



Prepared Management Remarks

Second Quarter 2025

August 1, 2025

Please review the following prepared management remarks in conjunction with our second quarter 2025 earnings press release and earnings presentation, and additional information regarding our non-GAAP financial measures, including GAAP to non-GAAP reconciliations, which are available in the Investor Center section of our website at www.colgatepalmolive.com/investors and in Tables 4, 6, 7, 8 and 9 of the second quarter earnings press release.

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. 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.

Cautionary Statement

These prepared remarks include forward-looking statements. Actual results could differ materially from these statements. Forward-looking statements inherently involve risks and uncertainties and are made on the basis of our views and assumptions as of August 1, 2025. We undertake no obligation to update them, except as required by law or by the rules and regulations of the SEC. Please refer to the earnings press release and our most recent filings with the SEC, including our 2024 Annual Report on Form 10-K and subsequent SEC filings, all available on our website, for a discussion of the factors that could cause actual results to differ materially from these statements. 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 second quarter 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.

Management Commentary

We delivered solid results in the second quarter driving net sales, organic sales and EPS growth, all while dealing with a difficult consumer environment, negative foreign exchange, incremental tariffs, rising commodity costs and macroeconomic and geopolitical volatility.

As we enter the back half of 2025, we remain focused on the key building blocks of long-term growth: increased household penetration and brand health. We will continue to invest behind our brands to drive volume growth while leveraging pricing and productivity to offset incremental costs.

As mentioned in our press release, this morning we announced a new productivity program aligned to accelerate the start of our 2030 strategic plan, providing resources for investment. This program aims to strengthen capabilities and behaviors needed to deliver against our plan, with targeted savings focusing on driving sales and profit growth. Key areas of investment include accelerating innovation, data/analytics, supply chain optimization, AI and omni-channel demand generation.

Our focus on impactful innovation, scaling our capabilities and generating cash flow gives us confidence in our ability to deliver against our 2025 financial targets and our long-term aspiration of top-tier shareholder returns.

Second Quarter Overview

Our net and organic sales growth accelerated sequentially in the second quarter as we executed on our pricing strategies and stabilized volume performance in North America. Many of our markets and categories around the world remained challenging in the second quarter and we expect this to continue through the second half of the year.

Net sales were \$5.1 billion in the second quarter, +1.0% versus the year ago period including a -1.0% impact from foreign exchange. Organic sales grew 1.8%, against a 9.0% comparison, including the 0.6% negative impact from our previously disclosed plans to exit the private label pet business this year. Organic sales growth was driven by oral care, which was up mid single digits in the quarter.

Reported volume growth was flat in the quarter including a 20 basis point benefit from the acquisition of Prime100. Organic volume growth was -0.2%, and +0.4% excluding the 60 basis point impact of the private label pet business. Hill's volume growth in the quarter excluding both the impact of private label and the acquisition of Prime100 was 2.0% driven by strength on Hill's Prescription Diet.

Pricing growth was 2.0% in the quarter, driven by our revenue growth management and premium innovation strategies. As discussed on the Q1 call, we began to see the benefit of incremental pricing in several international markets in Q2, particularly Brazil and Mexico. We have additional pricing and revenue growth management opportunities planned for the balance of the year.

Foreign exchange had a -1.0% impact on net sales in the quarter, driven predominantly by year-over-year declines in the Mexican peso and Brazilian real, although these currencies improved sequentially versus the dollar over the course of the second quarter.

On a GAAP and Base Business basis, our gross profit margin in the quarter was down 50 and 70 basis points, respectively, year over year to 60.1%. For the quarter, pricing was an 80 basis point benefit to gross profit margin, while raw and packaging materials, including the impact of both tariffs and transactional foreign exchange, had a 420 basis point negative impact. Our funding-the-growth initiatives delivered a 250 basis point benefit to gross profit margin. Mix was favorable to gross profit margin by 20 basis points given the strength of higher margin brands like elmex toothpaste and Hill's Prescription Diet as well as lower private label pet sales.

SG&A as a percentage of net sales was up 10 basis points year over year on a GAAP and Base Business basis. We continued to invest behind our brands to drive household

penetration and brand health with advertising spending at 13.3% of net sales, on top of a record 14.0% in the year ago quarter.

Operating profit was down low single digits in the quarter on both a GAAP and a Base Business basis as our organic sales growth was more than offset by the decline in gross profit, driven primarily by higher raw and packaging material costs, particularly fats and oils.

For the second quarter, on a GAAP basis, we delivered earnings per share of \$0.91. On a Base Business basis, earnings per share was up 1% to \$0.92 on top of 18% growth in Q2 2024.

Second Quarter Divisional Summaries

North America

North America net sales declined 1.0%, with organic sales of -0.9% and a 10 basis point negative impact from currency. Volume growth improved by 190 bps sequentially from the first quarter to -0.4%, against a more difficult comparison, and pricing was -0.5%.

While growth in our categories improved slightly in the second quarter versus the very difficult trends in the first quarter, category growth rates remain below long-term trends.

The volume growth acceleration was driven by oral care, particularly toothpaste, led by core innovation and the continued growth of hello.

In the United States, the Company's value share of the toothpaste market is 32.7% year to date and its value share of the manual toothbrush market is 42.3% year to date.

Europe

Europe delivered another quarter of strong growth with 7.8% net sales growth and 2.0% organic sales growth. Volume was -0.2% against a difficult +6.6% comparison, as growth in oral care was offset by declines in personal and home care. Pricing growth was 2.2%,

with positive pricing in all three categories: oral care, personal care and home care. Foreign exchange was +5.7%.

We continue to gain toothpaste value market share in Europe, led by strength on the elmex brand including its latest Sensitivity + Gum Care innovation. On the Colgate brand, our premium whitening portfolio continues to gain share, up 50 basis points year to date, aided by the recent launch of Colgate Max White Clinical in the UK, which has a clinically proven whitening ingredient and has been launched at a key price point that is helping to bring new users into the franchise.

In personal care, Sanex saw share gains in key markets with particular strength in the UK, supported by the launch of Sanex Skin Therapy body wash with Amino Acid Complex for specific skin needs and 24 hour hydration feel.

Latin America

Latin America delivered solid underlying performance in the second quarter in the face of significant foreign exchange headwinds, less hyperinflationary pricing and economic uncertainty. Net sales declined 4.8% in the quarter as 3.4% organic sales growth, against an 18.8% comparison, was more than offset by an 8.2% headwind from foreign exchange. Five out of six hubs delivered organic sales growth in the quarter.

Latin America delivered its ninth consecutive quarter of volume growth, with 0.4% growth against a difficult 5.5% comparison. Pricing was up 3.0% in the quarter, driven by Mexico, Argentina and Brazil. We have implemented additional pricing in Latin America on a year-to-date basis and expect pricing for the Latin America division to improve sequentially through the year given previously announced pricing in the region.

Our premiumization strategy in toothpaste continues to drive growth at the higher end of our portfolio with market share gains behind Colgate Total, Colgate Luminous White and Colgate Sensitive Pro Relief.

In personal care, we are relaunching our core Protex bar soap franchise with an enhanced package design across the line and a new ad campaign highlighting Protex's leading efficacy.

In home care, our core Suavitel Superior Care fabric conditioner is being relaunched with powerful fragrance capsule technology that delivers a long-lasting intense fragrance as compared to regular washing with water and detergent. Already on store shelves in Mexico, activation in other countries in the region is planned for later this year.

Asia Pacific

Asia Pacific net sales increased 0.8% in the second quarter, as organic sales were flat with volume -1.6% and pricing +1.6%. Foreign exchange was +0.9%.

The volume decline was driven by continued weakness in our H&H joint venture in China, where category trends in traditional retail remain soft, and in India, where the slowdown in urban markets continued in the second quarter. Colgate China delivered double-digit volume growth in the quarter.

We continue to launch significant core and premium innovation across the Asia Pacific division. In India, we are relaunching Colgate Strong Teeth toothpaste, the #1 sub-brand in the country, with Calcium Boost + Arginine technology that provides 2x stronger teeth versus regular fluoride toothpaste. In China, new Colgate Miracle Repair serum-infused toothpaste has breakthrough "Gum Revital Technology" featuring dual ingredients amino acid + antioxidant Vitamin C to lock in the "collagen power" of gums and help prevent gum collagen loss.

Colgate Total, Colgate Optic White Purple toothpaste and serum, Colgate Max Fresh with improved cooling technology and the improved Colgate whitening wand are bringing impactful innovation across the region.

Africa/Eurasia

Africa/Eurasia delivered another quarter of organic sales growth, +7.7%, and net sales increased 8.0% in the quarter with +0.2% foreign exchange.

Volume increased sequentially in the quarter to 4.3% against a strong 8.4% in the second quarter of 2024. Pricing was +3.4%, driven by improved pricing in all three categories: oral care, personal care and home care.

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, Israel, Nigeria and Saudi Arabia.

In personal care, the relaunch of our Protex antibacterial bar soaps is driving strong share growth, especially in South Africa where the brand gained new market leadership during the quarter.

Hill's Pet Nutrition

Hill's net sales grew 3.8% and organic sales grew 2.0% in the second quarter, including a -3.1% impact from the planned reduction of private label volume. Organic volume was -0.9% (+2.0% excluding the private label impact), while pricing was +2.9%. Hill's U.S. grew organic sales mid single digits with growth in both volume and pricing in the quarter.

The acquisition of the Prime100 fresh pet food business closed on April 30, 2025. Prime100 added 1.0% to Hill's reported volume growth in the quarter. We are excited to welcome the Prime100 team to Hill's and Colgate-Palmolive.

Earlier this year, we relaunched our Hill's Science Diet core dry lifestage portfolio with ActivBiome+ Multi-Benefit, a blend of prebiotic fibers and antioxidants that support digestion, immune system and organ health.

On the therapeutic side, in the second quarter we launched Hill's Prescription Diet Multi-Organ and Hill's Prescription Diet Brain Care + j/d, providing new options for pets with complex nutritional needs.

Hill's new "Because You're Only Human" equity advertising campaign in North America, built on the key insight that pet parents sometimes feel guilty that they can't love their pets as much as their pets love them, is continuing to gain momentum generating awareness and positive retailer excitement. This advertising is a key part of our strategy to drive household penetration and brand health.

Guidance

We issued revised 2025 organic sales growth guidance this morning in our earnings press release.

We continue to expect net sales to be up low single digits versus 2024. At current spot rates, foreign exchange is expected to be a flat to low-single-digit headwind to net sales growth, versus a low-single-digit headwind previously. We now expect organic sales growth at the lower end of our 2-4% range given the weaker category growth in the first half, which we expect to at least partially continue into the second half of the year.

Our guidance continues to include the impact over the course of 2025 of the planned exit from private label pet sales. Over the balance of the year, we would expect the impact from the private label exit to be similar to or greater than the 60 basis point impact to organic sales we experienced in the second quarter. As of the end of July, we are no longer producing private label pet food.

Our expectations for underlying raw and packaging material cost inflation (excluding incremental tariffs) have risen given continued increases for fats and oils, particularly palm kernel oil. This forecast is based on our cost projections, which may differ from spot prices.

Our previous 2025 guidance, issued in April, included an incremental tariff impact of approximately \$200 million to our cost of goods sold in 2025 versus the previous estimate provided in January. Our current expectation, given the tariffs **announced and finalized** as of July 31, 2025 by all countries, particularly those announced by the United States and China, is approximately \$75 million. These revised tariff costs are included in

our guidance. If there are additional tariffs announced and implemented, we could incur additional costs.

We continue to expect our gross margin to be roughly flat in 2025 on both a GAAP and Base Business basis. Versus our expectations in April, the lower expected tariff impacts are offset by higher raw and packaging material costs and the impact of lower projected category growth.

Advertising is still expected to be roughly flat as a percentage of net sales and on a dollar basis.

Given the outlook for interest rates and lower debt levels, we still expect interest expense to be flat or down slightly in 2025.

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

On a GAAP and Base Business basis, we still expect earnings per share to be up low single digits.

This guidance assumes no material impact in 2025 from the productivity program announced this morning.