Universidade do Minho
Escola de Economia e Gestão

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Equity Research Report
Colgate-Palmolive

abril de 2026

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UMinho | 2026

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Equity Research Report
Colgate-Palmolive

Master's Project
Master in Finance

Supervised by
Professor Doutor Gilberto Loureiro

April 2026

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RESUMO

Este relatório tem como objetivo avaliar a Colgate-Palmolive Company e formular uma recomendação de investimento de acordo com uma abordagem alinhada com os princípios do CFA Institute.

A Colgate-Palmolive integra o setor dos consumer staples, caracterizado por uma procura tendencialmente estável e por menor sensibilidade ao ciclo económico. A empresa opera em categorias essenciais como oral care, personal care, home care e pet nutrition, beneficiando de um portefólio de marcas reconhecidas, presença internacional e forte capacidade de distribuição. Estas características conferem ao negócio um perfil relativamente defensivo, apoiado em receitas recorrentes e numa sólida capacidade de geração de caixa.

Ao longo do relatório, são analisadas várias dimensões consideradas centrais para a avaliação da empresa, incluindo o desempenho financeiro, os principais riscos de investimento, os fatores ESG e a dinâmica competitiva da indústria. A valorização da empresa assenta sobretudo num modelo de Discounted Cash Flow (DCF), sendo complementada por Relative Valuation, Dividend Discount Model (DDM) e Sensitivity Analysis, com o objetivo de testar a robustez dos resultados obtidos sob diferentes pressupostos.

Com base na evidência reunida, a análise conduz a uma recomendação de Hold para as ações da Colgate-Palmolive. O target price estimado é de $92.29, ligeiramente inferior ao current price de $92.93, o que corresponde a um downside de aproximadamente 0.69%. Assim, embora a empresa apresente fundamentos sólidos, elevada resiliência operacional e forte posicionamento competitivo, o potencial de valorização implícito na avaliação realizada revela-se limitado aos níveis atuais de mercado.

Palavras-chave: Colgate-Palmolive, Equity Research, Fluxos de Caixa Descontados, Modelo de Desconto de Dividendos, Avaliação Relativa e Análise de Sensibilidade.

ABSTRACT

This report aims to evaluate Colgate-Palmolive Company and provide an investment recommendation in line with an approach consistent with the principles of the CFA Institute. Colgate-Palmolive operates in the consumer staples sector, which is generally characterized by relatively stable demand and lower sensitivity to economic cycles. The company is active in essential product categories such as oral care, personal care, home care, and pet nutrition, benefiting from a portfolio of well-established brands, an international presence, and strong distribution capabilities. These characteristics give the business a relatively defensive profile, supported by recurring revenues and solid cash flow generation.

Throughout the report, several dimensions considered central to the company's valuation are examined, including financial performance, key investment risks, ESG factors, and the competitive dynamics of the industry. The company's valuation is primarily based on a Discounted Cash Flow (DCF) model, complemented by Relative Valuation, the Dividend Discount Model (DDM), and Sensitivity Analysis, with the aim of testing the robustness of the results under different assumptions.

Based on the evidence gathered, the analysis leads to a Hold recommendation for Colgate-Palmolive's shares. The estimated target price is $92.29, slightly below the current price of $92.93, implying a downside of approximately 0.69%. Therefore, although the company shows solid fundamentals, strong operational resilience, and a strong competitive position, the upside potential implied by the valuation appears limited at current market levels

Keywords: Colgate-Palmolive, Equity Research, Discounted Cash Flow, Dividend Discount Model, Relative Valuation and Sensitivity Analysis.

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Colgate-Palmolive

(NYSE: CL)

RECOMMENDATION: HOLD	
DATE:	10/02/2026
CURRENT PRICE:	$93.93
TARGET PRICE:	$92.29
TARGET DATE:	31/12/2026
DOWNSIDE:	0.69%
INDUSTRY:	Consumer Staples
SECTOR:	Household and Personal Care Products
TICKER:	CL
STOCK EXCHANGE:	New York Stock Exchange

Investment Summary

This report assigns a **HOLD** recommendation to Colgate-Palmolive (CL) with a **target price of 92.29$**, implying slight **0.69% downside** relative to the closing price of $93.93 on February 10, 2026.

The valuation is primarily based on a Discounted Cash Flow (DCF) model, supported by sensitivity analysis, relative valuation, and a Dividend Discount Model (DDM).

The HOLD recommendation reflects Colgate's business profile, resilient cash flow generation and margins, and stable dividend-paying capacity, positioning the company as a suitable investment for low-risk investors..

Arguments for a Hold Recommendation

Colgate generates cash in a way that very few companies can match. This comes from selling products that people keep buying no matter how strong or weak the economy is. That steady demand makes CL a useful stock for investors who want lower portfolio volatility without giving up dividends. It also makes the company a clear example of a cash cow. The competitive risks discussed in this report are real, but they have not damaged the part of the business that matters most, Colgate is still the leading company in global oral care, supported by strong distribution and a brand built over many years. These advantages are difficult for competitors to copy quickly.

The HOLD recommendation is closely tied to the company's sales performance. Although the other valuation methods suggest a slightly lower value, they ultimately remain consistent with the HOLD view. As shown in Figure 1, the stock has experienced significant fluctuations throughout the year, largely driven by quarterly sales results. However, Colgate's sales performance has remained strong in recent years and is expected to continue growing at a solid pace over the forecast period. At the same time, rising competition and changing distribution dynamics require continued investment in innovation and marketing to sustain brand strength and support future growth.

Figure 1 : CL Share price Chart Feb 2024 - Feb 2026



Source: Yahoo Finance

Business Description

Colgate-Palmolive Company is a historic enterprise that originated from the merger between Colgate, founded in 1806, and Palmolive, founded in 1864, with the merger completed in 1928. The company is a leading player in the global consumer goods industry, operating in more than 200 countries and territories. It leverages strong positions in emerging markets such as asia-Pacific and Latin America while maintaining an exceptional brand portfolio (Figure 1) and market leadership in categories such as toothpaste and liquid hand soap.

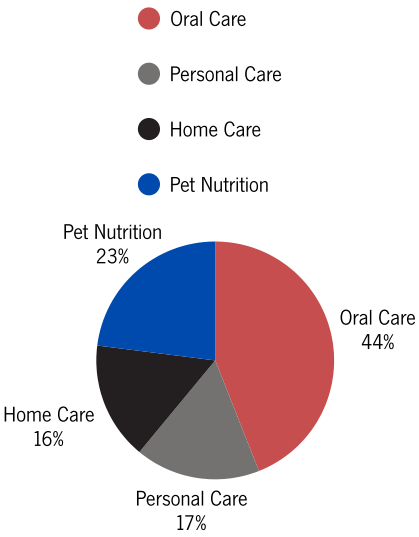
Figure 2 : Brand Portfolio



Source: Colgate-Palmolive

Colgate-Palmolive's revenue is primarily divided into three segments: Oral, Personal and Home Care, and Pet Nutrition, with the Oral Care segment representing the largest share of total sales (Figure 3), breaking the $20 billion in revenues for the first time in 2024.

Figure 3: Sales Breakdown



Source: Colgate-Palmolive 10K

In North America, a mature and competitive market, the company maintained its position through continued spending on advertising and digital channels. Latin America remained an important contributor, with disciplined pricing and steady demand helping offset currency volatility. Europe delivered stable results, supported by product innovation and cost efficiency efforts. Asia Pacific continued to be a key growth region, driven by strong Oral Care demand and wider distribution. Africa/Eurasia showed good underlying demand, although macroeconomic and foreign exchange pressures affected reported results. Hill's Pet Nutrition represented 23% of total Net Sales in 2025, highlighting its importance within the group. The business maintained its focus on premium therapeutic and wellness pet food, supported by brand investment and pricing strength.

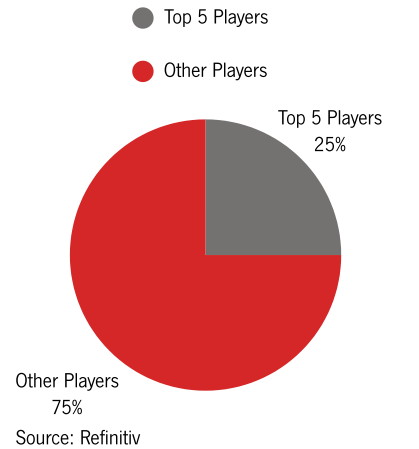
Headquartered in New York City, the company employs approximately 34,000 people worldwide. Colgate-Palmolive focuses on developing and commercializing science-led products ,with a new focus on natural based products, while fostering a culture of sustainability, in line with its corporate motto: "Building a Future to Smile About."

Industry Overview

Macroeconomic View

In recent years, the **household and personal care** industry has been driven more by price increases than by higher volumes. Rising costs of raw materials, transport, and labor pushed companies across the consumer goods sector to raise prices in order to protect margins. As a result, close to 70% of recent revenue growth has come from pricing. This approach helped maintain profits in the short term, but it cannot continue forever without affecting demand, especially in more price-sensitive markets. For global companies, exchange rate movements driven by events such as the war in Ukraine and conflicts in the Middle East and Venezuela have added further pressure, since currency swings directly affect reported sales and margins.

Figure 4: Global Market Share

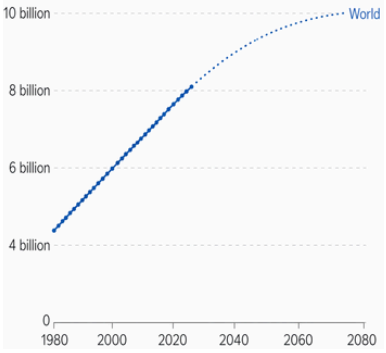


Source: Refinitiv

Colgate-Palmolive operates in the household and personal care and pet food market, valued at around $703.31 and $161.72 billion respectively in 2026. However, this figure includes categories such as skin care, hair care, color cosmetics, and fragrances. Colgate's main exposure is oral care, a segment worth roughly $34 billion and more stable than many of the other categories.

Oral care benefits from regular and predictable demand. Toothpaste and toothbrushes are daily-use products, which makes consumption less sensitive to economic slowdowns. The market is competitive but fairly concentrated, with large multinational companies holding around 25% of global share (Figure 4). These include Reckitt Benckiser Group, Unilever PLC, Procter & Gamble Company, Kimberly-Clark Corporation, Beiersdorf AG, together with Colgate-Palmolive.

Figure 5: Global Population Projected Growth



Source: UN

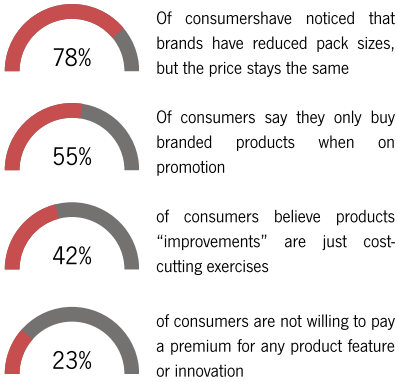
Looking ahead, the global oral care market is expected to grow at around 4 to 5% per year and the pet food 5% per year until 2030 in line with past trends. Growth is mainly supported by emerging Asian markets, where rising incomes and better access to hygiene products are increasing consumption. Population growth also supports demand, with the global population projected to approach 10 billion by 2080 (Figure 5).The growth of e-commerce bosted specially by social media influecers all of these factors provide a base for a expansion of the industry.

Brand Reputation, Inovation and Digitalization

The household and personal care products sector is one of the oldest, and Colgate-Palmolive has been operating in this sector for over 100 years. Over time, the industry has evolved significantly, and this evolution has been even faster in recent years. Recent changes show that consumers no longer place as much importance on brand reputation as the main factor in their choice. Currently, product quality and the level of innovation have a greater weight in the purchasing decision. This trend may represent a challenge for Colgate-Palmolive, since, historically, the strength of its brand has allowed the company to increase the prices of its products to offset rising costs as previously mentioned.

When it comes to innovation, consumers have shown some skepticism about practices that have been used for many years in this sector, such as reducing package sizes or rebranding certain product lines. These strategies have led some consumers to question whether the changes represent true innovation. Around 42% of consumers believe that many new products are just a way for companies to reduce costs, while around 22% say they are not willing to pay more for these products (Figure 6).

Figure 6: Brand Value and views on innovation

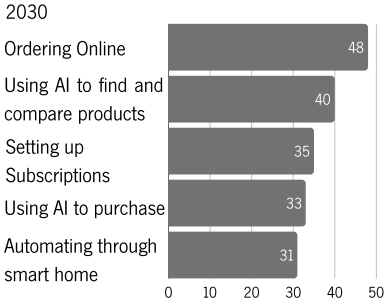


Source: EY

Consumers are increasingly looking for innovative products and solutions that fit their lifestyle. For this reason, innovation is not limited to the development of new products, but also to the ability to understand consumer preferences before competitors do. This can be achieved by investing in new technologies, including artificial intelligence, and by digitizing processes. Colgate-Palmolive has been pointing in this direction in its strategy for 2030.

Consumption habits have also changed in general, but especially among younger generations. About 60% of millennials show an intention to increase their purchases through digital platforms (Figure 7), which shows the growing importance of e-commerce over normal commerce, especially supermarkets such as Walmart, one of Colgate-Palmolive's largest customers. In addition, the integration of smart devices into everyday life, especially in the context of smart-home technology, has further reinforced the role of digital commerce, as these devices can anticipate needs and facilitate the purchasing process, often almost automatically.

Figure 7: Online Shopping, AI and smart home by 2030



Source: pwc

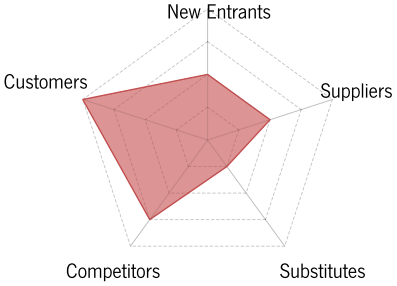
Porter 5 Forces

Threat of New Entrants

In Colgate-Palmolive's core categories, the risk that new entrants materially reshape the industry is limited, mainly because scale, trust, and distribution matter more than simply launching a new product. Oral Care is the largest part of the portfolio and represents about 43% of 2024 net sales, while Pet Nutrition contributes about 22%, so any entrant that matters financially would ultimately need to build relevance in these two areas rather than staying confined to small segments and niche markets.

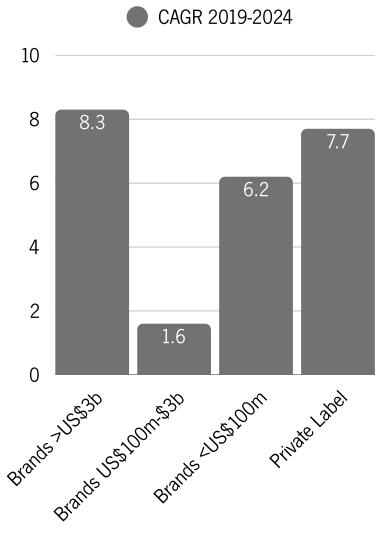
That said, the entry pattern in recent years has shifted. New brands can now enter more easily at the niche level, especially in oral care, because e-commerce reduces the need to secure shelf space and because social media can create awareness quickly. Colgate itself notes that the growth of eCommerce has encouraged the entry of new competitors.

Figure 8: Porter 5 Forces



Source: Author

Figure 9: CAGR 2019-2024 by Brand Revenue Size



Source: EY

This is why many newer brands tend to focus on premium or high-end positioning, where small scale can still be profitable and where design, branding, and lifestyle marketing can justify higher price. A premium toothpaste brand like Marvis is a useful illustration of how entrants avoid competing directly on mass-market volume and instead aim for the upper end of the category.

Where obstacles emerge is when a new brand tries to move from niche to scale (Figure X). Established players benefit from long-standing brand loyalty, strong trademark protection, and global distribution capabilities with Colgate marketing their products in more than 200 countries.

Those advantages are difficult to replicate because they come from decades of investment in brand building, retailer relationships, manufacturing experience, and marketing capability. Regulation also adds barriers for new entrants that want to expand across regions. Colgate points out that legal and regulatory requirements touch nearly every aspect of its products, from ingredients and formulation to labeling, advertising, storage, and distribution. With a small player being able to comply in a single market, but scaling that compliance across multiple jurisdictions raises cost and complexity.

Colgate also frames innovation as an ongoing defensive tool. The company links growth to identifying, developing, and launching innovative products, and it explicitly acknowledges that delays can mean not being first to market, which can weaken competitive position.

When smaller brands start to break through, large established players can respond quickly by updating products, adding new variants, and scaling marketing through their R&D, manufacturing, and distribution. Colgate also treats acquisitions as a way to broaden the portfolio and bring in brands that are gaining momentum before they become larger such as PCA SKIN (skin health brand) and hello (natural oral care brand).

Threat of Substitutes

Most of Colgate's portfolio is concentrated in routine hygiene and personal care categories, where consumption remains relatively stable due to the daily use of these products and their role in essential health. Toothpaste, toothbrushes, soaps, detergents, and pet food are not optional in the same way as many consumer categories; demand may shift across brands or price ranges, but the underlying need remains. In pet nutrition, the most direct alternative is home-prepared meals, which require more time, planning, and consistency, limiting their adoption.

Substitution risk is low for the category, but it matters more as consumer tastes change. Some consumers are moving toward natural, locally made products, mainly because they care more about ingredients, sustainability, and sourcing. This makes ongoing product updates important. Changes like sensitivity toothpaste, sugar-free options, and more eco-friendly cleaning products help Colgate keep these types of consumers.

Bargaining Power of Customers

Colgate's main customers are retailers, not end consumers. The biggest ones are supermarket chains, big-box stores, and large e-commerce platforms, and they have leverage because they control shelf space, promotions, and what shows up first online. Colgate discloses that Walmart and its affiliates represented about 11% of 2024 net sales, which shows how much weight a single large retailer can have in negotiations.

Colgate notes that large retailers have used, and may continue to use, this leverage to push for better terms.

In practice that means higher discounts and allowances, slotting fees, and extra spending tied to promotions and retail media, such as paid search and co-op programs. If Colgate refuses, the risk is not only weaker pricing but also less visibility, less shelf space, fewer promotions, or weaker online placement, which can quickly translate into lower sales.

Retailer power is reinforced by private label. Retailers sell their own toothpaste, soap, and cleaning products at lower price points, and Colgate lists private label as a source of competition in some parts of the business. This makes it easier for retailers to pressure branded suppliers, because they always have a "backup option" to promote their own products. Colgate has also highlighted private label pet volume as a drag and is exiting the private label pet food business to focus on Hill's premium brand.

It's not all negative. The biggest retailers also set stricter rules on things like packaging and supply chain standards, especially around sustainability. Colgate points out that retailer policies can include packaging and sustainability requirements, and that not meeting them can hurt sales. That pressure has helped push Colgate to speed up packaging changes, like expanding recyclable toothpaste tubes across a large part of the portfolio. Beyond meeting retailer expectations, these changes can also make operations cleaner and help remove some supply chain inefficiencies.

Bargain Power of Suppliers

Supplier power is generally low for Colgate-Palmolive because the company buys at huge scale and sources most inputs from a broad supplier base. Colgate states that most raw and packaging materials are purchased from other companies and are available from several sources, and that no single raw material or supplier represents a significant portion of its total needs. That gives Colgate room to negotiate on price and terms, because suppliers typically value the volume and stability of a large global customer.

There are a few exceptions where supplier power can temporarily be higher. Colgate notes that it does buy certain key raw and packaging materials from single-source suppliers or a limited number of suppliers, and that switching is not always quick because new suppliers may need to be qualified under industry, government, and Colgate standards, which can take time and require investment. So while the overall supplier base is diversified, there are still specific inputs where disruption or renegotiation can be more painful.

In practice, the bigger pressure point for Colgate is not suppliers, but input cost variations driven by commodity markets and macro conditions. Colgate highlights that commodities such as resins, essential oils, tropical oils, pulp, tallow, corn, poultry, and soybeans can move with market prices, and that volatility in materials, energy, and logistics has affected margins and may continue to do so. When those costs rise, Colgate tries to offset the impact through price increases and cost efficiencies in manufacturing and distribution, along with sourcing actions and limited hedging.

Because of its size, Colgate has more tools than smaller competitors to manage this. It can adjust sourcing across regions, negotiate longer-term supply arrangements, hedge some exposures, and keep running productivity programs like "Funding-the-Growth" that try to find better options for formulation, manufacturing, and logistics and helped to improve colagte gross margin.

Competition between established firms

The competitive rivalry faced by Colgate-Palmolive is high. The company operates in mature consumer staples markets where growth is hard, and competition is driven by large,well-resourced

multinational players including Procter & Gamble, Unilever, and Henkel, among others. This competitive intensity was reflected in the company's 2025 performance, where overall organic volume growth turned slightly negative and Colgate's global toothpaste market share declined by 40 basis points to 41.3% — a direct consequence of branded competitors and the growing penetration of private label products.

Despite this environment, Colgate-Palmolive retains competitive advantages that partially offset these pressures. The company holds leading market positions across multiple categories and geographies, benefits from a diversified brand portfolio of both mass-market and premium segments, and has demonstrated consistent operational and logistical efficiency through its Funding-the-Growth program, which delivered 260 basis points in production cost savings in 2025 alone.

Sustaining these advantages requires continuous investment, the company must allocate capital to both innovation, to differentiate its product offering, and marketing, to defend brand equity and consumer preference. A detailed breakdown of the individual rivalry factors and their respective intensity levels is provided in Appendix 15.

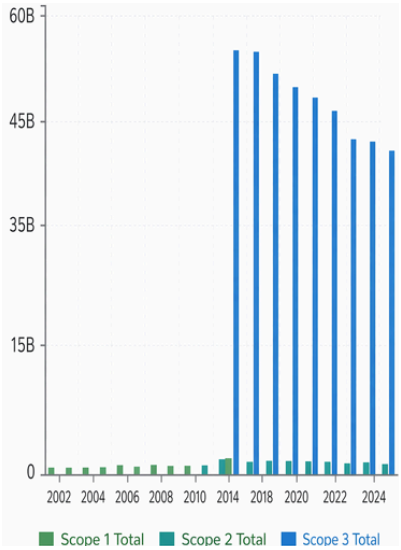
Environmental, Social & Governance

Environment

For Colgate-Palmolive Company, the main environmental concerns are linked to packaging, its supply chain and emissions. Because the company operates on a large global scale, plastic use is an important issue. Most of its toothpaste tubes can now be recycled in North America, and in other markets as well. The company wants all of its packaging to be recyclable, reusable or compostable over time. It has also reduced its use of new plastic since 2019 by making packaging lighter and increasing the share of recycled materials.

Greenhouse gas emissions represent the second major environmental challenge. Colgate-Palmolive has committed since 2015 to net-zero emissions by 2040. As of the latest data, the company has reduced Scope 1 and 2 emissions by 46% relative to its 2015 baseline and Scope 3 emissions by 14%. But Scope 3 emissions are not fully included in the net-zero target, although they account for the majority of emissions in the consumer staples sector (Figure 10).

Figure 10: Emissions by Scope



Source: Ditchcarbon

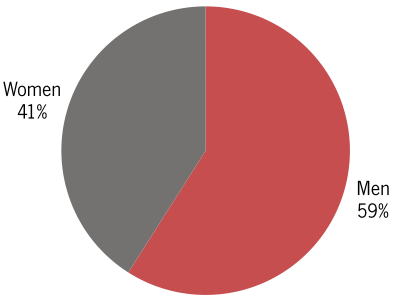
In terms of energy, Colgate-Palmolive has made solid progress, with several manufacturing sites operating only on renewable electricity and approximately 60% of global electricity consumption sourced from renewables. The company has also focused on water and waste management, committing to water-neutral operations and achieving a 33% reduction in water use per unit of production and with the majority of manufacturing plants being certified as zero waste to landfill.

Social

Colgate-Palmolive's social ESG strategy can be divided into two main areas: **internal actions**, which relate to how the company manages its workforce and operations, and **external initiatives**, which focus on community and social impact outside the firm's activities.

Internally, Colgate-Palmolive employs around 34,000 people worldwide. One of the company's strongest social characteristics is its gender and minority representation, where it compares favorably with industry peers. Women account for approximately 41% of the global workforce (Figure 11), 46% of executive roles, and 35% of senior leadership positions, while many comparable firms report figures closer to 30 to 35%. Minority representation is also strong, with 45% of executives and 39% of senior leadership identifying as minorities.

Figure 11: Gender Breakdown



Source: Colgate-Palmolive

Employee wellbeing and development is very important for Colgate-Palmolive reporting that 100% of employees are covered by benefit programs that include wellbeing and work-life balance support. In addition, the firm invests in skills development, with around 14,000 employees completing internal data literacy and analytics training programs. Human rights policies are also part of the organization, with such policies included in contractual agreements and human rights due diligence covering all direct business operations.

Given the nature of its business, Colgate-Palmolive is exposed to social risks within its supply chain. The company states that suppliers are selected based on ethical standards and that audits are conducted regularly. However, disclosure remains limited, as the company does not report how many suppliers fail audits, the reasons for failures, or the corrective actions taken, reducing transparency in this area.

Externally, Colgate-Palmolive's main social initiative is the "Colgate Bright Smiles, Bright Futures" program. Launched in the 1990s, the program has reached over one billion children and families in more than 80 countries, working with governments, schools, and local communities to provide free dental screenings, oral and health education. Another initiative, is the Hill's Food, Shelter & Love Program, that supports animal welfare by providing nutrition to dogs and cats with the objective to improve health and adoption outcomes.

These programs do not have a direct impact on the company's operations or financial performance, but they support brand strength, reputation, and consumer trust.

Colgate-Palmolive's social ESG approach is defensive rather than progressive. The company focuses on risk management, workforce stability, and brand protection, but trails behind leading peers such as Unilever in terms of supply chain transparency and social reporting. As a result, social factors are more relevant as a risk mitigation tool than as a source of valuation upside.

Governance

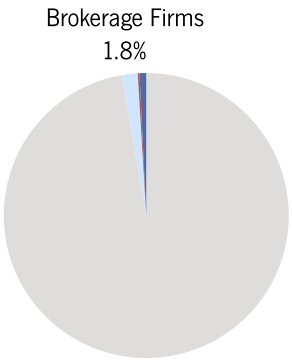
Governance is a major component of ESG profile, since it directly influences strategic decisions, and long-term capital allocation. The company operates under a governance model that values accountability, shareholder oversight and continuity of leadership, at the same time preserving flexibility for management to execute long-term strategy.

The Board of Directors main role is a overseeing the company's direction and its primary responsibilities include evaluating the performance of the CEO and senior executives, supervising corporate strategy, and overseeing executive compensation. Strategic oversight includes areas such as cybersecurity, operational resilience, and business practices, ensuring that management decisions remain aligned with shareholder interests and value creation.

Colgate-Palmolive's Board is composed of between seven and fifteen directors, all of whom stand for re-election on an annual basis the absence of a staggered board structure enhances accountability, as directors remain directly answerable to shareholders each year. Board independence is treated as a core governance principle, with a clear expectation that a majority of directors be independent and free from relationships that could compromise objective decision-making.

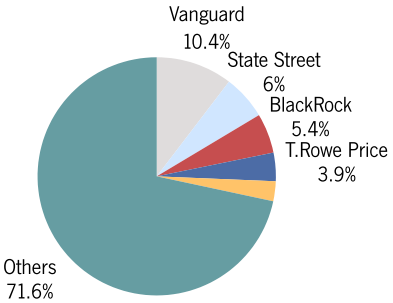
The Board appoints a Chairman annually and may choose to combine or separate the roles of Chairman and CEO depending on circumstances. When the Chairman also serves as CEO, or when the Chairman is not independent, the Board appoints an independent Lead Director. The Lead Director serves a three-year term, is nominated by the Nominating, Governance and Corporate Responsibility Committee, and must be approved by a majority of independent directors.

Figure 12: Type of Investors



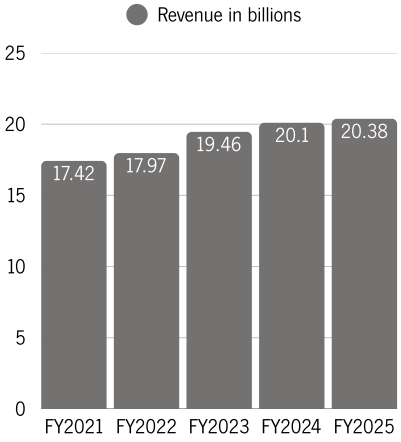
Source: Refinitiv

Figure 13: Top Shareholders



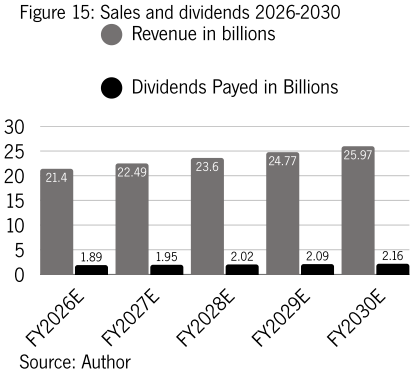
Source: Refinitiv

Figure 14: Revenue in billions 2021-2025



Source: Refinitiv

Figure 15: Sales and dividends 2026-2030



Source: Author

This role includes leading executive sessions of independent directors, coordinating Board agendas, CEO evaluation and succession planning, and acting as a middleman between independent directors and management.

Colgate-Palmolive's shareholder base is heavily institutional, with institutional investors owning the majority of outstanding shares (Figure 12). Vanguard, BlackRock, State Street, T. Rowe Price, and Geode Capital are the company's largest shareholders (Figure 13), giving them substantial influence through proxy voting. This ownership structure increases the importance of transparent governance and capital allocation, as large shareholders are able to shape outcomes on board elections, executive compensation, and shareholder proposals.

The influence of these investors is meaningful in voting outcomes at the most recent annual meeting, shareholders approved the executive compensation with approximately 90.65% support. This result indicates general approval of Colgate-Palmolive's pay-for-performance system and at the same time, the appearance of shareholder proposals related to plastic production and packaging highlights the ESG engagement and reflects ongoing pressure from investors for greater accountability on environmental risks.

At Colgate-Palmolive Company, leadership reflects both long-term experience and outside perspective. Noel Wallace has spent most of his career at the company, joining in 1987 and stepping into the CEO role in 2019, which gives him a deep understanding of how the business works. In contrast, CFO Stanley J. Sutula III came from IBM in 2020, adding fresh financial and operational view to the firm. The Board itself is composed of former CEOs and senior executives from leading global companies in consumer goods, payments, and industrial sectors, including Procter & Gamble, PepsiCo, Kraft Heinz, General Electric, Mastercard, and Hershey. This experience strengthens the Board's ability to challenge management decisions in a highly competitive global environment.

Management is currently executing the company's "2030 Strategy," which emphasizes science-based innovation, digital transformation including the use of artificial intelligence, and expansion in emerging markets. This is an important evolution for Colgate-Palmolive, which in recent years has relied heavily on pricing power to support earnings growth.

Financial Analysis

Key Financials

Colgate's revenue increased steadily from $17.42 billion in 2021 to $20.38 billion in 2025 (Figure 14), with growth driven predominantly by pricing, reflecting the company's ability to offset cost pressures.

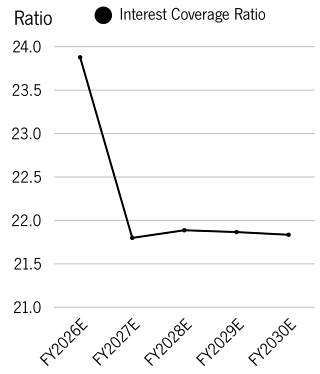
Over the 2026–2030 period, the firm is projected to generate a revenue CAGR of 3.94% (Figure 15), driven by a combination of pricing initiatives and volume expansion, as outlined in Appendix 6 and 7).

As a mature business, Colgate's dividend policy remains a central element. Dividends are projected to grow in line with the firm's future performance, supported by stable earnings expansion and robust cash flow generation. In Figure 15, dividends keep pace with operating performance. This dynamic is particularly relevant for Colgate, since value creation is driven not only by earnings growth but also by stable and growing cash distributions.

Solvency

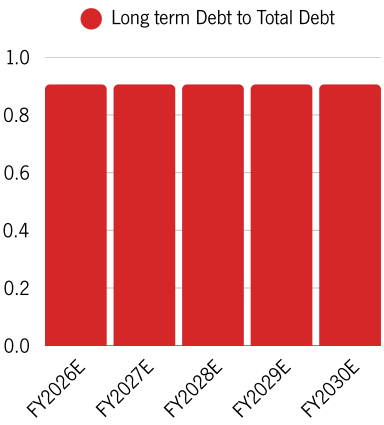
When analyzing Colgate-Palmolives solvency ratios it is clear that the company has relied heavily on debt financing over time and has kept its equity levels low. This means that the **Debt-to-Equity (D/E)** ratio is quite high and we cannot really draw conclusions about the companys solvency from this ratio alone.

Figure 16 : Interest Coverage Ratio



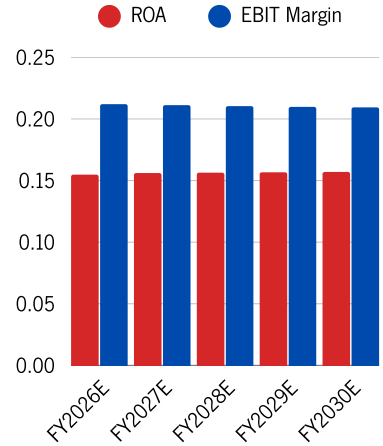
Source: Author

Figure 17: Liquidity Ratios



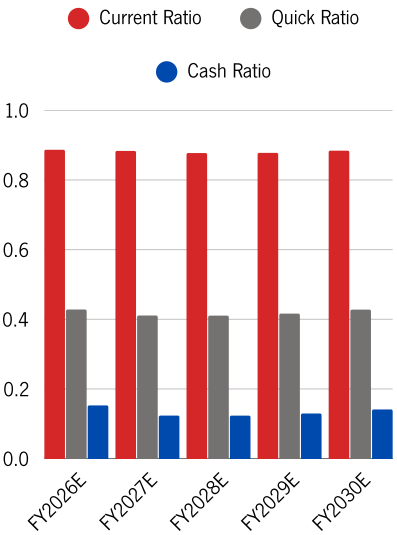
Source: Author

Figure 18: Profitability Ratios



Source: Author

Figure 19: Liquidity Ratios



Source: Author

The companys preference for debt over equity makes sense because it has predictable cash flows, which enable it to handle higher debt levels. Additionally, debt has tax advantages also the companys commitment to paying dividends and buying back shares keeps equity levels low.

The **Interest Coverage Ratio** (Figure 16) shows that Colgate-Palmolive has an ability to cover its financial expenses achiving the best rating AAA by Damodaran standards. Most of the companys debt is long term making around 90% of its total debt (Figure 17), which helps to keep its liquidity position stable.

Profitability

Return on Equity (ROE), being a ratio based on the level of equity, shows extremely high values, reaching around 3900% in 2025. These values result mainly from the company's low level of equity, which means that the ratio loses its usefulness as a reliable indicator of the company's profitability.

Therefore, the profitability analysis should be based mainly on **Return on Assets (ROA)**. Historically, this ratio has varied between 11% and 18%, stabilizing at around 15.5% during the forecast period (Figure 18), which demonstrates an efficient and consistent use of assets in generating results. In addition, these figures are in line with, and slightly above, the average for the industry in which the company operates.

The stability of the company's profitability is also evidenced by the **EBIT margin**, which remains relatively stable throughout the entire period analyzed, with an upward trend in the forecast period (Figure 18). This consistency largely reflects the strength of the company's brand, which gives it pricing power, allowing it to adjust prices to offset cost increases and thus preserve operating profitability.

Liquidity

In terms of liquidity ratios, Colgate-Palmolive, due to the stability of its cash flows, maintains a relatively tight liquidity structure, which is common in its sector.

The **Current Ratio** has historically ranged around 1, which is consistent with companies in the same industry and similar size, which finance part of their short-term operations through operating cash flows. However, during the forecast period, the ratio drops to a more conservative figure around 0.8.

The **Quick Ratio** reinforces this interpretation, historically, it has ranged between 43% and 57%, reflecting a dependence on inventories to cover short-term liabilities. In the forecasted period, the ratio keeps the same trend (Figure 19), suggesting that the company is expected to maintain ability to meet short-term obligations using liquid assets, without relying on the conversion of inventory into sales.

In turn, the **Cash Ratio** indicates that the company has historically avoided maintaining high cash levels, keeping the ratio between 19% and 21%, which is consistent with efficient liquidity management. In the forecast period, this ratio stabilizes at around 12% to 14% alowing the company to meet its short-term obligations.

Activity Ratios

The activity ratios, especially accounts receivable and inventory, remain relatively stable both historically and throughout the forecast period. Historically, accounts receivable reached a maximum of 31 days and stabilize at around 29 days in the forecast. For inventory days, the historical maximum was 98 days in 2022, while in the forecast period it remains stable at around 96 days.

Valuation

Weighted Average Cost of Capital

The Weighted Average Cost of Capital (WACC) plays an important role in firm valuation, as it captures the company's overall cost of financing.

Estimating WACC requires determining both the cost of debt and the cost of equity. The **cost of debt** for Colgate-Palmolive is obtained by adding a firm-specific default spread to the risk-free rate. The risk-free rate of 4.21% is proxied by the yield on the 10-year U.S. Treasury bond. The default spread of 0.40% is derived from the firm's interest coverage ratio, which places Colgate-Palmolive in the AAA category under Professor Damodaran's synthetic credit rating methodology. Combining these inputs results in a pre-tax cost of debt of 4.61% (Table 1).

Table 1: WACC Calculation

Weighted Average Cost of Capital (WACC)	
Equity (E)	$61 994 454 689
Debt (D)	$7,337,730,456
E / (E+D)	90.26%
D / (E+D)	9.74
Cost of Equity	6.91%
Cost of Debt	4.61%
Tax Rate	25.77%
WACC	6.54%

Source: Refinitiv & Author

The **cost of equity** is estimated using the Capital Asset Pricing Model (CAPM). The equity beta is computed using a bottom-up methodology (Appendix 12), which mitigates distortions associated with historical market data. A peer sample of 10 firms operating in the consumer products industry is selected, including companies both within and adjacent to the household and personal care segment. After adjusting the industry beta to reflect Colgate-Palmolive's capital structure, a final beta of 0.42 is obtained.

The equity risk premium (ERP) is estimated using a revenue-weighted geographic framework (Appendix 11). The firm's revenues are allocated across North America, South America, Europe, Asia, and Africa/Eurasia. Within each region, the primary countries of operation are identified due to data limitations. Regional revenue shares incorporate the allocation of Hill's Pet Nutrition sales, which are reported separately from the core business. Applying region-specific average ERPs and weighting them by revenue contribution results in a consolidated equity risk premium of 6.48%. Using these inputs within the CAPM the cost of equity is 6.91% (Table 1).

The WACC is then calculated using market-value weights for equity and debt, together with an effective corporate tax rate of 25.77%. This results in a final WACC of 6.54% (Table 1), which is applied as the discount rate in the valuation.

Main Projections

Revenue forecasts for Colgate-Palmolive were based on three drivers: **inflation**, **real GDP growth**, and changes in **market share**. This approach links revenue projections to both macroeconomic conditions and firm-level factors, resulting in a projected compound annual growth rate (CAGR) of **3.94%** in sales between 2026 and 2030.

Colgate-Palmolive operates in five geographic regions: North America, Latin America, Europe, Asia-Pacific, and Africa/Eurasia. Inflation assumptions were defined separately for each region. When regional forecasts were available, those figures were used directly (Table 2). For example, a 2.5% inflation rate was assumed for North America in 2026.

Table 2: Inflation by Region

Regions	FY2026	FY2027	FY2028	FY2029	FY2030
North America	2.50%	2.30%	2.30%	2.30%	2.20%
Latin America	3.30%	3.00%	3.00%	3.00%	3.00%
Europe	2.20%	2.20%	2.10%	2.10%	2.10%
Asia Pacific	3.10%	3.10%	3.20%	3.20%	3.20%
Africa/ Eurasia	3.70%	3.20%	3.20%	3.20%	3.20%
Pet Nutrition	2.20%	2.10%	2.10%	2.10%	2.10%

Source: IMF

Where consistent regional inflation data were not available, country-level proxies were used. Mexico was selected as a proxy for Latin America because of its economic size and relative stability within the region. This reflects Colgate-Palmolive's pricing strategy, which does not rely on hyperinflationary environments in certain countries. For Europe, European Union inflation forecasts were applied, given the company's reduced exposure to Russia after the Russia–Ukraine conflict. In Africa/Eurasia, South Africa was used as a proxy due to the availability of reliable macroeconomic data and its relevance within the geographic area.Revenues from Hill's Pet Nutrition were projected separately, consistent with the company's reporting structure. Hill's operates mainly in developed markets and targets the premium segment, with a narrower geographic presence than the core business. Inflation assumptions for advanced economies were therefore applied to this segment.

Table 3: Real GDP Growth by Region

Regions	FY2026	FY2027	FY2028	FY2029	FY2030
North America	2.00%	2.00%	2.10%	1.90%	1.80%
Latin America	2.20%	2.50%	2.60%	2.60%	2.60%
Europe	1.40%	1.60%	1.50%	1.50%	1.40%
Asia Pacific	4.10%	4.30%	4.20%	4.10%	4.00%
Africa/ Eurasia	1.20%	1.50%	1.70%	1.70%	1.80%
Pet Nutrition	1.60%	1.70%	1.70%	1.70%	1.60%

Source: IMF

Table 4: Market Share Growth by Region

Regions	FY2026	FY2027	FY2028	FY2029	FY2030
North America	0.01%	0.01%	0.00%	0.00%	0.00%
Latin America	0.20%	0.20%	0.10%	0.10%	0.10%
Europe	0.05%	0.05%	0.01%	0.01%	0.01%
Asia Pacific	0.15%	0.15%	0.05%	0.05%	0.05%
Africa/ Eurasia	0.05%	0.05%	0.05%	0.05%	0.05%
Pet Nutrition	0.50%	0.45%	0.25%	0.25%	0.25%

Source: Author

Real GDP growth was included as a second driver (Table 3) to capture the link between economic activity and consumer demand. In consumer staples, sales volumes generally increase with economic growth, particularly in emerging markets where income growth supports higher consumption. Regional real GDP growth rates were used to estimate volume growth across markets.

Market share growth (Table 4) was the final input. Assumptions differ by region and reflect market maturity and competitive position. In North America and Europe, market share growth was assumed to be close to zero, given high market penetration and the company's already strong positions.

Higher market share growth was assumed for Latin America and Asia-Pacific, where demographic trends, rising brand penetration, and established distribution networks support expansion. Revenue growth in these regions therefore reflects both economic growth and moderate gains in market share over the forecast period.

Another relevant projection concerns **proceeds from the issuance of common and preferred stock**, which for Colgate-Palmolive primarily reflects net share repurchases. The company has consistently implemented large buyback programs, with the most recent authorization approved in 2025, following similar programs in 2022 and 2018. Each authorization amounted to USD 5.0 billion and did not include a fixed execution timeline. Historically, Colgate-Palmolive has introduced a new repurchase program every three to four years.

For the 2026–2030 period, buybacks are projected using a Buybacks-to-Free Cash Flow ratio, (Appendix 14) implying an average payout of approximately 45.53% of annual free cash flow over the forecast horizon. This method aligns repurchase activity with internal cash generation, as buybacks are financed through excess cash rather than being mechanically tied to the nominal size or timing of authorizations.

Discounted Cash Flow

The discounted cash flow (DCF) method is applied to estimate the firm's target price. After forecasting the complete set of financial statements, Free Cash Flow to the Firm (FCFF) is derived. Beginning with EBIT, taxes are deducted to obtain Net Operating Profit After Taxes (NOPAT). Depreciation and amortization are added back as non-cash expenses, while capital expenditures, it is important to note that the CapEx forecast incorporates not only 3% of revenues, a constant factor for the company, but also acquisition-related costs based on the annual average of the last 10 years, and increases in net working capital are deducted, as they represent the reinvestment required to sustain operations. The resulting FCFF (Appendix 7) is discounted to present value using the weighted average cost of capital (WACC) estimated previously, generating the enterprise value.

The valuation also incorporates a terminal value calculated using a perpetual growth model based on 2030 free cash flow. A **terminal growth rate** of 2% is assumed, consistent with long-term economic growth in the United States. This assumption reflects the mature characteristics of the consumer staples sector, where long-term expansion typically tracks aggregate economic growth rather than the higher structural growth observed in technology industries. Inflation was not used as a direct proxy for the terminal growth rate, as sustainable long-term performance should be supported by real economic growth rather than relying solely on price increases.

The **enterprise value** is obtained by combining the present value of projected cash flows with the discounted terminal value (Appendix 7).

After adjusting for the market value of debt and adding cash and cash equivalents, the resulting equity value implies a target price of **$92.29 per share**, representing a **downside potencial of 0.69%** relative to the current market price.

Sensitivity Analysis

A **sensitivity analysis** was conducted to evaluate how changes in the Weighted Average Cost of Capital (WACC) and the terminal growth rate affect the valuation. Both variables were adjusted in increments of 25 basis points to assess their impact on the overall results. Table 5 presents the effect of these variations on the implied share price, while Appendices 9 and 10 report the corresponding changes in Terminal Value and Firm Value, respectively.

Table 5: Sensitivity Analisys

△ in % points Growth Rate												
-1.25% 0.75%	-1.00% 1.00%	-0.75% 1.25%	-0.50% 1.50%	-0.25% 1.75%	0.00% 2.00%	0.25% 2.25%	0.50% 2.50%	0.75% 2.75%	1.00% 3.00%	1.25% 3.25%	WACC	△ in % points
$90.29	$95.06	$100.38	$106.36	$113.12	$120.85	$129.74	$140.10	$152.31	$166.92	$184.73	5.54%	-1.00%
$85.36	$89.62	$94.36	$99.64	$105.58	$112.29	$119.96	$128.79	$139.08	$151.20	$165.71	5.79%	-0.75%
$80.90	$84.73	$88.96	$93.66	$98.91	$104.80	$111.47	$119.09	$127.85	$138.07	$150.11	6.04%	-0.50%
$76.84	$80.30	$84.10	$88.31	$92.97	$98.18	$104.03	$110.66	$118.22	$126.92	$137.06	6.29%	-0.25%
$73.13	$76.27	$79.70	$83.48	$87.66	$92.29	$97.46	$103.27	$109.85	$117.36	$126.00	6.54%	0.00%
$69.72	$72.58	$75.70	$79.12	$82.87	$87.01	$91.61	$96.75	$102.52	$109.05	$116.50	6.79%	0.25%
$66.59	$69.20	$72.04	$75.14	$78.53	$82.26	$86.37	$90.94	$96.04	$101.77	$108.26	7.04%	0.50%
$63.70	$66.09	$68.69	$71.51	$74.59	$77.95	$81.65	$85.74	$90.28	$95.34	$101.03	7.29%	0.75%
$61.02	$63.22	$65.60	$68.18	$70.98	$74.04	$77.38	$81.06	$85.11	$89.62	$94.65	7.54%	1.00%

Source: Author

In the best-case scenario, the target price reaches **$184.73**, which is almost exactly double the base-case value of **$92.29**. In the worst-case scenario, the price falls to **$61.02**, showing a clear difference compared to the base estimate. Both WACC and the terminal growth rate have a strong effect on the target price. The results show that changes in WACC have a larger impact on the valuation than similar changes in the growth rate.

This analysis shows how dependent the valuation is on long-term assumptions. Small changes in these inputs can lead to large movements in the target price, which makes the choice of WACC and growth rate especially important.

Relative Valuation

The relative valuation was based on two main factors. The first was the selection of peers. The companies chosen operate in the same broad consumer goods sector and are large, established firms with a global presence comparable to Colgate-Palmolive. These include Procter & Gamble, L'Oréal, and Coca-Cola. Although Coca-Cola operates in beverages, it was included due to its global scale, brand strength, and position within defensive consumer sectors.

The second factor was the choice of valuation multiples. The price-to-book ratio was not used because Colgate-Palmolive reports relatively low book equity, mainly due to continued share repurchases and the weight of intangible assets, which can distort this metric. Instead, the analysis focused on price-to-earnings ratios, both trailing and forward 12 months, as these are appropriate for mature and consistently profitable firms. EV/EBITDA was used to allow comparison across companies with different capital structures and depreciation levels, while EV/EBIT was included to reflect operating performance after depreciation but before financing and tax effects.

Table 6: Relative Valuation Peers

Company Name - FY2025	P/E - TTM	P/E- NTM	EV/EBITDA- TTM	EV/EBIT
Colgate-Palmolive Co	24.79	23.55	16.30	16.24
Procter & Gamble Co	22.16	21.31	16.10	16.21
L'Oreal SA	30.22	28.28	19.84	21.53
Coca-Cola Co	25.19	23.39	22.10	21.15
Average	**25.59**	**24.13**	**18.59**	**19.53**
Share Price	**$67.68**	**$67.48**	**$76.05**	**$95.82**
Result	**Overvalued**	**Overvalued**	**Overvalued**	**Undervalued**

Source: Refinitiv and Author

Table 7: Relative Valuation Industry

Company Name - FY2025	P/E - TTM	P/E- NTM	EV/EBITDA- TTM	EV/EBIT
Industry	33.07	16.85	13.17	16.25
Share Price	**$87.47**	**$47.12**	**$51.26**	**$78.20**
Result	**Overvalued**	**Overvalued**	**Overvalued**	**Overvalued**

Source: Refinitiv and Author

After calculating these multiples for the peer group and the industry, they were compared with Colgate-Palmolive's current trading levels. The results shown in Table 6 and 7, indicate that as of 10 February 2025 the market price of $93.93 is above the implied share prices derived from both peer and industry averages.

Across the selected metrics, the company appears to be trading at a premium in some of the metrics and in others at a relative close price to the market price.

This outcome is somewhat more conservative than that implied by the DCF and DDM approaches, which yielded target prices closer to the current market price. Still, the difference is not substantial enough to alter the overall investment view. The difference between the models shows how valuation outcomes depend heavly on the assumptions and methods used.

Dividend Discount Model

To complement the valuation, a Dividend Discount Model (DDM) was also used. Colgate-Palmolive has a long history of paying dividends, and dividends are an important part of the return to shareholders and firm strategy. The company has paid and increased dividends over the years, which makes this method relevant.

Between 2026 to 2030, dividend growth was calculated using the average dividend growth rate of the last three years, which is 3.46%. The average retention ratio over the same period, 33.30%, was also considered to keep the projections consistent with past earnings retention. Based on these figures, dividends per share were projected for 2026 to 2030 and discounted to present value, as shown in Appendix 8.

From 2031 onward, a long-term growth rate of 2.5% was assumed, this terminal growth rate differs from that applied in the DCF model, as it reflects dividend growth rather than overall cash flow growth. The higher rate is further supported by the company's strong commitment to maintaining an attractive dividend policy, while historically its dividends have often evolved at a pace that does not fully mirror revenue growth. To estimate the long-term payout ratio, the relationship between growth, return, and retention was applied. An average normalized ROE of 9.03% over the past five years was used, calculated by using in the numerator, Net Income, while the denominator adjusted equity (Equity + treasury stock) in order to neutralise the effect of share buybacks on book value. This results in an implied payout ratio of about 72.31% in the long run.

Using these inputs, the DDM gives a value of **$87.48 per share**, (Table 8) which represents a downside of 5.87% compared to the share price on 10 February 2026 ($93.93). This value is slightly below the DCF target price but supports the overall hold recommendation.

Table 8: Dividend Discount Model (in dollars)

Value Per Share	**$87.48**
Current Share Price	**$92.93**
Upside/Downside	**-5.87%**

Source: Author

Investment Risks

Risk #1 - Brand Erosion and Scandals

Probability: Low | Impact: High

Colgate-Palmolive's value depends largely on the strength of its brand and its entire brand ecosystem. Therefore, one of the main risks is damage to the brand that could undermine consumer confidence and preference for Colgate. Such risks may arise from product quality issues, controversies over product formulation, and negative publicity.

One example was the Talcum Powder Cancer Litigation involving Johnson & Johnson, in which thousands of lawsuits alleged that the talc in the company's products was contaminated with asbestos and linked to the development of cancer.

This controversy resulted in billions of dollars in legal settlements and litigation costs, as well as significant damage to the brand's reputation.

This case demonstrates how controversies related to ingredients or product safety can destroy decades of brand value, even for highly recognized and trusted companies, thus posing a significant risk for companies such as Colgate-Palmolive that rely heavily on consumer trust.

Risk #2 - Slow inovation cycles

Probability: Moderate | Impact: Moderate

Given the main sector in which Colgate-Palmolive operates, is oral care with products such as toothpaste and toothbrushes, as well as personal care products such as soap and liquid soap, the company does not operate in markets such as beauty products, cosmetics or dermatological skincare, where many of its main competitors are present. These markets, unlike those in which Colgate operates, are characterized by faster and more disruptive innovation cycles.

In contrast, the categories in which Colgate operates tend to experience slower and more incremental innovation, motivated by evolving consumer needs rather than by the objective of being the most innovative player in the market. As a result, product development in these categories are typically improvements in formulation or packaging rather than disruptive product launches.

This structural difference limit the ability of Colgate to generate strong consumer excitement around new products, resulting in innovation cycles that are slower and more limited compared to those observed in beauty, cosmetics or dermatological skincare markets. Over time, this dynamic could affect the company’s capacity to growth through innovation.

Risk #3 - Raw Materials

Probability: Moderate | Impact: Moderate

The company is exposed to the need for raw materials used in the production of its products, such as oils, resins, and other chemical inputs used in oral care and personal care formulations. Variations in raw material prices and supply chains may impact the company production costs and decrease in profitability. Additionally, fluctuations in the prices of packaging materials and manufacturing costs also affect the firm's margins.

Colgate-Palmolive reduces this risk through cost control, sourcing initiatives, productivity improvements, and limited hedging. The company also has a diversified supplier base, although some inputs still depend on a small number of suppliers

Risk #4 - Foreign Exchange Risk

Probability: Moderate | Impact: Moderate

Colgate is exposed to different international markets , more than 200 regions, with greater emphasis on the Asian and Latin markets, incurring foreign exchange risk due to fluctuations in exchange rates.

A large part of the company's sales volume comes from the Asian market and Latin market , namely variations in the USD/CNY pair and USD/MXN, which are particularly important for the company. Variations in exchange rates can affect production costs, sales prices, and profitability, especially when they account for a large percentage of the company's turnover.

Appendices

Appendix 1 - Assumptions

- **Revenue Growth** – Future revenues are projected to grow driven by three factors Real GDP growth, Inflation Growth and Market Share Growth of each region.
- **Capital Structure** – Long-term and short-term debt are calculated using Short-Term/ Long-Term Debt to EBITDA three and five yearr historical Average respectively.
- **COGS to Revenue Ratio** – The cost of goods sold (COGS) as a percentage of revenues is assumed to remain constant, calculated using the Theree-year historical average.
- **Financing Income/Expense to Total Debt Ratio** – Assumed constant, based on the Three-year historical average.
- **CAPEX, Depreciation, and Non-Current Tangible Assets** – Depreciation is estimated using the historical average ratio of depreciation to non-current tangible assets, which is assumed to remain constant. Non-current tangible assets are projected by summing the annual CAPEX (based on the company's disclosed 3% of Sales and the average value of acquisitions over the last 10 years is added) —and subtracting the previous year's depreciation.
- **Other Balance Sheet Items** – Other Non-Current Assets, Minority Equity Investments, are assumed to remain constant at their 2025 year-end values. GoodWill used a five-year Historical average of Goodwill to Sales. Intagible Fixed Assets used a five-year Historical average of Intagible Fixed assets to Sales.
- **SG&A to Sales Ratio** – Assumed constant, based on the three-year historical average.

Appendix 2 - Balance Sheet

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
Cash and Cash Equivalents	832 000	775 000	966 000	1 096 000	1 288 000	946 086	770 169	808 359	890 413	1 018 111
Trade Receivables	1 297 000	1 504 000	1 586 000	1 521 000	1 675 000	1 705 725	1 791 703	1 880 912	1 973 409	2 069 094
Inventories	1 692 000	2 074 000	1 934 000	1 987 000	2 032 000	2 126 170	2 233 340	2 344 539	2 459 835	2 579 105
Other Current Assets	576 000	760 000	793 000	713 000	714 000	714 000	714 000	714 000	714 000	714 000
Total Current Assets	**4 397 000**	**5 113 000**	**5 279 000**	**5 317 000**	**5 709 000**	**5 491 981**	**5 509 211**	**5 747 809**	**6 037 656**	**6 380 310**
Non-Current Tangible Assets	4 257 000	4 785 000	5 073 000	4 951 000	5 191 000	5 593 239	6 026 277	6 443 965	6 843 793	7 228 829
GoodWill	3 284 000	3 352 000	3 410 000	3 272 000	3 122 000	3 709 073	3 896 030	4 090 014	4 291 146	4 499 212
Intagible Fixed Assets	2 462 000	1 920 000	1 887 000	1 756 000	1 536 000	2 463 126	2 587 280	2 716 101	2 849 670	2 987 842
Minority Equity Investments	64 000	70 000	83 000	81 000	82 000	82 000	82 000	82 000	82 000	82 000
Other Non-Current Assets	576 000	491 000	661 000	669 000	690 000	690 000	690 000	690 000	690 000	690 000
Total Non-Current Assets	**10 643 000**	**10 618 000**	**11 114 000**	**10 729 000**	**10 621 000**	**12 537 438**	**13 281 587**	**14 022 080**	**14 756 608**	**15 487 883**
Total Assets	**15 040 000**	**15 731 000**	**16 393 000**	**16 046 000**	**16 330 000**	**18 029 420**	**18 790 798**	**19 769 890**	**20 794 265**	**21 868 193**
Current Debt	188 000	133 000	425 000	767 000	1 235 000	913 330	961 102	1 013 765	1 068 216	1 124 545
Other Current Liabilities	3 863 000	3 871 000	4 316 000	4 992 000	5 618 000	5 280 386	5 275 213	5 537 867	5 810 200	6 091 920
Total Current Liabilities	**4 051 000**	**4 004 000**	**4 741 000**	**5 759 000**	**6 853 000**	**6 193 716**	**6 236 315**	**6 551 633**	**6 878 416**	**7 216 465**
Non-Current Debt	7 645 000	9 138 000	8 639 000	7 745 000	7 319 000	8 776 032	9 235 071	9 741 101	10 264 308	10 805 563
Deferred Tax Liabilities	395 000	383 000	361 000	343 000	181 000	181 000	181 000	181 000	181 000	181 000
Other Non-Current Liabilities (non interest bearing)	1 978 000	1 400 000	1 695 000	1 655 000	1 612 000	1 612 000	1 612 000	1 612 000	1 612 000	1 612 000
Total Non-Current Liabilities	**10 018 000**	**10 921 000**	**10 695 000**	**9 743 000**	**9 112 000**	**10 569 032**	**11 028 071**	**11 534 101**	**12 057 308**	**12 598 563**
Non-Controlling Interest in Equity	362 000	405 000	348 000	332 000	311 000	470 600	630 200	789 800	949 400	1 109 000
Ordinary Shareholders' Equity	609 000	401 000	609 000	212 000	54 000	796 072	896 212	894 355	909 141	944 165
Total Shareholders Equity	**971 000**	**806 000**	**957 000**	**544 000**	**365 000**	**1 266 672**	**1 526 412**	**1 684 155**	**1 858 541**	**2 053 165**
Total Liabilities and Shareholders' Equity	**15 040 000**	**15 731 000**	**16 393 000**	**16 046 000**	**16 330 000**	**18 029 420**	**18 790 798**	**19 769 890**	**20 794 265**	**21 868 193**

Appendix 3 - Income Statement

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
Revenues	17 421 000	17 967 000	19 457 000	20 101 000	20 382 000	21 407 977	22 487 049	23 606 685	24 767 577	25 968 488
COGS	(6 579 000)	(7 254 000)	(7 636 000)	(7 410 000)	(7 579 000)	(8 084 660)	(8 492 169)	(8 914 996)	(9 353 403)	(9 806 924)
Depreciation	(556 000)	(545 000)	(567 000)	(605 000)	(630 000)	(631 574)	(680 513)	(733 199)	(784 018)	(832 664)
SG&A	(6 407 000)	(6 560 000)	(7 149 000)	(7 723 000)	(7 798 000)	(8 093 841)	(8 501 812)	(8 925 120)	(9 364 025)	(9 818 061)
Other Operating Expense/(Income) - Net	71 000	61 000	(86 000)	(32 000)	(49 000)	(60 057)	(63 084)	(66 225)	(69 482)	(72 851)
Operating Profit (EBIT)	**3 950 000**	**3 669 000**	**4 019 000**	**4 331 000**	**4 326 000**	**4 537 845**	**4 749 472**	**4 967 145**	**5 196 649**	**5 437 989**
Financing Income/Expense - Net - Total	(175 000)	(153 000)	(232 000)	(225 000)	(192 000)	(193 866)	(219 598)	(231 084)	(243 746)	(256 838)
Sale of Tangible & Intangible Fixed Assets - Gain/ (Loss)	0	47 000	0	0	0	9 400	9 400	9 400	9 400	9 400
Equity Earnings/(Loss) - before Taxes including Non-Recurring	12 000	12 000	17 000	22 000	20 000	20 000	20 000	20 000	20 000	20 000
Other Non-Operating Income/(Expense) - Total	(70 000)	(65 000)	(88 000)	(87 000)	(21 000)	(21 000)	(21 000)	(21 000)	(21 000)	(21 000)
Non-Recurring Income Expense	(630 000)	(850 000)	(324 000)	(85 000)	(1 074 000)	(494 333)	(494 333)	(494 333)	(494 333)	(494 333)
Profit before tax (EBT)	**3 087 000**	**2 660 000**	**3 392 000**	**3 956 000**	**3 059 000**	**3 858 046**	**4 043 940**	**4 250 128**	**4 466 969**	**4 695 217**
Income Taxes	(749 000)	(693 000)	(937 000)	(907 000)	(798 000)	(906 641)	(950 326)	(998 780)	(1 049 738)	(1 103 376)
Profit after Taxes	**2 338 000**	**1 967 000**	**2 455 000**	**3 049 000**	**2 261 000**	**2 951 405**	**3 093 614**	**3 251 348**	**3 417 231**	**3 591 841**
Minority Interest	(172 000)	(182 000)	(155 000)	(160 000)	(129 000)	(159 600)	(159 600)	(159 600)	(159 600)	(159 600)
Income Available to Common Shareholders	**2 166 000**	**1 785 000**	**2 300 000**	**2 889 000**	**2 132 000**	**2 791 805**	**2 934 014**	**3 091 748**	**3 257 631**	**3 432 241**
EBITDA	3 643 000	3 205 000	3 959 000	4 561 000	3 689 000	4 489 619	4 724 453	4 983 327	5 250 987	5 527 881

Appendix 4 - Cash Flow Statement

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
Profit after tax	2 338 000	1 967 000	2 455 000	3 049 000	2 261 000	2 951 405	3 093 614	3 251 348	3 417 231	3 591 841
Irregular Income/Loss	625 000	723 000	244 000	51 000	977 000	0	0	0	0	0
Stock-Based Compensation	135 000	125 000	122 000	135 000	155 000	137 333	137 333	137 333	137 333	137 333
Deferred Taxes	(132 000)	(78 000)	(98 000)	(77 000)	(109 000)	0	0	0	0	0
Depreciation, depletion & amortization	556 000	545 000	567 000	605 000	630 000	631 574	680 513	733 199	784 018	832 664
Cash Flow from Operating Activities before Changes in Working Capital	**3 522 000**	**3 282 000**	**3 290 000**	**3 763 000**	**3 914 000**	**3 720 312**	**3 911 460**	**4 121 880**	**4 338 583**	**4 561 839**
Change in inventories	(72 000)	(333 000)	194 000	(100 000)	109 000	(94 170)	(107 170)	(111 199)	(115 296)	(119 271)
Change in receivables	(84 000)	(227 000)	(37 000)	(56 000)	(16 000)	(30 725)	(85 977)	(89 209)	(92 497)	(95 685)
Change in liabilities	14 000	(115 000)	309 000	516 000	251 000	(337 614)	(5 173)	262 654	272 333	281 720
Change in other assets/liabilities	(55 000)	(51 000)	(11 000)	(16 000)	(60 000)	0	0	0	0	0
Changes in Working Capital	**(197 000)**	**(726 000)**	**(455 000)**	**(344 000)**	**284 000**	**(462 509)**	**(198 320)**	**62 246**	**64 540**	**66 765**
Net Cash flows from operating activities	**3 325 000**	**2 556 000**	**3 745 000**	**4 107 000**	**4 198 000**	**3 257 803**	**3 713 140**	**4 184 127**	**4 403 123**	**4 628 603**
Investments in intangible assets, PPE, R&D and acquisitions	(567 000)	(1 606 000)	(709 000)	(571 000)	(803 000)	(2 548 012)	(1 424 661)	(1 473 692)	(1 518 547)	(1 563 939)
Change in other investments	(25 000)	5 000	(33 000)	37 000	(14 000)	0	0	0	0	0
Cash flows from investing activities	**(592 000)**	**(1 601 000)**	**(742 000)**	**(534 000)**	**(817 000)**	**(2 548 012)**	**(1 424 661)**	**(1 473 692)**	**(1 518 547)**	**(1 563 939)**
Proceeds from issue common & preferred stock	(896 000)	(890 000)	(748 000)	(1 101 000)	(1 109 000)	(323 176)	(1 041 970)	(1 234 091)	(1 313 380)	(1 395 376)
Change in long term borrowings	(175 000)	1 647 000	(314 000)	(408 000)	(456 000)	1 457 032	459 039	506 031	523 206	541 255
Cash dividends paid	(1 679 000)	(1 691 000)	(1 749 000)	(1 789 000)	(1 823 000)	(1 886 158)	(1 951 504)	(2 019 114)	(2 089 066)	(2 161 441)
Minority Interests & Joint Ventures	0	0	0	0	0	0	0	0	0	0
Other financing activities	(24 000)	(18 000)	18 000	(91 000)	132 000	0	0	0	0	0
Cash flows from financing activities	**(2 774 000)**	**(952 000)**	**(2 793 000)**	**(3 389 000)**	**(3 256 000)**	**(752 301)**	**(2 534 435)**	**(2 747 174)**	**(2 879 239)**	**(3 015 562)**
Effect of exchange rate on cash and cash equivalents	(15 000)	(60 000)	(19 000)	(54 000)	67 000	(299 403)	70 039	74 929	76 717	78 596
Net change in cash and cash equivalents	**(56 000)**	**(57 000)**	**191 000**	**130 000**	**192 000**	**(341 914)**	**(175 917)**	**38 189**	**82 054**	**127 699**
Cash and cash equivalents at opening date	**888 000**	**832 000**	**775 000**	**966 000**	**1 096 000**	**1 288 000**	**946 086**	**770 169**	**808 359**	**890 413**
Cash and cash equivalents at closing date	**832 000**	**775 000**	**966 000**	**1 096 000**	**1 288 000**	**946 086**	**770 169**	**808 359**	**890 413**	**1 018 111**

Appendix 5 - Revenue Drivers

Inflation Regions	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
North America	2.80%	2.50%	2.30%	2.30%	2.30%	2.20%
Latin America	3.90%	3.30%	3.00%	3.00%	3.00%	3.00%
Europe	2.40%	2.20%	2.20%	2.10%	2.10%	2.10%
Asia Pacific	2.90%	3.10%	3.10%	3.20%	3.20%	3.20%
Africa/ Eurasia	3.40%	3.70%	3.20%	3.00%	3.00%	3.00%
Pet Nutrition	2.50%	2.20%	2.10%	2.10%	2.10%	2.10%

Real GDP growth	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
North America	1.80%	2.00%	2.00%	2.10%	1.90%	1.80%
Latin America	2.70%	2.20%	2.50%	2.60%	2.60%	2.60%
Europe	1.40%	1.40%	1.60%	1.50%	1.50%	1.40%
Asia Pacific	4.50%	4.10%	4.30%	4.20%	4.10%	4.00%
Africa/ Eurasia	1.10%	1.20%	1.50%	1.70%	1.70%	1.80%
Pet Nutrition	1.60%	1.60%	1.70%	1.70%	1.60%	1.50%

Market share growth	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
North America	0.01%	0.01%	0.01%	0.00%	0.00%	0.00%
Latin America	0.20%	0.20%	0.20%	0.10%	0.10%	0.10%
Europe	0.05%	0.05%	0.05%	0.01%	0.01%	0.01%
Asia Pacific	0.15%	0.15%	0.15%	0.05%	0.05%	0.05%
Africa/ Eurasia	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
Pet Nutrition	0.50%	0.50%	0.45%	0.25%	0.25%	0.25%

Appendix 6 - Sales Forecast

Sales Breakdown	FY2021		FY2022		FY2023		FY2024		FY2025		FY2026	FY2027	FY2028	FY2029	FY2030
Total Sales	100%	$17 421 000	100%	$17 967 000	100%	$19 457 000	100%	$20 101 000	100%	$20 382 000	$21 407 977	$22 487 049	$23 606 685	$24 767 577	$25 968 488
North America	21.20%	$3 693 252	21.24%	$3 816 190	21.03%	$4 091 807	20.46%	$4 112 664	19.9%	$4 056 018	$4 238 944	$4 421 642	$4 616 195	$4 810 075	$5 002 478
Latin America	21.03%	$3 663 636	22.16%	$3 981 487	23.85%	$4 640 494	23.79%	$4 782 027	23.4%	$4 769 388	$5 041 243	$5 328 593	$5 632 323	$5 953 366	$6 292 708
Europe	16.31%	$2 841 365	14.18%	$2 547 720	13.21%	$2 570 269	13.78%	$2 769 917	14.5%	$2 955 390	$3 063 261	$3 181 197	$3 296 038	$3 415 025	$3 534 892
Asia Pacific	16.46%	$2 867 496	15.73%	$2 826 209	14.30%	$2 782 351	14.22%	$2 858 362	13.8%	$2 812 716	$3 019 450	$3 247 419	$3 489 351	$3 745 819	$4 017 391
Africa/ Eurasia	6.00%	$1 045 260	6.02%	$1 081 613	5.57%	$1 083 754	5.45%	$1 095 504	5.8%	$1 182 156	$1 240 672	$1 299 604	$1 361 335	$1 425 999	$1 495 160
Pet Nutrition	19.00%	$3 309 990	20.67%	$3 713 778	22.04%	$4 288 322	22.30%	$4 482 523	22.6%	$4 606 332	$4 804 404	$5 008591	$5 211 439	$5 417 291	$5 625 856

Appendix 7 - Free Cash Flow to the Firm

FCFF	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E
EBIT	4 537 845	4 749 472	4 967 145	5 196 649	5 437 989
Income Taxes	906 641	950 326	998 780	1 049 738	1 103 376
NOPAT	3 631 205	3 799 146	3 968 365	4 146 911	4 334 613
Dep & Amort.	631 574	680 513	733 199	784 018	832 664
CaPex	1 032 239	1 064 611	1 098 201	1 133 027	1 169 055
Δ Operating WC	(462 509)	(198 320)	62 246	64 540	66 765
FCFF	**3 693 048**	**3 613 367**	**6 541 118**	**3 733362**	**3 931458**
				Terminal Value	**88 289 415**
Present Value		**3 391 496**	**3 119 599**	**3 087 008**	**71 572 500**

Value of the firm	**81 170 605**

Value of Cash and Cash Equivalents	946 086
Minority Equity Investments	82 000
Non-Controlling Interest in Equity	470 600
Market Value of Debt	7 337 730
Value of equity	74 390 360
Number of shares	806 070
Value of Share	**92.29**

Appendix 8 - Dividend Discount Model

FCFF	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E
Expected growth rate (g)	0.0346	0.0346	0.0346	0.0346	0.0346
Earnings per share (EPS)	2.74	2.83	2.93	3.03	3.14
Payout ratio	0.72	0.72	0.72	0.72	0.72
Dividends per share (DPS	1.96	2.02	2.09	2.17	2.24
Present Value	1.96	1.94	2.10	2.17	2.24

DPS (2031 and forward)	
Stable growth rate	0.025
Normalized ROE	0.0903
Payout Ratio	0.72
DPS(2031)	2.32
Value per Share (2030)	110.14
Present Value (2025)	85.48

Value per Share	**87.48**
Current Share price	**92.93**
Upside/Downside	**-5.87%**

Appendix 9 - Sensitivity Analysis: Terminal Value

Δ in % points / Growth Rate	-1.25% / 0.75%	-1.00% / 1.00%	-0.75% / 1.25%	-0.50% / 1.50%	-0.25% / 1.75%	0.00% / 2.00%	0.25% / 2.25%	0.50% / 2.50%	0.75% / 2.75%	1.00% / 3.00%	1.25% / 3.25%	WACC Δ in % points	
	$ 82 657 780.55	$ 87 423 832.88	$ 92 745 113.05	$ 98 724 645.05	$ 105 492 621.82	$ 113 215 993.42	$ 122 112 424.08	$ 132 471 131.57	$ 144 684 922.41	$ 159 301 131.00	$ 177 105 896.01	5.54%	-1.00%
	$ 78 559 301.51	$ 82 862 886.70	$ 87 640 228.51	$ 92 974 113.33	$ 98 967 809.20	$ 105 751 817.45	$ 113 493 483.60	$ 122 410 987.47	$ 132 794 231.89	$ 145 036 953.85	$ 159 687 784.23	5.79%	-0.75%
	$ 74 848 057.49	$ 78 754 237.74	$ 83 067 992.86	$ 87 856 624.14	$ 93 203 113.61	$ 99 210 973.35	$ 106 011 013.08	$ 113 770 973.78	$ 122 709 550.85	$ 133 117 332.21	$ 145 388 985.29	6.04%	-0.50%
	$ 71 471 643.67	$ 75 033 784.67	$ 78 949 173.98	$ 83 273 099.01	$ 88 073 019.76	$ 93 432 113.89	$ 99 454 137.50	$ 106 270 208.71	$ 114 048 463.96	$ 123 008 114.24	$ 133 440 432.53	6.29%	-0.25%
	$ 68 386 703.10	$ 71 648 992.66	$ 75 219 511.86	$ 79 144 110.21	$ 83 478 205.17	$ 88 289 415.39	$ 93 661 114.16	$ 99 697 301.65	$ 106 529 404.34	$ 114 325 954.14	$ 123 306 677.62	6.54%	0.00%
	$ 65 557 054.77	$ 68 556 397.16	$ 71 826 341.66	$ 75 405 239.05	$ 79 339 046.44	$ 83 683 311.32	$ 88 505 811.01	$ 93 890 114.44	$ 99 940 465.80	$ 106 788 599.98	$ 114 603 444.32	6.79%	0.25%
	$ 62 952 267.98	$ 65 719 727.36	$ 68 726 091.21	$ 72 003 690.65	$ 75 590 966.24	$ 79 533 982.67	$ 83 888 417.48	$ 88 722 206.64	$ 94 119 114.72	$ 100 183 629.95	$ 107 047 795.61	7.04%	0.50%
	$ 60 546 563.68	$ 63 108 477.08	$ 65 882 399.95	$ 68 895 785.26	$ 72 181 039.64	$ 75 776 693.43	$ 79 728 918.91	$ 84 093 523.63	$ 88 938 602.27	$ 94 348 115.00	$ 100 426 794.10	7.29%	0.75%
	$ 58 317 958.29	$ 60 696 803.29	$ 63 264 686.19	$ 66 045 072.54	$ 69 065 479.31	$ 72 358 388.63	$ 75 962 420.62	$ 79 923 855.14	$ 84 298 629.79	$ 89 154 997.89	$ 94 577 115.28	7.54%	1.00%

Appendix 10 - Sensitivity Analysis: Value of the firm

Δ in % points / Terminal Value Growth Rate	-1.25% / 0.75%	-1.00% / 1.00%	-0.75% / 1.25%	-0.50% / 1.50%	-0.25% / 1.75%	0.00% / 2.00%	0.25% / 2.25%	0.50% / 2.50%	0.75% / 2.75%	1.00% / 3.00%	1.25% / 3.25%	WACC Δ in % points	
	$ 79 563 360.86	$ 83 404 480.85	$ 87 693 077.40	$ 92 512 180.99	$ 97 966 718.42	$ 104 191 240.30	$ 111 361 169.47	$ 119 709 596.14	$ 129 553 096.14	$ 141 332 784.46	$ 155 682 236.38	5.54%	-1.00%
	$ 75 588 504.79	$ 79 024 238.05	$ 82 838 191.16	$ 87 096 456.00	$ 91 881 475.78	$ 97 297 435.21	$ 103 477 933.26	$ 110 597 152.07	$ 118 886 533.28	$ 128 660 413.71	$ 140 356 788.48	5.79%	-0.75%
	$ 71 989 459.34	$ 75 078 623.48	$ 78 490 114.17	$ 82 277 156.00	$ 86 505 374.48	$ 91 256 631.11	$ 96 634 375.48	$ 102 771 263.88	$ 109 840 249.41	$ 118 071 140.67	$ 127 776 056.50	6.04%	-0.50%
	$ 68 715 363.04	$ 71 506 037.22	$ 74 573 455.34	$ 77 960 931.00	$ 81 721 314.13	$ 85 919 768.26	$ 90 637 578.65	$ 95 977 466.64	$ 102 071 154.70	$ 109 090 378.45	$ 117 263 328.73	6.29%	-0.25%
	$ 65 724 135.82	$ 68 255 994.55	$ 71 027 069.90	$ 74 072 945.62	$ 77 436 631.13	**$ 81 170 605.18**	$ 85 339 573.68	$ 90 024 251.01	$ 95 326 637.11	$ 101 377 529.36	$ 108 347 457.29	6.54%	0.00%
	$ 62 980 662.27	$ 65 286 727.08	$ 67 800 846.15	$ 70 552 505.76	$ 73 577 040.34	$ 76 917 157.95	$ 80 624 969.64	$ 84 764 727.97	$ 89 416 581.77	$ 94 681 816.33	$ 100 690 312.57	6.79%	0.25%
	$ 60 455 407.98	$ 62 563 379.48	$ 64 853 324.33	$ 67 349 869.09	$ 70 082 293.93	$ 73 085 686.27	$ 76 402 455.63	$ 80 084 348.82	$ 84 195 169.21	$ 88 814 505.42	$ 94 042 934.69	7.04%	0.50%
	$ 58 123 353.17	$ 60 056 636.13	$ 62 149 906.65	$ 64 423 881.43	$ 66 903 015.30	$ 69 616 384.22	$ 72 598 830.91	$ 75 892 469.14	$ 79 548 684.82	$ 83 630 836.37	$ 88 217 957.35	7.29%	0.75%
	$ 55 963 161.82	$ 57 741 662.55	$ 59 661 494.07	$ 61 740 199.99	$ 63 998 352.86	$ 66 460 237.37	$ 69 154 727.15	$ 72 116 422.51	$ 75 387 144.20	$ 79 017 920.58	$ 83 071 669.25	7.54%	1.00%

Appendix 11 - WACC ERP Calculation

Region	% of Revenues (without Pet Nutrition)	% of Revenues (Total)		Region ERP
North America	**20.50%**	**31.65%**		**4.33%**
United States		4.33%		
Canada		4.33%		
Latin America	**23.80%**	**25.58%**		**8.95%**
Brazil		7.67%		
Mexico		6.87%		
Argentina		20.35%		
Colombia		6.87%		
Chile		5.46%		
Peru		6.46%		
Europe	**13.80%**	**19.38%**		**5.44%**
Germany		4.33%		
United Kingdom		5.13%		
France		5.13%		
Poland		5.46%		
Spain		6.46%		
Italy		7.26%		
Netherlands		4.33%		
Asia Pacific	**14.20%**	**17.55%**		**5.98%**
China		5.27%		
Japan		5.27%		
India		7.26%		
Philippines		6.87%		
Australia		4.33%		
Indonesia		6.87%		
Africa/ Eurasia	**5.40%**	**5.85%**		**12.34%**
Turkey		10.34%		
South Africa		8.35%		
Nigeria		14.34%		
Egypt		14.34%		
Kenya		14.34%		
Equity Risk Premium	**6.48%**	**CAPM**		**6.91%**

Appendix 12 - WACC Beta Calculation

Company Name	Levered Beta	Debt/Equity	Marginal Tax Rate	Unlevered Beta
Procter & Gamble Co	0.39	0.0732	25.77%	0.3663
Kimberly-Clark Corp	0.28	0.1944	25.77%	0.2425
Clorox Co	0.57	0.1774	25.77%	0.5011
Church & Dwight Co Inc	0.45	0.0596	25.77%	0.4333
Reynolds Consumer Products Inc	0.54	0.2995	25.77%	0.4451
Coca-Cola Co	0.40	0.1016	25.77%	0.3711
Reckitt Benckiser Group PLC	0.50	0.1913	25.00%	0.4368
Edgewell Personal Care Co	0.60	1.2235	25.77%	0.3156
PepsiCo Inc	0.43	0.1799	25.77%	0.3755
Mondelez International Inc	0.40	0.2289	25.77%	0.3420
Mean	**0.46**	**0.2729**	**25.69%**	**0.3829**
Relevered Beta	**0.42**			

Appendix 13 - CAPEX, Depreciation and Property, Plant and Equipement (PPE)

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
Depreciation/ PPE (t-1)		12.80%	11.85%	11.93%	12.72%					
CapEx	(567 000)	(1 606 000)	(709 000)	(571 000)	(803 000)	(1 032 239)	(1 064 611)	(1 098 201)	(1 133 027	(1 169 055)
PPE	4 257 000	4 785 000	5 073 000	4 951 000	5 191 000	5 593 239	6 026 277	6 443 964	6 843 792	7 228 829
Depreciation	(556 000)	(545 000)	(567 000)	(605 000)	(630 000)	(631 574)	(680 513)	(733 199)	(784 018)	(832 664)

Appendix 14 - Buybacks Calculation

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
Buybacks	(896 000)	(890 000)	(748 000)	(1 101 000)	(1 109 000)	(323 175)	(1 041 969)	(1 234 090)	(1 313 379)	(1 395 375)
Net cash flow from operating activities	3 325 000	2 556 000	3 745 000	4 107 000	4 198 000	3 257 803	3 713 140	4 184 127	4 403 123	4 628 603
Buybacks / Net cash flow from operating activities	26.95%	34.82%	19.97%	26.81%	26.42%	9.92%	28.06%	29.49%	29.83%	30.15%
FCF	2 758 000	950 000	3 036 000	3 536 000	3 395 000	709 791	2 288 479	2 710 434	2 884 576	3 064 665
Buybacks/FCF	32.49%	93.68%	24.64%	31.14%	32.67%	45.53%	45.53%	45.53%	45.53%	45.53%

Appendix 15 - Competity Rivalry Scorecard

COMPETITIVE RIVALRY SCORECARD - COLGATE PALMOLIVE - FY2025		
Rivalry Factor	Evidence / Data Point	Intensity
Number and scale of competitors	P&G, Unilever, Henkel + local players	HIGH
Organic volume growth	Overall volumes -0.4% in FY2025	HIGH
Market share - toothpast	41.3%, down 40bps YoY	HIGH
Erosion in developed markets	North America -1.6% organic	HIGH
Private label pressure	Hill's penalised by -320 bps	HIGH
Digital competition & new entrants	New players via eCommerce and AI	HIGH
Brand differentiation & premium range	elmex, EltaMD, Filorga, Hill's Rx Diet	MEDIUM
Position in emerging markets	Latin America +3.9%, Africa +6.5%	MEDIUM
Gross Profit Margin	60.1%, down 50bps ex-special items	MEDIUM
Advertising investment	$2 703M (13.3% of net sales)	MEDIUM

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