

## A. O. SMITH CORPORATION

### Business Segments

(dollars in millions)

(unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Net sales				
North America	\$ 534.2	\$ 470.7	\$ 1,035.9	\$ 958.0
Rest of World	308.1	272.8	601.9	532.3
Inter-segment	(9.0)	(5.3)	(16.5)	(12.1)
	<u>\$ 833.3</u>	<u>\$ 738.2</u>	<u>\$ 1,621.3</u>	<u>\$ 1,478.2</u>
Earnings				
North America <sup>(1)</sup>	\$ 124.9	\$ 109.2	\$ 230.9	\$ 213.4
Rest of World	34.7	32.5	70.7	65.0
Inter-segment	-	(0.1)	-	(0.2)
	<u>159.6</u>	<u>141.6</u>	<u>301.6</u>	<u>278.2</u>
Corporate expense	(11.2)	(11.1)	(25.5)	(25.1)
Interest expense	<u>(2.3)</u>	<u>(2.5)</u>	<u>(4.6)</u>	<u>(4.7)</u>
Earnings before income taxes	146.1	128.0	271.5	248.4
Tax provision	<u>31.6</u>	<u>35.6</u>	<u>58.2</u>	<u>68.3</u>
Net earnings	<u>\$ 114.5</u>	<u>\$ 92.4</u>	<u>\$ 213.3</u>	<u>\$ 180.1</u>
<sup>(1)</sup> includes restructuring and impairment expenses of:	\$ -	\$ -	\$ 6.7	\$ -