Innovation has a name.

First Quarter 2026 Results

April 30, 2026

Stephen M. Shafer
President and
Chief Executive Officer

Charles T. Lauber
Executive Vice President
and Chief Financial Officer

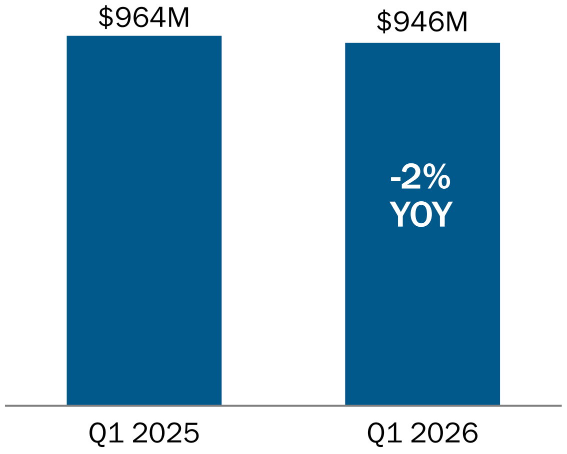
Helen E. Gurholt
Vice President - Investor Relations,
Financial Planning & Analysis

Forward Looking Statements

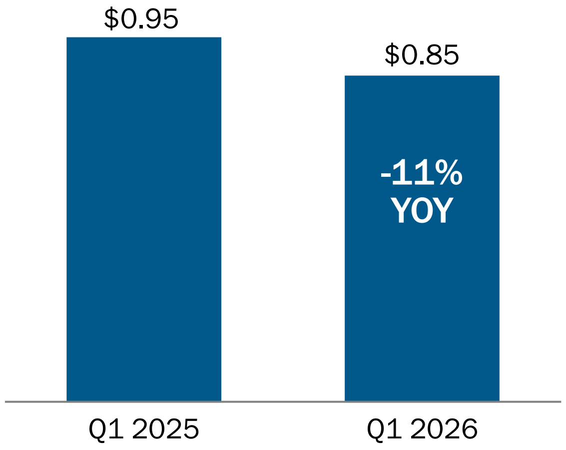
This presentation contains statements that we believe are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be identified by the use of words such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “continue,” “ forecast,” “guidance” or words of similar meaning. Important factors that could cause actual results to differ materially from these expectations include, among other things, the following: further weakening in North American residential or commercial construction or instability in the Company’s replacement markets; failure to realize the expected benefits of acquisitions or expected synergies; difficulties in predicting results of operations of an acquired business; negative impact to the Company’s businesses from international tariffs, including any new or increased tariffs that could also trigger retaliatory responses from other countries, as well as trade disputes and geopolitical differences, including the conflicts in Ukraine and the Middle East; further softening in U.S. residential and commercial water heater demand; negative impacts to the Company, particularly the demand for its products, resulting from global inflationary pressures or a potential recession in one or more of the markets in which the Company participates; the Company’s ability to continue to obtain commodities, components, parts and accessories on a timely basis through its supply chain and at expected costs, including the recent volatility in fuel and other material prices; inability of the Company to implement or maintain pricing actions; inconsistent recovery of the Chinese economy or a further decline in the growth rate of consumer spending or housing sales in China; the availability, timing or effects of China stimulus programs; uncertain outcomes and costs and other potential impacts of the Company’s assessment relating to the Company’s China business; the failure to realize the expected benefits of restructuring actions; further weakening in the high-efficiency gas boiler segment in the U.S.; substantial defaults in payment by, material reduction in purchases by or the loss, bankruptcy or insolvency of a major customer; foreign currency fluctuations; failure to realize the expected benefits, timing and extent of regulatory changes; competitive pressures on the Company’s businesses, including new technologies and new competitors; the impact of potential information technology or data security breaches; negative impact of changes in government regulations or regulatory requirements; the inability to respond to secular trends toward decarbonization and energy efficiency; and adverse developments in general economic, political and business conditions in key regions of the world. Forward-looking statements included in this presentation are made only as of the date of this presentation, and the Company is under no obligation to update these statements to reflect subsequent events or circumstances. All subsequent written and oral forward-looking statements attributed to the Company, or persons acting on its behalf, are qualified entirely by these cautionary statements. This presentation contains certain non-GAAP financial measures as that term is defined by the SEC. Non-GAAP financial measures are generally identified by “Adjusted” (Adj.) or “Non-GAAP.”

First Quarter Performance and Highlights

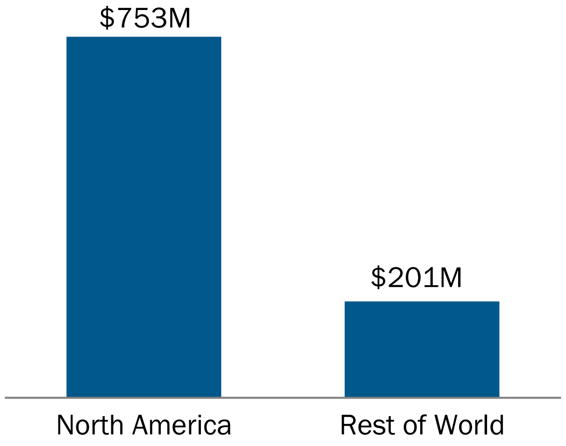
Sales ($M)



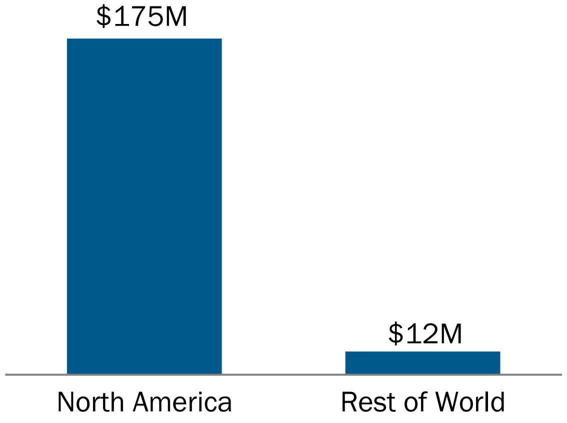
EPS



Segment Sales ($M)



Segment Earnings ($M)



Highlights

- Net sales decreased 2 percent to $946 million
- EPS decreased 11 percent to $0.85

North America

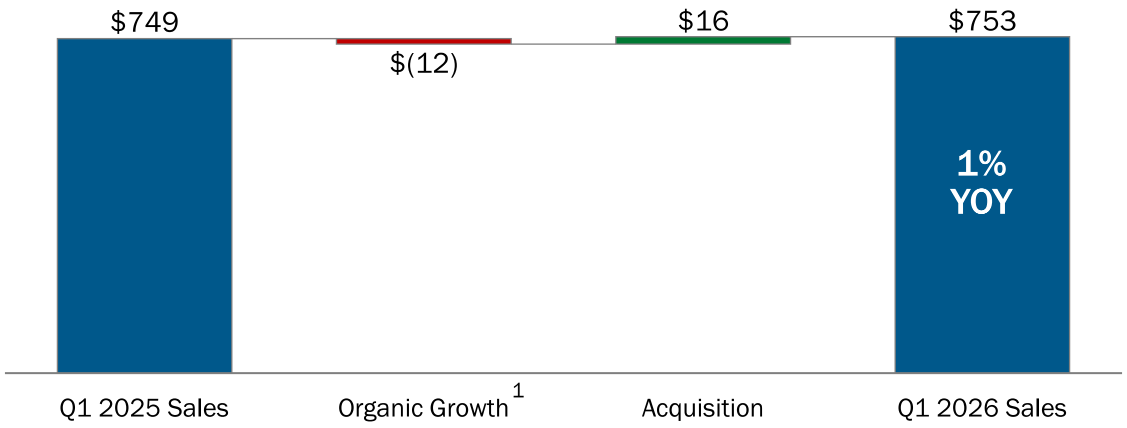
- Sales increased 1 percent
- Pricing actions partially offset lower residential water heater volumes
- Leonard Valve contributed $16 million

Rest of World

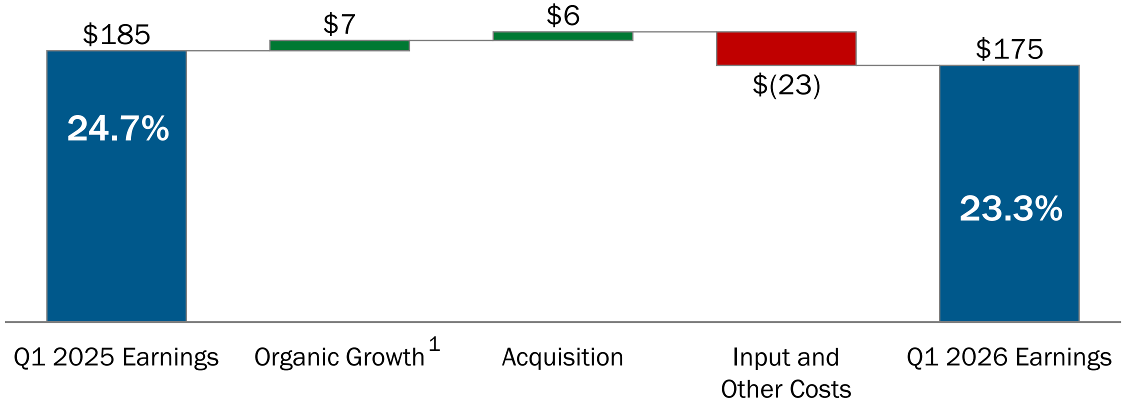
- Sales decreased 11 percent primarily due to continued challenges in China consumer appliance market
- Segment margin decreased 250 bps to 6.2 percent

First Quarter North America Segment

Segment Sales ($M)



Segment Operating Earnings ($M)



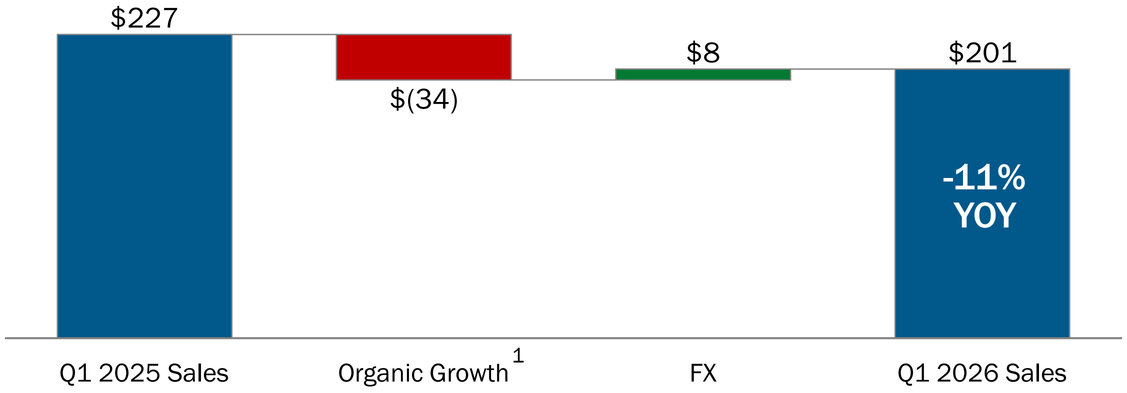
- Sales increased against a tough comp as carryover pricing actions partially offset lower residential volumes
- Leonard Valve contributed $16 million to sales
- Weather-related production and shipping constraints negatively impacted the quarter

- Earnings decrease primarily due to lower residential water heater volumes that more than offset the Leonard Valve earnings contribution
- Pricing benefits more than offset cost inflation in the quarter
- Weather-related production and shipping constraints negatively impacted margin by 70 bps
- Segment margin was 23.3 percent, a decrease of 140 bps

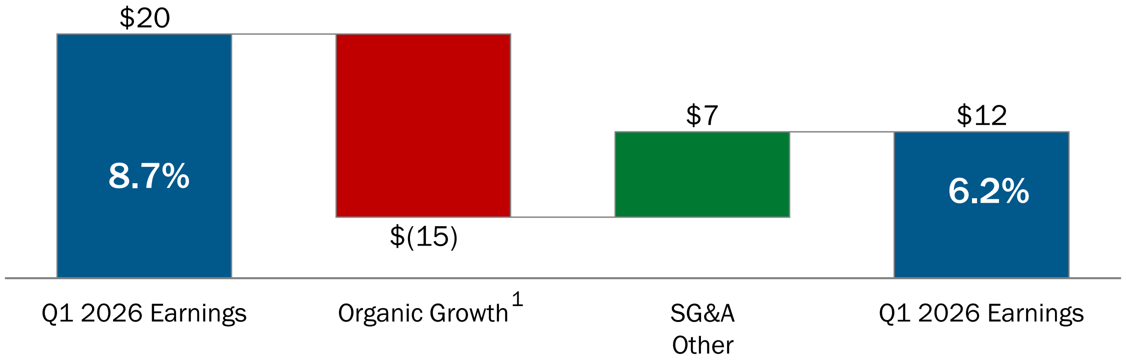
[1]Includes volume, price and mix

First Quarter Rest of World Segment

Segment Sales ($M)



Segment Operating Earnings ($M)



- Sales decreased 11 percent primarily due to lower China volumes
- Currency translation benefit of $8 million

- Operating earnings decreased as lower volumes in China more than offset cost control efforts
- Segment operating margin decreased 250 basis points

[1]Includes volume, price and mix

Cash Flow and Liquidity[1]

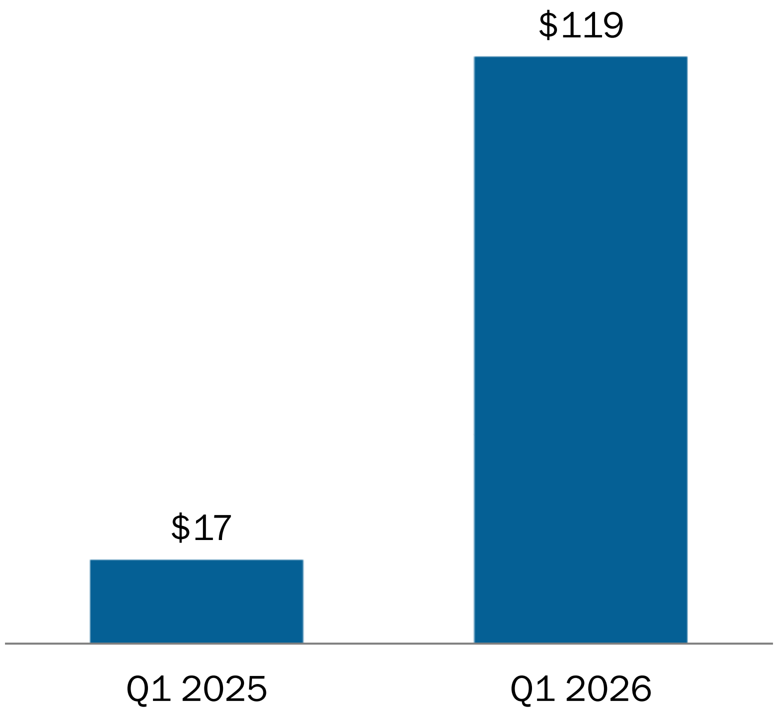
$204M
Cash balance[2]

24.7%
Debt to capital ratio

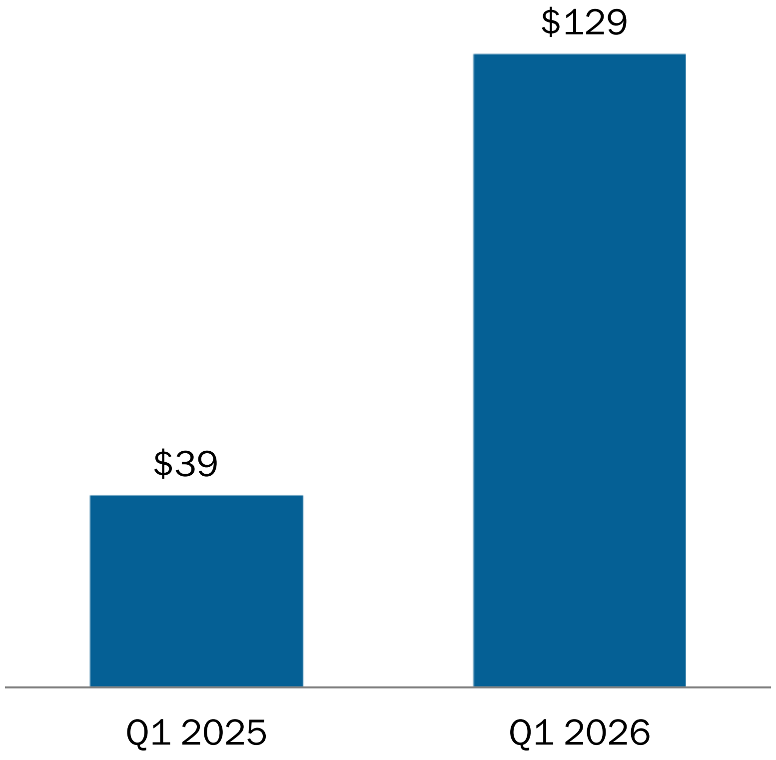
$412M
Net debt position

~700K
Shares repurchased YTD[1] totaling ~$51M

Free Cash Flow ($M)



Cash Flow From Operations ($M)



[1]As of March 31, 2026
[2]Includes cash, cash equivalents and marketable securities

Capital Allocation Priorities

Organic Growth	• Driving organic growth: developing products aligned to upcoming regulatory changes, investing in productivity and continuing to build the strength of the core
Acquisitions	• Disciplined focus on transactions that expand/grow the core, enable geographic growth, expand technology capabilities, and establish adjacencies • Continued focus within North America Water Treatment and Water Management
Dividends	• Five-year CAGR of 7 percent • Over 30 consecutive years of dividend increases
Share Repurchases	• $51 million in Q1 2026 (~700K shares); Full year projection is $200 million

2026 Outlook and Assumptions[1]

	Diluted EPS (GAAP)	Restructuring Expense	Adjusted EPS[2] (non-GAAP)
2026 Outlook	**$3.60 - $3.90**	**$0.10**	**$3.70 - $4.00**
2025 Actual	$3.85	-	$3.85

Revenue Increase	~2% to 4%
U.S. Residential Water Heater Industry	~Flat to down
Commercial Water Heater Industry	~Flat
China Sales Decrease (Local Currency)	~-LDD
North American Boiler Sales Growth	~6% to 8%
North American Water Treatment Sales Growth	~5% to 6%
Leonard Valve Acquisition	~$70M
North America Segment Margin[2]	~24%
Rest of World Segment Margin	~6% to 7%

Free Cash Flow	~$525M to $575M
Capital Expenditures	~$70M to $80M
Depreciation & Amortization	~$100M
Interest Expense	~$30M to $40M
Corporate/Other Expense	~$80M to $85M
Effective Tax Rate	~24% to 24.5%
Share Repurchase	~$200M
Share Count – Diluted	~138M

[1]As of April 30, 2026
[2]Excludes the impact of North America water treatment pre-tax restructuring and impairment expenses of approximately $20 million to be recognized in the second quarter

Finding a Better Way: Strategic Actions to Deliver Greater Value

Portfolio Management

Innovation

Operational Excellence

Process Intelligence and AI Tool Sets

- Focused on improving customer experience and productivity
- Leveraging process forensics to identify opportunity
- Developing AI agents to enable performance improvement

Optimizing North America Water Treatment Business Model

- Focusing on strengths of the business
- Consolidating footprint and brands for greater scale and efficiency
- Restructuring charge of ~$20M in Q2 2026
- Annual savings of ~$6M to $8M

First Quarter 2026 Messages

1. Total Company sales were $946M and EPS was $0.85
2. China appliance market remains challenged as strategic assessment continues
3. Strong free cash flow performance of $119M
4. Restructuring actions announced for North America Water Treatment to enhance profitability
5. Confidence in underlying strength of North America business

Appendix

Free Cash Flow

($ in Millions)

A. O. SMITH CORPORATION
Free Cash Flow
(dollars in millions)
(unaudited)

The following is a reconciliation of reported cash flow from operating activities to free cash flow (non-GAAP):

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Cash provided by operating activities (GAAP)	$ 129.4	$ 38.7
Less: Capital expenditures	(10.5)	(21.3)
Free cash flow (non-GAAP)	$ 118.9	$ 17.4

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