

A. O. SMITH CORPORATION

Statement of Cash Flows

(dollars in millions)

(unaudited)

	Three Months Ended March 31,	
	2018	2017
Operating Activities		
Net earnings	\$ 98.8	\$ 87.7
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation & amortization	17.9	16.9
Stock based compensation expense	6.5	5.9
Net changes in operating assets and liabilities, net of acquisitions:		
Current assets and liabilities	(70.4)	(119.3)
Noncurrent assets and liabilities	(9.6)	(2.7)
Cash Provided by (Used in) Operating Activities	<u>43.2</u>	<u>(11.5)</u>
Investing Activities		
Capital expenditures	(17.3)	(16.8)
Investment in marketable securities	(84.7)	(136.0)
Net proceeds from sale of marketable securities	136.9	134.9
Cash Provided by (Used in) Investing Activities	<u>34.9</u>	<u>(17.9)</u>
Financing Activities		
Debt (repaid) incurred	(117.3)	45.7
Common stock repurchases	(33.1)	(30.1)
Net (payments) proceeds from stock option activity	(1.4)	1.2
Dividends paid	(31.0)	(24.4)
Cash Used In Financing Activities	<u>(182.8)</u>	<u>(7.6)</u>
Net decrease in cash and cash equivalents	(104.7)	(37.0)
Cash and cash equivalents - beginning of period	346.6	330.4
Cash and Cash Equivalents - End of Period	<u>\$ 241.9</u>	<u>\$ 293.4</u>