UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the Quarterly Period Ended June 30, 2025

or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from ______ to ______
Commission file number 1-04851

THE SHERWIN-WILLIAMS COMPANY

(Exact name of registrant as specified in its charter)

Ohio	**34-0526850**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
101 West Prospect Avenue	
Cleveland, Ohio	**44115-1075**
(Address of principal executive offices)	**(Zip Code)**

(216) 566-2000
(Registrant's telephone number including area code)

Title of each class	Trading Symbol	Name of exchange on which registered
Common Stock, par value of $0.33-1/3 per share	**SHW**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒
Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, $0.33-1/3 Par Value – 249,333,316 shares as of June 30, 2025.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

THE SHERWIN-WILLIAMS COMPANY AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED INCOME (UNAUDITED)

(in millions, except per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
Net sales	**$ 6,314.5**	$ 6,271.5	**$ 11,620.2**	$ 11,638.8
Cost of goods sold	**3,196.2**	3,208.1	**5,942.8**	6,044.4
Gross profit	**3,118.3**	3,063.4	**5,677.4**	5,594.4
Percent to Net sales	***49.4 %***	*48.8 %*	***48.9 %***	*48.1 %*
Selling, general and administrative expenses	**2,011.6**	1,845.7	**3,805.4**	3,645.5
Percent to Net sales	***31.9 %***	*29.4 %*	***32.7 %***	*31.3 %*
Other general expense (income) - net	**6.3**	(33.6)	**15.2**	(31.6)
Interest expense	**112.4**	110.8	**216.2**	213.8
Interest income	**(2.4)**	(0.9)	**(5.7)**	(7.0)
Other expense (income) - net	**4.7**	(32.0)	**7.6**	(39.7)
Income before income taxes	**985.7**	1,173.4	**1,638.7**	1,813.4
Income taxes	**231.0**	283.5	**380.1**	418.3
Net income	**$ 754.7**	$ 889.9	**$ 1,258.6**	$ 1,395.1
Net income per common share:				
Basic	**$ 3.04**	$ 3.55	**$ 5.06**	$ 5.54
Diluted	**$ 3.00**	$ 3.50	**$ 5.00**	$ 5.47
Weighted average shares outstanding:				
Basic	**248.4**	251.0	**248.9**	251.8
Diluted	**251.3**	254.2	**251.9**	255.1

See notes to condensed consolidated financial statements.

THE SHERWIN-WILLIAMS COMPANY AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED COMPREHENSIVE INCOME (UNAUDITED)

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
Net income	**$ 754.7**	$ 889.9	**$ 1,258.6**	$ 1,395.1
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments [(1)]	**176.2**	(66.6)	**282.8**	(141.9)
Pension and other postretirement benefit adjustments:				
Amounts reclassified from AOCI [(2)]	**(3.4)**	(4.4)	**(6.8)**	(8.9)
Unrealized net gains on cash flow hedges:				
Amounts recognized in AOCI [(3)]	**3.1**	—	**3.1**	—
Amounts reclassified from AOCI [(4)]	**(0.9)**	(0.9)	**(1.8)**	(1.8)
Other comprehensive income (loss), net of tax	**175.0**	(71.9)	**277.3**	(152.6)
Comprehensive income	**$ 929.7**	$ 818.0	**$ 1,535.9**	$ 1,242.5

(1) The three months ended June 30, 2025 and 2024 include unrealized (losses) gains, net of taxes of $(109.0) million and $5.8 million, respectively, related to net investment hedges. The six months ended June 30, 2025 and 2024 include unrealized (losses) gains, net of taxes of $(145.3) million and $24.1 million, respectively, related to net investment hedges. See Note 12 for additional information.

(2) Net of taxes of $1.1 million and $1.4 million for the three months ended June 30, 2025 and 2024, respectively. Net of taxes of $2.2 million and $2.9 million for the six months ended June 30, 2025 and 2024, respectively.

(3) Net of taxes of $(1.0) million for the three and six months ended June 30, 2025. See Note 12 for additional information.

(4) Net of taxes of $0.3 million for the three months ended June 30, 2025 and 2024. Net of taxes of $0.6 million for the six months ended June 30, 2025 and 2024.

See notes to condensed consolidated financial statements.

THE SHERWIN-WILLIAMS COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(in millions)	**June 30, 2025**	December 31, 2024	June 30, 2024
Assets			
Current assets:			
Cash and cash equivalents	**$ 269.8**	$ 210.4	$ 200.0
Accounts receivable, net	**3,111.9**	2,388.8	3,048.1
Inventories	**2,484.6**	2,288.1	2,289.1
Other current assets	**559.0**	513.5	513.4
Total current assets	**6,425.3**	5,400.8	6,050.6
Property, plant and equipment, net	**3,805.9**	3,533.2	3,136.6
Goodwill	**7,807.6**	7,580.1	7,606.9
Intangible assets	**3,543.4**	3,533.2	3,692.8
Operating lease right-of-use assets	**2,011.3**	1,953.8	1,890.8
Other assets	**1,770.1**	1,631.5	1,356.3
Total Assets	**$ 25,363.6**	$ 23,632.6	$ 23,734.0
Liabilities and Shareholders' Equity			
Current liabilities:			
Short-term borrowings	**$ 1,706.7**	$ 662.4	$ 1,358.3
Accounts payable	**2,570.0**	2,253.2	2,493.9
Compensation and taxes withheld	**688.9**	842.8	708.6
Accrued taxes	**255.8**	174.3	347.1
Current portion of long-term debt	**1,150.7**	1,049.2	849.7
Current portion of operating lease liabilities	**480.7**	466.6	457.8
Other accruals	**1,343.6**	1,360.2	1,251.2
Total current liabilities	**8,196.4**	6,808.7	7,466.6
Long-term debt	**7,828.9**	8,176.8	8,130.8
Postretirement benefits other than pensions	**120.7**	120.7	133.2
Deferred income taxes	**560.9**	607.5	642.0
Long-term operating lease liabilities	**1,603.2**	1,558.3	1,502.9
Other long-term liabilities	**2,652.6**	2,309.4	2,106.7
Shareholders' equity:			
Common stock - $0.33-1/3 par value:			
249.3 million, 251.3 million and 252.3 million shares outstanding at June 30, 2025, December 31, 2024 and June 30, 2024, respectively	**92.7**	92.5	92.1
Other capital	**4,680.2**	4,576.2	4,342.0
Retained earnings	**8,106.6**	7,246.3	6,322.3
Treasury stock, at cost	**(7,880.7)**	(6,988.6)	(6,227.7)
Accumulated other comprehensive loss	**(597.9)**	(875.2)	(776.9)
Total shareholders' equity	**4,400.9**	4,051.2	3,751.8
Total Liabilities and Shareholders' Equity	**$ 25,363.6**	$ 23,632.6	$ 23,734.0

See notes to condensed consolidated financial statements.

THE SHERWIN-WILLIAMS COMPANY AND SUBSIDIARIES
STATEMENTS OF CONDENSED CONSOLIDATED CASH FLOWS (UNAUDITED)

(in millions)	Six Months Ended	
	June 30, 2025	June 30, 2024
Operating Activities		
Net income	**$ 1,258.6**	$ 1,395.1
Adjustments to reconcile Net income to Net operating cash:		
Depreciation	**159.2**	142.9
Non-cash lease expense	**262.8**	229.8
Amortization of intangible assets	**164.4**	163.6
Stock-based compensation expense	**60.6**	54.7
Amortization of non-traded investments	**57.4**	42.4
Loss (gain) on sale or disposition of assets	**1.5**	(23.2)
Provisions for environmental-related matters - net	**3.5**	(10.5)
Other postretirement benefit plan net cost	**(8.3)**	(12.1)
Deferred income taxes	**(38.8)**	(38.6)
Other	**11.7**	10.8
Change in working capital accounts - net	**(621.3)**	(515.7)
Change in operating lease liabilities	**(261.3)**	(231.2)
Costs incurred for environmental-related matters	**(17.9)**	(11.4)
Other	**19.4**	(52.6)
Net operating cash	**1,051.5**	1,144.0
Investing Activities		
Capital expenditures	**(370.8)**	(534.7)
Acquisition of businesses, net of cash acquired	**(121.4)**	—
Proceeds from sale of assets	**—**	9.3
Other	**(65.1)**	(56.7)
Net investing cash	**(557.3)**	(582.1)
Financing Activities		
Net increase in short-term borrowings	**1,043.8**	984.7
Payments of long-term debt	**(250.0)**	(500.0)
Payments of cash dividends	**(398.3)**	(361.1)
Proceeds from stock options exercised	**50.6**	92.5
Treasury stock purchased	**(870.2)**	(979.9)
Proceeds from real estate financing transactions	**40.7**	161.5
Other	**(59.4)**	(25.5)
Net financing cash	**(442.8)**	(627.8)
Effect of exchange rate changes on cash	**8.0**	(10.9)
Net increase (decrease) in cash and cash equivalents	**59.4**	(76.8)
Cash and cash equivalents at beginning of year	**210.4**	276.8
Cash and cash equivalents at end of period	**$ 269.8**	$ 200.0
Supplemental cash flow information		
Income taxes paid	**$ 319.4**	$ 242.7
Interest paid	**$ 219.4**	$ 213.6

See notes to condensed consolidated financial statements.

THE SHERWIN-WILLIAMS COMPANY AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY (UNAUDITED)

(in millions, except per share data)

	Common Stock	Other Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Total
Balance at December 31, 2024	**$ 92.5**	**$ 4,576.2**	**$ 7,246.3**	**$ (6,988.6)**	**$ (875.2)**	**$ 4,051.2**
Net income			**503.9**			**503.9**
Other comprehensive income					**102.3**	**102.3**
Treasury stock purchased				**(351.7)**		**(351.7)**
Stock-based compensation activity	**0.1**	**53.1**		**(21.5)**		**31.7**
Other adjustments		**(6.9)**				**(6.9)**
Cash dividends -- $0.79 per share			**(200.4)**			**(200.4)**
Balance at March 31, 2025	**$ 92.6**	**$ 4,622.4**	**$ 7,549.8**	**$ (7,361.8)**	**$ (772.9)**	**$ 4,130.1**
Net income			**754.7**			**754.7**
Other comprehensive income					**175.0**	**175.0**
Treasury stock purchased				**(518.5)**		**(518.5)**
Stock-based compensation activity	**0.1**	**58.7**		**(0.4)**		**58.4**
Other adjustments		**(0.9)**				**(0.9)**
Cash dividends -- $0.79 per share			**(197.9)**			**(197.9)**
Balance at June 30, 2025	**$ 92.7**	**$ 4,680.2**	**$ 8,106.6**	**$ (7,880.7)**	**$ (597.9)**	**$ 4,400.9**

(in millions, except per share data)

	Common Stock	Other Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Total
Balance at December 31, 2023	$ 91.8	$ 4,193.6	$ 5,288.3	$ (5,233.6)	$ (624.3)	$ 3,715.8
Net income			505.2			505.2
Other comprehensive income					(80.7)	(80.7)
Treasury stock purchased				(545.5)		(545.5)
Stock-based compensation activity	0.2	104.3		(14.0)		90.5
Other adjustments		0.9				0.9
Cash dividends -- $0.715 per share			(182.5)			(182.5)
Balance at March 31, 2024	$ 92.0	$ 4,298.8	$ 5,611.0	$ (5,793.1)	$ (705.0)	$ 3,503.7
Net income			889.9			889.9
Other comprehensive income					(71.9)	(71.9)
Treasury stock purchased				(434.4)		(434.4)
Stock-based compensation activity	0.1	44.4		(0.2)		44.3
Other adjustments		(1.2)				(1.2)
Cash dividends -- $0.715 per share			(178.6)			(178.6)
Balance at June 30, 2024	$ 92.1	$ 4,342.0	$ 6,322.3	$ (6,227.7)	$ (776.9)	$ 3,751.8

See notes to condensed consolidated financial statements.

(millions of dollars, unless otherwise noted)

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements included in this report have been prepared by management of The Sherwin-Williams Company (herein referred to as the Company) in accordance with U.S. generally accepted accounting principles (US GAAP) for interim financial information and the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by US GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The condensed consolidated financial statements include the accounts of the Company and all consolidated subsidiaries. Intercompany accounts and transactions have been eliminated. The Company’s share of earnings or losses from nonconsolidated affiliates is included in the condensed consolidated financial statements using the equity method of accounting when the Company is able to exercise significant influence over the operating and financial decisions of the affiliate.

The Company has historically experienced, and expects to continue to experience, variability in quarterly results. The results of operations for the three and six months ended June 30, 2025 are not indicative of the results to be expected for the full year as business is seasonal in nature with the majority of Net sales for the reportable segments traditionally occurring during the second and third quarters. However, periods of economic uncertainty can alter the Company’s seasonal patterns.

Since December 31, 2024, accounting estimates were revised as necessary during the first six months of 2025 based on new information and changes in facts and circumstances.

The following represents updates to certain significant accounting policy disclosures. For further details on the Company’s significant accounting policies and related disclosures, see Note 1 to the Consolidated Financial Statements in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024.

Supply Chain Financing

As part of our strategy to manage working capital, we have entered into agreements with various financial institutions that act as intermediaries between the Company and certain suppliers. Liabilities associated with these arrangements are recorded in Accounts payable on the Consolidated Balance Sheets and amounted to $222.2 million, $215.7 million and $242.6 million at June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

Non-Traded Investments

The Company has invested in U.S. affordable housing, historic renovation and other real estate investments (Non-Traded Investments) that have been identified as variable interest entities which qualify for certain tax credits and other tax benefits. Since the Company does not have the power to direct the day-to-day operations of the Non-Traded Investments and the risk of loss is limited to the amount of contributed capital, the Company is not considered the primary beneficiary. Therefore, in accordance with the Consolidation Topic of the Accounting Standards Codification (ASC), the Non-Traded Investments are not consolidated.

Under the Investments - Equity Method and Joint Ventures Topic of the ASC, the Company uses the proportional amortization method, whereby the initial cost and any subsequent changes in the level of investment of Non-Traded Investments is amortized in proportion to the receipt of related tax credits. The Company reasonably expects amortization based on the receipt of tax credits would produce a measurement substantially similar to amortization based on the receipt of tax credits and other tax benefits. Both the amortization and related tax credits and other tax benefits are recognized in Income tax expense on the Statements of Consolidated Income.

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	**June 30, 2025**	June 30, 2024
Amortization of Non-Traded Investments	**$ 28.7**	$ 22.3	**$ 57.4**	$ 42.4
Tax credits and other tax benefits received	**31.9**	25.6	**63.4**	47.4

The carrying value of Non-Traded Investments is recorded in Other assets. The liabilities for estimated future capital contributions are recorded in Other accruals and Other long-term liabilities. In addition, the associated impact of related tax credits and other tax benefits are recorded as a reduction of Accrued taxes and a net deferred income tax asset within Deferred income taxes. On the Statements of Condensed Consolidated Cash Flows, the tax credits and other tax benefits are presented as a Change in working capital accounts - net and in Deferred income taxes within Operating activities. Tax credits and other tax benefits reduced Accrued taxes by $63.4 million, $104.9 million and $47.4 million at June 30, 2025, December 31, 2024 and June 30, 2024, respectively. The following table summarizes the balances related to Non-Traded Investments and related tax credits and other tax benefits on the Consolidated Balance Sheets:

	June 30, 2025	December 31, 2024	June 30, 2024
Other assets	**$ 861.7**	$ 744.0	$ 732.7
Other accruals	**85.9**	101.4	79.2
Other long-term liabilities	**727.0**	600.3	613.5
Net deferred income tax asset	**14.0**	7.6	25.8

NOTE 2 - RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Not Yet Adopted

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures.” This ASU enhances income tax disclosures by providing information to better assess how an entity’s operations, related tax risks, tax planning and operational opportunities affect its tax rate and prospects for future cash flows. This ASU requires additional disclosures to the annual effective tax rate reconciliation including specific categories and further disaggregated reconciling items that meet the quantitative threshold. Additionally, the ASU requires disclosures relating to income tax expense and payments made to federal, state, local and foreign jurisdictions. This ASU is effective for fiscal years beginning after December 15, 2024 and will expand the Company’s annual income tax disclosures, but will not affect the Company’s financial position, results of operations or cash flows.

In November 2024, the FASB issued ASU 2024-03, “Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses.” This ASU enhances expense disclosures on both an annual and interim basis by requiring public business entities to disclose additional information about specific expense categories in the notes to the consolidated financial statements. This ASU requires public entities to disclose, in a tabular format, purchases of inventory, employee compensation, depreciation, intangible asset amortization and depletion, as applicable, for each income statement line item that contains those expenses. Specific expenses, gains and losses that are already disclosed under existing US GAAP are also required to be included in the disaggregated income statement expense line item disclosures, and any remaining amounts will need to be described qualitatively. Additionally, the ASU requires disclosure of the total amount of selling expenses and the entity’s definition of selling expenses. In January 2025, the FASB issued ASU 2025-01, “Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date” which clarified that ASU 2024-03 is effective for annual fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The Company is evaluating the impact of adopting ASU 2024-03.

NOTE 3 - ACQUISITIONS

Acquisitions

Pending

In February 2025, the Company signed an agreement to acquire the Brazilian decorative paints business of BASF SE (BASF), which is a leading provider of architectural paints in Brazil with annual sales of approximately $525 million. The business develops, manufactures and sells a comprehensive portfolio of innovative products under the Suvinil and Glasu! brand names to professional painters, designers, architects, general contractors and consumers across the country. The business also operates two production facilities located in the Northeast and Southeast regions of Brazil. The closing of the transaction is subject to receipt of Brazilian antitrust approval, satisfaction or waiver of certain other customary closing conditions, as well as BASF’s completion in all material respects of its carve-out of all relevant assets, properties, contracts, permits, rights and employees of the decorative paints business into a separate entity. The Company will acquire all issued and outstanding equity interests in this separate entity for an agreed-upon cash purchase price of $1.15 billion, subject to customary post-closing adjustments. The Company intends to finance the transaction through a combination of cash on hand, liquidity available under existing facilities and new debt. The acquired business is expected to be reported within the Company’s Consumer Brands Group.

Closed in Current Year

In June 2025, the Company completed the acquisition of a domestic regional floor covering provider for an immaterial purchase price. The acquired business is reported within the Company's Paint Stores Group. The Company expects to finalize the purchase price allocation for the acquisition within the allowable measurement period. Pro forma results of operations have not been presented as the impact on the Company's consolidated financial results is not material.

In March 2025, the Company completed the acquisition of a European coil and industrial coatings company for approximately $80 million. The acquired business is reported within the Company's Performance Coatings Group. The Company expects to finalize the purchase price allocation for the acquisition within the allowable measurement period. Pro forma results of operations have not been presented as the impact on the Company's consolidated financial results is not material.

Closed in Prior Year

In October 2024, the Company completed the acquisition of a metal packaging coatings business for approximately $80 million. The acquired business develops, manufactures and sells coatings for the food and household product markets and is reported within the Company's Performance Coatings Group. The Company expects to finalize the purchase price allocation for the acquisition within the allowable measurement period. Pro forma results of operations have not been presented as the impact on the Company's consolidated financial results is not material.

NOTE 4 - INVENTORIES

Included in Inventories were the following:

	June 30, 2025	December 31, 2024	June 30, 2024
Finished goods	**$ 1,915.7**	$ 1,751.9	$ 1,787.7
Work in process and raw materials	**568.9**	536.2	501.4
Inventories	**$ 2,484.6**	$ 2,288.1	$ 2,289.1

The Company primarily uses the last-in, first-out (LIFO) method of valuing inventory. An actual valuation of inventory under the LIFO method can be made only at the end of each year based on the inventory levels and costs at that time. Accordingly, interim LIFO calculations are based on management's estimates of expected year-end inventory levels and costs are subject to the final year-end LIFO inventory valuation. In addition, interim inventory levels include management's estimates of annual inventory losses due to shrinkage and other factors. For further information on the Company's inventory valuation, see Note 4 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

NOTE 5 - LONG-LIVED ASSETS

Included in Property, plant and equipment, net were the following:

	June 30, 2025	December 31, 2024	June 30, 2024
Land	**$ 270.5**	$ 259.9	$ 254.0
Buildings	**1,712.7**	1,175.9	1,084.6
Machinery and equipment	**3,951.0**	3,689.5	3,575.7
Construction in progress	**1,270.4**	1,598.1	1,380.0
Property, plant and equipment, gross	**7,204.6**	6,723.4	6,294.3
Less allowances for depreciation	**3,398.7**	3,190.2	3,157.7
Property, plant and equipment, net	**$ 3,805.9**	$ 3,533.2	$ 3,136.6

In accordance with the Goodwill and Other Intangibles Topic of the ASC, goodwill and indefinite-lived intangible assets are tested for impairment annually during the fourth quarter, and interim impairment tests are performed whenever an event occurs or circumstances change that indicate an impairment has more likely than not occurred.

NOTE 6 - DEBT

The following table summarizes the Company's outstanding debt:

	June 30, 2025	December 31, 2024	June 30, 2024
Long-term debt (including current portion)	**$ 8,979.6**	$ 9,226.0	$ 8,980.5
Short-term borrowings	**1,706.7**	662.4	1,358.3
Total debt outstanding	**$ 10,686.3**	$ 9,888.4	$ 10,338.8

Long-Term Debt

The Company's long-term debt primarily consists of senior notes. During the first quarter of 2025, the Company repaid the principal of $250.0 million related to the Company's 3.3% senior notes due February 1, 2025 using commercial paper. For further details on the Company's long-term debt, see Note 7 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

In April 2025, in anticipation of a probable issuance of new long-term fixed rate debt within the next twelve months, the Company entered into interest rate lock contracts with an aggregate notional amount of $300 million. See Notes 12 and 13 for additional information.

Short-Term Borrowings

In March 2025, the Company amended its credit agreement dated August 2, 2021, as amended, to extend the maturity of $75.0 million of the commitments available for borrowing and issuing letters of credit under the credit agreement from June 20, 2025 to June 20, 2030.

The Company's available capacity under its committed credit agreements is reduced for amounts outstanding under its domestic commercial paper program, various credit agreements and letters of credit. At June 30, 2025, the Company had unused capacity under its various credit agreements of $2.235 billion. The following table summarizes the Company's short-term borrowings:

	June 30, 2025	December 31, 2024	June 30, 2024
Domestic commercial paper	**$ 1,695.1**	$ 655.6	$ 1,337.2
Foreign facilities	**11.6**	6.8	21.1
Total	**$ 1,706.7**	$ 662.4	$ 1,358.3
Weighted average interest rate:			
Domestic	**4.6 %**	4.7 %	5.5 %
Foreign	**3.0 %**	3.1 %	3.5 %

For further details on the Company's short-term borrowings, see Note 7 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

NOTE 7 - PENSION AND OTHER POSTRETIREMENT BENEFITS

The following table summarizes the components of the Company's net periodic pension and benefit (credit) cost for domestic and foreign defined benefit pension plans and other postretirement benefits:

	Domestic Defined Benefit Pension Plan		Foreign Defined Benefit Pension Plans		Other Postretirement Benefits	
	2025	2024	**2025**	2024	**2025**	2024
Three Months Ended June 30:						
Service cost	**$ 0.7**	$ 0.9	**$ 1.1**	$ 1.2	**$ 0.1**	$ 0.1
Interest cost	**1.3**	1.1	**3.1**	3.0	**1.7**	1.7
Expected return on assets	**(2.4)**	(2.1)	**(2.6)**	(2.8)	**—**	—
Amortization of prior service cost (credit)	**0.5**	0.5	**—**	(0.1)	**(3.6)**	(5.9)
Amortization of actuarial gains	**(0.5)**	—	**(0.3)**	(0.2)	**(0.6)**	(0.1)
Net periodic pension and benefit (credit) cost	**$ (0.4)**	$ 0.4	**$ 1.3**	$ 1.1	**$ (2.4)**	$ (4.2)
Six Months Ended June 30:						
Service cost	**$ 1.4**	$ 1.8	**$ 2.2**	$ 2.4	**$ 0.2**	$ 0.2
Interest cost	**2.6**	2.4	**6.2**	6.0	**3.4**	3.4
Expected return on assets	**(4.8)**	(4.2)	**(5.2)**	(5.6)	**—**	—
Amortization of prior service cost (credit)	**1.0**	1.0	**—**	(0.1)	**(7.2)**	(11.9)
Amortization of actuarial gains	**(1.0)**	(0.1)	**(0.6)**	(0.5)	**(1.2)**	(0.2)
Net periodic pension and benefit (credit) cost	**$ (0.8)**	$ 0.9	**$ 2.6**	$ 2.2	**$ (4.8)**	$ (8.5)

Service cost is recorded in Cost of goods sold and Selling, general and administrative expenses. All other components are recorded in Other expense (income) - net. For further details on the Company's pension and other postretirement benefits, see Note 8 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

NOTE 8 - OTHER LONG-TERM LIABILITIES

Environmental Matters

The operations of the Company, like those of other companies in its industry, are subject to various domestic and foreign environmental laws and regulations. These laws and regulations not only govern current operations and products, but also impose potential liability on the Company for past operations. Management expects environmental laws and regulations to impose increasingly stringent requirements upon the Company and the industry in the future. Management believes that the Company conducts its operations in compliance with applicable environmental laws, regulations and requirements and has implemented various programs designed to protect the environment and promote continued compliance.

The Company is involved with environmental investigation and remediation activities at some of its currently and formerly owned sites, including sites which were previously owned and/or operated by businesses acquired by the Company. In addition, the Company, together with other parties, has been designated a potentially responsible party under federal and state environmental protection laws for the investigation and remediation of environmental contamination and hazardous waste at a number of third-party sites, primarily Superfund sites. In general, these laws provide that potentially responsible parties may be held jointly and severally liable for investigation and remediation costs regardless of fault. The Company may be similarly designated with respect to additional third-party sites in the future.

The Company initially provides for estimated costs of environmental-related activities relating to its past operations and third-party sites for which commitments or clean-up plans have been developed and when such costs can be reasonably estimated based on industry standards and professional judgment. These estimated costs, which are mostly undiscounted, are determined based on currently available facts regarding each site. If the reasonably estimable costs can only be identified as a range and no specific amount within that range can be determined more likely than any other amount within the range, the minimum of the range is provided.

The Company routinely assesses its potential liability for investigation and remediation-related activities and adjusts its environmental-related accruals as information becomes available, including as a result of sites progressing through investigation and remediation-related activities, upon which more accurate costs can be reasonably estimated and as additional accounting guidelines are issued. At June 30, 2025 and 2024, the Company had accruals reported on the Consolidated Balance Sheets as Other long-term liabilities of $218.6 million and $222.1 million, respectively. Estimated costs of current investigation and remediation activities of $65.0 million and $94.4 million are included in Other accruals at June 30, 2025 and 2024, respectively.

Actual costs incurred may vary from the accrued estimates due to the inherent uncertainties involved including, among others, the number and financial condition of parties involved with respect to any given site, the volumetric contribution which may be attributed to the Company relative to that attributed to other parties, the nature and magnitude of the wastes involved, the various technologies that can be used for remediation and the determination of acceptable remediation with respect to a particular site. If the Company's future loss contingency is ultimately determined to be at the unaccrued maximum of the estimated range of possible outcomes for every site for which costs can be reasonably estimated, the Company's accrual for environmental-related activities would be $88.4 million higher than the minimum accruals at June 30, 2025. Additionally, costs for environmental-related activities may not be reasonably estimable at early stages of investigation and therefore would not be included in the unaccrued maximum amount.

Four of the Company's currently and formerly owned manufacturing sites (Major Sites) account for the majority of the accrual for environmental-related activities and the unaccrued maximum of the estimated range of possible outcomes at June 30, 2025. At June 30, 2025, $239.8 million, or 84.6% of the total accrual, related directly to the Major Sites. In the aggregate unaccrued maximum of $88.4 million at June 30, 2025, $66.1 million, or 74.8%, related to the Major Sites. The significant cost components of this liability continue to be related to remedy implementation, regulatory agency interaction and project management and other costs. While different for each specific environmental situation, these components generally each account for approximately 85%, 10% and 5%, respectively, of the accrued amount and those percentages are subject to change over time. While environmental investigations and remedial actions are in different stages at these sites, additional investigations, remedial actions and monitoring will likely be required at each site.

The largest and most complex of the Major Sites is the Gibbsboro, New Jersey site (Gibbsboro) which comprises the substantial majority of the environmental-related accrual. Gibbsboro, a former manufacturing plant, and related areas, which ceased operations in 1978, has had various areas included on the National Priorities List since 1999. This location has soil, sediment, surface water and groundwater contamination related to the historic operations of the facility. Gibbsboro has been divided by the Environmental Protection Agency (EPA) into six operable units (OUs) based on location and characteristics, whose investigation and remediation efforts are likely to occur over an extended period of time. To date, the Company has completed remedy construction on three of the six OUs. While there are administrative tasks to be completed before final agency approval, the remediation phase of the work for these three OUs is effectively complete and future work for these OUs is anticipated to be limited. OUs are in various phases of investigation and remediation with the EPA that provide enough information to reasonably estimate cost ranges and record environmental-related accruals. The most significant assumptions underlying the reliability and precision of remediation cost estimates for the Gibbsboro site are the type and extent of future remedies to be selected by the EPA and the costs of implementing those remedies.

The remaining three Major Sites comprising the majority of the accrual include: (1) a multi-party Superfund site that (a) has received a record of decision from the federal EPA and is currently in the remedial design phase for one OU, (b) has received a record of decision from the federal EPA for an interim remedy for another OU and (c) has a remedial investigation ongoing for another OU, (2) a closed paint manufacturing facility that is in the operation and maintenance phase of remediation under both federal and state EPA programs and (3) a formerly-owned site containing warehouse and office space that is in the remedial/design investigation phase under a state EPA program. Each of these three Major Sites are in phases of investigation and remediation that provide sufficient information to reasonably estimate cost ranges and record environmental-related accruals.

Excluding the Major Sites discussed above, no sites are individually material to the total accrual balance. There are multiple, future events yet to occur, including further remedy selection and design, remedy implementation and execution, and securing applicable governmental agency approvals, all of which have the potential to contribute to the uncertainty surrounding these future events. As these events occur and to the extent that the cost estimates of the environmental remediation change, the existing reserve will be adjusted.

Management cannot presently estimate the ultimate potential loss contingencies related to these sites or other less significant sites until such time as a substantial portion of the investigation at the sites is completed and remedial action plans are developed. Unasserted claims could have a material effect on the Company's loss contingency as more information becomes available over time. At June 30, 2025, the Company did not have material loss contingency accruals related to unasserted claims. Management does not expect that a material portion of unrecognized loss contingencies will be recoverable through insurance, indemnification agreements or other sources. In the event any future loss contingency significantly exceeds the current amount accrued, the recording of the ultimate liability may result in a material impact on Net income for the annual or interim period during which the additional costs are accrued. Moreover, management does not believe that any potential liability ultimately attributed to the Company for its environmental-related matters will have a material adverse effect on the Company's financial condition, liquidity or cash flow due to the extended length of time during which environmental investigation and remediation takes place. An estimate of the potential impact on the Company's operations cannot be made due to the aforementioned uncertainties.

Management expects these contingent environmental-related liabilities to be resolved over an extended period of time. Management is unable to provide a more specific time frame due to the indeterminate amount of time to conduct investigation activities at any site, the indeterminate amount of time to obtain environmental agency approval, as necessary, with respect to investigation and remediation activities, and the indeterminate amount of time necessary to conduct remediation activities.

Asset Retirement Obligations

The Asset Retirement and Environmental Obligations Topic of the ASC requires a liability to be recognized for the fair value of a conditional asset retirement obligation if a settlement date and fair value can be reasonably estimated. The Company recognizes a liability for any conditional asset retirement obligation when sufficient information is available to reasonably estimate a settlement date to determine the fair value of such liability. Management does not believe that any potential liability ultimately attributed to the Company for its conditional asset retirement obligations will have a material adverse effect on the Company's financial condition, liquidity or cash flows due to the extended period of time over which sufficient information may become available regarding the closure or modification of any one or group of the Company's facilities. An estimate of the potential impact on the Company's operations cannot be made due to the aforementioned uncertainties. See Note 10 in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 for additional information.

Real Estate Financing

The Company has entered into certain sale-leaseback agreements that do not qualify as asset sales and were accounted for as real estate financing transactions, one of which was to sell and subsequently lease back its partially-constructed new global headquarters. The Company received the final proceeds for the new global headquarters in the first quarter of 2025 for a total of $800 million. These proceeds are recognized within the Financing Activities section in the Statements of Condensed Consolidated Cash Flows. The following tables summarize the activity related to this transaction and the corresponding balances recognized in the Consolidated Balance Sheets.

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	**June 30, 2025**	June 30, 2024
Proceeds received	**$ —**	$ 84.5	**$ 40.9**	$ 161.5
Capitalized interest [(1)]	**14.1**	10.8	**27.7**	20.2

(1) Interest is capitalized within construction in progress in Property, plant and equipment, net.

	June 30, 2025	December 31, 2024	June 30, 2024
Short-term liability [(1)]	**$ 50.5**	$ 49.7	$ 46.6
Long-term liability [(2)]	**759.2**	715.9	633.5
Total liability	**$ 809.7**	$ 765.6	$ 680.1

(1) The short-term portion of the liability is recorded in Other accruals.

(2) The long-term portion of the liability is recorded in Other long-term liabilities.

See Note 10 in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 for more information concerning real estate financing.

NOTE 9 - LITIGATION

In the course of its business, the Company is subject to a variety of claims and lawsuits, including, but not limited to, litigation relating to product liability and warranty, personal injury, environmental, intellectual property, commercial, contractual and antitrust claims, that are inherently subject to many uncertainties regarding the possibility of a loss to the Company. Uncertainties to which litigation is inherently subject include, among other things, costs, unpredictable court or jury decisions that could affect other litigation against the Company and encourage an increase in the number and nature of future claims and proceedings and differing laws and regulations in jurisdictions where the Company operates. These uncertainties will ultimately be resolved when one or more future events occur or fail to occur confirming the incurrence of a liability or the reduction of a liability. In accordance with the Contingencies Topic of the ASC, the Company accrues for these contingencies by a charge to income when it is both probable that one or more future events will occur confirming the fact of a loss and the amount of the loss can be reasonably estimated. In the event that the Company's loss contingency is ultimately determined to be significantly higher than currently accrued, the recording of the additional liability may result in a material impact on the Company's results of operations, liquidity or financial condition for the annual or interim period during which such additional liability is accrued. In those cases where no accrual is recorded because it is not probable that a liability has been incurred or the amount of any such loss cannot be reasonably estimated, any potential liability ultimately determined to be attributable to the Company may result in a material impact on the Company's results of operations, liquidity or financial condition for the annual or interim period during which such liability is accrued. In those cases where no accrual is recorded or exposure to loss exists in excess of the amount accrued, the Contingencies Topic of the ASC requires disclosure of the contingency when there is a reasonable possibility that a loss or additional loss may have been incurred.

Due to the uncertainties involved in litigation, management is unable to predict the outcome of the litigation identified below, the number or nature of possible future claims and proceedings or the effect that any legislation and/or administrative regulations may have on the litigation or against the Company. In addition, management cannot reasonably determine the scope or amount of the potential costs and liabilities related to such litigation, or resulting from any such legislation and regulations. With respect to the litigation identified below, the Company has only accrued for the court-approved agreement related to the California Proceedings, identified in the Public Nuisance Claim Litigation section. For the remaining litigation identified below, the Company does not believe it is probable that a loss has occurred, or the Company believes it is not possible to estimate the range of potential losses. In addition, any potential liability that may result from any changes to legislation and regulations cannot reasonably be estimated. Due to the uncertainties associated with the amount of any such liability and/or the nature of any other remedy which may be imposed in litigation, any potential liability determined to be attributable to the Company arising out of such litigation may have a material adverse effect on the Company's results of operations, liquidity or financial condition. An estimate of the potential impact on the Company's results of operations, cash flow, liquidity or financial condition cannot be made due to the aforementioned uncertainties.

Lead pigment and lead-based paint litigation. The Company's past operations included the manufacture and sale of lead pigments and lead-based paints. The Company, along with other companies, is and has been a defendant in a number of legal proceedings arising from the manufacture and sale of lead pigments and lead-based paints. The plaintiffs' claims have been based upon various legal theories, including negligence, strict liability, breach of warranty, negligent misrepresentations and omissions, fraudulent misrepresentations and omissions, concert of action, civil conspiracy, violations of unfair trade practice and consumer protection laws, enterprise liability, market share liability, public nuisance, unjust enrichment and other theories. The Company has also been a defendant in legal proceedings arising from the manufacture and sale of non-lead-based paints that seek recovery based upon various legal theories, including the failure to adequately warn of potential exposure to lead during surface preparation when using non-lead-based paint on surfaces previously painted with lead-based paint. Other than the California Proceedings and currently pending cases, all of these legal proceedings have been concluded in favor of the Company and other defendants at various stages in the proceedings.

In addition, from time to time, various legislation and administrative regulations have been enacted, promulgated or proposed to impose obligations on present and former manufacturers of lead pigments and lead-based paints respecting asserted health concerns associated with such products or to overturn the effect of court decisions in which the Company and other manufacturers have been successful. The Company is vigorously defending all lead pigment and lead-based paint litigation. The Company expects that additional lead pigment and lead-based paint litigation may be filed against the Company in the future asserting similar or different legal theories and seeking similar or different types of damages and relief. The Company will continue to vigorously defend against any additional litigation that may be filed, including utilizing all avenues of appeal, if necessary.

Public Nuisance Claim Litigation. The Company and other companies have been defendants in legal proceedings seeking recovery based on public nuisance liability theories, among other theories, brought by various states, cities and counties, including by the State of Rhode Island; the City of St. Louis, Missouri; various cities and counties in the State of New Jersey; various cities in the State of Ohio and the State of Ohio; the City of Chicago, Illinois; the City of Milwaukee, Wisconsin; the County of Santa Clara, California and other public entities in the State of California (the California Proceedings); and Lehigh and Montgomery Counties in Pennsylvania. Except for the California Proceedings in which the Company reached a court-approved agreement in 2019 after nearly twenty years of litigation, all of those legal proceedings have been concluded in favor of the Company and other defendants at various stages in the proceedings. Most recently, on May 7, 2024, as further described below in Wisconsin Litigation, three plaintiffs filed amended complaints alleging, in part, public nuisance claims.

Wisconsin Litigation. The Company and other companies are or have been defendants in a number of legal proceedings seeking monetary damages and other relief from alleged personal injuries. The current proceedings consist of two federal court cases pending in the United States District Court for the Eastern District of Wisconsin (Ernest Gibson v. American Cyanamid, et al. and Deziree and Detareion Valoe v. American Cyanamid, et. al.) and one case pending in Milwaukee County Circuit Court in Wisconsin (Arrieona Beal v. Armstrong Containers, Inc., et al.). Those matters include claims by four individuals allegedly injured from ingestion of lead pigment or lead-containing paint while they were minors. The plaintiffs generally seek compensatory damages and have invoked Wisconsin's risk contribution theory (which is similar to market share liability, except that liability can be joint and several) due to the plaintiff's inability to identify the manufacturer of any product that allegedly injured the plaintiff.

On May 20, 2021, as a result of a decision in favor of the Company by United States Court of Appeals for the Seventh Circuit in the Ravon Owens v. American Cyanamid, et al., Cesar Sifuentes v. American Cyanamid, et al. and Glenn Burton, Jr. v. American Cyanamid, et al. cases, the Company and the three other defendants filed motions for summary judgment to dismiss all claims of the approximately 150 plaintiffs then pending in the Eastern District of Wisconsin, including the claims of Gibson and the Valoes. On March 3, 2022, the district court granted summary judgment in favor of the Company and the other defendants. On September 15, 2022, the plaintiffs filed notices of appeal with the Seventh Circuit, seeking to appeal the district court's summary judgment in favor of the Company and the other defendants. On February 9, 2024, the Seventh Circuit affirmed the district court's summary judgment in favor of the Company and the other defendants in all cases except those filed by Gibson and the Valoes, which cases were remanded to the district court for further proceedings. Following remand of the Gibson and Valoe cases, the three remaining plaintiffs filed amended complaints on May 7, 2024, alleging strict liability, negligence and public nuisance claims. The defendants filed motions to dismiss the plaintiffs' amended complaints on June 20, 2024. On November 8, 2024, the district court granted in part and denied in part defendants' motions to dismiss the amended complaints, dismissing the second cause of action for general negligence and plaintiffs' abatement allegations, but otherwise permitting the case to proceed. On December 6, 2024, the Company and some of the other defendants filed a third-party complaint against NL Industries, Inc. (NL) and the owners and landlords of the properties where plaintiffs resided. On January 30, 2025, the district court entered a stipulated order dismissing NL pursuant to the execution of a Pierringer release settlement agreement between plaintiffs and NL where the plaintiffs have agreed to indemnify NL against claims for contribution from the Company and some of the other defendants. Some of the owners and landlords have filed motions to dismiss the third-party complaints, to which the Company has filed oppositions; these motions are pending.

In the separate state court proceeding, on August 24, 2021, Arrieona Beal filed an amended complaint in Milwaukee County Circuit Court, naming the Company and other alleged former lead pigment manufacturers as defendants pursuant to the risk contribution liability theory. The plaintiff previously had sued her landlords. On January 3, 2024, the Company and some of the other manufacturing defendants filed a third-party complaint against NL and cross-claims against the landlord defendants. On January 10, 2024, one of the landlord defendants filed a counterclaim and cross-claim against all parties. On February 27, 2025, landlord defendants Hattie and Jerry Mitchell were voluntarily dismissed pursuant to the execution of a Pierringer release settlement agreement between plaintiff and the landlord defendants where the plaintiff has agreed to indemnify the landlord defendants against claims for contribution from the Company and the other defendants.

Other matters. On December 18, 2019, the New Jersey Department of Environmental Protection, the Commissioner of the New Jersey Department of Environmental Protection and the Administrator of the New Jersey Spill Compensation Fund (collectively, the NJ DEP) filed a lawsuit against the Company in the Superior Court of New Jersey Law Division in Camden County, New Jersey. The NJ DEP seeks to recover natural resource damages, punitive damages and litigation fees and costs, as well as other costs, damages, declaratory relief and penalties pursuant to New Jersey state statutes and common law theories in connection with the alleged discharge of hazardous substances and pollutants at the Company's Gibbsboro, New Jersey site, a former manufacturing plant and related facilities. Following expert discovery, on November 20, 2024, the Company filed a motion in the United States District Court for the District of New Jersey seeking to enforce the terms of an April 2019 Remedial Design/Remedial Action Consent Decree between the Company and the United States Environmental Protection Agency that is being attacked by the NJ DEP's state court lawsuit. On December 21, 2024, the United States filed a brief in opposition to the

Company's motion, to which the Company filed a reply brief. On July 16, 2025, the federal court held a hearing on the Company's motion and denied the motion without prejudice. In the state court case, there is an ongoing discovery dispute that remains pending between the Company and the NJ DEP. The state court has set a trial date of February 23, 2026.

In July 2024, a third-party assurance, testing, inspection and certification provider changed its listing for one of the Company's protective coatings products, an intumescent coating used for fire protection of steel beam assemblies. The Company has received claims regarding this matter, including from a competitor, and is working with its customers and end users to assist in understanding the potential impacts of the listing change, including the extent of potential remedial action that may involve the application of additional product. The Company is also investigating potential inaccuracies for certain other Firetex intumescent products arising out of tests conducted on those products by the same third-party provider. Additionally, the Company is investigating an issue in connection with its Firetex Design Estimator software in which the software recommended estimated dry film thicknesses (DFT) for certain intumescent products that were in excess of published maximum DFTs, for which the Company has also received claims. The Company's review of these matters is ongoing. Except for an immaterial product warranty liability which remains recorded on the Consolidated Balance Sheets as of June 30, 2025, any additional amount or range of potential loss cannot be reasonably estimated at this time.

NOTE 10 - SHAREHOLDERS' EQUITY

Dividends

The following table summarizes the dividends declared and paid on common stock:

	2025		2024	
	Cash Dividend Per Share	**Total Dividends (in millions)**	Cash Dividend Per Share	Total Dividends (in millions)
First Quarter	**$ 0.79**	**$ 200.4**	$ 0.715	$ 182.5
Second Quarter	**0.79**	**197.9**	0.715	178.6
Total	**$ 1.58**	**$ 398.3**	$ 1.43	$ 361.1

Treasury Stock

The Company acquires its common stock for general corporate purposes through its publicly announced share repurchase program. As of June 30, 2025, the Company had remaining authorization from its Board of Directors to purchase 32.0 million shares of its common stock. The table below summarizes share repurchases:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
Treasury stock purchases (in millions)	**$ 518.5**	$ 434.4	**$ 870.2**	$ 979.9
Treasury stock purchases (in shares)	**1,450,000**	1,400,000	**2,450,000**	3,100,000
Average price per share	**$ 357.57**	$ 310.29	**$ 355.17**	$ 316.09

Other Activity

During the six months ended June 30, 2025, 380,520 stock options were exercised at a weighted average price per share of $135.47. In addition, 175,344 restricted stock units vested during the same period.

Effective April 16, 2025, the Company's shareholders approved The Sherwin-Williams Company 2025 Equity and Incentive Compensation Plan (2025 Plan). The 2025 Plan replaces The Sherwin-Williams Company 2006 Equity and Performance Incentive Plan (Amended and Restated as of October 13, 2023), The Sherwin-Williams Company 2006 Stock Plan for Nonemployee Directors and The Sherwin-Williams Company 2007 Executive Annual Performance Bonus Plan (Amended and Restated as of October 13, 2023). The number of shares of common stock authorized for issuance under the 2025 Plan is 21,969,555.

NOTE 11 - ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The components of Accumulated other comprehensive income (loss) (AOCI), including the reclassification adjustments for items that were reclassified from AOCI to Net income, are shown below.

	Foreign Currency Translation Adjustments	Pension and Other Postretirement Benefits Adjustments	Unrealized Net Gains on Cash Flow Hedges	Total
Balance at December 31, 2024	**$ (972.9)**	**$ 73.1**	**$ 24.6**	**$ (875.2)**
Amounts recognized in AOCI [(1), (2)]	**282.8**		**3.1**	**285.9**
Amounts reclassified from AOCI [(3), (4)]		**(6.8)**	**(1.8)**	**(8.6)**
Balance at June 30, 2025	**$ (690.1)**	**$ 66.3**	**$ 25.9**	**$ (597.9)**

(1) Foreign currency translation adjustments include changes in the fair value of cross currency swap contracts of $(145.3) million, net of taxes during the six months ended June 30, 2025. See Note 12.

(2) Unrealized net gains on cash flow hedges are net of taxes of $(1.0) million for the six months ended June 30, 2025. See Note 12.

(3) Pension and other postretirement benefits adjustments are net of taxes of $2.2 million for the six months ended June 30, 2025. See Note 7.

(4) Unrealized net gains on cash flow hedges are net of taxes of $0.6 million for the six months ended June 30, 2025. See Statements of Consolidated Comprehensive Income.

	Foreign Currency Translation Adjustments	Pension and Other Postretirement Benefits Adjustments	Unrealized Net Gains on Cash Flow Hedges	Total
Balance at December 31, 2023	$ (716.9)	$ 64.3	$ 28.3	$ (624.3)
Amounts recognized in AOCI [(1)]	(141.9)			(141.9)
Amounts reclassified from AOCI [(2), (3)]		(8.9)	(1.8)	(10.7)
Balance at June 30, 2024	$ (858.8)	$ 55.4	$ 26.5	$ (776.9)

(1) Foreign currency translation adjustments include changes in the fair value of cross currency swap contracts of $24.1 million, net of taxes during the six months ended June 30, 2024. See Note 12.

(2) Pension and other postretirement benefits adjustments are net of taxes of $2.9 million for the six months ended June 30, 2024. See Note 7.

(3) Unrealized net gains on cash flow hedges are net of taxes of $0.6 million for the six months ended June 30, 2024. See Statements of Consolidated Comprehensive Income.

NOTE 12 - DERIVATIVES AND HEDGING

Net Investment Hedges

The Company has entered into U.S. Dollar to euro cross currency swap contracts with various counterparties to hedge the Company's net investment in its European operations. During the term of the contracts, the Company will pay fixed-rate interest in euros and receive fixed-rate interest in U.S. Dollars, thereby effectively converting a portion of the Company's U.S. Dollar denominated fixed-rate debt to euro denominated fixed-rate debt. The outstanding contracts as of June 30, 2025 are summarized by maturity date in the table below.

Notional Value	Maturity Date
$ 200.0	August 8, 2025
687.7	June 1, 2027
100.0	March 1, 2028
525.0	August 15, 2029
200.0	September 1, 2031
$ 1,712.7	

The following table summarizes the balance sheet location of the cross currency swap contracts. See Note 13 for additional information on the fair value of these contracts.

	June 30, 2025	December 31, 2024	June 30, 2024
Other current assets	**$ —**	$ 9.4	$ 1.5
Other assets	**—**	39.5	7.0
Other accruals	**16.5**	—	—
Other long-term liabilities	**127.6**	—	0.1

The changes in fair value of the cross currency swap contracts are recognized in the foreign currency translation adjustments component of AOCI. The following table summarizes the unrealized (losses) gains:

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	**June 30, 2025**	June 30, 2024
(Losses) gains	**$ (144.7)**	$ 7.7	**$ (192.9)**	$ 32.0
Tax effect	**35.7**	(1.9)	**47.6**	(7.9)
(Losses) gains, net of taxes	**$ (109.0)**	$ 5.8	**$ (145.3)**	$ 24.1

Cash Flow Hedges

In April 2025, the Company entered into interest rate lock contracts with an aggregate notional amount of $300 million in anticipation of a probable issuance of new long-term fixed rate debt within the next twelve months. These contracts hedge the variability in the benchmark interest rate (US Treasury) and were recorded as an asset of $4.1 million within Other current assets at June 30, 2025. See Notes 11 and 13 for information on the related component recognized in AOCI and fair value, respectively.

Derivatives Not Designated as Hedging Instruments

The Company enters into foreign currency option and forward contracts with maturity dates less than twelve months primarily to hedge against value changes in foreign currency. The related gains and losses are recorded in Other expense (income) - net. See Note 15 for further details. There were no material foreign currency option and forward contracts outstanding at June 30, 2025, December 31, 2024 and June 30, 2024.

NOTE 13 - FAIR VALUE MEASUREMENTS

The Fair Value Measurements and Disclosures Topic of the ASC applies to the Company's financial and non-financial assets and liabilities. The guidance applies when other standards require or permit the fair value measurement of assets and liabilities. Under the guidance, assets and liabilities measured at fair value are categorized as follows:

Level 1: Quoted prices in active markets for identical assets

Level 2: Significant other observable inputs

Level 3: Significant unobservable inputs

There were no assets and liabilities measured at fair value on a recurring basis classified as Level 3 at June 30, 2025, December 31, 2024 and June 30, 2024. Except for the acquisition related fair value measurements described in Note 3, there were no assets and liabilities measured at fair value on a nonrecurring basis. The following table presents the Company's financial assets that are measured at fair value on a recurring basis, categorized using the fair value hierarchy.

	June 30, 2025			December 31, 2024			June 30, 2024		
	Total	**Level 1**	**Level 2**	Total	Level 1	Level 2	Total	Level 1	Level 2
Assets:									
Deferred compensation plan	**$ 104.1**	**$ 104.1**	**$ —**	$ 98.6	$ 98.6	$ —	$ 93.8	$ 93.8	$ —
Net investment hedges	**—**	**—**	**—**	48.9	—	48.9	8.5	—	8.5
Interest rate locks	**4.1**	**—**	**4.1**	—	—	—	—	—	—
	$ 108.2	**$ 104.1**	**$ 4.1**	$ 147.5	$ 98.6	$ 48.9	$ 102.3	$ 93.8	$ 8.5
Liabilities:									
Net investment hedges	**$ 144.1**	**$ —**	**$ 144.1**	$ —	$ —	$ —	$ 0.1	$ —	$ 0.1

The deferred compensation plan assets consist of investment funds maintained for future payments under the Company's executive deferred compensation plans, which are structured as rabbi trusts. The investments are marketable securities accounted for under the Debt and Equity Securities Topics of the ASC. The Level 1 investments are valued using quoted market prices multiplied by the number of shares. There was $7.0 million, $7.0 million and $6.6 million of deferred compensation plan assets held in partnership funds measured using net asset value (or its equivalent) as a practical expedient as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively. These investments are not classified in the fair value hierarchy. The cost basis of all investments within the deferred compensation plan was $86.1 million, $82.7 million and $80.3 million at June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

The net investment hedges represent the fair value of the cross currency swaps. See Note 12 for further details. The fair value is based on a valuation model that uses observable inputs, including interest rate curves and the euro foreign currency rate.

The interest rate locks represent the fair value of the hedging contracts entered into in anticipation of a probable issuance of new long-term fixed rate debt. See Note 12 for further details. The fair value is based on a valuation model that uses observable inputs, including interest rate curves.

The carrying amounts reported for Cash and cash equivalents and Short-term borrowings approximate fair value.

The fair value of the Company's publicly traded debt is based on quoted market prices. The fair value of the Company's non-publicly traded debt is estimated using discounted cash flow analyses, based on the Company's current incremental borrowing rates for similar types of borrowing arrangements. The Company's publicly traded debt and non-publicly traded debt are classified as Level 1 and Level 2, respectively, in the fair value hierarchy. The following table summarizes the carrying amounts and fair values of the Company's publicly traded debt and non-publicly traded debt.

	June 30, 2025		December 31, 2024		June 30, 2024	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Publicly traded debt	**$ 8,979.5**	**$ 7,994.3**	$ 9,225.8	$ 8,172.8	$ 8,980.0	$ 7,850.2
Non-publicly traded debt	**0.1**	**0.1**	0.2	0.2	0.5	0.5

NOTE 14 - REVENUE

The Company manufactures and sells paint, stains, supplies, equipment and floor covering through company-operated stores, branded and private label products through retailers and a broad range of industrial coatings directly to global manufacturing customers through company-operated branches. A large portion of the Company's revenue is recognized at a point in time and made to customers who are not engaged in a long-term supply agreement or any form of contract with the Company. These sales are paid for at the time of sale in cash, credit card or on account with the vast majority of customers having terms between 30 and 60 days, not to exceed one year. Many customers who purchase on account take advantage of early payment discounts offered by paying within 30 days of being invoiced. The Company estimates variable consideration for these sales on the basis of both historical information and current trends to estimate the expected amount of discounts to which customers are likely to be entitled.

The remaining revenue is governed by long-term supply agreements and related purchase orders (contracts) that specify shipping terms and aspects of the transaction price including rebates, discounts and other sales incentives, such as advertising support. Contracts are at standalone pricing. The performance obligation in these contracts is determined by each of the individual purchase orders and the respective stated quantities, with revenue being recognized at a point in time when obligations under the terms of the agreement are satisfied. This generally occurs with the transfer of control of our products to the customer. Sales, value add and other taxes we collect concurrent with revenue-producing activities are excluded from revenue.

Refer to Note 18 for the Company's disaggregation of Net sales by reportable segment. As the reportable segments are aligned by similar economic factors, trends and customers, this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Approximately 80% of the Company's Net sales are in the North America region (which is comprised of the United States, Canada and the Caribbean region), slightly less than 10% in the EMEAI region (Europe, Middle East, Africa and India), with the remaining global regions accounting for the residual balance. No country outside of the United States is individually significant.

The Company has made payments or given credits for various incentives at the beginning of a long-term contract where future revenue is expected and before satisfaction of performance obligations. Under these circumstances, the Company recognizes a contract asset and amortizes these prepayments as a reduction to Net sales over the expected benefit life of the long-term contract, typically on a straight-line basis.

The majority of variable consideration in the Company's contracts include volume rebates, discounts and other incentives, where the customer receives a retrospective percentage rebate based on the amount of their purchases. In these situations, the rebates are accrued as a fixed percentage of sales and recorded as a reduction of Net sales until paid to the customer per the terms of the contract. Forms of variable consideration such as tiered rebates, whereby a customer receives a retrospective price decrease dependent on the volume of their purchases, are calculated using a forecasted percentage to determine the most likely amount to accrue. Management creates a baseline calculation using historical sales and then utilizing forecast information, estimates the anticipated sales volume each quarter to calculate the expected reduction to Net sales. The remainder of the transaction price is fixed as agreed upon with the customer, limiting estimation of revenues, including constraints.

The Company's Accounts receivable and current and long-term contract assets and liabilities are summarized in the following table.

	Accounts Receivable, Less Allowance	Contract Assets (Current)	Contract Assets (Long-Term)	Contract Liabilities (Current)	Contract Liabilities (Long-Term)
Balance sheet caption:	*Accounts receivable, net*	*Other current assets*	*Other assets*	*Other accruals*	*Other long-term liabilities*
Balance at December 31, 2024	$ 2,388.8	$ 55.0	$ 231.0	$ 386.2	$ 1.6
Balance at June 30, 2025	**3,111.9**	**85.9**	**247.7**	**304.0**	**14.8**

The difference between the opening and closing balances of the Company's contract assets and contract liabilities primarily results from the timing difference between the contractual performance obligation and the associated payment.

Provisions for estimated returns are established and the expected costs continue to be recognized as contra-revenue per ASC 606 when the products are sold. The Company only offers an assurance type warranty on products sold, and there is no material service to the customer beyond fixing defects that existed at the time of sale and no warranties are sold separately.

Warranty liabilities are excluded from the table above. Amounts recognized during the year from deferred revenue were not material. The Company records a right of return liability within each of its operations to accrue for expected customer returns. Historical actual returns are used to estimate future returns as a percentage of current sales. Obligations for returns and refunds were not material individually or in the aggregate.

Allowance for Current Expected Credit Losses

Accounts receivable are recorded at the time of credit sales, net of an allowance for current expected credit losses. The Company records an allowance for current expected credit losses to reduce Accounts receivable to the net amount expected to be collected (estimated net realizable value).

Under ASC 326, the Company reviews the collectability of the Accounts receivable balance each reporting period and estimates the allowance for current expected credit losses based on historical bad debt experience, aging of accounts receivable, current creditworthiness of customers, current economic factors, as well as reasonable and supportable forward-looking information. Accounts receivable balances are written-off against the allowance for current expected credit losses if a final determination of uncollectibility is made. All provisions for the allowance for current expected credit losses are included in Selling, general and administrative expenses.

The following table summarizes the movement in the Company's allowance for current expected credit losses:

	Six Months Ended June 30,	
	2025	2024
Beginning balance	**$ 60.4**	$ 59.6
Bad debt expense	**29.3**	37.4
Uncollectible accounts written off, net of recoveries	**(13.0)**	(20.1)
Ending balance	**$ 76.7**	$ 76.9

NOTE 15 - OTHER (INCOME) EXPENSE

Other general expense (income) - net

Included in Other general expense (income) - net were the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
Provisions for environmental matters - net	**$ 0.4**	$ (14.1)	**$ 3.5**	$ (10.5)
Gain on sale or disposition of assets	**(1.3)**	(19.8)	**(3.4)**	(23.2)
Other	**7.2**	0.3	**15.1**	2.1
Other general expense (income) - net	**$ 6.3**	$ (33.6)	**$ 15.2**	$ (31.6)

Provisions for environmental matters - net represent initial provisions for site-specific estimated costs of environmental investigation or remediation and increases or decreases to environmental-related accruals as information becomes available upon which more accurate costs can be reasonably estimated and as additional accounting guidelines are issued. Provisions for environmental matters - net for the three and six months ended June 30, 2024 included an immaterial amount of insurance proceeds related to environmental cleanup at a current manufacturing site. See Note 8 for further details on the Company's environmental-related activities.

Gain on sale or disposition of assets represents the net gains associated with the sale or disposal of property, plant and equipment and intangible assets previously used in the conduct of the primary business of the Company.

There were no items within the Other caption that were individually significant.

Other expense (income) - net

Included in Other expense (income) - net were the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
Net investment gains	**$ (6.3)**	$ (3.8)	**$ (9.5)**	$ (8.9)
Net expense from banking activities	**4.2**	4.4	**8.1**	7.7
Foreign currency transaction related losses (gains) - net	**13.1**	(4.6)	**23.1**	3.0
Miscellaneous pension and benefit income	**(3.4)**	(4.9)	**(6.8)**	(9.8)
Other income	**(8.9)**	(25.2)	**(19.3)**	(34.2)
Other expense	**6.0**	2.1	**12.0**	2.5
Other expense (income) - net	**$ 4.7**	$ (32.0)	**$ 7.6**	$ (39.7)

Net investment gains primarily relate to the change in market value of the investments held in the deferred compensation plans. The three and six months ended June 30, 2024 also included the change in market value related to bonds issued by a foreign government. See Note 13 for further details on the fair value of these investments.

Foreign currency transaction related losses (gains) - net include the impact from foreign currency transactions, including from highly inflationary economies such as Argentina, and net realized losses (gains) from foreign currency option and forward contracts. See Note 12 for further details regarding these foreign currency contracts.

Miscellaneous pension and benefit income consists of the non-service components of Net periodic pension and benefit (credit) cost. See Note 7 for further details.

Other income and other expense include items of revenue, gains, expenses and losses that were unrelated to the primary business purpose of the Company. There were no items within the other income or other expense caption that were individually significant.

NOTE 16 - INCOME TAXES

The effective tax rate was 23.4% and 23.2% for the second quarter and first six months of 2025, respectively, compared to 24.2% and 23.1% for the second quarter and first six months of 2024. The decrease in the effective tax rate for the second quarter was primarily due to a more favorable impact from tax benefits related to employee share-based payments. The effective tax rate was essentially flat for the first six months of 2025 when compared to the same period last year. The other significant components of the Company's effective tax rate were consistent year-over-year.

At December 31, 2024, the Company had $99.3 million in unrecognized tax benefits, the recognition of which would have an effect of $84.0 million on the effective tax rate. Included in the balance of unrecognized tax benefits at December 31, 2024 was $7.9 million related to tax positions for which it is reasonably possible that the total amounts could significantly change during the next twelve months.

The Company classifies all income tax related interest and penalties as income tax expense. At December 31, 2024, the Company had accrued $18.8 million for the potential payment of income tax interest and penalties.

There were no significant changes to any of the balances of unrecognized tax benefits at December 31, 2024 during the first six months of 2025.

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. The Company finalized the IRS audit for the 2017 through 2019 income tax returns in the fourth quarter of 2024 and paid the tax assessment in the first quarter of 2025. The Company paid the related interest assessment in the second quarter of 2025. As of June 30, 2025, the federal statute of limitations has not expired for the 2020 through 2024 tax years.

At June 30, 2025, the Company is subject to non-U.S. income tax examinations for the tax years of 2014 through 2024. In addition, the Company is subject to state and local income tax examinations for the tax years 2017 through 2024.

On July 4, 2025, U.S. tax reform legislation known as the One Big Beautiful Bill Act (the Tax Act) was signed into law. Key provisions of the Tax Act relevant to the Company's operations include immediate expensing of certain capital expenditures and domestic research and development expense beginning in 2025 and changes to various U.S. international tax provisions going forward. The Company does not anticipate the Tax Act will materially change its effective tax rate for 2025 and is in the process of evaluating the full impact on the condensed consolidated financial statements.

NOTE 17 - NET INCOME PER SHARE

Basic and diluted net income per share are calculated using the treasury stock method.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
Basic				
Net income	**$ 754.7**	$ 889.9	**$ 1,258.6**	$ 1,395.1
Weighted average shares outstanding	**248.4**	251.0	**248.9**	251.8
Basic net income per share	**$ 3.04**	$ 3.55	**$ 5.06**	$ 5.54
Diluted				
Net income	**$ 754.7**	$ 889.9	**$ 1,258.6**	$ 1,395.1
Weighted average shares outstanding assuming dilution:				
Weighted average shares outstanding	**248.4**	251.0	**248.9**	251.8
Stock options and other contingently issuable shares [1]	**2.9**	3.2	**3.0**	3.3
Weighted average shares outstanding assuming dilution	**251.3**	254.2	**251.9**	255.1
Diluted net income per share	**$ 3.00**	$ 3.50	**$ 5.00**	$ 5.47

(1) There were 1.0 million of stock options and other contingently issuable shares excluded due to their anti-dilutive effect for the three and six months ended June 30, 2025. There were 0.1 million of stock options and other contingently issuable shares excluded due to their anti-dilutive effect for the three and six months ended June 30, 2024.

NOTE 18 - REPORTABLE SEGMENT INFORMATION

The Company reports its segment information in the same way that management internally organizes its business for assessing performance and making decisions regarding the allocation of resources in accordance with the Segment Reporting Topic of the ASC. The Company determined it has three reportable segments: Paint Stores Group, Consumer Brands Group and Performance Coatings Group (individually, a Reportable Segment and collectively, the Reportable Segments). Factors considered in determining the three Reportable Segments of the Company include the nature of business activities, the management directly accountable to the Company's Chief Operating Decision Maker (CODM) for operating and administrative activities, availability of discrete financial information and information presented to the Board of Directors. The Company reports all other business activities within the Administrative function.

The Company's CODM has been identified as the Chair, President and Chief Executive Officer because she has the final authority over performance assessment and resource allocation decisions. Because of the diverse operations of the Company, the CODM regularly receives and uses discrete financial information about each Reportable Segment as well as select supplemental financial information about certain divisions, business units or subsidiaries of the Company. The CODM uses all such financial information for performance assessments and resource allocation decisions by comparing actual results versus forecasted and historical financial information and discussing observations with the broader leadership team responsible for managing the operations of each Reportable Segment on a monthly basis. This includes probing inquiries and consideration of relevant internal and external factors to drive meaningful insights and specific actions. The CODM evaluates the performance of and allocates resources to the Reportable Segments based on Segment profit or loss, which represents the segments' Income before income taxes. The accounting policies of the Reportable Segments are the same as those described in Note 1.

Refer to Note 22 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 for further details on the Company's Reportable Segments.

	Three Months Ended June 30, 2025				
	Paint Stores Group	Consumer Brands Group	Performance Coatings Group	Administrative	Consolidated Totals
Net sales	**$ 3,702.2**	**$ 809.4**	**$ 1,801.1**	**$ 1.8**	**$ 6,314.5**
Intersegment transfers	**—**	**1,467.8**	**8.4**	**(1,476.2)**	**—**
Total net sales and intersegment transfers	**3,702.2**	**2,277.2**	**1,809.5**	**(1,474.4)**	**6,314.5**
Cost of goods sold	**1,614.2**	**1,886.3**	**1,181.7**	**(1,486.0)**	**3,196.2**
Selling, general and administrative expenses	**1,173.7**	**219.1**	**378.2**	**240.6**	**2,011.6**
Interest expense	**—**	**0.1**	**—**	**112.3**	**112.4**
Other segment items [1]	**(2.2)**	**7.5**	**4.5**	**(1.2)**	**8.6**
Income before income taxes	**$ 916.5**	**$ 164.2**	**$ 245.1**	**$ (340.1)**	**$ 985.7**
% to Net sales	**24.8 %**	**20.3 %**	**13.6 %**	**nm**	**15.6 %**
Supplemental Information:					
Capital expenditures	**$ 34.7**	**$ 82.3**	**$ 13.8**	**$ 50.7**	**$ 181.5**
Depreciation [2]	**22.0**	**42.1**	**4.6**	**10.6**	**79.3**
Amortization [3]	**0.4**	**17.0**	**65.8**	**0.2**	**83.4**

nm - not meaningful

(1) Other segment items includes Other general expense (income) - net, Interest income and Other expense (income) - net. See Note 15.

(2) Depreciation is recorded within Cost of goods sold and Selling, general and administrative expenses.

(3) Amortization is recorded with Selling, general and administrative expenses.

	Three Months Ended June 30, 2024				
	Paint Stores Group	Consumer Brands Group	Performance Coatings Group	Administrative	Consolidated Totals
Net sales	$ 3,619.9	$ 844.3	$ 1,806.4	$ 0.9	$ 6,271.5
Intersegment transfers	—	1,449.9	6.7	(1,456.6)	—
Total net sales and intersegment transfers	3,619.9	2,294.2	1,813.1	(1,455.7)	6,271.5
Cost of good sold	1,625.4	1,866.2	1,168.1	(1,451.6)	3,208.1
Selling, general and administrative expenses	1,090.9	222.1	365.1	167.6	1,845.7
Interest expense	—	—	—	110.8	110.8
Other segment items [1]	(3.5)	1.5	(21.6)	(42.9)	(66.5)
Income before income taxes	$ 907.1	$ 204.4	$ 301.5	$ (239.6)	$ 1,173.4
% to Net Sales	25.1 %	24.2 %	16.7 %	nm	18.7 %
Supplemental Information:					
Capital expenditures	$ 30.7	$ 44.0	$ 3.8	$ 172.4	$ 250.9
Depreciation [2]	21.9	39.2	4.0	6.7	71.8
Amortization [3]	0.3	16.3	64.3	0.6	81.5

nm - not meaningful

[1] Other segment items includes Other general expense (income) - net, Interest income and Other expense (income) - net. See Note 15.

[2] Depreciation is recorded within Cost of goods sold and Selling, general and administrative expenses.

[3] Amortization is recorded with Selling, general and administrative expenses.

	Six Months Ended June 30, 2025				
	Paint Stores Group	Consumer Brands Group	Performance Coatings Group	Administrative	Consolidated Totals
Net sales	**$ 6,642.0**	**$ 1,571.6**	**$ 3,403.1**	**$ 3.5**	**$ 11,620.2**
Intersegment transfers	**—**	**2,688.8**	**13.7**	**(2,702.5)**	**—**
Total net sales and intersegment transfers	**6,642.0**	**4,260.4**	**3,416.8**	**(2,699.0)**	**11,620.2**
Cost of goods sold	**2,922.1**	**3,519.0**	**2,217.7**	**(2,716.0)**	**5,942.8**
Selling, general and administrative expenses	**2,266.7**	**436.8**	**729.7**	**372.2**	**3,805.4**
Interest expense	**—**	**0.1**	**—**	**216.1**	**216.2**
Other segment items [1]	**(4.5)**	**8.4**	**11.6**	**1.6**	**17.1**
Income before income taxes	**$ 1,457.7**	**$ 296.1**	**$ 457.8**	**$ (572.9)**	**$ 1,638.7**
% to Net sales	**21.9 %**	**18.8 %**	**13.5 %**	**nm**	**14.1 %**
Supplemental Information:					
Capital expenditures	**$ 61.4**	**$ 139.2**	**$ 26.2**	**$ 144.0**	**$ 370.8**
Depreciation [2]	**44.1**	**88.0**	**9.4**	**17.7**	**159.2**
Amortization [3]	**0.8**	**33.8**	**129.3**	**0.5**	**164.4**

nm - not meaningful

[1] Other segment items includes Other general expense (income) - net, Interest income and Other expense (income) - net. See Note 15.

[2] Depreciation is recorded within Cost of goods sold and Selling, general and administrative expenses.

[3] Amortization is recorded with Selling, general and administrative expenses.

	Six Months Ended June 30, 2024				
	Paint Stores Group	Consumer Brands Group	Performance Coatings Group	Administrative	Consolidated Totals
Net sales	$ 6,492.9	$ 1,655.3	$ 3,488.3	$ 2.3	$ 11,638.8
Intersegment transfers	—	2,661.7	43.8	(2,705.5)	—
Total net sales and intersegment transfers	6,492.9	4,317.0	3,532.1	(2,703.2)	11,638.8
Cost of goods sold	2,946.3	3,505.8	2,289.6	(2,697.3)	6,044.4
Selling, general and administrative expenses	2,156.7	445.2	723.4	320.2	3,645.5
Interest expense	—	—	—	213.8	213.8
Other segment items (1)	(10.4)	8.2	(20.1)	(56.0)	(78.3)
Income before income taxes	$ 1,400.3	$ 357.8	$ 539.2	$ (483.9)	$ 1,813.4
% to Net sales	21.6 %	21.6 %	15.5 %	nm	15.6 %
Supplemental Information:					
Capital expenditures	$ 66.4	$ 128.1	$ 0.4	$ 339.8	$ 534.7
Depreciation (2)	43.3	76.4	9.7	13.5	142.9
Amortization (3)	1.1	33.3	128.1	1.1	163.6

nm - not meaningful

(1) Other segment items includes Other general expense (income) - net, Interest income and Other expense (income) - net. See Note 15.

(2) Depreciation is recorded within Cost of goods sold and Selling, general and administrative expenses.

(3) Amortization is recorded with Selling, general and administrative expenses.

In the Reportable Segment financial information, Segment profit represents each Reportable Segment's Income before income taxes. Domestic intersegment transfers are primarily accounted for at the approximate fully absorbed manufactured cost, based on normal capacity volumes, plus customary distribution costs for paint products. Non-paint domestic and all international intersegment transfers are primarily accounted for at values comparable to normal unaffiliated customer sales. All intersegment transfers are eliminated within the Administrative function. Due to the nature of the Company's integrated manufacturing operations and centralized administrative and information technology support, a substantial amount of allocations are made to determine segment financial information. Expenses that are specifically identifiable to a certain Reportable Segment are allocated accordingly. For expenses that are not specifically identifiable to a certain Reportable Segment, an appropriate allocation base is identified, and expenses are allocated based on each segment's respective share of the allocation base. The significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM and includes intersegment expenses within the amounts shown.

Net sales of all consolidated foreign subsidiaries were $1.155 billion and $1.143 billion for the three months ended June 30, 2025 and 2024, respectively. Net sales of all consolidated foreign subsidiaries were $2.200 billion and $2.246 billion for the six months ended June 30, 2025 and 2024, respectively. Long-lived assets of these subsidiaries totaled $3.797 billion and $3.456 billion at June 30, 2025 and 2024, respectively. Domestic operations accounted for the remaining Net sales and long-lived assets. No single geographic area outside the United States was significant relative to consolidated Net sales, Income before income taxes or consolidated long-lived assets. Export sales and sales to any individual customer were each less than 10% of consolidated Net sales in 2025 and 2024.

The following table presents identifiable assets for each of the Company's Reportable Segments:

	Paint Stores Group	Consumer Brands Group	Performance Coatings Group	Administrative	Consolidated Totals
June 30, 2025	**$ 6,446.1**	**$ 7,151.8**	**$ 8,293.4**	**$ 3,472.3**	**$ 25,363.6**
December 31, 2024	5,878.0	6,854.7	7,847.4	3,052.5	23,632.6
June 30, 2024	6,202.9	6,709.1	8,138.3	2,683.7	23,734.0

For further details on the Company's Reportable Segments, see Note 22 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

(dollars in millions, except as noted and per share data)

BACKGROUND

The Sherwin-Williams Company, founded in 1866, and its consolidated subsidiaries (collectively, the Company) are engaged in the development, manufacture, distribution and sale of paint, coatings and related products to professional, industrial, commercial and retail customers primarily in North and South America with additional operations in the Caribbean region and throughout Europe, Asia and Australia.

The Company is structured into three reportable segments - Paint Stores Group, Consumer Brands Group and Performance Coatings Group (collectively, the Reportable Segments) - and an Administrative function, which is representative of the way it is internally organized for assessing performance and making decisions regarding the allocation of resources. See Note 18 in Item 1 for further details on the Company's Reportable Segments.

SUMMARY

- Consolidated Net sales increased 0.7% to $6.315 billion in the quarter and decreased 0.2% to $11.620 billion in the year to date period
    - Net sales from stores in the Paint Stores Group open more than twelve calendar months increased 0.8% and 1.0% in the quarter and year to date period, respectively
- Increased Selling, general and administrative expenses in the quarter for broader restructuring initiative related to softer demand, sooner than anticipated building related costs and heightened growth investment related to incremental competitive opportunities
- Diluted net income per share decreased 14.3% to $3.00 per share in the quarter compared to $3.50 per share in the second quarter of 2024 and decreased 8.6% to $5.00 per share in the year to date period compared to $5.47 in the year to date period of 2024

OUTLOOK

We will continue to execute on our consistent and disciplined strategy, Success by Design. In a softer demand market which is expected to continue, if not deteriorate in the second half of 2025, we are responding by accelerating our restructuring actions. These actions are not at the cost of abandoning our strategy or limiting future growth prospects when markets recover. We will continue to make investments to deepen customer relationships, capture incremental share and reward our shareholders over the long term. We remain well-positioned in each of our targeted markets and continue to execute on deliberate, disciplined and targeted initiatives such as new stores and digital technologies that we believe will allow us to generate sustained and profitable above-market growth in an increasingly uncertain and competitive landscape.

We employ a disciplined capital deployment strategy, while maintaining a balanced approach toward driving value for our customers and returns to our shareholders. We continue to pursue business acquisitions, transactions and investments that fit our long-term growth strategy and will return value to our shareholders through the payment of dividends and the reinvestment of excess cash for share repurchases of Company stock. We have a strong liquidity position, with $269.8 million in cash and $2.235 billion of unused capacity under our credit facilities at June 30, 2025. We are, and expect to remain, in compliance with bank covenants.

RESULTS OF OPERATIONS

The Company has historically experienced, and expects to continue to experience, variability in quarterly results. The results of operations for the three and six months ended June 30, 2025 are not indicative of the results to be expected for the full year as our business is seasonal in nature, with the majority of Net sales for the Reportable Segments traditionally occurring during the second and third quarters. However, periods of economic uncertainty can alter the Company's seasonal patterns.

The following discussion and analysis addresses comparisons of material changes in the condensed consolidated financial statements for the three and six months ended June 30, 2025 and 2024.

Net Sales

Three Months Ended June 30, 2025

	Three Months Ended June 30,					
	2025	2024	$ Change	% Change	Currency Impact	Acquisition and Divestiture Impact
Paint Stores Group	**$ 3,702.2**	$ 3,619.9	$ 82.3	2.3 %	— %	— %
Consumer Brands Group	**809.4**	844.3	(34.9)	(4.1)%	(1.6)%	— %
Performance Coatings Group	**1,801.1**	1,806.4	(5.3)	(0.3)%	0.3 %	1.3 %
Administrative	**1.8**	0.9	0.9	100.0 %	— %	— %
Total	**$ 6,314.5**	$ 6,271.5	$ 43.0	0.7 %	(0.1)%	0.4 %

Consolidated Net sales increased by 0.7% in the second quarter of 2025 primarily due to higher sales in the Paint Stores Group, partially offset by lower sales in the Consumer Brands and Performance Coatings Groups. Net sales of all consolidated foreign subsidiaries increased to $1.155 billion in the second quarter of 2025 compared to $1.143 billion in the same period last year. The increase in Net sales for all consolidated foreign subsidiaries was primarily due to higher Net sales in the Europe region. Net sales of all operations other than consolidated foreign subsidiaries increased to $5.159 billion in the second quarter of 2025 compared to $5.129 billion in the same period last year.

Net sales in the Paint Stores Group increased by 2.3% in the second quarter of 2025 primarily due to selling price increases, which impacted Net sales by a mid-single digit percentage, partially offset by a low-single digit percentage decrease in sales volume. Net sales increased in certain professional customer end markets, led by a high-single digit percentage increase in protective and marine and a mid-single digit percentage increase in residential repaint. Net sales from stores open for more than twelve calendar months increased by 0.8% in the second quarter of 2025 compared to last year's comparable period. Net sales of non-paint products decreased 0.7% in the second quarter of 2025 compared to last year's comparable period. A discussion of changes in volume versus pricing for sales of non-paint products is not pertinent due to the wide assortment of general merchandise sold.

Net sales in the Consumer Brands Group decreased by 4.1% in the second quarter of 2025 primarily due to soft DIY demand in North America and a 1.6% unfavorable impact from foreign currency translation driven by Latin America, partially offset by higher Net sales in Europe.

Net sales in the Performance Coatings Group were effectively flat as a result of incremental sales from acquisitions being offset by selling price decreases, primarily attributable to product mix. Performance was led by Packaging, which increased by a double digit percentage inclusive of an acquisition and Coil, offset by decreases in all other business units.

Six Months Ended June 30, 2025

	Six Months Ended June 30,					
	2025	2024	$ Change	% Change	Currency Impact	Acquisition and Divestiture Impact
Paint Stores Group	**$ 6,642.0**	$ 6,492.9	$ 149.1	2.3 %	(0.1)%	— %
Consumer Brands Group	**1,571.6**	1,655.3	(83.7)	(5.1)%	(2.4)%	— %
Performance Coatings Group	**3,403.1**	3,488.3	(85.2)	(2.4)%	(1.1)%	1.0 %
Administrative	**3.5**	2.3	1.2	52.2 %	— %	— %
Total	**$11,620.2**	$11,638.8	$ (18.6)	(0.2)%	(0.7)%	0.3 %

Consolidated Net sales were effectively flat in the first six months of 2025. Higher sales in the Paint Stores Group were offset by lower sales in the Consumer Brands and Performance Coatings Groups. Net sales of all consolidated foreign subsidiaries decreased to $2.200 billion in the first six months of 2025 compared to $2.246 billion in the same period last year. The decrease in Net sales for all consolidated foreign subsidiaries was primarily due to lower Net sales in the Latin America region. Net sales of all operations other than consolidated foreign subsidiaries increased 0.3% to $9.420 billion in the first six months of 2025 compared to $9.393 billion in the same period last year.

Net sales in the Paint Stores Group increased by 2.3% in the first six months of 2025 primarily due to selling price increases, which impacted Net sales by a mid-single digit percentage, partially offset by a low-single digit percentage decrease in sales volume. Net sales increased in certain professional customer end markets, led by a high-single digit percentage increase in protective and marine and a mid-single digit percentage increase in residential repaint. Net sales from stores open for more than twelve calendar months increased 1.0% in the first six months of 2025 compared to last year's comparable period. Net sales of non-paint products decreased 0.5% in the first six months of 2025 compared to last year's comparable period. A discussion of changes in volume versus pricing for sales of products other than paint is not pertinent due to the wide assortment of general merchandise sold.

Net sales in the Consumer Brands Group decreased by 5.1% in the first six months of 2025 primarily due to soft DIY demand in North America and a 2.4% unfavorable impact from foreign currency translation driven by Latin America, partially offset by higher Net sales in Europe.

Net sales in the Performance Coatings Group decreased by 2.4% in the first six months of 2025 largely due to selling price decreases, primarily attributable to product mix, which impacted Net sales by a low-single digit percentage and a 1.1% unfavorable impact from foreign currency translation. These decreases were partially offset by incremental sales from acquisitions. Performance was led by Packaging, which increased by a double digit percentage inclusive of an acquisition, offset by decreases in all other business units.

Income Before Income Taxes

The following table presents the components of Income before income taxes as a percentage of Net sales:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		**2025**		2024	
		% of Net Sales		% of Net Sales		% of Net Sales		% of Net Sales
Net sales	**$ 6,314.5**	**100.0 %**	$ 6,271.5	100.0 %	**$11,620.2**	**100.0 %**	$11,638.8	100.0 %
Cost of goods sold	**3,196.2**	**50.6 %**	3,208.1	51.2 %	**5,942.8**	**51.1 %**	6,044.4	51.9 %
Gross profit	**3,118.3**	**49.4 %**	3,063.4	48.8 %	**5,677.4**	**48.9 %**	5,594.4	48.1 %
SG&A	**2,011.6**	**31.9 %**	1,845.7	29.4 %	**3,805.4**	**32.7 %**	3,645.5	31.3 %
Other general expense (income) - net	**6.3**	**0.1 %**	(33.6)	(0.5)%	**15.2**	**0.1 %**	(31.6)	(0.3)%
Interest expense	**112.4**	**1.8 %**	110.8	1.8 %	**216.2**	**1.9 %**	213.8	1.8 %
Interest income	**(2.4)**	**— %**	(0.9)	— %	**(5.7)**	**— %**	(7.0)	(0.1)%
Other expense (income) - net	**4.7**	**— %**	(32.0)	(0.6)%	**7.6**	**0.1 %**	(39.7)	(0.2)%
Income before income taxes	**$ 985.7**	**15.6 %**	$ 1,173.4	18.7 %	**$ 1,638.7**	**14.1 %**	$ 1,813.4	15.6 %

Three Months Ended June 30, 2025

Consolidated Cost of goods sold decreased $11.9 million, or 0.4%, in the second quarter of 2025 compared to the same period in 2024 primarily due to a low-single digit decrease in sales volume.

Consolidated gross profit increased $54.9 million in the second quarter of 2025 compared to the same period in 2024 primarily due to higher selling prices in the Paint Stores Group, partially offset by lower sales volumes in the Paint Stores and Consumer Brands Groups. Consolidated gross profit as a percent of consolidated Net sales increased in the second quarter of 2025 to 49.4% compared to 48.8% during the same period in 2024 for these same reasons.

The Paint Stores Group's gross profit in the second quarter of 2025 was higher than the same period last year by $93.5 million due primarily to higher Net sales driven by higher selling prices. The Paint Stores Group's gross profit as a percent of Net sales increased in the second quarter of 2025 compared to the same period in 2024 for this same reason. The Consumer Brands Group's gross profit decreased by $37.1 million in the second quarter of 2025 compared to the same period last year due primarily to lower Net sales, lower fixed cost absorption from decreased production volumes and an unfavorable foreign currency related impact. The Consumer Brands Group's gross profit as a percent of Net sales decreased in the second quarter of 2025 compared to the same period in 2024 for these same reasons. The Performance Coatings Group's gross profit decreased $17.2 million in the second quarter of 2025 compared to the same period last year due primarily to lower Net sales and product mix. The Performance Coatings Group's gross profit as a percent of Net sales decreased in the second quarter of 2025 compared to the same period last year for these same reasons.

Consolidated Selling, general and administrative expenses (SG&A) increased $165.9 million in the second quarter of 2025 versus the same period last year primarily due to higher employee-related costs and costs related to the new global headquarters and R&D buildings. As a percent of Net sales, consolidated SG&A increased 250 basis points in the second quarter of 2025 compared to the same period last year.

The Paint Stores Group's SG&A increased $82.8 million in the second quarter of 2025 compared to the same period last year primarily due to increased costs to support higher sales, including higher employee-related costs and expenses for new store openings, and marketing and advertising. The Consumer Brands Group's SG&A decreased $3.0 million in the second quarter of 2025 compared to the same period last year primarily due to effective cost control. The Performance Coatings Group's SG&A increased $13.1 million in the second quarter of 2025 compared to the same period last year primarily due to increased costs to support sales, including higher employee-related costs. The Administrative function's SG&A increased $73.0 million in the second quarter of 2025 compared to the same period last year due primarily to higher employee-related costs, including severance, and costs related to the new global headquarters and R&D buildings.

Other general expense (income) - net was expense of $6.3 million in the second quarter of 2025 compared to income of $33.6 million in the same period last year primarily due to higher gains on the sale or disposition of assets and insurance recoveries for environmental matters in the second quarter of 2024 which did not recur in the current period. See Note 15 in Item 1 for further details.

Interest expense increased $1.6 million in the second quarter of 2025 compared to the same period last year. See Note 6 in Item 1 for additional information on the Company's outstanding debt.

Other expense (income) - net was expense of $4.7 million in the second quarter of 2025 compared to income of $32.0 million in the same period last year. The decrease is primarily due to higher foreign currency transaction related losses and lower miscellaneous income in the current period. See Note 15 in Item 1 for further details.

Six Months Ended June 30, 2025

Consolidated Cost of goods sold decreased $101.6 million, or 1.7%, in the first six months of 2025 compared to the same period in 2024 primarily due to a low-single digit decrease in sales volume and favorable foreign currency translation, which decreased Cost of goods sold by 0.9%.

Consolidated gross profit increased $83.0 million in the first six months of 2025 compared to the same period in 2024 primarily due to higher selling prices in the Paint Stores Group, partially offset by lower sales volumes in all segments. Consolidated gross profit as a percent of consolidated Net sales increased in the first six months of 2025 to 48.9% compared to 48.1% during the same period in 2024 for these same reasons.

The Paint Stores Group's gross profit in the first six months of 2025 was higher than the same period last year by $173.3 million due primarily to higher Net sales driven by higher selling prices. The Paint Stores Group's gross profit as a percent of Net sales increased in the first six months of 2025 compared to the same period in 2024 for this same reason. The Consumer Brands Group's gross profit decreased by $69.8 million in the first six months of 2025 compared to the same period last year due primarily to lower Net sales and an unfavorable foreign currency related impact. The Consumer Brands Group's gross profit as a percent of Net sales decreased in the first six months of 2025 compared to the same period last year for these same reasons. The Performance Coatings Group's gross profit decreased $43.4 million in the first six months of 2025 compared to the same period last year primarily due to lower Net sales and an unfavorable foreign currency related impact. The Performance Coatings Group's gross profit as a percent of Net sales decreased in the first six months of 2025 compared to the same period last year for these same reasons.

Consolidated SG&A increased $159.9 million in the first six months of 2025 versus the same period last year primarily due to higher employee-related costs and costs related to the new global headquarters and R&D buildings. As a percent of Net sales, consolidated SG&A increased 140 basis points in the first six months of 2025 compared to the same period last year for these same reasons.

The Paint Stores Group's SG&A increased $110.0 million in the first six months of 2025 compared to the same period last year primarily due to increased costs to support higher sales, including higher employee-related costs and expenses for new store openings, and marketing and advertising. The Consumer Brands Group's SG&A decreased $8.4 million in the first six months of 2025 compared to the same period last year primarily due to lower employee-related costs and foreign currency translation rate changes. The Performance Coatings Group's SG&A increased $6.3 million in the first six months of 2025 compared to the same period last year due primarily to increased costs to support sales, including higher employee-related costs. The Administrative function's SG&A increased $52.0 million in the first six months of 2025 compared to the same period last year due primarily to higher employee-related costs, including severance, and costs related to the new global headquarters and R&D buildings.

Other general expense (income) - net was expense of $15.2 million in the first six months of 2025 compared to income of $31.6 million in the same period last year primarily due to higher gains on the sale or disposition of assets, insurance recoveries for environmental matters in the first six months of 2024 which did not recur in the current period and increased miscellaneous operating expenses in the Administrative function. See Note 15 in Item 1 for further details.

Interest expense increased $2.4 million in the first six months of 2025 compared to the same period last year. See Note 6 in Item 1 for additional information on the Company's outstanding debt.

Other expense (income) - net was expense of $7.6 million in the first six months of 2025 compared to income of $39.7 million in the same period last year. The decrease is primarily due to higher foreign currency transaction related losses and lower miscellaneous income, net of miscellaneous expenses, in the current period. See Note 15 in Item 1 for further details.

The following table presents Income before income taxes by segment and as a percentage of Net sales by Reportable Segment:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	% Change	**2025**	2024	% Change
Income Before Income Taxes:						
Paint Stores Group	**$ 916.5**	$ 907.1	1.0 %	**$ 1,457.7**	$ 1,400.3	4.1 %
Consumer Brands Group	**164.2**	204.4	(19.7)%	**296.1**	357.8	(17.2)%
Performance Coatings Group	**245.1**	301.5	(18.7)%	**457.8**	539.2	(15.1)%
Administrative	**(340.1)**	(239.6)	(41.9)%	**(572.9)**	(483.9)	(18.4)%
Total	**$ 985.7**	$ 1,173.4	(16.0)%	**$ 1,638.7**	$ 1,813.4	(9.6)%
Income Before Income Taxes as a Percent of Net Sales:						
Paint Stores Group	**24.8 %**	25.1 %		**21.9 %**	21.6 %	
Consumer Brands Group	**20.3 %**	24.2 %		**18.8 %**	21.6 %	
Performance Coatings Group	**13.6 %**	16.7 %		**13.5 %**	15.5 %	
Administrative	**nm**	nm		**nm**	nm	
Total	**15.6 %**	18.7 %		**14.1 %**	15.6 %	

nm - not meaningful

Income Tax Expense

The effective tax rate was 23.4% for the second quarter of 2025 compared to 24.2% for the second quarter of 2024, and 23.2% for the first six months of 2025 compared to 23.1% for the first six months of 2024. The decrease in the effective tax rate for the second quarter of 2025 was primarily due to a more favorable impact of tax benefits related to employee share-based payments. The effective tax rate was essentially flat for the first six months of 2025 when compared to the same period last year. The other significant components of the Company’s effective tax rate were consistent in both comparable periods. See Note 16 in Item 1 for further details.

On July 4, 2025, U.S. tax reform legislation known as the One Big Beautiful Bill Act (the Tax Act) was signed into law. The Tax Act includes a broad range of tax provisions affecting businesses including extending permanently, with modification, certain business and international tax provisions enacted as part of the Tax Cuts and Jobs Act of 2017 and expanding certain Inflation Reduction Act tax incentives while accelerating the phase-out of others. Most provisions of the Tax Act take effect for tax years starting in 2026; however, certain provisions have immediate effect impacting the 2025 tax year. Key provisions of the Tax Act relevant to our operations include immediate expensing of certain capital expenditures and domestic research and development expense beginning in 2025 and changes to various U.S. international tax provisions going forward. We do not anticipate the Tax Act will materially change our effective tax rate for 2025, however we are currently evaluating the full impact of the Tax Act on our condensed consolidated financial statements. We expect to reflect the effects of the Tax Act in our financial statements for the quarter ending September 30, 2025, in accordance with the Income Taxes Topic of the ASC.

Net Income Per Share

Diluted net income per share decreased 14.3% to $3.00 per share in the second quarter of 2025 compared to $3.50 per share in the second quarter of 2024. Diluted net income per share in the second quarter of 2025 included charges for acquisition-related amortization expense of $0.20 per share and severance and other restructuring expenses of $0.18 per share. Diluted net income per share in the second quarter of 2024 included a charge for acquisition-related amortization expense of $0.20 per share. Foreign currency translation rate changes decreased diluted net income per share by $0.02 in the second quarter of 2025.

Diluted net income per share for the first six months of 2025 decreased 8.6% to $5.00 per share compared to $5.47 per share in the first six months of 2024. Diluted net income per share for the first six months of 2025 included charges for acquisition-related amortization expense of $0.38 per share and severance and other restructuring expenses of $0.24 per share. Diluted net income per share in the first six months of 2024 included a charge for acquisition-related amortization expense of $0.39 per share. Foreign currency translation rate changes decreased diluted net income per share by $0.05 in the first six months of 2025.

FINANCIAL CONDITION, LIQUIDITY AND CASH FLOW

Overview

The Company's financial condition and liquidity remained strong at June 30, 2025. The Company generated $1.052 billion in Net operating cash during the first six months of 2025 and returned cash of $1.269 billion to its shareholders in the form of dividends and share repurchases during the first six months of 2025. Net income decreased 9.8% to $1.259 billion and EBITDA decreased 6.7% to $2.179 billion for the first six months of 2025. Refer to the Non-GAAP Financial Measures section below for the definition and calculation of EBITDA.

At June 30, 2025, the Company had Cash and cash equivalents of $269.8 million and total debt outstanding of $10.686 billion. Total debt, net of Cash and cash equivalents, was $10.417 billion. The Company continues to maintain sufficient short-term borrowing capacity at reasonable rates, and has sufficient cash on hand and total available borrowing capacity to fund its current operating requirements.

Net Working Capital

Net working capital, defined as Total current assets less Total current liabilities, decreased $355.1 million to a deficit of $1.771 billion at June 30, 2025 compared to a deficit of $1.416 billion at June 30, 2024. The net working capital decrease is due to an increase of $729.8 million in current liabilities partially offset by an increase in current assets of $374.7 million.

Current asset balances increased $374.7 million at June 30, 2025 compared to June 30, 2024 primarily due to an increase in Inventories of $195.5 million, an increase in Cash and cash equivalents of $69.8 million, an increase in Accounts receivable, net of $63.8 million and an increase in Other current assets of $45.6 million.

Current liability balances increased $729.8 million at June 30, 2025 compared to June 30, 2024 primarily due to an increase in Short-term borrowings of $348.4 million, an increase in the Current portion of long-term debt of $301.0 million, an increase in Other accruals of $92.4 million, primarily related to increases in accrued severance, insurance and other benefits payable, cross currency swap contracts and miscellaneous other accruals, partially offset by a decrease in short-term environmental-related liabilities, an increase in Accounts payable of $76.1 million and an increase in the Current portion of operating lease liabilities of $22.9 million. These increases were offset by a decrease in Accrued taxes of $91.3 million. The Company's current ratio was 0.78, 0.79 and 0.81 at June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

Property, Plant and Equipment

Net property, plant and equipment increased $272.7 million in the first six months of 2025 and $669.3 million in the twelve months since June 30, 2024. The increase in the first six months was primarily due to capital expenditures of $363.0 million, currency translation and other adjustments of $65.1 million and assets acquired through business combinations of $12.2 million, partially offset by depreciation expense of $159.2 million, and the sale or disposition of fixed assets of $8.4 million. Since June 30, 2024, the increase was primarily due to capital expenditures of $892.8 million, currency translation and other adjustments of $53.4 million and assets acquired through business combinations of $45.1 million, partially offset by depreciation expense of $313.7 million, and the sale or disposition of fixed assets of $8.3 million.

Buildings within Property, plant and equipment, net increased by $536.8 million and $628.1 million in the first six months of 2025 and in the twelve months since June 30, 2024, respectively, primarily due to the new research and development center (R&D Center) meeting the criteria to be placed into service during the second quarter of 2025. An immaterial amount of capital expenditures related to finalizing the construction of the R&D Center will be placed into service during the remainder of 2025 in the Administrative function. The R&D Center asset will be depreciated over its useful life of 60 years.

Other than the R&D Center, capital expenditures primarily represented expenditures related to construction activities associated with the new global headquarters in the Administrative function. The global headquarters is expected to be complete in 2025. Also included in 2025 capital expenditures were expenditures related to manufacturing capacity expansion, operational efficiencies and maintenance projects in the Consumer Brands and Performance Coatings Groups and the opening of new stores and renovation and improvements in existing stores in the Paint Stores Group.

In 2025, the Company expects to spend slightly less than 2024 for capital expenditures, which it will fund primarily through the generation of operating cash. Core capital expenditures, which exclude expenditures associated with the new global headquarters and R&D Center, are expected to be for investments in capacity, productivity improvements and maintenance projects at existing manufacturing, distribution and R&D facilities and new store openings. Refer to "Real Estate Financing" below for further information on the financing transaction for the new global headquarters.

Real Estate Financing

In December 2022, the Company closed a transaction to sell and subsequently lease back its partially-constructed new global headquarters. As part of the terms of the transaction, the Company is contractually obligated for completing the construction of the building and related improvements at the new global headquarters. This transaction did not meet the criteria for recognition as an asset sale under U.S. generally accepted accounting principles (US GAAP) and as such, was accounted for as a real estate financing transaction. The Company received the final proceeds for the new global headquarters in the first quarter of 2025 for a total of $800 million. The initial lease term includes the construction period and extends for 30 years thereafter, and the Company has the right and option to extend the lease term. The lease payment amounts during the construction period are dependent upon the timing and amount of total reimbursement of construction and other costs received by the Company. Lease payments over the next twelve months are expected to be approximately $50 million. The amount of the lease payments during the initial 30 year lease term will be calculated upon completion of the construction period. Once determinable, this is expected to result in a significant increase in the Company's long-term contractual obligations.

The net proceeds from this transaction and other real estate financing transactions are recognized as Proceeds from real estate financing transactions within the Financing Activities section of the Statements of Condensed Consolidated Cash Flows. The Company will continue to recognize the related assets within Property, plant and equipment, net on the Consolidated Balance Sheets under US GAAP. These assets will be subject to depreciation over their useful lives in accordance with the Company's accounting policies. The Company will also allocate payments between interest and repayment of the financing liability over the life of the agreement. See Note 8 in Item 1 and Note 10 in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 for more information concerning real estate financing.

Goodwill and Intangible Assets

Goodwill increased $227.5 million from December 31, 2024 and increased $200.7 million from June 30, 2024. The increase during the first six months of 2025 was primarily due to foreign currency translation fluctuations and other adjustments of $156.7 million and purchase accounting allocations of $70.8 million. The increase over the twelve month period from June 30, 2024 was primarily due to foreign currency translation fluctuations and other adjustments of $108.9 million and purchase accounting allocations of $91.8 million.

Intangible assets increased $10.2 million from December 31, 2024 and decreased $149.4 million from June 30, 2024. The increase during the first six months of 2025 was primarily due to currency translation fluctuations and other adjustments of $122.0 million, purchase accounting allocations of $35.0 million and capitalized software of $17.6 million, partially offset by amortization of $164.4 million. The decrease over the twelve month period from June 30, 2024 was primarily due to amortization of $327.5 million, partially offset by currency translation fluctuations and other adjustments of $85.1 million, purchase accounting allocations of $63.0 million, and capitalized software of $30.0 million.

See Note 5 in Item 1 and Note 6 in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 for more information concerning the Company's Goodwill and Intangible assets.

Other Assets

Other assets increased $138.6 million from December 31, 2024 and $413.8 million from June 30, 2024. The increase in the first six months of 2025 was primarily due to an increase in Non-Traded Investments, partially offset by a decrease in assets related to cross currency swap contracts. The increase from June 30, 2024 was primarily due to an increase in finance lease right-of-use (ROU) assets, Non-Traded Investments and assets related to cloud computing arrangements. See Notes 1 and 12 in Item 1 and Notes 1 and 9 in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 in for further information.

Debt (including Short-term borrowings)

	June 30, 2025	December 31, 2024	June 30, 2024
Long-term debt (including current portion)	**$ 8,979.6**	$ 9,226.0	$ 8,980.5
Short-term borrowings	**1,706.7**	662.4	1,358.3
Total debt outstanding	**$ 10,686.3**	$ 9,888.4	$ 10,338.8

The Company's long-term debt primarily consists of senior notes as disclosed in Note 7 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2024. See Note 6 in Item 1 for additional information concerning debt.

In April 2025, in anticipation of a probable issuance of new long-term fixed rate debt within the next twelve months, the Company entered into interest rate lock contracts with an aggregate notional amount of $300 million. See Notes 12 and 13 in Item 1 for additional information.

Defined Benefit Pension and Other Postretirement Benefit Plans

Long-term liabilities for defined benefit pension and other postretirement benefit plans did not change significantly from December 31, 2024. The changes from June 30, 2024 are primarily due to changes in actuarial assumptions. See Note 8 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 for more information concerning the Company's liabilities for defined benefit pension and other postretirement benefit plans.

Deferred Income Taxes

Deferred income taxes decreased $46.6 million from December 31, 2024 and $81.1 million from June 30, 2024 primarily due to amortization of acquisition-related intangible assets.

Environmental-Related Liabilities

The operations of the Company, like those of other companies in the same industry, are subject to various domestic and foreign environmental laws and regulations. These laws and regulations not only govern current operations and products, but also impose potential liability on the Company for past operations. Management expects environmental laws and regulations to impose increasingly stringent requirements upon the Company and the industry in the future. Management believes that the Company conducts its operations in compliance with applicable environmental laws, regulations and requirements and has implemented various programs designed to help protect the environment and promote continued compliance.

Depreciation of capital expenditures and other expenses related to ongoing environmental compliance measures were included in the normal operating expenses of conducting business. The Company's capital expenditures, depreciation and other expenses related to ongoing environmental compliance measures were not material to the Company's financial condition, liquidity, cash flow or results of operations during the first six months of 2025. Management does not expect that such capital expenditures, depreciation and other expenses will be material to the Company's financial condition, liquidity, cash flow or results of operations in 2025. See Notes 8 and 15 in Item 1 for further information on environmental-related long-term liabilities.

Contractual Obligations, Commercial Commitments and Warranties

There have been no significant changes to the Company's contractual obligations and commercial commitments in the first six months of 2025 as summarized in Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

Litigation

See Note 9 in Item 1 for information concerning litigation.

Shareholders' Equity

	June 30, 2025	December 31, 2024	June 30, 2024
Total shareholders' equity	**$ 4,400.9**	$ 4,051.2	$ 3,751.8

Shareholders' equity increased $349.7 million during the first six months of 2025 primarily as a result of Net income of $1.259 billion, an increase in AOCI of $277.3 million mainly due to currency translation adjustments and an increase in Other capital of $104.0 million mainly associated with stock-based compensation expense and stock option exercises. These increases were partially offset by $892.1 million of treasury stock activity mainly attributable to treasury stock repurchases and cash dividends paid on common stock.

Shareholders' equity increased $649.1 million since June 30, 2024 primarily as a result of Net income of $2.545 billion, an increase in Other capital of $338.2 million mainly associated with stock-based compensation expense and stock option exercises and an increase in AOCI of $179.0 million mainly due to currency translation adjustments. These increases were partially offset by $1.653 billion of treasury stock activity mainly attributable to treasury stock repurchases and cash dividends paid on common stock.

During the first six months of 2025, the Company purchased 2.5 million shares of its common stock for treasury purposes through open market purchases. The Company acquires its common stock for general corporate purposes, and depending on its cash position and market conditions, it may acquire additional shares in the future. The Company had remaining authorization at June 30, 2025 to purchase 32.0 million shares of its common stock.

In February 2025, the Company's Board of Directors increased the quarterly cash dividend from $0.715 per share to $0.79 per share. This quarterly dividend, if approved in each of the remaining quarters of 2025, would result in an annual dividend for 2025 of $3.16 per share, or a 30% payout of 2024 diluted net income per share.

Effective April 16, 2025, the Company's shareholders approved The Sherwin-Williams Company 2025 Equity and Incentive Compensation Plan. See Note 10 in Item 1 for additional information.

Cash Flow

Net operating cash for the six months ended June 30, 2025 was a source of $1.052 billion compared to a source of $1.144 billion for the same period in 2024. The decrease in Net operating cash was primarily due to lower net income recognized and higher cash requirements for working capital, partially offset by a decrease in cash used for long-term contract assets with customers.

Net investing cash usage decreased $24.8 million in the first six months of 2025 to a usage of $557.3 million compared to a usage of $582.1 million for the same period in 2024 primarily due to a decrease in cash used for capital expenditures, partially offset by cash used for the acquisition of businesses.

Net financing cash usage decreased $185.0 million in the first six months of 2025 to a usage of $442.8 million compared to a usage of $627.8 million for the same period in 2024 primarily due to an increase in short-term borrowings, a decrease in payments of long-term debt and a decrease in treasury stock purchases, partially offset by a decrease in proceeds from real estate financing transactions, a decrease in proceeds from stock option exercises and an increase in cash dividends.

In the twelve month period from July 1, 2024 through June 30, 2025, the Company generated Net operating cash of $3.061 billion, used $1.172 billion in investing activities and used $1.832 billion in financing activities.

Market Risk

The Company is exposed to market risk associated with interest rate, foreign currency and commodity fluctuations. The Company occasionally utilizes derivative instruments as part of its overall financial risk management policy, but does not use derivative instruments for speculative or trading purposes. In 2025 and 2024, the Company entered into foreign currency forward contracts with maturity dates of less than twelve months primarily to hedge against value changes in foreign currency. The Company also has cross currency swap contracts to hedge its net investment in European operations and interest rate lock contracts in anticipation of a probable issuance of new long-term fixed rate debt within the next twelve months. See Notes 12 and 15 in Item 1 for additional information related to the Company's use of derivative instruments.

The Company believes it may be exposed to continuing market risk from interest rate, foreign currency exchange rate and commodity price fluctuations. However, the Company does not expect that interest rate, foreign currency exchange rate and commodity price fluctuations or hedging contract losses will have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Financial Covenant

Certain borrowings contain a consolidated leverage covenant. The covenant states that the Company's consolidated leverage ratio is not to exceed 3.75 to 1.00, however, the Company may elect to temporarily increase the leverage ratio to 4.25 to 1.00 for a period of four consecutive fiscal quarters immediately following the consummation of a qualifying acquisition, as defined in the New Credit Agreement dated July 31, 2024. The leverage ratio is defined as the ratio of total indebtedness (the sum of Short-term borrowings, Current portion of long-term debt and Long-term debt) at the reporting date to consolidated "Earnings Before Interest, Taxes, Depreciation, and Amortization" (EBITDA), as defined in the credit agreement, for the 12-month period ended on the same date. Refer to the "Non-GAAP Financial Measures" section below for a reconciliation of EBITDA to Net income. At June 30, 2025, the Company was in compliance with the covenant and expects to remain in compliance. The Company's notes, debentures and revolving credit agreements contain various default and cross-default provisions. In the event of default under any one of these arrangements, acceleration of the maturity of any one or more of these borrowings may result.

See Note 6 in Item 1 and Note 7 in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024 for additional information concerning the Company’s debt and related covenants.

Non-GAAP Financial Measures

Management of the Company utilizes certain financial measures that are not in accordance with US GAAP to analyze and manage the performance of the business. The required disclosures for these non-GAAP measures are shown below. The Company provides such non-GAAP information in reporting its financial results to give investors additional data to evaluate the Company's operations. Management does not, nor does it suggest investors should, consider such non-GAAP measures in isolation from, or in substitution for, financial information prepared in accordance with US GAAP.

EBITDA and Adjusted EBITDA

EBITDA is a non-GAAP financial measure defined as Net income before income taxes, Interest expense, depreciation and amortization. Adjusted EBITDA is a non-GAAP financial measure defined as EBITDA that excludes certain adjustments that management believes enhances investors' understanding of the Company's operating performance. Management considers EBITDA and Adjusted EBITDA useful in understanding the operating performance of the Company. The reader is cautioned that the Company's EBITDA and Adjusted EBITDA should not be compared to other entities unknowingly. Further, EBITDA and Adjusted EBITDA should not be considered alternatives to Net income as an indicator of operating performance. The reader should refer to the determination of Net income in accordance with US GAAP disclosed in the Statements of Consolidated Income in Item 1.

The following table summarizes EBITDA and Adjusted EBITDA as calculated by management for the periods indicated below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
Net income	**$ 754.7**	$ 889.9	**$ 1,258.6**	$ 1,395.1
Interest expense	**112.4**	110.8	**216.2**	213.8
Income taxes	**231.0**	283.5	**380.1**	418.3
Depreciation	**79.3**	71.8	**159.2**	142.9
Amortization	**83.4**	81.5	**164.4**	163.6
EBITDA	**$ 1,260.8**	$ 1,437.5	**$ 2,178.5**	$ 2,333.7
Severance and other restructuring expenses	**59.0**	—	**78.3**	—
Adjusted EBITDA	**$ 1,319.8**	$ 1,437.5	**$ 2,256.8**	$ 2,333.7

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect amounts reported in the accompanying condensed consolidated financial statements. These determinations were made based upon management's best estimates, judgments and assumptions that were believed to be reasonable under the circumstances, giving due consideration to materiality. We do not believe there is a great likelihood that materially different amounts would be reported under different conditions or using different assumptions related to the accounting policies described below. However, application of these accounting policies involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates.

A comprehensive discussion of the Company's critical accounting policies, management estimates and significant accounting policies followed in the preparation of the condensed consolidated financial statements is included in Management's Discussion and Analysis of Financial Condition and Results of Operations and Note 1 in the Company's Annual Report on Form 10-K for the year ended December 31, 2024. There have been no significant changes in critical accounting policies, management estimates or accounting policies since the year ended December 31, 2024.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this report 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;
- disruptions to our information technology systems, including due to digitization efforts or cybersecurity incidents;
- 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 South America, Asia, Europe 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 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.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to market risk associated with interest rate, foreign currency and commodity fluctuations. The Company occasionally utilizes derivative instruments as part of its overall financial risk management policy, but does not use derivative instruments for speculative or trading purposes. The Company may enter into option and forward currency exchange contracts, interest rate locks and commodity swaps to hedge against value changes in foreign currency, interest rates and commodities. The Company believes it may experience continuing losses from foreign currency translation, interest rate movement and commodity price fluctuations. However, the Company does not expect foreign currency translation or transactions, interest rate movement, commodity price fluctuations or hedging contract losses to have a material adverse effect on the Company's financial condition, results of operations or cash flows. There were no material changes in the Company's exposure to market risk since the disclosure included in Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

Item 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our Chair, President and Chief Executive Officer and our Senior Vice President - Finance and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 and Rule 15d-15 of the Securities Exchange Act of 1934, as amended (the Exchange Act). Based upon that evaluation, our Chair, President and Chief Executive Officer and our Senior Vice President - Finance and Chief Financial Officer concluded that as of the end of the period covered by this report our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and accumulated and communicated to our management including our Chair, President and Chief Executive Officer and our Senior Vice President - Finance and Chief Financial Officer, to allow timely decisions regarding required disclosure.

There have been no changes in our internal control over financial reporting identified in connection with the evaluation that occurred during the periods covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

The Securities and Exchange Commission regulations require disclosure of certain environmental matters when a governmental authority is a party to the proceedings and such proceedings involve potential monetary sanctions that the Company reasonably believes will exceed a specified threshold. Pursuant to these regulations, the Company uses a threshold of $1 million for purposes of determining whether disclosure of any such proceedings is required.

For information regarding certain environmental-related matters and other legal proceedings, see the information included under the captions titled “Environmental-Related Liabilities” and “Litigation” of “Management’s Discussion and Analysis of Results of Operations and Financial Condition” and Notes 8 and 9 of the “Notes to Condensed Consolidated Financial Statements.” The information contained in Note 9 to the Condensed Consolidated Financial Statements is incorporated herein by reference.

Item 1A. Risk Factors.

We face a number of risks that could materially and adversely affect our business, results of operations, cash flows, liquidity or financial condition. A discussion of our risk factors can be found in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2024. Readers should not interpret the disclosure of any risk factor to imply that the risk has not already materialized. During the six months ended June 30, 2025, there were no material changes to our previously disclosed risk factors.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

A summary of the Company’s second quarter activity is as follows:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Plan	Maximum Number of Shares That May Yet Be Purchased Under the Plan
April 1 - April 30				
Share repurchase program [1]	100,000	$ 352.74	100,000	33,325,000
Employee transactions [2]	216	$ 237.25	—	N/A
May 1 - May 31				
Share repurchase program [1]	1,050,000	$ 359.53	1,050,000	32,275,000
Employee transactions [2]	396	$ 359.94	—	N/A
June 1 - June 30				
Share repurchase program [1]	300,000	$ 352.34	300,000	31,975,000
Employee transactions [2]	676	$ 359.59	—	N/A
Quarter Total				
Share repurchase program [1]	1,450,000	$ 357.57	1,450,000	31,975,000
Employee transactions [2]	1,288	$ 339.18	—	N/A

(1) Shares were purchased through the Company’s publicly announced share repurchase program. There is no expiration date specified for the program.

(2) Shares were delivered to satisfy the exercise price and/or tax withholding obligations by employees who exercised stock options or had restricted stock units vest.

Item 5. Other Information.

Trading Arrangements

During the quarter ended June 30, 2025, none of the Company's directors or "officers," as defined in Rule 16a-1(f) of the Exchange Act, adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

Item 6. Exhibits.

31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer (filed herewith)
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer (filed herewith)
32.1	Section 1350 Certification of Chief Executive Officer (furnished herewith)
32.2	Section 1350 Certification of Chief Financial Officer (furnished herewith)
101.INS	Inline XBRL Instance Document - the instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	The cover page from this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025, formatted in Inline XBRL and contained in Exhibit 101.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE SHERWIN-WILLIAMS COMPANY

July 24, 2025	By:	/s/ J. Paul Lang J. Paul Lang Senior Vice President - Enterprise Finance and Chief Accounting Officer
July 24, 2025	By:	/s/ Allen J. Mistysyn Allen J. Mistysyn Senior Vice President - Finance and Chief Financial Officer