

Colgate-Palmolive Company

Non-GAAP Reconciliations

For the Three Months Ended June 30, 2020 and 2019

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

	2020	2019	
Gross Profit			
Gross profit, GAAP	\$ 2,369	\$ 2,308	
Global Growth and Efficiency Program	—	(3)	
Gross profit, non-GAAP	<u>\$ 2,369</u>	<u>\$ 2,305</u>	
Gross Profit Margin			Basis Point Change
Gross profit margin, GAAP	60.8 %	59.7 %	110
Global Growth and Efficiency Program	— %	(0.1)%	
Gross profit margin, non-GAAP	<u>60.8 %</u>	<u>59.6 %</u>	<u>120</u>
Selling, General and Administrative Expenses			
Selling, general and administrative expenses, GAAP	\$ 1,395	\$ 1,369	
Global Growth and Efficiency Program	—	(10)	
Selling, general and administrative expenses, non-GAAP	<u>\$ 1,395</u>	<u>\$ 1,359</u>	
Selling, General and Administrative Expenses as a Percentage of Net Sales			Basis Point Change
Selling, general and administrative expenses as a percentage of Net sales, GAAP	35.8 %	35.4 %	40
Global Growth and Efficiency Program	— %	(0.2)%	
Selling, general and administrative expenses as a percentage of Net sales, non-GAAP	<u>35.8 %</u>	<u>35.2 %</u>	<u>60</u>
Other (Income) Expense, Net			
Other (income) expense, net, GAAP	\$ 28	\$ 51	
Global Growth and Efficiency Program	—	(33)	
Other (income) expense, net, non-GAAP	<u>\$ 28</u>	<u>\$ 18</u>	
Operating Profit			% Change
Operating profit, GAAP	\$ 946	\$ 888	7 %
Global Growth and Efficiency Program	—	40	
Operating profit, non-GAAP	<u>\$ 946</u>	<u>\$ 928</u>	<u>2 %</u>
Operating Profit Margin			Basis Point Change
Operating profit margin, GAAP	24.3 %	23.0 %	130
Global Growth and Efficiency Program	— %	1.0 %	
Operating profit margin, non-GAAP	<u>24.3 %</u>	<u>24.0 %</u>	<u>30</u>
Non-Service Related Postretirement Costs			
Non-service related postretirement costs, GAAP	\$ 20	\$ 27	
Global Growth and Efficiency Program	—	(2)	
Non-service related postretirement costs, non-GAAP	<u>\$ 20</u>	<u>\$ 25</u>	

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		2020					
		Income Before Income Taxes	Provision For Income Taxes ⁽¹⁾	Net Income Including Noncontrolling Interests	Net Income Attributable To Colgate-Palmolive Company	Effective Income Tax Rate ⁽²⁾	Diluted Earnings Per Share
As Reported GAAP		\$ 891	\$ 216	\$ 675	\$ 635	24.2 %	\$ 0.74
Non-GAAP		\$ 891	\$ 216	\$ 675	\$ 635	24.2 %	\$ 0.74
		2019					
		Income Before Income Taxes	Provision For Income Taxes ⁽¹⁾	Net Income Including Noncontrolling Interests	Net Income Attributable To Colgate-Palmolive Company	Effective Income Tax Rate ⁽²⁾	Diluted Earnings Per Share
As Reported GAAP		\$ 823	\$ 205	\$ 618	\$ 586	24.9 %	\$ 0.68
Global Growth and Efficiency Program		42	11	31	31	0.1 %	0.04
Non-GAAP		\$ 865	\$ 216	\$ 649	\$ 617	25.0 %	\$ 0.72

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.