

Table 4

Colgate-Palmolive Company

Condensed Consolidated Statements of Cash Flows

For the Nine Months Ended September 30, 2019 and 2018

(Dollars in Millions) (Unaudited)

| | 2019 | 2018 |
|--|-----------------|-----------------|
| Operating Activities | | |
| Net income including noncontrolling interests | \$ 1,845 | \$ 1,915 |
| Adjustments to reconcile Net income including noncontrolling interests to Net cash provided by operations: | | |
| Depreciation and amortization | 386 | 385 |
| Restructuring and termination benefits, net of cash | 11 | (20) |
| Stock-based compensation expense | 83 | 97 |
| Charge for U.S. tax reform | — | 80 |
| Deferred income taxes | 79 | 78 |
| Voluntary benefit plan contributions | (113) | (67) |
| Cash effects of changes in: | | |
| Receivables | (65) | (196) |
| Inventories | (69) | (36) |
| Accounts payable and other accruals | (52) | 13 |
| Other non-current assets and liabilities | 58 | (55) |
| Net cash provided by operations | <u>2,163</u> | <u>2,194</u> |
| Investing Activities | | |
| Capital expenditures | (226) | (321) |
| Purchases of marketable securities and investments | (152) | (159) |
| Proceeds from sale of marketable securities and investments | 14 | 28 |
| Payment for acquisitions, net of cash acquired | (1,711) | (728) |
| Other | — | 6 |
| Net cash used in investing activities | <u>(2,075)</u> | <u>(1,174)</u> |
| Financing Activities | | |
| Principal payments on debt | (4,184) | (5,478) |
| Proceeds from issuance of debt | 6,008 | 5,536 |
| Dividends paid | (1,140) | (1,122) |
| Purchases of treasury shares | (1,024) | (956) |
| Proceeds from exercise of stock options | 490 | 319 |
| Net cash provided by (used in) financing activities | <u>150</u> | <u>(1,701)</u> |
| Effect of exchange rate changes on Cash and cash equivalents | (16) | (13) |
| Net increase (decrease) in Cash and cash equivalents | <u>222</u> | <u>(694)</u> |
| Cash and cash equivalents at beginning of the period | 726 | 1,535 |
| Cash and cash equivalents at end of the period | <u>\$ 948</u> | <u>\$ 841</u> |
| Supplemental Cash Flow Information | | |
| Free cash flow before dividends (Net cash provided by operations less Capital expenditures) | | |
| Net cash provided by operations | \$ 2,163 | \$ 2,194 |
| Less: Capital expenditures | (226) | (321) |
| Free cash flow before dividends | <u>\$ 1,937</u> | <u>\$ 1,873</u> |
| Income taxes paid | \$ 669 | \$ 655 |