



**SHERWIN-WILLIAMS.**

# 2023 Investor Presentation

# Forward-Looking Statements

This presentation may contain certain "forward-looking statements," as defined under U.S. federal securities laws. These statements can be identified by the use of forward-looking terminology such as "believe," "expect," "may," "will," "should," "project," "could," "plan," "goal," "target," "potential," "seek," "intend," "aspire" or "anticipate" or the negative thereof or comparable terminology. These forward-looking statements are based upon current expectations, predictions, estimates, assumptions and beliefs concerning future events and conditions. Readers are cautioned not to place undue reliance on any forward-looking statements. Forward-looking statements are 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, performance 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.

# Why Invest in SHW?



***THE BEST IS AHEAD***

***Consistent Investment in the Business Strengthens Our Market Leading Position***

# Our Strategy

## *Providing the Right Solutions for Our Customers*



Customer-Focused  
Industry-Leading Innovation  
Value-Added Service & Expertise  
Differentiated Distribution

## *While Creating Shareholder Value*



Market Share Growth  
Improve ROS  
Drive RONA  
Drive Cash Generation

## *Guided by Our Values*



Integrity



Quality



Innovation



People



Performance



Growth



Service

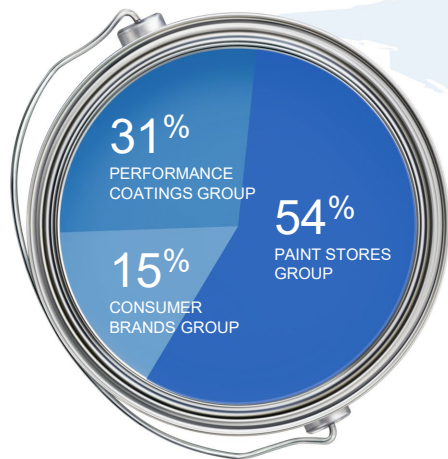


# SHERWIN-WILLIAMS®

## About Us

**\$22.1 billion**

2022 Net Sales



**64,000+**

Employees

**120+**

Countries

**5,000+**

Stores and  
Branches

**136**

Manufacturing &  
Distribution  
Facilities

INDUSTRY-LEADING PORTFOLIO OF BRANDS



SHERWIN-WILLIAMS.

valspar



**Purdy**



**Thompson's  
WaterSeal**



SHERWIN-WILLIAMS.

## Paint Stores Group

**\$12.0 billion**

2022 Net Sales

**4,600+**

Stores across  
the US, Canada  
and Caribbean

**3,600+**

Sales Reps

**2,450+**

Drivers

**3,175+**

Delivery vehicles

**~1,400**

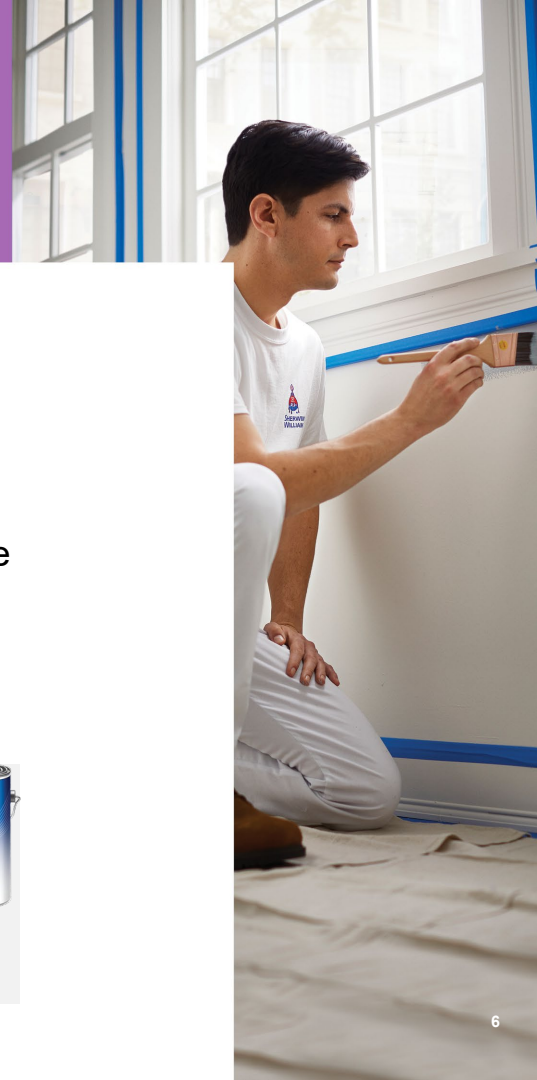
Management trainees  
hired in 2022

### KEY DIFFERENTIATORS

Customer relationships, trademark service, exceptional products, store locations, controlled distributions, color leadership and digital experience

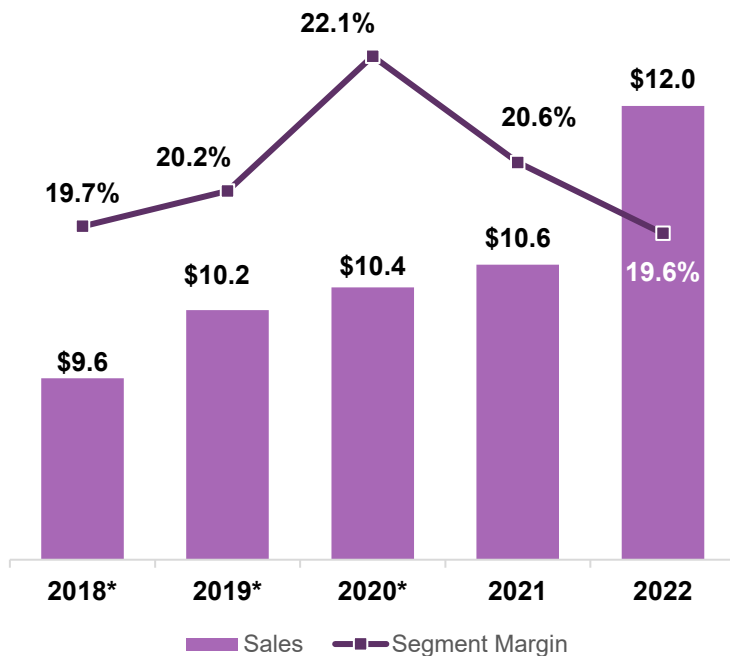
### PRIMARY END MARKETS

- Residential Repaint
- Commercial
- New Residential
- Property Maintenance
- DIY
- Protective & Marine



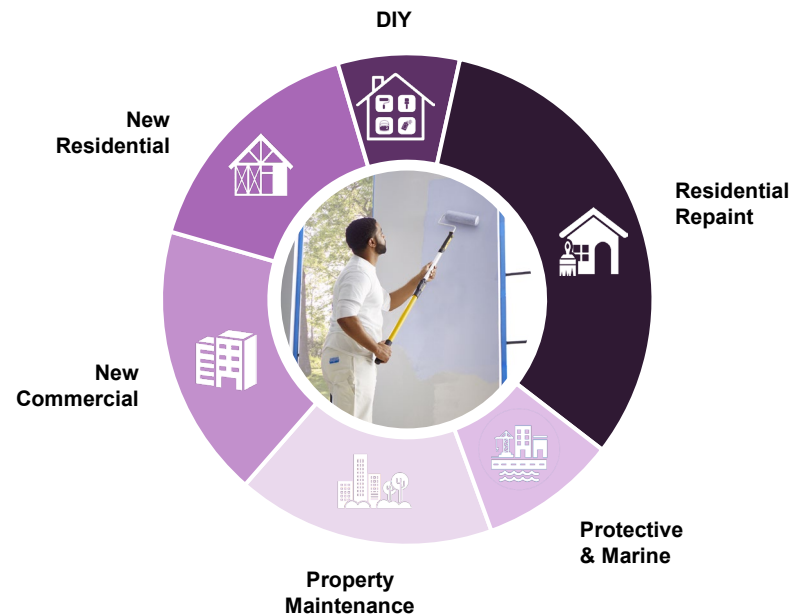
# Paint Stores Group

## Results (\$ in billions)



\* Note: 2018 – 2020 not restated to reflect realignment of Latin America architectural business to Consumer Brands Group

## 2022 Sales



SHERWIN-WILLIAMS.

## Consumer Brands Group

**\$3.4 billion**

2022 Net Sales

### GLOBAL REACH

- North America
- Europe
- Latin America

### STRATEGIC CHANNEL PARTNERS AND BRANDS



ORGILL



### KEY DIFFERENTIATORS

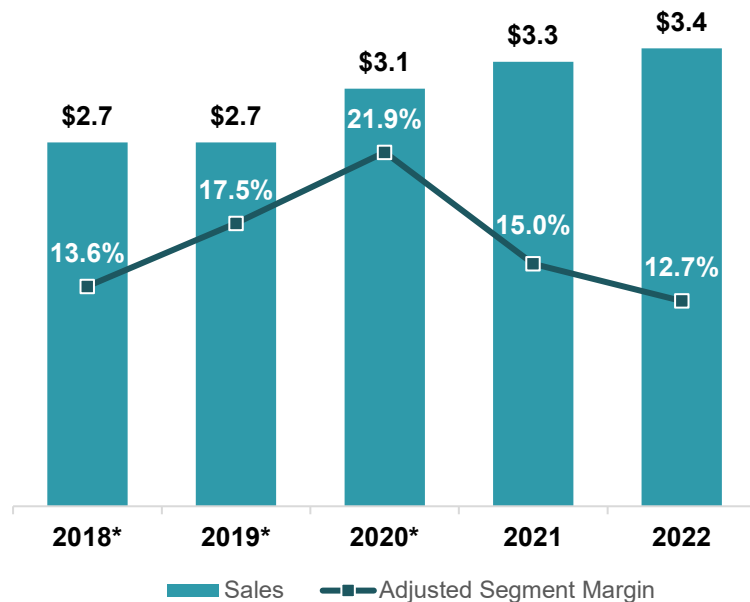
Hero brands, premier channel partners, category management, training and field support and digital leadership





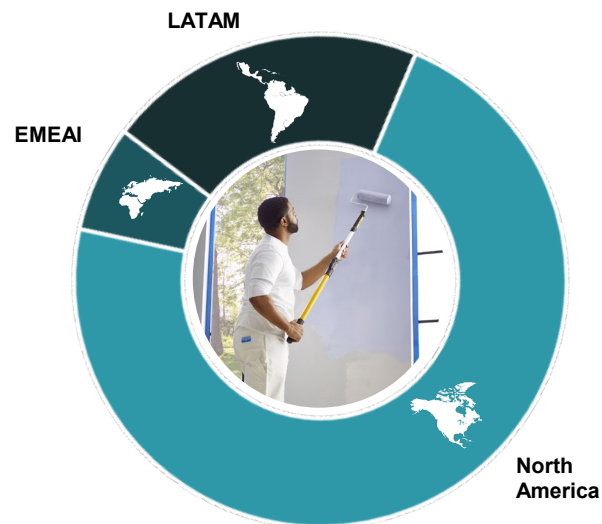
# Consumer Brands Group

## Results (\$ in billions)



\* Note: 2018 – 2020 not restated to reflect realignment of Latin America architectural business to Consumer Brands Group

## 2022 Sales



*SHERWIN-WILLIAMS.*

## Performance Coatings Group

**\$6.8 billion**

2022 Net Sales

**120+**

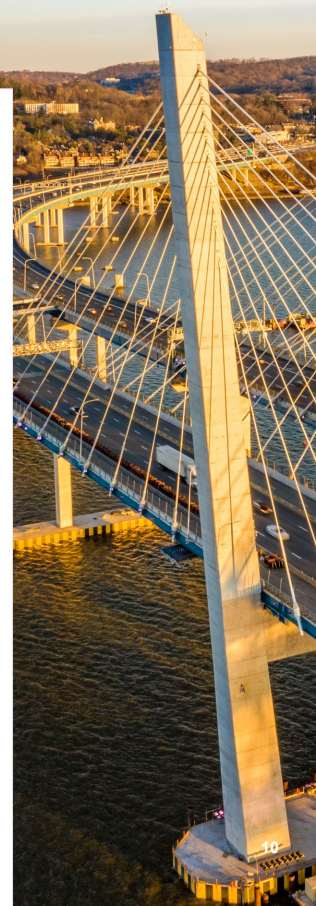
Countries

### BUSINESSES

- Automotive Refinish
- Coil
- General Industrial
- Industrial Wood
- Packaging
- Protective & Marine

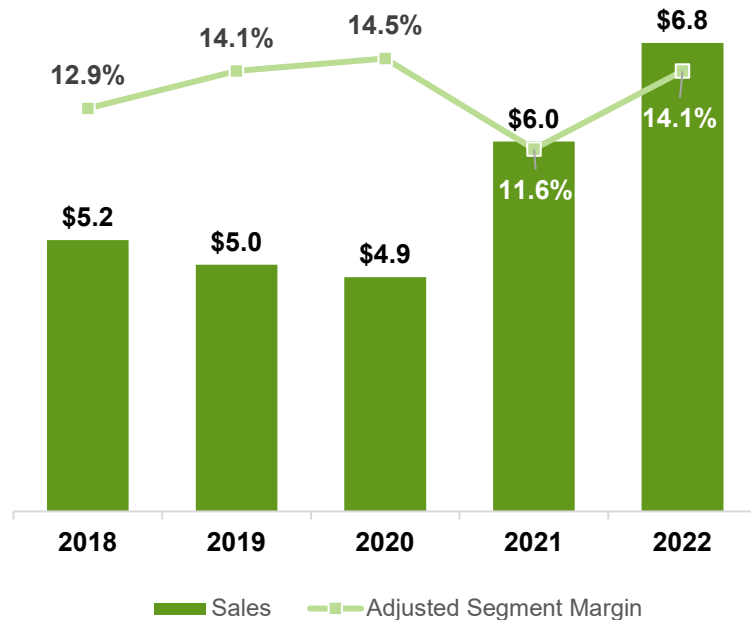
### KEY DIFFERENTIATORS

Local service model, highly specified coatings, global expertise, product innovation, color solutions and customer-focused

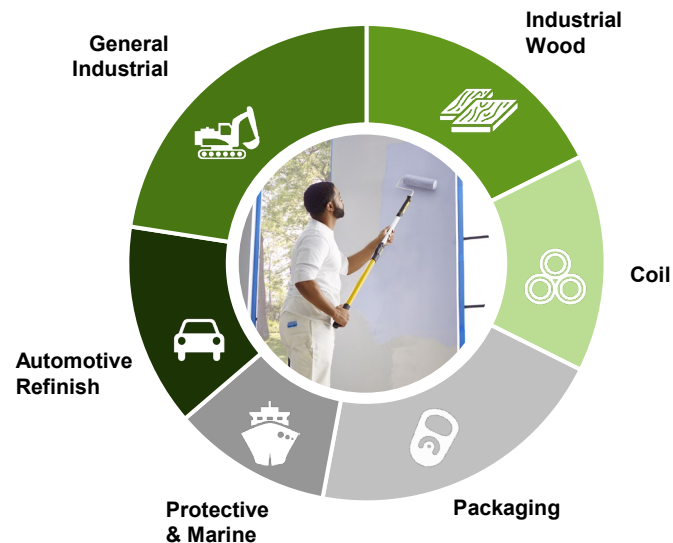


# Performance Coatings Group

## Results (\$ in billions)

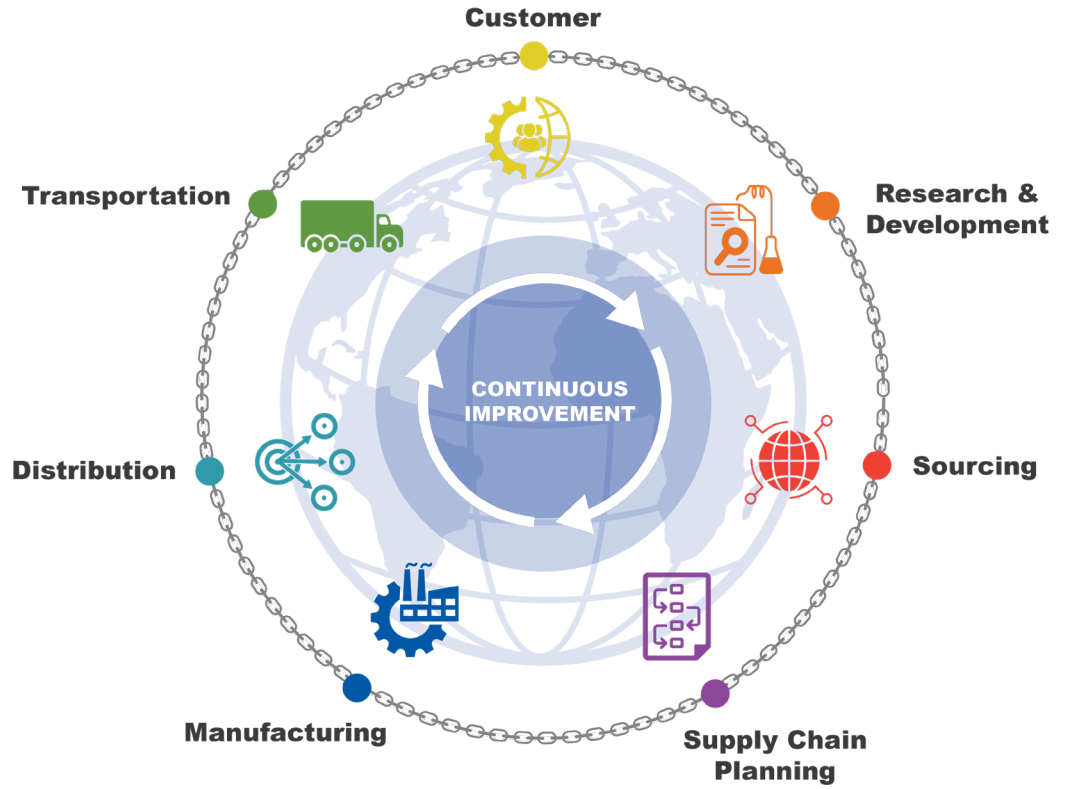


## 2022 Sales

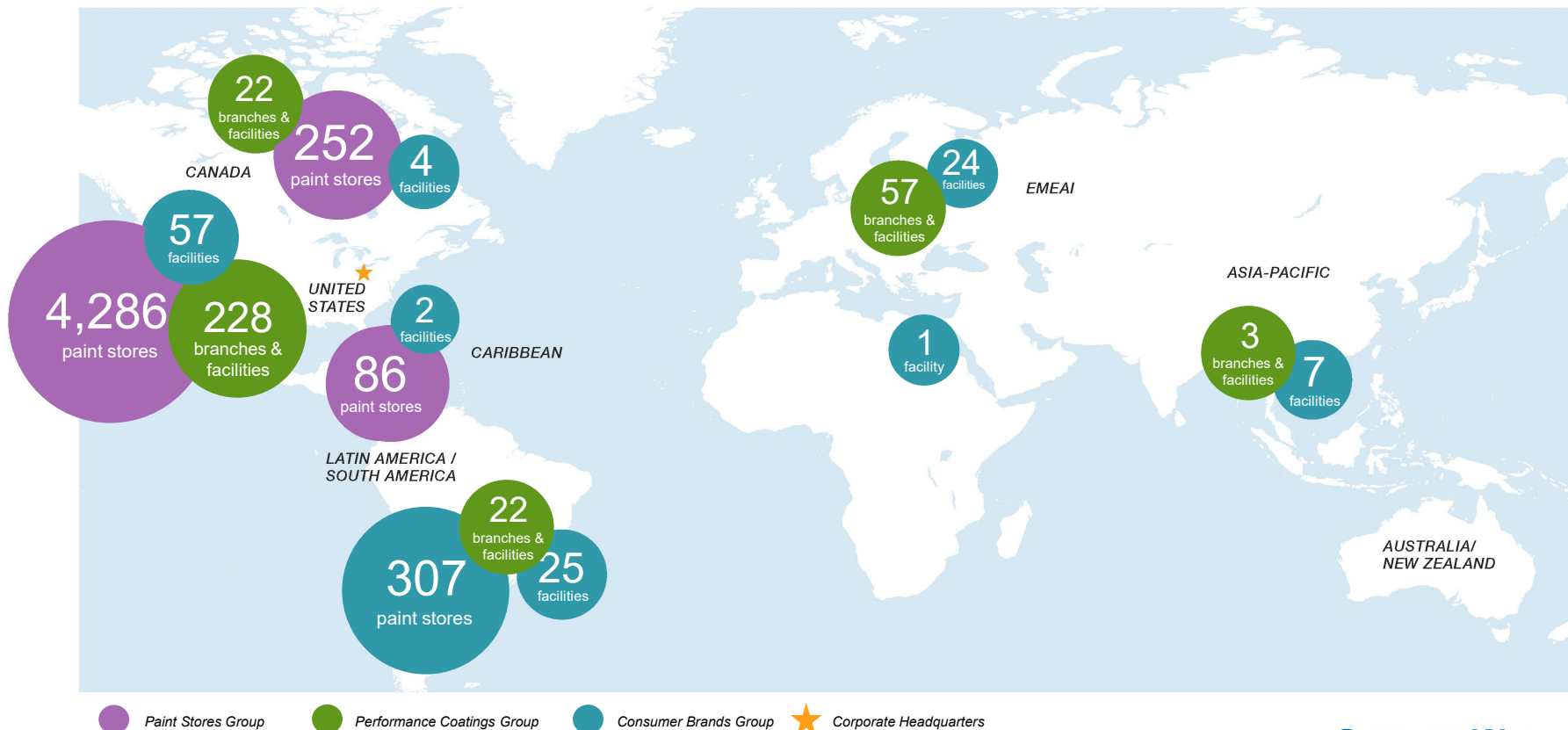


# Global Supply Chain

## ***END TO END SUPPLY CHAIN***



# Our Global Presence



Company-operated branches serve automotive finishes, general industrial, industrial wood and coil customers. Facilities include manufacturing facilities, blending facilities and distribution centers (All as of 12/31/2022).



# Legacy of Innovation

## *Customer-Inspired Innovation, Technology-Driven Solutions*

### OUR CUSTOMER-CENTRIC APPROACH

- Driven to help our customers grow their business and achieve greater success
- Prioritize staying on top of trends across the globe
- Engage our customers to gain valuable insight into their challenges

### RESEARCH & DEVELOPMENT (R&D) AT A GLANCE

**2,200+**

Employees worldwide

**2,200+**

Active Patents

**24,000+**

Years of combined  
SHW R&D experience

**10+ years**

Average R&D  
Employee Tenure



# Doing Business the Right Way

*We Embrace an Enterprise-Wide View of ESG and Sustainability*



## **Environmental Footprint**

Doing Our Part for the Planet



## **Product Blueprint**

Driving Sustainability Through Innovation



## **Social Imprint**

Elevating a Culture of Safety, Inclusion and Community



## **Governance & Ethics**

Supporting Broad Engagement and Appropriate Oversight

# Sustainability Goals

## ENVIRONMENTAL FOOTPRINT

*Doing our Part for the Planet*



Reduce absolute Scope 1 and 2 greenhouse gas emissions by **30%**



Increase renewable energy to **50%** of total electricity usage



Increase operational energy efficiency by **20%**



Reduce waste disposal intensity by **25%**

## PRODUCT BLUEPRINT

*Driving Sustainability Through Innovation*



Implemented Sustainability by Design program enterprise-wide, serving as our proactive, foundational process to aid the growth of our “sustainably advantaged products” portfolio



Established baseline for “sustainably advantaged products” and developed plan for expanding this product portfolio in the future



Developed a structured process for measuring and assessing Scope 3 emissions

# Sustainability Goals

## SOCIAL IMPRINT

*Elevating a Culture of Safety, Inclusion and Community*



Reduce recordable case rate to **0.8** by 2025, compared with **1.06** in 2020



Reduce ergonomic injuries by implementing two ergonomic interventions per year in each manufacturing site



Increase women in management roles to **30%** by 2025, compared with **26%** in 2020



Increase under-represented racial/ethnic groups in U.S. management roles to **30%** by 2025, compared with **26%** in 2020



Achieve and improve upon a favorable score on the Sherwin-Williams Inclusion Index, based on results of our global employee engagement survey



Foster economic inclusion for under-represented suppliers

# Sustainable Product Stewardship



**Ultra 9K®**  
Waterborne  
Basecoat  
System

**EcoSelect®**  
Zero VOC  
Interior Latex

**ProMar®  
400**  
Zero VOC  
Primer

**Krylon  
Quik-Tap™**  
Reusable  
Spray Device

**AquaGuard®**  
Coating Solutions  
Zinc-Free &  
Water-Based

**valPure® V70**  
Non-BPA Epoxy

**Powdura® ECO**  
Powder Coatings  
Made from  
Recycled Plastic

**SuperPaint®**  
Air Purifying  
Technology

**ProMar®  
200 HP**  
Zero VOC  
Interior Latex

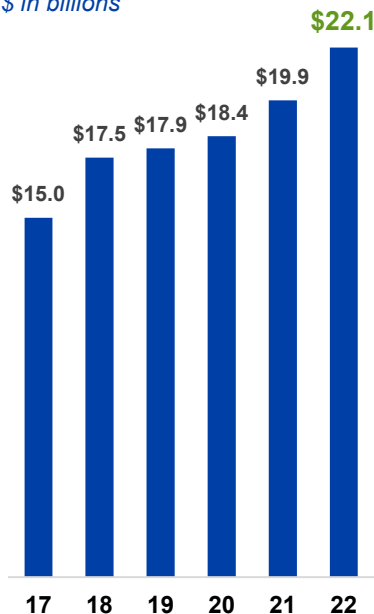
**SuperDeck®**  
Waterborne  
Exterior Solid  
Color  
Deck Stain



# Financial Highlights

## Sales

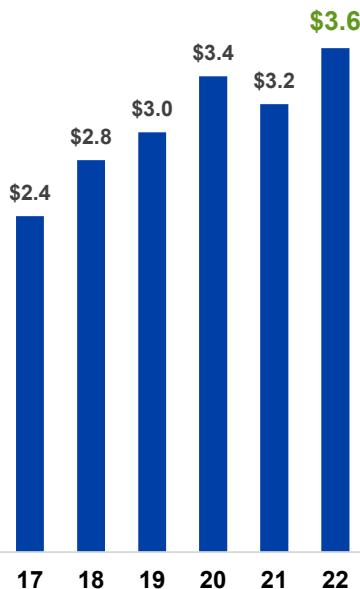
\$ in billions



5-Year CAGR = 8.1%

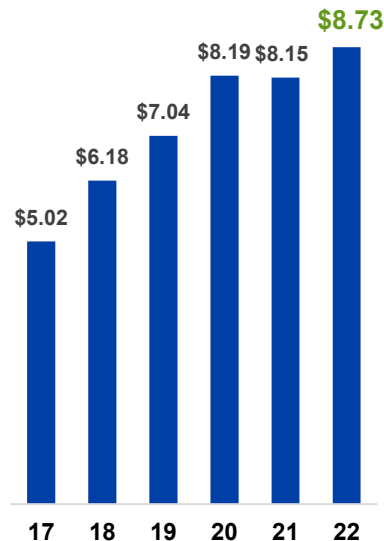
## Adjusted EBITDA\*

\$ in billions



5-Year CAGR = 8.3%

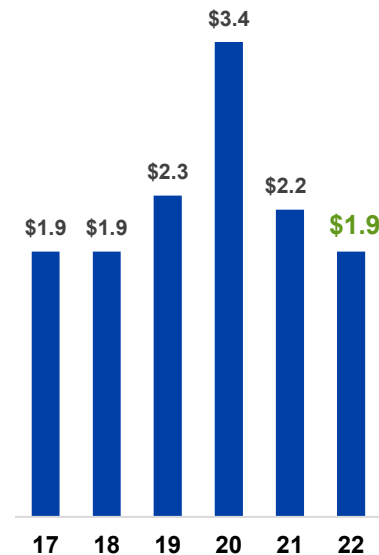
## Adjusted EPS\*



5-Year CAGR = 11.7%

## Net Operating Cash

\$ in billions



\*Please refer to the appendix for reconciliations of the Adjusted EBITDA and Adjusted EPS financial measures and their corresponding GAAP measures. All share and per share information in this presentation has been retroactively adjusted to reflect the Company's 3-for-1 stock split effected March 31, 2021.

# Consistent Capital Allocation

*Consistent Capital Allocation Philosophy: We Will Not Hold Cash*

**CAPEX  
Investment**  
*Modest  
Requirements*

**<2.0%\***

Target As  
% Of Sales

**Dividend**  
*Target 30% of  
PY GAAP  
Earnings*

**44**

Consecutive  
Years Of Increases

**Strategic M&A**  
*Clearly Defined  
Criteria*

**16**

Transactions  
In Last Decade

**Share  
Repurchase**  
*Absent Strategic  
M&A*

**79.1**

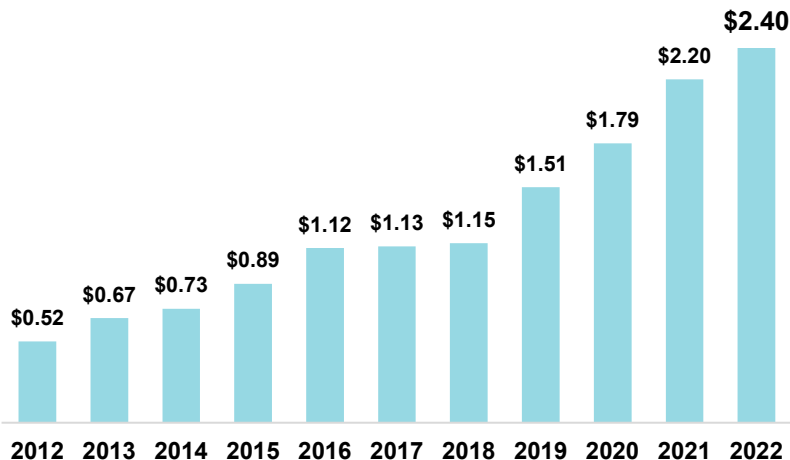
Million Shares  
Purchased In  
Last Decade

\*Excludes new global HQ and R&D building investments

# Returning Cash to Shareholders

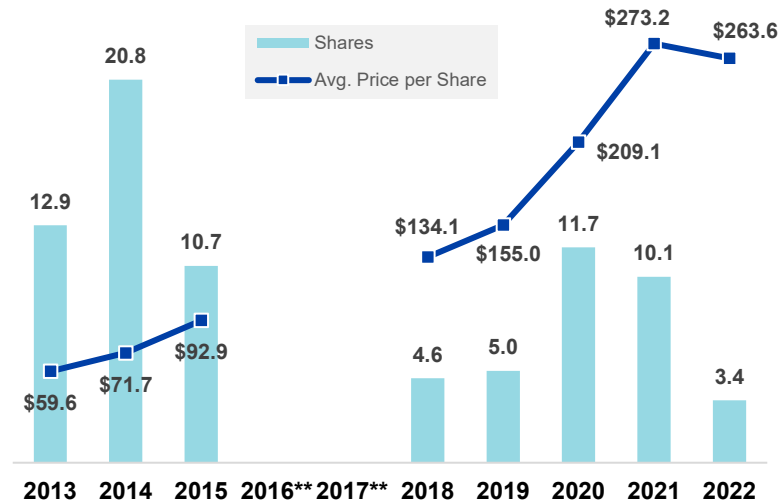
All Amounts Reflect March 31, 2021 Stock Split

## Dividends Per Share



**2022 Was The 44<sup>TH</sup> Consecutive Year Of Dividend Increases**

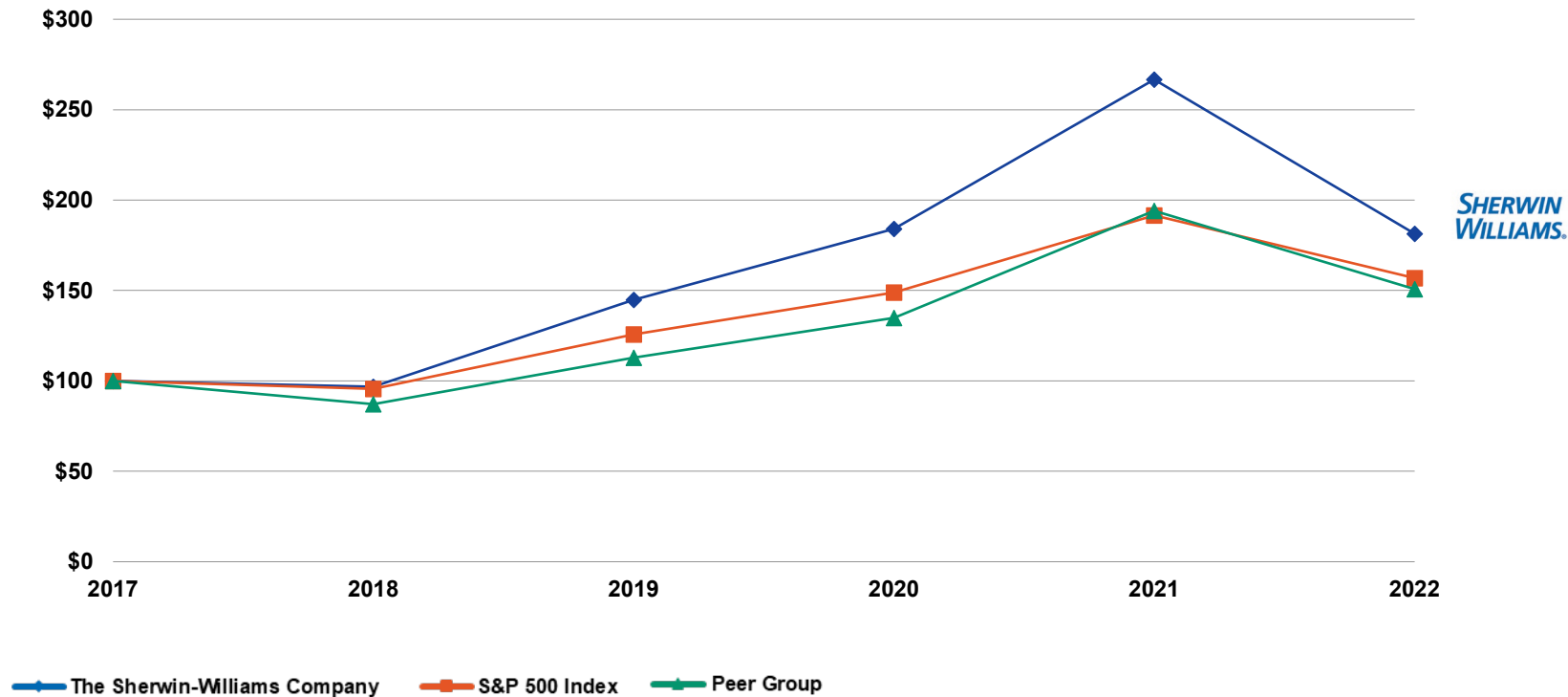
## Share Repurchases



**Over \$10 Billion Invested Over Last Decade**

\*\*No market purchases in 2016 and 2017 – focused on debt reduction following Valspar acquisition.

# Comparison of Cumulative Five-Year Total Return



Peer group of companies comprised of the following: Akzo Nobel N.V., Axalta Coating Systems Ltd., BASF SE, Genuine Parts Company, H.B. Fuller Company, The Home Depot, Inc., Lowe's Companies, Inc., Masco Corporation, Newell Brands Inc., PPG Industries, Inc., RPM International Inc., and Stanley Black & Decker, Inc.

# Why Invest in SHW?



***THE BEST IS AHEAD***

***Consistent Investment in the Business Strengthens Our Market Leading Position***



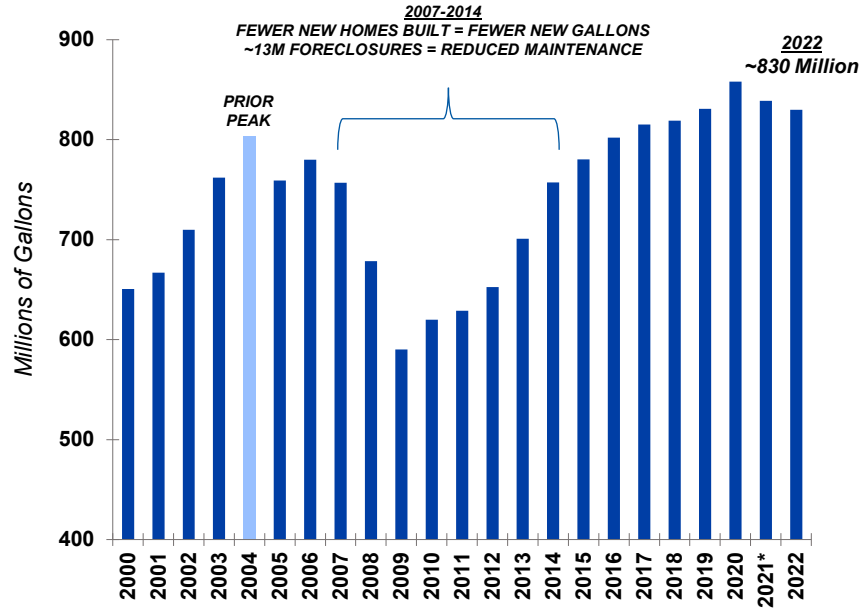
*SHERWIN-WILLIAMS.*

# Appendix

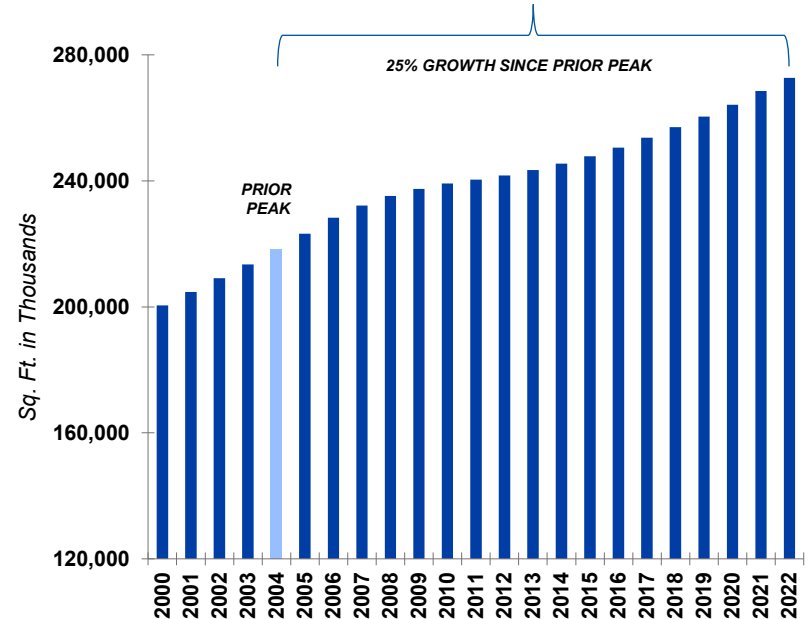


# U.S. Architectural Paint Industry

## Architectural Paint Gallons



## Non-Residential & Residential Square Footage

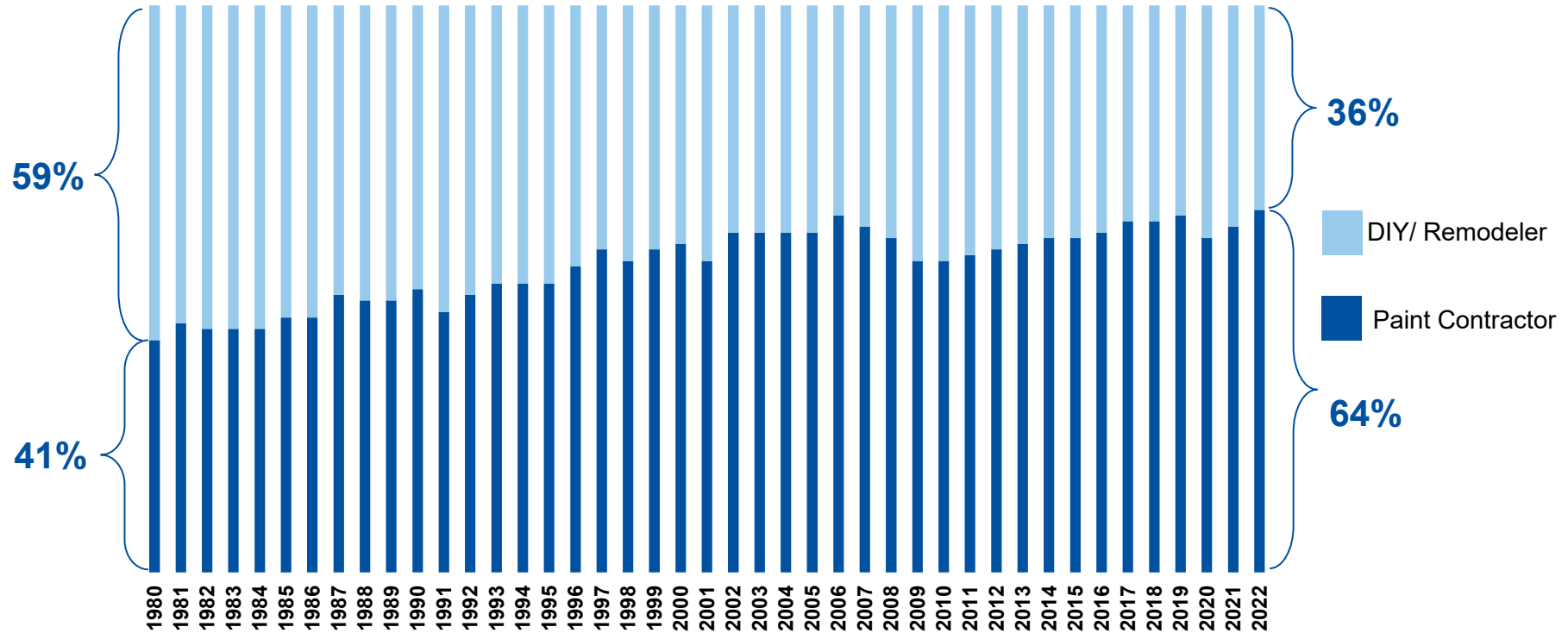


**25% growth in square footage since prior peak should drive continued gallon growth due to larger res repaint and property maintenance opportunities**

\*2021 Gallons revised lower from prior presentations given updated data from American Coatings Association that reflects greater impact of industry raw material availability challenges. 2022 impacted by continued raw material/supply chain challenges and soft DIY.

Sources: American Coatings Association, Department of Commerce, Dodge Data & Analytics & Company Estimates, Dodge Data & Analytics U.S. Building Stock Data, ATTOM Data Solutions

## Pro Momentum returns after Pandemic-Driven DIY Spike



*Sherwin-Williams is Well Positioned to Serve Pro and DIY*

# U.S. Demographics

## *Silent*

1928-1945

**77-94 Years Old**  
(As Of 2022)

- Transitioning to Senior Living Facilities

**8%**

Of U.S.  
Population

## *Baby Boomers*

1946-1964

**58-76 Years Old**  
(As Of 2022)

- Aging in place; driving remodeling spend
- Future downsizing creates opportunity
- Frequently relocate to active adult facilities

**22%**

Of U.S.  
Population

## *Gen X*

1965-1980

**42-57 Years Old**  
(As Of 2022)

- Move up creates churn and drives remodeling
- Most likely to hire contractors

**20%**

Of U.S.  
Population

## *Millennials*

1981-1996

**26-41 Years Old**  
(As Of 2022)

- Forming households
- First time homebuyers
- Demand for entry level homes
- Driving multifamily and rentals

**22%**

Of U.S.  
Population

## *Gen Z*

1997-2012

**10-25 Years Old**  
(As Of 2022)

- Will further extend household formation
- Always connected, eComm

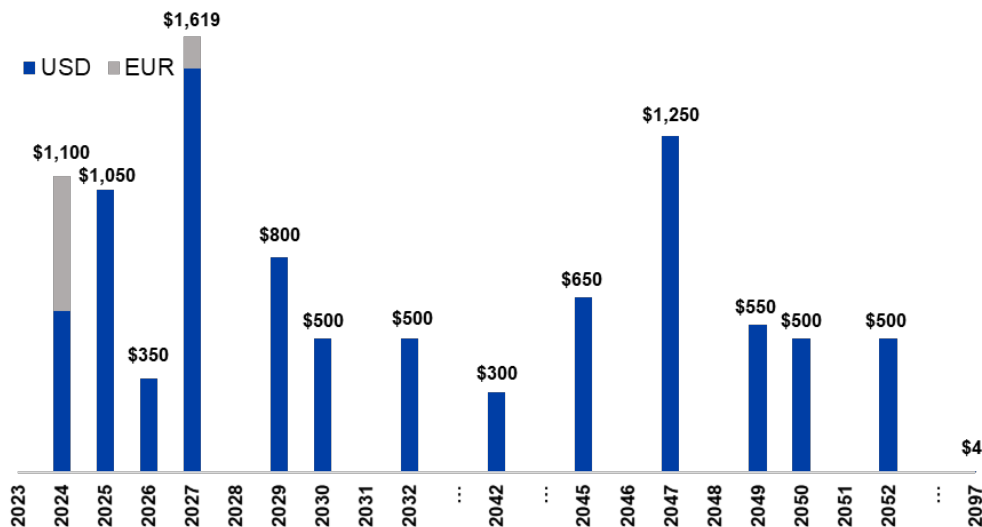
**24%**

Of U.S.  
Population

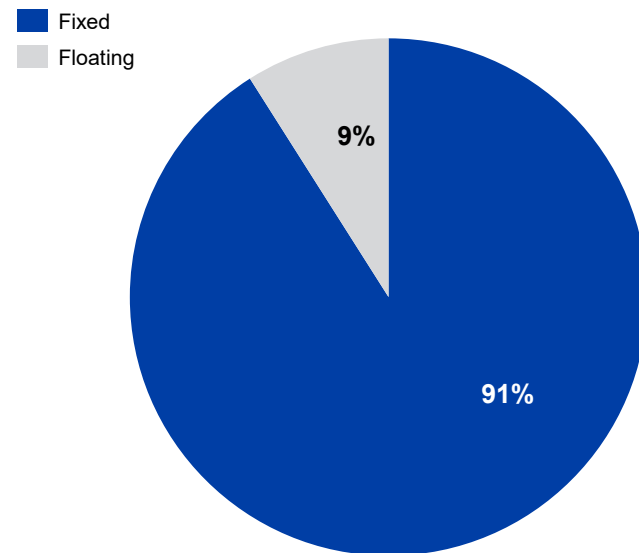
# Debt Summary

(As of December 31, 2022)

## Maturities of Long-Term Debt



## Fixed vs. Floating Rate Debt

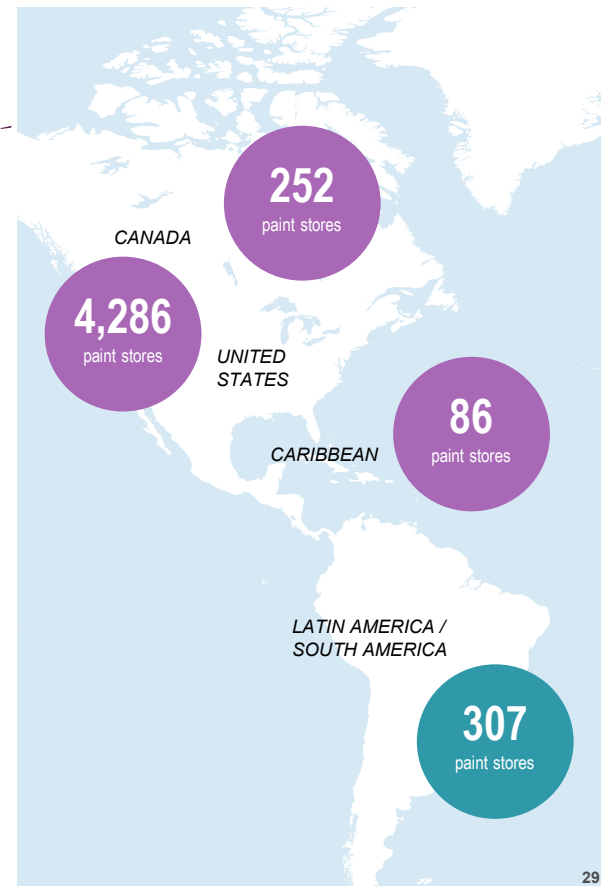




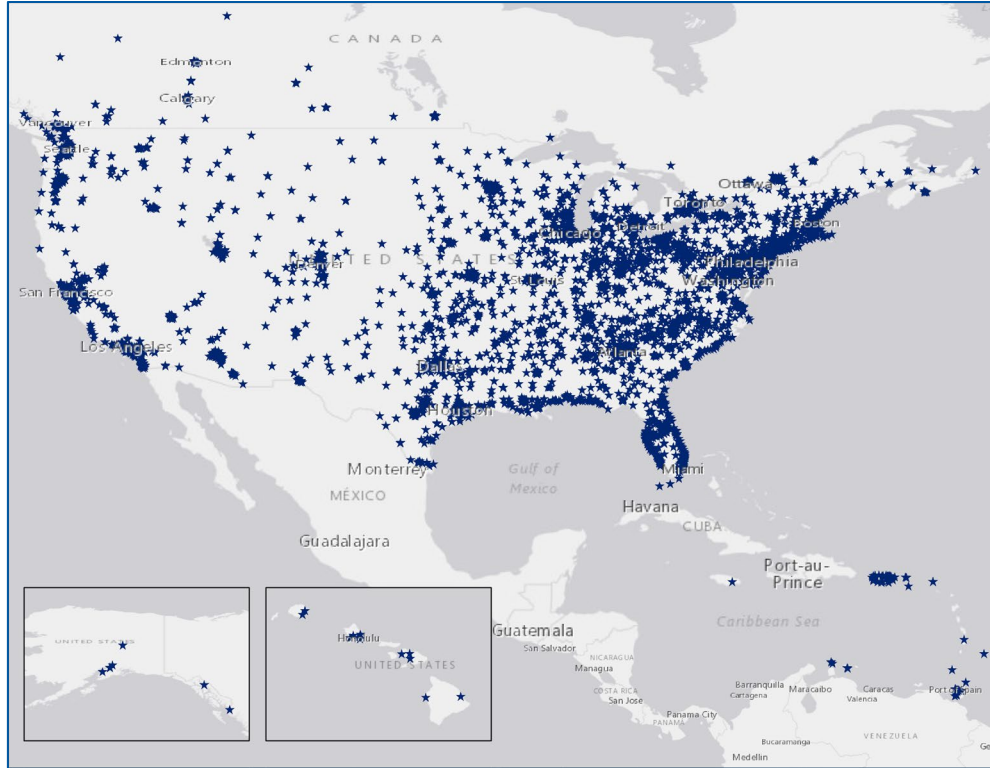
# Store Footprint

## UNITED STATES

|                      |     |                |     |                  |     |
|----------------------|-----|----------------|-----|------------------|-----|
| Louisiana            | 77  | Oregon         | 65  | Newfoundland     | 1   |
| Alabama              | 79  | Maine          | 25  | Pennsylvania     | 205 |
| Alaska               | 7   | Maryland       | 86  | Rhode Island     | 12  |
| Arizona              | 77  | Massachusetts  | 67  | South Carolina   | 94  |
| Arkansas             | 49  | Michigan       | 126 | South Dakota     | 12  |
| California           | 277 | Minnesota      | 71  | Tennessee        | 98  |
| Colorado             | 85  | Mississippi    | 59  | Texas            | 363 |
| Connecticut          | 43  | Missouri       | 80  | Utah             | 44  |
| Delaware             | 21  | Montana        | 19  | Vermont          | 11  |
| District of Columbia | 6   | Nebraska       | 25  | Virginia         | 126 |
| Florida              | 342 | Nevada         | 29  | Washington       | 108 |
| Georgia              | 172 | New Hampshire  | 23  | West Virginia    | 20  |
| Hawaii               | 13  | New Jersey     | 100 | Wisconsin        | 86  |
| Idaho                | 32  | New Mexico     | 25  | Wyoming          | 12  |
| Illinois             | 163 | New York       | 152 | <b>CANADA</b>    |     |
| Indiana              | 103 | North Carolina | 171 | Alberta          | 28  |
| Iowa                 | 45  | North Dakota   | 9   | British Columbia | 52  |
| Kansas               | 50  | Ohio           | 205 | Manitoba         | 9   |
| Kentucky             | 58  | Oklahoma       | 59  | New Brunswick    | 5   |



# Sherwin-Williams North American Paint Store Footprint



# Non-GAAP Financial Measures

Management utilizes certain financial measures in this presentation (including adjusted segment profit, adjusted EBITDA and adjusted diluted net income per share) that are not in accordance with U.S. generally accepted accounting principles (US GAAP) to analyze and manage the performance of the business. The required disclosures for these non-GAAP measures are shown below. The Company provides such non-GAAP information in reporting its financial results to give investors additional data to evaluate the Company's operations. Management does not, nor does it suggest investors should, consider such non-GAAP measures in isolation from, or in substitution for, financial information prepared in accordance with US GAAP.

## Adjusted Segment Profit

Management of the Company believes that investors' understanding of the Company's operating performance is enhanced by the disclosure of segment profit excluding Valspar acquisition-related costs and other adjustments. This adjusted segment profit measurement is not in accordance with US GAAP. It should not be considered a substitute for segment profit in accordance with US GAAP and may not be comparable to similarly titled measures reported by other companies.

## Adjusted EBITDA

EBITDA is a non-GAAP financial measure defined as net income from continuing operations before income taxes and interest, depreciation and amortization. Adjusted EBITDA is a non-GAAP financial measure that excludes the Valspar acquisition and other adjustments. Management considers Adjusted EBITDA useful in understanding the operating performance of the Company. The reader is cautioned that the Company's Adjusted EBITDA should not be compared to similarly titled measures reported by other companies. Further, Adjusted EBITDA should not be considered an alternative to Net income or Net operating cash as an indicator of operating performance or as a measure of liquidity.

## Adjusted EPS

Management of the Company believes that investors' understanding of the Company's operating performance is enhanced by the disclosure of diluted net income per share excluding Valspar acquisition-related costs and other adjustments. This adjusted earnings per share measurement is not in accordance with US GAAP. It should not be considered a substitute for earnings per share in accordance with US GAAP and may not be comparable to similarly titled measures reported by other companies.

# Adjustments to Segment Profit

## GAAP to Adjusted Pre-Tax Income by Segment

| (\$ in millions)                                | Consumer Brands Group |            |            |            |            | Performance Coatings Group |            |            |            |            |
|---|-----------------------|------------|------------|------------|------------|----------------------------|------------|------------|------------|------------|
|   | 2018*                 | 2019*      | 2020*      | 2021       | 2022       | 2018                       | 2019       | 2020       | 2021       | 2022       |
| Net external sales                              | \$ 2,739.1            | \$ 2,676.8 | \$ 3,053.4 | \$ 3,322.4 | \$ 3,388.4 | \$ 5,166.4                 | \$ 5,049.2 | \$ 4,922.4 | \$ 6,003.8 | \$ 6,793.5 |
| Segment profit (as reported)                    | \$ 261.1              | \$ 373.2   | \$ 579.6   | \$ 415.2   | \$ 314.2   | \$ 452.1                   | \$ 379.1   | \$ 500.1   | \$ 486.2   | \$ 734.9   |
| % of sales (as reported)                        | 9.5%                  | 13.9%      | 19.0%      | 12.5%      | 9.3%       | 8.8%                       | 7.5%       | 10.2%      | 8.1%       | 10.8%      |
| <u>Other adjustments</u>                        |                       |            |            |            |            |                            |            |            |            |            |
| Severance and other                             | -                     | -          | -          | -          | 25.6       | -                          | -          | -          | -          | 22.2       |
| Impairment                                      | -                     | 5.1        | -          | -          | 15.5       | -                          | 117.0      | -          | -          | -          |
| Total other adjustments                         | \$ -                  | \$ 5.1     | \$ -       | \$ -       | \$ 41.1    | \$ -                       | \$ 117.0   | \$ -       | \$ -       | \$ 22.2    |
| <u>Acquisition-related costs</u>                |                       |            |            |            |            |                            |            |            |            |            |
| Acquisition-related amortization <sup>(1)</sup> | 110.9                 | 91.2       | 90.5       | 82.8       | 76.2       | 215.8                      | 215.5      | 213.1      | 211.2      | 200.1      |
| Total acquisition-related costs                 | \$ 110.9              | \$ 91.2    | \$ 90.5    | \$ 82.8    | \$ 76.2    | \$ 215.8                   | \$ 215.5   | \$ 213.1   | \$ 211.2   | \$ 200.1   |
| Segment Profit (Adjusted)                       | \$ 372.0              | \$ 469.5   | \$ 670.1   | \$ 498.0   | \$ 431.5   | \$ 667.9                   | \$ 711.6   | \$ 713.2   | \$ 697.4   | \$ 957.2   |
| % of sales (as adjusted)                        | 13.6%                 | 17.5%      | 21.9%      | 15.0%      | 12.7%      | 12.9%                      | 14.1%      | 14.5%      | 11.6%      | 14.1%      |

\* Note: Consumer Brands Group 2018 – 2020 not restated to reflect realignment of Latin America architectural business to Consumer Brands Group  
 (1) Acquisition-related amortization expense consists primarily of the amortization of intangible assets related to the Valspar acquisition and is included in Amortization.

# Regulation G Reconciliation

## Adjusted EBITDA

(\$ in millions)

|  | 2017       | 2018       | 2019       | 2020       | 2021       | 2022       |
|--|------------|------------|------------|------------|------------|------------|
| Net income from continuing operations            | \$ 1,769.5 | \$ 1,108.7 | \$ 1,541.3 | \$ 2,030.4 | \$ 1,864.4 | \$ 2,020.1 |
| Interest expense                                 | 263.5      | 366.7      | 349.3      | 340.4      | 334.7      | 390.8      |
| Income taxes                                     | (300.2)    | 251.0      | 440.5      | 488.8      | 384.2      | 553.0      |
| Depreciation                                     | 285.0      | 278.2      | 262.1      | 268.0      | 263.1      | 264.0      |
| Amortization                                     | 206.8      | 318.1      | 312.8      | 313.4      | 309.5      | 317.1      |
| EBITDA from continuing operations                | \$ 2,224.6 | \$ 2,322.7 | \$ 2,906.0 | \$ 3,441.0 | \$ 3,155.9 | \$ 3,545.0 |
| Severance and other                              | -          | -          | -          | -          | -          | 47.3       |
| Impairment                                       | -          | -          | 122.1      | -          | -          | 15.5       |
| Loss on divestiture                              | -          | -          | -          | -          | 111.9      | -          |
| Brazil indirect tax credit                       | -          | -          | (50.8)     | -          | -          | -          |
| California litigation expense                    | -          | 136.3      | (34.7)     | -          | -          | -          |
| Domestic pension plan settlement expense         | -          | 37.6       | 32.4       | -          | -          | -          |
| Environmental expense provision                  | -          | 167.6      | -          | -          | -          | -          |
| Transaction and integration costs <sup>(1)</sup> | 139.0      | 157.7      | 81.8       | -          | -          | -          |
| Inventory accounting change                      | 58.9       | -          | -          | -          | -          | -          |
| Adjusted EBITDA                                  | \$ 2,422.5 | \$ 2,821.9 | \$ 3,056.8 | \$ 3,441.0 | \$ 3,267.8 | \$ 3,607.8 |

(1) Transaction and 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.

# Regulation G Reconciliation

## Adjusted EPS

|   | Year Ended<br>December 31, 2017 |                              |           | Year Ended<br>December 31, 2018 |                              |           | Year Ended<br>December 31, 2019 |                              |           | Year Ended<br>December 31, 2020 |                              |           | Year Ended<br>December 31, 2021 |                              |           | Year Ended<br>December 31, 2022 |                              |           |
|---|---------------------------------|------------------------------|-----------|---------------------------------|------------------------------|-----------|---------------------------------|------------------------------|-----------|---------------------------------|------------------------------|-----------|---------------------------------|------------------------------|-----------|---------------------------------|------------------------------|-----------|
|   | Pre-Tax                         | Tax<br>Effect <sup>(1)</sup> | After-Tax | Pre-Tax                         | Tax<br>Effect <sup>(1)</sup> | After-Tax | Pre-Tax                         | Tax<br>Effect <sup>(1)</sup> | After-Tax | Pre-Tax                         | Tax<br>Effect <sup>(1)</sup> | After-Tax | Pre-Tax                         | Tax<br>Effect <sup>(1)</sup> | After-Tax | Pre-Tax                         | Tax<br>Effect <sup>(1)</sup> | After-Tax |
| Diluted net income per share from continuing operations |                                 |                              | \$ 6.21   |                                 |                              | \$ 3.89   |                                 |                              | \$ 5.50   |                                 |                              | \$ 7.36   |                                 |                              | \$ 6.98   |                                 |                              | \$ 7.72   |
| Severance and other                                     | -                               | -                            | -         | -                               | -                            | -         | -                               | -                            | -         | -                               | -                            | -         | -                               | -                            | -         | 0.18                            | 0.03                         | 0.15      |
| Trademark impairment                                    | -                               | -                            | -         | -                               | -                            | -         | 0.44                            | 0.11                         | 0.33      | -                               | -                            | -         | -                               | -                            | -         | 0.06                            | 0.01                         | 0.05      |
| Loss on divestiture                                     | -                               | -                            | -         | -                               | -                            | -         | -                               | -                            | -         | -                               | -                            | -         | 0.41                            | 0.07                         | 0.34      | -                               | -                            | -         |
| Brazil indirect tax credit                              | -                               | -                            | -         | -                               | -                            | -         | (0.18)                          | (0.06)                       | (0.12)    | -                               | -                            | -         | -                               | -                            | -         | -                               | -                            | -         |
| California litigation expense                           | -                               | -                            | -         | 0.48                            | 0.12                         | 0.36      | (0.12)                          | (0.03)                       | (0.09)    | -                               | -                            | -         | -                               | -                            | -         | -                               | -                            | -         |
| Solar tax credit investment loss                        | -                               | -                            | -         | -                               | -                            | -         | -                               | (0.26)                       | 0.26      | -                               | -                            | -         | -                               | -                            | -         | -                               | -                            | -         |
| Pension plan settlement expense                         | -                               | -                            | -         | 0.13                            | 0.03                         | 0.10      | 0.12                            | 0.03                         | 0.09      | -                               | -                            | -         | -                               | -                            | -         | -                               | -                            | -         |
| Environmental expense provision                         | -                               | -                            | -         | 0.58                            | 0.14                         | 0.44      | -                               | -                            | -         | -                               | -                            | -         | -                               | -                            | -         | -                               | -                            | -         |
| One-time benefit from deferred tax benefits             | -                               | 2.35                         | (2.35)    | -                               | -                            | -         | -                               | -                            | -         | -                               | -                            | -         | -                               | -                            | -         | -                               | -                            | -         |
| Total other adjustments                                 | \$ -                            | \$ 2.35                      | \$ (2.35) | \$ 1.19                         | \$ 0.29                      | \$ 0.90   | \$ 0.26                         | \$ (0.21)                    | \$ 0.47   | \$ -                            | \$ -                         | \$ -      | \$ 0.41                         | \$ 0.07                      | \$ 0.34   | \$ 0.24                         | \$ 0.04                      | \$ 0.20   |
| Transaction and integration costs <sup>(2)</sup>        | 0.49                            | 0.20                         | 0.29      | 0.55                            | 0.03                         | 0.52      | 0.29                            | 0.06                         | 0.23      | -                               | -                            | -         | -                               | -                            | -         | -                               | -                            | -         |
| Acquisition-related amortization expense <sup>(3)</sup> | 1.02                            | 0.31                         | 0.71      | 1.15                            | 0.28                         | 0.87      | 1.10                            | 0.26                         | 0.84      | 1.10                            | 0.27                         | 0.83      | 1.10                            | 0.27                         | 0.83      | 1.06                            | 0.25                         | 0.81      |
| Inventory accounting change                             | 0.21                            | 0.05                         | 0.16      | -                               | -                            | -         | -                               | -                            | -         | -                               | -                            | -         | -                               | -                            | -         | -                               | -                            | -         |
| Total acquisition-related costs                         | \$ 1.72                         | \$ 0.56                      | \$ 1.16   | \$ 1.70                         | \$ 0.31                      | \$ 1.39   | \$ 1.39                         | \$ 0.32                      | \$ 1.07   | \$ 1.10                         | \$ 0.27                      | \$ 0.83   | \$ 1.10                         | \$ 0.27                      | \$ 0.83   | \$ 1.06                         | \$ 0.25                      | \$ 0.81   |
| Adjusted diluted net income per share                   |                                 |                              | \$ 5.02   |                                 |                              | \$ 6.18   |                                 |                              | \$ 7.04   |                                 |                              | \$ 8.19   |                                 |                              | \$ 8.15   |                                 |                              | \$ 8.73   |

(1) The tax effect is calculated based on the statutory rate and the nature of the item, unless otherwise noted.

(2) Transaction and 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.

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