

Colgate-Palmolive Company

Non-GAAP Reconciliations

For the Six Months Ended June 30, 2021 and 2020

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

	2021	2020	
Gross Profit			
Gross profit, GAAP	\$ 5,193	\$ 4,834	
Acquisition-related costs	—	4	
Gross profit, non-GAAP	<u>\$ 5,193</u>	<u>\$ 4,838</u>	
			Basis Point
Gross Profit Margin	2021	2020	Change
Gross profit margin, GAAP	60.4 %	60.5 %	(10)
Acquisition-related costs	— %	— %	
Gross profit margin, non-GAAP	<u>60.4 %</u>	<u>60.5 %</u>	<u>(10)</u>
Other (Income) Expense, Net	2021	2020	
Other (income) expense, net, GAAP	\$ 20	\$ 68	
Value-added tax matter in Brazil	26	—	
Acquisition-related costs	—	(2)	
Other (income) expense, net, non-GAAP	<u>\$ 46</u>	<u>\$ 66</u>	
Operating Profit	2021	2020	% Change
Operating profit, GAAP	\$ 2,000	\$ 1,898	5 %
Value-added tax matter in Brazil	(26)	—	
Acquisition-related costs	—	6	
Operating profit, non-GAAP	<u>\$ 1,974</u>	<u>\$ 1,904</u>	<u>4 %</u>
Operating Profit Margin	2021	2020	Basis Point
Operating profit margin, GAAP	23.2 %	23.7 %	Change
Value-added tax matter in Brazil	(0.3)%	— %	(50)
Acquisition-related costs	— %	0.1 %	
Operating profit margin, non-GAAP	<u>22.9 %</u>	<u>23.8 %</u>	<u>(90)</u>

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2021						
	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	\$ 1,910	\$ 441	\$ 1,469	\$ 1,384	23.1 %	\$ 1.63
Value-added tax matter in Brazil	(26)	(6)	(20)	(20)	— %	(0.03)
Non-GAAP	\$ 1,884	\$ 435	\$ 1,449	\$ 1,364	23.1 %	\$ 1.60
2020						
	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	\$ 1,786	\$ 363	\$ 1,423	\$ 1,350	20.3 %	\$ 1.57
Subsidiary and operating structure initiatives	—	71	(71)	(71)	4.0 %	(0.08)
Acquisition-related costs	6	2	4	4	— %	—
Non-GAAP	\$ 1,792	\$ 436	\$ 1,356	\$ 1,283	24.3 %	\$ 1.49

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.