

SHERWIN-WILLIAMS®

2024 Financial Community Presentation

Welcome



SHERWIN-WILLIAMS®

Market Update

JAMES R. JAYE
SVP, Investor Relations
& Corporate Communications

Forward-Looking Statements

This presentation contains "forward-looking statements," as defined under U.S. federal securities laws, with respect to sales, earnings and other matters. Forward-looking statements can be identified by the use of forward-looking words such as "believe," "expect," "estimate," "project," "plan," "goal," "target," "potential," "intend," "aspire," "strive," "may," "will," "should," "could," "would," “seek” or "anticipate" or the negative thereof or comparable words. Any statements that refer to expectations, projections or other characterizations of future events or conditions, are forward-looking statements. Forward-looking statements are based upon management's 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 subject to risks, uncertainties and other factors, many of which are outside the control of the Company and actual results may differ materially from such statements and from the Company's historical performance, results and experience. These risks, uncertainties and other factors include such things as: general business conditions, including the strength of retail and manufacturing economies and growth in the coatings industry; adverse changes in general economic conditions, including the inflationary environment, global credit markets, and currency fluctuations; any disruption in the availability of, or increases in the price of, raw material and energy supplies; disruptions in the supply chain; catastrophic events, adverse weather conditions and natural disasters; losses of or changes in our relationships with customers and suppliers; our ability to successfully integrate past and future acquisitions; risks and uncertainties associated with our expansion into and our operations in foreign markets; cybersecurity incidents and other disruptions to our information technology systems; our ability to attract, retain, develop and progress a qualified global workforce; our ability to execute on our business strategies related to sustainability matters, and achieve related expectations; damage to our business, reputation, image or brands due to negative publicity; our ability to protect or enforce our material trademarks and other intellectual property rights; our ability to comply with numerous and evolving laws, rules and regulations; adverse changes to our tax positions; increasingly stringent domestic and foreign governmental regulations; inherent uncertainties involved in assessing our potential liability for environmental-related activities; other changes in governmental policies, laws and regulations; the nature, cost, quantity and outcome of pending and future litigation and other claims; 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.

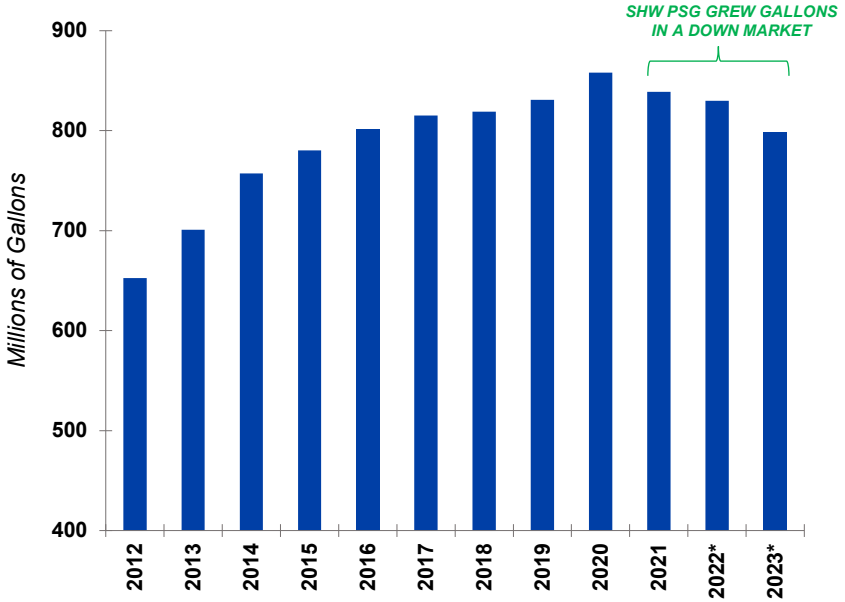
INDUSTRY DATA: In addition, industry information included in this presentation is not intended to be comprehensive. The coatings industry is global and diversified. The Company believes the multiple data sources cited in connection with industry market sizes, segments and other information are directionally helpful as of the date of this presentation, but may not be comprehensive, including from an absolute volume or industry size standpoint or otherwise.

Architectural Markets

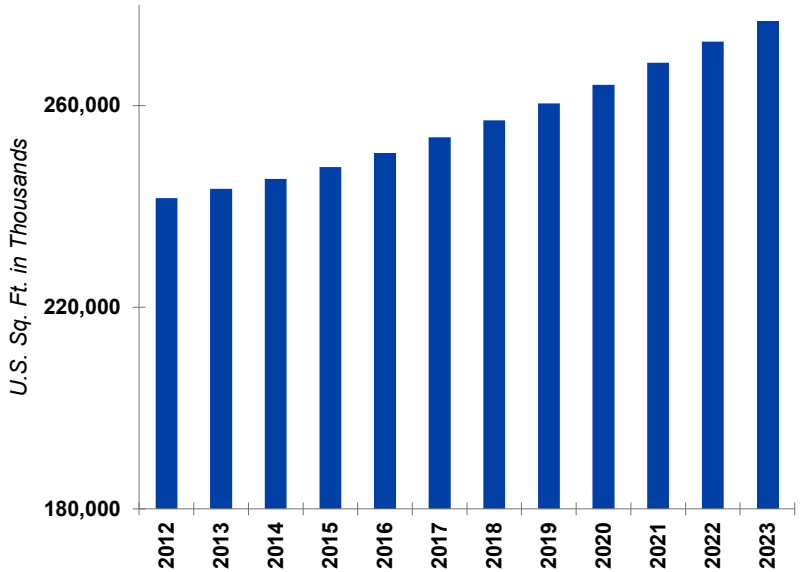
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U.S. Architectural Paint Industry

U.S. Architectural Paint Gallon Estimate



U.S. Non-Residential & Residential Square Footage



Continued growth in square footage creates growing residential repaint and property maintenance opportunities

**2022 industry impacted by continued raw material/supply chain challenges and soft DIY. 2023 industry demand impacted by high mortgage rates and broad macro inflation.*

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

U.S. Architectural Market Trends: Choppy Demand

~10-15% of market



NEW RESIDENTIAL

Market outlook:

Near-term ⇔ *Long-term* ↑

- Starts improving but choppy
- Builder incentives
- Mortgage rates stubbornly high
- Household formations remain strong

~30-35% of market



RESIDENTIAL REPAINT

Market outlook:

Near-term ⇔ *Long-term* ↑

- Remodel demand bottoming
- Existing-home sales weak
- Multiple other tailwinds intact
- Low cost, high impact projects hold up better

~5-10% of market



COMMERCIAL

Market outlook:

Near-term ↓ *Long-term* ↑

- Soft starts since early ’23
- ABI choppy since 2H ’22
- Tighter lending standards a near-term governor
- Household formations drive multi-family long-term

~10-15% of market



PROPERTY MANAGEMENT

Market outlook:

Near-term ⇔ *Long-term* ↑

- Apartment demand driven by rising home prices, high mortgage rates and fewer existing homes for sale
- CapEx projects delayed by near-term lending rates

~35-40% of market



DIY

Market outlook:

Near-term ↓ *Long-term* ⇔

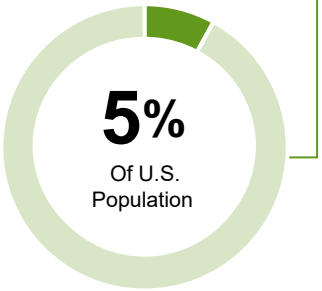
- Inflation & debt pressures the consumer
- Existing home sales weak
- DIY paint more affordable than large remodel projects

U.S. Demographics

Silent
1928-1945

78-95 Years Old
(As Of 2023)

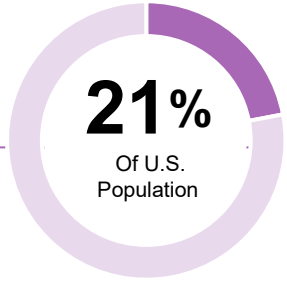
- Transitioning to Senior Living Facilities



Baby Boomers
1946-1964

59-77 Years Old
(As Of 2023)

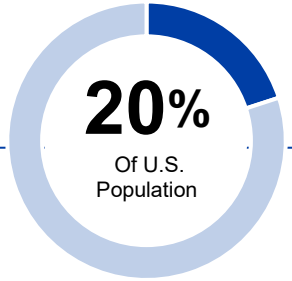
- Aging in place; remodeling
- Future downsizing creates opportunity
- Frequently relocate to active adult facilities



Gen X
1965-1980

43-58 Years Old
(As Of 2023)

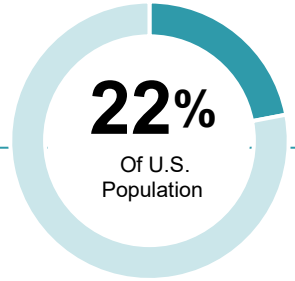
- Move up creates churn and drives remodeling
- Most likely to hire contractors



Millennials
1981-1996

27-42 Years Old
(As Of 2023)

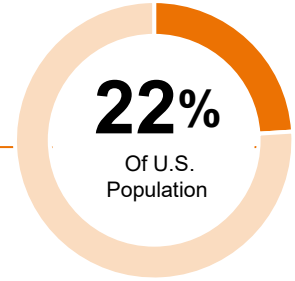
- Forming households
- First time homebuyers
- Demand for entry level homes
- Driving multifamily and rentals



Gen Z
1997-2012

11-26 Years Old
(As Of 2023)

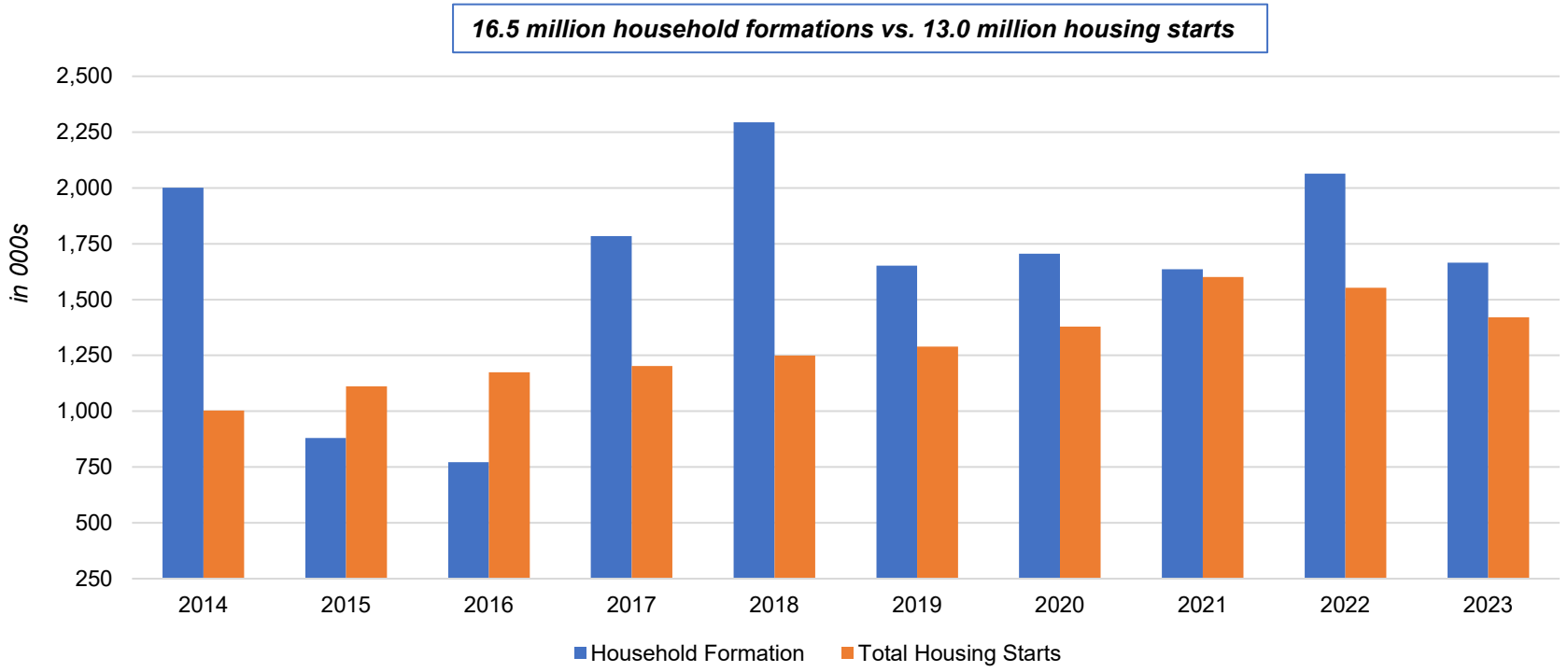
- Will further extend household formation
- Always connected, eComm



Source: Statista and PewResearch.org

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Strong Household Formation Supports Long Term Demand

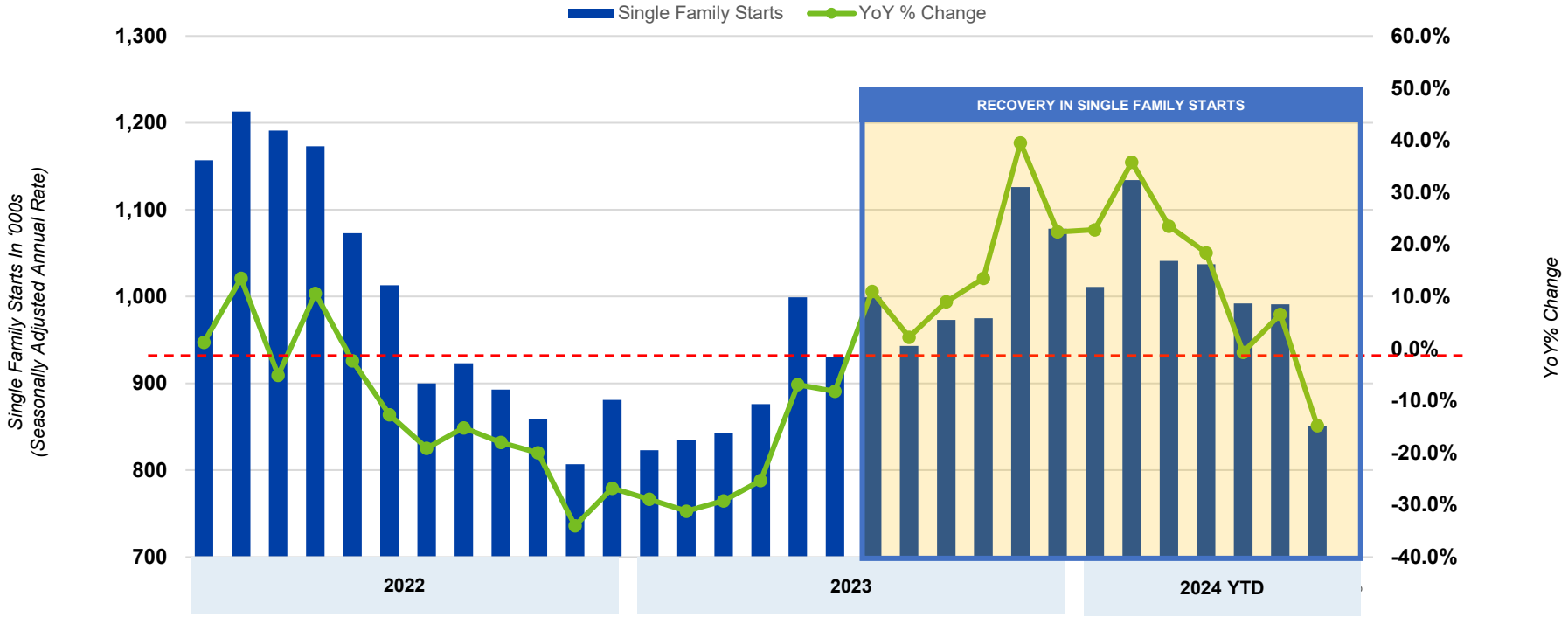


Household formations have outpaced housing starts by ~3.5 million over last decade. Additionally, ~2 million structures demolished, bringing gap to ~5.5 million.

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Source: U.S. Census Bureau, FRED St. Louis Fed

New Residential - Single Family Housing Starts
Painting Begins ~4-6 Months After Start



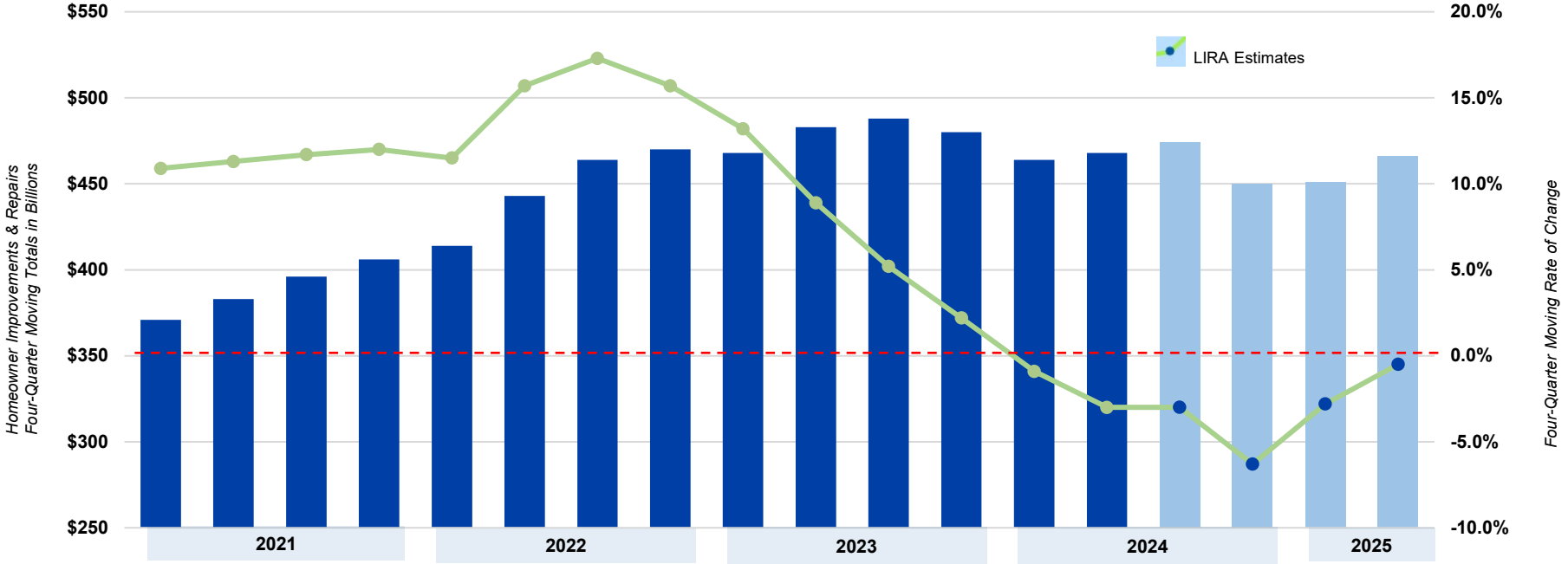
Choppy but improving starts and new account wins bode well for SHW into 2025

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Source: U.S. Census Bureau

Repaint & Remodel

Leading Indicator of U.S. Remodeling Activity



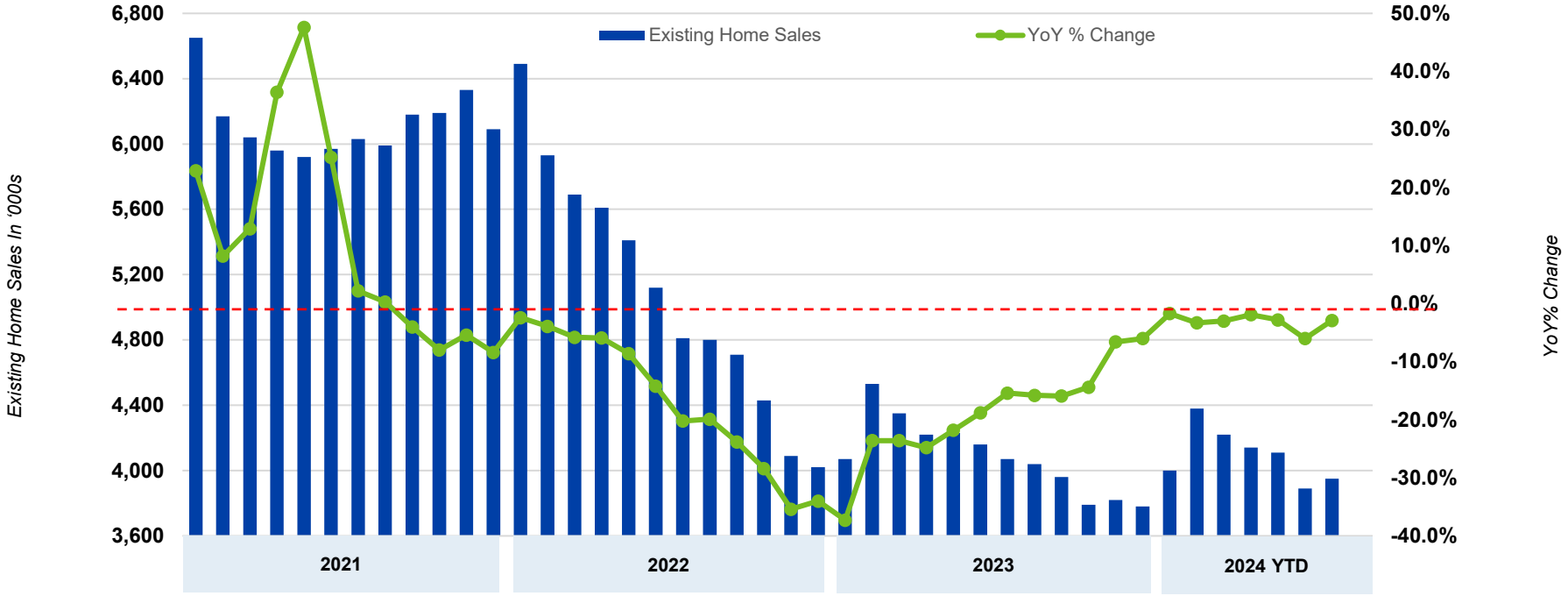
U.S. Remodeling activity bottoming in 2024 – small ticket items like paint historically hold up better

Source: Joint Center for Housing Studies of Harvard University
Notes: Improvements include remodels, replacements, additions and structural alterations that increase the value of homes. Routine maintenance and repairs preserve the current quality of homes. Historical estimates since 2021 are produced using the LIRA model until American Housing Survey benchmark data become available.

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Residential Repaint

SHW Outperforms Despite Soft Existing Home Sales



SHW drives above market growth thru Investments, Share of Wallet and Account Wins

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Source: U.S. Census Bureau

Many Factors Beyond EHS Drive Residential Repaint Market Growth

Existing Home Sales

Median Home Age is 40 Years

Home Price Appreciation

Aging in Place

Installed Square Footage Grows Annually

Remote Work Home Office Upgrades

Climate & Natural Disaster Recovery

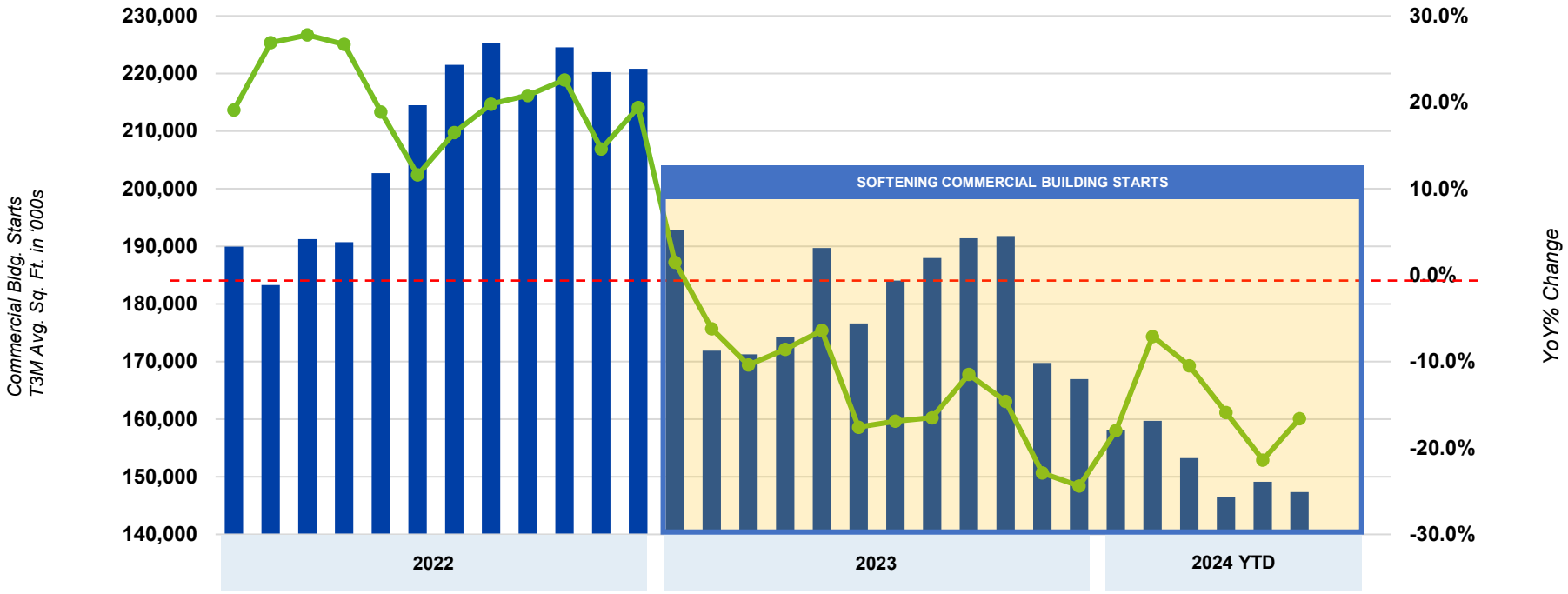
Changing Color Trends

Residential Repaint Market Remains SHW's Largest Growth Opportunity

Sources: Cowen & Company, S&P CoreLogic Case-Shiller U.S. National Home Price Index, Dodge Data & Analytics, Sherwin-Williams, U.S. Census Bureau, First Street Foundation, AARP Livable Communities Survey, Robert Half, 2022 American Community Survey,

Commercial – Multi-Family & Other Building Starts

Painting Begins ~12-24 Months After Start

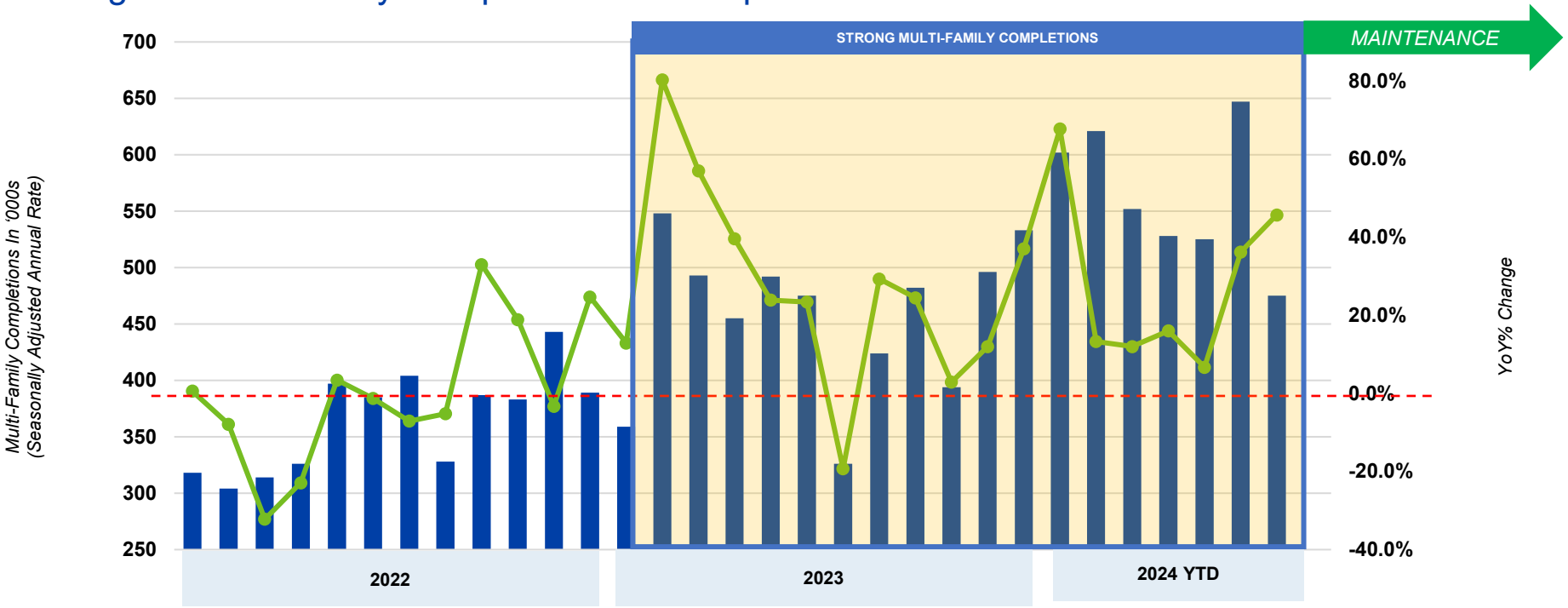


Impact of softening commercial starts on completions likely to begin late 2024

Source: Dodge Data & Analytics. Includes Multi-Family/Apartments, Stores & Restaurants, Warehouses, Office & Bank Buildings, Parking Garages & Automotive Services, Mfg. & Processing Plants, Warehouses (Manufacture Owned), Labs ((Manufacture Owned), Schools & Colleges, Labs, Hospitals & Health, Govt, Religious, Amusement & Social, Hotels & Motels, Dorms, Miscellaneous)

Property Maintenance

Surge of Multi-Family Completions Will Require Future Maintenance

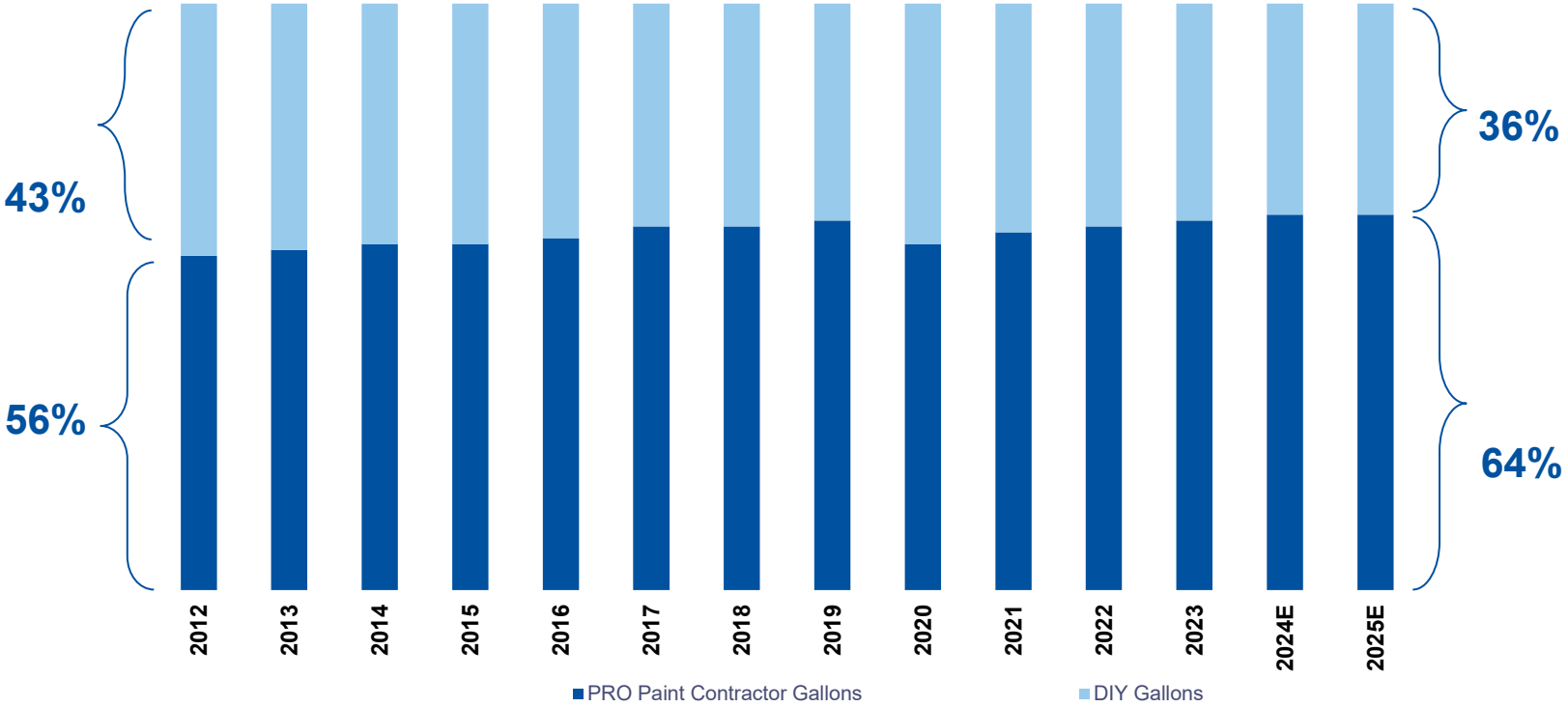


SHW continues growing exclusive relationships at every level of the market

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Source: U.S. Census Bureau

Pro Gaining Share from DIY Over the Long Term



Sherwin-Williams is Well Positioned to Serve Pro and DIY

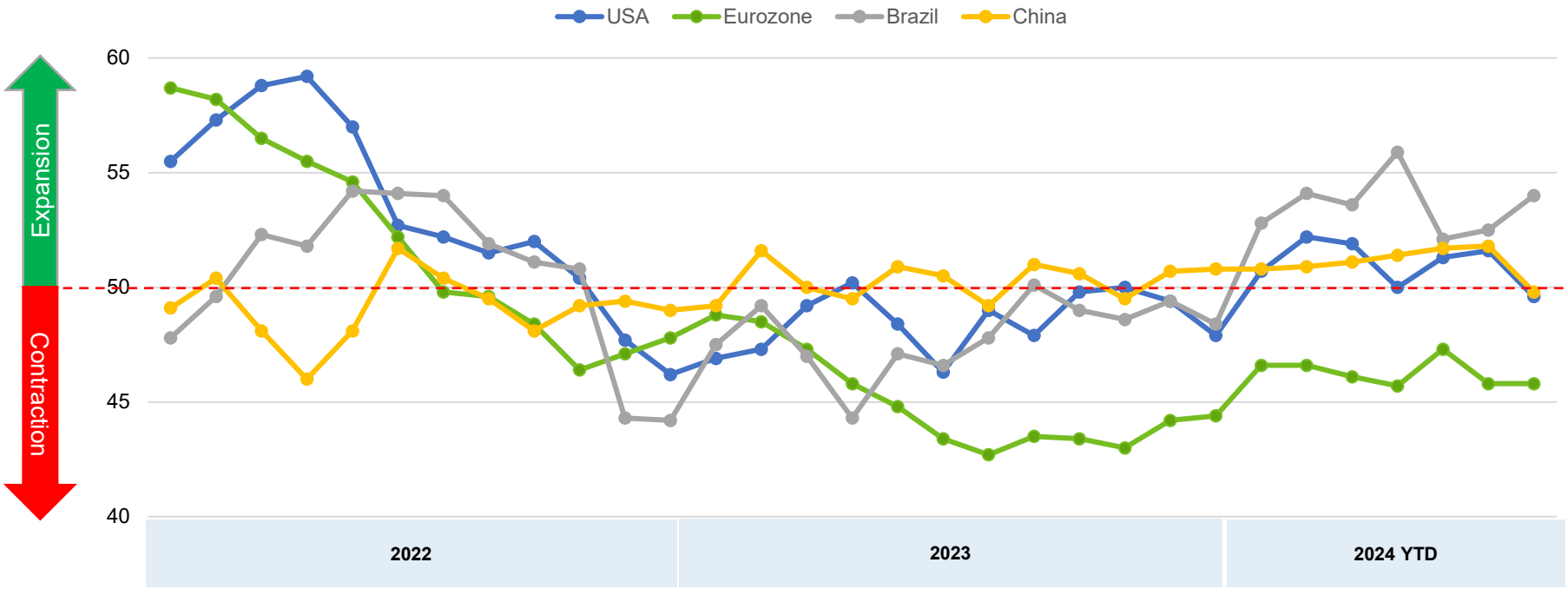
Sources: U.S. Commerce Department, ACA, Company Estimates

Industrial Markets

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Industrial Demand by Region

S&P Global Purchasing Managers Index (PMI) – Manufacturing



Choppy Industrial Macro Environment by End Market and Region

Source: S&P Global. The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%)

Targeted End Markets – Growth Drivers & Outlook



Automotive Refinish

Market Outlook: Near Term ***Long-Term***

- SHW system installations robust
- U.S. miles driven have recovered post COVID
- Increased global auto ownership
- Industry consolidation creating opportunity
- Labor shortage drives SHW solutions approach
- SHW sustainable product differentiation
- SHW controlled distribution model a differentiator



Protective & Marine

Market Outlook: Near Term ***Long-Term***

- Manufacturing facility starts in US/Mex driven by onshoring
- U.S. EV battery, semiconductor manufacturing plant opportunities
- Oil & gas, water & wastewater, pharmaceutical opportunities
- U.S. infrastructure bill drives maintenance and new construction
- Recent acquisitions adding to SHW differentiation

**P&M Sales in North America reported externally in Paint Stores Group*

Targeted End Markets – Growth Drivers & Outlook



Packaging

Market Outlook: Near Term ↗ Long-Term ↑

- Shift from plastic to cans: sustainability trend
- New growth categories: spiked seltzer & energy drinks
- Shift to non-BPA technology
- European Food Safety Authority mandate
- Customer investments in capacity expansion
- SHW capacity investment France – sold out



Coil

Market Outlook: Near Term ↔ Long-Term ↗

- U.S. housing has never been this underbuilt – extrusions, appliances, window frames, decorative metal products
- Demand for sustainable products & color expertise
- Demand for productivity solutions

Targeted End Markets – Growth Drivers & Outlook



Industrial Wood

Market Outlook: Near Term ↗ Long-Term ↑

- Cabinets, flooring & furniture to rebound with SF starts
- US lumber prices moderating
- U.S. housing has never been this underbuilt
- Recent SHW acquisitions adding to differentiation
- Demand for sustainable products & color expertise
- Demand for productivity solutions



General Industrial

Market Outlook: Near Term ↘ Long-Term ↑

- Heavy equipment and transportation softness
- Residential, commercial & infrastructure construction
- Demand for sustainable products & color expertise
- Demand for productivity solutions
- Small batch capability

Controlling the Controllables

Strategy is working

Alignment on enterprise priorities

Targeting the right markets

Driving customer success

Investing and playing offense

Pricing discipline

Focused on execution

Expect to continue outperforming the market

Deep and experienced team and differentiated business model delivers sustained results



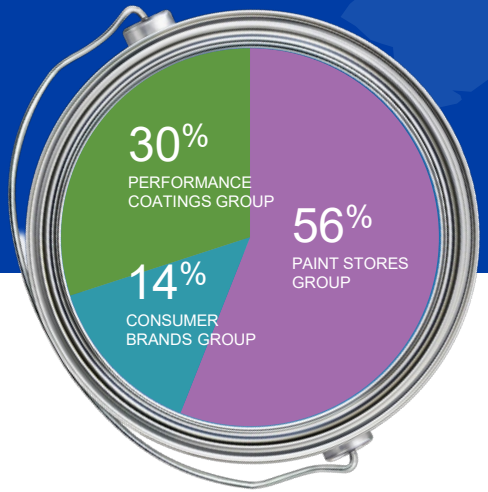
SHERWIN-WILLIAMS®

Success by Design

HEIDI G. PETZ
President & CEO

SHERWIN-WILLIAMS®

$23.1 billion
2023 Net Sales



65,000+
Employees

5,000+
Stores and Branches

120+
Countries

140+
Manufacturing & Distribution Facilities

INDUSTRY-LEADING PORTFOLIO OF BRANDS

SHERWIN-WILLIAMS · valspar · HGTV HOME by SHERWIN-WILLIAMS · MINWAX · Purdy · KRYLON · Thompson's WaterSeal · Cabot

Delivering Results: *65,000+ Employees Aligned on Our Strategy*



To Create…

Value and Opportunities for Key Stakeholders

Customers

Shareholders

Employees

Communities



Measured by…

Above Market Growth

ROS

RONAE

Cash Generation



Guided by…

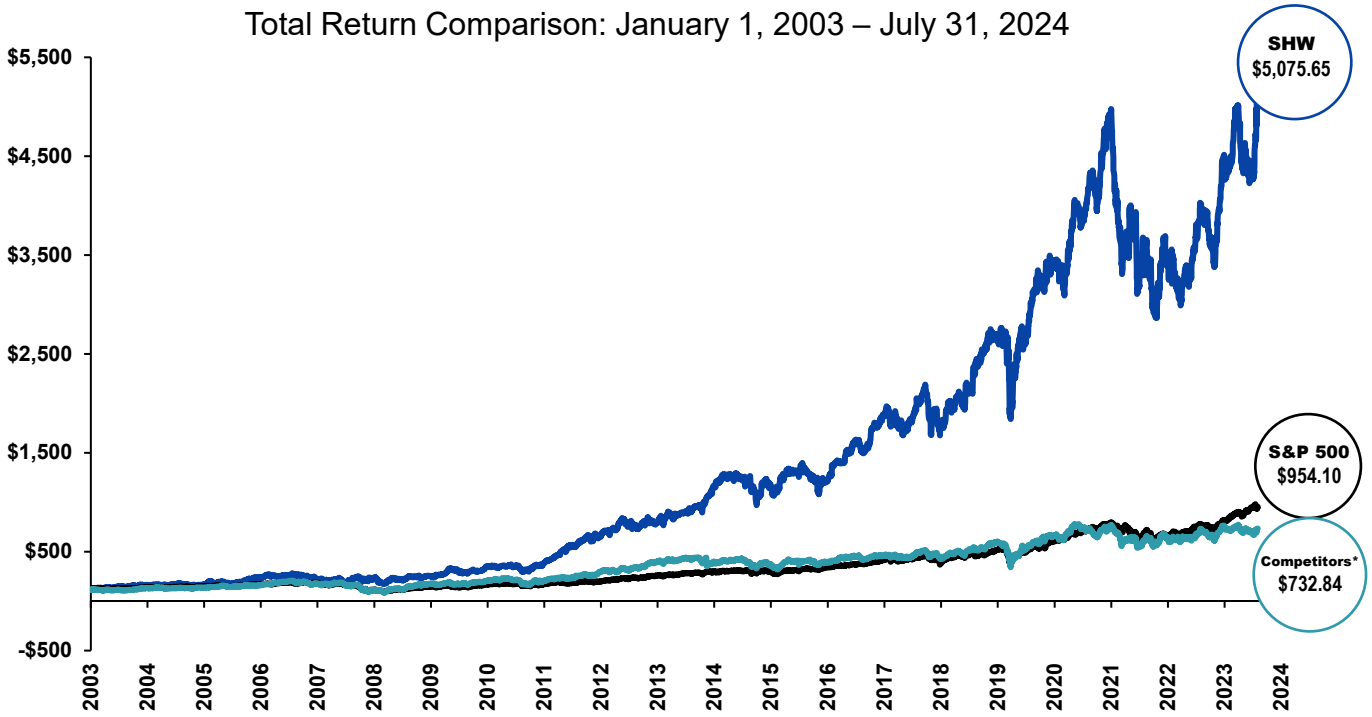
Our Key Enterprise Priorities
&
Success by Design Culture

Provide Differentiated Solutions That Drive Customer Productivity and Profitability

Proven Track Record: *It Starts and Ends With Delivering Results*

Stock Performance

Total Return Comparison: January 1, 2003 – July 31, 2024



Shows value of $100 as of July 31, 2024, invested in SHW, S&P 500 index & Peers on January 1, 2003. Graph details are for daily periods.
**Competitor group consists of PPG, RPM, Akzo Nobel & Axalta.*

DELIVERING CONTINUED
Shareholder Value

45
Consecutive Years of Dividend Increases

71.8 Million
Shares Repurchased in the Last Decade

17.7%
Compound Average Annual Growth Rate (CAGR) in the Last Decade

Uniquely Positioned for Delivering Above Market Growth

Unique Assets



Controlled Distribution Model



Depth of Talent & Ownership Culture



Innovative Products & Services



Industry Leading Brands



Responsive Supply Chain



Customer Data & Connectedness



Strong Balance Sheet & Cash Generation



Disciplined Capital Allocation



Differentiated Solutions Delivered to our Customers



Strong Organic Growth Opportunities



Margin Expansion Opportunities



Value Creation

Consistent Investment in the Business Strengthens Our Market Leading Position

Enterprise Strategic Priorities



Success by Design

Talent & Culture

Create Your Possible™

Attract & Onboard | Retain & Develop | Career Mobility



~1,400
College graduates recruited annually

~10,000
Management Trainee Program graduates currently throughout the Company

~7,000
Of our employees have 20+ years of service

73%
Of PSG Management Trainee Graduates are in senior roles

7-9%
Best in class annual turnover in stores

85%
Of employees responded favorably to recommend Sherwin-Williams as a place to work

The Employer of Choice

Simplification

Raw Material Consolidation | Manufacturing Productivity | Finished Goods Consolidation | Service

Working capital reductions

Accelerated & lower cost innovation

Warehouse footprint optimization

Faster M&A synergy capture

Reduced customer order cycle time

Disciplined review of assets

Improved Cost Position & Speed to Market

Supply Chain Responsiveness

- Safety is Unconditional
- Supply Chain Planning
- Dual Sourcing
- Multi-Site Readiness
- Strategic Toller Flexibility
- Risk Modeling

Capacity expansions Statesville, Waco, Orlando, France

In-house resin – Specialty Polymers acquisition

Strategic vs. transactional suppliers

"Hidden factory" automation investments

New Global R&D Center

Global Supply Chain as a Competitive Advantage

Digitization

- Customer & Employee Connectivity
- Data Strategy
- Platform(s) Optimization

Revenue enablement & pricing analytics

Enhanced predictive & planning models

Increased sales rep productivity

AI task force – productivity use cases

Regulatory & compliance automation

ERP upgrades & harmonization

Improved Ease of Doing Business and Greater Visibility

Sustainability

Product Blueprint | Environmental Footprint | Social Imprint | Governance & Ethics

Forbes® – World's Best Employers | **Fortune®** – World's Most Admired Companies | **Newsweek®** - World's Most Trustworthy Companies

~320k MWh	~70 million	~650	~100s of	~6,000 MWh	~1,400
Renewable energy added to the grid through VPPA	*Gallons of paint kept out of residential waste streams since 2009*	*PaintCare® consumer drop-off points to collect unused paint for recycling*	*Product Life Cycle Assessments (LCAs) and Environmental Product Declarations (EPDs)*	*Reduced electricity use via upgraded LED lighting in store displays*	*Charitable causes supported*

Doing Business the Right Way in Lock-Step With Our Customers

Our Global Architectural & Industrial Businesses







Deep & Experienced Team

Targeted Segments

Disciplined Approach to Investment

Innovative Solutions

Customer Profitability

Shareholder Value

Delivering Customer Value Through Differentiated Solutions that Drive Customer Productivity & Profitability



SHERWIN-WILLIAMS®

Global Architectural

JUSTIN BINNS
President, Global Architectural

Disciplined Focus and Unique Solutions

For Each of our Targeted Architectural Market Segments

Paint Stores Group

Controlled distribution
4,700+ stores
56% of SHW sales



Residential Repaint



New Residential



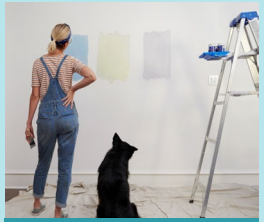
Commercial



Property Maintenance

Consumer Brands Group

Strategic channel partners
13,000+ retail locations
14% of SHW sales



North America DIY



Pro Who Paints



Targeted Latin America



Niche Europe

SHERWIN-WILLIAMS

Paint Stores Group

$12.8 billion
2023 Net Sales

4,700+
Stores across the US, Canada and Caribbean

3,800+
Sales Reps

30,000+
Employees

~1,400
Management trainees hired in 2023

PRIMARY END MARKETS

- Residential Repaint
- New Residential
- Commercial
- Property Maintenance
- DIY
- Protective & Marine
- **Opportunity in all Markets – *long runway as pie continues to grow***

KEY DIFFERENTIATORS

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



Unique Controlled Distribution Model

We Own the Complete Customer Experience…

- ✓ Talent development & retention
- ✓ Segment-focused sales reps
- ✓ Product innovation & offering
- ✓ Color experience
- ✓ Customer data & digital platform
- ✓ Dedicated logistics & delivery fleet





Delivering Differentiated Solutions To Help Our Customers Succeed

We Own…
Talent Development









~1,400

Management Trainees
Hired Annually

7-9% *

Average
Voluntary Turnover

Investments in Our People Make Us an Industry Leader in Employee Retention and Premium Customer Experience

*Includes Store Managers, Asst. Store Managers, and Sales Reps

We Own…
Segment-Focused Sales Reps



3,800+ Sales Reps Reaching More Customers Than Ever

We Own…
Product Innovation & Offering



Factory-Like Finish For Cabinetry



Strong Mar Resistance

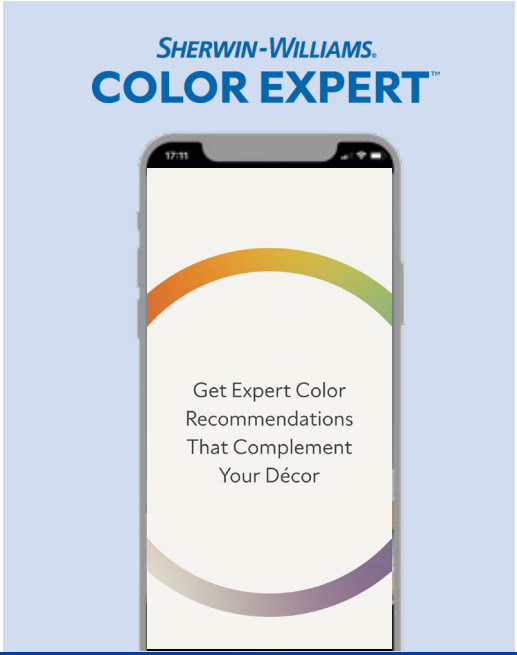


#1 In Customer Satisfaction with Interior Paints*

Painter Productivity

**For J.D. Power 2024 award information, visit jdpower.com/awards*

We Own…
Color Experience

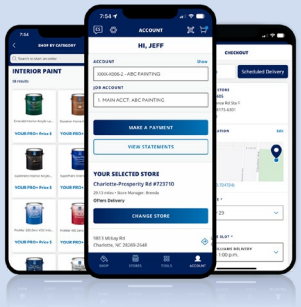






Cutting Edge Solutions to Boost Homeowner and Contractor Color Confidence

We Own…
Digital Innovation



App Engagement
Year over year

SHERWIN WILLIAMS PRO+

PRO+ signups
Year over year

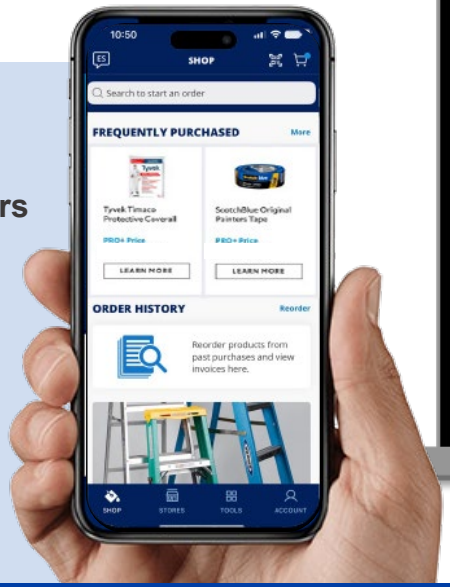
Digital Engagement Helps Pros Grow Faster

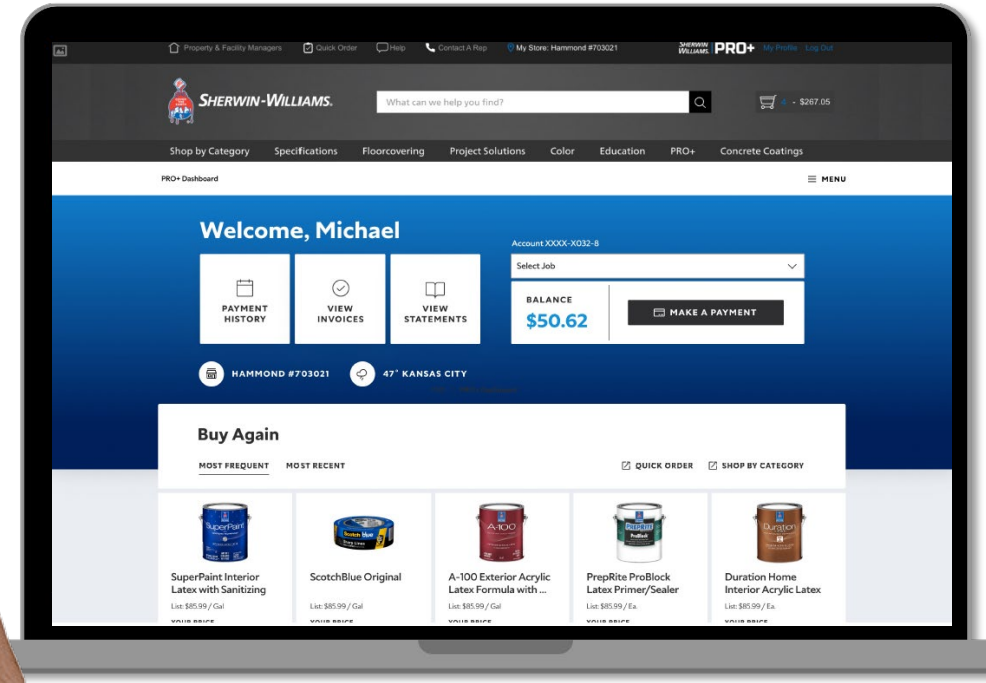


We Own…
Digital Innovation

SHERWIN WILLIAMS PRO+

- Place & manage orders
- Color selection
- Quoting
- Invoicing
- Inventory

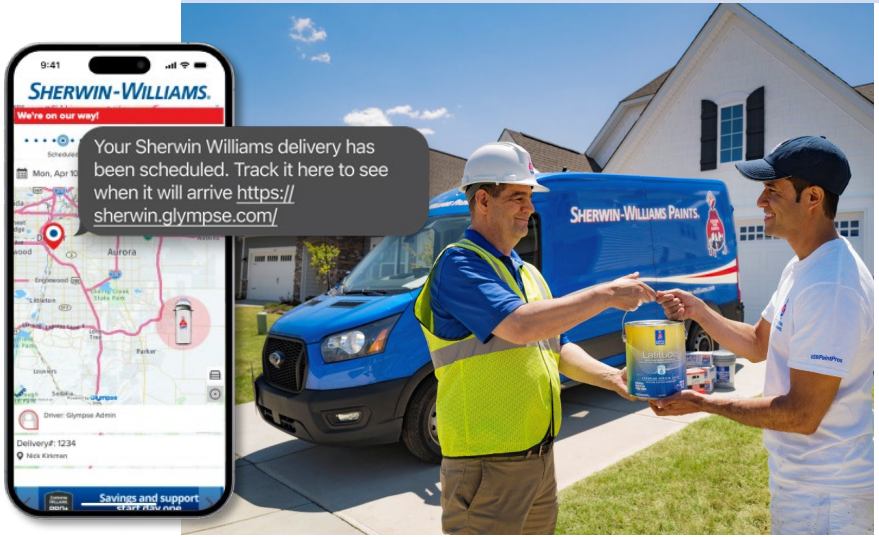




Digital Tools Empower and Help Our Customers Run Their Businesses

We Own…
A Dedicated Logistics & Delivery Fleet

3,300+ Vehicles | 3,100+ Drivers | Millions of Deliveries Each Year

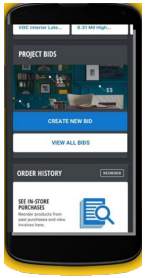


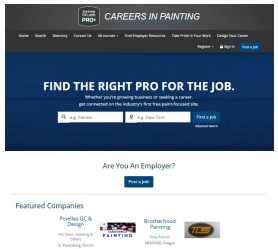


Responsive Delivery System Focused on Customer Productivity

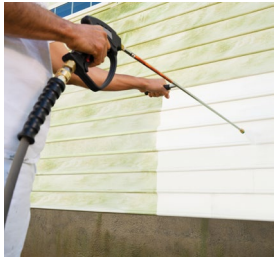
Unique Controlled Distribution Model













1	2	3	4	5	6	7	8	9	10
Marketing /Word of Mouth	Consultation	Bid Acceptance	Training/ Staffing	Color & Product Selection	Place Order	Prep Work Site	Apply Paint	Quality Control	Follow Up

Physical and Digital Touchpoints Along Every Step of the Contractor Journey



#1

Brand Preferred By Professional Painters*



#1

Brand Specified By Designers**



#1

In Paint Brand Awareness*

*2023 Material Research
**2023 MarketVision



SHERWIN-WILLIAMS®

Consumer **Brands Group**

TODD REA
President, Consumer Brands Group

SHERWIN-WILLIAMS®

Consumer Brands Group

$3.4 billion
2023 Net Sales

3,200+
Employees

GLOBAL REACH:

- North America
- Europe
- Latin America

STRATEGIC CHANNEL PARTNERS AND BRANDS

LOWE'S® MENARDS® ORGILL B&Q Do it Best

KEY DIFFERENTIATORS

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

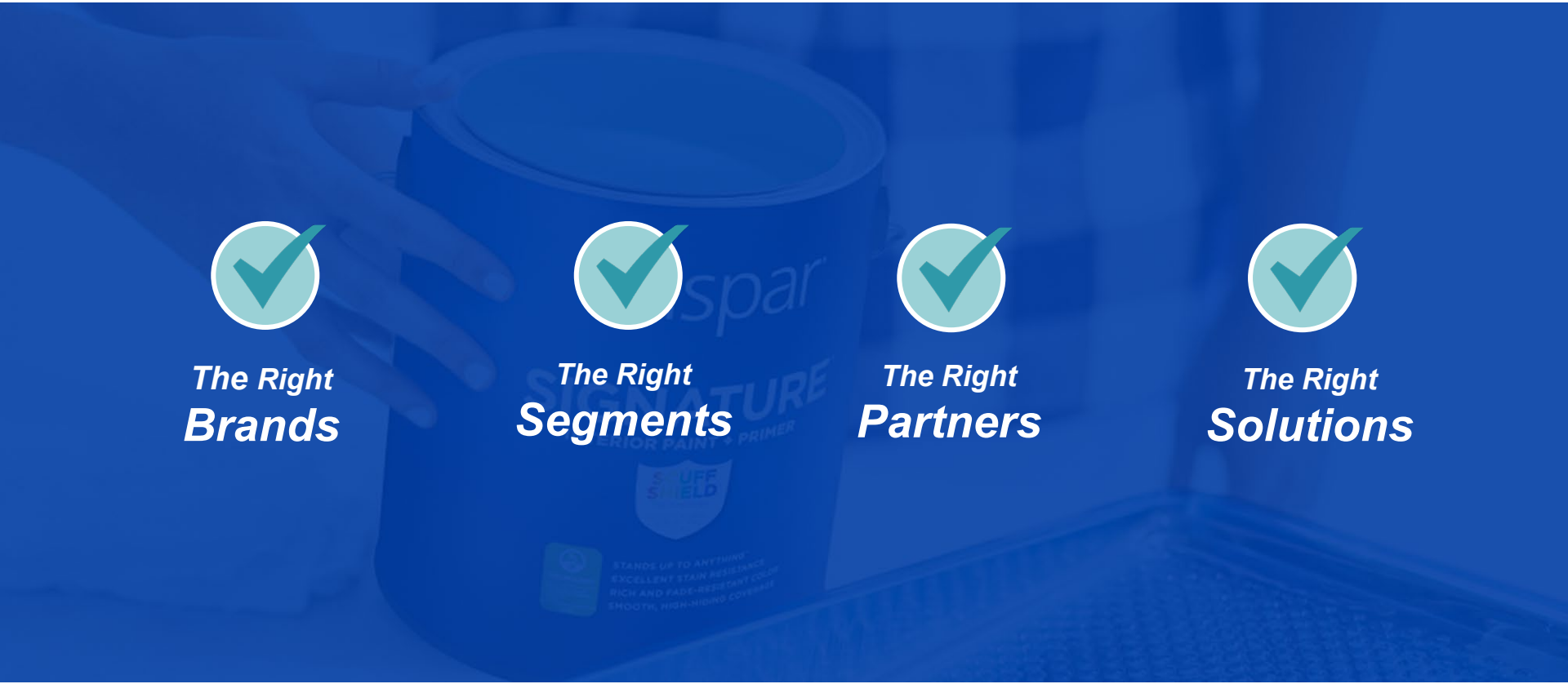


Reshaping Our Portfolio

- ***Rightsized Footprint***
- ***Simplification***
- ***Maximizing Returns***



Consumer Focused & Customer Driven



The Right Brands

The Right Segments

The Right Partners

The Right Solutions

The Right Brands

Hero Brands That Drive Traffic to Our Retail Partners



valspar

Over 6,700 Points of Distribution



HGTV HOME by SHERWIN WILLIAMS

Design Expertise Meets Legendary Quality



Dutch Boy

Trusted by Consumers for Decades



MINWAX

America's #1 Selling Brand of Interior Stains and Clears*



Purdy
PROFESSIONAL PAINTING TOOLS

9TH YEAR

#1 Brand Preferred by Pros for Brushes and Rollers!**



KRYLON

A Leader in the Aerosol Category



Thompson's WaterSeal

America's Recognized Brand in Water Protection





Cabot

Ranked #1 in Customer Satisfaction with Exterior Stains



RONSEAL

A Leading European Brand



CONDOR

A Leading Latin America Brand

SHERWIN-WILLIAMS.

*Based on Epicor's Industry Data Analytics for interior wood stains and clears for the 12-month period ending 12/23.
**Purdy #1: 2024 inPAINT Magazine Brand Preference Survey, Brush and Roller Categories. May/June Issue.

The Right Segments



Do-It-Yourself



Pro Who Paints



Targeted LATAM



Niche Europe

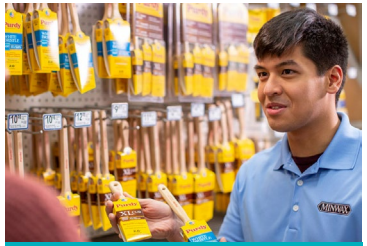
The Right Partners



- Strong Distribution
- Well positioned in industry or channel
- Serves the needs of priority segments
- Invested and committed to growth

The Right Partners Across Home Centers, Dealers, Distributors, Mass, Direct & eComm

The Right Solutions



Talent & People

- World class talent & culture
- Training & development



Product Innovation

- Robust, new product pipeline
- Next generation technology



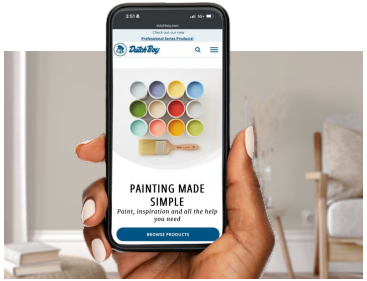
Training & Field Support

- Enhance service models
- Improve close rates
- Vendor-focused training



Category Expertise

- Store & regional assortment optimization
- Inventory optimization
- Multi-brand cross-merchandising & promotions



Digital

- Social Media
- Influencer marketing
- User-generated content

Delivering Differentiated Solutions to Help Our Customers Succeed

Key Takeaways



Disciplined Brand Portfolio

Focus on Priority Segments

Well Positioned Partners

Value Added Solutions



SHERWIN-WILLIAMS®

Global Industrial

KARL JORGENRUD
President, Global Industrial

SHERWIN-WILLIAMS.

Performance Coatings Group

$6.8 billion

2023 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, customer-focused



The Foundation of our Profitable Success



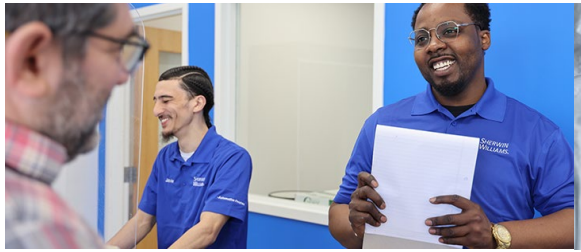
Customer-Driven Innovation



Connected Global Expertise



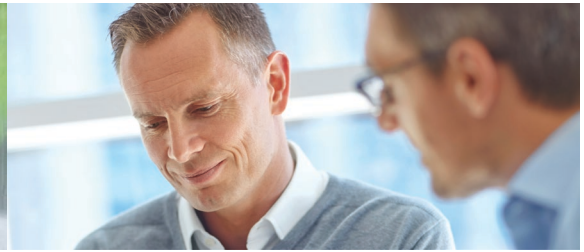
Color & Design Expertise



Blending Facilities & Customization



Sustainability-Focused Solutions



Acquisitions Accelerate Strategy

Providing Solutions in Attractive and Growing Markets



AUTOMOTIVE REFINISH | **COIL** | **GENERAL INDUSTRIAL** | **INDUSTRIAL WOOD** | **PACKAGING** | **PROTECTIVE & MARINE**

Seasoned and Highly Skilled Teams with Deep Expertise Across Industries



SHERWIN-WILLIAMS®

Automotive **Refinish**

BRIAN GALLAGHER
President & General Manager,
Automotive Refinish

Automotive Refinish Division Profile



Who We Are

2,300+ Employees

170+ Company-owned Branches in North America

Selected Complementary Distributors

Serving **100+** Countries
Global Training Network



Where We Focus

Dealership Groups

Multi Shop Owners

Commercial Vehicles

Independent Repairers

Independent Dealers & Body Shops



Differentiators

Controlled Distribution

Direct Sales & Technical Teams

Innovative Products

Color Expertise

Sustainability Solutions

Productivity Solutions

Versatile, High-Performance Coatings Solutions That Drive Customer Productivity and Profitability

Differentiator: Controlled Distribution

Direct Model:

- 170+ North American branches
- 429 Delivery Vehicles

Support:

- Global design, application and training centers/labs
- Factory-direct shipping

Close to Customer:

- Inventory, tinting and blending expertise, sales and technical support

Complementary:

- Strategic distributors serve distinct channels with targeted brands



"Store-like" Branch Model Enables High Touch, Premium and Repeatable Experience

Differentiator: Our People

Technical Representatives:

- 100+ reps
- 1,500+ years combined experience
- Tailored support for customers, distributors and employees

Branch Managers:

- 500+ branch employees
- 175+ sales representatives
- Repeatable customer experiences

Training:

- Continuous training and development
- Consistency in customer service across entire enterprise

Customer Connectivity:

- Ongoing engagement and improvement
- Customized metrics and benchmark development



Direct Sherwin-Williams Trained Employees at Every Customer Touchpoint

Differentiator: Customer Productivity Solutions

Collision Core® Auto Shop Software System

- Improve cycle time and profitability
- Increase capacity
- Improve first-time on-time quality
- Optimize labor, elevate top performers
- Easy to adopt, simple to deploy, fast ROI

Color matching and retrieval

Express Scratch Repair Program

A-Plus™ business solutions

Impact assessments



Driving Throughput to Enable Greater Customer Success and Profitability

Differentiator: Innovative Products

Ultra 9K® Waterborne Basecoat System

- Wet-on-wet application
- Improved cycle time
- Less paint and reduced emissions

Ultra System® CC200 Dynamic Clearcoat

- Outstanding gloss for high-end refinishing

Ultra System® HPC15 HP Process Clearcoat

- Air Dry Technology cures in as little as 15 minutes at 75°F
- Eliminates need for bake cycle
- Complete one to three panel repairs in 50 minutes or less



Sustainable Solutions – Durable, Long-Lasting Coatings That Extend Asset Lifecycle and Reduce VOC Emissions and Waste

OUR DIFFERENTIATORS



Controlled Distribution



Our People



Customer Productivity Solutions



Innovative Products

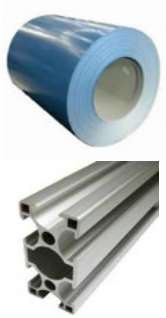


SHERWIN-WILLIAMS®

Coil & Extrusion **Coatings**

JOSH BAGSHAW
President, Coil Coatings Division

Where You Will Find Us



CONSTRUCTION

Roofing
Gutters/Trim







Siding
Curtain Wall





Panels
Windows





MANUFACTURED PRODUCTS

Appliance
HVAC





Garage Doors
Lighting Fixtures





Coil Coating Division Profile



Who We Are

400+ Employees

207 Technical specialists with **~2,200** combined years of service in

34 countries across 4 continents



Where We Focus

Steel & Aluminum Producers

Coaters & Applicators

Roll Formers & OEMs

Architects and Specifiers

Manufactured Products

Construction Markets



Differentiators

Speed of Responsiveness

Consistency & Quality

Color Customization

Industry Leading Innovation

Sustainability Solutions

Versatile, High-performance Coatings Solutions That Drive Customer Productivity and Profitability

Differentiator: Speed of Responsiveness

Our People:

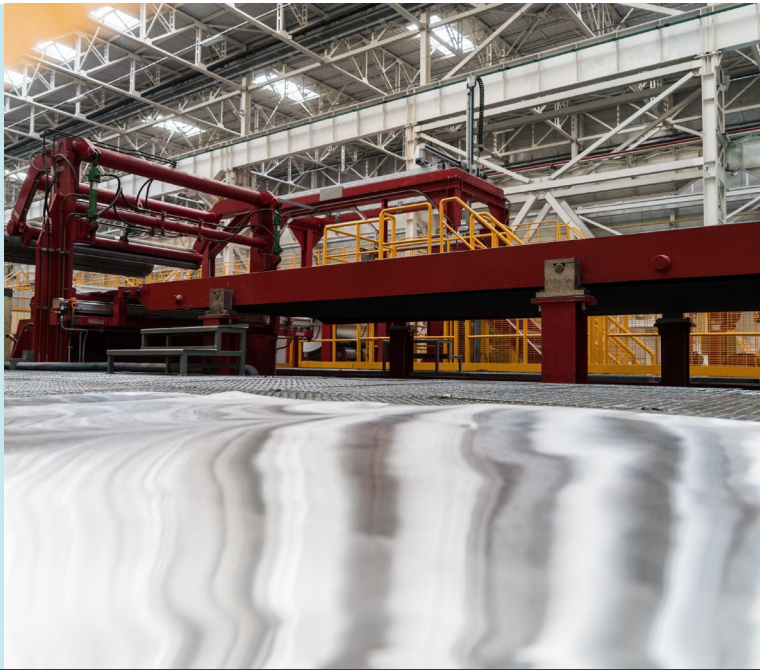
- 50 technical representatives
- ~790 combined years of service

Local Production:

- 20 SHW facilities worldwide
- Small batches

Representative Examples:

- Turn small batch orders within 48 hours utilizing facilities near customers
- Embedding automated dispense systems into customer ops



Versatile, High-performance Coatings Solutions That Drive Customer Productivity and Profitability

Differentiator: Consistency and Quality

Extensive Capabilities

- Saltwater and Air Corrosion Testing
- Chemical Resistance
- Abrasion Resistance
- Film Thickness and Hardness
- Coating Flexibility
- Moisture and Humidity
- UV Corrosion Resistance
- Solar Reflectance
- Color/Gloss Retention
- Adhesion
- Finish Consistency
- Batch Consistency



Ensuring Performance in the Most Demanding Conditions

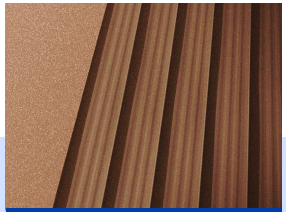


Testing Capabilities

Ft. Myers, Florida weathering test site – 100,000+ test panels with up to 50 years of exposure.

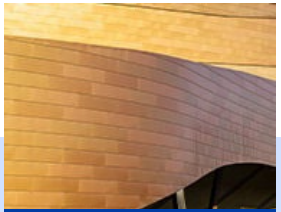
One of the most accredited natural exposure facility in the coil and extrusion industry!

Differentiator: Customer Driven Innovative Products



RadGuard

- Protection and durability
- Substrate compatibility
- Color and gloss levels
- Corrosion and abrasion resistance



Fluropon

- Dirt resistance
- Tested in chalk, fade, weathering, hardness, corrosion
- Sustainability solutions



Illumipon

- Long-lasting performance
- Reduced solvent content and less waste
- Energy efficient
- One-coat solution



WeatherXL



NovaCoil

An Extensive Portfolio of Time-tested High-performance Coil and Extrusion Coatings Formulated for Durability and Color

Differentiator: Best-in-Class Color Customization

SW DesignHouse:

- Library of 50,000+ colors
- Create new custom colors
- Advanced matching technology

Range of Finishes:

- Sheen/gloss level (matte, standard, high gloss)

Special Effects:

- Metallic, sparkle, color shift, wood/slate mimicry



Industry-leading Color Expertise Enables Customer Creativity

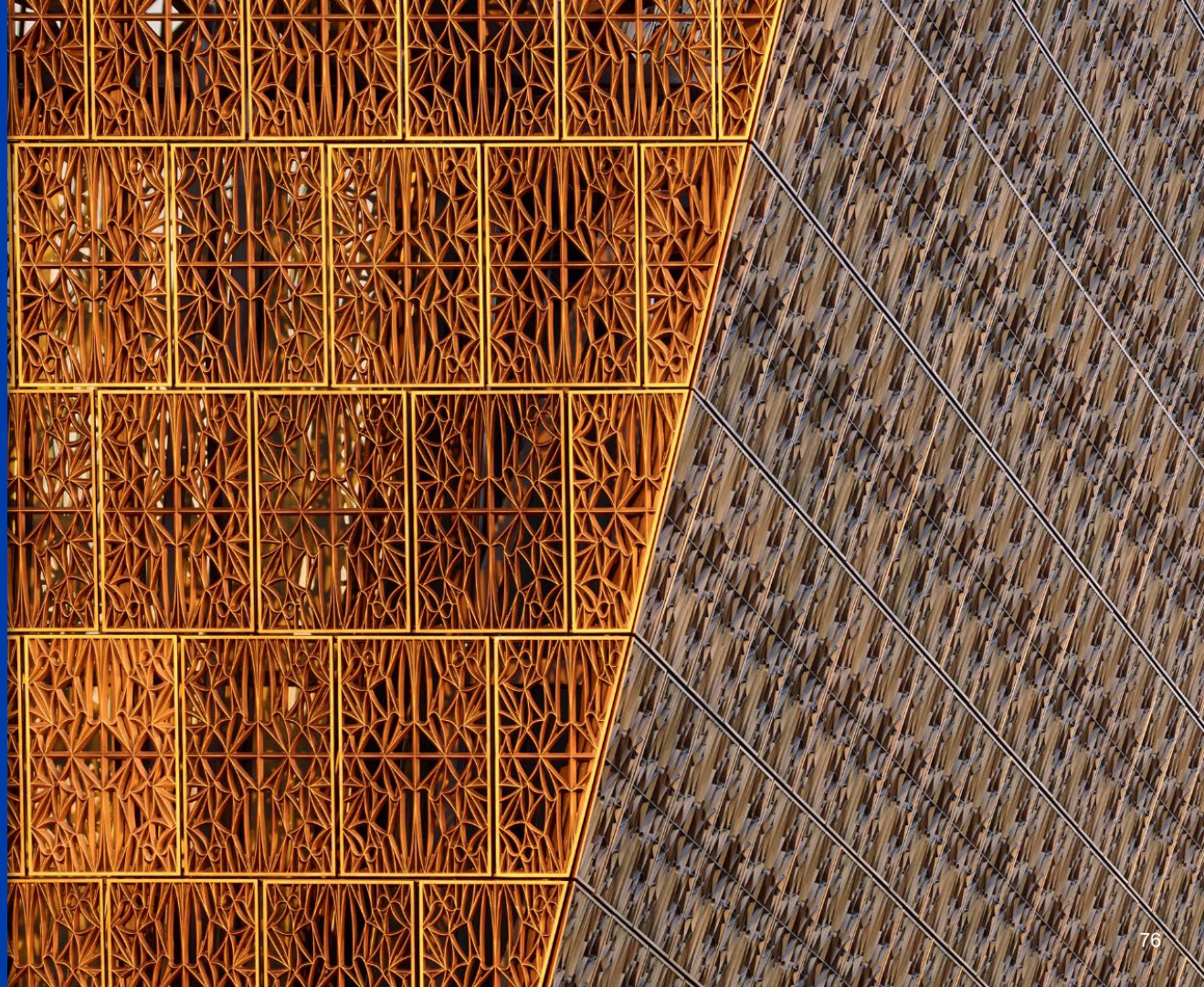
Our World is ***Color***

Using Color to Inspire, Connect and Bring Architectural Visions to Life



Our World is ***Color***

Smithsonian National Museum of African American History and Culture: Architect Freelon Adjaye Bond / SmithGroup



*Our World is **Color***

Innovative, Color-shifting Technology



Providing Unique and Differentiated Solutions for our Customers





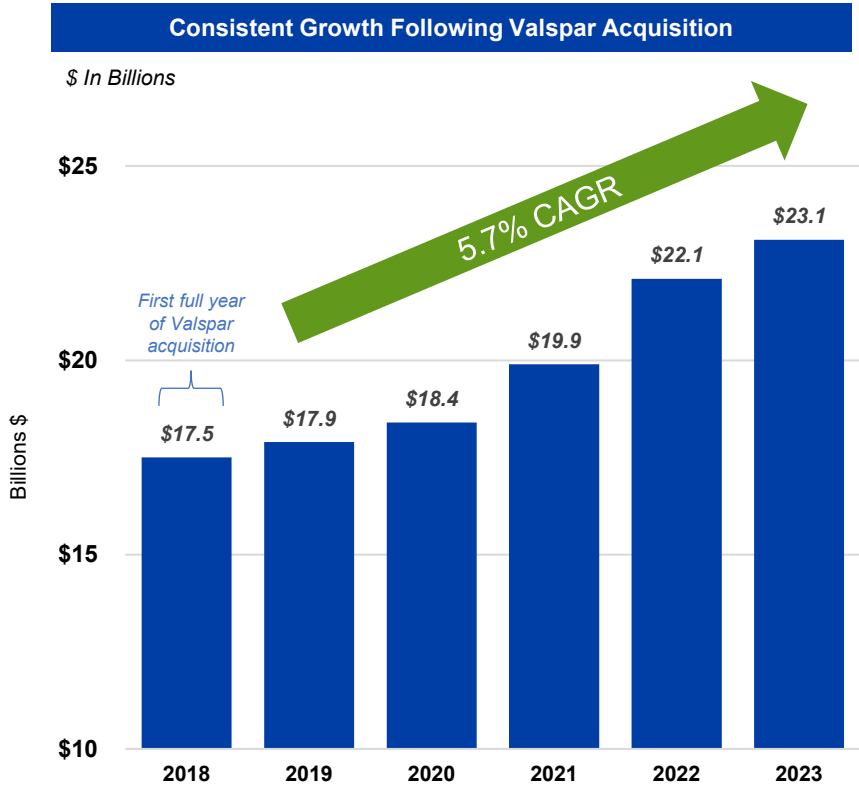
SHERWIN-WILLIAMS®

Financial **Update**

ALLEN J. MISTYSYN
SVP, Finance and Chief Financial Officer

Consistent Sales Growth

- Continue to Invest in Key Drivers of Customer Success
- 5-Year Compounded Average Growth Rate (CAGR) by Segment
  - PSG +7.3%
  - CBG +0.2%
  - PCG +5.8%
- Impact by Category
  - Volume +LSD
  - Price +MSD
  - Net Acquisitions & Divestitures +LSD
  - Unfavorable FX -LSD



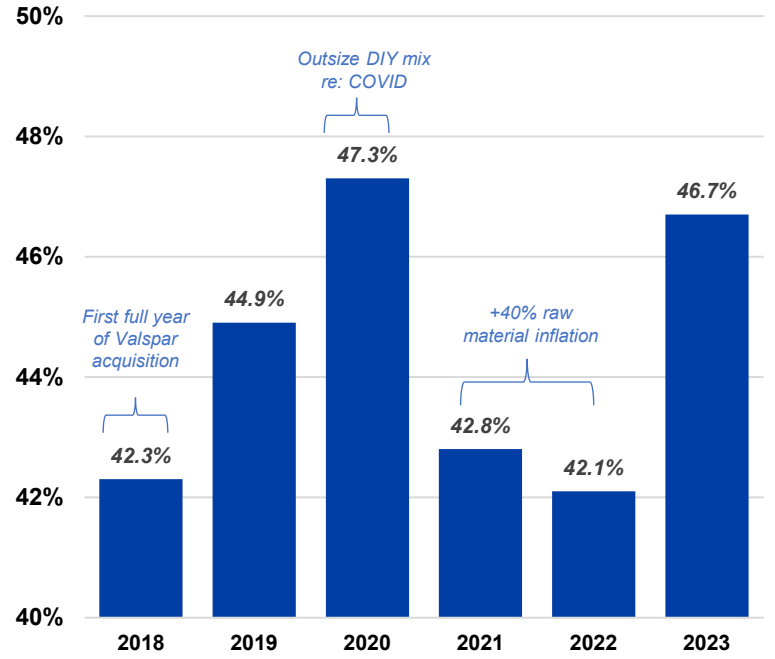
Consolidated Growth Expectations Mid-Single Digits Over Long-Term

LSD, MSD, HSD, DD = low, mid, high single digits and double digits, respectively

Gross Margin Expansion

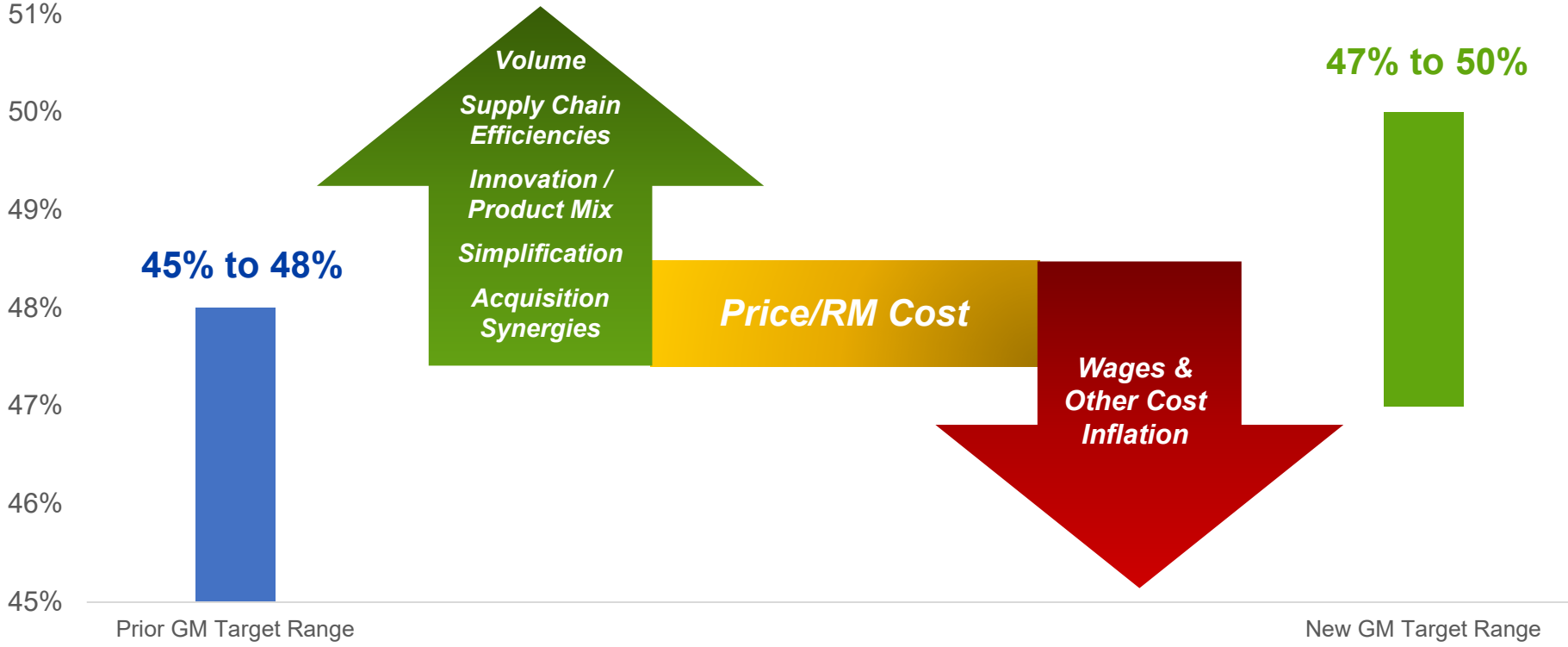
- We Win When Our Customers Win
- More Stable Demand Environment
- Offset Raw Material and Other Cost Inflation Through **Disciplined Pricing**
- Continued Focus on **Innovation** & **Improving Product Mix** to Drive Customer Productivity
- Continued **Investments** in Supply Chain **Resilience** & **Responsiveness**
- Gross Margin Expansion Allows **Accelerated Investments** in **Success** of Our **Customers**

Gross Margin Improvement Through Tough Cycle



Raising Current Target Range to 47% to 50%

Gross Margin Drivers

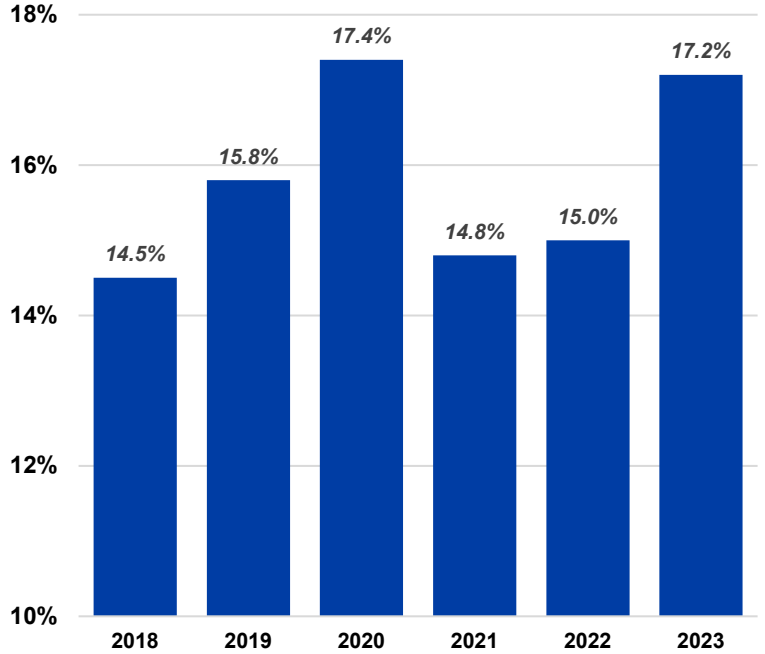


Operating Margin Levers

- Focused on Long-Term Operating Margin Expansion
- ***VOLUME! VOLUME! VOLUME!***
- Gross Margin **Outperformance** Provides Opportunity for **Heightened Growth Investments** to Drive **Future Volume** and Customer **Solutions**
- **Will Continue to Invest** in Long-Term Customer & Growth Initiatives – **All Focused** on Enhancing the **Success** of Our **Customers**
- **"G&A" Cost Control** While Investing in Modernizing Systems

Adjusted Operating Margin*

Improvement Over the Cycle Following Valspar Acquisition

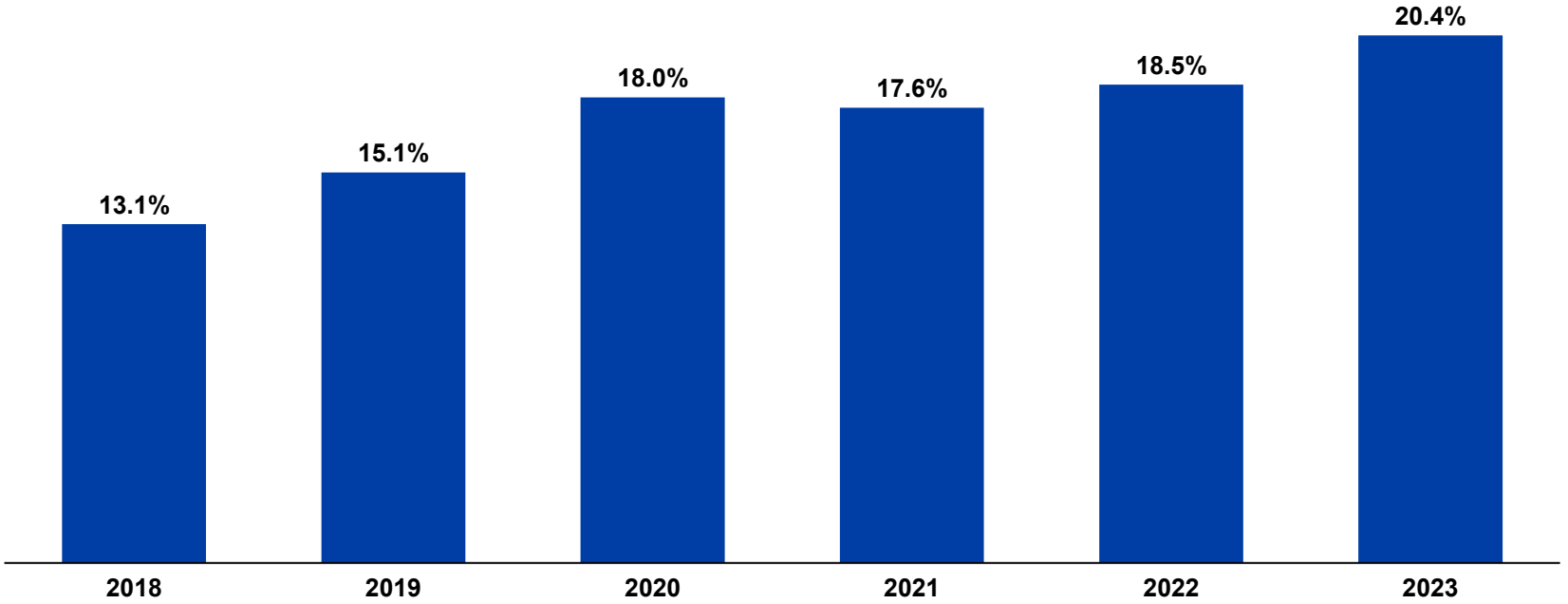


SHW has Multiple Levers to Drive Operating Margin Expansion

SHERWIN-WILLIAMS.

** Adjusted operating margin defined as Gross profit less Selling, general and administrative expenses, excluding Valspar acquisition-related amortization (and integration costs in 2018 and 2019 only) and other adjustments. See Appendix.*

Return on Net Assets Employed (PBT) %



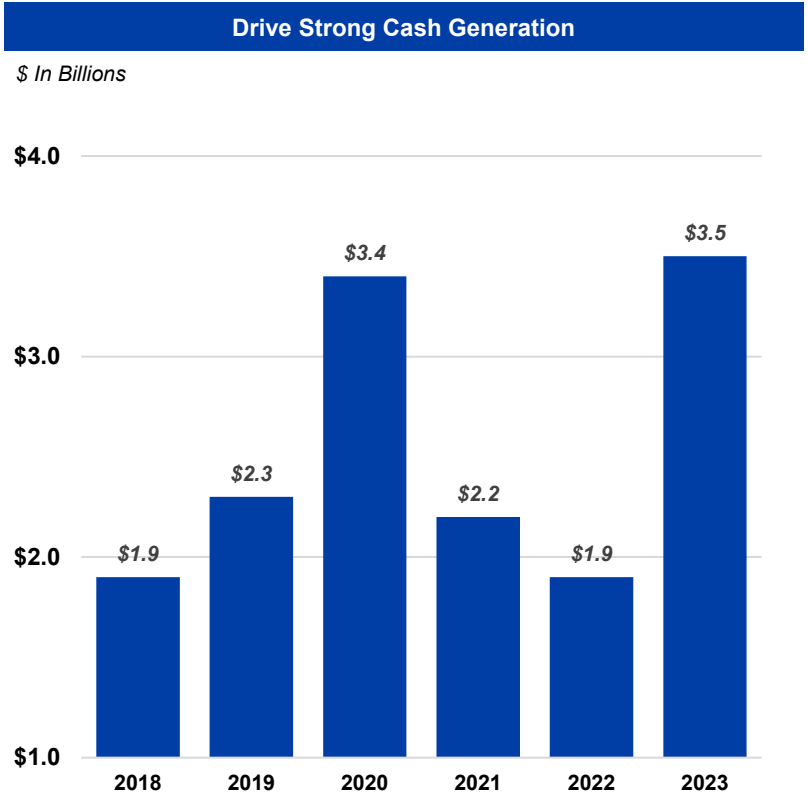
RONAE (PBT) Target Mid-20%

Note: Return on net assets employed (RONAE) is calculated as Profit before tax (PBT) excluding Valspar acquisition-related amortization (and integration costs in 2018 and 2019 only) and other adjustments, divided by average net assets employed.

The percentages within this slide are calculated using adjusted PBT. Refer to the annual earnings release for 2018 through 2023 for the reconciliation of PBT to adjusted PBT at investors.sherwin.com.

Net Operating Cash

- Strong Net Operating Cash Generation
- Working Capital Management Core Competency
- **Uses of Cash**
  - Capital Expenditures
  - Dividends
  - Strategic M&A
  - Opportunistic Share Repurchases
  - Manage Debt

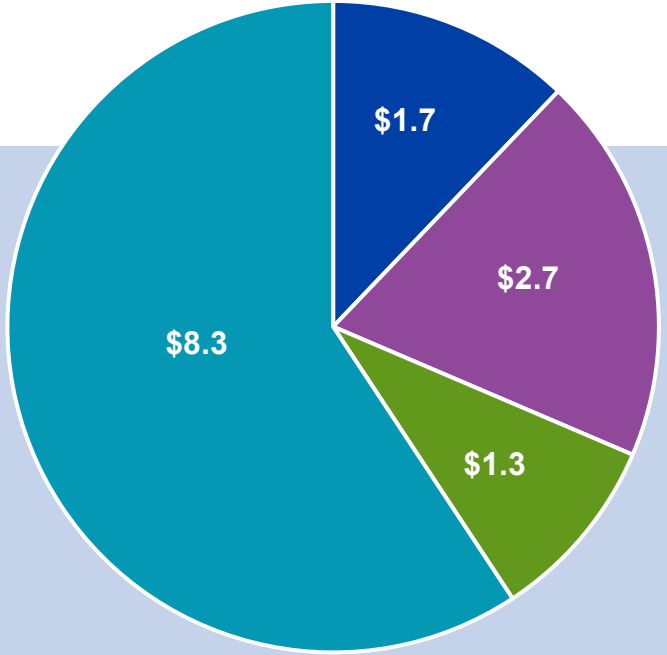


Increasing Target Steady State Free Cash Flow* of Greater Than 13% of Sales

**Free Cash Flow Defined as Net Operating Cash Less Capex*

Consolidated Net Operating Cash & Uses of Cash

- ***Capital Expenditures, Excluding Building Our Future Projects***
- ***Dividends***
- ***Acquisitions***
- ***Share Repurchases***



5-Year Net Operating Cash: ~ $13.4B

2019 - 2023

$ In Billions

Consistent Disciplined 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

45

Consecutive Years Of Increases

5-Year CAGR 16%

Strategic M&A

Clearly Defined Criteria

16

Transactions In Last Decade

Share Repurchase

Absent Strategic M&A

71.8

Million Shares Purchased In Last Decade

At $159.14 avg price per share

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

Share and per share information for years prior to 2021 is adjusted for the 3-for-1 stock split effective March 31, 2021.

Midterm Financial Targets

Sales

+MSD Over Cycle

PSG: +MSD to +HSD
CBG: +LSD
PCG: +MSD

Gross Margin

47% to 50%

New Goal

EBITDA Margin

20% to 24%

New Goal

Working Capital

11.0% to 11.5%

as a % to Sales

Net Operating Cash

14% to 15%

as a % to Sales
New Goal

Leverage Ratio

2.0x to 2.5x

Net debt to EBITDA

LSD, MSD, HSD, DD = low, mid, high single digits and double digits, respectively

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.

Managing & Investing through Volatility to Deliver Long-Term Outperformance

$ In Billions, except for EPS and Stock Price Data

Great Financial Crisis

	Macroeconomic Volatility			Outperformance		
	2008	2011	CAGR	2011	2016	CAGR
Sales	$8.0	$8.8	**3.2%**	$8.8	$11.9	**6.2%**
Net Op Cash	$0.9	$0.7	**-5.7%**	$0.7	$1.3	**12.2%**
Adjusted EBITDA (1)	$0.9	$1.0	**0.7%**	$1.0	$2.0	**15.8%**
Adjusted EPS (1) (2)	$1.33	$1.38	**1.2%**	$1.38	$4.15	**24.6%**
EOY Stock Price (2)	$19.92	$29.76	**14.3%**	$29.76	$89.58	**24.7%**

Valspar Integration, COVID & Supply Chain Disruptions

Macroeconomic Volatility			Expected Outperformance		
2018	2023	CAGR	2023	2030	CAGR
$17.5	$23.1	**5.7%**	$23.1		
$1.9	$3.5	**12.6%**	$3.5		
$2.8	$4.2	**8.5%**	$4.2		
$6.18	$10.35	**10.9%**	$10.35		
$131.15	$311.90	**18.9%**	$311.90		

Confidence in Strategy and Strong Execution Provides Above Market Returns

Note: Valspar acquisition closed June 30, 2017. 2018 was first full year of Valspar.
(1) There were no adjustments to EBITDA or EPS for 2008 and 2011. Refer to the annual earnings release for 2016, 2018 and 2023 for the reconciliation of EBITDA and EPS to adjusted EBITDA and adjusted EPS at investors.sherwin.com.
(2) Share and per share information for years prior to 2021 is adjusted for the 3-for-1 stock split effective March 31, 2021.

Creating Shareholder Value



DRIVE
GROWTH

DRIVE
ROS

DRIVE
RONAE

DRIVE
CASH GENERATION



SHERWIN-WILLIAMS®

Appendix

Regulation G Reconciliation: Adjusted Operating Profit

($ in millions)	2018	2019	2020	2021	2022	2023
Operating profit [1]	$ 2,066.7	$ 2,448.4	$ 2,891.3	$ 2,660.7	$ 2,993.5	$ 3,692.7
Valspar acquisition-related amortization	326.7	307.5	304.5	294.0	276.3	266.1
Valspar acquisition-related integration costs	150.6	70.5	-	-	-	-
Brazil indirect tax credit	-	(1.5)	-	-	-	-
Restructuring expense	-	-	-	-	46.9	15.3
Adjusted operating profit	$ 2,544.0	$ 2,824.9	$ 3,195.8	$ 2,954.7	$ 3,316.7	$ 3,974.1
Adjusted operating margin	14.5%	15.8%	17.4%	14.8%	15.0%	17.2%
Net external sales for operating margin calculation	$ 17,534.5	$ 17,900.8	$ 18,361.7	$ 19,944.6	$ 22,148.9	$ 23,051.9

(1) Operating profit is defined as Gross profit less Selling, general and administrative expenses.



SHERWIN-WILLIAMS®

2024 Financial Community Presentation