

Consumer Analyst Group of New York Conference

February 22, 2019

February 2019

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- Our presentation and the related webcast contain 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, gains and losses from certain divestitures and certain 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 <https://www.colgatepalmolive.com>.
- Our presentation and the related webcast are integrally related and are intended to be presented and understood together. In addition, they 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 Statement" in the Company's Annual Report on Form 10-K for the year ended December 31, 2017 and subsequent Quarterly Reports on Form 10-Q). Copies of these filings are available in the "Investor Center" section of our website at <https://www.colgatepalmolive.com> or may be obtained by request from the Company's Investor Relations Department.

With Me Today



Noel Wallace
President and
Chief Operating Officer

With Me Today



Maria Paula Capuzzo

VP & General Manager

Brazil

Today

Our Focused Strategy

Oral Care



Pet Nutrition



Personal Care



Home Care



The Market Environment

2018

Challenges continued

*Colgate building momentum
in Q4*

Organic Sales Growth

	<u>1st Qtr</u>	<u>2nd Qtr</u>	<u>3rd Qtr</u>	<u>4th Qtr</u>
Organic Sales Growth	+1.5%	+0.5%	-0.5%	+2.0%

2019

Strong growth plans in place

Cost headwinds expected to ease
in second half of year

Our 2019 Plan

- Drive the core through innovation
- Greater activity in growth adjacencies and channels
- Robust brand activation with funding to match
- Fully realize GGEP and FTG opportunities

Our Priorities

- Driving Organic Sales Growth
- Maximizing Productivity across the P&L
- Effective Deployment of Cash Flow
- Leading to Win



Noel Wallace
President and
Chief Operating Officer

Our Priorities

- Driving Organic Sales Growth
- Maximizing Productivity across the P&L
- Effective Deployment of Cash Flow
- Leading to Win

Five Key Focus Areas

- Accelerating growth through core innovation and improved brand building
- Innovating to grow in current product segments and adjacencies
- Expansion in new channels and markets
- Maximizing growth in eCommerce
- Investing to drive penetration in growing populations

Five Key Focus Areas

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Driving Our Core Businesses to Accelerate Growth

- Advancing our core toothpaste portfolio

Advancing the Toothpaste Core

Almost 50% of our toothpaste revenues come from two core segments:

- Colgate Anti-Cavity
- Colgate Multi-benefit

ALL-NEW

INTRODUCING THE NEXT GENERATION...



Driving Multi-Benefit Growth

- Multi-benefit segment is 12% of toothpaste category
- Colgate Total is the #1 multi-benefit brand, and one of our two biggest toothpaste brands
- Colgate Total is the #1 brand recommended by dentists most often to improve the health of teeth and gums*
- Adding benefits for the consumer drives opportunities for pricing



***Treats all of the same indications as the current
Colgate Total:***

✓ **ANTIBACTERIAL**

✓ **PLAQUE**

✓ **GINGIVITIS**

✓ **CAVITIES**

✓ **WHITENING**

✓ **TARTAR**

✓ **ENAMEL**

✓ **BREATH**



...with additional new and improved benefits:

✓ **ANTI-SENSITIVITY
ACROSS
ALL VARIANTS**



✓ **INSTANT
NEUTRALIZATION
OF ODORS
ASSOCIATED WITH
BAD BREATH**



✓ **NEW
ENAMEL
BENEFITS**



✓ **NEW
COOLING
FLAVORS**





EVERYONE
DESERVES A
FUTURE
THEY CAN
SMILE
ABOUT

Colgate[®]
☺



Driving Growth

- Impactful Brand Experiences
 - Profession

A
STAND
TOTAL
2000 +
RUBROS
TOTAL
1000 +
TOILETE MASCULINO
DE 2 MONTESOLLO PARA APLICAR
bradesco



Colgate
Experiencia



Driving Growth

- Impactful Brand Experiences
 - Profession
 - Search

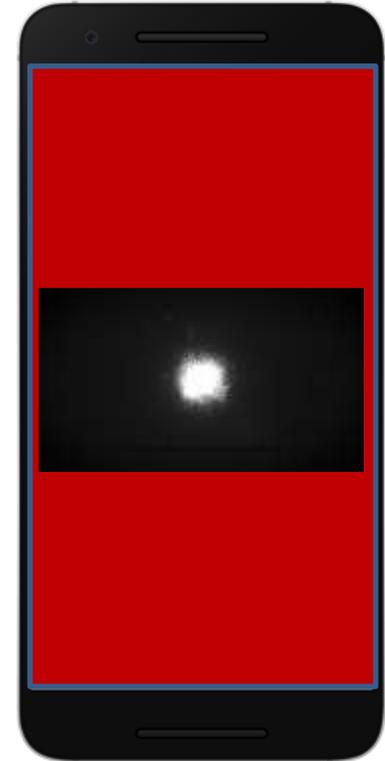
Winning in Search



Amazon
“A+” Content



Banners



Driving Growth

- Impactful Brand Experiences
 - Profession
 - Search
 - Influencer

Expanded Influencer Program (U.K.)



**Celebrity Brand Ambassador
Davina McCall**

90 Micro-Influencers

Expanded Influencer Program (U.S)



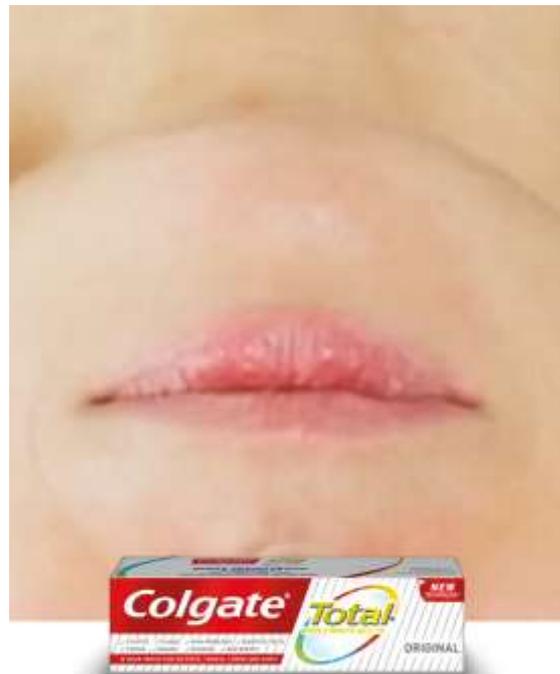
Sydney LeRoux

75+ Micro and Macro-Influencers

Driving Growth

- Impactful Brand Experiences
 - Profession
 - Search
 - Influencer
 - Social relevance through targeted social media

Facebook/Instagram Mouth Fit Challenge (U.K.)



Driving Growth

- Impactful Brand Experiences
 - Profession
 - Search
 - Influencer
 - Social relevance through targeted social media
 - Super Bowl activity in the U.S.

Pre-Game Warm Up



*Luke Wilson at
Radio Row*



Launch event 1/ 31



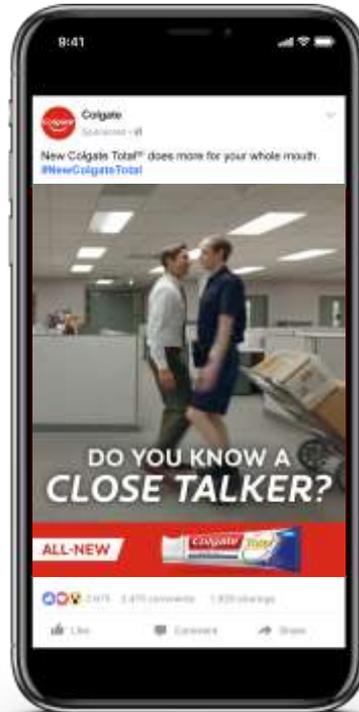
Teasers on Social



Winning in Post-game



Adapting TV to Digital



Product News

U.S. Relaunch Campaign To Date

- 4B impressions
- 380 placements

Roll-out

Started shipping in October 2018

On shelf in 95% of markets
in H1 2019



Driving Our Core Businesses to Accelerate Growth

- Advancing our core toothpaste portfolio

- Relaunching our Science Diet portfolio

Hill's Science Diet

- Almost half of Hill's business globally
- Available in over 80 countries
- #1 recommended by U.S. veterinarians

Hill's Science Diet Relaunch

- Enhanced ingredient profile, taste and kibble size
- Improve pricing in all markets
- Optimize pack sizes with focus on eCommerce packaging
- Improve portfolio mix with emphasis on Small Paws and Specialty segments
- Elevate brand purpose to emphasize brand identity

Impactful Brand Experiences

- Make science more relatable

A close-up, slightly blurred photograph of a dog's head and front legs as it eats from a white ceramic bowl. The bowl is placed on a light-colored wooden table. The dog has white fur with some darker patches. The background is out of focus, showing a wooden floor and a white wall. The overall lighting is warm and soft.

**SCIENCE IS
AT THE HEART OF
BIOLOGY-BASED
NUTRITION**

Impactful Brand Experiences

- Make science more relatable
- Bring brand purpose to life on our packaging





Impactful Brand Experiences

- Make science more relatable
- Bring brand purpose to life on our packaging
- Simplify messaging



INTRODUCING THE NEW HILL'S SCIENCE DIET

Back Panel Messaging



“Goodness Box”

 U.S. VETERINARIANS' #1 RECOMMENDED Veterinarios de EE. UU. #1 marca recomendada Veterinarios Americanos #1 marca recomendada	 PROUD TO HAVE HELPED 9 MILLION SHELTER PETS FIND A FOREVER HOME & COUNTING	For de soutien 9 millions d'animaux domestiques trouver une maison pour toujours et compter Orgulho de apoiar a 9 milhões de animais refugio encontrar un hogar para siempre y contar	
CHICKEN ingredient #1 Ingrediente de pollo #1 Puede # 1 ingrediente	NATURAL ingredients Ingredientes naturales Ingredientes naturales	NO chicken by-product meal SIN harina de subproducto de pollo AUCUN repas de sous-produit de poulet	CLINICALLY PROVEN antioxidants, Vitamin C+E, for a healthy immune system Antioxidantes clinicamente probados para un sistema inmunológico saludable Antioxidantes clinicamente prouvés pour un système immunitaire sain

In-store Retail Execution



Customer Support



- Excited and committed
- Support at shelf, out of store and online

Roll-out

Shipping now in U.S.

Full launch in April

Global markets to follow



Transforming A Core Brand

- Science Diet trends already improving behind advertising
- Improve product offering to drive premiumization
- Expand offerings to appeal to more pet parents
- Invest to drive growth behind brand purpose

Five Key Focus Areas

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Premium Naturals: Oral Care



In over 75 markets with more to come in 2019

Premium Naturals: Personal Care



Premium Naturals: Personal Care



Expanding the Base in Home Care



Kids: New Colgate Magik



1st manual toothbrush to use augmented reality to teach kids better brushing



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elmex/meridol Expansion



elmex – China and Brazil



OrthoGard/PerioGard – Brazil



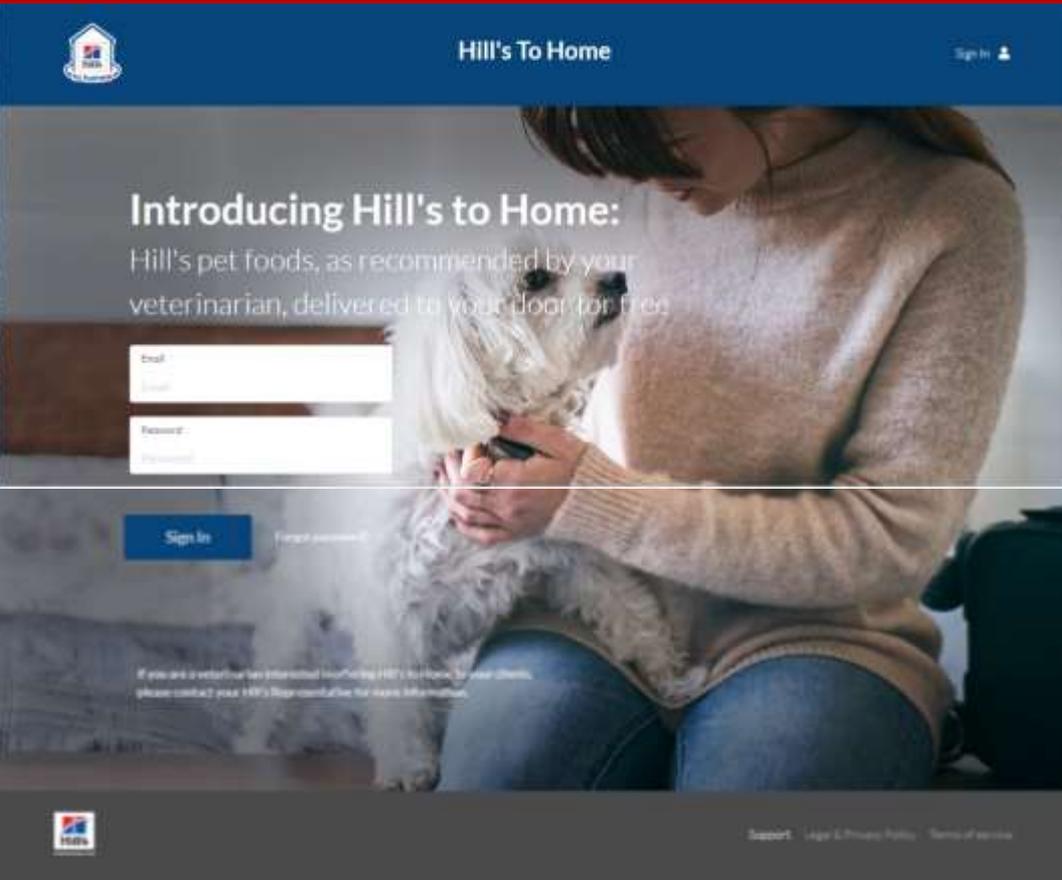
Tom's of Maine – China



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Hill's to Home (U.S.)



Innovative, eCommerce service allowing vets to offer free home delivery, subscription discounts and, importantly, continued engagement to ensure ongoing care



WEIGHT LOSS IN THE REAL WORLD

96% OF DOGS LOST WEIGHT
IN TWO MONTHS AT HOME.

LEARN MORE ▶



Also available for cats



Register New Pet Parent



Select Existing Pet Parent Account



Create a Nutrition Plan

Benefits

- Protects and strengthens relationship with vets
- Vet continues to own the relationship without extra work or inventory
- Convenience and ease of eCommerce, with free shipping
- Subscription drives compliance, resulting in better health outcomes and better results for the vet and Hill's

Direct-to-Consumer



- First major DTC launch with high end teeth whitening device (US Q1)
- Manual Connected Toothbrush subscription test market in France

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Bright Smiles, Bright Futures

- Worldwide Community Health Initiative
- Provides children world-wide with free dental screenings and oral health education



Reach

- One billion kids to date
- Goal: 1.3 billion kids by 2020





Five Key Focus Areas

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Changing Innovation at Colgate



Maria Paula Capuzzo

VP & General Manager

Brazil

Global Journey



**● TP Category Manager
Brazil**

Global Journey



***Oral Care Category Manager
Central America***

Global Journey



***Marketing Director
Central America***

Global Journey



***General Manager
Guatemala***

Global Journey



***General Manager
Latin America CIC***

Global Journey



***VP, Marketing
Latin America Division
New York***

Global Journey



**VP and GM
Brazil**

Innovation for Growth

- Rapidly changing people and environment
- Colgate is working differently
- Setting the path for our future

Growth Opportunity

- Step up innovation effectiveness and accelerate growth
- Drive agility

New Mindset, New People

Curious



Demanding

Impatient

New Reality Demands Innovation Reset

- Faster
- Visual
- Authentic and culturally relevant
- Iterative (working prototypes)

We Reimagined Our Innovation Process In Latin America

Seeing dramatic results in:

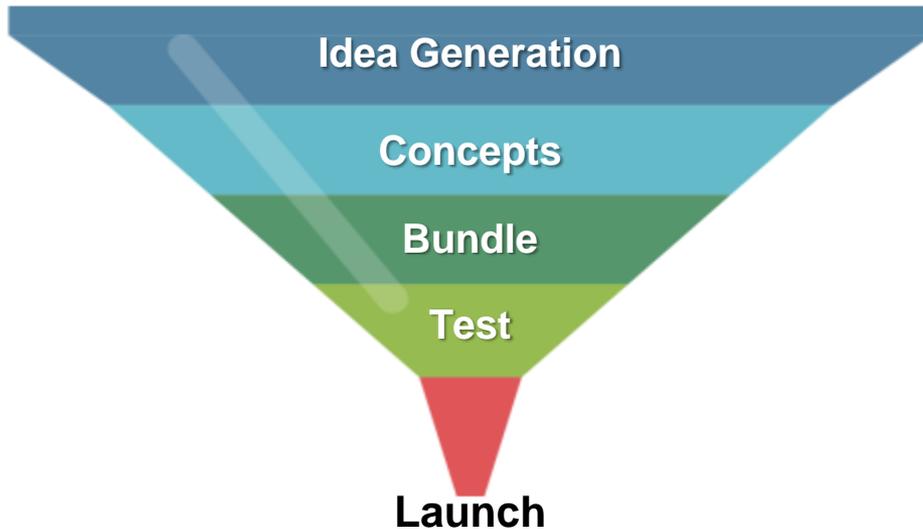
- New product development lead times
- New product incrementality
- Brand engagement

Innovation Reimagined

1. Deconstructed and reconstructed our innovation process

BEFORE

Standard Five-Stage Innovation Funnel



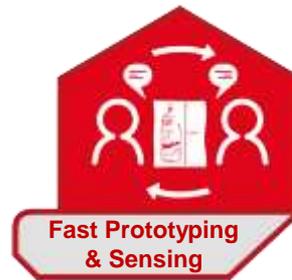
AFTER

Fit to purpose – Design Thinking, agility and people-centricity



Innovation Reimagined

1. Deconstructed and reconstructed our innovation process
2. Conducted extensive external benchmarking
3. Built a new innovation agility framework



Idea Bank



Idea Bank

- Mining our historical data leveraging artificial intelligence



Find Trends



Discover Gaps



Learn



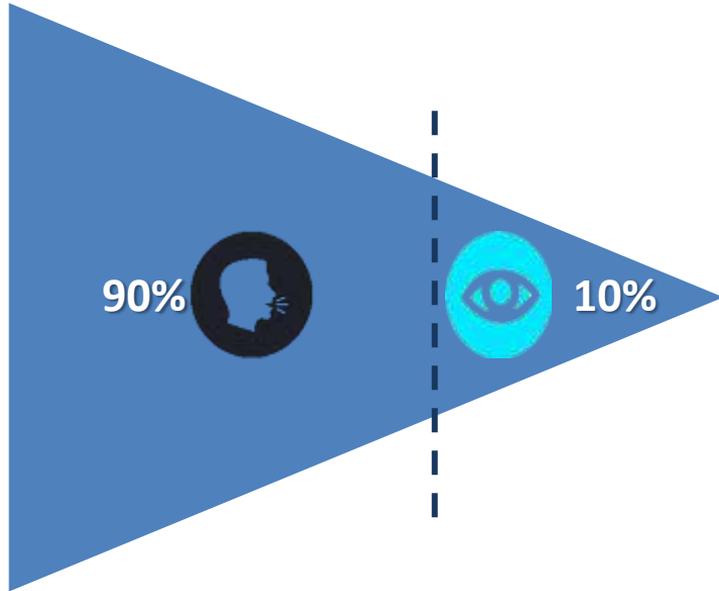
Repurpose to Win

Fast Prototyping/Sensing

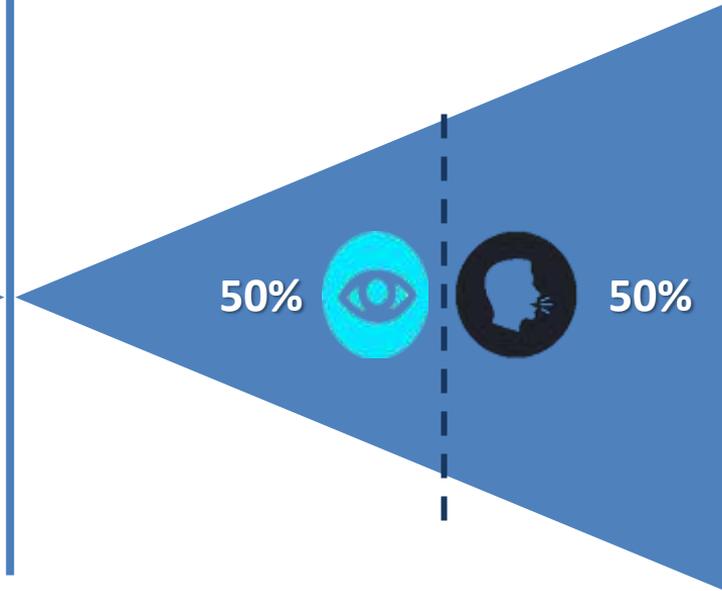


Fast Prototyping
& Sensing

BEFORE



AFTER



Fast Prototyping



Fast Prototyping
& Sensing



Latin America
Sketchers Pool

Impact to Date

Number of Projects	-33%
Innovation Profile	From line extensions to new platforms/adjacencies
Top-Scoring Concepts	Tripled success rates
New Product Net Sales	+30%, incrementality boosted

Faster New Product Development



>18
months



6–12
months

Bringing the Framework to Life

- Developing brand growth plans
- Creating distinctive assets
- Improving visualization

Improved Visualization



Flexibility, Personalization: 50+ designs, 1 SKU

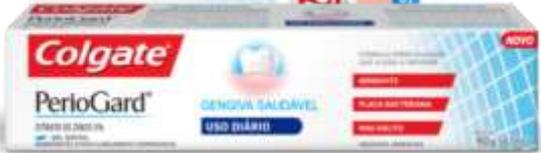
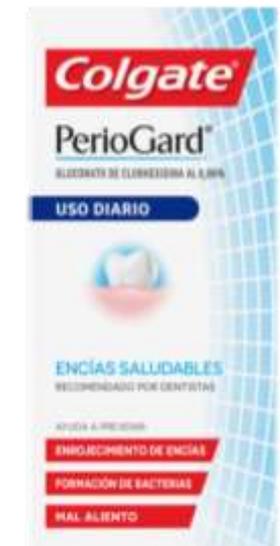
“Analyst Barbie”



Growth Areas

- Retail environment expansion
- Adjacencies

Colgate Pharma Line



Naturals



Protex Face



We Are Innovating Differently

- Driving growth in our core businesses and new adjacencies
- Staying ahead of behaviors and trends
- Upgrading our processes and capabilities
- Operating in a more agile fashion than ever

Our Priorities

- Driving Organic Sales Growth

- Maximizing Productivity across the P&L

- Effective Deployment of Cash Flow

- Leading to Win

Maximizing Productivity Across the P&L

- Global Growth and Efficiency Program
- Funding the Growth

Global Growth and Efficiency Program

- Savings are projected to be in the range of \$550–575MM after-tax, once all projects are approved and implemented
- Rate of return greater than 30%
- Payback averaging 3–4 years

Program Status

\$MM After Tax

	<u>2012-2017A</u>	<u>2018A</u>	<u>2019E/2020E</u>	<u>Full Program (Est.)</u>
Savings	\$353	\$106	\$90-115	\$550-575
One-time Costs	\$1,154	\$124	\$70-100	\$1,350-1,380

* Costs are through 2019 (program end date)

Maximizing Productivity Across the P&L

- Global Growth and Efficiency Program

- Funding the Growth

Funding the Growth Overview

- Key component of Colgate's financial strategy
- Sustained global process with systematic tracking of savings initiatives
- Generates funds to reinvest in the business for growth
- Deeply ingrained way of working that gives Colgate a competitive advantage

Mexico: Fully Automated Liquid Cleaners Line



- Speed increase: 44%
- Projected conversion cost reduction: 32%
- Started 3Q 2018

Our Priorities

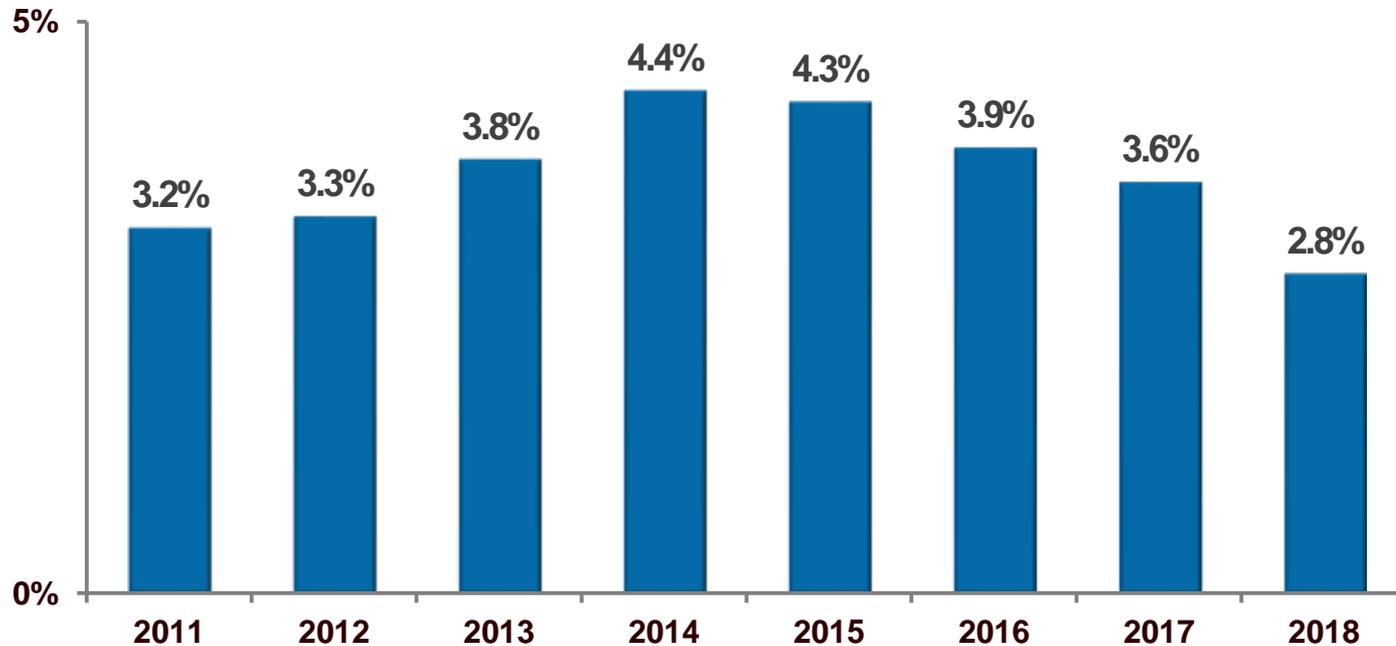
- Driving Organic Sales Growth
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Effective Deployment of Cash Flow

- Capital expenditure for growth and savings

Capital Expenditures

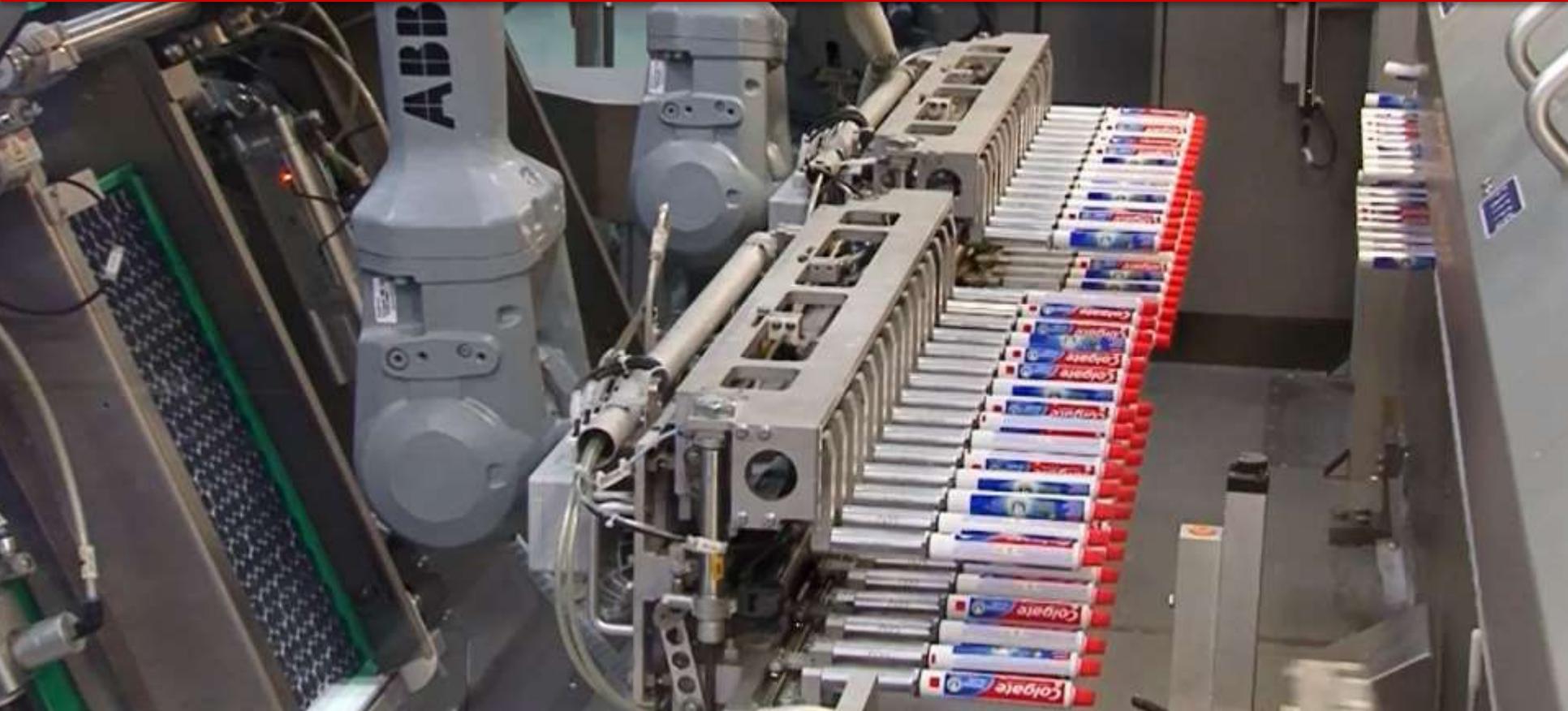
% to Sales



State-of-the-Art Toothbrush Lab



High-Speed Manufacturing Lines



Hill's – Pet Nutrition Center Expansion



Technology Center – Solar Panels



Cost-Saving Capital Spending

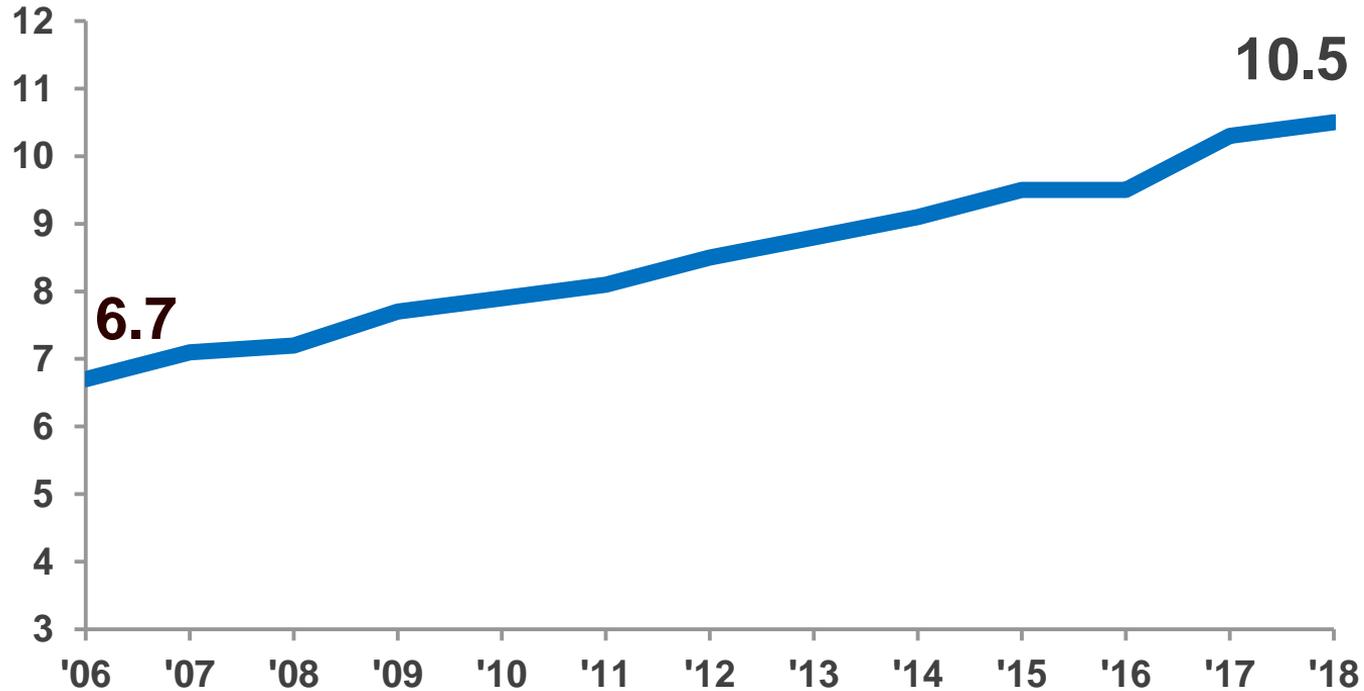
(\$MM)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
After-Tax IRR	69%	56%	71%	70%	52%	45%	64%	54%

Effective Deployment of Cash Flow

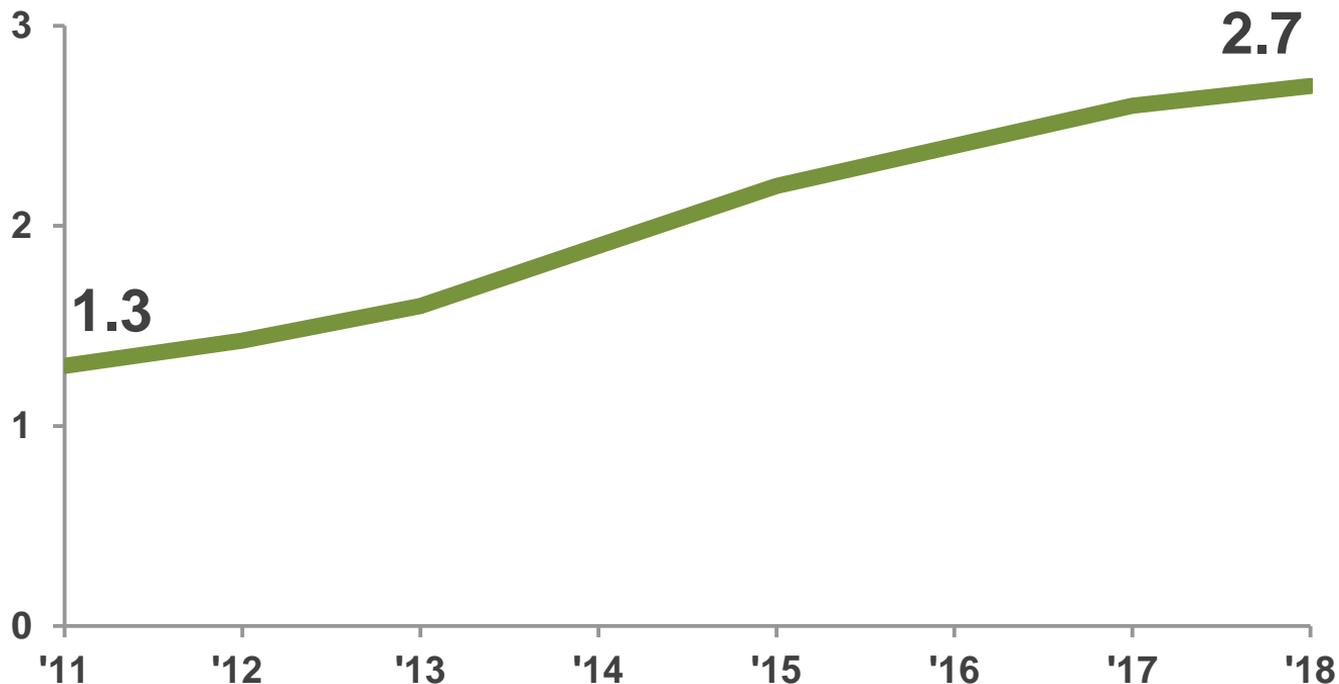
- Capital expenditure for growth and savings
- Acquisitions
 - GABA (2004)
 - Tom's of Maine (2006)
 - Sanex (2011)
 - PCA Skin (2018)
 - EltaMD (2018)

GABA Market Share

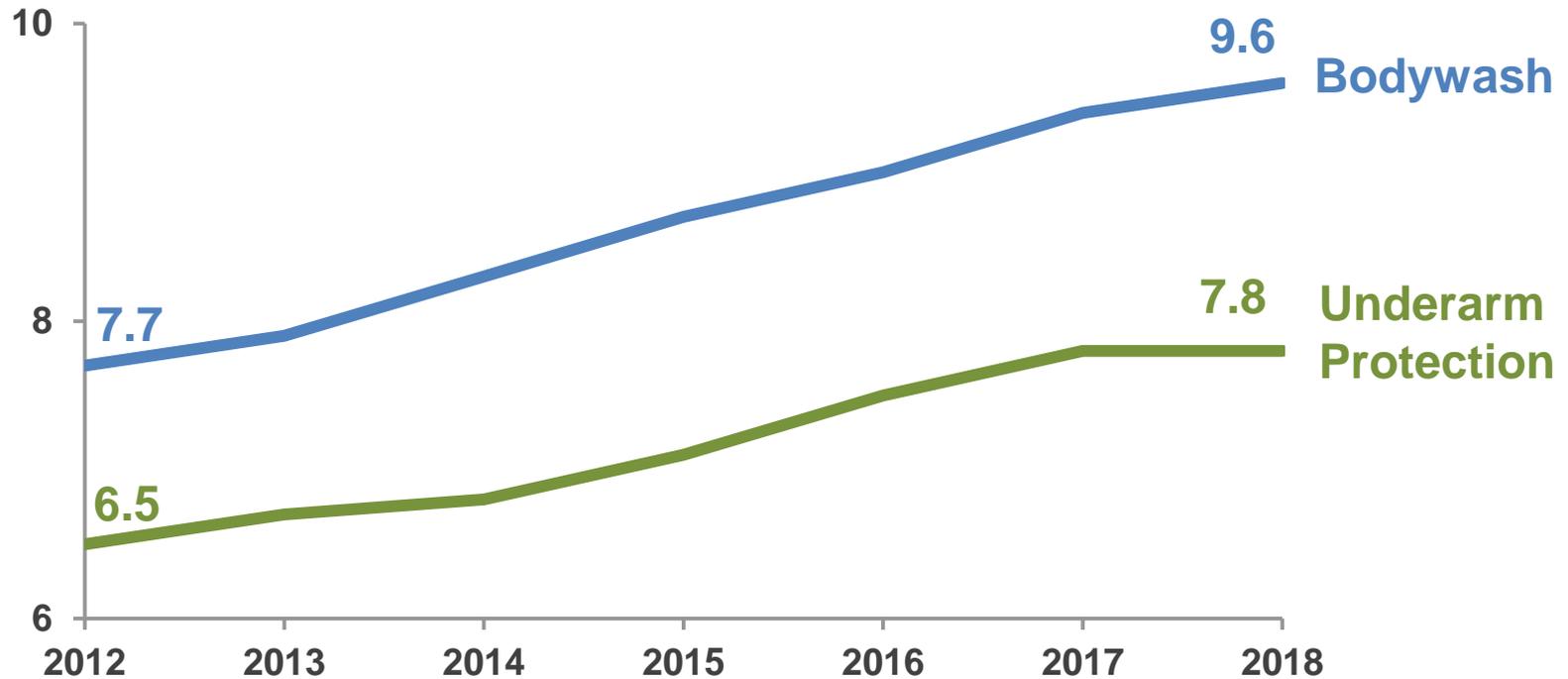


Nielsen: Includes elmex/meridol TP, MTB and MW

Tom's Toothpaste Market Share



Sanex Market Shares



Effective Deployment of Cash Flow

- Capital expenditure for growth and savings
- Mergers and acquisitions
- Dividends

Dividends Paid



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Colgate Values

- Caring
- Continuous Improvement
- Global Teamwork

A young girl with dark hair, wearing a white bucket hat with a small floral emblem and a white long-sleeved dress with a colorful floral pattern, is standing outdoors. She is looking towards the camera with a slight smile while washing her hands under a stream of water from a public water tap. The tap is mounted on a wooden post. The background is a bright, sunny outdoor setting with a clear blue sky and some distant structures. A large red circular graphic is overlaid on the left side of the image, containing the main text.

Building a Future to Smile About

COLGATE CORPORATE
SOCIAL RESPONSIBILITY
AND SUSTAINABILITY
REPORT 2017

www.colgatepalmolive.com

Colgate's Sustainability Commitments

2015 – 2020

People



Helping
Colgate
People and
Their Families
Live Better



Contributing
to the
Communities
Where We Live
and Work



Performance



Delighting
Consumers and
Sustaining Our
World with Our
Brands



Planet



Making
Every Drop
of Water
Count



Reducing
Our Impact
on Climate
and the
Environment



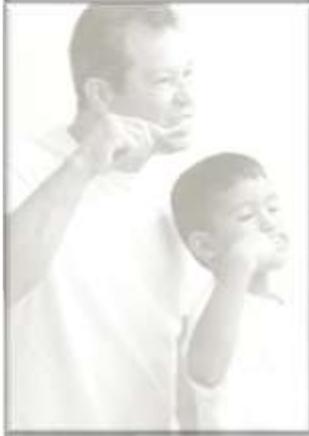
Colgate's Sustainability Commitments

2015 – 2020

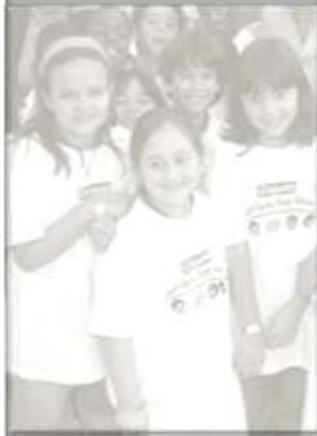
People



Helping
Colgate
People and
Their Families
Live Better



Contributing
to the
Communities
Where We Live
and Work



Performance



Delighting
Consumers and
Sustaining Our
World with Our
Brands



Planet



Reducing
Our Impact
on Climate
and the
Environment



Plastic Packaging Responsibility



ELLEN MACARTHUR
FOUNDATION



NEW
PLASTICS
ECONOMY

**100% reusable, recyclable
or compostable plastic
packaging by 2025**

FOLLOW THEIR LEAD



COLGATE-PALMOLIVE COMPANY



Nestlé

Walmart 



Unilever



PEPSICO

Our 2025 Commitments

- 100% recyclable (reusable, compostable)
in all categories
- 25% recycled content for plastics
(average all plastics)
- Eliminate problematic and unnecessary plastics

Our Priorities

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