

A. O. SMITH CORPORATION

Statement of Cash Flows

(dollars in millions)

(unaudited)

	Six Months Ended June 30,	
	2021	2020
Operating Activities		
Net earnings	\$ 215.9	\$ 119.5
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation & amortization	39.0	40.0
Stock based compensation expense	8.9	10.4
Net changes in operating assets and liabilities:		
Current assets and liabilities	(50.0)	35.9
Noncurrent assets and liabilities	(17.8)	(26.5)
Cash Provided by Operating Activities	<u>196.0</u>	<u>179.3</u>
Investing Activities		
Capital expenditures	(30.7)	(24.8)
Investment in marketable securities	(98.3)	(91.1)
Net proceeds from sale of marketable securities	79.0	140.1
Cash (Used in) Provided by Investing Activities	<u>(50.0)</u>	<u>24.2</u>
Financing Activities		
Long-term debt repaid	(6.8)	(2.9)
Common stock repurchases	(198.1)	(56.7)
Net proceeds from stock option activity	14.5	2.6
Dividends paid	(83.9)	(77.8)
Cash Used in Financing Activities	<u>(274.3)</u>	<u>(134.8)</u>
Net (decrease) increase in cash and cash equivalents	(128.3)	68.7
Cash and cash equivalents - beginning of period	573.1	374.0
Cash and Cash Equivalents - End of Period	<u>\$ 444.8</u>	<u>\$ 442.7</u>