

A. O. SMITH CORPORATION

Statement of Cash Flows

(dollars in millions)

(unaudited)

	Nine Months Ended September 30,	
	2020	2019
Operating Activities		
Net earnings	\$ 224.9	\$ 278.7
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation & amortization	60.7	58.1
Stock based compensation expense	11.5	12.3
Net changes in operating assets and liabilities:		
Current assets and liabilities	60.8	(43.8)
Noncurrent assets and liabilities	(27.5)	(25.3)
Cash Provided by Operating Activities	<u>330.4</u>	<u>280.0</u>
Investing Activities		
Capital expenditures	(36.7)	(50.3)
Acquisition	-	(107.0)
Investment in marketable securities	(119.9)	(237.3)
Net proceeds from sale of marketable securities	169.0	318.8
Cash Provided by (Used in) Investing Activities	<u>12.4</u>	<u>(75.8)</u>
Financing Activities		
Long-term debt (repaid) incurred	(170.1)	97.9
Common stock repurchases	(56.7)	(230.0)
Payment of contingent consideration	-	(1.0)
Net proceeds (payments) from stock option activity	4.4	(1.4)
Dividends paid	(116.5)	(110.0)
Cash Used In Financing Activities	<u>(338.9)</u>	<u>(244.5)</u>
Net increase (decrease) in cash and cash equivalents	3.9	(40.3)
Cash and cash equivalents - beginning of period	374.0	259.7
Cash and Cash Equivalents - End of Period	<u>\$ 377.9</u>	<u>\$ 219.4</u>