



SHERWIN-WILLIAMS®



FINANCIAL

APPENDIX

2020 FINANCIAL COMMUNITY PRESENTATION

This presentation may contain certain "forward-looking statements," as defined under U.S. federal securities laws. 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 and economic conditions; the Company's ability to successfully integrate past and future acquisitions into its existing operations, as well as the performance of the businesses acquired; 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; adverse weather conditions or impacts of climate change, natural disasters and public health crises, including the COVID-19 pandemic; the duration, severity and scope of the COVID-19 pandemic and the actions implemented by international, federal, state and local public health and governmental authorities to contain and combat the outbreak and spread of COVID-19, which may exacerbate one or more of the aforementioned and/or other risks, uncertainties and factors more fully described in the Company's reports filed with the Securities and Exchange Commission (SEC); and other risks, uncertainties and factors described from time to time in the Company's reports filed with the SEC. 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.

Appendix 1A: FY Income Statement

Excluding Acquisition Related Costs and Other Adjustments

SHERWIN-WILLIAMS®

(in \$ millions)

	FY18				FY19			
	AS REPORTED	Acquisition Related Costs	Other Adjustments	AS ADJUSTED	AS REPORTED	Acquisition Related Costs	Other Adjustments	AS ADJUSTED
Sales	\$17,534			\$17,534	\$17,901			\$17,901
Gross Profit	\$7,419	(\$95)	\$0	\$7,514	\$8,036	(\$36)	\$0	\$8,072
% to Sales	42.3%			42.8%	44.9%			45.1%
SG&A⁽¹⁾	\$5,352	\$382	\$0	\$4,970	\$5,588	\$342	\$2	\$5,244
% to Sales	30.5%			28.3%	31.2%			29.3%
Operating Income	\$2,067	(\$477)	\$0	\$2,544	\$2,448	(\$378)	(\$2)	\$2,828
% to Sales	11.8%			14.5%	13.7%			15.8%
PBT	\$1,360	(\$484)	(\$341)	\$2,185	\$1,982	(\$389)	(\$69)	\$2,440
% to Sales	7.8%			12.5%	11.1%			13.6%
PAT	\$1,109	(\$394)	(\$257)	\$1,760	\$1,541	(\$300)	(\$133)	\$1,974
% to Sales	6.3%			10.0%	8.6%			11.0%

(1) Includes Selling, general and administrative expenses, as well as Amortization expense, as presented in the Company's statements of consolidated income.

Appendix 1B: YTD 2Q Income Statement

Excluding Acquisition Related Costs and Other Adjustments

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(in \$ millions)

	YTD 2Q 2019				YTD 2Q 2020			
	AS REPORTED	Acquisition Related Costs	Other Adjustments	AS ADJUSTED	AS REPORTED	Acquisition Related Costs	Other Adjustments	AS ADJUSTED
Sales	\$8,919			\$8,919	\$8,751			\$8,751
Gross Profit	\$3,917	(\$8)	\$0	\$3,925	\$4,099	(\$5)	\$0	\$4,104
% to Sales	43.9%			44.0%	46.8%			46.9%
SG&A⁽¹⁾	\$2,733	\$172	\$0	\$2,561	\$2,755	\$146	\$0	\$2,609
% to Sales	30.6%			28.7%	31.5%			29.8%
Operating Income	\$1,184	(\$180)	\$0	\$1,364	\$1,344	(\$151)	\$0	\$1,495
% to Sales	13.3%			15.3%	15.4%			17.1%
PBT	\$975	(\$177)	(\$32)	\$1,184	\$1,140	(\$150)	\$0	\$1,290
% to Sales	10.9%			13.3%	13.0%			14.7%
PAT	\$716	(\$136)	(\$100)	\$952	\$918	(\$114)	\$0	\$1,032
% to Sales	8.0%			10.7%	10.5%			11.8%

(1) Includes Selling, general and administrative expenses, as well as Amortization expense, as presented in the Company's statements of consolidated income.

Appendix 2A: FY EBITDA

Excluding Acquisition Related Costs and Other Adjustments

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(in \$ millions)

	FY18				FY19			
	AS REPORTED	Acquisition Related Costs	Other Adjustments	AS ADJUSTED	AS REPORTED	Acquisition Related Costs	Other Adjustments	AS ADJUSTED
Net Income from Continuing Operations	\$1,109	(\$394)	(\$258)	\$1,761	\$1,541	(\$300)	(\$133)	\$1,974
Interest Expense	\$367	\$0	\$0	\$367	\$349	\$0	\$0	\$349
Income Taxes	\$251	(\$90)	(\$84)	\$425	\$441	(\$90)	\$64	\$467
Depreciation	\$278	\$37	\$0	\$241	\$262	\$19	\$0	\$243
Amortization	\$318	\$290	\$0	\$28	\$313	\$289	\$0	\$24
EBITDA	\$2,323	(\$157)	(\$342)	\$2,822	\$2,906	(\$82)	(\$69)	\$3,057
% to Sales	13.2%			16.1%	16.2%			17.1%

Appendix 2B: YTD 2Q EBITDA

Excluding Acquisition Related Costs and Other Adjustments

SHERWIN-WILLIAMS®

(in \$ millions)

	YTD 2Q 2019			YTD 2Q 2020				
	AS REPORTED	Acquisition Related Costs	Other Adjustments	AS ADJUSTED	AS REPORTED	Acquisition Related Costs	Other Adjustments	AS ADJUSTED
Net Income from Continuing Operations	\$716	(\$136)	(\$100)	\$952	\$918	(\$114)	\$0	\$1,032
Interest Expense	\$180	\$0	\$0	\$180	\$174	\$0	\$0	\$174
Income Taxes	\$258	(\$41)	\$67	\$232	\$222	(\$36)	\$0	\$258
Depreciation	\$130	\$9	\$0	\$121	\$133	\$7	\$0	\$126
Amortization	\$157	\$145	\$0	\$12	\$155	\$143	\$0	\$12
EBITDA	\$1,441	(\$23)	(\$33)	\$1,497	\$1,602	\$0	\$0	\$1,602
% to Sales	16.2%			16.8%	18.3%			18.3%

Appendix 3: YTD 2Q Highlights

Regulation G Reconciliation

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	SIX MONTHS ENDED (AFTER-TAX GUIDANCE)		THREE MONTHS ENDED (AFTER-TAX GUIDANCE)	2019 ACTUAL (AFTER-TAX)	2020 GUIDANCE (AFTER-TAX GUIDANCE)	
	June 30, 2020	June 30, 2019	September 30, 2019		LOW	HIGH
Diluted net income per share	\$9.93	\$7.65	\$6.16	\$16.49	\$20.96	\$21.46
Trademark impairment				\$1.00		
Brazil indirect tax credit				(\$0.36)		
California litigation expense provision reduction			(\$0.28)	(\$0.28)		
Tax credit investment loss		\$0.79	-	\$0.79		
Pension plan settlement expense		\$0.27		\$0.27		
Total other adjustments		\$1.06	(\$0.28)	\$1.42		
Integration costs ⁽¹⁾		\$0.19	\$0.14	\$0.69		
Acquisition-related amortization expense ⁽²⁾	\$1.24	\$1.27	\$0.63	\$2.52	\$2.54	\$2.54
Total acquisition-related costs	\$1.24	\$1.46	\$0.77	\$3.21		
Adjusted diluted net income per share	\$11.17	\$10.17	\$6.65	\$21.12	\$23.50	\$24.00

(1) Integration costs consist primarily of professional service expenses, salaries and other employee-related expenses dedicated directly to the integration effort, and severance expense. These costs are included in Selling, general and administrative and other expenses and Cost of goods sold.

(2) Acquisition-related amortization expense consists primarily of the amortization of intangible assets related to the Valspar acquisition and is included in Amortization.

Appendix 4A: FY Segment Financial Metrics

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Excluding Acquisition Related Costs and Other Adjustments

(in \$ millions)

	FULL YEAR 2018					FULL YEAR 2019				
	The Americas Group	Consumer Brands Group	Performance Coatings Group	Admin	Consolidated	The Americas Group	Consumer Brands Group	Performance Coatings Group	Admin	Consolidated
Net external sales	\$9,625.1	\$2,739.1	\$5,166.4	\$ 3.9	\$ 17,534.5	\$10,171.9	\$2,676.8	\$5,049.2	\$ 2.9	\$ 17,900.8
Segment profit (as reported)	\$1,898.4	\$ 261.1	\$ 452.1	\$ (1,251.9)	\$ 1,359.7	\$ 2,056.5	\$ 373.2	\$ 379.1	\$ (827.0)	\$ 1,981.8
% of sales (as reported)	19.7%	9.5%	8.8%		7.8%	20.2%	13.9%	7.5%		11.1%
<u>Other adjustments</u>										
Trademark impairment					\$ -		\$ 5.1	\$ 117.0		\$ 122.1
Brazil indirect tax credit					\$ -				\$ (50.8)	\$ (50.8)
California litigation expense provision				\$ 136.3	\$ 136.3				\$ (34.7)	\$ (34.7)
Environmental expense				\$ 167.6	\$ 167.6					\$ -
Pension plan settlement expense				\$ 37.6	\$ 37.6				\$ 32.4	\$ 32.4
Total other adjustments	\$ -	\$ -	\$ -	\$ 341.5	\$ 341.5	\$ -	\$ 5.1	\$ 117.0	\$ (53.1)	\$ 69.0
<u>Acquisition-related costs</u>										
Integration costs ⁽¹⁾				\$ 157.7	\$ 157.7				\$ 81.8	\$ 81.8
Acquisition-related amortization ⁽²⁾		\$ 110.9	\$ 215.8		\$ 326.7		\$ 91.2	\$ 215.5	\$ 0.8	\$ 307.5
Total acquisition-related costs	\$ -	\$ 110.9	\$ 215.8	\$ 157.7	\$ 484.4	\$ -	\$ 91.2	\$ 215.5	\$ 82.6	\$ 389.3
Segment Profit (as adjusted)	\$1,898.4	\$ 372.0	\$ 667.9	\$ (752.7)	\$ 2,185.6	\$ 2,056.5	\$ 469.5	\$ 711.6	\$ (797.5)	\$ 2,440.1
% of sales (as adjusted)	19.7%	13.6%	12.9%		12.5%	20.2%	17.5%	14.1%		13.6%

(1) Integration costs consist primarily of professional service expenses, salaries and other employee-related expenses dedicated directly to the integration effort, and severance expense. These costs are included in Selling, general and administrative and other expenses and Cost of goods sold.

(2) Acquisition-related amortization expense consists primarily of the amortization of intangible assets related to the Valspar acquisition and is included in Amortization.

Appendix 4B: YTD Q2 Segment Financial Metrics SHERWIN-WILLIAMS

Excluding Acquisition Related Costs and Other Adjustments

(in \$ millions)

	Six Months Ended June 30, 2019					Six Months Ended June 30, 2020				
	The Americas Group	Consumer Brands Group	Performance Coatings Group	Admin	Consolidated	The Americas Group	Consumer Brands Group	Performance Coatings Group	Admin	Consolidated
Net external sales	\$4,910.9	\$1,459.0	\$2,547.8	\$ 1.0	\$ 8,918.7	\$ 4,829.2	\$1,602.5	\$2,317.4	\$ 1.6	\$ 8,750.7
Segment profit (as reported)	\$ 943.5	\$ 228.6	\$ 249.0	\$ (446.5)	\$ 974.6	\$ 988.0	\$ 320.9	\$ 211.1	\$ (380.3)	\$ 1,139.7
% of sales (as reported)	19.2%	15.7%	9.8%		10.9%	20.5%	20.0%	9.1%		13.0%
<u>Other adjustments</u>										
Pension plan settlement expense				\$ 32.4	\$ 32.4					\$ -
Total other adjustments	\$ -	\$ -	\$ -	\$ 32.4	\$ 32.4	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Acquisition-related costs</u>										
Integration costs (1)				\$ 22.9	\$ 22.9					\$ -
Acquisition-related amortization (2)		\$ 45.4	\$ 108.0	\$ 0.4	\$ 153.8		\$ 44.8	\$ 105.7	\$ 0.2	\$ 150.7
Total acquisition-related costs	\$ -	\$ 45.4	\$ 108.0	\$ 23.3	\$ 176.7	\$ -	\$ 44.8	\$ 105.7	\$ 0.2	\$ 150.7
Segment Profit (Adjusted)	\$ 943.5	\$ 274.0	\$ 357.0	\$ (390.8)	\$ 1,183.7	\$ 988.0	\$ 365.7	\$ 316.8	\$ (380.1)	\$ 1,290.4
% of sales (as adjusted)	19.2%	18.8%	14.0%		13.3%	20.5%	22.8%	13.7%		14.7%

(1) Integration costs consist primarily of professional service expenses, salaries and other employee-related expenses dedicated directly to the integration effort, and severance expense. These costs are included in Selling, general and administrative and other expenses and Cost of goods sold.

(2) Acquisition-related amortization expense consists primarily of the amortization of intangible assets related to the Valspar acquisition and is included in Amortization.