

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 June 30,		Six Months Ended, June 30,	
	2019	2018	2019	2018
Segment Earnings (GAAP)				
North America	\$ 122.9	\$ 124.9	\$ 238.9	\$ 230.9
Rest of World	22.4	34.7	34.7	70.7
Inter-segment earnings elimination	(0.1)	-	(0.1)	-
Total Segment Earnings (GAAP)	<u>\$ 145.2</u>	<u>\$ 159.6</u>	<u>\$ 273.5</u>	<u>\$ 301.6</u>
Adjustments:				
North America restructuring and impairment expenses	\$ -	\$ -	\$ -	\$ 6.7
Rest of World	-	-	-	-
Inter-segment earnings elimination	-	-	-	-
Total Adjustments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6.7</u>
Adjusted Segment Earnings				
North America	\$ 122.9	\$ 124.9	\$ 238.9	\$ 237.6
Rest of World	22.4	34.7	34.7	70.7
Inter-segment earnings elimination	(0.1)	-	(0.1)	-
Total Adjusted Segment Earnings	<u>\$ 145.2</u>	<u>\$ 159.6</u>	<u>\$ 273.5</u>	<u>\$ 308.3</u>