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A. O. Smith Corporation announces 26 percent dividend increase

MILWAUKEE, Jan. 25, 2016 /PRNewswire/ -- Directors of A. O. Smith Corporation (NYSE: AOS) today approved a 26 percent increase in the company's quarterly cash dividend to \$.24 per share.



The dividend increase will affect the company's Common Stock and Class A Common Stock and is payable on Feb. 16 to shareholders of record Feb. 5.

Over the last five years, the company's quarterly dividend has grown at a compounded annual rate of 26 percent. This is the 11th consecutive year the Milwaukee-based water technology company has increased its quarterly cash dividend.

"Our businesses have achieved solid performance over the past several years," Ajita G. Rajendra, chairman and chief executive officer, said. "We remain confident we can continue to perform at a high level and enable the corporation to achieve its long-term growth model of approximately eight percent annual organic sales growth."

"With a robust balance sheet, a strong cash position, and adequate borrowing capacity, we believe strongly that we are able to increase our dividend while continuing to support organic growth and pursue global growth opportunities and strategic acquisitions."

Forward-looking statements

This release contains statements that the company believes 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," "forecast," "guidance" or words of similar meaning. All forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those anticipated as of the date of this release. Important factors that could cause actual results to differ materially from these expectations include, among other things, the following: uncertain costs, savings and timeframes associated with the implementation of the new enterprise resource planning system; a further slowdown in the growth rate of the Chinese economy; potential weakening in the high efficiency boiler market segment in the U.S.; significant volatility in raw material prices; competitive pressures on the company's businesses; inability to implement or maintain pricing actions; instability in the company's replacement markets; potential weakening in U.S. residential or commercial construction; foreign currency fluctuations; the ability to execute our acquisition strategy; and adverse general economic conditions and capital market deterioration in the U.S., Canada and China. Forward-looking statements included in this press release are made only as of the date of this release, 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.

A. O. Smith Corporation, with headquarters in Milwaukee, Wis., is a global leader applying innovative technology and energy-efficient solutions to products manufactured and marketed worldwide. The company is one of the world's leading manufacturers of residential and commercial water heating equipment, as well as a manufacturer of water treatment products.

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