

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 September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Segment Earnings (GAAP)				
North America	\$ 141.8	\$ 151.8	\$ 453.5	\$ 423.9
Rest of World	21.8	26.8	64.7	60.9
Inter-segment earnings elimination	-	(0.1)	(0.1)	(0.1)
Total Segment Earnings (GAAP)	<u>\$ 163.6</u>	<u>\$ 178.5</u>	<u>\$ 518.1</u>	<u>\$ 484.7</u>
Adjustments:				
North America	\$ (8.9)	\$ (2.6)	\$ (3.7)	\$ (7.8)
Rest of World	-	-	-	-
Inter-segment earnings elimination	-	-	-	-
Total Adjustments	<u>\$ (8.9)</u>	<u>\$ (2.6)</u>	<u>\$ (3.7)</u>	<u>\$ (7.8)</u>
Adjusted Segment Earnings (non-GAAP)				
North America	\$ 132.9	\$ 149.2	\$ 449.8	\$ 416.1
Rest of World	21.8	26.8	64.7	60.9
Inter-segment earnings elimination	-	(0.1)	(0.1)	(0.1)
Total Adjusted Segment Earnings (non-GAAP)	<u>\$ 154.7</u>	<u>\$ 175.9</u>	<u>\$ 514.4</u>	<u>\$ 476.9</u>
Additional Information				
Adjustments: North America Segment				
Pension expense (income), before tax	\$ 2.6	\$ (2.6)	\$ 7.8	\$ (7.8)
Legal judgment income, before tax	(11.5)	-	(11.5)	-
Total Adjustments	<u>\$ (8.9)</u>	<u>\$ (2.6)</u>	<u>\$ (3.7)</u>	<u>\$ (7.8)</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 September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Corporate Expense (GAAP)	\$ (16.5)	\$ (11.1)	\$ (45.5)	\$ (38.0)
Adjustments:				
Corporate pension expense (income)	0.4	(0.6)	1.1	(1.7)
Terminated acquisition-related expenses	4.3	-	4.3	-
Corporate Expense (non-GAAP)	<u>\$ (11.8)</u>	<u>\$ (11.7)</u>	<u>\$ (40.1)</u>	<u>\$ (39.7)</u>