

## Colgate-Palmolive Company

## Non-GAAP Reconciliations

For the Six Months Ended June 30, 2020 and 2019

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

	2020	2019	
<b>Gross Profit</b>			
Gross profit, GAAP	\$ 4,834	\$ 4,595	
Acquisition-related costs	4	—	
Global Growth and Efficiency Program	—	8	
Gross profit, non-GAAP	<u>\$ 4,838</u>	<u>\$ 4,603</u>	
<b>Gross Profit Margin</b>			<b>Basis Point Change</b>
Gross profit margin, GAAP	60.5 %	59.3 %	120
Global Growth and Efficiency Program	— %	0.1 %	
Gross profit margin, non-GAAP	<u>60.5 %</u>	<u>59.4 %</u>	<u>110</u>
<b>Selling, General and Administrative Expenses</b>			
Selling, general and administrative expenses, GAAP	\$ 2,868	\$ 2,734	
Global Growth and Efficiency Program	—	(14)	
Selling, general and administrative expenses, non-GAAP	<u>\$ 2,868</u>	<u>\$ 2,720</u>	
<b>Selling, General and Administrative Expenses as a Percentage of Net Sales</b>			<b>Basis Point Change</b>
Selling, general and administrative expenses as a percentage of Net sales, GAAP	35.9 %	35.3 %	60
Global Growth and Efficiency Program	— %	(0.2)%	
Selling, general and administrative expenses as a percentage of Net sales, non-GAAP	<u>35.9 %</u>	<u>35.1 %</u>	<u>80</u>
<b>Other (Income) Expense, Net</b>			
Other (income) expense, net, GAAP	\$ 68	\$ 94	
Acquisition-related costs	(2)	—	
Global Growth and Efficiency Program	—	(46)	
Other (income) expense, net, non-GAAP	<u>\$ 66</u>	<u>\$ 48</u>	
<b>Operating Profit</b>			<b>% Change</b>
Operating profit, GAAP	\$ 1,898	\$ 1,767	7 %
Acquisition-related costs	6	—	
Global Growth and Efficiency Program	—	68	
Operating profit, non-GAAP	<u>\$ 1,904</u>	<u>\$ 1,835</u>	<u>4 %</u>
<b>Operating Profit Margin</b>			<b>Basis Point Change</b>
Operating profit margin, GAAP	23.7 %	22.8 %	90
Global Growth and Efficiency Program	— %	0.9 %	
Operating profit margin, non-GAAP	<u>23.8 %</u>	<u>23.7 %</u>	<u>10</u>
<b>Non-Service Related Postretirement Costs</b>			
Non-service related postretirement costs, GAAP	\$ 41	\$ 52	
Global Growth and Efficiency Program	—	(3)	
Non-service related postretirement costs, non-GAAP	<u>\$ 41</u>	<u>\$ 49</u>	

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	2020					
	Income Before Income Taxes	Provision For Income Taxes <sup>(1)</sup>	Net Income Including Noncontrolling Interests	Net Income Attributable To Colgate-Palmolive Company	Effective Income Tax Rate <sup>(2)</sup>	Diluted Earnings Per Share
As Reported GAAP	\$ 1,786	\$ 363	\$ 1,423	\$ 1,350	20.3 %	\$ 1.57
Subsidiary and operating structure initiatives	—	71	(71)	(71)	4 %	(0.08)
Acquisition-related costs	6	2	4	4	— %	—
Non-GAAP	<u>\$ 1,792</u>	<u>\$ 436</u>	<u>\$ 1,356</u>	<u>\$ 1,283</u>	<u>24.3 %</u>	<u>\$ 1.49</u>
	2019					
	Income Before Income Taxes	Provision For Income Taxes <sup>(1)</sup>	Net Income Including Noncontrolling Interests	Net Income Attributable To Colgate-Palmolive Company	Effective Income Tax Rate <sup>(2)</sup>	Diluted Earnings Per Share
As Reported GAAP	\$ 1,637	\$ 419	\$ 1,218	\$ 1,146	25.6 %	\$ 1.33
Global Growth and Efficiency Program	71	18	53	53	— %	0.06
Non-GAAP	<u>\$ 1,708</u>	<u>\$ 437</u>	<u>\$ 1,271</u>	<u>\$ 1,199</u>	<u>25.6 %</u>	<u>\$ 1.39</u>

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.