

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

|  | Nine Months Ended<br>September 30, |                 |
|--|------------------------------------|-----------------|
|  | 2022                               | 2021            |
| <b>Operating Activities</b>  |                                    |                 |
| Net earnings   | \$ 355.8                           | \$ 347.5        |
| Adjustments to reconcile net earnings<br>to net cash provided by (used in) operating activities: |                                    |                 |
| Depreciation & amortization  | 56.5                               | 58.0            |
| Stock based compensation expense   | 10.4                               | 10.3            |
| Net changes in operating assets and liabilities:   |                                    |                 |
| Current assets and liabilities   | (212.6)                            | (20.8)          |
| Noncurrent assets and liabilities  | 4.6                                | (18.2)          |
| <b>Cash Provided by Operating Activities</b>   | <b>214.7</b>                       | <b>376.8</b>    |
| <b>Investing Activities</b>  |                                    |                 |
| Capital expenditures   | (50.9)                             | (45.3)          |
| Acquisitions   | (8.0)                              | (9.0)           |
| Investment in marketable securities  | (35.3)                             | (160.1)         |
| Net proceeds from sale of marketable securities  | 152.5                              | 79.1            |
| <b>Cash Provided by (Used in) Investing Activities</b>   | <b>58.3</b>                        | <b>(135.3)</b>  |
| <b>Financing Activities</b>  |                                    |                 |
| Long-term debt incurred (repaid)   | 94.6                               | (6.8)           |
| Common stock repurchases   | (282.0)                            | (212.0)         |
| Net (payments) proceeds from stock option activity   | (1.6)                              | 15.7            |
| Dividends paid   | (131.1)                            | (125.4)         |
| <b>Cash Used In Financing Activities</b>   | <b>(320.1)</b>                     | <b>(328.5)</b>  |
| Effect of exchange rate changes on cash and cash equivalents                                     | (37.4)                             | -               |
| Net decrease in cash and cash equivalents  | (84.5)                             | (87.0)          |
| Cash and cash equivalents - beginning of period  | 443.3                              | 573.1           |
| <b>Cash and Cash Equivalents - End of Period</b>   | <b>\$ 358.8</b>                    | <b>\$ 486.1</b> |