

3M Company and Subsidiaries
Consolidated Statement of Cash Flows
Years ended December 31

(Millions)	2018	2017	2016
Cash Flows from Operating Activities			
Net income including noncontrolling interest	\$ 5,363	\$ 4,869	\$ 5,058
Adjustments to reconcile net income including noncontrolling interest to net cash provided by operating activities			
Depreciation and amortization	1,488	1,544	1,474
Company pension and postretirement contributions	(370)	(967)	(383)
Company pension and postretirement expense	410	334	250
Stock-based compensation expense	302	324	298
Gain on sale of businesses	(545)	(586)	(111)
Deferred income taxes	(57)	107	7
Changes in assets and liabilities			
Accounts receivable	(305)	(245)	(313)
Inventories	(509)	(387)	57
Accounts payable	408	24	148
Accrued income taxes (current and long-term)	134	967	101
Other — net	120	256	76
Net cash provided by (used in) operating activities	<u>6,439</u>	<u>6,240</u>	<u>6,662</u>
Cash Flows from Investing Activities			
Purchases of property, plant and equipment (PP&E)	(1,577)	(1,373)	(1,420)
Proceeds from sale of PP&E and other assets	262	49	58
Acquisitions, net of cash acquired	13	(2,023)	(16)
Purchases of marketable securities and investments	(1,828)	(2,152)	(1,410)
Proceeds from maturities and sale of marketable securities and investments	2,497	1,354	1,247
Proceeds from sale of businesses, net of cash sold	846	1,065	142
Other — net	9	(6)	(4)
Net cash provided by (used in) investing activities	<u>222</u>	<u>(3,086)</u>	<u>(1,403)</u>
Cash Flows from Financing Activities			
Change in short-term debt — net	(284)	578	(797)
Repayment of debt (maturities greater than 90 days)	(1,034)	(962)	(992)
Proceeds from debt (maturities greater than 90 days)	2,251	1,987	2,832
Purchases of treasury stock	(4,870)	(2,068)	(3,753)
Proceeds from issuance of treasury stock pursuant to stock option and benefit plans	485	734	804
Dividends paid to shareholders	(3,193)	(2,803)	(2,678)
Other — net	(56)	(121)	(42)
Net cash provided by (used in) financing activities	<u>(6,701)</u>	<u>(2,655)</u>	<u>(4,626)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(160)</u>	<u>156</u>	<u>(33)</u>
Net increase (decrease) in cash and cash equivalents	<u>(200)</u>	<u>655</u>	<u>600</u>
Cash and cash equivalents at beginning of year	<u>3,053</u>	<u>2,398</u>	<u>1,798</u>
Cash and cash equivalents at end of period	<u>\$ 2,853</u>	<u>\$ 3,053</u>	<u>\$ 2,398</u>

The accompanying Notes to Consolidated Financial Statements are an integral part of this statement.