

## Colgate-Palmolive Company

## Non-GAAP Reconciliations

For the Three Months Ended March 31, 2020 and 2019

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

	2020	2019	
<b>Gross Profit</b>			
Gross profit, GAAP	\$ 2,465	\$ 2,287	
Acquisition-related costs	4	—	
Global Growth and Efficiency Program	—	11	
Gross profit, non-GAAP	<u>\$ 2,469</u>	<u>\$ 2,298</u>	
<b>Gross Profit Margin</b>			<b>Basis Point Change</b>
Gross profit margin, GAAP	60.2%	58.9 %	130
Acquisition-related costs	0.1%	— %	
Global Growth and Efficiency Program	—%	0.3 %	
Gross profit margin, non-GAAP	<u>60.3%</u>	<u>59.2 %</u>	<u>110</u>
<b>Selling, General and Administrative Expenses</b>			
Selling, general and administrative expenses, GAAP	\$ 1,473	\$ 1,365	
Global Growth and Efficiency Program	—	(4)	
Selling, general and administrative expenses, non-GAAP	<u>\$ 1,473</u>	<u>\$ 1,361</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	36.0%	35.1 %	90
Global Growth and Efficiency Program	—%	(0.1)%	
Selling, general and administrative expenses as a percentage of Net sales, non-GAAP	<u>36.0%</u>	<u>35.0 %</u>	<u>100</u>
<b>Other (Income) Expense, Net</b>			
Other (income) expense, net, GAAP	\$ 40	\$ 43	
Acquisition-related costs	(2)	—	
Global Growth and Efficiency Program	—	(13)	
Other (income) expense, net, non-GAAP	<u>\$ 38</u>	<u>\$ 30</u>	
<b>Operating Profit</b>			<b>% Change</b>
Operating profit, GAAP	\$ 952	\$ 879	8%
Global Growth and Efficiency Program	—	28	
Acquisition-related costs	6	—	
Operating profit, non-GAAP	<u>\$ 958</u>	<u>\$ 907</u>	<u>6%</u>
<b>Operating Profit Margin</b>			<b>Basis Point Change</b>
Operating profit margin, GAAP	23.2%	22.6 %	60
Global Growth and Efficiency Program	—%	0.8 %	
Acquisition-related costs	0.2%	— %	
Operating profit margin, non-GAAP	<u>23.4%</u>	<u>23.4 %</u>	<u>—</u>
<b>Non-Service Related Postretirement Costs</b>			
Non-service related postretirement costs, GAAP	\$ 21	\$ 25	
Global Growth and Efficiency Program	—	(1)	
Non-service related postretirement costs, non-GAAP	<u>\$ 21</u>	<u>\$ 24</u>	

**Table 6**  
**Continued**

**Colgate-Palmolive Company**

**Non-GAAP Reconciliations**

**For the Three Months Ended March 31, 2020 and 2019**

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

	<b>2020</b>					
	<b>Income Before Income Taxes</b>	<b>Provision For Income Taxes<sup>(1)</sup></b>	<b>Net Income Including Noncontrolling Interests</b>	<b>Net Income Attributable To Colgate-Palmolive Company</b>	<b>Effective Income Tax Rate<sup>(2)</sup></b>	<b>Diluted Earnings Per Share</b>
As Reported GAAP	\$ 895	\$ 147	\$ 748	\$ 715	16.4 %	\$ 0.83
Subsidiary and operating structure initiatives	—	71	(71)	(71)	7.9 %	(0.08)
Acquisition-related costs	6	2	4	4	0.1 %	—
Non-GAAP	<u>\$ 901</u>	<u>\$ 220</u>	<u>\$ 681</u>	<u>\$ 648</u>	<u>24.4 %</u>	<u>\$ 0.75</u>
	<b>2019</b>					
	<b>Income Before Income Taxes</b>	<b>Provision For Income Taxes<sup>(1)</sup></b>	<b>Net Income Including Noncontrolling Interests</b>	<b>Net Income Attributable To Colgate-Palmolive Company</b>	<b>Effective Income Tax Rate<sup>(2)</sup></b>	<b>Diluted Earnings Per Share</b>
As Reported GAAP	\$ 814	\$ 214	\$ 600	\$ 560	26.3 %	\$ 0.65
Global Growth and Efficiency Program	29	7	22	22	(0.1)%	0.02
Non-GAAP	<u>\$ 843</u>	<u>\$ 221</u>	<u>\$ 622</u>	<u>\$ 582</u>	<u>26.2 %</u>	<u>\$ 0.67</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.