

## 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 December 31,		Twelve Months Ended, December 31,	
	2018	2017	2018	2017
<b>Segment Earnings (GAAP)</b>				
North America	\$ 127.6	\$ 104.9	\$ 464.1	\$ 428.6
Rest of World	39.5	50.8	149.3	149.3
Total Segment Earnings (GAAP)	<u>\$ 167.1</u>	<u>\$ 155.7</u>	<u>\$ 613.4</u>	<u>\$ 577.9</u>
Adjustments:				
North America restructuring and impairment expenses	\$ -	\$ -	\$ 6.7	\$ -
Rest of World	-	-	-	-
Total Adjustments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6.7</u>	<u>\$ -</u>
Adjusted Segment Earnings				
North America	\$ 127.6	\$ 104.9	\$ 470.8	\$ 428.6
Rest of World	39.5	50.8	149.3	149.3
<b>Total Adjusted Segment Earnings</b>	<u>\$ 167.1</u>	<u>\$ 155.7</u>	<u>\$ 620.1</u>	<u>\$ 577.9</u>