



**Prepared Management Remarks
Fourth Quarter & Full Year 2024
January 31, 2025**

Please review the following prepared management remarks in conjunction with our fourth quarter and full year 2024 earnings press release, our fourth quarter and full year 2024 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 fourth quarter and full year 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 January 31, 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 2023 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 fourth quarter and full year 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

Our solid fourth quarter 2024 results completed a year of volume, organic sales, gross margin, earnings per share and cash flow growth at the top tier of our peer set. We continued to execute on our strategy of delivering sustainable, profitable growth while investing for future growth and scaling our improved capabilities across the organization.

We believe we are well positioned to continue to deliver peer-leading results in 2025 and beyond despite macroeconomic volatility and the return to a more normalized pricing environment. Our efforts to build more flexibility into our P&L should provide us with the ability to sustain balanced organic sales growth, invest for the future and deliver on our guidance of low to mid-single-digit Base Business earnings per share growth, even with our projected headwind from foreign exchange. This flexibility is a key element of our strategy to deliver consistent, compounded long-term earnings per share growth to drive top-tier long-term total shareholder return.

Full Year 2024 Overview

In 2024, we delivered a record \$20 billion in net sales, +3.3% versus 2023, driven by our third consecutive year of high-single-digit organic sales growth. We delivered 7.4% organic sales growth, 7.9% excluding the impact of lower private label pet volume, against a difficult 8.5% organic sales comparison from 2023. We delivered volume and organic sales growth in all six divisions and all four of our categories. We also grew global value market share in toothpaste for the year, our third consecutive year of global value share growth.

We delivered another strong year of gross profit margin expansion, +230 basis points on a GAAP basis and +240 basis points on a Base Business basis. This significant gross margin expansion funded a 130 basis point increase in advertising as a percentage of net sales, with a 15% increase in advertising on a dollar basis.

We also delivered operating margin expansion in 2024, with our GAAP operating margin increasing by 70 basis points and our Base Business operating margin increasing by 100 basis points. Operating profit grew 7% on a GAAP basis and 8% on a Base Business basis while we continued to invest to build and scale capabilities across the organization.

We delivered double-digit earnings per share growth on both a GAAP and Base Business basis even with a mid-single-digit foreign exchange headwind to net sales.

Our net income growth combined with our discipline on working capital drove record cash flow performance in 2024. Our free cash flow increased 17% in 2024 and is up 91% over the past two years.

For the full year, we returned \$3.4 billion to shareholders through share repurchases and dividends, a 26% increase versus 2023.

To execute against our growth strategy of delivering profitable growth by focusing on our core businesses, faster growth adjacent segments and faster growth markets and channels, we delivered impactful core innovation in 2024, with the relaunch of Colgate MaxFresh toothpaste in Asia and the relaunch of our flagship Colgate Total toothpaste, toothbrush and mouthwash in Latin America. The Colgate Total relaunch is now rolling out globally with an optimized formula focused on active prevention of oral health problems. In personal care, we brought premium core innovation with relaunches on both Sanex and Palmolive in Europe and on Protex in Latin America.

To better tap into the faster growth, adjacent segments of our categories, we launched or expanded the availability of our innovation throughout the year. We further expanded the availability of our MPS whitening technology, now in 55 markets, and launched the next generation of our overnight whitening pen with an easy to use new wand applicator. In skin health, we launched EltaMD Deep Tinted facial sunscreens with invisible blend technology and in home care, we launched Soupline scent boosters and fabric refresher sprays in Europe. At Hill's, our science-led innovation included Hill's Prescription Diet z/d Low Fat, Hill's first low-fat diet in the derm category, and Science

Diet Sensitive Stomach and Skin specially formulated for the unique needs of puppies and kittens.

Our focus on faster growth channels and markets continues to pay off with record pharmacy and drug channel shares for our elmex oral care brand in Europe and Latin America along with increased professional recommendations for the brand in the sensitivity segment.

Our commitment to increasing investment to drive household penetration and brand health, in order to drive category growth and market share, continued in 2024. We believe our record level of advertising spending, on both a dollar and percentage of sales basis, enabled our broad-based volume growth and lifted our brand health metrics as Noel discussed at the Barclays Global Consumer Conference in September.

We also increased our investment in capabilities like innovation, digital, data, analytics and AI. We believe we have spent “ahead of the curve” in these areas to build competitive advantages that will help us gain share as category growth slows.

These increased investment levels behind advertising and other capabilities, along with our ongoing commitment to productivity through our funding-the-growth initiatives, give us confidence in the increased flexibility we have built into the P&L.

Fourth Quarter Overview

We delivered another quarter of strong results in the fourth quarter of 2024, with balanced organic sales growth and strong productivity which enabled us to deliver mid-single-digit Base Business earnings per share growth in the quarter despite a mid-single-digit headwind to net sales from foreign exchange and the expected deceleration in pricing in our categories on a global basis.

Net sales were \$4.9 billion in the fourth quarter, roughly flat versus the year ago period. Organic sales grew 4.3%, 4.8% excluding the impact of lower private label pet volume; volume growth was 2.5% in the quarter, driven by mid-single-digit growth in toothpaste, with growth in every division.

Pricing growth was 1.8% in the quarter, as we continued to execute against our revenue growth management strategy to deliver positive pricing even with lower levels of underlying inflation. Pricing growth decelerated sequentially from the third quarter driven predominantly by a deceleration in pricing contribution from Argentina as we lapped last year's devaluation.

Foreign exchange had a -4.4% impact on net sales in the quarter driven predominantly by Latin America given year-over-year declines in the Argentinian peso, Mexican peso and Brazilian real.

On both a GAAP and Base Business basis, our gross profit margin in the quarter was up 70 basis points year over year to 60.3%. For the quarter, pricing was a 70 basis point benefit to gross profit margin, while raw materials, including the additional impact of transactional foreign exchange, had a 360 basis point negative impact. Our funding-the-growth initiatives delivered a 330 basis point benefit to gross profit margin. Mix was favorable to gross profit margin by 30 basis points.

SG&A as a percentage of net sales was up 190 basis points year over year on both a GAAP basis and on a Base Business basis. Advertising spend was up 9% year over year and up 110 basis points as a percentage of net sales. SG&A ex-advertising was up 80 basis points as a percentage of net sales, driven primarily by higher compensation costs and investment in capabilities like digital and data and analytics.

Operating profit was roughly flat in the quarter on both a GAAP and Base Business basis as the impact of foreign exchange and higher levels of investment offset our organic sales growth and gross profit margin expansion.

For the fourth quarter, on a GAAP basis, we delivered earnings per share of \$0.90. On a Base Business basis, earnings per share was up 5% to \$0.91.

Fourth Quarter Divisional Summaries

North America

North America net sales declined 1.0%, with organic sales -0.7% and a slight negative impact from currency. Volume grew 1.9% in the quarter driven by oral care and home care. Pricing was -2.7%.

In the United States, the Company's value share of the toothpaste market is 33.3% year to date and its value share of the manual toothbrush market is 41.7% year to date.

Volume growth was led by oral care and home care. Toothpaste volume grew mid-single-digit led by Colgate Optic White, Colgate Max Fresh and hello. In the first quarter, we are excited about the relaunch of our Colgate Total oral care business with improved benefits across the toothpaste, manual toothbrush and mouthwash categories.

Home care volume growth was strong across all sub-categories, with mid to high-single-digit volume growth in cleaners, hand dish and fabric softeners.

Europe

Europe delivered another quarter of strong growth with 4.9% net sales growth and 4.5% organic sales growth. Volume growth was 1.7%, driven by oral care. Our revenue growth management strategy continued to deliver in the fourth quarter with positive pricing in all three categories and every hub.

The strength of our multi-brand strategy is driving record market shares in toothpaste with share growth in key markets and segments, particularly sensitivity. Our focus on professional recommendations drove a return to Brand Recommended Most Often status for elmex in Germany, the brand's largest market.

Europe also delivered organic sales growth in personal care, driven by liquid hand soap and body wash, and in home care, driven by hand dish.

Latin America

Latin America delivered solid underlying performance in the fourth quarter in the face of continued foreign exchange headwinds and economic uncertainty. Net sales declined 7.2% in the quarter as 9.2% organic sales growth was more than offset by a 16.4% headwind from foreign exchange.

Latin America delivered volume growth for the seventh consecutive quarter, with volume up 0.9% despite a very difficult 7.9% comparison. Pricing was up 8.3% in the quarter driven by Argentina, Mexico and Brazil. We have announced additional pricing in Latin America in the first quarter to help offset the impact of transactional foreign exchange.

Volume growth was led by toothpaste as the recent relaunch of Colgate Total in Latin America drove both value and volume share during the quarter. Toothpaste value share in Mexico grew 100 basis points in 2024, with our share increasing sequentially in the fourth quarter with the Colgate Total relaunch.

In personal care, our focus on incremental innovation on the Protex brand, including Protex Serum body wash, is driving household penetration in Brazil and Colombia, which are the brand's largest markets in the region.

Our Suavitel relaunch in Mexico, with "100% more fragrance," continues to drive market share growth, expanding our market share advantage versus local and multinational competitors.

Asia Pacific

Asia Pacific grew net sales 3.7% in the fourth quarter, with organic sales growth of 3.8% and a slight negative impact from foreign exchange.

Volume growth of 5.8% was broad based, with strength in India, Greater China, South Pacific and Thailand. Volume growth was led by toothpaste and manual toothbrushes.

Pricing was negative in the quarter due to heightened competitive activity in several markets, including India and for our H&H joint venture in China.

Our significant core and premium innovation across the Asia Pacific division continues to drive volume growth and household penetration. 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 continued to drive strong organic sales growth with a 10th consecutive quarter of high-single-digit or greater organic sales growth. Net sales grew 2.8% in the quarter, as organic sales grew 9.4% and foreign exchange was a 6.6% headwind.

Volume growth was 11.5% in the quarter with growth across all three categories including double-digit growth in oral care and home care.

Pricing for the quarter was -2.1%, driven by significant competitive activity in bar soap and body wash. Toothpaste pricing was positive in the quarter.

Our continued investment in Africa/Eurasia, despite economic and political uncertainty in the region, is paying off through strong toothpaste value market share performance. 2024 share growth in the region was driven by record high market shares in South Africa and Nigeria.

Hill's Pet Nutrition

Hill's net sales grew 2.3% and organic sales grew 2.9% in the fourth quarter. Volume grew 0.8% in the quarter including a 200 basis point negative impact from lower private label volume. Mid-single-digit organic sales growth in the Hill's U.S. business was partially offset by lower private label volume and incremental category weakness in Europe.

We continue to see the benefits of our increased capacity at Hill's where we are gaining share in a challenging category. In the U.S., we have expanded our wet cat food offerings with new flavors, such as salmon and duck, and more variety pack offerings and are gaining greater retail visibility with incremental shelf space and distribution.

Guidance

We issued our initial 2025 guidance this morning in our earnings press release and we expect another year of organic sales and earnings per share growth. We expect net sales to be roughly flat versus 2024. We expect organic sales growth of 3-5%, which would mark our 7th consecutive year of organic sales growth either in line with or ahead of our long-term target range of 3-5%. At current spot rates, foreign exchange is expected to be a mid-single-digit headwind to net sales growth. Our guidance includes the impact of the planned exit from private label pet nutrition over the course of 2025. We would expect the impact to net and organic sales growth by quarter to be slightly higher than the Q4 impact, which was roughly 50 basis points at the total company level.

We currently expect modest raw and packaging material cost inflation, which includes the transactional impact of foreign exchange. This forecast is based on our cost projections, which may differ from spot prices. Given our pricing outlook, the benefits from revenue growth management and the strength of our funding-the-growth initiatives, we expect our gross profit margin to expand in 2025 on both a GAAP and Base Business basis. We highlight that this guidance does not include any incremental impact from tariffs. If new tariffs are announced, we will work to assess them and mitigate any impact where possible.

Advertising is expected to be flat or up slightly on both a dollar basis and as a percentage of net sales.

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

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

We expect high-single-digit earnings per share growth on a GAAP basis. On a Base Business basis, we expect earnings per share growth of low to mid-single-digit.