FINANCIAL COMMUNITY PRESENTATION

MARRIOTT MARQUIS, NEW YORK

OCTOBER 3, 2017

Forward-Looking Statement

SHERWIN-WILLIAMS®

The presentations today will contain certain “forward-looking statements," as defined under U.S. federal securities laws, with respect to sales, earnings and other matters. These statements can be identified by the use of forward-looking terminology such as "believe," "expect," "may," "will," "should," "project," "could," "plan," "goal," "potential," "seek," "intend" or "anticipate" or the negative thereof or comparable terminology. These forward-looking statements are based upon management's current expectations, estimates, assumptions and beliefs concerning future events and conditions. Readers are cautioned not to place undue reliance on any forward-looking statements. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company that could cause actual results to differ materially from such statements and from the Company's historical results and experience. These risks, uncertainties and other factors include such things as: general business conditions; the Company's ability to successfully integrate past and future acquisitions into its existing operations, including Valspar, as well as the performance of the businesses acquired; risks inherent in the achievement of anticipated cost synergies resulting from the acquisition of Valspar and the timing thereof; strengths of retail and manufacturing economies and the growth in the coatings industry; changes in the Company's relationships with customers and suppliers; changes in raw material availability and pricing; unusual weather conditions; and other risks, uncertainties and factors described from time to time in the Company's reports filed with the Securities and Exchange Commission. Since it is not possible to predict or identify all of the risks, uncertainties and other factors that may affect future results, the above list should not be considered a complete list. Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

INDUSTRY OVERVIEW

BOB WELLS
SENIOR VICE PRESIDENT,
CORPORATE COMMUNICATIONS & PUBLIC AFFAIRS

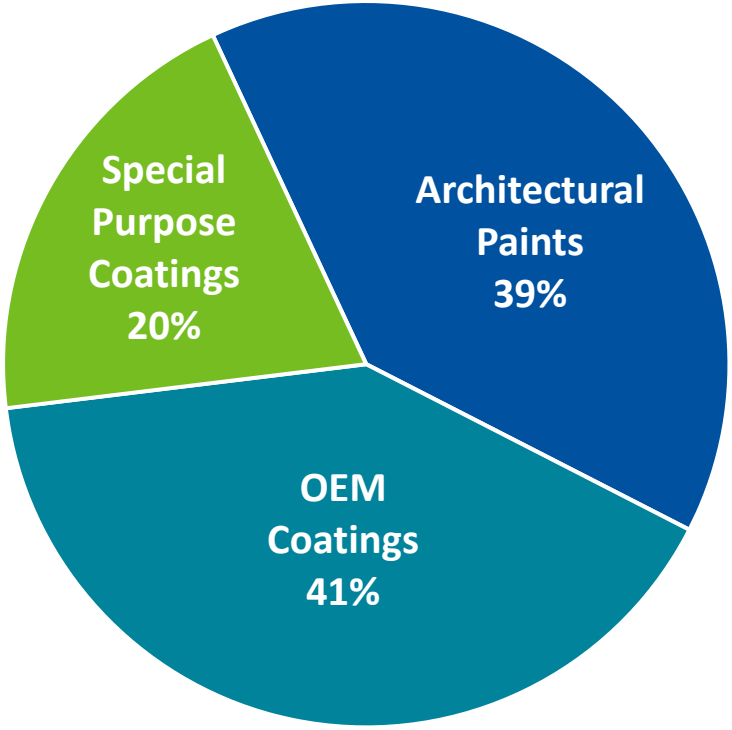


FINANCIAL COMMUNITY PRESENTATION – OCTOBER 3, 2017

Paint & Coatings Industry

Global Mix by Category (Based on $)

SHERWIN-WILLIAMS



Total Coatings

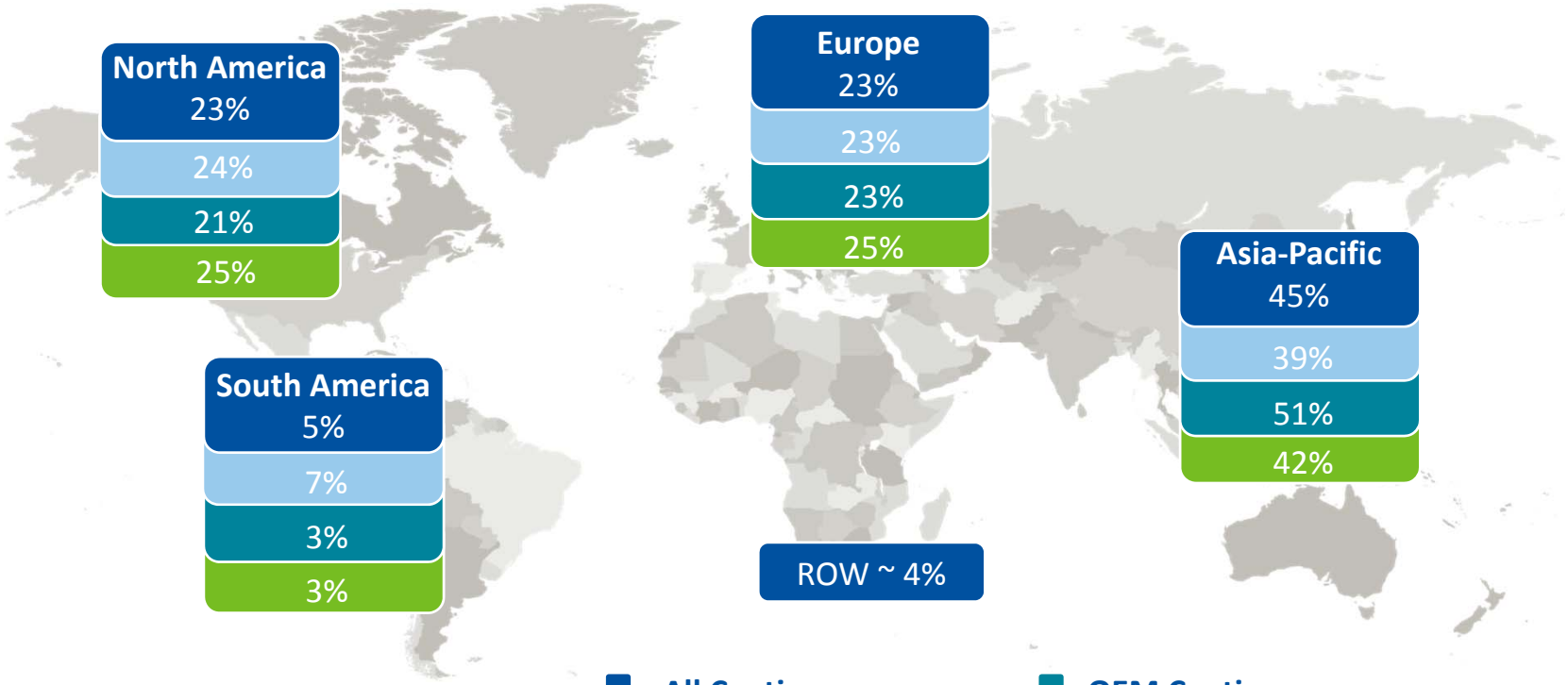
2016
~ 9 Billion Gallons
~121 Billion Dollars

Source: KNG Research
The use of KNG information in this presentation is for illustrative and consistency purposes only; SHW believes its volume data is unreliable.

Paint & Coatings Demand by Region

Geographic Split of Global Revenue

SHERWIN-WILLIAMS®

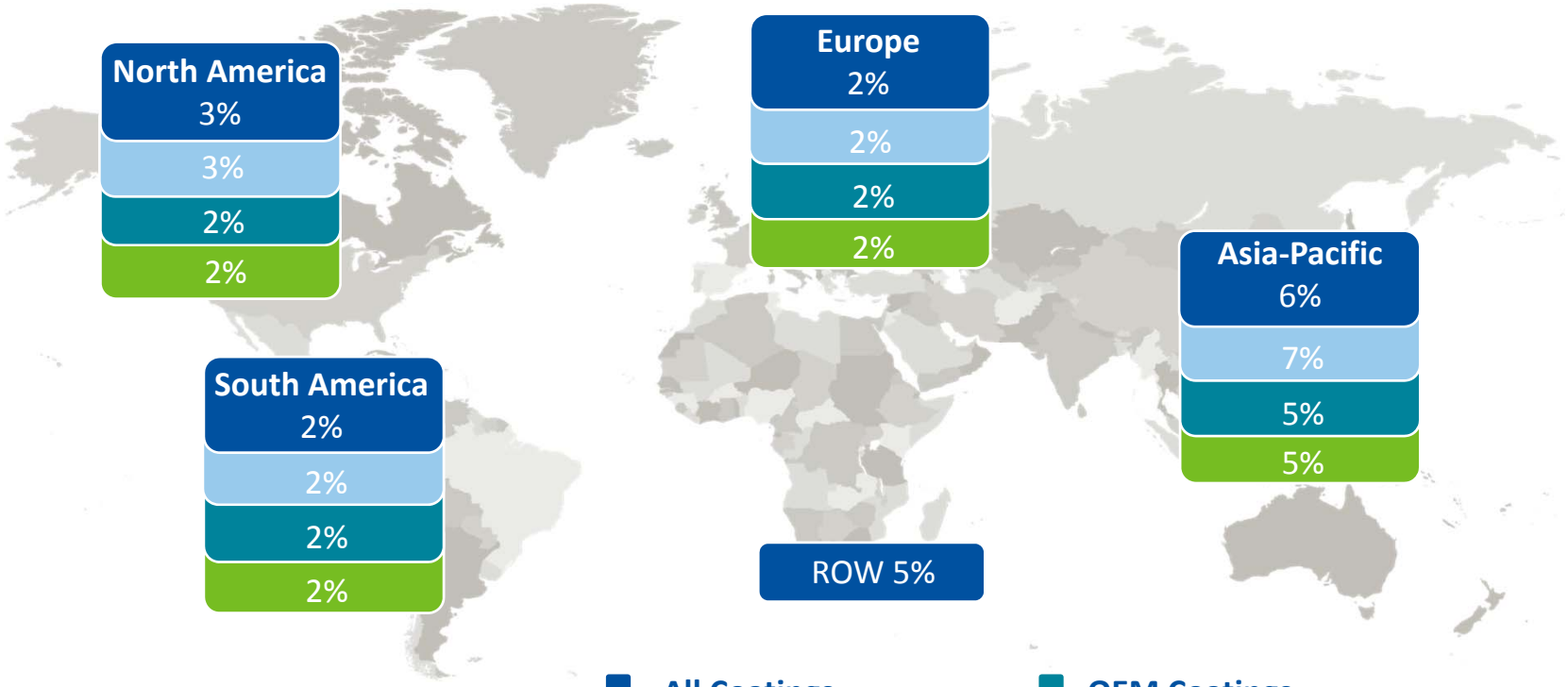


Source: KNG Research

Projected Demand by Region

5-Year Growth Rate Estimates

SHERWIN-WILLIAMS

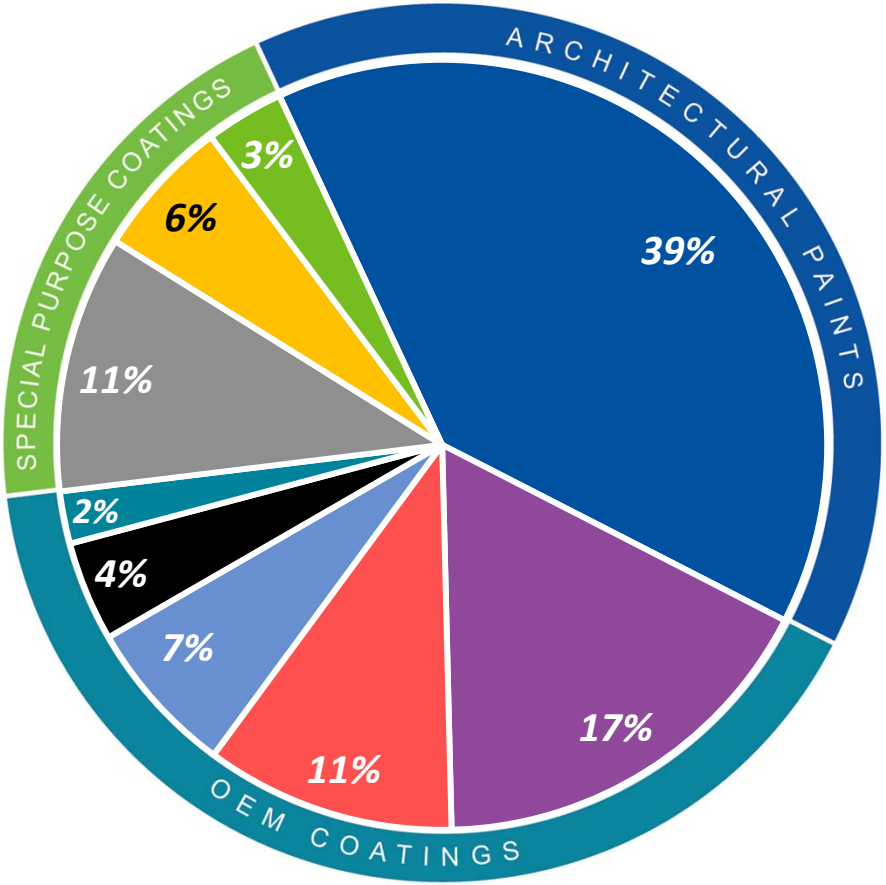


Sources: KNG, ACA and Company Estimates

Paint & Coatings Industry

Global Mix by Category (Based on $)

SHERWIN-WILLIAMS



Total Coatings

2016
~9 Billion Gallons
~121 Billion Dollars

- ARCHITECTURAL
- GENERAL INDUSTRIAL
- AUTO OEM
- WOOD
- COIL
- PACKAGING
- PROTECTIVE & MARINE
- AUTO REFINISH
- OTHER

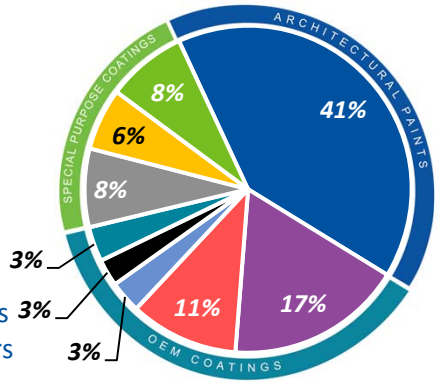
Source: KNG Research

Industry Breakdown by Region

2016 Sales ($) Mix by Category

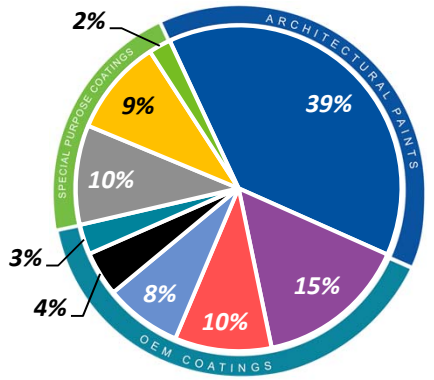
SHERWIN-WILLIAMS

North America Coatings Industry



~1.5 Billion Gallons
~27.8 Billion Dollars

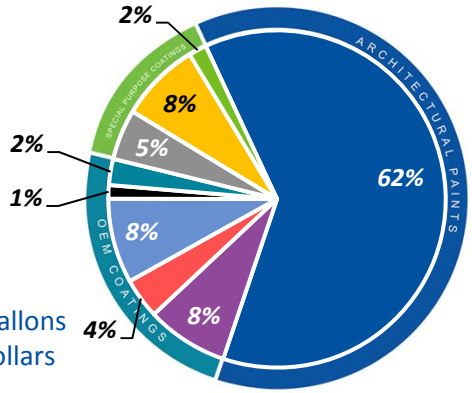
Europe Coatings Industry



~2.1 Billion Gallons
~28.4 Billion Dollars

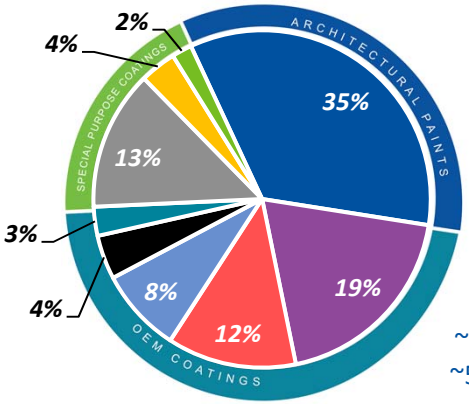
- ARCHITECTURAL
- GENERAL INDUSTRIAL
- AUTO OEM
- WOOD
- COIL
- PACKAGING
- PROTECTIVE & MARINE
- AUTO REFINISH
- OTHER

Latin America Coatings Industry



~583 Million Gallons
~5.5 Billion Dollars

Asia-Pacific Coatings Industry



~4.2 Billion Gallons
~53.8 Billion Dollars

Source: KNG Research

Top Global Manufacturers

Coatings Industry 2016

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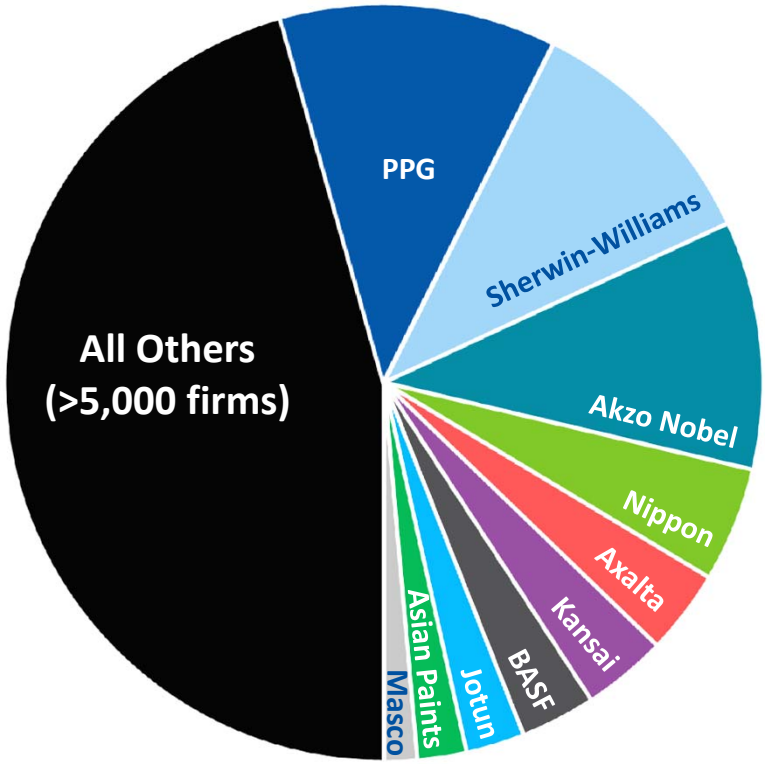

Global Market
Top 10 Suppliers ~55%

Source: KNG Research

Top Global Manufacturers

Coatings Industry 2016

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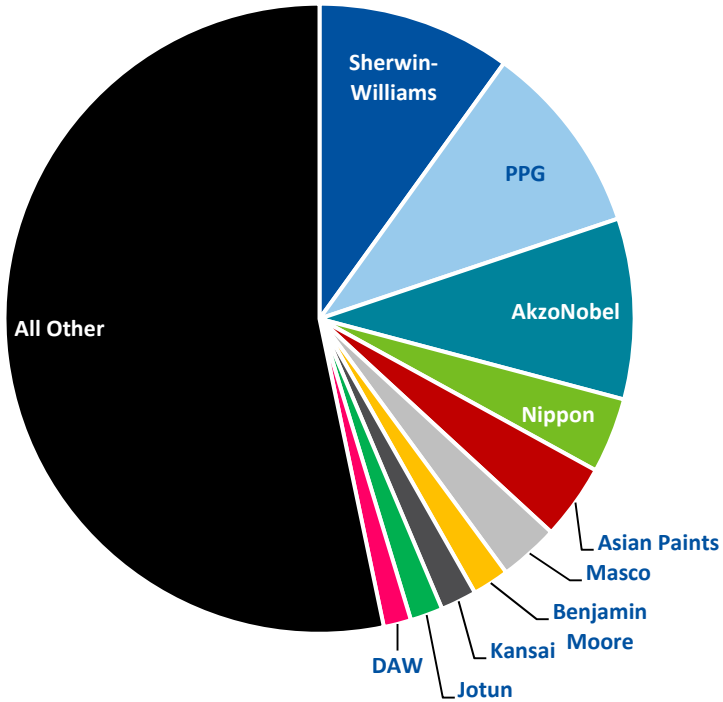
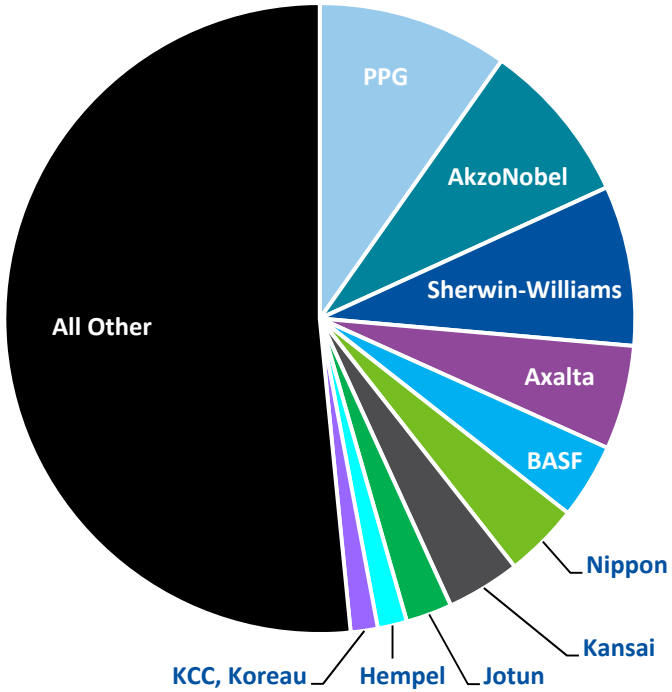
Architectural Market
Top 10 Suppliers ~46%



Industrial Market
Top 10 Suppliers ~48%



Source: KNG Research

North America Paint & Coatings Industry

Sales ($) Mix by Category

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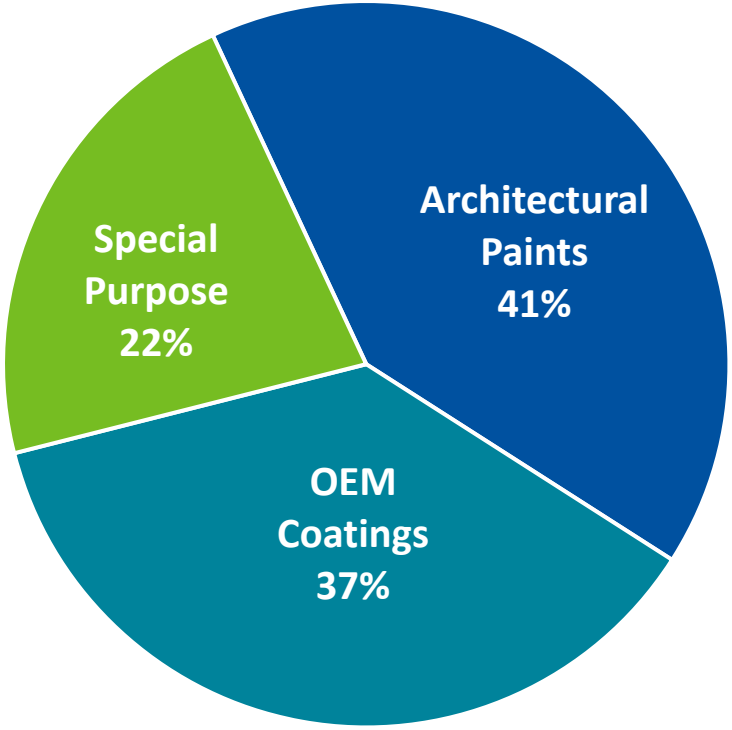


North America Paint & Coatings

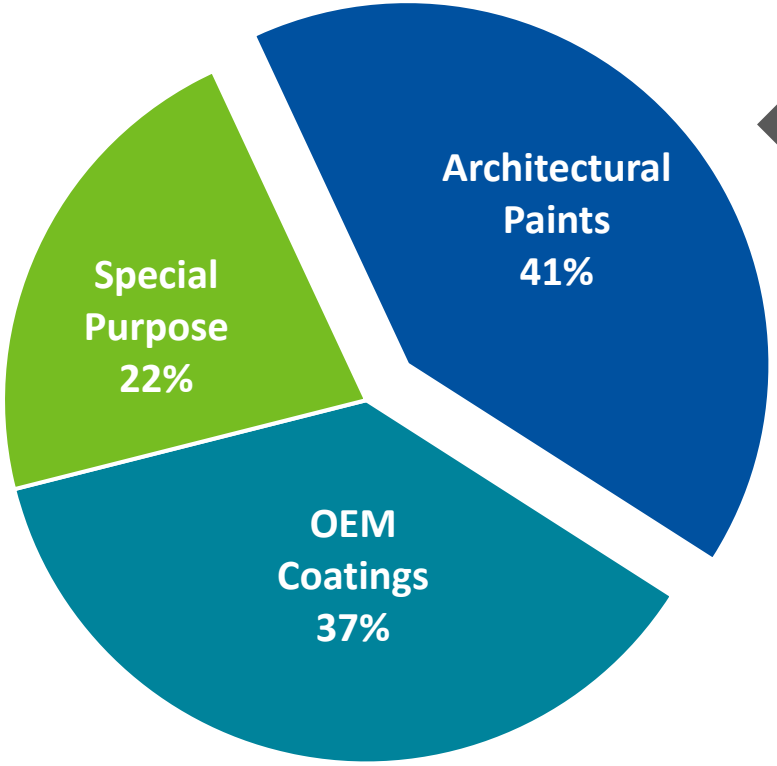
2016
~ 1.5 Billion Gallons
~27.8 Billion Dollars

Source: KNG Research

North America Paint & Coatings Industry

Sales ($) Mix by Category

SHERWIN-WILLIAMS®



Comprises ~65% of SHW Direct Sales

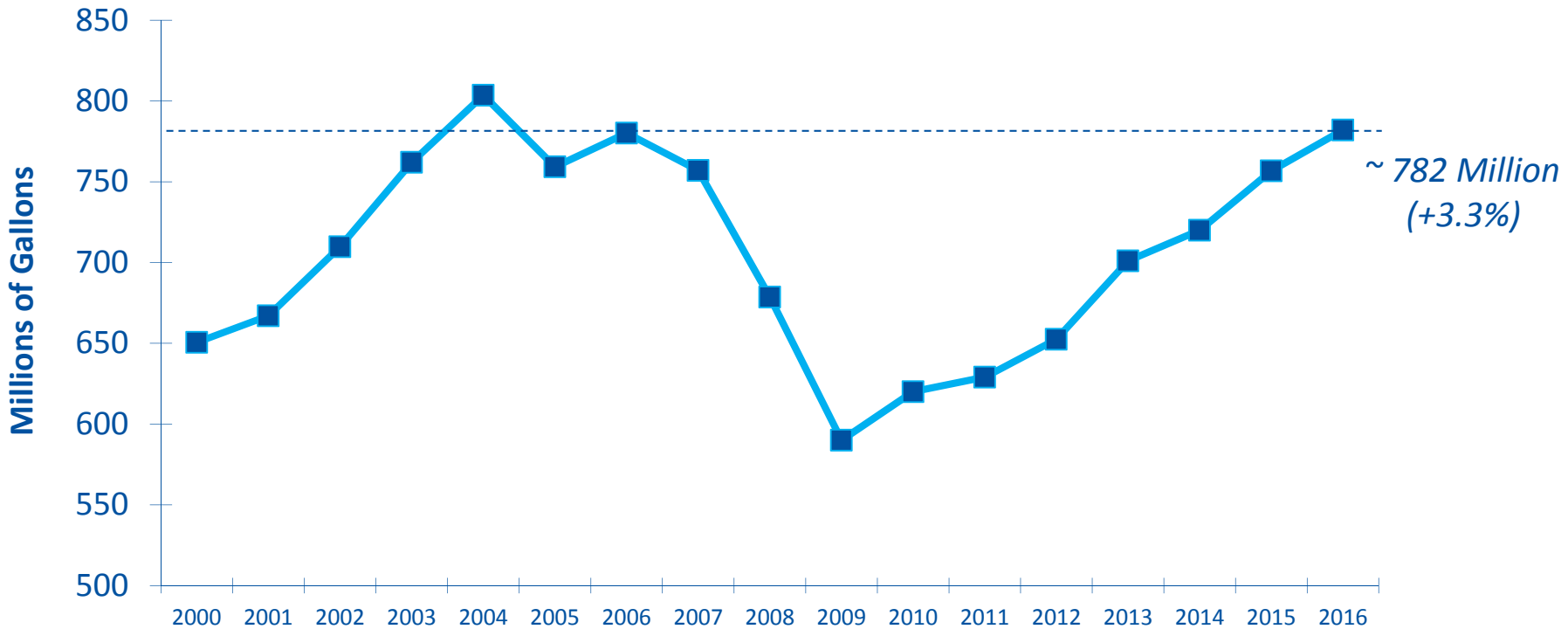
Reliable Indicator of Demand in Other Coatings Categories

Source: KNG Research

U.S. Paint & Coatings Industry

Architectural Paint Gallons (Millions)

SHERWIN-WILLIAMS®



Sources: ACA, Company Estimates

Favorable Customer Mix

DIY → Contractor Shift Will Continue in U.S. & Canada

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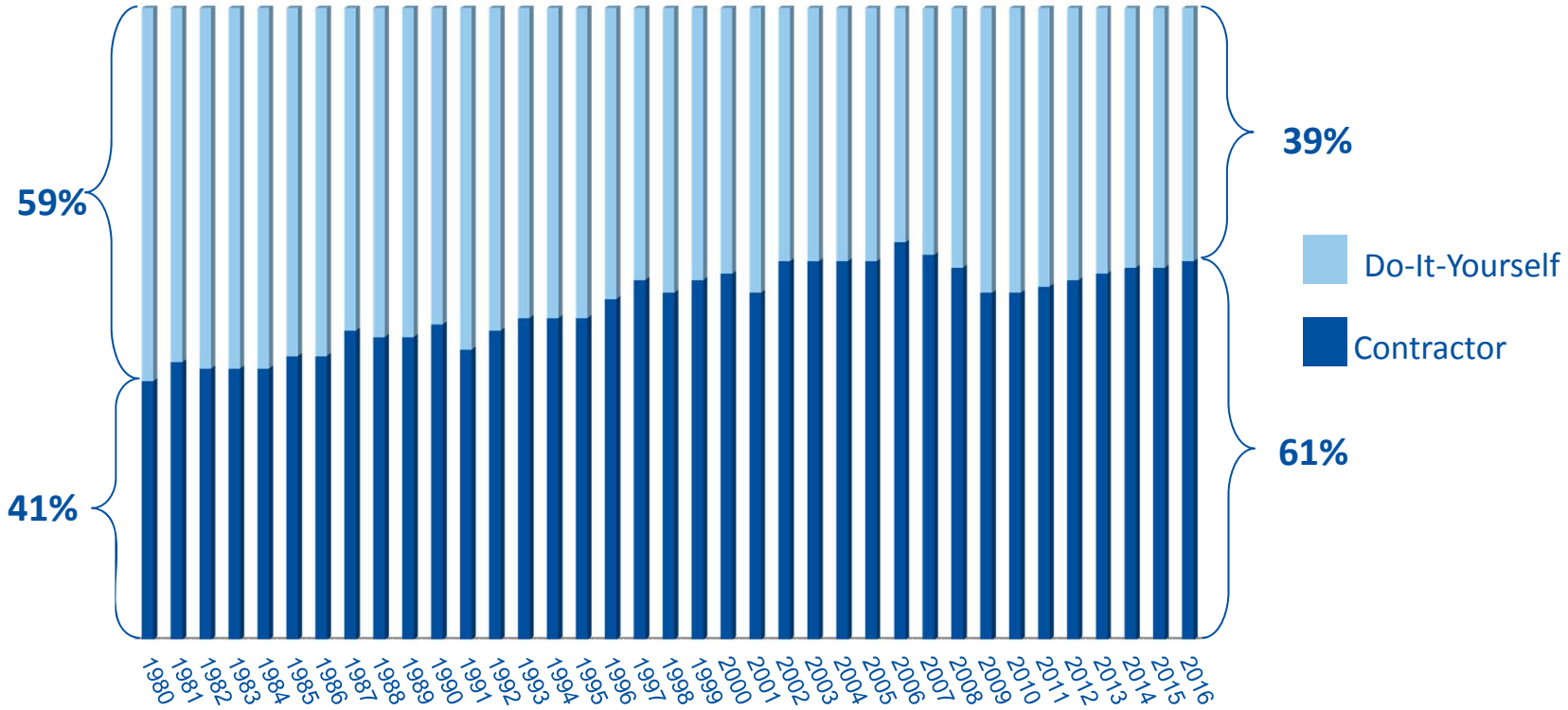

Sources: U.S. Commerce Department, Company Estimates

U.S. & Canada Architectural Paints

Breakdown by Segment

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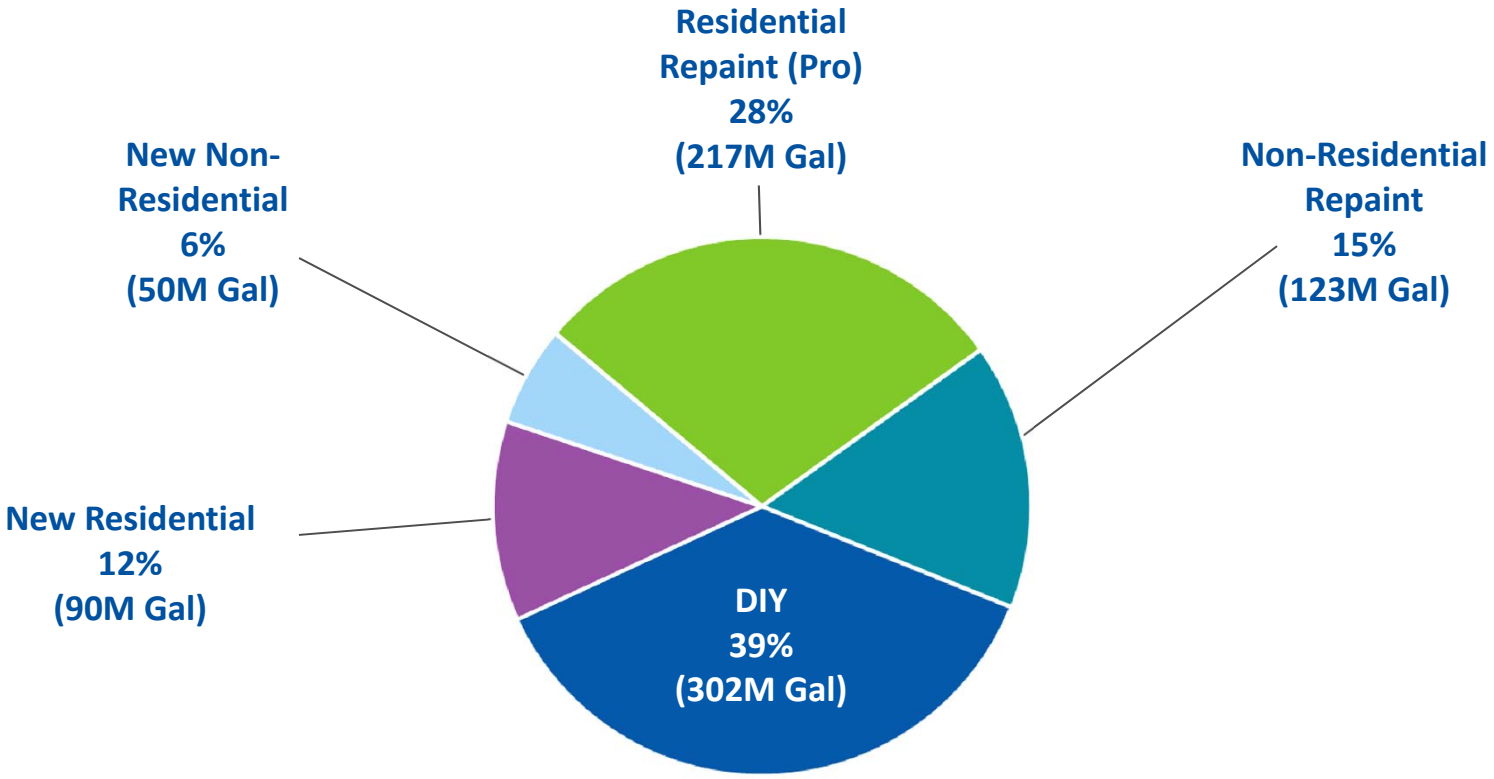

782 Million Gallons

Sources: ACA, Company Estimates

U.S. Paint & Coatings Industry

Sustained Household Formation Underpins Housing Demand

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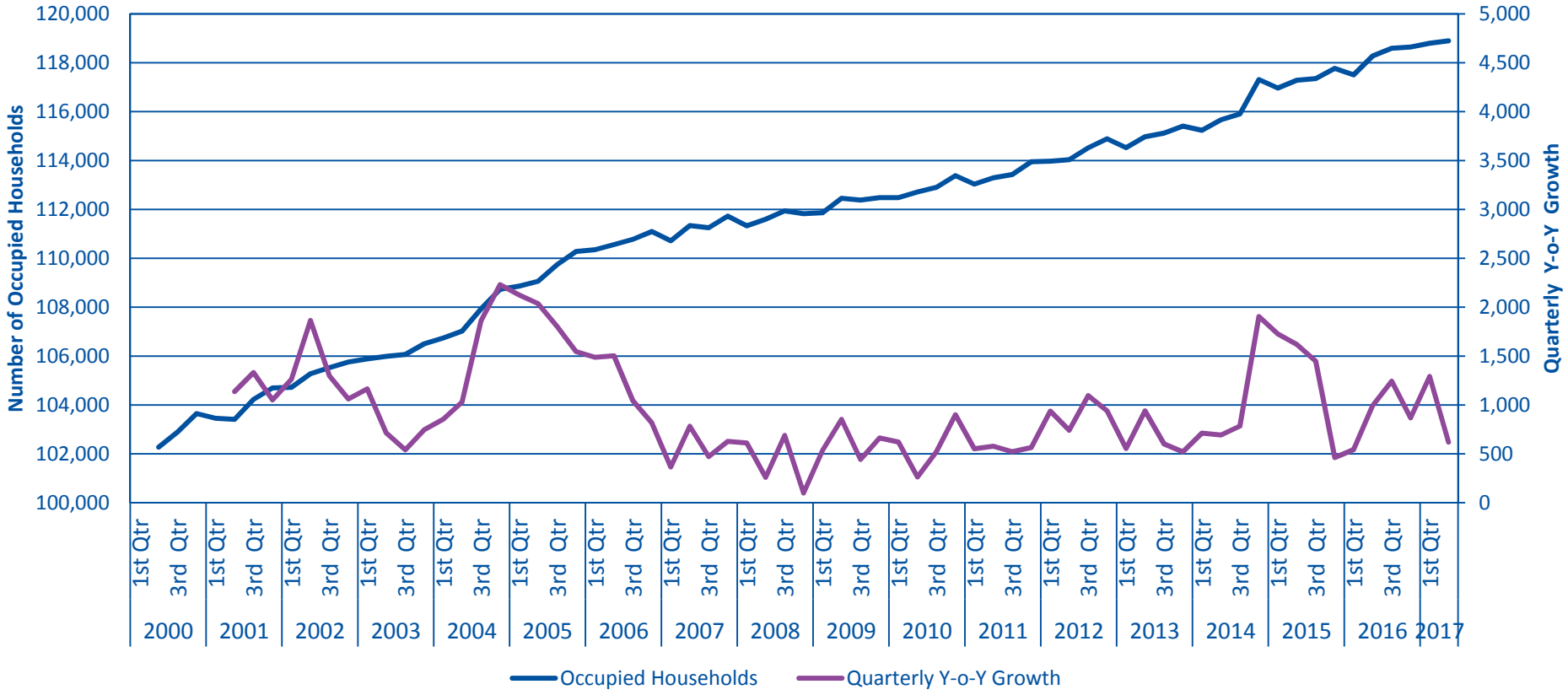

Source: U.S. Census Bureau

U.S. Paint & Coatings Industry

Housing Supply not Keeping Pace

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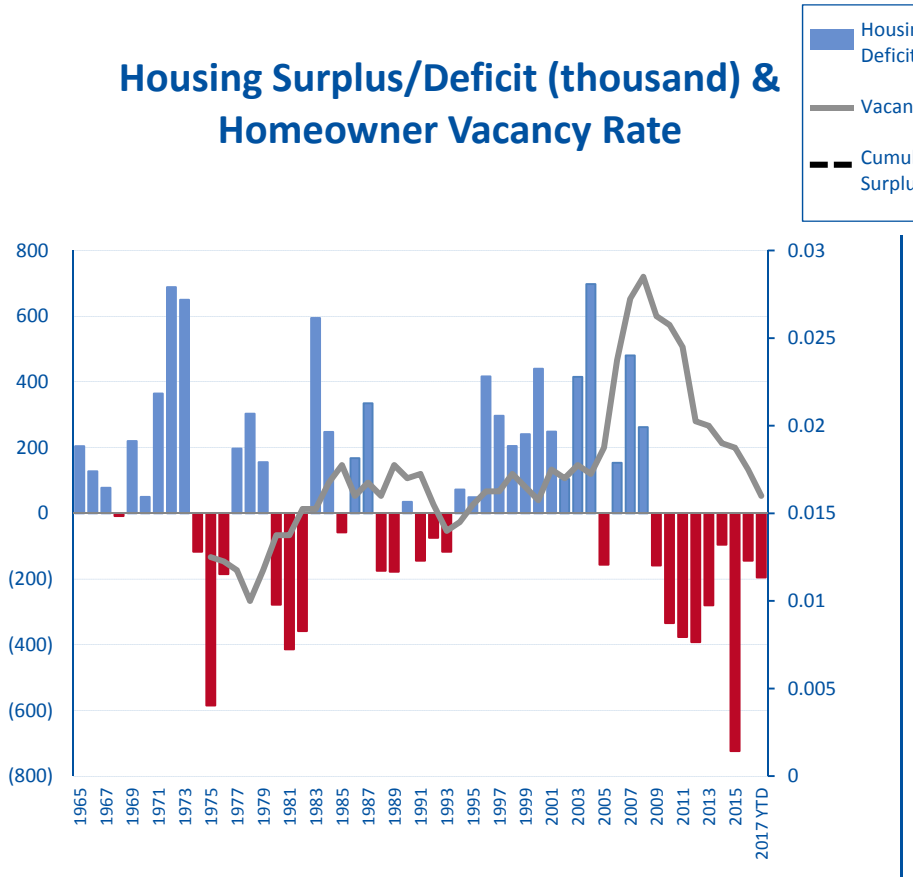
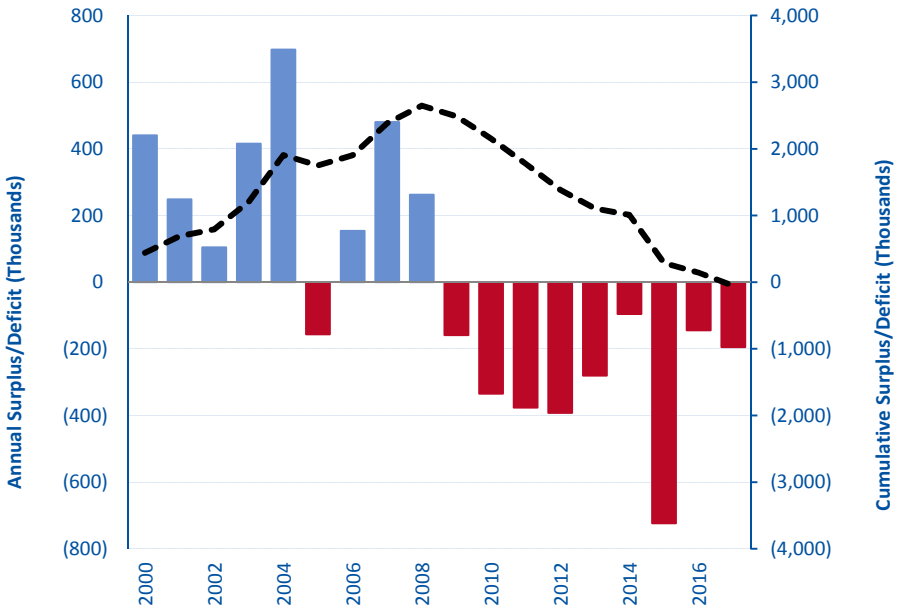
Housing Surplus/Deficit (thousand) & Homeowner Vacancy Rate



Housing Surplus/Deficit (thousand)



Sources: Wells Fargo Securities, U.S. Commerce Department

U.S. Paint & Coatings Industry

Shortfall Particularly Acute in Entry Level

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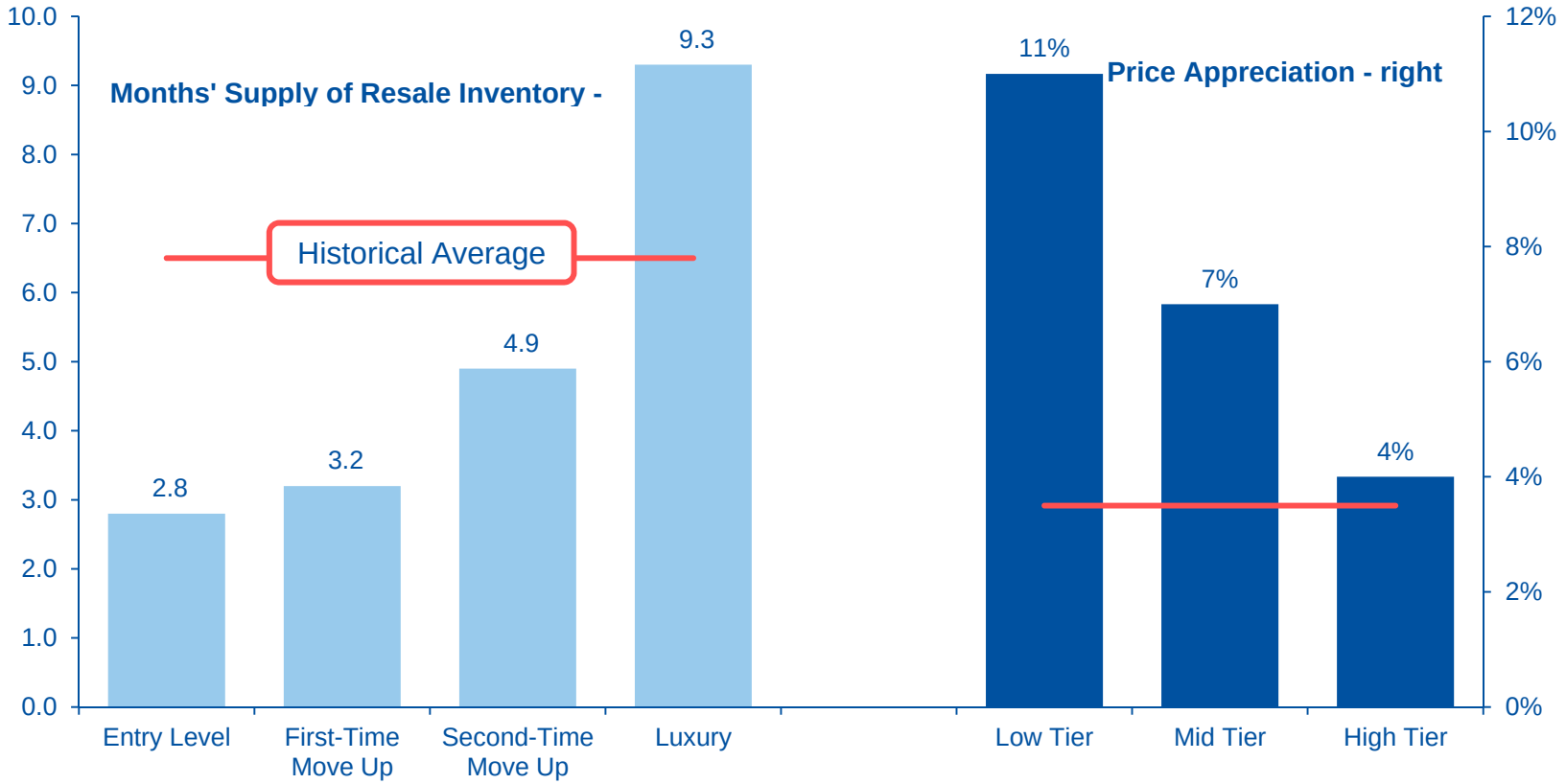

Sources: Case-Shiller, CoreLogic, Local MLS, Zelman & Associates

U.S. Paint & Coatings Industry

New Housing Activity Lags Prior Periods

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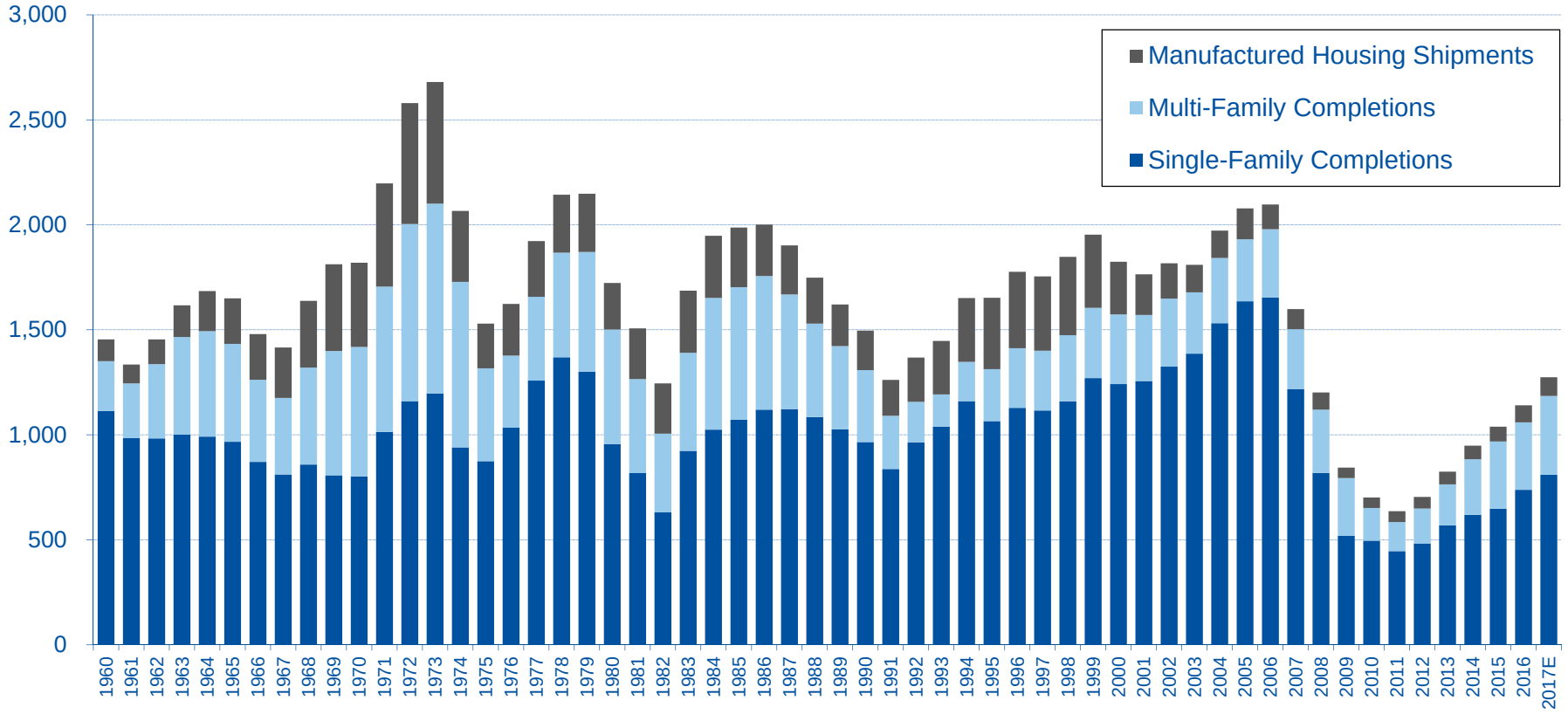

Sources: Census Bureau, Zelman & Associates

U.S. Paint & Coatings Industry

Inventory For Sale (New & Existing) Below Multi-Decade Norms

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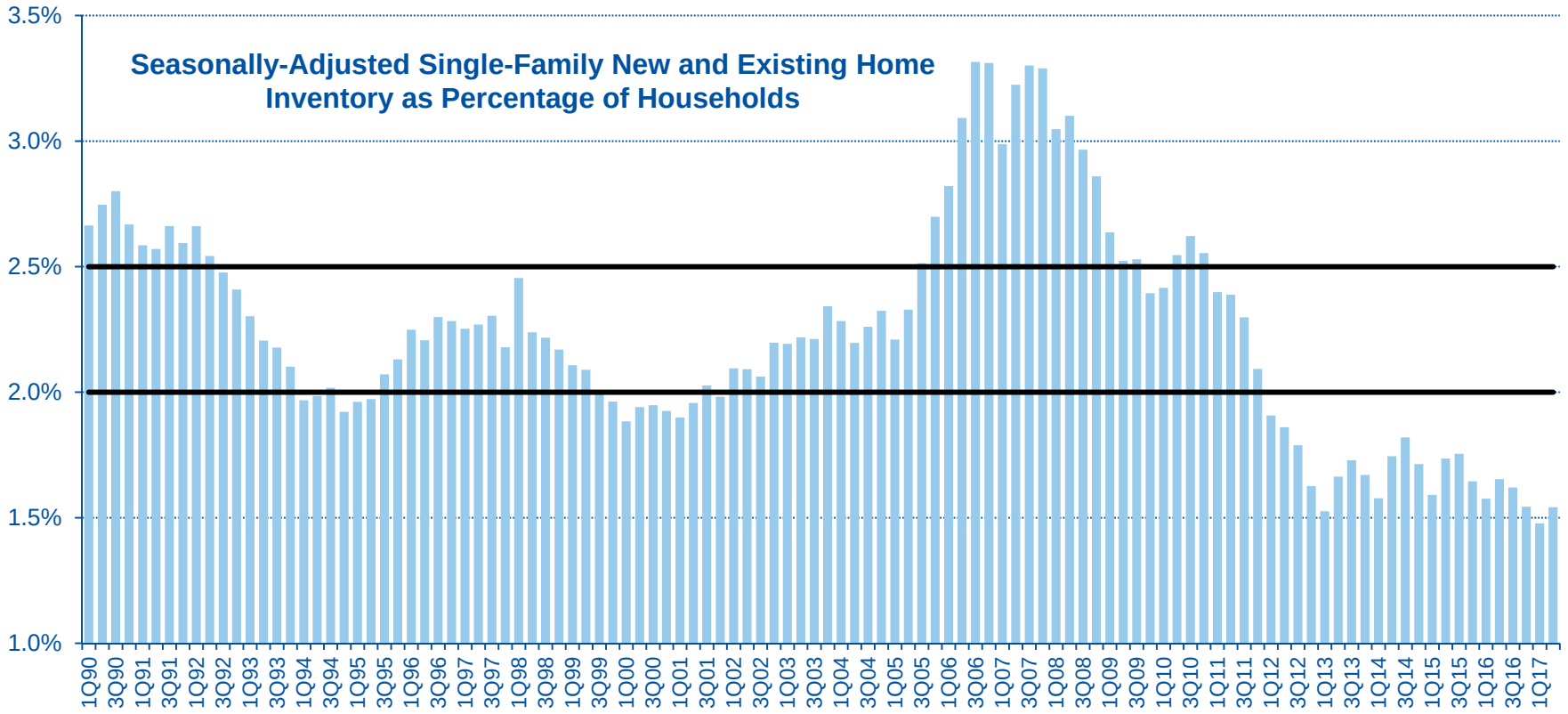

Sources: Census Bureau, NAR, Zelman & Associates

U.S. Paint & Coatings Industry

Residential Remodeling Market Remains Strong

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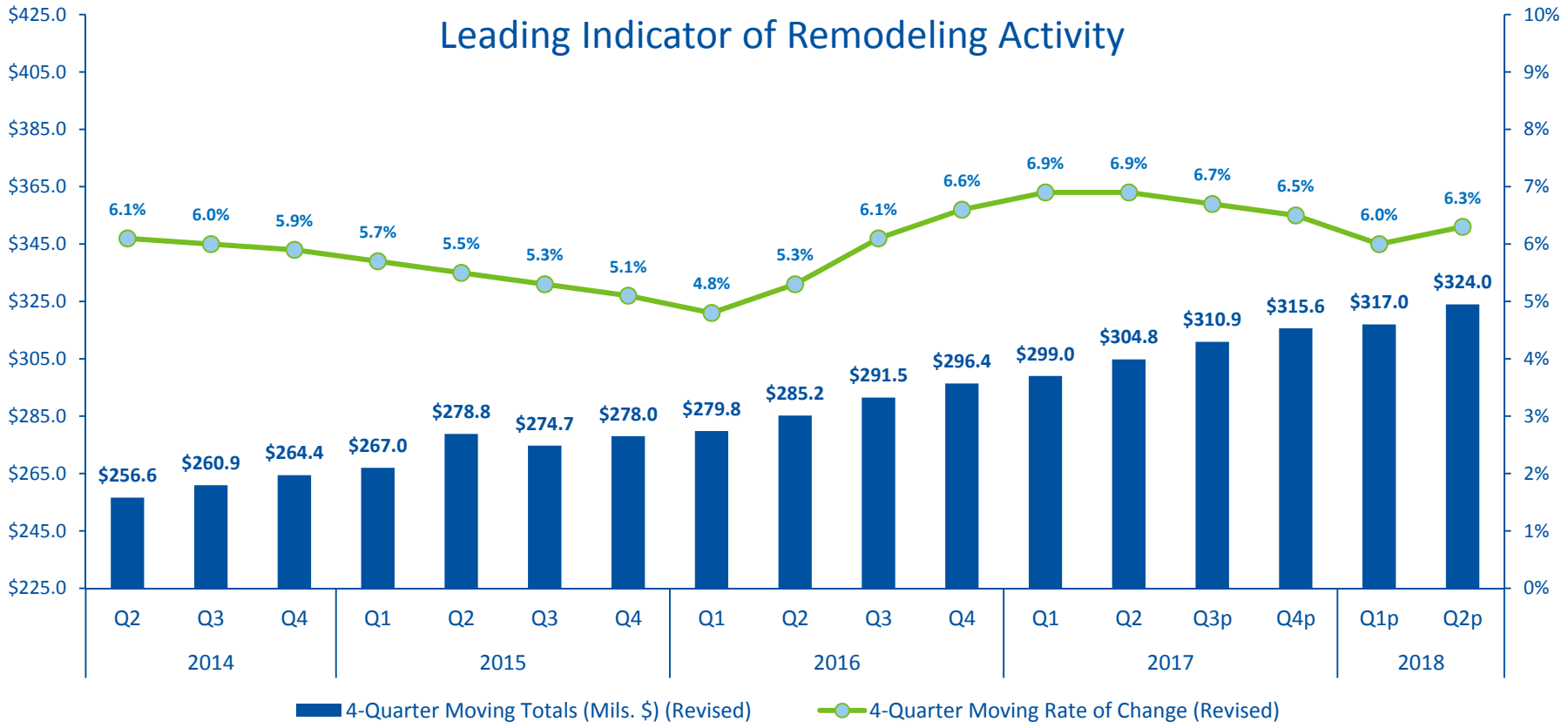

Source: Harvard Joint Center for Housing Studies

U.S. Paint & Coatings Industry

Residential and Non-Residential Fixed Investment as % of GDP

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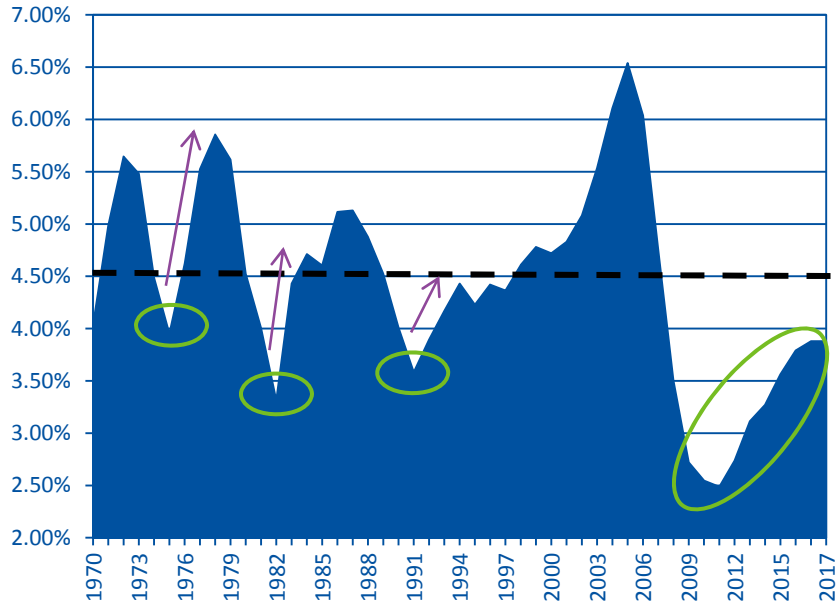
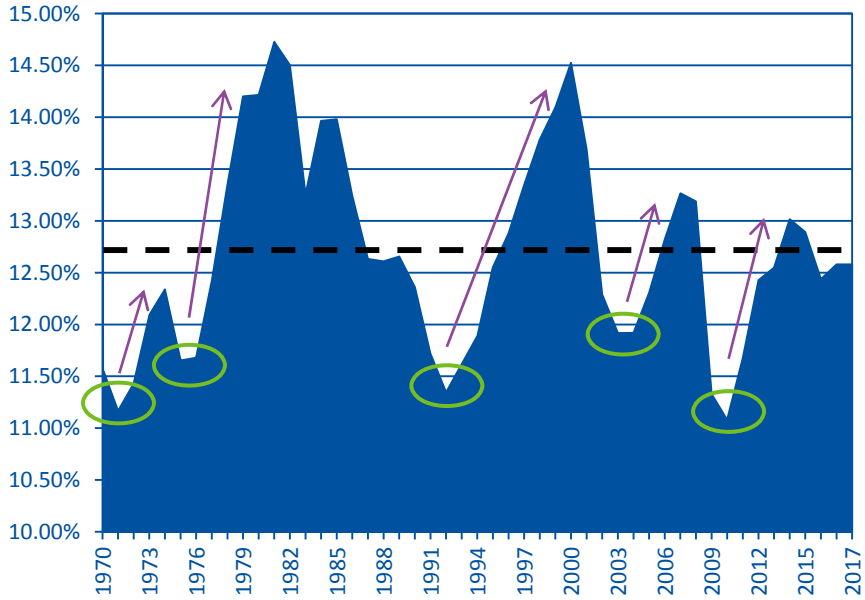
Residential Investment

3.8% of GDP in 2Q17
13% Below Historical Average



Non-Residential Investment

12.6% of GDP in 2Q17
4% Below Historical Average



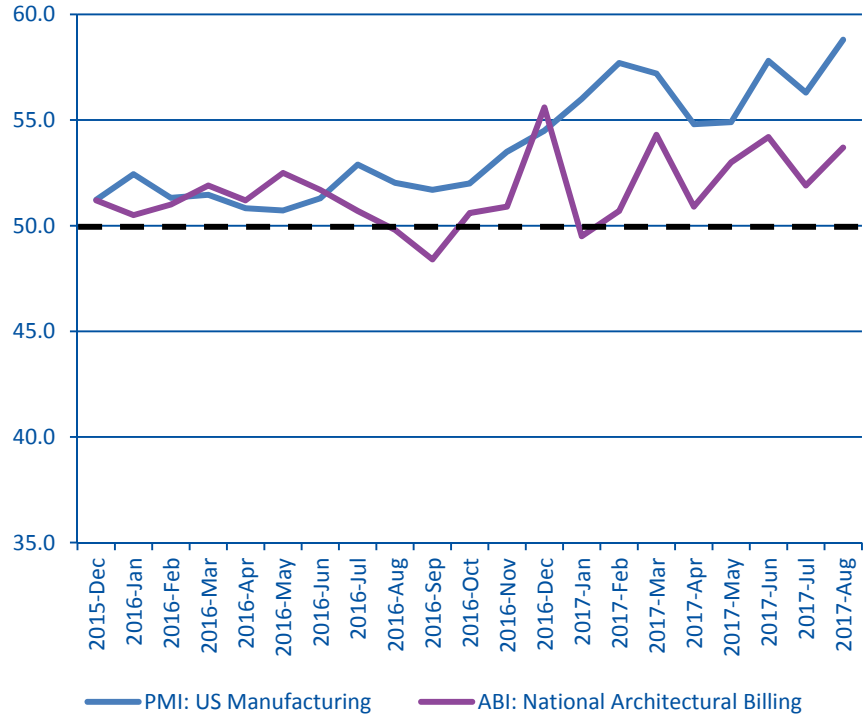
Sources: Wells Fargo Securities, U.S. Commerce Department

U.S. Paint & Coatings Industry

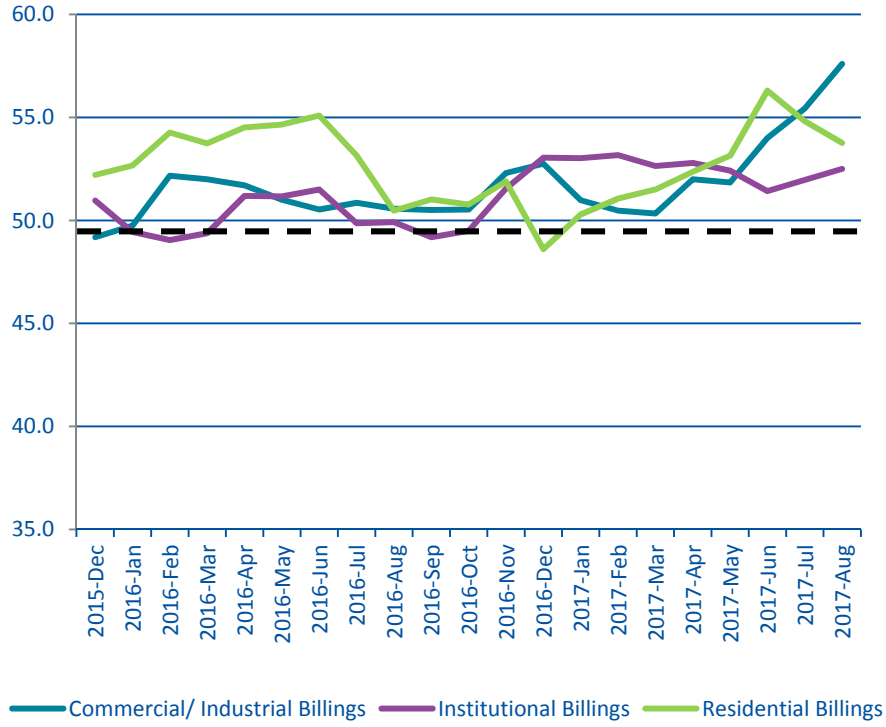
Positive Manufacturing & Construction Outlook

SHERWIN-WILLIAMS®

Manufacturing PMI & Architectural Billings



Architectural Billings by Sector

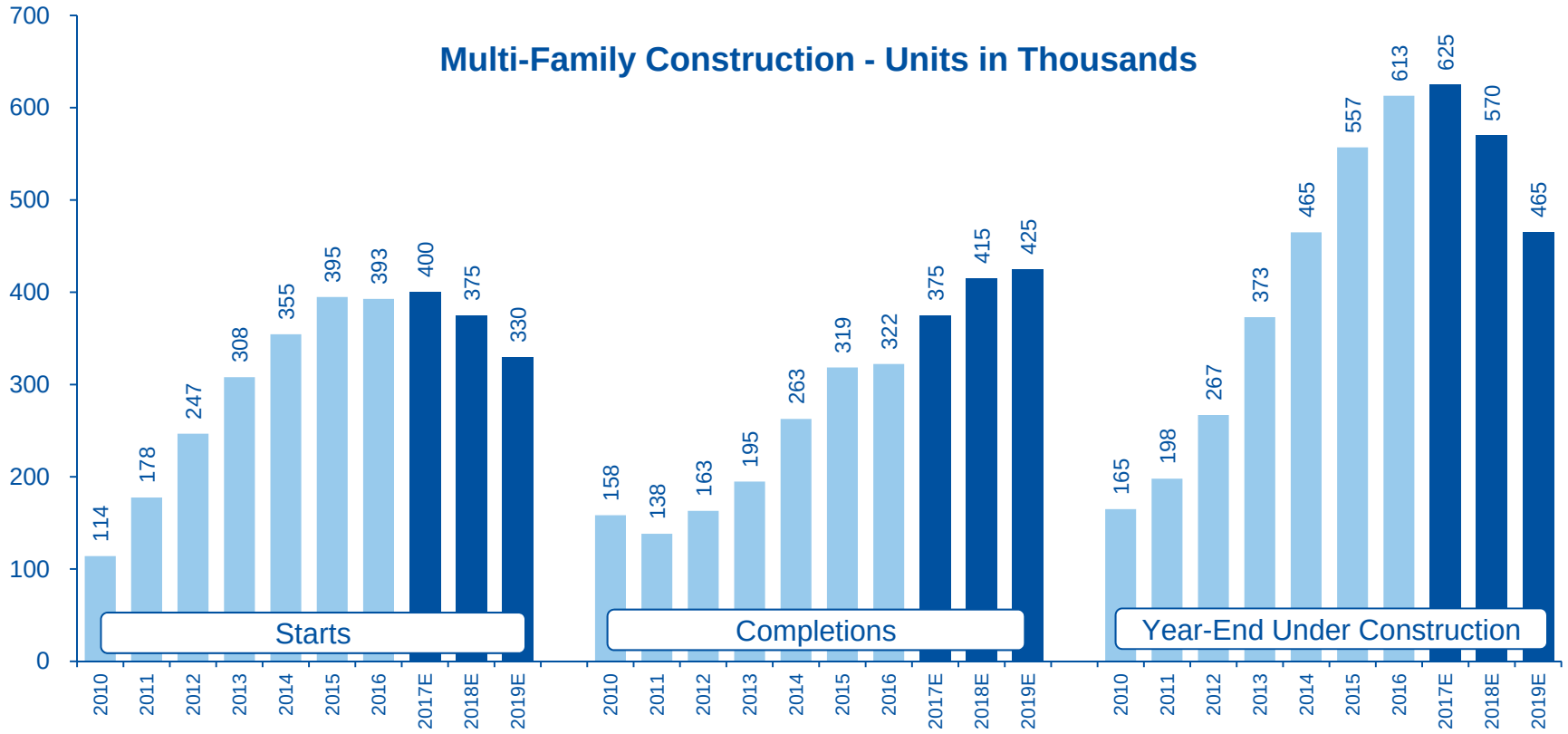


Sources: Institute for Supply Management, American Institute of Architects

U.S. Paint & Coatings Industry

Moderating Permits and Starts – Completions likely to Continue Rising

SHERWIN-WILLIAMS®



Sources: Census Bureau, Zelman & Associates

U.S. Manufacturing Activity

Positive Manufacturing Outlook

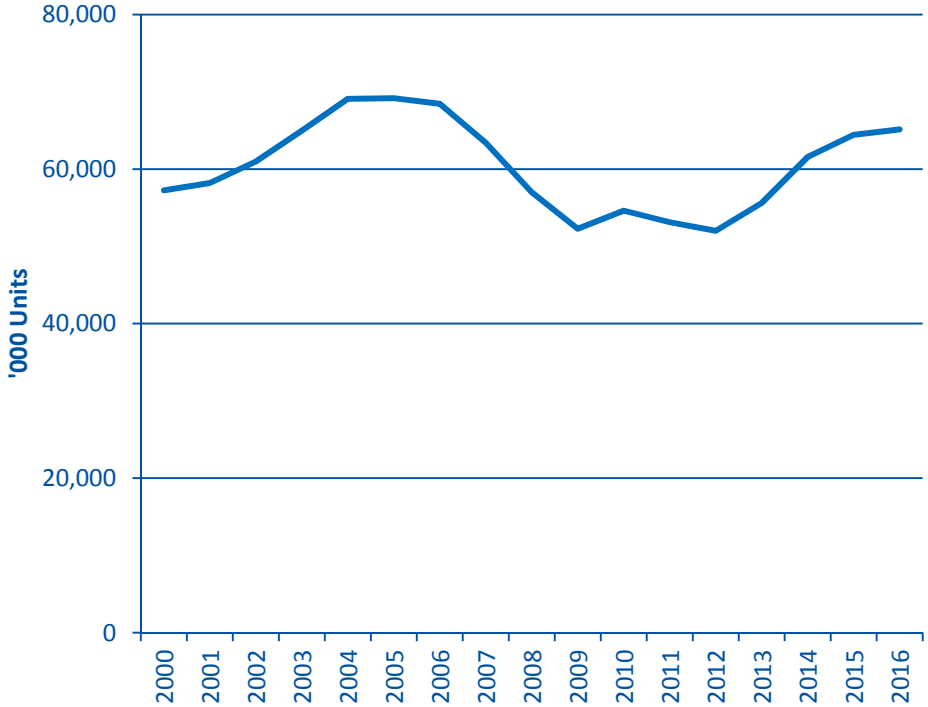
SHERWIN-WILLIAMS®

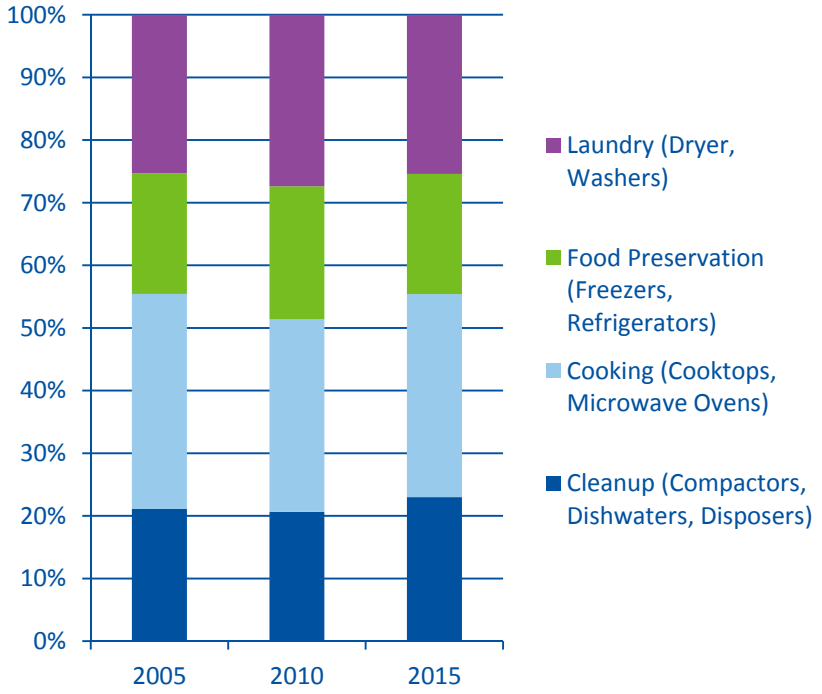
Index	Aug 2017	Jul 2017	Change	Direction	Rate of Change
PMI	58.8	56.3	+2.5	Growing	Faster
New Orders	60.3	60.4	-0.1	Growing	Slower
Production	61.0	60.6	+0.4	Growing	Faster
Employment	59.9	55.4	+4.7	Growing	Faster
Inventories	55.5	50.0	+5.5	Unchanged	From Contracting
Order Backlog	57.5	55.0	+2.5	Growing	Faster
Exports	55.5	57.5	-2.0	Growing	Slower

Source: Institute for Supply Management

Coil Coatings & General Industrial

U.S. Appliance Shipments



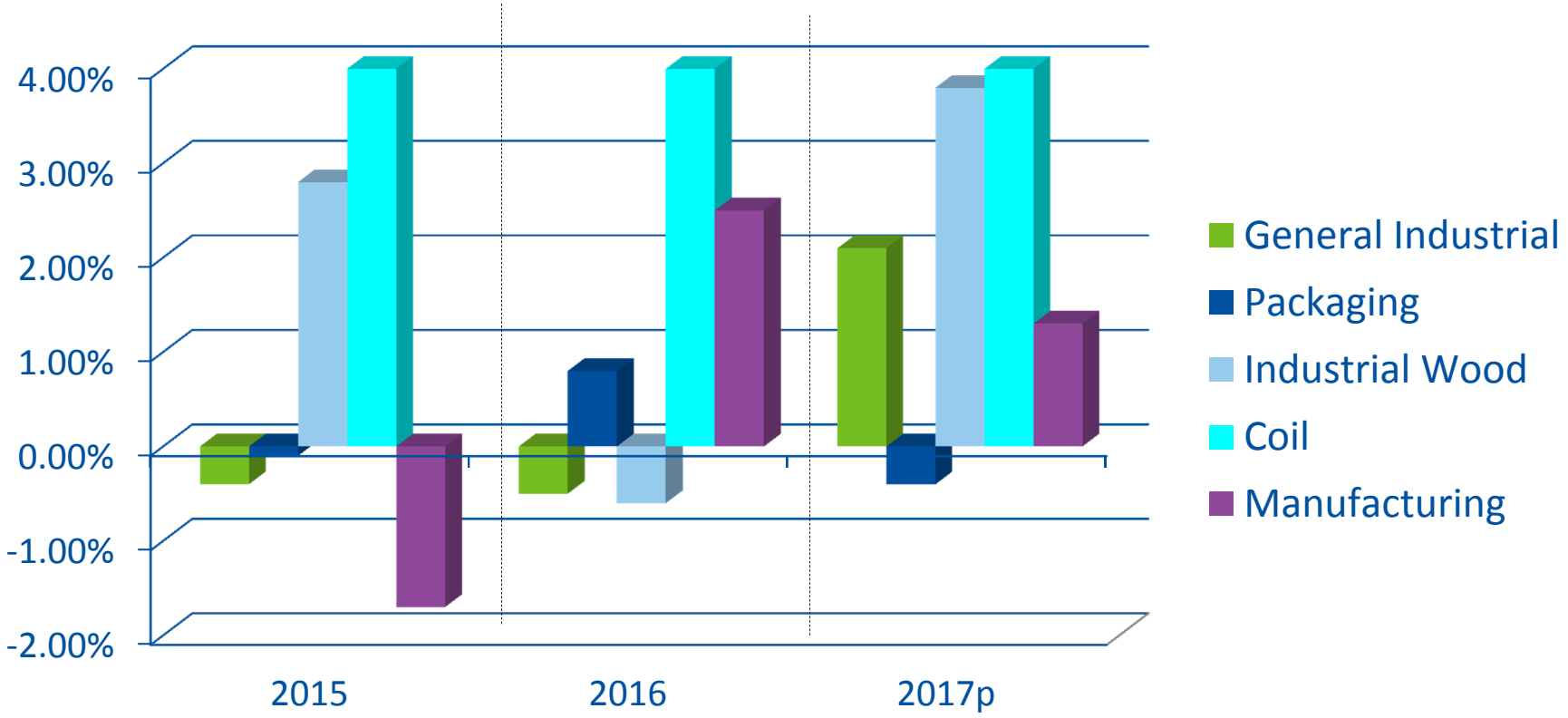


Source: AHAM

Industrial Coatings

Forecasted U.S. & Canada Activity

SHERWIN-WILLIAMS®



Sources: IHS Global Insight, Company Estimates

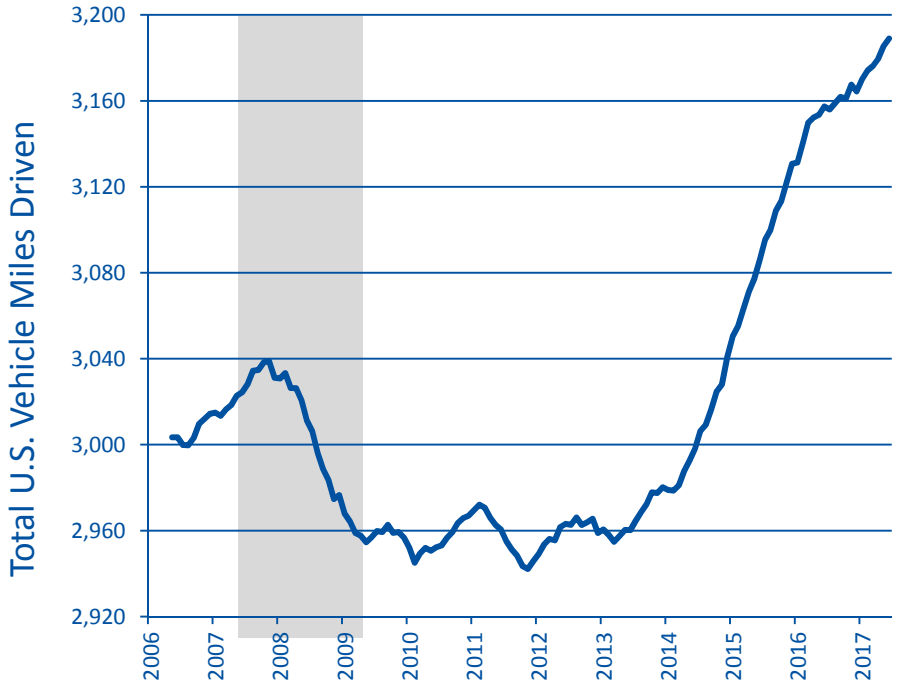
Automotive Refinish

CR/VR Indicators

SHERWIN-WILLIAMS

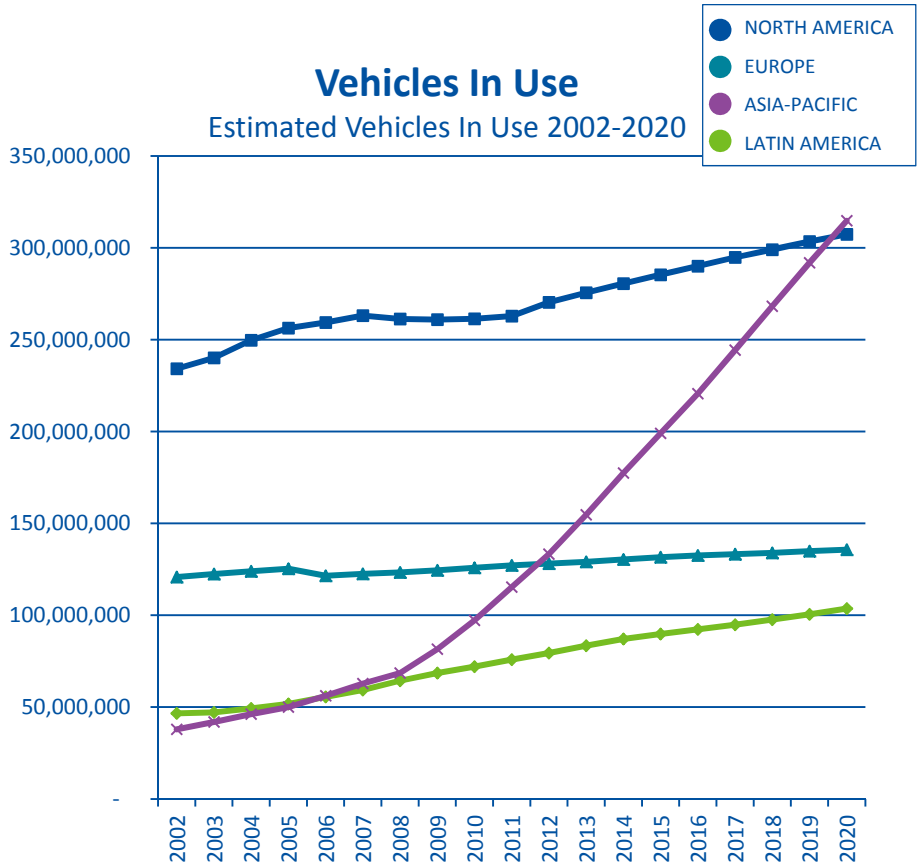
U.S. Vehicle Miles Driven

Moving 12-Month Total Vehicle Miles Driven (10 Years)



Vehicles In Use

Estimated Vehicles In Use 2002-2020

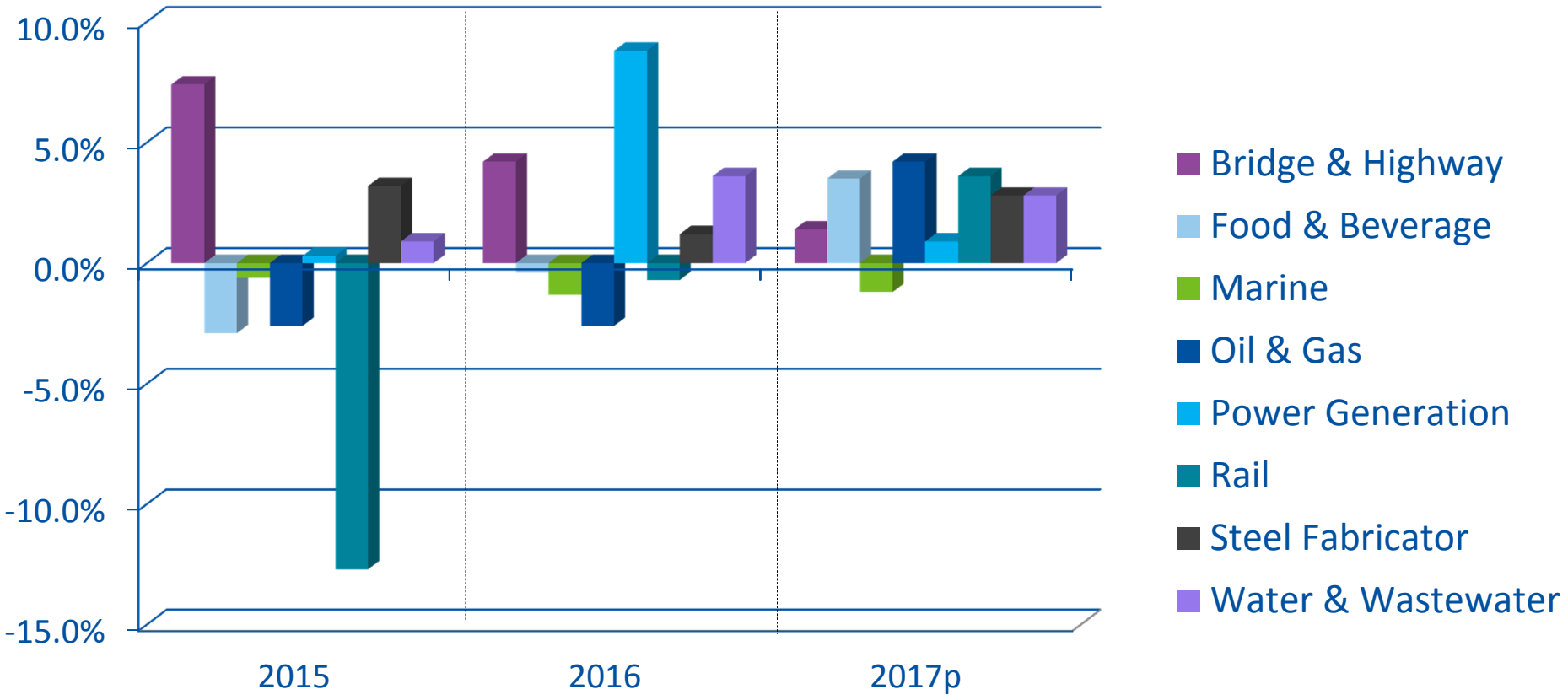


Sources: www.fhwa.dot.gov, AAA, IHS-Markit

Protective & Marine Coatings

Forecasted U.S. & Canada Activity

SHERWIN-WILLIAMS®



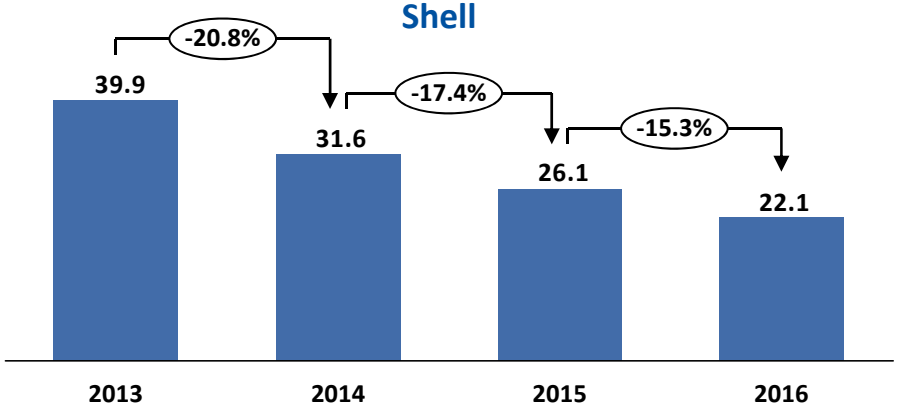
Sources: IHS Global Insight, Company Estimates

Oil & Gas Infrastructure

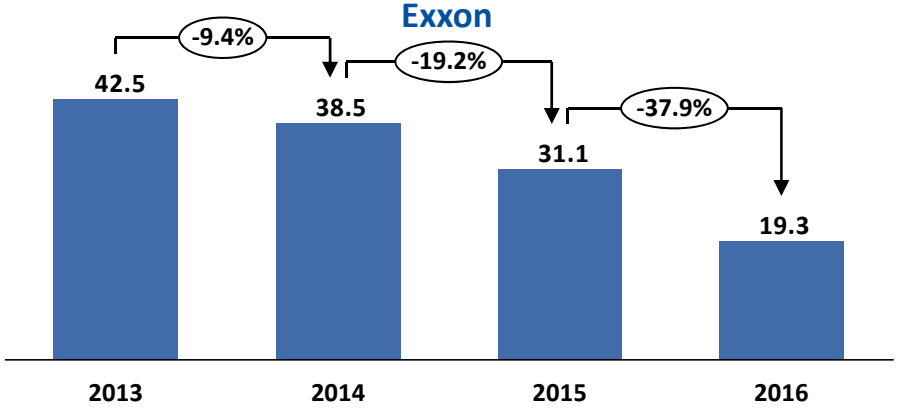
Capital Expenditure (in Billions $)

SHERWIN-WILLIAMS

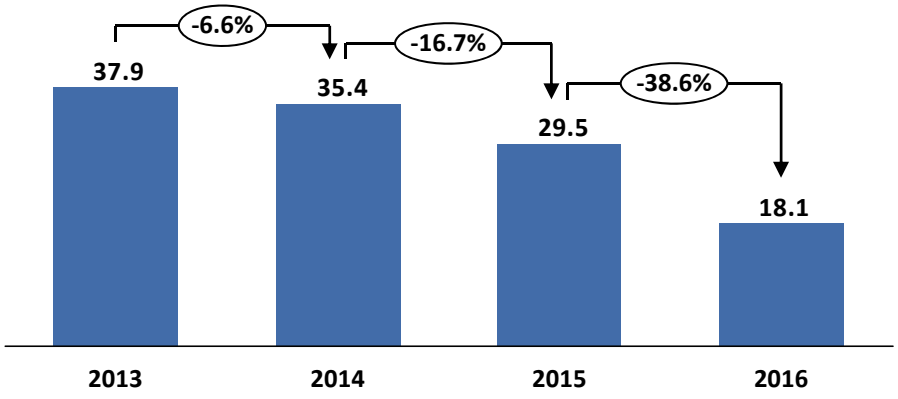
Shell



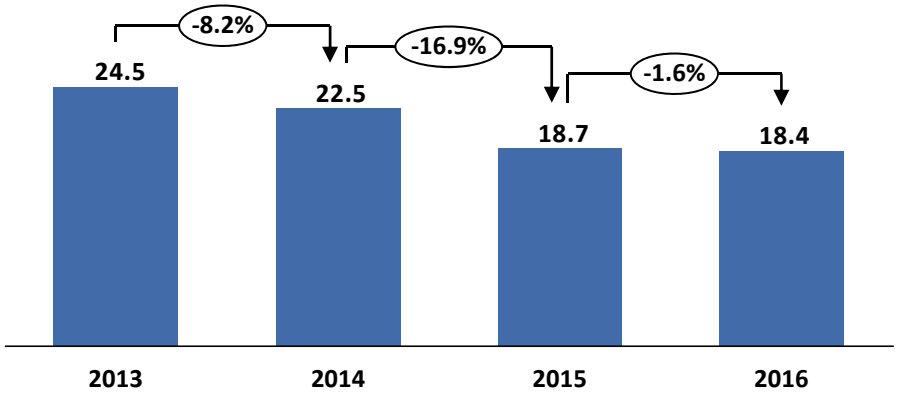
Exxon



Chevron



BP



Source: Public Company Reports

Global Economic Indicator: Oil and Gas

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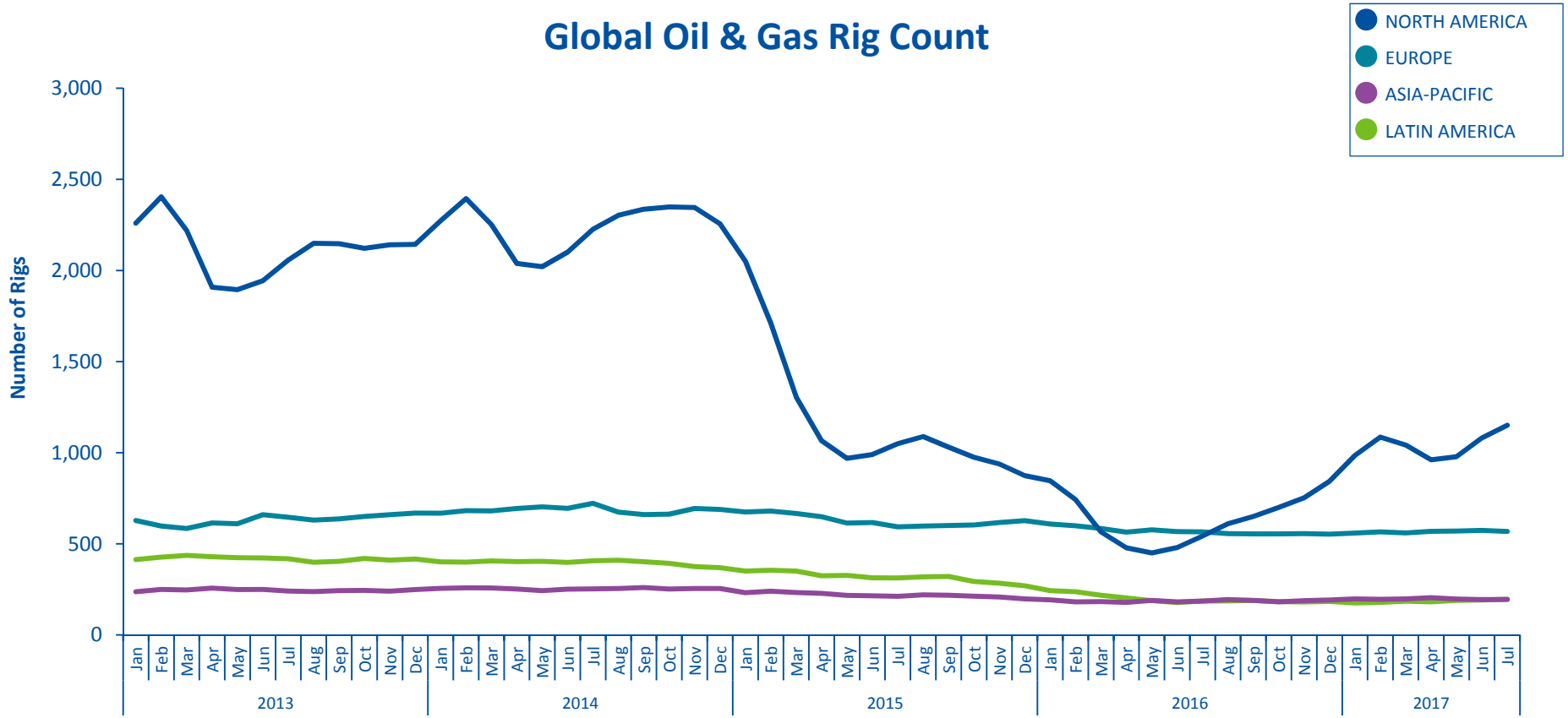


Source: Baker Hughes

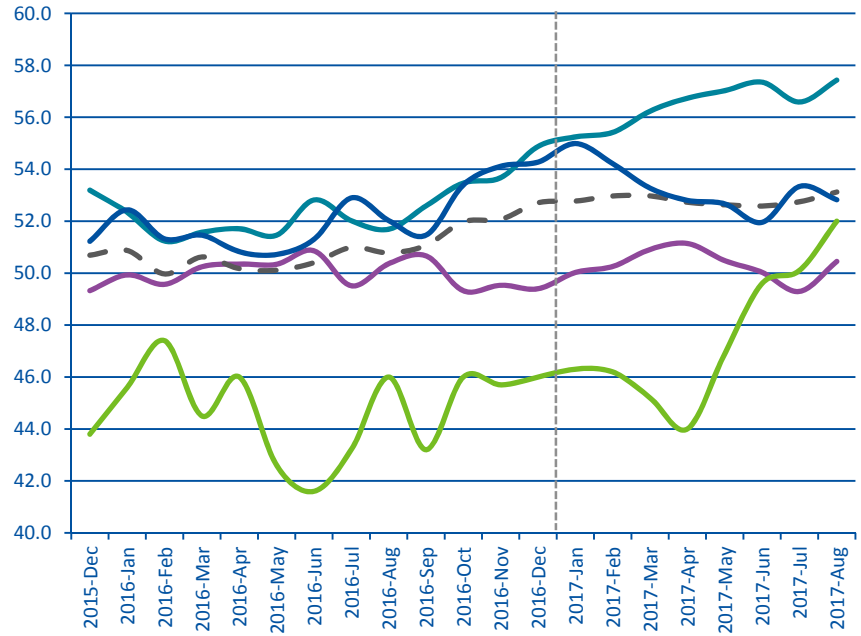
Global Confidence

Positive Outlook

SHERWIN-WILLIAMS®

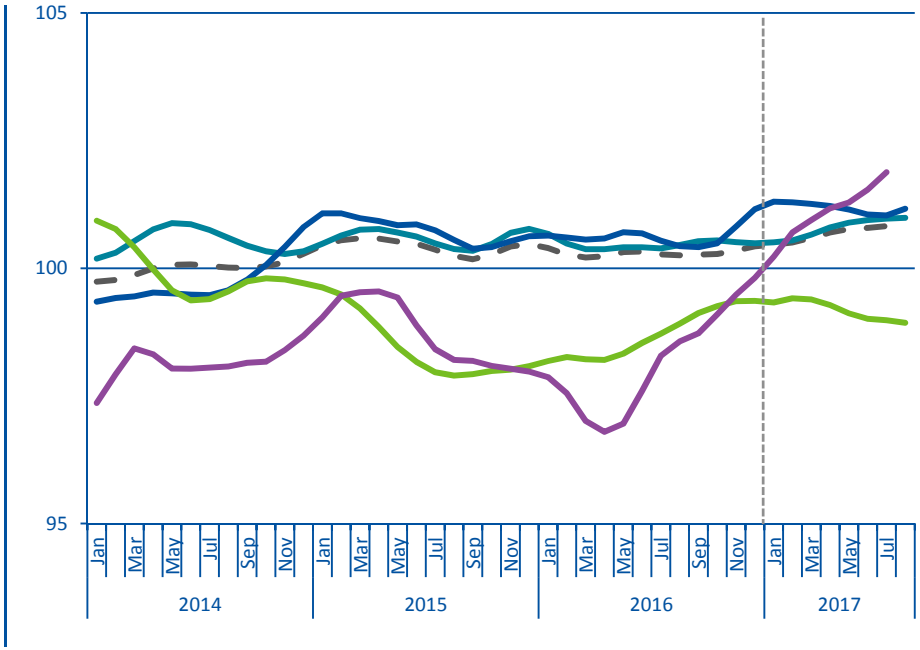
Global Manufacturing Confidence

PMI



Global Consumer Confidence

Consumer Outlook



Sources: IHS-Markit, U.S. Commerce Department



COMPANY OVERVIEW

JOHN MORIKIS
CHAIRMAN, PRESIDENT & CHIEF EXECUTIVE OFFICER



Why SHW?

SHERWIN-WILLIAMS®

- Significant Upside in Core Sherwin-Williams Business
- Great Fit of Valspar Acquisition
  - Geographic Complement Provides Needed Scale in Asia/Pac and Europe
  - New Industrial Categories Beneficial to Mix
  - Significant Synergies (Cost, Revenue and Operating)
- Experienced Management Team and Successful Talent Pipeline
- Strong Balance Sheet and Cash Flow Generation
- Long Track Record of Generating Attractive Returns for Shareholders

Company Overview: Core SHW

Financial Highlights (Non-GAAP)

SHERWIN-WILLIAMS®

	2014	2015	2016	'14-'15 % Chg.	'15-'16 % Chg.
NET SALES	$11.13B	$11.34B	$11.86B	+1.9%	+4.6%
EBITDA	$1,521M	$1,809M	$2,008M	+18.9%	+11.0%
NET INCOME **% SALES**	$866M 7.8%	$1,053M 9.3%	$1,176M (1) 9.9%	+21.5%	+11.7%
EARNINGS PER SHARE	$8.78	$11.16	$12.45 (1)	+27.1%	+11.6%
NET OPERATING CASH	$1,082M	$1,447M	$1,309M	+33.8%	(9.5%)
DIVIDENDS PER SHARE	$2.20	$2.68	$3.36	+21.8%	+25.4%
RETURN ON ASSETS	15.2%	18.2%	16.8%		
RETURN ON EQUITY	48.8%	105.8%	130.5%		

(1) Excludes reduction in income tax provision

Company Overview: Core SHW

Financial Highlights 1H-17 vs 1H-16

SHERWIN-WILLIAMS®

		As Reported		Ex-Revenue Reclassification	
	1H-16	**1H-17**	**% Chg.**	**1H-17**	**% Chg.**
NET SALES	$5.79B	$6.12B	5.6%	$5.99B	3.4%
GROSS MARGIN	50.0%	49.1%	(90bps)	50.0%	---
EBITDA	$920.3M	$1,028.1M	11.7%		
NET INCOME **% SALES**	$580.9M 10.0%	$672.2M 11.0%	15.7%		
EARNINGS PER SHARE	$6.16	$7.14	15.9%		

New Reportable Segments

2016 Pro Forma

SHERWIN-WILLIAMS

The Americas Group



Sales: $8,377M
Operating Profit: $1,605M(1)
Operating Margin: 19.2%(1)

Consumer Brands Group



Sales: $2,840M
Operating Profit: $407.5M(1)
Operating Margin: 14.3%(1)

Performance Coatings Group



Sales: $4,400M
Operating Profit: $696.4M(1)
Operating Margin: 15.8%(1)

(1) *Excludes synergies*

New Reportable Segments

The Americas Group

SHERWIN-WILLIAMS.

2016 Pro Forma

(% Change from 2015)

Old Segments

SHERWIN-WILLIAMS.
North America



Sales: $7,790M (+8.1%)
Profit: $1,623M (+13.2%)

SHERWIN-WILLIAMS.
Latin America



Sales: $586.9M (-7%)
Profit: ($17.4M) (-194%)

New Segment



Sales: $8,377M (+6.8%)
Profit: $1,605M (+10.6%)

New Reportable Segments
Consumer Brands Group

SHERWIN-WILLIAMS.

2016 Pro Forma
(% Change from 2015)

Sales: $1,527M (-3.2%)
Profit: $301.0M (-2.5%)

Sales: $1,313M (-6.4%)
Profit: $106.5M (-7.9%)

Old Segments

SHERWIN-WILLIAMS. Consumer Group

Diversified Brands





Global Supply Chain

valspar Paint Segment

valspar paint™ Cabot wattyl 华润涂料 Huarun

Architectural

New Segment



Sales: $2,840M (+86%(1) / -12.3%(2))
Profit: $407.5M

(1) Compared to Prior Year SHW (2) Compared to Prior Year Combined

New Reportable Segments
Performance Coatings Group

SHERWIN-WILLIAMS®

2016 Pro Forma
(% Change from 2015)

Sales: $1,946M (+1.6%)
Profit: $257.2M (+27.4%)

Sales: $2,454M (0.0%)
Profit: $439.2M (-9.5%)

Old Segments

SHERWIN-WILLIAMS® Global Finishes


Protective & Marine


Automotive Finishes


Product Finishes

valspar® Coatings Segment



valspar® Paint Segment

valspar® REFINISH PROSPRAY 

Auto Refinish

New Segment

Performance Coatings Group

Automotive Finishes


Coil Coatings


Engineered Polymer Solutions


General Industrial Coatings


Packaging Coatings


Protective & Marine


Industrial Wood Coatings


Sales: $4,400M (126%[1] / -0.3%[2])
Profit: $696.4M

(1) Compared to Prior Year SHW (2) Compared to Prior Year Combined

Company Overview

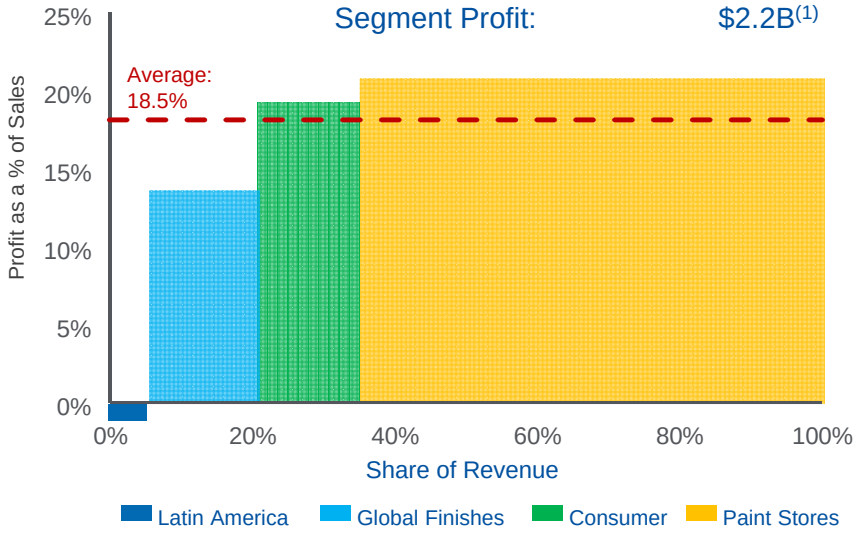
Significant Growth and Synergy Opportunities

SHERWIN-WILLIAMS

SHW

2016 Revenue & EBIT by Segment

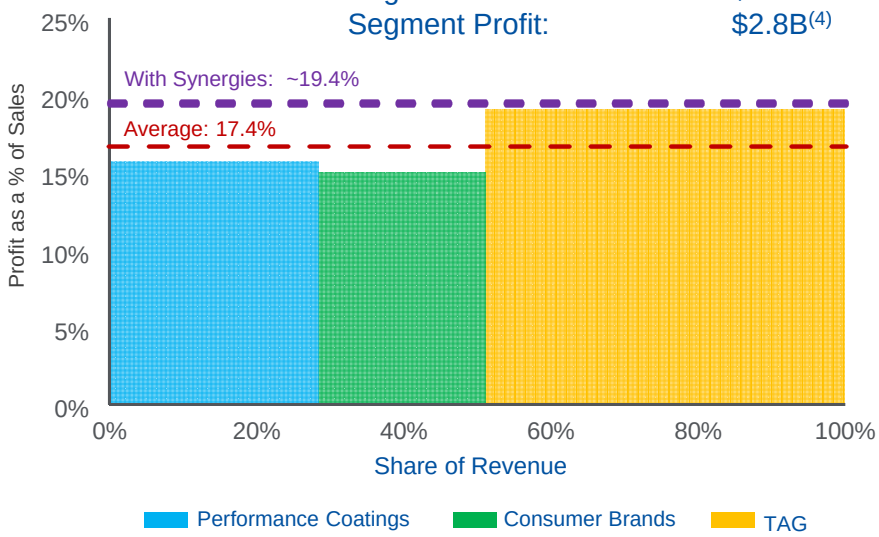
Segment Revenues: $11.9B
Segment Profit: $2.2B(1)



SHW + VAL

2016 Pro Forma Revenue & EBIT by Segment (2)

Segment Revenues: $15.8B(3)
Segment Profit: $2.8B(4)



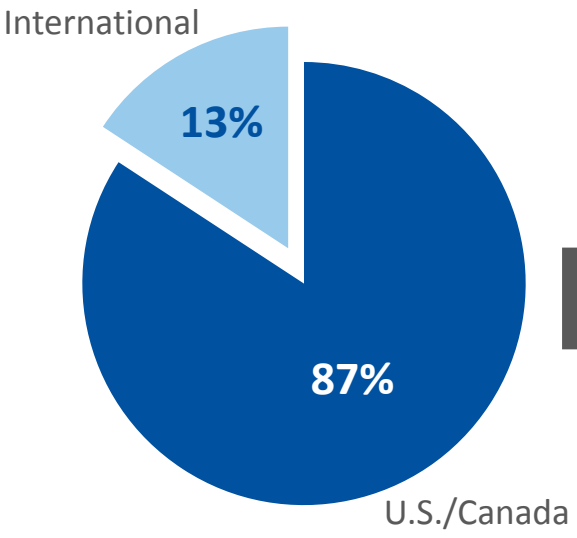
(1) Excludes Sherwin-Williams administrative costs of $569 million.
(2) Excludes incremental D&A from purchase accounting
(3) Excludes Valspar Other and Administrative segment of $165 million
(4) Excludes Sherwin-Williams administrative costs and Valspar Other and Administrative segment

Company Overview

Broader Geographic Footprint

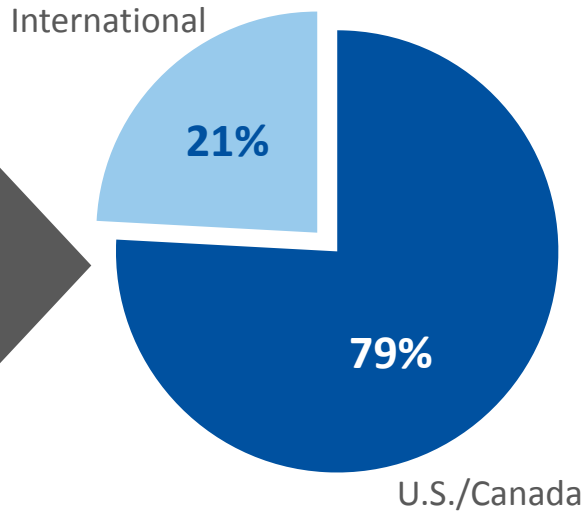
SHERWIN-WILLIAMS®

SHW



2016: $11.9B

SHW + VAL



Pro Forma 2016: $15.8B

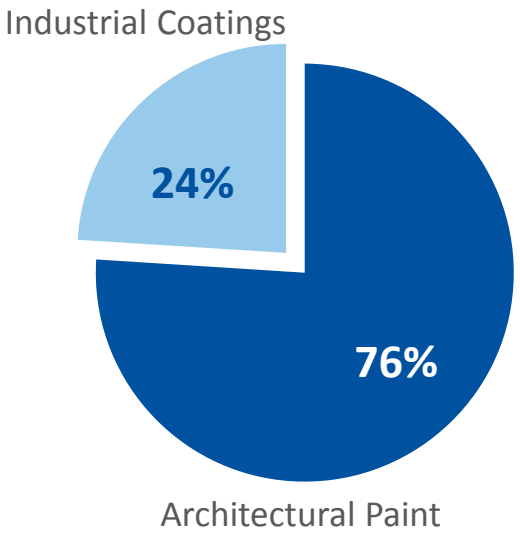
- Significantly Expands Presence in Asia-Pacific and EMEAI
- Provides Scale Platform to Enable Profitable Growth in Asia-Pacific

Company Overview

Stronger Industrial Coatings Platform

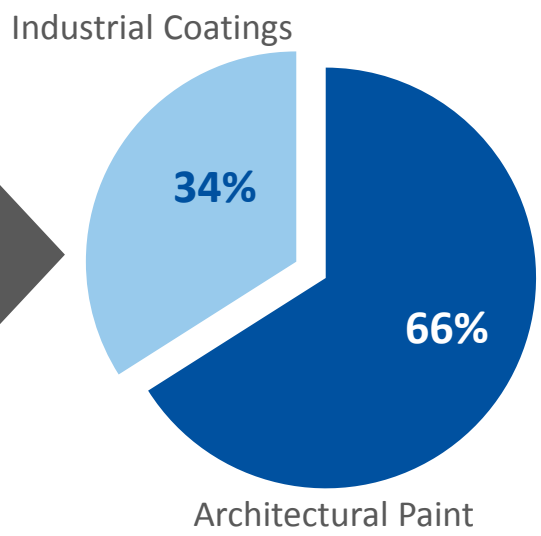
SHERWIN-WILLIAMS®

SHW



2016: $11.9B

SHW + VAL



Pro Forma 2016: $15.8B

- Extends Capability Set Into Packaging and Coil With Leading Positions
- Improves Technology Capabilities to Accelerate Product Innovation

Company Overview

Two Proven Brand Portfolios

SHERWIN-WILLIAMS®

Sherwin-Williams

KRYLON

SHERWIN WILLIAMS®

Purdy

PRATT & LAMBERT PAINTS

Thompson's WaterSeal

MINWAX

Dupli-Color®

Valspar

Cabot

valspar paint™

Huarun 华润涂料

SOLVER®

valspar REFINISH

USC

PROSPRAY

wattyl®

Company Overview

Track Record of Successful Technology Development

SHERWIN-WILLIAMS®

Sherwin-Williams

- Air Dry Automotive Clear Coats
- Surface / Temperature Tolerant Primers
- OEM *"Soft Feel"* Technology
- Purdy Power System
- Ecotoner Zero VOC Color Dispersion
- Duckback Deck & Dock Systems

Valspar

- Resin Formulation Capability and Internal Manufacturing
- 49 Non-BPA Patent Portfolio
- Hydrochroma Zero VOC Color Dispersion
- AquaGuard Water-Based Coatings
- Valde Low-Temp Fast Cure Resin Technology

People Development

Successful Talent Pipeline

SHERWIN-WILLIAMS®

Positions Posted and Filled by Internal Candidates (2017)…

- Supervisors: 85%
- Managers: 93%
- Directors: 100%
- Overall Management: 93%

Average Years of Paint & Coatings Experience Among Senior Leadership (Post Acquisition):

- Senior Leadership: 19 Years
- Directors: 16 Years
- Overall: 17 Years



First 125 Days...

SHERWIN-WILLIAMS®

- Shared “Performance Culture” Across Both Companies
- Great Talent in Valspar Organization—Top to Bottom
- Strong and Defensible Valspar Customer Relationships
- Early Collaboration Between Selling and Technical Organizations
- Significant Balance Sheet and Working Capital Opportunities
- Near Term Supply Chain Rationalization Opportunities
- Optimizing Organizational Structure to Take Advantage of Complementary Businesses

Introductions…

SHERWIN-WILLIAMS®



Al Mistysyn
Chief Financial Officer



Jay Davisson
President
The Americas Group



Aaron Erter
President
Consumer Brands Group



David Sewell
President
Performance Coatings Group



Joel Baxter
President & GM,
Global Supply Chain

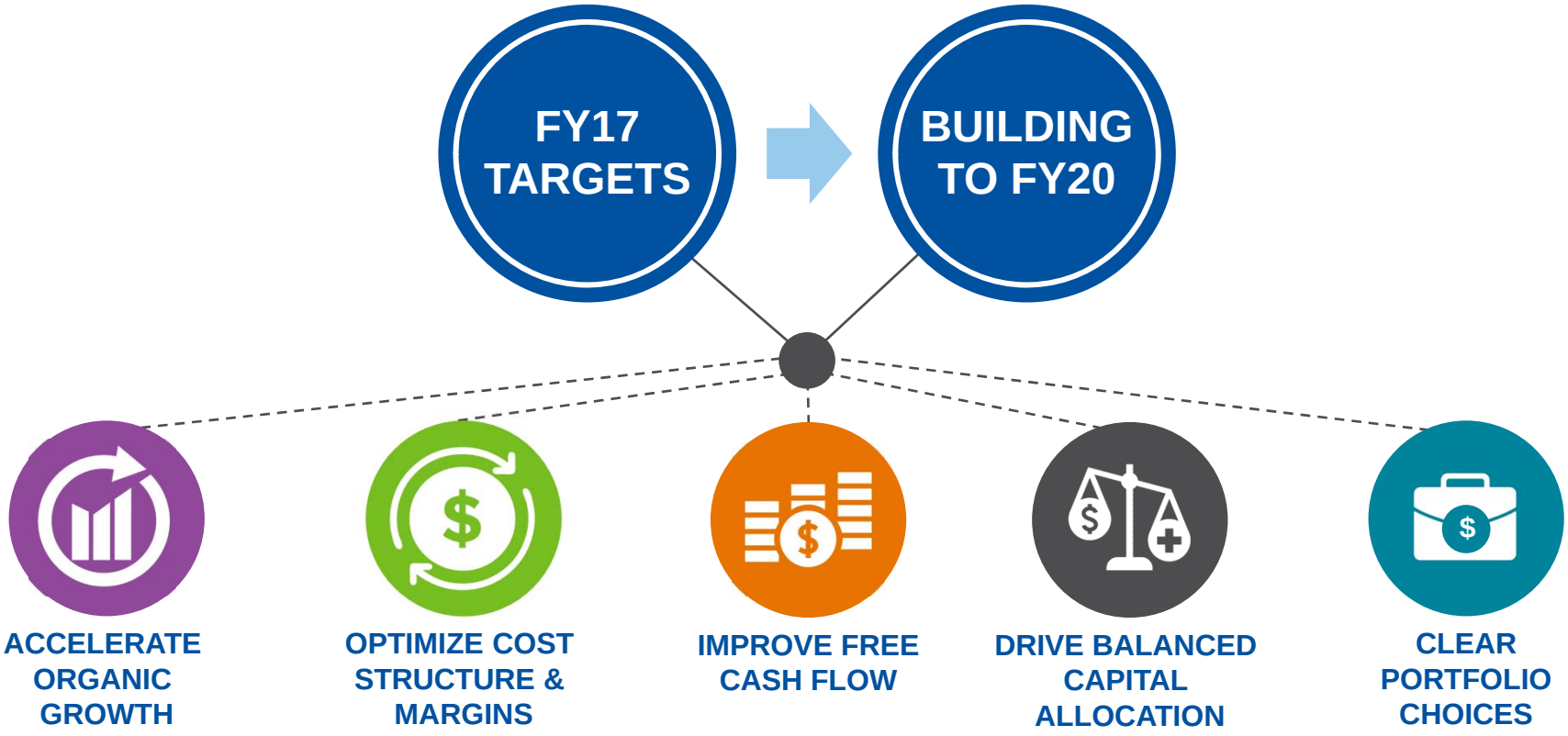
FINANCIAL OVERVIEW

AL MISTYSYN
SENIOR VICE PRESIDENT, FINANCE & CHIEF FINANCIAL OFFICER



Financial Priorities to Drive Shareholder Value

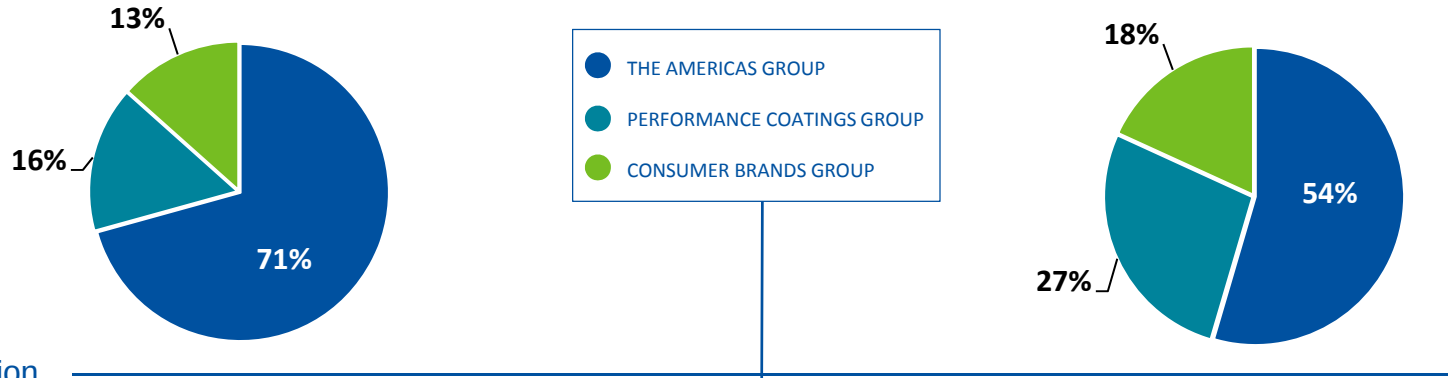
SHERWIN-WILLIAMS®



Balanced Revenue Mix Provides Strong Base for Growth

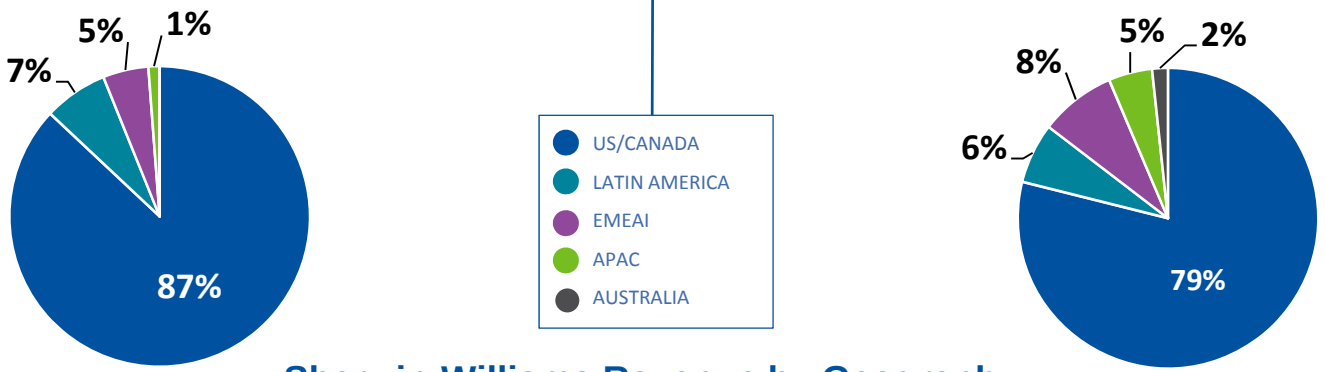
SHERWIN-WILLIAMS

Sherwin-Williams Revenue by Segment



2016
Pre-Acquisition
$11.9B

2016
SHW + VAL
Revenue
~$16B



Sherwin-Williams Revenue by Geography

Well-Positioned to Drive Top-Line Growth

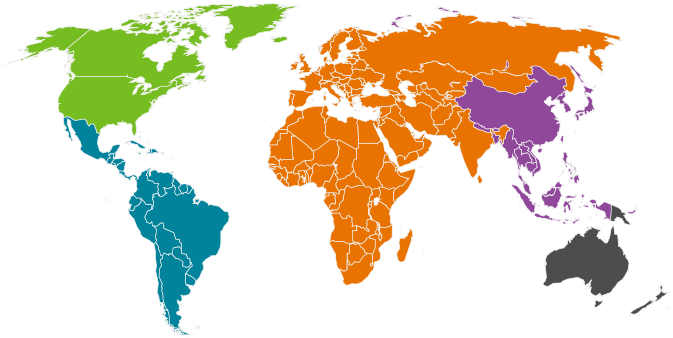
SHERWIN-WILLIAMS®

MEGATRENDS DRIVING DEMAND IN END MARKETS



GAINING MARKET SHARE AND DRIVING GROWTH

Expected CAGR GDP Growth in 2017-2020 Period



North America ~2%	Eurozone ~2%	Asia Pacific (ex-China) ~4.5%
LATAM ~2%	UK ~1.5%	China ~6.5%

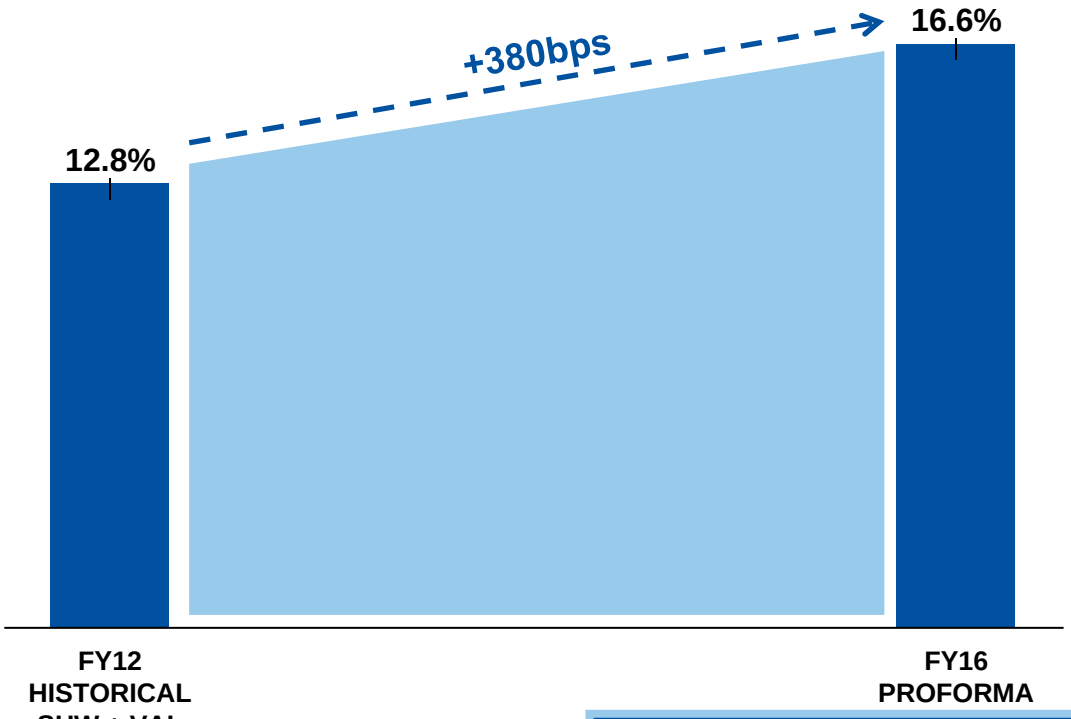
EXPECT 4% TO 6% SALES CAGR THROUGH FY20

SOURCE: Citi Research

Proven History of Operational Execution

SHERWIN-WILLIAMS®

EBITDA Margin*



- TAG Organic Growth
- Operational Efficiencies
- Continuous Improvement Culture
- Successful Acquisition Integration
- Good Cost Control Across Our Businesses
- Continued Investments in Core Businesses

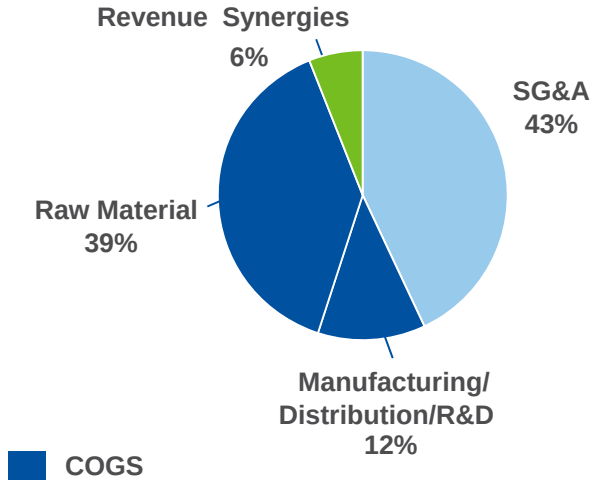
ADDITIONAL RUNWAY AHEAD

**Excluding Acquisition Costs, One Time Costs to Achieve & Restructuring Charges*

Consolidated Run Rate Synergies Progress

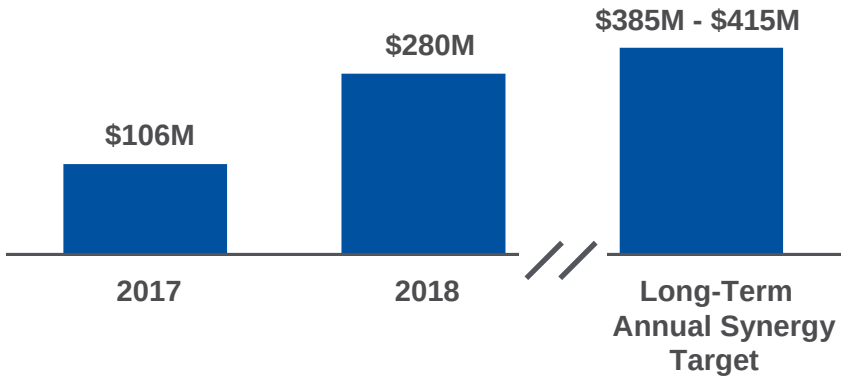
SHERWIN-WILLIAMS®

2019 Synergies Allocations ($385M)



- Increased Confidence to Realize Identified Savings
- Integration Progress On Track

…Expected To Be Realized by 2020



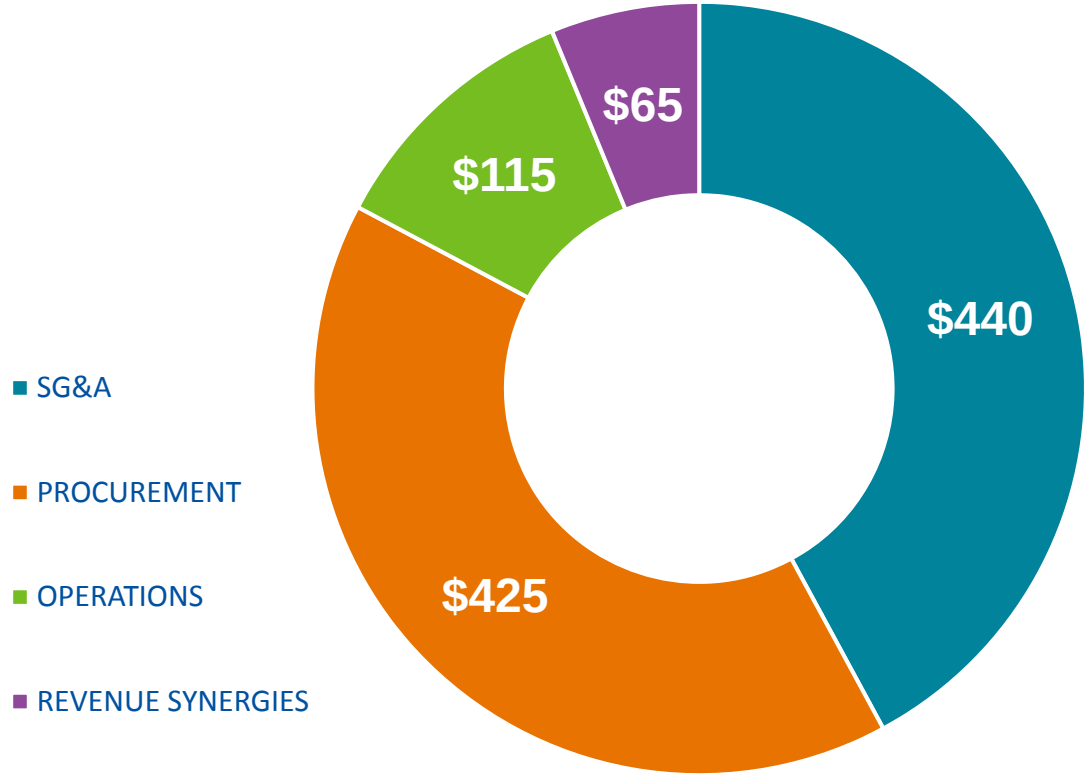
- Expect to Incur Majority of Costs to Achieve by End of 2018

SHERWIN-WILLIAMS HAS SUCCESSFULLY ACQUIRED AND INTEGRATED 21 BUSINESSES IN THE LAST 10 YEARS

Significant EBITDA Growth
Synergies & Continuous Improvement Initiatives

SHERWIN-WILLIAMS®

$1.0+ Billion Cumulative Savings By FY20



SG&A
- Expansion of SS Centers
- Corporate Costs
- Sales Support
- Redundant Field Sales

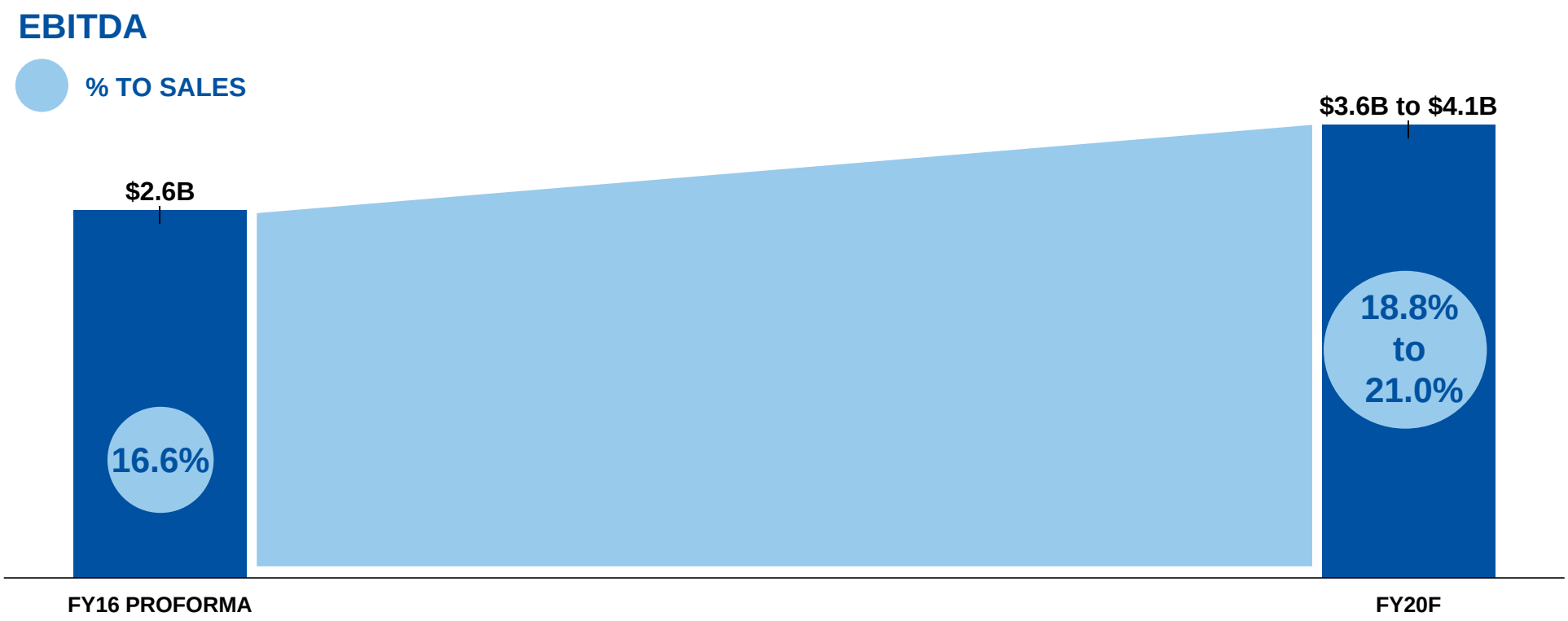
PROCUREMENT
- Direct
- Indirect

OPERATIONS
- Manufacturing
- Distributions
- Supply Chain
- R&D

REVENUE SYNERGIES
- Technology Transfer
- Leveraging Existing Relationships
- Cross Selling Opportunities

Driving EBITDA Expansion While Investing in Growth

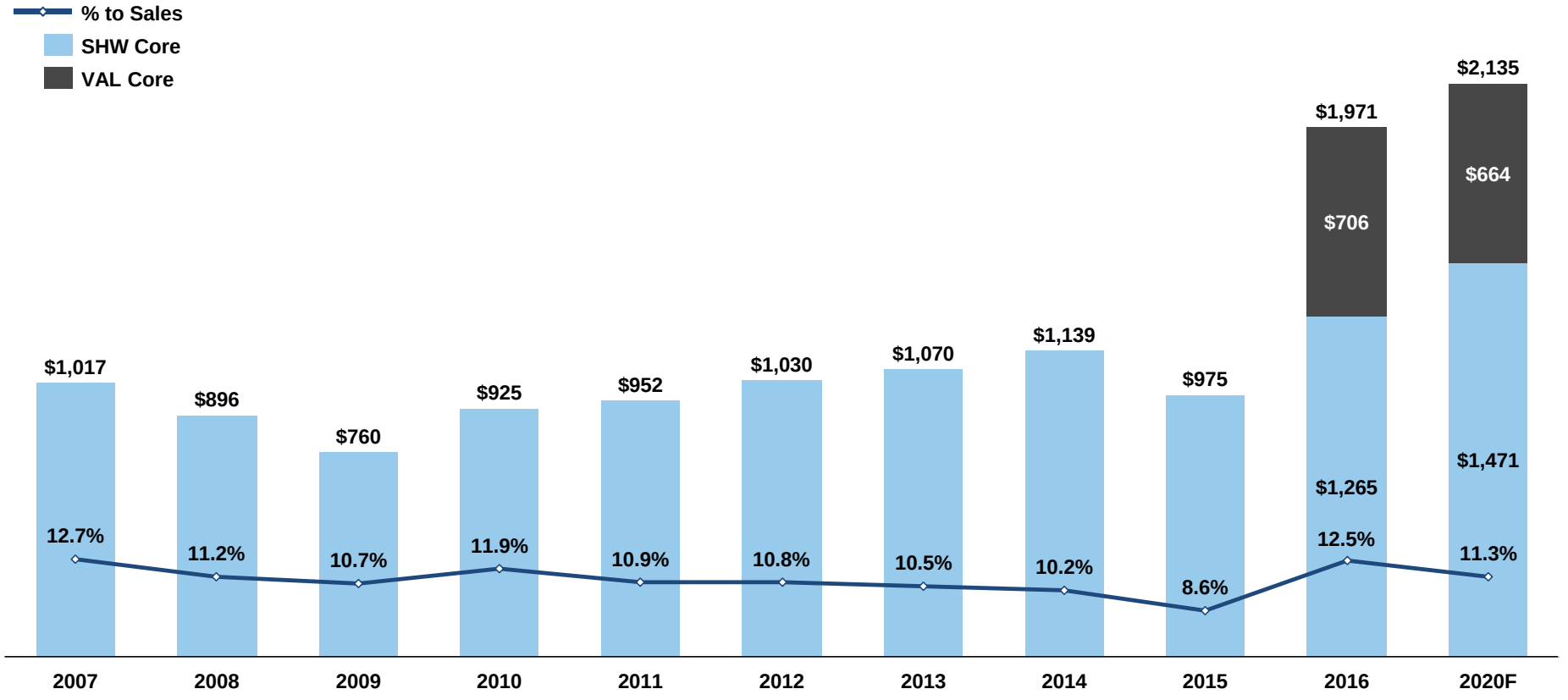
SHERWIN-WILLIAMS®



~8.5% to 11.5% EBITDA Growth with 220 to 440 bps of Margin Expansion over the next 4 years

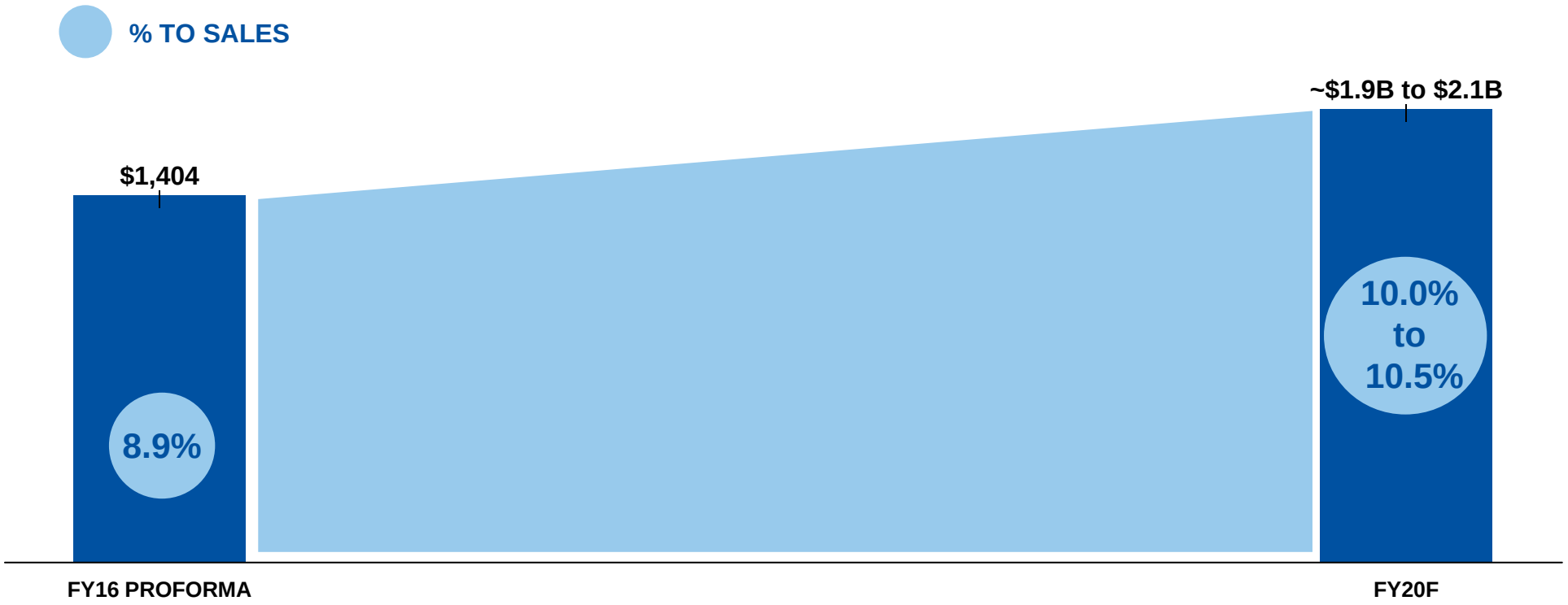
Working Capital Performance

SHERWIN-WILLIAMS®



Adjusted Free Cash Flow Performance*

SHERWIN-WILLIAMS®



TARGETING STEADY STATE FUTURE FREE CASH FLOW OF 10%+ OF SALES

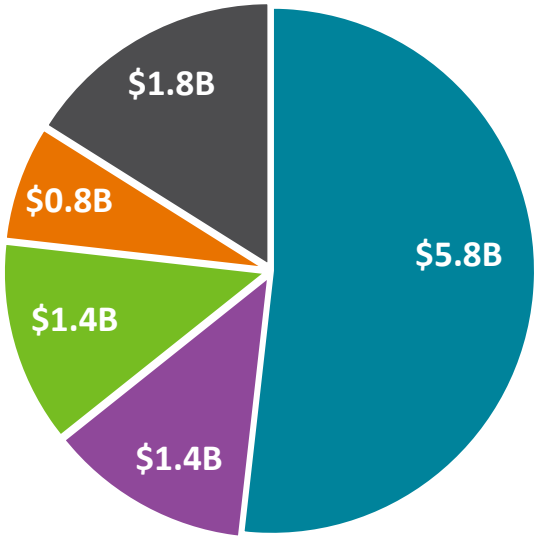
**Net Operating Cash Less Capital Expenditures*

Consolidated Net Operating Cash & Uses of Cash

SHERWIN-WILLIAMS®

5-Year Net Operating Cash: $7.0B

2011-2015
SHW + VAL



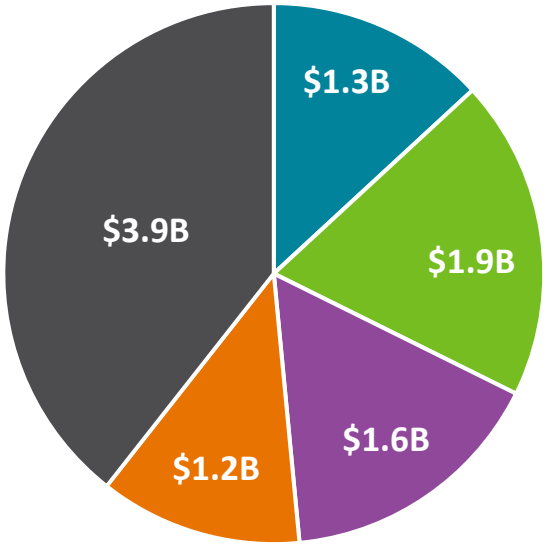
- DEBT REPAYMENT
- CAPITAL EXPENDITURES
- CASH DIVIDENDS
- ACQUISITIONS
- TREASURY STOCK PURCHASE

USES OF CASH

- Manage Debt
- Capital Expenditures
- Pay Dividends
- Acquisitions
- Buy Back Stock

5-Year Net Operating Cash: ~$9.7B

2016-2020



Significant Items Affecting Cash Flow

SHERWIN-WILLIAMS

SIGNIFICANT CASH OUTFLOWS

- Costs to Achieve with Cash Outflows Tapering in FY19
- Tax Impact of Valspar North American Industrial Wood Divestiture
- Acquisition Costs at Closing

FUTURE DRIVERS OF IMPROVED FCF

- Core Operating Margin Expansion
- Synergy Realization
- Working Capital Improvements
  - Global System Implementations
  - Valspar Inventory Improvement
  - Core SHW Inventory Improvements

Consistent Capital Allocation Philosophy

SHERWIN-WILLIAMS®

CONSISTENT CAPITAL ALLOCATION PHILOSOPHY
WE WILL NOT HOLD CASH

KEY OBJECTIVES

- BBB+ Target Rating
- Debt to EBITDA Leverage 2.0x to 2.5x
- Maintain Financial Flexibility

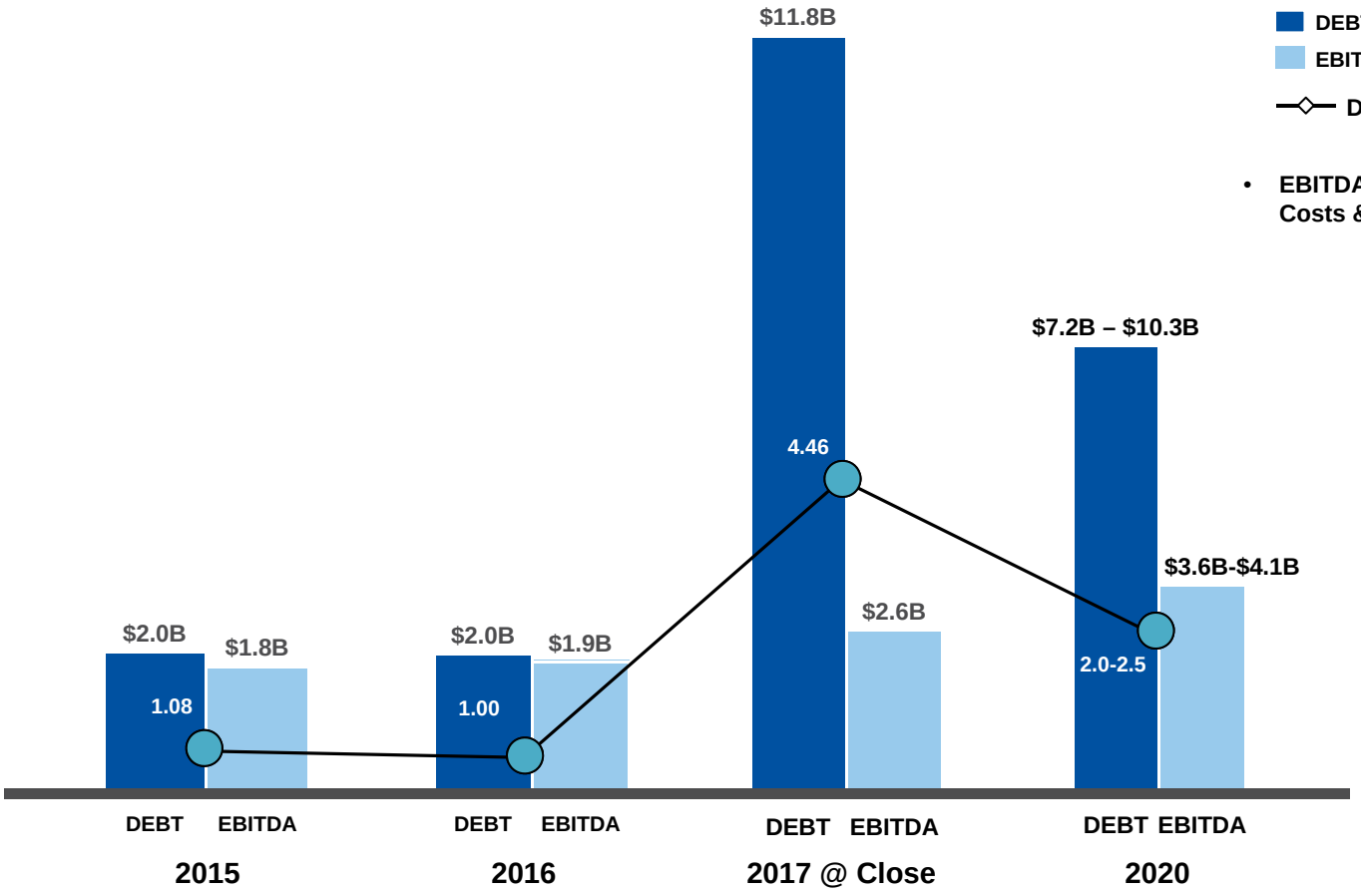
BALANCED CAPITAL ALLOCATION GOALS

- CAPEX Invest
- Dividend 30% of PY Earnings
- Strategic M&A
- Share Repurchase

- Reduce Debt to EBITDA Leverage Below 3.0x - FY18
- Reduce CAPEX to Below 2% of Sales – FY19
- Return Dividend to 30% of PY Earnings – FY19 & FY20
- Share Repurchases to Offset Dilution – FY18
- Absent Strategic M&A, Repurchase Shares – FY19

Debt to EBITDA Leverage

SHERWIN-WILLIAMS®

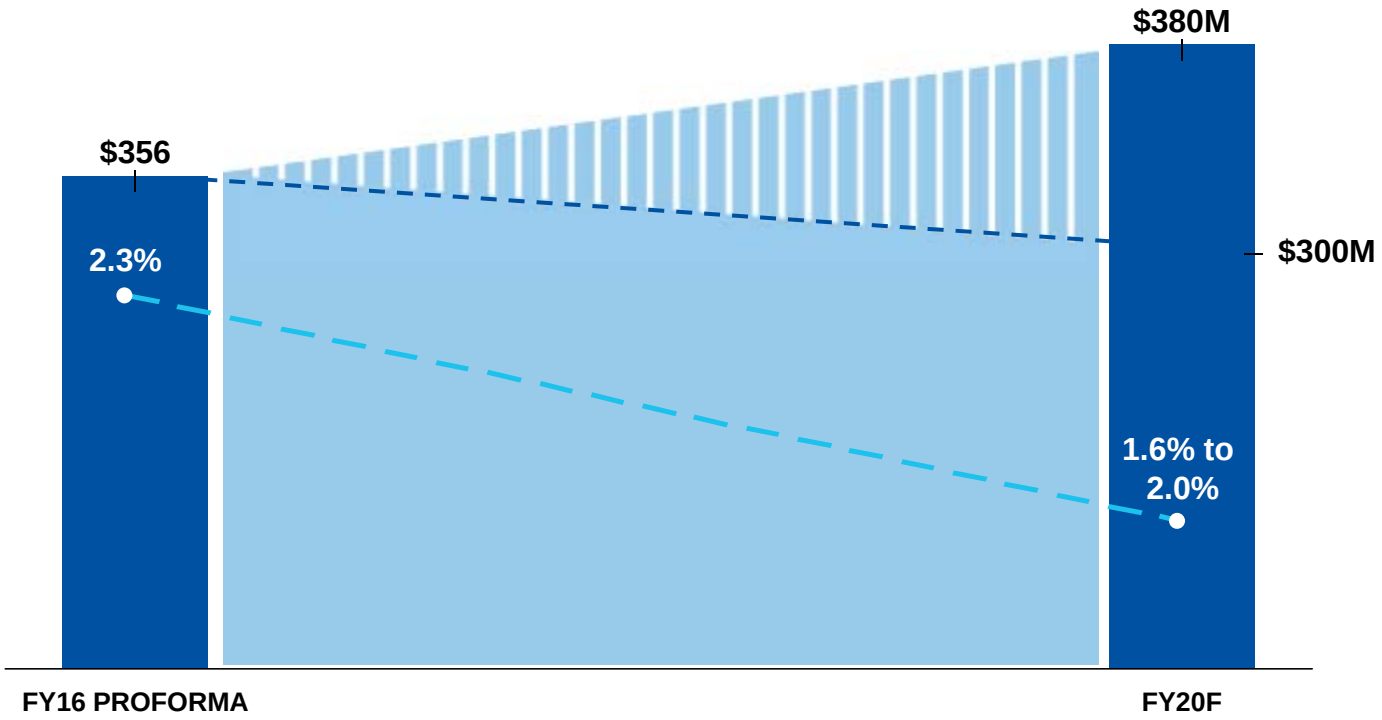


- EBITDA Excludes Acquisition Costs & Costs to Achieve

Capital Expenditures

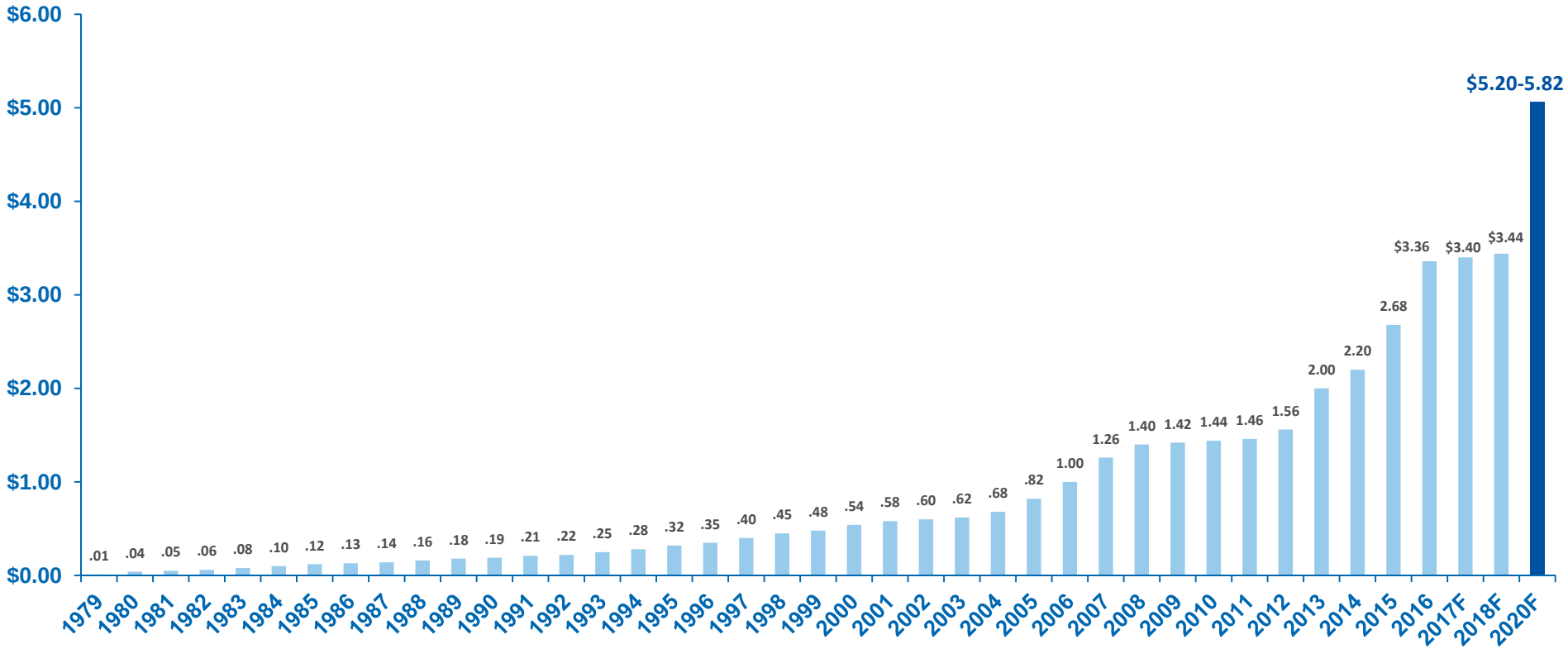
SHERWIN-WILLIAMS®

DISCIPLINED APPROACH TO CAPEX



Dividends Per Share
1979 – 2020

SHERWIN-WILLIAMS®



Strategic M&A

SHERWIN-WILLIAMS®

TARGET

- Improve Technology Portfolio
- Strengthen Global Reach
- Fills Product or Capability Gap
- Improves Our Ability to Serve Targeted Customers

CRITERIA

- Fit Core Competencies
- Leadership in Key Technologies, Markets, or Regions
- Strong Growth Potential
- EPS Accretion by Year 2
- Return Above Our Weighted Average Cost of Capital By Year 3

VALUE DRIVERS

- Leverage Acquisitions Across Our Global Businesses
- Supply Products Across Target Distribution Channels
- Strengthen Leadership Position in Our Chosen Markets

Treasury Stock Acquired
2010-2020

SHERWIN-WILLIAMS®

	Shares	Average Price Per Share	Total Dollars	Avg. Diluted Shares Outstanding (000)
2010	5,000,000	75.14	375,700,000	108,786
2011	4,700,000	78.16	367,371,981	105,672
2012	4,600,000	121.25	557,765,791	103,930
2013	4,300,000	178.90	769,271,010	103,049
2014	6,925,000	220.66	1,528,073,703	98,075
2015	3,575,000	278.57	995,879,981	94,024
2016	0	0.00	0	94,488
2017	0	0.00	0	94,697 (6/2017)
2018-2020F	3,050,000	432.79	1,320,000,000	94,700

Balance of Authorization at 12/31/17: 11,650,000 Shares

Summary Capitalization

SHERWIN-WILLIAMS®

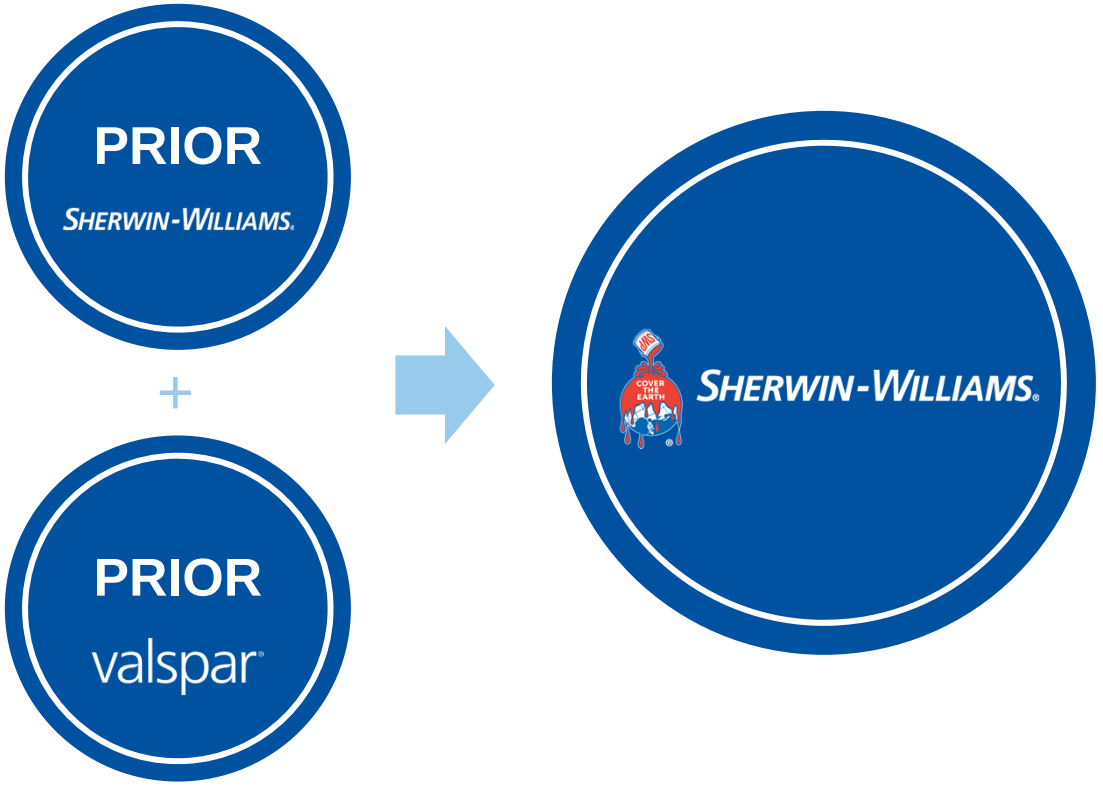
Strong Financial Profile Provides Flexibility

	PRO FORMA
Cash	$0.0B
Debt	$10.85B
Revolving Credit Facilities	$1.35B
LOC CDS	$0.750B
Total Liquidity Available	$2.1B

- Significant Liquidity
- Expect to Maintain BS Flexibility to Pursue Growth Opportunities
- Annual Cash Generation Comfortably Supports Anticipated Funding Needs
- Upcoming
  - Debt Maturities - $700M 12/17
  - Term Loan - $1.0B FY18
- Credit Rating BBB/Baa3

Third Quarter Outlook

SHERWIN-WILLIAMS



Third Quarter Guidance Update

SHERWIN-WILLIAMS®

- Revised Consolidated Excluding Valspar - Sales & EPS Guidance

3Q Guidance	Sales	EPS
Revised	Low Single Digits	$4.10 - $4.20
Previous	Low to Mid-Single Digits	$4.40 - $4.60

- Unfavorable Impact of Hurricanes Harvey, Irma, & Maria
- Business Disruption, Raw Material Increases, & Clean-Up Expenses
- Houston, Florida, Atlanta Three Largest Markets Affected
- More than 600 Stores Were Affected; 40 Caribbean Locations Remain Closed
- Full Year Impact Still Being Assessed

Third Quarter Guidance Update

SHERWIN-WILLIAMS®

	Three Months Ended 30-Sep-17 Revised Guidance		Three Months Ended 30-Sep-17 Previous Guidance	
	Low	High	Low	High
DILUTED NET INCOME PER COMMON SHARE FROM CONTINUING OPERATIONS	$3.40	$3.70	$3.70	$4.10
VALSPAR-RELATED COSTS:				
- TRANSACTION AND INTEGRATION COSTS	0.10	0.10	0.10	0.10
- PURCHASE ACCOUNTING AMORTIZATION EXPENSE	1.00	1.00	1.00	1.00
CONSOLIDATED EXCLUDING VALSPAR-RELATED COSTS	4.50	4.80	4.80	5.20
VALSPAR OPERATIONS INCOME	0.80	1.00	0.80	1.00
NEW DEBT INTEREST EXPENSE	(0.40)	(0.40)	(0.40)	(0.40)
TOTAL VALSPAR INCOME CONTRIBUTION	0.40	0.60	0.40	0.60
CONSOLIDATED EXCLUDING VALSPAR	$4.10	$4.20	$4.40	$4.60

FY17 – FY20 Financial Outlook Assumptions

SHERWIN-WILLIAMS®

	FY16 PRO FORMA	FY20F TARGETS
Net Sales	$15.8B	**4%-6%** CAGR Growth
EBITDA Margin	16.6%	**18.8%-21.0%** Margin Expansion
Free Cash Flow % to Sales	8.9%	**10% - 10.5%**
Core EPS*	$16.57	**9.0%-12.0%** **4 YRS EPS CAGR**

EBITDA MARGIN

- Leverage From Growth
- Merger/Productivity Cost Savings
- Incremental ~$1.0B of Gross Savings Over 4 Year Period

BELOW-THE-LINE ITEMS

- Effective Tax Rate ~25%-29%
- Weight Average Diluted Share Count Decrease

**Excluding Acquisition Costs, Costs To Achieve, 2016 Valspar Restructuring Costs & Purchase Accounting Items.*



A FOUNDATION OF STRENGTH

- Track Record of Financial Performance & Focused Execution
- Large, Stable Revenue Base with Improving EBITDA Margins
- Strong Balance Sheet that Provides Liquidity & Flexibility
- SHW & VAL Experienced & Determined Management Team

…ON WHICH WE WILL CONTINUE TO BUILD

- Grow Revenue Organically & Through Acquisitions
- Continue to Invest in our Controlled Distribution Platform
- Significant Cost Synergies & Operational Efficiencies to expand EBITDA Margins
- Improved Free Cash Flow as % to Sales
- Disciplined Capital Allocation to Maximize Shareholder Returns
- Management Incentives Aligned with Multi-Industry Metrics

APPENDIX

Appendix 1A: *2016 PRO FORMA (In Millions)*

	SHW As Reported (A)	VAL As Reported (B)	SHW + VAL As Reported (C)	Pro Forma Adjustments (D)	Consolidated Pro Forma
	December 31, 2016	October 26, 2016	Year End 2016		Year End 2016
NET SALES	$11,856	$4,191	$16,047	($224)	$15,823
INCOME BEFORE INCOME TAXES	$1,595	$435	$2,030	$130	$2,160
TAXES	$462	$81	$543	$50	$593
NET INCOME	$1,133	$353	$1,486	$80	$1,566
EPS			$15.73	$0.84	$16.57

A – The Sherwin-Williams Company As Reported
B – The Valspar Company As Reported
C – Combined As Reported

- ***EPS is combined net income divided by 2016 Sherwin-Williams average common shares outstanding assuming dilution of 94.5 million shares***

D – Pro Forma Adjustments exclude the divestiture of the Valspar North American Industrial Wood Coatings business, acquisition costs, costs to achieve & restructuring charges because these items are not considered directly related to the underlying operating performance of the Company. Management believes these non-GAAP measures are useful to investors in better understanding the ongoing operations and business trends of the Company. These items include:

- ***Divestiture of Valspar North American Industrial Wood Coatings business reduces – Sales $224 million, income before income taxes $51 million ($31 million after-tax)***
- ***Sherwin Williams acquisition costs of $134 million ($82 million after-tax) included gross profit $2 million, SG&A $59 million & interest expense $73 million***
- ***Valspar acquisition costs and restructuring charges of $47 million ($29 million after-tax)***

Appendix 1B: *2016 PRO FORMA (In Millions)*

	SHW As Reported (A)	VAL As Reported (B)	SHW + VAL As Reported (C)	Pro Forma Adjustments (D)	Consolidated Pro Forma
	December 31, 2016	October 26, 2016	Year End 2016		Year End 2016
EBITDA					
NET INCOME	$1,133	$353	$1,486	$80	$1,566
INCOME TAXES	$462	$81	$543	$50	$593
INTEREST EXPENSE	$154	$91	$245	($73)	$172
DEPRECIATION	$172	$86	$258	$0	$258
AMORTIZATION	$26	$12	$38	$0	$38
EBITDA	$1,947	$623	$2,570	$57	$2,627
% TO SALES	16.4%	14.9%	16.0%		16.6%

A – The Sherwin-Williams Company as Reported
B – The Valspar Company as Reported
C – Combined as Reported
D – Pro Forma Adjustments exclude the divestiture of the Valspar North American Industrial Wood Coatings business, acquisition costs, costs to achieve & restructuring charges

- ***Divestiture of Valspar North American Industrial Wood Coatings business reduces income before income taxes $51 million ($31 million after-tax)***
- ***Sherwin Williams acquisition costs of $134 million ($82 million after-tax) included gross profit $2 million, SG&A $59 million & interest expense $73 million***
- ***Valspar acquisition costs and restructuring charges of $47 million ($29 million after-tax)***

Appendix 1C: *2016 PRO FORMA (In Millions)*

SHERWIN-WILLIAMS®

	SHW As Reported (A)	VAL As Reported (B)	SHW + VAL As Reported (C)	Pro Forma Adjustments (C)	Consolidated Pro Forma
	December 31, 2016	October 26, 2016	Year End 2016		Year End 2016
WORKING CAPITAL					
TOTAL	$1,265	$736	$2,000	($29)	$1,971
% TO SALES	10.7%	17.6%	12.5%		12.5%
FREE CASH FLOW					
NET OPERATING CASH	$1,309	$483	$1,792	($31)	$1,792
CAPITAL EXPENDITURES	($239)	($120)	($359)	$3	($356)
FREE CASH FLOW	$1,070	$363	$1,433	($28)	$1,405
% TO SALES	9.0%	8.7%	9.1%	(0.2)%	8.9%

A – The Sherwin-Williams Company as Reported
B – The Valspar Company as Reported
C – Pro Forma Adjustments to exclude acquisition costs, costs to achieve & restructuring charges

- *Divestiture of Valspar North American Industrial Wood Coatings business reduces working capital $29 million, net income $31 million and capital expenditures of $3 million.*

Appendix 2: *2012 PRO FORMA (In Millions)*

SHERWIN-WILLIAMS®

	SHW As Reported (A)	VAL As Reported (B)	SHW + VAL As Reported (C)	Pro Forma Adjustments (C)	Consolidated Pro Forma
	December 31, 2012	October 26, 2012	Year End 2012		Year End 2012
Net Sales	$9,534	$4,021	$13,555	($199)	$13,356
EBITDA					
NET INCOME	$631	$292	$923	$5	$923
INTEREST EXPENSE	$43	$68	$111	$0	$111
INCOME TAXES	$276	$125	$401	$3	$350
DEPRECIATION	$152	$87	$239	($3)	$239
AMORIZATION	$27	$7	$34	$0	$34
EBITDA	$1,129	$579	$1,708	$5	$1,713
% TO SALES	11.8%	14.4%	12.6%		12.8%

A – The Sherwin-Williams Company as Reported
B – The Valspar Company as Reported
C – Pro Forma Adjustments exclude the divestiture of the Valspar North American Industrial Wood Coatings business & restructuring charges

- *Divestiture of Valspar North American Industrial Wood Coatings business reduces sales $199 million, income before taxes of $18 million, net income of $12 million and depreciation of $3 million*
- *Valspar restructuring charges of $26 million ($17 million after-tax)*

THE AMERICAS GROUP

JAY DAVISSON
PRESIDENT, THE AMERICAS GROUP



FINANCIAL COMMUNITY PRESENTATION – OCTOBER 3, 2017

The Americas Group

SHERWIN-WILLIAMS®



The Americas Group

Financial Highlights 1H-17 vs 1H-16

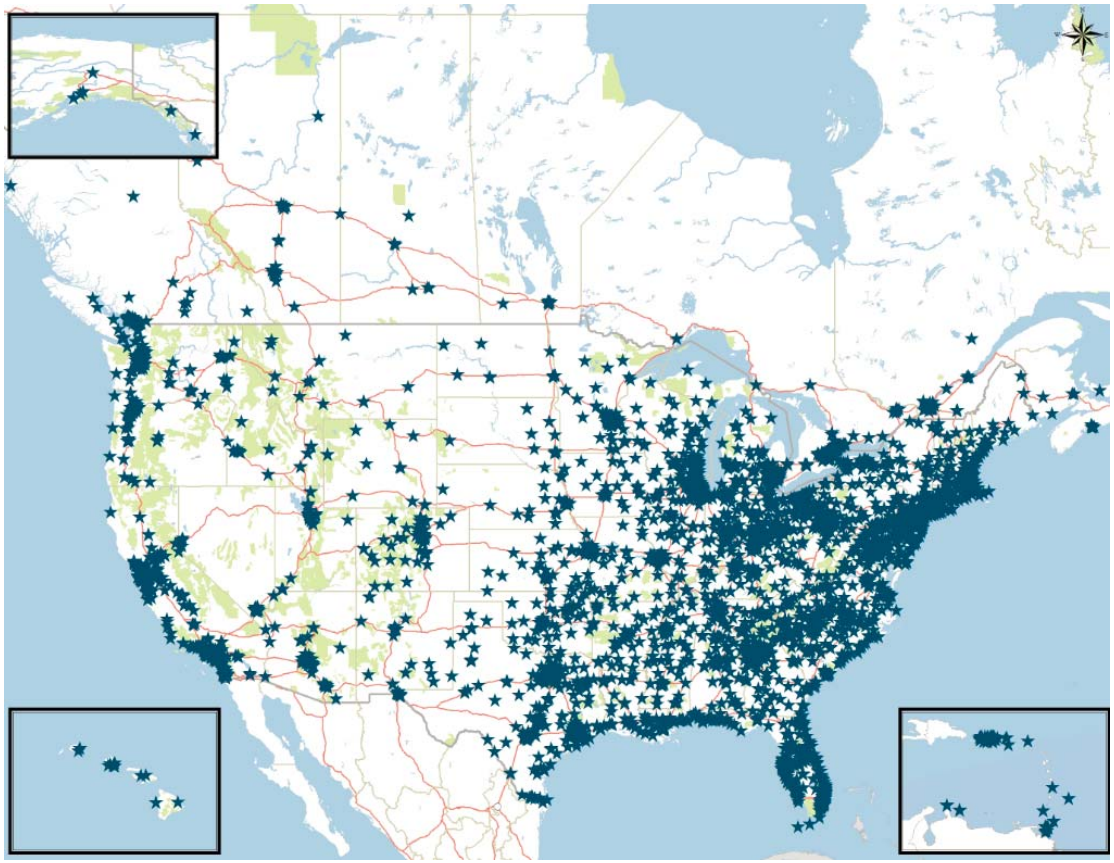
SHERWIN-WILLIAMS®

First Half	1H-2016	1H-2017	% Chg.
Net Sales	$3.98B	$4.39B	10.2%(1)
Segment Profit	$752.0M	$837.9M	11.4%
% Sales	18.8%	19.1%	

(1) Revenue Reclassification Increased Sales 3.4%

North America Store Locations

SHERWIN-WILLIAMS®



North America

Financial Highlights 1H-17 vs 1H-16

SHERWIN-WILLIAMS®

Full Year	**2015**	**2016**	**% Chg.**
Net Sales	$7.21B	$7.79B	8.1%(1)
Segment Profit	$1.43B	$1.62B	13.2%
% Sales	19.9%	20.8%	
First Half	**1H-2016**	**1H-2017**	
Net Sales	$3.72B	$4.11B	10.4%(2)
Segment Profit	$762.5M	$848.6M	11.4%
% Sales	20.4%	20.6%	

(1) Revenue Reclassification Increased Sales 5.3%
(2) Revenue Reclassification Increased Sales 3.9%

Brand Recognition

SHERWIN-WILLIAMS®

#1
IN PAINT BRAND AWARENESS

2017 MarketVision Research

#1
PREFERRED BRAND BY PROFESSIONAL PAINTERS

2017 MarketVision Research

AMERICA'S MOST TRUSTED PAINT BRAND

2017 Lifestory Research

RATED HIGHEST IN CUSTOMER SATISFACTION AMONG INTERIOR PAINTS BY JD POWER

**Sherwin-Williams received the highest numerical score among interior paints in the J.D. Power 2017 Paint Satisfaction Study, based on 4,625 total responses from 12 companies measuring experiences and perceptions of customers, surveyed February-March 2017. Your experiences may vary. Visit jdpower.com*

North America Stores

SHERWIN-WILLIAMS®

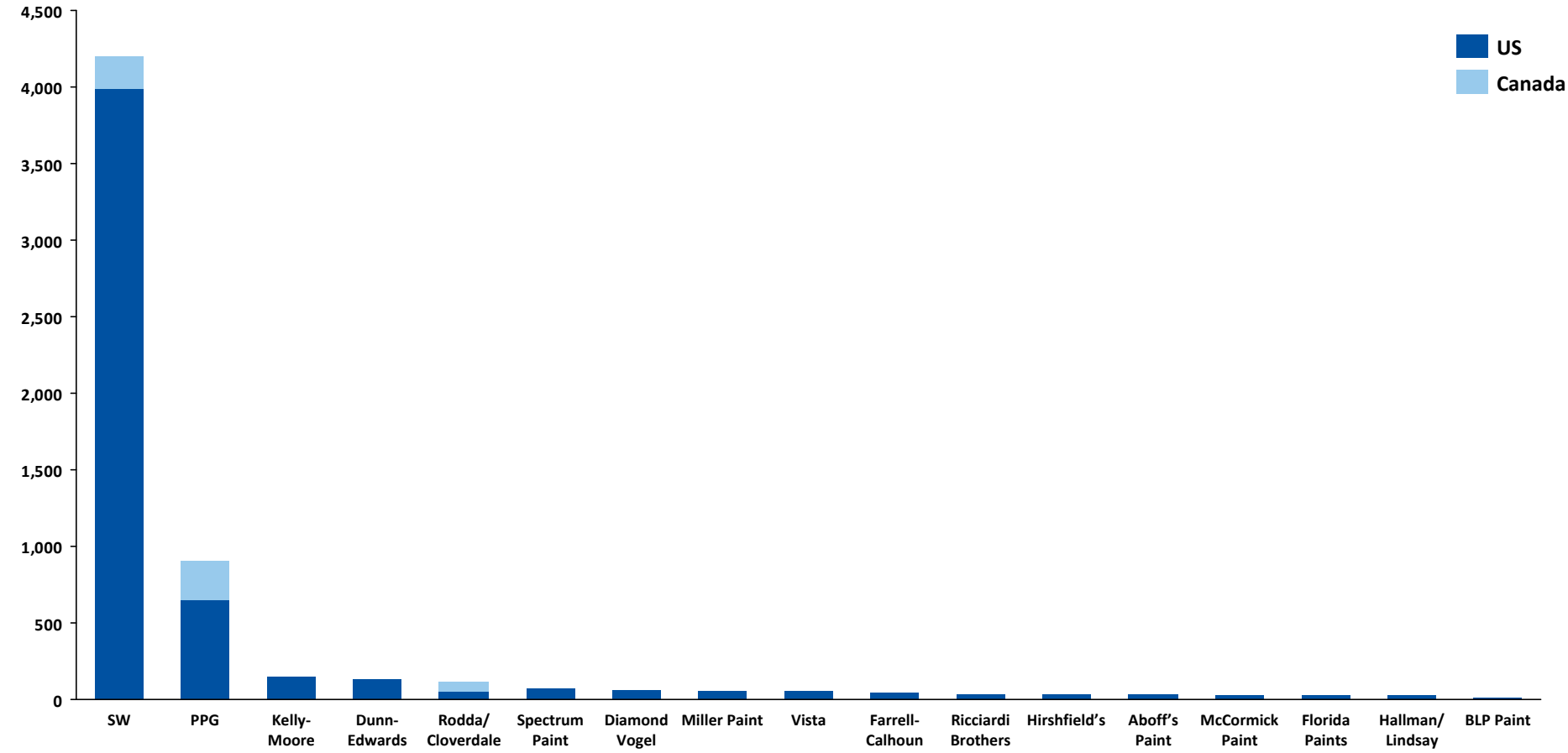
4,268



2017 Estimated Year End

Store Count Comparison

SHERWIN-WILLIAMS®



North America Reps

SHERWIN-WILLIAMS®

2,873

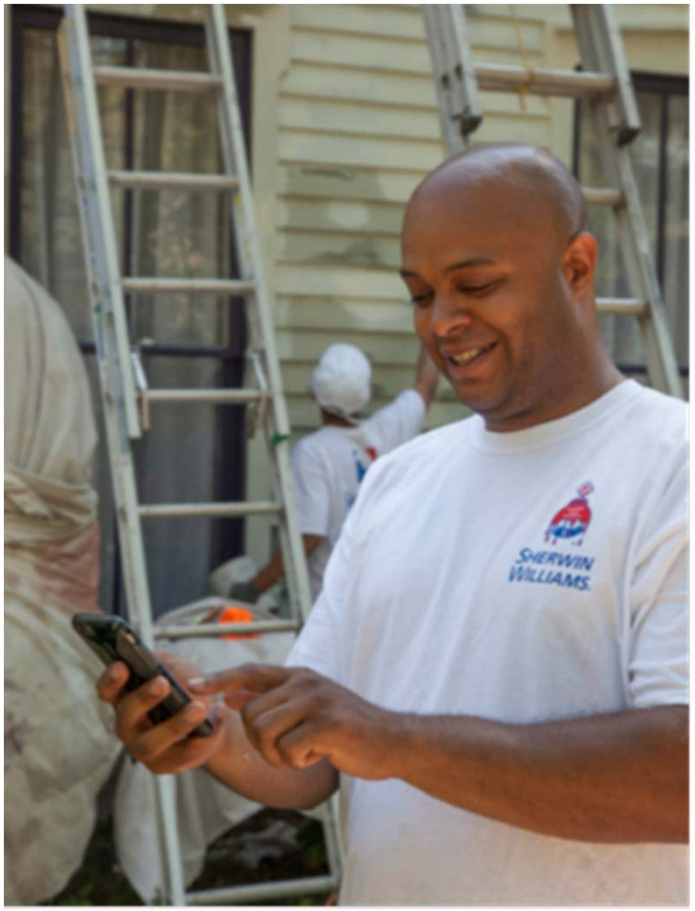


2017 Estimated Year End

E-Commerce

SHERWIN-WILLIAMS

SHERWIN-WILLIAMS
BUY ONLINE



The Sherwin-Williams Difference

SHERWIN-WILLIAMS®



CUSTOMER RELATIONSHIPS



TRADEMARK SERVICE



COLOR LEADERSHIP



EXCEPTIONAL PRODUCTS



STORE LOCATIONS



DIGITAL EXPERIENCE

Customer Commitment

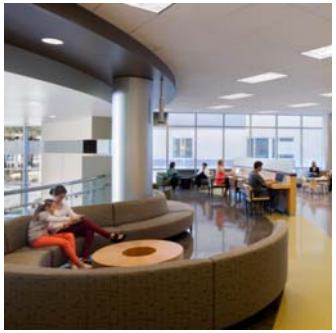
SHERWIN-WILLIAMS®



COMMERCIAL



NEW RESIDENTIAL



ARCHITECT - DESIGNER



PROTECTIVE & MARINE



DIY



PROPERTY MANAGEMENT



RESIDENTIAL REPAINT



PRODUCT FINISHES

Innovative Targeted Products

SHERWIN-WILLIAMS®

RESIDENTIAL REPAINT



COMMERCIAL



NEW RESIDENTAL



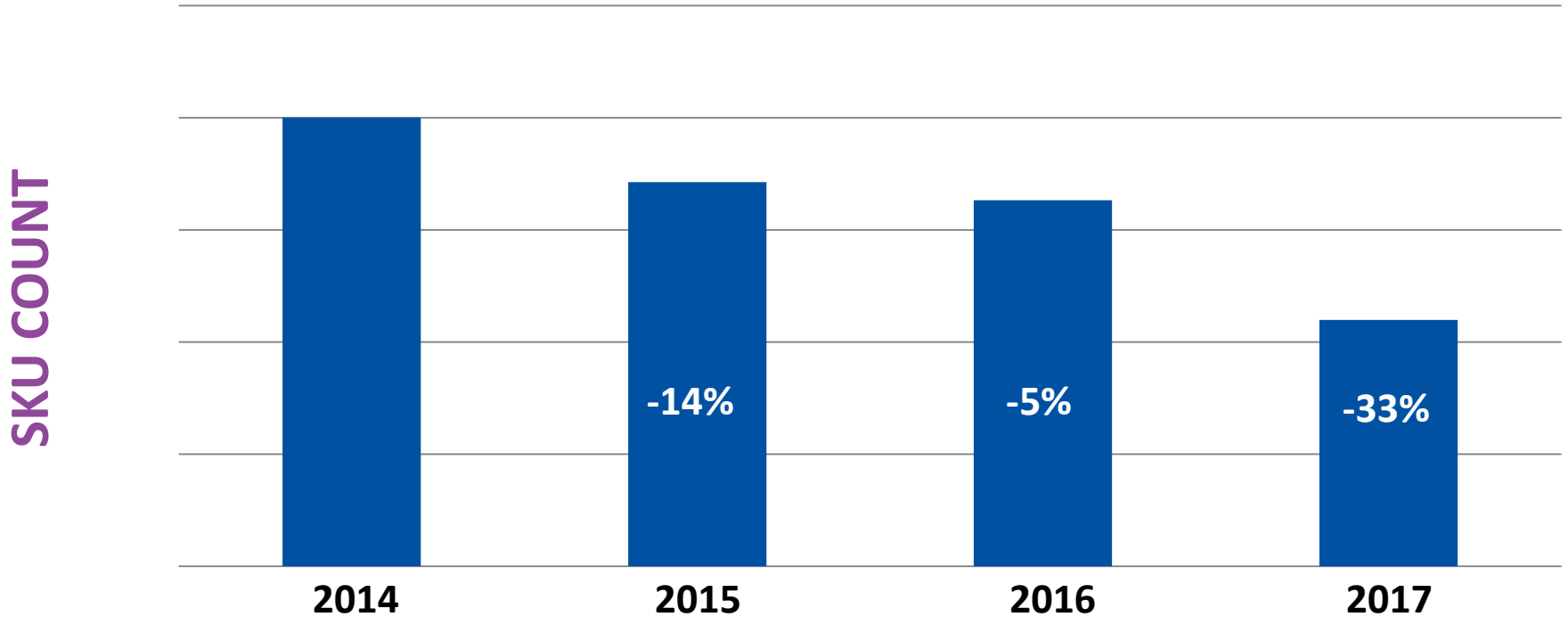
PROPERTY MANAGEMENT



SKU Rationalization

SHERWIN-WILLIAMS®

Architectural Coatings



Customer Obsessed

SHERWIN-WILLIAMS.

GET'EM IN



SHERCALL LEADTRACK

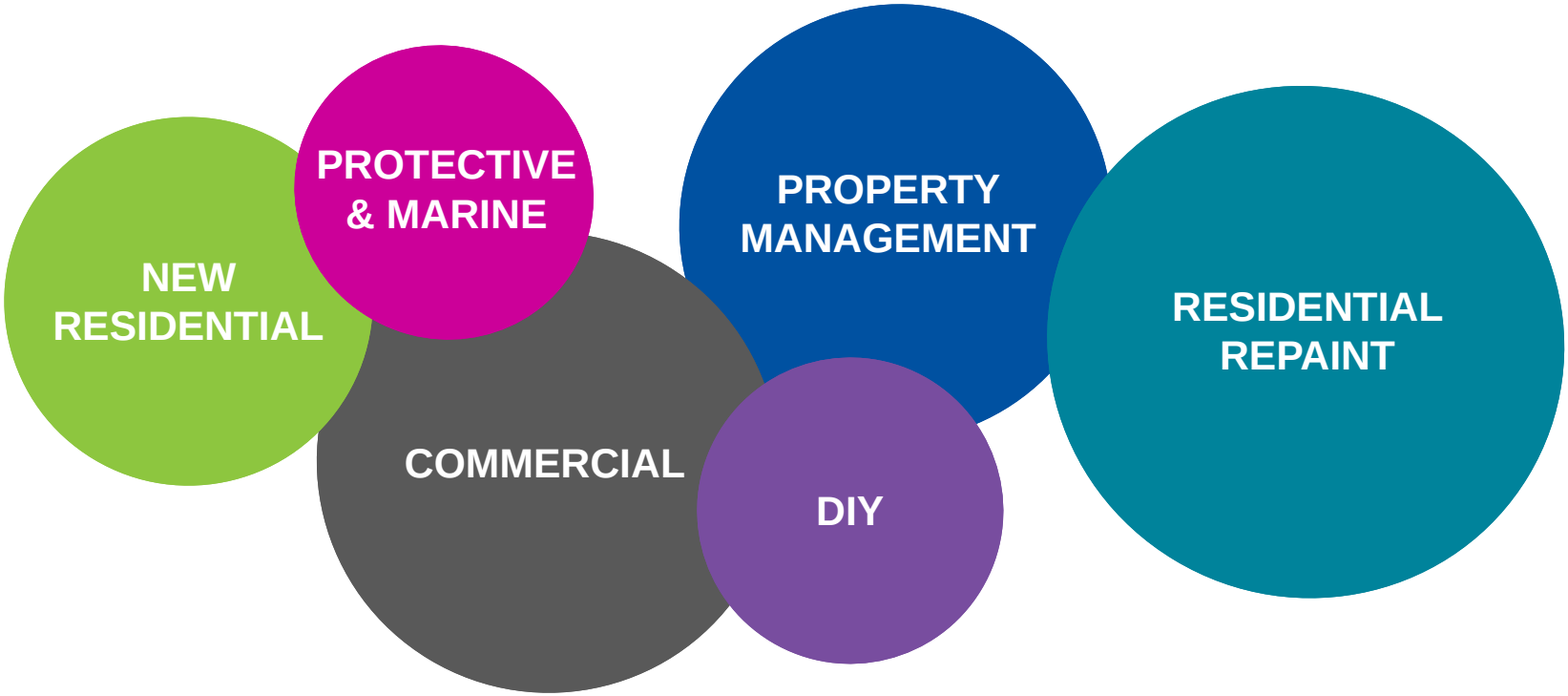
GET'EM GOING



GET'EM UP



North America Segment Sizes



Focus On Our People

SHERWIN-WILLIAMS®

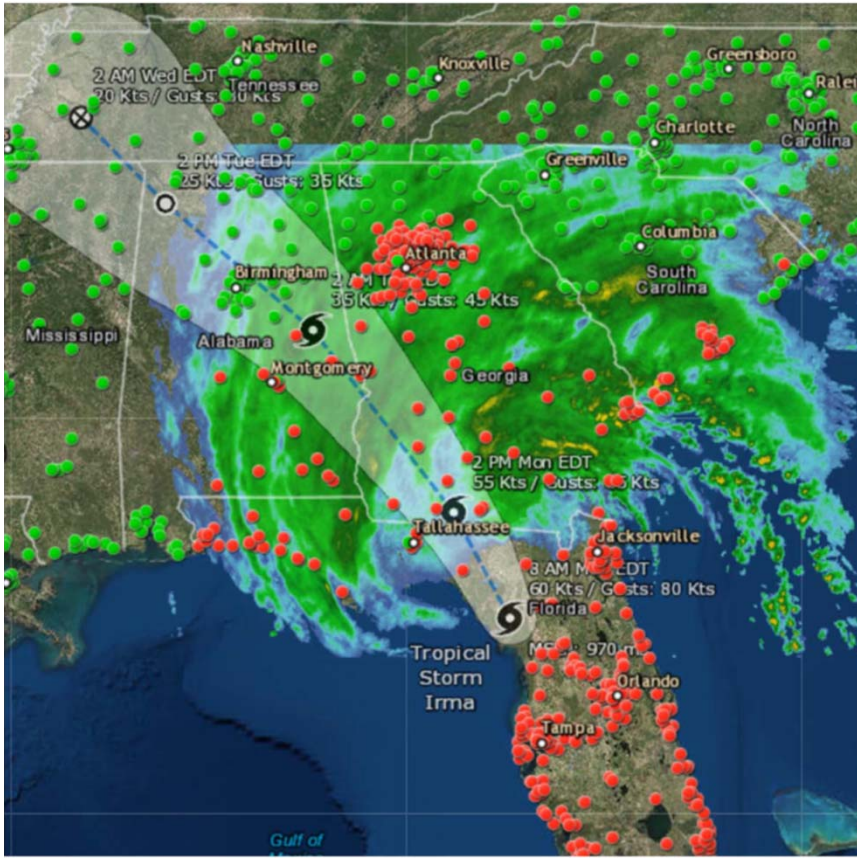






Hurricane Impact

SHERWIN-WILLIAMS®





Latin America

SHERWIN-WILLIAMS®



Latin America

Financial Highlights 1H-17 vs 1H-16

SHERWIN-WILLIAMS®

Full Year	**2015**	**2016**	**% Chg.**
Net Sales	$631.0M	$586.9M	-7.0%
Segment Profit	$18.5M	-$17.4M	-194%
% Sales	2.9%	-3.0%	
First Half	**1H-2016**	**1H-2017**	
Net Sales	$258.5M	$276.3M	6.9%
Segment Profit	-$10.5M	-$10.7M	-1.5%
% Sales	-3.8%	-3.8%	

Brand Recognition

SHERWIN-WILLIAMS®

BEST PRODUCT FOR DEALERS AWARD
COLORGIN SPRAY PAINT
NOVACOR FLOOR PAINT

ARTESP (Paint Dealers Association Sao Paulo, Brazil)

MATERIAL DEALERS 1ST PLACE AWARD
MASTER SPRAY PAINT
NOVACOR FLOOR PAINT

ANAMACO (Nacional Building Material Dealers) Brazil

ENTERPRISE WITH SOCIAL RESPONSIBILITY AWARD

Centro Mexicano para la Filantropia

FINALIST RESPONSIBLE CARE AWARD (WINNER SELECTED IN OCTOBER)

Responsible Care is the global chemical industry's unique initiative to improve health, environmental performance, enhance security and to communicate with stakeholders about products and processes, Ecuador

Latin America Distribution

SHERWIN-WILLIAMS®



356 **STORES**



705 **DEALERS**

2017 Estimated Year End

Latin America Reps

SHERWIN-WILLIAMS®

539



2017 Estimated Year End

Customer Commitment

SHERWIN-WILLIAMS®



DIY



RESIDENTIAL REPAINT



COMMERCIAL



PROPERTY MGMT



PROTECTIVE & MARINE

Customer Obsessed

SHERWIN-WILLIAMS®

GET'EM IN



GET'EM GOING



GET'EM UP



Channel Management

SHERWIN-WILLIAMS®



CONTROLLED DISTRIBUTION



Channel Management

SHERWIN-WILLIAMS®



HOMECENTERS



Innovative National Products

SHERWIN-WILLIAMS®





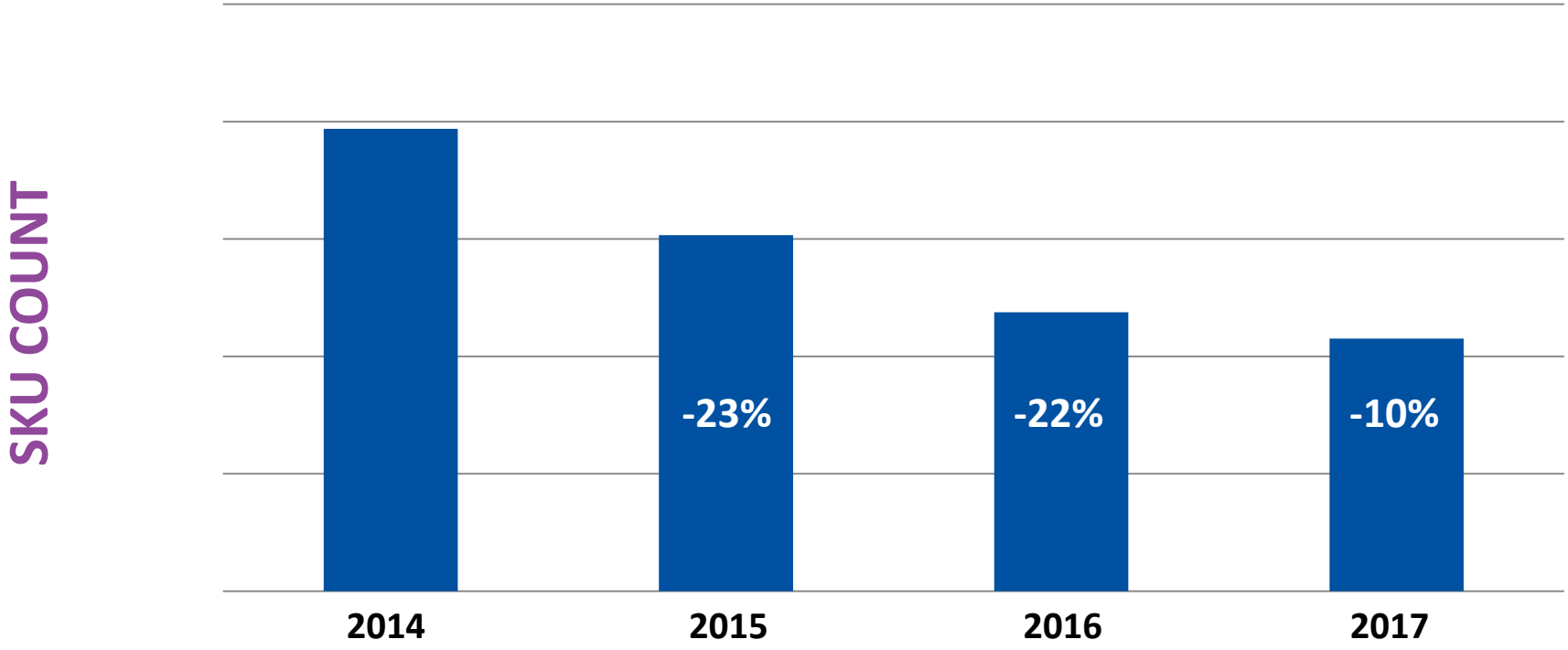




SKU Rationalization

SHERWIN-WILLIAMS®

Architectural, P&M, Aerosol & Woodcare



Focus On Our People

SHERWIN-WILLIAMS®





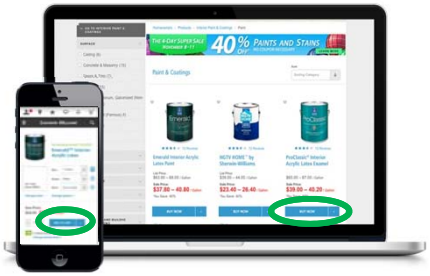


Success By Design

SHERWIN-WILLIAMS®









CONSUMER BRANDS GROUP

AARON M. ERTER
PRESIDENT CONSUMER BRANDS GROUP

FINANCIAL COMMUNITY PRESENTATION – OCTOBER 3, 2017

What is the Consumer Brands Group?

SHERWIN-WILLIAMS.

SHERWIN-WILLIAMS. Diversified Brands



valspar Paint Segment



Architectural

Integration Update

SHERWIN-WILLIAMS®

First 125 Days

- Leadership
- Sales & Marketing
- R&D
- Locations
- Project Prioritization
- Strategic Planning

In Progress

- Systems Consolidation
- Vendor Consolidation
- Support Functions Optimized
- Global Product Transfer
- Business Rationalization

No Disruption to Our Customers

Consumer Brands Group

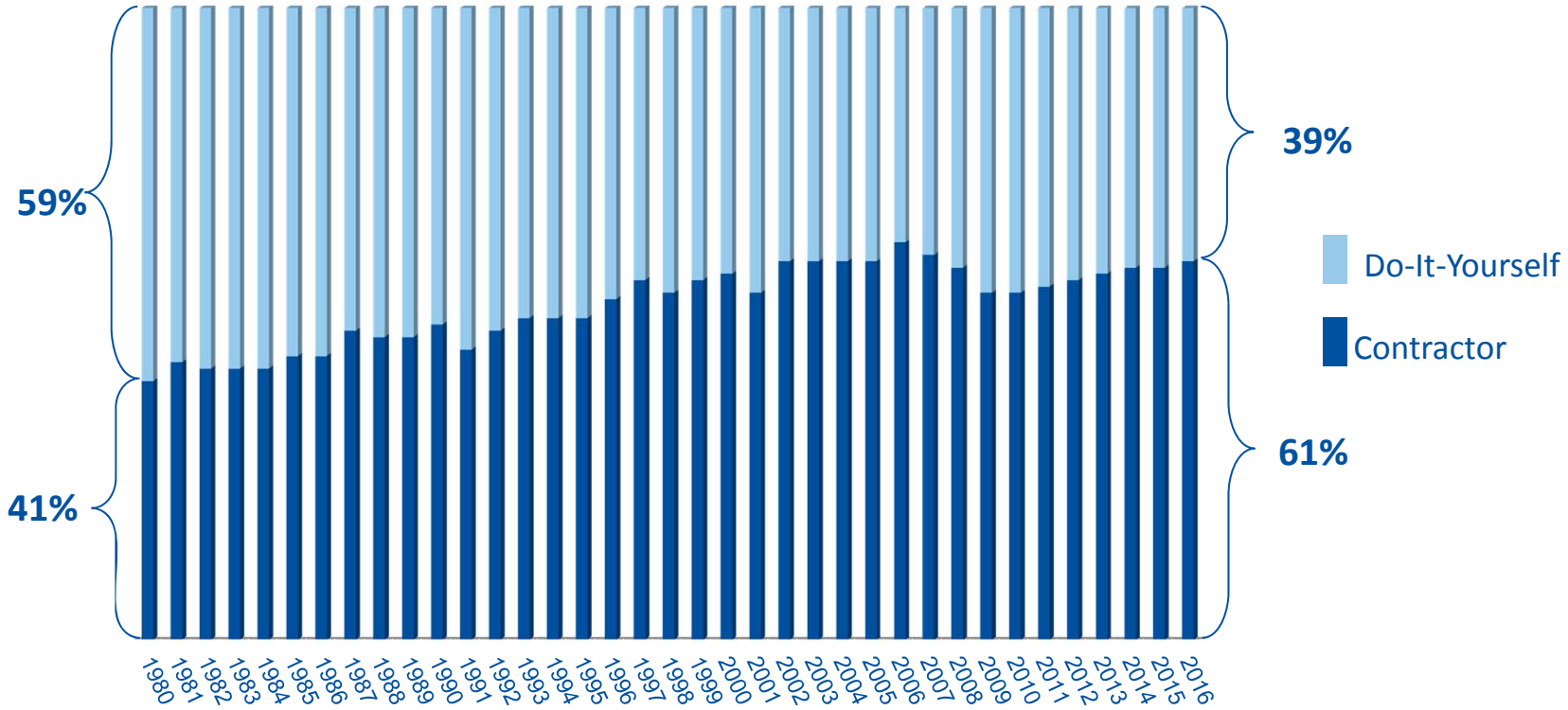
Global Architectural Paint Sales

SHERWIN-WILLIAMS®

	NORTH AMERICA	ANZ	CHINA	EUROPE
				
	77%	**8%**	**8%**	**7%**
PRODUCTS	Interior and exterior latex paint, stains and specialty products	Interior and exterior paints, stains and specialty products	Interior and exterior paints and stains; texture and stucco products for exterior commercial projects	Interior and exterior paints, stains and specialty products
CHANNELS	Sold through big box home improvement retailers, mass merchants, two-step hardware channel, and industrial retailers and distributors	Sold through big box home improvement, hardware, independent trade centers and company owned stores	Sold through exclusive distribution and national key accounts	Sold through B&Q big box home improvement stores in UK and Ireland, and other home improvement retailers.
TARGETS	Emphasis on Do-It-Yourself (DIY) and small contractor	DIY in big box and hardware channels and professional painter in trade centers and company owned stores	Emphasis on "Do-It-For-Me" and professional painter	Emphasis on both DIY and contractor

DIY → Contractor Shift Will Continue in U.S. & Canada

SHERWIN-WILLIAMS®



Source: USDOC, Company Estimates

Consumer Brands Group

Financial highlights 1H-17 vs 1H-16

SHERWIN-WILLIAMS®

	1H-16	1H-17	% Chg.
Net Sales	$827.1M	$859.8M	3.9%
Segment Profit	$163.0M	$132.0M	(19.1%)
% Sales	19.7%	15.3%	

Consumer Brands Group Solid Growth Potential

SHERWIN-WILLIAMS®

ARCHITECTURAL PAINTS SECTOR IS LARGE, GROWING AND FRAGMENTED	• $47.2B Total Global Architectural Paint Market • 4% Historical CAGR • Europe & Asia-Pacific Largest Decorative Paint Markets • Painting is Still #1 in DIY Activity
STRONG RETAIL PARTNERSHPS	Lowe's, Home Depot, Ace, B&Q, Mitre 10 and Distributor Platform in China
STRONG STABLE OF HERO BRANDS	Top Brands Include Valspar, HGTV HOME by Sherwin-Williams, Cabot, Minwax, Krylon, Purdy, Wattyl, Huarun, and Thompson's WaterSeal
INNOVATION LEADERSHIP IN AND OUT OF THE CAN	Product, Merchandising, Marketing, Field Service are Best in Class
VALUE AND GROWTH LEVERS GLOBALLY	• Growth in North America • Growth in ANZ • Growth in China • Growth in Europe

Source: USDOC, Company Estimates

Strong Global Retail Partnerships

SHERWIN-WILLIAMS®

























Stable of Brands

SHERWIN-WILLIAMS®

































Innovation In and Out of the Can

SHERWIN-WILLIAMS®

Product Quality & Innovation





Twist & Pour Expansion



Colorant Technology

Simplification Solutions







Paint Department Solutions

THE PAINT STUDIO

Exclusive at Ace

HGTV HOME by SHERWIN WILLIAMS QUALITY SINCE 1866

Exclusive at Lowe's

HGTV HOME™ VIDEO

SHERWIN-WILLIAMS®



Global CBG Growth Drivers

SHERWIN-WILLIAMS®

North America

- ✓ Strong Retail Partnerships and Complete Portfolio Solutions
- ✓ Drive “Hero” Brands Across All Channels

Australia/New Zealand

- ✓ Leverage the Americas Group Controlled Distribution Expertise
- ✓ Increase Penetration in the Independent Hardware Channel
- ✓ Product Technology Transfer

China

- ✓ Expand Branded and Non-Branded Store Footprint in China
- ✓ Product Technology Transfer
- ✓ Expand in the Project Channel

Europe

- ✓ Grow in UK with B&Q
- ✓ Expansion Opportunity in Continental Europe
- ✓ Color Resources and Expertise



North American Architectural Paint Industry

SHERWIN-WILLIAMS®



MARKET DYNAMICS

- DIY - Driven by Disposable Income, Wealth Effect, Strong Remodeling Activity and Existing Home Turnover; Stable Growth
- Painting Remains #1 DIY Activity
- Certain Professional Trades Prefer Multi-Category Retail

KEY GROWTH DRIVERS

1. Expand Sales of Portfolio with Best in Class CBG Retail Model
2. Drive Hero Brands Across All Channels
3. Introduce Unique Product Technologies
4. Convert Shoppers to Buyers

Source: USDOC, Company Estimates

Strong Retail Partnership Operating Model

SHERWIN-WILLIAMS®

Product				
Marketing				
In-Store				
	LOWE'S	ACE The helpful place.	ORGILL Worldwide Distribution & Retail Services Do it Best	MENARDS®

Strong Retail Partnership Platform Model

SHERWIN-WILLIAMS®



Sales

- In-Store Consumer engagement – Convert Shoppers to Buyers
- Cultivating Relationships With Professional Trades Who Shop Retail Channels



Strategy

- Helping Our Partners Grow Their Paint Business
- Using Business Analytic Tools and Industry Insights to Help Decision Makers



Training

- Reaching Hundreds of Retail Paint Associates
- Flexible Model: In-Department, In-Classroom and Online On-Demand

BEST-IN-CLASS

Every Day at Our Retail Partners Across North America, We are Driving Sales and Building the Stable of Brands Through Best-in-Class Field Service and Training Support.

+800 Consumer Brands Group Associates Driving Sales!

Driving Hero Brands Across Retail

SHERWIN-WILLIAMS®

valspar®

PREMIUM WOODCARE
Cabot®
est. 1877
Unbeatable Quality • Satisfaction Guaranteed

MINWAX®

Purdy®
PROFESSIONAL PAINTING TOOLS

KRYLON®

Thompson's WaterSeal®

Source: SW Proprietary Quarterly Brand Health Tracker Q2 2017 + Vista 2017

History of Building DIY Hero Brands

SHERWIN-WILLIAMS®

valspar®

Valspar
10,000
Points of Distribution
More Than any Other North American Brand

	Purchase Intent Rank	Years in Market
BEHR	1	30
valspar	**2**	10
Glidden	4	141
Benjamin Moore Paints	6	133

Source: Stevenson June 2014 vs. June 2008; Traqline Q3 2014 vs. Q3 2008.
Net Promoter Score Base: Respondents in the Buying Cycle for Interior Paint Q3 2014

North American Architectural Paint Growth Drivers:

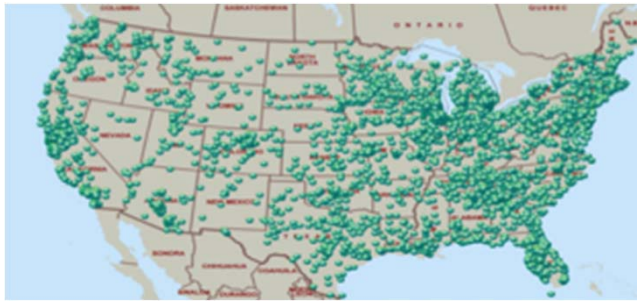
Optimize CBG Retail Model to Drive Portfolio of Brands

SHERWIN-WILLIAMS®

HIGHLIGHTS

- ~10,000+ Points of Distribution
- Dedicated Sales & Service Teams
- Proven Retail Model
- Opportunity to Expand Portfolio with Brands like Cabot, Krylon, Purdy, Minwax & Thompson's WaterSeal
- Placement in Extensive Retail Locations Ideal for Omni-Channel Service Competitiveness

CONSUMER BRANDS GROUP IN ~10,000 + LOCATIONS



CBG RETAIL SERVICE MODEL BEST IN CLASS



Australia/New Zealand Architectural Paint Industry

SHERWIN-WILLIAMS®



MARKET DYNAMICS

- Housing is Stable
  - Housing Approvals Holding
  - Remodeling Activity Growing

KEY GROWTH DRIVERS

1. Growth in Paint Store Channel: Leverage TAG's Controlled Distribution Expertise
2. Increase Penetration in the Hardware Channel: Expansion with the CBG Product Portfolio, Innovation and Investment in Wattyl Master Brand
3. Technology Transfer-Innovative Products

Source: APMF

ANZ Architectural Paint Growth Driver #1

Growth in Paint Stores Channel

SHERWIN-WILLIAMS®

Customer Segmentation

People, Product, Service and Promotion Proposition That is Specific to Needs of Each Segment



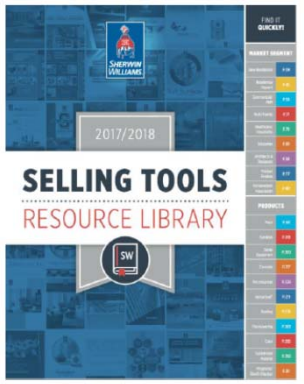
Portfolio Focus with Controlled Distribution Platform

Optimal Metro and Regional Platform with Core Store Ranging and Trademark Service Offer



Sales Excellence Program

Integrated Program to Support a High Sales Culture with Tools and Training to Win



ANZ Architectural Paint Growth Driver #2

Increase Penetration into Hardware Channel

SHERWIN-WILLIAMS®

Utilize CBG Brand and Product Portfolio

Focused Approach to Optimize Extensive Portfolio with Existing Core Customer Base as Priority

Purdy® PROFESSIONAL PAINTING TOOLS

MINWAX®

Thompson's WaterSeal®

KRYLON®

Utilizing our Local Brand Strength

Wattyl Local Brand Strength Enhanced with Technology Innovation and Investment



China Architectural Paint Industry Overview



MARKET DYNAMICS

- Mid Single Digit GDP Growth
- Fragmented Industry; Top 4 Players Approximately 40% Share
- Government Factors Have Impacted Industry Since 2014
- Huarun the Top Selling Chinese National Brand (#3 Overall)

KEY GROWTH DRIVERS

1. Retail Channel with Refined GTM Strategy, Upgraded Offering and Branded Store Expansion
2. Project Channel with Portfolio Product Maximizing Sherwin-Williams TAG Technology and Segmentation Approach

Source: Bain and Company Estimates

China Architectural Paint Channel Overview

SHERWIN-WILLIAMS®

RETAIL > 70% ⟵ ⟶ **PROJECT < 30%**











BRANDED STORES	NON-BRANDED STORES	HOME IMPROVEMENT CENTERS	HOME DECORATION COMPANIES	PROJECT
30-35%	**25-30%**	**3-5%**	**10-15%**	**25-30%**
Target • Contractors • Consumers **Position** • Brand, Ranging and Service	**Target** • Contractors • Consumers **Position** • Price Shoppers	**Target** • Consumers **Position** • High Quality	**Target** • Consumers **Position** • Paint as Part of Total Decor Project	**Target** • Property Developers • Targeted Product Portfolio • Labor and Materials Cost Sensitive

Source: Company Estimates

China Architectural Paint Growth Driver #1

Growth in Retail Channel

SHERWIN-WILLIAMS

Highlights

- Safety and Healthy Assurance are #1 Consumers Needs
- Shifting From 'Buy It Yourself' to 'Do It For Me'/ Pro Increasing Emphasis on Packaging Product and Labor ("Installed Sale")

Opportunities

- Continue Huarun A+ Platform with French A+ Endorsement to Elevate Brand Image and to Drive Emulsion Business
- Leverage TAG Expertise and Service Model, Launch Full Range Paint & Sundry Products in China Market to Support "One-Stop-Solution" Service
- Grow Huarun Branded Store Footprint in Top 100 Cities
- Installed Sale Pilot in 2017 / Roll Out Decision in 2018

华润漆
漆业真专家

纯境 A+

ÉMISSIONS DANS L'AIR INTÉRIEUR
A+
A+ A B C

A+ Branded Store







Sundry Ranging



Consumptive Material



Tools



Re-Paint Model



China Architectural Paint Growth Driver #2

Expand in the Project Channel

SHERWIN-WILLIAMS®

Highlights

- Residential Real Estate Developer Consolidation Via M&A
- Energy Efficiency Construction Mandate by Government
- Pre-Decorated Housing Policy a Boost for Interior Emulsion

Opportunities

- Capitalize on TAG Products and Expertise in Commercial and Multifamily Markets
- Extend CBG Product Portfolio

Residential





Commercial



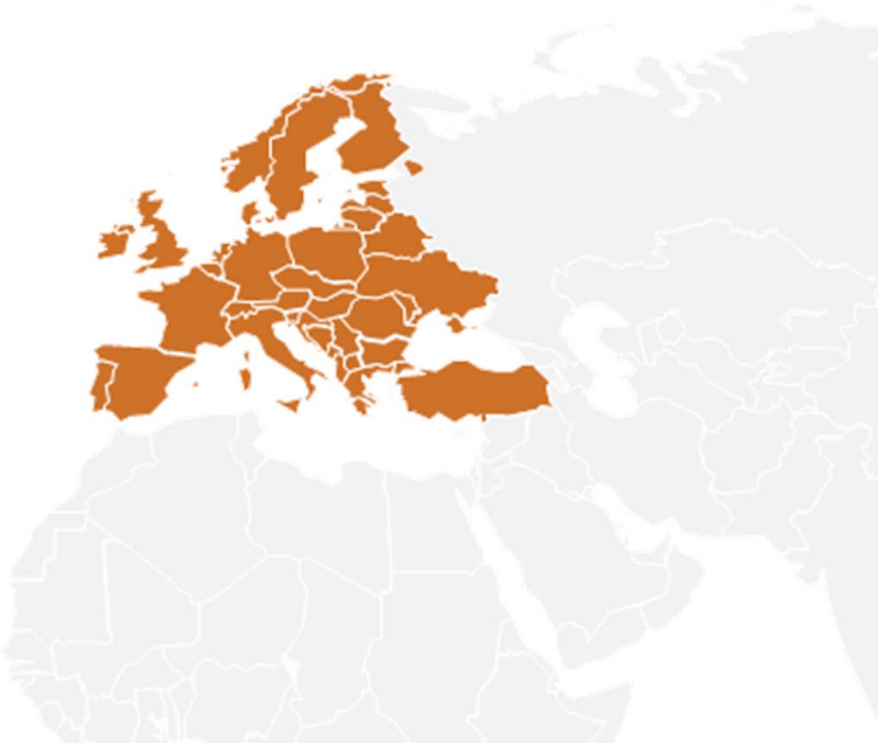


Portfolio Approach to Segment in Channel



Europe Architectural Paint Industry Overview

SHERWIN-WILLIAMS®



MARKET DYNAMICS

- Largest Decorative Paint Market in the World
- Vast Majority of Paints are “Pre-Tinted” (Packaged Colors)

KEY GROWTH DRIVERS

1. Grow in UK with B&Q
2. Expansion Opportunity in Continental Europe
3. Take Advantage of Color Resources and Expertise

Source: 2013 Orr & Boss, KNG and Company Estimates

European Architectural Paint Growth Driver: B&Q/Kingfisher
With expansion opportunity in continental Europe

SHERWIN-WILLIAMS®





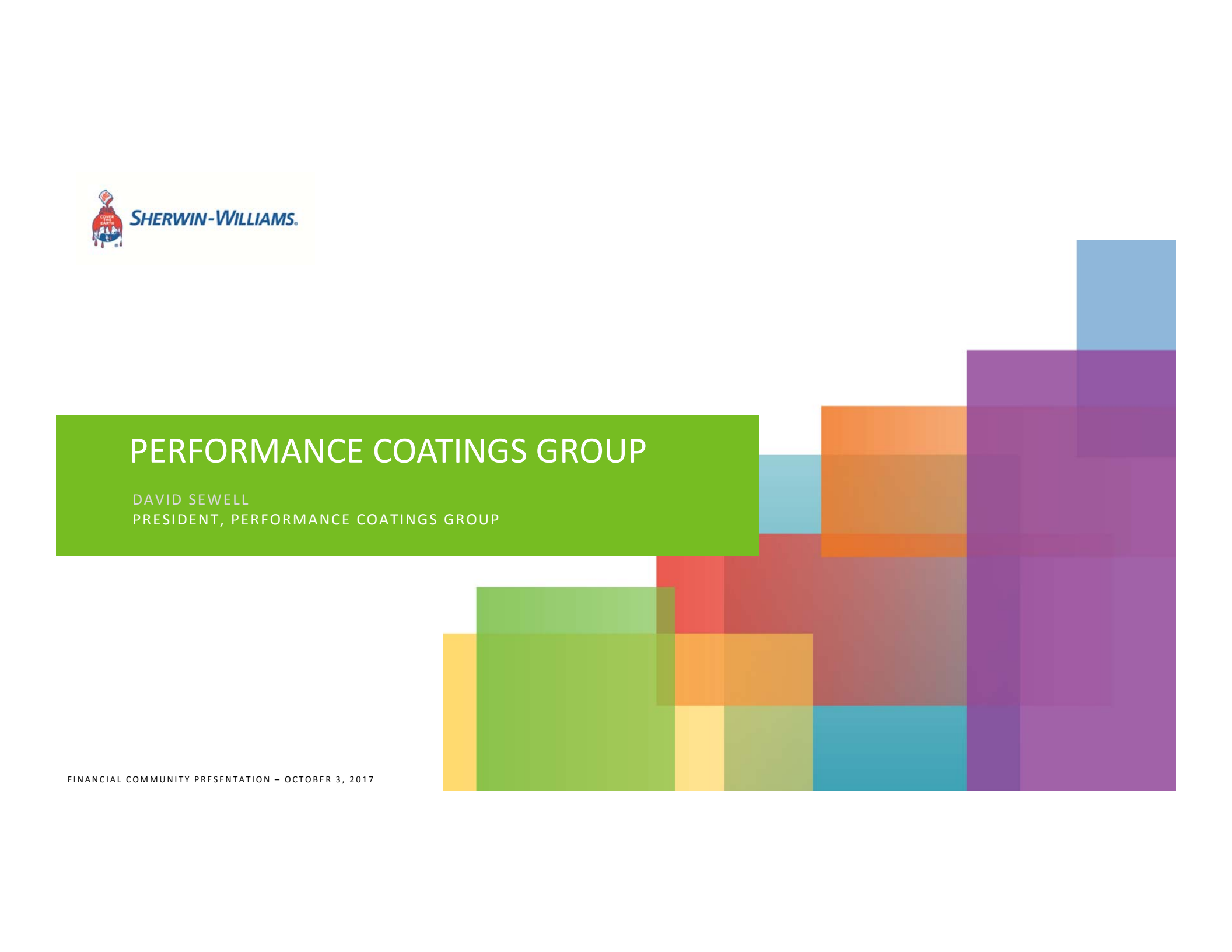
- 300 Stores Set Across the UK
- Tinting has Increased Significantly
- Operating Model Fully in Place Since 2015
- Legacy Valspar Service Model Supporting Legacy Diversified Brands Products

Consumer Brands Group Solid Growth Potential

SHERWIN-WILLIAMS®

ARCHITECTURAL PAINTS SECTOR IS LARGE, GROWING AND FRAGMENTED	• $47.2B Total Global Architectural Paint Market • 4% Historical CAGR • Europe & Asia-Pacific Largest Decorative Paint Markets • Painting is Still #1 in DIY Activity
STRONG RETAIL PARTNERSHPS	Lowe's, Home Depot, Ace, B&Q, Mitre 10 and Distributor Platform in China
STRONG STABLE OF HERO BRANDS	Top Brands Include Valspar, HGTV HOME by Sherwin-Williams, Cabot, Minwax, Krylon, Purdy, Wattyl, Huarun, and Thompson's WaterSeal
INNOVATION LEADERSHIP IN AND OUT OF THE CAN	Product, Merchandising, Marketing, Field Service are Best in Class
VALUE AND GROWTH LEVERS GLOBALLY	• Growth in North America • Growth in ANZ • Growth in China • Growth in Europe

Source: USDOC, Company Estimates



PERFORMANCE COATINGS GROUP

DAVID SEWELL
PRESIDENT, PERFORMANCE COATINGS GROUP

FINANCIAL COMMUNITY PRESENTATION – OCTOBER 3, 2017

Overview of the Industrial Business Segments

SHERWIN-WILLIAMS®

Sherwin-Williams Pre-Deal Divisions

Protective & Marine


Bridge & Hwy


Commercial Infrastructure


Food & Bev


Marine


Mining


Oil & Gas


Power


Waste Water

Product Finishes


Building Products


Electronics


Furniture


General Finishing


Cabinetry


Heavy Equipment


Military


Wind Energy

Automotive


Aerospace


Collision


OEM/Tier 1


Specialty/Custom

Valspar Additions

Packaging


General Packaging


Beverage


Food

General Industrial


Heavy Machinery


Infrastructure


Transportation

Coil


Building Exteriors & Roofs


Appliances & HVAC


Manufactured Products

Wood


Cabinets & Furniture


Siding, Doors, & Trim


Professional

Automotive


Collision


Specialty/Custom


US Chemical

Performance Coatings Group

SHERWIN-WILLIAMS®

INDUSTRIAL WOOD COATINGS



GENERAL INDUSTRIAL COATINGS



AUTOMOTIVE FINISHES



PROTECTIVE & MARINE COATINGS



PACKAGING COATINGS



COIL COATINGS



ENGINEERED POLYMER SOLUTIONS



Performance Coatings Group

Divisional Leadership

SHERWIN-WILLIAMS®



Dennis Karnstein
Industrial Wood



Bruce Irussi
General Industrial



Tom Hablitzel
Automotive



Karl Jorgenrud
Protective & Marine



Sam Shoemaker
Packaging



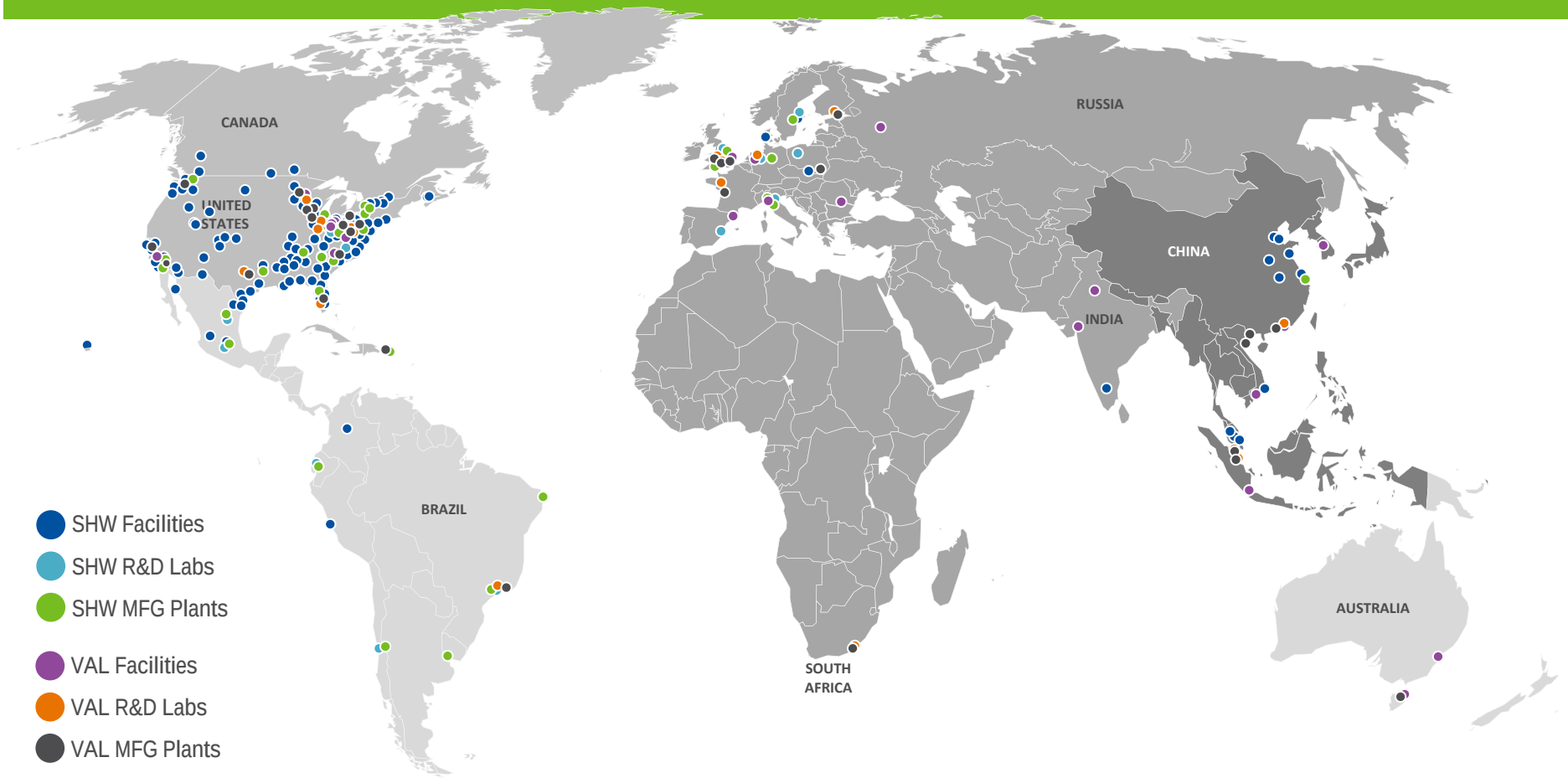
Mike Bourdeau
Coil Coatings



Colin Davie
Coating Resins & Colorants

Location Map: SHW + VAL

SHERWIN-WILLIAMS®



Performance Coatings Group

Focus

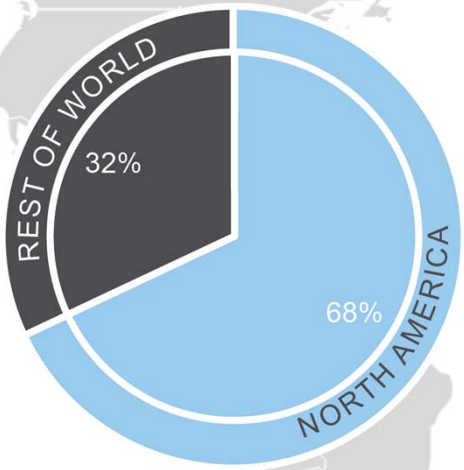
SHERWIN-WILLIAMS®



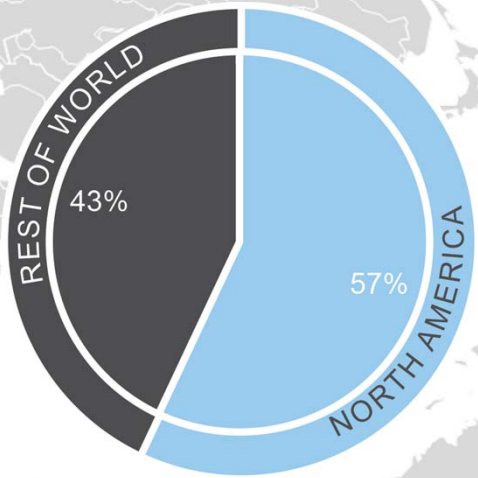
Performance Coatings Group

SHERWIN-WILLIAMS®

Global Finishes Group Pre-Close Sales



Performance Coatings Group Post-Close Sales



Complete Development Support

Differentiated Solutions

SHERWIN-WILLIAMS®

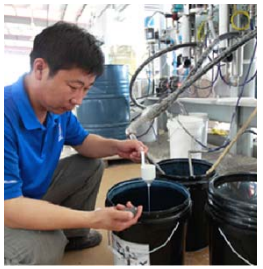
COLOR & DESIGN
Color Studio
OEM Matching Tools
Trends & Innovation

APPLICATION CENTERS
Humidity
Temperature
Curing Methods

CUSTOMER LINE TRIAL
Local Tech Service
Drop-In Solutions
Qualification On Line








DESIGN ENGINEERING
CAD Modeling
Lean Manufacturing
Complete Turnkey Installation

PRODUCT TESTING
Complete ASTM Logs
Centers of Excellence
Color Matching

FINISHED PRODUCT
Speed to Market
Minimal Downtime

Performance Coatings Group

Financial Highlights 1H-17 vs 1H-16

SHERWIN-WILLIAMS®

	1H-16	1H-17	% Chg.
Net Sales	$981.8M	$1.25B	26.9%
Segment Profit	$123.1M	$119.5M	-2.8%
% Sales	12.5%	9.6%	

Industrial Wood Coatings

SHERWIN-WILLIAMS®

Global Segments

Furniture



Kitchen Cabinets



Building Products



Specialty



Flooring



Technologies

Waterborne



Pigmented UV



Color Solutions

Tintable



Color & Design



- ✓ **Expanding Global Footprint**
- ✓ **Innovative Technologies**
- ✓ **Global Color & Design**
- ✓ **Local Support**
- ✓ **Complete Distribution Platform**
- ✓ **Regulatory Solutions**

Industrial Wood Coatings

SHERWIN-WILLIAMS®

Industrial Wood Value Proposition

Service as a Differentiator	Facility service, lab speed, small batch, transition teams
Global Innovation Executed Locally	Global reach with local technology solutions
Color & Design	Global design footprint, state of the art design centers in North America and China



Innovative Technology Providing Customers with Enhanced Performance in Key Areas

Product Requirement	Drivers	Technology
Sustainability	Governments - changing environmental requirements	Waterborne
Productivity	Customers - require speed for color and small batch	Low Cure Powder
Performance	Customers - lasting finish / unique appearance Applicators - simplicity of application	UV
Visual Appearance	Designer and retailer - color and design support and expertise	Tintable Solutions
		Virtual Color Library

Industrial Wood Coatings
Integration Growth Opportunities

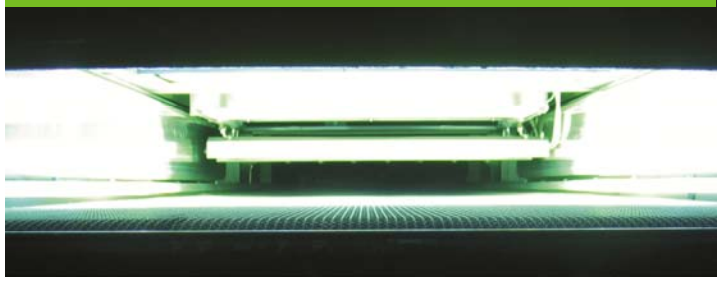
SHERWIN-WILLIAMS®

Growth in Flooring Segment



Regional Solutions

UV Coatings Technology



Tech Service to Aid Conversion

Waterborne in China



Lower VOC with Look of Solventborne

Color & Design Excellence



Consumer Preference – Color Customization

Waterborne Coatings

51%
Of responses to our "Waterborne Challenge" at AWFS could not tell if a panel was finished with water or solvent-based coating



Sayerlack Hydroplus

- Italian Premium Performance Manufactured Locally



Sher-Wood Universal Primer

- Drop-In Replacement Compatible with any Topcoat

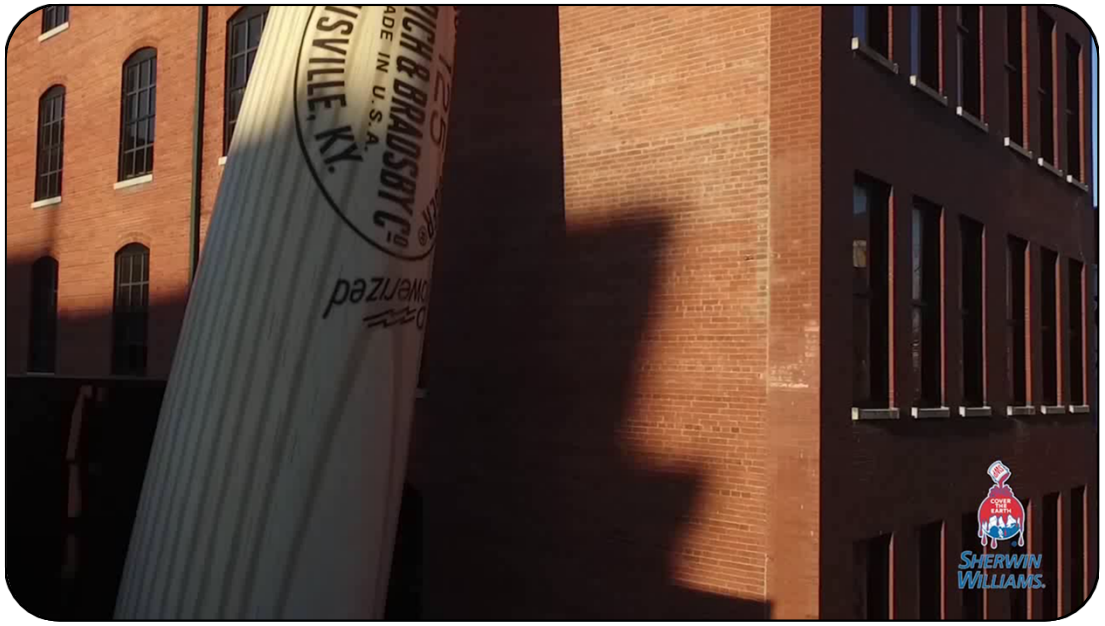


Louisville Slugger

- High-Performance Waterborne Coating Meets Stringent Emissions Standards

Industrial Wood Coatings Video

SHERWIN-WILLIAMS®



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General Industrial Coatings

SHERWIN-WILLIAMS®

Global Segments

Heavy Equipment



Transportation



Metal Building Products



Electronics



Growth Synergy Segments

Passenger Commuter Rail



Appliance HVAC



Container



Complete Product Solutions

Lawn & Garden



General Finishing



Sign Finishing



Military



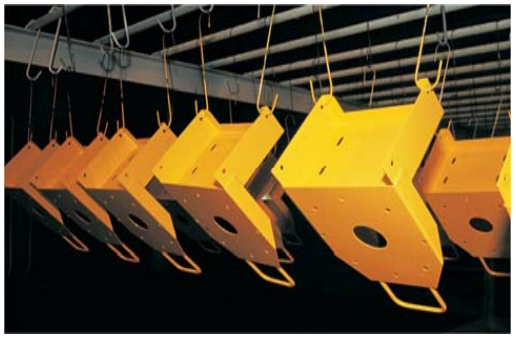
- ✓ **Expanding Global Footprint**
- ✓ **Global OEMs**
- ✓ **Growth Synergy Segments**
- ✓ **Aftermarket Solutions**
- ✓ **Onsite Customer Support**
- ✓ **Innovative Technology**

General Industrial Coatings

SHERWIN-WILLIAMS®

General Industrial Value Proposition

Support Across the Value Chain	OEM specifications to tier suppliers
Global Innovation Executed Locally	Multi-channel distribution across regions
Segment Expertise and Focus	Dedicated teams on focused segments



Innovative Technology Providing Customers with Enhanced Performance in Key Areas

Product Requirement	Drivers	Technology
Sustainability	Increasingly stringent environmental requirements	Waterborne
Productivity	OEMs require productivity gains	Powder
Performance	Harsh climate across regions affects product application and performance	E Coat
Visual Appearance	Need for consistent color and performance across technology platforms	Low Cure
		Direct to Metal

General Industrial Coatings
Integration Growth Opportunities

SHERWIN-WILLIAMS®

Support Throughout the Value Chain



OEM Specifications to Tier Suppliers

Global Innovation Executed Locally

INVER®

Distribution and Scale in EMEAI

Segmented, Dedicated Sales



Emerging Segments

Expansion to Brazil & Europe



Transportation Segment

General Industrial Coatings
Innovations

SHERWIN-WILLIAMS®

AquaGuard



One-Component Waterborne Technology

- Up to 94% Reduction in Emissions



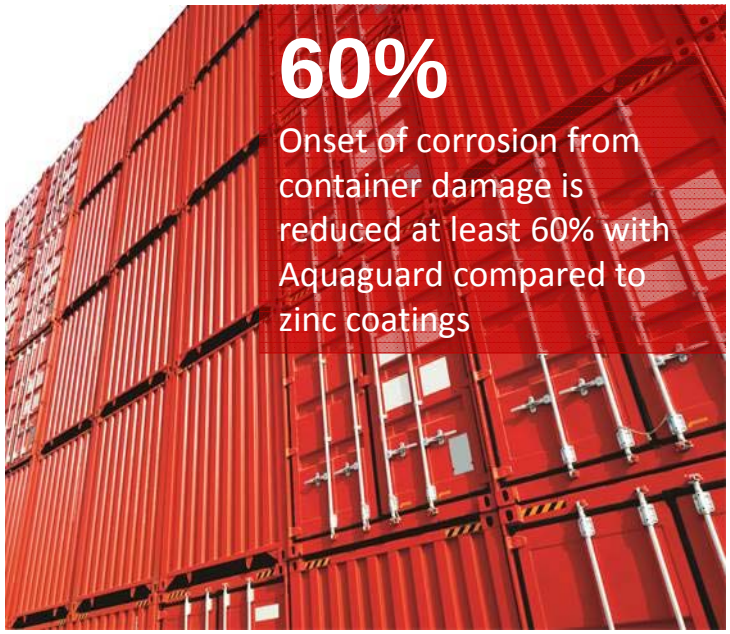
Global Container Industry

- Zinc-Free, Lower-Weight Product Formulation



Extension to Truck Underbody Segment

- Proven to Withstand Road Chemicals



Source: Internal salt spray and cyclic corrosion testing.

Automotive Finishes

SHERWIN-WILLIAMS®

Collision Repair Centers

Dealerships



Independents



Multi Shop Owners



Distribution

S-W Branches



Warehouse



Jobbers



Custom



Specification Driven

OE Interior



Aerospace



Influencers

Auto OEMS



Insurance Co.



- ✓ **Expanding Global Footprint**
- ✓ **OEM Certifications**
- ✓ **OE Interior GM Approval**
- ✓ **Waterborne Technology**
- ✓ **Robust Product Brand Mix to Support Multiple Channels**

Automotive Finishes

SHERWIN-WILLIAMS®

Automotive Value Proposition

Global Product Brands & Service	Global brands, product & service Local execution
Distribution / Customer Proximity	Multi-channel Local technical support
Segment Focused Innovation	Product and color innovation specific to segment needs



Innovative Technology Providing Customers with Enhanced Performance in Key Areas

Product Requirement	Drivers	Technology
Sustainability	Complex and changing government environmental requirements	Waterborne
Productivity	Shops seek productivity gains driven by insurance companies	Color Systems & Tools
Performance	OEMs require high performance standards	Mid-range Products
Visual Appearance	Need for consistent color and performance across technology platforms	Undercoats & Clearcoats
		Soft Feel Coatings

Automotive Finishes
Integration Growth Opportunities

SHERWIN-WILLIAMS®

Support Throughout the Value Chain

Multi-Channel Brand Portfolio

Global Innovation Executed Locally

Distribution in EMEA and ANZ

Innovations to Meet Industry Needs



Waterborne Technology

Total Solutions



Associated Products & Customer Training

SHERWIN-WILLIAMS®

CC200 Dynamic Clearcoat



2 Component Waterborne Technology

- Increased Shop Productivity & Profitability



Creates A New Category

- Speed Glamour Clearcoats



Energy Savings

- Lower Cure Temp: 140°F for 15 Minutes



*Source: Internal testing

Automotive Finishes Video

SHERWIN-WILLIAMS®



Protective & Marine Coatings

SHERWIN-WILLIAMS®

Global Segments

Oil & Gas



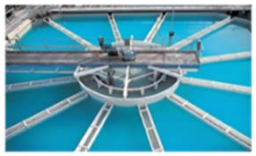
Mining



Marine



Water / Waste Water



Flooring



Bridge & Highway



Food & Beverage



Power



Functional Coatings



- ✓ **Expanding Global Footprint**
- ✓ **Core Global Product Line**
- ✓ **Specialized Sales & Technical Support**
- ✓ **Innovative Technology**
- ✓ **Utilizing The Americas Group Distribution Platform**

Protective & Marine Coatings

SHERWIN-WILLIAMS®

Protective & Marine Value Proposition

Product Performance	Differentiated product portfolio with wide specification position
Segment Expertise & Customer Focus	Segment dedicated sales and technical support
Global Innovation Executed Locally	Sherwin-Williams TAG distribution platform in the Americas



Innovative Technology Providing Customers with Enhanced Performance in Key Areas

Product Requirement	Drivers	Technology
Sustainability	Increasingly more stringent government environmental requirements	**Waterborne**
Productivity	Customers requiring productivity gains	**Ultra-High Solids**
Performance	Asset and corrosion protection in extreme environments	**Topcoat**
Visual Appearance	Need for improved gloss and color retention across technology platforms	**Corrosion Resistant**
		High Temp/ High Pressure

Protective & Marine Divisions

Integration Growth Opportunities

SHERWIN-WILLIAMS®

Complementary Technologies



Rebar

Global Innovation Executed Locally

watty®

Footprint in ANZ

Emerging Segments



Rail

Integration of Functional Coatings



Growth Synergy w/ General Industrial

PipeClad Fusion-Bonded Epoxy Powder for Pipelines



Flexible Performance

- Extreme Temperatures and “Reel Barge” Pipe Laying

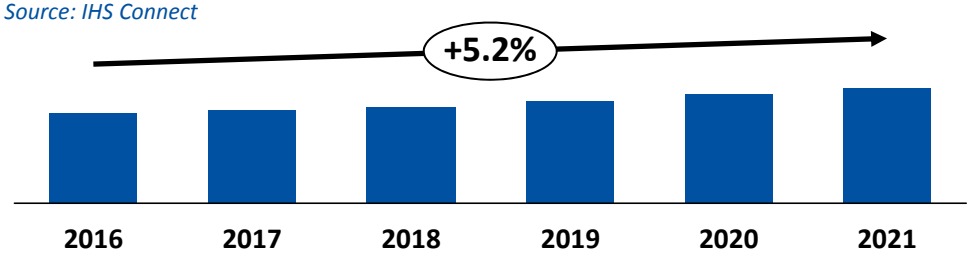


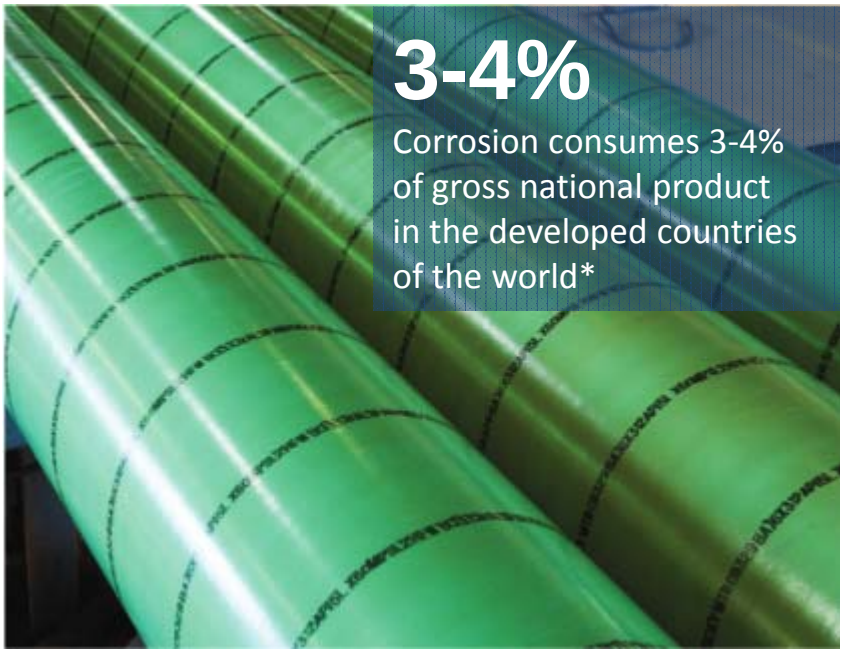
Global product platform

- Technical Support Around the World

Pipeline Transport Global Demand

Source: IHS Connect





*Source: NACE 2016 IMPACT Study

Packaging Coatings

SHERWIN-WILLIAMS®

Global Segments

Household Products



Food





Beverage





Value Chain

Canmaker/ Coil Coater → Brand Owner → Retailer

Safety-by-Design, Regulatory Compliance, Public Acceptance, Pack Protection, Reliability, Universality, and Process Efficiency

- ✓ **Global Footprint**
- ✓ **Technology Shift to Non-BPA Products**
- ✓ **Global Regulatory Approvals**
- ✓ **Technology Innovation**
- ✓ **On-Site Technical Service**

Packaging Coatings

SHERWIN-WILLIAMS®

Packaging Coatings Value Proposition

Differentiated Technology	Differentiated technology platforms 170 patents (49 non-BPA)
Regulatory Expertise	International regulations, independent researchers, and >100 global approvals
Technical Service	Product application expertise on-site technical support



Innovative Technology Providing Customers with Enhanced Performance in Key Areas

Product Requirement	Drivers	Technology
Sustainability	Consumer preference and NGO driving shift to non-BPA coatings	Non-BPA Epoxy
Sustainability	Regulations driving VOC reduction	Waterborne Technology
Productivity	Coaters require productivity and SKU reduction	Cost Effective Acrylics
Performance	Need for pack protection	Industry Standard Epoxy

Packaging Coatings
Integration and Growth Opportunities

SHERWIN-WILLIAMS®

Growth in Global Regions



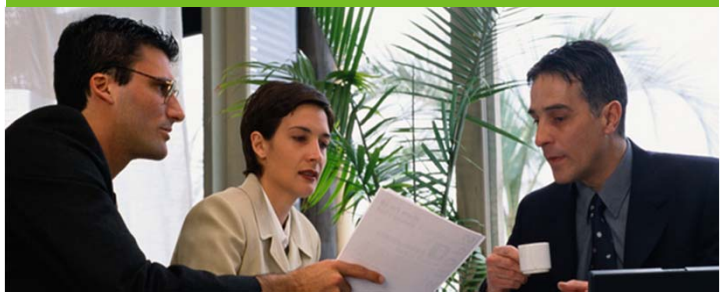
Emerging Segments

Changing Requirements



Non-BPA Conversion

Expertise Across the Value Chain



Can Manufacturers, Coil Coaters, Brands and Influencers

Integration Synergy Segments



Utilize Patented Resin Technology Across Divisions

SHERWIN-WILLIAMS®

valPure V70 First Non-BPA Epoxy for Food and Beverage



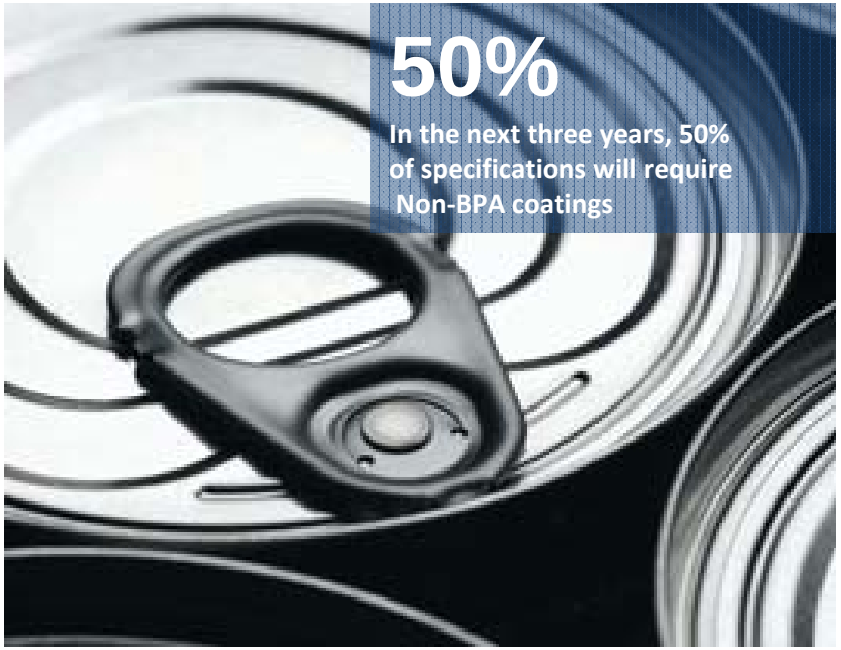
Unique Patented Technology

- Epoxy-Like Application and Performance



Waterborne Technology

- Lower Emissions and Increased Line Speed



Source: Company estimates.

Coil & Extrusion Coatings

SHERWIN-WILLIAMS®

Global Segments

Construction



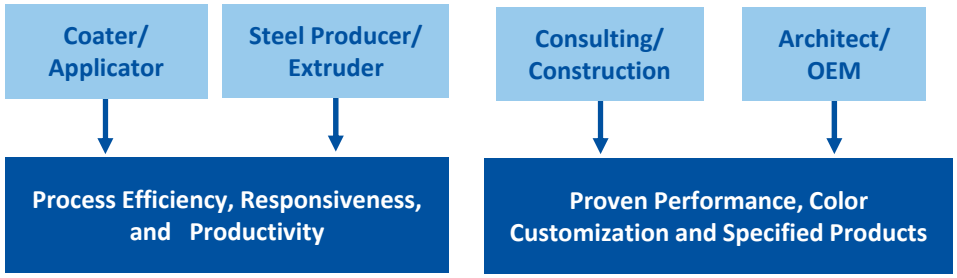


Appliance / HVAC





Value Chain



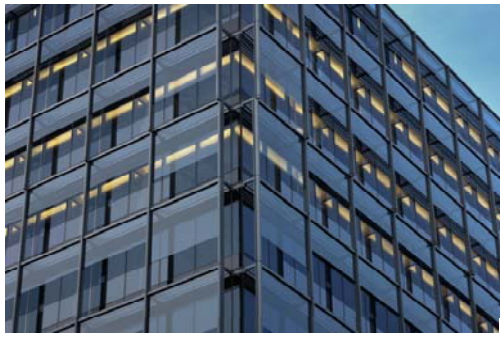
- ✓ **Expanding Global Footprint**
- ✓ **Focus Across Value Chain**
- ✓ **Dedicated Marketing / Support for Architects & Specifiers**
- ✓ **Innovative Technology**
- ✓ **Rapid Global Color Program**

Coil & Extrusion Coatings

SHERWIN-WILLIAMS®

Coil & Extrusion Value Proposition

Innovation	Differentiated innovation serving the total value chain
Service / Responsiveness	Locally supported / fast lead times Investing in technical service
Color Customization / Specified Products	Custom/unique color development Dedicated architect marketing team



Innovative Technology Providing Customers with Enhanced Performance in Key Areas

Product Requirement	Drivers	Technology
Sustainability	Driven by NGO's (e.g. LEED certified/LBL) End users focused on differentiation	**PVDF**
Productivity	Coaters focus on cost effective application	**Polyester**
Performance	Continually extending longevity of product	**Primers/Backers**
Visual Appearance	Customers personalizing color	**Blending Systems**
		Color Matching

Coil & Extrusion Coatings

Integration Growth Opportunities

SHERWIN-WILLIAMS®

Combined Technology Portfolio



Liquid and Powder Specifications

Global Innovation Executed Locally



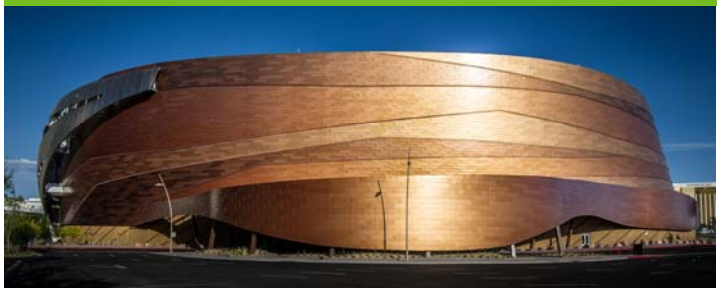
Utilize Blending Facilities and Stores

Specifications Across OEM Segments



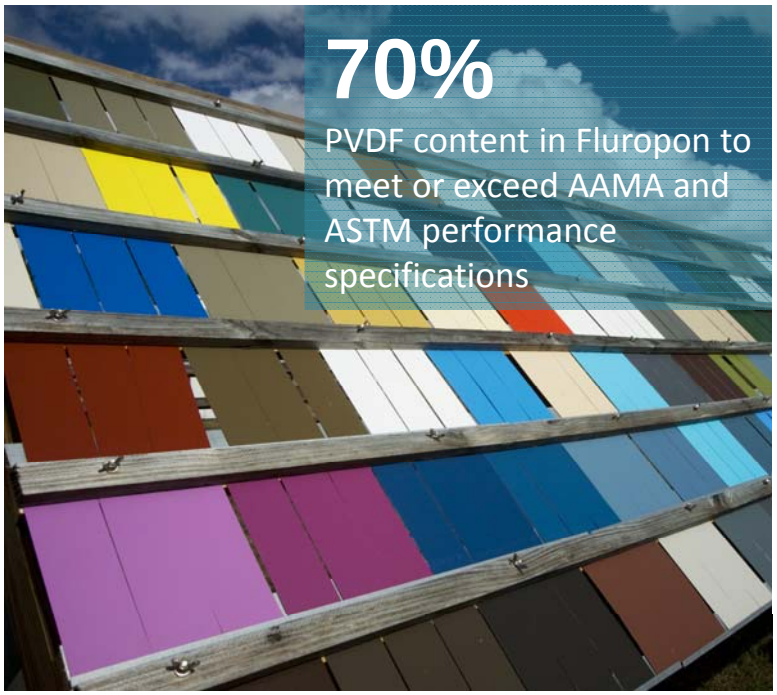
Appliance, HVAC, and Construction

Solutions for Architects & Specifiers



Across Multiple Divisions

Fluropon(R) Effects Nova









Color Innovation

- Patent-Pending Color Space for Architects to Deliver Breakthrough Projects

Lasting Performance

- Outstanding Durability

Versatility

- Customizable to Match Color with a Gold, Silver or Copper Sparkle

Source: Company data

Summary

SHERWIN-WILLIAMS®



Highly Customized Solutions

- ✓ Innovative Technology
- ✓ Global Color Program
- ✓ OEM Specifications

High Touch Support

- ✓ Company-Owned Locations
- ✓ Global Distribution
- ✓ Brand Portfolio

Relentless Customer Focus

- ✓ Connectivity Across Value Chain
- ✓ Platform Innovation
- ✓ Segmented Teams

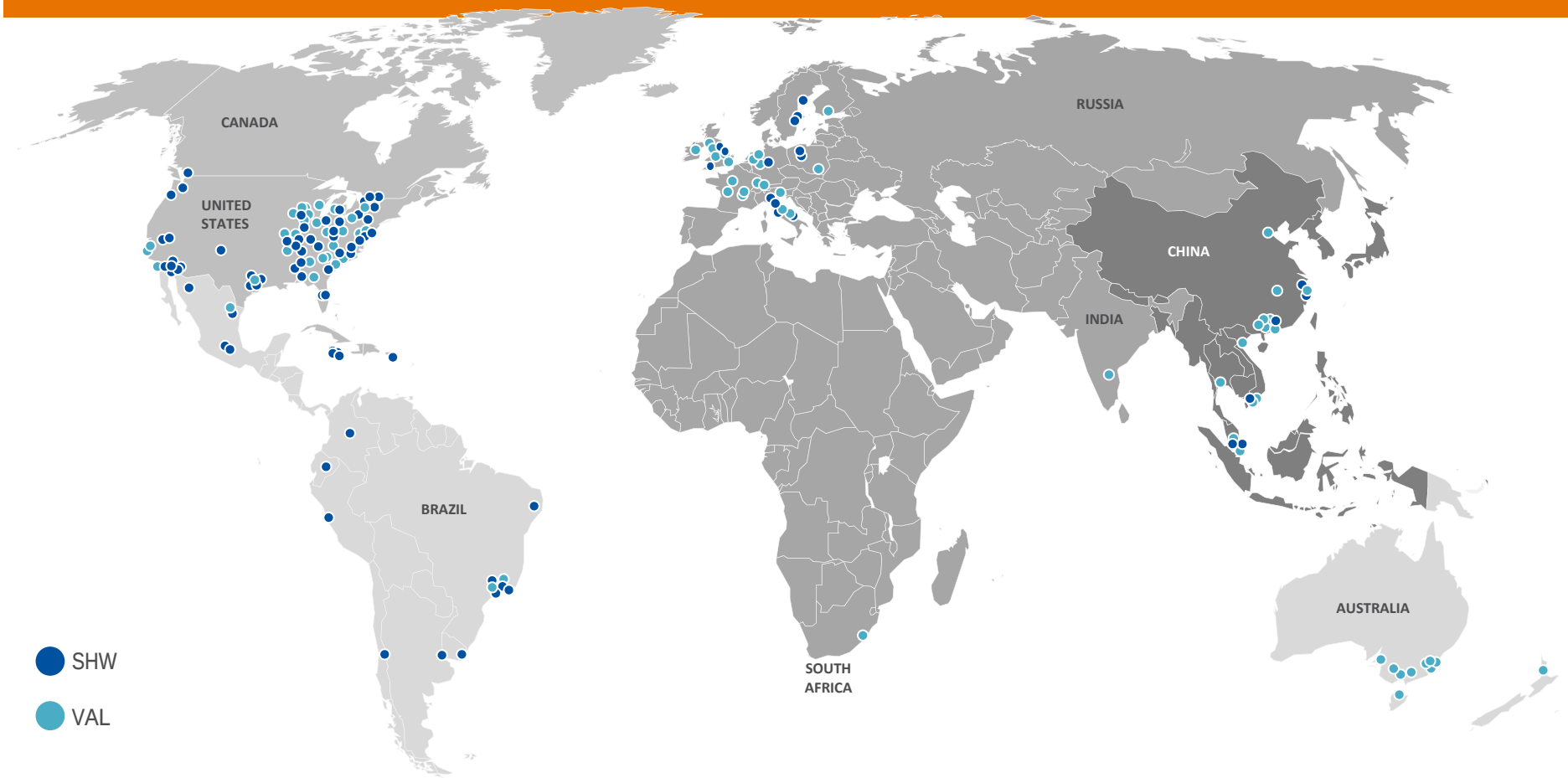
GLOBAL SUPPLY CHAIN

JOEL BAXTER
PRESIDENT & GENERAL MANAGER



Global Footprint

SHERWIN-WILLIAMS®



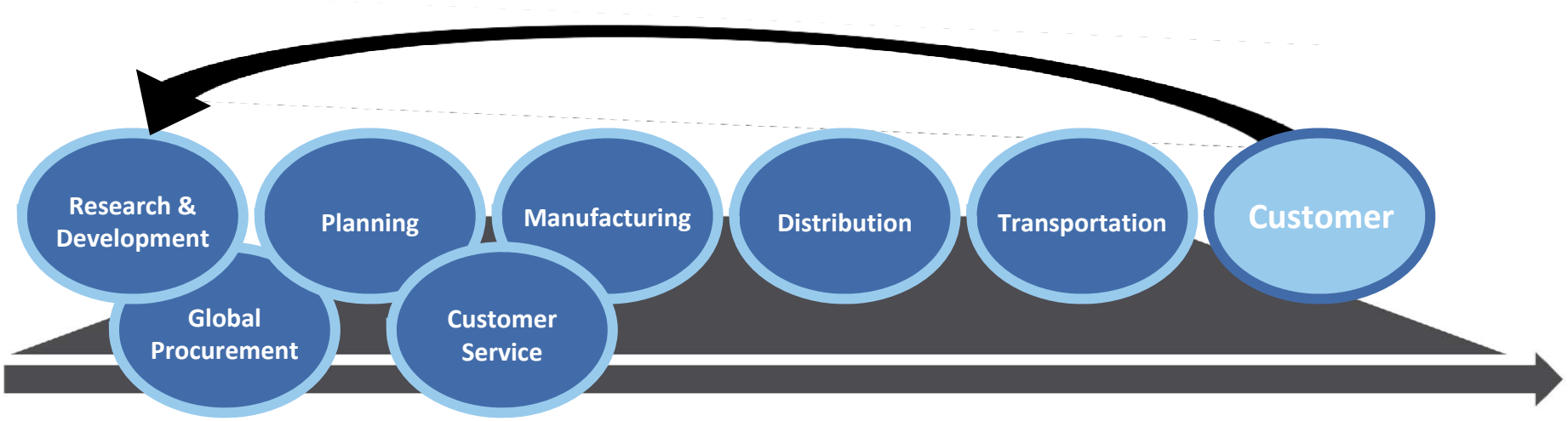
Global Supply Chain

SHERWIN-WILLIAMS®

- One Focused Organization
- Share Best Practices Worldwide
- End-to-End Supply Chain

End-to-End Supply Chain

SHERWIN-WILLIAMS®













SUPPLIER **FACTORY** **DISTRIBUTION** **TRANSPORTATION** **CUSTOMER**

DRIVE CONTINUOUS IMPROVEMENT

Global Business Management System

SHERWIN-WILLIAMS®

Management Review | **Continuous Improvement** | **Accelerated Root Cause** | **Time Management**

PEOPLE

SYSTEMS

TOOLS

PROCESSES

End-to-End Supply Chain



What This Accomplishes

SHERWIN-WILLIAMS®

- Drives Customer Satisfaction
- Cost Reduction
- Accelerated Growth

Focus Areas

SHERWIN-WILLIAMS®

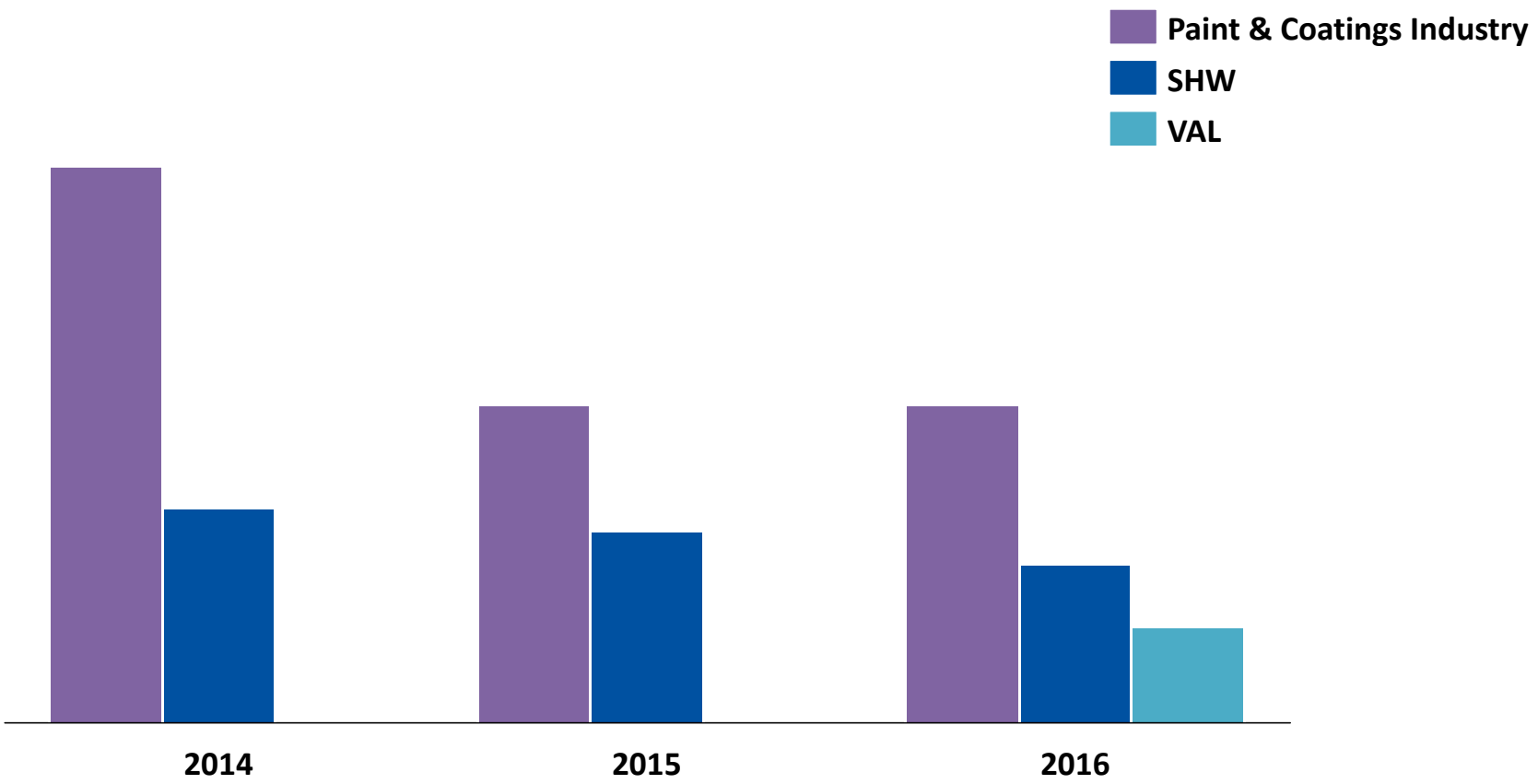
- Operational Excellence
- Global Procurement
- Innovation Excellence





Safety
Recordable Case Rate

SHERWIN-WILLIAMS®



Source: Bureau of Labor Statistics, NAICS code 32551 (Paint & Coating Mfg)

First Pass Quality

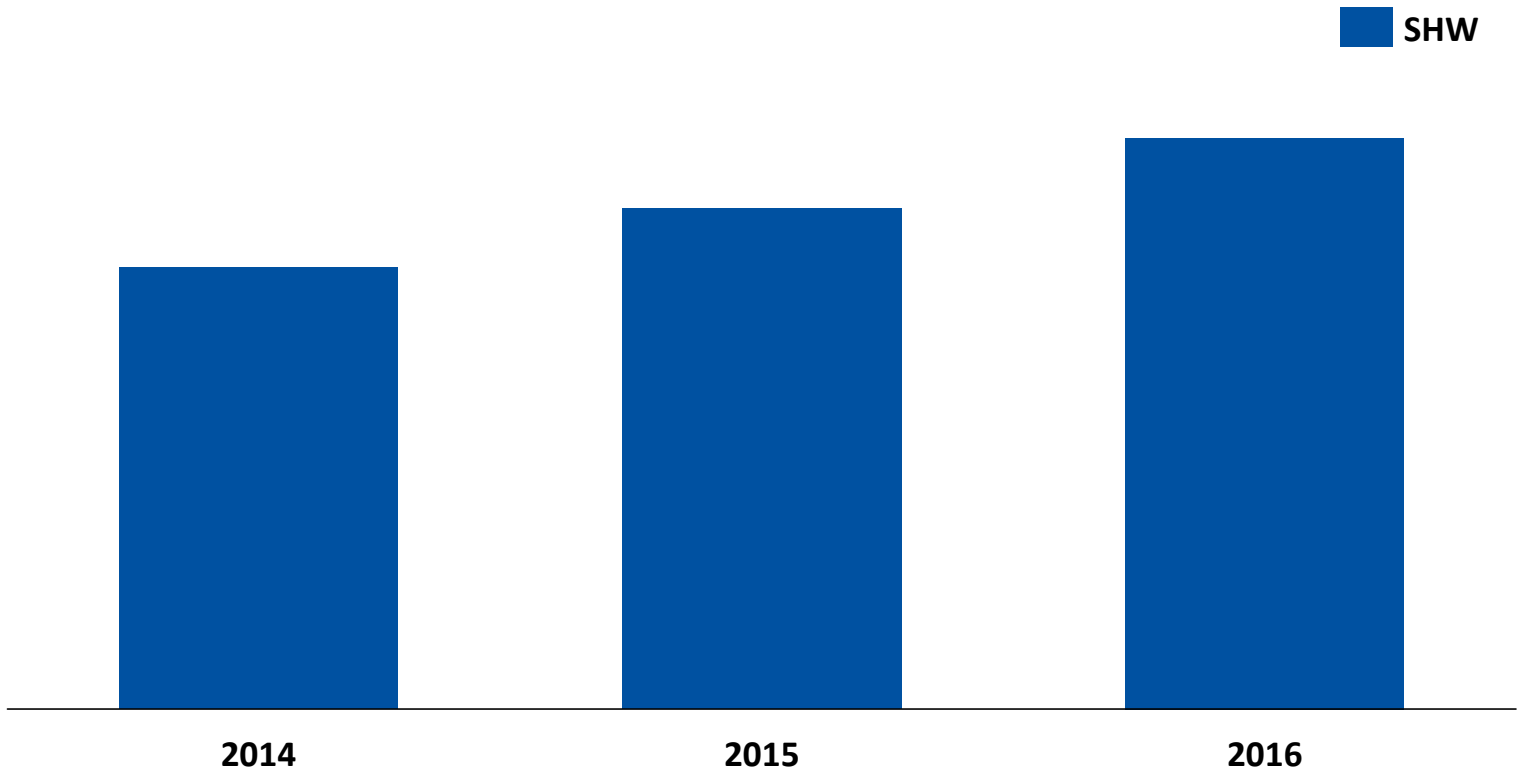
SHERWIN-WILLIAMS®

- Right the First Time
- Precision
- Consistency
- Reduce Cost & Capital



First Pass Quality

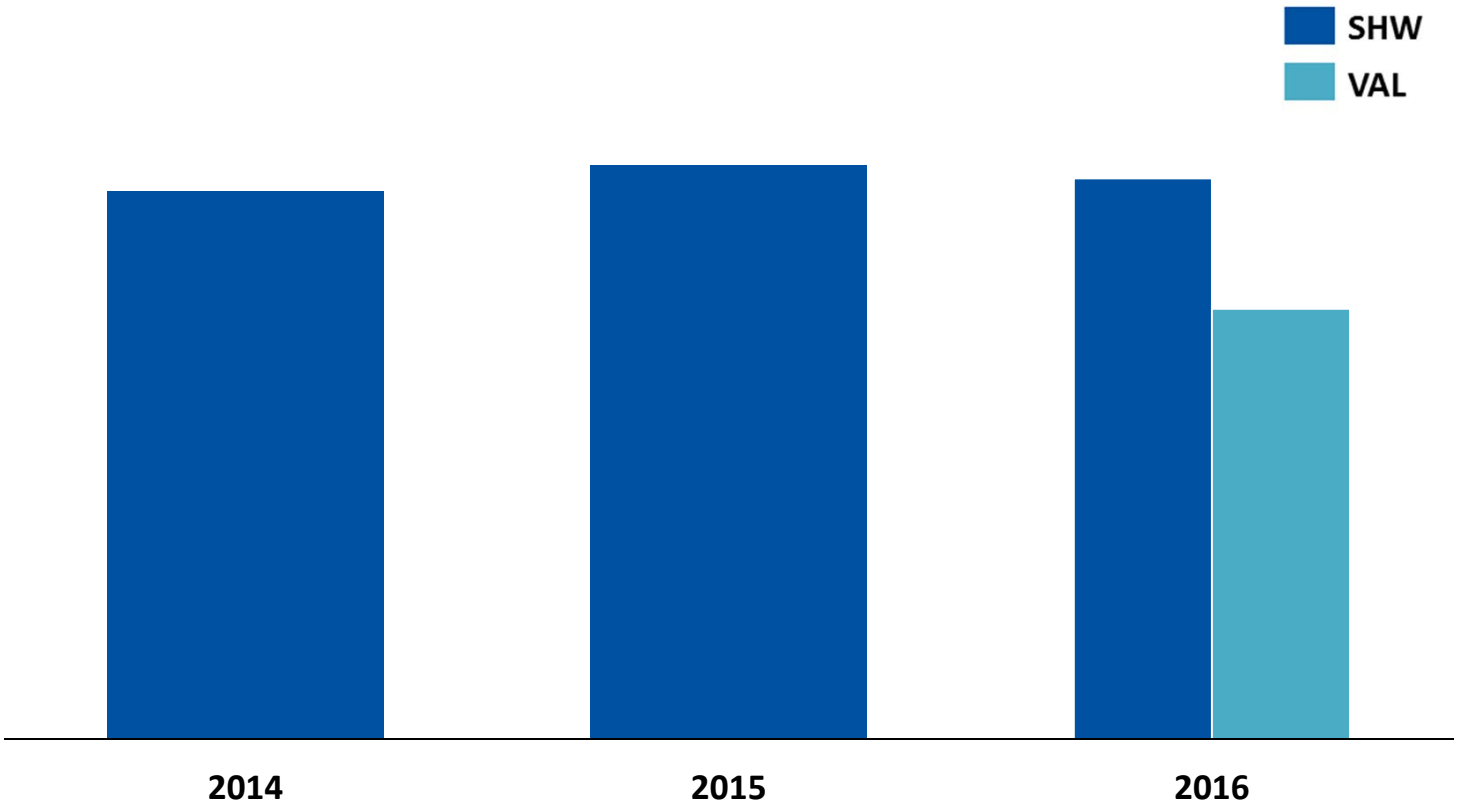
SHERWIN-WILLIAMS®



Valspar Base Line Being Established

Service

Product Availability



Fleet Operations

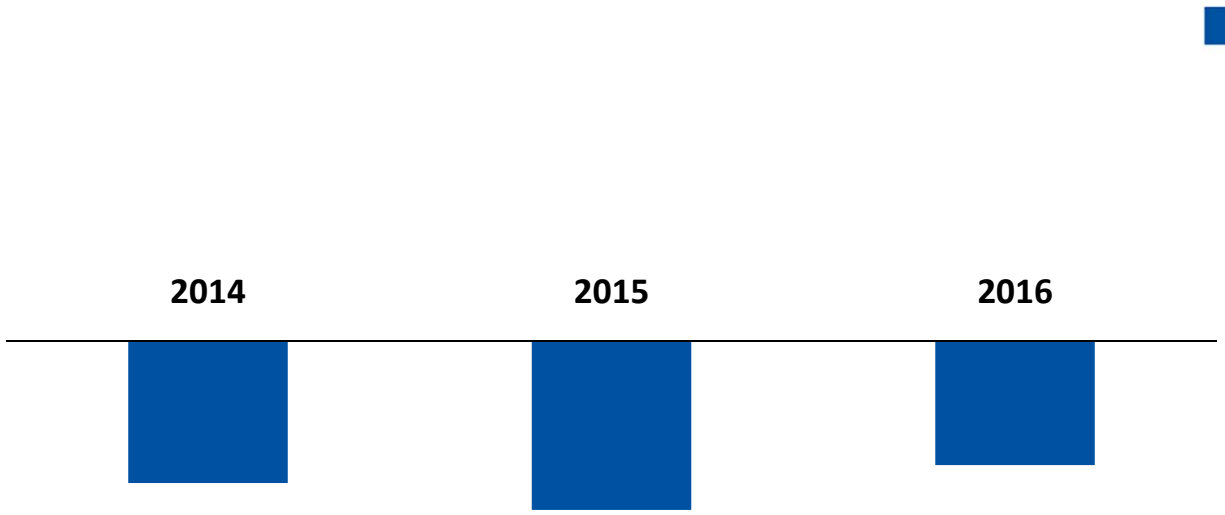
SHERWIN-WILLIAMS®





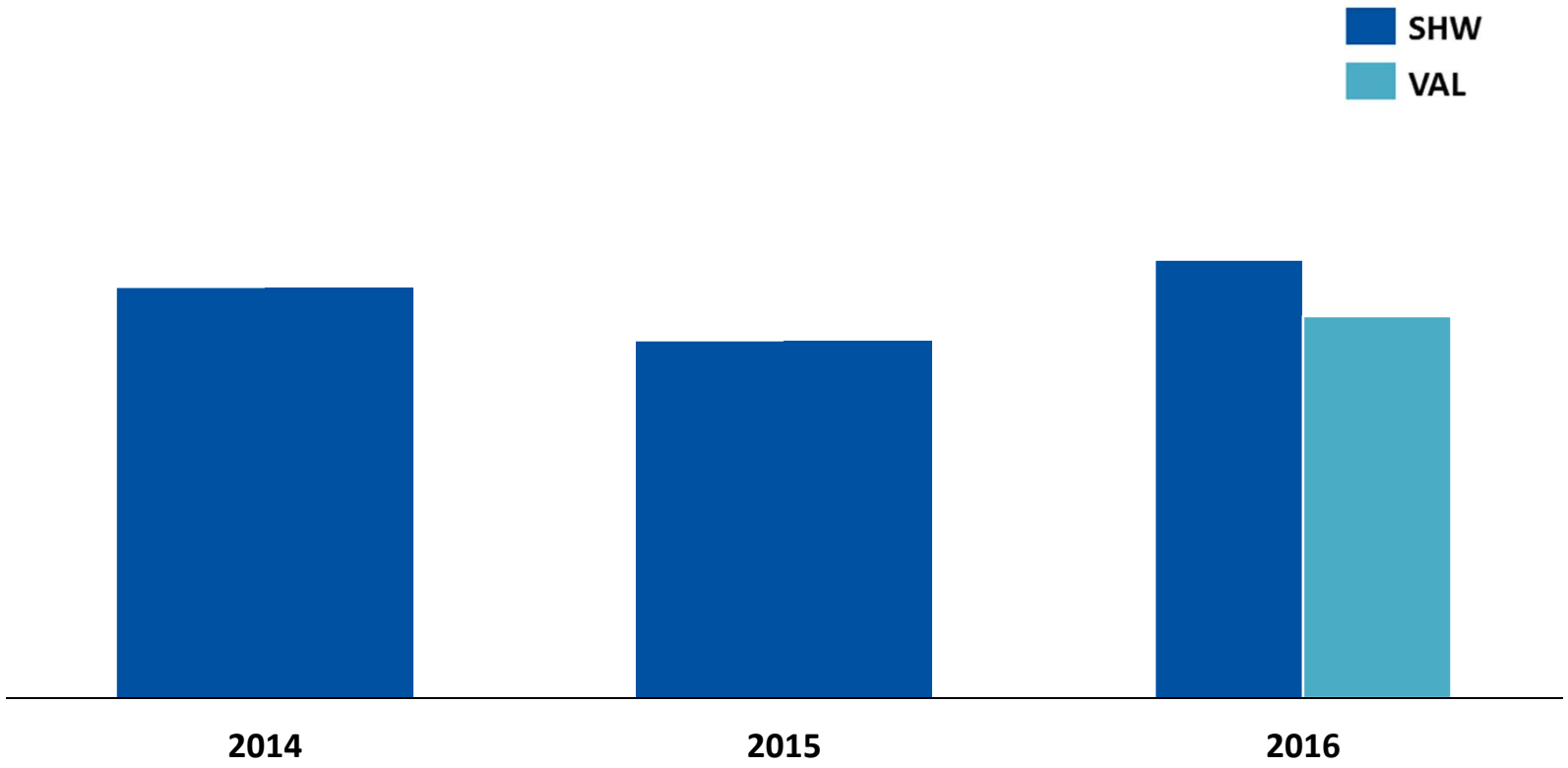
SmartWay® Excellence Awardee

Working Capital % to Sale



Net Fixed Assets

Value in Dollars



Operational Excellence Savings

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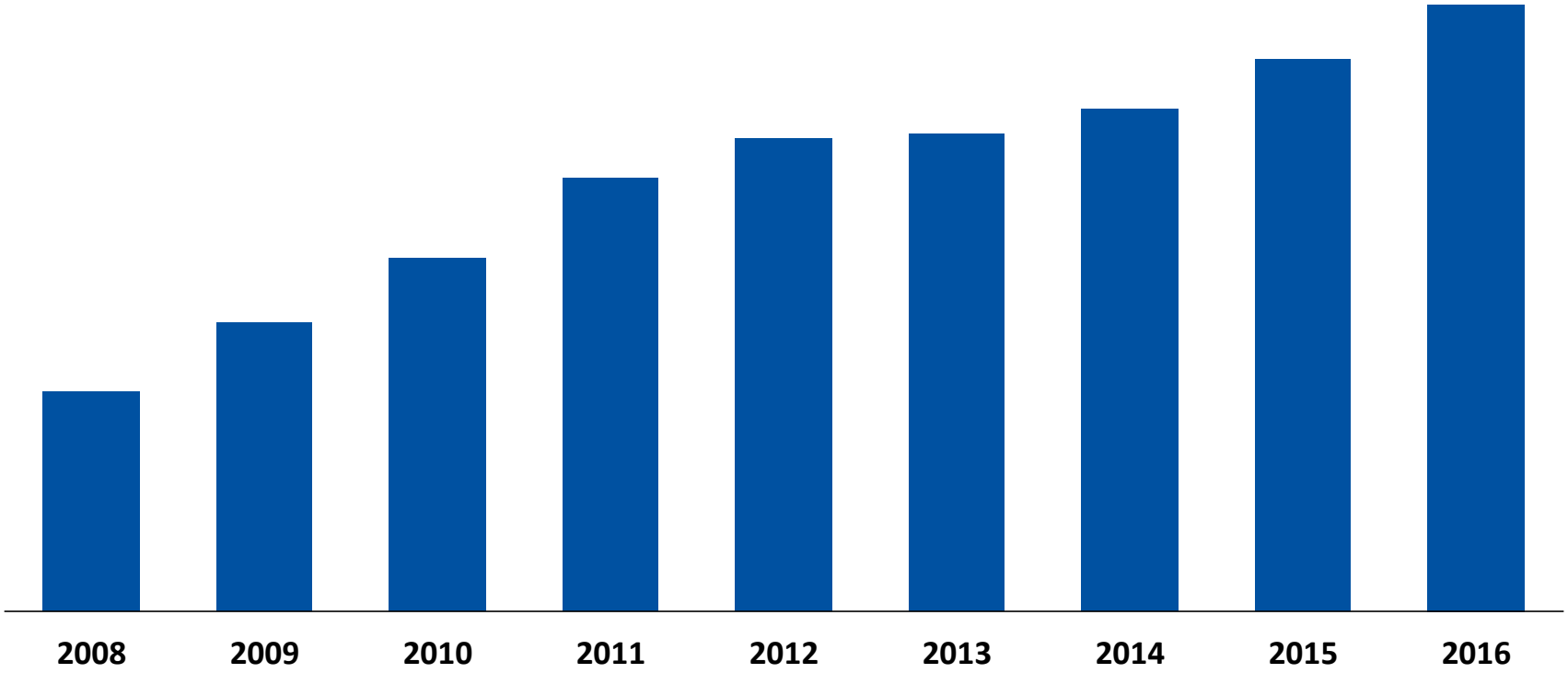

Valspar Base Line Being Established

Global Procurement

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- Global Visibility
- Portfolio Simplification
- Improved Working Capital Management

Global Procurement

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Year Over Year Trends		
Favorable	**To Be Determined**	**Unfavorable**
Synergy Opportunities	Natural Disasters	Foreign Exchange Rates
		TiO_2

Typical Coatings Product

2017 est. vs. 2016

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	*Industry **
Resins/Latex (44%)	**3 to 5%**
Acrylic (Latex Paints)	
Alkyd (Oil Paints)	
Epoxy (Epoxy Paints)	
Pigments (26%)	**4 to 7%**
Titanium Dioxide	
Pigments	
Paint Fillers	
Extenders	
Containers (12%)	**3 to 5%**
Metal or Plastic	
Additives (10%)	**-2 to -3%**
Solvents (8%)	**7 to 11%**

**This represents the average cost range for the Coatings Industry. It does not reflect the cost for an individual Coatings Company. This cost could be lower or higher based upon company size or other variables (e.g., product mix, quality, etc.) that impact cost.*

Source: Based on Sherwin-Williams internal estimates and assumptions using publicly available industry information.

Global Procurement Benefits

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- Alternate Supply
- Internal Development
- Efficiency Projects



TiO_2

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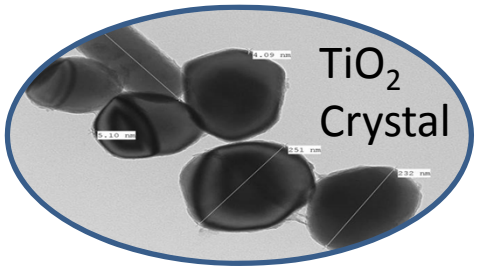
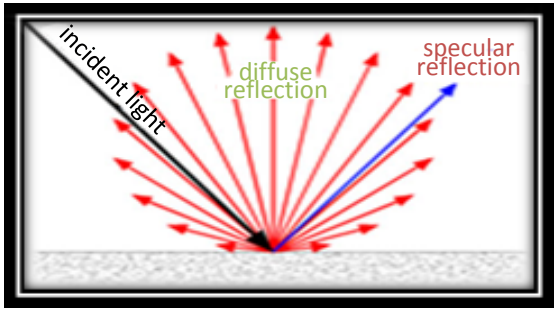
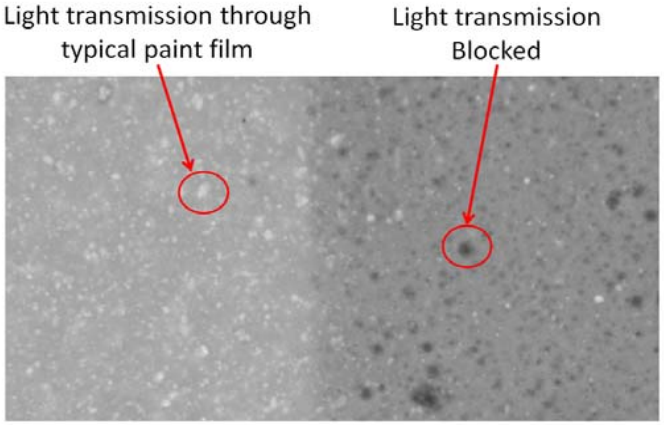
Sulphate vs. Chloride



High Hide Technologies



Efficiency Projects



Blocking light transmission in paint improves hide and brightness

Resin/Latex

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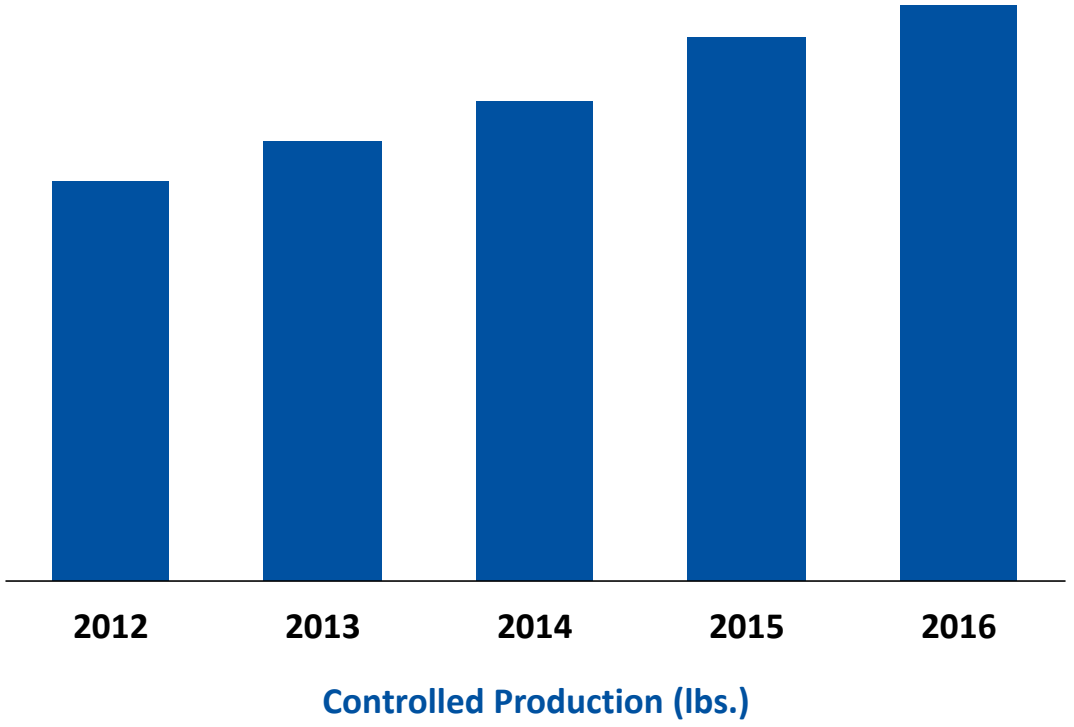
Dual Sourcing Strategy – Internal vs. External

- Internal Development
- External Suppliers



Innovation Resource Center

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New Architectural Product Launches

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Innovation Pipeline

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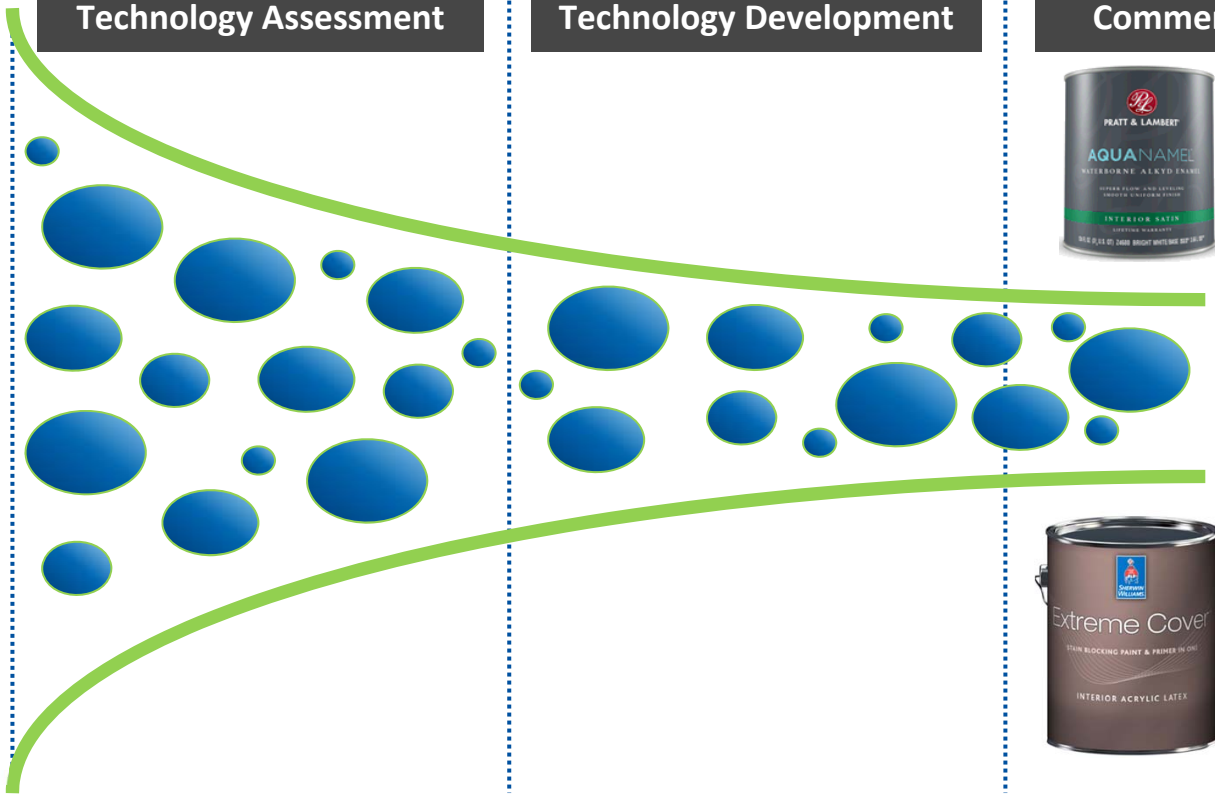
Stage 1 Concept Definition	Stage 2 Technology Assessment	Stage 3 Technology Development	Stage 4 Commercialization

- Maintenance & Durability
- Visual Appearance
- Custom Solutions
- Sustainability
- The Painting Process Time & Labor





Summary

SHERWIN-WILLIAMS®

- Focused Global Supply Chain Organization
- Leveraging Systems, Tools & Processes
- Accelerate Continuous Improvement
- Valspar Integration
- Deliver Best in Class Service