

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) April 28, 2023

COLGATE-PALMOLIVE COMPANY

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1-644
(Commission
File Number)

13-1815595
(IRS Employer
Identification No.)

300 Park Avenue, New York, New York
(Address of Principal Executive Offices)

10022
(Zip Code)

Registrant's telephone number, including area code (212) 310-2000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--------------------------------|-------------------|---|
| Common Stock, \$1.00 par value | CL | New York Stock Exchange |
| 0.500% Notes due 2026 | CL 26 | New York Stock Exchange |
| 0.300% Notes due 2029 | CL 29 | New York Stock Exchange |
| 1.375% Notes due 2034 | CL 34 | New York Stock Exchange |
| 0.875% Notes due 2039 | CL 39 | New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On April 28, 2023, Colgate-Palmolive Company (the “Company”) issued a press release announcing its earnings for the quarter ended March 31, 2023. This press release is attached as Exhibit 99 and is incorporated herein by reference.

The information in Item 2.02 of this Current Report is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in Item 2.02 of this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.* The following exhibits are filed with this document:

| <u>Exhibit Number</u> | <u>Description</u> |
|-----------------------|---|
| 99 | Press release, dated April 28, 2023, issued by Colgate-Palmolive Company |
| 104 | Cover Page Interactive Data File (embedded within the Inline eXtensible Business Reporting Language (Inline XBRL) document) |

EXHIBIT INDEX

| <u>Exhibit Number</u> | <u>Description</u> |
|-----------------------|---|
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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

COLGATE-PALMOLIVE COMPANY

Date: April 28, 2023

By: /s/ Stanley J. Sutula III
Name: Stanley J. Sutula III
Title: Chief Financial Officer

Colgate Announces 1st Quarter 2023 Results

NEW YORK--(BUSINESS WIRE)--April 28, 2023--Colgate-Palmolive Company (NYSE:CL):

- Net sales increased 8.5%; Organic sales* increased 10.0% with growth in every division and in all four categories
- GAAP EPS declined 32% to \$0.45; Base Business EPS* declined 1% to \$0.73
- GAAP Gross profit margin and Base Business Gross profit margin* both decreased 160 basis points to 56.9%, including a negative 90 basis point impact from private label sales resulting from the previously disclosed acquisitions of pet food businesses
- Net cash provided by operations was \$735 million for the first three months of 2023
- Colgate's leadership in toothpaste continued with its global market share at 40.2% year to date
- Colgate's leadership in manual toothbrushes continued with its global market share at 30.6% year to date
- The Company updated its financial guidance for full year 2023

| First Quarter Total Company Results (GAAP) | | | |
|--|---------|---------|--------|
| (\$ in millions except per share amounts) | 2023 | 2022 | Change |
| Net Sales | \$4,770 | \$4,399 | +8.5% |
| EPS (diluted) | \$0.45 | \$0.66 | -32% |

| First Quarter Total Company Results (Base Business - Non-GAAP)* | | | |
|---|--------|--------|--------|
| | 2023 | 2022 | Change |
| Organic Sales Growth | | | +10.0% |
| Base Business EPS (diluted) | \$0.73 | \$0.74 | -1% |

*Indicates a non-GAAP financial measure. Please refer to "Non-GAAP Financial Measures" later in this release for definitions of non-GAAP financial measures and to "Table 5 - Geographic Sales Analysis Percentage Changes" and "Table 6 - Non-GAAP Reconciliations" included with this release for a reconciliation of these non-GAAP financial measures to the related GAAP measures.

Colgate-Palmolive Company (NYSE:CL) today reported results for first quarter 2023. Noel Wallace, Chairman, President and Chief Executive Officer, commented on the Base Business first quarter results, “Our first quarter results provide further proof that our strategy to accelerate growth is working. We began 2023 with positive momentum, with sequential improvement in net and organic sales growth, gross profit margin, advertising spending, operating profit and free cash flow. Net sales increased 8.5%, and organic sales grew 10.0% with growth in every division and in all four of our categories.

“Despite continued pressure from raw and packaging material costs during the quarter, gross profit margin improved sequentially versus fourth quarter 2022, which helped fund a 14% increase in advertising in support of our pricing and robust innovation across all categories. We expect to drive further gross margin improvement in the balance of the year through continued strong pricing and the benefits from funding-the-growth and other productivity initiatives.

“Looking ahead, while we still see uncertainty in the global operating environment, particularly in the back half of the year, we feel well positioned to deliver on our increased 2023 sales and earnings growth expectations and drive value for our stakeholders.”

Full Year 2023 Guidance

Based on current spot rates:

- The Company now expects net sales growth to be 3% to 6% including the benefit from our acquisitions of pet food businesses and a low-single-digit negative impact from foreign exchange.
 - The Company now expects organic sales growth to be 4% to 6%.
 - On a GAAP basis, the Company still expects gross profit margin expansion, increased advertising investment and double-digit earnings-per-share growth.
 - On a non-GAAP (Base Business) basis, the Company still expects gross profit margin expansion and increased advertising investment and now expects mid-single-digit earnings-per-share growth.
-

Divisional Performance

The following are comments about divisional performance for first quarter 2023 versus the year ago period. See attached "Table 5 - Geographic Sales Analysis Percentage Changes" and "Table 4 - Segment Information" for additional information on net sales and operating profit by division.

| First Quarter Sales Growth By Division (% change 1Q 2023 vs. 1Q 2022) | | | | | | |
|---|-----------|----------------|----------------------|----------------|---------|-------|
| | Net Sales | Organic Sales* | As Reported Volume** | Organic Volume | Pricing | FX |
| North America | +3.5% | +4.0% | -6.5% | -6.5% | +10.5% | -0.5% |
| Latin America | +12.5% | +14.5% | -3.5% | -3.5% | +18.0% | -2.0% |
| Europe | -0.5% | +4.5% | -3.5% | -3.5% | +8.0% | -5.0% |
| Asia Pacific | +1.5% | +8.5% | +2.0% | +2.0% | +6.5% | -7.0% |
| Africa/Eurasia | +8.0% | +16.5% | -5.0% | -5.0% | +21.5% | -8.5% |
| Hill's | +21.5% | +14.0% | +12.0% | +2.5% | +11.5% | -2.0% |
| | | | | | | |
| Total Company | +8.5% | +10.0% | —% | -2.0% | +12.0% | -3.5% |

*Indicates a non-GAAP financial measure. Please refer to "Non-GAAP Financial Measures" later in this release for definitions of non-GAAP financial measures and to "Table 5 - Geographic Sales Analysis Percentage Changes" included with this release for a reconciliation of these non-GAAP financial measures to the related GAAP measures.

**The impact of the previously disclosed acquisitions of pet food businesses on as reported volume was 9.5% and 2.0% for Hill's and Total Company, respectively.

| First Quarter Operating Profit By Division (\$ in millions) | | | | |
|---|---------|---------------------|----------------|--|
| | 1Q 2023 | % Change vs 1Q 2022 | % to Net Sales | Change in basis points vs 1Q 2022 % to Net Sales |
| North America | \$193 | 18% | 20.1% | +250 |
| Latin America | \$315 | 19% | 29.3% | +150 |
| Europe | \$116 | -23% | 17.8% | -510 |
| Asia Pacific | \$202 | -2% | 27.4% | -100 |
| Africa/Eurasia | \$68 | 55% | 23.6% | +710 |
| Hill's | \$183 | -10% | 17.2% | -620 |
| | | | | |
| Total Company, As Reported | \$909 | 6% | 19.1% | -40 |
| Total Company, Base Business* | \$939 | 2% | 19.7% | -130 |

*Indicates a non-GAAP financial measure. Please refer to "Non-GAAP Financial Measures" later in this release for definitions of non-GAAP financial measures and to "Table 6 - Non-GAAP Reconciliations" included with this release for a reconciliation of these non-GAAP financial measures to the related GAAP measures.

North America (20% of Company Sales)

- Organic sales growth in oral care and personal care was partially offset by organic sales declines in home care, which was impacted by the previously announced voluntary recall of certain Fabuloso multi-purpose cleaners.
- In the United States, Colgate's share of the toothpaste market is 34.3% year to date and its share of the manual toothbrush market is 42.0% year to date.
- The increase in Operating profit as a percentage of Net sales was primarily due to higher pricing, lower overhead expenses and cost savings from the Company's funding-the-growth initiatives, partially offset by significantly higher raw and packaging material costs and increased advertising investment.

Latin America (23% of Company Sales)

- Organic sales growth was led by Mexico, Argentina, Brazil and Colombia.
- The increase in Operating profit as a percentage of Net sales was primarily due to higher pricing and cost savings from the Company's funding-the-growth initiatives, partially offset by significantly higher raw and packaging material costs and increased advertising investment.

Europe (14% of Company Sales)

- Organic sales growth was led by Germany, Poland, the Netherlands, France and the United Kingdom, partially offset by organic sales declines in the Filorga business, primarily related to the travel retail business and China.
- The decrease in Operating profit as a percentage of Net sales was primarily due to significantly higher raw and packaging material costs, increased advertising investment and higher overhead expenses, partially offset by higher pricing and cost savings from the Company's funding-the-growth initiatives.

Asia Pacific (15% of Company Sales)

- Organic sales growth was led by the Greater China region, India, Australia and the Philippines.
 - The decrease in Operating profit as a percentage of Net sales was primarily due to significantly higher raw and packaging material costs, partially offset by cost savings from the Company's funding-the-growth initiatives, higher pricing, lower overhead expenses and decreased advertising investment.
-

Africa/Eurasia (6% of Company Sales)

- Organic sales growth was led by Turkiye and South Africa.
- The increase in Operating profit as a percentage of Net sales was primarily due to higher pricing, cost savings from the Company's funding-the-growth initiatives, lower overhead expenses and costs incurred in the first quarter of 2022 due to the war in Ukraine, partially offset by significantly higher raw and packaging material costs, which included foreign exchange transaction costs, and increased advertising investment.

Hill's Pet Nutrition (22% of Company Sales)

- Organic sales growth was led by the United States and Europe.
- The decrease in Operating profit as a percentage of Net sales was primarily due to significantly higher raw and packaging material costs, unfavorable mix primarily due to private label sales resulting from the previously disclosed acquisitions of pet food businesses and increased advertising investment, partially offset by higher pricing, lower overhead expenses and cost savings from the Company's funding-the-growth initiatives.

Prepared Materials and Webcast Information

At approximately 7:00 a.m. ET today, Colgate will post its prepared materials (in PDF format) regarding first quarter results to the Investor Center section of its website at <https://investor.colgatepalmolive.com/events-and-presentations>.

At 8:30 a.m. ET today, Colgate will host a conference call regarding first quarter results. To access this call as a webcast, please go to Colgate's website at www.colgatepalmolive.com.

About Colgate-Palmolive

Colgate-Palmolive Company is a caring, innovative growth company that is reimagining a healthier future for all people, their pets and our planet. Focused on Oral Care, Personal Care, Home Care and Pet Nutrition, we sell our products in more than 200 countries and territories under brands such as Colgate, Palmolive, elmex, hello, meridol, Sorriso, Tom's of Maine, EltaMD, Filorga, Irish Spring, PCA SKIN, Protex, Sanex, Softsoap, Speed Stick, Ajax, Axion, Fabuloso, Soupline and Suavitel, as well as Hill's Science Diet and Hill's Prescription Diet. The Company is recognized for its leadership and innovation in promoting sustainability and community wellbeing, including its achievements in decreasing plastic waste and promoting recyclability, saving water, conserving natural resources and improving children's oral health through the Colgate Bright Smiles, Bright Futures program, which has reached more than 1.6 billion children since 1991. For more information about Colgate's global business and how the Company is building a future to smile about, visit www.colgatepalmolive.com. CL-E

Market Share Information

Management uses market share information as a key indicator to monitor business health and performance. References to market share in this press release are based on a combination of consumption and market share data provided by third-party vendors, primarily Nielsen, and internal estimates. All market share references represent the percentage of the dollar value of sales of our products, relative to all product sales in the category in the countries in which the Company competes and purchases data (excluding Venezuela from all periods).

Market share data is subject to limitations on the availability of up-to-date information. In particular, market share data is currently not generally available for certain retail channels, such as eCommerce and certain club retailers and discounters. The Company measures year-to-date market shares from January 1 of the relevant year through the most recent period for which market share data is available, which typically reflects a lag time of one or two months. The Company believes that the third-party vendors it uses to provide data are reliable, but it has not verified the accuracy or completeness of the data or any assumptions underlying the data. In addition, market share information reported by the Company may be different from market share information reported by other companies due to differences in category definitions, the use of data from different countries, internal estimates and other factors.

Cautionary Statement on Forward-Looking Statements

This press release and the related webcast may contain forward-looking statements (as that term is defined in the U.S. Private Securities Litigation Reform Act of 1995 or by the Securities and Exchange Commission (SEC) in its rules, regulations and releases) that set forth anticipated results based on management's current plans and assumptions. Such statements may relate, for example, to sales or volume growth, net selling price increases, organic sales growth, profit or profit margin levels, earnings per share levels, financial goals, the impact of foreign exchange, the impact of COVID-19, the impact of the war in Ukraine, cost-reduction plans (including the 2022 Global Productivity Initiative), tax rates, interest rates, new product introductions, digital capabilities, commercial investment levels, acquisitions, divestitures, share repurchases or legal or tax proceedings, among other matters. These statements are made on the basis of the Company's views and assumptions as of this time and the Company undertakes no obligation to update these statements whether as a result of new information, future events or otherwise, except as required by law or by the rules and regulations of the SEC. Moreover, the Company does not, nor does any other person, assume responsibility for the accuracy and completeness of these statements. The Company cautions investors that any such forward-looking statements are not guarantees of future performance and that actual events or results may differ materially from those statements. For more information about factors that could impact the Company's business and cause actual results to differ materially from forward-looking statements, investors should refer to the Company's filings with the SEC (including, but not limited to, the information set forth under the captions "Risk Factors" and "Cautionary Statement on Forward-Looking Statements" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 and subsequent filings with the SEC). Copies of these filings may be obtained upon request from the Company's Investor Relations Department or on the Company's website at www.colgatepalmolive.com.

Non-GAAP Financial Measures

The following provides definitions and other information regarding the non-GAAP financial measures used in this press release and the related prepared materials and webcast, which may not be the same as or comparable to similar measures presented by other companies:

- **Base Business:** Base Business refers to non-GAAP measures of operating results that exclude certain items. Base Business operating results exclude, as applicable, charges related to an ERISA litigation matter, product recall costs and charges related to the 2022 Global Productivity Initiative.
- **Organic sales growth:** Net sales growth excluding the impact of foreign exchange, acquisitions and divestments.
- **Free cash flow before dividends:** Net cash provided by operations less Capital expenditures.

This press release discusses Net sales growth (GAAP) and Organic sales growth (non-GAAP). Management believes the organic sales growth measure provides investors and analysts with useful supplemental information regarding the Company's underlying sales trends by presenting sales growth excluding the external factor of foreign exchange as well as the impact from acquisitions and divestments. See "Geographic Sales Analysis Percentage Changes" for the three months ended March 31, 2023 versus 2022 included with this release for a comparison of Organic sales growth to Net sales growth in accordance with GAAP.

Other (income) expense, net, Operating profit, Operating profit margin, Non-service related postretirement costs, Effective income tax rate, Net income attributable to Colgate-Palmolive Company and Diluted earnings per common share are disclosed on both an as reported (GAAP) and Base Business (non-GAAP) basis. These non-GAAP financial measures exclude items that, either by their nature or amount, management would not expect to occur as part of the Company's normal business on a regular basis, such as restructuring charges, charges for certain litigation and tax matters, acquisition-related costs, gains and losses from certain divestitures and certain other unusual, non-recurring items. Investors and analysts use these financial measures in assessing the Company's business performance, and management believes that presenting these financial measures on a non-GAAP basis provides them with useful supplemental information to enhance their understanding of the Company's underlying business performance and trends. These non-GAAP financial measures also enhance the ability to compare period-to-period financial results. See "Non-GAAP Reconciliations" for three months ended March 31, 2023 and 2022 included with this release for a reconciliation of these financial measures to the related GAAP measures.

The Company uses these financial measures internally in its budgeting process, to evaluate segment and overall operating performance and as factors in determining compensation. While the Company believes that these financial measures are useful in evaluating the Company's underlying business performance and trends, this information should be considered as supplemental in nature and is not meant to be considered in isolation or as a substitute for the related financial information prepared in accordance with GAAP.

As management uses free cash flow before dividends to evaluate the Company's ability to satisfy current and future obligations, pay dividends, fund future business opportunities and repurchase stock, the Company believes that it provides useful information to investors. Free cash flow before dividends is not a measure of cash available for discretionary expenditures since the Company has certain non-discretionary obligations such as debt service that are not deducted from the measure. See "Condensed Consolidated Statements of Cash Flows" for the three months ended March 31, 2023 and 2022 for a comparison of free cash flow before dividends to Net cash provided by operations as reported in accordance with GAAP.

(See attached tables for first quarter results.)

Colgate-Palmolive Company

Condensed Consolidated Statements of Income

For the Three Months Ended March 31, 2023 and 2022

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

| | 2023 | 2022 |
|---|----------|----------|
| Net sales | \$ 4,770 | \$ 4,399 |
| Cost of sales | 2,058 | 1,827 |
| Gross profit | 2,712 | 2,572 |
| Gross profit margin | 56.9% | 58.5% |
| Selling, general and administrative expenses | 1,758 | 1,641 |
| Other (income) expense, net | 45 | 71 |
| Operating profit | 909 | 860 |
| Operating profit margin | 19.1% | 19.5% |
| Non-service related postretirement costs | 294 | 38 |
| Interest (income) expense, net | 54 | 27 |
| Income before income taxes | 561 | 795 |
| Provision for income taxes | 147 | 192 |
| Effective tax rate | 26.2% | 24.2% |
| Net income including noncontrolling interests | 414 | 603 |
| Less: Net income attributable to noncontrolling interests | 42 | 44 |
| Net income attributable to Colgate-Palmolive Company | \$ 372 | \$ 559 |
| Earnings per common share | | |
| Basic | \$ 0.45 | \$ 0.67 |
| Diluted | \$ 0.45 | \$ 0.66 |
| Supplemental Income Statement Information | | |
| Average common shares outstanding | | |
| Basic | 831.4 | 840.6 |
| Diluted | 833.0 | 843.7 |
| Advertising | \$ 579 | \$ 506 |

Colgate-Palmolive Company

Condensed Consolidated Balance Sheets

As of March 31, 2023, December 31, 2022 and March 31, 2022

(Dollars in Millions) (Unaudited)

| | March 31, 2023 | December 31, 2022 | March 31, 2022 |
|---|-------------------|----------------------|-------------------|
| Cash and cash equivalents | \$ 867 | \$ 775 | \$ 877 |
| Receivables, net | 1,590 | 1,504 | 1,532 |
| Inventories | 2,110 | 2,074 | 1,924 |
| Other current assets | 899 | 760 | 656 |
| Property, plant and equipment, net | 4,363 | 4,307 | 3,752 |
| Goodwill | 3,375 | 3,352 | 3,292 |
| Other intangible assets, net | 1,918 | 1,920 | 2,415 |
| Other assets | 1,051 | 1,039 | 1,275 |
| Total assets | <u>\$ 16,173</u> | <u>\$ 15,731</u> | <u>\$ 15,723</u> |
| | | | |
| Total debt | \$ 8,907 | \$ 8,766 | \$ 7,607 |
| Other current liabilities | 4,404 | 3,979 | 4,547 |
| Other non-current liabilities | 2,437 | 2,180 | 2,841 |
| Total liabilities | <u>15,748</u> | <u>14,925</u> | <u>14,995</u> |
| Total Colgate-Palmolive Company shareholders' equity | (6) | 401 | 321 |
| Noncontrolling interests | 431 | 405 | 407 |
| Total liabilities and equity | <u>\$ 16,173</u> | <u>\$ 15,731</u> | <u>\$ 15,723</u> |
| | | | |
| Supplemental Balance Sheet Information | | | |
| Debt less cash, cash equivalents and marketable securities ⁽¹⁾ | \$ 7,764 | \$ 7,816 | \$ 6,672 |
| Working capital % of sales | (0.4)% | 1.0% | (2.8)% |

Note:

(1) Marketable securities of \$276, \$175 and \$58 as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively, are included in Other current assets.

Colgate-Palmolive Company

Condensed Consolidated Statements of Cash Flows

For the Three Months Ended March 31, 2023 and 2022

(Dollars in Millions) (Unaudited)

| | 2023 | 2022 |
|--|---------------|---------------|
| Operating Activities | | |
| Net income including noncontrolling interests | \$ 414 | \$ 603 |
| Adjustments to reconcile Net income including noncontrolling interests to Net cash provided by operations: | | |
| Depreciation and amortization | 128 | 138 |
| ERISA litigation matter | 267 | — |
| Restructuring and termination benefits, net of cash | (7) | 81 |
| Stock-based compensation expense | 14 | 29 |
| Deferred income taxes | (20) | (7) |
| Cash effects of changes in: | | |
| Receivables | (57) | (197) |
| Inventories | (24) | (215) |
| Accounts payable and other accruals | (2) | (28) |
| Other non-current assets and liabilities | 22 | (18) |
| Net cash provided by (used in) operations | <u>735</u> | <u>386</u> |
| Investing Activities | | |
| Capital expenditures | (163) | (122) |
| Purchases of marketable securities and investments | (112) | (36) |
| Proceeds from sale of marketable securities and investments | 14 | 14 |
| Other investing activities | (3) | 3 |
| Net cash provided by (used in) investing activities | <u>(264)</u> | <u>(141)</u> |
| Financing Activities | | |
| Short-term borrowing (repayment) less than 90 days, net | (927) | 413 |
| Principal payments on debt | (500) | — |
| Proceeds from issuance of debt | 1,495 | 5 |
| Dividends paid | (390) | (378) |
| Purchases of treasury shares | (180) | (410) |
| Proceeds from exercise of stock options | 122 | 171 |
| Other financing activities | 5 | (5) |
| Net cash provided by (used in) financing activities | <u>(375)</u> | <u>(204)</u> |
| Effect of exchange rate changes on Cash and cash equivalents | (4) | 4 |
| Net increase (decrease) in Cash and cash equivalents | <u>92</u> | <u>45</u> |
| Cash and cash equivalents at beginning of the period | <u>775</u> | <u>832</u> |
| Cash and cash equivalents at end of the period | <u>\$ 867</u> | <u>\$ 877</u> |
| Supplemental Cash Flow Information | | |
| Free cash flow before dividends (Net cash provided by operations less Capital expenditures) | | |
| Net cash provided by operations | \$ 735 | \$ 386 |
| Less: Capital expenditures | (163) | (122) |
| Free cash flow before dividends | <u>\$ 572</u> | <u>\$ 264</u> |
| Income taxes paid | \$ 171 | \$ 155 |

Colgate-Palmolive Company

Segment Information

For the Three Months Ended March 31, 2023 and 2022

(Dollars in Millions) (Unaudited)

| | Three Months Ended March 31, | |
|------------------------------------|------------------------------|-----------------|
| | 2023 | 2022 |
| Net Sales | | |
| Oral, Personal and Home Care | | |
| North America | \$ 958 | \$ 926 |
| Latin America | 1,075 | 954 |
| Europe | 650 | 654 |
| Asia Pacific | 738 | 726 |
| Africa/Eurasia | 288 | 267 |
| Total Oral, Personal and Home Care | 3,709 | 3,527 |
| Pet Nutrition | 1,061 | 872 |
| Total Net Sales | \$ 4,770 | \$ 4,399 |
| | | |
| | Three Months Ended March 31, | |
| | 2023 | 2022 |
| Operating Profit | | |
| Oral, Personal and Home Care | | |
| North America | \$ 193 | \$ 163 |
| Latin America | 315 | 265 |
| Europe | 116 | 150 |
| Asia Pacific | 202 | 206 |
| Africa/Eurasia | 68 | 44 |
| Total Oral, Personal and Home Care | 894 | 828 |
| Pet Nutrition | 183 | 204 |
| Corporate ⁽¹⁾ | (168) | (172) |
| Total Operating Profit | \$ 909 | \$ 860 |

Note:

(1) Corporate operations include costs related to stock options and restricted stock units, research and development costs, Corporate overhead costs, restructuring and related implementation charges and gains and losses on sales of non-core product lines and assets.

Corporate Operating profit (loss) for the three months ended March 31, 2023 included product recall costs of \$25 and charges resulting from the 2022 Global Productivity Initiative of \$5.

Corporate Operating profit (loss) for the three months ended March 31, 2022 included charges resulting from the 2022 Global Productivity Initiative of \$63.

Colgate-Palmolive Company

Geographic Sales Analysis Percentage Changes

For the Three Months Ended March 31, 2023 vs. 2022

(Unaudited)

COMPONENTS OF SALES CHANGE

| <u>Region</u> | <u>Sales Change As Reported</u> | <u>Organic Sales Change</u> | <u>As Reported Volume⁽¹⁾</u> | <u>Organic Volume</u> | <u>Pricing Coupons Consumer & Trade Incentives</u> | <u>Foreign Exchange</u> |
|---------------------------------------|---------------------------------|-----------------------------|---|-----------------------|--|-------------------------|
| Total Company | 8.5% | 10.0% | —% | (2.0)% | 12.0% | (3.5)% |
| North America | 3.5% | 4.0% | (6.5)% | (6.5)% | 10.5% | (0.5)% |
| Latin America | 12.5% | 14.5% | (3.5)% | (3.5)% | 18.0% | (2.0)% |
| Europe | (0.5)% | 4.5% | (3.5)% | (3.5)% | 8.0% | (5.0)% |
| Asia Pacific | 1.5% | 8.5% | 2.0% | 2.0% | 6.5% | (7.0)% |
| Africa/Eurasia | 8.0% | 16.5% | (5.0)% | (5.0)% | 21.5% | (8.5)% |
| Total CP Products | 5.0% | 9.0% | (3.5)% | (3.5)% | 12.5% | (4.0)% |
| Hill's | 21.5% | 14.0% | 12.0% | 2.5% | 11.5% | (2.0)% |
| Emerging Markets⁽²⁾ | 8.0% | 12.5% | (2.0)% | (2.0)% | 14.5% | (4.5)% |
| Developed Markets | 8.5% | 7.5% | 1.0% | (2.5)% | 10.0% | (2.5)% |

Notes:

(1) The impact of the previously disclosed acquisitions of pet food businesses on as reported volume was 2.0%, 9.5% and 3.5% for Total Company, Hill's and Developed Markets, respectively.

(2) Emerging Markets include Latin America, Asia (excluding Japan), Africa/Eurasia and Central Europe.

Colgate-Palmolive Company

Non-GAAP Reconciliations

For the Three Months Ended March 31, 2023 and 2022

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

| Other (Income) Expense, Net | 2023 | 2022 | |
|--|---------------|---------------|---------------------------|
| Other (income) expense, net, GAAP | \$ 45 | \$ 71 | |
| Product recall costs | (25) | — | |
| 2022 Global Productivity Initiative | (5) | (63) | |
| Other (income) expense, net, non-GAAP | <u>\$ 15</u> | <u>\$ 8</u> | |
| | | | |
| Operating Profit | 2023 | 2022 | % Change |
| Operating profit, GAAP | \$ 909 | \$ 860 | 6% |
| Product recall costs | 25 | — | |
| 2022 Global Productivity Initiative | 5 | 63 | |
| Operating profit, non-GAAP | <u>\$ 939</u> | <u>\$ 923</u> | <u>2%</u> |
| | | | |
| Operating Profit Margin | 2023 | 2022 | Basis Point Change |
| Operating profit margin, GAAP | 19.1% | 19.5% | (40) |
| Product recall costs | 0.5% | —% | |
| 2022 Global Productivity Initiative | 0.1% | 1.5% | |
| Operating profit margin, non-GAAP | <u>19.7%</u> | <u>21.0%</u> | <u>(130)</u> |
| | | | |
| Non-Service Related Postretirement Costs | 2023 | 2022 | |
| Non-service related postretirement costs, GAAP | \$ 294 | \$ 38 | |
| ERISA litigation matter | (267) | — | |
| 2022 Global Productivity Initiative | (1) | (19) | |
| Non-service related postretirement costs, non-GAAP | <u>\$ 26</u> | <u>\$ 19</u> | |

Colgate-Palmolive Company

Non-GAAP Reconciliations

For the Three Months Ended March 31, 2023 and 2022

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

| 2023 | | | | | | |
|---|----------------------------------|--|--|--|--|----------------------------------|
| | 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 | \$ 561 | \$ 147 | \$ 414 | \$ 372 | 26.2% | \$ 0.45 |
| ERISA litigation matter | 267 | 55 | 212 | 212 | (1.8)% | 0.25 |
| Product recall costs | 25 | 6 | 19 | 19 | —% | 0.02 |
| 2022 Global Productivity Initiative | 6 | 1 | 5 | 5 | (0.1)% | 0.01 |
| Non-GAAP | <u>\$ 859</u> | <u>\$ 209</u> | <u>\$ 650</u> | <u>\$ 608</u> | <u>24.3%</u> | <u>\$ 0.73</u> |
| 2022 | | | | | | |
| | 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 | \$ 795 | \$ 192 | \$ 603 | \$ 559 | 24.2% | \$ 0.66 |
| 2022 Global Productivity Initiative | 82 | 17 | 65 | 65 | (0.4)% | 0.08 |
| Non-GAAP | <u>\$ 877</u> | <u>\$ 209</u> | <u>\$ 668</u> | <u>\$ 624</u> | <u>23.8%</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.

Contacts

John Faucher 212-310-3653
Hope Spiller 212-310-2291