

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 September 30,		Nine Months Ended, September 30,	
	2020	2019	2020	2019
Segment Earnings (Losses) (GAAP)				
North America	\$ 133.1	\$ 121.6	\$ 365.6	\$ 360.5
Rest of World	16.7	4.1	(31.3)	38.8
Inter-segment earnings elimination	-	-	(0.3)	(0.1)
Total Segment Earnings (GAAP)	\$ 149.8	\$ 125.7	\$ 334.0	\$ 399.2
Adjustments:				
North America severance and restructuring expenses	\$ 0.5	\$ -	\$ 2.7	\$ -
Rest of World severance and restructuring expenses	1.1	-	5.0	-
Inter-segment earnings elimination	-	-	-	-
Total Adjustments	\$ 1.6	\$ -	\$ 7.7	\$ -
Adjusted Segment Earnings (Losses)				
North America	\$ 133.6	\$ 121.6	\$ 368.3	\$ 360.5
Rest of World	17.8	4.1	(26.3)	38.8
Inter-segment earnings elimination	-	-	(0.3)	(0.1)
Total Adjusted Segment Earnings	\$ 151.4	\$ 125.7	\$ 341.7	\$ 399.2