



SHERWIN-WILLIAMS.

1Q 2024 Results

April 23, 2024

Forward-Looking Statements

This presentation contains "forward-looking statements," as defined under U.S. federal securities laws, with respect to sales, earnings and other matters. Forward-looking statements can be identified by the use of forward-looking words such as "believe," "expect," "estimate," "project," "plan," "goal," "target," "potential," "intend," "aspire," "strive," "may," "will," "should," "could," "would," "seek" or "anticipate" or the negative thereof or comparable words. Any statements that refer to expectations, projections or other characterizations of future events or conditions, are forward-looking statements. Forward-looking statements are based upon management's 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 subject to risks, uncertainties and other factors, many of which are outside the control of the Company and actual results may 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, including the strength of retail and manufacturing economies and growth in the coatings industry; adverse changes in general economic conditions, including the inflationary environment, global credit markets, and currency fluctuations; any disruption in the availability of, or increases in the price of, raw material and energy supplies; disruptions in the supply chain; catastrophic events, adverse weather conditions and natural disasters; losses of or changes in the Company's relationships with customers and suppliers; the Company's ability to successfully integrate past and future acquisitions; risks and uncertainties associated with our expansion into and our operations in foreign markets; cybersecurity incidents and other disruptions to our information technology systems; the Company's ability to attract, retain, develop and progress a qualified global workforce; the Company's ability to execute on our business strategies related to sustainability matters, and achieve related expectations; damage to our business, reputation, image or brands due to negative publicity; the Company's ability to protect or enforce our material trademarks and other intellectual property rights; the Company's ability to comply with numerous and evolving laws, rules and regulations; adverse changes to our tax positions; increasingly stringent domestic and foreign governmental regulations; inherent uncertainties involved in assessing our potential liability for environmental-related activities; other changes in governmental policies, laws and regulations; the nature, cost, quantity and outcome of pending and future litigation and other claims; 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 2024 Financial Performance Overview

(\$ in millions, except per share data)	1Q 2024	1Q 2023	% Change
Sales	\$5,367.3	\$5,442.4	-1.4%
Gross Profit	\$2,531.0	\$2,420.9	4.5%
<i>Gross Margin</i>	47.2%	44.5%	+270 bps
Reported EPS	\$1.97	\$1.84	7.1%
Adjusted EPS ⁽¹⁾	\$2.17	\$2.04	6.4%
EBITDA ⁽¹⁾	\$896.2	\$878.2	2.0%
<i>% of Sales</i>	16.7%	16.1%	+60 bps

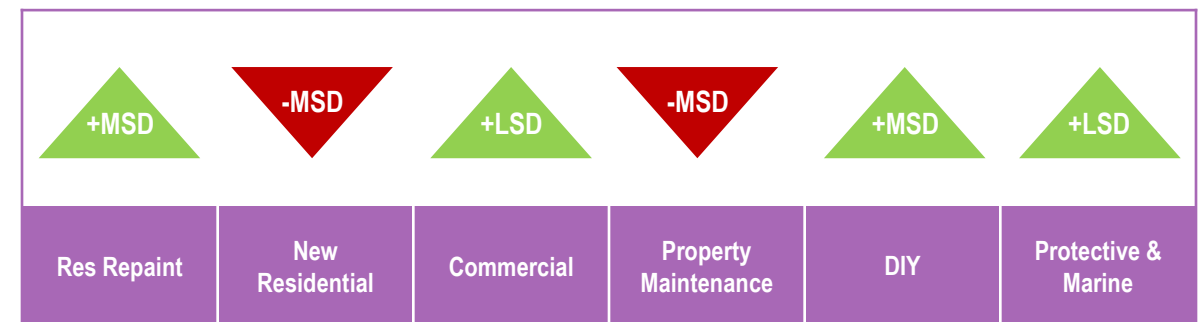
- Consolidated sales decreased 1.4% and at the low-end of previously provided guidance
 - Lower than expected architectural volume partially offset by modest contribution from price
- Year-over-year improvement in gross margin driven primarily by lower raw material costs
- Higher SG&A in the quarter reflects customer-focused growth investments we made in second half of prior year which have not yet annualized
- Adjusted EPS increased 6.4% to \$2.17/share
- EBITDA margin increased 60 basis points to 16.7%
- Returned \$728.0 million to shareholders through dividends and share repurchases

Paint Stores Group (PSG)

- Sales up 0.5% against a mid-teens comparison – flat volume and a modest benefit from price increase announced February 1
 - Sales growth led by Residential Repaint – above market growth reflects recent investments. Modest growth in Commercial and Protective & Marine.
 - Property Maintenance down driven by delays in capex projects. New Residential down as expected – however seeing momentum in single family starts.
 - Growth in Southwestern, Mid Western and Canada divisions; Eastern and Southeastern divisions declined
 - Exterior paint sales pressured by challenging outdoor painting conditions in some geographies
- Segment margin decreased to 17.2% driven by flat volume and higher YoY growth investments



(\$ in millions)	1Q 2024	1Q 2023	% Change
Sales	\$2,873.0	\$2,859.1	0.5%
Segment Profit	\$493.2	\$526.7	-6.4%
Segment Margin	17.2%	18.4%	-120 bps



1Q-24 sales vs. 1Q-23 sales

Consumer Brands Group (CBG)

- Sales down 7.1% driven by lower volumes and the impact of divestitures, partially offset by price increases in Latin America and Europe
 - North America DIY consumer remains under pressure
 - Double-digit growth in Europe; low-single-digit growth in Latin America
- Segment margin growth driven by improved manufacturing and distribution fixed cost absorption, moderating raw material costs and improved results in Latin America and Europe, partially offset by lower North America sales volume



(\$ in millions)	1Q 2024	1Q 2023	% Change
Sales	\$811.0	\$872.7	-7.1%
Reported Segment Profit	\$153.4	\$93.8	63.5%
<i>Reported Segment Margin</i>	<i>18.9%</i>	<i>10.7%</i>	<i>+820 bps</i>
Adjusted Segment Profit ⁽¹⁾	\$169.9	\$113.8	49.3%
<i>Adjusted Segment Margin</i>	<i>20.9%</i>	<i>13.0%</i>	<i>+790 bps</i>



1Q-24 sales vs. 1Q-23 sales

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

Note: LSD/MSD/HSD = low, mid or high single digit %. DD = double digit %.

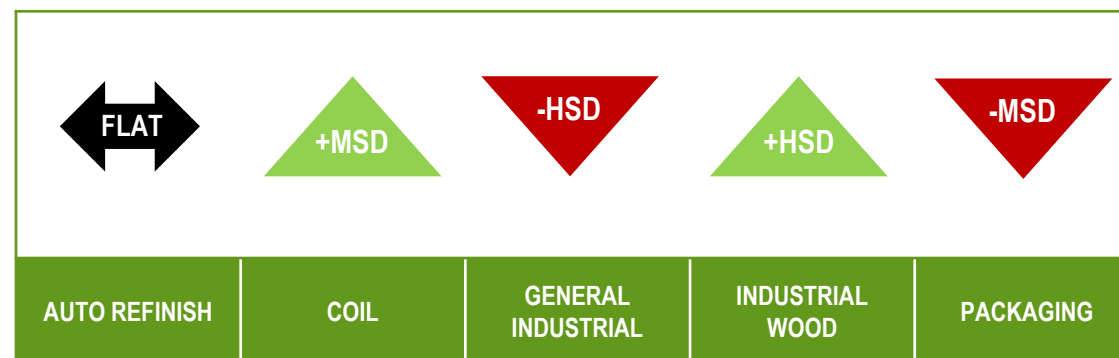
(1) This is a non-GAAP financial measure. Adjusted segment profit equals Segment profit excluding the impact of Valspar acquisition-related amortization expense and restructuring costs; reconciliation from segment profit to adjusted segment profit provided in Appendix.

Performance Coatings Group (PCG)

- Sales decreased driven by lower volume which was partially offset by growth from acquisitions
- MSD growth in Asia and Europe, LSD decline in Latin America and MSD decline in North America
- Sales growth led by Industrial Wood, including acquisitions, and Coil share gains
- Auto Refinish sales flat against a mid-teens comparison
- Sales decreased in Packaging and General Industrial as expected
- Adjusted segment margin expanded to 17.1% driven by moderating raw material costs



(\$ in millions)	1Q 2024	1Q 2023	% Change
Sales	\$1,681.9	\$1,709.8	-1.6%
Reported Segment Profit	\$237.7	\$218.9	8.6%
<i>Reported Segment Margin</i>	<i>14.1%</i>	<i>12.8%</i>	<i>+130 bps</i>
Adjusted Segment Profit ⁽¹⁾	\$286.9	\$268.8	6.7%
<i>Adjusted Segment Margin</i>	<i>17.1%</i>	<i>15.7%</i>	<i>+140 bps</i>



1Q-24 sales vs. 1Q-23 sales

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

Note: LSD/MSD/HSD = low, mid or high single digit %. DD = double digit %.

(1) This is a non-GAAP financial measure. Adjusted segment profit equals Segment profit excluding the impact of Valspar acquisition-related amortization expense and restructuring costs; reconciliation from segment profit to adjusted segment profit provided in Appendix.

Guidance

Second Quarter 2024

Sales

- Flat to up low-single-digit percentage
- **Segments**
 - **PSG:** up low to mid-single-digit percentage
 - **CBG:** down low-single-digit percentage
 - **PCG:** up or down low-single-digit percentage

Full Year 2024

Sales

- Up low to mid-single-digit percentage
- Foreign Exchange: < -1.0%
- **Segments**
 - **PSG:** up low to mid-single-digit percentage
 - **CBG:** up or down low-single-digit percentage
 - **PCG:** flat to up low-single-digit percentage

GAAP Earnings Per Share: \$10.05-\$10.55

- Includes acquisition-related amortization expense of \$0.80 per share
- Adjusted earnings per share: \$10.85-\$11.35

Raw materials: down low-single-digit percentage

Capital expenditures: approximately \$605 million total, includes \$135 million for new R&D facility

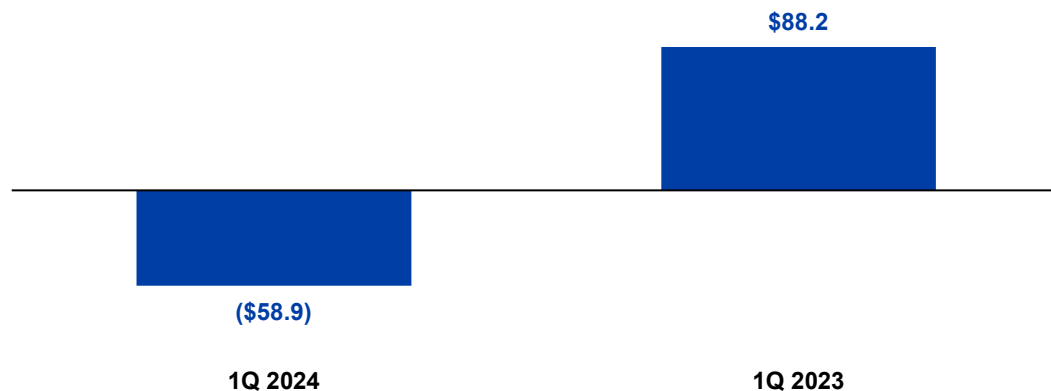
Interest expense: approximately \$425 million

Depreciation (~\$300 million) and **amortization** (~\$330 million)

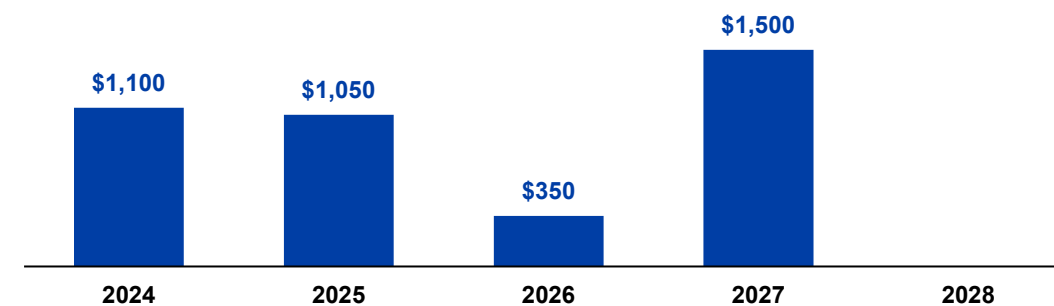
Tax rate: low 20s percent

Strong Financial Position

Operating Cash Flow (\$ in millions)



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



Cash & Liquidity Position (\$ in millions)

	3/31/2024
Cash	\$179.9
Liquidity	
Total Credit Facilities	\$3,750.0
(Less Amount Utilized)	<u>(1,305.3)</u>
Net Credit Available	\$2,444.7

Selected Financial Ratios

	3/31/2024
Total Debt / TTM EBITDA ⁽²⁾	2.6x
Net Debt ⁽³⁾ / TTM EBITDA ⁽²⁾	2.5x

SHERWIN-WILLIAMS.

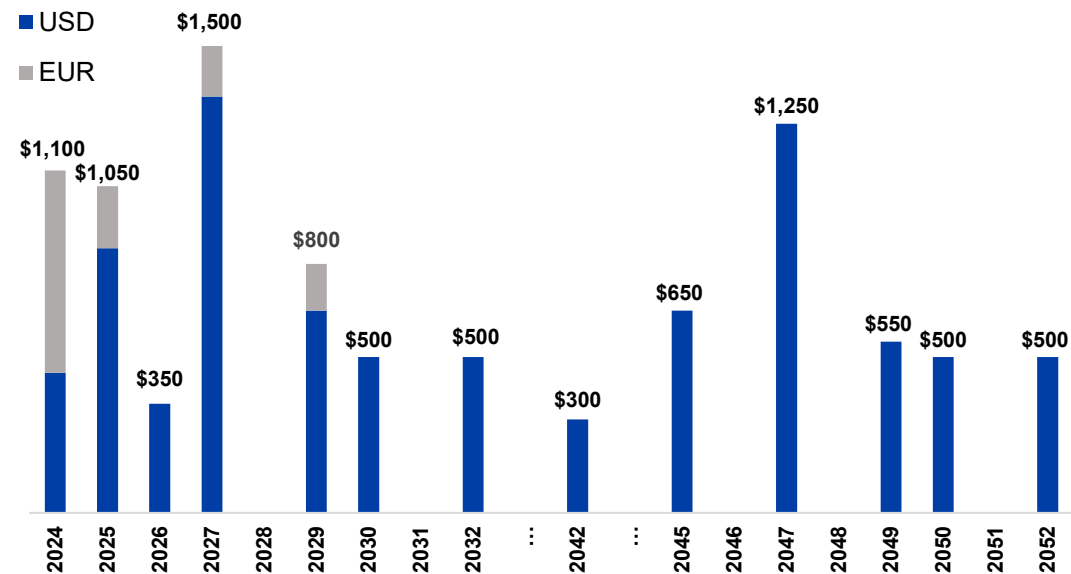
Appendix



Debt Summary (as of March 31, 2024)

\$ in millions	3/31/2024		
	Balance	Int. Rate	
Short-Term:			
Domestic	\$ 1,235.3	5.47%	
Non-Domestic	21.0	3.46%	
Total Short-Term Borrowings	\$ 1,256.3	5.44%	
Long-Term:			
7-year, 3.125% notes due ⁽¹⁾	2024	500.0	1.39%
2-year, 4.05% notes due ⁽¹⁾	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 ⁽¹⁾	2025	400.0	3.62%
10-year, 3.95% notes due	2026	350.0	3.95%
10-year, 3.45% notes due ⁽¹⁾	2027	1,500.0	3.32%
10-year, 2.95% notes due ⁽¹⁾	2029	800.0	2.70%
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%
Promissory Notes	Various	0.7	3.90%
Other ⁽²⁾		(72.1)	0.00%
Total LT Debt	\$ 9,478.6	3.38%	
Total Debt	\$ 10,734.9	3.62%	

Maturities of Long-Term Debt



Fixed vs. Floating Rate Debt



(1) Interest rate reflects the impact of a cross currency swap which pays EUR and receives USD interest at fixed rates.

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

Regulation G Reconciliation: Adjustments to Segment Profit

(\$ in millions)	Three Months Ended March 31, 2024					Three Months Ended March 31, 2023				
	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	\$ 2,873.0	\$ 811.0	\$ 1,681.9	\$ 1.4	\$ 5,367.3	\$ 2,859.1	\$ 872.7	\$ 1,709.8	\$ 0.8	\$ 5,442.4
Segment profit (as reported)	493.2	153.4	237.7	(244.3)	640.0	526.7	93.8	218.9	(224.6)	614.8
% of sales (as reported)	17.2%	18.9%	14.1%	NM	11.9%	18.4%	10.7%	12.8%	NM	11.3%
<u>Items Related to Restructuring Plan</u>										
Severance and other	-	-	-	-	-	-	1.0	(0.1)	-	0.9
<u>Other Adjustments</u>										
Acquisition-related amortization ⁽¹⁾	-	16.5	49.2	-	65.7	-	19.0	50.0	-	69.0
Segment Profit (as Adjusted)	\$ 493.2	\$ 169.9	\$ 286.9	\$ (244.3)	\$ 705.7	\$ 526.7	\$ 113.8	\$ 268.8	\$ (224.6)	\$ 684.7
% of sales (as adjusted)	17.2%	20.9%	17.1%	NM	13.1%	18.4%	13.0%	15.7%	NM	12.6%

Regulation G Reconciliation: Adjusted EPS and EBITDA

	Three Months Ended March 31, 2024			Three Months Ended March 31, 2023		
	Tax			Tax		
	Pre-Tax	Effect ⁽¹⁾	After-Tax	Pre-Tax	Effect ⁽¹⁾	After-Tax
Diluted net income per share			\$ 1.97			\$ 1.84
Acquisition-related amortization expense ⁽²⁾	\$ 0.26	\$ 0.06	0.20	\$ 0.27	\$ 0.07	0.20
Adjusted diluted net income per share			<u>\$ 2.17</u>			<u>\$ 2.04</u>

(\$ in millions)	Three Months Ended March 31, 2024	Three Months Ended December 31, 2023	Three Months Ended September 30, 2023	Three Months Ended June 30, 2023	Three Months Ended March 31, 2023
Net income	\$ 505.2	\$ 356.2	\$ 761.5	\$ 793.7	\$ 477.4
Interest expense	103.0	94.6	101.9	111.7	109.3
Income taxes	134.8	117.8	247.5	218.4	137.4
Depreciation	71.1	74.3	71.9	75.7	70.4
Amortization	82.1	80.0	83.5	83.0	83.7
EBITDA	\$ 896.2	\$ 722.9	\$ 1,266.3	\$ 1,282.5	\$ 878.2
Restructuring expense	-	-	-	8.7	0.9
Impairment of assets held for sale	-	-	-	34.0	-
Gain on divestiture of domestic aerosol business	-	-	-	(20.1)	-
Impairment related to trademarks	-	23.9	-	-	-
Devaluation of the Argentine Peso	-	41.8	-	-	-
Adjusted EBITDA	\$ 896.2	\$ 788.6	\$ 1,266.3	\$ 1,305.1	\$ 879.1
% to net external sales:					
EBITDA	16.7%	13.8%	20.7%	20.6%	16.1%
Adjusted EBITDA	16.7%	15.0%	20.7%	20.9%	16.2%
Net external sales for EBITDA % calculation	\$ 5,367.3	\$ 5,252.2	\$ 6,116.7	\$ 6,240.6	\$ 5,442.4