

Table 4

Colgate-Palmolive Company

Condensed Consolidated Statements of Cash Flows

For the Nine Months Ended September 30, 2020 and 2019

(Dollars in Millions) (Unaudited)

	2020	2019
Operating Activities		
Net income including noncontrolling interests	\$ 2,168	\$ 1,845
Adjustments to reconcile Net income including noncontrolling interests to Net cash provided by operations:		
Depreciation and amortization	400	386
Restructuring and termination benefits, net of cash	(66)	11
Stock-based compensation expense	85	83
Deferred income taxes	(124)	79
Voluntary benefit plan contributions	—	(113)
Cash effects of changes in:		
Receivables	62	(65)
Inventories	(214)	(69)
Accounts payable and other accruals	468	(52)
Other non-current assets and liabilities	(23)	58
Net cash provided by operations	<u>2,756</u>	<u>2,163</u>
Investing Activities		
Capital expenditures	(249)	(226)
Purchases of marketable securities and investments	(109)	(152)
Proceeds from sale of marketable securities and investments	42	14
Payment for acquisitions, net of cash acquired	(352)	(1,711)
Net cash used in investing activities	<u>(668)</u>	<u>(2,075)</u>
Financing Activities		
Principal payments on debt	(3,269)	(4,184)
Proceeds from issuance of debt	2,500	6,008
Dividends paid	(1,162)	(1,140)
Purchases of treasury shares	(578)	(1,024)
Proceeds from exercise of stock options	640	490
Purchases of non-controlling interests in subsidiaries	(99)	—
Net cash provided by (used in) financing activities	<u>(1,968)</u>	<u>150</u>
Effect of exchange rate changes on Cash and cash equivalents	(14)	(16)
Net increase (decrease) in Cash and cash equivalents	106	222
Cash and cash equivalents at beginning of the period	883	726
Cash and cash equivalents at end of the period	<u>\$ 989</u>	<u>\$ 948</u>
Supplemental Cash Flow Information		
Free cash flow before dividends (Net cash provided by operations less Capital expenditures)		
Net cash provided by operations	\$ 2,756	\$ 2,163
Less: Capital expenditures	(249)	(226)
Free cash flow before dividends	<u>\$ 2,507</u>	<u>\$ 1,937</u>
Income taxes paid	\$ 606	\$ 669