

## A. O. SMITH CORPORATION

### Adjusted Earnings and Adjusted EPS (dollars in millions, except per share data) (unaudited)

The following is a reconciliation of net earnings and diluted EPS to adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP):

	Three Months Ended March 31,	
	2018	2017
<b>Net Earnings (GAAP)</b>	\$ 98.8	\$ 87.7
Restructuring and impairment expenses, before tax	6.7	-
Tax effect of restructuring and impairment expenses	(1.7)	-
<b>Adjusted Earnings</b>	<u>\$ 103.8</u>	<u>\$ 87.7</u>
<b>Diluted EPS (GAAP)</b>	\$ 0.57	\$ 0.50
Restructuring and impairment expenses per diluted share, before tax	0.04	-
Tax effect of restructuring and impairment expenses per diluted share	(0.01)	-
<b>Adjusted EPS</b>	<u>\$ 0.60</u>	<u>\$ 0.50</u>