

A. O. SMITH CORPORATION

Statement of Cash Flows

(dollars in millions)

(unaudited)

	Six Months Ended	
	June 30,	
	2020	2019
Operating Activities		
Net earnings	\$ 119.5	\$ 191.4
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation & amortization	40.0	38.4
Stock based compensation expense	10.4	10.8
Net changes in operating assets and liabilities:		
Current assets and liabilities	35.9	(75.9)
Noncurrent assets and liabilities	(26.5)	(21.0)
Cash Provided by Operating Activities	<u>179.3</u>	<u>143.7</u>
Investing Activities		
Capital expenditures	(24.8)	(36.5)
Acquisition	-	(107.0)
Investment in marketable securities	(91.1)	(202.3)
Net proceeds from sale of marketable securities	140.1	293.8
Cash Provided by (Used in) Investing Activities	<u>24.2</u>	<u>(52.0)</u>
Financing Activities		
Long-term debt (repaid) incurred	(2.9)	137.3
Common stock repurchases	(56.7)	(132.6)
Net payments from stock option activity	2.6	(0.5)
Dividends paid	(77.8)	(74.0)
Cash Used In Financing Activities	<u>(134.8)</u>	<u>(69.8)</u>
Net increase in cash and cash equivalents	68.7	21.9
Cash and cash equivalents - beginning of period	374.0	259.7
Cash and Cash Equivalents - End of Period	<u>\$ 442.7</u>	<u>\$ 281.6</u>