2027E
Net sales	\$ 15,544	\$ 15,693	\$ 16,471	\$ 4,344	\$ 4,260	\$ 4,414	\$ 4,403	\$ 17,421	\$ 4,399	\$ 4,484	\$ 4,455	\$ 4,629	\$ 17,967	\$ 4,770	\$ 4,822	\$ 4,915	\$ 4,941	\$ 19,448	\$ 21,061	\$ 22,953	\$ 24,931	\$ 27,009
Cost of sales	6,313	6,368	6,454	1,707	1,704	1,791	1,844	7,046	1,827	1,930	1,907	2,055	7,719	2,058	2,035	2,038	2,026	8,157	8,800	9,675	10,587	11,410
<i>as a % of sales</i>	41%	41%	39%	39%	40%	41%	42%	40%	42%	43%	43%	44%	43%	43%	42%	41%	41%	42%	42%	42%	42%	42%
Gross profit	9,231	9,325	10,017	2,637	2,556	2,623	2,559	10,375	2,572	2,554	2,548	2,574	10,248	2,712	2,787	2,877	2,915	11,291	12,261	13,277	14,344	15,599
Selling, general and administrative expenses	5,389	5,575	6,019	1,605	1,568	1,636	1,598	6,407	1,641	1,657	1,634	1,633	6,565	1,758	1,768	1,822	1,832	7,180	7,775	8,474	9,204	9,971
<i>as a % of sales</i>	35%	36%	37%	37%	37%	37%	36%	37%	37%	37%	37%	35%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%
Other (income) expense, net	148	196	113	28	(8)	20	25	65	71	13	(33)	18	69	45	45	26	20	136	84	92	100	108
<i>as a % of sales</i>	0.95%	1.25%	0.69%	0.64%	-0.19%	0.45%	0.57%	0.37%	1.61%	0.29%	-0.74%	0.39%	0.38%	0.94%	0.93%	0.53%	0.40%	0.70%	0.40%	0.40%	0.40%	0.40%
Goodwill and intangible assets impairment charges	-	-	-	-	-	-	571	571	-	-	-	-	721	-	-	-	-	-	-	-	-	-
Operating profit	3,694	3,554	3,885	1,004	996	967	936	3,332	860	884	947	923	2,893	909	974	1,029	1,064	3,976	4,402	4,712	5,040	5,520
Non-service related postretirement costs	87	108	74	18	18	16	18	70	38	12	15	15	80	294	29	15	22	360	211	230	249	270
<i>as a % of sales</i>	1%	1%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	6%	1%	0%	0%	2%	1%	1%	1%	1%
Interest (income) expense, net	143	145	164	29	25	98	23	175	27	31	40	55	153	54	58	58	54	224	230	251	272	295
<i>as a % of sales</i>	1%	1%	1%	1%	1%	2%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Income before income taxes	3,464	3,301	3,647	957	953	853	895	3,087	795	841	892	853	2,660	561	887	956	988	3,392	3,961	4,232	4,519	4,955
Provision for income taxes	906	774	787	229	212	172	136	749	192	202	210	89	693	147	353	209	202	911	914	1,003	1,113	1,186
<i>as a % of sales</i>	6%	5%	5%	5%	5%	4%	3%	4%	4%	5%	5%	2%	4%	3%	7%	4%	4%	5%	4%	4%	4%	4%
Net income including noncontrolling interests	2,558	2,527	2,860	728	741	681	759	2,338	603	639	682	764	1,967	414	534	747	786	2,481	3,047	3,229	3,406	3,769
Net Income (Loss) Attributable to Noncontrolling Interest	158	160	165	47	38	47	40	172	44	36	64	38	182	42	32	39	39	152	165	180	195	211
<i>as a % of sales</i>	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Net income attributable to Colgate-Palmolive Company	\$ 2,400	\$ 2,367	\$ 2,695	\$ 681	\$ 703	\$ 634	\$ 719	\$ 2,166	\$ 559	\$ 603	\$ 618	\$ 726	\$ 1,785	\$ 372	\$ 502	\$ 708	\$ 746	\$ 2,328	\$ 2,882	\$ 3,049	\$ 3,210	\$ 3,557
Earnings per common share, basic	\$ 2.76	\$ 2.76	\$ 3.15	\$ 0.80	\$ 0.83	\$ 0.75	\$ 0.18	\$ 2.56	\$ 0.67	\$ 0.72	\$ 0.74	\$ 0.00	\$ 2.13	\$ 0.45	\$ 0.61	\$ 0.86	\$ 0.95	\$ 2.87	\$ 3.70	\$ 3.92	\$ 4.14	\$ 4.58
Earnings per common share, diluted	\$ 2.75	\$ 2.75	\$ 3.14	\$ 0.80	\$ 0.83	\$ 0.75	\$ 0.17	\$ 2.55	\$ 0.66	\$ 0.72	\$ 0.74	\$ 0.01	\$ 2.13	\$ 0.45	\$ 0.61	\$ 0.86						

Appendix B: Balance Sheet



Colgate-Palmolive Co. (NYSE: CL)																
Consolidated Balance Sheets (USD \$)																
In Millions, except Per Share data, unless otherwise specified	FY 2018	FY 2019	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023	Q2 2023	Q3 2023
Cash and cash equivalents	\$ 726	\$ 883	\$ 888	\$ 995	\$ 937	\$ 958	\$ 832	\$ 832	\$ 867	\$ 775	\$ 938	\$ 775	\$ 775	\$ 867	\$ 819	\$ 951
Receivables	1,400	1,440	1,264	1,402	1,443	1,424	1,297	1,297	1,590	1,504	1,425	1,504	1,504	1,590	1,656	1,577
Inventories	1,250	1,400	1,673	1,676	1,700	1,670	1,692	1,692	2,110	2,074	2,073	2,074	2,074	2,110	2,039	1,931
Other current assets	417	456	513	490	572	618	576	576	899	760	842	760	760	899	923	898
Total current assets	3,793	4,179	4,338	4,563	4,652	4,670	4,397	4,397	5,466	5,113	5,278	5,113	5,113	5,466	5,437	5,357
Property, plant and equipment, net	3,881	3,750	3,716	3,609	3,665	3,633	3,730	3,730	4,363	4,307	4,123	4,307	4,307	4,363	4,431	4,409
Goodwill	2,530	3,508	3,824	3,701	3,753	3,685	3,284	3,284	3,375	3,352	3,538	3,352	3,352	3,375	3,373	3,327
Other intangible assets, net	1,637	2,667	2,894	2,787	2,787	2,719	2,462	2,462	1,918	1,920	2,219	1,920	1,920	1,918	1,901	1,861
Deferred income taxes	152	177	291	201	283	260	193	193	179	135	182	135	135	179	186	202
Other assets	168	753	857	940	859	913	974	974	872	904	948	904	904	872	899	887
Total assets	12,161	15,034	15,920	15,801	15,999	15,880	15,040	15,040	16,173	15,731	16,288	15,731	15,731	16,173	16,227	16,043
Current Liabilities																
Notes and loans payable	12	260	258	254	5	3	39	39	22	11	16	11	11	22	19	18
Current portion of long-term debt	0	254	9	9	10	11	12	12	15	14	13	14	14	15	16	16
Accounts payable	1,222	1,237	1,393	1,306	1,272	1,258	1,479	1,479	1,609	1,551	1,541	1,551	1,551	1,609	1,544	1,482
Accrued income taxes	411	370	403	422	383	452	436	436	297	317	433	317	317	297	453	354
Other accruals	1,696	1,917	2,341	2,548	2,533	2,557	2,085	2,085	2,498	2,111	2,489	2,111	2,111	2,498	2,600	2,732
Total current liabilities	3,341	4,038	4,404	4,539	4,203	4,281	4,051	4,051	4,441	4,004	4,492	4,004	4,004	4,441	4,632	4,602
Long-term debt	6,354	7,333	7,334	7,570	7,951	7,682	7,194	7,194	8,870	8,741	8,219	8,741	8,741	8,870	8,954	8,690
Deferred income taxes	235	507	426	415	421	399	395	395	421	383	551	383	383	421	363	430
Other liabilities	2,034	2,598	2,655	2,614	2,562	2,491	2,429	2,429	2,016	1,797	1,973	1,797	1,797	2,016	1,963	1,915
Total liabilities	11,964	14,476	14,819	15,138	15,137	14,853	14,069	14,069	15,748	14,925	15,235	14,925	14,925	15,748	15,912	15,637
Shareholders Equity																
Common stock	1,466	1,466	1,466	1,466	1,466	1,466	1,466	1,466	1,466	1,466	1,466	1,466	1,466	1,466	1,466	1,466
Additional paid-in capital	2,204	2,488	2,969	3,011	3,085	3,174	3,269	3,269	3,603	3,546	3,518	3,546	3,546	3,603	3,688	3,762
Retained earnings	21,615	22,501	23,699	23,624	23,946	24,201	24,350	24,350	24,153	24,573	24,566	24,573	24,573	24,153	24,258	24,571
Accumulated other comprehensive income (loss)	(4,188)	(4,273)	(4,345)	(4,455)	(4,368)	(4,434)	(4,386)	(4,386)	(3,983)	(4,055)	(4,179)	(4,055)	(4,055)	(3,983)	(3,935)	(3,974)
Unearned compensation	(3)	(2)	(1)	0	0	0	(1)	(1)	0	(1)	0	(1)	(1)	0	0	0
Treasury stock, at cost	(21,196)	(22,063)	(23,045)	(23,384)	(23,665)	(23,816)	(24,089)	(24,089)	(25,245)	(25,128)	(24,749)	(25,128)	(25,128)	(25,541)	(25,834)	(25,834)
Total Colgate-Palmolive Company shareholders	(102)	117	743	262	464	591	609	609	(6)	401	622	401	401	(6)	(64)	(9)
Noncontrolling interests	299	441	358	401	398	436	362	362	431	401	431	405	405	431	379	415
Total shareholders equity	197	558	1,101	663	862	1,027	971	971	425	802	1,053	806	806	425	315	406
Total liabilities and shareholders equity	\$ 12,161	\$ 15,034	\$ 15,920	\$ 15,801	\$ 15,999	\$ 15,880	\$ 15,040	\$ 15,040	\$ 16,173	\$ 15,727	\$ 16,288	\$ 15,731	\$ 15,731	\$ 16,173	\$ 16,227	\$ 16,043

Appendix C: Cash Flow Statement



Colgate-Palmolive Co. (NYSE: CL)					
Consolidated Statements of Income (USD \$)					
In Millions, except Per Share data, unless otherwise specified					
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Operating Activities					
Net income including noncontrolling interests	\$ 2,558	\$ 2,527	\$ 2,860	\$ 2,338	\$ 1,967
Adjustments to reconcile net income including noncontrolling interests to net cash provided by operations:					
Depreciation and amortization	511	519	539	556	545
Restructuring and termination benefits, net of cash	(7)	18	(71)	(21)	49
Stock-based compensation expense	109	100	107	135	125
Gain on sale of land in Mexico	-	-	23	-	(47)
Goodwill and intangible asset impairment charges	-	-	-	571	721
Charge for U.S. tax reform	80	-	-	-	-
Loss on early extinguishment of debt	-	-	-	75	-
Deferred income taxes	27	17	(120)	(132)	(78)
Voluntary benefit plan contributions	(67)	(113)	-	-	-
Cash effects of changes in:					
Receivables	(79)	19	138	(84)	(227)
Inventories	(58)	(77)	(251)	(72)	(333)
Accounts payable and other accruals	18	36	520	14	(115)
Other non-current assets and liabilities	(36)	87	(26)	(55)	(51)
Net cash provided by operations	3,056	3,133	3,719	3,325	2,556
Investing Activities					
Capital expenditures	(436)	(335)	(410)	(567)	(696)
Purchases of marketable securities and investments	(169)	(184)	(143)	(141)	(470)
Proceeds from sale of marketable securities and investments	156	131	124	141	322
Proceeds from sale of land	-	-	-	-	47
Payment for acquisitions, net of cash acquired	(728)	(1,711)	(353)	-	(809)
Other	6	-	3	(25)	5
Net cash used in investing activities	(1,171)	(2,099)	(779)	(592)	(1,601)
Financing Activities					
Short-term borrowing (repayment) less than 90 days, net	-	-	488	(171)	540
Principal payments on debt	(7,355)	(6,611)	(1,085)	(703)	(406)
Proceeds from issuance of debt	7,176	8,059	-	699	1,513
Dividends paid	(1,591)	(1,614)	(1,654)	(1,679)	(1,691)
Purchases of treasury shares	(1,238)	(1,202)	(1,476)	(1,320)	(1,308)
Proceeds from exercise of stock options	329	498	874	424	418
Purchases of non-controlling interest in subsidiaries	-	-	(99)	-	-
Other financing activities	-	-	33	(24)	(18)
Net cash used in financing activities	(2,679)	(870)	(2,919)	(2,774)	(952)
Effect of exchange rate changes on Cash and cash equivalents	(16)	(7)	(16)	(15)	(60)
Net increase (decrease) in Cash and cash equivalents	(809)	157	5	(56)	(57)
Cash and cash equivalents at beginning of year	1,535	726	883	888	832
Cash and cash equivalents at end of year	726	883	888	832	775

Appendix D: Cash Flow Projections

Cash Flow Projections	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Sales	15,544	15,693	16,471	17,421	17,967	19,448	21,061	22,953	24,931	27,009
CapEx	436	335	410	567	696	583	632	689	748	810
<i>as a % of Sales</i>	3%	2%	2%	3%	4%	3%	3%	3%	3%	3%
D&A	511	519	539	556	545	457	495	539	586	634
<i>as a % of CapEx</i>	117%	155%	131%	98%	78%	78%	78%	78%	78%	78%

Appendix E: Net Working Capital



Colgate-Palmolive Company (NYSE: CL)

Colgate-Palmolive Co. (NYSE: CL)										
Net Working Capital (USD \$)										
In Millions, except Per Share data, unless otherwise specified	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023E	FY 2024E	FY 2025E	FY 2026E	FY 2027E
Current Assets										
Receivables	1,400	1,440	1,264	1,297	1,504	1,621	1,755	1,913	2,078	2,251
<i>A/R</i>	<i>32.42</i>	<i>33.03</i>	<i>27.63</i>	<i>26.80</i>	<i>30.14</i>	30.00	30.00	30.00	30.00	30.00
Inventory	1,250	1,400	1,673	1,692	2,074	2088	2252	2476	2708	2918
<i>Inventory Days</i>	<i>71.28</i>	<i>79.15</i>	<i>93.32</i>	<i>86.45</i>	<i>96.73</i>	<i>92.17</i>	<i>92.140</i>	<i>92.115</i>	<i>92.090</i>	<i>92.065</i>
Prepaid expenses and other current assets	1,250	1,400	1,673	1,692	2,074	2067	2238	2439	2650	2871
<i>as a % Revenue</i>	<i>8%</i>	<i>9%</i>	<i>10%</i>	<i>10%</i>	<i>12%</i>	11%	11%	11%	11%	11%
Total Current Assets	3,900	4,240	4,610	4,681	5,652	5,776	6,246	6,828	7,436	8,040
Current Liabilities										
Accounts payable	1,222	1,237	1,393	1,479	1,551	1,658	1,796	1,957	2,126	2,303
<i>A/P</i>	<i>28.3</i>	<i>28.4</i>	<i>30.4</i>	<i>30.6</i>	<i>31.1</i>	<i>30.70</i>	30.70	30.70	30.70	30.70
Other Accruals	1,696	1,917	2,341	2,085	2,111	2,433	2,673	2,912	3,080	3,355
<i>as a % of SG&A</i>	<i>31%</i>	<i>34%</i>	<i>39%</i>	<i>33%</i>	<i>32%</i>	<i>34%</i>	<i>34%</i>	<i>34%</i>	<i>33%</i>	<i>34%</i>
Total Current Liabilities	2,918	3,154	3,734	3,564	3,662	4,091	4,468	4,869	5,206	5,658
NWC	982	1,086	876	1,117	1,990	1,685	1,778	1,959	2,230	2,381
Change in NWC		104	(210)	241	873	(305)	93	181	271	151

Appendix F: Revenue Build



Colgate-Palmolive Co. (NYSE: CL)																						
Revenue Build (USD \$)																						
In Millions, except Per Share data, unless otherwise specified	FY 2018	FY 2019	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023E	FY 2023E	FY 2024E	FY 2025E	FY 2026E	FY 2027E
Oral Care	7,306	7,219	7,247	1,955	1,832	1,942	1,937	7,666	1,980	1,973	1,960	2,037	7,949	2,051	2,025	2,113	2,162	8,351	8,941	9,795	10,734	11,765
% Net Sales	47%	46%	44%	45%	43%	44%	44%	44%	45%	44%	44%	44%	44%	43%	42%	43%	44%	43%	43%	43%	43%	44%
% Growth YoY		-1%	0%					6%	1%	8%	1%	5%	4%	4%	3%	8%	6%	5%	7%	10%	10%	10%
Personal Care	3,109	3,139	3,459	825	852	883	881	3,441	792	852	846	880	3,370	859	916	934	896	3,605	3,865	4,115	4,361	4,577
% Net Sales	20%	20%	21%	19%	20%	20%	20%	20%	18%	19%	19%	19%	19%	18%	19%	19%	18.13%	19%	18%	18%	17%	17%
% Growth YoY		1.0%	10.2%					-1%	-4%	0%	-4%	0%	-2%	8%	8%	10%	2%	7%	7%	6%	6%	5%
Home Care	2,798	2,825	2,965	782	767	795	793	3,136	748	762	757	787	3,054	811	820	836	821	3,287	3,544	3,812	4,081	4,349
% Net Sales	18%	18%	18%	18%	18%	18%	18%	18%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	16%	16%
% Growth YoY		1%	5%					6%	-4%	-1%	-5%	-1%	-3%	8%	8%	10%	4%	8%	8%	8%	7%	7%
Pet Nutrition	2,332	2,511	2,800	782	809	795	793	3,178	880	897	891	926	3,593	1,049	1,061	1,032	1,063	4,205	4,711	5,231	5,755	6,318
% Net Sales	15%	16%	17%	18%	19%	18%	18%	18%	20%	20%	20%	20%	20%	22%	22%	21%	22%	22%	22%	22%	22%	22%
% Growth YoY		8%	12%					14%	13%	11%	12%	17%	13%	19%	18%	16%	15%	17%	12%	11%	10%	10%
Total Net Sales	15,544	15,693	16,471	4,344	4,260	4,414	4,403	17,421	4,399	4,484	4,455	4,629	17,967	4,770	4,822	4,915	4,941	19,448	21,061	22,953	24,931	27,009
		1%	5%					6%	1%	5%	1%	5%	3%	8%	8%	10%	7%	8%	8%	9%	9%	8%
	check	check	check	check	check	check	check	check	check	check	check	check	check	check	check	check	check	check	check	check	check	check

Colgate-Palmolive Company (NYSE: CL)

Appendix G: Beta & WACC

Covariance	0.000107922
Variance	0.000201855
Beta	0.534648139

CL	
WACC	
Risk Free Rate	4.64%
Beta	0.534648139
Equity Risk Premium	2.36%
Expected Market Return	7.00%
Weight of Equity	87.58%
Cost of Equity	5.90%
Credit Spread	0.70%
Implied Tax Rate	23%
Weight of Debt	12.42%
Cost of Debt	4.11%
WACC	5.33%
MV Equity	\$63,119.72
Share Price	\$76.66
Shares Outstanding	823
MV Debt	\$8,954

Appendix H: DCF

Colgate-Palmolive Co. (NYSE: CL) Discounted Cash Flow Statement (USD \$) In Millions, except Per Share data, unless otherwise specified										
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023E	FY 2024E	FY 2025E	FY 2026E	FY 2027E
Revenue	15,544	15,693	16,471	17,421	17,967	19,448	21,061	22,953	24,931	27,009
<i>% Growth</i>		1%	5%	6%	3%	8%	8%	9%	9%	8%
EBITDA	3,694	3,554	3,885	3,332	2,893	3,976	4,402	4,712	5,040	5,520
<i>EBITDA Margin</i>	24%	23%	24%	19%	16%	20%	21%	21%	20%	20%
NOPAT	2844	2737	2991	2566	2228	3061	3389	3628	3881	4250
<i>Tax Rate</i>	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%
Plus: Depreciation	511	519	539	556	545	457	495	539	586	634
Less: Capex	(436)	(335)	(410)	(567)	(696)	(583)	(632)	(689)	(748)	(810)
Less: Change in NWC		104	(210)	241	873	(305)	93	181	271	151
FCFF	2,919	3,025	2,910	2,796	2,950	2,630	3,345	3,660	3,990	4,226
Discount Factor						1	2	3	4	5
Terminal Value (growth)										108,699
Terminal Value (multiple)										84,272
Cash Flows (growth)						2,630	3,345	3,660	3,990	112,925
Cash Flows (multiple)						2,630	3,345	3,660	3,990	88,498
PV of CF (growth)						2,496	3,015	3,132	3,242	87,104
PV of CF (multiple)						2,496	3,015	3,132	3,242	68,262

Terminal Growth Rate	1.50%
Terminal Multiple (EV/EBIT)	19.83
WACC	5.33%

Gordon Growth	
Enterprise Value	98,990
Less: Debt	8,954
Plus: Cash	951
Less: Minority Interest	0
Equity Value	90,987
Diluted Shares Outstanding	823
Price Per Share	\$110.50

Terminal Growth	
Enterprise Value	80,148
Less: Debt	8,954
Plus: Cash	951
Less: Minority Interest	0
Equity Value	72,145
Diluted Shares Outstanding	823
Price Per Share	\$87.62

Appendix I: Comparable Companies

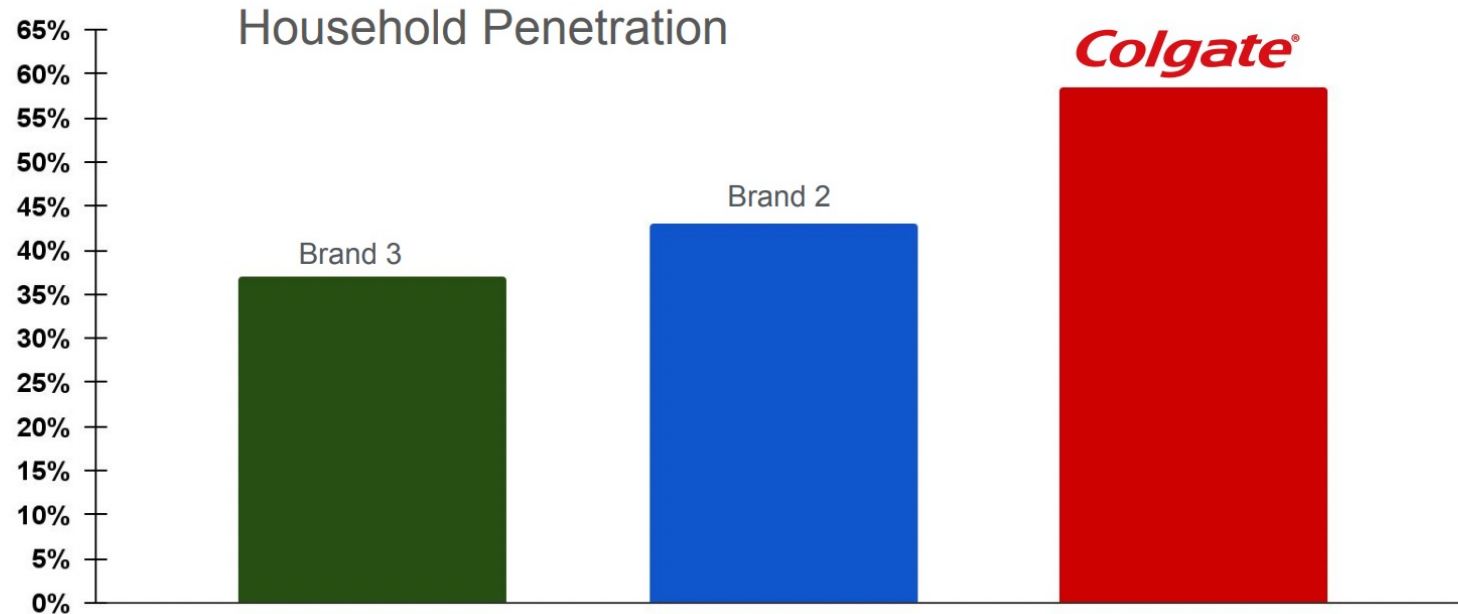


Colgate-Palmolive Company (NYSE: CL)									LTM								FWD 2024							
Comparable Companies									LTM								FWD 2024							
Company	Ticker	Price	Shares Outstanding	Market Cap	Cash	Debt	Minority Interests	EV	EPS	LTM Revenue	LTM EBIT	LTM EBITDA	LTM EV/Revenue	LTM EV/EBIT	LTM EV/EBITDA	LTM P/E	FWD EPS	FWD Revenue	FWD EBIT	FWD EBITDA	FWD EV/Revenue	FWD EV/EBIT	FWD EV/EBITDA	FWD P/E
Colgate-Palmolive Company (NYSE: CL)	CL	\$75.28	823	\$61,983	\$951.00	\$8,954.00	0	\$69,986.46	\$3.04	\$19,136.00	\$4,077.00	\$4,629.00	3.66	17.17	15.12	24.76	3.70	21061	4,402	4,896	3.32	15.90	14.29	20.34
Procter & Gamble	PG	\$151.02	2356.89	\$355,938	\$9,733.00	\$35,880.00	\$321.00	\$382,405.53	\$6.15	\$83,265.00	\$18,920.00	\$21,673.00	4.59	20.21	17.64	24.56	6.42	84982.8	20086	23040	4.50	19.04	16.60	23.52
Kimberly Clark Corp	KMB	\$120.84	338	\$40,842	\$814.00	\$8,090.00	\$160.00	\$48,278.23	\$8.13	\$20,425.00	\$3,673.00	\$4,425.00	2.36	13.14	10.91	14.86	7.06	20585.1	3231.2	4033.6	2.35	14.94	11.97	17.12
Church & Dwight Co	CHD	\$89.51	246.3	\$22,046	\$573.30	\$2,570.30	0	\$24,043.31	\$1.74	\$5,775.90	\$642.90	\$899.60	4.16	37.40	26.73	51.44	3.41	6048.4	1166.3	1390.9	3.98	20.62	17.29	26.25
Clorox Company	CLX	\$132.79	124	\$16,466	\$518.00	\$3,203.00	168	\$19,318.96	\$4.36	\$7,035.00	\$878.00	\$1,119.00	2.75	22.00	17.26	30.46	4.54	7018.3	783.6	1009.3	2.75	24.65	19.14	29.25
Unilever Plc	UL	\$48.44	2532.1	\$122,655	\$6,954.80	\$33,527.00	\$2,908.60	\$152,135.72	\$2.79	\$64,227.70	\$10,558.90	\$12,558.20	2.37	14.41	12.11	17.36	2.99	66548.9	11179	13243.4	2.29	13.61	11.49	16.20
Estee Lauder Companies	EL	\$115.02	357.8	\$41,154	\$090	\$1032	\$26	\$49,022.16	\$2.20	\$5499	\$264	\$203	3.16	38.78	24.11	52.28	2.57	15886.7	1494.3	2303.6	3.09	32.81	21.28	44.75

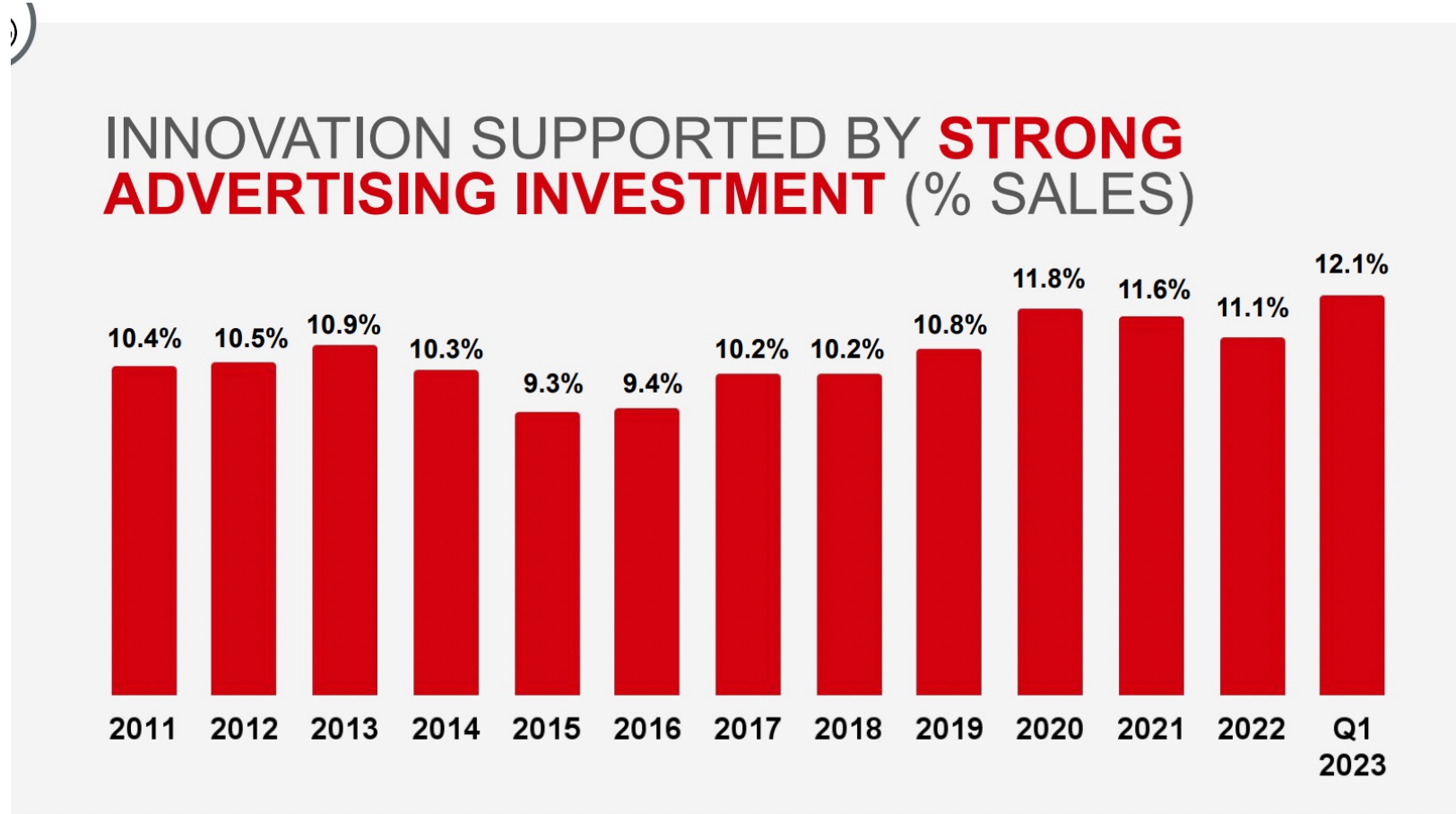
	Share Price	EV	EPS	LTM Revenue	LTM EBIT	LTM EBITDA	LTM EV/Revenue	LTM EV/EBIT	LTM EV/EBITDA	LTM P/E	LTM EV/Revenue	LTM EV/EBIT	LTM EV/EBITDA	FWD P/E
Min	\$48.44	\$19,318.96	\$1.74	\$5,775.90	\$642.90	\$899.60	2.36	13.14	10.91	14.86				16.20
Q1	\$95.89	\$30,102.04	\$2.35	\$9,151.00	\$974.50	\$1,347.50	2.46	15.86	13.40	19.16				18.72
Median	\$117.93	\$48,650.19	\$3.58	\$17,962.00	\$2,468.50	\$3,229.00	2.95	21.11	17.45	27.51				24.80
Q3	\$129.80	\$126,357.33	\$5.70	\$53,277.03	\$8,837.43	\$10,524.90	3.91	33.55	22.50	46.20				28.50
Max	\$151.02	\$382,405.53	\$8.13	\$83,265.00	\$18,920.00	\$21,673.00	4.59	38.78	26.73	52.28				44.75
Mean	\$109.60	\$112,533.99	\$4.23	\$32,704.60	\$5,989.47	\$7,117.97	3.23	24.32	18.13	31.83				26.18

Appendix J: Household Reach

IN **MORE HOMES** THAN
ANY OTHER



Appendix K: Strong Advertisement Sales



Appendix L: Latam Brand Strength

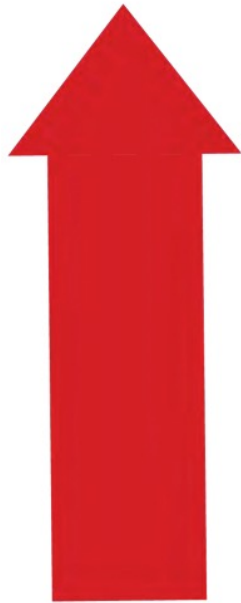
LATAM BRAND STRENGTH

#2 Most Chosen Brand
in all of Latin America



Appendix M: Constant Dividend Growth

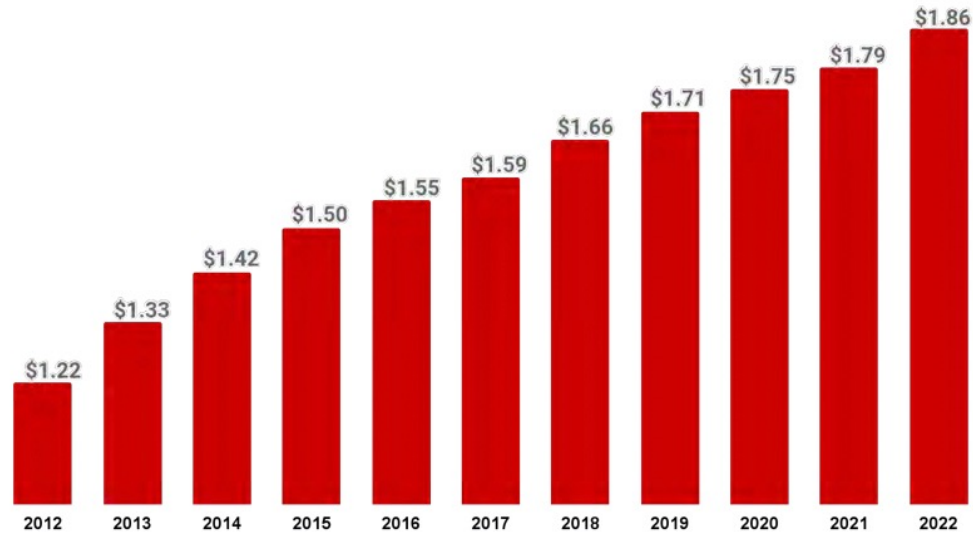
CONSISTENT **DIVIDEND GROWTH**



128 YEARS
OF DIVIDEND PAYMENTS

60 YEARS
OF DIVIDEND INCREASES

\$28 BILLION
CASH RETURNED TO
SHAREHOLDERS
LAST 10 YEARS



DIVIDENDS PAID PER SHARE