

A. O. SMITH CORPORATION

Statement of Earnings

(condensed consolidated financial statements -
dollars in millions, except share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net sales	\$ 760.0	\$ 728.2	\$ 2,060.8	\$ 2,241.8
Cost of products sold	462.9	444.0	1,276.7	1,356.1
Gross profit	<u>297.1</u>	<u>284.2</u>	<u>784.1</u>	<u>885.7</u>
Selling, general and administrative expenses	159.4	172.3	489.1	535.7
Severance and restructuring expenses	1.6	-	7.7	-
Interest expense	1.6	3.1	6.3	8.5
Other income	(2.8)	(4.0)	(11.0)	(15.1)
Earnings before provision for income taxes	<u>137.3</u>	<u>112.8</u>	<u>292.0</u>	<u>356.6</u>
Provision for income taxes	<u>31.9</u>	<u>25.5</u>	<u>67.1</u>	<u>77.9</u>
Net earnings	<u>\$ 105.4</u>	<u>\$ 87.3</u>	<u>\$ 224.9</u>	<u>\$ 278.7</u>
Diluted earnings per share of common stock	<u>\$ 0.65</u>	<u>\$ 0.53</u>	<u>\$ 1.38</u>	<u>\$ 1.66</u>
Average common shares outstanding (000's omitted)	162,480	165,543	162,517	167,562