

Colgate-Palmolive Company

Non-GAAP Reconciliations

For the Three Months Ended March 31, 2021 and 2020

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

	2021	2020	
Gross Profit			
Gross profit, GAAP	\$ 2,637	\$ 2,465	
Acquisition-related costs	—	4	
Gross profit, non-GAAP	<u>\$ 2,637</u>	<u>\$ 2,469</u>	
Gross Profit Margin			Basis Point Change
Gross profit margin, GAAP	60.7 %	60.2 %	50
Acquisition-related costs	— %	0.1 %	
Gross profit margin, non-GAAP	<u>60.7 %</u>	<u>60.3 %</u>	<u>40</u>
Other (Income) Expense, Net			
Other (income) expense, net, GAAP	\$ 28	\$ 40	
Acquisition-related costs	—	(2)	
Other (income) expense, net, non-GAAP	<u>\$ 28</u>	<u>\$ 38</u>	
Operating Profit			% Change
Operating profit, GAAP	\$ 1,004	\$ 952	5 %
Acquisition-related costs	—	6	
Operating profit, non-GAAP	<u>\$ 1,004</u>	<u>\$ 958</u>	<u>5 %</u>
Operating Profit Margin			Basis Point Change
Operating profit margin, GAAP	23.1 %	23.2 %	(10)
Acquisition-related costs	— %	0.2 %	
Operating profit margin, non-GAAP	<u>23.1 %</u>	<u>23.4 %</u>	<u>(30)</u>

2020

	Income Before Income Taxes	Provision For Income Taxes ⁽¹⁾	Net Income Including Noncontrolling Interests	Net Income Attributable To Colgate- Palmolive Company	Effective Income Tax Rate ⁽²⁾	Diluted Earnings Per Share
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>

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.