

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 September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net Earnings (GAAP)	\$ 104.6	\$ 93.7	\$ 317.9	\$ 273.8
Restructuring and impairment expenses, before tax	-	-	6.7	-
Tax effect of restructuring and impairment expenses	-	-	(1.7)	-
Adjusted Earnings	<u>\$ 104.6</u>	<u>\$ 93.7</u>	<u>\$ 322.9</u>	<u>\$ 273.8</u>
Diluted EPS (GAAP)	\$ 0.61	\$ 0.54	\$ 1.84	\$ 1.57
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>\$ 0.61</u>	<u>\$ 0.54</u>	<u>\$ 1.87</u>	<u>\$ 1.57</u>