



SHERWIN-WILLIAMS®



3Q 2021 RESULTS & 2021 OUTLOOK

OCTOBER 26, 2021

Forward-Looking Statement

This presentation contains certain "forward-looking statements," as defined under U.S. federal securities laws. These statements can be identified by the use of forward-looking terminology such as "believe," "expect," "may," "will," "should," "project," "could," "plan," "goal," "target," "potential," "seek," "intend," "aspire" or "anticipate" or the negative thereof or comparable terminology. These forward-looking statements are based upon management's current expectations, predictions, estimates, assumptions and beliefs concerning future events and conditions. Readers and attendees 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, performance 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.

3Q 2021 Financial Performance Highlights

SHERWIN-WILLIAMS

(\$ in millions, except per share data)	3Q 2021	3Q 2020	3Q 2019	% Change	
				'21 vs. '20	'21 vs. '19
Sales	\$5,146.7	\$5,122.2	\$4,867.7	0.5%	5.7%
Gross Profit	\$2,139.6	\$2,455.3	\$2,225.6	-12.9%	-3.9%
<i>Gross Margin</i>	<i>41.6%</i>	<i>47.9%</i>	<i>45.7%</i>	<i>-630 bps</i>	<i>-410 bps</i>
Reported EPS	\$1.88	\$2.55	\$2.05	-26.3%	-8.3%
Adjusted EPS⁽¹⁾	\$2.09	\$2.76	\$2.22	-24.3%	-5.9%
Net Operating Cash	\$849.4	\$1,489.2	\$903.4	-43.0%	-6.0%

- Sales increased 0.5% as raw material availability negatively impacted sales by an estimated high-single-digit percentage
- Underlying demand strength in professional architectural and industrial end markets
- 630 bps decline in gross margin due to lower sales volume, raw material cost inflation and supply chain inefficiencies
- Continued implementation of pricing actions to offset higher industry-wide raw material costs
- SG&A as % of sales down 90 bps – good cost control while continuing strategic long-term investments
- Adjusted EPS⁽¹⁾ decreased to \$2.09/share vs. \$2.76/share
- Generated net operating cash of \$849.4 million – announced two acquisitions and purchased 1.675 million shares

Note: All comparisons are to the third quarter of the prior year, unless otherwise noted
 (1) Reconciliation from reported EPS to adjusted EPS provided in Appendix

SHERWIN-WILLIAMS®







THE AMERICAS GROUP



(\$ in millions)	3Q 2021	3Q 2020	3Q 2019	% Change	
				'21 vs. '20	'21 vs. '19
Sales	\$2,967.0	\$2,978.3	\$2,898.2	-0.4%	2.4%
Segment Profit	\$631.5	\$747.4	\$663.6	-15.5%	-4.8%
<i>Segment Margin</i>	<i>21.3%</i>	<i>25.1%</i>	<i>22.9%</i>	<i>-380 bps</i>	<i>-160 bps</i>

- Significant raw material availability headwinds; same store sales decreased 2.8%
- Pro architectural demand remains robust; expect delayed projects to be completed with improved product availability; Protective & Marine recovery continues
- DIY sales down double-digits, driven by difficult prior year comparisons and consumers returning to the workplace
- New account activity up double-digits year-to-date
- Year-over-year growth in Canada and South Eastern divisions; South Western, Eastern and Mid Western divisions declined year-over-year
- Announced 7% price increase effective August 1 and 4% surcharge effective September 20
- Segment profit decreased 15.5% to \$631.5 million, and segment margin decreased 380 bps to 21.3%

Note: All comparisons are to the third quarter of the prior year, unless otherwise noted

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

3Q-21 sales vs. 3Q-20 sales (HSD/MSD/LSD = high, mid or low single digit %. DD = double digit %)

SHERWIN-WILLIAMS®

CONSUMER BRANDS GROUP



(\$ in millions)	3Q 2021	3Q 2020	3Q 2019	% Change	
				'21 vs. '20	'21 vs. '19
Sales	\$646.7	\$838.1	\$678.4	-22.8%	-4.7%
Reported Segment Profit	\$75.8	\$198.3	\$114.9	-61.8%	-34.0%
Reported Segment Margin	11.7%	23.7%	16.9%	-1,200 bps	-520 bps
Adjusted Segment Profit ⁽¹⁾	\$95.2	\$221.0	\$137.5	-56.9%	-30.8%
Adjusted Segment Margin	14.7%	26.4%	20.3%	-1,170 bps	-560 bps

- Sales decreased 22.8% driven by difficult prior year comparisons, consumers returning to the workplace, raw material availability issues and the Wattyly divestiture
- Adjusted segment profit decreased to \$95.2 million, and adjusted segment margin decreased to 14.7%
- Pricing actions being implemented to offset raw material inflation
- Continued growth in Pros Who Paint category

Note: All comparisons are to the third quarter of the prior year, unless otherwise noted
 (1) Reconciliations from segment profit to adjusted segment profit provided in Appendix

-DD	-DD	-DD
NORTH AMERICA	EMEAI	ASIA

SHERWIN-WILLIAMS®

PERFORMANCE COATINGS GROUP



(\$ in millions)	3Q 2021	3Q 2020	3Q 2019	% Change	
				'21 vs. '20	'21 vs. '19
Sales	\$1,532.5	\$1,305.3	\$1,290.2	17.4%	18.8%
Reported Segment Profit	\$110.4	\$155.3	\$137.5	-28.9%	-19.7%
<i>Reported Segment Margin</i>	<i>7.2%</i>	<i>11.9%</i>	<i>10.7%</i>	<i>-470 bps</i>	<i>-350 bps</i>
Adjusted Segment Profit⁽¹⁾	\$161.3	\$208.8	\$191.9	-22.7%	-15.9%
<i>Adjusted Segment Margin</i>	<i>10.5%</i>	<i>16.0%</i>	<i>14.9%</i>	<i>-550 bps</i>	<i>-440 bps</i>

- Sales increased 17.4% with growth in all divisions and regions
- Strongest growth in Europe and Latin America, followed by North America and Asia
- Packaging and General Industrial highest year-over-year increases and positive in every region; Coil strength continues globally
- Auto Refinish solid as miles driven nearing pre-pandemic levels
- Industrial Wood impacted by customer shutdowns in Southeast Asia due to COVID-19
- Adjusted segment profit decreased to \$161.3 million, and adjusted segment margin decreased to 10.5% – declines driven by higher raw material costs
- Pricing actions being implemented to offset raw material inflation

Note: All comparisons are to the third quarter of the prior year, unless otherwise noted
(1) Reconciliations from segment profit to adjusted segment profit provided in Appendix

▲ +MSD	▲ +DD	▲ +DD	▲ +LSD	▲ +DD
AUTO REFINISH	COIL	GENERAL INDUSTRIAL	INDUSTRIAL WOOD	PACKAGING

3Q-21 sales vs. 3Q-20 sales (HSD/MSD/LSD = high, mid or low single digit %. DD = double digit %)

FOURTH QUARTER 2021

- Consolidated sales: up mid to high-single-digits percentage
 - **TAG:** up mid to high-single-digits percentage
 - **CBG:** down mid-teens percentage
 - Includes negative 7% related to WattyI divestiture
 - **PCG:** up mid-teens percentage

FULL YEAR 2021

Sales

- Increase by high-single-digits percentage
- Segments
 - **TAG:** up high-single-digits percentage
 - **CBG:** down mid-teens percentage
 - Includes negative 4% related to WattyI divestiture
 - **PCG:** up low-twenties percentage

GAAP Earnings Per Share: \$7.16-\$7.36

- Includes acquisition-related amortization expense of \$0.85 per share and a loss on the WattyI divestiture of \$0.34 per share
- Adjusted earnings per share: \$8.35-\$8.55

Raw materials: up low-twenties percentage

Capital expenditures: \$370 million total, which includes \$70 million for new headquarters and R&D facilities

Interest expense: approximately \$340 million

Depreciation (~\$270 million) and **amortization** (~\$310 million)

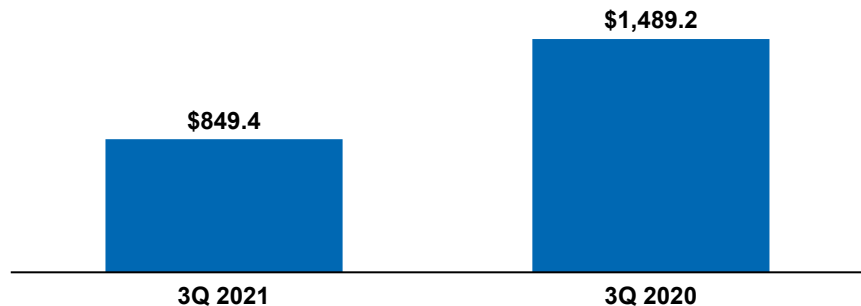
Tax rate: slightly below 20%

Strong Financial Position

SHERWIN-WILLIAMS®

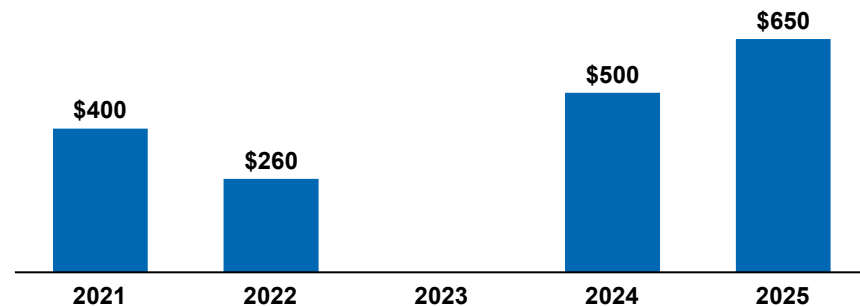
Operating Cash Flow

(\$ in millions)



Near Term Debt Maturities⁽¹⁾

(\$ in millions)



Cash & Liquidity Position

(\$ in millions)

9/30/2021

Cash	\$313.3
Liquidity	
Total Credit Facilities	\$3,500.0
(Less Amount Utilized)	(\$694.9)
Net Credit Available	\$2,805.1

Selected Financial Ratios

9/30/2021

Total Debt / TTM EBITDA	2.7x
Total Debt / TTM Adjusted EBITDA ⁽²⁾	2.6x

(1) Full debt maturity schedule provided in Appendix

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



SHERWIN-WILLIAMS®



APPENDIX

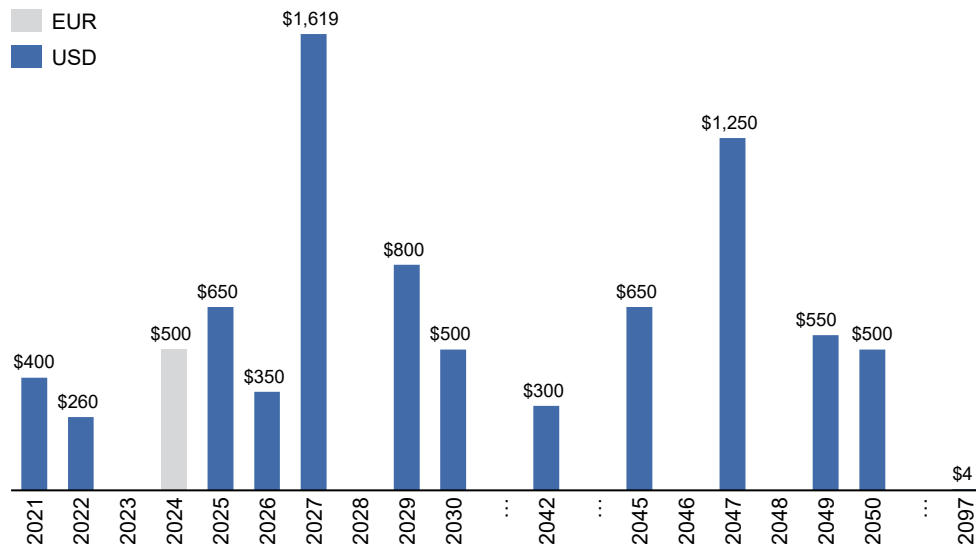
Debt Summary

(as of September 30, 2021)

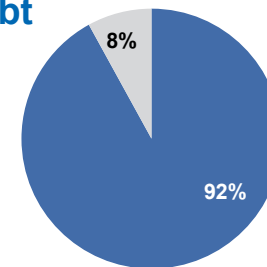
		Q3 2021	
		Balance	Int. Rate
Short-Term:			
Domestic		694.9	0.17%
Non-Domestic:		14.5	4.70%
Short-Term:		709.4	0.26%
Long-Term:			
4-year EUR, .92% notes due	2021	-	0.92%
10-year, 4.20% notes due ⁽¹⁾	2021	400.0	4.20%
5-year, 2.75% notes due	2022	260.2	2.75%
7-year, 3.125% notes due ⁽²⁾	2024	500.0	1.39%
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	2.0	2.68%
Other ⁽³⁾		(68.1)	0.00%
Total LT Debt		8,267.0	3.57%
Total Debt		8,976.4	3.31%

- (1) Exercised 3-month par call option in Q3 2021, pulling maturity forward to 10/15/2021 from 1/15/2022
 (2) Debt swapped to EUR fixed rate interest in Q1 2020
 (3) "Other" long-term debt is comprised of unamortized premiums, discounts and issuance costs

Maturities of Long-Term Debt



Fixed vs. Floating Rate Debt



Adjustments to Segment Profit

SHERWIN-WILLIAMS®

(\$ in millions)	Three Months Ended September 30, 2021					Three Months Ended September 30, 2020					Three Months Ended September 30, 2019				
	The Americas Group	Consumer Brands Group	Performance Coatings Group	Admin	Consolidated	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	\$ 2,967.0	\$ 646.7	\$ 1,532.5	\$ 0.5	\$ 5,146.7	\$ 2,978.3	\$ 838.1	\$ 1,305.3	\$ 0.5	\$ 5,122.2	\$ 2,898.2	\$ 678.4	\$ 1,290.2	\$ 0.9	\$ 4,867.7
Segment profit (as reported)	\$ 631.5	\$ 75.8	\$ 110.4	\$ (206.2)	\$ 611.5	\$ 747.4	\$ 198.3	\$ 155.3	\$ (225.4)	\$ 875.6	\$ 663.6	\$ 114.9	\$ 137.5	\$ (206.2)	\$ 709.8
% of sales (as reported)	21.3%	11.7%	7.2%	NM	11.9%	25.1%	23.7%	11.9%	NM	17.1%	22.9%	16.9%	10.7%	NM	14.6%
<u>Other adjustments</u>															
California litigation expense provision reduction	-	-	-	-	\$ -	-	-	-	-	\$ -	-	-	-	(34.7)	\$ (34.7)
Total other adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (34.7)	\$ (34.7)
<u>Acquisition-related costs</u>															
Integration costs ⁽¹⁾	-	-	-	-	\$ -	-	-	-	-	\$ -	-	-	-	16.0	\$ 16.0
Acquisition-related amortization ⁽²⁾	-	19.4	50.9	-	\$ 70.3	-	22.7	53.5	0.2	\$ 76.4	-	22.6	54.4	0.3	\$ 77.3
Total acquisition-related costs	\$ -	\$ 19.4	\$ 50.9	\$ -	\$ 70.3	\$ -	\$ 22.7	\$ 53.5	\$ 0.2	\$ 76.4	\$ -	\$ 22.6	\$ 54.4	\$ 16.3	\$ 93.3
Segment Profit (Adjusted)	\$ 631.5	\$ 95.2	\$ 161.3	\$ (206.2)	\$ 681.8	\$ 747.4	\$ 221.0	\$ 208.8	\$ (225.2)	\$ 952.0	\$ 663.6	\$ 137.5	\$ 191.9	\$ (224.6)	\$ 768.4
% of sales (as adjusted)	21.3%	14.7%	10.5%	NM	13.2%	25.1%	26.4%	16.0%	NM	18.6%	22.9%	20.3%	14.9%	NM	15.8%

(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.

(2) 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 EPS

SHERWIN-WILLIAMS®

	Three Months Ended September 30, 2021			Three Months Ended September 30, 2020			Three Months Ended September 30, 2019		
	Pre-Tax	Tax Effect ⁽¹⁾	After- Tax	Pre-Tax	Tax Effect ⁽¹⁾	After- Tax	Pre-Tax	Tax Effect ⁽¹⁾	After- Tax
Diluted net income per share			\$ 1.88			\$ 2.55			\$ 2.05
California litigation expense provision reduction	-	-	-	-	-	-	(0.12)	(0.03)	(0.09)
Total other adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.12)	\$ (0.03)	\$ (0.09)
Integration costs ⁽²⁾	-	-	-	-	-	-	0.06	0.01	0.05
Acquisition-related amortization expense ⁽³⁾	0.26	0.05	0.21	0.28	0.07	0.21	0.27	0.06	0.21
Total acquisition-related costs	\$ 0.26	\$ 0.05	\$ 0.21	\$ 0.28	\$ 0.07	\$ 0.21	\$ 0.33	\$ 0.07	\$ 0.26
Adjusted diluted net income per share			\$ 2.09			\$ 2.76			\$ 2.22

(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

SHERWIN-WILLIAMS®

<i>(\$ in millions)</i>	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019
Net income	\$ 502.2	\$ 705.8	\$ 576.5
Interest expense	83.1	83.3	85.3
Income taxes	109.3	169.8	133.3
Depreciation	63.4	67.4	65.3
Amortization	76.2	78.7	77.5
EBITDA	<u>\$ 834.2</u>	<u>\$ 1,105.0</u>	<u>\$ 937.9</u>
California litigation expense provision	-	-	(34.7)
Integration costs ⁽¹⁾	-	-	16.1
Adjusted EBITDA	<u>\$ 834.2</u>	<u>\$ 1,105.0</u>	<u>\$ 919.3</u>
% to net sales:			
EBITDA	16.2%	21.6%	19.3%
Adjusted EBITDA	16.2%	21.6%	18.9%
Net sales for EBITDA % calculation	\$ 5,146.7	\$ 5,122.2	\$ 4,867.7

(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.