Industry Overview

BOB WELLS

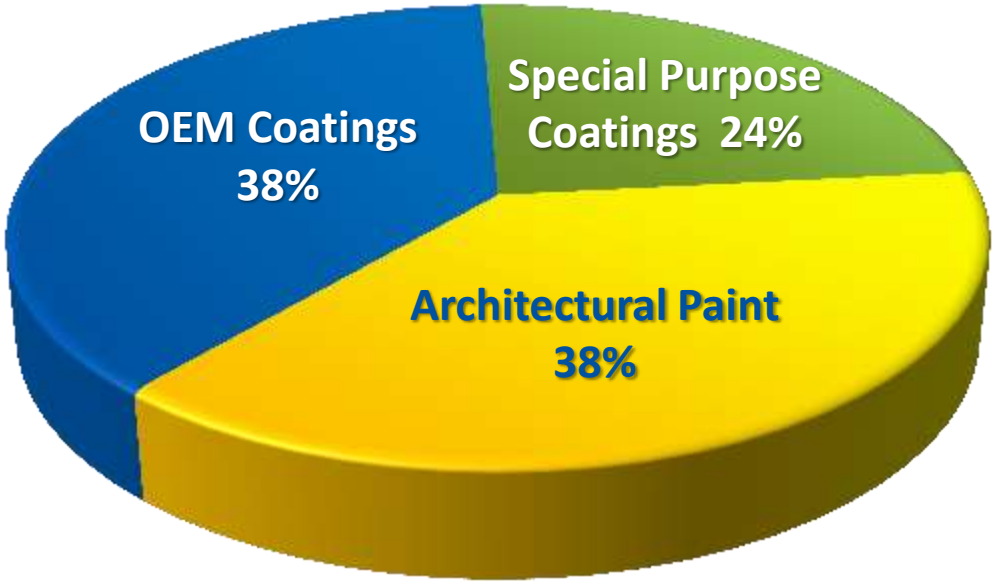
Senior Vice President,

Corporate Communications & Public Affairs

SHERWIN-WILLIAMS.

2015 Coatings Industry

Global Mix by Category (Based on $)



Total Coatings

2015

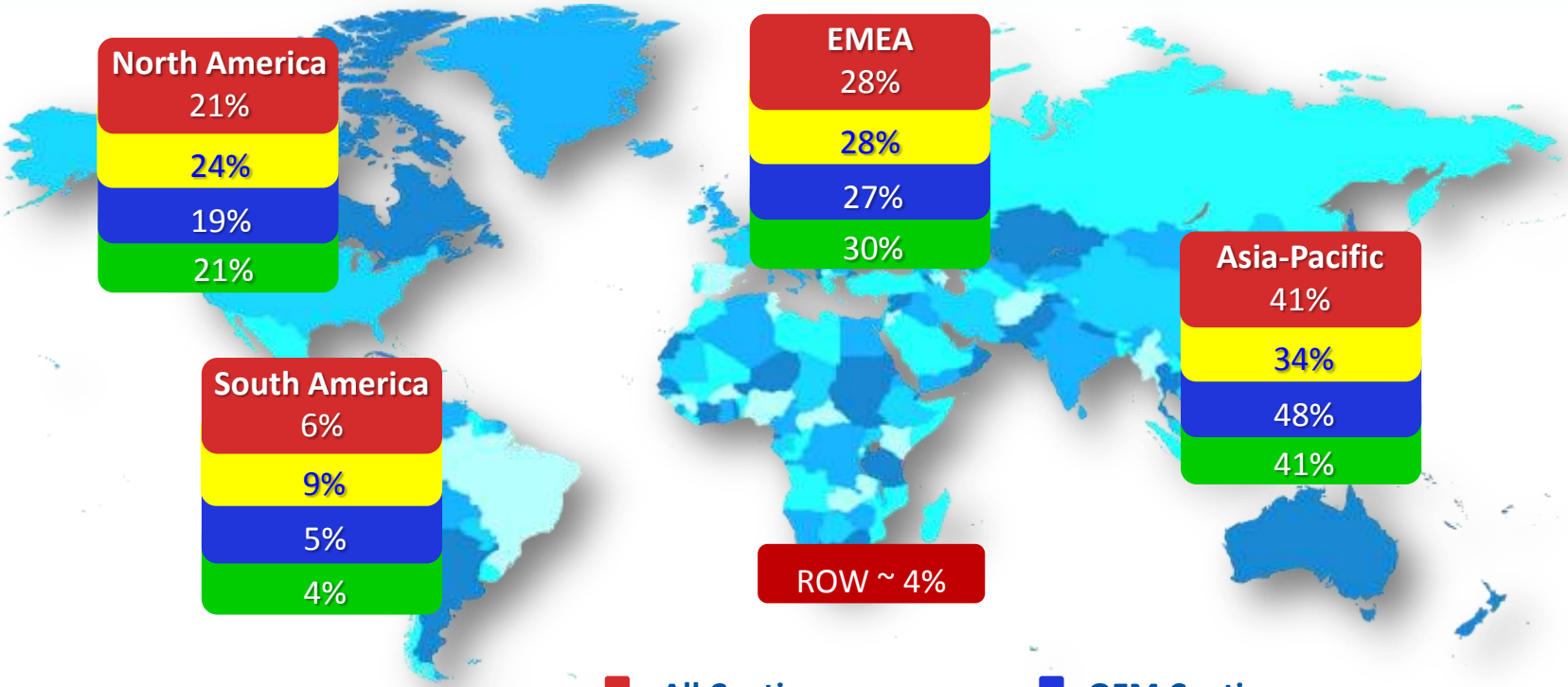
~9.0 Billion Gallons (+4.0%)

~132.6 Billion Dollars (+4.4%)

Source: KNG, Company Estimates

Coatings Demand by Region

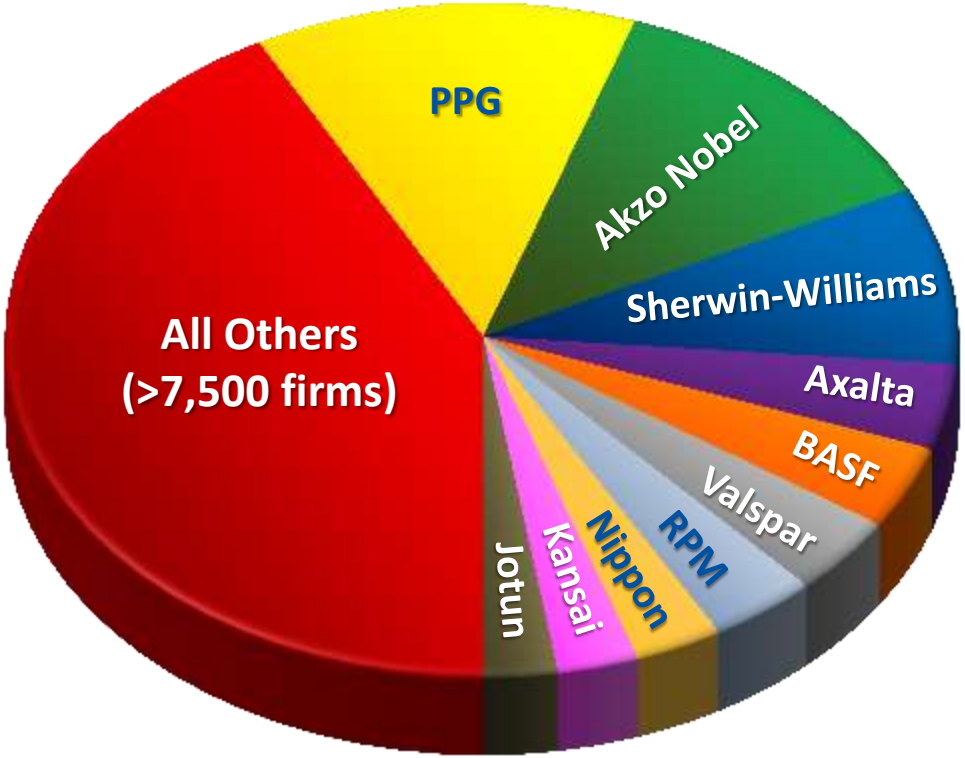
Geographic Split of Global Revenue



Source: KNG, Company Estimates

Coatings Industry

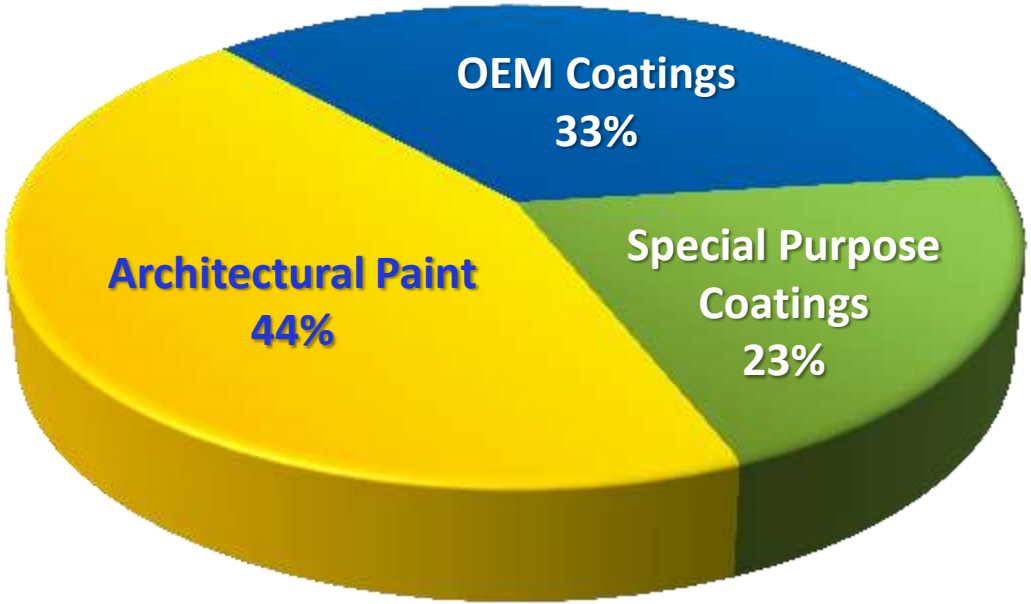
Top Global Manufacturers - 2015



Source: Company Estimates

U.S. Coatings Industry

Sales ($) Mix by Category



Total Coatings

2015

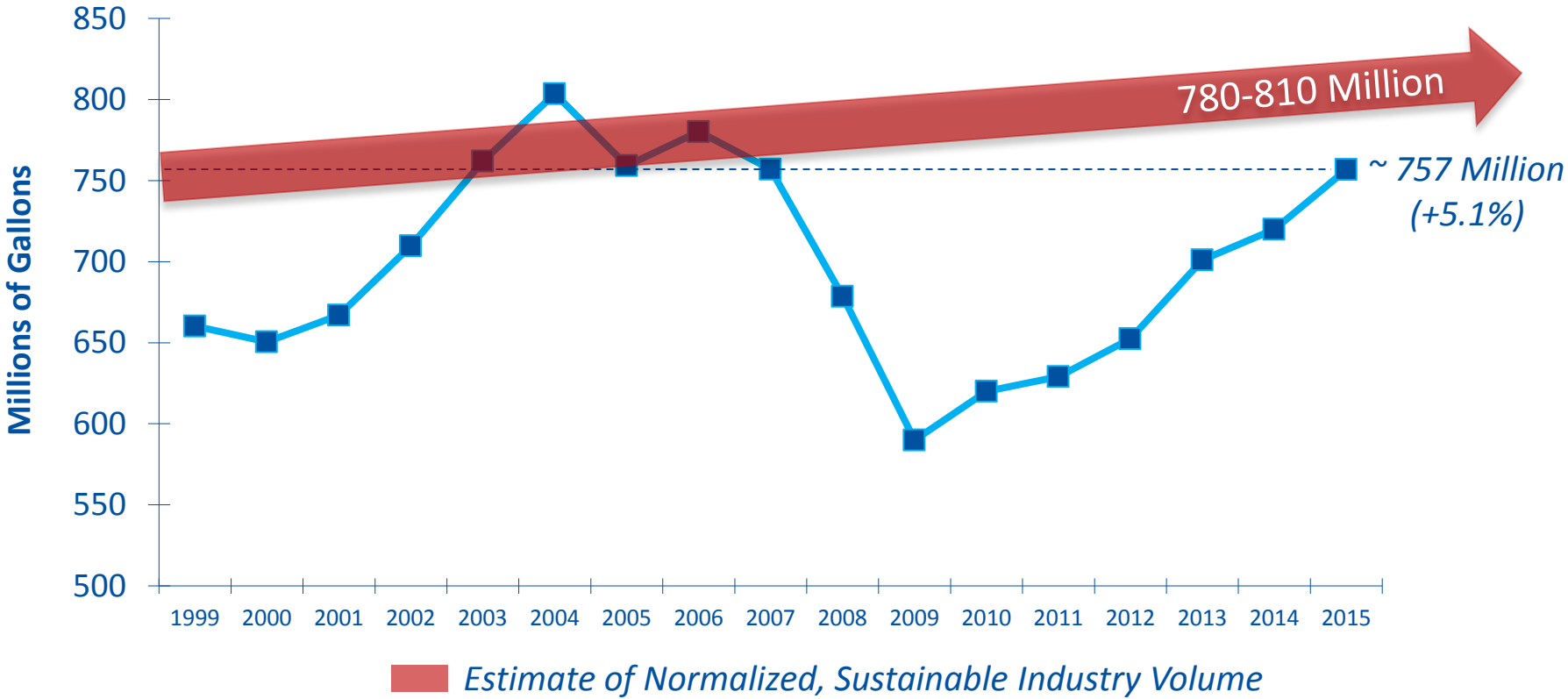
~1.45 Billion Gallons (+4%)

~27.8 Billion Dollars (+4%)

Source: KNG, Company Estimates

U.S. Coatings Industry

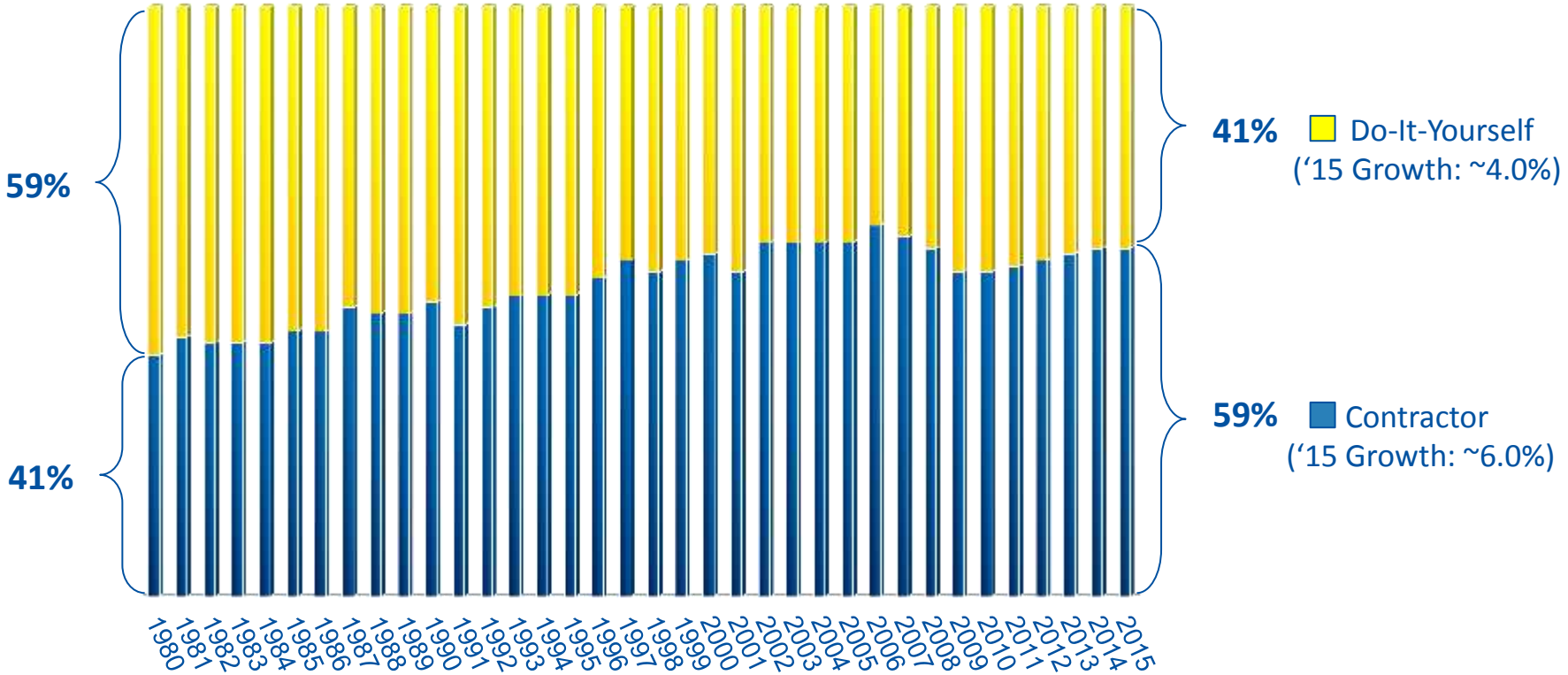
Architectural Coatings Gallons (Millions)



Source: ACA 2015, Company Estimates

Favorable Customer Mix

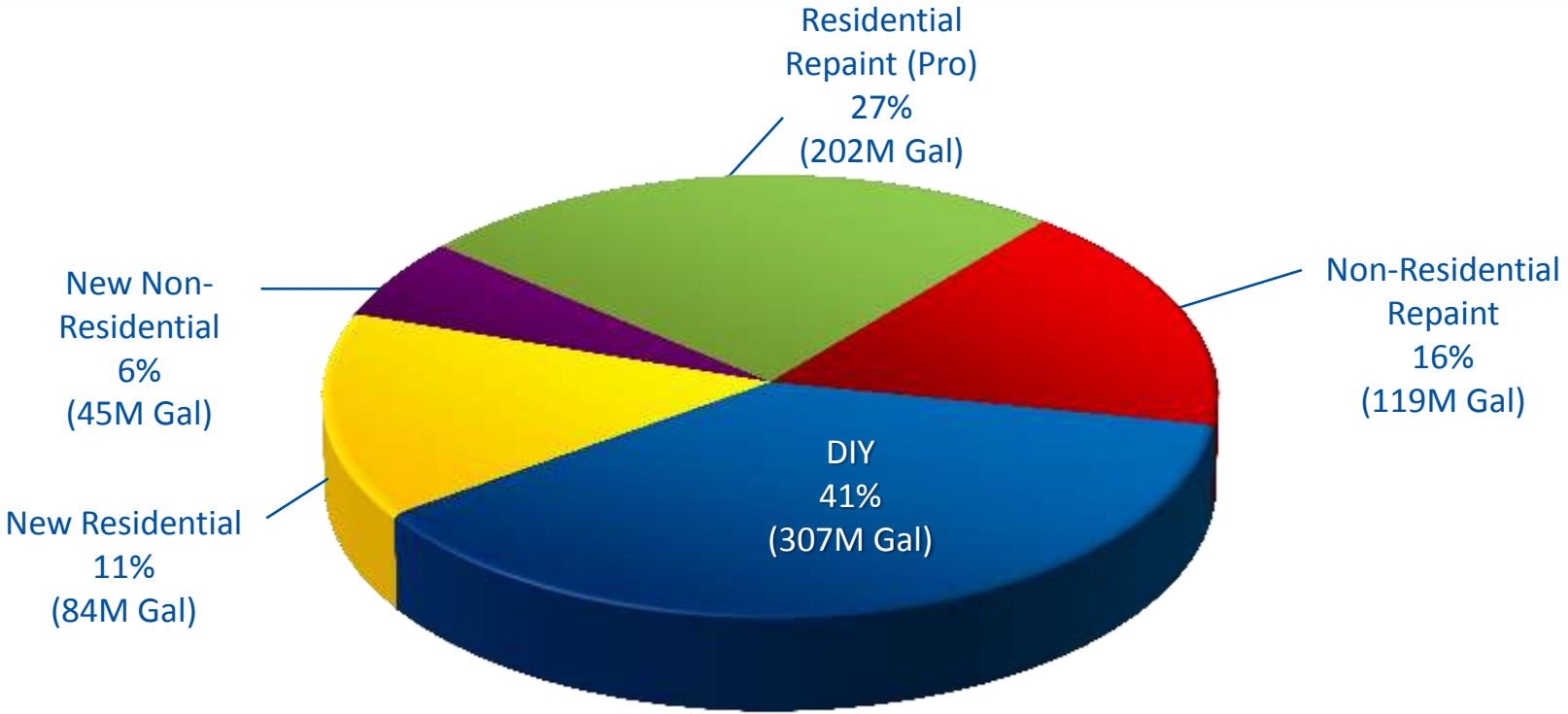
DIY → Contractor Shift Will Continue



Source: USDOC, Company Estimates

U.S. Architectural Paint Market

Breakdown by Segment (Current)



757 Million Gallons

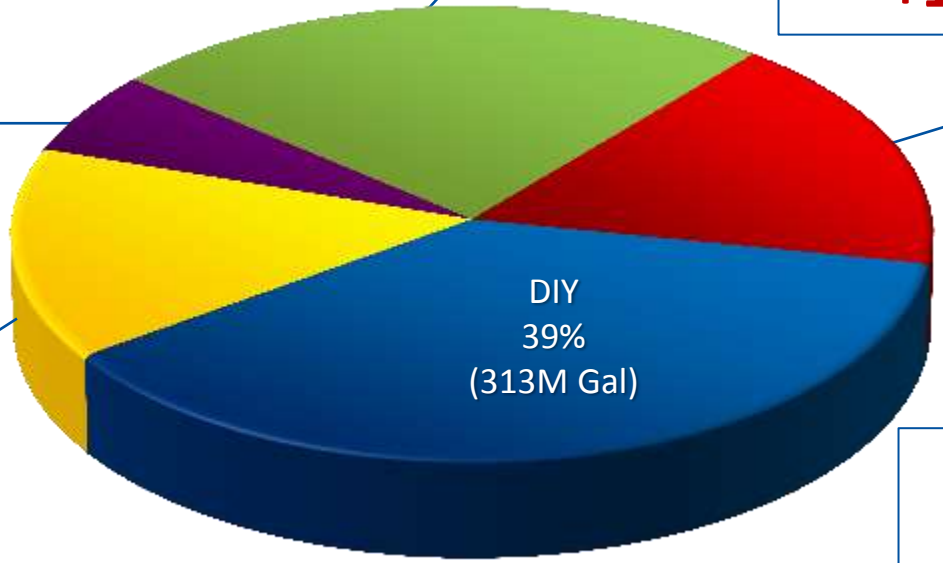
Source: Company Estimates

U.S. Architectural Paint Market

Breakdown by Segment (High Normal)

New Build
+32M

Repaint (Pro)
+17M



Repaint (DIY)
+6M

810 Million Gallons

Source: Company Estimates

Demand Outlook

FY 2015 vs 1Q 2016

- Architectural Paint (Domestic)
- OEM Product Finishes
- Automotive Finishes
- Protective & Marine



Positive



Neutral



Negative

U.S. Architectural Paint

Domestic Economic Backdrop



	FY-2015	1Q 2016
GDP Growth	↑	→
Consumer Confidence	↑	→
Household Formation	↑	→
Home Ownership Rate	↓	↓

U.S. Architectural Paint

Residential Market - New



	FY-2015	1Q 2016
New Home Sales	↑	↑
New Home Inventory	↑	↑
Permits	↑	↑
Starts	↑	↑

U.S. Architectural Paint

Residential Market - Repaint



	FY-2015	1Q 2016
Existing Home Sales	↑	↑
Existing Home Inventory	↓	↓
Pending Home Sales	↑	↑
Home Equity	↑	↑

U.S. Architectural Paint

Non-Residential Market



	FY-2015	1Q 2016
Occupancy	↑	↑
Contracts (Sq. Ft.)	↓	↓
Contracts (Value)	↓	↓
Starts	↑	↑

Source: Dodge Construction Potentials, Construction Market Data

Latin America Architectural Paint

Residential Indicators



	FY-2015	1Q 2016
Brazil	↓	→
Mexico	↓	→
Colombia	↑	↓
Argentina	→	↓

Industrial Coatings

OEM Product Finishes



	FY-2015	1Q 2016
U.S./Canada	↑	→
Latin America	→	↓
Europe	→	→
Asia/Pacific	↑	→

Industrial Coatings

Automotive Finishes (CR/VR)



	FY-2015	1Q 2016
U.S./Canada	↑	↑
Latin America	↓	↓
Europe	N/A	N/A
Asia/Pacific	→	→

Industrial Coatings

Protective & Marine



	FY-2015	1Q 2016
U.S./Canada	↓	↑
Latin America	↓	↓
Europe	↓	→
Asia/Pacific	↓	→

Company Overview

JOHN MORIKIS

President & Chief Executive Officer

SHERWIN-WILLIAMS.

Why SHW?

- Market Leading Competitive Strengths
  - Controlled Distribution
  - Pricing Discipline
  - Brand Power
  - Technology Leadership
- Strong Financial Position
- Clear Strategy For Global Growth
- Track Record of Generating Attractive Returns for Shareholders
- Experienced Management Team and Strong Talent Supply Chain

Company Overview

Financial Highlights (Non-GAAP)

	2013	2014	2015	'13-'14 % Chg.	'14-'15 % Chg.
Net Sales	$10.19B	$11.13B	$11.34B	+9.3%	+1.9%
EBITDA	$1,336M	$1,521M	$1,809M	+13.8%	+18.9%
Net Income % Sales	$753M 7.4%	$866M 7.8%	$1,053M 9.3%	+15.1%	+21.7%
Earnings Per Share	$7.26	$8.78	$11.16	+20.8%	+27.1%
Net Operating Cash	$1,084M	$1,082M	$1,447M	----	+33.8%
Dividends Per Share	$2.00	$2.20	$2.68	+10.0%	+21.8%
Return on Assets	11.8%	15.2%	18.2%		
Return on Equity	42.0%	48.8%	105.8%		

Company Overview

Financial Highlights 1Q-16 vs 1Q-15

		GAAP		Non-GAAP	
	1Q-15	**1Q-16**	**% Chg.**	**1Q-16**	**% Chg.**
Net Sales	$2.45B	$2.57B	5.1%	$2.57B	5.1%
EBITDA	$255.0M	$290.8	14.0%	$322.0M	26.3%
Net Income % Sales	$131.4M 5.4%	$147.1M 5.7%	12.0%	$169.7M 6.6%	29.1%
Earnings Per Share	$1.38	$1.57	13.8%	$1.81	31.2%

Reportable Segments

The Americas Group

Paint Stores Group



Latin America Coatings Group



Consumer Group

Diversified Brands



Global Supply Chain



Global Finishes Group

Protective & Marine



Automotive Finishes

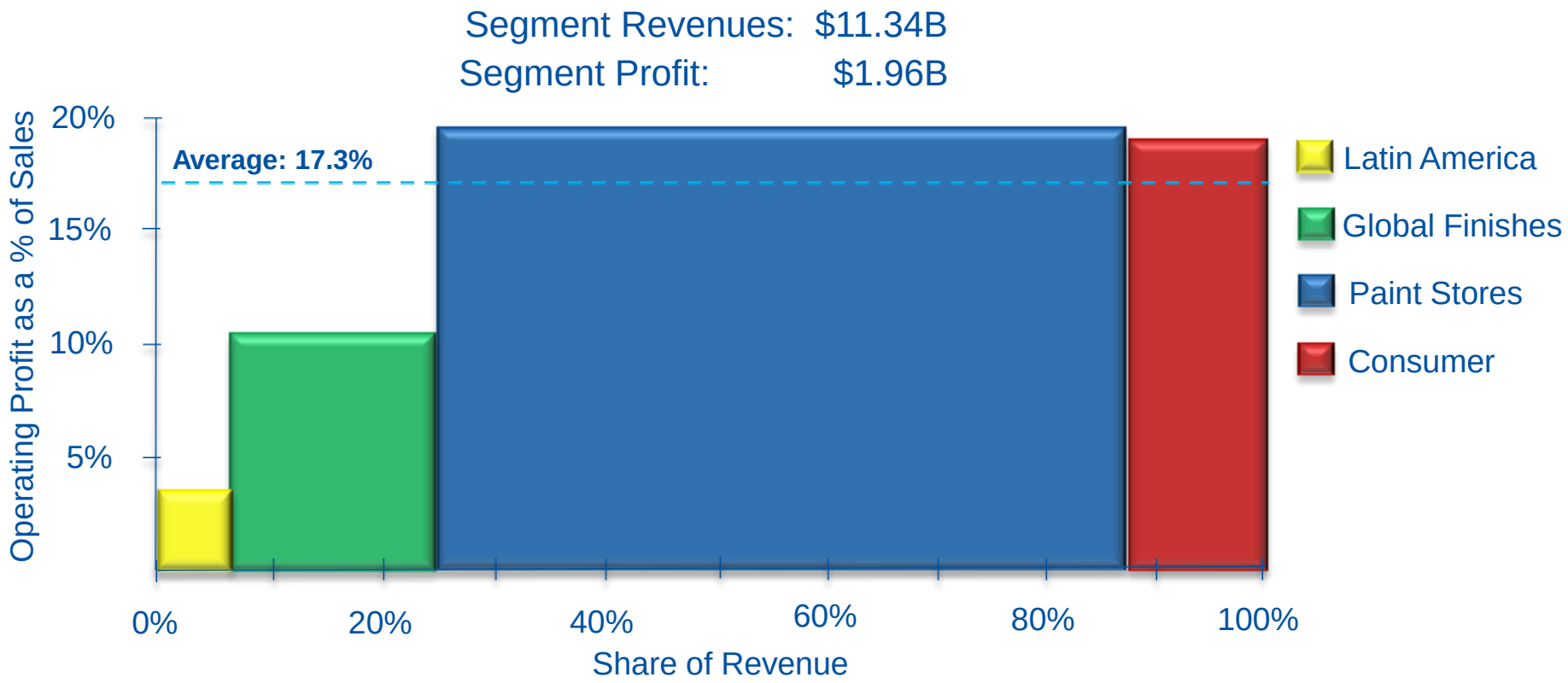


Product Finishes



Company Overview

Revenue & Profit by Segment - 2015



Note: Excludes Administrative Segment

Controlled Distribution

Controlled Distribution Accounts for ~75% of Consolidated Sales



Paint Stores



Automotive Finishes



Latin America



Product Finishes

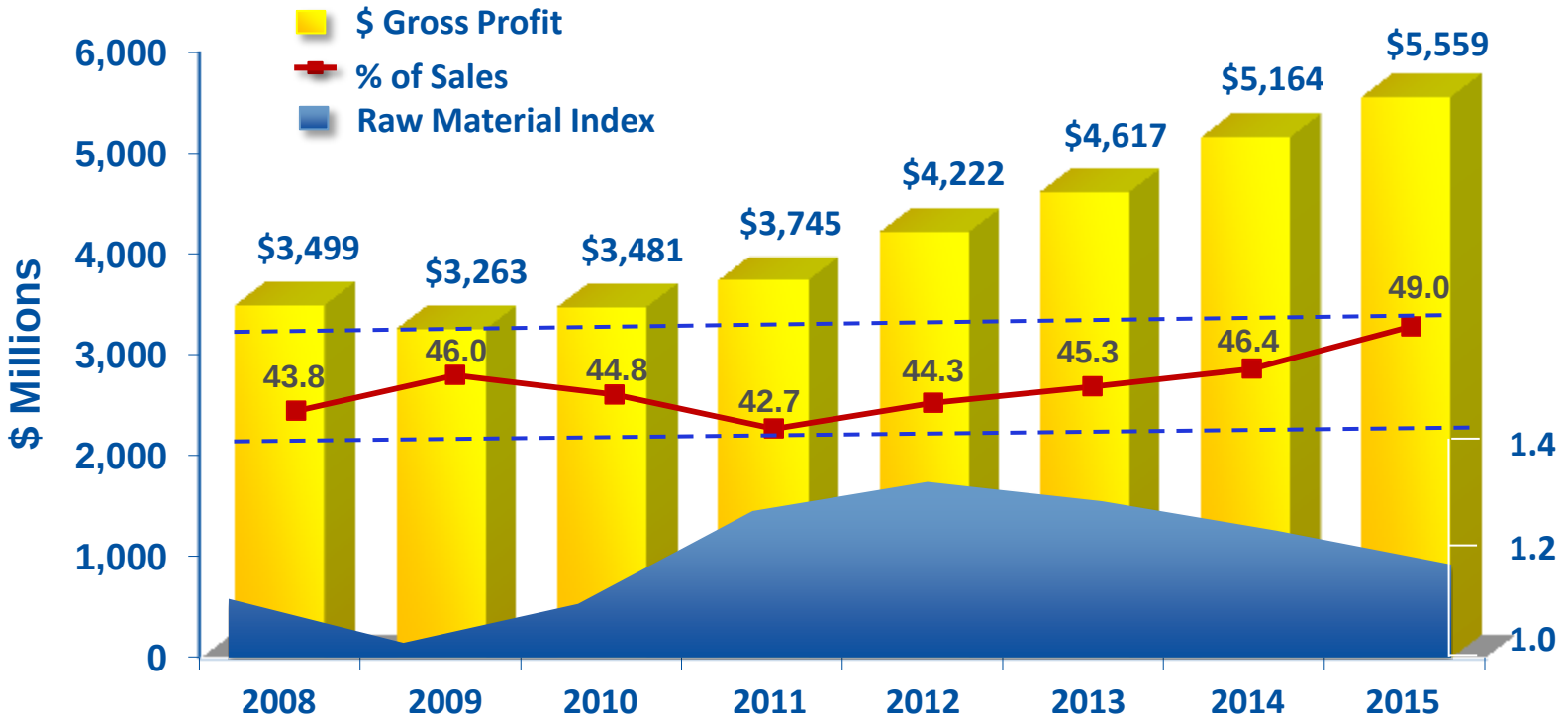
Controlled Distribution

Advantages

- Direct Relationship with Customer / End-User
- Control Over Brands, Pricing, Inventory, Staffing
- Control Pace and Place of Growth



Pricing Discipline



Brand Equity

Leading U.S. Brand Awareness

SHERWIN-WILLIAMS.

SHERWIN-WILLIAMS. **Architectural Paint Brand**

Stain & Protective Finish Brand MINWAX

KRYLON **Aerosol Paint Brand Awareness**

Auto Specialty Paint Brand Dupli-Color®

Purdy **Painting Tool Brand**

Wood Sealer Brand Thompson's WaterSeal

Brand Marketing

Strategic Brand Development & Extension



Open/Expand New Distribution



Capitalize on Current Distribution Platform



Extend Product Categories



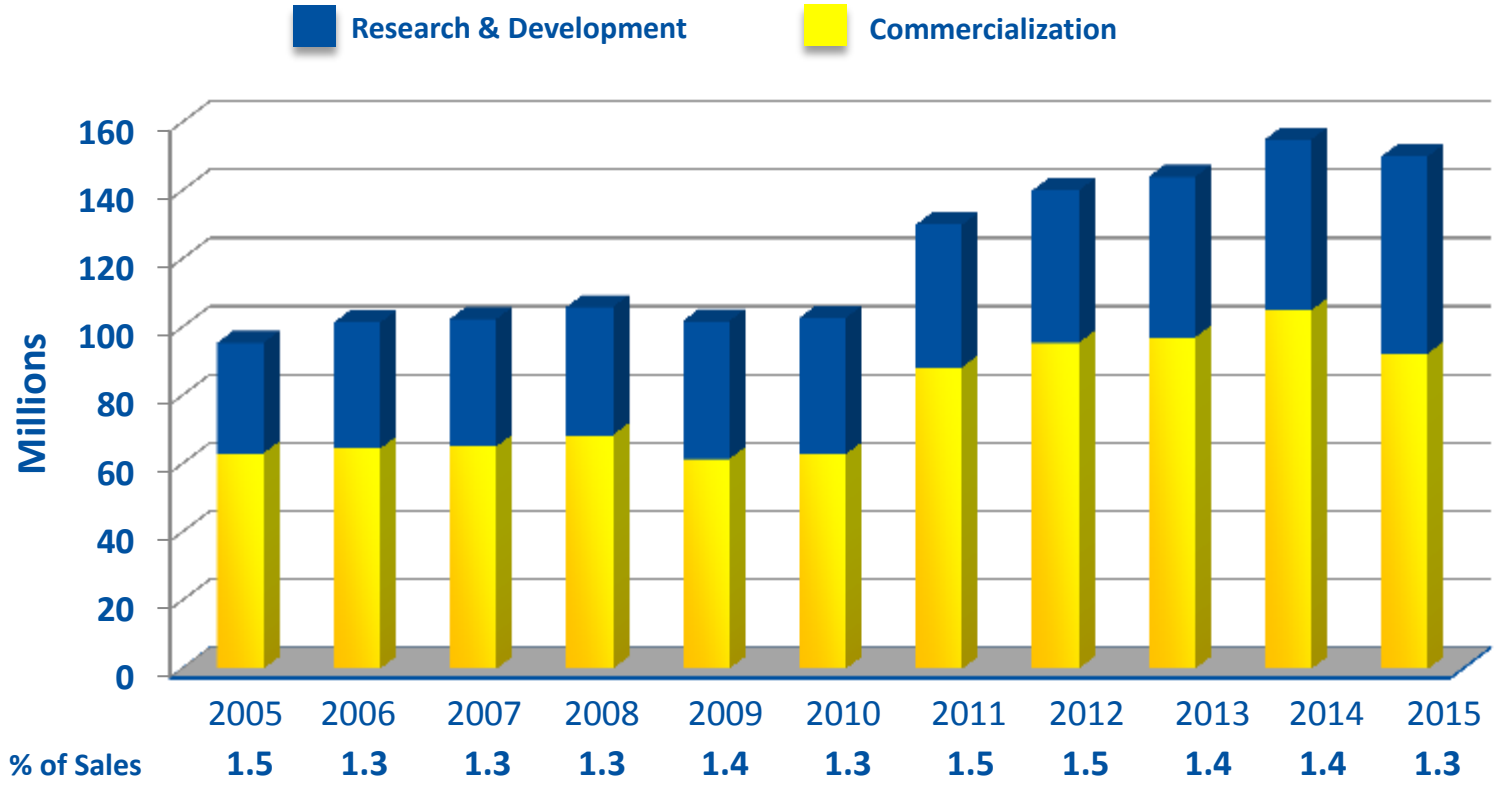
Achieve Better Brand Alignment in Latin America



Customer Relationship Branding

Leading Technology

Total Technical Expenditures



Opportunity Territories



Opportunity Territories

Maintenance & Durability



Opportunity Territories

The Painting Process



Opportunity Territories

Custom Solutions



Opportunity Territories

Customer Connectivity



Opportunity Territories

Visual Appearance & Visualization



Opportunity Territories

Sustainability



People Development

Talent Supply Chain







In 2015 We…

- Hired More Than 1,400 Management Trainees Company Wide
- Retained More Than 91% of Our Global Workforce
- Filled More Than 93% of Openings Internally

Why VAL?

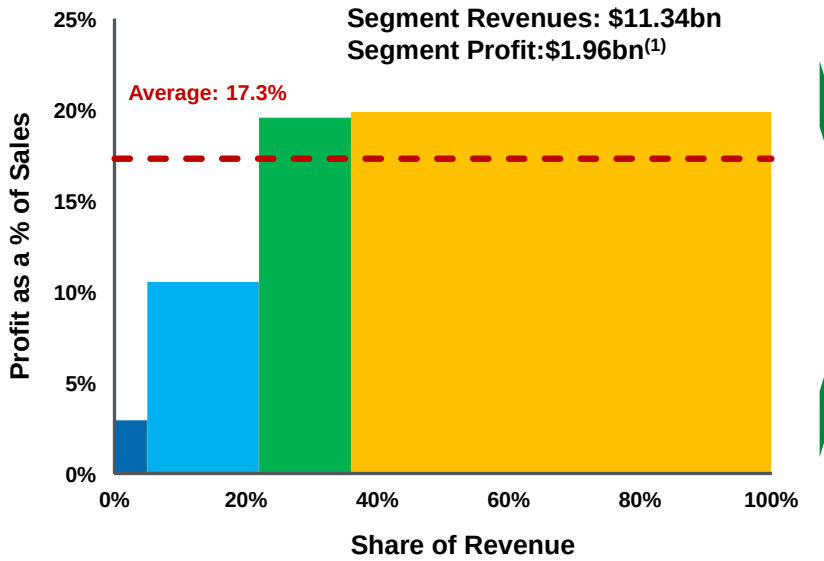
Sherwin-Williams: New Businesses and Opportunities	▪ Significantly Expands Position in Asia-Pacific and EMEA ▪ Extends Capability Set Into Packaging and Coil With Leadership Positions ▪ Provides Scale Platform to Enable Growth in Asia-Pacific
Customers: More Products More Places	▪ Broadens Product Offerings With Well-Known Brands and High-Quality Products ▪ Improves Technology Capabilities to Accelerate Product Innovation ▪ Expands Geographic Footprint ▪ Provides Benefit of Cost Reduction and Synergies
Shareholders: Compelling Financial Benefits	▪ Annual Cost Synergies of $280 Million, Expected to be Achieved by 2018 ▪ Anticipated to be Immediately Accretive to Earnings (Excluding One-Time Costs) ▪ Utilizes Balance Sheet and Low Cost of Capital to Enhance Top Line and Earnings Growth Profile ▪ Meaningfully Enhances Cash Flow Generation Profile

Enhanced Scale

A More Balanced Global Coatings Company

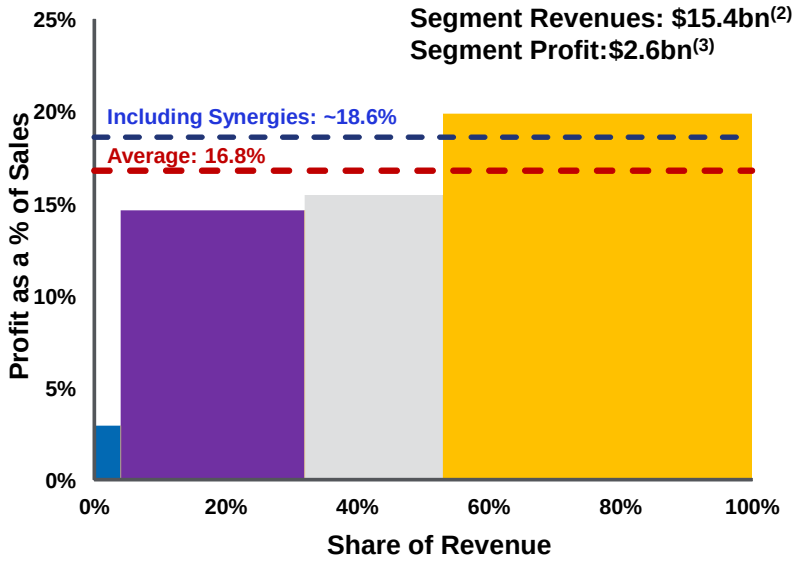
Sherwin-Williams Today

(CY 2015 Revenue & Profit by Segment)



Sherwin-Williams with Valspar

(CY 2015 Pro Forma Revenue & Profit by Segment)



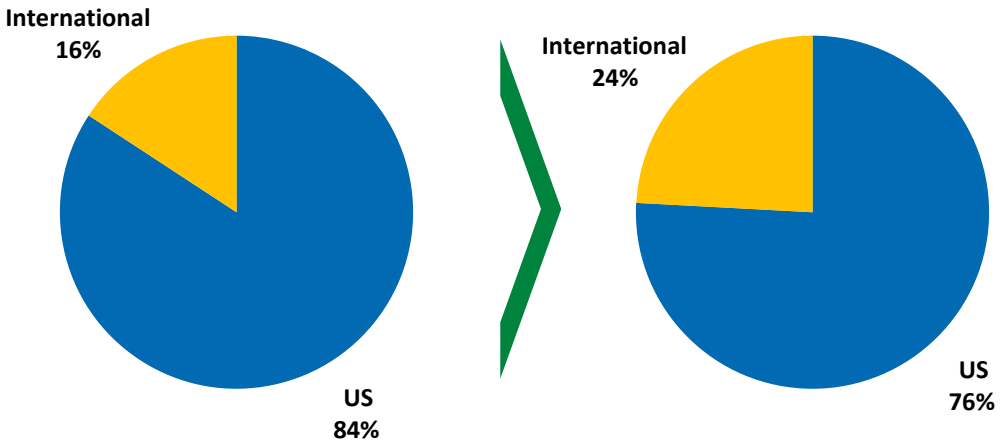
Latin America | Global Finishes | Consumer | Global Finishes + Valspar Coatings | Consumer + Valspar Paints | Paint Stores

(1) Excludes administrative costs of $414 million.
(2) Excludes Other and Administrative segment from Valspar.
(3) Excludes administrative costs of $414 million from Sherwin-Williams and Other and Administrative segment from Valspar.

Enhances Coverage

Alignment with Global Demand

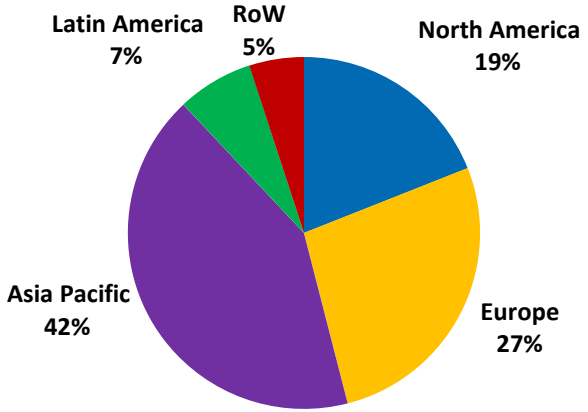
Sherwin-Williams Revenue by Geography



2015: $11.3bn

Pro Forma 2015: $15.6bn

Paints and Coatings Demand by Geography



Sales: $120bn

Exceptional Combination of Brands and Innovative Technologies

SHERWIN-WILLIAMS.

Proven Global Brand Portfolio

valspar paint · Cabot · 华润涂料 Huarun · USC · SOLVER · valspar REFINISH · PROSPRAY · wattyl

SHERWIN WILLIAMS. · KRYLON · PRATT & LAMBERT PAINTS · MINWAX · Thompson's WaterSeal · Purdy

Innovative Technologies

Valspar

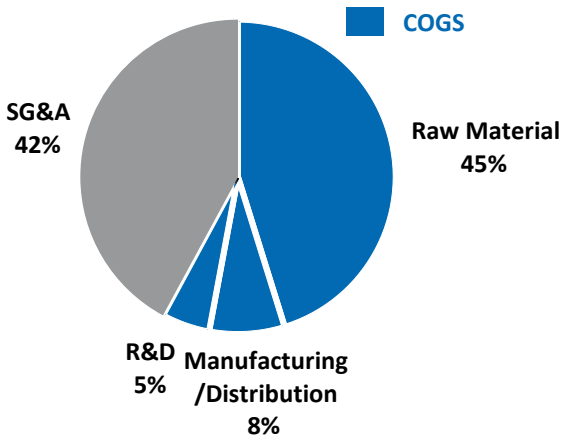
- Resin Technology and Internal Manufacturing
- 49 Non-BPA Patent Portfolio
- Hydrochroma Zero VOC Color Dispersion
- AquaGuard Water-Based Coatings
- Valde Low-Temp Fast Cure Resin Technology

Sherwin-Williams

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

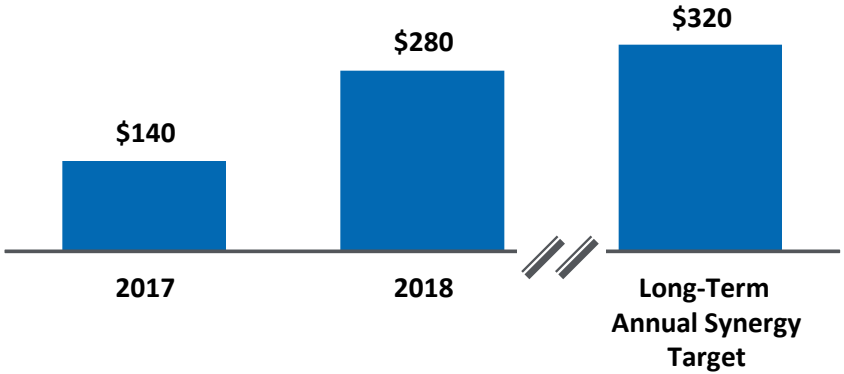
Clearly Defined & Meaningful Cost Synergies

$280 Million of Identified Synergies…



- Clear Path to Realize Identified Savings
- Integration Strategy in Process

…Expected To Be Realized by 2018



- Expect to Incur Significant Majority of Costs to Achieve in Two Years

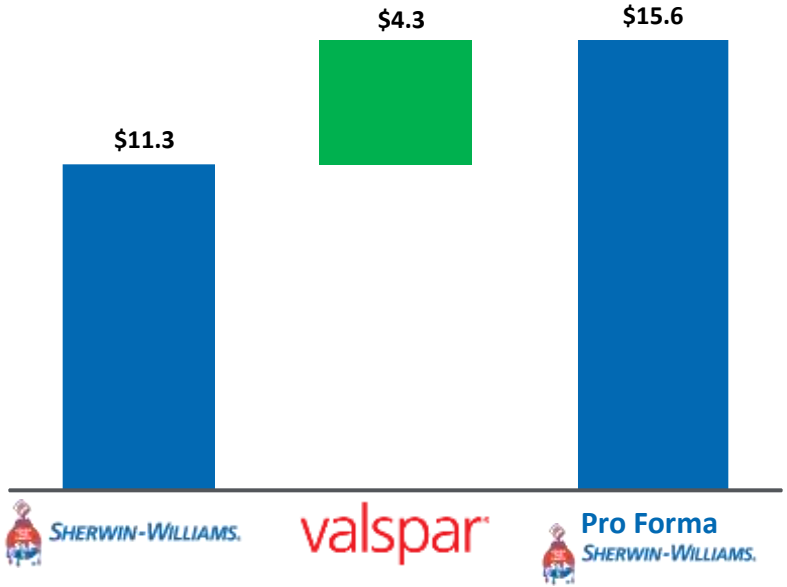
Sherwin-Williams has Successfully Acquired and Integrated 21 Businesses in the Last 10 Years

Transaction Creates Significant Value

Immediately Accretive to Earnings (Excluding One-Time Costs)

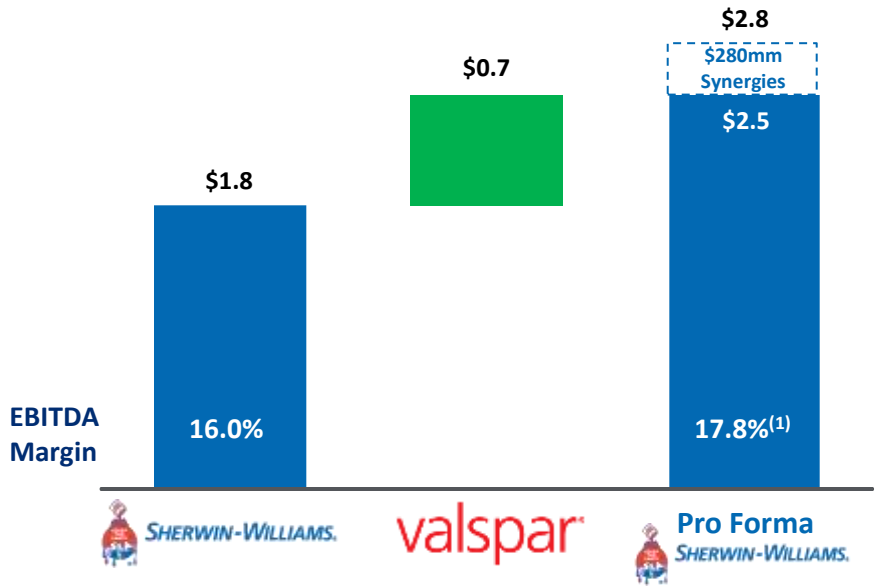
Pro Forma Revenues

(CY2015 Sales, $ in Billions)



Pro Forma EBITDA

(CY2015 EBITDA, $ in Billions)



(1) *Includes annual cost synergies of $280 million, expected to be achieved by 2018.*

Introductions…



Jay Davisson
President
The Americas Group



Cheri Phyfer
President & GM,
Diversified Brands
Consumer Group



Joel Baxter
President & GM,
Global Supply Chain
Consumer Group



David Sewell
President
Global Finishes Group

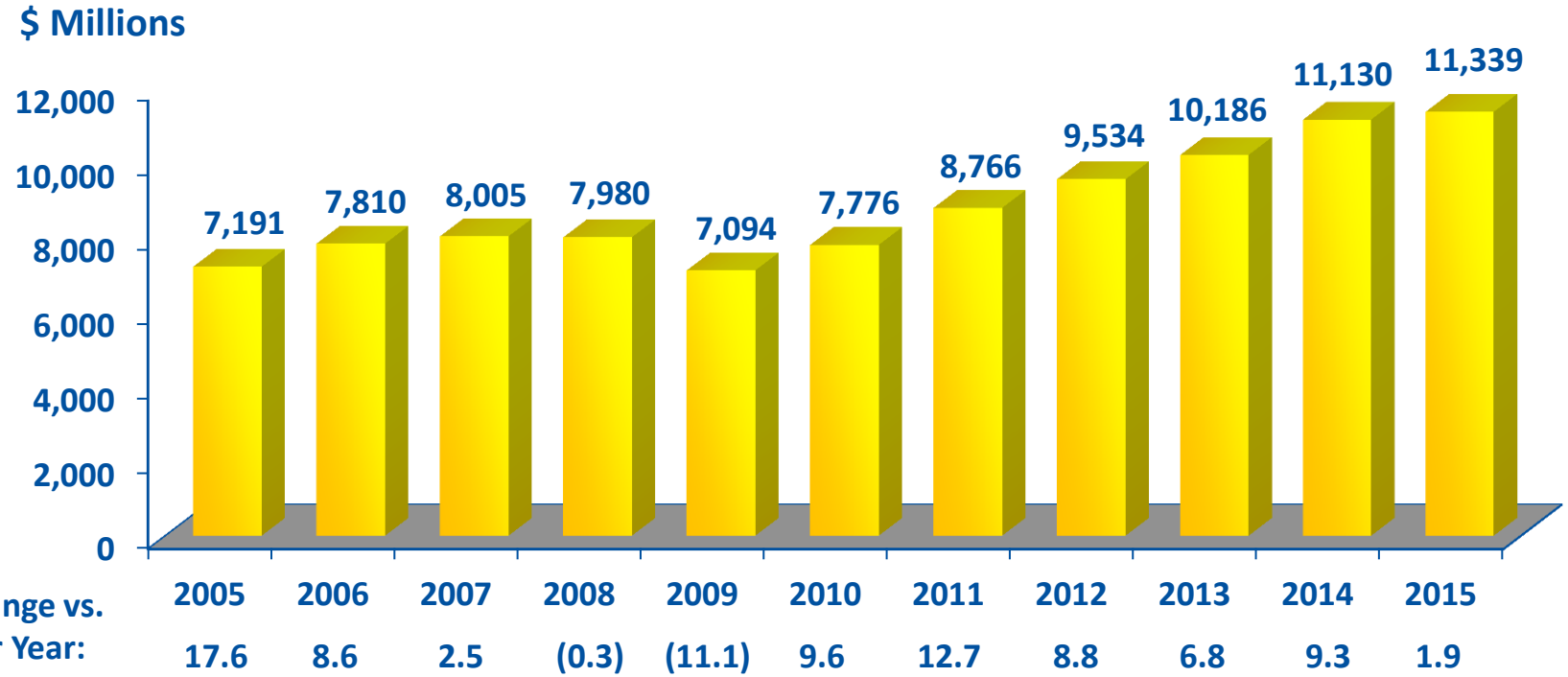
Financial Overview

SEAN HENNESSY

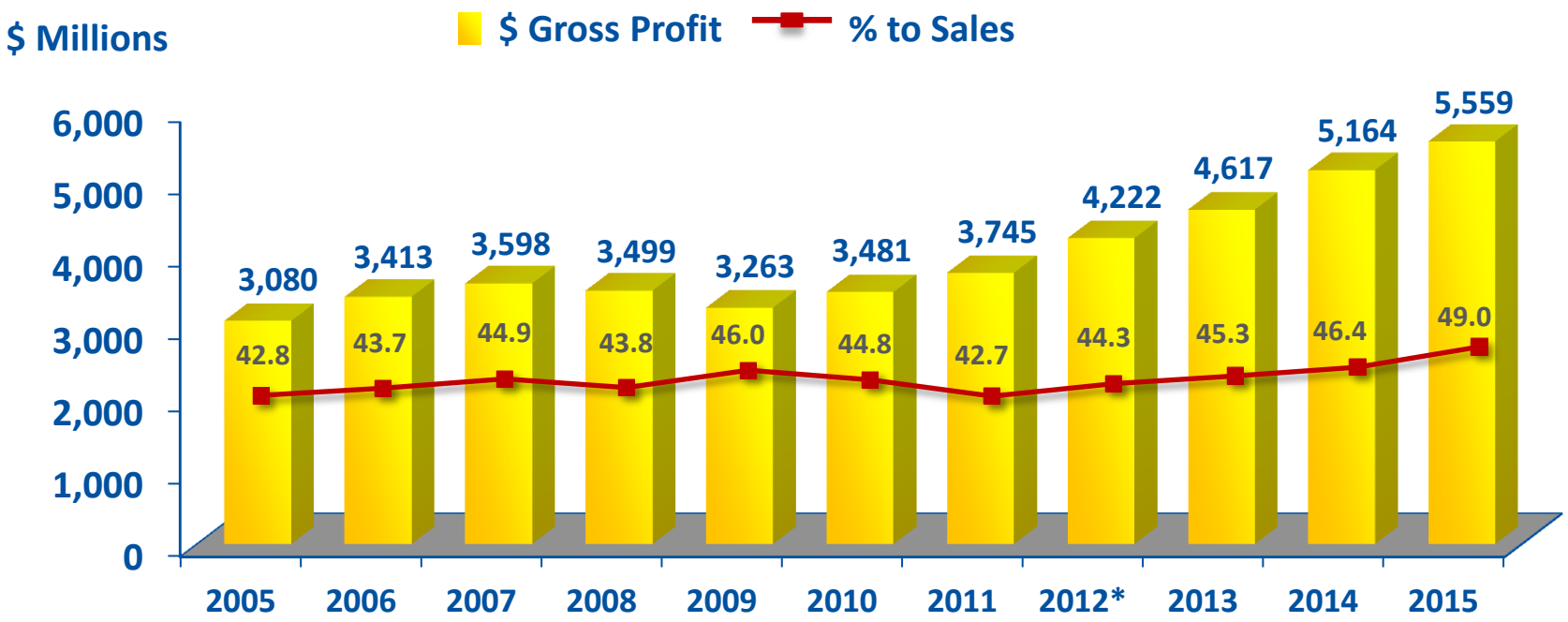
Senior Vice President
Finance & Chief Financial Officer

SHERWIN-WILLIAMS.

Consolidated Sales

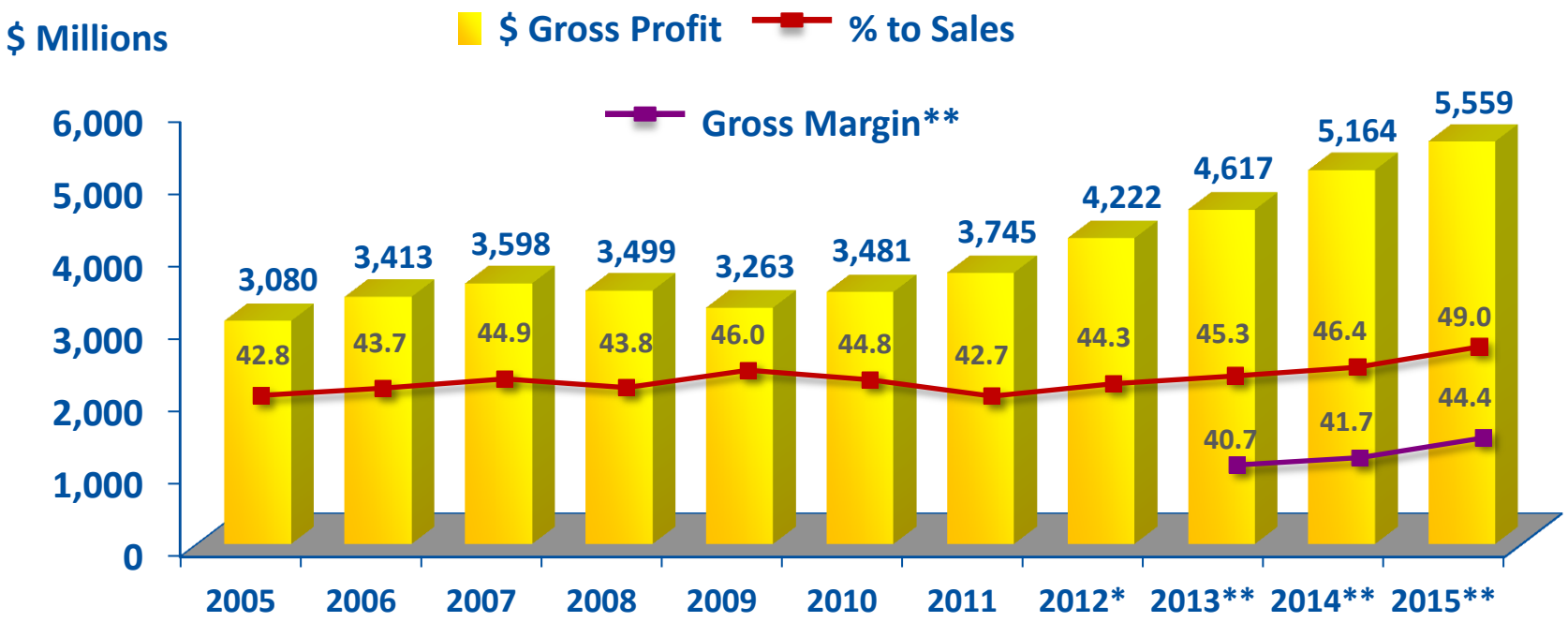


Consolidated Gross Profit



** Excludes DOL Settlement*

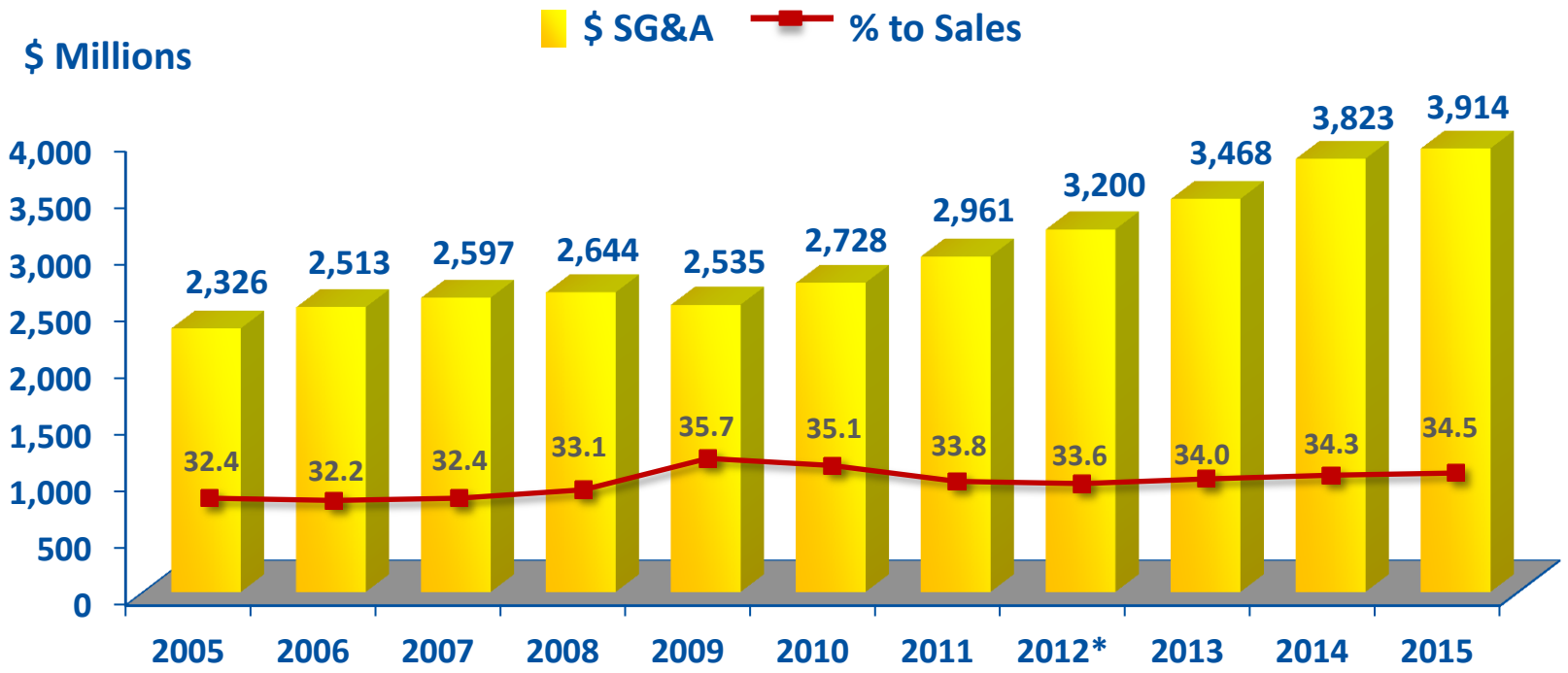
Consolidated Gross Profit



** Excludes DOL Settlement*

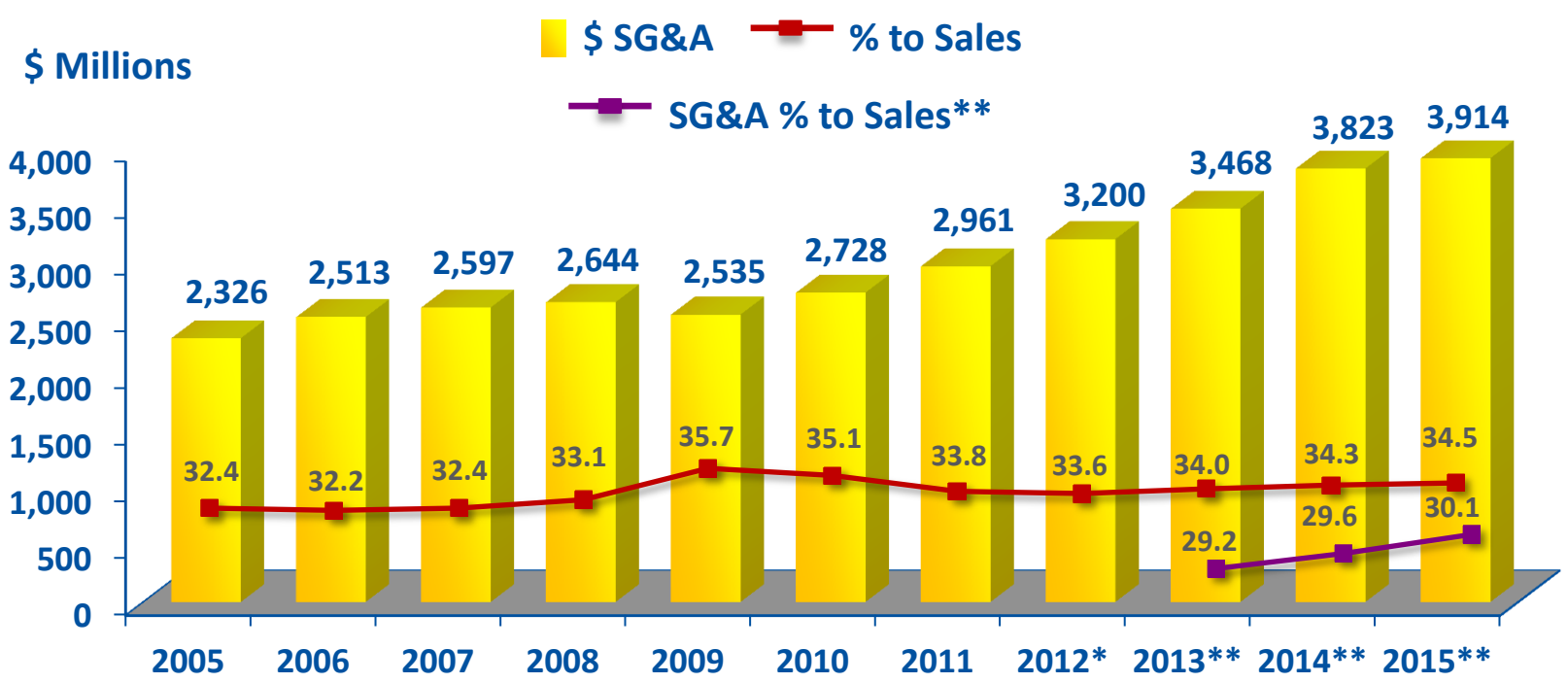
**Consolidated Sherwin Williams and Valspar

SG&A Expense



** Excludes DOL Settlement*

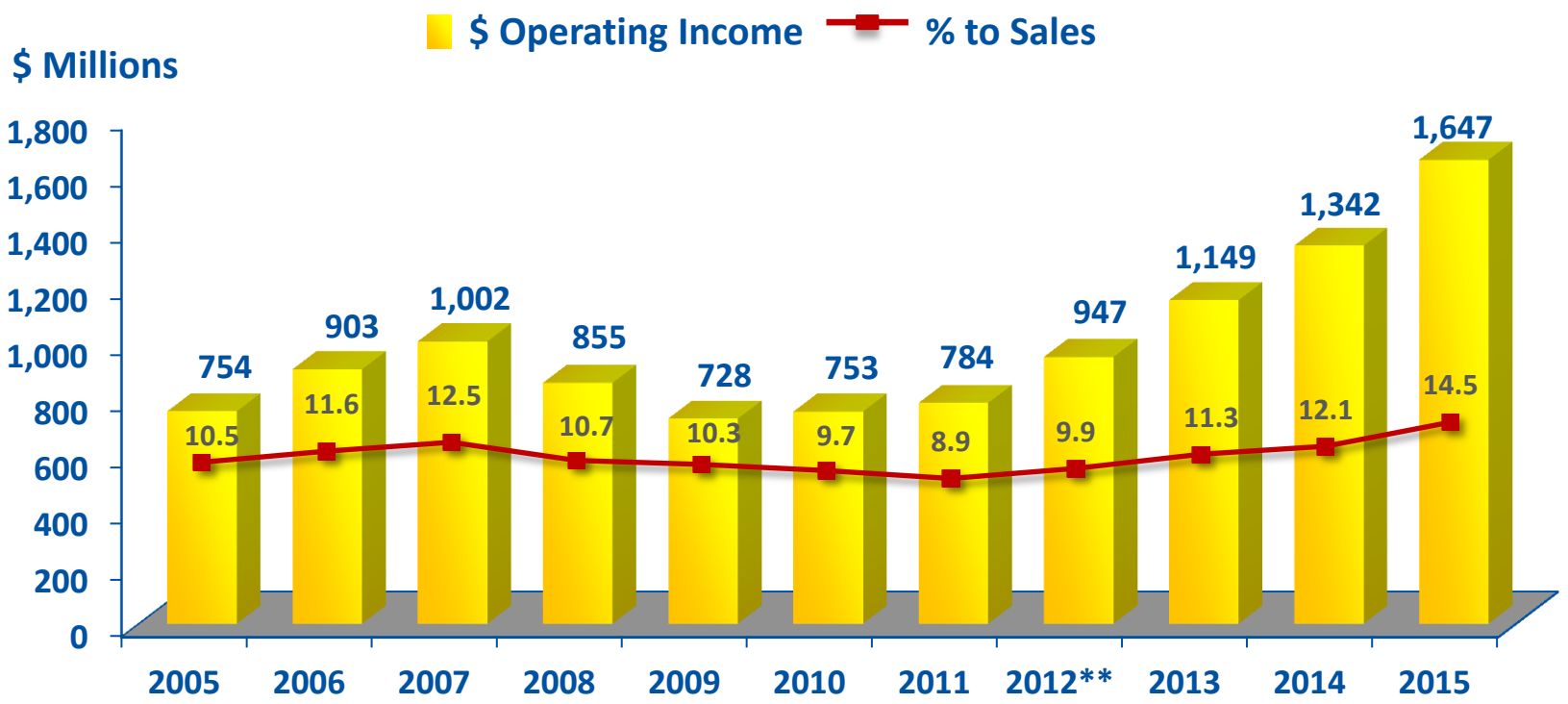
SG&A Expense



** Excludes DOL Settlement*

**Consolidated Sherwin Williams and Valspar

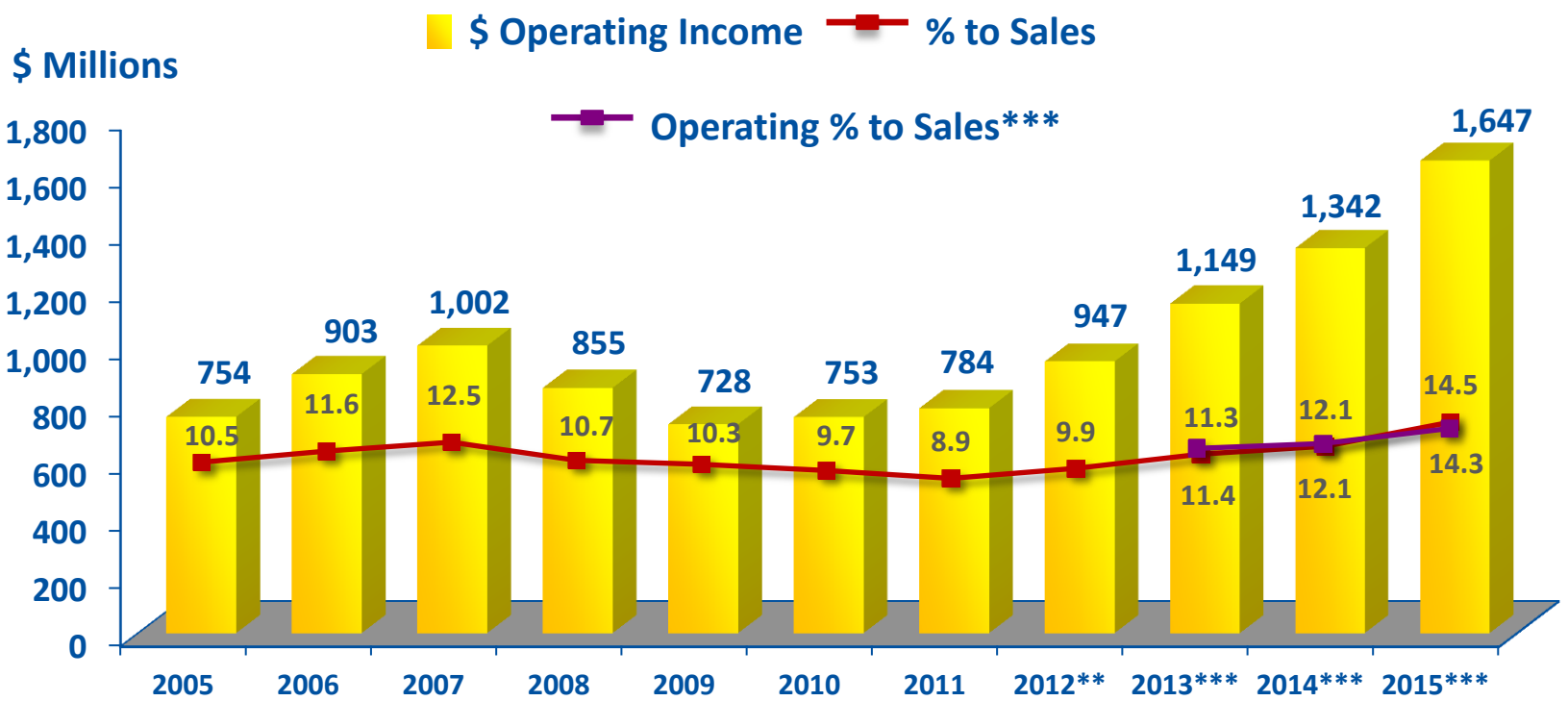
Operating Income*



* *Consolidated Gross Profit Minus SG&A Expenses*

** *Includes $80M charge for DOL Settlement*

Operating Income*



* *Consolidated Gross Profit Minus SG&A Expenses*

** *Includes $80M charge for DOL Settlement*

***Consolidated Sherwin Williams and Valspar

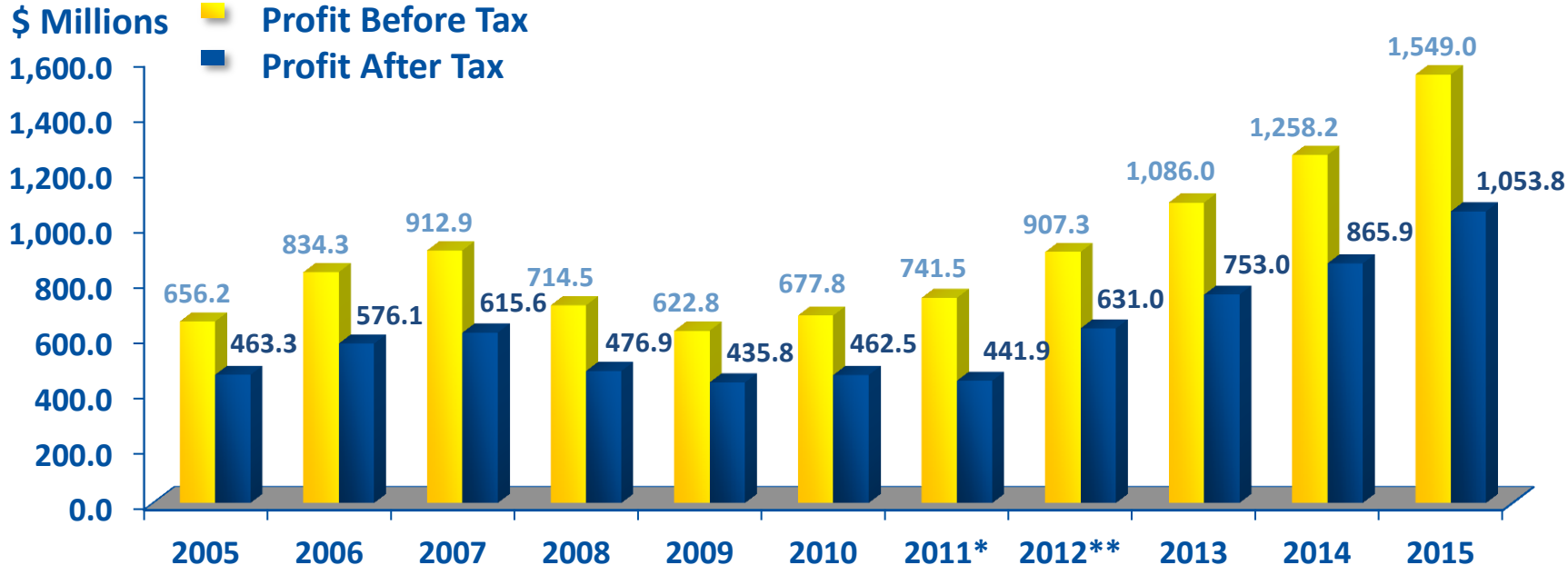
2015 Reportable Segments

$ Millions

	Net External Sales	Segment Profit	ROS*
Paint Stores Group	$7,209.0	$1,433.5	19.9%
Latin America Coatings Group	$631.0	$18.5	2.9%
Consumer Group	$1,578.0	$308.8	19.6%
Global Finishes Group	$1,916.3	$201.9	10.5%
Administrative	$5.1	$(413.7)	-

** Based on Net External Sales Only*

Profit Before & After Tax



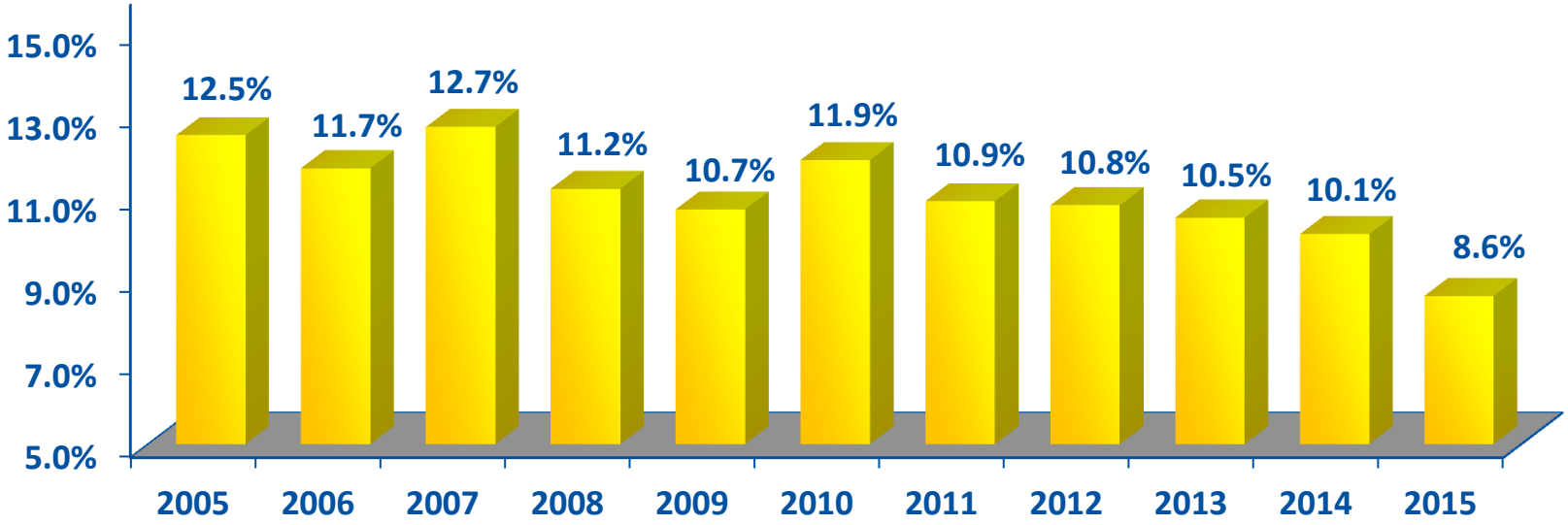
	2005	2006	2007	2008	2009	2010	2011*	2012**	2013	2014	2015
PBT % to Sales	9.1	10.7	11.4	9.0	8.8	8.7	8.5	9.5	10.7	11.3	13.7
PAT % to Sales	6.4	7.4	7.7	6.0	6.1	5.9	5.0	6.6	7.4	7.8	9.3

** Includes IRS settlement of $75.0*

*** Includes DOL settlement of $80.0 PBT & $49.2 PAT*

Working Capital Ratio

(Accounts Receivable + Inventory – Payables)/Sales



Working Capital & Days

$ Millions

	2009	2010	2011	2012	2013	2014	2015
Accounts Receivable	$696.1	$916.7	$989.9	$1,032.5	$1,097.8	$1,130.6	$1,114.3
Days	53	56	56	55	54	55	54
Inventories	$738.5	$917.7	$926.8	$920.3	$970.8	$1,033.5	$1,018.5
Days	96	94	96	91	86	86	83
Accounts Payable	$674.7	$909.6	$965.1	$923.0	$998.5	$1,042.2	$1,157.6
Days	68	69	69	69	72	70	69
Net Working Capital	$759.9	$924.7	$951.5	$1,029.8	$1,070.1	$1,121.9	$975.2
% to Sales	10.7%	11.9%	10.9%	10.8%	10.5%	10.1%	8.6%

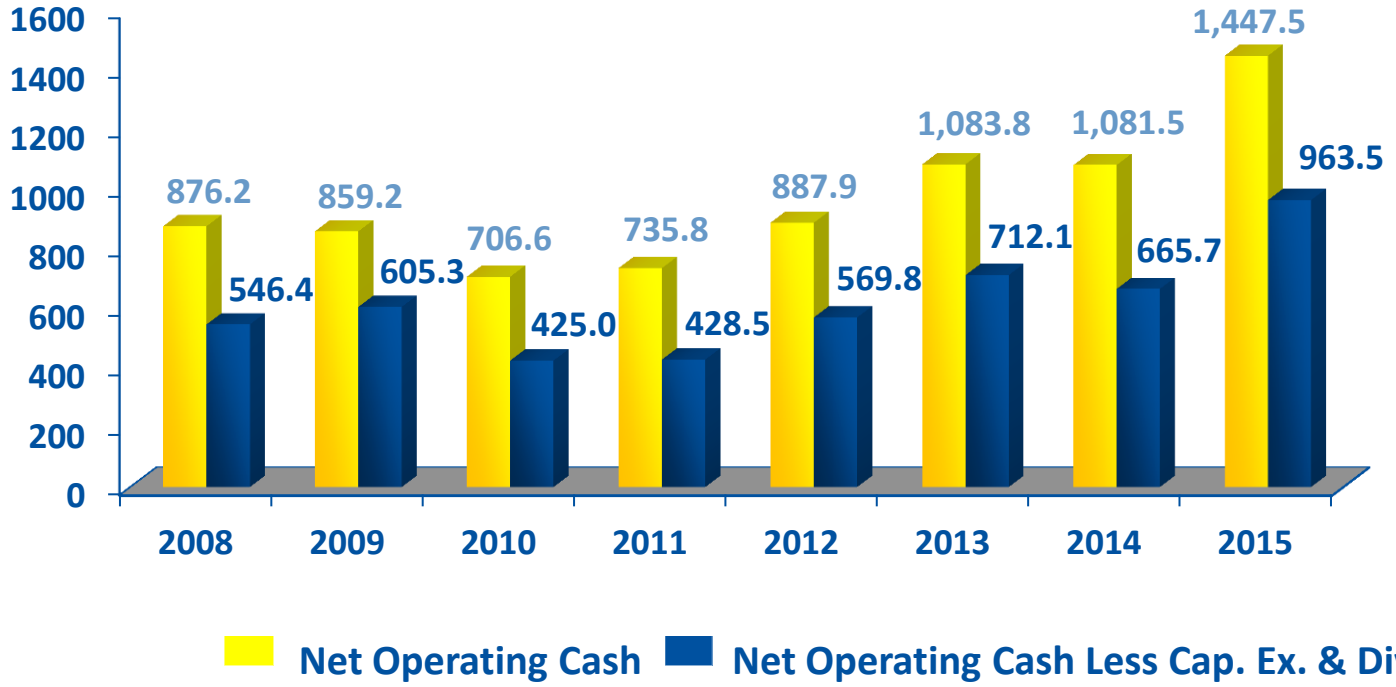
Working Capital & Days

$ Millions

	1Q 2015	1Q 2016
Accounts Receivable	$1,234.6	$1,290.7
Days	53	52
Inventories	$1,161.3	$1,147.4
Days	100	96
Accounts Payable	$1,174.8	$1,152.9
Days	69	69
Net Working Capital	$1,221.0	$1,285.2
% to Sales	10.9%	11.2%

Net Operating Cash

$ Millions



Uses of Cash

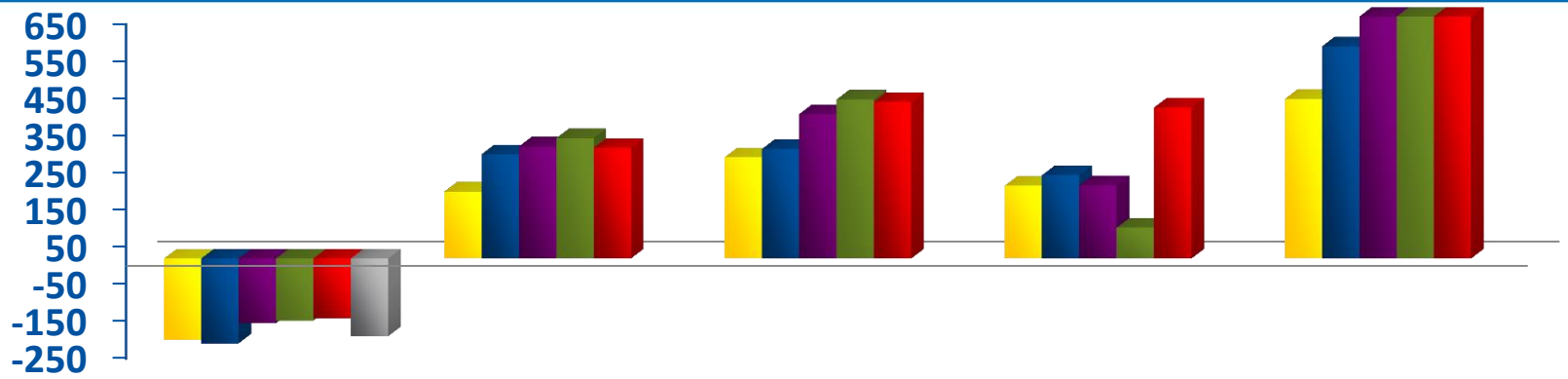
- Manage Debt
- Capital Expenditures
- Pay Dividends
- Acquisitions
- Buy Back Stock

2016 First Quarter Cash Flow

$ Millions

	2015	2016
Net Operating Cash	(55.1)	(79.8)
Capital Expenditures	(42.9)	(52.0)
Dividends	(62.6)	(77.7)
Free Cash Flow	(160.6)	(209.5)

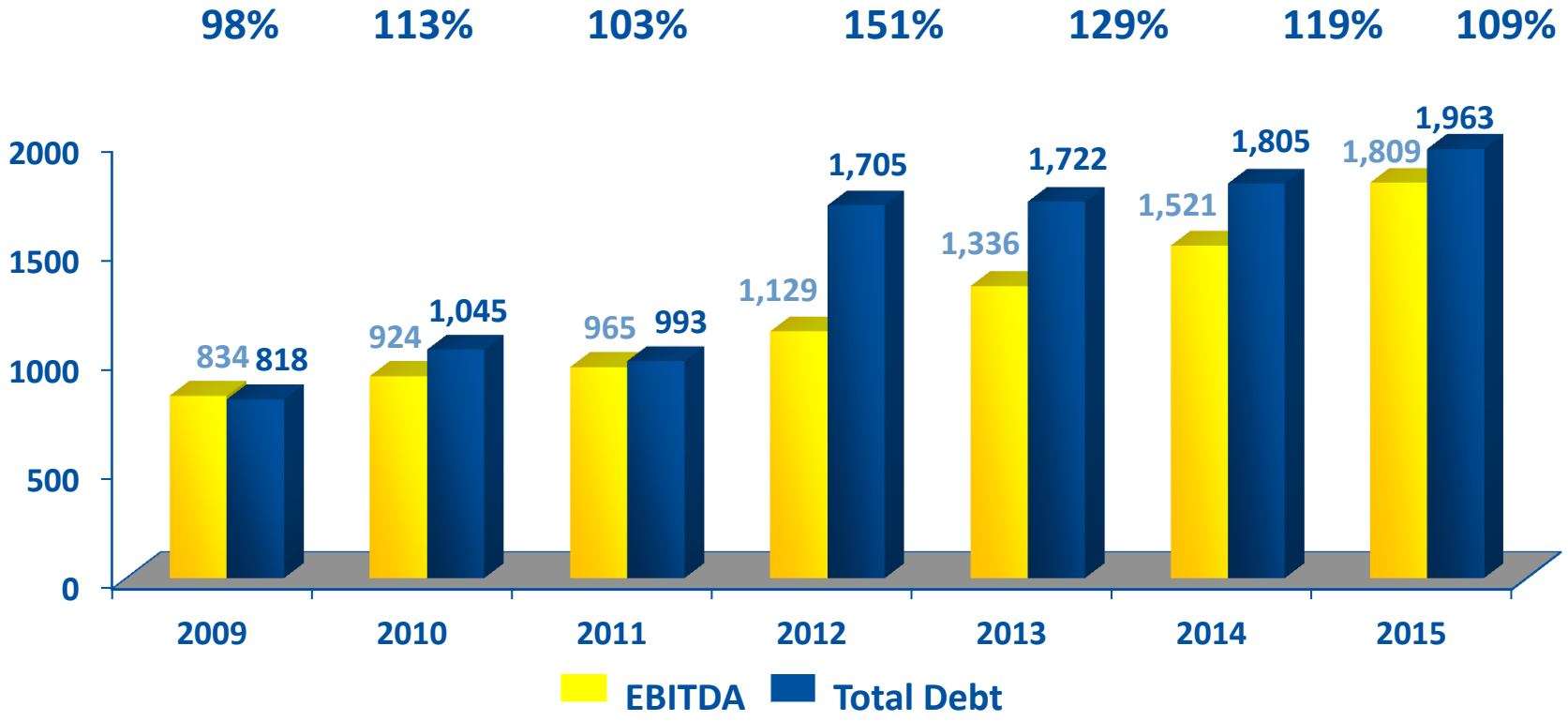
Free Cash Flow* by Quarter



	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total Year
2011	-219	180	272	196	429
2012	-228	280	294	224	570
2013	-174	301	388	197	712
2014	-167	323	427	83	666
2015	-160	297	421	406	963
2016	-209				

** Net Operating Cash – (CapEx + Dividends)*

Total Debt : EBITDA Ratio



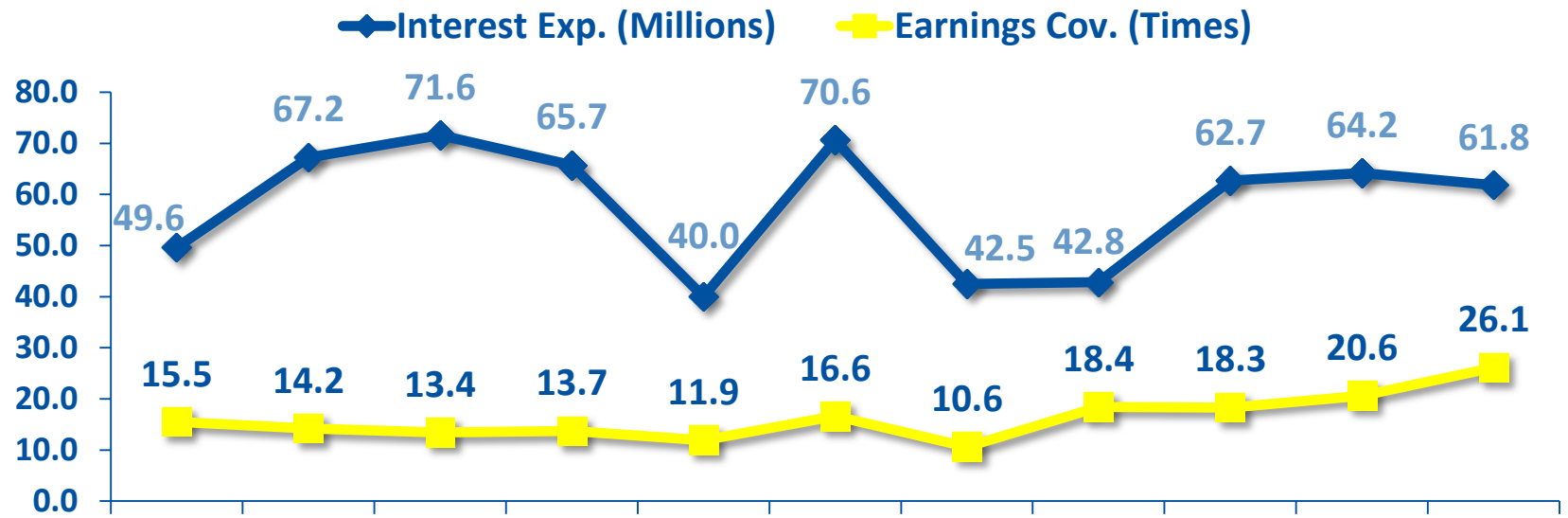
Debt Maturity Schedule

December 31, 2015

	Due Date	$ Millions
1.350% Senior Notes	2017	$699.6
3.450% Senior Notes	2025	$399.8
4.450% Senior Notes	2045	$397.7
4.000% Senior Notes	2042	$298.6
7.375% Debentures	2027	$119.4
Other		$5.1*
Total Long Term Debt		$1,923.4

** Includes $3.5 million of 7.45% debentures - 2097*

Interest Expense, Earnings Coverage and Debt to Capitalization



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Debt to Capitalization %	26.4	30.5	35.1	34.2	35.4	39.4	39.6	48.8	49.2	64.4	69.3

Rating Agencies

Standard & Poor's Rating Services

March 2016

- Long-Term Rating at 'A'
- Short-Term Rating at 'A-1'
- Credit Watch Negative

Moody's Investors Services

March 2016

- Long-Term Rating Downgraded to 'A-3'
- Short-Term Debt Rating Downgraded to 'P-2'
- Under Review for Further Downgrade

Fitch Ratings

March 2016

- Long-Term Rating at 'A-'
- Short-Term Debt Rating at 'F-2'
- Ratings Watch Negative

Treasury Stock Acquired

2005-2015

	Shares	Average Price Per Share	Total Dollars	Avg. Shares Outstanding (000)
2005	8,076,000	44.14	356,493,265	141,079
2006	5,600,000	54.49	305,158,657	137,342
2007	13,200,000	65.39	863,138,211	130,925
2008	7,250,000	54.28	393,539,607	118,178
2009	9,000,000	58.93	530,362,967	114,457
2010	5,000,000	75.14	375,700,000	108,786
2011	4,700,000	78.16	367,371,981	105,672
2012	4,600,000	121.25	557,765,791	103,930
2013	4,300,000	178.90	769,271,010	103,049
2014	6,925,000	220.66	1,528,073,703	98,075
2015	3,575,000	278.57	995,879,981	94,024
Total	**72,226,000**	**97.51**	**7,042,755,173**	

Balance of Authorization at 3/31/16: 11,650,000 Shares

Treasury Stock Acquired

2010-2017

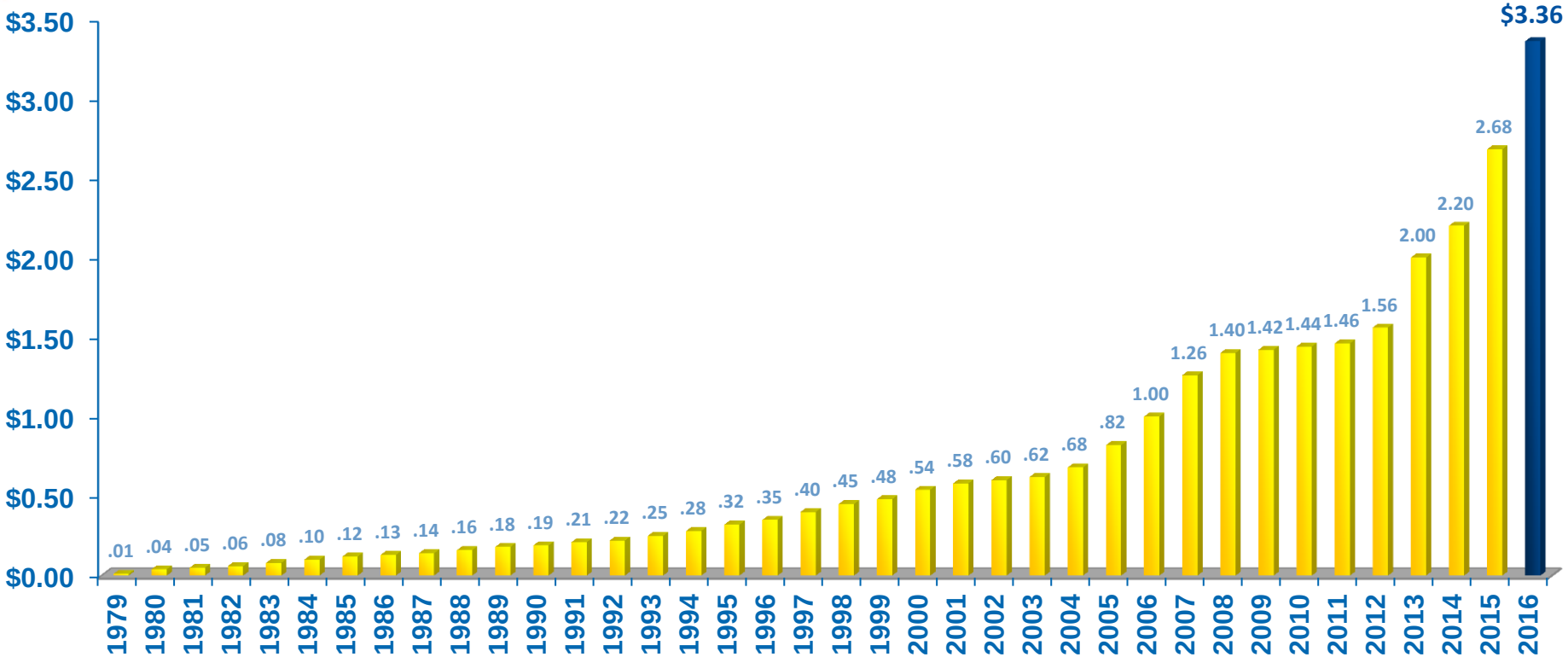
	Shares	Average Price Per Share	Total Dollars	Avg. Shares Outstanding (000)
2010	5,000,000	75.14	375,700,000	108,786
2011	4,700,000	78.16	367,371,981	105,672
2012	4,600,000	121.25	557,765,791	103,930
2013	4,300,000	178.90	769,271,010	103,049
2014	6,925,000	220.66	1,528,073,703	98,075
2015	3,575,000	278.57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

Balance of Authorization at 3/31/16: 11,650,000 Shares

Dividends Per Share

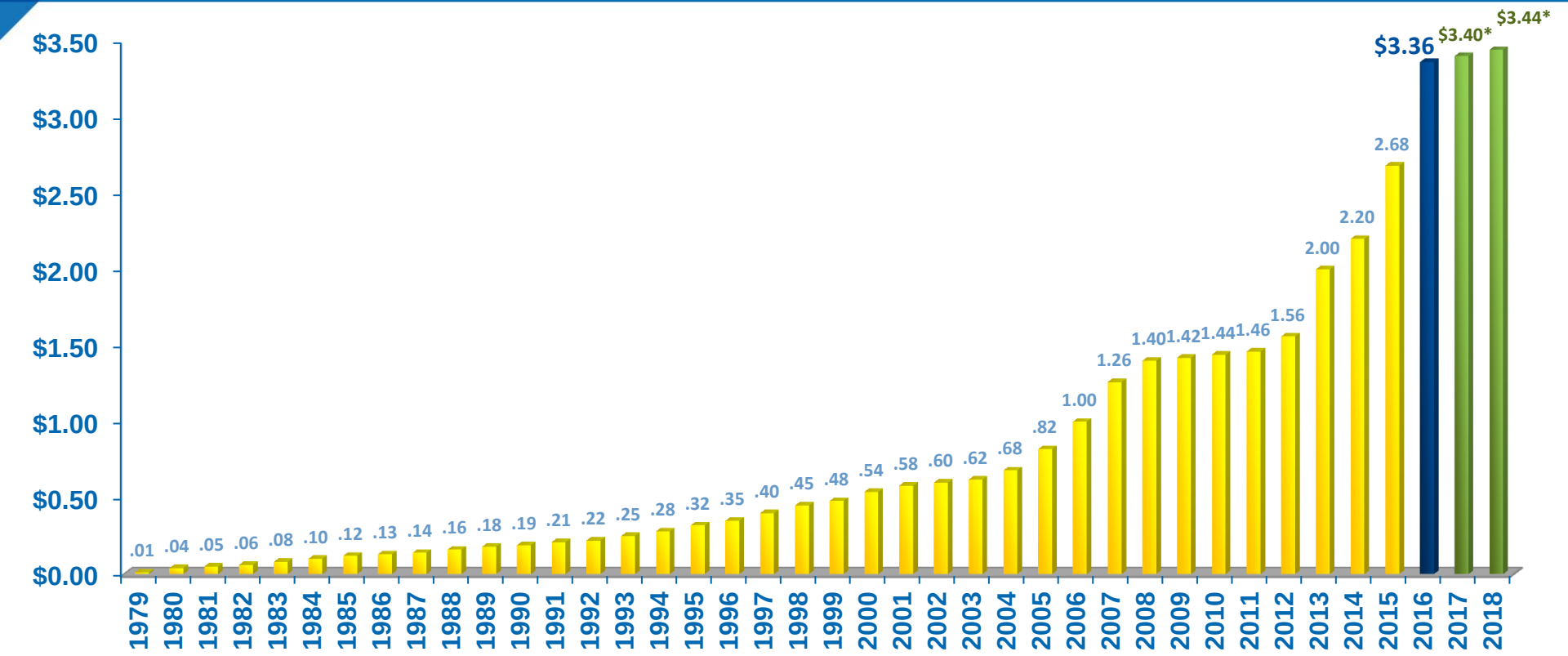
1979 – 2016

SHERWIN-WILLIAMS



Dividends Per Share

1979 – 2018

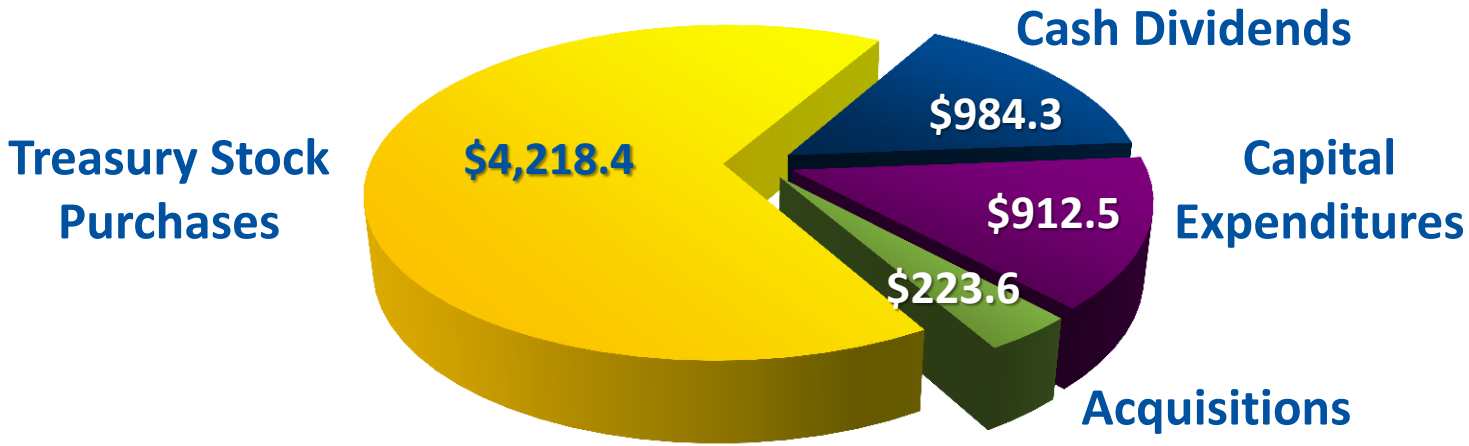


*Management Recommendation Board Approval Required

Uses of Cash

2010-2015 ($ Millions)

5-Year Net Operating Cash: $5,237



Summary of Valspar Costs
(Millions)

- Financing
- Legal
- Advisor

	1Q16	2Q16	3Q16	Total
Total	$36.9	$21.4	$25.2	$185-$205
Net Income	$22.5	$13.1	$15.4	
EPS	($.24)	($.15)	($.16)	($1.20)-($1.33)

The Sherwin-Williams Co.

Forecast Debt to EBITDA (Millions)

	Debt to EBITDA [1]	LT Debt [2]
2016	1.00	$1,925
2017	4.25	$9,275
2018	3.00	$9,275
2020	1.90	$6,850

1 Ratio calculated using gross debt to EBITDA

2 Effective January 1, 2016, the Company adopted FASB issued ASU No. 2015-03, requiring debt issuance costs to be reported as a deduction from debt. Total Debt and Long-Term Debt figures reflect this change for all years presented.

Credit Rating

- Reduce Debt Is Priority
- Stock Buy Back Minimal Until Debt To EBITDA Approaches 2:1
- Dividend Increases But Not At 30% To Prior Year EPS
- Investment Grade Is Important
- Small Selective Bolt On Acquisitions

The Americas Group

JAY DAVISSON

President, The Americas Group

SHERWIN-WILLIAMS.

The Americas Group



Paint Stores Group

Latin America Coatings Group

Paint Stores Group



Paint Stores Group

Financial Highlights

Full Year	2014	2015	% Chg.
Net Sales	$6.85B	$7.21B	5.2%
Segment Profit	$1.20B	$1.43B	19.3%
% Sales	17.5%	19.9%	
First Quarter	**1Q-2015**	**1Q-2016**	
Net Sales	$1.46B	$1.62B	10.5%
Segment Profit	$176.6M	$253.5M	43.6%
% Sales	12.1%	15.7%	

America's Most Recognized Paint Brand



SHERWIN-WILLIAMS®

Source: 2015 MarketVision Research

America's Most Trusted Paint Brand

SHERWIN-WILLIAMS.

★★★★★

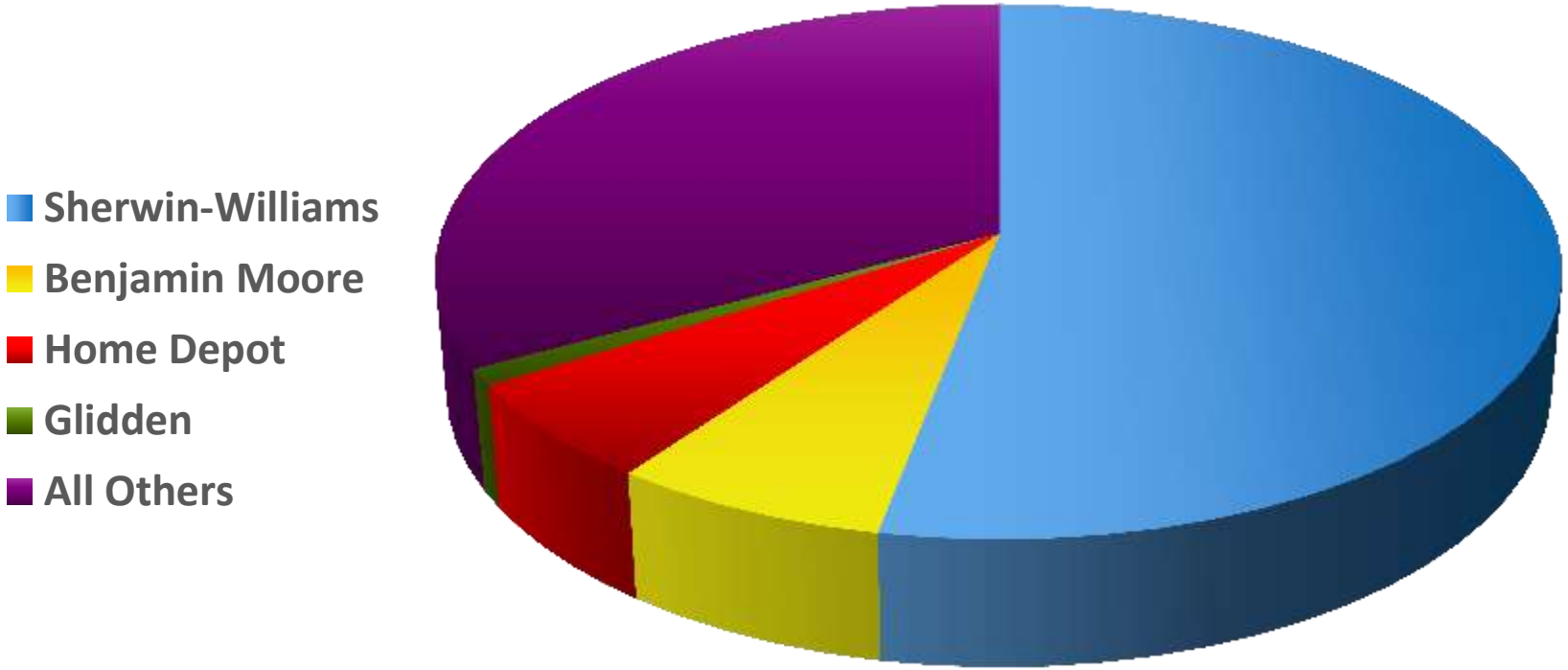
Lifestory Research®

AMERICA'S MOST TRUSTED™

Paint Brand

2016

Primary Store Preference By Pro Painters



Source: 2015 MarketVision Research, Primary Paint Supplier

2016 J.D. Power Awards



For J.D. Power award information, visit JDPower.com.

Market Segments



Commercial



New Residential



Architect - Designer



Protective & Marine



DIY



Property Management



Residential Repaint



Product Finishes

Paint Stores Group





4,086 Stores(+83)

2,518 Sales Reps (+170)

The SW Difference



Trademark Service



Exceptional Products



Color Expertise

Low Temperature Paint





Washable Paint





Improved Indoor Air Quality Paint





Bacteria Killing Paint*



*KILLS GREATER THAN 99.9% OF:

- **Staph** (*Staphylococcus aureus*)
- **MRSA** (*Methicillin-resistant Staphylococcus aureus*)
- **E.coli** (*Escherichia coli*)
- **VRE** (*Vancomycin-resistant Enterococcus faecalis*)
- *Enterobacter aerogenes*

***Within 2 hours on a painted surface*

Innovation Tools

Product Launch: Paint Shield™



Paint Shield™

SHERWIN-WILLIAMS.

To date,
500+ million
impressions
and growing!







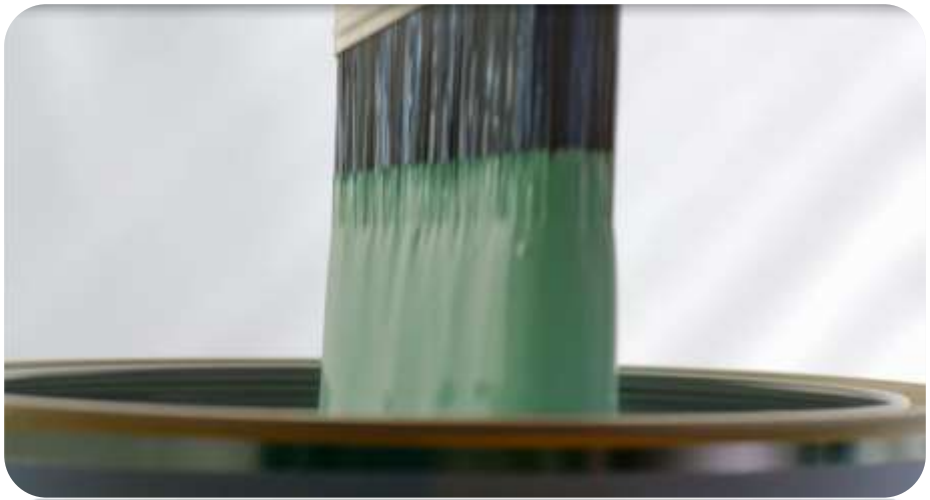






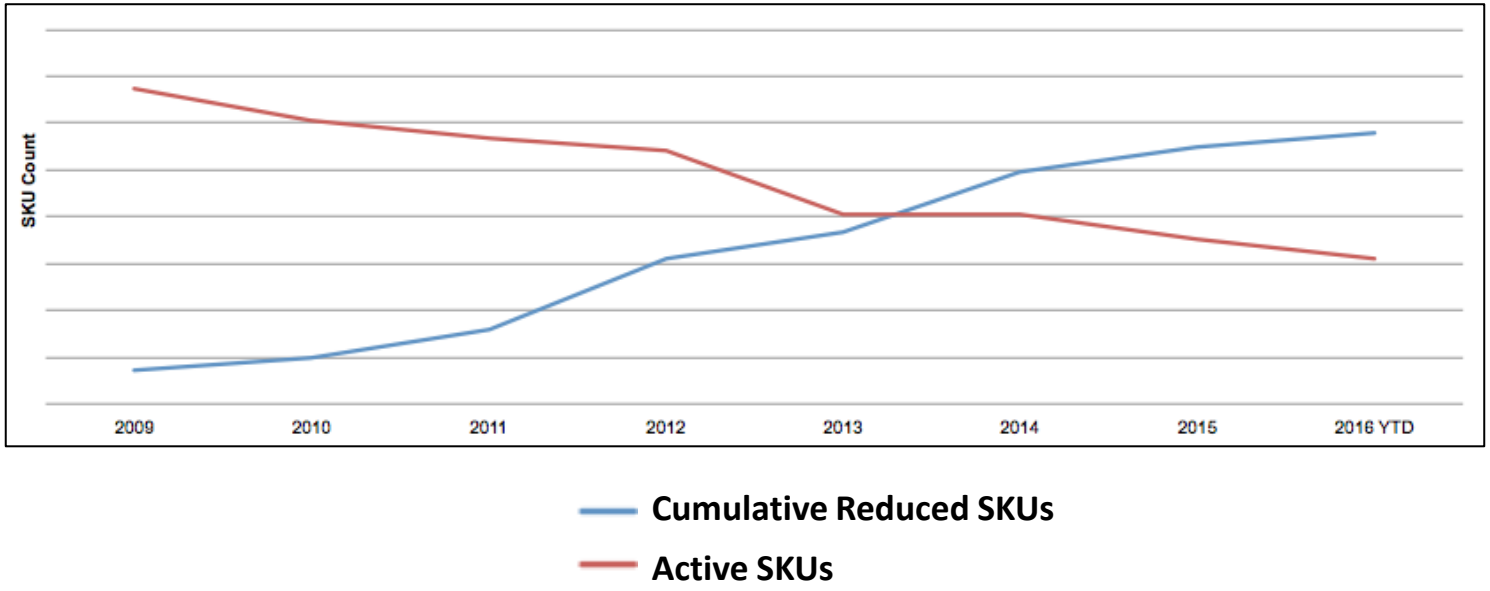
Innovation Tools

TV Spot: Paint Shield™



SKU Rationalization

Active and Cumulative Reduced SKU Count by Year



Innovative Color Selection







SHERWIN-WILLIAMS.
COLORSNAP®
PRECISION

Best Color Tools

ColorSnap®



#SWColorLove



Pinterest API



Branding


Where will color take you?




ASK
SHERWIN-WILLIAMS




IT'S WHAT'S ON THE
SURFACE
THAT COUNTS.


Emerald™ paint by Sherwin-Williams.
Our single greatest work.
Learn more
Emerald


BE FLOORED
BY YOUR WALLS.

Best Color Tools

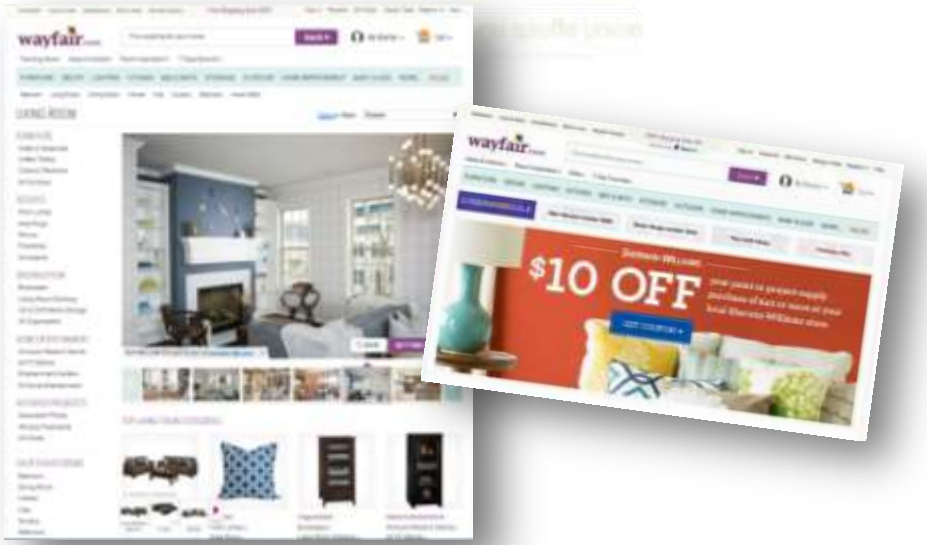
TV Spot: Adventure



Partnerships

SHERWIN-WILLIAMS.

wayfair
a zillion things home



POTTERY BARN

PB teen

pottery barn kids

west elm



E-Commerce







The Americas Group



Paint Stores Group

Latin America Coatings Group

Latin America Coatings Group



Latin America Coatings Group

Financial Highlights

Full Year	2014	2015	% Chg.	Currency Impact %
Net Sales	$771.4M	$631.0M	(18.2)%	(19.3)%
Segment Profit	$40.5M	$18.5M	(54.3)%	(39.4)%
% Sales	5.2%	2.9%		
First Quarter	**1Q-2015**	**1Q-2016**	**% Chg.**	**Currency Impact %**
Net Sales	$166.2M	$125.2M	(24.7)%	(22.2)%
Segment Profit	$9.5M	$(0.9)M	(109.8)%	(64.8)%
% Sales	5.7%	(0.7)%		

Latin America Coatings Group



291 Owned Stores (+15)



575 Dedicated Dealers (+86)



460 Sales Reps (+51)

Market Segmentation



DIY



Residential Repaint



Commercial



Property Management



Protective & Marine

Channel Management



Controlled Distribution





Homecenters



New Products







National Accounts









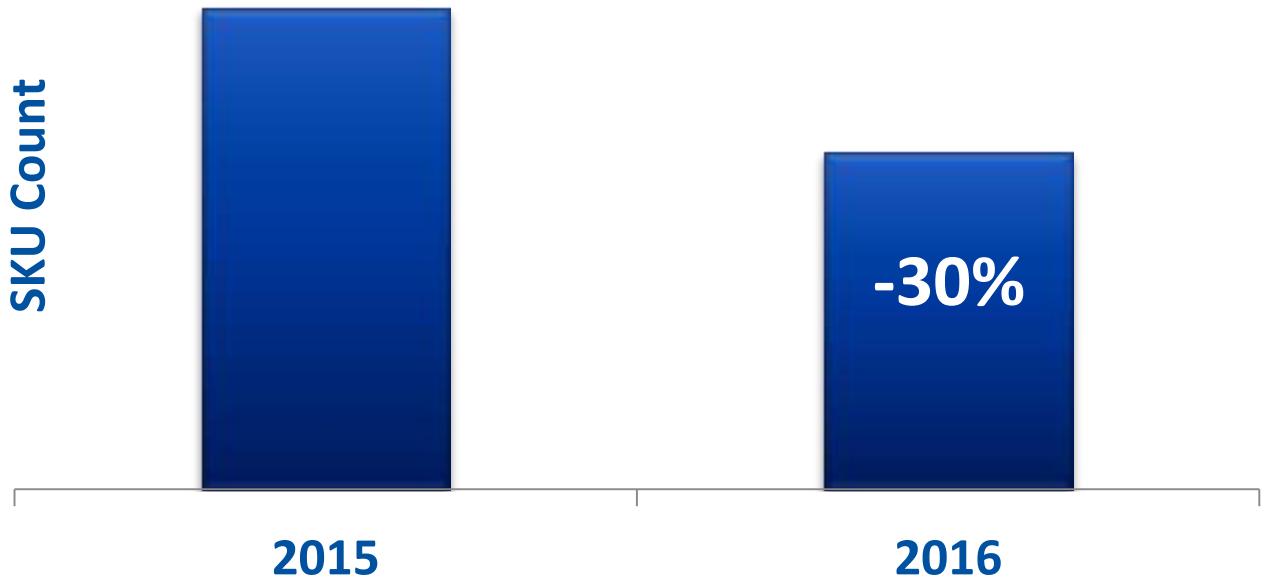


PROLOGIS.



HILTON
WORLDWIDE

SKU Rationalization



Branding


¿Qué color descubrirás hoy?
SHERWIN WILLIAMS.
www.sherwin.com.mx
Descubre colores espectaculares con la mejor pintura.
Visita tu distribuidor Sherwin Williams.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Best Color Tools

TV Spot: Color Travels



Sales Excellence



SHERWIN WILLIAMS.

SALES EXCELLENCE



SMTs













Success by Design



















Diversified Brands Division

CHERI PHYFER

President & General Manager

SHERWIN-WILLIAMS.

Partners, Products & Promotions

Performance Drivers to Achieve Success



PARTNERS **PRODUCTS** **PROMOTIONS**

Consumer Group

Financial Highlights

Full Year	2014	2015	% Chg.
Net Sales	$1.42B	$1.58B	11.1%
Segment Profit	$252.9M	$308.8M	22.1%
% Sales	17.8%	19.6%	
First Quarter	**1Q-2015**	**1Q-2016**	**% Chg.**
Net Sales	$351.7M	$378.1M	7.5%
Segment Profit	$55.4M	$64.0M	15.4%
% Sales	15.8%	16.9%	

The Home Depot®

SHERWIN-WILLIAMS.

Thompson's WaterSeal



THE HOME DEPOT®



Purdy®
PROFESSIONAL PAINTING TOOLS

MINWAX®





The Home Depot®

Thompson's Water Seal

SHERWIN-WILLIAMS.

- Continuing to Grow Partnership



NEW Offering In 2015



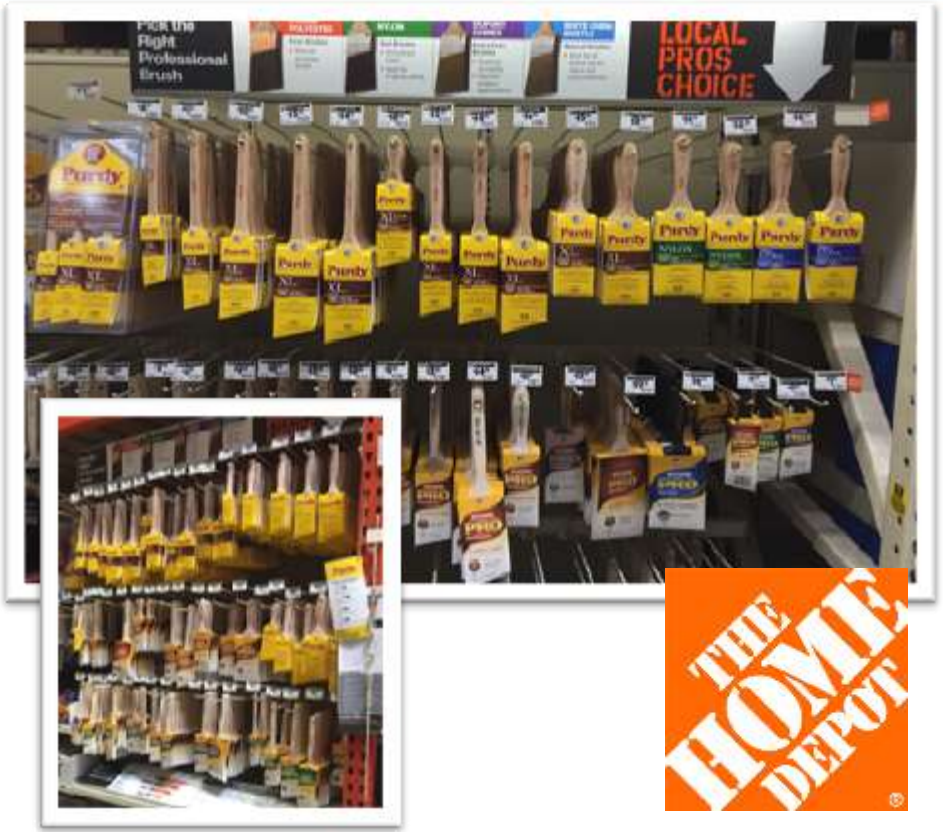
Waterproofing Stain



The Home Depot®

Purdy®

- Expanded Purdy® Offering
- Continued Partnership to Drive Pro Painter Business with Promotional Activities



Menards®

SHERWIN-WILLIAMS.

Dutch Boy

MENARDS®
Dedicated to Service & Quality℠

Thompson's WaterSeal

Broadest Assortment of our Brands

Continued Growth with Menards

Purdy
PROFESSIONAL PAINTING TOOLS

MINWAX

CONCO PAINTS
Pro Technology...Engineered For The Job

WHITE LIGHTNING

H&C CONCRETE INSPIRED.

Master

Menards®

New Dutch Boy Experience

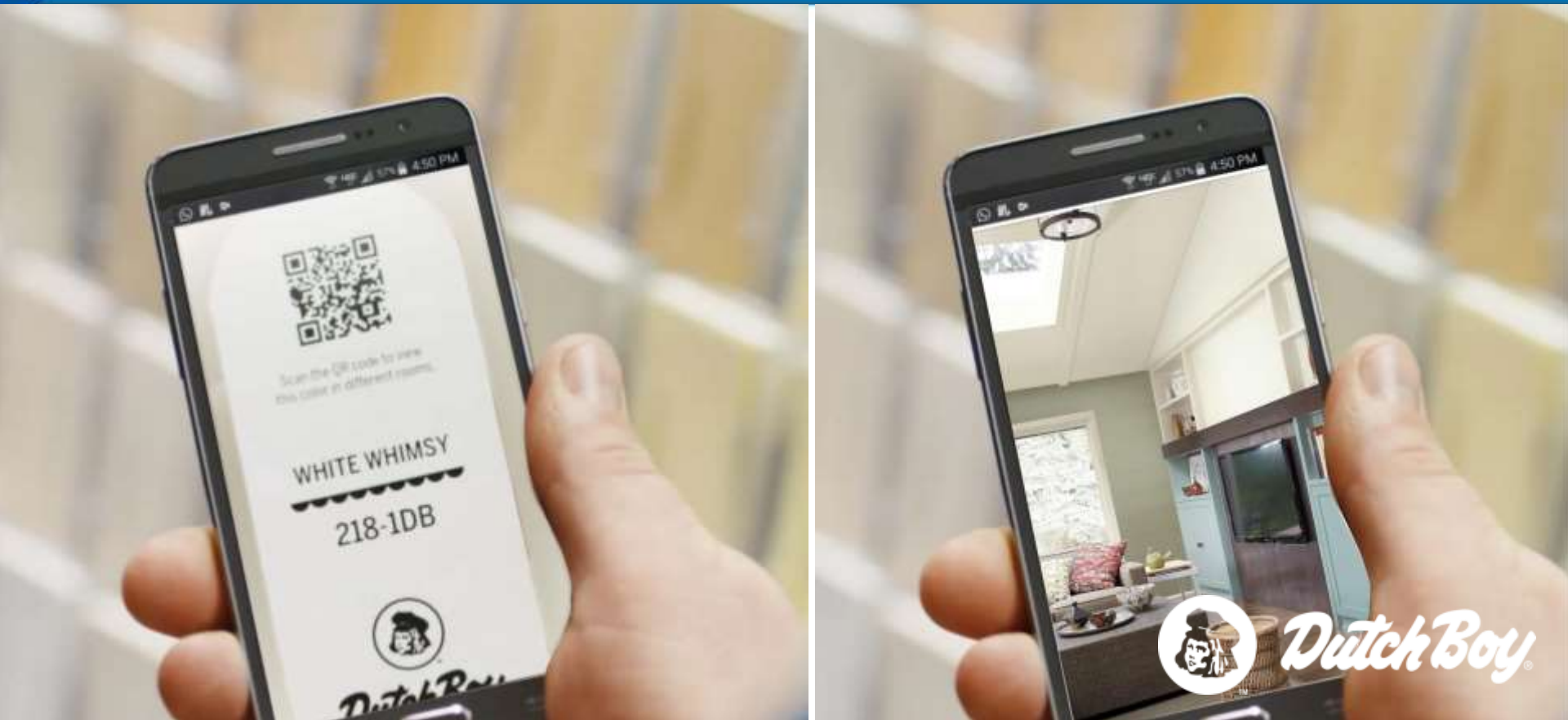
SHERWIN-WILLIAMS.



Menards®

Innovative Digital Color Tools

SHERWIN-WILLIAMS.



Menards®

New Dura Clean® Products

SHERWIN-WILLIAMS.

New, Improved Technology, Exceptional Durability



Dura Clean®
Cabinet, Door & Trim

Dura Clean®
Exterior

Dura Clean®
Kitchen & Bath

Dura Clean®
Ceiling

Dutch Boy

Dutch Boy Video



Lowe's®

SHERWIN-WILLIAMS.













Introducing Infinity®

SHERWIN-WILLIAMS.

Complete Paint & Primer with One-Coat Coverage Technology



LOWE'S®

Lowe's®

Paint Department Refresh







Lowe's®

In-Store Presence











Lowe's®

Minwax® Expansion

SHERWIN-WILLIAMS.



LOWE'S

Co-Ops and Independents

SHERWIN-WILLIAMS.

PRATT & LAMBERT PAINTS

- Great Brand Awareness and a Heritage of QUALITY
- Over 1000 Points of Distribution
  - 80% are Paint Specialty Shops/Dealers
- Major Advertising Campaign

Pratt & Lambert® Video



Do it Best

Lead Partner In Department Rollout

SHERWIN-WILLIAMS.



Pratt & Lambert®

Local Marketing

SHERWIN-WILLIAMS.

PRATT & LAMBERT PAINTS

Local COLOR

HYPER-TARGETED LOCAL MARKETING MADE EASY

- Customizable Local Marketing Support for a Diverse Base of Dealers
- Highly Sophisticated Targeting



Local Marketing Video



Dupli-Color®

Automotive

- Automotive Enthusiast Targeting
- Custom Wrap Advertising















PEPBOYS

O'Reilly AUTO PARTS
PROFESSIONAL PARTS PEOPLE

Advance Auto Parts
We're ready in Advance.

AutoZone

Krylon®
Craft

SHERWIN-WILLIAMS.



HOBBY LOBBY

Michaels
Where Creativity Happens®

Pat Catan's
CRAFTS • FLORAL



Grainger®

SHERWIN-WILLIAMS.

PRATT & LAMBERT PAINTS

GRAINGER®
FOR THE ONES WHO GET IT DONE

KRYLON INDUSTRIAL

Pratt & Lambert Will Be Exclusive Architectural Paint Supplier

- Six Tint Centers Servicing Grainger Customer
- 48hrs. Delivery

600+ Krylon Industrial MRO Paints & Aerosols Added to Catalog & Website



EUROPE

Strong Performance For RONSEAL

SHERWIN-WILLIAMS.

Driven by Our Growth in the Garden Market



Partners, Products & Promotions

Performance Drivers to Achieve Success



PARTNERS **PRODUCTS** **PROMOTIONS**

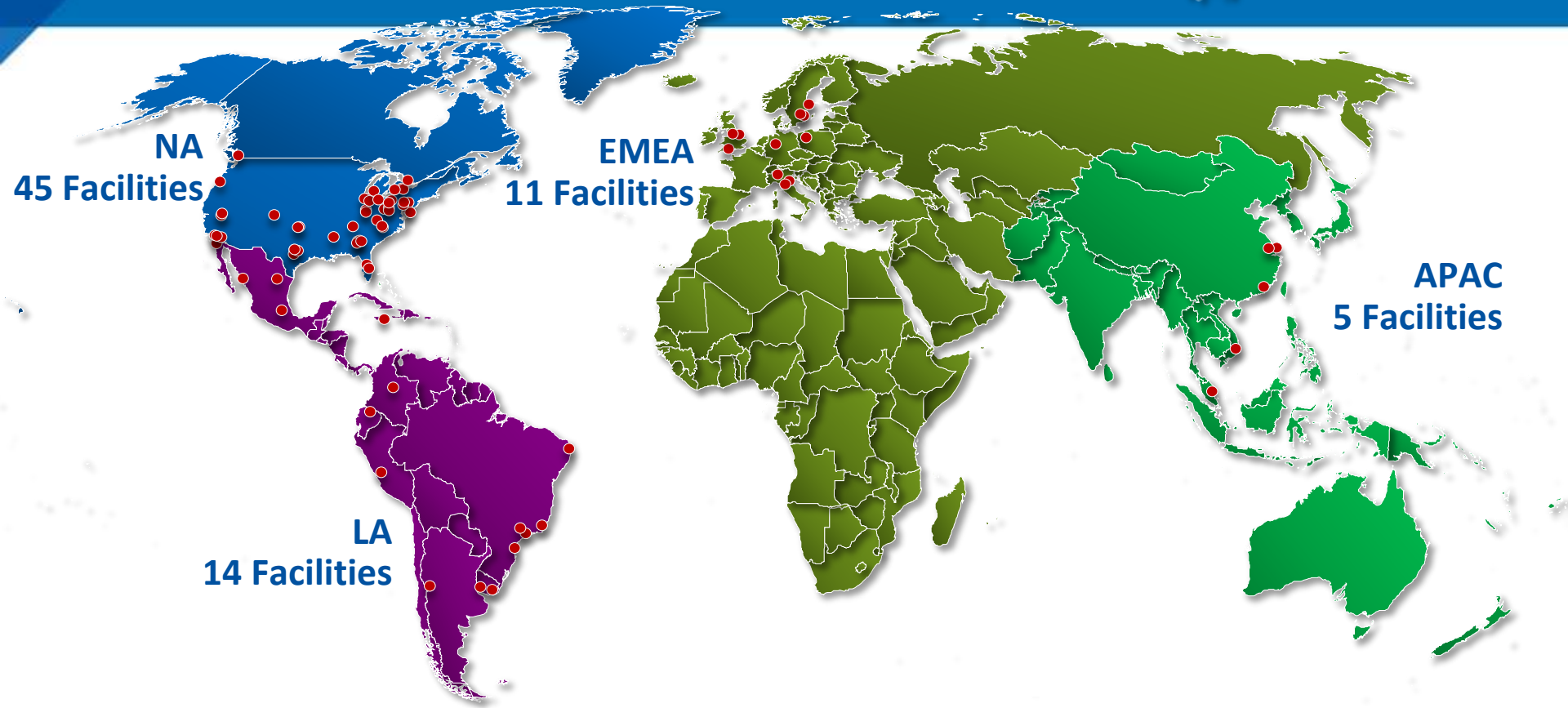
Global Supply Chain

JOEL D. BAXTER

President & General Manager

SHERWIN-WILLIAMS.

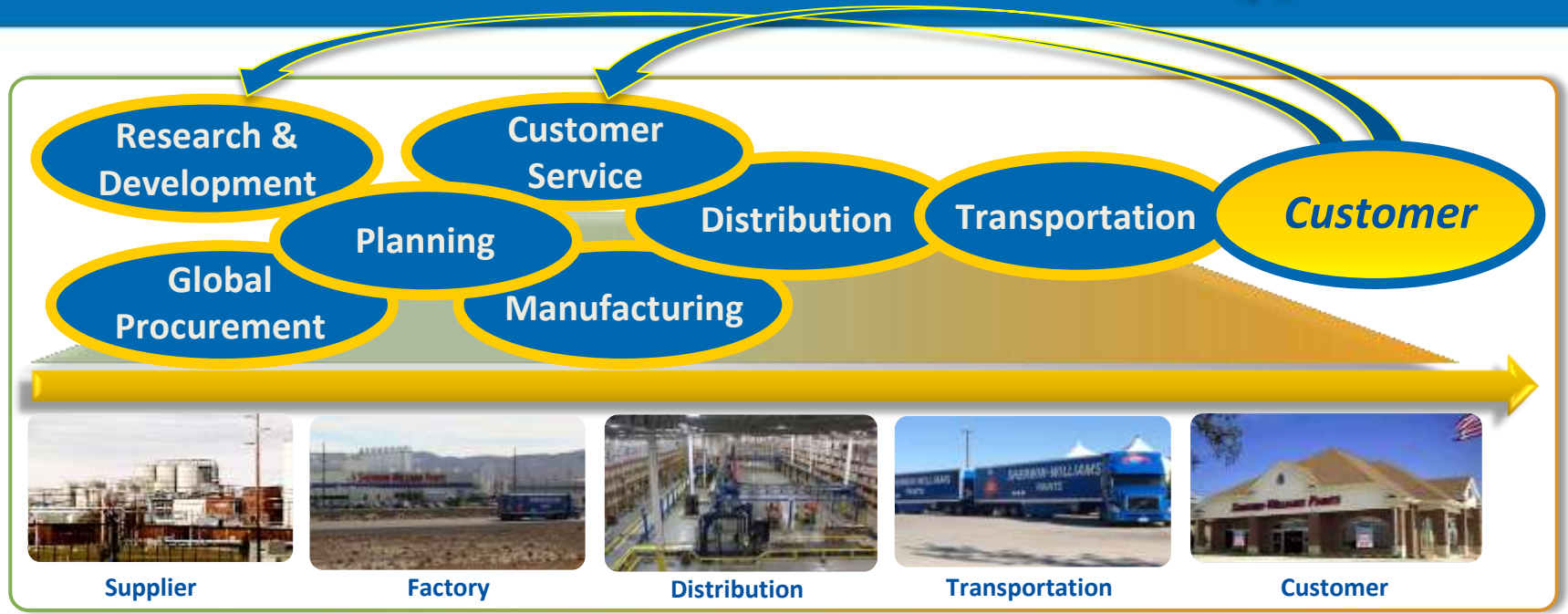
Global Supply Chain



Global Supply Chain

- One Focused Organization Formed in 2012
- Share Best Practices Worldwide
- End-to-End Supply Chain

End-to-End Supply Chain



Drive Continuous Improvement

Execution Roadmap

People



Systems



Tools



Processes



What This Accomplishes

- Drives Customer Satisfaction
- Cost Reduction
- Accelerated Growth

Global Business Management System

- Operational Excellence
- Global Procurement
- Innovation Excellence



Operational Excellence

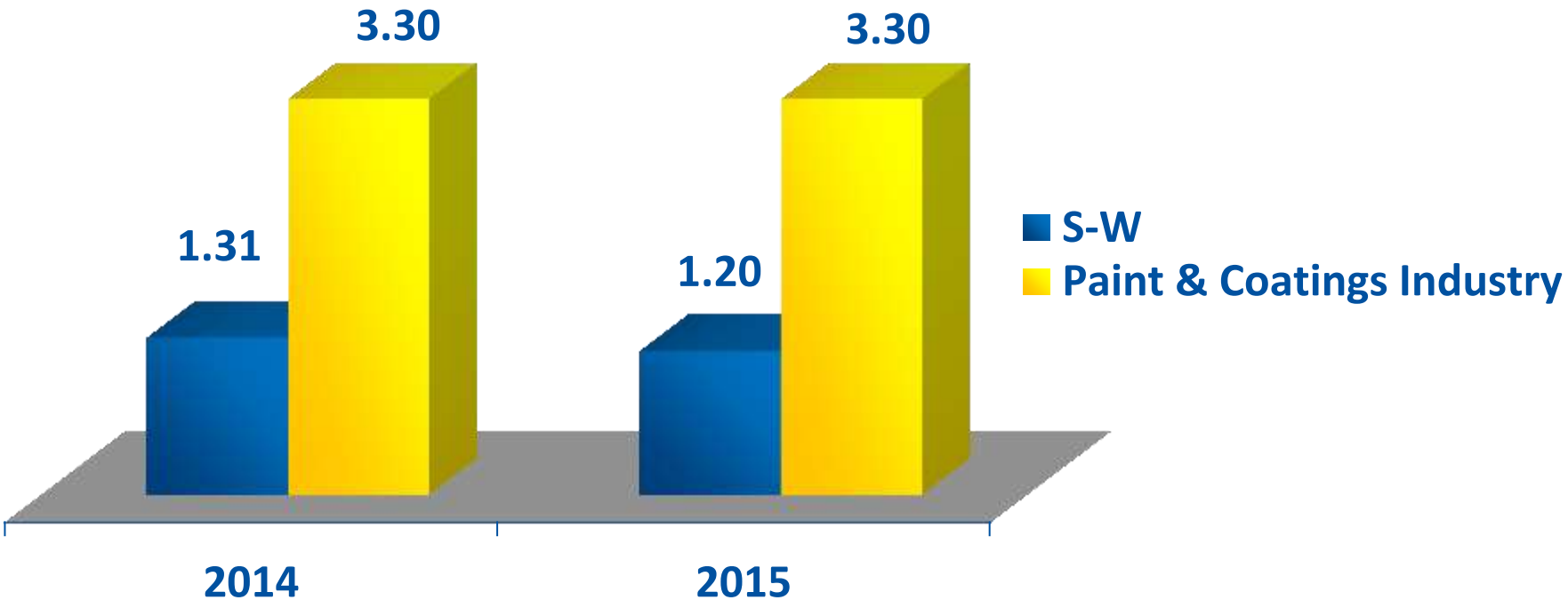
Excellence in All Things That Count

INNOVATION

EXCELLENCE

Safety

Recordable Case Rate



Source: The North American Industry Classification System (NAICS)

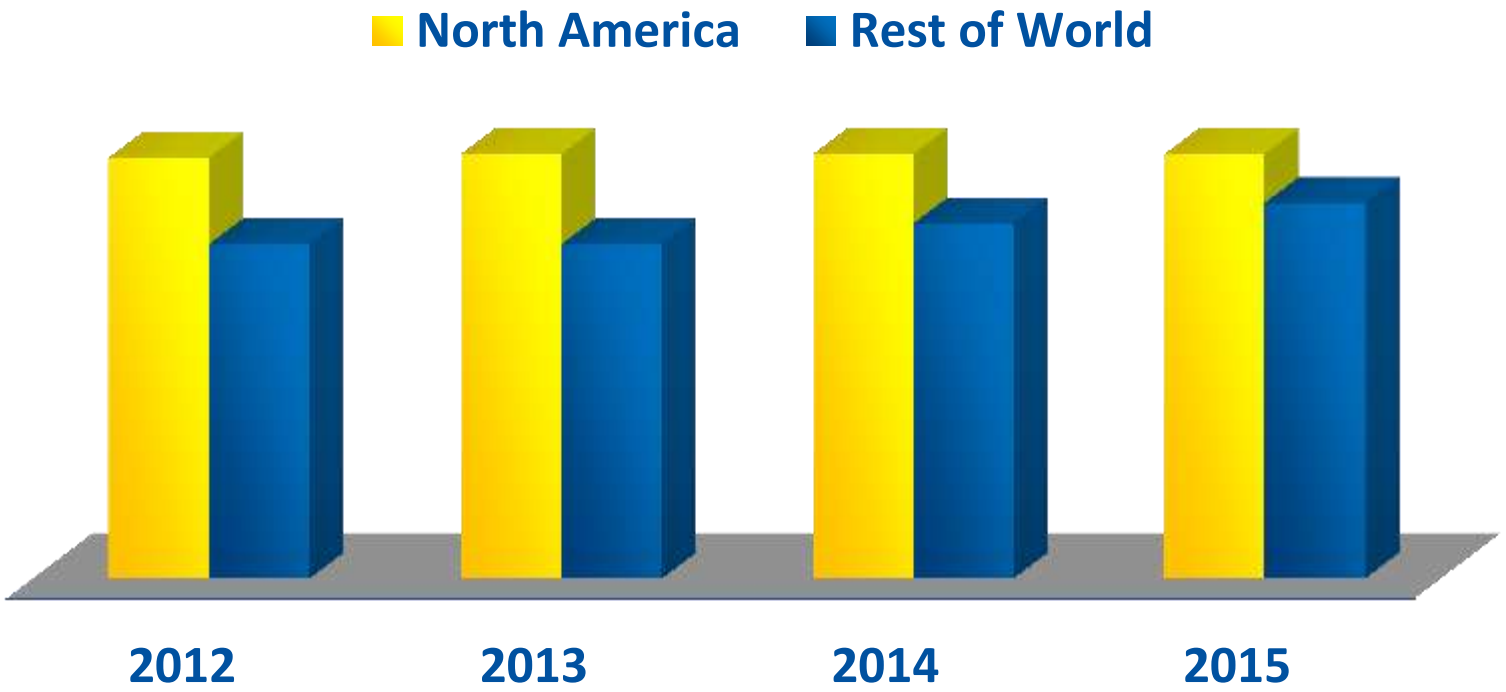
First Pass Quality

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



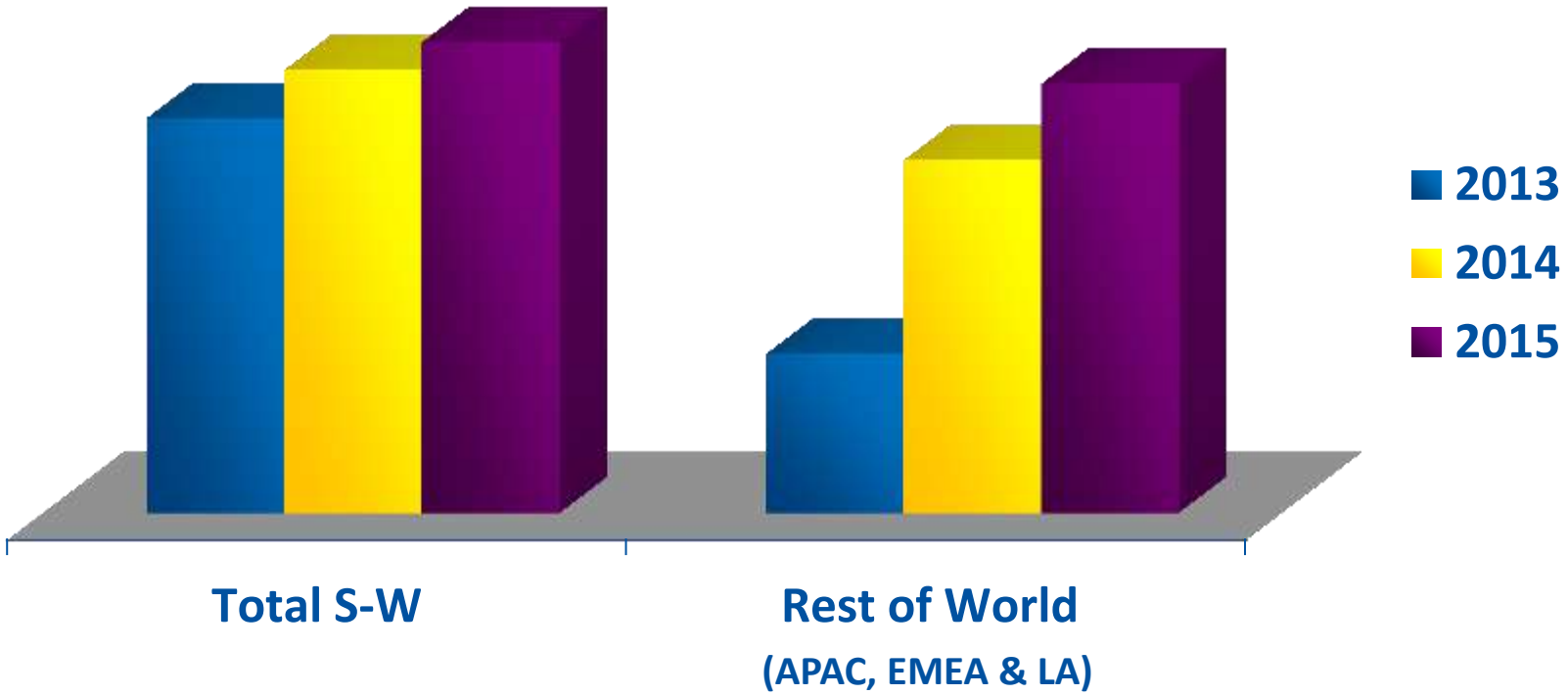


First Pass Quality

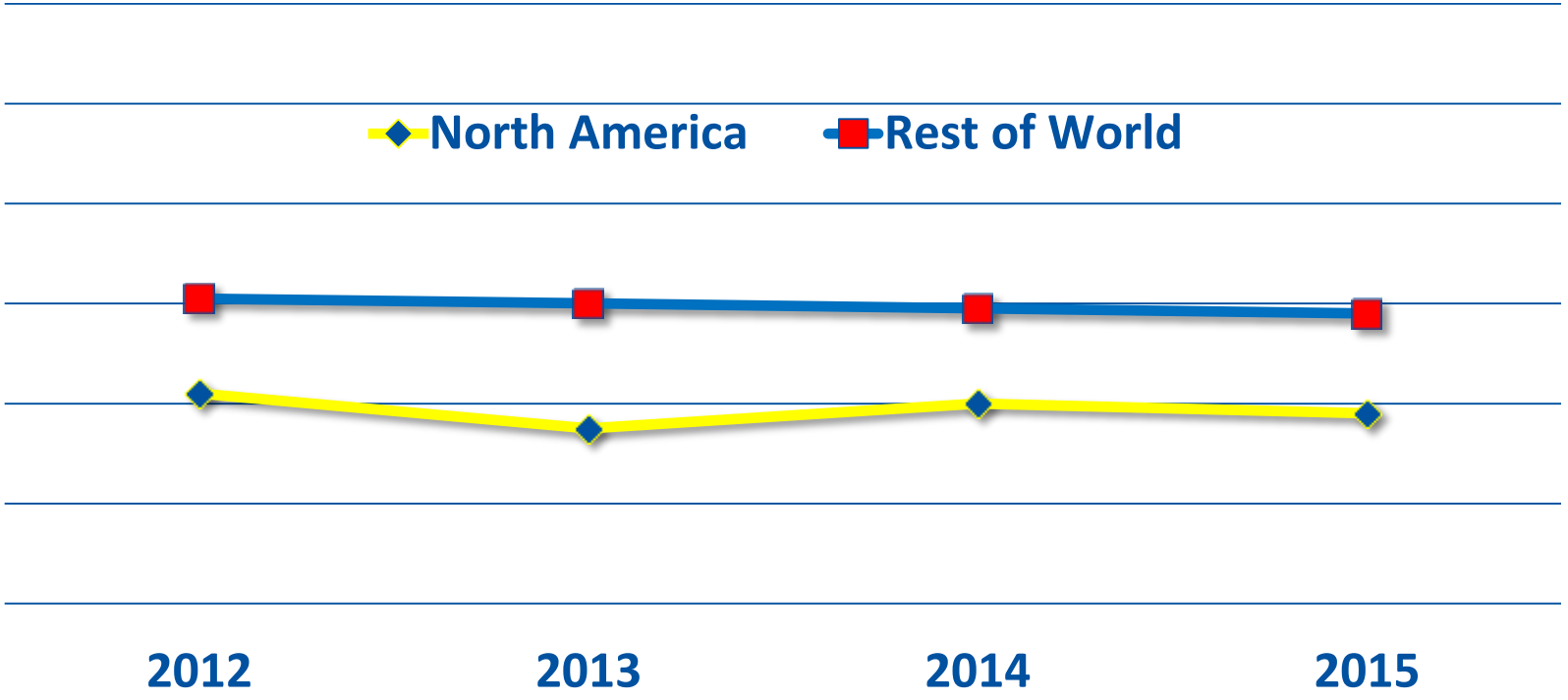


Service

Product Availability

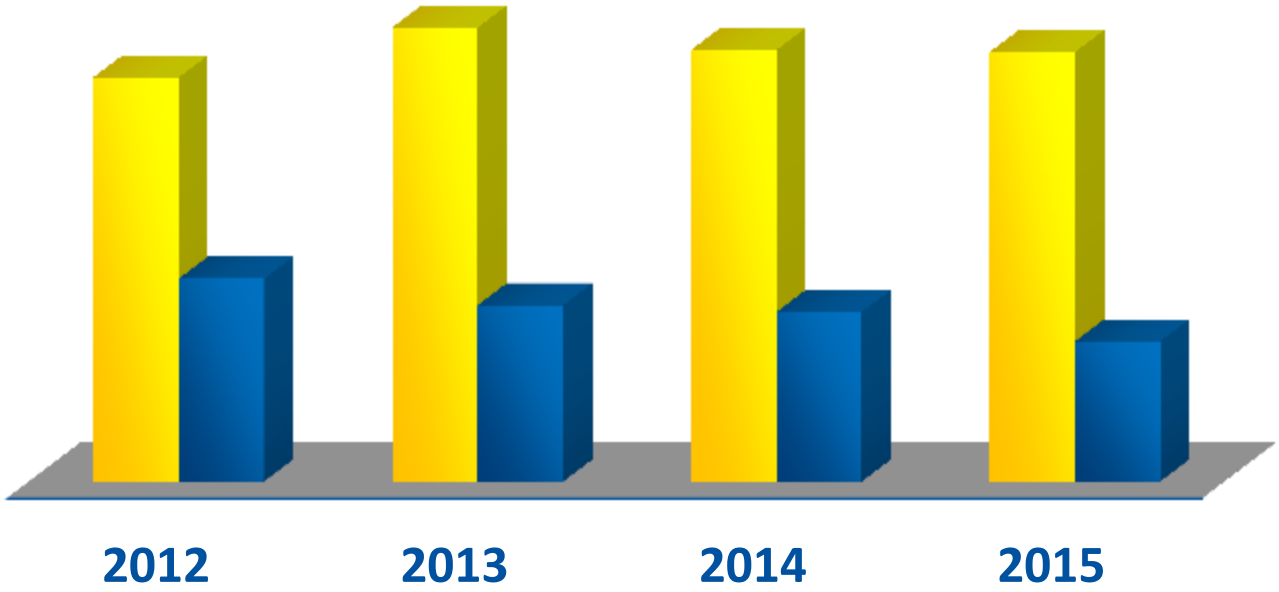


Working Capital % to Sales

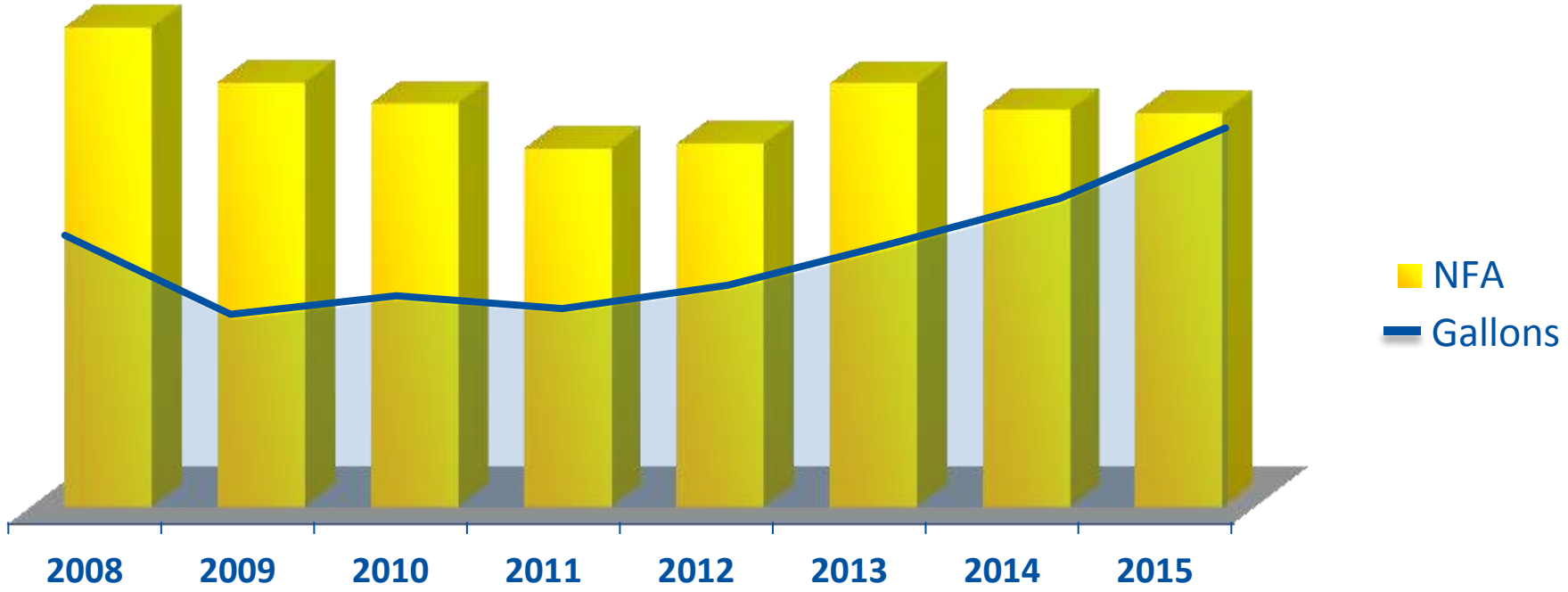


Net Fixed Assets

Value in Dollars

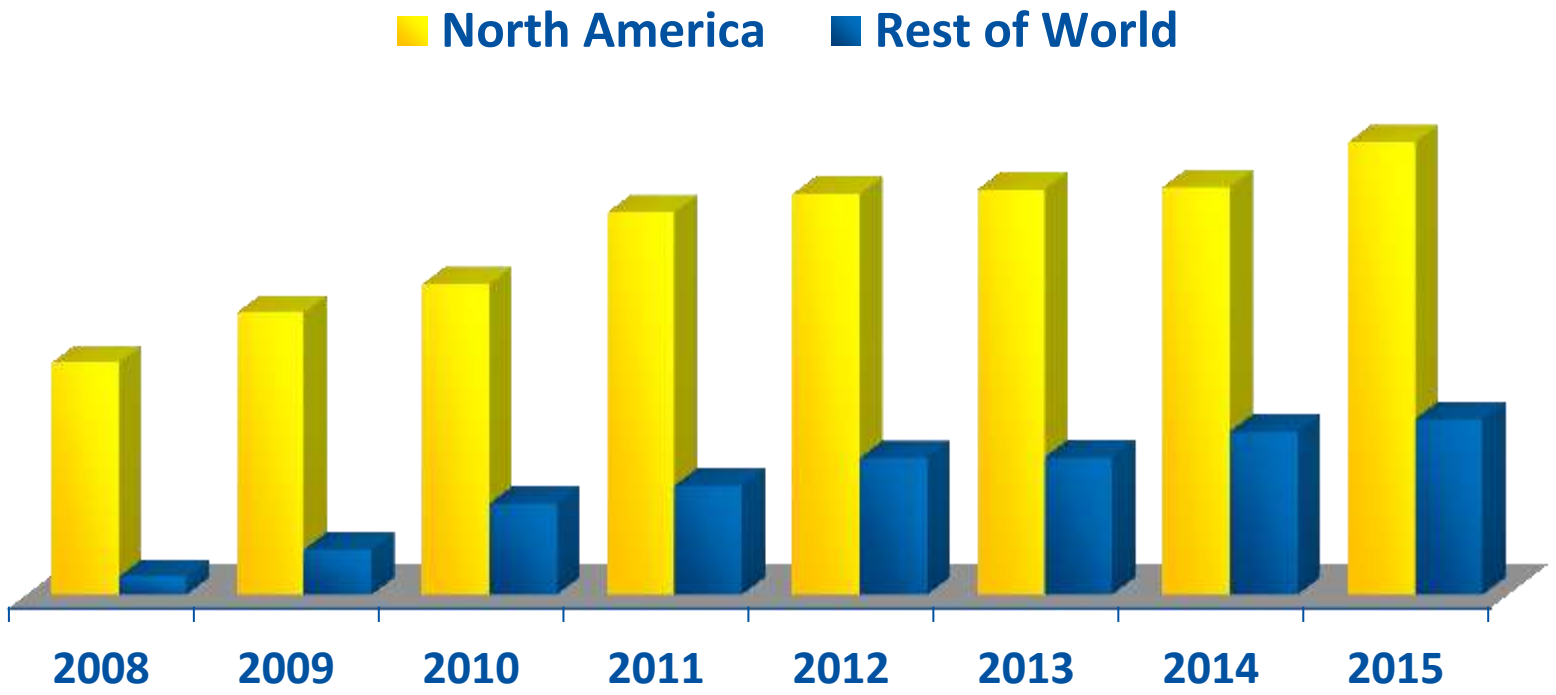


Net Fixed Assets & Gallon Production



Operational Excellence Savings

Global Opportunities



Global Procurement

- Greater Buying Leverage
- Global Visibility
- Portfolio Simplification
- Improved Working Capital Management

Global Procurement

Year Over Year Trends		
Favorable	**To Be Determined**	**Unfavorable**
Feedstock Costs	TiO_2 Price Environment	Foreign Exchange Rates
	Capacity Rationalizations	

Source: Company Estimates

Typical Coatings Product

2016 est. vs. 2015



	*Industry **
Resins/Latex (41%)	**-3 to -5%**
Acrylic (Latex Paints)	
Alkyd (Oil Paints)	
Epoxy (Epoxy Paints)	
Pigments (25%)	**-2 to -4%**
Titanium Dioxide	
Pigments	
Paint Fillers	
Extenders	
Containers (14%)	**-3 to -5%**
Metal or Plastic	
Additives (12%)	**-3 to -5%**
Solvents (8%)	**-6 to -9%**

**This represents the average cost range for the Coatings Industry. It does not reflect the cost for an individual Coatings Company. This cost could be lower or higher based upon company size, market position, etc.*

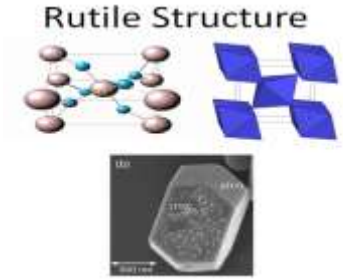
Global Procurement Benefits



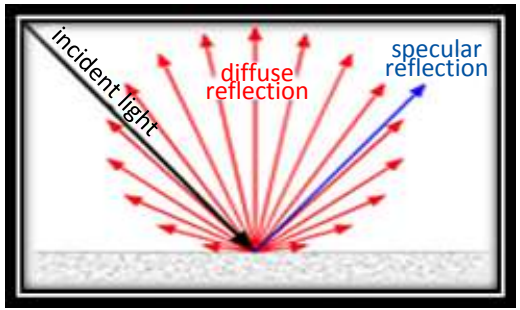
- Alternate Supply
- Internal Development
- Efficiency Projects

TiO_2

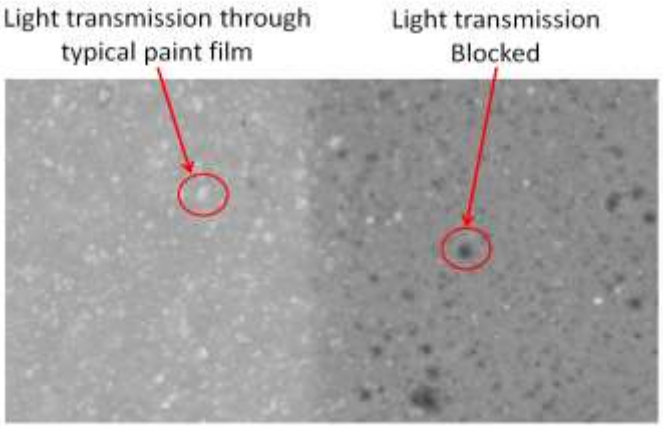
Sulphate vs. Chloride



High Hide Technologies



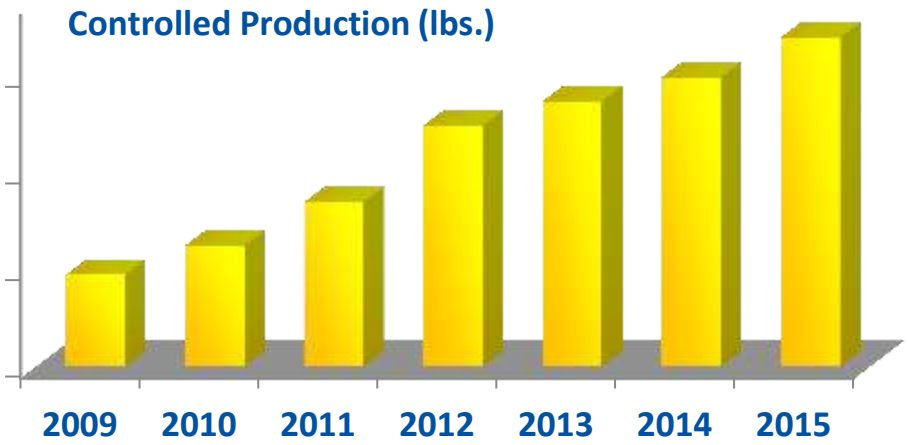
Efficiency Projects



Blocking light transmission in paint improves hide and brightness

Resin/Latex

- Internal Development
- Manufacture Control
- External Suppliers



Balance Optimization – Internal vs. External

Innovation Resource Center







New Product Launches

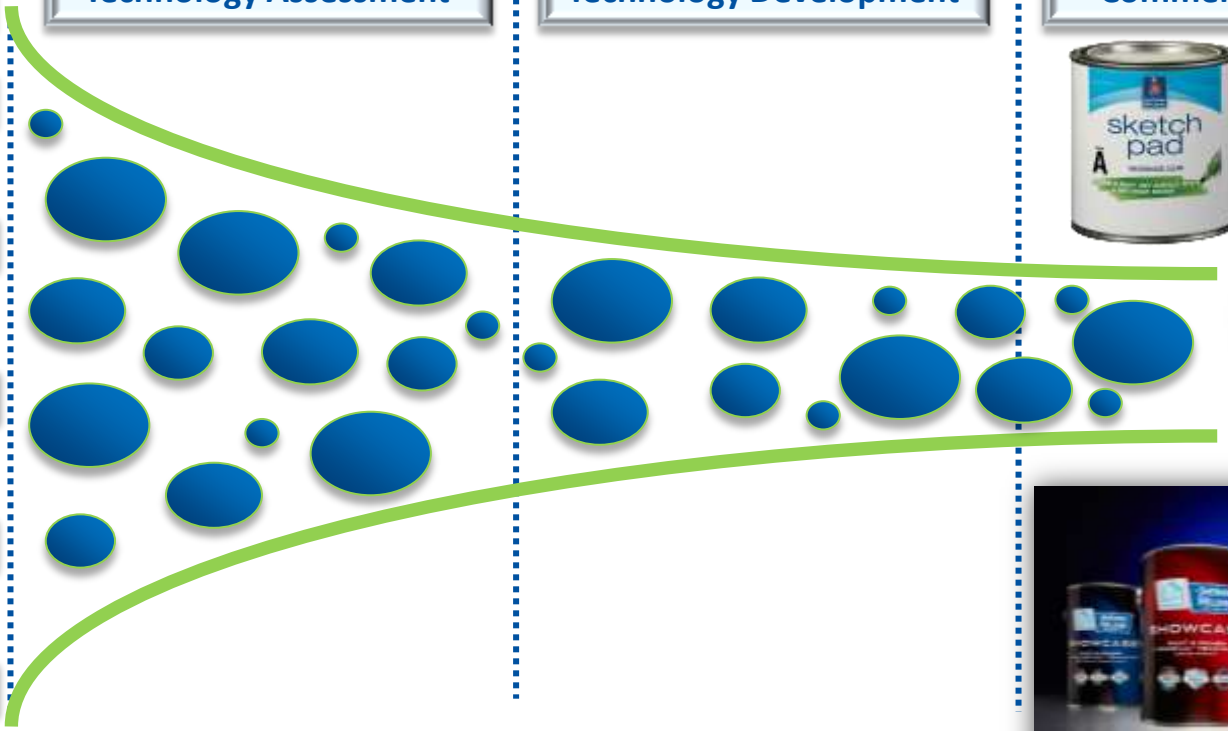


Innovation Pipeline

SHERWIN-WILLIAMS.

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

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







Summary

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

Global Finishes Group

DAVID B. SEWELL

President, Global Finishes Group

SHERWIN-WILLIAMS.

The Global Finishes Group

Leadership

President
Automotive Finishes Division



Tom Hablitzel

President
Product Finishes Division



Dennis Karnstein

President
Protective & Marine Coatings Division



Brad Rossetto

The Global Finishes Group

SHERWIN-WILLIAMS.



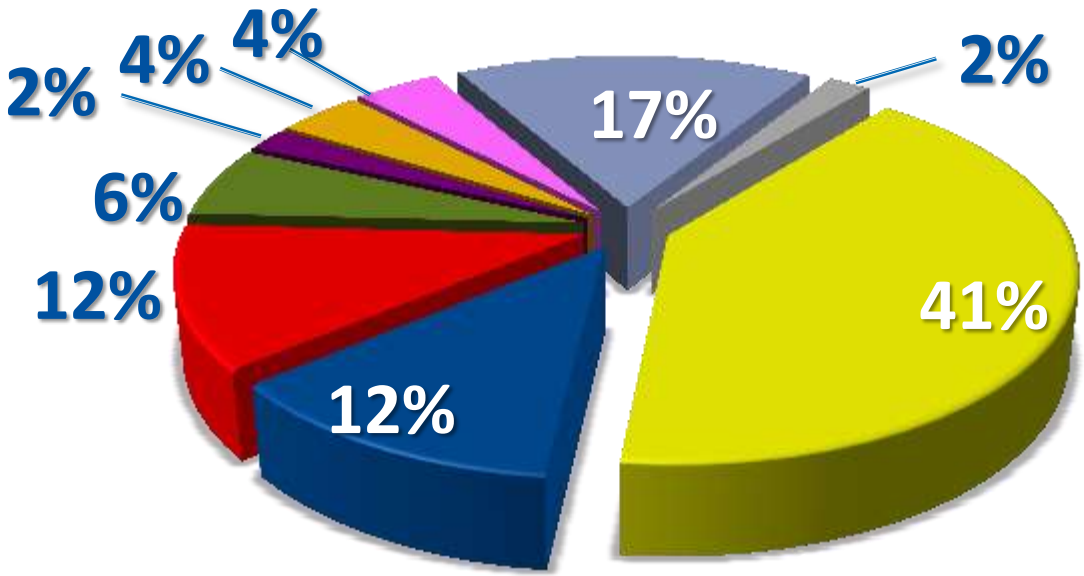
Game Changer Video



Global Finishes Group

‘Industrial Coatings’ Industry by Segment

$68.5 Billion Global Industry



- OEM Product Finishes
- Vehicle Refinish
- Protective
- Marine
- Aerospace
- Packaging
- Coil
- Automotive OEM
- Other

Source: KNG; Sherwin-Williams

Revenue Share By Region



$68.5 Billion Global Industry

Business Environment



Uneven Global Economy

- Growth Opportunities
- Currency Headwinds Persist

Expanding Environmental Pressures

- Disruptive Opportunities
- Technology Innovation

Customer Globalization

- Manufacturing Shifting to Low Cost Regions
- OEMs Sourcing Globally
- Solution-Driven Business Environment

Delivering Solutions

SHERWIN-WILLIAMS.



Lower Total Production Costs

- Higher Technology Products
- More Efficient Coatings
- Lower Energy Costs
- Line Changeover Speed

Globalization of Customers

- Complete Global Product Lines
- Local JIT Service
- Technology Transfer
- Global Account Management

Improved Cycle Times

- Increased Coverage w/ Fewer Cycles
- Faster Curing
- Higher Throughput
- "Air Dry" Technology

Environmentally Preferable Products

- Waterborne Solutions
- Maintain Cost Competitiveness
- On-Site Technical Support
- Minimize Customer Investment

The Global Finishes Group

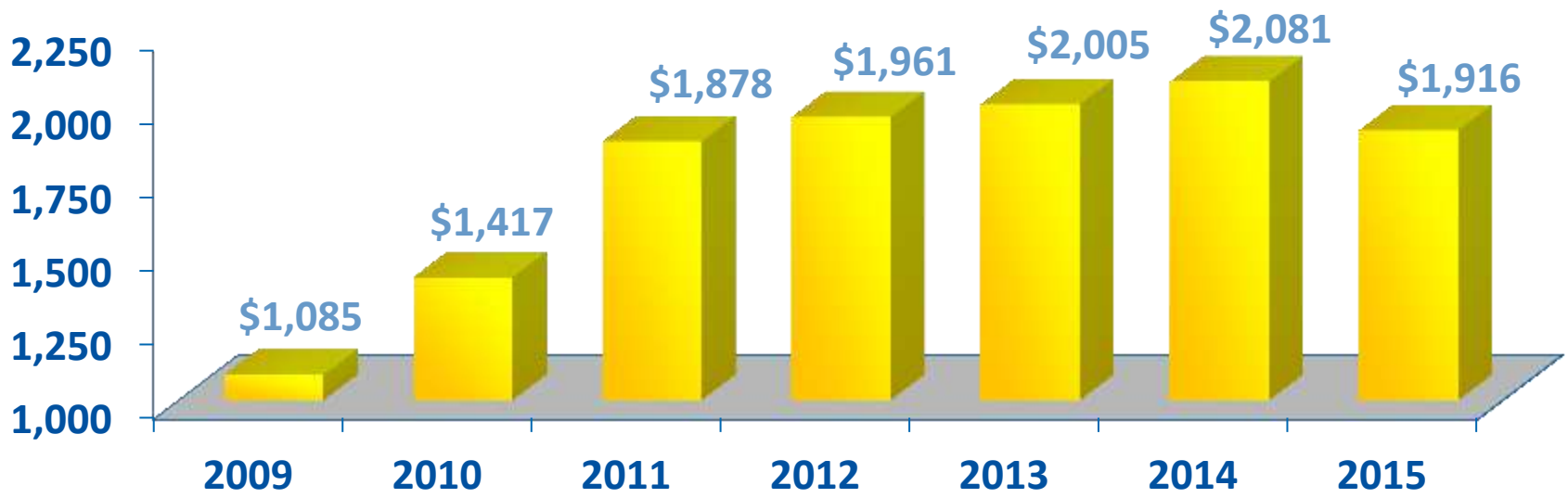
Financial Highlights

Full Year	2014	2015	% Chg.	Currency Impact %
Net Sales	$2.08B	$1.92B	(7.9)%	(7.5)%
Segment Profit	$201.1M	$201.9M	0.4%	(13.2)%
% Sales	9.7%	10.5%		
First Quarter	**1Q-2015**	**1Q-2016**	**% Chg.**	**Currency Impact %**
Net Sales	$469.6M	$454.2M	(3.3)%	(4.7)%
Segment Profit	$38.9M	$48.6M	24.9%	(7.6)%
% Sales	8.3%	10.7%		

Sales

Year-End Results

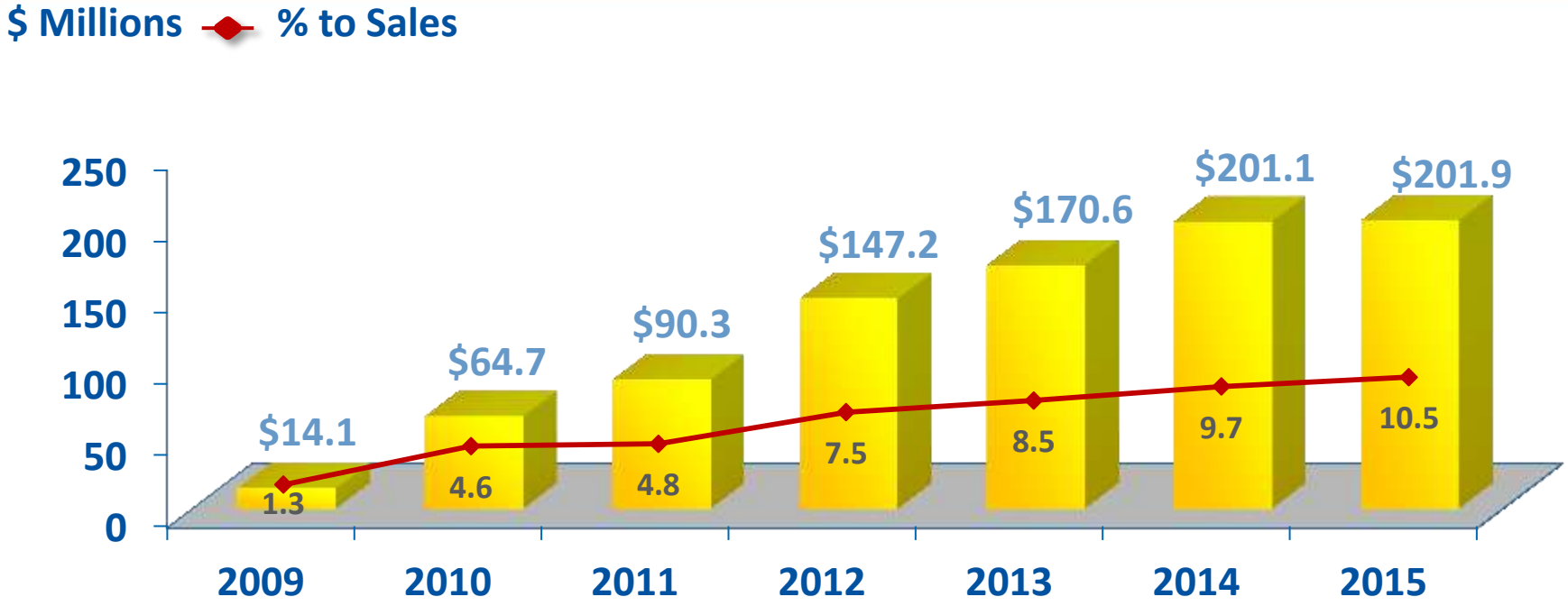
$ Millions



	2010	2011	2012	2013	2014	2015
% Chg	30.6%	32.5%	4.4%	2.2%	3.8%	(7.9)%

Segment Profit

Year-End Results



Sales Approach

Segmentation

SHERWIN-WILLIAMS.

Wood Finishes



General Industrial



Customer Needs

Global Support



Sales Approach

Global Accounts

SHERWIN-WILLIAMS.



Virgin GALACTIC





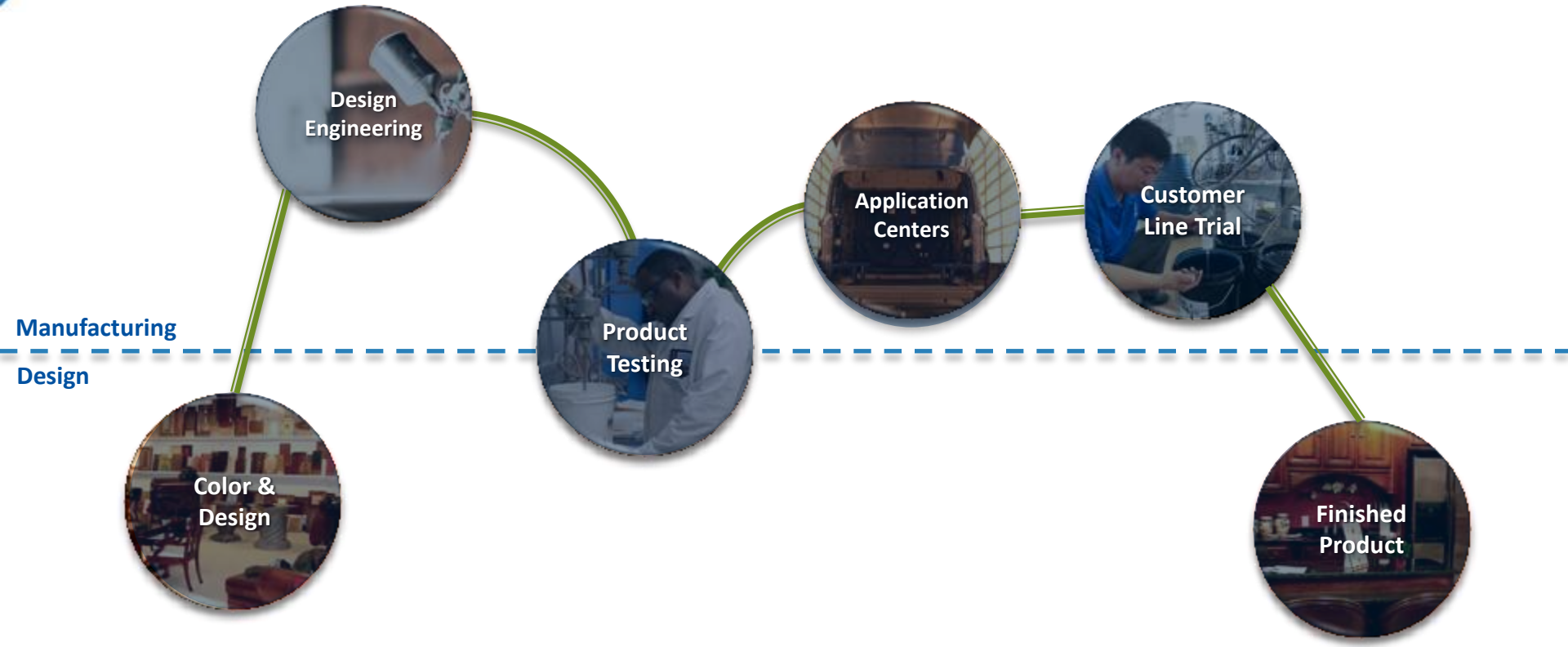
Global Finishes Group

R&D 2016



Complete Development Support

Delivering Differentiated Solutions



Complete Development Support

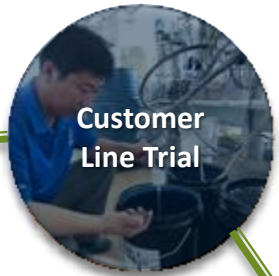
Delivering Differentiated Solutions

SHERWIN-WILLIAMS.









Manufacturing

Design



COLOR & DESIGN

Color Studio

OEM Matching Tools

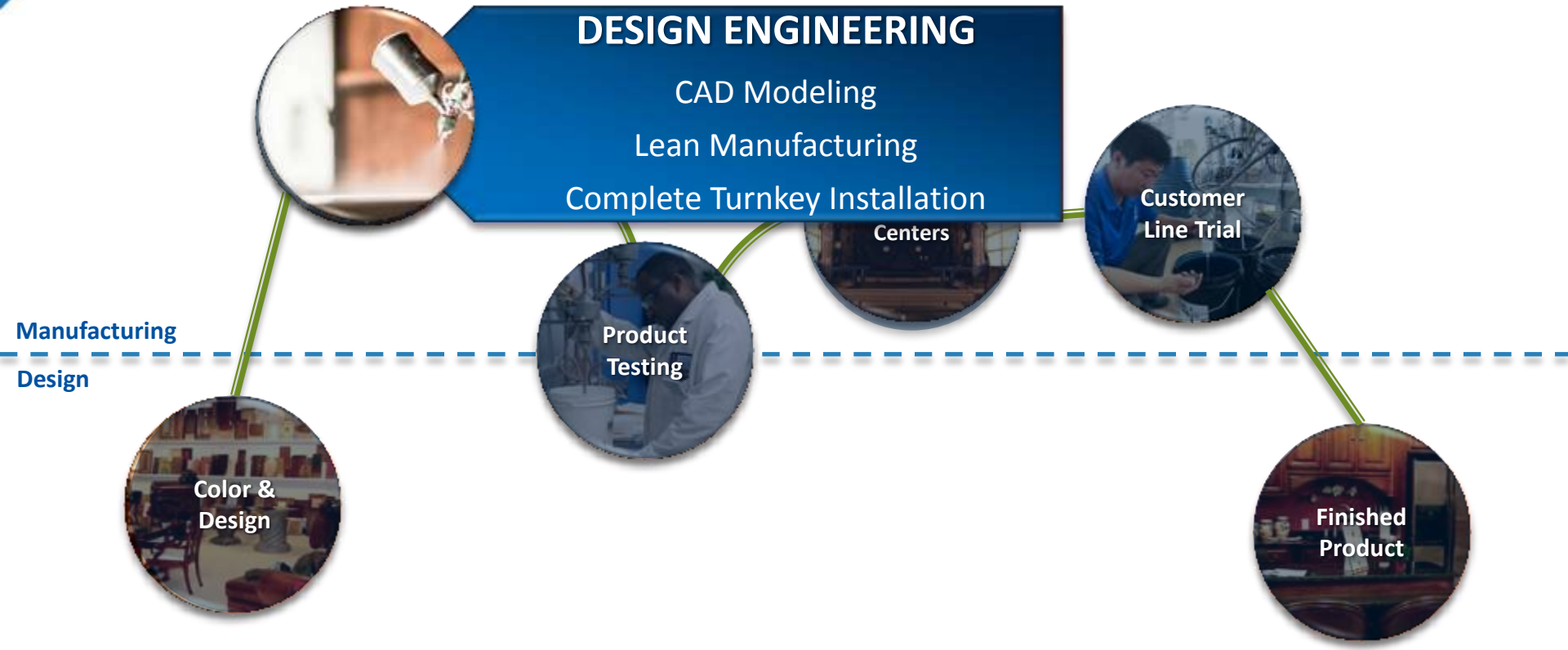
Trends & Innovation



Complete Development Support

Delivering Differentiated Solutions

SHERWIN-WILLIAMS.



Complete Development Support

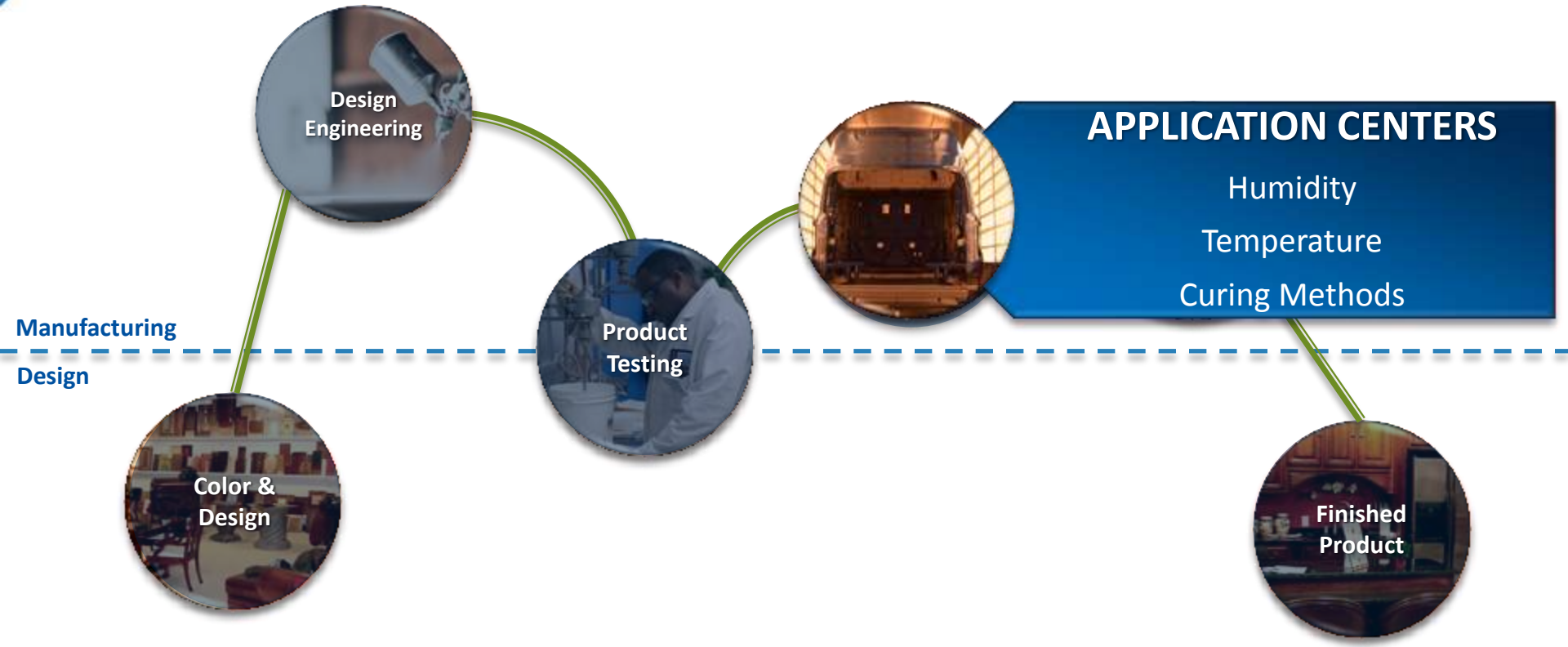
Delivering Differentiated Solutions



Complete Development Support

Delivering Differentiated Solutions

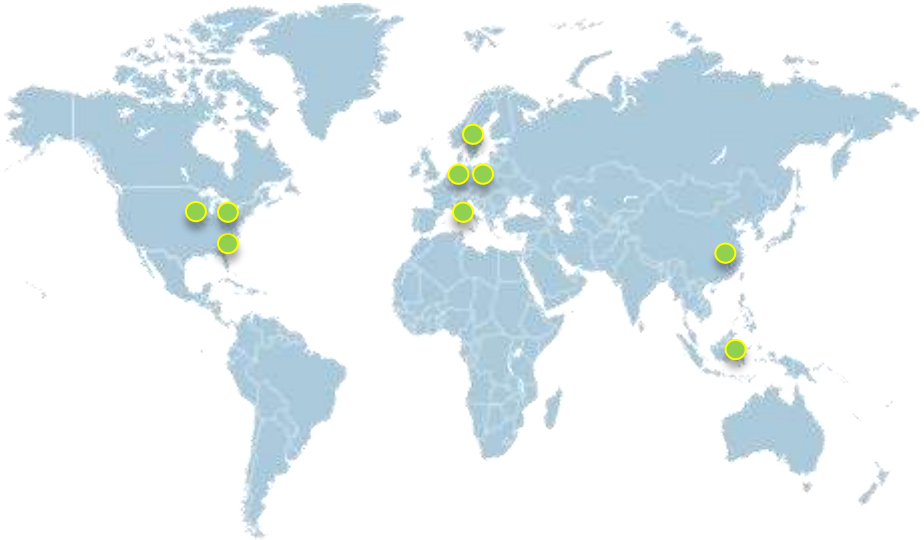
SHERWIN-WILLIAMS.



Global Strategy & Resources



Global Application Centers



Global Application Center Video



Complete Development Support

Delivering Differentiated Solutions



Complete Development Support

Delivering Differentiated Solutions

SHERWIN-WILLIAMS.



Summary

- Differentiate With Innovation
- Expand Geographic Reach
- Sales Excellence & Global Talent
- Drive Key Growth Segments
- Leverage Assets & Resources



Automotive Division

THOMAS C. HABLITZEL

President & General Manager

SHERWIN-WILLIAMS.

Market Segments

Automotive & Transportation

SHERWIN-WILLIAMS.

AUTOMOTIVE



COLLISION / PRODUCTION SHOPS



CUSTOM/RESTORATION



OE INTERIOR/SPECIALTY

AEROSPACE



COMMERCIAL MRO



GENERAL AVIATION OE & MRO



MILITARY MRO

Automotive Division Profile

- Global Footprint
- 220 Company Owned Branches
- 5,500 Points of Distribution
- Global Training Network
- Conducting Business in 100 Countries









Source: Company Estimates

Transportation Finishes Strategy

- Customer Segment Focused Innovation
- Controlled Distribution
- Strategic Partners Enhance Geographic Coverage
- Global Coverage and Expansion
- Global Brands, Colors, and Services



Collision Repair Industry Forces

Drivers

- Miles Driven Increases
- MSO Consolidation
- Distracted Driver Accidents
- Vehicle Average Age
- Self-Driving Adoption

Detractors

- Insurance Reimbursement Rates
- MSO Negotiating Power
- Crash Avoidance Technologies
- Increase in Totaled Vehicles
- Self-Driving Technology

Domestic Markets – Controlled Distribution

Repeatable Customer Experience



Manufacturing & Distribution Center Richmond, KY



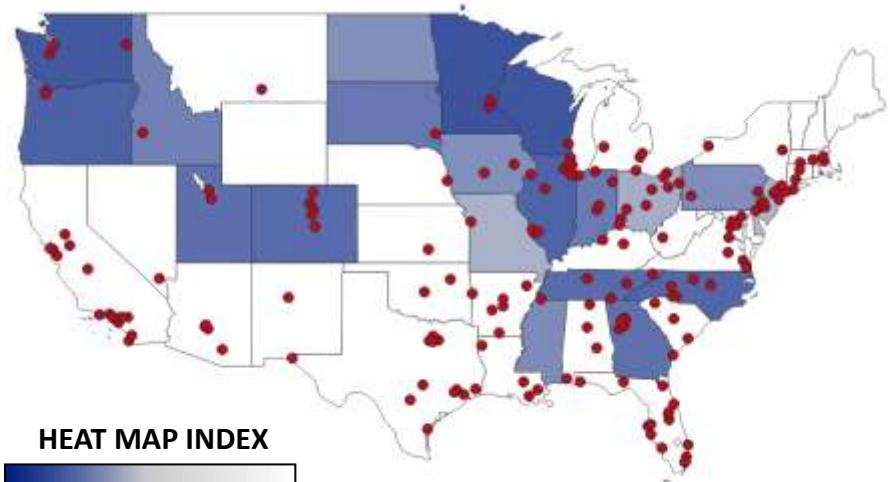
Sherwin-Williams Branch



SWAF Sales/Service Team



MSO Store



- Installs
- Product Training
- SOPS
- Ordering / EDI
- Material Carts

- Audit Tools
- Color Identification
- Allied Materials
- KPI Improvement
- Delivery / Lead Times

Domestic Markets – Distribution Partners / NAPA

Geographic Coverage & Category Expansion

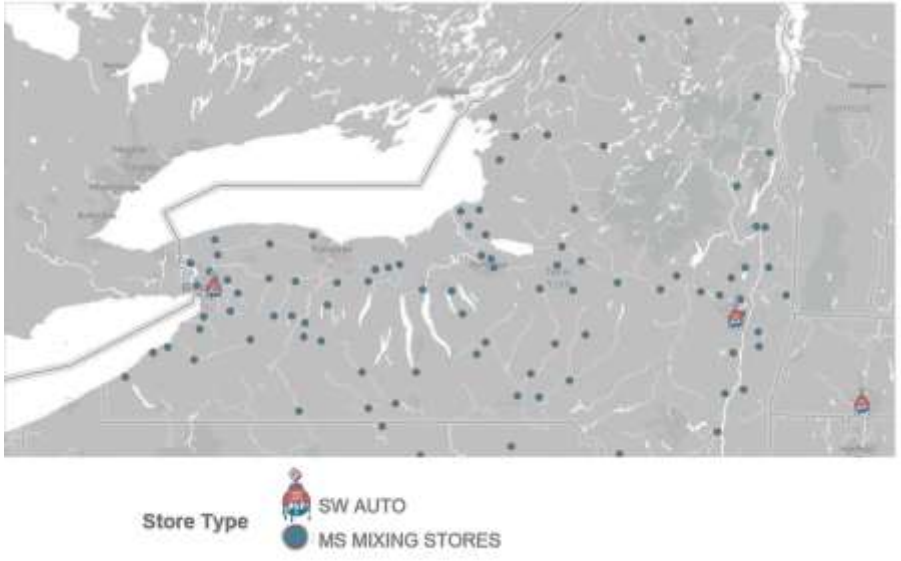
THE PAINT STORE IN A PARTS STORE

MARTIN SENOUR PAINTS®



- Leverage Parts Traffic to Paint Body Equipment (PBE)
- Differentiating Category vs. Peers
- 1500 Stock PBE + 31 Paint Stores

SHERWIN-WILLIAMS / MARTIN SENOUR STORE LOCATIONS: NEW YORK STATE



- Controlled Brand at NAPA
- Compliments SWAF Footprint
- Dedicated Sales Team

PBE Strategy – Allied Products

Top PBE Distributors

PBE Distributors	#	Geography
Sherwin-Williams Automotive Finishes	195	National
FINISHMASTER	168	National
LKQ	117	National
nrs	112	National
SINGLE SOURCE	75	Regional
English Color and Supply Inc.	36	South
Wesco	33	Northwest
Kryptonite	31	Northeast/Florida
GENUINE PAINTS	21	National

FASTLINE™

- National & Owned Brand Strategy
- Approaching 75% Category Coverage
- Margin Enhancement & Inventory Productivity





Pulse MIG Welder

Dent Repair Station

Aluminum Repair

- OEM Specified Equipment
- Consumables and Equipment for Complete Repairs
- Isolation Booths, Welding, Tools

Innovation Strategy



SWAF Innovation Milestones

SHERWIN-WILLIAMS.

2016
- iFEX®
- G56 Soft Touch

2015
- HDR
- Martin Senour® IMC

2014
- SkyScapes® GA

2013
- Dimension® HP
- FormulaExpress® 2.0

2012
- Fastline™ AP
- Genesis® HP

2011
- SkyScapes® BC/CC

2010
- Lean Stock

2009
- ESR™
- HPC15

2008
- P30 Primer

Product Innovations



Color Innovations



Process Innovations

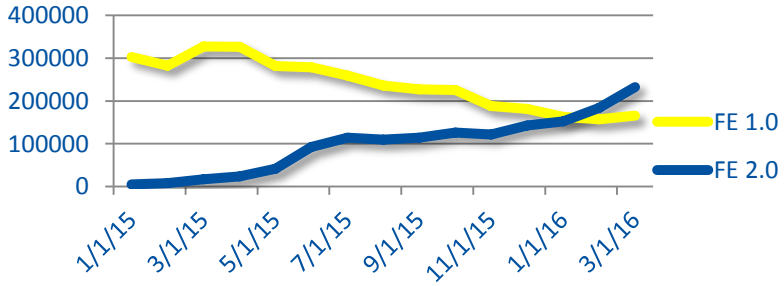


Color Innovation – Color Formula Retrieval

Vehicle Refinish



- Google Simple Search
- 3X Faster Retrieval Process
- Paint Inventory & Management System Connected





- 95% Formula Identification
- 6 Angle + 4 Cameras
- Effect Identification
- Process Speed Acceleration
- Price Point Options

Product Innovation – G56 Soft Touch Coatings

O.E. Interior





- 2K Polyester Urethane Soft Touch Coating
- Unique Blend of Feel & Durability – Up Price Point
- Exclusive GM Approval
- 11 Vehicles / 4 Continents
- Soft Touch at New OEMs – Tesla
- Next Gen: Low VOC Versions G55 / G56

Product Innovation – SkyScapes® General Aviation

Aerospace

Expand Color Leadership



- Basecoat / Clearcoat System
- Effect Schemes over Large Areas
- Speed System – Improves Sag Resistance

Speed to Innovation



CIRRUS AIRCRAFT

Bell Helicopter

HondaJet

Automotive Brand Development

150th Anniversary Activation







3M™ / Roush® / SWAF
Selling Campaign



Limited Edition
Tools & Events

Sherwin-Williams

Aerospace & Virgin Galactic







Transportation Finishes Strategy

- Customer Segment Focused Innovation
- Controlled Distribution
- Strategic Partners Enhance Geographic Coverage
- Global Coverage and Expansion
- Global Brands, Colors, and Services



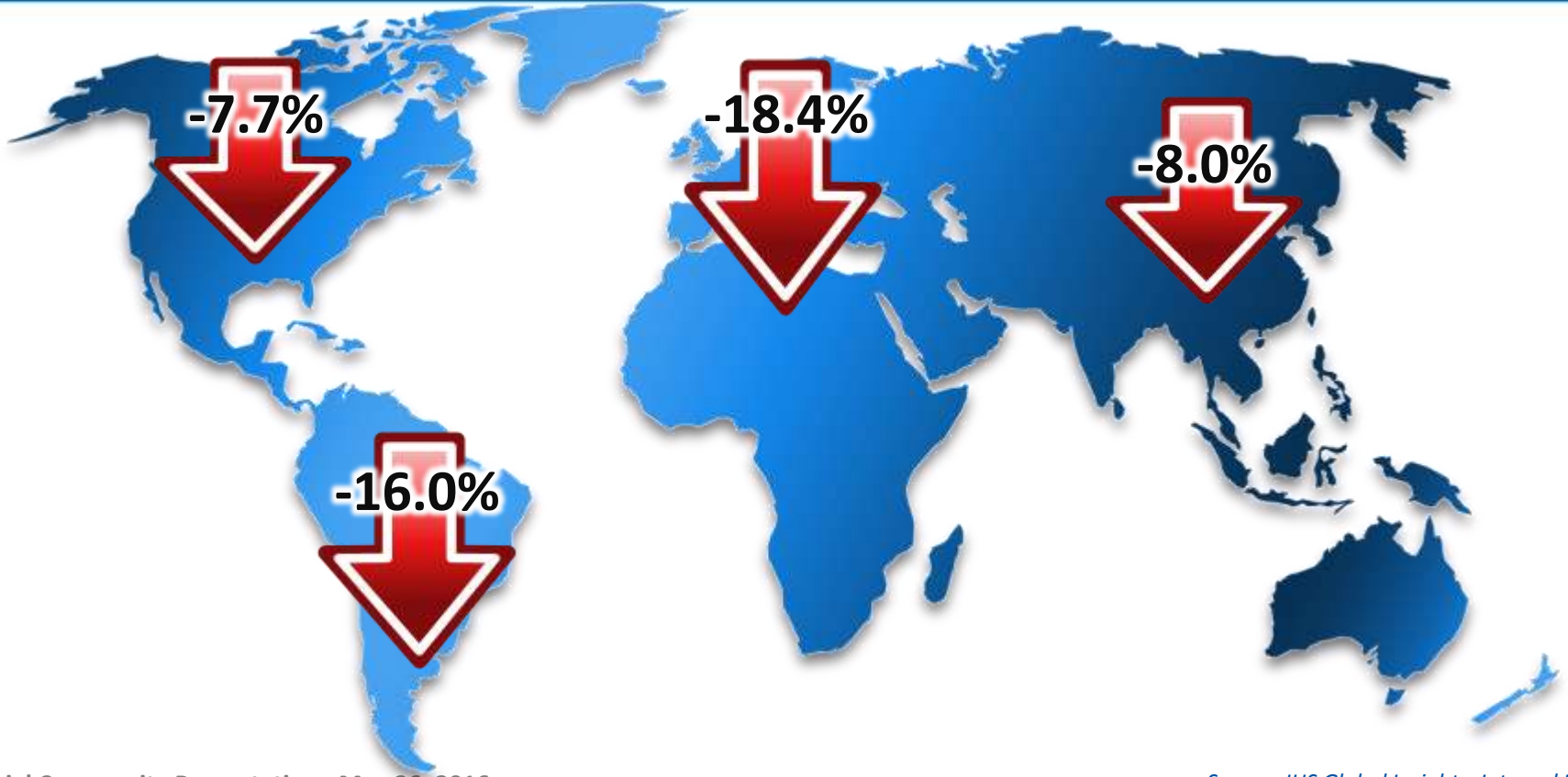
Protective & Marine Division

BRAD ROSSETTO

President & General Manager

SHERWIN-WILLIAMS.

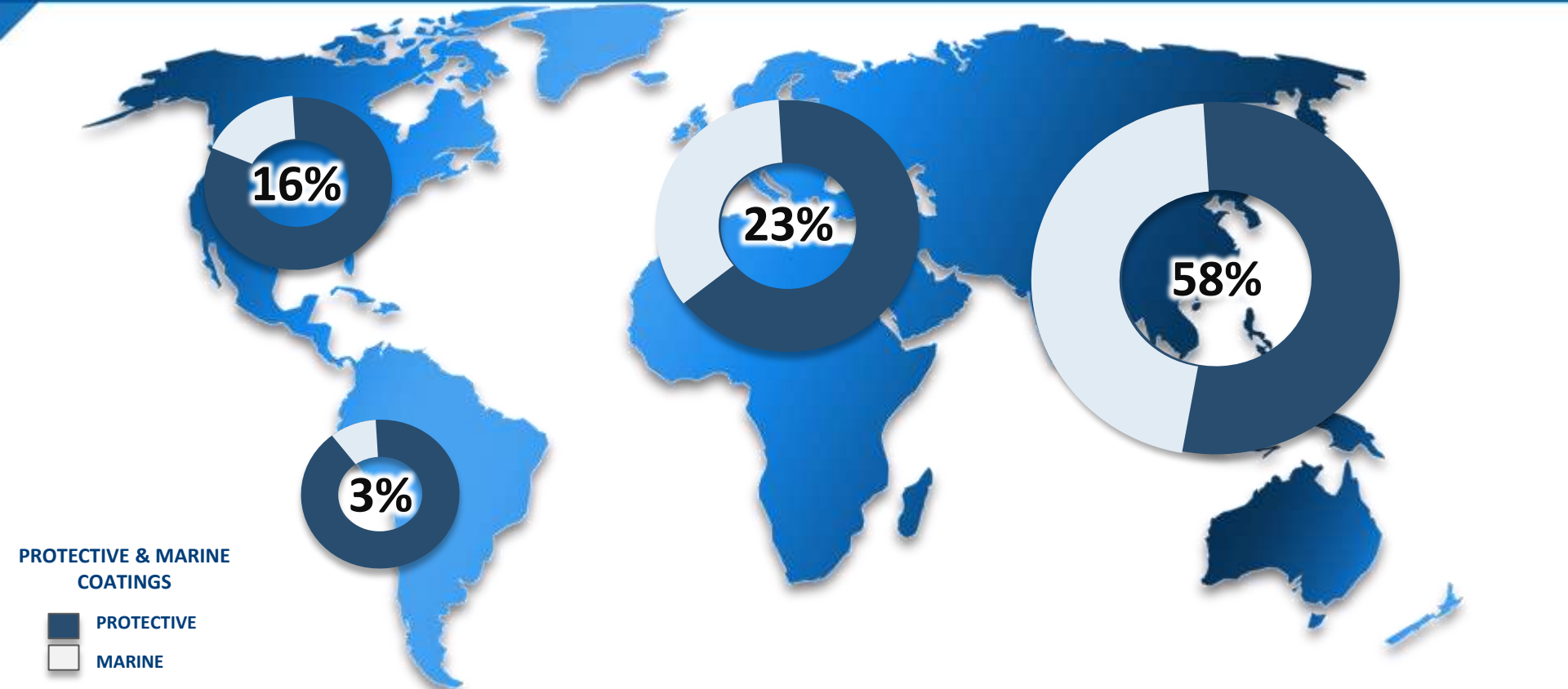
Global P&M Demand Declines 10.9%



Source: IHS Global Insights, Internal Estimates

$11B Global P&M Coatings Industry

Back to 2011 Levels



Source: IHS Global Insights, Internal Estimates

SHERWIN-WILLIAMS.

Our Business is Asset Protection

Protective & Marine Segments


Oil & Gas


Power


Bridge & Highway


Water & Waste Treatment


Marine


Mining


Commercial Infrastructure


Food & Beverage




76

U.S. Capitol Dome

Interior Cast Iron Coated With Macropoxy 646



Birmingham New Street Station

3000 Tons of Steel Coated With Multiple S-W Fire Protection Products



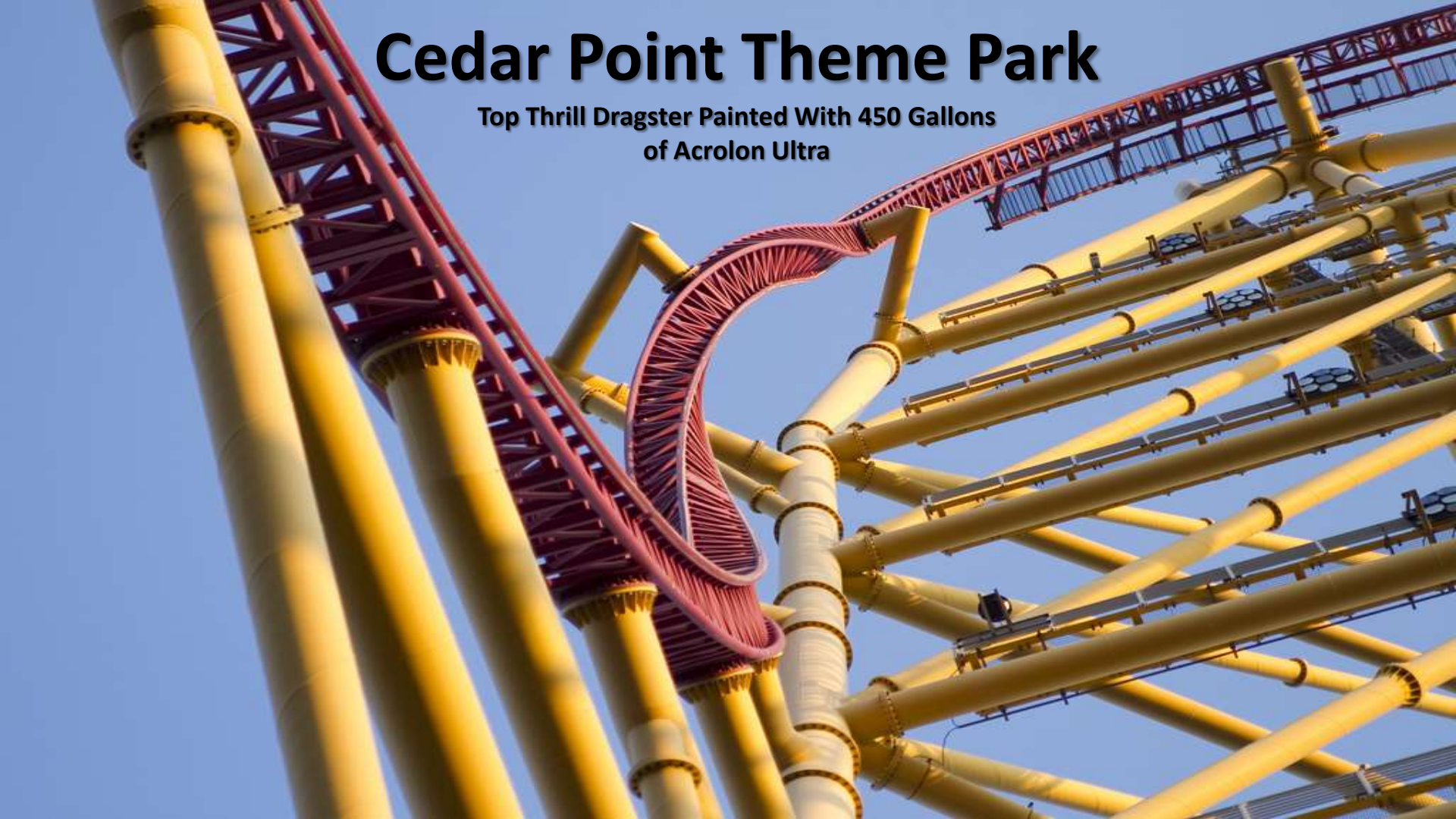
Atlanta Falcons Stadium

20,000 Gallons of Acrolon 218 Urethane Applied



Cedar Point Theme Park

Top Thrill Dragster Painted With 450 Gallons of Acrolon Ultra



Cedar Point Video



FINANCIAL TIMES

Janan Ganesh

The silent giants

BT finds its mojo

Oil slide puts more than $100bn of projects on ice as majors retreat

Fed Warns on Global Growth Fears

THE WALL STREET JOURNAL.

Choppy Global Economic Outlook

THE WALL STREET JOURNAL.

Oil-Industry Layoffs Hit 100,000 and Count

FINANCIAL TIMES

WORLD BUSINESS NEWSPAPER

WiFi racket

Don't be deflated

We should be celebrating deflation in Europe

Li Ka-shing's shuffle

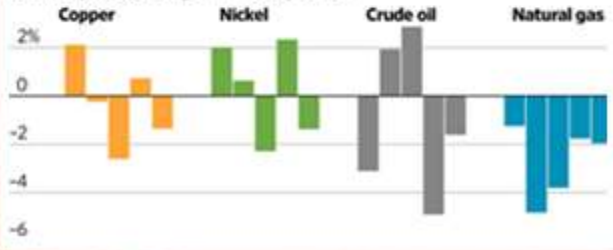
John Gapper on why tycoons dismantle their empires

Shell abandons $6.5bn venture as oil majors move to slash costs

Commodity Crunch

A slump in metals and energy prices deepened this week following the Federal Reserve's interest-rate increase, which traders expect to hit commodity prices by bolstering the dollar.

Futures prices, change from a day earlier



Neglected Infrastructure

SHERWIN-WILLIAMS.



Water/Wastewater	Power	Airports	Inland Waterways / Marine	Bridge & Highway
$150B Needed	$934B Needed	$157B Needed	$37B Needed	$1.79TR Needed
$45B Expected	$757B Expected	$115B Expected	$22B Expected	$828B Expected
Funding Gap: $105B	Funding Gap: $177B	Funding Gap: $42B	Funding Gap: $15B	Funding Gap: $962B

Public Infrastructure Spending Projections: 2016-2025

SOURCE: American Society of Civil Engineers | "Failure To Act: Closing the infrastructure investment gap for America's economic future" , 2016

Ready to Meet Demand



Water & Waste Treatment

New Products Restore Aging Water Structures



Bridge & Highway

Industry Certification of Concrete Coating Systems



Power

New Product Technologies Certified for Nuclear Application



Marine

Comprehensive Product Offering From Topside Coatings to Tank Linings

Supporting Bridge Restoration

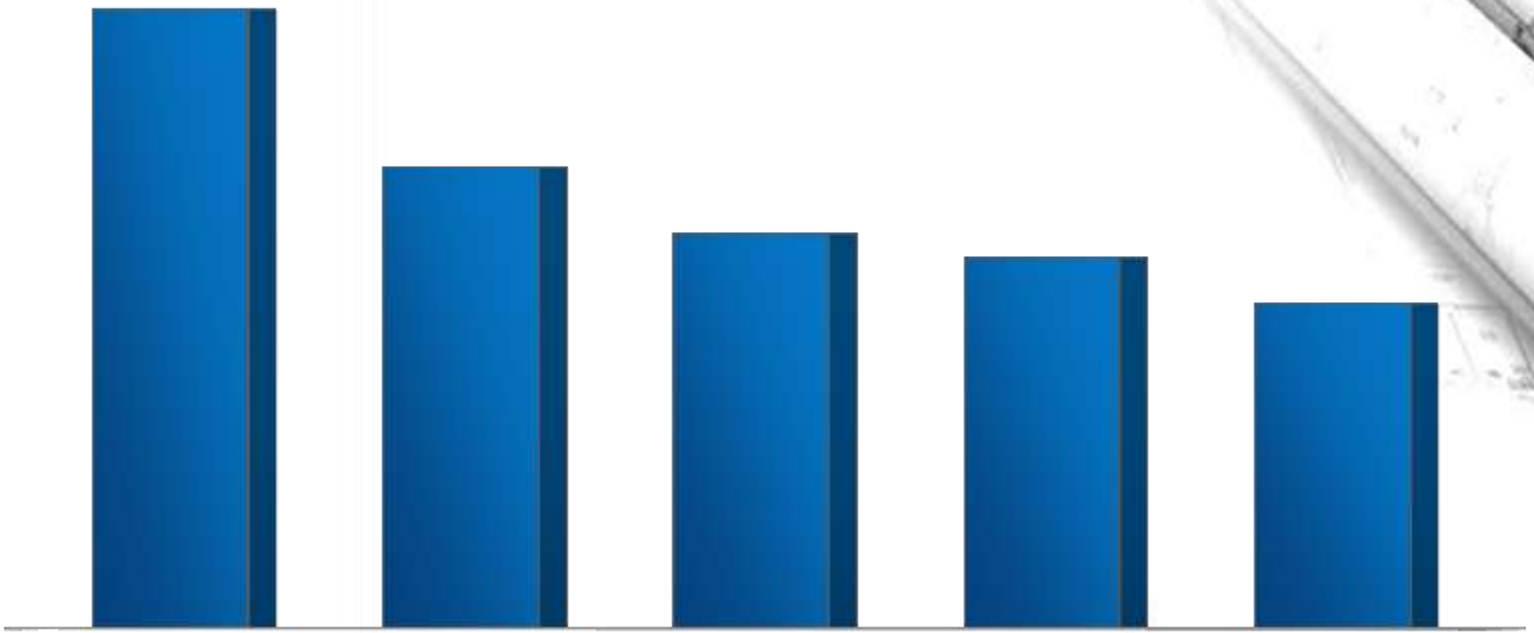
SHERWIN-WILLIAMS.



Bridge Painting Video



Leading in Specifications



SOURCE: JPCL | PaintSquare

NOTE: Based on Coatings for Steel Substrate for Publically Funded Projects. | Methodology Change Starting in 2013

Envirolastic® 940

SHERWIN-WILLIAMS.





STEEL PLATE FABRICATORS ASSOCIATION
Founded 1933

STI® Steel Tank Institute



Dura-Plate® 301W

SHERWIN-WILLIAMS.

THE QUEEN'S AWARDS
FOR ENTERPRISE:
INNOVATION
2015





2016 P&M Industry Forecast



Positioned For Sustained Growth

- Diverse Customer Segments
- Strong Specification Position
- Robust Innovation Pipeline

Product Finishes Division

DENNIS H. KARNSTEIN

President, General Manager

SHERWIN-WILLIAMS.

Product Finishes

Complete OEM Coatings & Finishing Solutions



Product Finishes

Transportation/Heavy Equipment Segment



Heavy Equipment



Truck & Bus



Work Vehicles/ Upfitters



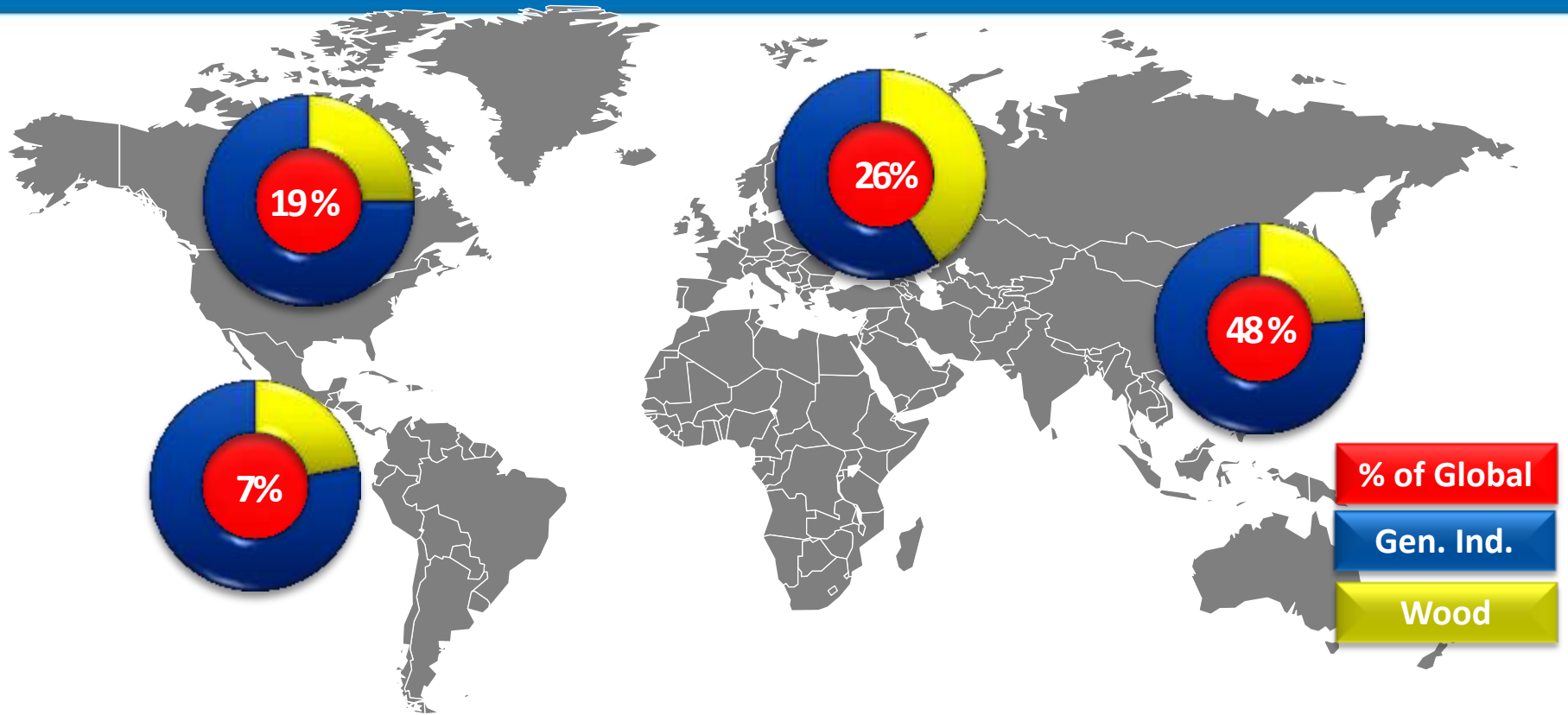
Fleet Refinish



Sign

Product Finishes

$28.1B Global OEM Finishes Industry



Source: KNG

Product Finishes

Value Proposition



Product Finishes

Differentiators by Segment

WOOD	CUSTOMER REQUIREMENT	GENERAL INDUSTRIAL
✓ Designer-Driven	SPECIFICATION	✓ Manufacturer-Driven
✓ Local Blending	SUPPLY CHAIN	✓ Global Technology Transfer
✓ Shift to Waterborne ✓ Lower-Cost Substrate	PROCESS EFFICIENCY	✓ Factory Throughput ✓ Dry Time
✓ Forward-Looking Trends ✓ Match Architectural Color	COLOR	✓ Meets Spec ✓ Consistency Across Tiers
✓ Scratch Resistance ✓ Solar Reflectivity	DURABILITY	✓ Salt Spray ✓ Corrosion Resistance
✓ Architectural Brand Synergies	RELATIONSHIP	✓ Preferred Supplier Status

Value-Added Services









Systems Engineering

Technical Service

Associated Products

Color & Design

Product Innovations

Wood Segment

- Sher-Wood® SB Stain
- Edge Coating
- Sayerlack® Hydroplus
- KEM Aqua® BP Siding Plus

Product Innovations

Sher-Wood® SB Stain

98%

Reduction in Reworks

Darker Colors

Achieved More Easily

Custom Process

Revamped Sanding Procedure



Product Innovations

KEM Aqua® BP Siding Plus

10
Minute Savings in Time to Pack

1,200
Colors Matched

Water-Reducible
Meet Sustainability Initiatives



Product Innovations

Edge Coating

Reduced Cost

MDF Less Expensive Substrate

Edge Coverage

Achieve Quality Look

Protection

Improved Edge Performance



Product Innovations

Sayerlack® Hydroplus

Low-VOC

Water-Based Formulation

High-Gloss Look

Fine Furniture & Cabinetry

Durability

Withstands Repeated Impact



Product Innovations

General Industrial Segment

- KEM Aqua® 8710
- Powdura® OneCure
- Polane® D8700
- Genesis® LV

Product Innovations

Kem Aqua® 8710

30 Minutes

Fast Dry To Touch Time

Water-Reducible

Lower VOC

Tested

With Spray Equipment Vendors



Product Innovations

Powdura® OneCure

Save Time

Removes a Step From Finishing Process

Save Energy

Eliminate a Bake Cycle

Durability

Engineered for Demanding Conditions



Product Innovations

Polane®



Durability

Cyclic Corrosion
Salt Spray
OEM Specifications

Versatility

General Metal Finishing
Medical Devices
Transportation

Innovation

Direct-to-Metal
Field Tintable
Biocompatibility Tested

Product Innovations

Genesis® LV

66%

Faster Cure Time

Energy Savings

30 Minutes to Dry at 160°F

Innovative Package

Exactly the Right Amount, No Spills



Product Finishes

Value Proposition

