



# COLGATE-PALMOLIVE COMPANY

Consumer Analyst Group of New York Conference | February 23, 2024



February 2024

## Notice for Investor Presentation

Please review the following presentation in conjunction with our fourth quarter and full year 2023 earnings press release, our fourth quarter and full year 2023 prepared management remarks and additional information regarding our non-GAAP financial measures. Our presentation contains non-GAAP financial measures, which differ from our reported results prepared in accordance with U.S. generally accepted accounting principles (GAAP). These non-GAAP financial measures of operating results 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. We may also refer to organic sales growth, which is Net sales growth excluding the impact of foreign exchange, acquisitions and divestments, or to free cash flow before dividends, which we define as Net cash provided by operations less Capital expenditures. A complete, quantitative reconciliation between our reported results and these non-GAAP financial measures is available in the Investor Center section of our website at [www.colgatepalmolive.com](http://www.colgatepalmolive.com) and in Tables 4, 6, 7, 8 and 9 of the fourth quarter and full year 2023 earnings press release.

Our presentation 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 (the SEC) in its rules, regulations and releases) that set forth anticipated results based on management's current plans and assumptions. These statements are made on the basis of our views and assumptions as of February 23, 2024, and we undertake 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, we do not, nor does any other person, assume responsibility for the accuracy and completeness of those statements. We caution investors that forward-looking statements are not guarantees of future performance and actual events or results may differ materially from those statements. For information about factors that could impact the Company's business and cause actual results to differ materially from forward-looking statements, 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, 2023 and subsequent filings with the SEC). Copies of these filings are available in the Investor Center section of our website at [www.colgatepalmolive.com](http://www.colgatepalmolive.com) or may be obtained upon request from the Company's Investor Relations Department.

WITH ME **TODAY**

**DIANA SCHILDHOUSE**

Chief Analytics & Insights Officer



# 2023 HIGHLIGHTS

- Net and Organic sales\* grew 8.5%, with organic sales growth in all divisions and all four categories
- Organic volume performance improved as we exited the year, with Q4 volume positive excluding the impact from lower private label pet food sales
- On a Base Business basis, gross profit, gross profit margin, operating profit, operating profit margin, net income and earnings per share all increased versus 2022
- Advertising spending increased by double-digits to support brand health, strong innovation and pricing
- On a Base Business basis, we delivered double-digit operating profit growth and high-single-digit EPS growth
- Free cash flow up 63% for the year
- Continued to deliver value market share growth in toothpaste

# OUR 2024 OUTLOOK\*

- Net sales growth expected to be up 1-4%, including a negative foreign exchange impact of low-single-digits
- **Balanced volume and pricing growth** to drive 3-5% organic sales growth
- **Gross profit margin** expected to be up for the year
- **Advertising expected to be up** both on a dollar basis and as a percent to sales to support innovation and brand health
- Base Business **EPS expected to be up** mid to high-single-digits
- **Grow net income and improve working capital to drive free cash flow** for investing behind growth, dividends, debt paydown and share repurchases

# OUR MESSAGE **TODAY**

1. We are executing the **right strategy and driving growth** across our portfolio
2. We are leveraging our **improved capabilities** across the company
3. We are delivering **productivity and efficiencies** to fund brand investment while expanding our margins
4. We are **re-accelerating free cash flow** to fund investment and drive shareholder value **through consistent, compounded EPS growth**
5. We are reimagining a **healthier, more sustainable future for all** people, their pets and our planet

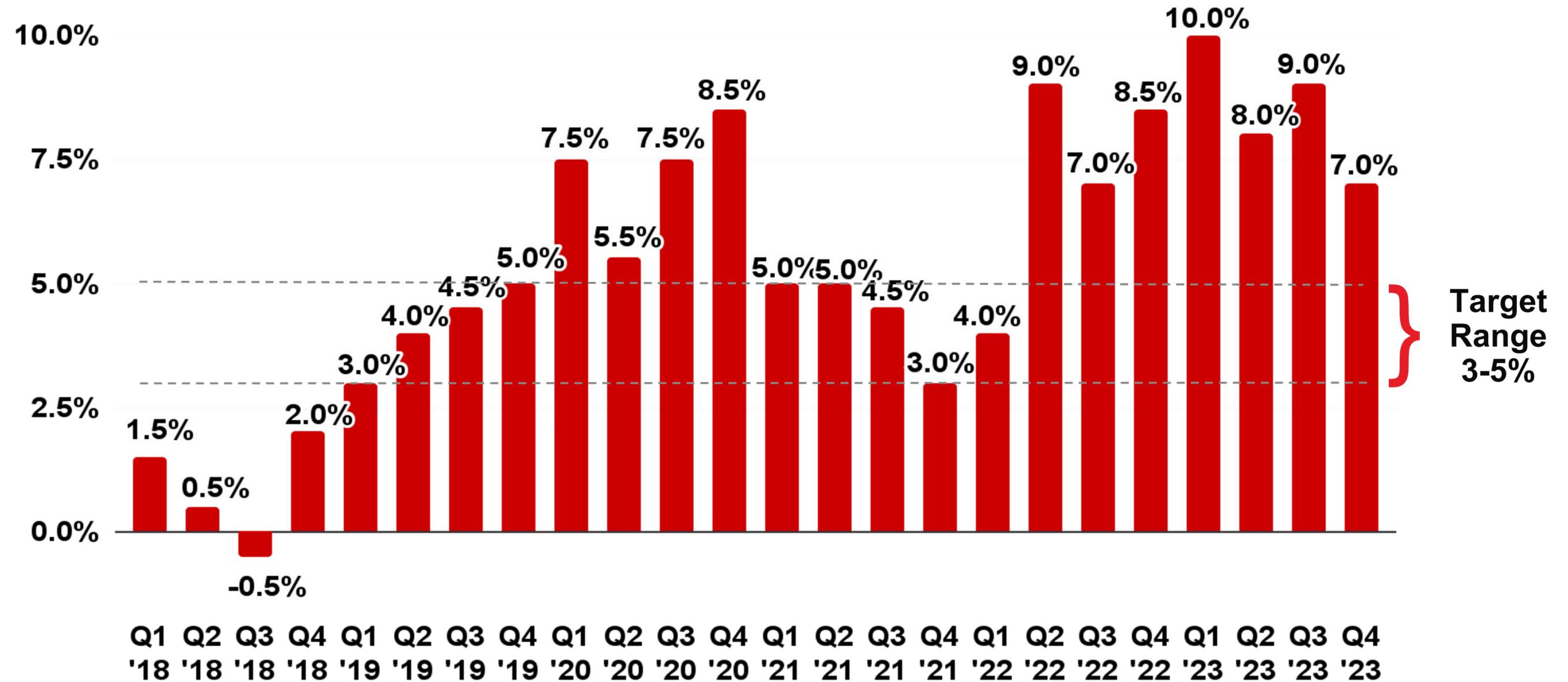


**1** OUR STRATEGY  
**IS WORKING**

# OUR STRATEGY IS WORKING

- **Driving organic sales growth** across all four categories and all six divisions

# DELIVERING STRONG ORGANIC SALES GROWTH





## ORAL CARE



## PET NUTRITION

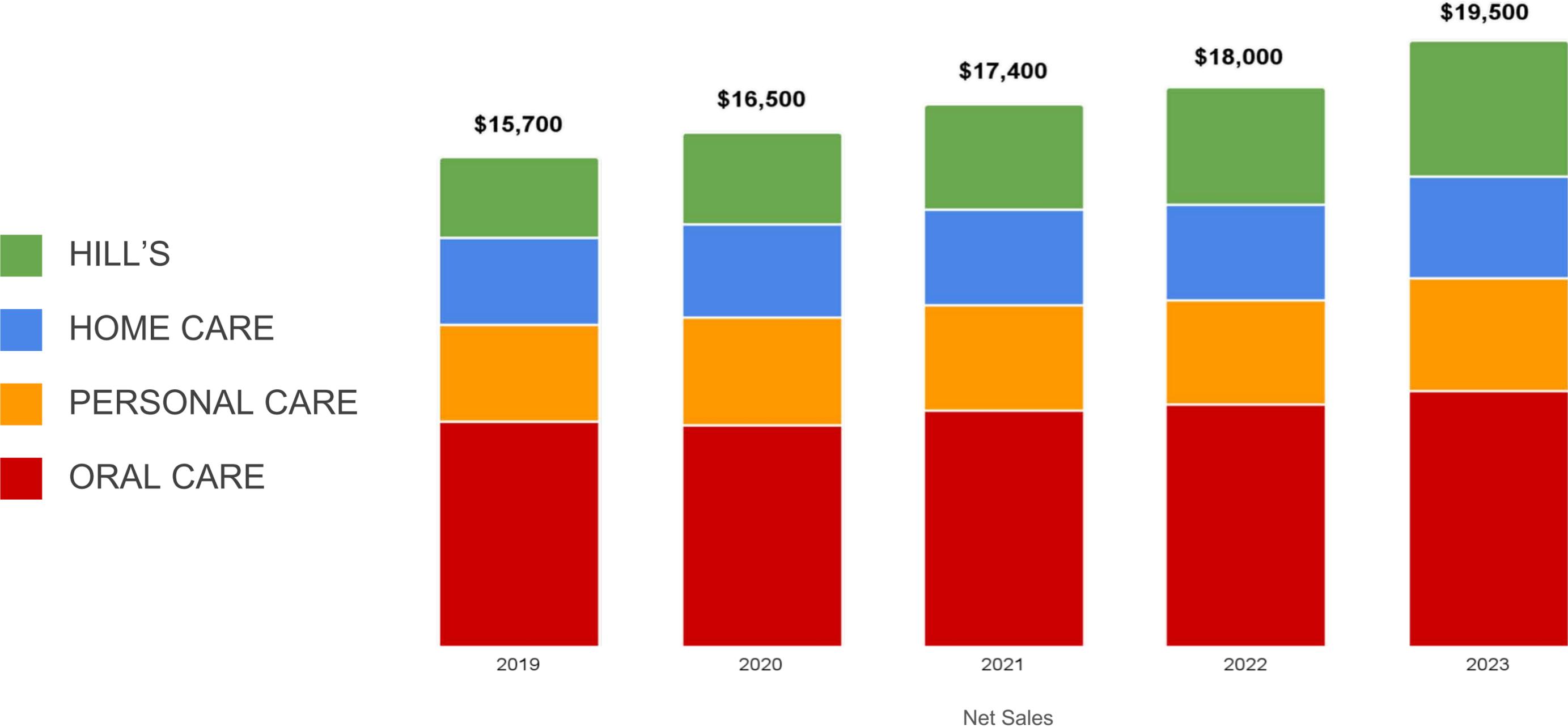


## PERSONAL CARE

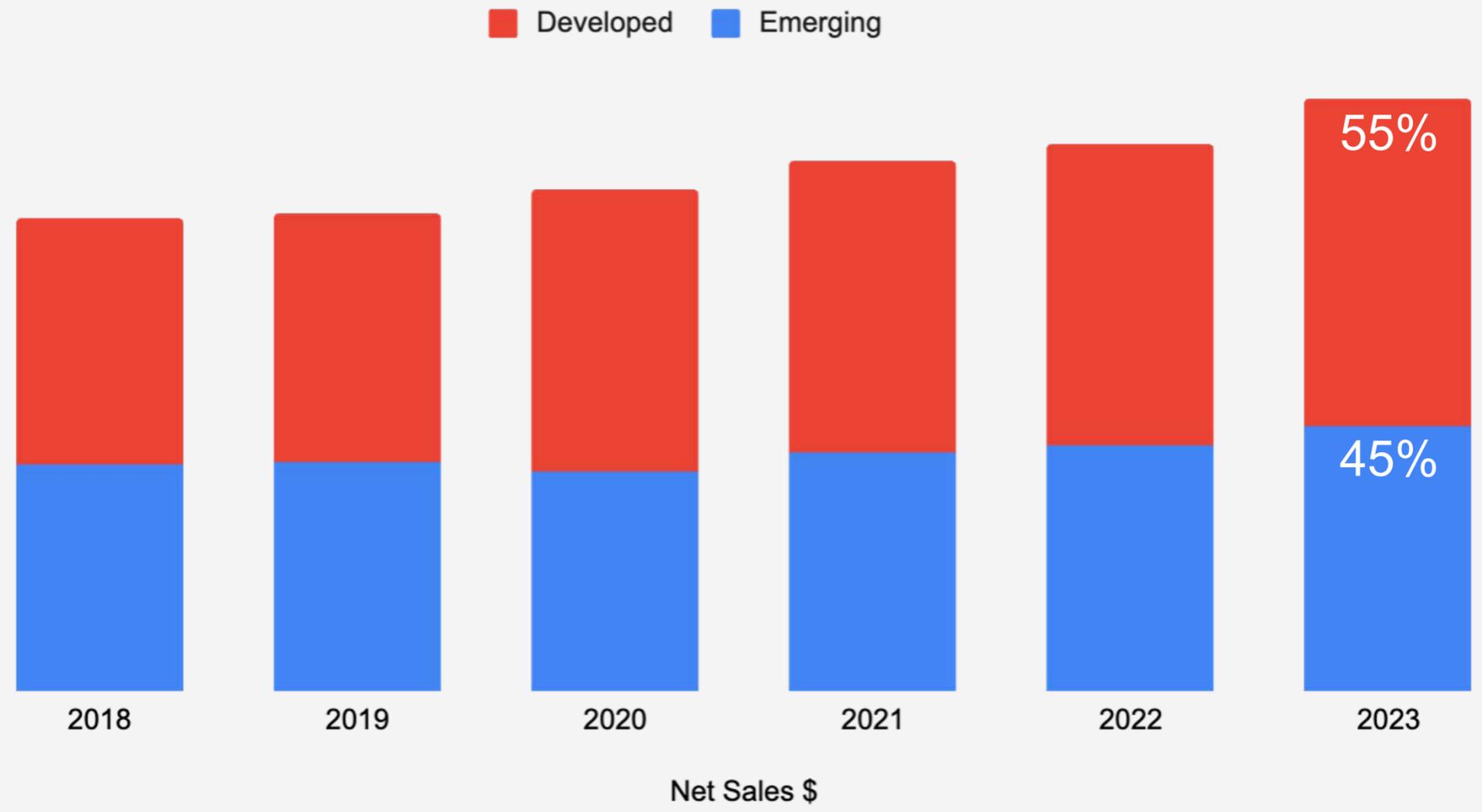


## HOME CARE

# GROWTH IN ALL FOUR CATEGORIES



# GROWTH ACROSS GEOGRAPHIES IN BOTH DEVELOPED AND EMERGING MARKETS



# OUR STRATEGY IS WORKING

- Driving organic sales growth across all four categories and all six divisions
- Leading with **science-led, core and premium innovation**

**SCIENCE-LED,  
CORE AND  
PREMIUM  
INNOVATION**



# COLGATE MAXFRESH RELAUNCH IN INDIA

- New Xtra fresh formula powered with breakthrough cooling technology
- 10X longer lasting cooling formula\*
- Fastest growing core sub-brand in India



\* versus regular fluoride toothpaste

# COLGATE TOTAL PLAQUE PRO RELEASE

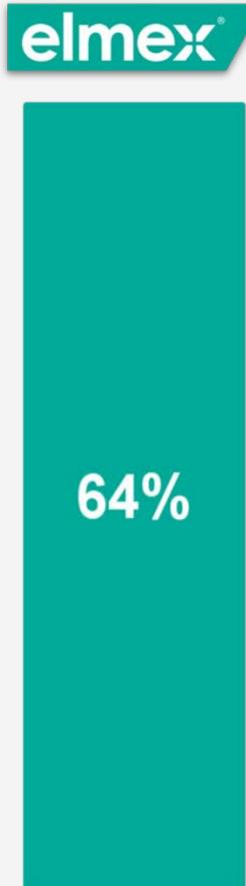
- Dissolves and lifts away gum harming plaque with daily brushing
- 2X less gum harming plaque\*



\*vs. a regular fluoride toothpaste with twice daily brushing for 6 months

# Brazil elmex PHARMACY LAUNCH

**Toothpaste  
Value Growth**  
Total Drugstores  
Brazil  
(FY'23 vs  
FY'22)



**Toothpaste  
Sensitivity  
Segment**



- Fastest growing brand in drugstores in Brazil in the toothpaste sensitivity segment

# COLGATE PREBIOTIC IN CHINA

- Patented teeth strengthening formula with distinctive look & feel
- Contains natural prebiotic that feeds good bacteria in the mouth to regulate pH and build stronger enamel





# COLGATE GUM EXPERT

- 6,000+ tapered bristles to gently remove plaque
- Fights gum bleeding\*
- Co-created with dental experts

\* caused by bacteria vs. an ordinary flat trim toothbrush, after 12 weeks of use (after bleeding)

# STRONG PARTNERSHIP

## POWERED TOOTHBRUSHES IN BRAZIL AND MEXICO

- Leveraging unique strengths of both brands to accelerate category growth
- #1 in electric toothbrush handles in Mexico\*
- Consistent market share gains in Brazil



**PHILIPS**  
**Colgate**

Remueve hasta  
Remove até  
**900%**  
más placa<sup>1</sup> y mejora la salud  
de la encía hasta 7 veces<sup>2</sup>  
mais placa<sup>1</sup> e melhora a saúde  
de gengiva até 7 vezes<sup>2</sup>

**SonicPro 70**

-  Sensor de presión  
Sensor de pressão
- 4**  4 modos de cepillado  
4 modos de escovação
- 3**  3 niveles de intensidad  
3 níveis de intensidade

 Aplicación de cepillado  
Aplicativo de escovação

Bluetooth

Teléfono no incluido  
Telefone não incluido

**Colgate**  
No.1  
**PHILIPS**

Marca de cuidado bucal  
No.1 en América Latina  
Marca No.1 de higiene  
bucal na América Latina

Marca de cepillos de dientes  
sónicos No.1 en todo el mundo  
Marca No.1 de escova de dentes  
sónica em todo o mundo

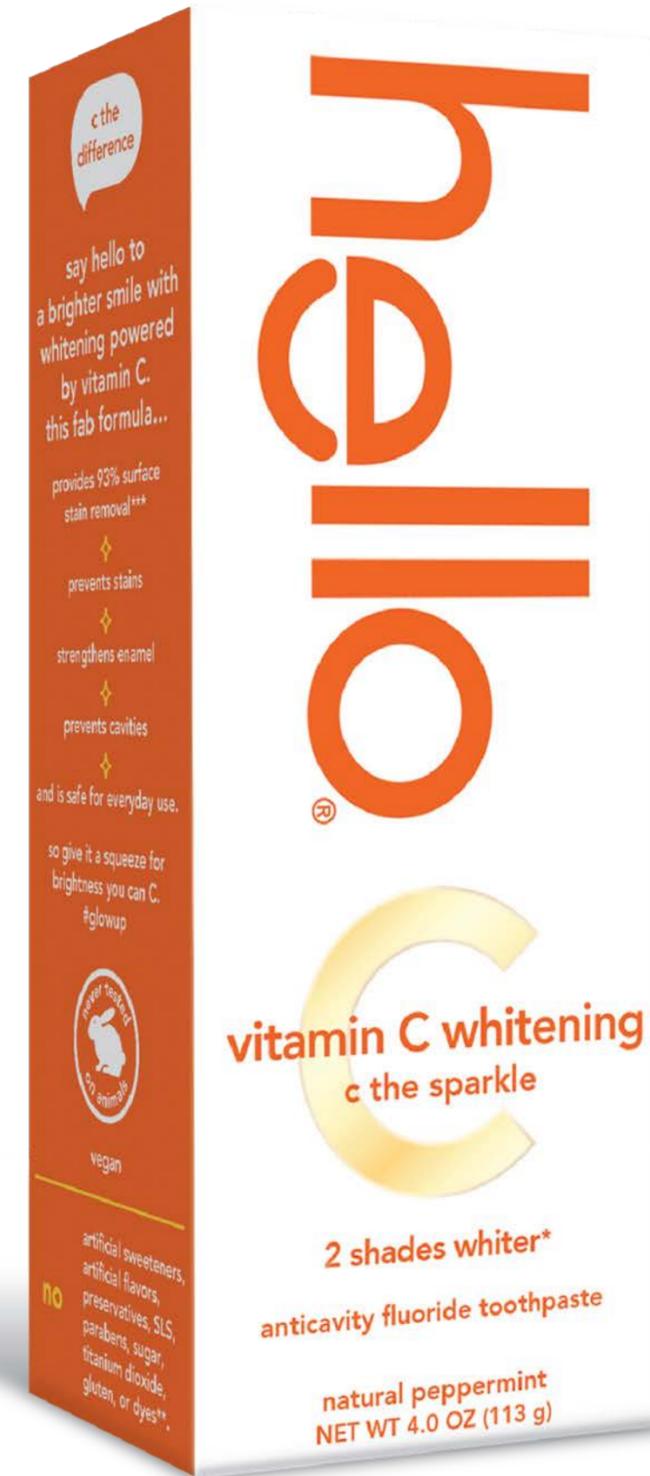
# COLGATE PLAX ODOR CONTROL IN BRAZIL

- Eliminates 99.9% of odor causing bacteria
- Driving incremental market share gains in the mouthwash category



# hello VITAMIN C TOOTHPASTE

- Daily-use whitening toothpaste
- Launching in Q1 2024
- Patent-pending





# PCA SKIN PRO-MAX AGE RENEWAL SERUM

- Advanced anti-aging serum clinically proven to lift and firm the appearance of the skin by 60%\*
- Smooths visible lines and coarse wrinkles by 40%\*

# SANEX NATURAL PREBIOTIC RELAUNCH



- New highly appealing natural prebiotic positioning
- Recommended by dermatologists
- 12-hour hydration



- Part of our strategy to drive growth while bringing news and value to consumers in Europe

# SOUPLINE HEARTS UNIT DOSE FABRIC CONDITIONER

- New convenient unit-dose form
- 72% less plastic packaging vs liquids\*
- Delivers an irresistible softness and fragrance, making your clothes feel fluffy and pleasant to wear



\* vs. the weight of plastic used to produce a 650ml bottle



# FABULOSO 2X CONCENTRATED FORMULA\*

- More Concentrated Formula\*
  - 2x more active ingredients\*
  - Provides 2x more uses in the same bottle\*

\* versus non-concentrated Fabuloso Original

# SUAVITEL & FLEECY SHED SHIELD

- Unique formula for pet parents to repel pet hair and fight pet odor\*
- Over 90%\*\* of users would recommend using this product



\* vs. detergent alone, against wet dog and cat urine odors, tested on cotton and cotton-polyester fabric

\*\*Suavitel Shed Shield website

# NEW CAPACITY UNLOCKS GROWTH FOR HILL'S WET PET FOOD DIETS



- Plant has commissioned many new diets with the plan to launch many more by the end of 1H'24
- Incremental shelf space in pet specialty channel for new wet food innovation

# OUR STRATEGY IS WORKING

- Driving organic sales growth across all four categories and all six divisions
- Leading with science-led, core and premium innovation
- Engaging with the profession to **build the scientific credentials of our brands**



IT STARTS WITH THE  
**PROFESSION**

# COLGATE'S “CHAIR TO SINK” WHITENING PORTFOLIO



MOUTHWASH    TOOTHBRUSH    TOOTHPASTE    OVERNIGHT PEN    EXPRESS PEN    COMFORT FIT LED    PROFESSIONAL TAKE-HOME    PROFESSIONAL IN-OFFICE

MSRP    \$4-10    \$20    \$25    \$50    ~\$200    ~\$350



EVERY DAY

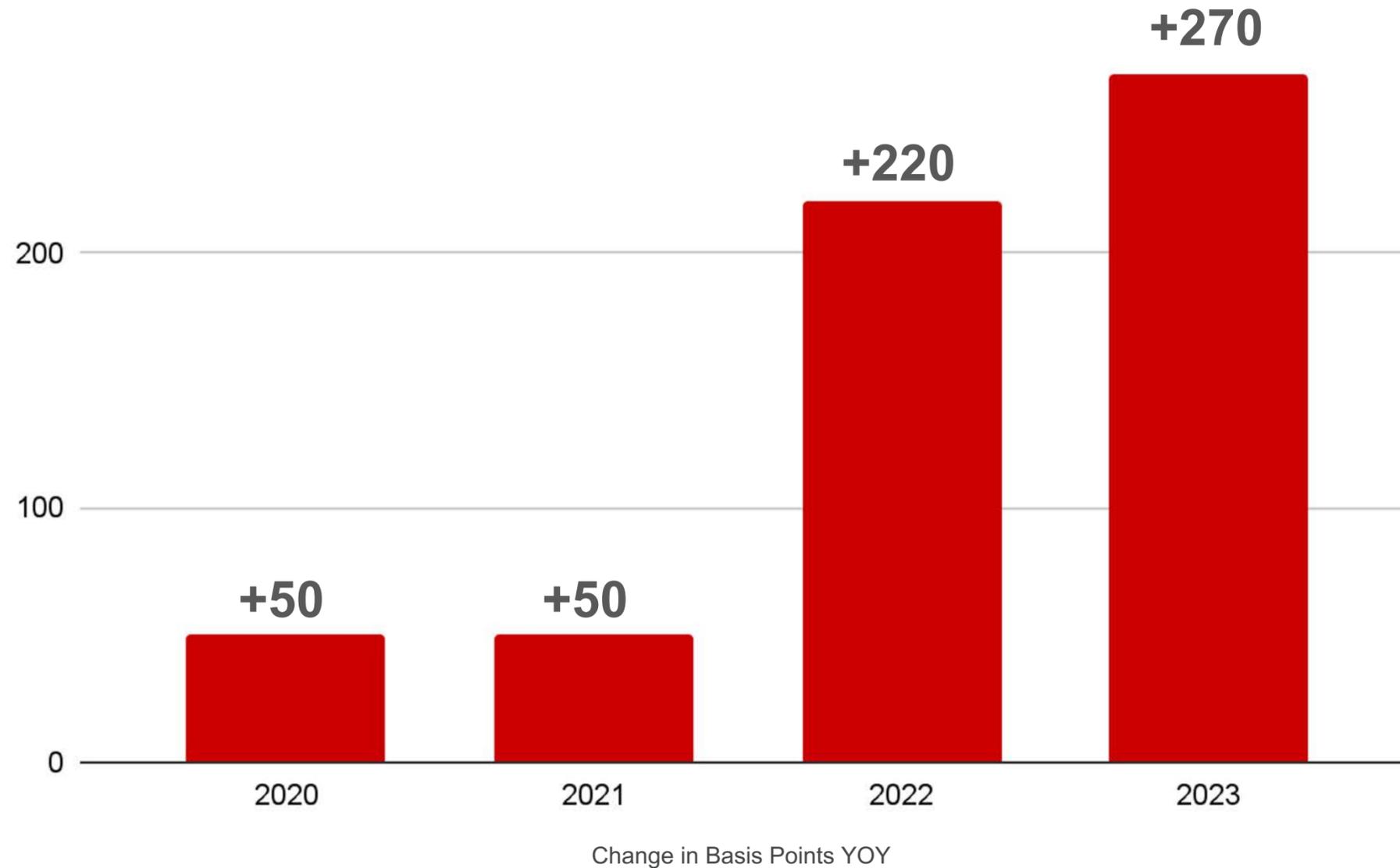
AT-HOME WHITENING

PROFESSIONAL

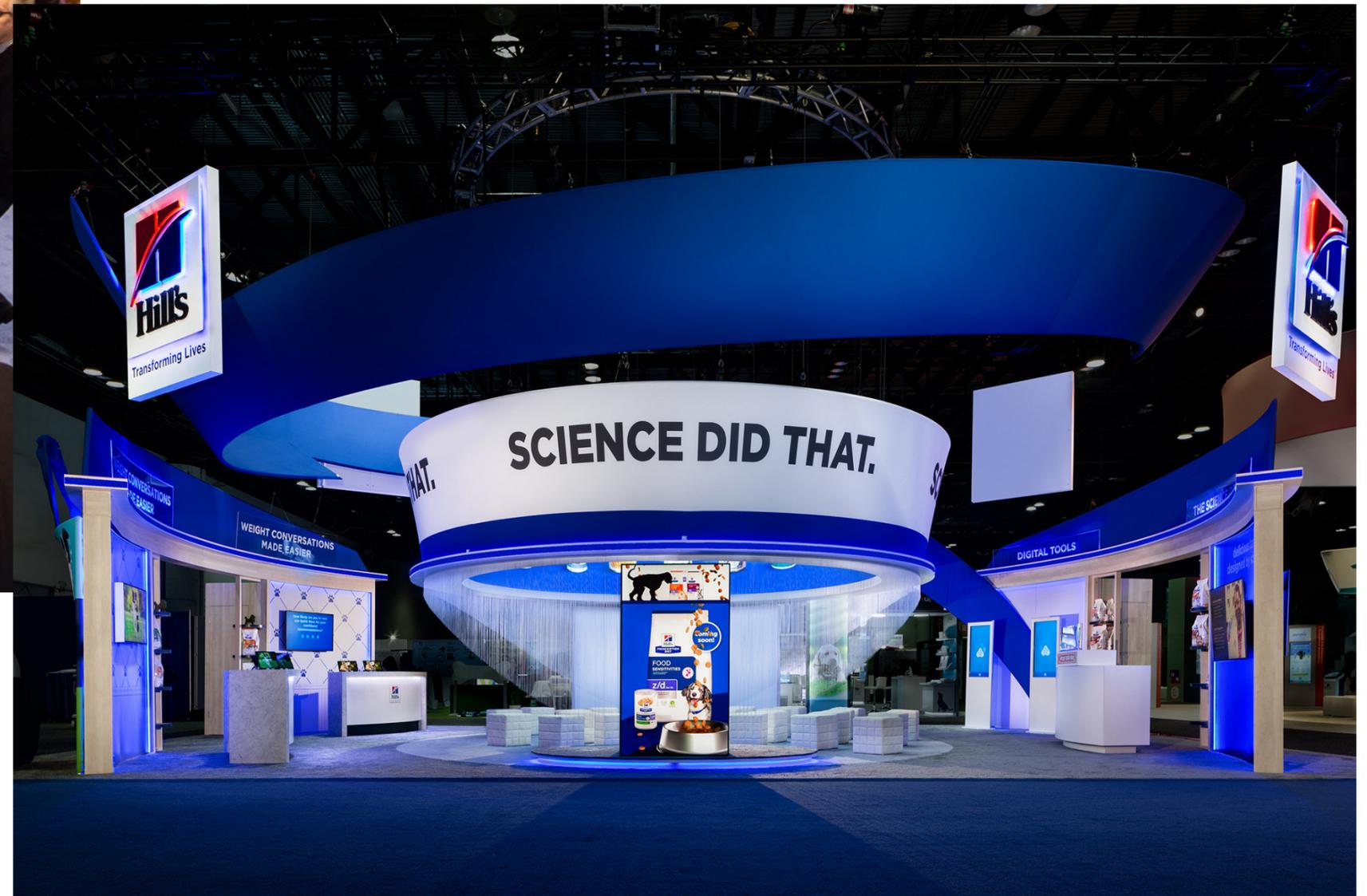


# DRIVING MARKET SHARE GAINS IN WHITENING

Colgate Brand Top 8 Markets



# BUILDING ADVOCACY FOR HILL'S WITH VETS



# HILL'S PRESCRIPTION DIET **ONC CARE**

- Clinical nutrition designed to encourage eating and provide high-quality nutrition for cats and dogs with cancer







# CONTINUING TO DELIVER ON **PROFESSIONAL ADVOCACY - EltaMD**

Bring our brand purpose to life in  
**PARTNERSHIP** with the Profession

- Professional Content
- Advisory Board
- Professional Education

**elta**  
**MD**<sup>®</sup>  
SKINCARE

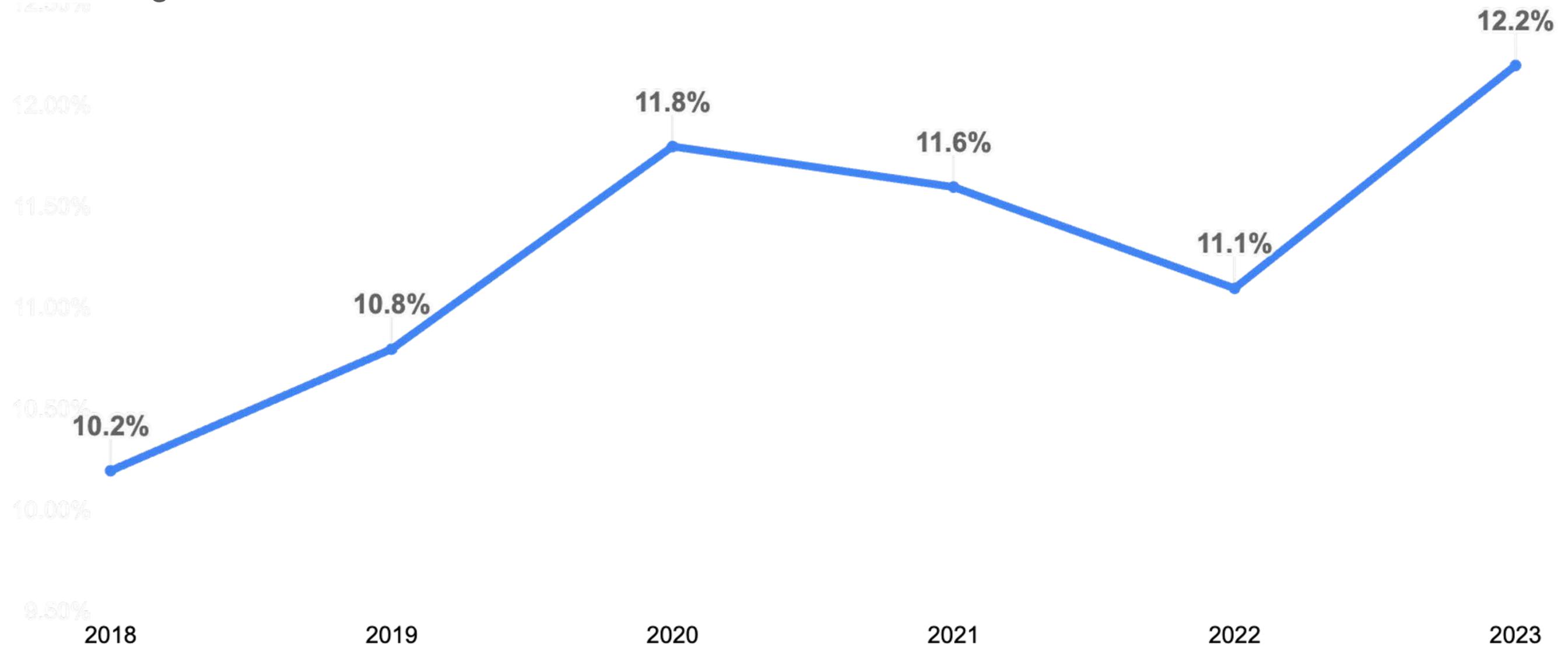
**#1 Professional Sunscreen Brand**  
Recommended by Dermatologists

# OUR STRATEGY IS WORKING

- Driving organic sales growth across all four categories and all six divisions
- Leading with science-led, core and premium innovation
- Engaging with the profession to build the scientific credentials of our brands
- **Investing in marketing** and other activities to build brand health and market share

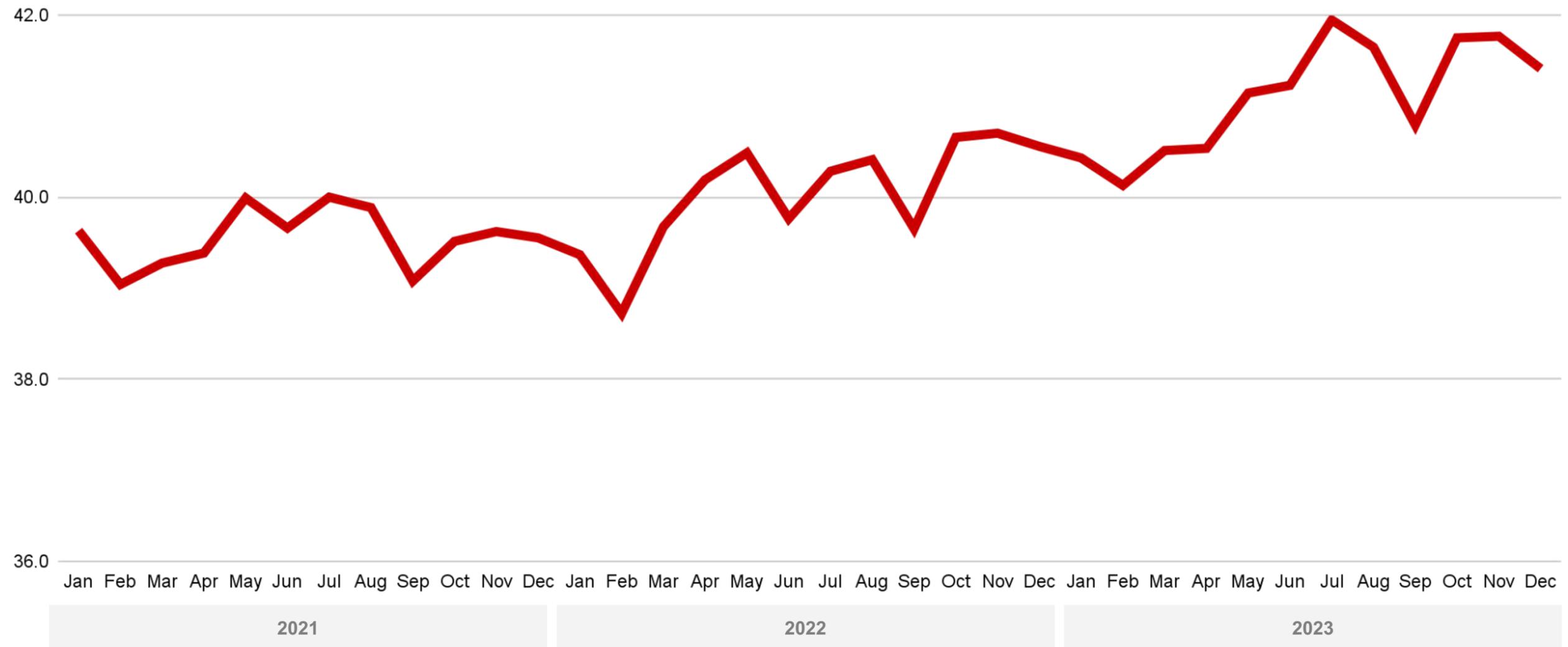
# INVESTING IN ADVERTISING TO BUILD BRAND HEALTH

Advertising % to sales



# DRIVING GLOBAL MARKET SHARE IN TOOTHPASTE

Worldwide Toothpaste Market Share in US\$ (monthly through Dec 2023)



Source: Nielsen Connect data through Dec (W/E 12/30/2023)



# POWERING THE SMILES OF MORE HOUSEHOLDS THAN ANY OTHER BRAND



**Most Penetrated Brand Globally**  
**Most Chosen Brand** Global Health & Beauty



**Most Valuable Brand** Personal Care

# GLOBAL **SHARE LEADERS**

**#1**

**Toothpaste**

**Manual Toothbrushes**

**Pet Nutrition in  
Vet Clinics\* (U.S.)**

**Liquid Hand Soap**

**#2**

**Mouthwash**

**Bar Soap**

**Liquid Fabric Conditioners**

**Hand Dishwashing**

Based on markets where we compete and purchase shares

\*Based on IDEXX market share data as of December 31, 2023

# OUR STRATEGY IS WORKING

- Driving growth across all four categories and all six divisions
- Leading with science-led, core and premium innovation
- Engaging with the profession to build the scientific credentials of our brands
- Investing in marketing and other activities to build brand health and market share
- Delivering **best-in-class in-market execution**



# BEST-IN-CLASS IN-MARKET EXECUTION



**CONFIDENT**  
OUR **GROWTH**  
WILL CONTINUE



# **2** FROM BUILDING TO SCALING CAPABILITIES

# SCALING CAPABILITIES

- Along with a new strategy, we are focused on **new capabilities which are needed to drive growth and efficiency**
- First needed to build capabilities through **people, process, platforms and tools**
- **Now scaling these capabilities across the organization,** driving greater impact on our results
  - Innovation transformation
  - Digital excellence
  - Marketing transformation/creative excellence
  - Data & advanced analytics

IN 2021 WE DISCUSSED

# INNOVATION TRANSFORMATION

## INNOVATION TRACK RECORD

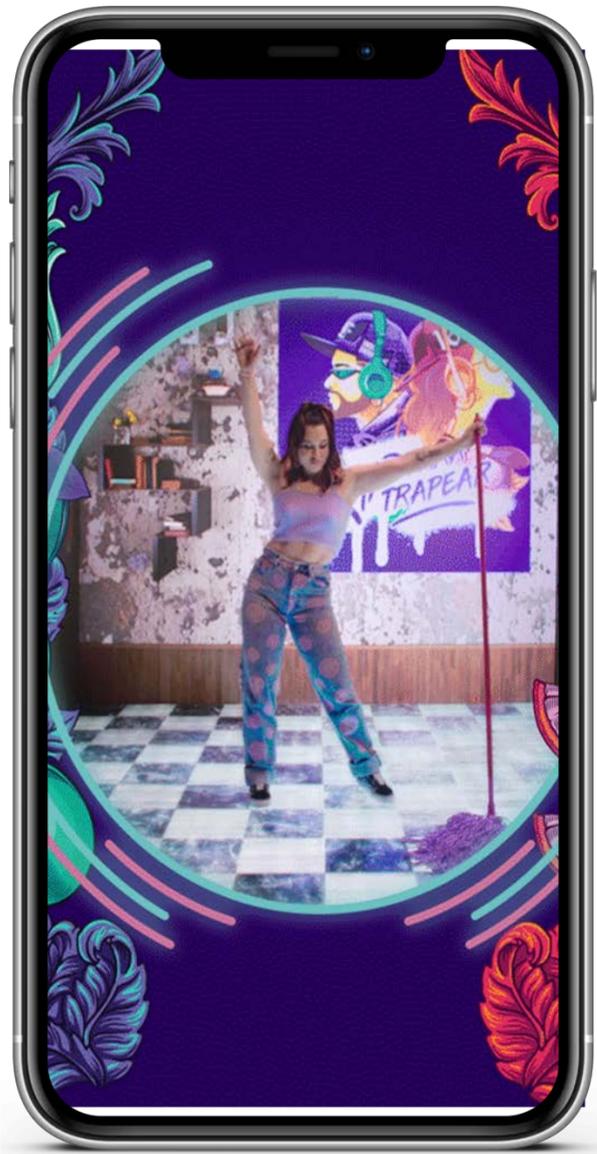
- Providing real benefits supported by science
- Bringing the innovation to life through design, sensorial or packaging cues

## CHANGES WE'VE MADE

- Start our innovation with people-centricity
- Shift priorities and resources towards disruptive, breakthrough and transformational innovation
- Apply new predictive tools to improve speed to market
- Truly delighting people with differentiated innovation



# IN 2022 WE OUTLINED OUR **DIGITAL TRANSFORMATION**



## **UPSKILLING**

- Completed broad reach digital upskilling within CP organization

## **DIGITAL MEDIA**

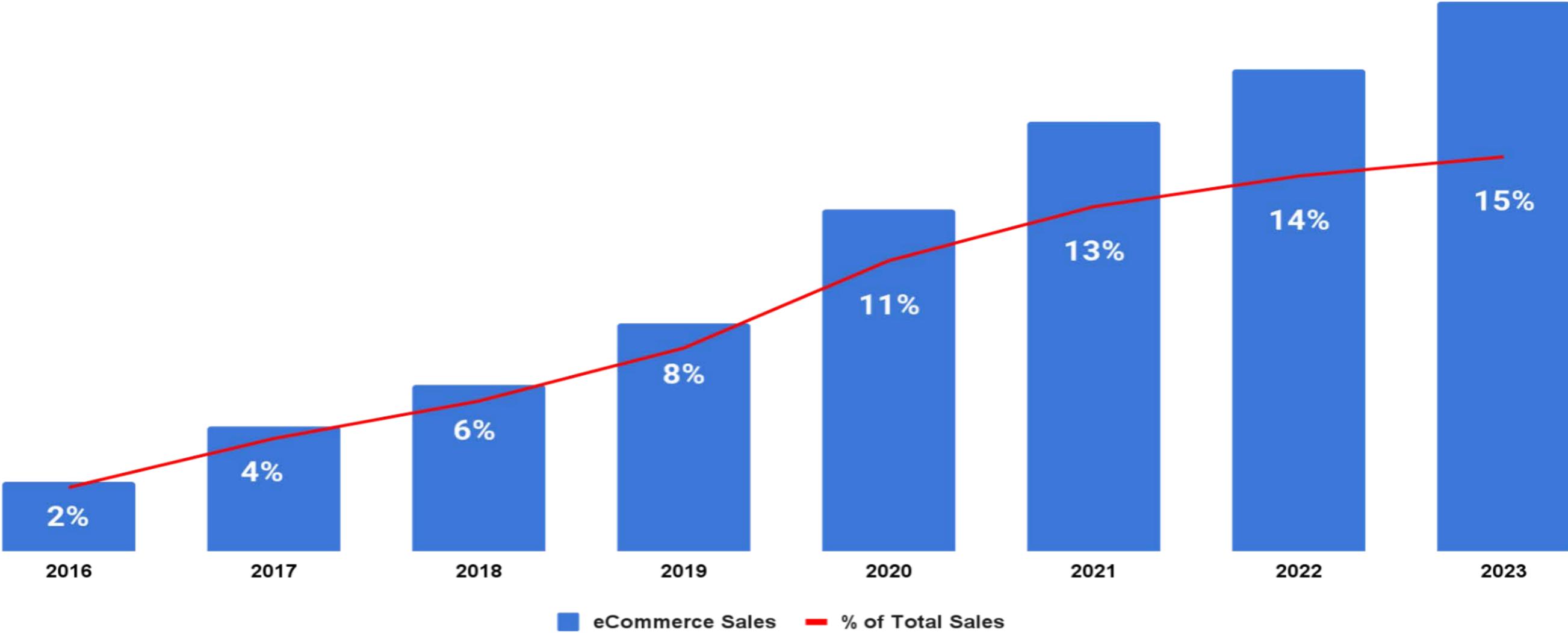
- Optimized all digital media with data and improved ROI's
- Developing 'platform-right' creative and content
- Revolutionizing CP Worldwide Brand Experience Planning

## **E-COMMERCE GROWTH**

- Mastery of the Digital Shelf across markets
- Global eCommerce delivered mid-teens % growth in 2023

# CONTINUED eCOMMERCE GROWTH

(Net Sales \$MM)



IN 2023 WE SHARED

# MARKETING TRANSFORMATION

## DRIVING COMMUNICATION EFFICIENCIES

- Leveraging tools and modeling techniques

## DRIVING CREATIVE EFFECTIVENESS

- Starts with a better understanding of people insights to to develop personalized creative messaging
- Training across the organization on how to turn insights into brilliant creative
- Improved testing programs using A/B tests and data informed scoring



TODAY WE SHARE

**DATA &  
ANALYTICS  
TRANSFORMATION**

**DIANA SCHILDHOUSE**

Chief Analytics & Insights Officer



# WHY ARE DATA AND ANALYTICS IMPORTANT?

Data and analytics are recognized as strategic enablers to drive growth and competitive advantage



DATA EXPLOSION



PERVASIVE  
DIGITIZATION



ENABLING  
TECHNOLOGIES

# THE **OPPORTUNITY** AT CP

- Proven track record of building strategic capabilities
- Scale and reach
- Executive support

# ANALYTICS HAS EVOLVED

## FROM

- **Backwards looking** and static
- **Manual access** to limited data
- Pockets of **siloed** analytics and ad hoc pilots
- Focused on **reporting**

## TO

- **Forward looking** - Predictive, AI and machine learning
- **Clean, broad data** readily available
- **Enterprise approach**, with focus and global scale
- **A VALUE CREATOR FOR THE BUSINESS**

# WE ARE ACCELERATING AND OUTPACING THE INDUSTRY

External benchmark survey shows that we advanced more quickly than CPG peers in the past 2 years\*

**66% INCREASE**  
in AI and Analytics

**65% INCREASE**  
in Use Case execution

**56% INCREASE**  
in Change and Culture



HOW ARE WE  
**ADVANCING SO  
QUICKLY?**

# A CLEAR AND FOCUSED **ANALYTICS STRATEGY**



**FOCUS** - Tied to business priorities and critical use cases

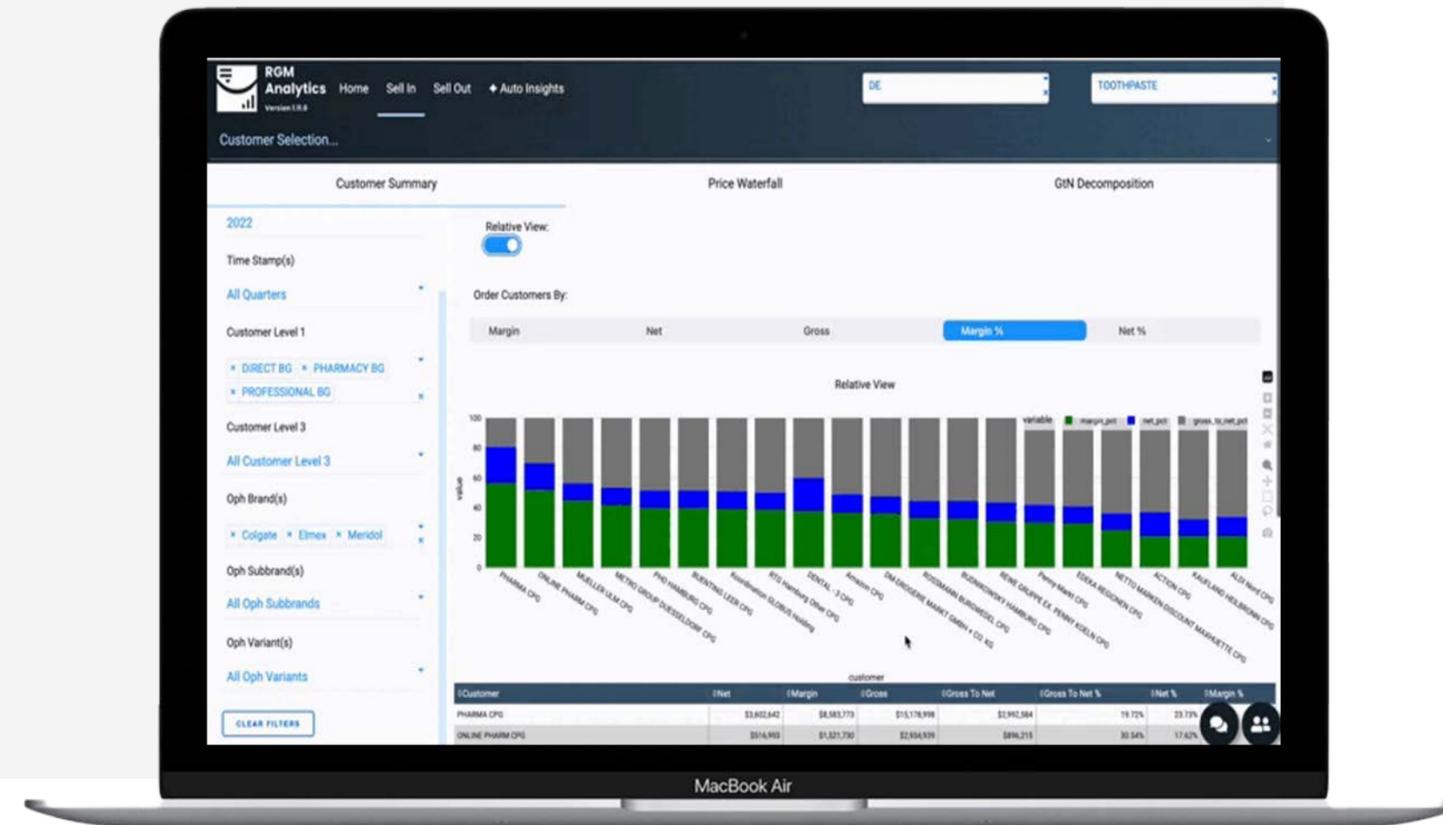
**SCALE** - Depth & breadth of solutions for a global footprint

**IMPACT** - Rigorous measurement of value, both in growth and efficiency

# RGM ANALYTICS

## Full-Stack Application, Built In-House

- Predictive price elasticity and scenario modeling
- Promo and assortment optimization
- Complex data processing
- Enables targeted, real-time SKU level analytics



# RGM ANALYTICS IN ACTION



Cross-elasticity models and predictive scenario planning integrated into decision making, with **over \$110MM in opportunities identified and actioned** in 2023



Analytics on optimized price pack architecture **drove premiumization and trade-up**

# MEDIA ANALYTICS

- **Holistically spans** Marketing Mix, Retail Media, eCommerce, and 1st party data analytics
- **Building NextGen capabilities** to stay current with changing landscape

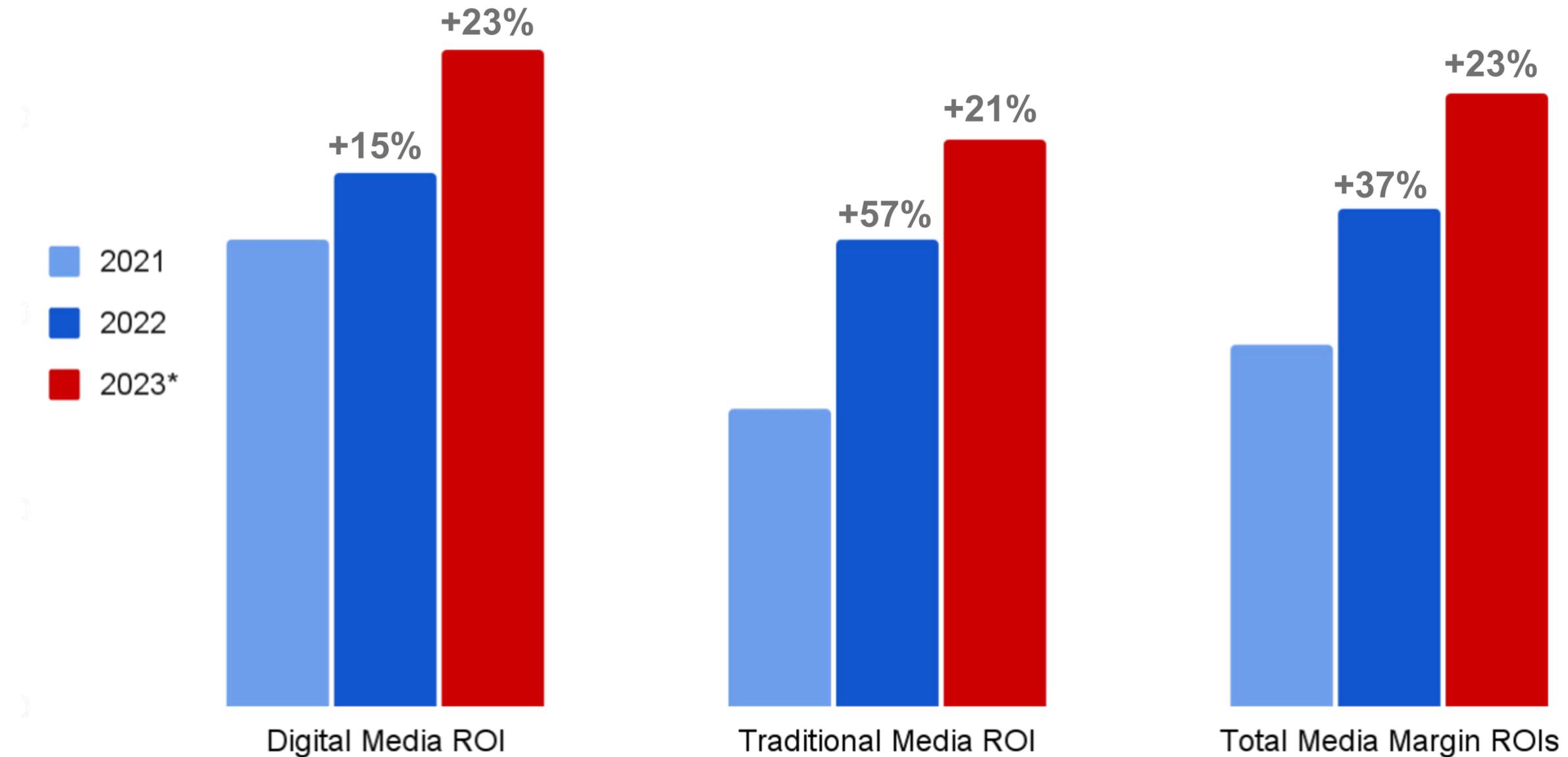


# MEDIA ANALYTICS ARE **DRIVING REVENUE AND EFFICIENCIES**

- Identifying **net sales optimization opportunities** and activating them
- Optimizing how and where **we allocate our media spend**
- Our media analytics cover **>85% of our sales**



# ROIs CONTINUE TO INCREASE



Source: Analytic Partners, Analytic Edge, Accenture, and Internal studies. Value creation defined as optimizations and opportunities identified in MMM studies.  
\*2023 results from US OC, MX OC, US Hill's, BR OC, and include partial year data availability.

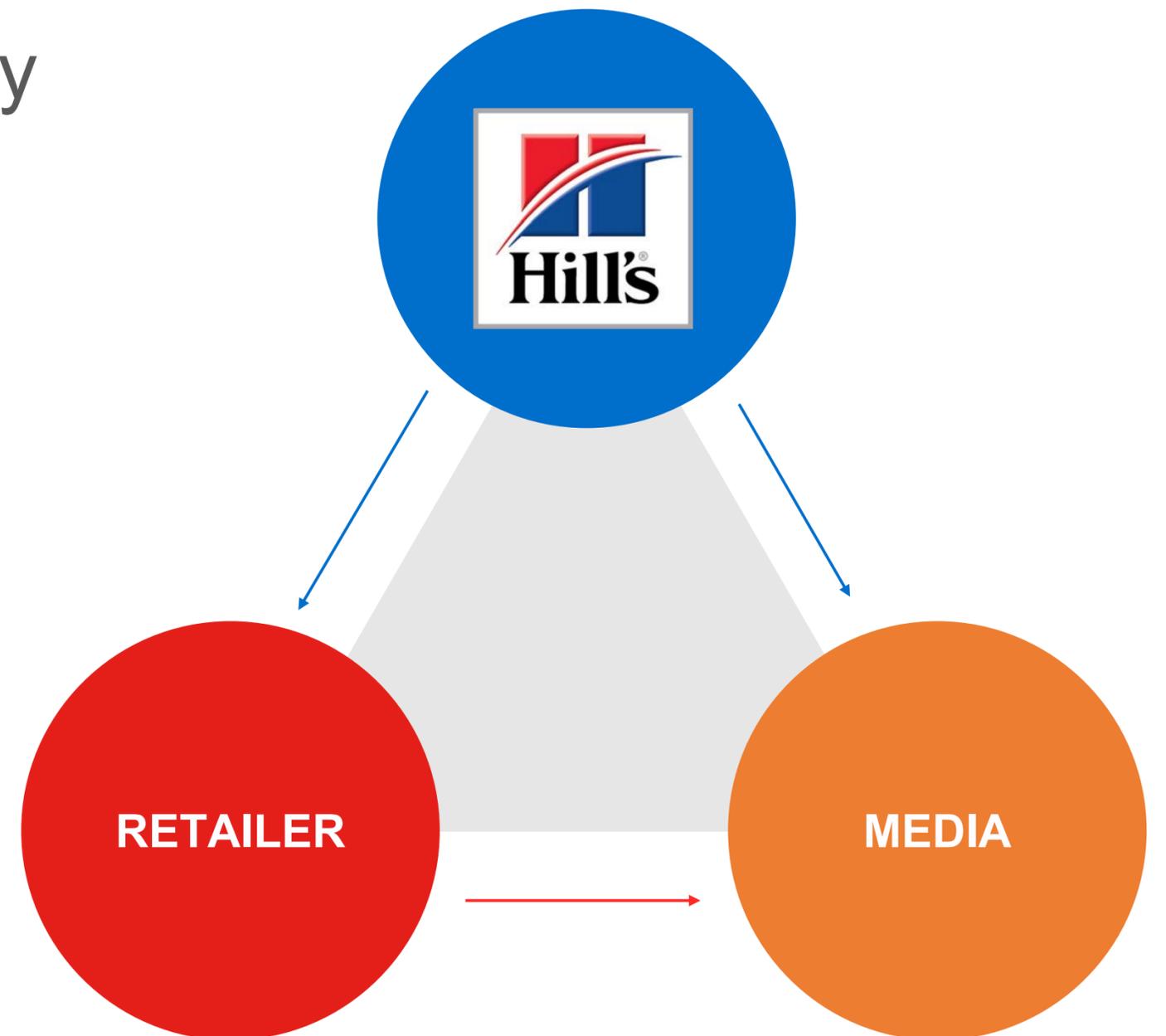
# DATA UNDERPINS OUR PROGRESS



- **Transforming our data foundation** is a key pillar of our Analytics strategy
- **Clean, quality, automated, and governed data**, in the hands of our teams to act on
- **Retailer data partnerships** unlocking new opportunities

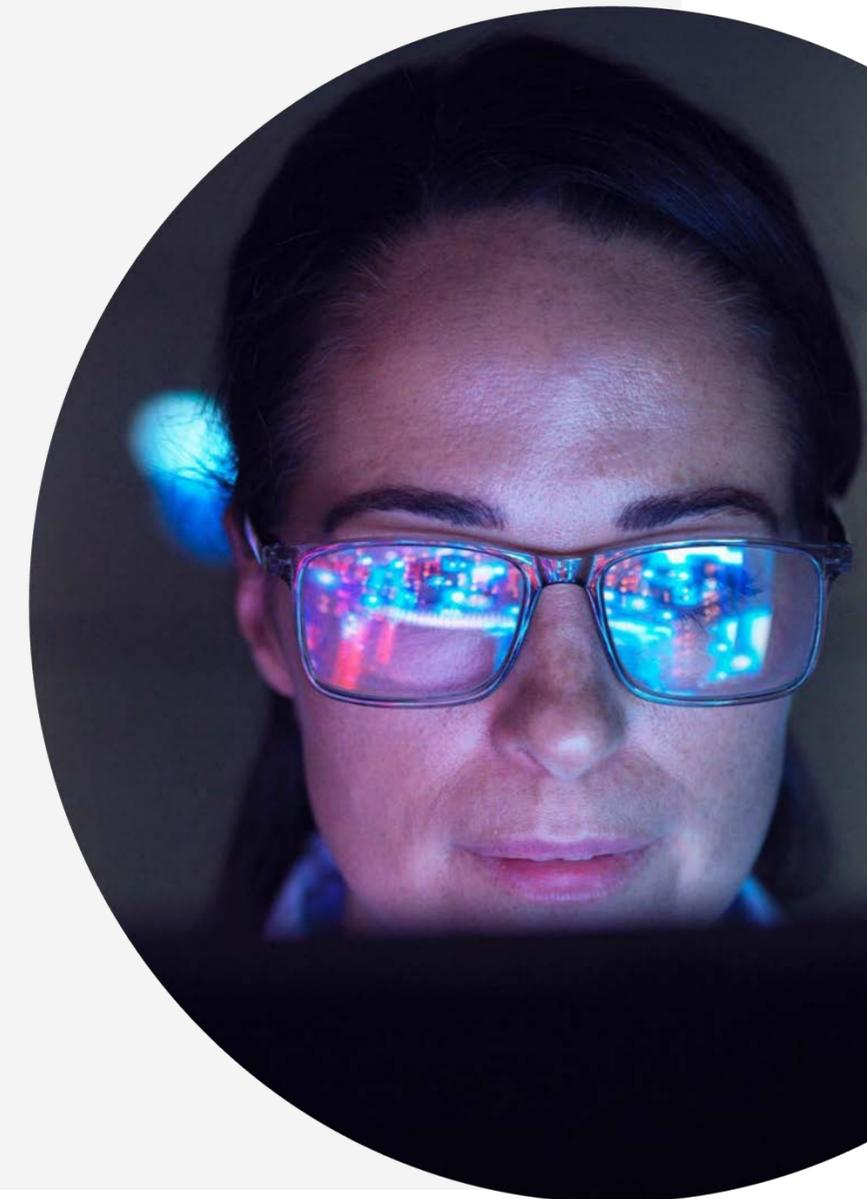
# EXAMPLE: HILL'S CLEAN ROOM

- **Created a Clean Room** with a key specialty retail partner
- **Precise targeting** to reach new audiences with **personalized content**
- Driving **ROI and household penetration**



# DRIVING PROGRESS WITH **AI**

- AI and machine learning **have been powering our advancements**
- **Generative AI** opens up **entirely new opportunities**
- Our progress on **talent and upskilling** positions us well to leverage the next wave



# CREATING A **DATA CULTURE**

A bespoke, award-winning upskilling program:

- **14,000+** employee assessments completed
- **4,000+** AI Badges issued
- In the **Top 5%** of Fortune 500 companies according to DataCamp
- Brandon Hall **Gold Award** for Best Enterprise Learning Program



# THE **NEXT EVOLUTION**

- Creating **NextGen capabilities** across end to end use cases
- **Integrating AI** to supercharge our people and enable better, faster decisions
- **Positioned well** to adapt and be agile as the space continues to evolve

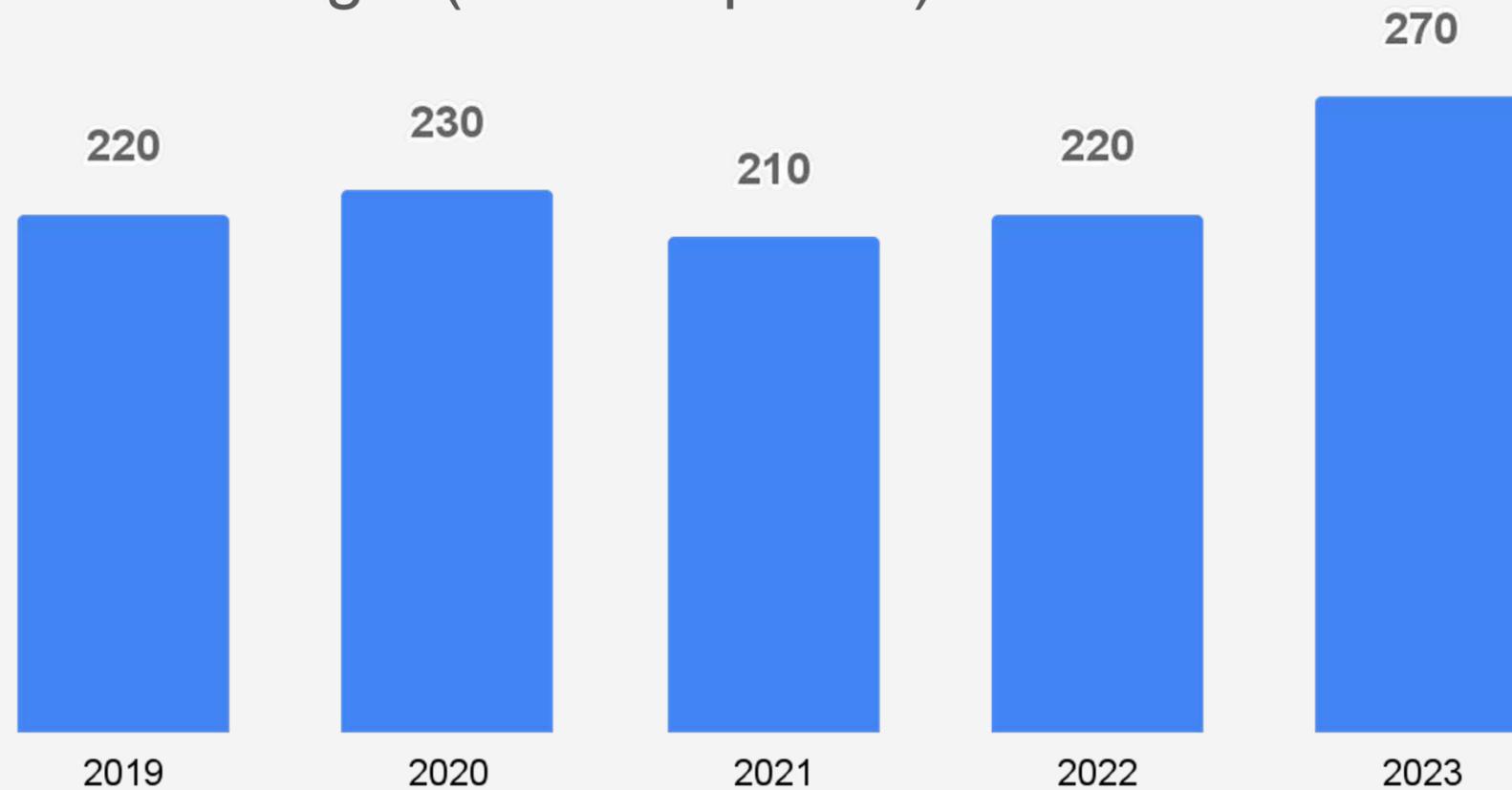


3

WE ARE DELIVERING PRODUCTIVITY  
AND EFFICIENCIES TO **FUND**  
**ADVERTISING AND DRIVE MARGIN**  
**EXPANSION**

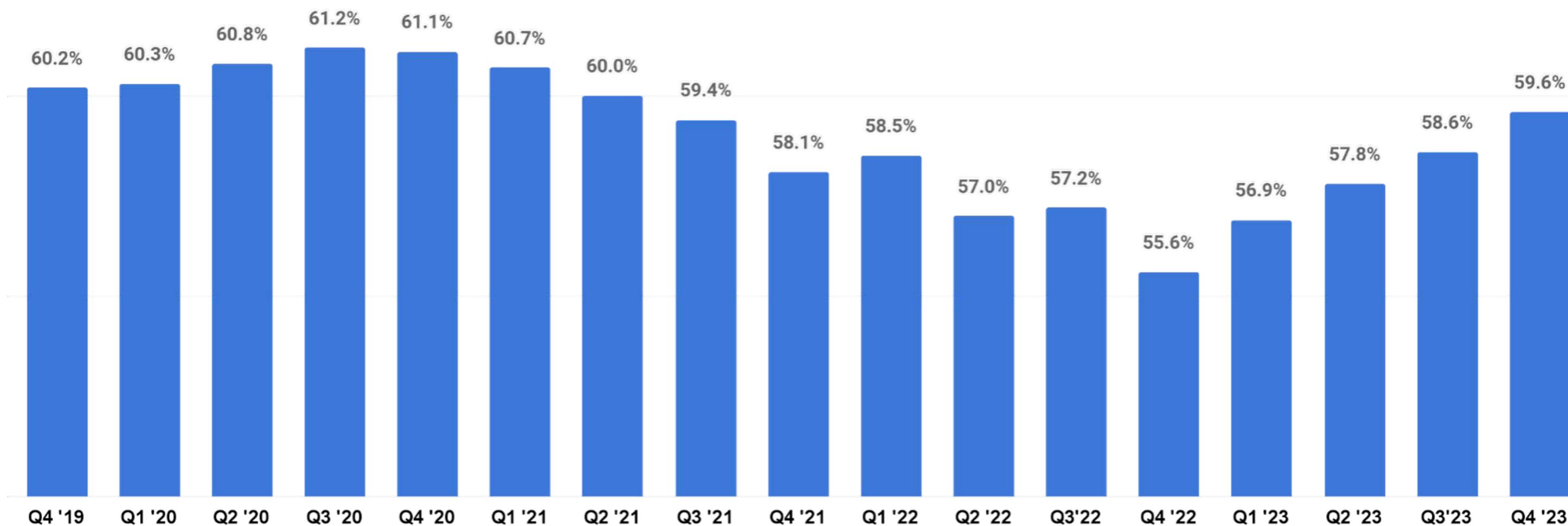
# RECORD FUNDING THE GROWTH IN 2023

FTG impact on Gross Margin (in basis points)



# 2023 GROSS PROFIT TREND

Sequential Improvement Quarter-on-Quarter in 2023



Base Business/non-GAAP

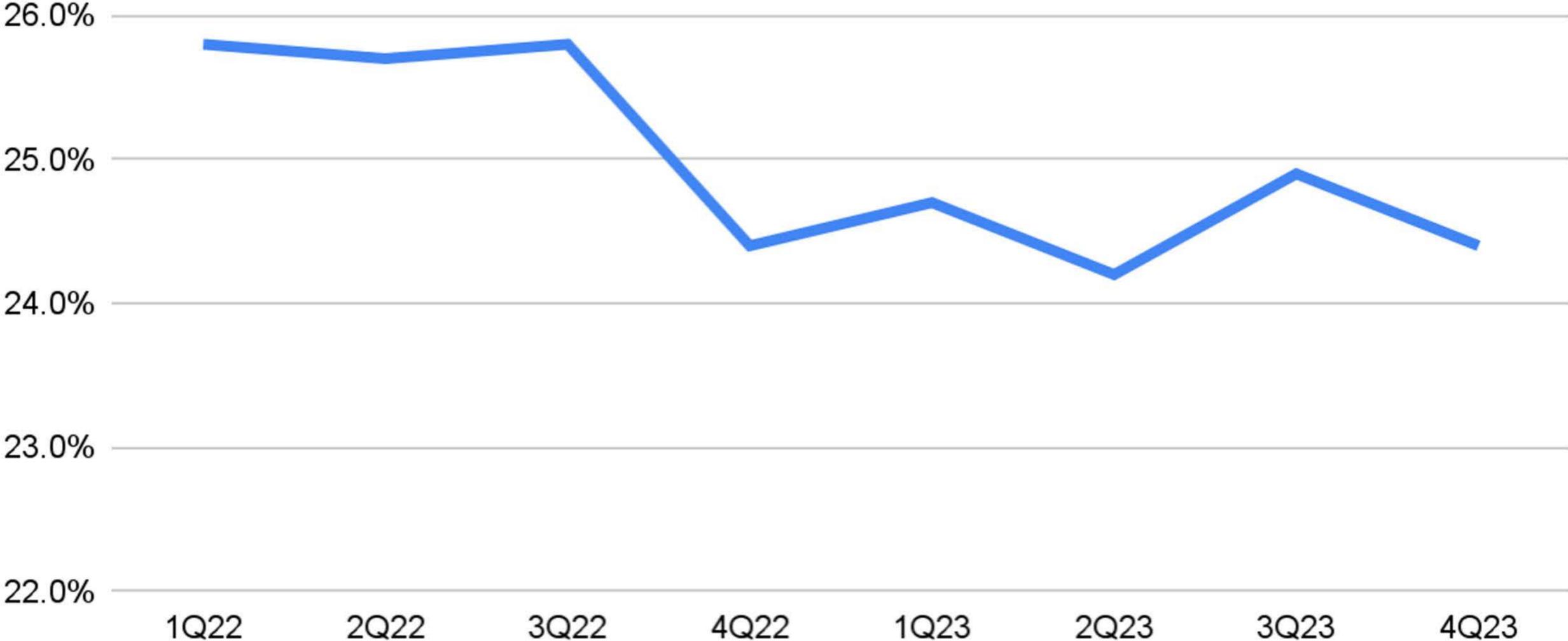
# 2022 GLOBAL PRODUCTIVITY INITIATIVE

On target to deliver annualized pretax savings of **\$90-\$110 million\***

\*As of Q4 2023 Earnings Release and Conference Call; once all projects are approved and implemented. Implementation of the 2022 Global Productivity Initiative is expected to be substantially completed by mid-year 2024.

# DRIVING OPERATING LEVERAGE

Overheads % to Sales\*



\* Base Business SG&A Ex-advertising

**4**

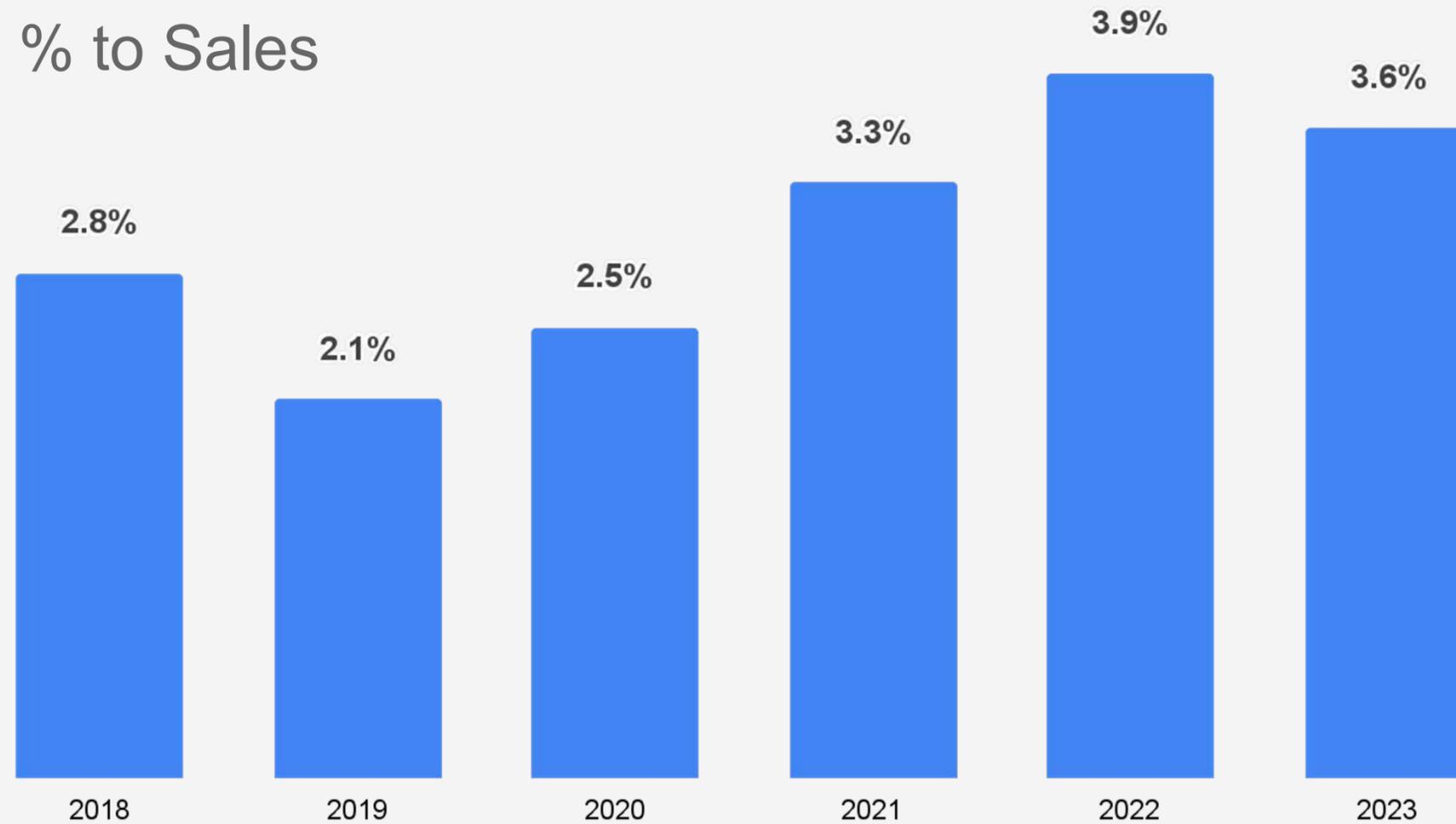
**ACCELERATING FREE CASH  
FLOW TO FUND INVESTMENT AND  
DRIVE SHAREHOLDER VALUE**



**NEW Hill's WET FOOD CAPACITY: Tonganoxie, KS**

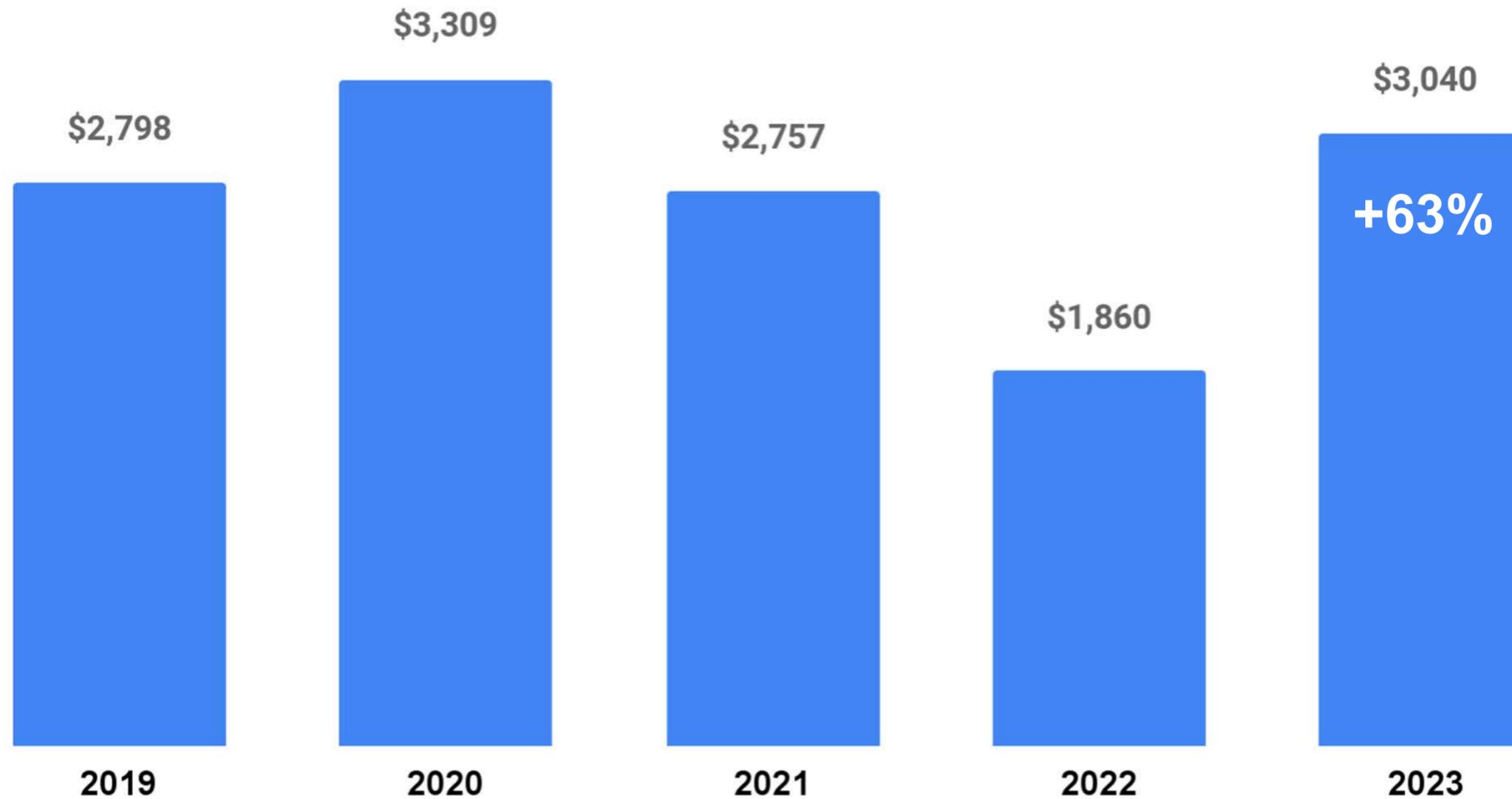
# CAPITAL EXPENDITURE FOR GROWTH AND EFFICIENCY

% to Sales



# DRIVING IMPROVED FREE CASH FLOW

(\$ in millions)



# CONSISTENT **DIVIDEND GROWTH**



**61 CONSECUTIVE YEARS**  
OF DIVIDEND INCREASES

**129 CONSECUTIVE YEARS**  
OF DIVIDEND PAYMENTS

**\$28 BILLION**  
CASH RETURNED TO SHAREHOLDERS  
LAST 10 YEARS



DIVIDENDS PAID PER SHARE



**5**

REIMAGINING A  
**HEALTHIER, MORE  
SUSTAINABLE FUTURE**

**WE ARE COLGATE**, a caring, innovative growth company that is reimagining a healthier future for all people, their pets and our planet.



# 2025 SUSTAINABILITY AND SOCIAL IMPACT STRATEGY

Driving Social Impact

Helping Millions of Homes

Preserving Our Environment





COLGATE BRIGHT SMILES, BRIGHT FUTURES HAS REACHED APPROXIMATELY **1.7 BILLION CHILDREN AND THEIR FAMILIES** WORLDWIDE SINCE 1991



Since 2002, Hill's Food, Shelter & Love program has supplied more than **\$300MM** in pet food to shelters and for disaster relief, and helped more than **14 million** pets find new homes.



APPROXIMATELY  
**60% OF OUR  
TOOTHPASTE SKUs**  
GLOBALLY HAVE  
TRANSITIONED TO  
**RECYCLABLE  
TUBES**



*Since introducing the first-of-its kind recyclable toothpaste tube in 2019 and as of Dec 31 2023  
Your community may not yet accept tubes for recycling. Check locally. Learn more at [colgate.com/goodness](https://colgate.com/goodness).*

# ACCELERATING ACTION ON CLIMATE CHANGE

- Signed a long-term **Virtual Power Purchase Agreement**
- **Source of clean, renewable energy in the U.S.**
- When completed, the project is expected to produce the **equivalent of 100% of our U.S.-based operational electrical needs**





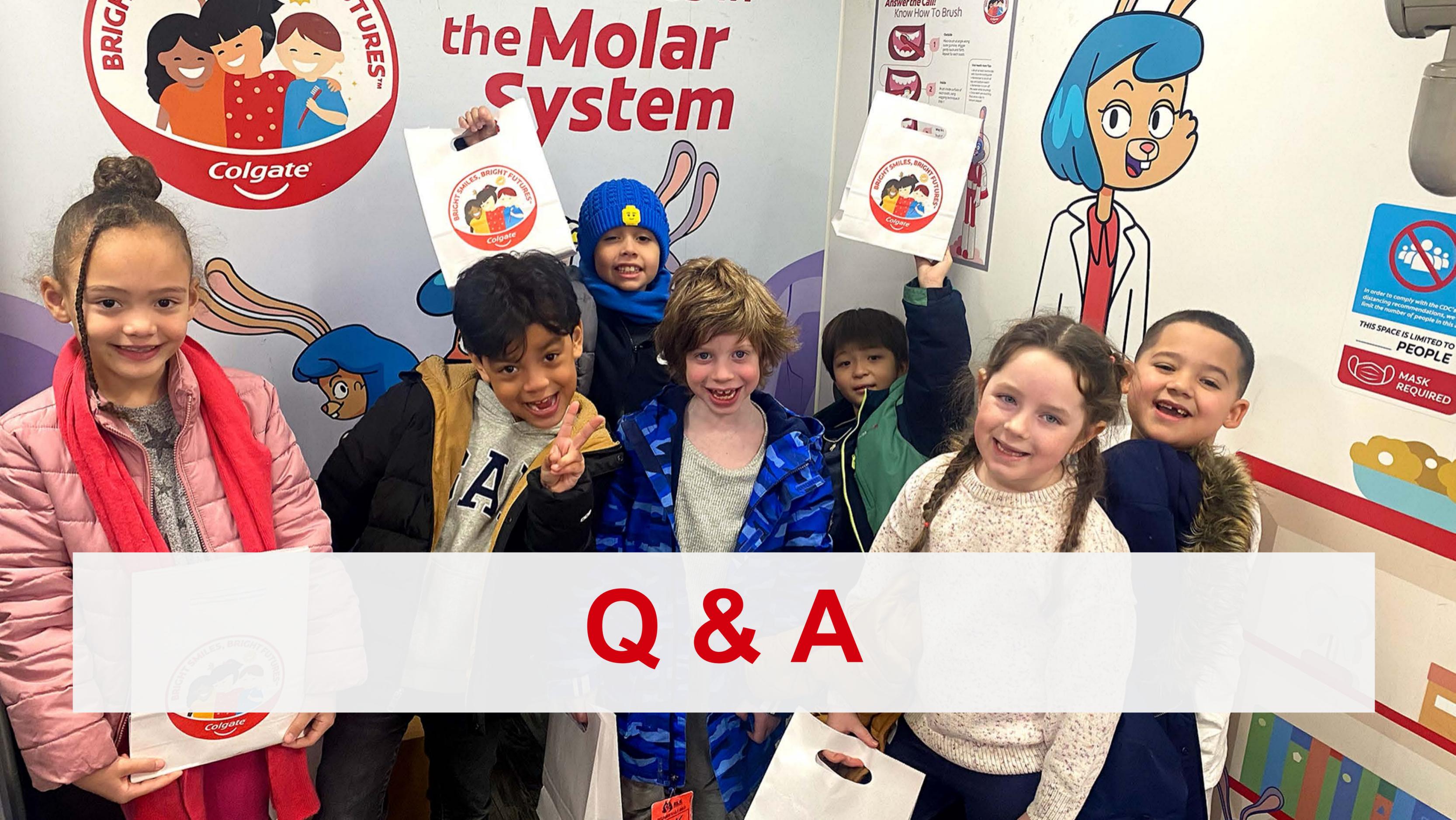
# TRUE CERTIFICATIONS FOR ZERO WASTE

## MORE THAN ANY OTHER COMPANY



# SUMMARY

- Well positioned to **continue to deliver in 2024 and beyond**
- Executing our strategy to **drive balanced organic sales growth**
- Scaling our **improved capabilities** to drive market share and efficiency
- **Driving consistent, compounded earnings per share growth** through organic sales growth and leverage up and down our income statement
- Delivering free cash flow growth to **drive investment and shareholder value** while sustaining our strong balance sheet



# the Molar System



# Q & A