

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 June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|-----------------|------------------------------|-----------------|
| | 2019 | 2018 | 2019 | 2018 |
| Net Earnings (GAAP) | \$ 102.1 | \$ 114.5 | \$ 191.4 | \$ 213.3 |
| Restructuring and impairment expenses, before tax | - | - | - | 6.7 |
| Tax effect of restructuring and impairment expenses | - | - | - | (1.7) |
| Adjusted Earnings | <u>\$ 102.1</u> | <u>\$ 114.5</u> | <u>\$ 191.4</u> | <u>\$ 218.3</u> |
| Diluted EPS (GAAP) | \$ 0.61 | \$ 0.66 | \$ 1.14 | \$ 1.23 |
| 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>\$ 0.66</u> | <u>\$ 1.14</u> | <u>\$ 1.26</u> |