

Table 9

Colgate-Palmolive Company

Non-GAAP Reconciliations

For the Nine Months Ended September 30, 2022 and 2021

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

	2022	2021	
Selling, General and Administrative Expenses			
Selling, general and administrative expenses, GAAP	\$ 4,932	\$ 4,809	
2022 Global Productivity Initiative	(4)	—	
Selling, general and administrative expenses, non-GAAP	<u>\$ 4,928</u>	<u>\$ 4,809</u>	
Selling, General and Administrative Expenses as a Percentage of Net Sales			Basis Point Change
Selling, general and administrative expenses as a percentage of Net sales, GAAP	37.0 %	36.9 %	10
2022 Global Productivity Initiative	(0.1)%	— %	
Selling, general and administrative expenses as a percentage of Net sales, non-GAAP	<u>36.9 %</u>	<u>36.9 %</u>	<u>—</u>
Other (Income) Expense, Net			
Other (income) expense, net, GAAP	\$ 51	\$ 40	
2022 Global Productivity Initiative	(75)	—	
Gain on the sale of land in Asia Pacific	47	—	
Acquisition-related costs	(17)	—	
Value-added tax matter in Brazil	—	26	
Other (income) expense, net, non-GAAP	<u>\$ 6</u>	<u>\$ 66</u>	
Operating Profit			% Change
Operating profit, GAAP	\$ 2,691	\$ 2,967	(9)%
2022 Global Productivity Initiative	79	—	
Gain on the sale of land in Asia Pacific	(47)	—	
Acquisition-related costs	17	—	
Value-added tax matter in Brazil	—	(26)	
Operating profit, non-GAAP	<u>\$ 2,740</u>	<u>\$ 2,941</u>	<u>(7)%</u>
Operating Profit Margin			Basis Point Change
Operating profit margin, GAAP	20.2 %	22.8 %	(260)
2022 Global Productivity Initiative	0.6 %	— %	
Gain on the sale of land in Asia Pacific	(0.4)%	— %	
Acquisition-related costs	0.1 %	— %	
Value-added tax matter in Brazil	— %	(0.2)%	
Operating profit margin, non-GAAP	<u>20.5 %</u>	<u>22.6 %</u>	<u>(210)</u>
Interest (Income) Expense, Net			
Interest (income) expense, net, GAAP	\$ 98	\$ 152	
Loss on early extinguishment of debt	—	(75)	
Interest (income) expense, net, non-GAAP	<u>\$ 98</u>	<u>\$ 77</u>	
Non-Service Related Postretirement Costs			
Non-service related postretirement costs, GAAP	\$ 65	\$ 52	
2022 Global Productivity Initiative	(13)	—	
Non-service related postretirement costs, non-GAAP	<u>\$ 52</u>	<u>\$ 52</u>	

Table 9
Continued

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Non-GAAP Reconciliations

For the Nine Months Ended September 30, 2022 and 2021

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

	2022						
	Income Before Income Taxes	Provision For Income Taxes ⁽¹⁾	Net Income Including Noncontrolling Interests	Less: Income Attributable to Noncontrolling Interests	Net Income Attributable To Colgate-Palmolive Company	Effective Income Tax Rate ⁽²⁾	Diluted Earnings Per Share
As Reported GAAP	\$ 2,528	\$ 604	\$ 1,924	\$ 144	\$ 1,780	23.9 %	\$ 2.12
2022 Global Productivity Initiative	92	19	73	1	72	(0.1)%	0.08
Gain on the sale of land in Asia Pacific	(47)	(11)	(36)	(21)	(15)	— %	(0.02)
Acquisition-related costs	17	2	15	—	15	(0.1)%	0.02
Non-GAAP	<u>\$ 2,590</u>	<u>\$ 614</u>	<u>\$ 1,976</u>	<u>\$ 124</u>	<u>\$ 1,852</u>	<u>23.7 %</u>	<u>\$ 2.20</u>
	2021						
	Income Before Income Taxes	Provision For Income Taxes ⁽¹⁾	Net Income Including Noncontrolling Interests	Less: Income Attributable to Noncontrolling Interests	Net Income Attributable To Colgate-Palmolive Company	Effective Income Tax Rate ⁽²⁾	Diluted Earnings Per Share
As Reported GAAP	\$ 2,763	\$ 613	\$ 2,150	\$ 132	\$ 2,018	22.2 %	\$ 2.38
Loss on early extinguishment of debt	75	20	55	—	55	0.1 %	0.06
Value-added tax matter in Brazil	(26)	(6)	(20)	—	(20)	— %	(0.02)
Non-GAAP	<u>\$ 2,812</u>	<u>\$ 627</u>	<u>\$ 2,185</u>	<u>\$ 132</u>	<u>\$ 2,053</u>	<u>22.3 %</u>	<u>\$ 2.42</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 adjustments on Income before income taxes and Provision for income taxes.