



SHERWIN-WILLIAMS.

1Q 2023 Results

April 25, 2023

Forward-Looking Statements

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,” “strive” 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 performance, results and experience. These risks, uncertainties and other factors include such things as: general business conditions, strengths of retail and manufacturing economies and growth in the coatings industry; changes in general economic conditions; changes in raw material and energy supplies and pricing; disruptions in the supply chain; adverse weather conditions or natural disasters, including those that may be related to climate change or otherwise; losses of or changes in the Company's relationships with customers and suppliers; competitive factors; the Company's ability to successfully integrate past and future acquisitions into its existing operations, as well as the performance of the businesses acquired; the Company's ability to achieve expected benefits of restructuring and productivity initiatives; public health crises; damages to our business, reputation, image or brands due to negative publicity; and other risks, uncertainties and factors described from time to time in the Company's reports filed with the Securities and Exchange Commission. 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 2023 Financial Performance Highlights

(\$ in millions, except per share data)	1Q 2023	1Q 2022	% Change
Sales	\$5,442.4	\$4,998.7	8.9%
Gross Profit	\$2,420.9	\$2,052.9	17.9%
<i>Gross Margin</i>	44.5%	41.1%	+340 bps
Reported EPS	\$1.84	\$1.41	30.5%
Adjusted EPS ⁽¹⁾	\$2.04	\$1.61	26.7%
EBITDA ⁽¹⁾	\$878.2	\$693.0	26.7%
<i>% of Sales</i>	16.1%	13.9%	+220 bps
Net Operating Cash	\$88.2	\$26.3	235.4%

- Sales increased 8.9% including effective pricing and a low-single-digit contribution from acquisitions, partially offset by a low-single-digit volume decline and a low-single-digit FX headwind
 - North American professional architectural end markets sales increased by a mid-teens percentage including high-single-digit volume growth
 - Industrial sales increased in all regions except Asia Pacific
- Sequential and year-over-year gross margin expansion, driven by Paint Stores Group volume and effective pricing
 - Inflation in wages and other categories were partially offset by a slight decrease in year-over-year raw material costs
- Sequential and year-over-year segment margin expansion in all three segments
- Strong double-digit percentage growth in Adjusted EPS and EBITDA

Paint Stores Group (PSG)

- Sales increased 14.8% driven by high-single-digit volume growth
- Double-digit percentage growth in all end markets
 - Growth led by Protective & Marine, Property Maintenance, Commercial and Residential Repaint
- Segment margin increased 120 basis points to 18.4% of sales driven by strong volume
- Continued SG&A investments in stores and reps to drive long-term growth



(\$ in millions)	1Q 2023	1Q 2022	% Change
Sales	\$2,859.1	\$2,491.3	14.8%
Segment Profit	\$526.7	\$428.8	22.8%
Segment Margin	18.4%	17.2%	+120 bps



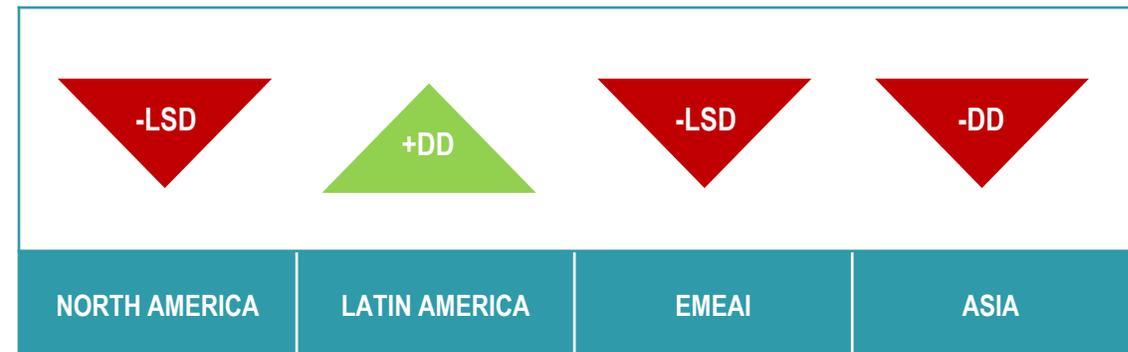
1Q-23 sales vs. 1Q-22 sales (HSD/MSD/LSD = high, mid or low single digit %. DD = double digit %)

Consumer Brands Group (CBG)

- Sales increased 2.4% with effective pricing, partially offset by a mid-single-digit volume decline and a low-single-digit headwind from FX
 - Strong growth in North America Pros Who Paint category offset by softer DIY demand
 - Strong double-digit growth in Latin America including strong pricing
 - Europe and Asia Pacific demand remains soft
- Adjusted segment margin improved 120 bps year-over-year to 13.0% driven by sales growth and good cost control
- In April, completed divestiture of a non-core aerosol business and finalized agreement to divest the China architectural business



(\$ in millions)	1Q 2023	1Q 2022	% Change
Sales	\$872.7	\$852.2	2.4%
Reported Segment Profit	\$93.8	\$81.5	15.1%
<i>Reported Segment Margin</i>	<i>10.7%</i>	<i>9.6%</i>	<i>+110 bps</i>
Adjusted Segment Profit ⁽¹⁾	\$113.8	\$100.9	12.8%
<i>Adjusted Segment Margin</i>	<i>13.0%</i>	<i>11.8%</i>	<i>+120 bps</i>



1Q-23 sales vs. 1Q-22 sales (HSD/MSD/LSD = high, mid or low single digit %. DD = double digit %)

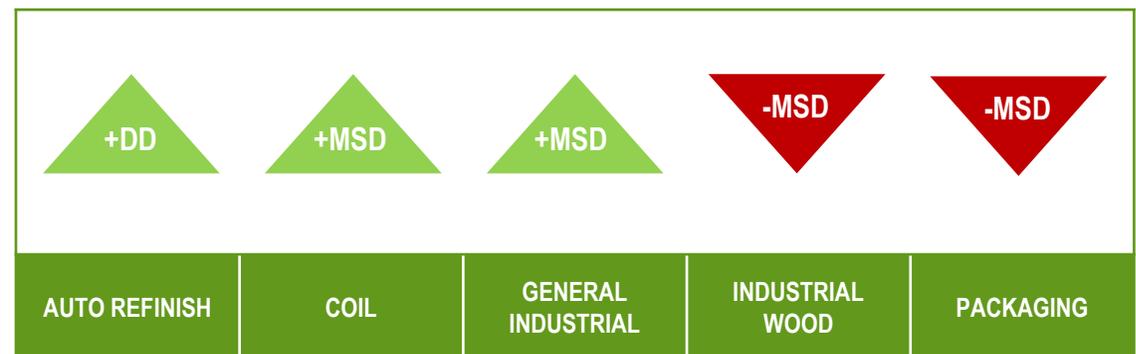
Note: Consumer Brands Group 1Q results in both years reflect the inclusion of the Latin America architectural business, which was previously reported in The Americas Group (now known as Paint Stores Group)
 Note: All comparisons are to the first quarter of the prior year, unless otherwise noted
 (1) Adjusted segment profit equals Segment profit excluding the impact of restructuring costs and acquisition-related amortization expense; reconciliation from segment profit to adjusted segment profit provided in Appendix

Performance Coatings Group (PCG)

- Sales increased 3.4% including effective pricing and a mid-single digit contribution from acquisitions, partially offset by a low-teens volume decline and a low-single-digit FX headwind
- Low-double-digit growth in Latin America, high-single-digit growth in North America and mid-single-digit growth in Europe; double-digit declines in Asia Pacific
- Sales led by mid-teens growth in Auto Refinish, followed by Coil and General Industrial; as expected, Packaging down against an extremely difficult comparison; Industrial Wood impacted by housing slowdown
- Adjusted segment margin improved 390 bps year-over-year to 15.7%, the fourth consecutive quarter of year-over-year improvement



(\$ in millions)	1Q 2023	1Q 2022	% Change
Sales	\$1,709.8	\$1,654.1	3.4%
Reported Segment Profit	\$218.9	\$144.5	51.5%
<i>Reported Segment Margin</i>	<i>12.8%</i>	<i>8.7%</i>	<i>+410 bps</i>
Adjusted Segment Profit ⁽¹⁾	\$268.8	\$195.1	37.8%
<i>Adjusted Segment Margin</i>	<i>15.7%</i>	<i>11.8%</i>	<i>+390 bps</i>



1Q-23 sales vs. 1Q-22 sales (HSD/MSD/LSD = high, mid or low single digit %. DD = double digit %)

Guidance

Second Quarter 2023

Sales

- Up or down low-single-digit percentage
- *Foreign Exchange: down low-single-digit percentage*
- Segments
 - *PSG: up mid to high-single-digit percentage*
 - *CBG: up or down low-single-digit percentage*
 - Excluding impact of portfolio adjustments, expect sales to be up low-single-digit percentage
 - *PCG: down low-single-digit percentage*

Full Year 2023

Sales

- Flat to down mid-single-digit percentage
- *Foreign Exchange: -2.0%*
- Segments
 - *PSG: up or down low-single-digit percentage*
 - *CBG: down mid to high-single-digit percentage*
 - Excluding impact of portfolio adjustments, expect sales to be up or down low-single-digit percentage
 - *PCG: down high-single to low-double-digit percentage*

GAAP Earnings Per Share: \$6.79-\$7.59

- Includes acquisition-related amortization expense of \$0.81 per share and restructuring expense of \$0.25-\$0.35 per share
- Adjusted earnings per share: \$7.95-\$8.65

Raw materials: down low to mid-single-digit percentage

Capital expenditures: \$800 million total, includes \$250 million for new R&D facility

Interest expense: approximately \$470 million

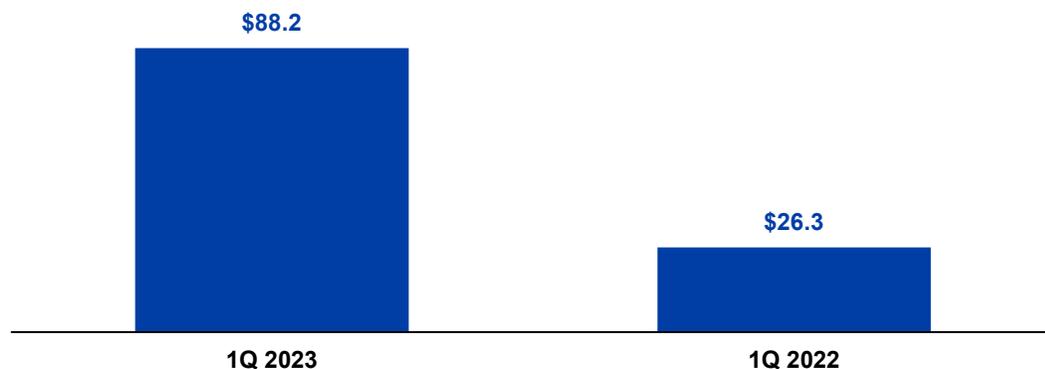
Other non-operating expenses*: incremental \$75-\$95 million increase

Depreciation (~\$350 million) and **amortization** (~\$340 million)

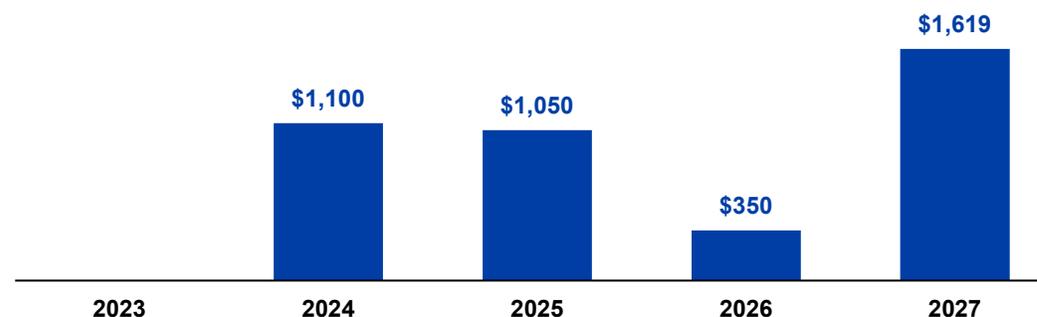
Tax rate: low 20s percent

Strong Financial Position

Operating Cash Flow (\$ in millions)



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



Cash & Liquidity Position (\$ in millions)

	3/31/2023
Cash	\$151.4
<u>Liquidity</u>	
Total Credit Facilities	\$3,750.0
<u>(Less Amount Utilized)</u>	<u>(1,522.3)</u>
Net Credit Available	\$2,227.7

Selected Financial Ratios

	3/31/2023
Total Debt / TTM EBITDA	3.0x
Net Debt / TTM EBITDA	2.9x

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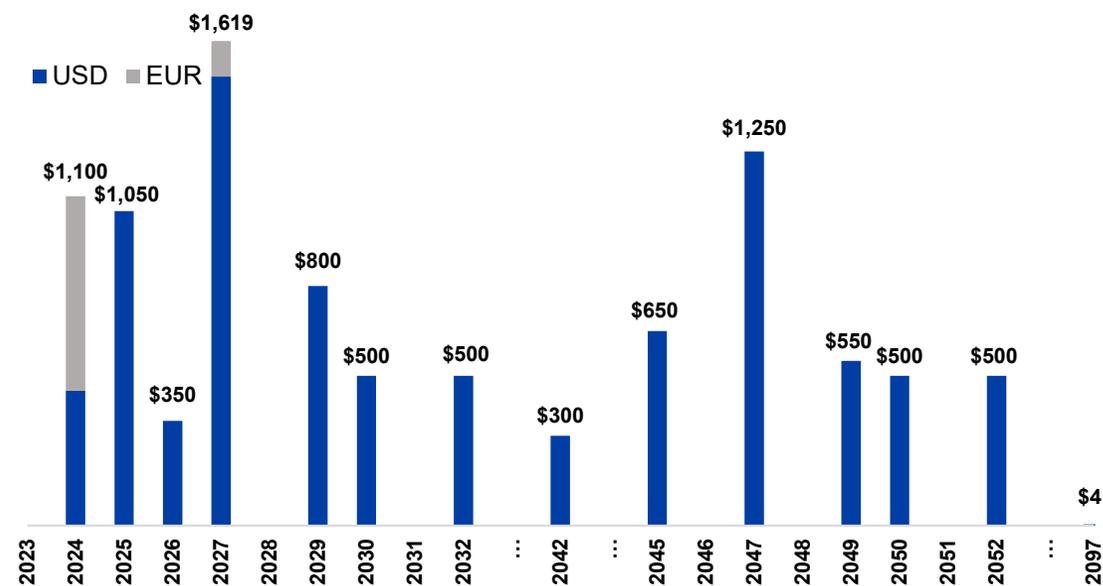
Appendix



Debt Summary (as of March 31, 2023)

		Q1 2023	
		Balance	Int. Rate
Short-Term:			
Domestic		1,452.3	5.10%
Non-Domestic:		29.0	3.65%
Total Short-Term Borrowings		1,481.3	5.07%
Long-Term:			
7-year, 3.125% notes due ⁽¹⁾	2024	500.0	1.39%
2-year, 4.05% notes due ⁽²⁾	2024	600.0	3.70%
10-year, 3.30% notes due	2025	250.0	3.30%
10-year, 3.45% notes due	2025	400.0	3.45%
3-year, 4.25% notes due	2025	400.0	4.25%
10-year, 3.95% notes due	2026	350.0	3.95%
30-year, 7.375% notes due	2027	119.4	7.38%
10-year, 3.45% notes due ⁽³⁾	2027	1,500.0	3.32%
10-year, 2.95% notes due	2029	800.0	2.95%
10-year, 2.30% notes due	2030	500.0	2.30%
10-year, 2.20% notes due	2032	500.0	2.20%
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%
30-year, 2.90% notes due	2052	500.0	2.90%
100-year, 7.45% notes due	2097	3.5	7.45%
Promissory Notes	Various	1.6	2.87%
Other ⁽⁴⁾		(80.8)	0.00%
Total LT Debt		9,593.7	3.48%
Total Debt		11,075.0	3.69%

Maturities of Long-Term Debt



Fixed vs. Floating Rate Debt



(1) Debt swapped to EUR fixed rate interest

(2) \$150 million of 2024 2-year bonds swapped to EUR

(3) \$163 million of 2027 10-year bonds swapped to EUR

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

Adjustments to Segment Profit

(\$ in millions)	Three Months Ended March 31, 2023					Three Months Ended March 31, 2022				
	Paint Stores Group	Consumer Brands Group	Performance Coatings Group	Admin	Consolidated	Paint Stores Group	Consumer Brands Group	Performance Coatings Group	Admin	Consolidated
Net external sales	\$ 2,859.1	\$ 872.7	\$ 1,709.8	\$ 0.8	\$ 5,442.4	\$ 2,491.3	\$ 852.2	\$ 1,654.1	\$ 1.1	\$ 4,998.7
Segment profit (as reported)	\$ 526.7	\$ 93.8	\$ 218.9	\$ (224.6)	\$ 614.8	\$ 428.8	\$ 81.5	\$ 144.5	\$ (193.7)	\$ 461.1
% of sales (as reported)	18.4%	10.7%	12.8%	NM	11.3%	17.2%	9.6%	8.7%	NM	9.2%
<u>Other adjustments</u>										
Severance and other	-	1.0	(0.1)	-	\$ 0.9	-	-	-	-	\$ -
Total other adjustments	\$ -	\$ 1.0	\$ (0.1)	\$ -	\$ 0.9	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition-related amortization ⁽¹⁾	-	19.0	50.0	-	\$ 69.0	-	19.4	50.6	-	\$ 70.0
Segment Profit (as Adjusted)	\$ 526.7	\$ 113.8	\$ 268.8	\$ (224.6)	\$ 684.7	\$ 428.8	\$ 100.9	\$ 195.1	\$ (193.7)	\$ 531.1
% of sales (as adjusted)	18.4%	13.0%	15.7%	NM	12.6%	17.2%	11.8%	11.8%	NM	10.6%

Regulation G Reconciliation: Adjusted EPS and EBITDA

	Three Months Ended March 31, 2023			Three Months Ended March 31, 2022		
	Pre-Tax	Tax Effect ⁽¹⁾	After-Tax	Pre-Tax	Tax Effect ⁽¹⁾	After-Tax
Diluted net income per share			\$ 1.84			\$ 1.41
Restructuring	-	-	-	-	-	-
Total other adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition-related amortization expense ⁽²⁾	0.27	0.07	0.20	0.27	0.07	0.20
Adjusted diluted net income per share			\$ 2.04			\$ 1.61

(\$ in millions)

	Three Months Ended March 31, 2023		Three Months Ended March 31, 2022	
Net income	\$	477.4	\$	370.8
Interest expense		109.3		88.4
Income taxes		137.4		90.3
Depreciation		70.4		65.5
Amortization		83.7		78.0
EBITDA	\$	878.2	\$	693.0
Restructuring		0.9		-
Adjusted EBITDA	\$	879.1	\$	693.0
% to net sales:				
EBITDA		16.1%		13.9%
Adjusted EBITDA		16.2%		13.9%
Net sales for EBITDA % calculation	\$	5,442.4	\$	4,998.7

Latin America Realignment Reconciliation: 2022

(\$ in millions)	Consumer Brands Group (excluding Latin America)					Consumer Brands Group (including Latin America)				
	1Q	2Q	3Q	4Q	FY 2022	1Q	2Q	3Q	4Q	FY 2022
Net external sales	\$ 699.4	\$ 737.9	\$ 701.9	\$ 551.5	\$ 2,690.7	\$ 852.2	\$ 900.0	\$ 890.6	\$ 745.6	\$ 3,388.4
Segment profit (as reported)	\$ 64.9	\$ 63.5	\$ 94.9	\$ 2.4	\$ 225.7	\$ 81.5	\$ 79.9	\$ 117.7	\$ 35.1	\$ 314.2
% of sales (as reported)	9.3%	8.6%	13.5%	0.4%	8.4%	9.6%	8.9%	13.2%	4.7%	9.3%
Other adjustments										
Severance and other	-	-	-	25.6	25.6	-	-	-	25.6	25.6
Impairment	-	-	-	15.5	15.5	-	-	-	15.5	15.5
Total other adjustments	\$ -	\$ -	\$ -	\$ 41.1	\$ 41.1	\$ -	\$ -	\$ -	\$ 41.1	\$ 41.1
Acquisition-related amortization ⁽¹⁾	19.4	19.1	18.9	18.8	76.2	19.4	19.1	18.9	18.8	76.2
Segment Profit (Adjusted)	\$ 84.3	\$ 82.6	\$ 113.8	\$ 62.3	\$ 343.0	\$ 100.9	\$ 99.0	\$ 136.6	\$ 95.0	\$ 431.5
% of sales (as adjusted)	12.1%	11.2%	16.2%	11.3%	12.7%	11.8%	11.0%	15.3%	12.7%	12.7%

(\$ in millions)	The Americas Group (including Latin America)					Paint Stores Group (excluding Latin America)				
	1Q	2Q	3Q	4Q	FY 2022	1Q	2Q	3Q	4Q	FY 2022
Net external sales	\$ 2,644.1	\$ 3,343.1	\$ 3,602.7	\$ 3,071.1	\$ 12,661.0	\$ 2,491.3	\$ 3,181.1	\$ 3,414.0	\$ 2,877.0	\$ 11,963.3
Segment profit (as reported)	\$ 445.4	\$ 700.4	\$ 764.1	\$ 526.7	\$ 2,436.6	\$ 428.8	\$ 684.0	\$ 741.3	\$ 494.0	\$ 2,348.1
% of sales (as reported)	16.8%	21.0%	21.2%	17.2%	19.2%	17.2%	21.5%	21.7%	17.2%	19.6%

Note: The Americas Group became Paint Stores Group effective January 1, 2023 to reflect realignment of management and reporting of Latin America architectural business to Consumer Brands Group
 (1) Acquisition-related amortization expense consists primarily of the amortization of intangible assets related to the Valspar acquisition and is included in Amortization.

Latin America Realignment Reconciliation: 2021

(\$ in millions)	Consumer Brands Group (excluding Latin America)					Consumer Brands Group (including Latin America)				
	1Q	2Q	3Q	4Q	FY 2021	1Q	2Q	3Q	4Q	FY 2021
Net external sales	\$ 778.1	\$ 731.5	\$ 646.7	\$ 565.3	\$ 2,721.6	\$ 908.6	\$ 869.3	\$ 803.6	\$ 740.9	\$ 3,322.4
Segment profit (as reported)	\$ 143.7	\$ 122.8	\$ 75.8	\$ 16.1	\$ 358.4	\$ 155.3	\$ 131.8	\$ 93.3	\$ 34.8	\$ 415.2
% of sales (as reported)	18.5%	16.8%	11.7%	2.8%	13.2%	17.1%	15.2%	11.6%	4.7%	12.5%
Other adjustments										
Severance and other	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Total other adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition-related amortization ⁽¹⁾	22.8	21.3	19.4	19.3	82.8	22.8	21.3	19.4	19.3	82.8
Segment Profit (Adjusted)	\$ 166.5	\$ 144.1	\$ 95.2	\$ 35.4	\$ 441.2	\$ 178.1	\$ 153.1	\$ 112.7	\$ 54.1	\$ 498.0
% of sales (as adjusted)	21.4%	19.7%	14.7%	6.3%	16.2%	19.6%	17.6%	14.0%	7.3%	15.0%

(\$ in millions)	The Americas Group (including Latin America)					Paint Stores Group (excluding Latin America)				
	1Q	2Q	3Q	4Q	FY 2021	1Q	2Q	3Q	4Q	FY 2021
Net external sales	\$ 2,503.1	\$ 3,093.3	\$ 2,967.0	\$ 2,653.5	\$ 11,217.0	\$ 2,372.6	\$ 2,955.5	\$ 2,810.1	\$ 2,477.9	\$ 10,616.2
Segment profit (as reported)	\$ 480.0	\$ 727.3	\$ 631.5	\$ 400.3	\$ 2,239.1	\$ 468.4	\$ 718.3	\$ 614.0	\$ 381.6	\$ 2,182.3
% of sales (as reported)	19.2%	23.5%	21.3%	15.1%	20.0%	19.7%	24.3%	21.8%	15.4%	20.6%

Note: The Americas Group became Paint Stores Group effective January 1, 2023 to reflect realignment of management and reporting of Latin America architectural business to Consumer Brands Group
 (1) Acquisition-related amortization expense consists primarily of the amortization of intangible assets related to the Valspar acquisition and is included in Amortization.