

Table 8

## Colgate-Palmolive Company

## Non-GAAP Reconciliations

For the Three Months Ended June 30, 2019 and 2018

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

|   | 2019            | 2018            |                       |
|---|-----------------|-----------------|-----------------------|
| <b>Gross Profit</b>   |                 |                 |                       |
| Gross profit, GAAP  | \$ 2,308        | \$ 2,301        |                       |
| Global Growth and Efficiency Program  | (3)             | 5               |                       |
| Gross profit, non-GAAP  | <u>\$ 2,305</u> | <u>\$ 2,306</u> |                       |
|   |                 |                 | <b>Basis Point</b>    |
| <b>Gross Profit Margin</b>  | 2019            | 2018            | Change                |
| Gross profit margin, GAAP   | 59.7 %          | 59.2 %          | 50                    |
| Global Growth and Efficiency Program  | (0.1)%          | 0.1 %           |                       |
| Gross profit margin, non-GAAP   | <u>59.6 %</u>   | <u>59.3 %</u>   | <u>30</u>             |
|   |                 |                 |                       |
| <b>Selling, General and Administrative Expenses</b>                                 | 2019            | 2018            |                       |
| Selling, general and administrative expenses, GAAP                                  | \$ 1,369        | \$ 1,300        |                       |
| Global Growth and Efficiency Program  | (10)            | (10)            |                       |
| Selling, general and administrative expenses, non-GAAP                              | <u>\$ 1,359</u> | <u>\$ 1,290</u> |                       |
|   |                 |                 | <b>Basis Point</b>    |
| <b>Selling, General and Administrative Expenses as a Percentage of Net Sales</b>    | 2019            | 2018            | Change                |
| Selling, general and administrative expenses as a percentage of Net sales, GAAP     | 35.4 %          | 33.5 %          | 190                   |
| Global Growth and Efficiency Program  | (0.2)%          | (0.3)%          |                       |
| Selling, general and administrative expenses as a percentage of Net sales, non-GAAP | <u>35.2 %</u>   | <u>33.2 %</u>   | <u>200</u>            |
|   |                 |                 |                       |
| <b>Other (Income) Expense, Net</b>  | 2019            | 2018            |                       |
| Other (income) expense, net, GAAP   | \$ 51           | \$ 55           |                       |
| Global Growth and Efficiency Program  | (33)            | (43)            |                       |
| Other (income) expense, net, non-GAAP   | <u>\$ 18</u>    | <u>\$ 12</u>    |                       |
|   |                 |                 |                       |
| <b>Operating Profit</b>   | 2019            | 2018            | % Change              |
| Operating profit, GAAP  | \$ 888          | \$ 946          | (6)%                  |
| Global Growth and Efficiency Program  | 40              | 58              |                       |
| Operating profit, non-GAAP  | <u>\$ 928</u>   | <u>\$ 1,004</u> | <u>(8)%</u>           |
|   |                 |                 |                       |
| <b>Operating Profit Margin</b>  | 2019            | 2018            | Basis Point<br>Change |
| Operating profit margin, GAAP   | 23.0 %          | 24.3 %          | (130)                 |
| Global Growth and Efficiency Program  | 1.0 %           | 1.5 %           |                       |
| Operating profit margin, non-GAAP   | <u>24.0 %</u>   | <u>25.8 %</u>   | <u>(180)</u>          |
|   |                 |                 |                       |
| <b>Non-Service Related Postretirement Costs</b>                                     | 2019            | 2018            |                       |
| Non-service related postretirement costs, GAAP                                      | \$ 27           | \$ 23           |                       |
| Global Growth and Efficiency Program  | (2)             | (3)             |                       |
| Non-service related postretirement costs, non-GAAP                                  | <u>\$ 25</u>    | <u>\$ 20</u>    |                       |

Table 8  
Continued

Colgate-Palmolive Company

Non-GAAP Reconciliations

For the Three Months Ended June 30, 2019 and 2018

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

|   | 2019                                |  |  |  |  |  |                                  |
|---|-------------------------------------|--|--|--|--|--|----------------------------------|
|   | Income Before<br>Income Taxes       | Provision For<br>Income Taxes <sup>(1)</sup>       | Net Income<br>Including<br>Noncontrolling<br>Interests | Net Income<br>Attributable<br>To<br>Colgate-<br>Palmolive<br>Company | Effective<br>Income<br>Tax Rate <sup>(2)</sup>                       | Diluted<br>Earnings<br>Per Share               |                                  |
| As Reported GAAP                        | \$ 823                              | \$ 205   | \$ 618   | \$ 586   | 24.9 %   | \$ 0.68  |                                  |
| Global Growth and Efficiency<br>Program | 42                                  | 11   | 31   | 31   | 0.1 %  | 0.04   |                                  |
| Non-GAAP                                | \$ 865                              | \$ 216   | \$ 649   | \$ 617   | 25.0 %   | \$ 0.72  |                                  |
|   | 2018                                |  |  |  |  |  |                                  |
|   | Income<br>Before<br>Income<br>Taxes | Provision<br>For<br>Income<br>Taxes <sup>(1)</sup> | Net Income<br>Including<br>Noncontrolling<br>Interests | Less: Income<br>Attributable<br>To<br>Noncontrolling<br>Interests    | Net Income<br>Attributable<br>To<br>Colgate-<br>Palmolive<br>Company | Effective<br>Income<br>Tax Rate <sup>(2)</sup> | Diluted<br>Earnings<br>Per Share |
| As Reported GAAP                        | \$ 888                              | \$ 213   | \$ 675   | \$ 38  | \$ 637   | 24.0 %   | \$ 0.73                          |
| Global Growth and Efficiency<br>Program | 61                                  | 13   | 48   | (3)  | 51   | (0.2)%   | 0.06                             |
| Benefit from a foreign tax matter       | —                                   | 15   | (15)   | —  | (15)   | 1.6 %  | (0.02)                           |
| Non-GAAP                                | \$ 949                              | \$ 241   | \$ 708   | \$ 35  | \$ 673   | 25.4 %   | \$ 0.77                          |

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.