



SHERWIN-WILLIAMS®

1Q 2022 Results

April 26, 2022

Forward-Looking Statements

This presentation may contain 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 current expectations, predictions, 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, 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 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.

1Q 2022 Financial Performance Highlights

(\$ in millions, except per share data)	1Q 2022	1Q 2021	% Change
Sales	\$4,998.7	\$4,656.0	7.4%
Gross Profit	\$2,052.9	\$2,112.0	-2.8%
<i>Gross Margin</i>	<i>41.1%</i>	<i>45.4%</i>	<i>-430 bps</i>
Reported EPS	\$1.41	\$1.51	-6.6%
Adjusted EPS ⁽¹⁾	\$1.61	\$2.06	-21.8%

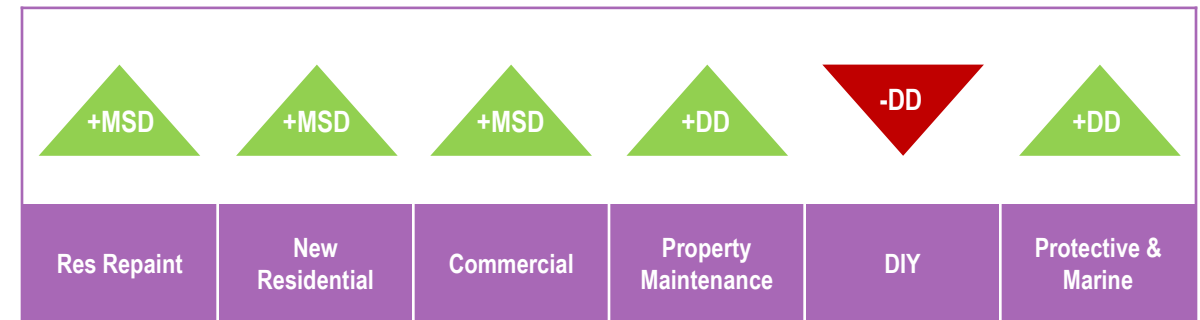
- Sales increased 7.4% against a double-digit comparison
 - Low double-digit pricing partially offset by raw material availability issues and lower architectural volume
- Raw material availability improved meaningfully in the final weeks of the first quarter and continued into the second quarter
 - More architectural gallons produced in March than any prior month in Company history
- Continued demand strength in professional architectural and industrial end markets
- Gross margin impacted by lower sales volume and raw material cost inflation, which outpaced price increases near term
- Consolidated gross margin and all segment margins improved sequentially from 4Q 2021
- Continued implementation of pricing actions to mitigate higher industry-wide raw material costs
- Adjusted EPS⁽¹⁾ decreased 21.8% year-over-year to \$1.61/share vs. \$2.06/share; sequential improvement of 20.1% vs. 4Q 2021

The Americas Group

- Sales increased 5.6% including low-double-digit pricing; same store sales increased 3.8%
- Growth in all pro customer segments, led by Property Maintenance and Protective & Marine
- DIY sales decreased against difficult prior year comparisons and raw material availability challenges
- Largest percentage growth in South Western division, followed by South Eastern, Eastern, Mid Western and Canada divisions
- 12% price increase effective February 1, 2022
- Segment profit decreased to \$445.4 million, and segment margin decreased to 16.8% – declines driven by lower volume and higher raw material costs
- Segment margin improved 170 basis points sequentially



(\$ in millions)	1Q 2022	1Q 2021	% Change
Sales	\$2,644.1	\$2,503.1	5.6%
Segment Profit	\$445.4	\$480.0	-7.2%
Segment Margin	16.8%	19.2%	-240 bps



1Q-22 sales vs. 1Q-21 sales (HSD/MSD/LSD = high, mid or low single digit %. DD = double digit %)

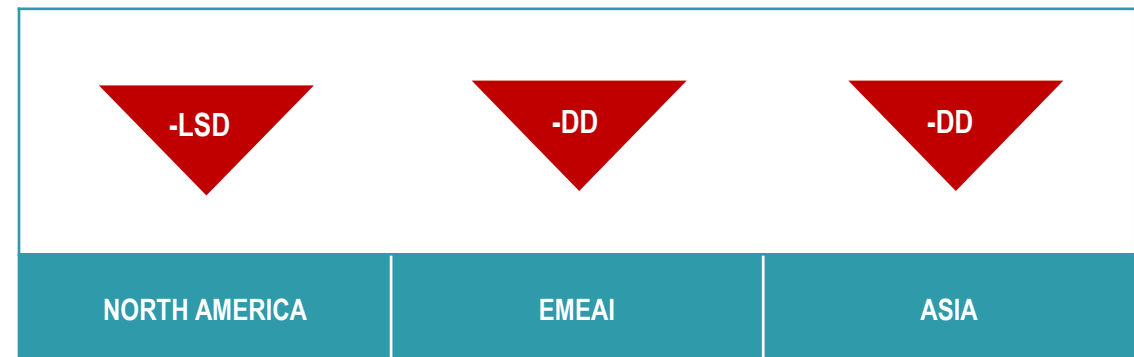
Note: All comparisons are to the first quarter of the prior year, unless otherwise noted

Consumer Brands Group

- Sales decreased 10.1% driven by difficult prior year comparisons, lower sales outside of North America and the Wattyl divestiture (-6%). High-single-digit price realization in the quarter.
- Strong growth in Pros Who Paint category
- Adjusted segment profit decreased to \$84.3 million and adjusted segment margin decreased to 12.1% – declines driven by lower sales volume, supply chain inefficiencies and higher raw material costs
- Adjusted segment margin improved 580 basis points sequentially
- Continued pricing actions to mitigate raw material and other cost inflation



(\$ in millions)	1Q 2022	1Q 2021	% Change
Sales	\$699.4	\$778.1	-10.1%
Reported Segment Profit	\$64.9	\$143.7	-54.8%
<i>Reported Segment Margin</i>	<i>9.3%</i>	<i>18.5%</i>	<i>-920 bps</i>
Adjusted Segment Profit⁽¹⁾	\$84.3	\$166.5	-49.4%
<i>Adjusted Segment Margin</i>	<i>12.1%</i>	<i>21.4%</i>	<i>-930 bps</i>



1Q-22 sales vs. 1Q-21 sales (HSD/MSD/LSD = high, mid or low single digit %. DD = double digit %)

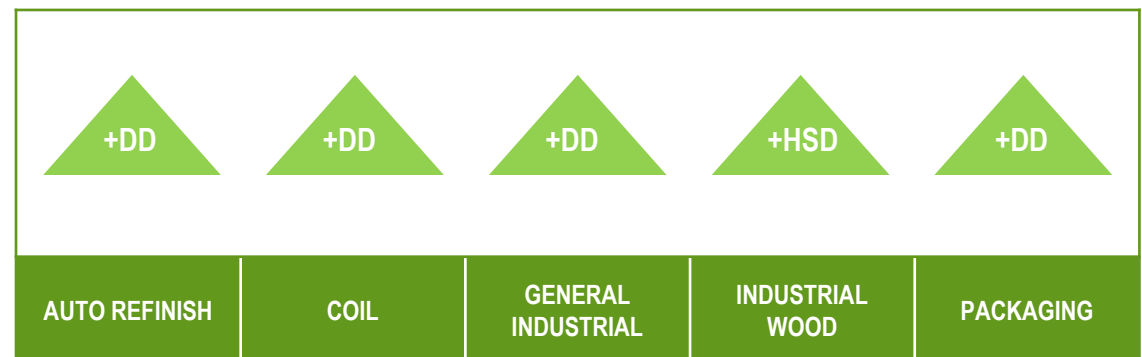
Note: All comparisons are to the first quarter of the prior year, unless otherwise noted
 (1) Reconciliation from segment profit to adjusted segment profit provided in Appendix

Performance Coatings Group

- Sales increased 20.4% including mid-single-digit volume growth and mid-teens pricing
- Double-digit growth in North America, Asia and Latin America; high-single-digit growth in Europe
- Packaging and Coil highest year-over-year increases and double-digit growth in every region
- General Industrial and Auto Refinish growth in all regions
- Industrial Wood strength in North America driven by strong architectural end markets
- Adjusted segment profit decreased to \$195.1 million, and adjusted segment margin decreased to 11.8% – declines driven by higher raw material costs
- Adjusted segment margin improved 290 basis points sequentially
- Continued pricing actions across all businesses to mitigate raw material inflation



(\$ in millions)	1Q 2022	1Q 2021	% Change
Sales	\$1,654.1	\$1,374.3	20.4%
Reported Segment Profit	\$144.5	\$143.8	0.5%
<i>Reported Segment Margin</i>	<i>8.7%</i>	<i>10.5%</i>	<i>-180 bps</i>
Adjusted Segment Profit⁽¹⁾	\$195.1	\$196.7	-0.8%
<i>Adjusted Segment Margin</i>	<i>11.8%</i>	<i>14.3%</i>	<i>-250 bps</i>



1Q-22 sales vs. 1Q-21 sales (HSD/MSD/LSD = high, mid or low single digit %. DD = double digit %)

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

Guidance

Second Quarter 2022

Sales

- Increase by low-double-digit to mid-teens percentage

▪ Segments

- *TAG: up high-single to low-double-digit percentage*
- *CBG: up high-teens to low-twenties percentage*
- *PCG: up low-double-digit to mid-teens percentage*

Full Year 2022

Sales

- Increase by high-single to low-double-digit percentage

▪ Segments

- *TAG: up mid to high-single-digit percentage*
- *CBG: up low to mid-single-digit percentage*
- *PCG: up high-single to low-double-digit percentage*

GAAP Earnings Per Share: \$8.40-\$8.80

- Includes acquisition-related amortization expense of \$0.85 per share
- Adjusted earnings per share: \$9.25-\$9.65

Raw materials: up low-double-digit to mid-teens percentage

Capital expenditures: \$865 million total, includes \$450 million for new HQ and R&D facilities

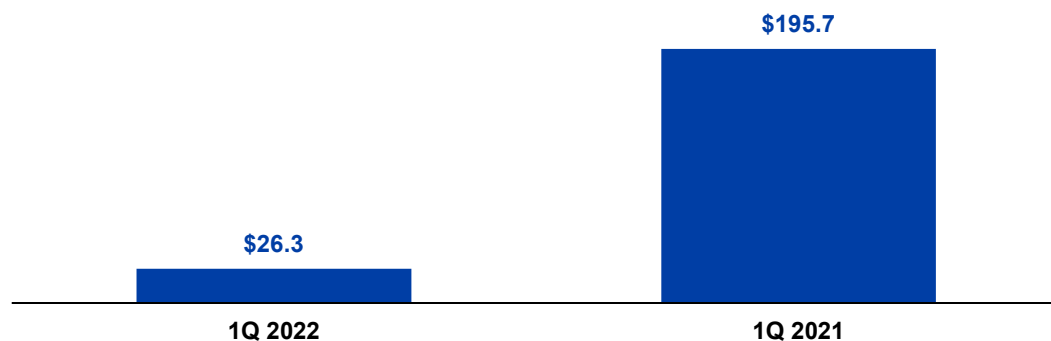
Interest expense: approximately \$330 million

Depreciation (~\$300 million) and **amortization** (~\$300 million)

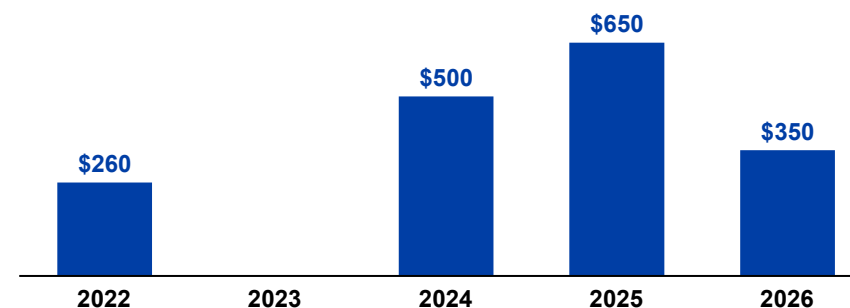
Tax rate: low 20s percent

Strong Financial Position

Operating Cash Flow (\$ in millions)



Near Term Debt Maturities ⁽¹⁾ (\$ in millions)



Cash & Liquidity Position (\$ in millions)

	3/31/2022
Cash	\$401.1
<u>Liquidity</u>	
Total Credit Facilities	\$3,500.0
(Less Amount Utilized)	<u>(1,686.5)</u>
Net Credit Available	\$1,813.5

Selected Financial Ratios

	3/31/2022
Total Debt / TTM EBITDA	3.4x

(1) Full debt maturity schedule provided in Appendix

Appendix

SHERWIN-WILLIAMS.



Debt Summary (as of March 31, 2022)

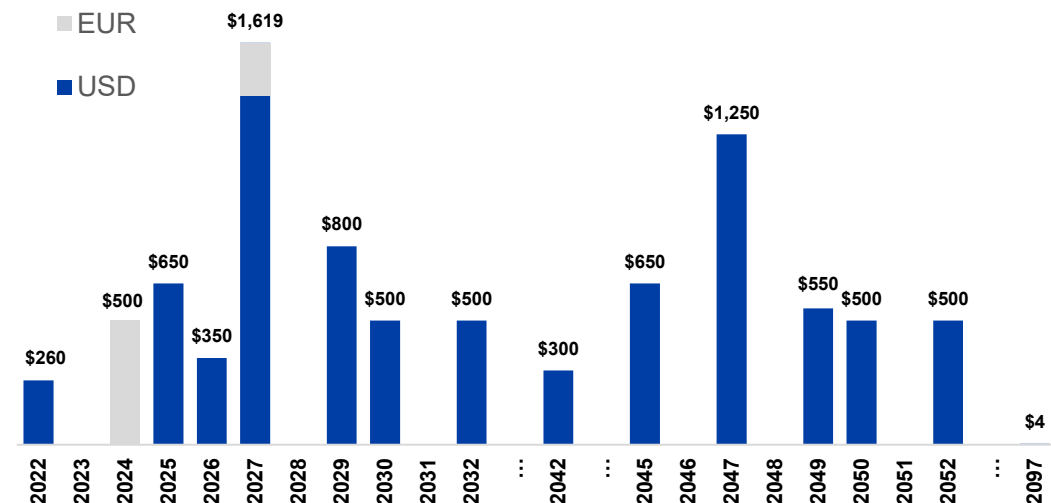
	Q1 2022	
	Balance	Int. Rate
Short-Term:		
Domestic	1,651.5	0.80%
Non-Domestic:	88.2	7.62%
Short-Term:	1,739.7	1.15%
Long-Term:		
5-year, 2.75% notes due	260.2	2.75%
7-year, 3.125% notes due ⁽¹⁾	500.0	1.39%
10-year, 3.30% notes due	250.0	3.30%
10-year, 3.45% notes due	400.0	3.45%
10-year, 3.95% notes due	350.0	3.95%
10-year, 3.45% notes due ⁽²⁾	1,500.0	3.25%
30-year, 7.375% notes due	119.4	7.38%
10-year, 2.95% notes due	800.0	2.95%
10-year, 2.30% notes due	500.0	2.30%
10-year, 2.20% notes due	500.0	2.20%
30-year, 4.00% notes due	300.0	4.00%
30-year, 4.40% notes due	250.0	4.40%
30-year, 4.55% notes due	400.0	4.55%
30-year, 4.50% notes due	1,250.0	4.50%
30-year, 3.80% notes due	550.0	3.80%
30-year, 3.30% notes due	500.0	3.30%
30-year, 2.90% notes due	500.0	2.90%
100-year, 7.45% notes due	3.5	7.45%
Promissory Notes	1.9	2.72%
Other ⁽³⁾	(82.0)	0.00%
Total LT Debt	8,853.0	3.39%
Total Debt	10,592.7	3.03%

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

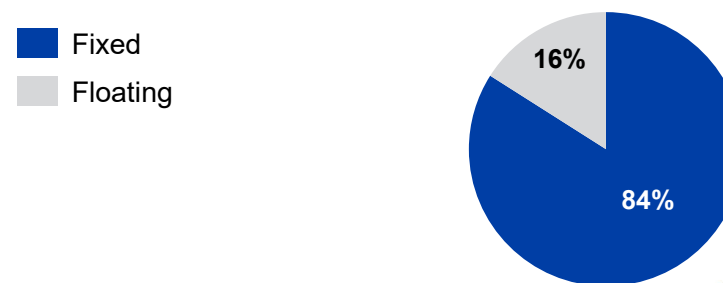
(2) \$245 million of 2027 10-year bonds swapped to EUR

(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

Three Months Ended March 31, 2022

(\$ in millions)	Three Months Ended March 31, 2022					Consolidated
	The Americas Group	Consumer Brands Group	Performance Coatings Group	Admin		
Net external sales	\$ 2,644.1	\$ 699.4	\$ 1,654.1	\$ 1.1		\$ 4,998.7
Segment profit (as reported)	\$ 445.4	\$ 64.9	\$ 144.5	\$ (193.7)		\$ 461.1
% of sales (as reported)	16.8%	9.3%	8.7%	NM		9.2%
<u>Other adjustments</u>						
Loss on divestiture	-	-	-	-		\$ -
Total other adjustments	\$ -	\$ -	\$ -	\$ -		\$ -
<u>Acquisition-related costs</u>						
Acquisition-related amortization ⁽¹⁾	-	19.4	50.6	-		\$ 70.0
Total acquisition-related costs	\$ -	\$ 19.4	\$ 50.6	\$ -		\$ 70.0
Segment Profit (Adjusted)	\$ 445.4	\$ 84.3	\$ 195.1	\$ (193.7)		\$ 531.1
% of sales (as adjusted)	16.8%	12.1%	11.8%	NM		10.6%

Three Months Ended March 31, 2021

(\$ in millions)	Three Months Ended March 31, 2021					Consolidated
	The Americas Group	Consumer Brands Group	Performance Coatings Group	Admin		
Net external sales	\$ 2,503.1	\$ 778.1	\$ 1,374.3	\$ 0.5		\$ 4,656.0
Segment profit (as reported)	\$ 480.0	\$ 143.7	\$ 143.8	\$ (258.5)		\$ 509.0
% of sales (as reported)	19.2%	18.5%	10.5%	NM		10.9%
<u>Other adjustments</u>						
Loss on divestiture	-	-	-	111.9		\$ 111.9
Total other adjustments	\$ -	\$ -	\$ -	\$ 111.9		\$ 111.9
<u>Acquisition-related costs</u>						
Acquisition-related amortization ⁽¹⁾	-	22.8	52.9	(0.1)		\$ 75.6
Total acquisition-related costs	\$ -	\$ 22.8	\$ 52.9	\$ (0.1)		\$ 75.6
Segment Profit (Adjusted)	\$ 480.0	\$ 166.5	\$ 196.7	\$ (146.7)		\$ 696.5
% of sales (as adjusted)	19.2%	21.4%	14.3%	NM		15.0%

(1) 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

	Three Months Ended March 31, 2022			Three Months Ended March 31, 2021		
	Pre-Tax	Tax Effect ⁽¹⁾	After- Tax	Pre-Tax	Tax Effect ⁽¹⁾	After- Tax
Diluted net income per share			\$ 1.41			\$ 1.51
Loss on divestiture	-	-	-	0.41	0.07	0.34
Total other adjustments	\$ -	\$ -	\$ -	\$ 0.41	\$ 0.07	\$ 0.34
Acquisition-related amortization expense ⁽²⁾	0.27	0.07	0.20	0.28	0.07	0.21
Total acquisition-related costs	\$ 0.27	\$ 0.07	\$ 0.20	\$ 0.28	\$ 0.07	\$ 0.21
Adjusted diluted net income per share			\$ 1.61			\$ 2.06

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

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