

Table 8

## Colgate-Palmolive Company

## Non-GAAP Reconciliations

For the Three Months Ended September 30, 2019 and 2018

(Dollars in Millions Except Per Share Amounts) (Unaudited)

	2019	2018	
<b>Gross Profit</b>			
Gross profit, GAAP	\$ 2,316	\$ 2,269	
Global Growth and Efficiency Program	1	8	
Gross profit, non-GAAP	<u>\$ 2,317</u>	<u>\$ 2,277</u>	
			<b>Basis Point</b>
<b>Gross Profit Margin</b>	<b>2019</b>	<b>2018</b>	<b>Change</b>
Gross profit margin, GAAP	59.0 %	59.0 %	—
Global Growth and Efficiency Program	— %	0.2 %	
Gross profit margin, non-GAAP	<u>59.0 %</u>	<u>59.2 %</u>	<u>(20)</u>
<b>Selling, General and Administrative Expenses</b>	<b>2019</b>	<b>2018</b>	
Selling, general and administrative expenses, GAAP	\$ 1,429	\$ 1,369	
Global Growth and Efficiency Program	(28)	(9)	
Selling, general and administrative expenses, non-GAAP	<u>\$ 1,401</u>	<u>\$ 1,360</u>	
			<b>Basis Point</b>
<b>Selling, General and Administrative Expenses as a Percentage of Net Sales</b>	<b>2019</b>	<b>2018</b>	<b>Change</b>
Selling, general and administrative expenses as a percentage of Net sales, GAAP	36.4 %	35.6 %	80
Global Growth and Efficiency Program	(0.7)%	(0.2)%	
Selling, general and administrative expenses as a percentage of Net sales, non-GAAP	<u>35.7 %</u>	<u>35.4 %</u>	<u>30</u>
<b>Other (Income) Expense, Net</b>	<b>2019</b>	<b>2018</b>	
Other (income) expense, net, GAAP	\$ 31	\$ 26	
Global Growth and Efficiency Program	3	(8)	
Acquisition costs	(18)	—	
Other (income) expense, net, non-GAAP	<u>\$ 16</u>	<u>\$ 18</u>	
<b>Operating Profit</b>	<b>2019</b>	<b>2018</b>	<b>% Change</b>
Operating profit, GAAP	\$ 856	\$ 874	(2)%
Global Growth and Efficiency Program	26	25	
Acquisition costs	18	—	
Operating profit, non-GAAP	<u>\$ 900</u>	<u>\$ 899</u>	<u>— %</u>
<b>Operating Profit Margin</b>	<b>2019</b>	<b>2018</b>	<b>Basis Point</b>
Operating profit margin, GAAP	21.8 %	22.7 %	(90)
Global Growth and Efficiency Program	0.7 %	0.7 %	
Acquisition costs	0.4 %	— %	
Operating profit margin, non-GAAP	<u>22.9 %</u>	<u>23.4 %</u>	<u>(50)</u>
<b>Non-Service Related Postretirement Costs</b>	<b>2019</b>	<b>2018</b>	
Non-service related postretirement costs, GAAP	\$ 27	\$ 18	
Global Growth and Efficiency Program	(1)	(1)	
Non-service related postretirement costs, non-GAAP	<u>\$ 26</u>	<u>\$ 17</u>	

**Table 8**  
**Continued**

**Colgate-Palmolive Company**

**Non-GAAP Reconciliations**

**For the Three Months Ended September 30, 2019 and 2018**

**(Dollars in Millions Except Per Share Amounts) (Unaudited)**

	<b>2019</b>					
	<b>Income Before Income Taxes</b>	<b>Provision For Income Taxes<sup>(1)</sup></b>	<b>Net Income Including Noncontrolling Interests</b>	<b>Net Income Attributable To Colgate-Palmolive Company</b>	<b>Effective Income Tax Rate<sup>(2)</sup></b>	<b>Diluted Earnings Per Share</b>
As Reported GAAP	\$ 794	\$ 167	\$ 627	\$ 578	21.0 %	\$ 0.67
Global Growth and Efficiency Program	27	5	22	22	(0.1)%	0.03
Acquisition costs	18	4	14	14	0.1 %	0.01
Non-GAAP	<u>\$ 839</u>	<u>\$ 176</u>	<u>\$ 663</u>	<u>\$ 614</u>	<u>21.0 %</u>	<u>\$ 0.71</u>
	<b>2018</b>					
	<b>Income Before Income Taxes</b>	<b>Provision For Income Taxes<sup>(1)</sup></b>	<b>Net Income Including Noncontrolling Interests</b>	<b>Net Income Attributable To Colgate-Palmolive Company</b>	<b>Effective Income Tax Rate<sup>(2)</sup></b>	<b>Diluted Earnings Per Share</b>
As Reported GAAP	\$ 820	\$ 258	\$ 562	\$ 523	31.5 %	\$ 0.60
Global Growth and Efficiency Program	26	4	22	22	(0.5)%	0.02
U.S. tax reform	—	(80)	80	80	(9.5)%	0.10
Non-GAAP	<u>\$ 846</u>	<u>\$ 182</u>	<u>\$ 664</u>	<u>\$ 625</u>	<u>21.5 %</u>	<u>\$ 0.72</u>

The impact of non-GAAP adjustments may not necessarily equal the difference between “GAAP” and “non-GAAP” as a result of rounding.

Notes:

(1) The income tax effect on non-GAAP items is calculated based upon the tax laws and statutory income tax rates applicable in the tax jurisdiction(s) of the underlying non-GAAP adjustment.

(2) The impact of non-GAAP items on the Company’s effective tax rate represents the difference in the effective tax rate calculated with and without the non-GAAP adjustment on Income before income taxes and Provision for income taxes.