



# A.O. Smith Introduction

Corporate



North America Water Heating (NAWH)



North America Water Treatment (NAWT)



Lochinvar



International



China

# Our History

## Building on 148 Years of Innovation...

**1874**  
C.J. Smith and Sons machine shop founded in Milwaukee, WI

**1904**  
A. O. Smith  
incorporated

**Foundation  
of Innovation**  
1874 - 1927

**1921**  
Developed world's 1<sup>st</sup> automated automobile frame assembly  
plant oil pipelines

**1925**  
Introduced 1<sup>st</sup> high-pressure vessel used to refine oil

**1927**  
Developed method of producing large-diameter steel line pipe,  
key in launching natural gas and transcontinental oil pipelines

**1936**  
A. O. Smith patents the process of glass-lining a water heater tank.  
This concept became the standard of the industry.

**Expansion  
to Water**  
1948 - 2016

**1948**  
Entered market for coil-type  
instantaneous commercial  
water heaters

**1954**  
Introduced first glass-lined  
commercial water heater

**1961**  
Opened first international water  
heater and boiler plant in Canada

**1972**  
Water heater division opens its first  
European operation

**1974**  
Introduction of Conservationist line  
of residential water heaters

**1995**  
Entered China market with three  
joint ventures including residential  
water heaters

**2001**  
Acquired State Industries, nearly  
doubling water heater business  
and entering retail market segment

**2006**  
Completed acquisition that added  
American, Whirlpool, GSW &  
John Wood brands

**2008**  
Entered India water heater market

**2011**  
Acquired Lochinvar, manufacturer of  
high efficiency condensing boilers

**2016**  
Acquired Aquasana and entered the  
North America Water Treatment  
market

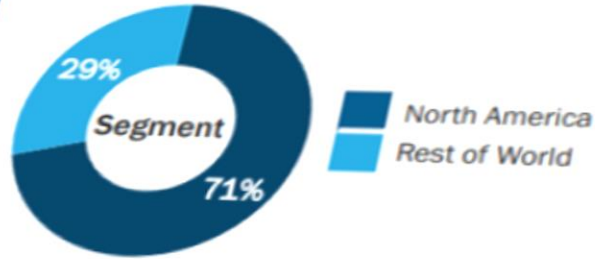
**2021**  
Acquired Giant, a Canadian water  
heater manufacturer



Global manufacturer of water heaters, boilers and water treatment products for residential and commercial customers

Headquarters	Milwaukee, WI
Global Employees	~13,700
Mfg. Facilities	25
Countries Served	~90
Sales CAGR <sup>1</sup>	6%
EPS CAGR <sup>1</sup>	10%
Gross Margin <sup>2</sup>	37%
EBIT Margin <sup>2</sup>	18%
Avg. 5-year FCF Conversion	106%

## 2021 Revenue Profile Breakdown ~\$3.5B



### Products

- Water Heaters: Tank, Tankless, Heat Pump
- Boilers: Residential and Commercial
- Water Treatment: Water Softeners and Filtration

Leveraging 148 Years of Innovation to Continue Delivering Growth  
**LEADING BRANDS**

### Water Heaters & Boilers



### Water Treatment



# Our Locations

## Milwaukee, WI

### World Headquarters

#### US

- Ashland City, TN
- Johnson City, TN
- Charlotte, NC
- McBee, SC
- El Paso, TX

#### CANADA

- Stratford
- Fergus

#### REST OF THE WORLD

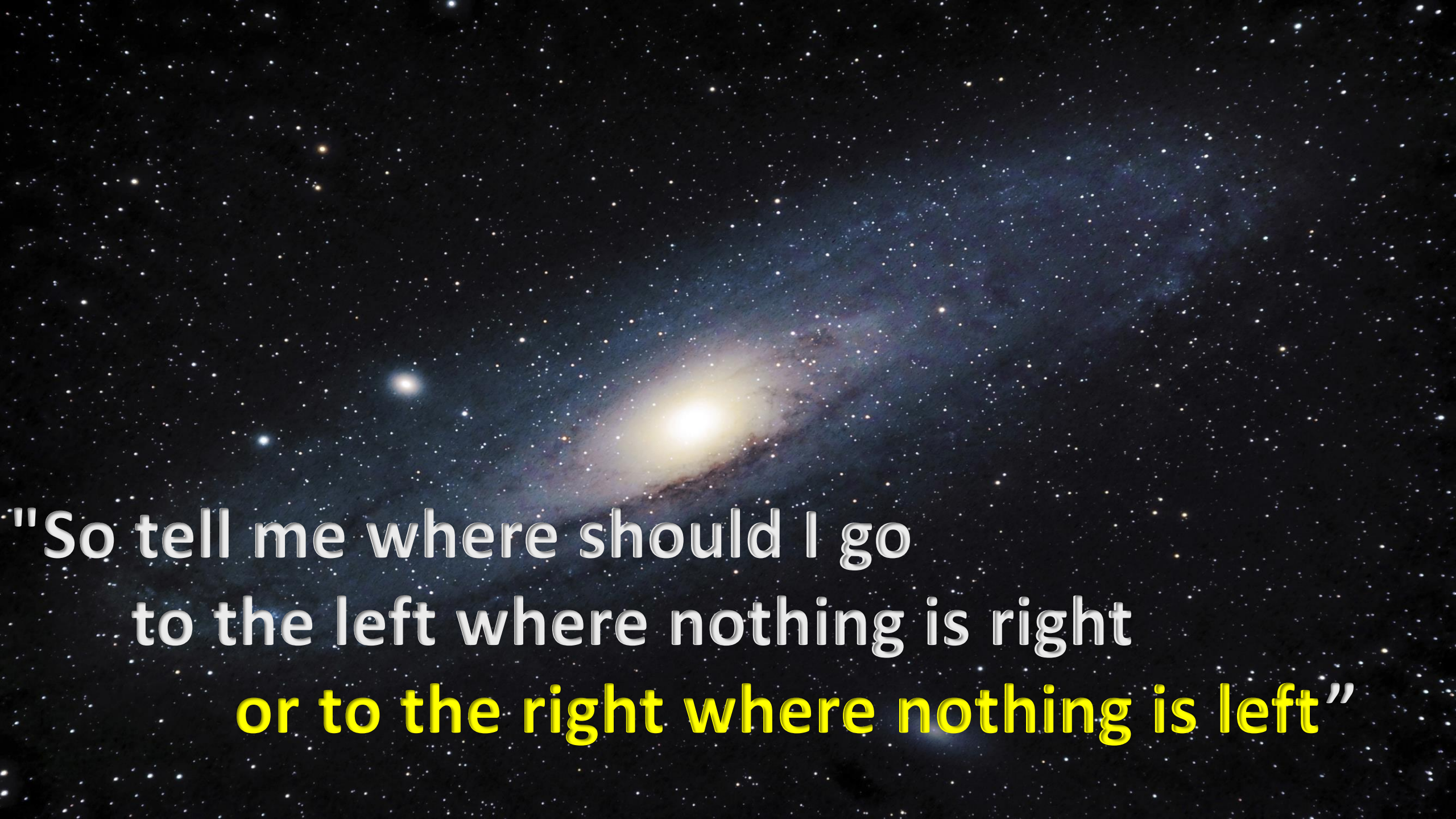
- Turkey
- Veldhoven, Netherlands
- Nanjing, China
- Karnataka, India
- Juarez, Mexico





YOUR REALITY IS BASED ON THE INFORMATION  
YOU HAVE AT THAT MOMENT

“ + Change is impossible in the fog of ignorance.” – Itachi

The background is a deep space photograph showing a vast field of stars. In the center, there is a bright, yellowish-white galaxy core with a surrounding spiral structure. The overall color palette is dark blue and black, punctuated by numerous white and yellow stars.

"So tell me where should I go  
to the left where nothing is right  
**or to the right where nothing is left"**





# *THE GREAT DISCONNECT*

*"INFORMATION & CHANGE IS INEVITABLE"*

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Global Solutions - Business Continuity - Security - Data Governance







# GARTNER PEER INSIGHTS

## *What is SAP S-4HANA Application Services?*

*Gartner defines the SAP S/4HANA Application Services as: assessment, implementation and applications management services. Assessment services are discrete, project based services to assess the impact of either a new SAP S/4HANA implementation or a migration from a legacy platform(s) to SAP S/4HANA. These services include consulting and potentially Proof of Concept, and covers the analysis of all SAP S/4HANA products, applications, databases, analytics, middleware, mobile and other technologies. Implementation services are discrete, project-based implementations of SAP S/4HANA applications without ongoing management responsibilities. These services include consulting, development and integration services, and covers all SAP S/4HANA products, applications, databases, analytics, middleware, mobile and other technologies. Management services are ongoing services focused on SAP S/4HANA applications that are provided as part of a multiyear-based agreement and managed against defined quality metrics.*

## SAP S/4 HANA APPLICATIONS & SERVICES



## Reviewer Insights and Demographics

Company Size		Industry		Deployment Region	
<50M USD	7%	Manufacturing	28%	Europe, Middle East and Africa	32%
50M-1B USD	33%	Consumer Goods	11%	Asia/Pacific	31%
1B-10B USD	31%	Miscellaneous	7%	North America	26%
10B+ USD	24%	Energy and Utilities	6%	Latin America	10%
Gov't/PS/Ed	5%	Other	48%		

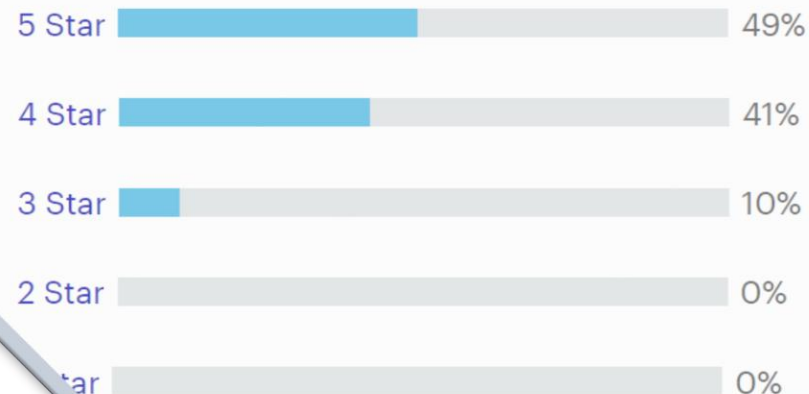
Filter By: **Company Size** Industry Region

<50M USD 50M-1B USD 1B-10B USD 10B+ USD Gov't/PS/Ed

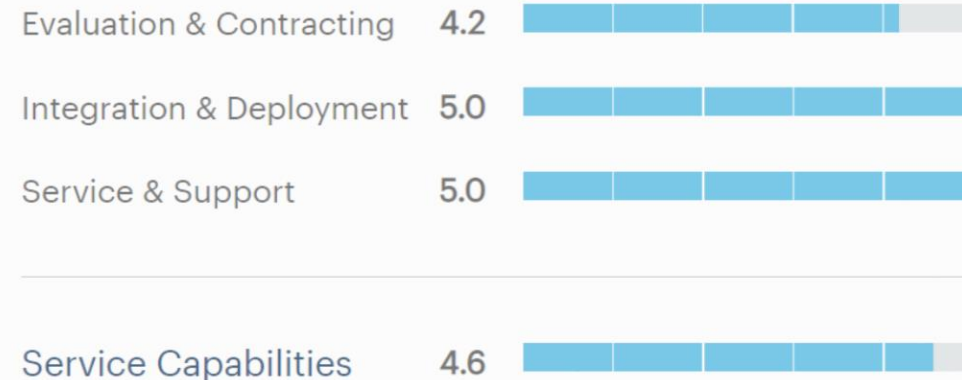
4.5 ★★★★★ 83 Ratings (All Time)

90% Would Recommend

### Rating Distribution



### Customer Experience



# DIGITAL DISCONNECTION



BUSINESS PROCESSES|SYSTEMS|PEOPLE|CULTURE  
WHERE IS THE INFORMATION DISCONNECT!  
WHY? WHAT CAN BE DONE? HOW?

DIGITAL **Health** FAILURE | SUCCESS hmmmm



DIGITAL **Concentration** LOOK INWARD & OUTWARD  
STRATEGY & PLANNING | M&A  
INTEGRATION| SECURITY



DIGITAL **Existentiality** Joy of missing out (JOMO)  
Fear of missing out (FOMO)

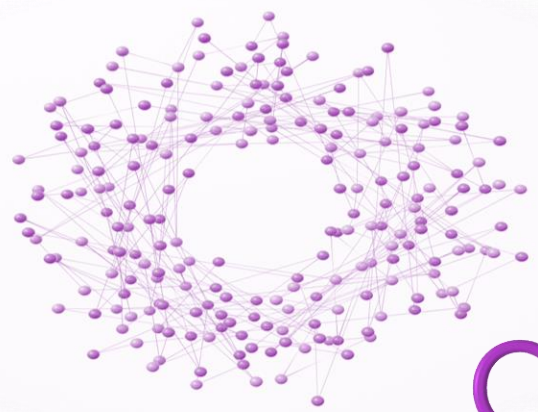


CONNECTIVITY | SOCIAL | MEDIA  
PRIVACY & SURVILLANCE | AI

DIGITAL **Freedom**



DIGITAL **Sustainability**  
ESG| REGULATIONS | RESILIENCE



# convergence

ALL APPLICATION WILL RUN SMOOTHLY AFTER THE UPGRADE

WE WILL FIX IT ONCE WE GO LIVE

WE KNOW HOW TO GET IT DONE – WE DID IT LAST TIME

DELAYS CANNOT HAPPEN IN THIS PROJECT

NO BUGS – WHAT BUGS ?

SYSTEMS ALWAYS BEHAVES AS THEY ARE DESIGNED & PROGRAMMED

UPGRADE  
RELATED  
MYSTERIES



- IT'S JUST TECHNICAL UPGRADE
- WE GOT THIS MATE !!! OUR STRATEGY IS PERFECT
- WE CATERED FOR ALL POSSIBLE SCENARIOS THAT MAY GO WRONG
- DOCUMENTATION – ITS ALL IN MY HEAD ! WILL DO IT LATER
- I CAN PREDICT THE FUTURE
- WE ALL ARE VERY GOOD LISTENERS & MAKE DECISIONS FAST
- LOST IN TRANSLATION NEVER HAPPENS – TEAM COMMUNICATION IS AWESOME
- MY APPLICATION WORKS WELL AND I DON'T CARE HOW OTHER TEAMS USE MY DATA
- DEVELOPERS WILL MAKE IT HAPPEN !!! NO PROBLEM
- ALL LEGACY SYSTEMS CAN BE MADE COMPATIBLE WITH HANA



Q & A

“Those who cannot acknowledge themselves, will eventually fail”

THANK YOU & SEE U NEXT TIME



ALL RIGHTS RESERVED

**THE GREAT DISCONNECT**  
“ INFORMATION & CHANGE IS INEVITABLE”