

Colgate-Palmolive Company

Non-GAAP Reconciliations

For the Three Months Ended March 31, 2019 and 2018

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

	2019	2018	
Gross Profit			
Gross profit, GAAP	\$ 2,287	\$ 2,408	
Global Growth and Efficiency Program	11	6	
Gross profit, non-GAAP	<u>\$ 2,298</u>	<u>\$ 2,414</u>	
			Basis Point
Gross Profit Margin	2019	2018	Change
Gross profit margin, GAAP	58.9 %	60.2 %	(130)
Global Growth and Efficiency Program	0.3 %	0.1 %	
Gross profit margin, non-GAAP	<u>59.2 %</u>	<u>60.3 %</u>	<u>(110)</u>
Selling, General and Administrative Expenses	2019	2018	
Selling, general and administrative expenses, GAAP	\$ 1,365	\$ 1,392	
Global Growth and Efficiency Program	(4)	(5)	
Selling, general and administrative expenses, non-GAAP	<u>\$ 1,361</u>	<u>\$ 1,387</u>	
			Basis Point
Selling, General and Administrative Expenses as a Percentage of Net Sales	2019	2018	Change
Selling, general and administrative expenses as a percentage of Net sales, GAAP	35.1 %	34.8 %	30
Global Growth and Efficiency Program	(0.1)%	(0.1)%	
Selling, general and administrative expenses as a percentage of Net sales, non-GAAP	<u>35.0 %</u>	<u>34.7 %</u>	<u>30</u>
Other (Income) Expense, Net	2019	2018	
Other (income) expense, net, GAAP	\$ 43	\$ 33	
Global Growth and Efficiency Program	(13)	(13)	
Other (income) expense, net, non-GAAP	<u>\$ 30</u>	<u>\$ 20</u>	
Operating Profit	2019	2018	% Change
Operating profit, GAAP	\$ 879	\$ 983	(11)%
Global Growth and Efficiency Program	28	24	
Operating profit, non-GAAP	<u>\$ 907</u>	<u>\$ 1,007</u>	<u>(10)%</u>
Operating Profit Margin	2019	2018	Basis Point
Operating profit margin, GAAP	22.6 %	24.6 %	(200)
Global Growth and Efficiency Program	0.8 %	0.6 %	
Operating profit margin, non-GAAP	<u>23.4 %</u>	<u>25.2 %</u>	<u>(180)</u>
Non-Service Related Postretirement Costs	2019	2018	
Non-service related postretirement costs, GAAP	\$ 25	\$ 24	
Global Growth and Efficiency Program	(1)	(4)	
Non-service related postretirement costs, non-GAAP	<u>\$ 24</u>	<u>\$ 20</u>	

Table 6
Continued

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For the Three Months Ended March 31, 2019 and 2018

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

2019						
	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	\$ 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>
2018						
	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	\$ 924	\$ 246	\$ 678	\$ 634	26.6 %	\$ 0.72
Global Growth and Efficiency Program	28	8	20	20	0.1 %	0.02
Non-GAAP	<u>\$ 952</u>	<u>\$ 254</u>	<u>\$ 698</u>	<u>\$ 654</u>	<u>26.7 %</u>	<u>\$ 0.74</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.