The Colgate-Palmolive Company (CL)

Updated August 12th, 2026, by Josh Arnold

Key Metrics

Current Price:	$92	**5 Year CAGR Estimate:**	7.2%	**Market Cap:**	$74 B
Fair Value Price:	$93	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	10/18/26[1]
% Fair Value:	99%	**5 Year Valuation Multiple Estimate:**	0.2%	**Dividend Payment Date:**	11/15/26
Dividend Yield:	2.3%	**5 Year Price Target**	$119	**Years Of Dividend Growth:**	65
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 $74 billion after another decline since our last update.

Colgate-Palmolive posted second quarter earnings on July 31st, 2026, and results were slightly better than expected. Adjusted earnings-per-share came to 99 cents, which was four cents ahead of estimates. Revenue was up 5% year-over-year to $5.36 billion, in-line with expectations. Net sales were up 2.4% on an organic basis, including a 0.4% headwind from lower private label pet food sales. Latin America saw revenue growth of 5.3%, while Africa/Eurasia was up 5.2%. Organic sales were off 3% in North America. Companywide organic volume was up 0.8% while pricing was higher by 1.6%.

Management guided for net sales to be up 2% to 6%, and for organic sales to be 1% to 4% higher, as well as flat gross margins.

We've boosted our estimate of earnings-per-share to $3.87 for this year, up slightly after first half results.

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	***$3.87***	***$4.94***
DPS	$1.55	$1.60	$1.66	$1.71	$1.75	$1.79	$1.86	$1.91	$1.98	$2.06	***$2.12***	***$2.46***
Shares[2]	907	875	867	858	858	842	833	823	816	805	***797***	***750***

We expect growth for Colgate-Palmolive at 5% 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 headwind to a tailwind once again, per updated guidance. Margin weakness has stabilized, but is still fluctuating. We note 5% 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 so long as that persists.

The dividend should rise at about the rate of earnings growth, potentially hitting $2.46 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.

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[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	***23.8***	***24.0***
Avg. Yld.	2.2%	2.2%	2.5%	2.5%	2.3%	2.3%	2.4%	2.4%	2.2%	2.6%	***2.3%***	***2.1%***

At 23.8 times earnings today, the stock is slightly under our fair value estimate of 24 times earnings. The stock is yielding 2.3%, in line with historical yields. We see the combination of the rising payout and potentially rising share price to push the yield slightly lower over time.

Safety, Quality, Competitive Advantage, & Recession Resiliency

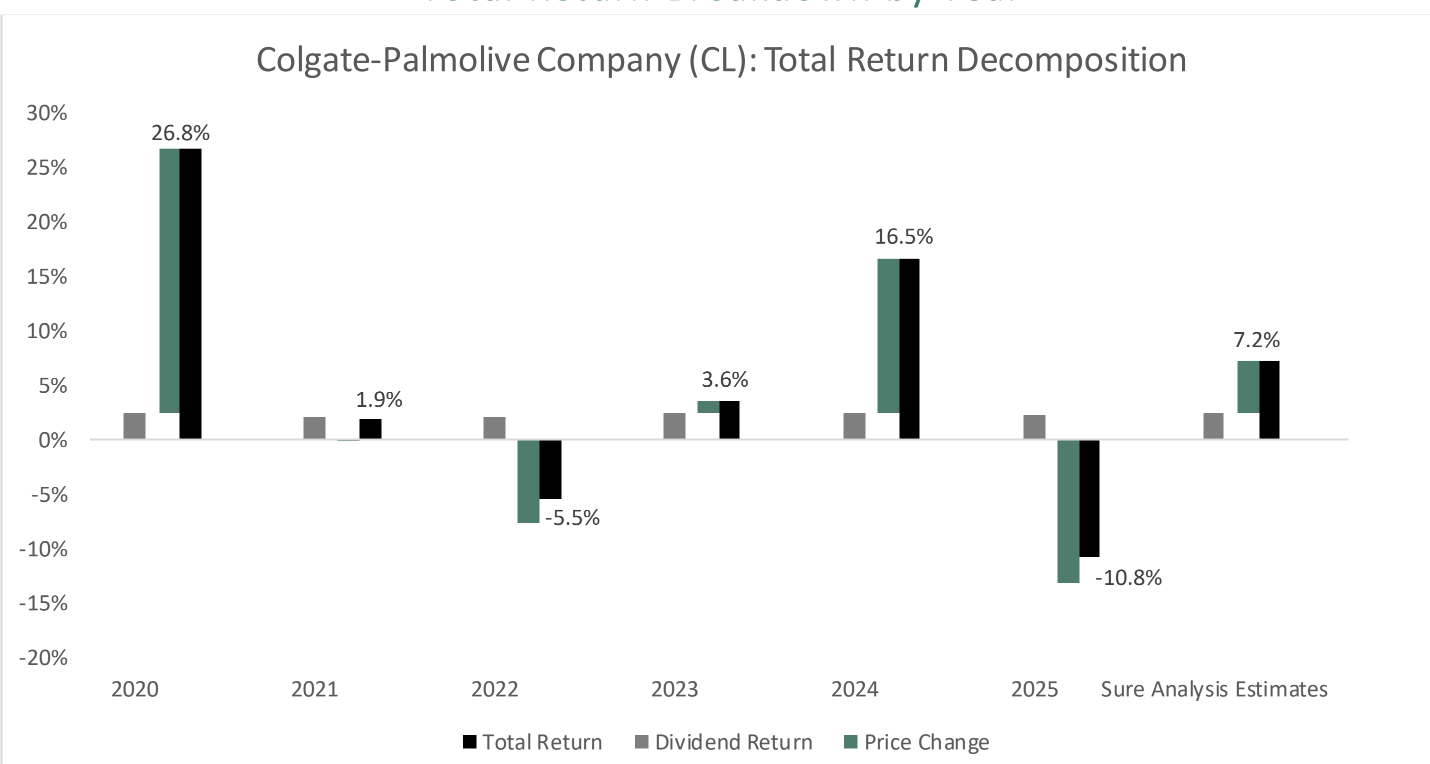
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	57%	62%	60%	62%	57%	56%	63%	59%	55%	56%	***55%***	***50%***

The payout ratio is 55% 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 up since our last update, and earnings estimates are slightly higher. The company's revenue is intact, and margins remain a wildcard. We forecast 7.2% total returns in the coming years as 5% earnings growth and the 2.3% yield could be partially aided by a fractional tailwind from the valuation. We are reiterating the stock at a hold rating after Q2 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	2,089
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	54
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.