

A. O. SMITH CORPORATION

Statement of Earnings

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|----------------|------------------------------|-----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Net sales | \$ 859.8 | \$ 663.9 | \$ 1,628.8 | \$ 1,300.8 |
| Cost of products sold | 538.4 | 416.4 | 1,018.8 | 813.8 |
| Gross profit | <u>321.4</u> | <u>247.5</u> | <u>610.0</u> | <u>487.0</u> |
| Selling, general and administrative expenses | 173.1 | 155.9 | 339.6 | 329.7 |
| Severance and restructuring expenses | - | 6.1 | - | 6.1 |
| Interest expense | 0.9 | 2.5 | 1.9 | 4.7 |
| Other income | <u>(3.9)</u> | <u>(4.0)</u> | <u>(8.9)</u> | <u>(8.2)</u> |
| Earnings before provision for income taxes | 151.3 | 87.0 | 277.4 | 154.7 |
| Provision for income taxes | <u>33.1</u> | <u>19.2</u> | <u>61.5</u> | <u>35.2</u> |
| Net earnings | <u>\$ 118.2</u> | <u>\$ 67.8</u> | <u>\$ 215.9</u> | <u>\$ 119.5</u> |
| Diluted earnings per share of common stock | <u>\$ 0.73</u> | <u>\$ 0.42</u> | <u>\$ 1.33</u> | <u>\$ 0.74</u> |
| Average common shares outstanding (000's omitted) | 161,732 | 162,174 | 162,256 | 162,536 |