

## A. O. SMITH CORPORATION

### Statement of Earnings

(condensed consolidated financial statements -

dollars in millions, except share data)

(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net sales	\$ 738.2	\$ 667.0	\$ 1,478.2	\$ 1,303.9
Cost of products sold	432.3	383.3	870.0	757.5
Gross profit	<u>305.9</u>	<u>283.7</u>	<u>608.2</u>	<u>546.4</u>
Selling, general and administrative expenses	177.3	160.0	359.4	319.4
Interest expense	2.5	1.9	4.7	3.6
Other income	(1.9)	(2.3)	(4.3)	(4.3)
Earnings before provision for income taxes	<u>128.0</u>	<u>124.1</u>	<u>248.4</u>	<u>227.7</u>
Provision for income taxes	<u>35.6</u>	<u>37.0</u>	<u>68.3</u>	<u>67.1</u>
<b>Net earnings</b>	<u>\$ 92.4</u>	<u>\$ 87.1</u>	<u>\$ 180.1</u>	<u>\$ 160.6</u>
<b>Diluted earnings per share of common stock</b>	<u>\$ 0.53</u>	<u>\$ 0.49</u>	<u>\$ 1.03</u>	<u>\$ 0.91</u>
Average common shares outstanding (000's omitted)	174,889	176,998	175,154	177,405