

A. O. SMITH CORPORATION

Statement of Cash Flows

(dollars in millions)

(unaudited)

	Six Months Ended June 30,	
	2018	2017
Operating Activities		
Net earnings	\$ 213.3	\$ 180.1
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation & amortization	35.4	34.3
Stock based compensation expense	7.9	7.2
Net changes in operating assets and liabilities:		
Current assets and liabilities	(62.6)	(149.9)
Noncurrent assets and liabilities	(20.8)	1.5
Cash Provided by Operating Activities	<u>173.2</u>	<u>73.2</u>
Investing Activities		
Capital expenditures	(39.5)	(36.3)
Investment in marketable securities	(248.5)	(284.4)
Net proceeds from sale of marketable securities	322.1	284.5
Cash Provided by (Used in) Investing Activities	<u>34.1</u>	<u>(36.2)</u>
Financing Activities		
Long-term debt (repaid) incurred	(162.3)	51.3
Common stock repurchases	(69.7)	(66.2)
Net (payments) proceeds from stock option activity	(0.1)	2.7
Dividends paid	(61.8)	(48.6)
Cash Used In Financing Activities	<u>(293.9)</u>	<u>(60.8)</u>
Net decrease in cash and cash equivalents	(86.6)	(23.8)
Cash and cash equivalents - beginning of period	346.6	330.4
Cash and Cash Equivalents - End of Period	<u>\$ 260.0</u>	<u>\$ 306.6</u>