

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 June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Segment Earnings (GAAP)				
North America	\$ 159.9	\$ 141.7	\$ 311.7	\$ 272.1
Rest of World	18.1	22.3	42.9	34.1
Inter-segment earnings elimination	-	-	(0.1)	-
Total Segment Earnings (GAAP)	<u>\$ 178.0</u>	<u>\$ 164.0</u>	<u>\$ 354.5</u>	<u>\$ 306.2</u>
Adjustments:				
North America pension expense (income)	\$ 2.6	\$ (2.6)	\$ 5.2	\$ (5.2)
Rest of World	-	-	-	-
Inter-segment earnings elimination	-	-	-	-
Total Adjustments	<u>\$ 2.6</u>	<u>\$ (2.6)</u>	<u>\$ 5.2</u>	<u>\$ (5.2)</u>
Adjusted Segment Earnings (non-GAAP)				
North America	\$ 162.5	\$ 139.1	\$ 316.9	\$ 266.9
Rest of World	18.1	22.3	42.9	34.1
Inter-segment earnings elimination	-	-	(0.1)	-
Total Adjusted Segment Earnings (non-GAAP)	<u>\$ 180.6</u>	<u>\$ 161.4</u>	<u>\$ 359.7</u>	<u>\$ 301.0</u>

Adjusted Corporate Expense

(dollars in millions)

(unaudited)

The following is a reconciliation of reported Corporate Expense to adjusted Corporate Expense (non-GAAP):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Corporate Expense (GAAP)	\$ (10.6)	\$ (11.8)	\$ (29.0)	\$ (26.9)
Adjustments:				
Corporate pension expense (income)	0.4	(0.5)	0.7	(1.1)
Corporate Expense (non-GAAP)	<u>\$ (10.2)</u>	<u>\$ (12.3)</u>	<u>\$ (28.3)</u>	<u>\$ (28.0)</u>