

Colgate-Palmolive Company

\$61.71

NYSE: CL • Consumer Staples / Household & Personal Products • New York, NY • Model Date: May 2026

▼ 31.7% downside vs. \$90.29 market price

MODEL TYPE: SCENARIO-AWARE DCF | METHODS: GORDON GROWTH DCF | TRADING COMPARABLES | BASE YEAR: FY2025A | WACC: 8.0% | TERMINAL GROWTH: 2.0% | SHARES O/S: 0.806B | NET DEBT: \$6.70B

COMPANY OVERVIEW & INVESTMENT CONTEXT

Colgate-Palmolive is a global consumer staples company operating across oral care, personal care, home care, and pet nutrition (Hill's Science Diet). Revenue growth has been historically driven by pricing actions, with margins remaining resilient despite raw material cost volatility. The company generates consistently strong free cash flow backed by disciplined working capital management and low-to-moderate capital intensity (~2.8–3.9% CapEx/Revenue). At the current market price of \$90.29, all three DCF scenarios indicate material downside to intrinsic value, with the base case implying a 31.7% premium in the market price relative to fundamental value.

KEY PERFORMANCE INDICATORS – FY2025A ACTUALS

REVENUE	EBITDA	FREE CASH FLOW	FCF YIELD	GROSS MARGIN	CAPEX / REV	CURRENT PRICE
\$20.4B +1.4% YoY growth	\$4.9B 24.1% margin	\$3.63B 17.8% FCF margin	7.3% vs. market cap	60.1% Stable / resilient	2.77% Low-intensity	\$90.29 vs. \$61.71 DCF

SCENARIO ASSUMPTIONS – OPERATING DRIVERS

DRIVER	BEAR	BASE	BULL
Revenue Growth	2.0%	3.0%	4.5%
— Volume Growth	1.0%	1.5%	2.0%
— Price / Mix Growth	1.0%	1.5%	2.5%
EBITDA Margin	24.5%	25.0%	25.5%
D&A / Revenue	3.0%	3.0%	3.0%
CapEx / Revenue	3.5%	3.0%	2.5%
NWC / Revenue	1.0%	0.8%	0.5%
Tax Rate	25.5%	25.5%	25.5%
WACC	8.0%	8.0%	8.0%
Terminal Growth Rate	2.0%	2.0%	2.0%

PRICE COMPARISON – INTRINSIC VS. MARKET PRICE

METHODOLOGY / SCENARIO	VALUE (\$/SH)	VS. MARKET
Current Stock Price	\$90.29	—
Intrinsic Value — DCF Base Case	\$61.71	▼ (31.7%)
Bear Case (2.0% growth, 24.5% margin)	\$54.10	▼ (40.1%)
Bull Case (4.5% growth, 25.5% margin)	\$72.02	▼ (20.2%)
Trading Comparables Midpoint	\$64.88	▼ (28.1%)

HISTORICAL MARGIN PERFORMANCE – FY2021A TO FY2025A

METRIC	FY2021A	FY2022A	FY2023A	FY2024A	FY2025A
Revenue Growth	5.8%	3.1%	8.3%	3.3%	1.4%
Gross Margin	59.6%	57.0%	58.2%	60.6%	60.1%
EBITDA Margin	25.1%	22.9%	23.2%	24.2%	24.1%
FCF Margin	15.8%	10.4%	15.6%	17.6%	17.8%
CapEx / Revenue	(3.3%)	(3.9%)	(3.6%)	(2.8%)	(2.8%)

SCENARIO VALUATION SUMMARY – BEAR / BASE / BULL

BEAR CASE	BASE CASE	BULL CASE
\$54.10 ▼ 40.1% vs. \$90.29 market price • EV: \$50.3B 2.0% revenue growth; 24.5% EBITDA margin; 3.5% CapEx/Revenue. Reflects execution risk on pricing, raw material cost escalation, and volume softness across key markets.	\$61.71 ▼ 31.7% vs. \$90.29 market price • EV: \$56.4B 3.0% revenue growth (1.5% volume + 1.5% price-mix); 25.0% EBITDA margin; 3.0% CapEx/Revenue. Anchored on FY2025A performance with modest improvement trajectory.	\$72.02 ▼ 20.2% vs. \$90.29 market price • EV: \$64.8B 4.5% revenue growth (2.0% volume + 2.5% price-mix); 25.5% EBITDA margin; 2.5% CapEx/Revenue. Assumes Hill's acceleration, EM expansion, and above-trend pricing power.

SENSITIVITY MATRIX – IMPLIED PRICE / SHARE (USD) • WACC VS. TERMINAL GROWTH RATE [BASE CELL HIGHLIGHTED: WACC 8.0% / TGR 2.0%]

WACC \ TGR	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
6.0%	\$72.20	\$78.78	\$86.83	\$96.89	\$109.82	\$127.06	\$151.19
6.5%	\$65.42	\$70.80	\$77.26	\$85.16	\$95.03	\$107.72	\$124.64
7.0%	\$59.68	\$64.15	\$69.44	\$75.78	\$83.53	\$93.21	\$105.67
8.0% ★	\$50.51	\$53.71	\$57.40	\$61.71	\$66.80	\$72.91	\$80.37
8.5%	\$46.78	\$49.53	\$52.67	\$56.30	\$60.53	\$65.52	\$71.52
9.0%	\$43.50	\$45.88	\$48.58	\$51.66	\$55.22	\$59.37	\$64.28
9.5%	\$40.58	\$42.66	\$44.99	\$47.64	\$50.67	\$54.16	\$58.24

★ Base case: WACC 8.0% / TGR 2.0% – Current market price: \$90.29 (above all matrix values except WACC ≤7.0% / TGR ≥2.0%) Entire matrix implies downside to current price in most scenarios

DCF BASE INTRINSIC VALUE	BEAR CASE FLOOR	BULL CASE CEILING	COMPS MIDPOINT	CURRENT MARKET PRICE
\$61.71 ▼ 31.7% vs. market	\$54.10 ▼ 40.1% vs. market	\$72.02 ▼ 20.2% vs. market	\$64.88 ▼ 28.1% vs. market	\$90.29 Implies premium to all DCF cases