

# **Colgate-Palmolive Company**

***Consumer Analyst Group  
of New York***

***February 19, 2021***



**Noel Wallace**

*Chairman, President and  
Chief Executive Officer*

February 2021

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, 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 [www.colgatepalmolive.com](http://www.colgatepalmolive.com).

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 Statement" in the Company's Annual Report on Form 10-K for the year ended December 31, 2020 and subsequent Quarterly Reports on Form 10-Q). 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 by request from the Company's Investor Relations Department.

# *With Me Today*



Pat Verduin, PhD

*Chief Technology Officer*

*Today*

***Our Focused Strategy***



# Personal Care



# Home Care





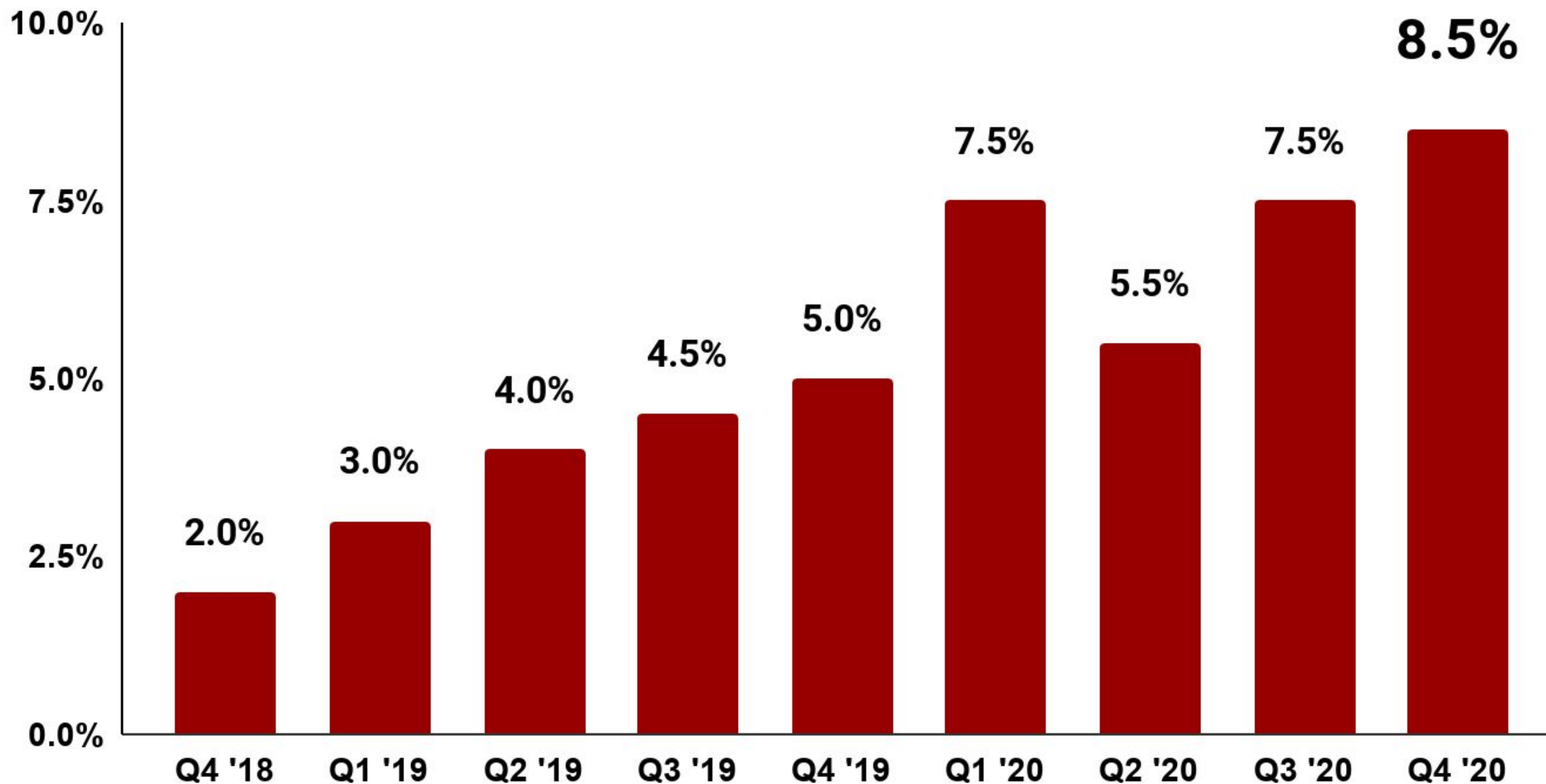
# Pet Nutrition



# ***In 2020, We:***

- **Focused on keeping our people safe**
- **Kept our supply chain up and running**
- **Delivered best annual organic sales growth since 2008**
- **Delivered high-single-digit base business EPS growth despite Fx**
- **Invested in brands and capabilities for future growth**

# Organic Sales Growth Momentum



Net sales growth excluding the impact of foreign exchange, acquisitions and divestments

# ***Broad-Based Organic Sales Growth***

- **Another step towards our goal of sustainable, profitable growth**
- **Delivered pricing and volume growth**
- **Growth in every division**
- **Growth in developed and emerging markets**
- **Growth in all four categories**

# ***What We Said on Q4 Call***

- **Our investment choices are delivering growth**
- **Believe right strategies in place to deliver long-term profitable growth**
- **Expect high levels of uncertainty due to impacts of the COVID-19 pandemic, as well as volatility in raw material and logistics costs and foreign exchange**

# ***What We Said About 2021***

- **Organic sales growth: 3-5%**
- **Net sales growth: 4-7%**
- **Gross profit margin up year-over-year**
- **EPS growth\* of mid-to-high single digits**

*\*Base Business*

# ***Our 2021 Priorities***

- **Deliver more breakthrough and disruptive innovation**
- **Continue to build capabilities to increase our effectiveness**
- **Deliver on pricing and productivity to drive margins while funding investment**

# ***Our Discussion Today***

- **Driving Organic Sales Growth**
- **Maximizing Efficiency In Our P&L**
- **Effective Deployment of Cash Flow**
- **Demonstrating Our Purpose**



# ***Growth Drivers***

- **Accelerating growth through improved brand building and core innovation**
- **Innovating to gain share in high growth segments and adjacencies**
- **Expanding in new channels and markets**
- **Maximizing growth online**
- **Investing to drive penetration in growing populations**

# *Growth Drivers*

**INNOVATION**

# *With Me Today*



Pat Verduin, PhD

*Chief Technology Officer*

# *Three Goals*

- **Drive consumer loyalty and lifetime value**
- **Deliver incremental growth**
- **Create a platform for new opportunities**

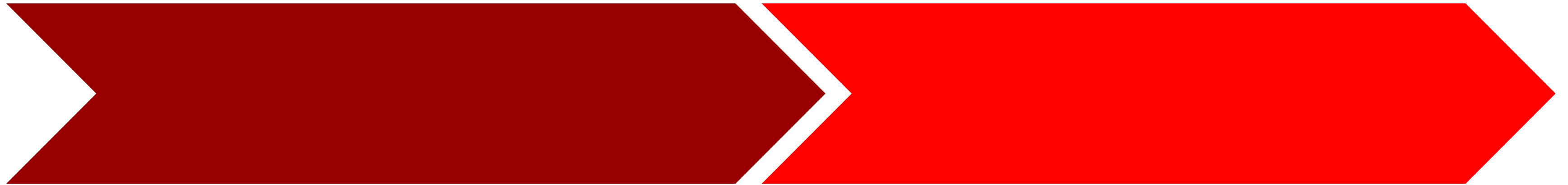
# *Our Historical Innovation*



**Line Extensions**

**Transformative  
/Disruptive  
Innovation**

# *Our Goal for Future Innovation*



**Line Extensions**

**Transformative  
/Disruptive  
Innovation**

***Balance our portfolio of opportunities***

# *Continuously Improving Our Culture and Capabilities*

- **Shift priorities to programs that drive incrementality**
- **Empower teams dedicated to disruptive innovation**
- **Apply new analytics/validation tools to improve speed**
- **Real-time optimization**

# *New Approaches*

- **Targeted trend tracking + deep consumer insights**



# Delivering Targeted Innovation



# Delivering Targeted Innovation



Specialized oral care for people with Diabetes

Proactive care is the key to managing diabetes better. And preventive dental care can help you in this quest too.<sup>1</sup> Because diabetes and oral health are closely interlinked.

“Pre-diabetics and diabetics have higher chances of developing gum diseases and those with gum disease have a higher chance of developing pre-diabetes and type-2 diabetes.”

- Scientific proceedings from "The Perio-Diabetes Symposium" published in The Journal of Indian Society of Periodontology, 2019

### Diabetes and Gum Disease

- 1 Diabetes increases your risk of gum infections<sup>2</sup>
- 2 Your body's defence system responds to the infections<sup>3</sup>
- 3 This can lead to complications in diabetes management<sup>3</sup>

Factoid: Did you know with diabetes you are 3 times more likely to get gum infections? British Diabetes Association<sup>4</sup>

**Prevent oral infections and break the cycle.**

The right oral care with other lifestyle changes can help you in overall Diabetes management<sup>5</sup>

- 1 Maintaining oral hygiene<sup>6</sup>
- 2 Reduces infection causing bacteria in the mouth<sup>6</sup>
- 3 Helps in overall Diabetes management<sup>6</sup>

# Tailoring to New Expectations

**Because we care**  
Because we care

- 80%** Biodégradable  
Biodégradable
- 95%** Natural Origin  
Natural Origin
- Vegan  
Vegan
- Production Responsible\*\*  
Production Responsible\*\*
- Actives from Sustainable Sourcing  
Actives from Sustainable Sourcing
- Bottle made of recycled plastic  
Bottle made of recycled plastic
- Séparé  
Séparé
- Recyclez bouteille et bouchon  
Recyclez bouteille et bouchon



**Colgate®**

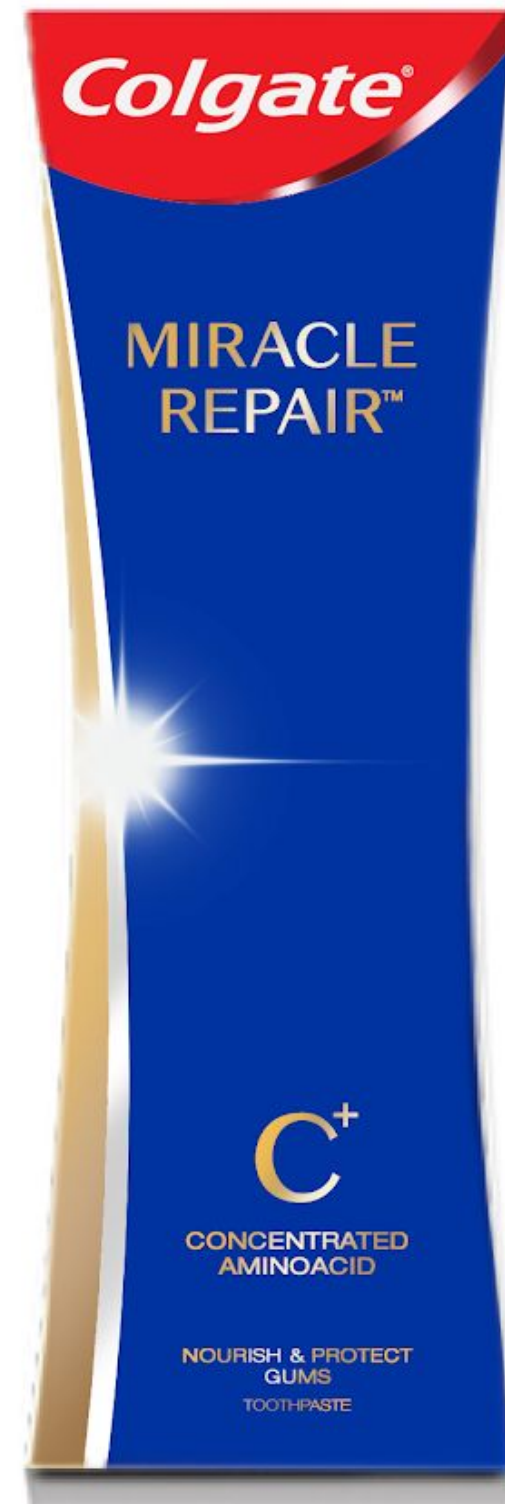
*The new addition to  
your Optic White daily  
whitening routine*



# *New Approach*

- Targeted trend tracking + deep consumer insights
- **Design-led innovation**

# *Expanding Our Reach*





# *Increasing Engagement for Healthier Outcomes*





# *New Approach*

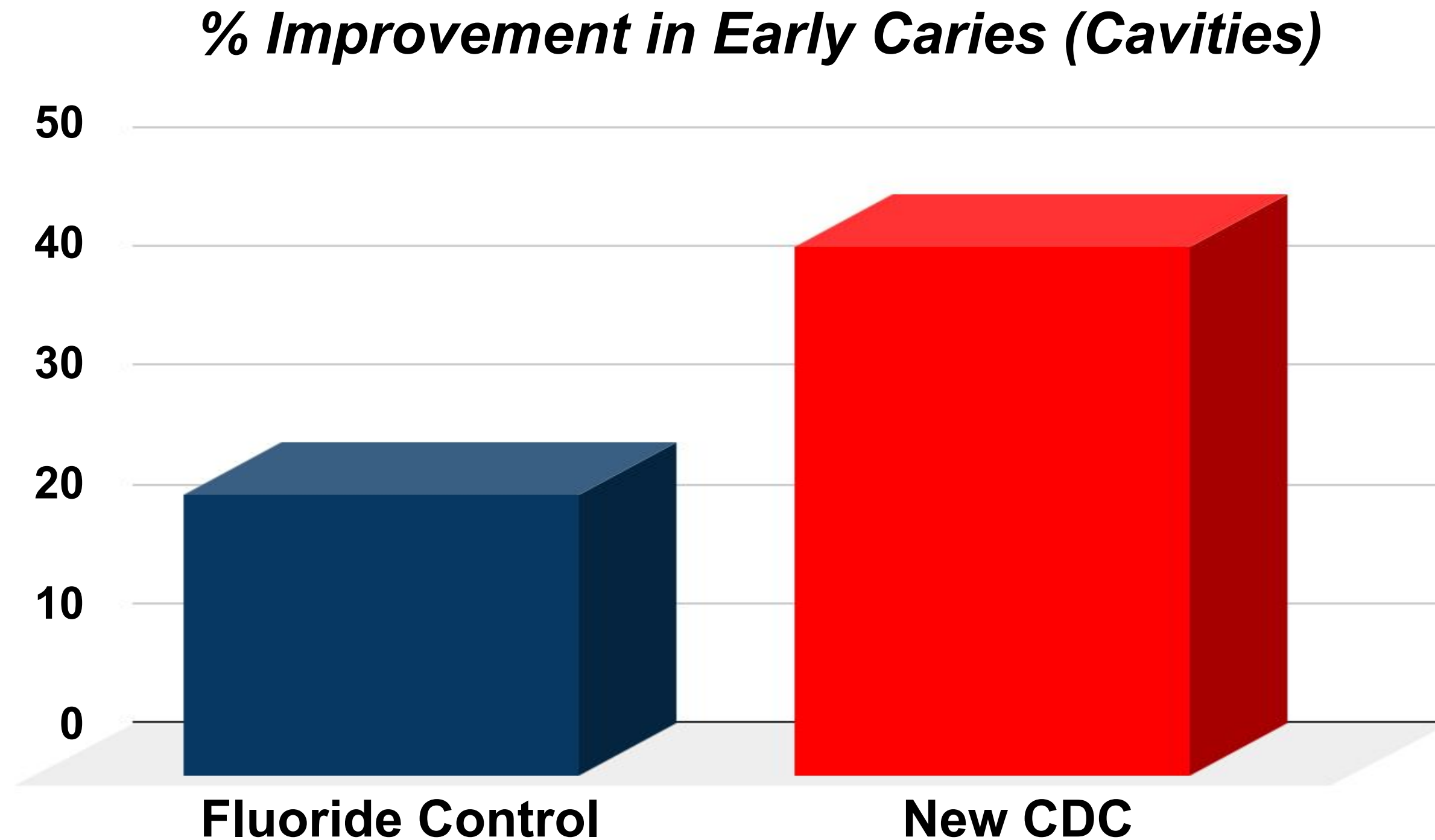
- Targeted trend tracking + deep consumer insights
- Design-led innovation
- **Best-in-class science applied to people-centric innovation**

# *Ensuring Best-in-Class Performance*



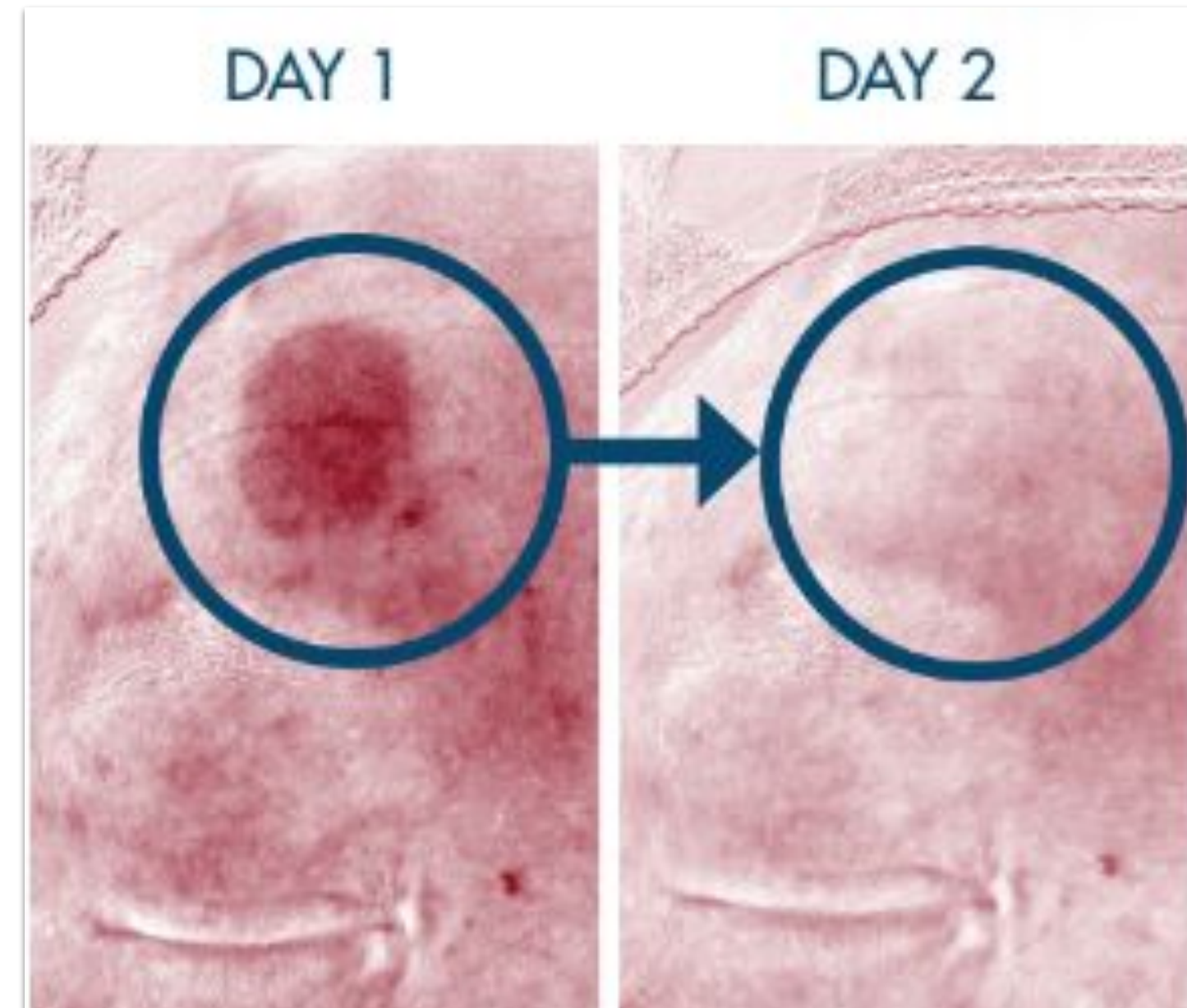
***Superior Science applied to the #1 global oral disease***

# *Ensuring Best-in-Class Performance*



*\*results from a 6 month study to assess improvement in white spot lesions using the QLF<sup>TM</sup> method vs. a regular fluoride toothpaste, both with 1450 ppm fluoride*

# *Ensuring Best-in-Class Performance*



In 24 hrs, after a single application  
Skin Recovery **visibly minimizes the appearance of redness & irritation** caused by skin damage

# Delivering Benefits in New Ways



**Sanex**  
BIOMEPROTECT

Trust your skin  
& boost its natural defences

**NEW**

Proprietary Prebiotic Complex  
Reinforces your skin's Microbiome

Keeps skin healthy

Learn more about microbiome

The advertisement features a close-up of human skin with a glowing, dotted line representing a microbiome. In the foreground, three bottles of Sanex Biomeprotect are shown: Sensitive Skin, Medical Skin, and Protector. The bottles are white with blue caps and labels.



**NEW**

**Hill's**  
SCIENCE DIET  
VETERINARIAN RECOMMENDED

**PERFECT POOP  
IN 7 DAYS**

With **NEW** Science Diet  
Perfect Digestion

**SPECIALTY** SPÉCIALITÉ / ESPECIALIDAD  
**PERFECT DIGESTION**  
ADULT 1-6  
ADULTE / ADULTO

Supports ultimate digestive well-being & healthy microbiome

CHICKEN, BROWN RICE & WHOLE OATS RECIPE

ACTIVBIOME+  
Supports ultimate digestive well-being & healthy microbiome

NOT ARTIFICIALLY PRESERVED. NO SYNTHETIC COLORS. NO ARTIFICIAL FLAVORS.

The advertisement features a brown and white dog looking happy with its tongue out. A large red circle with the word 'NEW' is overlaid on the dog's head. The background is red with a white swoosh. The text 'PERFECT POOP IN 7 DAYS' is written in large, bold, white letters. Below it, 'With NEW Science Diet Perfect Digestion' is written in smaller white text. The product bag is shown in the center, featuring the Hill's Science Diet logo and the Activbiome+ logo. The bag is white with a yellow and red label. The text 'SPECIALTY SPÉCIALITÉ / ESPECIALIDAD' and 'PERFECT DIGESTION ADULT 1-6 ADULTE / ADULTO' is visible on the bag. Below the bag, there is a small text box that says 'Supports ultimate digestive well-being & healthy microbiome' and 'CHICKEN, BROWN RICE & WHOLE OATS RECIPE'. At the bottom, there is a small text box that says 'NOT ARTIFICIALLY PRESERVED. NO SYNTHETIC COLORS. NO ARTIFICIAL FLAVORS.'

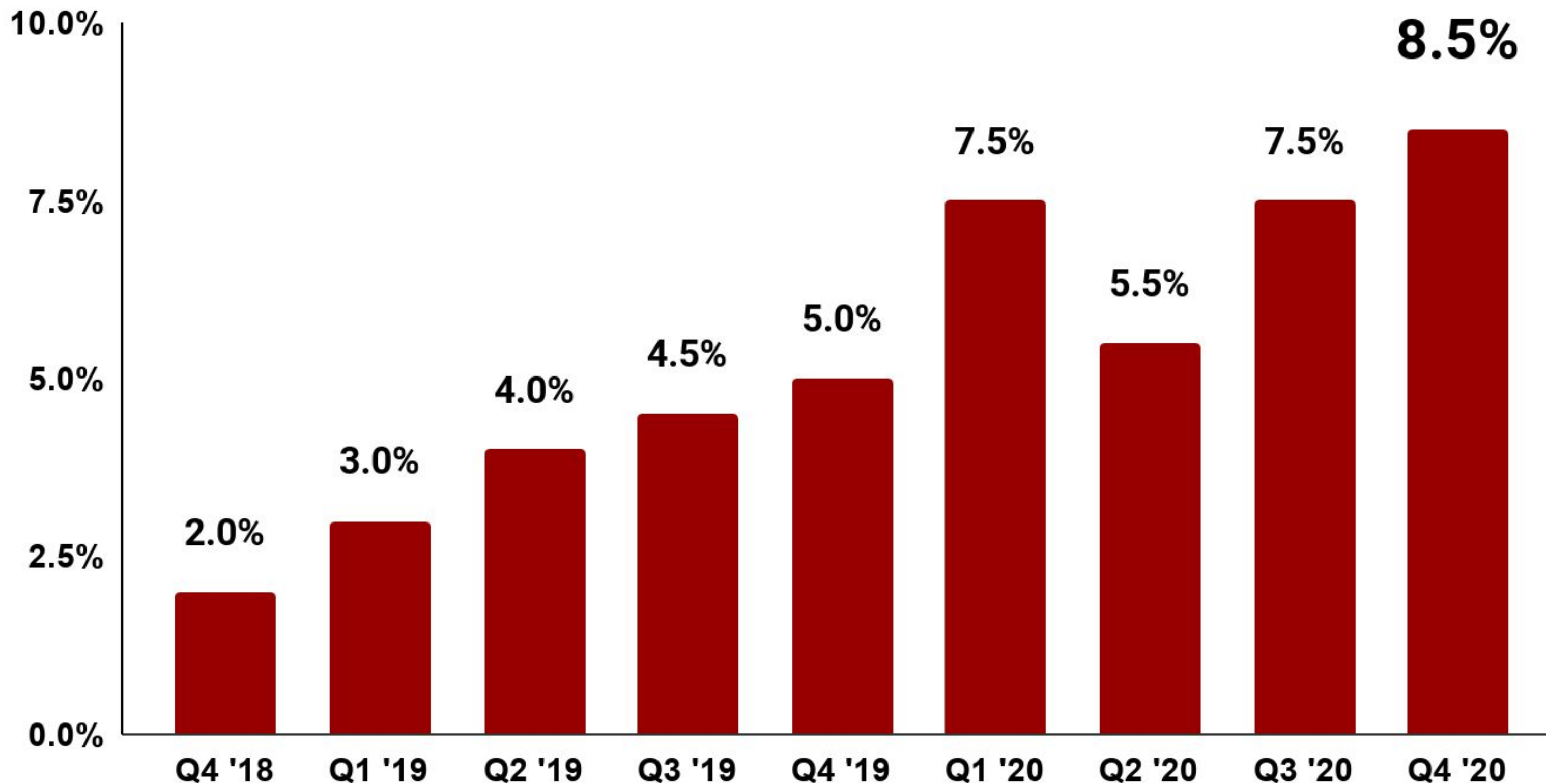
# ***New Approach***

- Targeted trend tracking + deep consumer insights
- Design-led innovation
- Best-in-class science applied to people-centric innovation
- **Sustainable solutions built into every product**

# Thinking Holistically



# *Organic Sales Growth Momentum*



Net sales growth excluding the impact of foreign exchange, acquisitions and divestments



# ***We Are Committed***

- **Fostering an ever evolving, always inspiring innovation culture**
- **Elevating experiences with our brands**
- **Truly delighting people with differentiated innovation**
- **Providing real benefits supported by real science**
- **Delivering incremental growth**

# ***Our Discussion Today***

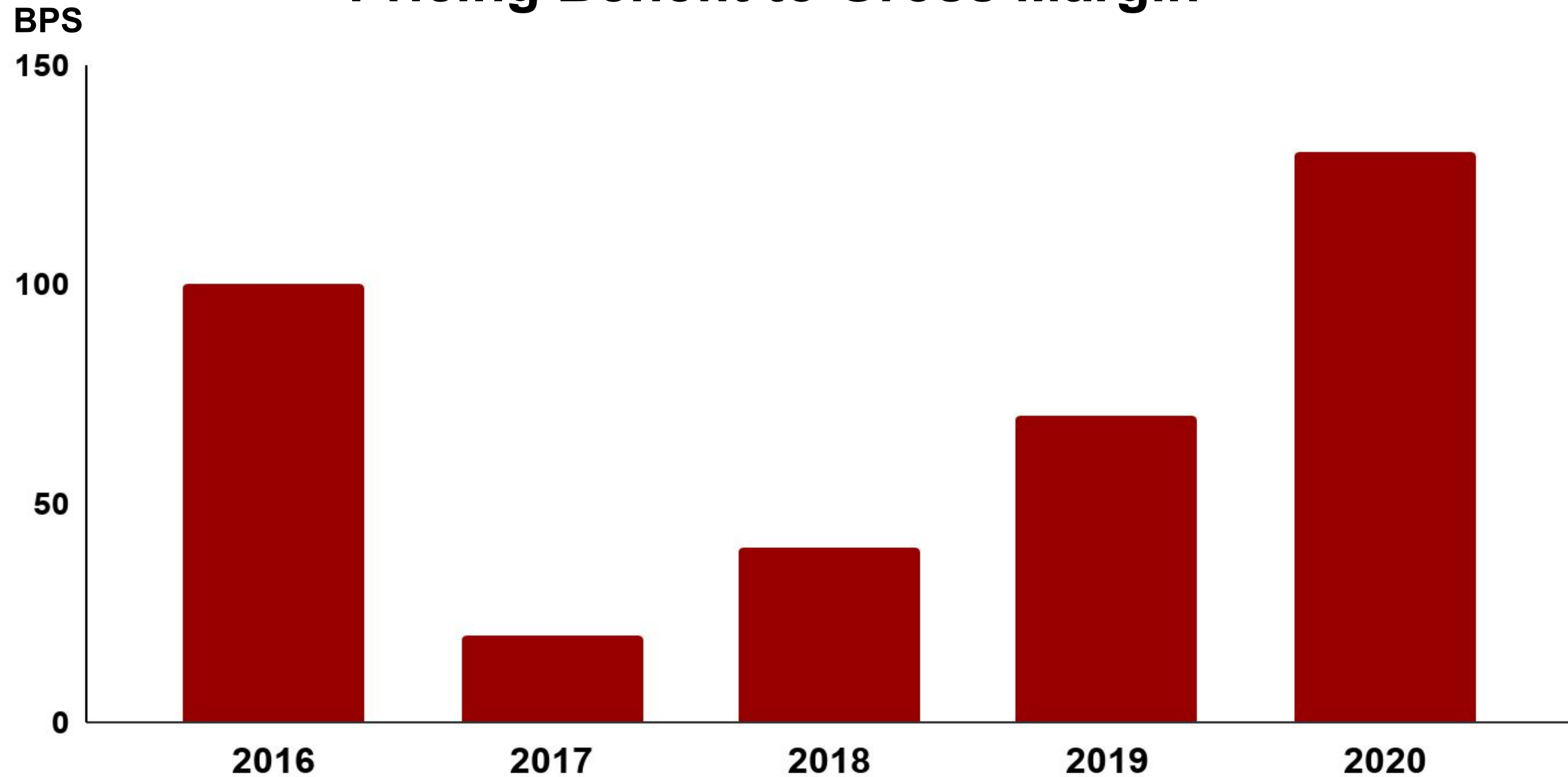
- **Driving Organic Sales Growth**
- **Maximizing Efficiency In Our P&L**
- **Effective Deployment of Cash Flow**
- **Demonstrating Our Purpose**

# *Delivering on Pricing*

- **Pricing is key to balanced growth**
- **Revenue growth management is working**

# *Driving Pricing Growth*

## Pricing Benefit to Gross Margin



# RGM in Brazil



## Key RGM Levers Drive Increased Average Selling Price

### Innovation



### Trade Up Large Sizes



### Promo Mix Optimization



Total 12 180g



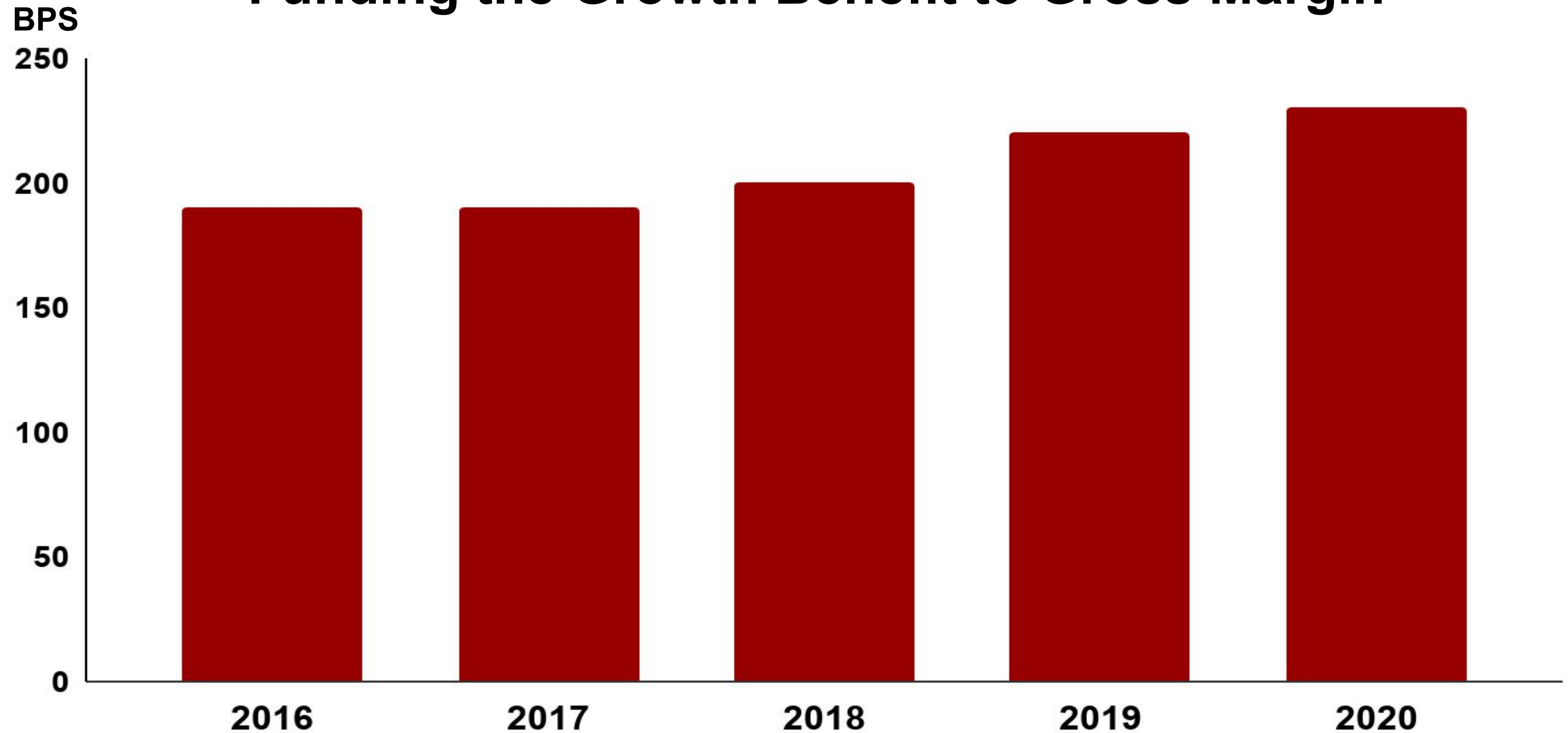
Total 12 2-pk 90g

# ***Productivity and Efficiency***

- **Pricing alone won't cover raw material inflation**
- **Funding the Growth is a key enabler**

# *Accelerating Funding the Growth*

## Funding the Growth Benefit to Gross Margin



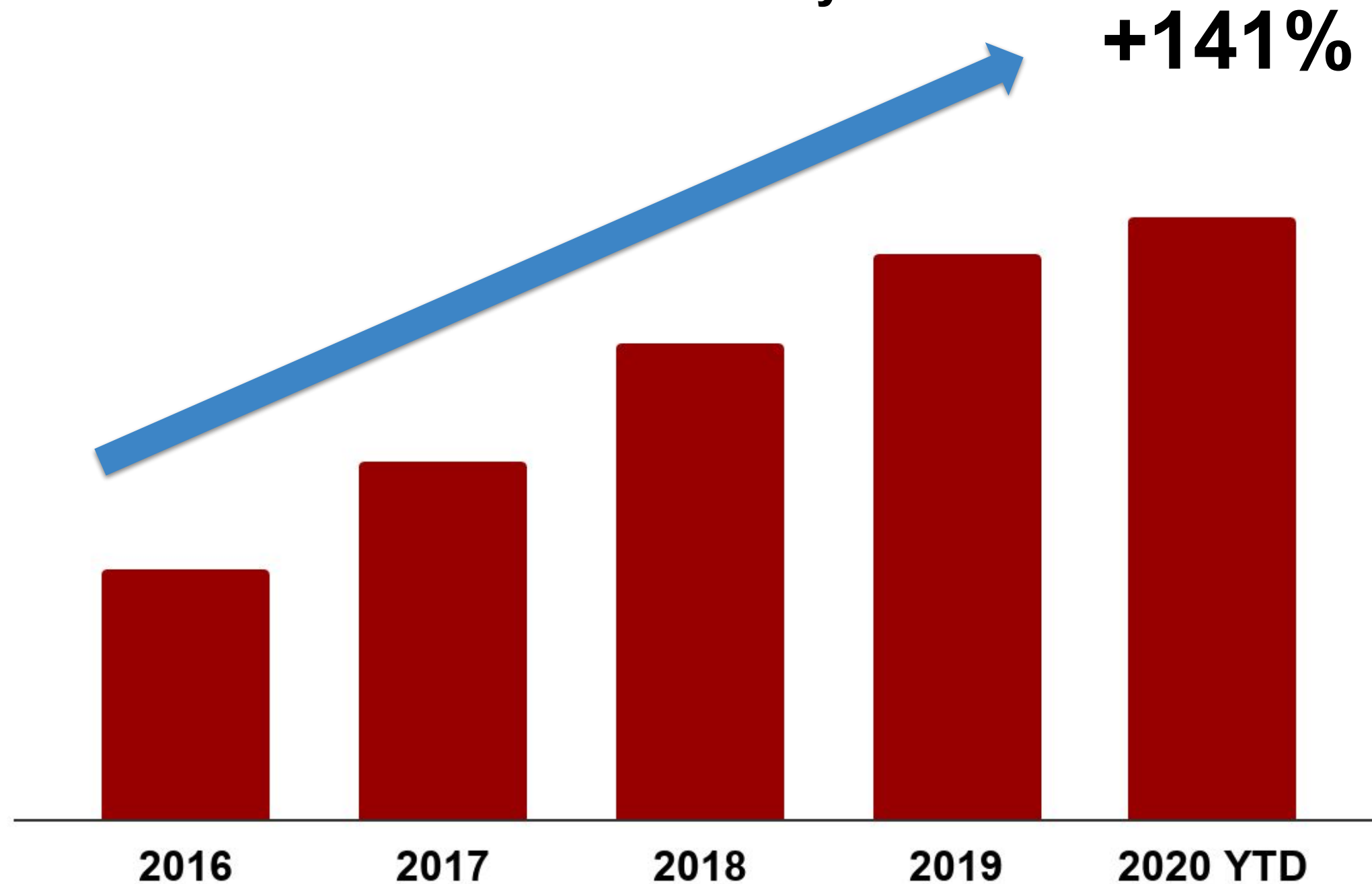
# *Driving Productivity in Media Spending*

- **Digital media increasing as a % of our spend, and driving increased returns**



# Digital Media Driving Increased Returns

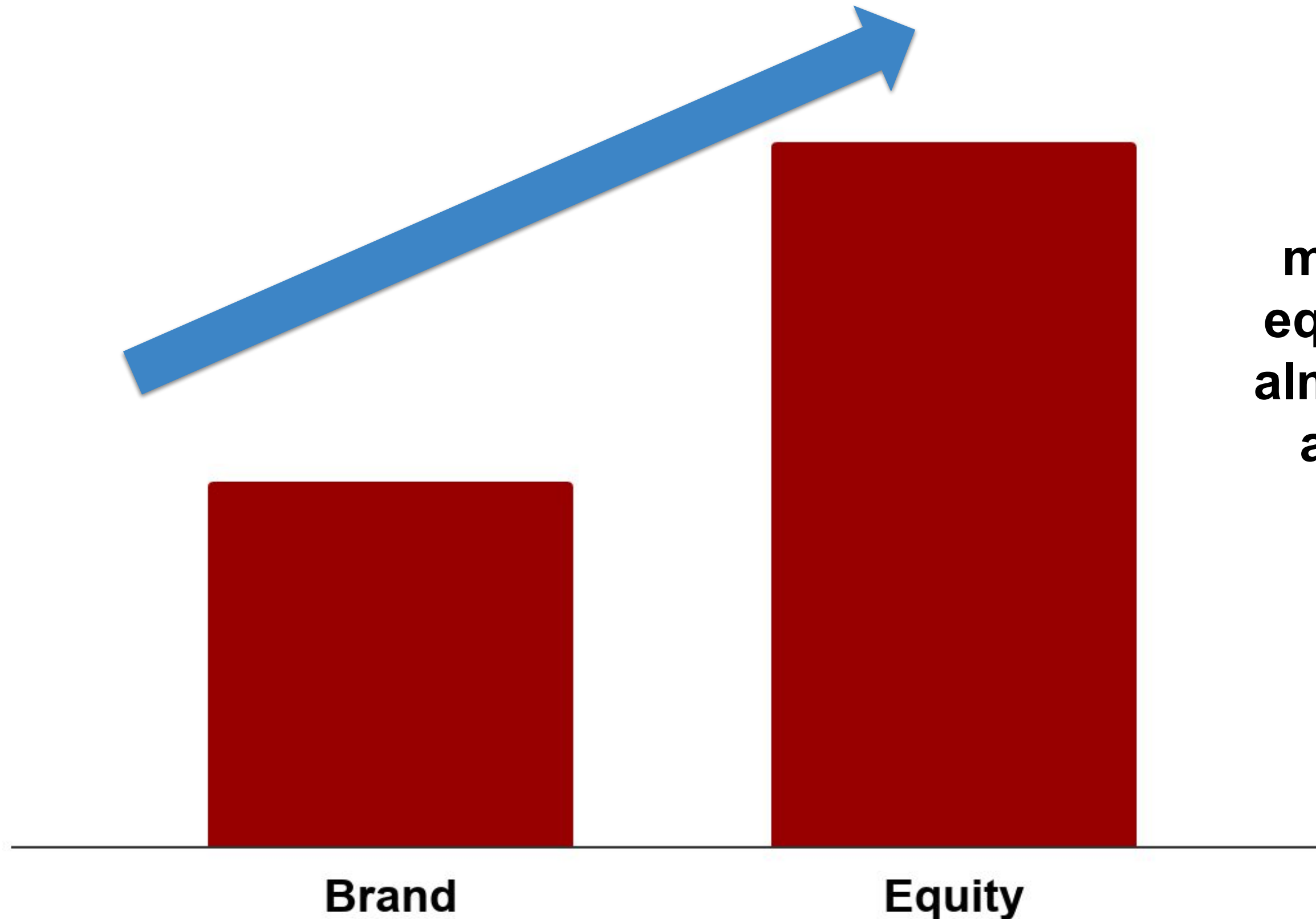
## Margin ROI - Science Diet Media Only



# ***Driving Productivity in Media Spending***

- **Digital media increasing as a % of our spend, and driving increased returns**
- **Driving subscription in eCommerce**
- **Equity advertising boosts entire portfolio**

# *Equity ROI vs. Brand Adv. ROI*



**In one of our largest markets, testing shows equity advertising drives almost 2x the lift of brand advertising- including toothbrushes and mouthwash**

Yesterday was

Monday

Today is

Tuesday

Tomorrow will be

Wednesday

**#SmileStrong**



# *Technology As A Productivity Driver*

- **SAP/S4 Hana**
- **Colgate Business Planning**
- **Predictive Analytics**
- **Virtual Tools**

# ***Our Discussion Today***

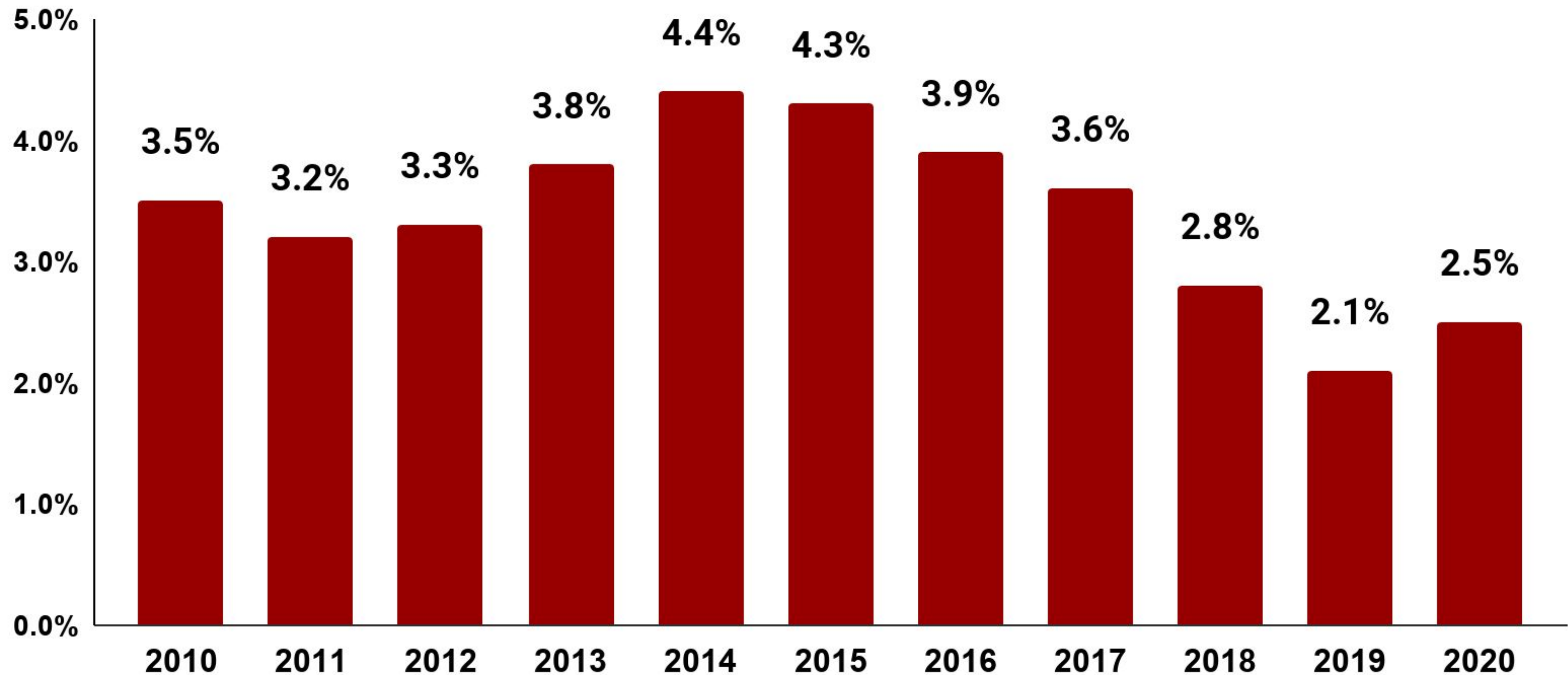
- **Driving Organic Sales Growth**
- **Maximizing Efficiency In Our P&L**
- **Effective Deployment of Cash Flow**
- **Demonstrating Our Purpose**

# ***Effective Deployment of Cash Flow***

- **Capital expenditure for growth and productivity**
- **Mergers and acquisitions**
- **Dividends and share repurchase**

# *Capital Expenditure*

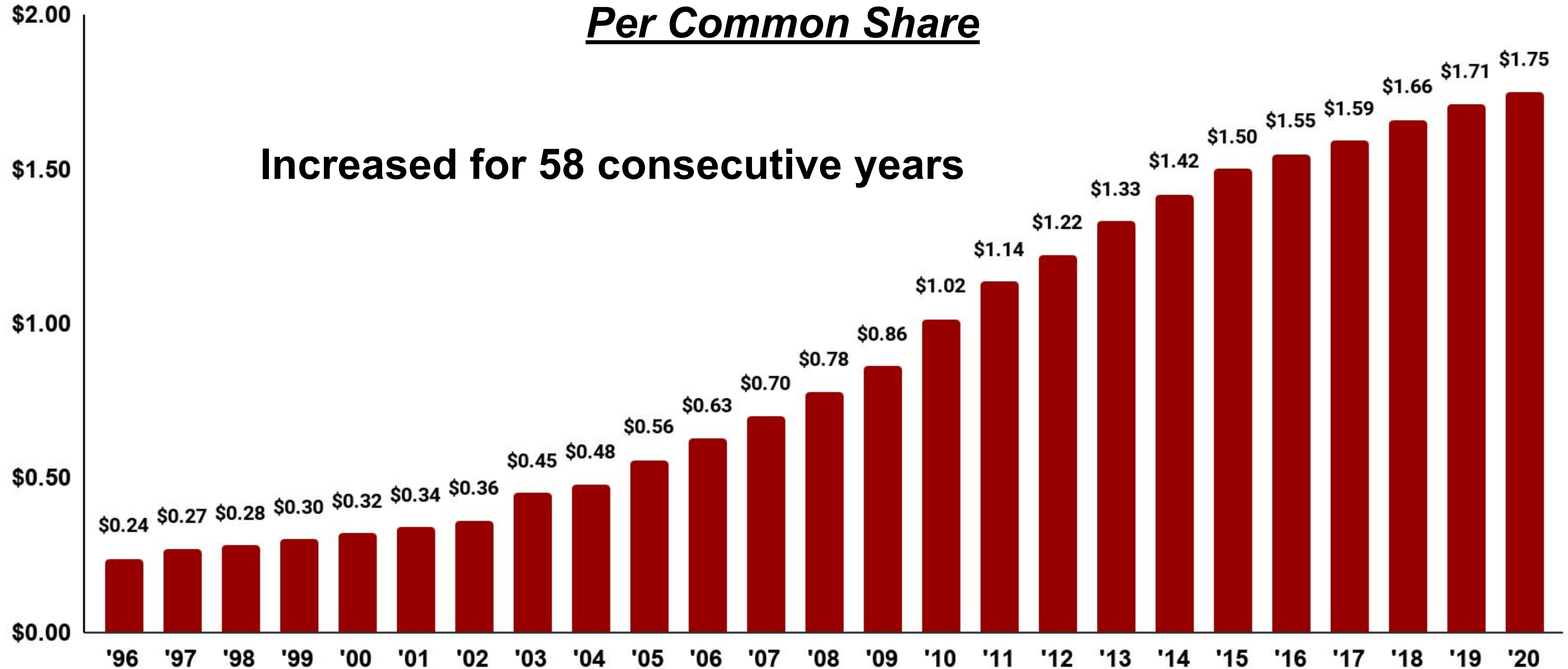
**% to Sales**





# *Dividends Paid*

## *Per Common Share*



*Amounts adjusted for two-for-one stock split in 1997, 1999 and 2013*

# ***Our Discussion Today***

- **Driving Organic Sales Growth**
- **Maximizing Productivity Across the P&L**
- **Effective Deployment of Cash Flow**
- **Demonstrating Our Purpose**

# ***Our Purpose***

**We are Colgate,  
a caring, innovative growth company  
reimagining a healthier future  
for all people, their pets and our planet**

# *Our 2025 Sustainability and Social Impact Strategy*



**Driving Social Impact**

**Helping Millions of Homes**

**Preserving our Environment**



# Colgate *KEEP*



"80% less plastic when compared to similarly sized Colgate toothbrushes

# *C-P True Zero Waste Certifications*



20 certifications in 10 countries on 5 continents

Jan 2021

# *Colgate Bright Smiles, Bright Futures*

