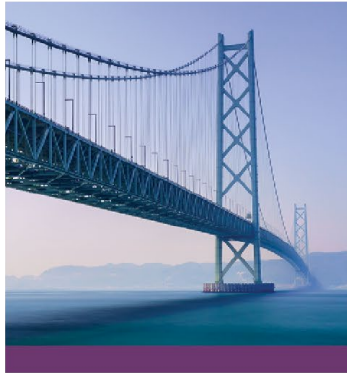




SHERWIN-WILLIAMS®



2Q 2020 RESULTS & 2020 OUTLOOK

JULY 28, 2020

This presentation contains certain “forward-looking statements,” as defined under U.S. federal securities laws, with respect to sales, earnings and other matters. These statements can be identified by the use of forward-looking terminology such as “believe,” “expect,” “may,” “will,” “should,” “project,” “could,” “plan,” “goal,” “potential,” “seek,” “intend” or “anticipate” or the negative thereof or comparable terminology. These forward-looking statements are based upon management’s current expectations, estimates, assumptions and beliefs concerning future events and conditions. Readers are cautioned not to place undue reliance on any forward-looking statements. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company that could cause actual results to differ materially from such statements and from the Company’s historical results and experience. These risks, uncertainties and other factors include such things as: general business and economic conditions; the Company’s ability to successfully integrate past and future acquisitions into its existing operations, as well as the performance of the businesses acquired; strengths of retail and manufacturing economies and the growth in the coatings industry; changes in the Company’s relationships with customers and suppliers; changes in raw material availability and pricing; adverse weather conditions or impacts of climate change, natural disasters and public health crises, including the COVID-19 pandemic; the duration, severity and scope of the COVID-19 pandemic and the actions implemented by international, federal, state and local public health and governmental authorities to contain and combat the outbreak and spread of COVID-19, which may exacerbate one or more of the aforementioned and/or other risks, uncertainties and factors more fully described in the Company’s reports filed with the Securities and Exchange Commission (SEC); and other risks, uncertainties and factors described from time to time in the Company’s reports filed with the SEC. Since it is not possible to predict or identify all of the risks, uncertainties and other factors that may affect future results, the above list should not be considered a complete list. Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

2Q 2020 Financial Performance Highlights

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(\$ in millions, except per share data)	2Q 2020	2Q 2019	Change
Sales	\$4,604.0	\$4,877.8	-5.6%
Gross Profit	\$2,208.9	\$2,181.4	1.3%
<i>Gross Margin</i>	<i>48.0%</i>	<i>44.7%</i>	<i>330 bps</i>
Reported EPS	\$6.48	\$5.03	28.8%
Adjusted EPS⁽¹⁾	\$7.10	\$6.57	8.1%
Net Operating Cash	\$1,019.7	\$794.0	28.4%

- Sales decreased 5.6% in line with updated guidance; strong DIY paint growth offset by soft industrial and commercial markets; sales improved sequentially
- 330 basis point improvement in gross margin, driven by favorable customer and product mix and lower input costs
- Reduced SG&A by \$40.0 million, while continuing strategic investments to support long-term growth
- Adjusted EPS⁽¹⁾ increased 8.1% to \$7.10/share, vs. \$6.57/share in prior year
- Adjusted EBITDA⁽²⁾ increased \$57.5 million to \$979.0 million, or 21.3% of sales
- Net operating cash improved \$225.7 million, or 28.4%

(1) Reconciliation from reported EPS to adjusted EPS provided in Appendix

(2) Reconciliation from reported EBITDA to adjusted EBITDA provided in Appendix

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THE AMERICAS GROUP



(\$ in millions)	2Q 2020	2Q 2019	Change
Sales	\$2,523.7	\$2,756.0	-8.4%
Segment Profit	\$599.7	\$612.4	-2.1%
<i>Segment Margin</i>	<i>23.8%</i>	<i>22.2%</i>	<i>160 bps</i>

- Same store sales decreased 6.9%
 - Strong DIY growth offset by soft residential and commercial end markets
 - Sales improved sequentially through the quarter, driven by recovery in new residential and residential repaint which both delivered positive growth in June
- Segment profit decreased 2.1% to \$599.7 million, and segment margin increased 160 basis points to 23.8%
- Largest sales decrease in Eastern division, followed by Canadian, Midwestern, South Western and Southeastern divisions, respectively

-LSD	-LDD	-DD	-LSD	+DD	-DD
Res Repaint	Commercial	Property Maintenance	New Residential	DIY	Protective & Marine

2Q-20 Actual (HSD/MSD/LSD = high, mid or low single digits. DD = double digits)

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CONSUMER BRANDS GROUP



(\$ in millions)	2Q 2020	2Q 2019	Change
Sales	\$980.2	\$804.5	21.8%
Reported Segment Profit	\$237.4	\$140.7	68.7%
<i>Reported Segment Margin</i>	<i>24.2%</i>	<i>17.5%</i>	<i>670 bps</i>
Adjusted Segment Profit ⁽¹⁾	\$259.8	\$163.2	59.2%
<i>Adjusted Segment Margin</i>	<i>26.5%</i>	<i>20.3%</i>	<i>620 bps</i>

- Sales increased 21.8% driven by strong North American DIY demand throughout the quarter
 - Strong growth across entire retail channel
 - Solid growth in Europe; China and Australia soft
- Adjusted segment profit increased to \$259.8 million, and adjusted segment margin increased to 26.5%
 - Margin improvement driven by volume leverage, lower input costs and good spending controls, as well as actions taken over the past year to improve international operating margins

(1) Reconciliations from segment profit to adjusted segment profit provided in Appendix

▲ +DD	▲ +MSD	▼ -DD	▼ -MSD
NORTH AMERICA	EMEA1	ASIA	AUS/NZ

2Q-20 Actual (HSD/MSD/LSD = high, mid or low single digits. DD = double digits)

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PERFORMANCE COATINGS GROUP



(\$ in millions)	2Q 2020	2Q 2019	Change
Sales	\$1,099.8	\$1,317.0	-16.5%
Reported Segment Profit	\$97.4	\$150.3	-35.2%
<i>Reported Segment Margin</i>	<i>8.9%</i>	<i>11.4%</i>	<i>-250 bps</i>
Adjusted Segment Profit ⁽¹⁾	\$150.1	\$204.2	-26.5%
<i>Adjusted Segment Margin</i>	<i>13.6%</i>	<i>15.5%</i>	<i>-190 bps</i>

- Sales decreased 16.5% (-3.0% impact from FX); sequential improvement throughout the quarter
 - Packaging remained strong, up high-single-digits
 - Coil, Industrial Wood, General Industrial and Automotive Refinish demand negatively impacted by COVID-19 pandemic
 - Sales decreased across all regions: low-single-digit declines in Asia, all other regions down by double-digit percentages
- Adjusted segment profit decreased to \$150.1 million, and adjusted segment margin decreased to 13.6%

(1) Reconciliations from segment profit to adjusted segment profit provided in Appendix

▼ -DD	▼ -MSD	▼ -DD	▼ -DD	▲ +HSD
AUTO REFINISH	COIL	GENERAL INDUSTRIAL	INDUSTRIAL WOOD	PACKAGING

2Q-20 Actual (HSD/MSD/LSD = high, mid or low single digits. DD = double digits)

THIRD QUARTER 2020

- Anticipate third quarter demand to improve sequentially compared to second quarter
- Consolidated sales: up or down low-single-digits percentage year-over-year
 - **TAG:** Flat to up low-single-digits
 - **CBG:** Up low-double-digits
 - **PCG:** Down low to mid-single-digits

FULL YEAR 2020

Sales

- Approximately flat year-over-year (*reflecting uncertainties of the timing and pace of improvement in the U.S. and global environments*)
- Segments
 - **TAG:** Flat to up low-single-digits
 - **CBG:** Up high-single-digits
 - **PCG:** Down low to mid-single-digits

GAAP Earnings Per Share: \$19.21-\$20.71

- Includes acquisition-related amortization expense of approximately \$2.54 per share
- Adjusted earnings per share: \$21.75-\$23.25

Raw materials: down mid-single-digits

Capital expenditures: \$280 million

Interest expense: \$350 million

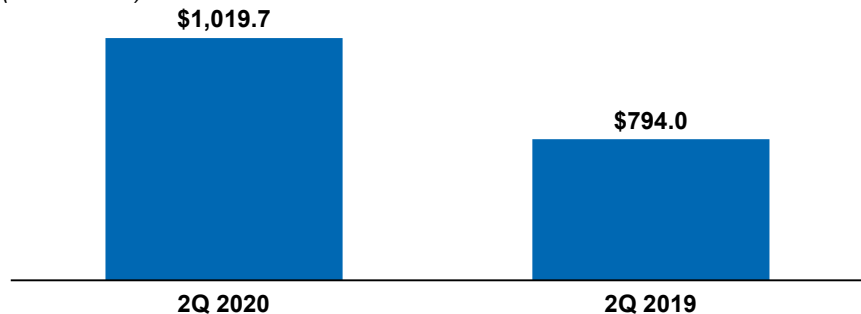
Depreciation (\$275 million) and **amortization** (\$310 million)

Tax rate: slightly below 20%

Strong Financial Position

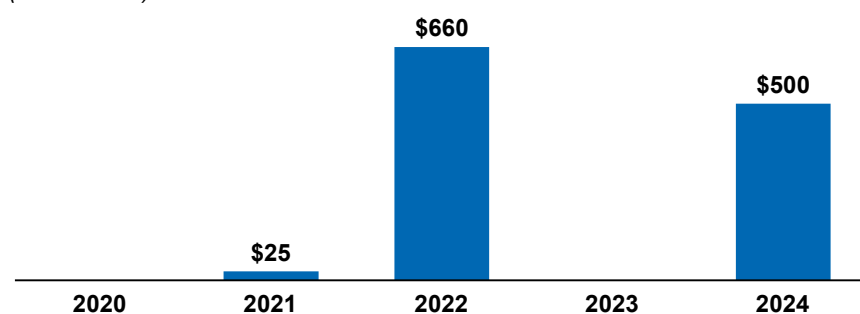
Operating Cash Flow

(\$ in millions)



Near Term Debt Maturities⁽¹⁾

(\$ in millions)



Cash & Liquidity Position

(\$ in millions)

6/30/2020

Cash	\$188.1
<u>Liquidity</u>	
Total Credit Facilities	\$3,500.0
(Less Amount Utilized)	(\$538.0)
Net Credit Available	\$2,962.0

Selected Financial Ratios

6/30/2020

Total Debt / TTM EBITDA	2.8x
Total Debt / TTM Adj EBITDA	2.8x



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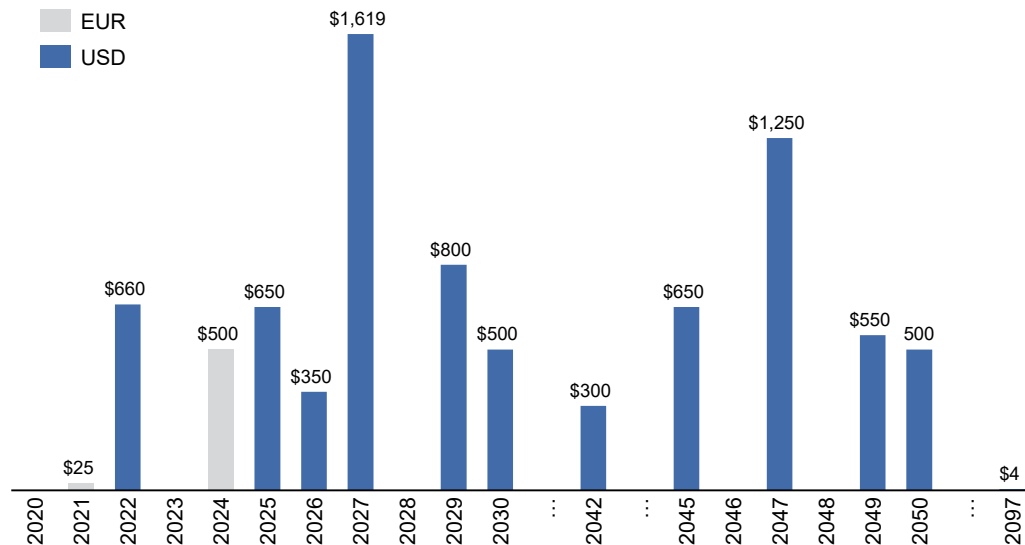
APPENDIX

Debt Summary

(as of June 30, 2020)

	Q2 2020	
	Balance	Int. Rate
Short-Term:		
Domestic	538.0	0.97%
Non-Domestic:	21.5	3.80%
Short-Term:	559.5	1.08%
Long-Term:		
4-year EUR, .92% notes due 2021	22.4	0.92%
5-year, 2.75% notes due 2022	260.2	2.75%
10-year, 4.20% notes due 2022	400.0	4.20%
7-year, 3.125% notes due (2) 2024	500.0	1.39%
10-year, 3.30% notes due 2025	250.0	3.30%
10-year, 3.45% notes due 2025	400.0	3.45%
10-year, 3.95% notes due 2026	350.0	3.95%
10-year, 3.45% notes due 2027	1,500.0	3.45%
30-year, 7.375% notes due 2027	119.4	7.38%
10-year, 2.95% notes due 2029	800.0	2.95%
10-year, 2.30% notes due 2030	500.0	2.30%
30-year, 4.00% notes due 2042	300.0	4.00%
30-year, 4.40% notes due 2045	250.0	4.40%
30-year, 4.55% notes due 2045	400.0	4.55%
30-year, 4.50% notes due 2047	1,250.0	4.50%
30-year, 3.80% notes due 2049	550.0	3.80%
30-year, 3.30% notes due 2050	500.0	3.30%
100-year, 7.45% notes due 2097	3.5	7.45%
Promissory Notes Various	2.3	2.74%
Other (1)	(67.7)	0.00%
Total LT Debt	8,290.1	3.59%
Total Debt	8,849.6	3.43%

Maturities of Long-Term Debt



Fixed vs. Floating Rate Debt



(1) "Other" long-term debt is comprised of unamortized premiums, discounts and issuance costs

(2) Debt swapped to EUR fixed rate interest in Q1 2020

Adjustments to Segment Profit

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(\$ in millions)	Three Months Ended June 30, 2020					Three Months Ended June 30, 2019				
	The Americas Group	Consumer Brands Group	Performance Coatings Group	Admin	Consolidated	The Americas Group	Consumer Brands Group	Performance Coatings Group	Admin	Consolidated
Net external sales	\$ 2,523.7	\$ 980.2	\$ 1,099.8	\$ 0.3	\$ 4,604.0	\$ 2,756.0	\$ 804.5	\$ 1,317.0	\$ 0.3	\$ 4,877.8
Segment profit (as reported)	\$ 599.7	\$ 237.4	\$ 97.4	\$ (187.1)	\$ 747.4	\$ 612.4	\$ 140.7	\$ 150.3	\$ (227.7)	\$ 675.7
% of sales (as reported)	23.8%	24.2%	8.9%	NM	16.2%	22.2%	17.5%	11.4%	NM	13.9%
<u>Acquisition-related costs</u>										
Integration costs ⁽¹⁾	-	-	-	-	\$ -	-	-	-	13.5	\$ 13.5
Acquisition-related amortization ⁽²⁾	-	22.4	52.7	-	\$ 75.1	-	22.5	53.9	0.5	\$ 76.9
Total acquisition-related costs	\$ -	\$ 22.4	\$ 52.7	\$ -	\$ 75.1	\$ -	\$ 22.5	\$ 53.9	\$ 14.0	\$ 90.4
Segment Profit (Adjusted)	\$ 599.7	\$ 259.8	\$ 150.1	\$ (187.1)	\$ 822.5	\$ 612.4	\$ 163.2	\$ 204.2	\$ (213.7)	\$ 766.1
% of sales (as adjusted)	23.8%	26.5%	13.6%	NM	17.9%	22.2%	20.3%	15.5%	NM	15.7%

(1) Integration costs consist primarily of professional service expenses, salaries and other employee-related expenses dedicated directly to the integration effort, and severance expense. These costs are included in Selling, general and administrative and other expenses and Cost of goods sold.

(2) Acquisition-related amortization expense consists primarily of the amortization of intangible assets related to the Valspar acquisition.

Regulation G Reconciliation

Adjusted EPS

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	Three Months Ended June 30, 2020			Three Months Ended June 30, 2019		
	Pre-Tax	Tax Effect ⁽¹⁾	After- Tax	Pre-Tax	Tax Effect ⁽¹⁾	After- Tax
Diluted net income per share			\$ 6.48			\$ 5.03
Tax credit investment loss					(0.79)	0.79
Total other adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.79
Integration costs ⁽²⁾	-	-	-	0.15	0.03	0.12
Acquisition-related amortization expense ⁽³⁾	0.82	0.20	0.62	0.82	0.19	0.63
Total acquisition-related costs	\$ 0.82	\$ 0.20	\$ 0.62	\$ 0.97	\$ 0.22	\$ 0.75
Adjusted diluted net income per share			\$ 7.10			\$ 6.57

(1) The tax effect is calculated based on the statutory rate and the nature of the item, unless otherwise noted.

(2) Integration costs consist primarily of professional service expenses, salaries and other employee-related expenses dedicated directly to the integration effort, and severance expense. These costs are included in Selling, general and administrative and other expenses and Cost of goods sold.

(3) Acquisition-related amortization expense consists primarily of the amortization of intangible assets related to the Valspar acquisition and is included in Amortization.

Regulation G Reconciliation

Adjusted EBITDA

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<i>(\$ in millions)</i>	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019
Net income	\$ 595.9	\$ 471.0
Interest expense	88.1	89.2
Income taxes	151.5	204.7
Depreciation	66.1	65.0
Amortization	77.4	78.1
EBITDA	<u>\$ 979.0</u>	<u>\$ 908.0</u>
Integration costs ⁽¹⁾	-	13.5
Adjusted EBITDA	<u>\$ 979.0</u>	<u>\$ 921.5</u>
% to net sales:		
EBITDA	21.3%	18.6%
Adjusted EBITDA	21.3%	18.9%
Net sales for EBITDA % calculation	\$ 4,604.0	\$ 4,877.8

(1) Integration costs consist primarily of professional service expenses, salaries and other employee-related expenses dedicated directly to the integration effort, and severance expense. These costs are included in Selling, general and administrative and other expenses and Cost of goods sold.