

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 June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net Earnings (GAAP)	\$ 114.5	\$ 92.4	\$ 213.3	\$ 180.1
Restructuring and impairment expenses, before tax	-	-	6.7	-
Tax effect of restructuring and impairment expenses	-	-	(1.7)	-
Adjusted Earnings	<u>\$ 114.5</u>	<u>\$ 92.4</u>	<u>\$ 218.3</u>	<u>\$ 180.1</u>
Diluted EPS (GAAP)	\$ 0.66	\$ 0.53	\$ 1.23	\$ 1.03
Restructuring and impairment expenses per diluted share, before tax	-	-	0.04	-
Tax effect of restructuring and impairment expenses per diluted share	-	-	(0.01)	-
Adjusted EPS	<u>\$ 0.66</u>	<u>\$ 0.53</u>	<u>\$ 1.26</u>	<u>\$ 1.03</u>