

# Colgate-Palmolive Co

Resilient franchise with disciplined execution

12 May 2026

## Company Overview

Colgate-Palmolive Company is a household and consumer products company, operating in four product sub-segments: Oral Care (43% of total 2024 net sales); Personal Care (18%); Home Care (17%); and Pet Nutrition (22%). The Oral, Personal and Home Care product segment is managed geographically in five areas - North America, Latin America, Europe, Asia Pacific and Africa/ Eurasia, accounting for 21%, 24%, 14%, 14%, and 5% of total 2024 net sales, respectively. Sales are primarily to a variety of traditional and e-commerce retailers, wholesalers, distributors, dentists and skin health professionals. Through Hill's Pet Nutrition, products principally sold through authorized pet supply retailers, veterinarians, and e-commerce retailers. The company's notable brands are *Colgate*, *Darlie*, *Elmex*, *Hello*, *Meridol*, *Sorriso* and *Tom's of Maine*.

## Investment Overview

Steady stalwart in global oral care. Colgate-Palmolive (CL), global leader in Oral care with a growing premium Pet Nutrition category, offers exposure to resilient consumer staples categories. Its competitive edge lies in unrivalled brand equity in daily-use essentials, backed by distribution across both developed and emerging markets and a disciplined, focus on innovation, pricing and brand investment.

Showing resilience in its latest results. Despite challenging environment, CL continued to deliver with a 4Q25 base EPS of USD 0.95, ~4.4% above consensus, on higher net sales of USD 5.23 bn (5.8% y/y), beating expectations on both the top and bottom lines. Organic sales in the quarter rose ~2.2% y/y including a modest drag from the exit of the private label pet food business.

Strategic growth and Productivity Program (SGPP) to support 2030 growth. The company has put in place its SGPP as a central enabler of the group's 3–5% organic growth ambition to 2030, designed to structurally lower costs while sharpening execution. The programme aims to generate productivity savings that are recycled into brand investment, premium innovation and omnichannel capabilities. This “self-funded” approach enhances agility and margin resilience, allowing the company to sustain competitive investment and consistent earnings growth.

Maintain HOLD call with higher TP of USD95. FY26F net sales growth guidance is at 2%–6% (organic 1%–4%), a tad higher than 2025 performance but a wider band than typical, due to risk of continued low category growth and external volatility. The mid-point sits modestly above consensus expectations for ~3.5% revenue growth. We revised our TP to USD95 (from USD86) as we based it on 23.7x (5-year historical avg) on average of FY26/27F EPS.

## Risks

Downside risks: Intensified competition leading to market share losses, higher promotional activity, volatility in input costs, foreign exchange fluctuations, and weak macroeconomic conditions or consumer spending.

## Andy Sim

Analyst

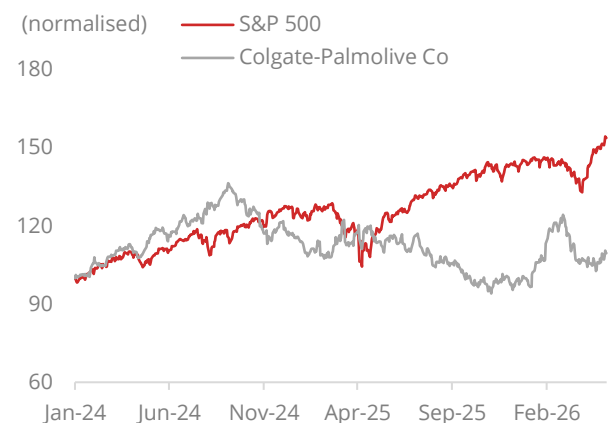
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## Key Financial Data

Bloomberg Ticker	CL US
Sector	Consumer Staples
Share Price (USD)	87.36
DBS Rating	HOLD
12-mth Target Price (USD)	95.0
Market Cap (USD\$b)	69.9
Volume (m shares)	5.0
Free float (%)	99.8
Dividend yield (%)	2.4
Net Debt to Equity (%)	-
Fwd. P/E (x)	22.9
P/Book (x)	-
ROE (%)	-

Closing Price as of 7 May 2026  
Source: Bloomberg, DBS

## Indexed Share price vs Composite Index Performance



Source: Bloomberg

### Financial Summary (USDmn)

FY Mar	FY2023(A)	FY2024(A)	FY2025(A)	FY2026(F)	FY2027(F)
Sales	19,456	20,100	20,382	21,457	22,128
% y/y	8.3	3.3	1.4	5.3	3.1
Gross Profit	11,326	12,180	12,251	12,810	13,232
% y/y	10.5	7.5	0.6	4.6	3.3
EBITDA	4,602	4,957	4,977	5,069	5,258
% y/y	8.9	7.7	0.4	1.7	3.7
Net Profit	2,681	2,961	2,996	3,046	3,185
% y/y	7.5	10.4	1.2	1.6	4.5
FCF	3,040	3,546	3,634	2,583	2,873
% y/y	63.4	16.6	2.5	(36.2)	(1.7)
CAPEX	705.0	561.0	564.0	617.4	649.1
% y/y	1.3	(20.4)	0.5	10.4	6.0
EBITDA Margin (%)	23.7	24.7	24.4	23.6	23.8
Net Margin (%)	13.8	14.7	14.7	14.2	14.4
ROA (%)	16.7	18.3	18.5	18.5	19.0
ROE (%)	304.1	394.5	659.2	598.1	391.7
Tax Rate (%)	23.6	22.7	23.1	23.4	23.4

Source: Company, DBS

### Valuation Metrics

FY Mar	FY2023(A)	FY2024(A)	FY2025(A)	FY2026(F)	FY2027(F)
P/E (x)	31.5	24.8	33.2	23.8	21.8
P/B (x)	119.2	340.0	1,315.0	265.1	104.6
Dividend Yield (%)	2.2	2.3	2.4	2.4	2.5
EV/EBITDA (x)	16.7	15.5	15.5	15.2	14.6
FCF Yield (%)	4.2	4.9	5.1	3.7	4.1
Dividend Per Share (DPS)	1.9	2.0	2.1	2.1	2.2

Source: Company, DBS

### Credit & Cashflow Metrics

FY Mar	FY2023(A)	FY2024(A)	FY2025(A)	FY2026(F)	FY2027(F)
Debt / Equity (%)	860.9	1,459.7	1,882.5	1,116.5	630.9
Net Debt / Equity (x)	12.5	32.3	103.4	23.6	8.4
Debt / Assets (%)	52.2	49.5	42.1	47.4	45.3
Net Debt / Assets (x)	0.5	0.4	0.3	0.4	0.3
ST Debt / Total Debt (x)	0.0	0.1	0.2	0.1	0.1
Debt / EBITDA (x)	1.8	1.6	1.4	1.5	1.5
[Cash + CFO] / ST Debt (%)	14.3	8.0	4.9	12.6	14.7
Receivables Days	29.8	27.6	30.0	28.7	28.1
Days Payable	31.9	32.8	37.4	34.4	34.0
Inventory Days	36.3	36.1	36.4	35.0	34.6

Source: Company, DBS

## Target Price &amp; Ratings History



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1	02 Nov'25	77.05	86.00	HOLD
2	04 Feb'26	93.15	95.00	HOLD

Source: DBS  
Analyst: Andy Sim

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\*Share price appreciation + dividends

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