

**A. O. SMITH CORPORATION**  
**Statement of Cash Flows**  
(dollars in millions)  
(unaudited)

	Three Months Ended March 31,	
	2022	2021
<b>Operating Activities</b>		
Net earnings	\$ 119.8	\$ 97.7
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation & amortization	20.3	19.5
Stock based compensation expense	7.6	7.4
Net changes in operating assets and liabilities:		
Current assets and liabilities	(137.8)	(13.2)
Noncurrent assets and liabilities	6.6	(7.0)
<b>Cash Provided by Operating Activities</b>	<b>16.5</b>	<b>104.4</b>
<b>Investing Activities</b>		
Capital expenditures	(12.9)	(17.1)
Investment in marketable securities	(16.9)	(24.4)
Net proceeds from sale of marketable securities	31.9	54.0
<b>Cash Provided by Investing Activities</b>	<b>2.1</b>	<b>12.5</b>
<b>Financing Activities</b>		
Long-term debt incurred (repaid)	98.7	(6.8)
Common stock repurchases	(107.9)	(67.0)
Net (payments) proceeds from stock option activity	(2.7)	4.5
Dividends paid	(44.2)	(42.2)
<b>Cash Used In Financing Activities</b>	<b>(56.1)</b>	<b>(111.5)</b>
Net (decrease) increase in cash and cash equivalents	(37.5)	5.4
Cash and cash equivalents - beginning of period	443.3	573.1
<b>Cash and Cash Equivalents - End of Period</b>	<b>\$ 405.8</b>	<b>\$ 578.5</b>