

Table 9

## Colgate-Palmolive Company

## Non-GAAP Reconciliations

For the Twelve Months Ended December 31, 2020 and 2019

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

	2020	2019	
<b>Gross Profit</b>			
Gross profit, GAAP	\$ 10,017	\$ 9,325	
Acquisition-related costs	4	3	
Global Growth and Efficiency Program	—	8	
Gross profit, non-GAAP	<u>\$ 10,021</u>	<u>\$ 9,336</u>	
			<b>Basis Point</b>
<b>Gross Profit Margin</b>	2020	2019	Change
Gross profit margin, GAAP	60.8 %	59.4 %	140
Global Growth and Efficiency Program	— %	0.1 %	
Gross profit margin, non-GAAP	<u>60.8 %</u>	<u>59.5 %</u>	<u>130</u>
<b>Selling, General and Administrative Expenses</b>	2020	2019	
Selling, general and administrative expenses, GAAP	\$ 6,019	\$ 5,575	
Global Growth and Efficiency Program	3	(60)	
Selling, general and administrative expenses, non-GAAP	<u>\$ 6,022</u>	<u>\$ 5,515</u>	
			<b>Basis Point</b>
<b>Selling, General and Administrative Expenses as a Percentage of Net Sales</b>	2020	2019	Change
Selling, general and administrative expenses as a percentage of Net sales, GAAP	36.5 %	35.5 %	100
Global Growth and Efficiency Program	0.1 %	(0.4)%	
Selling, general and administrative expenses as a percentage of Net sales, non-GAAP	<u>36.6 %</u>	<u>35.1 %</u>	<u>150</u>
<b>Other (Income) Expense, Net</b>	2020	2019	
Other (income) expense, net, GAAP	\$ 113	\$ 196	
Global Growth and Efficiency Program	13	(57)	
Acquisition-related costs	(2)	(21)	
Value-added tax matter in Brazil	—	30	
Other (income) expense, net, non-GAAP	<u>\$ 124</u>	<u>\$ 148</u>	
<b>Operating Profit</b>	2020	2019	% Change
Operating profit, GAAP	\$ 3,885	\$ 3,554	9 %
Global Growth and Efficiency Program	(16)	125	
Acquisition-related costs	6	24	
Value-added tax matter in Brazil	—	(30)	
Operating profit, non-GAAP	<u>\$ 3,875</u>	<u>\$ 3,673</u>	<u>5 %</u>
<b>Operating Profit Margin</b>	2020	2019	Basis Point Change
Operating profit margin, GAAP	23.6 %	22.6 %	100
Global Growth and Efficiency Program	(0.1)%	0.8 %	
Acquisition-related costs	— %	0.2 %	
Value-added tax matter in Brazil	— %	(0.2)%	
Operating profit margin, non-GAAP	<u>23.5 %</u>	<u>23.4 %</u>	<u>10</u>
<b>Non-Service Related Postretirement Costs</b>	2020	2019	
Non-service related postretirement costs, GAAP	\$ 74	\$ 108	
Global Growth and Efficiency Program	—	(7)	
Non-service related postretirement costs, non-GAAP	<u>\$ 74</u>	<u>\$ 101</u>	

Colgate-Palmolive Company

Non-GAAP Reconciliations

For the Twelve Months Ended December 31, 2020 and 2019

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

	2020					
	Income Before Income Taxes	Provision For Income Taxes <sup>(1)</sup>	Net Income Including Non- controlling Interests	Net Income Attributable To Colgate- Palmolive Company	Effective Income Tax Rate <sup>(2)</sup>	Diluted Earnings Per Share
As Reported GAAP	\$ 3,647	\$ 787	\$ 2,860	\$ 2,695	21.6 %	\$ 3.14
Global Growth and Efficiency Program	(16)	(3)	(13)	(13)	— %	(0.02)
Subsidiary and operating structure initiatives	—	71	(71)	(71)	2.0 %	(0.08)
Acquisition-related costs	6	2	4	4	— %	—
Loss on early extinguishment of debt	23	5	18	18	— %	0.02
Non-GAAP	<u>\$ 3,660</u>	<u>\$ 862</u>	<u>\$ 2,798</u>	<u>\$ 2,633</u>	<u>23.6 %</u>	<u>\$ 3.06</u>
	2019					
	Income Before Income Taxes	Provision For Income Taxes <sup>(1)</sup>	Net Income Including Non- controlling Interests	Net Income Attributable To Colgate- Palmolive Company	Effective Income Tax Rate <sup>(2)</sup>	Diluted Earnings Per Share
As Reported GAAP	3,301	\$ 774	\$ 2,527	\$ 2,367	23.4 %	\$ 2.75
Global Growth and Efficiency Program	132	30	102	102	— %	0.12
Acquisition-related costs	24	4	20	20	— %	0.02
Value-added tax matter in Brazil	(30)	(10)	(20)	(20)	(0.1)%	(0.02)
Swiss income tax reform	—	29	(29)	(29)	0.8 %	(0.04)
Non-GAAP	<u>\$ 3,427</u>	<u>\$ 827</u>	<u>\$ 2,600</u>	<u>\$ 2,440</u>	<u>24.1 %</u>	<u>\$ 2.83</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.