

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 December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Segment Earnings (GAAP)				
North America	\$ 137.9	\$ 128.4	\$ 503.5	\$ 488.9
Rest of World	31.3	1.5	-	40.2
Inter-segment earnings elimination	-	-	(0.3)	-
Total Segment Earnings (GAAP)	<u>\$ 169.2</u>	<u>\$ 129.9</u>	<u>\$ 503.2</u>	<u>\$ 529.1</u>
Adjustments:				
North America severance and restructuring expenses	\$ -	\$ -	\$ 2.7	\$ -
Rest of World severance and restructuring expenses	-	-	5.0	-
Inter-segment earnings elimination	-	-	-	-
Total Adjustments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7.7</u>	<u>\$ -</u>
Adjusted Segment Earnings				
North America	\$ 137.9	\$ 128.4	\$ 506.2	\$ 488.9
Rest of World	31.3	1.5	5.0	40.2
Inter-segment earnings elimination	-	-	(0.3)	-
Total Adjusted Segment Earnings	<u>\$ 169.2</u>	<u>\$ 129.9</u>	<u>\$ 510.9</u>	<u>\$ 529.1</u>