

A. O. SMITH CORPORATION

Statement of Cash Flows

(dollars in millions)

	Twelve Months Ended December 31,	
	(unaudited)	
	2020	2019
Operating Activities		
Net earnings	\$ 344.9	\$ 370.0
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation & amortization	80.0	78.3
Stock based compensation expense	12.7	13.3
Net changes in operating assets and liabilities:		
Current assets and liabilities	130.4	32.6
Noncurrent assets and liabilities	(5.9)	(38.0)
Cash Provided by Operating Activities	<u>562.1</u>	<u>456.2</u>
Investing Activities		
Capital expenditures	(56.8)	(64.4)
Acquisition	-	(107.0)
Investment in marketable securities	(157.4)	(272.7)
Net proceeds from sale of marketable securities	226.0	478.0
Cash Provided by Investing Activities	<u>11.8</u>	<u>33.9</u>
Financing Activities		
Long-term debt (repaid) incurred	(170.8)	62.6
Common stock repurchases	(56.7)	(287.7)
Payment of contingent consideration	-	(1.0)
Net proceeds (payments) from stock option activity	11.4	(0.5)
Dividends paid	(158.7)	(149.2)
Cash Used In Financing Activities	<u>(374.8)</u>	<u>(375.8)</u>
Net increase in cash and cash equivalents	199.1	114.3
Cash and cash equivalents - beginning of period	374.0	259.7
Cash and Cash Equivalents - End of Period	<u>\$ 573.1</u>	<u>\$ 374.0</u>