



The Colgate-Palmolive Company (CL)

Updated February 16th, 2026, by Josh Arnold

Key Metrics

| | | | | | |
|-----------------------------|------|--|------------------|----------------------------------|-----------------------|
| Current Price: | \$97 | 5 Year CAGR Estimate: | 7.9% | Market Cap: | \$78 B |
| Fair Value Price: | \$98 | 5 Year Growth Estimate: | 6.0% | Ex-Dividend Date: | 04/18/26 ¹ |
| % Fair Value: | 99% | 5 Year Valuation Multiple Estimate: | 0.1% | Dividend Payment Date: | 05/15/26 |
| Dividend Yield: | 2.1% | 5 Year Price Target | \$130 | Years Of Dividend Growth: | 64 |
| Dividend Risk Score: | A | Sector: | Consumer Staples | Rating: | Hold |

Overview & Current Events

Colgate-Palmolive has been in existence for more than 200 years, having been founded in 1806. It operates in many consumer staples markets, including Oral Care, Personal Care, Home Care, and more recently, Pet Nutrition. These segments afford the company just over \$20 billion in annual revenue. The stock's market capitalization sits at \$78 billion after a slight decline since our last update.

Colgate posted fourth quarter and full-year earnings on January 30th, 2026, and results were better than expected on both the top and bottom lines. Adjusted earnings-per-share came to 95 cents, which was four cents ahead of estimates. Revenue was up 5.9% year-over-year to \$5.23 billion, and bested estimates by \$110 million. Organic sales rose 2.2% during the quarter, including a 0.9% headwind from lower private label pet volume. Latin America saw organic revenue growth of 6.5%, Africa/Eurasia was up 10.3%, and North America fell 1.8%.

Operating cash flow was \$4.2 billion for the year, which is a record for the company. Management noted profit margins and revenue growth as drivers, but also excellent working capital management as drivers of the strong cash generation. For 2026, management expects sales to rise 2% to 6%, including a small positive impact from forex translation. Organic sales are expected to be up 1% to 4%. Gross margin is expected to be higher, but advertising investment is also expected to rise.

We start the year with an estimate of \$3.90 in adjusted earnings-per-share.

Growth on a Per-Share Basis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|---------------|
| EPS | \$2.72 | \$2.59 | \$2.75 | \$2.75 | \$3.06 | \$3.21 | \$2.97 | \$3.23 | \$3.60 | \$3.69 | \$3.90 | \$5.22 |
| DPS | \$1.55 | \$1.60 | \$1.66 | \$1.71 | \$1.75 | \$1.79 | \$1.86 | \$1.91 | \$1.98 | \$2.06 | \$2.08 | \$2.41 |
| Shares² | 907 | 875 | 867 | 858 | 858 | 842 | 833 | 823 | 816 | 805 | 797 | 750 |

We expect growth for Colgate-Palmolive at 6% annually. Organic revenue growth continues, as well as cost saving measures in place, we think the future looks decent. The repurchase program is providing another tailwind to earnings-per-share as well. Finally, commodity volatility is not helping, but pricing efforts are paying off in the form of higher revenue and margins. We note forex translation has shifted from a tailwind to a headwind, per updated guidance. Margin weakness has stabilized, and the impact of tariffs is still a wildcard. We note 6% growth projected from here is on what would be a record base of earnings in 2026, if achieved. Pricing power continues unabated despite the fact that the original pandemic tailwinds driving pricing are long since gone. Margins are in focus going forward, and cash flow remains solid. With about four-fifths of total revenue coming from outside North America, the weaker dollar is helping, but the tariff situation is offsetting any potential gains.

The dividend should rise at about the rate of earnings growth, potentially hitting \$2.41 per share in 2031. Colgate-Palmolive's dividend increase streak should remain intact for years to come as its payout is still reasonable, and earnings hold up well during recessions.

¹ Estimated date

² Share count in millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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Valuation Analysis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Now | 2031 |
|-----------|------|------|------|------|------|------|------|------|------|------|------|------|
| Avg. P/E | 25.8 | 27.9 | 24.2 | 25.1 | 24.6 | 24.7 | 26.5 | 24.7 | 25.3 | 21.4 | 24.9 | 25.0 |
| Avg. Yld. | 2.2% | 2.2% | 2.5% | 2.5% | 2.3% | 2.3% | 2.4% | 2.4% | 2.2% | 2.6% | 2.1% | 1.8% |

At 24.9 times earnings today, the stock is almost exactly at our fair value estimate of 25 times earnings. The stock is yielding 2.1%, in line with historical yields. We see the combination of the rising payout and potentially rising share price to push the yield lower over time, and note that the current yield is low compared to historical levels.

Safety, Quality, Competitive Advantage, & Recession Resiliency

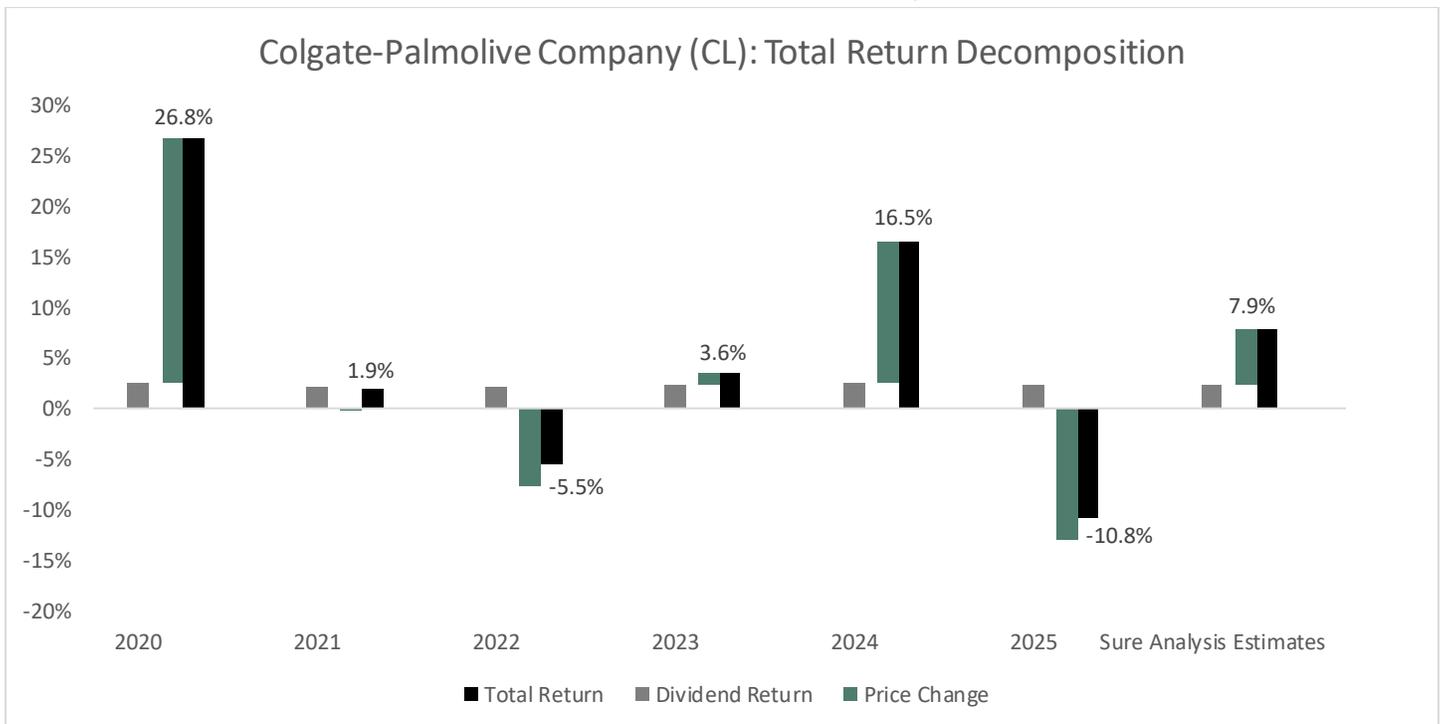
| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|--------|------|------|------|------|------|------|------|------|------|------|------|------|
| Payout | 57% | 62% | 60% | 62% | 57% | 56% | 63% | 59% | 55% | 56% | 53% | 46% |

The payout ratio is 53% of earnings, somewhat lower than recent years. We see the dividend as safe, and we believe Colgate-Palmolive will produce many more years of dividend increases. This is a recession-resistant stock given the staple nature of the products it sells, and its competitive advantage is found in the dominant brands it owns. While Colgate-Palmolive operates in highly competitive product categories, it has a strong share in many of them as well as the ability to maintain pricing power. We also note that even though the stock is defensive in nature, its valuation was in the mid-teens during the last recession, so that is a potential risk in future recessions.

Final Thoughts & Recommendation

The stock has traded sharply higher since our last update, and earnings estimates are higher as well. The company's revenue is intact, and margins remain decent on pricing power, but with the uncertainty of tariffs present. We forecast 7.9% total returns in the coming years as 6% earnings growth and the 2.1% yield could be partially aided by a fractional tailwind from the valuation. We are reiterating the stock at a hold rating after Q4 earnings, noting good total return prospects and an outstanding dividend history.

Total Return Breakdown by Year



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Income Statement Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Revenue | 15,195 | 15,454 | 15,544 | 15,693 | 16,471 | 17,421 | 17,967 | 19,457 | 20,101 | 20,382 |
| Gross Profit | 9,123 | 9,280 | 9,231 | 9,325 | 10,017 | 10,375 | 10,248 | 11,326 | 12,161 | 12,251 |
| Gross Margin | 60.0% | 60.0% | 59.4% | 59.4% | 60.8% | 59.6% | 57.0% | 58.2% | 60.5% | 60.1% |
| SG&A Exp. | 5,143 | 5,400 | 5,389 | 5,575 | 6,019 | 6,407 | 6,565 | 7,151 | 7,729 | 7,903 |
| D&A Exp. | 443 | 475 | 511 | 519 | 539 | 556 | 545 | 567 | 605 | 630 |
| Operating Profit | 3,958 | 3,710 | 3,685 | 3,617 | 3,885 | 3,903 | 3,614 | 3,984 | 4,268 | 4,348 |
| Operating Margin | 26.0% | 24.0% | 23.7% | 23.0% | 23.6% | 22.4% | 20.1% | 20.5% | 21.2% | 21.3% |
| Net Profit | 2,441 | 2,024 | 2,400 | 2,367 | 2,695 | 2,166 | 1,785 | 2,300 | 2,889 | 2,261 |
| Net Margin | 16.1% | 13.1% | 15.4% | 15.1% | 16.4% | 12.4% | 9.9% | 11.8% | 14.4% | 11.1% |
| Free Cash Flow | 2,548 | 2,501 | 2,620 | 2,798 | 3,309 | 2,758 | 1,860 | 3,040 | 3,546 | 3,634 |
| Income Tax | 1,152 | 1,313 | 906 | 774 | 787 | 749 | 693 | 937 | 907 | 798 |

Balance Sheet Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------------------|---------|---------|---------|--------|--------|--------|--------|--------|--------|--------|
| Total Assets | 12,123 | 12,676 | 12,161 | 15,034 | 15,920 | 15,040 | 15,731 | 16,393 | 16,046 | 16,330 |
| Cash & Equivalents | 1,315 | 1,535 | 726 | 883 | 888 | 832 | 775 | 966 | 1,096 | 1,288 |
| Accounts Receivable | 1,411 | 1,480 | 1,400 | 1,440 | 1,264 | 1,297 | 1,504 | 1,586 | 1,521 | 1,675 |
| Inventories | 1,171 | 1,221 | 1,250 | 1,400 | 1,673 | 1,692 | 2,074 | 1,934 | 1,987 | 2,032 |
| Goodwill & Int. Ass. | 3,420 | 3,559 | 4,167 | 6,175 | 6,718 | 5,746 | 5,272 | 5,297 | 5,028 | 4,658 |
| Total Liabilities | 12,106 | 12,433 | 11,964 | 14,476 | 14,819 | 14,069 | 14,925 | 15,436 | 15,502 | 15,965 |
| Accounts Payable | 1,124 | 1,212 | 1,222 | 1,237 | 1,393 | 1,479 | 1,551 | 1,698 | 1,805 | --- |
| Long-Term Debt | 6,533 | 6,577 | 6,366 | 7,847 | 7,601 | 7,245 | 8,766 | 8,549 | 7,949 | 7,988 |
| Shareholder's Equity | (243) | (60) | (102) | 117 | 743 | 609 | 401 | 609 | 212 | --- |
| LTD/E Ratio | (26.88) | (109.6) | (62.41) | 67.07 | 10.23 | 11.90 | 21.86 | 14.04 | 37.50 | 147.93 |

Profitability & Per Share Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Return on Assets | 20.3% | 16.3% | 19.3% | 17.4% | 17.4% | 14.0% | 11.6% | 14.3% | 17.8% | 14.0% |
| Return on Equity | --- | --- | --- | --- | --- | 320% | 354% | 455% | 385% | 498% |
| ROIC | 37.4% | 30.3% | 35.9% | 31.6% | 31.5% | 25.6% | 20.1% | 24.1% | 32.1% | 26.0% |
| Shares Out. | 907 | 875 | 867 | 858 | 858 | 842 | 839 | 829 | 823 | 811 |
| Revenue/Share | 16.91 | 17.41 | 17.81 | 18.22 | 19.17 | 20.54 | 21.42 | 23.46 | 24.42 | 25.13 |
| FCF/Share | 2.84 | 2.82 | 3.00 | 3.25 | 3.85 | 3.25 | 2.22 | 3.67 | 4.31 | 4.48 |

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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