

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		Twelve Months Ended	
	December 31,		December 31,	
	2018	2017	2018	2017
Net Earnings (GAAP)	\$ 126.3	\$ 22.7	\$ 444.2	\$ 296.5
Restructuring and impairment expenses, before tax	-	-	6.7	-
Tax effect of restructuring and impairment expenses	-	-	(1.7)	-
U.S. Tax Reform income tax expense	-	81.8	-	81.8
Adjusted Earnings	<u>\$ 126.3</u>	<u>\$ 104.5</u>	<u>\$ 449.2</u>	<u>\$ 378.3</u>
Diluted EPS (GAAP)	\$ 0.74	\$ 0.13	\$ 2.58	\$ 1.70
Restructuring and impairment expenses per diluted share, before tax	-	-	0.04	-
Tax effect of restructuring and impairment expenses per diluted share	-	-	(0.01)	-
U.S. Tax Reform income tax expense	-	0.47	-	0.47
Adjusted EPS	<u>\$ 0.74</u>	<u>\$ 0.60</u>	<u>\$ 2.61</u>	<u>\$ 2.17</u>