



**COLGATE-PALMOLIVE COMPANY**

Barclay's Global Consumer Staples Conference | September 6, 2023



September 2023

### **Notice for Investor Presentation**

Our presentation contains non-GAAP financial measures, which differ from our reported results prepared in accordance with U.S. generally accepted accounting principles (GAAP). These non-GAAP financial measures of operating results, such as gross profit margin and operating profit, exclude items that, either by their nature or amount, management would not expect to occur as part of the Company's normal business on a regular basis, such as restructuring charges, charges for certain litigation and tax matters, acquisition-related costs, gains and losses from certain divestitures and certain other unusual, non-recurring items. We may also refer to organic sales growth, which is Net sales growth excluding the impact of foreign exchange, acquisitions and divestments, or to free cash flow before dividends, which we define as Net cash provided by operations less Capital expenditures. A complete, quantitative reconciliation between our reported results and these non-GAAP financial measures is available in the "Investor Center" section of our website at [www.colgatepalmolive.com](http://www.colgatepalmolive.com) and in the tables to our earnings press releases.

Our presentation may contain forward-looking statements (as that term is defined in the U.S. Private Securities Litigation Reform Act of 1995 or by the Securities and Exchange Commission (the SEC) in its rules, regulations and releases) that set forth anticipated results based on management's current plans and assumptions. These statements are made on the basis of our views and assumptions as of this time and we undertake no obligation to update these statements whether as a result of new information, future events or otherwise, except as required by law or by the rules and regulations of the SEC. Moreover, we do not, nor does any other person, assume responsibility for the accuracy and completeness of those statements. We caution investors that forward-looking statements are not guarantees of future performance and actual events or results may differ materially from those statements. For information about factors that could impact the Company's business and cause actual results to differ materially from forward-looking statements, refer to the Company's filings with the SEC (including, but not limited to, the information set forth under the captions "Risk Factors" and "Cautionary Statement on Forward-Looking Statements" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 and subsequent filings with the SEC). Copies of these filings are available in the "Investor Center" section of our website at [www.colgatepalmolive.com](http://www.colgatepalmolive.com) or may be obtained upon request from the Company's Investor Relations Department.

# 2Q 2023 HIGHLIGHTS

- Net sales grew 7.5%, Organic sales grew 8%\*. On a two-year stack basis, organic sales growth, organic volume growth and pricing growth both improved in 2Q 2023 versus 1Q 2023
- Versus Q2 2022, gross profit margin increased 80 basis points; gross profit margin increased 150 basis points excluding the 70 basis point negative impact from private label sales\*\*
- Advertising increased 20% versus the year ago quarter to support brand health, strong innovation and pricing
- On a Base Business basis, versus the year ago quarter, operating profit grew double-digits and earnings per share increased high-single-digits
- Operating cash flow up 59% year to date
- Continued to deliver year-to-date value market share growth in toothpaste

*\*Non-GAAP*

*\*\*resulting from previously disclosed acquisitions of pet food businesses*

# OUR 2023 OUTLOOK\*

- Net sales growth expected to be up 5-8% and organic sales growth expected to be up 5-7%
- Gross profit margin expected to be up for the year
- Advertising expected to be up both on a dollar basis and as a percent to sales to support innovation and brand health
- Base Business EPS growth expected to be at the high end of mid-single digits
- Grow net income and improve working capital to drive free cash flow for investing behind growth, dividends, debt paydown and share repurchases

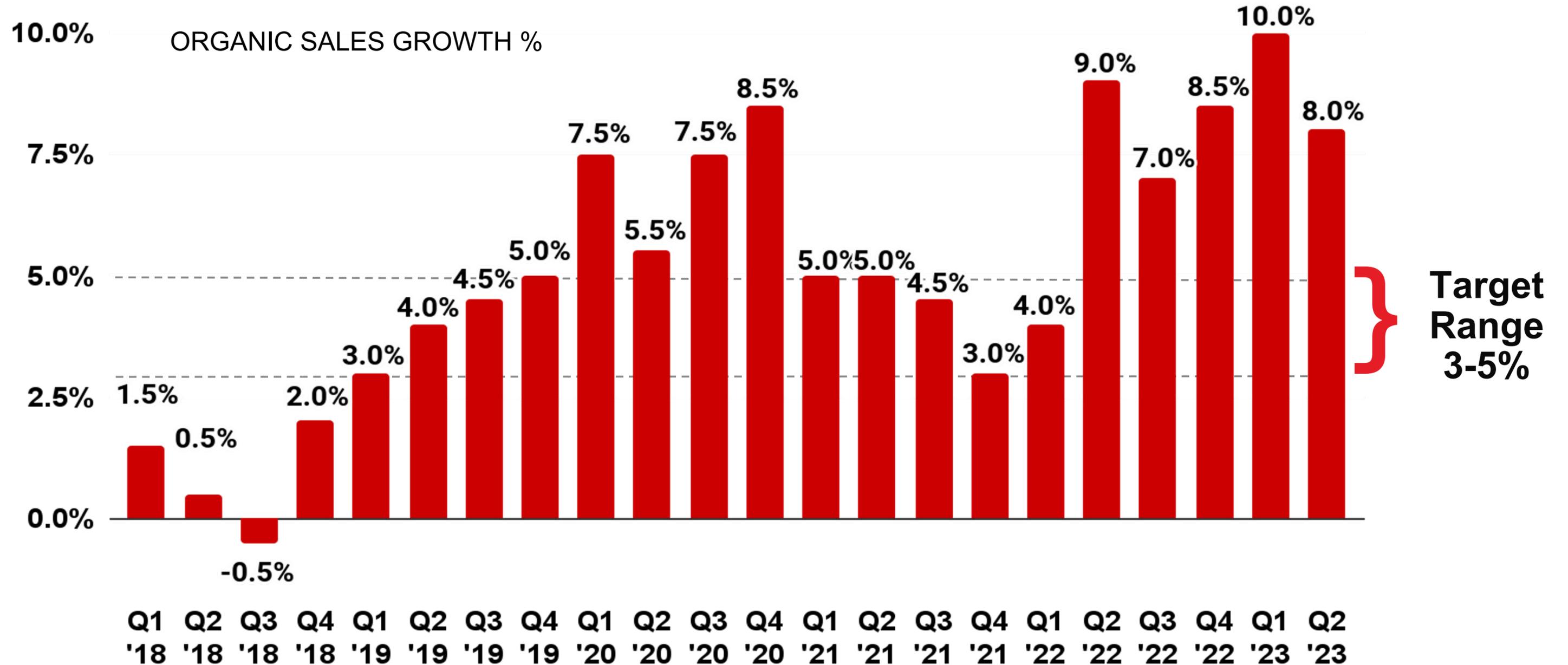
# OUR MESSAGE **TODAY**

1. We are executing the **right strategy and driving growth** across our portfolio
2. We are leveraging our **improved capabilities** across the company
3. We are delivering productivity and efficiencies to **fund advertising and expand our margins**
4. We are **re-accelerating free cash flow** to fund investment and drive shareholder value
5. We believe this leaves us in a great position to **deliver on TSR** while reimagining a healthier, more sustainable future for all people, their pets and our planet

A photograph of a woman and a young girl washing their hands in a kitchen sink. The woman is smiling and looking down at the girl, who is also smiling and looking at the water. The scene is bright and cheerful, with a window in the background. The text is overlaid on a white semi-transparent box in the lower half of the image.

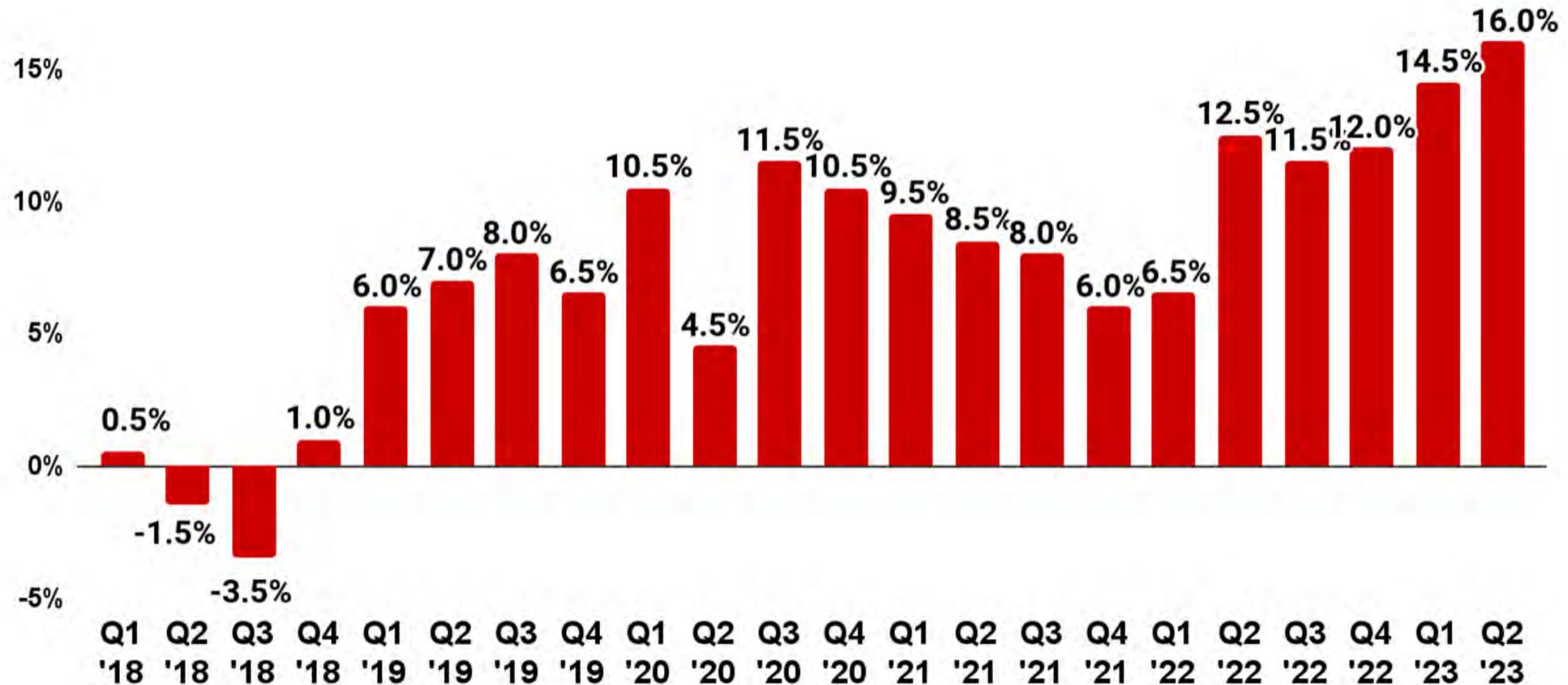
**1** WE ARE **EXECUTING THE RIGHT STRATEGY** AND **DRIVING GROWTH** ACROSS OUR PORTFOLIO

# DELIVERING STRONG ORGANIC SALES GROWTH



# LED BY DOUBLE-DIGIT GROWTH IN LATIN AMERICA

ORGANIC SALES GROWTH %



**WINNING ON THE GROUND**  
IN LATIN AMERICA



**CONFIDENT** OUR **GROWTH**  
WILL CONTINUE

# THE **RIGHT PORTFOLIO** FOR THIS ENVIRONMENT

1. Most of our portfolio consists of **everyday usage products**
2. In many of our categories we have **offerings across multiple price tiers**
3. Our categories generally have **lower private label penetration** than other HPC categories
4. We are supporting our pricing **through innovation and advertising**
5. **Professional recommendations** help drive brand loyalty

A photograph of three scientists in a laboratory. On the left, a man with a beard and mustache, wearing a white lab coat over a plaid shirt, has a name tag that says "Ruber". In the center, a woman with long dark hair is wearing a dark purple sweater. On the right, a woman with long dark hair and bangs is wearing a white lab coat with a name tag that says "Ashley" and a blue logo on the chest. The background shows laboratory equipment, shelves with glassware, and a blue wall.

**2.** WE ARE **LEVERAGING OUR**  
**IMPROVED CAPABILITIES**  
ACROSS THE COMPANY

# CAPABILITIES



Science-led, core and premium innovation



Advertising



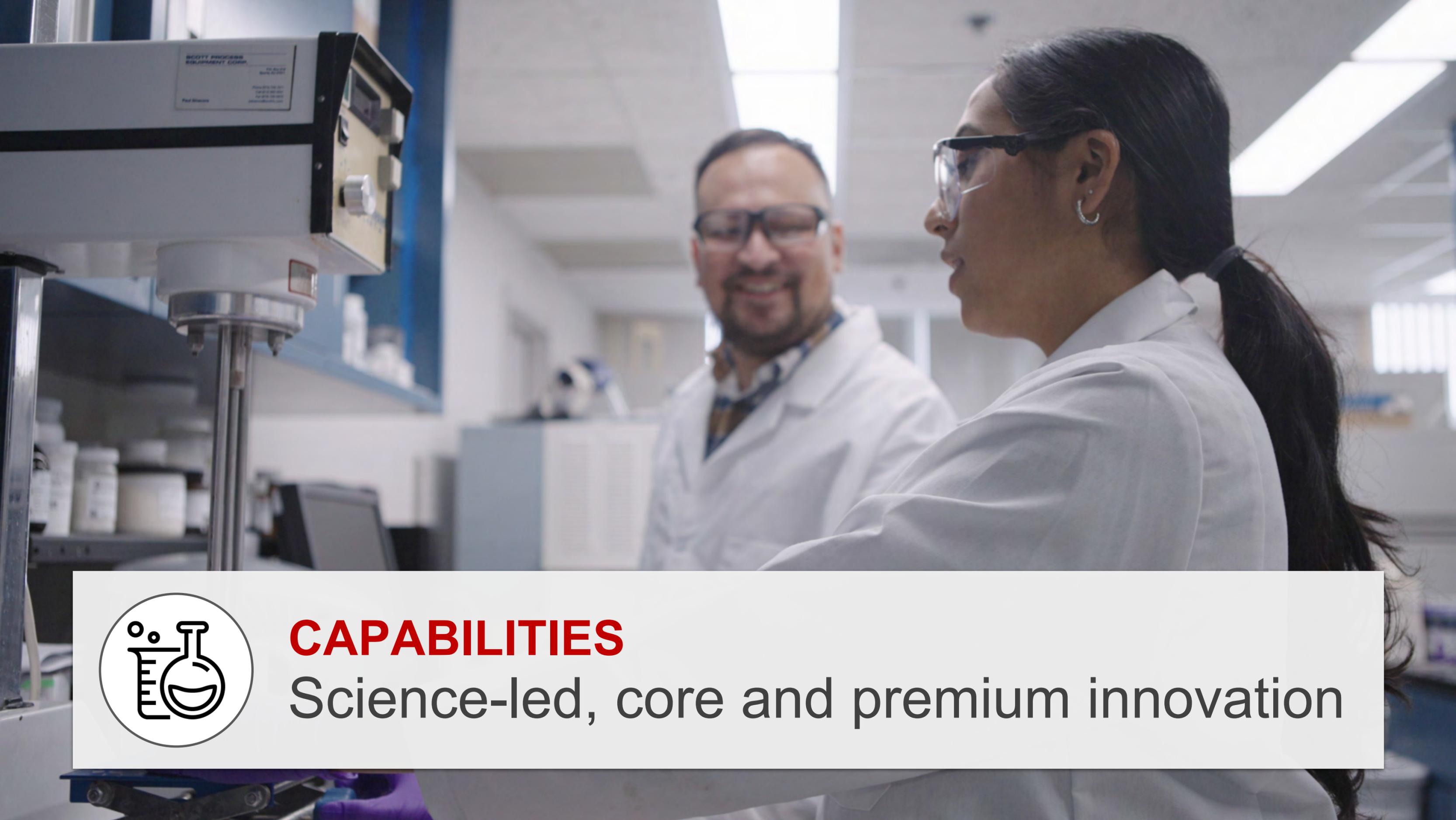
Revenue Growth Management (RGM)



Digital Transformation



Sustainability



## **CAPABILITIES**

Science-led, core and premium innovation



# BUILDING TRUST AND **SCIENTIFIC CREDIBILITY**

IN 2022:

- Global patent applications: 925
- Global patents granted: 900
- Over 50 original publications\*
- Over 100 research clinical studies
- Over 10,000 clinical patients studied



\*oral care and skin health combined



# INNOVATION TRANSFORMATION

- Shifted our focus from line extensions to breakthrough and transformational innovation
- Allocated people and resources to drive more incremental growth
- Redesigned our incentive plans to compensate for greater contribution from innovation
- Shift to breakthrough and transformational innovation is working
  - We have increased the number of breakthrough innovations ready for scale in 2024/2025 versus 2021



# COLGATE'S “CHAIR TO SINK” WHITENING PORTFOLIO



MOUTHWASH

MSRP



TOOTHBRUSH

\$4-10



TOOTHPASTE



OVERNIGHT PEN

\$20



EXPRESS PEN

\$25



COMFORT FIT LED

\$50



PROFESSIONAL TAKE-HOME

~\$200



PROFESSIONAL IN-OFFICE

~\$350



EVERY DAY

AT-HOME WHITENING

PROFESSIONAL





# ADVANCING PREMIUM WHITENING WITHOUT HYDROGEN PEROXIDE

- Novel Non-peroxide MPS\* Whitening Technology
- Available in **52 countries**
  - Asia (9 countries)
  - Europe (31 countries)
  - Africa/Eurasia (12 countries)

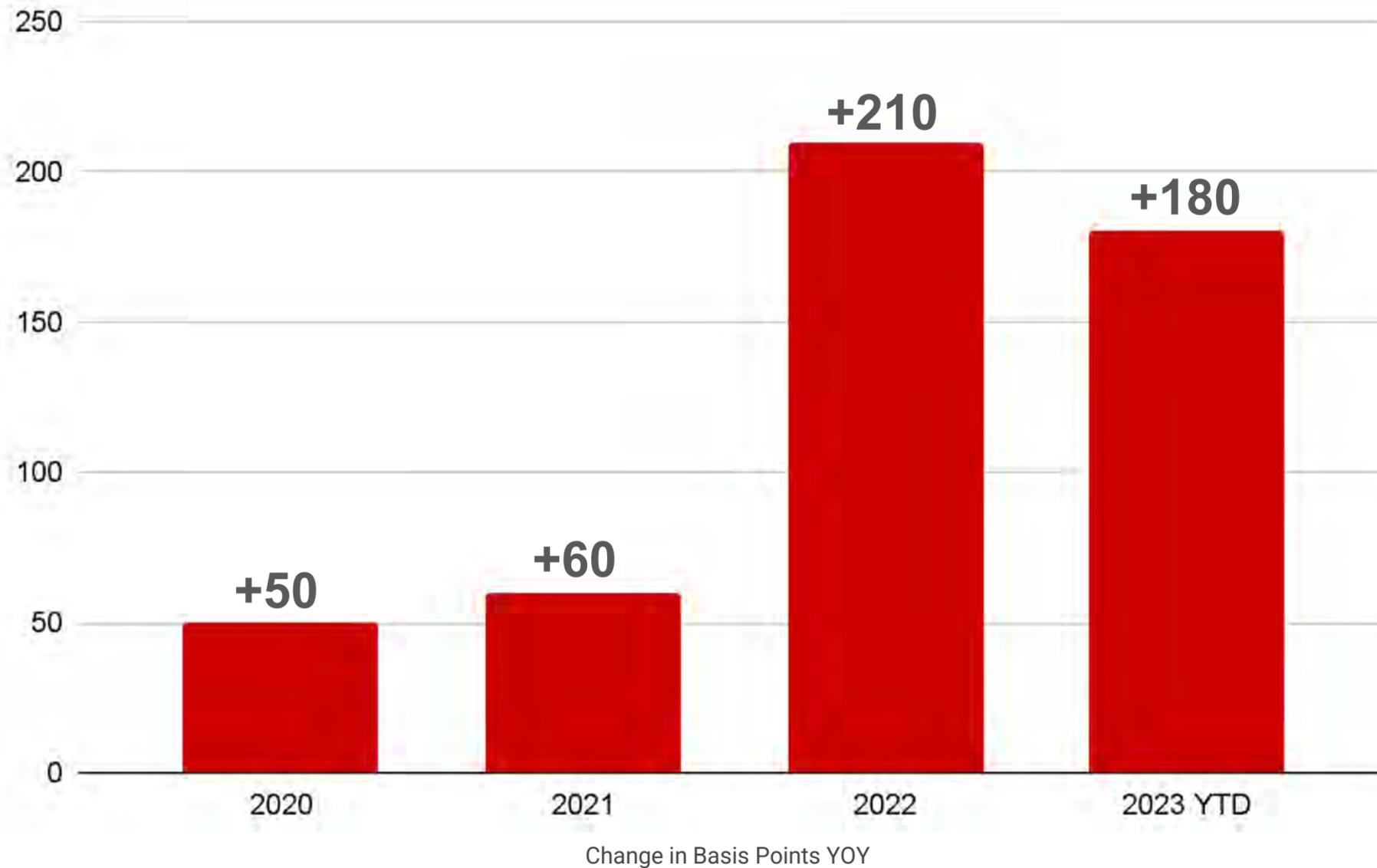


\*monoperoxysulfate



# DRIVING MARKET SHARE GAINS IN WHITENING

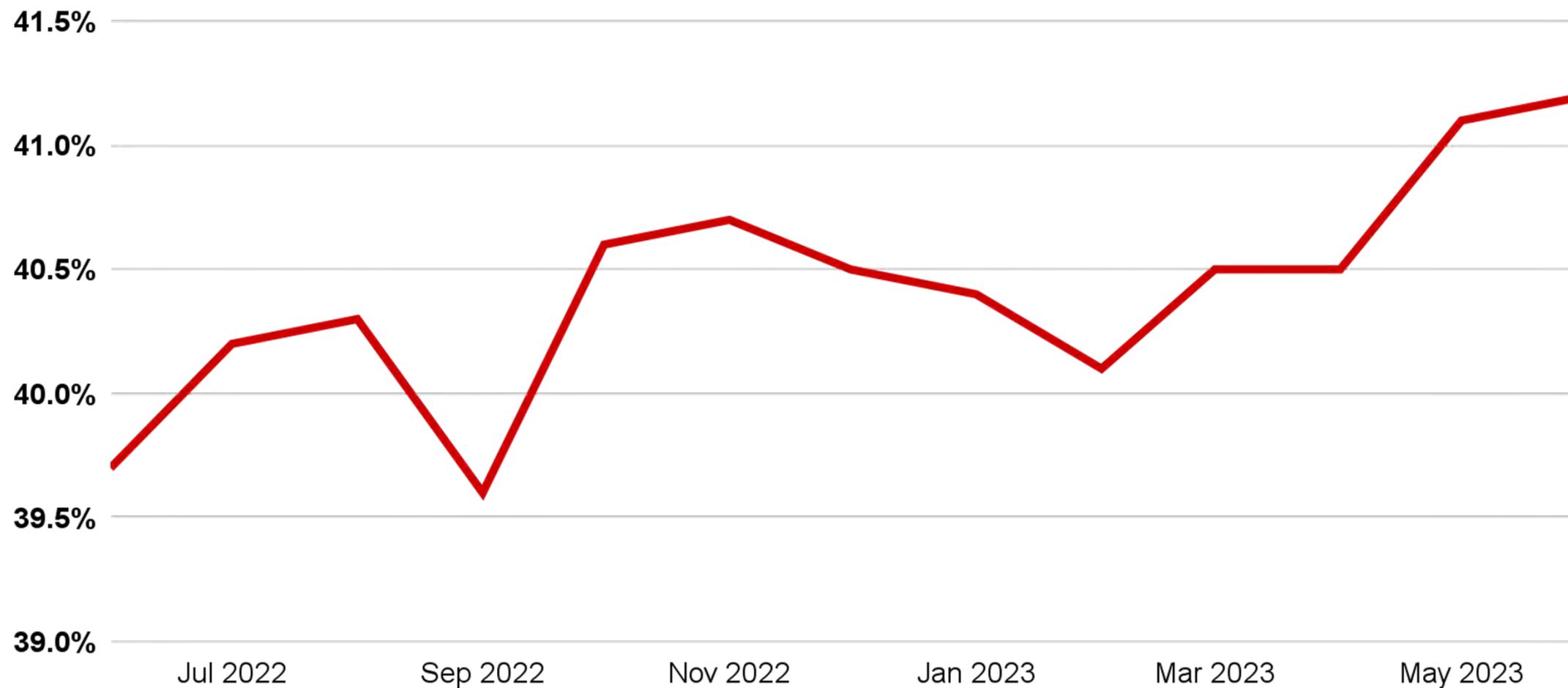
Colgate Brand Top 8 Markets





# DRIVING GLOBAL MARKET SHARE IN TOOTHPASTE

Worldwide Toothpaste Market Share in US\$ (monthly through June 2023)





# elmex PROFESSIONAL PHARMACY LAUNCH

- Fastest growing brand in drugstores in Brazil in the toothpaste sensitivity segment



Toothpaste Sensitivity Segment

14.7%

Toothpaste Value Growth  
Total Drugstores Brazil  
(YTD '23 vs YTD '22)

elmex

74.3%



Source: Nielsen Retail Index T. Drugstores YTD Jul'23 Value sales



# STRONG PARTNERSHIP

## POWERED TOOTHBRUSHES IN LATIN AMERICA

- Leveraging unique strengths of both brands to accelerate category growth
- Broad product offering with wide range of price points
- #1 in electric toothbrush handles in Mexico after 1 year
- Consistent market share gains in Brazil

**PHILIPS**  
**Colgate**

Remueve hasta  
Remove até  
**900%**  
más placa<sup>1</sup> y mejora la salud de la encía hasta 7 veces<sup>2</sup>  
mais placa<sup>1</sup> e melhora a saúde de gengiva até 7 vezes<sup>2</sup>

**SonicPro 70**

- Sensor de presión  
Sensor de pressão
- 4** 4 modos de cepillado  
4 modos de escovação
- 3** 3 niveles de intensidad  
3 níveis de intensidade

Aplicación de cepillado  
Aplicativo de escovação

Bluetooth

Teléfono no incluido  
Telefone não incluido

**Colgate** Marca de cuidado bucal No.1 en América Latina  
Marca No.1 de higiene bucal na América Latina

**No.1** Marca de cepillos de dientes sónicos No.1 en todo el mundo  
Marca No.1 de escova de dentes sónica em todo o mundo

**PHILIPS**



# EltaMD EXPANDING SUNSCREEN INTO NEW FORMS



- Transparent zinc oxide finish
- Contains antioxidants to protect against skin-aging free radicals and diminish the signs of aging
- High SPF and water resistant



**Fantastic product!**

2 months ago

This has been my go to brand for my face sunscreen for years. I was so excited to get this to help protect the rest of my body. Easy to apply spray, no slime or residue left over and absorbs quickly. A must have in the beach bag!





# PCA SKIN PRO- MAX AGE RENEWAL SERUM

- Advanced anti-aging serum clinically proven to lift and firm the appearance of the skin by 60%\*
- Smooths visible lines and coarse wrinkles by 40%\*

\*24-week data on file at PCASKIN. N=47



# SANEX NATURAL PREBIOTIC RELAUNCH



- New highly-appealing natural prebiotic positioning
- #1 Dermatologist Recommended in France and Spain\*
- 12-hour hydration



- Part of our strategy to utilize premium relaunches to drive pricing growth in Europe



# HILL'S PRESCRIPTION DIET K/D PORTFOLIO

- Now with Activbiome+  
Kidney Defense





# HILL'S SCIENCE DIET ORAL CARE SMALL & MINI

- Clinically proven kibble technology to reduce plaque & tartar build-up
- Specially designed for small & mini dogs



# SOUPLINE HEARTS UNIT DOSE FABRIC CONDITIONER

- New convenient unit-dose form
- 72% less plastic packaging vs liquids\*
- Delivers an irresistible softness and fragrance, making your clothes feel fluffy and pleasant to wear

\* vs. the weight of plastic used to produce a 650ml bottle

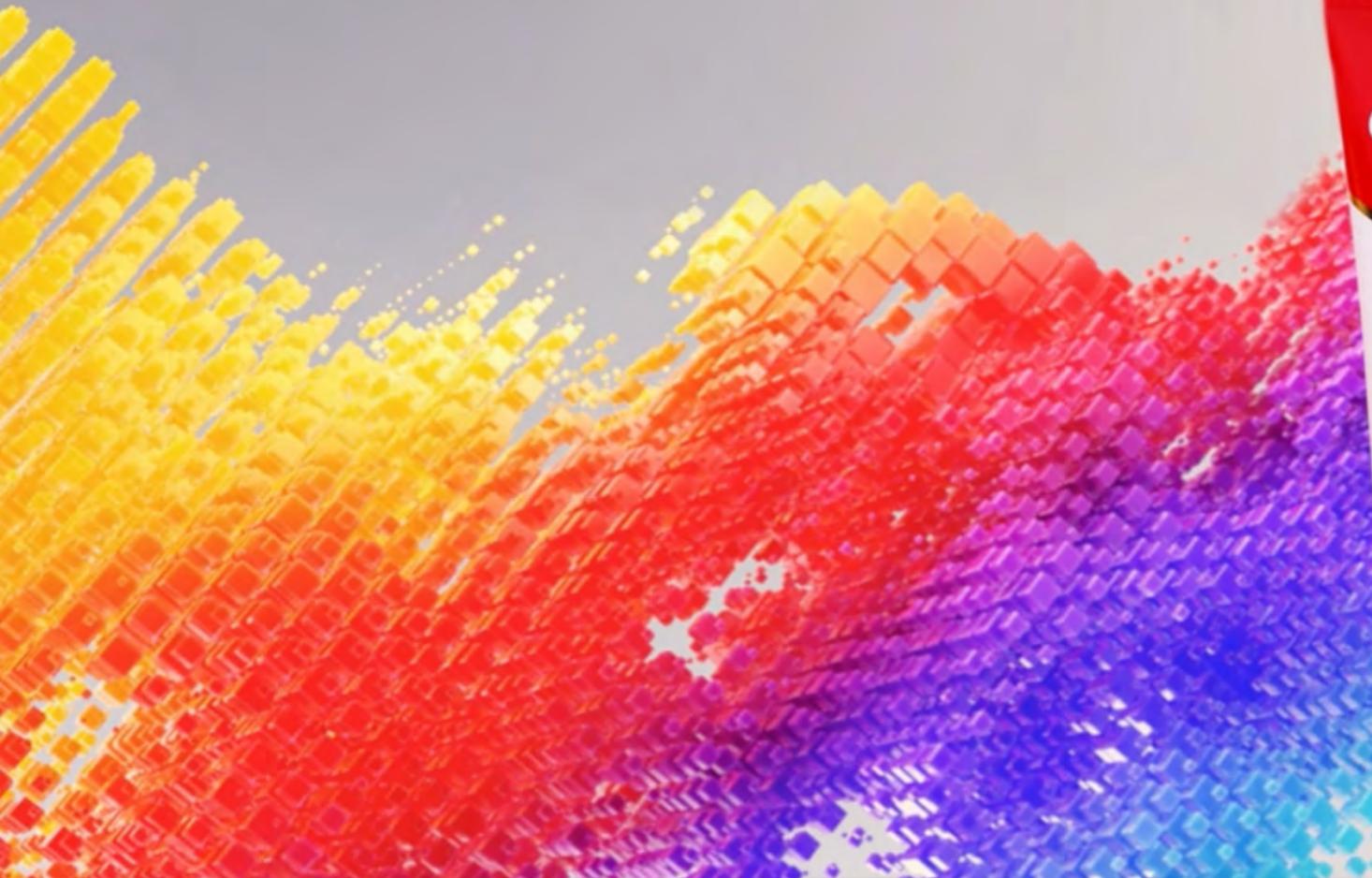


# FABULOSO 2X CONCENTRATED FORMULA\*

- Enhanced formula
  - 1/2 the dosage amount\*
  - Same performance
  - Same Fabuloso long-lasting fragrances
- Consumer value
  - Same pack sizes = 2X uses per bottle\*
- More sustainable solution 50% less plastic\*\*

\* versus non-concentrated Fabuloso Original

\*\* by following dosing instructions and getting twice as many uses out of one bottle vs. same size of Fabuloso Original



**NEW**

*Fights Plaque  
**3X Harder**\**



## **CAPABILITIES** Advertising

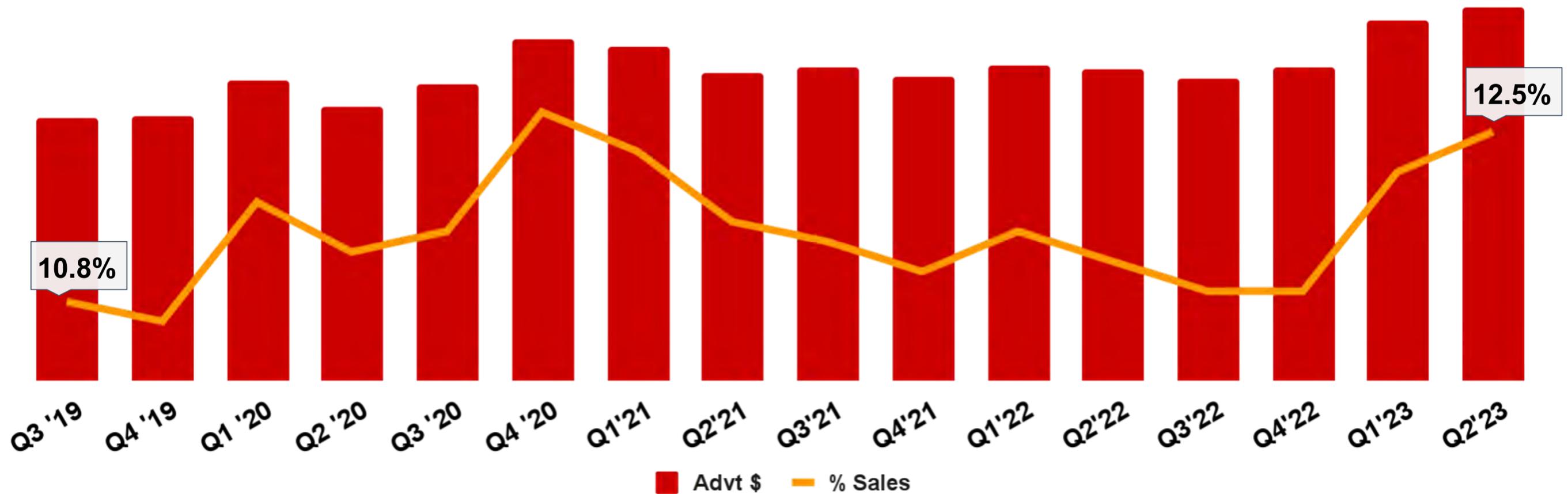
\* vs regular non-antibacterial fluoride toothpaste after 3 months continuous use

Generally available in the APAC region



# INVESTING IN **ADVERTISING**

Advertising spending in dollars increased +17% 2QYTD





# DRIVING COMMUNICATION EFFICIENCIES

- Leveraging tools and techniques
  - Marketing Mix Modeling
    - All priority markets over 60% of media spend optimized
    - 26% ROI growth in 2022 vs. prior year



# DRIVING COMMUNICATION EFFICIENCIES

- Leveraging tools and techniques
  - Marketing Mix Modeling
  - Programmatic media buying
    - The vast majority of our media is bought programmatically across 63 markets
  - Media efficiencies at scale
    - Reinvested to drive further growth



# DRIVING CREATIVE EFFECTIVENESS

- Starts with a better understanding of people insights to deploy “big idea” creative
- Training across the organization on how to turn insights into brilliant creative
- Improved testing programs driven through data and analytics and AI to test creative by audience and platform
  - Utilize immediate feedback to iterate and constantly improve effectiveness





# GLOBAL BRAND STRENGTH

**#1 Most Chosen Brand:**  
Global Health & Beauty

**#3 Most Valuable Brand:**  
Personal Care





# LATAM BRAND STRENGTH

**#2 Most Chosen Brand**  
in all of Latin America





## **CAPABILITIES**

Revenue Growth Management (RGM)

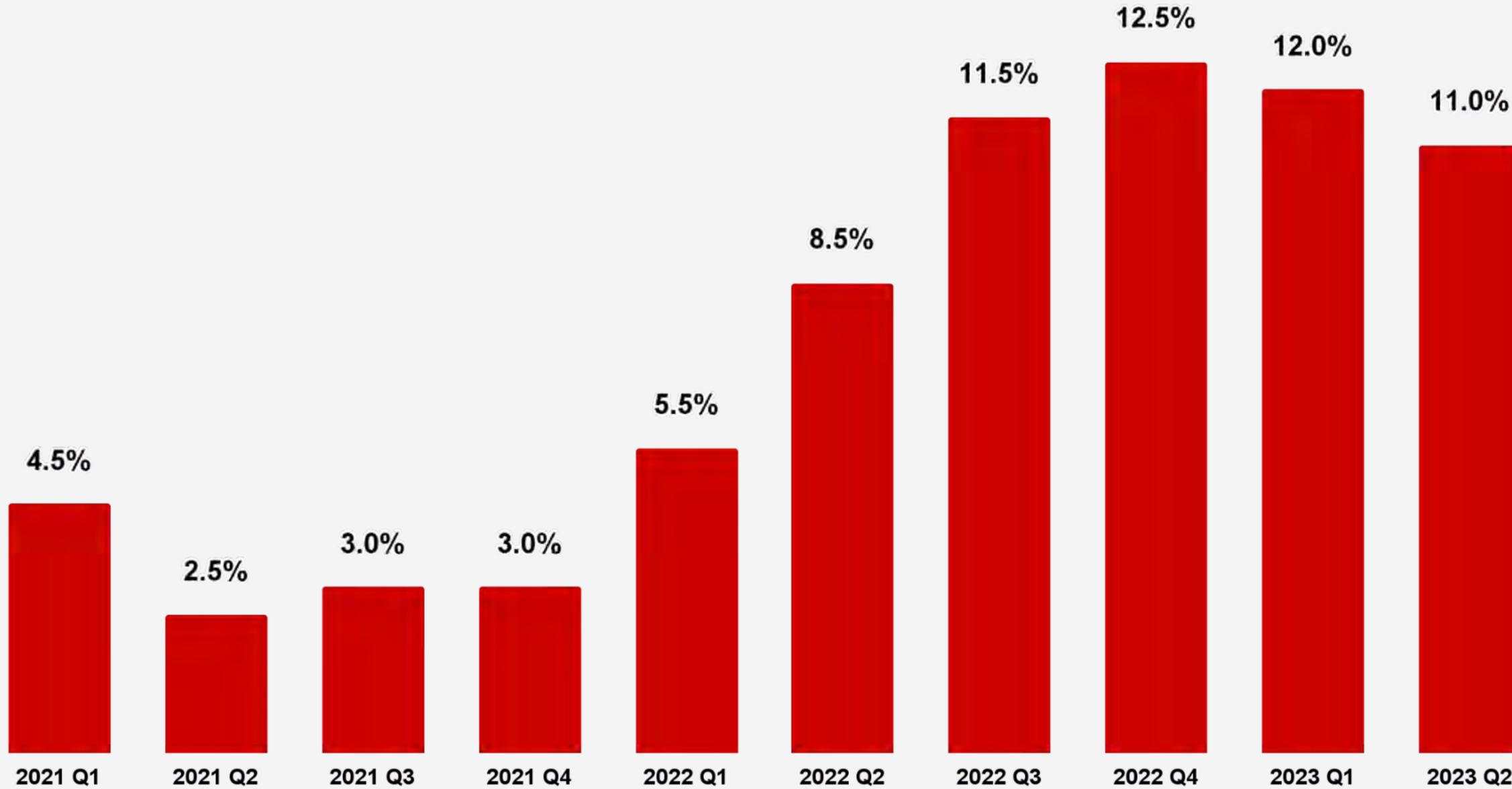


# REVENUE GROWTH MANAGEMENT

- Advanced analytics enabling more targeted analysis at the SKU, tactic and regional level
- Developed proprietary RGM analytics tool that is providing real-time diagnostics and scenario planning to our commercial teams
- Able to find pockets of inelasticity to take more precise actions
- As RGM scales, data flow allows for continual improvement of our models



# GLOBAL PRICING



A warehouse worker in a blue shirt is operating a blue forklift to move a large pallet of Palmolive shampoo boxes. The pallet is stacked high with cardboard boxes, each labeled 'PALMOLIVE SHAMPOO'. The background shows a well-lit warehouse with other pallets and shelving units.

**3.** WE ARE DELIVERING PRODUCTIVITY AND EFFICIENCIES TO **FUND ADVERTISING AND DRIVE MARGIN EXPANSION**

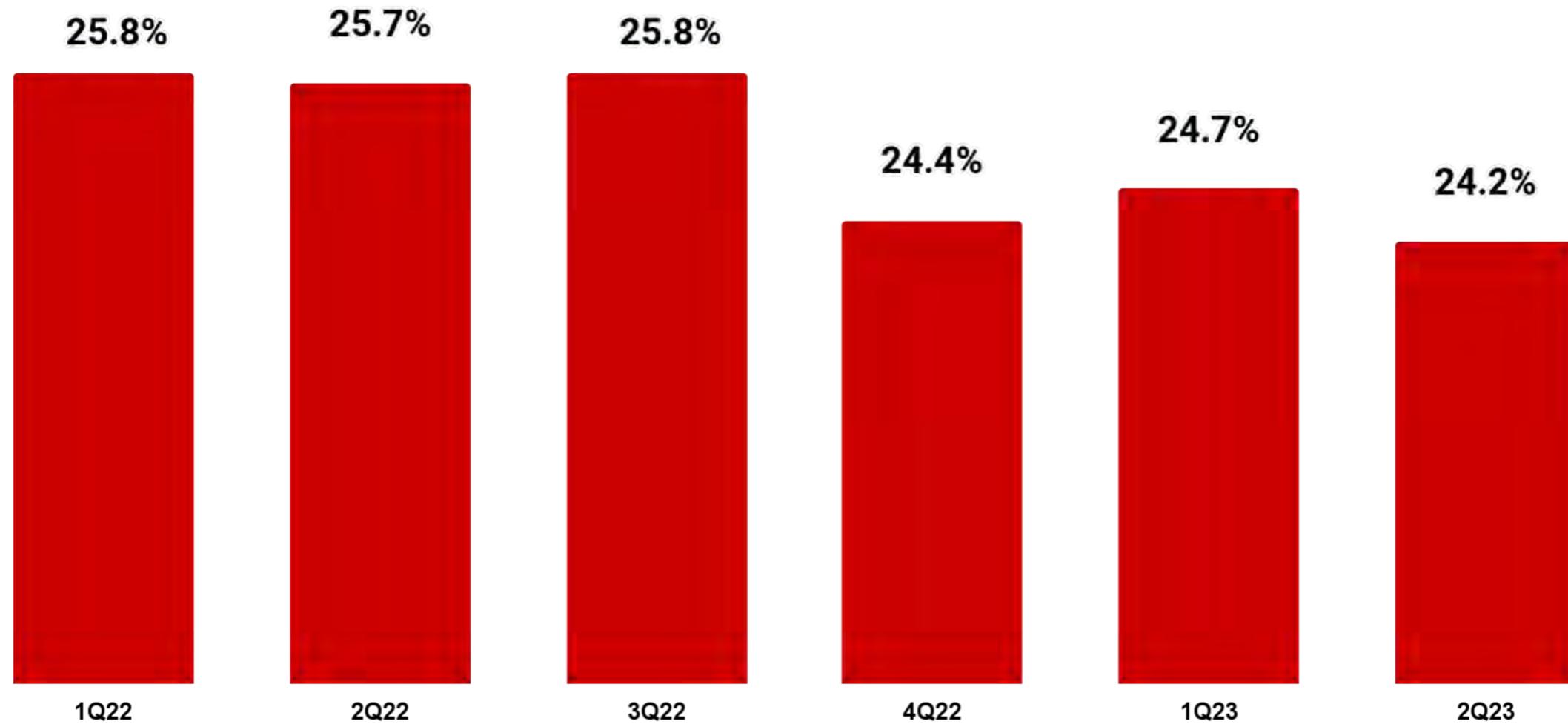
# 2022 GLOBAL PRODUCTIVITY INITIATIVE

On target to deliver annualized pretax savings of **\$90-\$110 million\***

\*As of Q2 2023 Earnings Release and Conference Call; once all projects are approved and implemented. Implementation of the 2022 Global Productivity Initiative is expected to be substantially completed by mid-year 2024.

# DRIVING OPERATING LEVERAGE

Overheads % to Sales\*



\* Base Business SG&A Ex-advertising

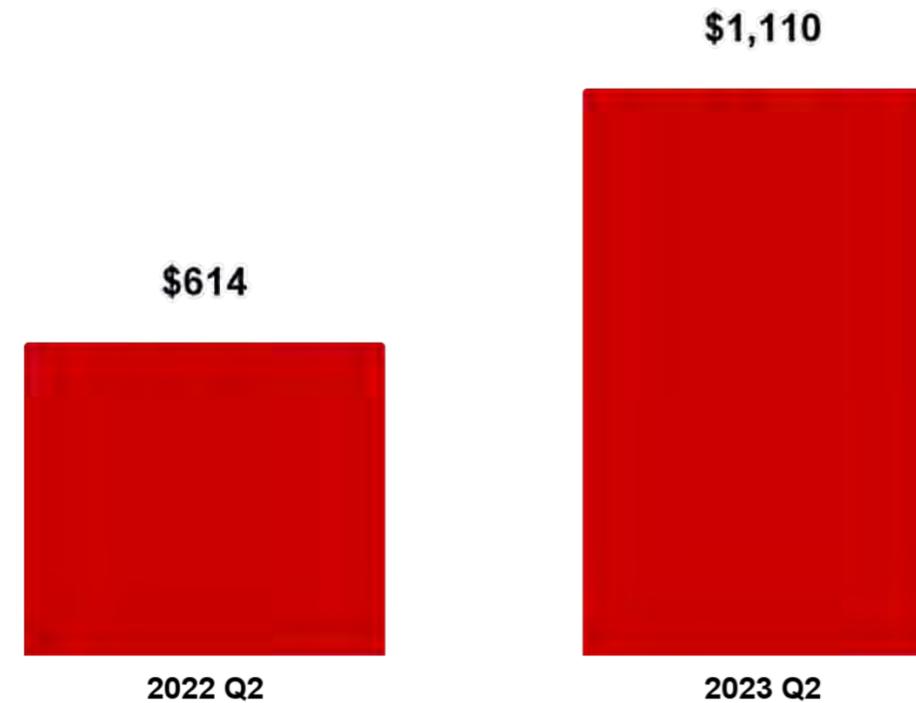
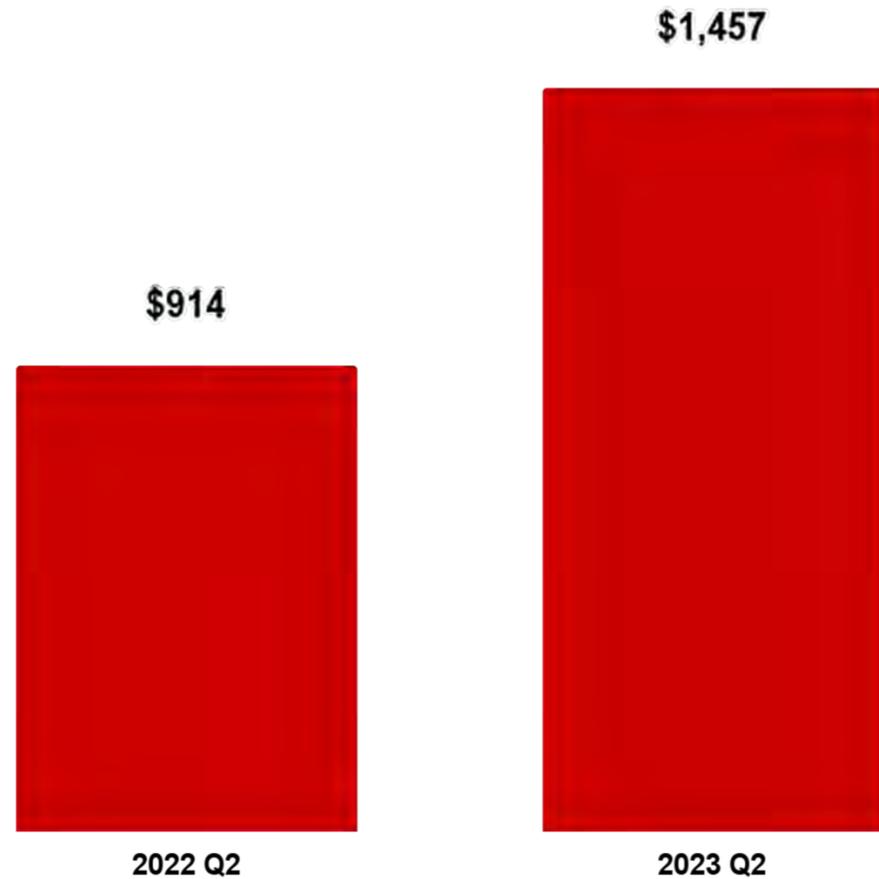


**4. ACCELERATING FREE CASH FLOW TO FUND INVESTMENT AND DRIVE SHAREHOLDER VALUE**

# DRIVING IMPROVED CASH FLOW YEAR TO DATE

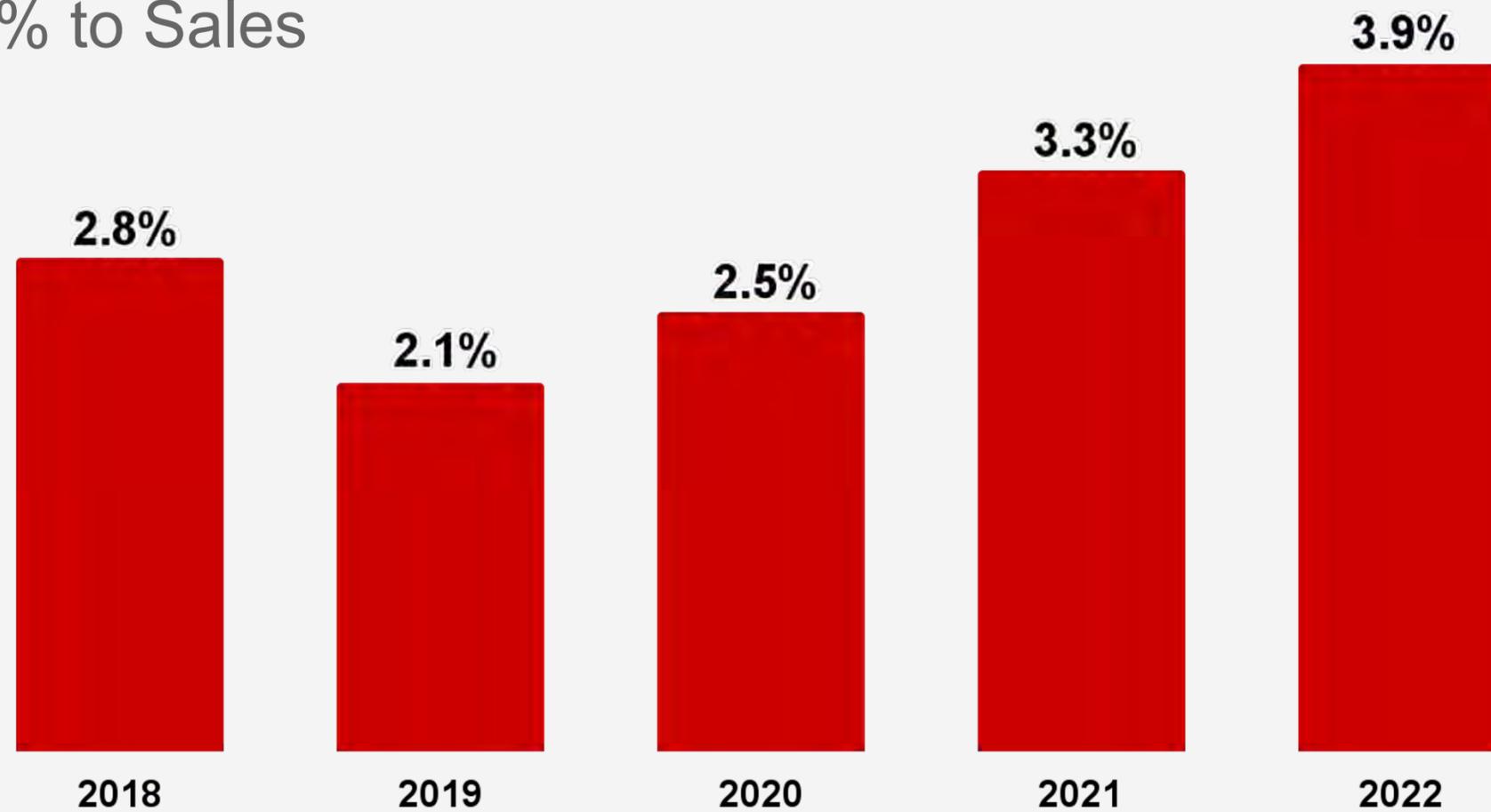
**OPERATING CASH FLOW +59%**

**FREE CASH FLOW +81%**



# CAPITAL EXPENDITURE FOR GROWTH AND EFFICIENCY

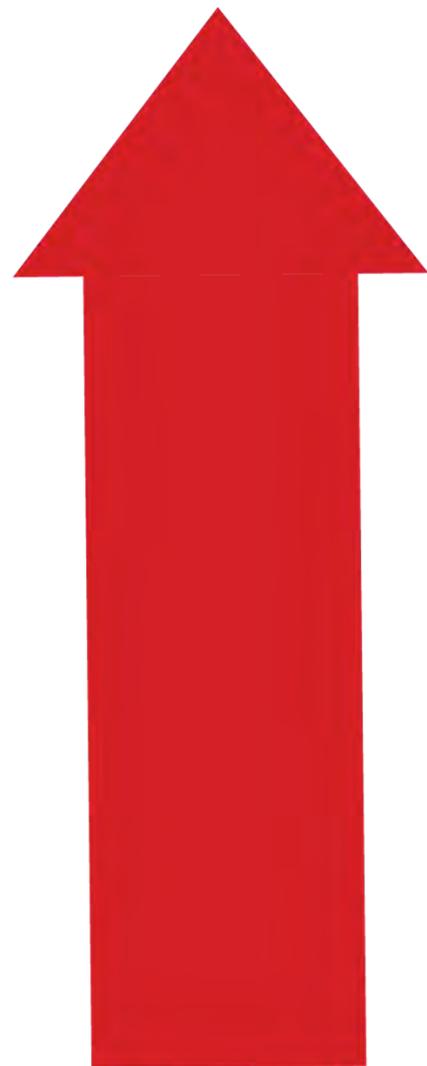
% to Sales





**HILL'S TONGANOXIE - ONLINE Q3 2023**

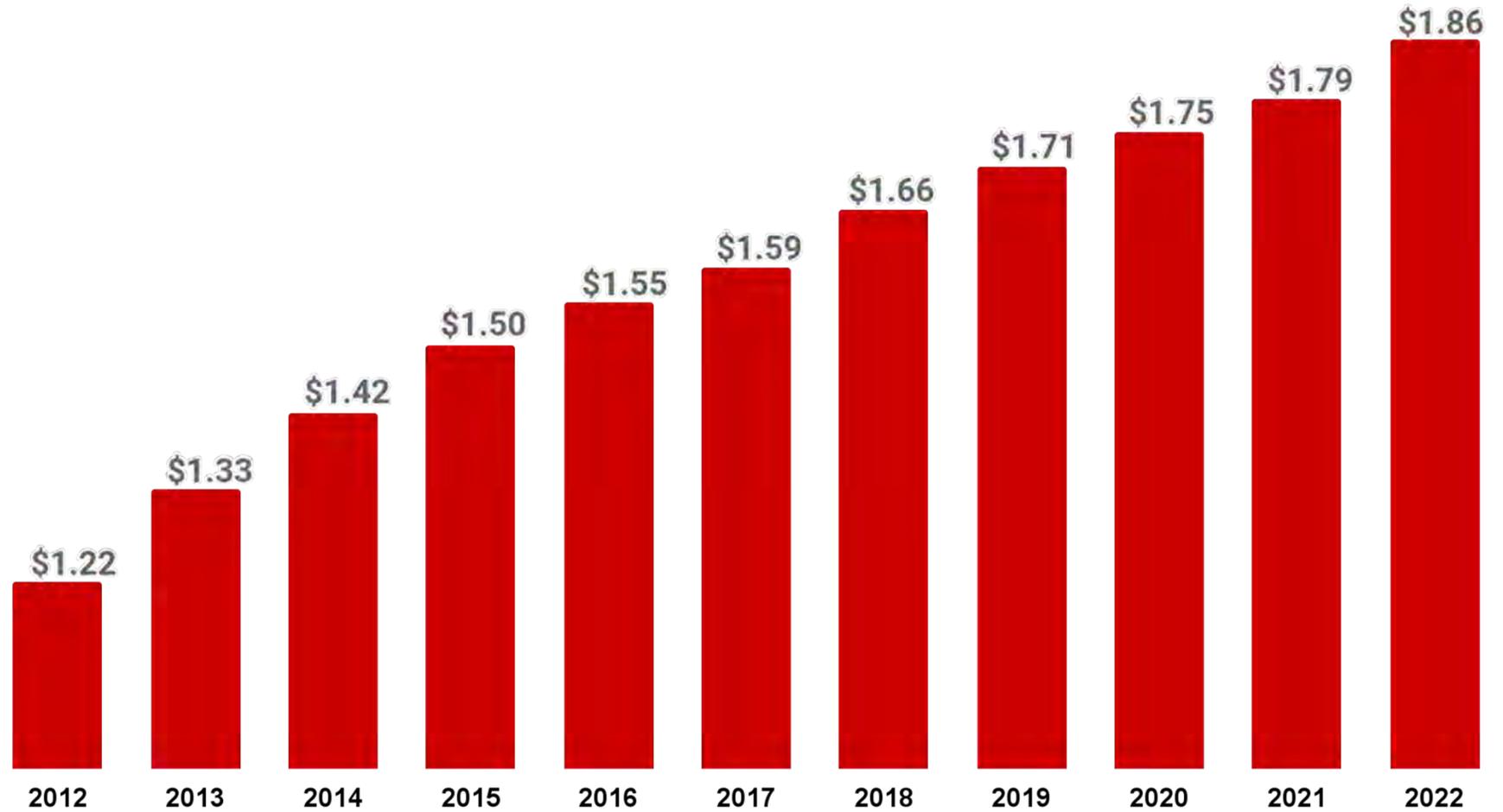
# CONSISTENT **DIVIDEND GROWTH**



**128 YEARS**  
OF DIVIDEND PAYMENTS

**60 YEARS**  
OF DIVIDEND INCREASES

**\$28 BILLION**  
CASH RETURNED TO  
SHAREHOLDERS  
LAST 10 YEARS



DIVIDENDS PAID PER SHARE

# SUMMARY

- Well positioned to **continue to deliver in 2023 and beyond**
- Continue executing our strategy to **drive balanced organic sales growth** which is the key driver of long-term profitable growth
- Sustain our **pricing to expand gross profit margin** and fund brand investment
- **Grow earnings per share** through organic sales growth combined with operating leverage and productivity
- Leverage our strong balance sheet and **accelerate cash flow to drive investment and shareholder value**

**Q & A**