



SHERWIN-WILLIAMS®

Q2 2025 Results

July 22, 2025

FORWARD-LOOKING STATEMENTS

Certain statements contained in this presentation constitute “forward-looking statements” within the meaning of federal securities laws. These forward-looking statements are based upon management’s current expectations, predictions, estimates, assumptions and beliefs concerning future events and conditions and may discuss, among other things, anticipated future performance (including sales and earnings), expected growth, future business plans and the costs and potential liability for environmental-related matters and lead pigment and lead-based paint litigation. Any statement that is not historical in nature is a forward-looking statement and may be identified by the use of words and phrases such as “anticipate,” “aspire,” “believe,” “could,” “estimate,” “expect,” “goal,” “intend,” “may,” “plan,” “potential,” “project,” “seek,” “should,” “strive,” “target,” “will,” or “would,” or the negative thereof or comparable terminology.

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 our control, that could cause actual results to differ materially from such statements and from our historical results, performance and experience. These risks, uncertainties and other factors include such things as: general business and economic conditions in the United States and worldwide; inflation rates, interest rates, unemployment rates, labor costs, healthcare costs, recessionary conditions, geopolitical conditions, terrorist activity, armed conflicts and wars, public health crises, pandemics, outbreaks of disease, and supply chain disruptions; shifts in consumer behavior driven by economic downturns in cyclical segments of the economy; shortages and increases in the cost of raw materials and energy; catastrophic events, adverse weather conditions and natural disasters (including those that may be related to climate change); the loss of any of our largest customers; increased competition or failure to keep pace with developments in key competitive areas of our business; cybersecurity incidents and other disruptions to our information technology systems; our ability to attract, retain, develop and progress a qualified global workforce; our ability to successfully integrate past and future acquisitions into our existing operations; risks and uncertainties associated with our expansion into and our operations in Asia, Europe, South America and other foreign markets; policy changes affecting international trade, including import/export restrictions and tariffs; our ability to achieve our strategies or expectations relating to sustainability considerations, including as a result of evolving legal, regulatory, and other standards, processes and assumptions, the pace of scientific and technological developments, increased costs, the availability of requisite suppliers, energy sources, or financing, and changes in carbon markets; damage to our business, reputation, image or brands due to negative publicity; the infringement or loss of our intellectual property rights or the theft or unauthorized use of our trade secrets or other confidential business information; a weakening of global credit markets or changes to our credit ratings; our ability to generate cash to service our indebtedness; fluctuations in foreign currency exchange rates and changing monetary policies; our ability to comply with a variety of complex U.S. and non-U.S. laws, rules and regulations; increases in tax rates, or changes in tax laws or regulations; our ability to comply with numerous, complex and increasingly stringent domestic and foreign health, safety and environmental (including related to climate change and chemical management) laws, regulations and requirements; our liability related to environmental investigation and remediation activities at some of our currently- and formerly-owned sites; the nature, cost, quantity and outcome of pending and future litigation, including lead pigment and lead-based paint litigation; and the other risk factors discussed in Part 1, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 and our other reports filed with the SEC.

Readers are cautioned that it is not possible to predict or identify all of the risks, uncertainties and other factors that may affect future results and that 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 we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as otherwise required by law.

2Q 2025 FINANCIAL PERFORMANCE OVERVIEW

(\$ in millions, except per share data)	2Q 2025	2Q 2024	% Change
Sales	\$6,314.5	\$6,271.5	0.7%
Gross Profit	\$3,118.3	\$3,063.4	1.8%
<i>Gross Margin</i>	<i>49.4%</i>	<i>48.8%</i>	<i>+60 bps</i>
Reported EPS	\$3.00	\$3.50	-14.3%
Adjusted EPS ⁽¹⁾	\$3.38	\$3.70	-8.6%
EBITDA ⁽¹⁾	\$1,260.8	\$1,437.5	-12.3%
<i>% of Sales</i>	<i>20.0%</i>	<i>22.9%</i>	<i>-290 bps</i>
Adjusted EBITDA ⁽¹⁾	\$1,319.8	\$1,437.5	-8.2%
<i>% of Sales</i>	<i>20.9%</i>	<i>22.9%</i>	<i>-200 bps</i>

Our results include sooner than anticipated new building costs of ~\$40 million pre-tax (\$0.12/share) and previously anticipated higher year-over-year non-operating costs of ~\$75 million pre-tax (\$0.23/share).

- Consolidated sales within guidance range – growth in Paint Stores Group offset by continued softness in Consumer Brands Group and Performance Coatings Group
- Gross margin expanded 60 basis points to 49.4% – 12th consecutive quarter of YoY gross margin expansion
- SG&A increase driven by broader restructuring initiative, sooner than anticipated building transition costs and continued targeted growth investments in Paint Stores Group given heightened share gain opportunities
 - Excluding restructuring costs, building costs and acquisition-related amortization expense, SG&A costs increased by 3.8% in the quarter
- Adjusted EPS declined 8.6% to \$3.38/share driven by previously guided to higher non-operating costs, sooner than anticipated building transition costs and targeted growth investments
- Returned \$716 million to shareholders through share repurchases and dividends in the quarter

PAINT STORES GROUP (PSG)

- Sales up 2.3%: +MSD contribution from price/mix, volume -LSD
 - Protective and marine strongest growth; driven by energy and high-performance flooring
 - Residential repaint continued above market performance led by continued growth investments
 - New residential and commercial grew slightly led by new account growth
 - Property maintenance declines driven by continued delays in capex projects
- YoY segment profit increased, inclusive of targeted growth investments



(\$ in millions)	2Q 2025	2Q 2024	% Change
Sales	\$3,702.2	\$3,619.9	2.3%
Segment Profit	\$916.5	\$907.1	1.0%
Segment Margin	24.8%	25.1%	-30 bps

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

2Q-25 sales vs. 2Q-24 sales

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Note: All comparisons are to the second quarter of the prior year, unless otherwise noted.
Note: LSD/MSD/HSD = low, mid or high single digit %. DD = double digit %.

2Q 2025 Results (July 22, 2025)

CONSUMER BRANDS GROUP (CBG)

- Sales down 4.1% driven by soft DIY demand in North America and an approximate 2% impact from unfavorable FX in Latin America, partially offset by sales growth in Europe
 - Soft existing home sales, lower consumer confidence and geopolitical dynamics contributing to continued market uncertainty
- Segment profit decreased primarily due to lower sales and supply chain inefficiencies due to lower volumes partially offset by good cost control
- Suvinil acquisition close remains on target for second half 2025



(\$ in millions)	2Q 2025	2Q 2024	% Change
Sales	\$809.4	\$844.3	-4.1%
Segment Profit	\$164.2	\$204.4	-19.7%
Segment Margin	20.3%	24.2%	-390 bps
Adjusted Segment Profit ⁽¹⁾	\$181.4	\$220.4	-17.7%
Adjusted Segment Margin	22.4%	26.1%	-370 bps



2Q-25 sales vs. 2Q-24 sales

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Note: All comparisons are to the second 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 adjustments management believes enhances investors' understanding of operating performance; reconciliation from Segment profit to Adjusted segment profit provided in Appendix.

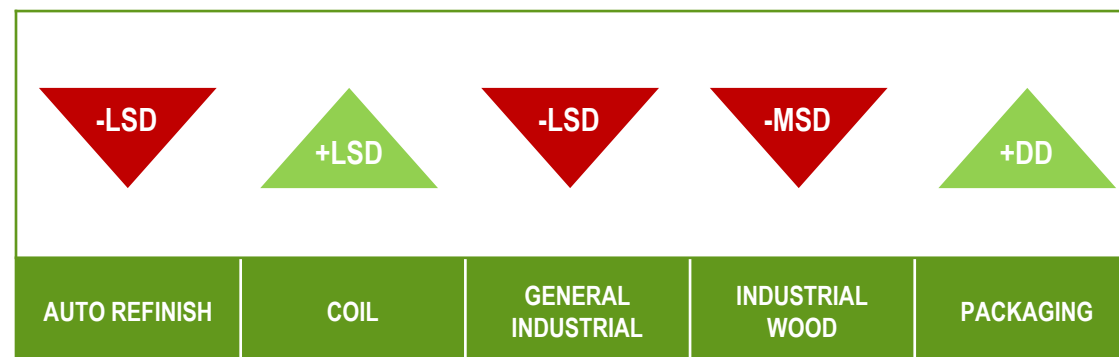
2Q 2025 Results (July 22, 2025)

PERFORMANCE COATINGS GROUP (PCG)

- Sales decreased 0.3%: -LSD impacts from unfavorable price/mix nearly fully offset by +LSD contribution from acquisitions and slightly positive contributions from volume
- Sales +MSD in Europe and +LSD in Asia and Latin America; sales -LSD in North America
- Strong growth in Packaging led by new accounts, share recovery and contributions from an acquisition
- Coil grew slightly inclusive of an acquisition: tariff related uncertainty negatively impacting demand
- Auto Refinish sales down slightly: new account wins nearly fully offset by soft core business and -LSD headwind from unfavorable FX
- General Industrial declines continue to be driven by softness in heavy equipment demand
- Industrial Wood sales decline: residential end markets remain challenging
- Segment profit decreased primarily due to increased costs to support sales, and a prior year gain on a sale of assets which did not repeat in the quarter



(\$ in millions)	2Q 2025	2Q 2024	% Change
Sales	\$1,801.1	\$1,806.4	-0.3%
Segment Profit	\$245.1	\$301.5	-18.7%
Segment Margin	13.6%	16.7%	-310 bps
Adjusted Segment Profit ⁽¹⁾	\$302.3	\$350.5	-13.8%
Adjusted Segment Margin	16.8%	19.4%	-260 bps



2Q-25 sales vs. 2Q-24 sales

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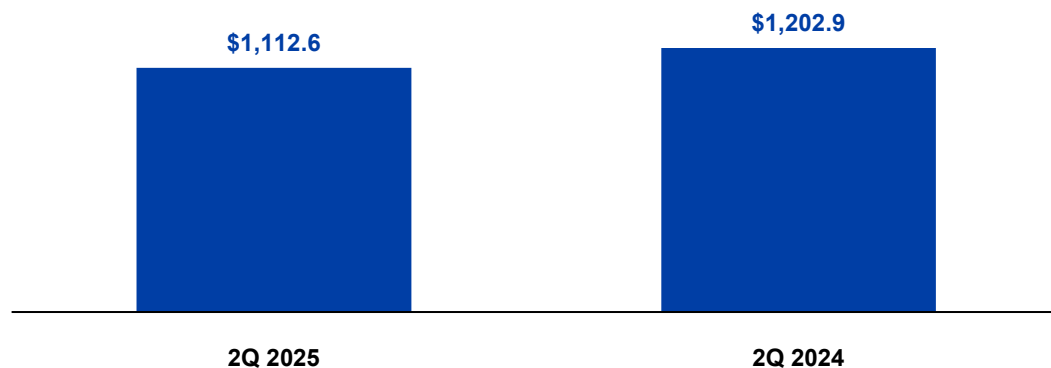
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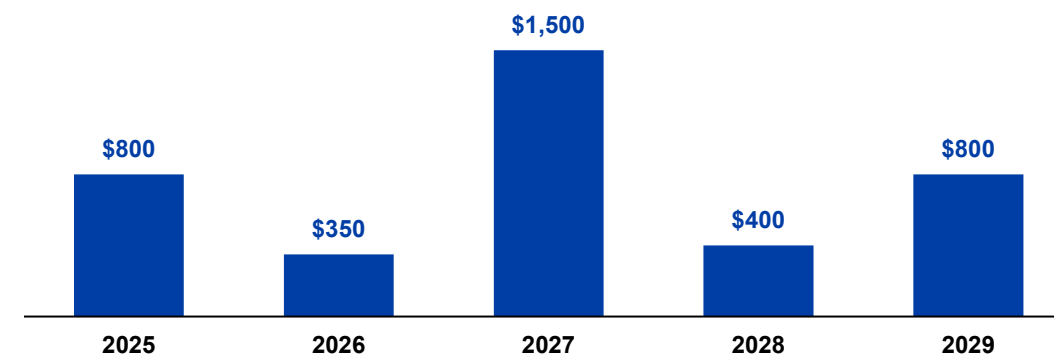
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STRONG FINANCIAL POSITION

Operating Cash Flow (\$ in millions)



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



Cash & Liquidity Position (\$ in millions)

	6/30/2025
Cash	\$269.8
<u>Liquidity</u>	
Total Credit Facilities	\$4,000.0
<u>(Less Amount Utilized)</u>	<u>(1,765.1)</u>
Net Credit Available	\$2,234.9

Selected Financial Ratios

	6/30/2025
Total Debt / TTM EBITDA ⁽²⁾	2.5x
Net Debt ⁽³⁾ / TTM EBITDA ⁽²⁾	2.4x

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⁽¹⁾ Full debt maturity schedule provided in Appendix.

⁽²⁾ This is a non-GAAP financial measure. Reconciliation from Net income to EBITDA provided in Appendix.

⁽³⁾ Net debt equals total debt outstanding, net of Cash and cash equivalents.

GUIDANCE

Third Quarter 2025

Sales

- Up or down low-single digit percentage

▪ Segments

- *PSG: up low-single digit percentage*
- *CBG: down mid to high-single digit percentage*
- *PCG: flat to up low-single digit percentage*

Updated Full Year 2025

Sales

- Up or down low-single digit percentage
- Foreign exchange: less than -1.0%

▪ Segments

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

GAAP Earnings Per Share: \$10.11-\$10.41

- Includes acquisition-related amortization expense of \$0.77 per share and restructuring expenses of \$0.32 per share
- Adjusted earnings per share: \$11.20-\$11.50

Raw materials: flat vs. prior year

Capital expenditures: ~\$730 million total, inclusive of ~\$300 million for new buildings

SG&A expenses: up low-single digit percentage

Interest expense: ~\$465 million

Depreciation and amortization: ~\$325 million and ~\$330 million, respectively

Tax rate: low 20s percent

UPDATED 2025 GUIDANCE

ADDITIONAL DETAILS & KEY COMPONENTS

Updated 2025 Sales Guidance

	Volume	Price / Mix	FX	Acq. / Div.	Total Sales
Paint Stores Group	-LSD	+LSD to +MSD	NM	NM	+LSD
Consumer Brands Group	-LSD to -MSD	-LSD	-LSD	NA	-MSD to -HSD
Performance Coatings Group	Flat to +LSD	-LSD	Flat	+LSD	-LSD to +LSD
Consolidated	Flat to -LSD	+LSD	Flat	Flat	-LSD to +LSD

Note: NM = not meaningful, NA = not applicable

Updated 2025 Full-Year Expense Guidance

- SG&A expenses up low-single digit percentage, inclusive of ~\$95 million ⁽¹⁾ related to new buildings and low-single digit targeted Paint Stores Group growth investments
- Interest expense of ~\$465 million, including \$20 million ⁽¹⁾ related to new HQ financing, as well as \$30 million related to refinancing of 2024 and 2025 debt
- Other general expense increases by ~\$100 million, including a ~\$25 million increase year-over-year in environmental provisions, gain on sale or disposition of assets of ~\$50 million in 2024 that we do not expect to repeat in 2025 and unfavorable FX losses; \$96 million increase YoY in 1H 2025

Current Economic Backdrop – SOFTER FOR LONGER

- Home Mortgage Rates:** Remain elevated near 7%; greater than 60% of outstanding mortgages are less than 4%. In June, Fannie Mae forecasted rates to end 2025 at around 6.5%, above prior forecast of 6.1%.
- U.S. Fed Interest Rate Cuts:** Likelihood unclear. Too late to influence 2025 demand.
- US Consumer Confidence Index:** Decreased sequentially in June and has been below 100 baseline level every month in 2025 since January.
- Housing Affordability:** Remains challenging for many buyers given elevated home prices and high mortgage rates.
- Single Family Housing Starts:** Down year-over-year for 6 straight months.
- Multi-Family Starts:** Extended period of soft starts in 2024 resulting in soft completions through 2025.
- Existing Home Sales:** Down year-over-year for 3 consecutive months.
- Leading Indicator of Remodeling Activity (LIRA):** Slower levels of growth expected for 2026.
- Architectural Billing Index:** Negative reading 21 of last 22 months for commercial construction projects.
- US Manufacturing PMI (ISM):** In contraction March through June.
- Eurozone, Brazil, ASEAN Manufacturing PMI (S&P):** In contraction. China choppy.
- Tariffs:** Impact of August 1 reinstatement unclear.
- U.S. household debt:** At record levels. Rising credit card and auto loan delinquencies.



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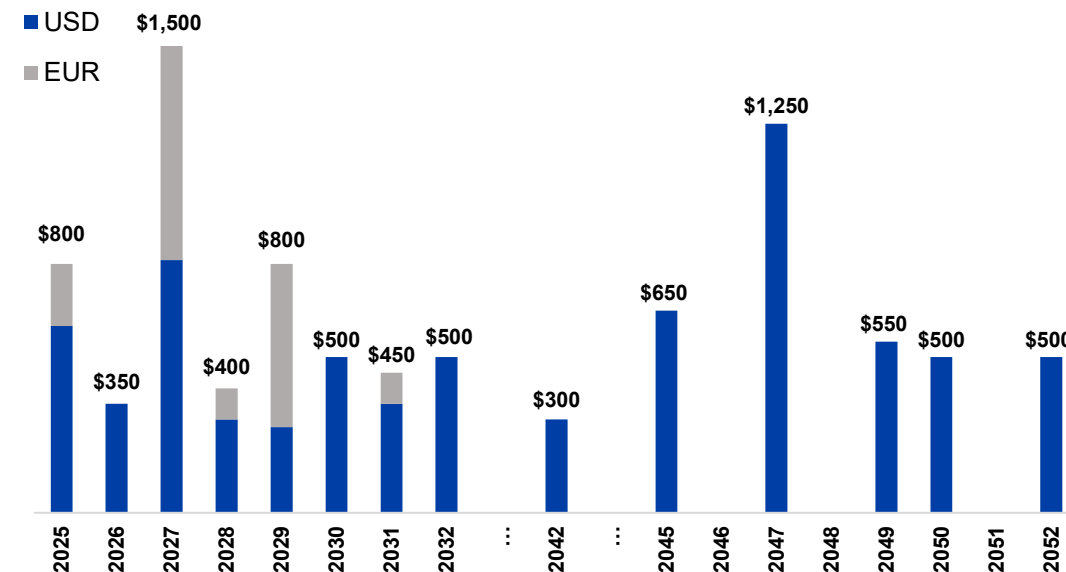
APPENDIX

DEBT SUMMARY

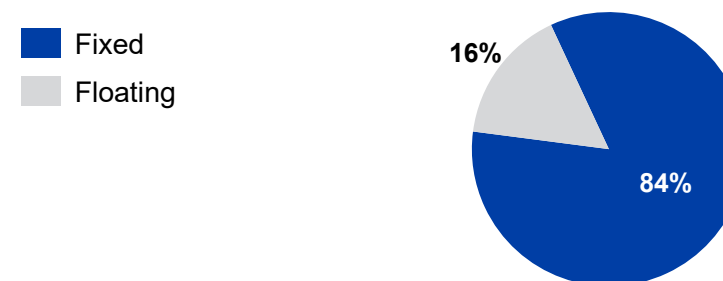
AS OF JUNE 30, 2025

		6/30/2025	
\$ in millions		Balance	Int. Rate
Short-Term:			
Domestic		\$ 1,695.1	4.62%
Non-Domestic		11.6	2.97%
Total Short-Term Borrowings		\$ 1,706.7	4.61%
Long-Term:			
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	2.59%
3-year, 4.55% notes due ⁽¹⁾	2028	400.0	4.27%
10-year, 2.95% notes due ⁽¹⁾	2029	800.0	2.02%
10-year, 2.30% notes due	2030	500.0	2.30%
7-year, 4.80% notes due ⁽¹⁾	2031	450.0	4.22%
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	0.1	0.53%
Other ⁽²⁾		(70.5)	0.00%
Total Long-Term Debt		\$ 8,979.6	3.37%
Total Debt		\$ 10,686.3	3.57%

Maturities of Long-Term Debt



Fixed vs. Floating Rate Debt



REGULATION G RECONCILIATION

ADJUSTMENTS TO SEGMENT PROFIT

(\$ in millions)	Three Months Ended June 30, 2025					Three Months Ended June 30, 2024				
	Paint Stores Group	Consumer Brands Group	Performance Coatings Group	Admin	Consolidated	Paint Stores Group	Consumer Brands Group	Performance Coatings Group	Admin	Consolidated
Net sales	\$ 3,702.2	\$ 809.4	\$ 1,801.1	\$ 1.8	\$ 6,314.5	\$ 3,619.9	\$ 844.3	\$ 1,806.4	\$ 0.9	\$ 6,271.5
Segment profit	916.5	164.2	245.1	(340.1)	985.7	907.1	204.4	301.5	(239.6)	1,173.4
% of Net sales	24.8%	20.3%	13.6%	NM	15.6%	25.1%	24.2%	16.7%	NM	18.7%
Severance and other restructuring expenses	-	1.7	8.2	49.1	59.0	-	-	-	-	-
Acquisition-related amortization ⁽¹⁾	-	15.5	49.0	-	64.5	-	16.0	49.0	-	65.0
Adjusted Segment Profit	\$ 916.5	\$ 181.4	\$ 302.3	\$ (291.0)	\$ 1,109.2	\$ 907.1	\$ 220.4	\$ 350.5	\$ (239.6)	\$ 1,238.4
% of Net sales	24.8%	22.4%	16.8%	NM	17.6%	25.1%	26.1%	19.4%	NM	19.7%

REGULATION G RECONCILIATION

ADJUSTED EPS and EBITDA

	Three Months Ended June 30, 2025			Three Months Ended June 30, 2024		
	Tax			Tax		
	Pre-Tax	Effect ⁽¹⁾	After-Tax	Pre-Tax	Effect ⁽¹⁾	After-Tax
Diluted net income per share			\$ 3.00			\$ 3.50
Severance and other restructuring expenses	\$ 0.23	\$ 0.05	0.18	\$ -	\$ -	-
Acquisition-related amortization ⁽²⁾	0.26	0.06	0.20	0.26	0.06	0.20
Adjusted diluted net income per share			<u>\$ 3.38</u>			<u>\$ 3.70</u>

(\$ in millions)	Three Months Ended June 30, 2025	Three Months Ended March 31, 2025	Three Months Ended December 31, 2024	Three Months Ended September 30, 2024	Three Months Ended June 30, 2024
Net income	\$ 754.7	\$ 503.9	\$ 480.1	\$ 806.2	\$ 889.9
Interest expense	112.4	103.8	98.5	103.4	110.8
Income taxes	231.0	149.1	135.5	216.6	283.5
Depreciation	79.3	79.9	80.1	74.4	71.8
Amortization	83.4	81.0	81.8	81.2	81.5
EBITDA	\$ 1,260.8	\$ 917.7	\$ 876.0	\$ 1,281.8	\$ 1,437.5
Severance and other restructuring expenses	59.0	19.3	-	-	-
Adjusted EBITDA	<u>\$ 1,319.8</u>	<u>\$ 937.0</u>	<u>\$ 876.0</u>	<u>\$ 1,281.8</u>	<u>\$ 1,437.5</u>
% to Net sales:					
EBITDA	20.0%	17.3%	16.5%	20.8%	22.9%
Adjusted EBITDA	20.9%	17.7%	16.5%	20.8%	22.9%
Net sales for EBITDA and Adjusted EBITDA % calculation	\$ 6,314.5	\$ 5,305.7	\$ 5,297.2	\$ 6,162.5	\$ 6,271.5

(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, which is included within Selling, general and administrative expenses, consists of the amortization of intangible assets related to the Valspar acquisition. These intangible assets are primarily customer relationships and intellectual property and are being amortized over their remaining useful lives. Valspar acquisition-related amortization expense is adjusted due to its significance as a result of the purchase price assigned to finite-lived intangible assets at the date of acquisition and the related impact on underlying business performance and trends. While these intangible assets contribute to the Company's revenue generation, the related revenue is not excluded.