

A. O. SMITH CORPORATION

Adjusted Segment Earnings

(dollars in millions)

(unaudited)

The following is a reconciliation of reported segment earnings to adjusted segment earnings (non-GAAP):

| | Three Months Ended September 30, | | Nine Month: Septemb |
|---|-------------------------------------|-----------------|------------------------|
| | 2018 | 2017 | 2018 |
| Segment Earnings (GAAP) | | | |
| North America | \$ 105.6 | \$ 110.3 | \$ 336.5 |
| Rest of World | 39.1 | 33.8 | 109.8 |
| Inter-segment earnings elimination | - | (0.1) | - |
| Total Segment Earnings (GAAP) | \$ 144.7 | \$ 144.0 | \$ 446.3 |
| Adjustments: | | | |
| North America restructuring and impairment expenses | \$ - | \$ - | \$ 6.7 |
| Rest of World | - | - | - |
| Inter-segment earnings elimination | - | - | - |
| Total Adjustments | \$ - | \$ - | \$ 6.7 |
| Adjusted Segment Earnings | | | |
| North America | \$ 105.6 | \$ 110.3 | \$ 343.2 |
| Rest of World | 39.1 | 33.8 | 109.8 |
| Inter-segment earnings elimination | - | (0.1) | - |
| Total Adjusted Segment Earnings | \$ 144.7 | \$ 144.0 | \$ 453.0 |

s Ended,
er 30,
2017

\$ 323.7
98.8
(0.3)
\$ 422.2

\$ -
-
-
\$ -

\$ 323.7
98.8
(0.3)
\$ 422.2