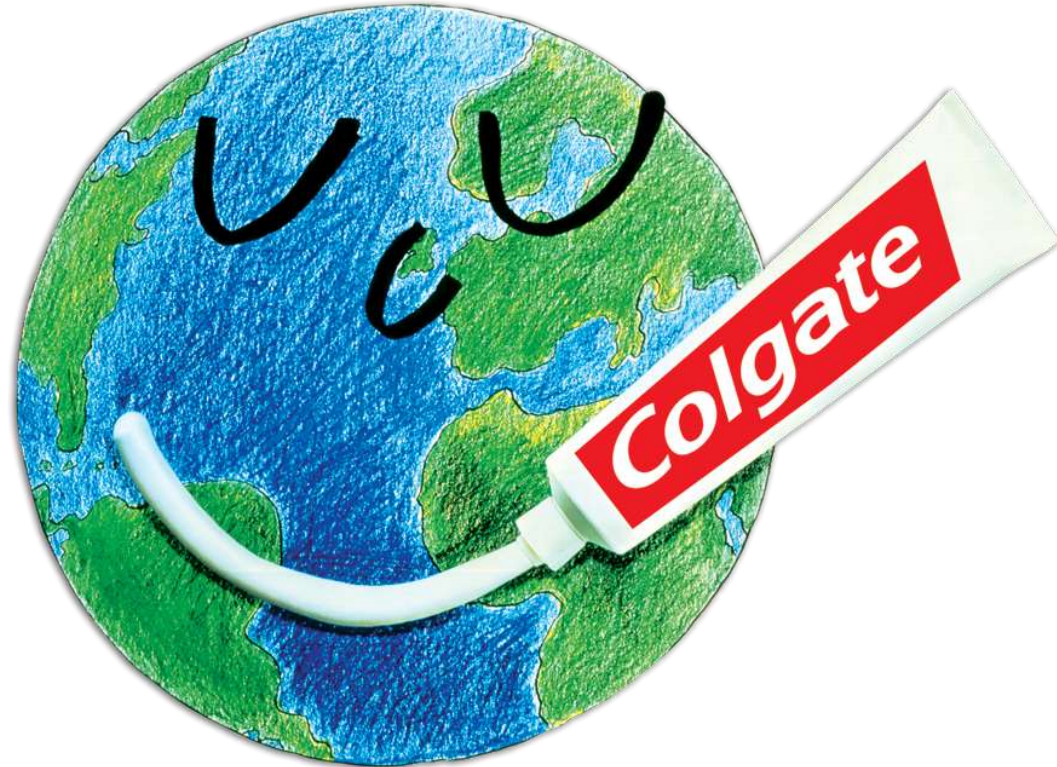


# Colgate Overview



## ACCELERATING GROWTH

Colgate-Palmolive Company ■ 2019 Annual Report

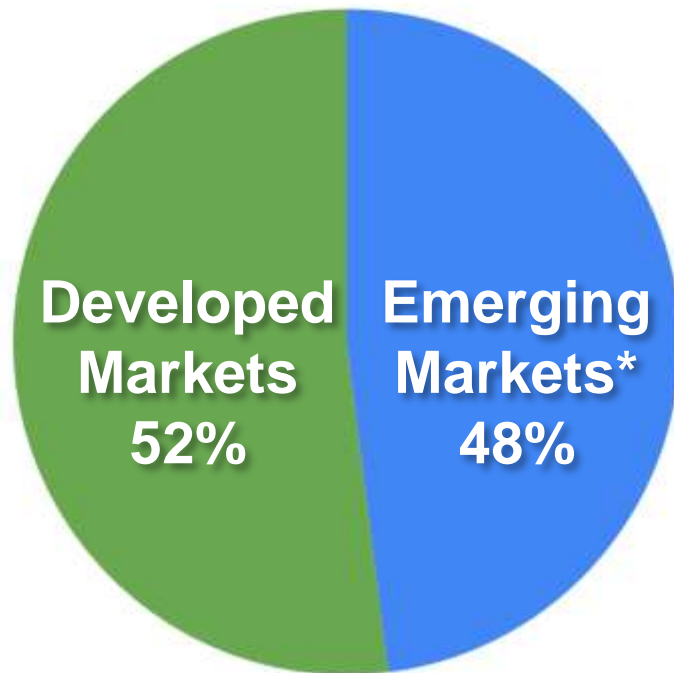


- Company Overview
- Our Focused Strategy

# Overview

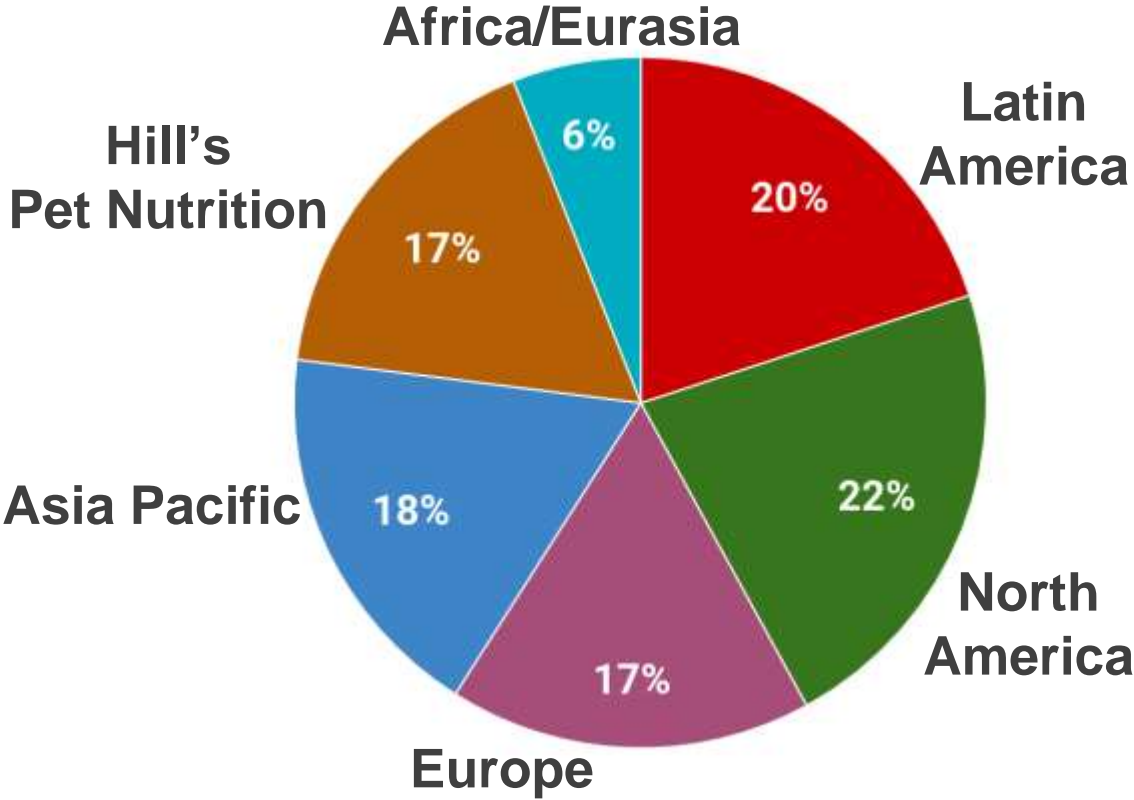
- \$15.7B global consumer products company, founded in 1806
- Approximately 34,000 Colgate people worldwide
- Products sold in over 200 countries
- Four core categories
  - Oral Care
  - Personal Care
  - Pet Nutrition
  - Home Care

# Net Sales – 2019



*\*Includes Latin America, Asia (ex. Japan), Africa/Eurasia and Central Europe*

# *Net Sales by Division – Q3 2020*



# *Among the World's Most Recognizable Brands*

**Colgate**

**Suavitel**

**SPEED  
stick**

**Protex**

**AJAX**

**Sanex**

**AXION**



Transforming Lives™

**Palmolive**

**Softsoap**  
brand

# *Long History of Global Success*

<u>Division</u>	<u>Country</u>	<u>Year Entered</u>
North America	U.S.	1806
Europe	France	1920
Latin America	Mexico	1925
	Brazil	1927
Asia Pacific	Philippines	1927
	India	1937
	China	1992
Africa/Eurasia	South Africa	1929
	Russia	1990



***Tightly Focused on  
Four Core Categories***

## Oral Care



## Pet Nutrition



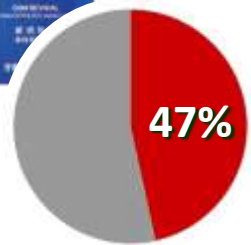
## Personal Care



## Home Care



# Oral Care



# *Toothpaste Leadership*

- 
- #1 market share worldwide\*
  - Colgate is brand most recommended by the dental profession worldwide

*(\*Based on markets where we compete and purchase shares)*

# *Manual Toothbrushes and Mouthwash*

- 
- #1 in Manual Toothbrushes worldwide
  - #2 in Mouthwash worldwide

(\*Based on markets where we compete and purchase shares)

# Personal Care

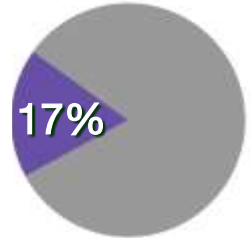


# Personal Care

- 
- #1 position worldwide in Liquid Hand Soap
  - #2 position worldwide in Bar Soaps and Liquid Body Cleansing

*(\*Based on markets where we compete and purchase shares)*

# Home Care



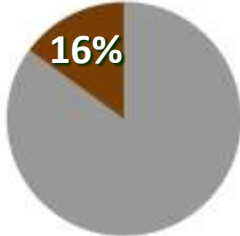


# Home Care

- #2 position worldwide in Liquid Fabric Conditioners, Hand Dishwashing

*(\*Based on markets where we compete and purchase shares)*

# Pet Nutrition



# Hill's Pet Nutrition



- Products sold in over 80 countries
- Sold exclusively through veterinarians, specialty pet food stores and e-retailers

# *Hill's Pet Nutrition*

- 
- Strong worldwide vet recommendation
  - #1 market share in vet clinics in U.S.\*

(\*Based on IDEXX market share data)

- Company Overview

- Our Focused Strategy

# *Our 2020 Focus*

- Launch more premium innovation to drive growth and market share
- Become more digital and data-driven in everything we do
- Deliver on productivity and work differently to fund investment

# ***Our Priorities***

- Driving Organic Sales Growth
- Maximizing Productivity Across the P&L
- Effective Deployment of Cash Flow
- People and Sustainability Strategies

# *Our Priorities*

- Driving Organic Sales Growth
- Maximizing Productivity Across the P&L
- Effective Deployment of Cash Flow
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# *Growth Drivers*

- Accelerating growth through brand building and core innovation
- Innovating to gain share in high growth segments and adjacencies
- Expanding in new channels and markets
- Maximizing growth online
- Investing to drive penetration in growing populations

*Colgate*<sup>®</sup>



*Championing  
Optimism in Action*



# *Optimism*



# *Growth Drivers*

- Accelerating growth through brand building and core innovation
- Innovating to gain share in high growth segments and adjacencies
- Expanding in new channels and markets
- Maximizing growth online
- Investing to drive penetration in growing populations

# *Key Driver of Colgate's Household Penetration*



Cavities remain a global problem affecting almost half the world's population

# New Maximum Cavity Protection

4X Strengthening Power\*



Formula: 1.5% arginine + fluoride

*\*Based on in-mouth studies of enamel strengthening*

# *New Maximum Cavity Protection*



**Asia: 2H 2019**

**Other Markets: Beginning Q2 2020**



# Hill's Science Diet Relaunch

Europe: Q4 2019

Asia: Q1 2020



# *Growth Drivers*

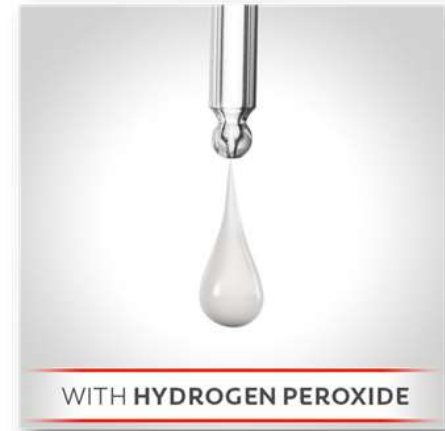
- Accelerating growth through brand building and core innovation
- Innovating to gain share in high growth segments and adjacencies
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- Maximizing growth online
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# *Optic White: Our Formula for Growth*

- Superior technology
- Strong, consistent advertising support
- Continual portfolio optimization and premiumization, supported by innovation

# *Superior Whitening Technology*

- Originally launched with 1% Hydrogen Peroxide, delivering whiter teeth in one week
- Continued innovation over the years to improve efficacy



# Portfolio Optimization

*Relaunched portfolio with price increase, while introducing “basic” whitening tier*

2017

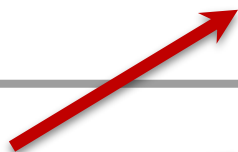
2018

\$5



2% Hydrogen Peroxide

\$4



1% Hydrogen Peroxide

\$3



High-Cleaning Silica Peroxide-Free



Advanced Whitening

Basic Whitening

# In 2020, We're Doing it Again

2017

2018

2020

\$7

**Our Best Ever**



**3% Hydrogen Peroxide**

\$6

\$5

**Best**



**2% Hydrogen Peroxide**

**Better**



**2% Hydrogen Peroxide**

\$4

**Best**



**Better**



**1% Hydrogen Peroxide**

\$3

**Better**



**Good**



**High-Cleaning Silica Peroxide-Free**

**Good**



**High-Cleaning Silica Peroxide-Free**

# Our Best Ever!



- 3% Hydrogen Peroxide - Our Best Whitening Technology ever in a toothpaste
- Removes 10 years of yellow stains\*
- 300+ price index to Category\*\*

\*when brushing twice daily for four weeks

\*\* Price per ounce index to category

# Innovation in Naturals Space



- First-of-its-kind recyclable toothpaste tube to receive recognition from Association of Plastics Recyclers
- Toothpaste ingredients and function listed on tube



# Hello



# *Bamboo Charcoal Toothbrush*



- Sustainably grown bamboo handle
- Free from plastic packaging

# ***Fabric Softeners***



Launch:  
June 2020

*Plant-based  
Softness*

# *Growth Drivers*

- Accelerating growth through brand building and core innovation
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# PCA Skin / EltaMD



# Filorga



LABORATOIRES  
**FILORGA**  
PARIS

**TIME-FILLER**

Crème absolue correction rid  
Absolute wrinkles correction cr

LABORATOIRES  
**FILORGA**  
PARIS

**OPTIM-EYES<sup>®</sup>**

Contour des yeux<sup>1</sup>  
cernes, poches, rid  
Eye contour<sup>2</sup>  
dark circles, puffiness, wrinkles

LABORATOIRES  
**FILORGA**  
PARIS

**HYDRA-HYAL**

concentré  
hydra-repulpant  
intensive hydrate  
plumping conce

LABORATOIRES  
**FILORGA**  
PARIS  
**SLEEP AND PEEL**  
Crème resurfaante nuit  
Resurfacing night cream

# *Growth Drivers*

- Accelerating growth through brand building and core innovation
- Innovating to gain share in high growth segments and adjacencies
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# elmex/meridol Expansion



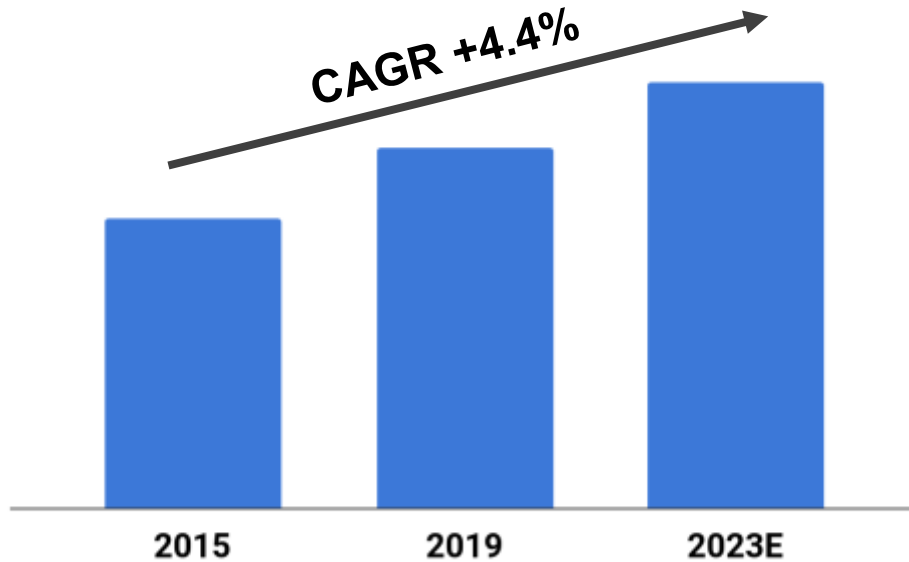


# *elmex/meridol Expansion – 2018/2019*

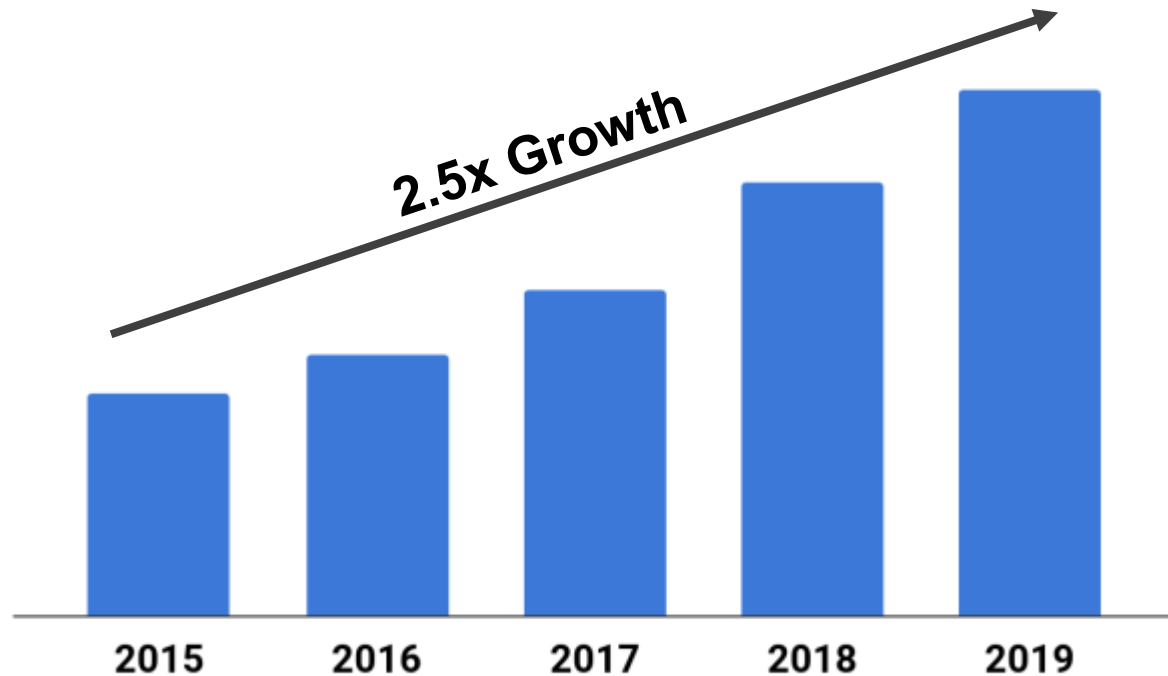


# Discounter Channel

Channel growing in Europe, leaders rapidly expanding and broadening their appeal



# *C-P Europe Net Sales – Discounter*



# Expanding Core Range to Unlock Growth Opportunities

## Differentiated Range



## Sizing/Multipacks



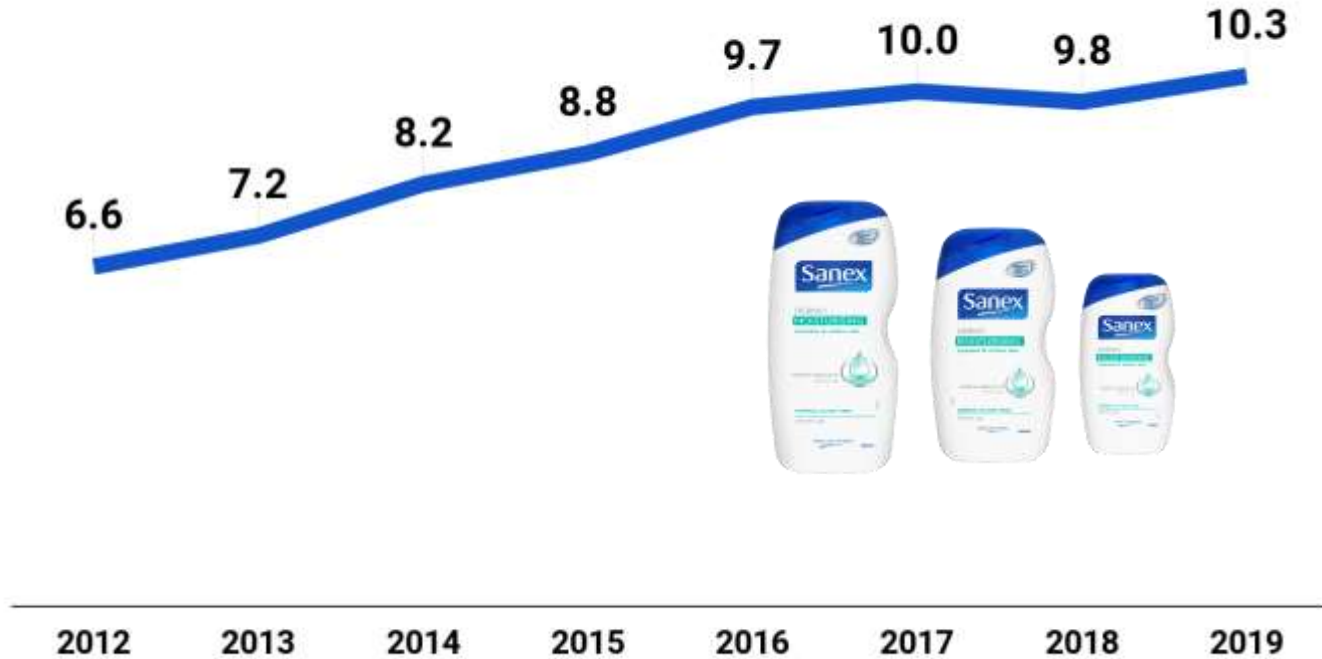
650ml 450ml 225ml



## Unique SKUs



# Record Shower Gel Share in UK Discounters



# *Growth Drivers*

- Accelerating growth through brand building and core innovation
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# Direct-to-Consumer: Plaqless Pro



\*The CES Innovation Awards are based upon descriptive materials submitted to the judges. CTA did not verify the accuracy of any submission or of any claims made and did not test the item to which the award was given."

# *Making the Invisible, Visible*





# Key Activities to Recruit Young, Premium Shoppers

98% shoppers are new to Colgate, ~80% young shoppers below 30 years old

## Celebrity Bloggers



Over **100 million** views



## KOL Live-stream Sales



**50,000+** packs sold in 3 minutes

## TikTok



Drove **500,000+** visitors to the product page

# Tmall "All-star Day" Branded Activation



Attracted **600,000+** visitors to Colgate flagship store

# JD “Super Brand Day” Campaign



Created **160 million+**  
buzz and views among  
Gen Z

# *Growth Drivers*

- Accelerating growth through brand building and core innovation
- Innovating to gain share in high growth segments and adjacencies
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# *Bright Smiles, Bright Futures*

- Worldwide Community Health Initiative
- Provides children worldwide with free dental screenings and oral health education



# Reach

**2020: 1.3 billion+ kids**



## LESSON 01 KNOW HOW TO BRUSH



1 OUTSIDE ↑↓



2 INSIDE ↻



3 WAY IN THE BACK ↕



4 BACK FRONT TEETH ↗



5 TONGUE ↓↑



## LESSON 02 BRUSHING SONG

A

Brush with Colgate  
Brush with Colgate  
Twice a day  
Twice a day  
It's a fluoride toothpaste  
It's a fluoride toothpaste  
That makes teeth stro  
That makes teeth stro

B

Brush in circles  
Brush in circles  
Twice a day  
Twice a day  
Morning and evening  
Morning and evening

C

Brush with Colgate  
Brush with Colgate  
Twice a day  
Twice a day  
I won't share your toothbrush  
I won't share your toothbrush  
They're not hugs  
They're not hugs



For a future



Bacteria

+



Sugary

# *Our Priorities*

- Driving Organic Sales Growth
- Maximizing Productivity Across the P&L
- Effective Deployment of Cash Flow
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# *Maximizing Productivity Across the P&L*

- Global Growth and Efficiency Program (ended 12/31/19)
- Funding the Growth (FTG)
- Working differently

# ***FTG: Vietnam Plant Transformation***

- Plant staff embraced digital tools and agile teams to simplify processes and eliminate unnecessary work
- Freed up 10% more capacity, saving significant capital investment
- Lowered direct costs and unplanned downtime to generate savings
- Developed “upskilling” and “reskilling” tools to better engage young talent

# *Working Differently*

- Changing how we work to drive growth

# *Europe Online Acceleration Center*



# *Europe Online Acceleration Center*

- **Fully functional content studio that develops digital and social content for Europe in-house**
  - **Six online disciplines in one place; co-located with Hill's office**
  - **Stronger, more targeted and compelling content creation**
- 

# *Working Differently*

- Changing how we work to drive growth
- Changing the way we innovate

# *Changing the Way We Innovate*

- Spot emerging trends using artificial intelligence
- Rapid assessment of ingredients and formulas

# *Example: Next-Generation Therapeutic Formula*

How can we leverage historical data to train ***machine learning*** models and build a new therapeutic toothpaste ***from scratch***?



# *Predictive Tools*

- Leverage 80,000 Colgate toothpaste formulas to build predictive models
- Predict critical parameters of toothpaste before making a single batch
- Limit number of “benchtop” batches; increased speed time to market and reduced costs

# *Example: Next-Generation Therapeutic Formula*

## Previous

Experimental recipes  
**896**



## New

Experimental recipes  
**23**



Development Time  
**Multiple Years**

Development Time  
**6 Months**

# *Our Priorities*

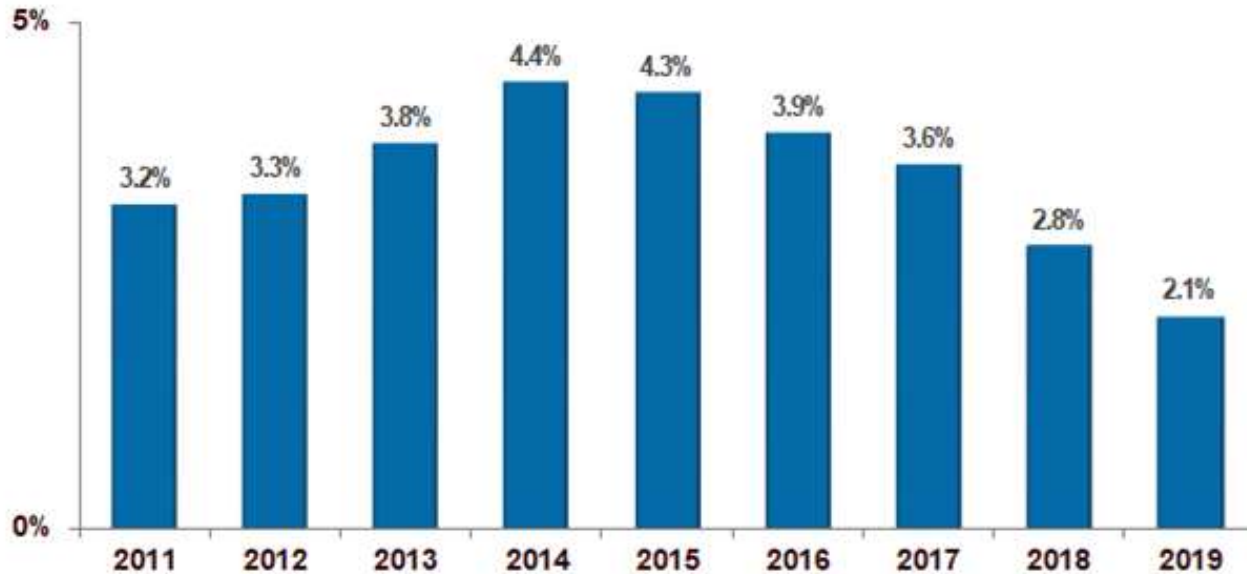
- Driving Organic Sales Growth
- Maximizing Productivity Across the P&L
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# *Effective Deployment of Cash Flow*

- Capital expenditure for growth and savings

# Capital Expenditures

## % to Sales



# *Hill's – Pet Nutrition Center Expansion*



# *Strengthen Focus on “Small Paws”*

- Small and mini dogs are a faster-growing demographic
- Have distinctive nutritional needs
- Estimate that 50% of small dogs are not eating optimal food\*
- Capturing our fair share of Small Paws market is a significant incremental opportunity

# ***Effective Deployment of Cash Flow***

- Capital expenditure for growth and savings
- Mergers and acquisitions



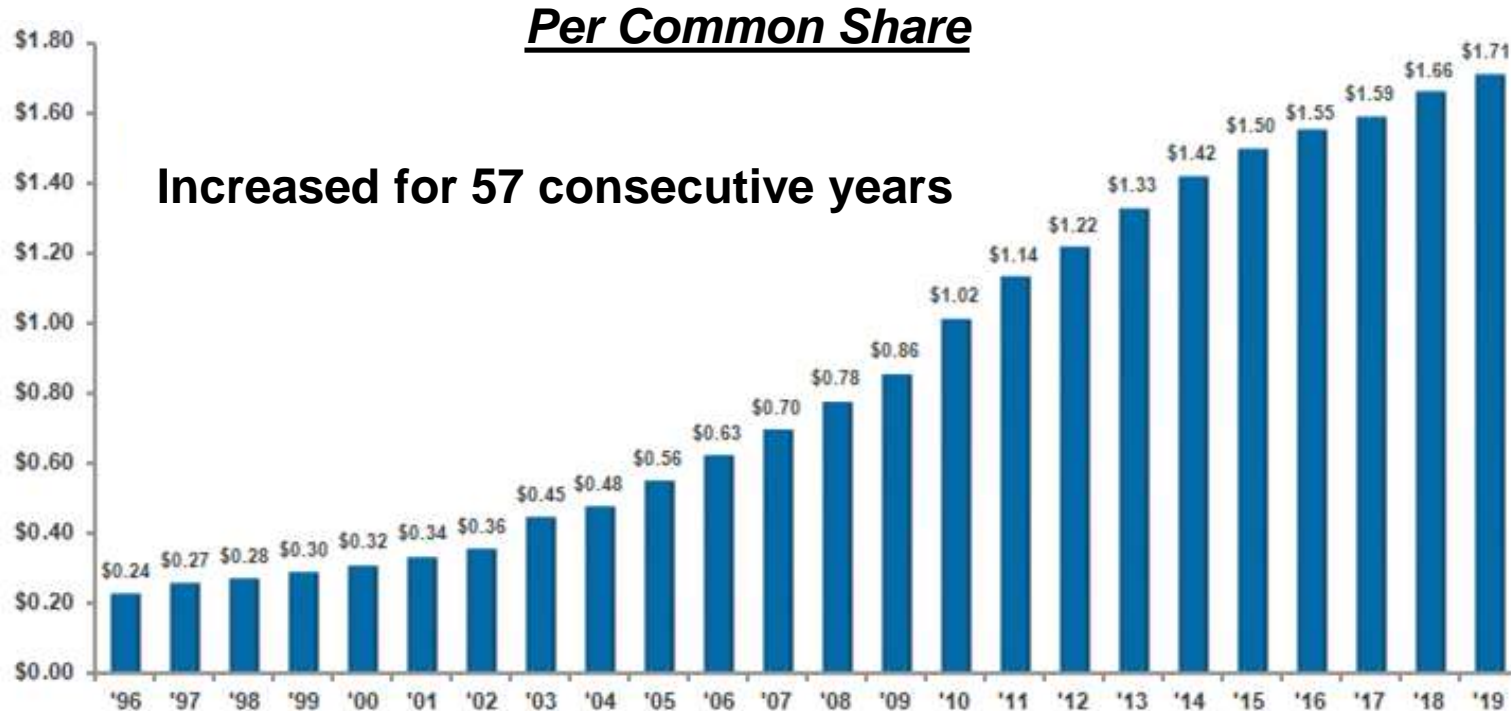
# *Acquisitions*

- PCA Skin (2018)
- EltaMD (2018)
- Filorga (2019)
- Hello (2020)

# *Effective Deployment of Cash Flow*

- Capital expenditure for growth and savings
- Mergers and acquisitions
- Dividends and share repurchase

# Dividends Paid



Amounts adjusted for two-for-one stock split in 1997, 1999 and 2013

# ***Our Priorities***

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# *Driving Toward Zero Waste*

- Industry-leading performance on TRUE Zero Waste\*
- We have received TRUE Zero Waste\* certification at over 30% of our manufacturing facilities, with 50% projected through 2021
- More TRUE Zero Waste projects in more regions than any other company

*\* United States Green Building Council Certification Program*

# *Sustainability Profile*

*Improved the sustainability profile in*

**99%**

*of new  
products\**

*\*Based on representative products from our portfolio*

# *Our 2025 Plastic Commitments*

- 100% recyclable plastics (reusable, compostable) in all categories
- 25% recycled content for plastics (average all plastics)



# First-of-Its-Kind Recyclable Toothpaste Tube



Making innovative technology available to interested third parties



# *Dow Jones Sustainability Index*

- Most respected global sustainability ranking body
- Colgate ranked on World Index for third year in a row
- 2019: First year as the Household Products Industry Sector Leader

# ***Our Priorities***

- Driving Organic Sales Growth
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