

A. O. SMITH CORPORATION
Adjusted Segment Earnings
(dollars in millions)
(unaudited)

The following is a reconciliation of reported segment earnings (losses) to adjusted segment earnings (non-GAAP):

	Three Months Ended June 30,		Six Months Ended, June 30,	
	2020	2019	2020	2019
Segment Earnings (Losses) (GAAP)				
North America	\$ 105.4	\$ 122.9	\$ 232.5	\$ 238.9
Rest of World	(5.8)	22.4	(48.0)	34.7
Inter-segment earnings elimination	(0.3)	(0.1)	(0.3)	(0.1)
Total Segment Earnings (GAAP)	<u>\$ 99.3</u>	<u>\$ 145.2</u>	<u>\$ 184.2</u>	<u>\$ 273.5</u>
Adjustments:				
North America severance and restructuring expenses	\$ 2.2	\$ -	\$ 2.2	\$ -
Rest of World severance and restructuring expenses	3.9	-	3.9	-
Inter-segment earnings elimination	-	-	-	-
Total Adjustments	<u>\$ 6.1</u>	<u>\$ -</u>	<u>\$ 6.1</u>	<u>\$ -</u>
Adjusted Segment Earnings (Losses)				
North America	\$ 107.6	\$ 122.9	\$ 234.7	\$ 238.9
Rest of World	(1.9)	22.4	(44.1)	34.7
Inter-segment earnings elimination	(0.3)	(0.1)	(0.3)	(0.1)
Total Adjusted Segment Earnings	<u>\$ 105.4</u>	<u>\$ 145.2</u>	<u>\$ 190.3</u>	<u>\$ 273.5</u>