

A. O. SMITH CORPORATION
Adjusted Earnings and Adjusted EPS
(dollars in millions, except per share data)
(unaudited)

The following is a reconciliation of net earnings and diluted EPS to adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP):

| | Three Months Ended | | Six Months Ended | |
|--|--------------------|----------------|------------------|-----------------|
| | June 30, | | June 30, | |
| | 2021 | 2020 | 2021 | 2020 |
| Net Earnings (GAAP) | \$ 118.2 | \$ 67.8 | \$ 215.9 | \$ 119.5 |
| Severance and restructuring expenses, before tax | - | 6.1 | - | 6.1 |
| Tax effect of severance and restructuring expenses | - | (1.1) | - | (1.1) |
| Adjusted Earnings | <u>\$ 118.2</u> | <u>\$ 72.8</u> | <u>\$ 215.9</u> | <u>\$ 124.5</u> |
| Diluted EPS (GAAP) | \$ 0.73 | \$ 0.42 | \$ 1.33 | \$ 0.74 |
| Severance and restructuring expenses per diluted share, before tax | - | 0.04 | - | 0.04 |
| Tax effect of severance and restructuring expenses per diluted share | - | (0.01) | - | (0.01) |
| Adjusted EPS | <u>\$ 0.73</u> | <u>\$ 0.45</u> | <u>\$ 1.33</u> | <u>\$ 0.77</u> |