

A. O. SMITH CORPORATION

Statement of Earnings

(condensed consolidated financial statements -

dollars in millions, except share data)

(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net sales	\$ 754.1	\$ 749.9	\$ 2,375.4	\$ 2,228.1
Cost of products sold	448.1	444.9	1,406.9	1,318.0
Gross profit	<u>306.0</u>	<u>305.0</u>	<u>968.5</u>	<u>910.1</u>
Selling, general and administrative expenses	177.6	176.8	567.7	538.3
Restructuring and impairment expenses	-	-	6.7	-
Interest expense	2.0	2.5	6.6	7.2
Other income	<u>(5.1)</u>	<u>(5.9)</u>	<u>(15.5)</u>	<u>(15.4)</u>
Earnings before provision for income taxes	131.5	131.6	403.0	380.0
Provision for income taxes	<u>26.9</u>	<u>37.9</u>	<u>85.1</u>	<u>106.2</u>
Net earnings	<u>\$ 104.6</u>	<u>\$ 93.7</u>	<u>\$ 317.9</u>	<u>\$ 273.8</u>
Diluted earnings per share of common stock	<u>\$ 0.61</u>	<u>\$ 0.54</u>	<u>\$ 1.84</u>	<u>\$ 1.57</u>
Average common shares outstanding (000's omitted)	172,085	174,356	172,718	174,885