

**Prepared Management Remarks  
Fourth Quarter & Full Year 2025  
January 30, 2026**

Please review the following prepared management remarks in conjunction with our fourth quarter and full year 2025 earnings press release and earnings presentation. These prepared management remarks include forward-looking statements and non-GAAP financial measures. For more information, see “Cautionary Statement on Forward-Looking Statements” and “Non-GAAP Financial Measures” below.

We also invite you to listen to our live question and answer webcast with Noel Wallace, Chairman, President and Chief Executive Officer, Stan Sutula, Chief Financial Officer, and John Faucher, Chief Investor Relations Officer & EVP, M&A, which will begin today at 8:30 a.m. Eastern Time. The live audio webcast can be accessed on our website at [www.colgatepalmolive.com](http://www.colgatepalmolive.com). For those unable to participate during the live webcast, a recorded version of the webcast will be made available through the Investor Center section of our website at [www.colgatepalmolive.com/investors](http://www.colgatepalmolive.com/investors).

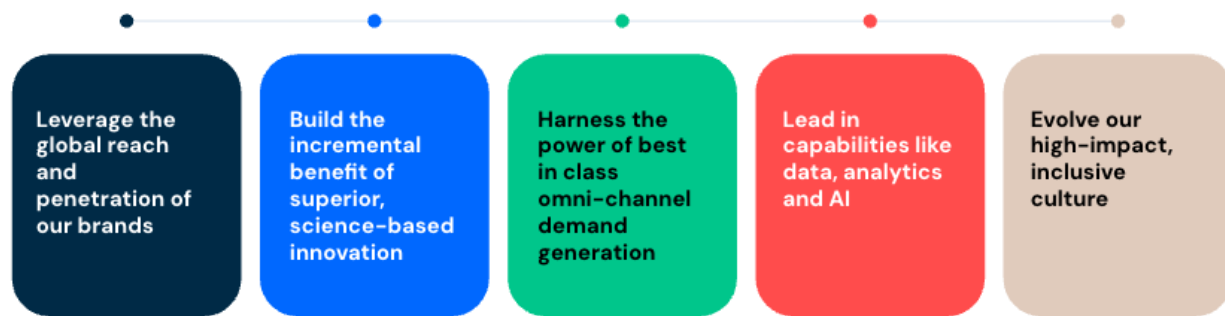
**Management Commentary**

We are pleased to have entered 2026 with improved business momentum following a better than expected fourth quarter and after having navigated a very volatile year in 2025. In 2025, we delivered growth in net sales and organic sales, Base Business earnings per share and free cash flow, while GAAP earnings per share was down. This was another year of delivering on our aspiration of consistent, compounded earnings per share growth while still investing for future growth and scaling our improved capabilities across the organization.

The transition from 2025 to 2026 also marks the transition to our new 2030 strategic plan. The 2025 strategic plan delivered consistent top and bottom line growth while we improved the health of our brands and built greater flexibility into our financial model.

We generated record cash flows and increased our cash returned to shareholders through higher dividends as well as share repurchases.

Building on the success of this plan, we are excited about the opportunities the 2030 strategic plan brings to accelerate growth as we deliver on our key priorities:



We also announced our Strategic Growth and Productivity Program (SGPP) in 2025. This program enables us to modify our organizational structure to make us more efficient and faster to respond to changes in our operating environment. The SGPP will also provide necessary resources for executing on our 2030 plan while helping us to deliver dollar-based earnings per share growth.

As you will hear from Noel at the CAGNY Conference on February 20th, we believe that our 2030 strategic plan and the SGPP position Colgate-Palmolive Company to accelerate growth over the course of the next five years and beyond.

### **Full Year 2025 Overview**

In 2025, we delivered another year of record net sales, \$20.4 billion, an increase of 1.4% versus 2024. Organic sales also increased 1.4%, against a very difficult 7.4% comparison, including a negative 0.7% impact from our exit of the private label pet food business.

Reported volume declined 0.4% for the year as category volume growth decelerated on a global basis; this result included the 0.7% negative impact from lower private label pet volume as well as a 0.3% benefit from the acquisition of the Prime100 pet food business in Australia. Excluding the impact of lower private label pet volume and the Prime100 pet food business, volume was flat for the year.

Pricing was +2.1% for the year with pricing growth in every division except North America, which was roughly flat. Foreign exchange was a 0.3% headwind to net sales growth for the year.

Organic sales growth for 2025 was led by oral care and pet nutrition excluding private label, driven by premium innovation, strong advertising support and in-market execution. Personal care and home care organic sales ended the year with positive momentum. After declines in the first half of 2025, driven primarily by the difficult consumer environment in the U.S., personal care and home care both delivered organic sales growth in the second half, with the fourth quarter marking their best performance of the year.

On both a GAAP and a Base Business basis, we saw a modest decline in our gross profit margin in 2025 as higher raw materials, including the cost of incremental tariffs, more than offset the benefits from pricing, savings from our funding-the-growth initiatives and favorable product mix. Advertising was roughly flat for the year, off of record high spending levels in 2024. Advertising spending was up 15% on a dollar basis in 2024. As we expand our capabilities in omni-channel demand generation, we believe that the efficiency of our advertising continues to increase, driving a higher return on this investment.

During the fourth quarter, we took a non-cash, after-tax impairment charge of \$794 million to adjust the carrying values of goodwill and intangible assets related to the skin health business. Given lower than expected category growth rates and weaker than expected performance, particularly in China, we have lowered our outlook for the skin health business, primarily Filorga. We are taking the appropriate actions to improve performance and continue to believe in the growth prospects of the business.

On a GAAP basis, earnings per share declined 25% for the year predominantly due to the impairment charge. On a Base Business basis, earnings per share grew 3% for the year, another year of growth while managing through the headwinds of lower category growth, higher than anticipated raw and packaging material inflation and the impact of incremental tariffs. We believe our focus on delivering consistent, compounded dollar-based EPS growth is working and is key to driving long-term total shareholder return.

We delivered another year of record free cash flow in 2025, through higher net income excluding non-cash items and discipline on working capital. Our free cash flow increased 2.5% in 2025 and is up 95% over the past three years.

For the full year, we used our strong cash flow to return \$2.9 billion to shareholders through dividends and share repurchases, and we increased our dividend for the 63rd consecutive year.

### **Fourth Quarter Overview**

We delivered greater than expected sequential improvement in net and organic sales in the fourth quarter versus the third quarter, as we ended the year with improved business momentum. Net sales were \$5.2 billion in the fourth quarter, our third consecutive quarter of record net sales, +5.8% versus fourth quarter 2024. Organic sales growth of 2.2% included a 0.9% negative impact from the exit of the private label pet food business. The 2.2% growth represents a 180 basis point improvement versus the 0.4% organic growth we delivered in third quarter 2025 and was our highest organic sales growth quarter of the year. We grew organic sales in all four of our categories, oral care, pet nutrition, personal care and home care. We grew organic sales in every division except North America, which continues to be negatively impacted by lower category growth rates. Emerging markets delivered mid-single-digit organic sales growth in the quarter with both volume and pricing growth.

Volume was flat versus the year ago quarter including a 0.5% benefit from the acquisition of the Prime100 pet nutrition business and the negative 0.9% impact from the exit of the private label pet food business. Excluding both these factors, volume was up 0.3%.

Pricing growth was 2.7% in the quarter, with positive pricing in every division, as we continued to execute against our revenue growth management strategy to deliver positive pricing even with lower levels of underlying inflation and favorable foreign exchange.

Foreign exchange had a 3.1% benefit to net sales in the quarter, driven predominantly by strength in the euro, Mexican peso and Brazilian real.

On both a GAAP and a Base Business basis, our gross profit margin in the quarter was 60.2%, a sequential improvement versus our gross margin in the third quarter, and down just 10 basis points year over year. For the fourth quarter, versus the year ago period, pricing was a 100 basis point benefit to gross profit margin, while raw materials, including the impacts of tariffs and transactional foreign exchange, had a 440 basis point negative impact. Our funding-the-growth initiatives delivered a 290 basis point benefit to gross profit margin. Mix was favorable to gross profit margin by 40 basis points.

SG&A as a percentage of net sales was up 130 basis points year over year on a GAAP basis and down 40 basis points on a Base Business basis. Advertising spend was up 5% year over year, in line with our expectations. Advertising spend was down 10 basis points as a percentage of net sales as we achieved higher than expected net sales in the quarter. Base Business SG&A excluding advertising was down 30 basis points as a percentage of net sales, driven primarily by cost containment and sales leverage.

GAAP Operating profit was down for the fourth quarter primarily due to the charges mentioned above for the skin health impairment. On a Base Business basis, operating profit was up 3.4%.

For the fourth quarter, on a GAAP basis, we delivered earnings per share of -\$0.05. On a Base Business basis, earnings per share was up 4% to \$0.95.

#### **Fourth Quarter Divisional Summaries**

##### **North America**

North America net sales declined 1.5%, with an organic sales decline of 1.8% and a slight positive impact from foreign exchange. Volume decreased 2.3% in the quarter. Pricing was +0.5%, the best North America pricing result since first quarter 2024.

In the United States, the Company's value share of the toothpaste market is 33.3% year to date and its value share of the manual toothbrush market is 41.3% year to date.

The volume decline was led by the skin health business and hand dish soap, partially offset by growth in oral care, with toothpaste, manual toothbrushes and mouthwash all delivering volume growth in the quarter. Our household cleaners business also delivered solid volume growth in the quarter.

The North America business has significant innovation in the first quarter of 2026 across all categories, including hello Whipped Toothpaste which features a unique swirl-shaped, velvety texture, Fabuloso 3-in-1 Clean Spray cleaners and Palmolive Dish E-Z Pump, which provides the trusted efficacy of our great formulas, while dispensing liquid with a single press. We are also excited for the launch of our HARRY POTTER™ licensed oral care line with products for both kids and adults as well as gift sets.

## **Europe**

Europe delivered another strong quarter with 9.8% net sales growth, 1.8% organic sales growth and an 8.1% benefit from foreign exchange. Volume growth was 0.8%, driven by oral care. Europe delivered another quarter of positive pricing, 1.0%, as our revenue growth management strategy continued to deliver strong results in a low inflationary environment.

We continue to see record shares for our toothpaste business. The strength of our multi-brand strategy is driving record market shares in toothpaste with share growth in key markets and segments, particularly sensitivity. We look to build on this momentum in 2026 with a wide range of oral care innovation across whitening, sensitivity and gums.

Our personal care innovation continues to drive growth, particularly in body wash, where our Sanex Skin Therapy line helped us drive mid-single-digit organic sales growth in body wash in the fourth quarter while driving market share gains in the U.K. and France.

## **Latin America**

Latin America delivered strong underlying performance in the fourth quarter as the business rebounded from a difficult third quarter. Net sales increased 12.8% in the quarter with 6.5% organic sales growth and a 6.3% benefit from foreign exchange. Both Mexico and Brazil delivered high-single-digit organic sales growth in the quarter.

Latin America returned to volume growth in the fourth quarter, with volume up 2.3%, driven by strength in Mexico. Pricing was up 4.2% in the quarter.

In oral care, our recent launch of Luminous White Color Correct purple toothpaste is off to a great start in both Mexico and Brazil, and our demand generation model is driving share gains for elmex across the region.

Innovation behind our core Palmolive Naturals equity is delivering strong share performance in bar soaps and body wash in key markets and, in home care, the relaunch of Suavitel Superior Care fabric conditioner with new fragrance technology is driving significant share gains for our best-selling blue variant across the region.

## **Asia Pacific**

As expected, Asia Pacific performance showed solid sequential improvement in the quarter as net sales and organic sales were roughly flat, -0.3% and +0.1%, respectively, after declines in the third quarter. Foreign exchange was a slight negative in the quarter.

Volume declined 2.2%, a sequential improvement versus the third quarter. The volume decline was driven predominantly by our H&H joint venture, which continues to be impacted by category softness in China. Colgate China delivered mid-single-digit organic growth in the quarter driven by e-commerce. We expect improved performance for both businesses in first quarter 2026 as they benefit from a shift in the timing of Chinese New Year and H&H will benefit from impactful innovation and executional changes. We recently launched Darlie Magnificent White toothpaste in China with a unique dual chamber tube. The inner tube contains professional-grade Active Oxygen Essence to fight surface stains and the outer tube contains a Whitening Activator to amplify its whitening power to break down deep stubborn stains. Darlie Magnificent White toothpaste is able to reverse 18 years of stubborn stains in just three days.

India also delivered a sequential improvement in organic sales growth in the quarter, as organic sales were up low single digits.

Our Optic White Purple toothpaste and serums are driving organic sales growth and incremental market share across the region. Our omni-channel demand generation model is leveraging the scientific efficacy of the product while also building consumer interest through the use of K-Pop and beauty influencers, particularly in social commerce.

### **Africa/Eurasia**

Africa/Eurasia delivered double-digit net and organic sales growth in the quarter with strong growth across all three categories. Net sales grew 15.0% in the quarter, as organic sales grew 10.3% and foreign exchange was a 4.7% benefit.

Volume growth was 1.1% in the quarter, with growth across all three categories. On a geographic basis, volume growth was led by Turkiye where we have regained market share momentum, and South Africa where we are seeing the benefit of strong innovation.

Pricing for the quarter of +9.1% was broad based with every hub except one posting mid-single-digit or greater pricing.

Our continued investment in Africa/Eurasia, particularly behind core innovation, is paying off through strong toothpaste value market share performance across many top markets, led by record high market shares in South Africa, Nigeria and Saudi Arabia. Building on this momentum, in the first quarter, we are relaunching Colgate Maximum Cavity Protection toothpaste across the division with new packaging and a new marketing campaign highlighting its 24-hour cavity protection with fluoride formula which works with saliva to provide a calcium boost.

In personal care, in South Africa, the relaunch of our Protex bar soaps with germ protection continues to drive volume growth and market share growth behind the 24-hour germ protection claim, driving the brand to market leadership in 2025.

## **Hill's Pet Nutrition**

Hill's delivered strong results in the fourth quarter as performance improved sequentially from a difficult third quarter. Hill's net sales grew 4.9% and organic sales grew 1.5% in the fourth quarter including the negative 3.5% impact from our exit of the private label pet food business. Hill's U.S. delivered mid-single-digit organic growth in the quarter with balanced volume and pricing growth. Reported volume increased 0.3% in the quarter. Excluding both the 1.8% benefit from the acquisition of Prime100 and the negative 3.5% impact from the private label pet food exit, volume grew 2.0%. Pricing was +3.0% in the quarter while currency was a 1.6% benefit to net sales.

While the pet food category remains challenging, we continue to gain share in key retail channels for both Hill's Science Diet and Hill's Prescription Diet through our premium innovation, increased advertising support and our use of data and analytics, including clean rooms. Caroline Chulick, SVP, Global Growth & Innovation, Hill's Pet Nutrition, will join Noel at CAGNY in February to discuss how Hill's is delivering on our omni-channel demand generation strategy.

## **Guidance**

We issued our 2026 guidance this morning in our earnings press release. We expect another year of net sales, organic sales and earnings per share growth, on both a GAAP and a Base Business basis. Our guidance assumes category growth rates of 1.5% to 2.5%, which we believe is consistent with current trends but is lower than our historical expectations of 2% to 4%. Where we fall within our guidance ranges will be impacted by the trajectory of our categories over the course of the year.

We expect net sales to be up 2% to 6% versus 2025. We expect organic sales growth of 1% to 4%. At current spot rates, foreign exchange is expected to be a low-single-digit benefit to net sales growth. Our guidance includes the final impact from our exit from the private label pet food business in 2025. We expect the full year impact to net and organic sales growth to be approximately 20 basis points in 2026. This impact will be predominantly in the first half of the year.

We currently expect moderate raw and packaging material cost inflation. This forecast is based on our cost projections, which may differ from spot prices, and is based on tariffs **announced and finalized** as of January 28, 2026 by all countries, particularly those announced by the United States and China. If there are additional tariffs announced and implemented, we could incur additional costs. Given our pricing outlook, the benefits from revenue growth management and the strength of our funding-the-growth initiatives, we expect our gross profit margin to expand in 2026 on both a GAAP and a Base Business basis.

Advertising is expected to be up on both a dollar basis and as a percentage of net sales.

Given the outlook for interest rates and lower debt levels, we expect interest expense to be flat in 2026.

Our tax rate is expected to be between 23.0% and 24.0% for the full year, on both a GAAP and a Base Business basis.

We expect double-digit earnings per share growth on a GAAP basis. On a Base Business basis, we expect earnings per share growth of low to mid-single-digits.

### **Cautionary Statement on Forward-Looking Statements**

These prepared remarks include 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 (SEC) in its rules, regulations and releases) that set forth anticipated results based on management's current plans and assumptions. Such statements may relate, for example, to sales or volume growth, net selling price increases, organic sales growth, profit or profit margin levels, earnings per share levels, financial goals, category growth rates, the impact of foreign exchange, the impact of developments in global trade relations and tariffs, the impact of geopolitical events and tensions, wars and military conflicts, such as in Ukraine, the Middle East and Venezuela, cost reduction plans (including the Strategic Growth and Productivity Program), tax rates, interest rates, new product introductions, digital capabilities, commercial investment levels, acquisitions, divestitures, share repurchases or legal or

tax proceedings, among other matters. These statements are made, except as otherwise noted with respect to tariffs, on the basis of our views and assumptions as of January 30, 2026. 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 these statements. We caution investors that any such forward-looking statements are not guarantees of future performance and that actual events or results may differ materially from those statements. For more information about factors that could impact our business and cause actual results to differ materially from forward-looking statements, investors should refer to our 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, 2024 and subsequent filings with the SEC).

### **Non-GAAP Financial Measures**

These remarks also include a discussion of non-GAAP financial measures (which exclude certain items from reported results), including those identified in Tables 4, 6, 7, 8 and 9 of the fourth quarter and full year earnings press release. A full reconciliation to the corresponding GAAP financial measures and related definitions are included in the earnings press release, which is available on our website.