

FINANCIAL COMMUNITY PRESENTATION

THE LANGHAM | BOSTON

MAY 22, 2018

Forward-Looking Statement

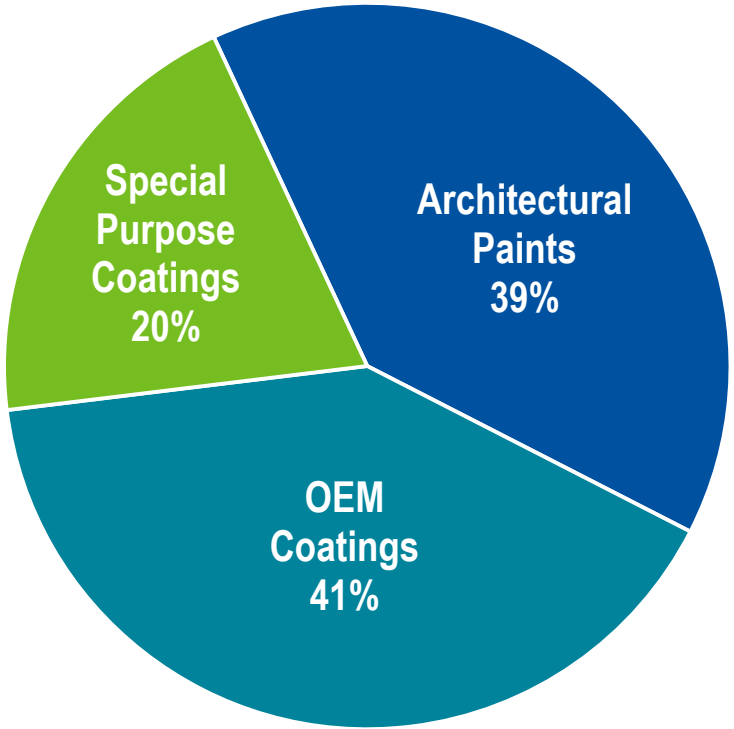
SHERWIN-WILLIAMS®

The presentations today will contain certain “forward-looking statements," within the meaning of the federal securities laws, with respect to anticipated future performance (including sales and earnings), expected growth, future business plans and other matters. These statements may be identified by the use of words and phrases such as "believe," "expect," "may," "will," "should," "project," "could," "plan," "goal," "potential," "seek," "intend" or "anticipate" or the negative thereof or comparable terminology. These statements are based upon management's current expectations, estimates, assumptions and beliefs concerning future events and conditions. Readers are cautioned not to place undue reliance on any forward-looking statements. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside our control that could cause actual results to differ materially from such statements and from our historical results and experience. These risks, uncertainties and other factors include such things as: general business conditions, strengths of retail and manufacturing economies and the growth in the coatings industry; changes in raw material and energy supplies and pricing; changes in our relationships with customers and suppliers; our ability to successfully integrate past and future acquisitions into our existing operations, including Valspar, as well as the performance of the businesses acquired; risks inherent in the achievement of anticipated cost synergies resulting from the acquisition of Valspar and the timing thereof; competitive factors, including pricing pressures and product innovation and quality; the nature, cost, quantity and outcome of pending and future litigation and other claims, including the lead pigment and lead-based paint litigation, and the effect of any legislation and administrative regulations relating thereto; adverse weather conditions and natural disasters; and other risks, uncertainties and factors described from time to time in our reports filed with the SEC. Since it is not possible to predict or identify all of the risks, uncertainties and other factors that may affect future results, the above list should not be considered a complete list. Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

INDUSTRY OVERVIEW

BOB WELLS
SENIOR VICE PRESIDENT,
CORPORATE COMMUNICATIONS & PUBLIC AFFAIRS

Paint & Coatings Industry
Global Mix by Category (Based on $)



Total Coatings

2017
~9.4 Billion Gallons
~125 Billion Dollars

Source: KNG Global Research
The use of KNG information in this presentation is for illustrative and consistency purposes only; SHW cannot verify the accuracy of KNG Research.

Global Paint & Coatings Industry
Mix by Category (Based on $)

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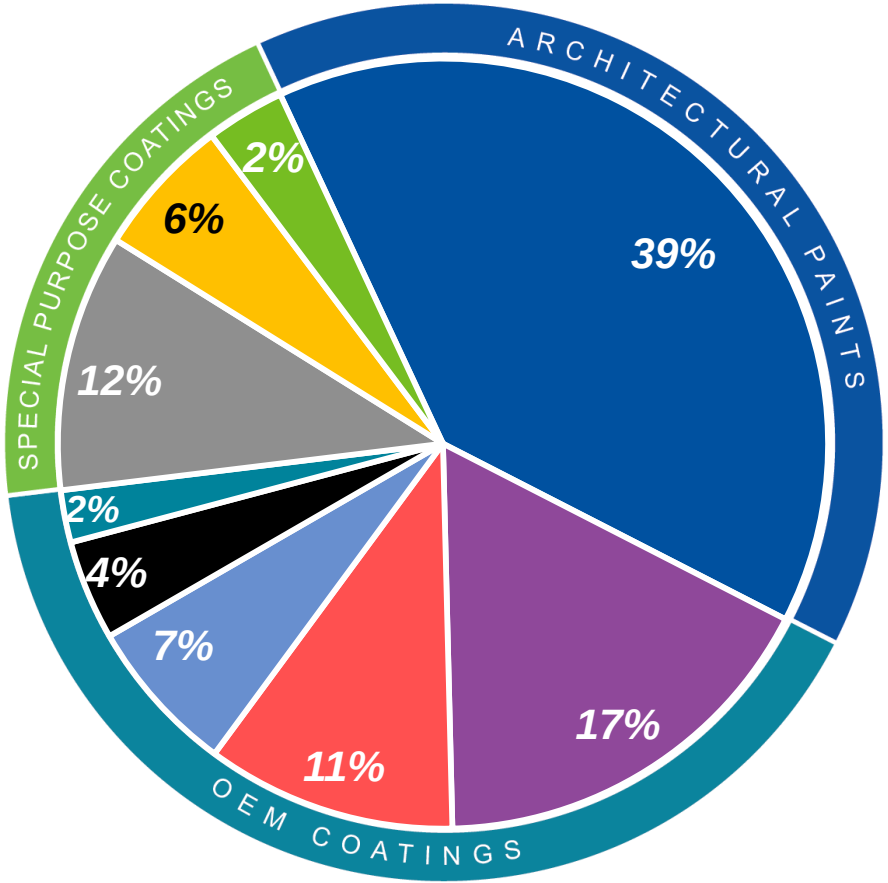

- ARCHITECTURAL
- GENERAL INDUSTRIAL
- AUTO OEM
- WOOD
- COIL
- PACKAGING
- PROTECTIVE & MARINE
- AUTO REFINISH
- OTHER

Source: KNG Global Research
The use of KNG information in this presentation is for illustrative and consistency purposes only; SHW cannot verify the accuracy of KNG Research.

Paint & Coatings Demand by Region

Geographic Split of Global Revenue

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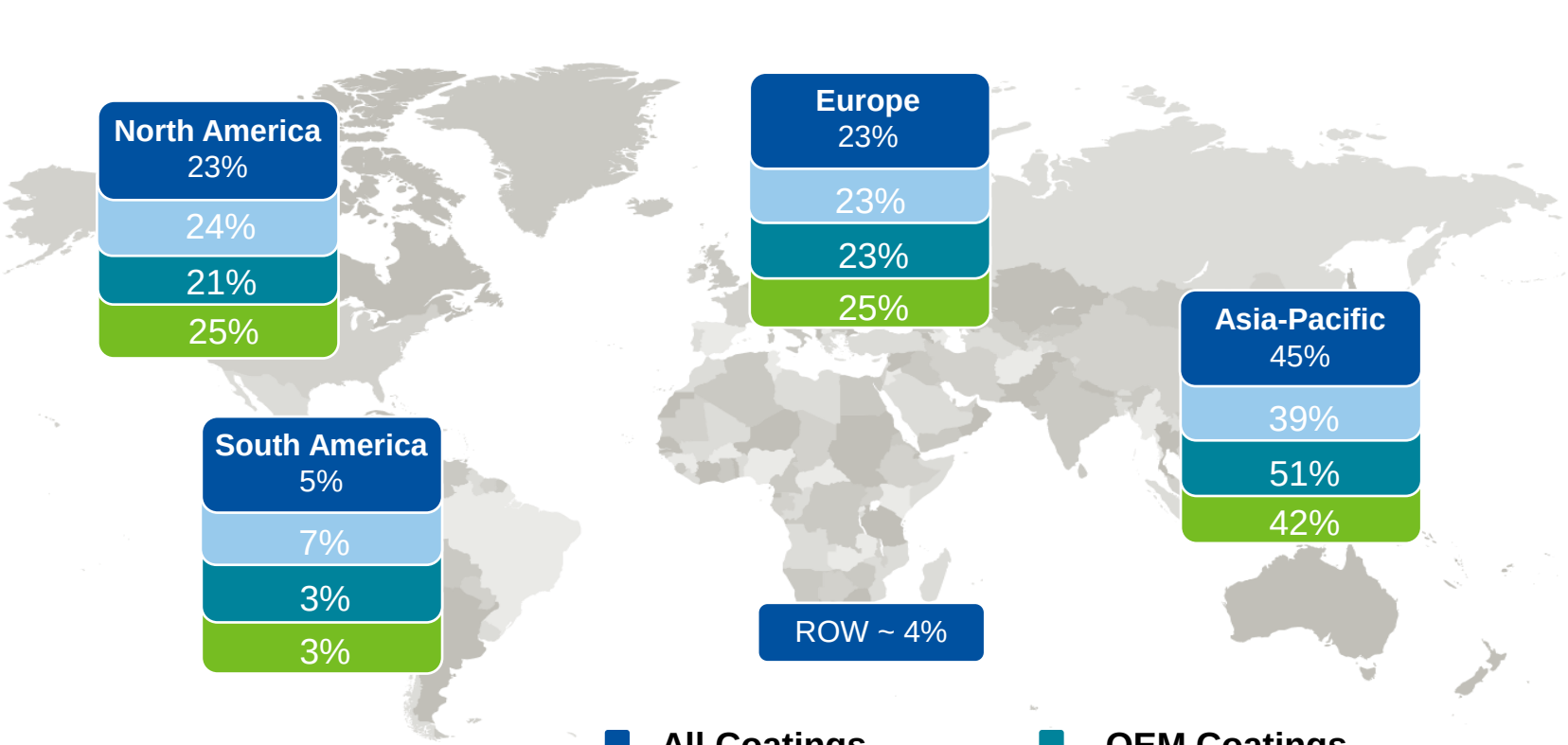
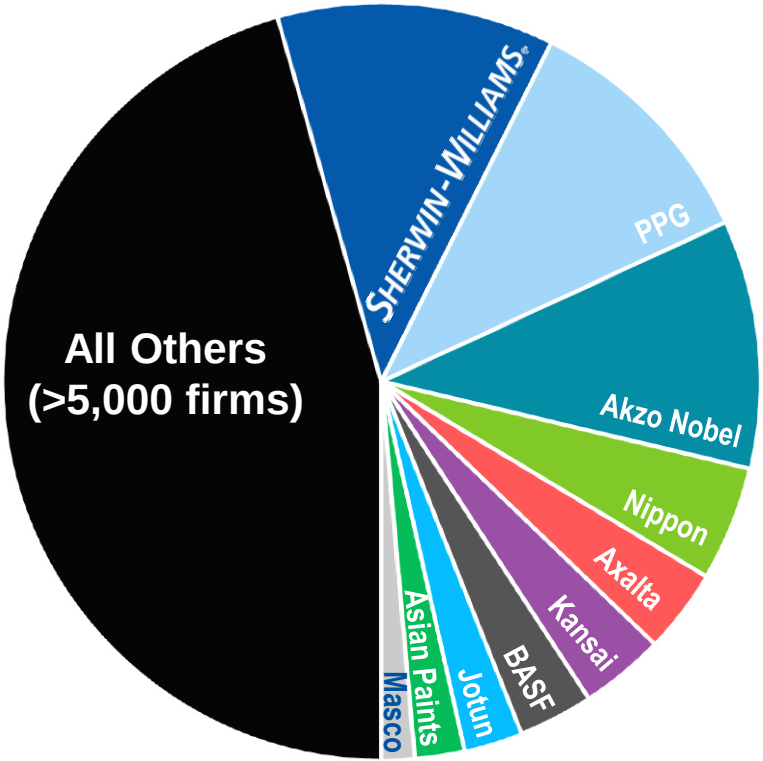


Source: KNG Global Research

The use of KNG information in this presentation is for illustrative and consistency purposes only; SHW cannot verify the accuracy of KNG Research.

Top Global Manufacturers
Coatings Industry 2017



Global Market
Top 10 Suppliers ~55%

Source: KNG Global Research
The use of KNG information in this presentation is for illustrative and consistency purposes only; SHW cannot verify the accuracy of KNG Research.

North America Paint & Coatings Industry

Sales ($) Mix by Category

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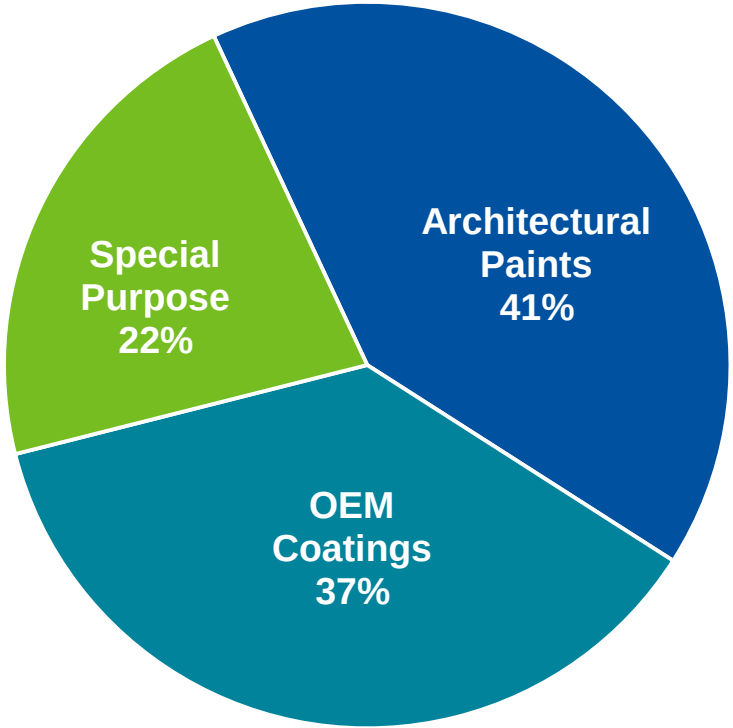

North America Paint & Coatings

2017
~1.5 Billion Gallons
~28.0 Billion Dollars

Source: KNG Global Research
The use of KNG information in this presentation is for illustrative and consistency purposes only; SHW cannot verify the accuracy of KNG Research.

U.S. Paint & Coatings Industry

Architectural Paint Gallons (Millions)

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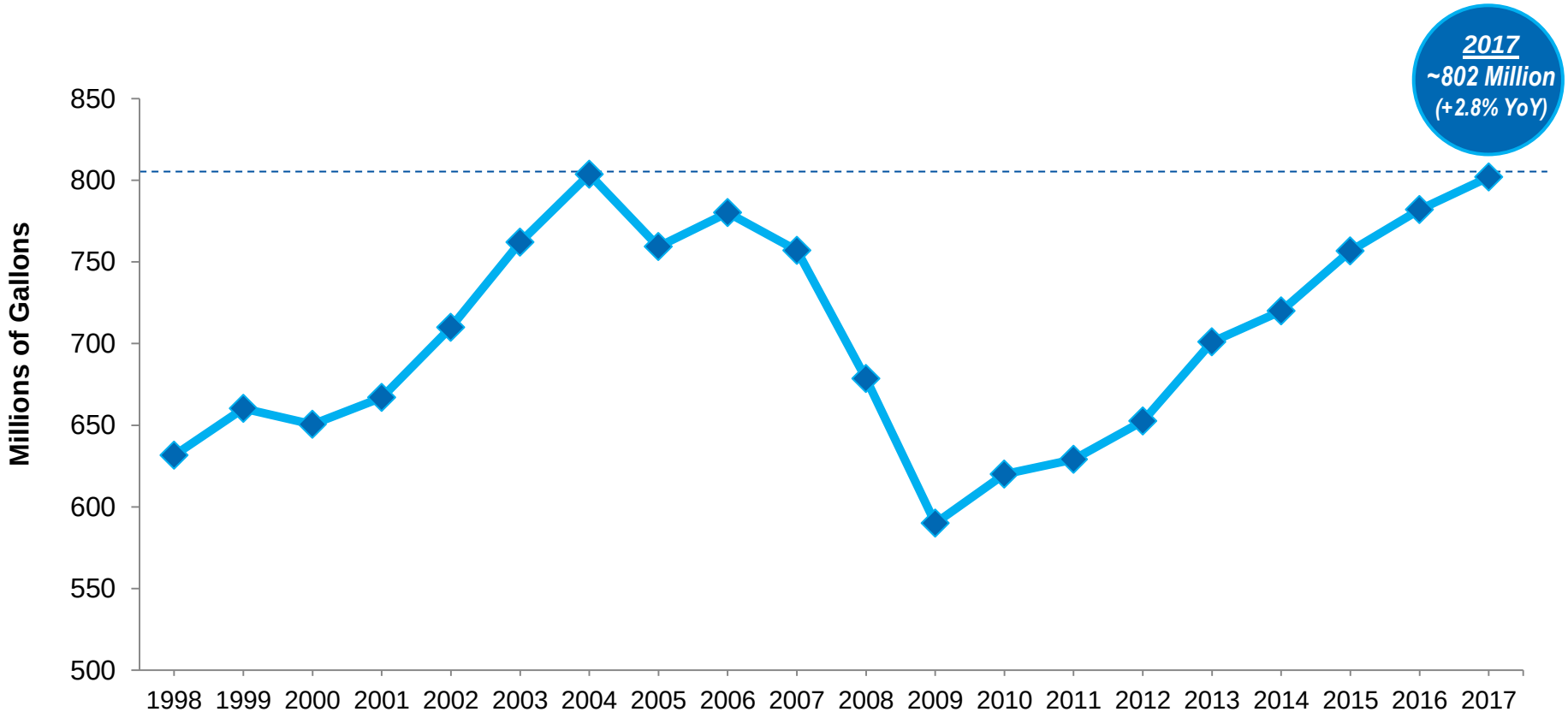

Sources: ACA, Department of Commerce, Company Estimates

U.S. Architectural Paints
Estimated Breakdown by Segment

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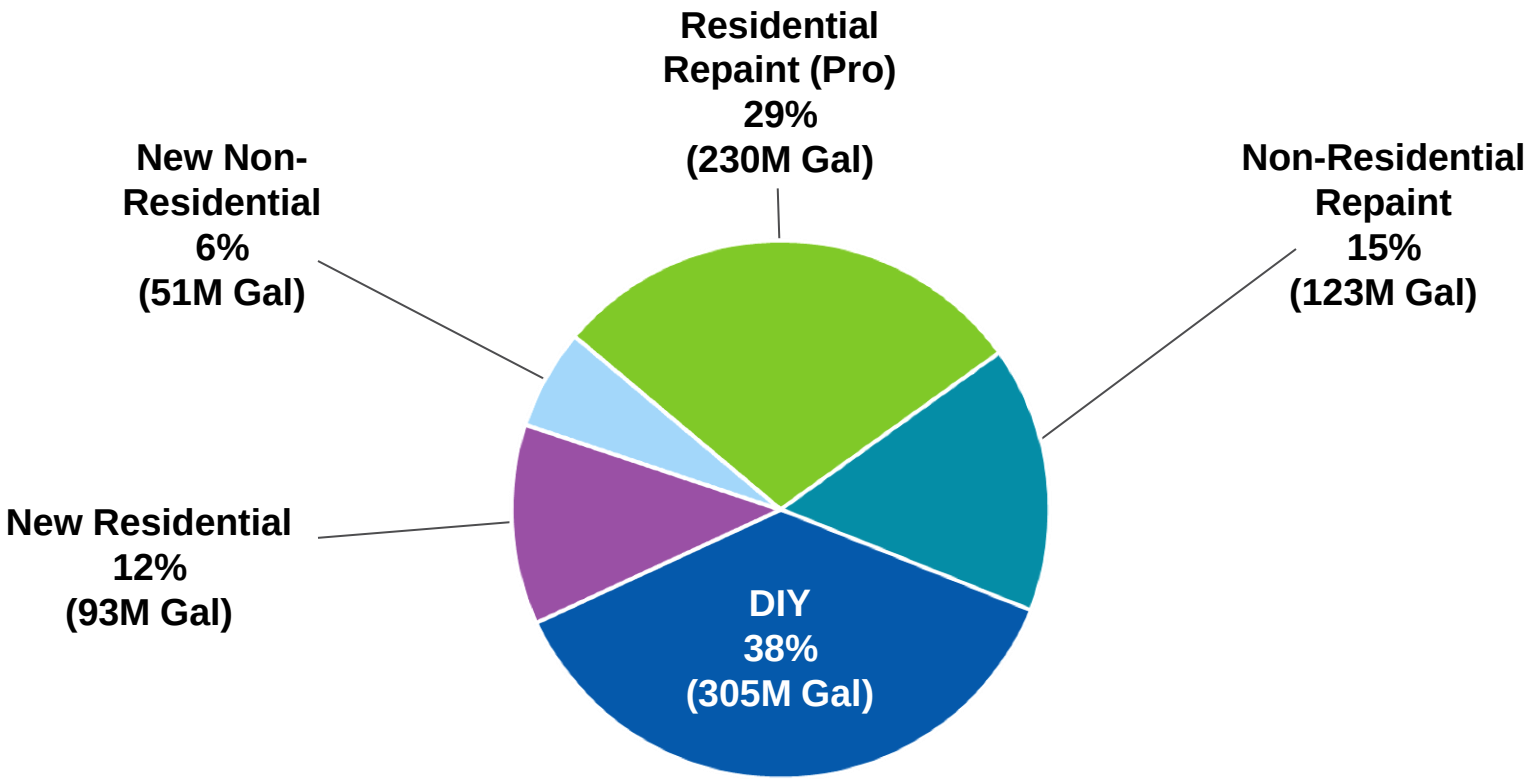

802 Million Gallons

Sources: ACA (Total Gallons), Company Estimates (Segment Breakdown)

Five Reasons for Solid Growth Prospects

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NEW CONSTRUCTION



REPAINT & REMODELING



PROTECTIVE & MARINE



GLOBAL MANUFACTURING



AUTO REFINISH

Sherwin-Williams is well positioned in all areas

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NEW CONSTRUCTION

- RESIDENTIAL
- NON-RESIDENTIAL



U.S. Residential Activity

Factors Supporting a Continued Growth Cycle

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Annual household formation ~1.4 million for the next 6-8 years	Housing supply is not keeping pace – especially at entry level	New housing activity lags prior periods	Home values rising rapidly due to tight supply
Baby Boomers averaged ~1.6M households from 1970-1980	*Existing entry level supply is under 3 mo. (compared to 6.5 mo. historical average)*	*2017 single family completions 21% below historical average*	*5-yr avg. home values up 8% compared to 10-yr average of +1.3%*

Strong household formation over foreseeable future…
…but building like a recession

Refer to Industry Appendix for support data

U.S. New Non-Residential
Current Activity is Positive

Architectural Billings	Multi-Family starts soften in 2019 as completions catch-up	Commercial Building Starts	Institutional Building Starts
March 2018 was 6th straight month of expansion	*Completions expected to rise ~15% YoY in 2018*	*Square feet (in millions) estimated +2% YoY in 2018*	*Square feet (in millions) estimated +3% YoY in 2018*

Softer start to 2018 season
Positive customer commentary on the full year

Refer to Industry Appendix for support data

Latin America New Residential & Non-Residential
Early Stages of Recovery

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Residential Construction Spend

2012-2017 CAGR	2017-2022 CAGR
Total: -0.92%	**Total: +2.64%**
Mexico: -1.35% *Brazil: -4.08%*	*Mexico: +1.55%* *Brazil: +2.99%*

Non-Residential Construction Spend

2012-2017 CAGR	2017-2022 CAGR
Total: -0.65%	**Total: +4.27%**
Mexico: +0.41% *Brazil: -2.83%*	*Mexico: +2.2%* *Brazil: +5.3%*

Recovery is forecasted for 2017-2022
Mexico and Brazil most impactful for Sherwin-Williams

Refer to Industry Appendix for support data

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REPAINT & REMODEL

- Painting Contractors
- Remodelers
- DIY



U.S. Repaint and Remodel

Factors Supporting a Continued Growth Cycle

SHERWIN-WILLIAMS®

Strong remodeling activity forecast	Baby boomers aging in place and rising home values	Residential fixed investment	Non-Residential fixed investment
+7% YoY growth for 2018 & 2019 *2018 total spending ~$337 billion*	*Less than 8% of households over 55 move annually*	*3.9% of GDP in 1Q18 down 13% from historical average*	*12.8% of GDP in 1Q18 down 4% from historical average*

Sherwin-Williams has had double digit growth in residential repaint category in 16 of last 18 quarters

Refer to Industry Appendix for support data

Repaint & Remodel

Well Positioned to Serve All Segments

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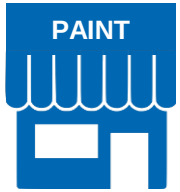
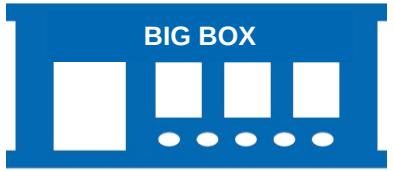
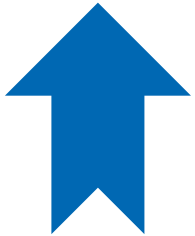
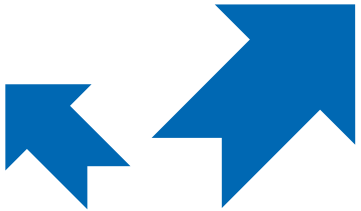


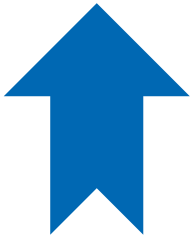
SPECIALTY PAINT STORE



MULTICATEGORY RETAIL STORES







PRO PAINT CONTRACTOR

DIY

REMODELER

PROJECT TYPE(S)





PROJECT TYPE(S)



Repaint and Remodel

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

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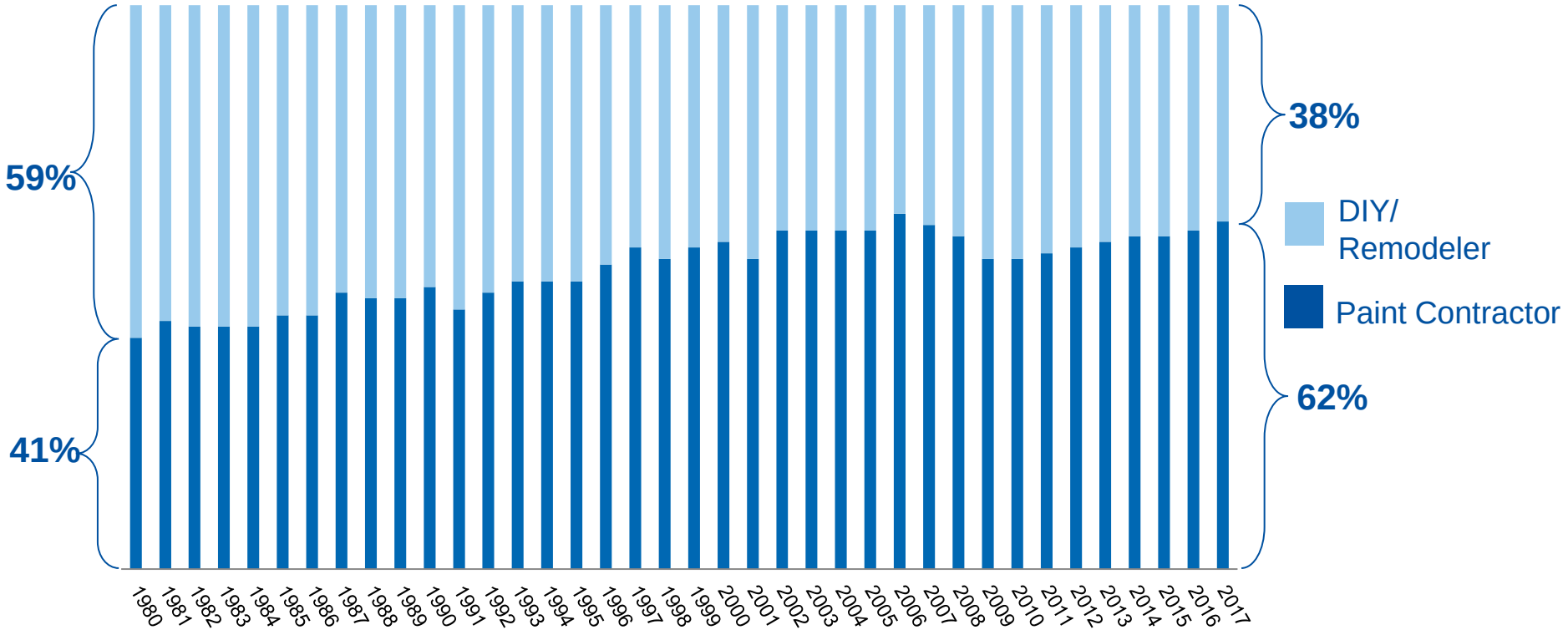

Sherwin-Williams is well positioned to serve both segments

Sources: U.S. Commerce Department, Company Estimates

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PROTECTIVE & MARINE



Protective & Marine

Upside Opportunities in the U.S. Continue to Improve

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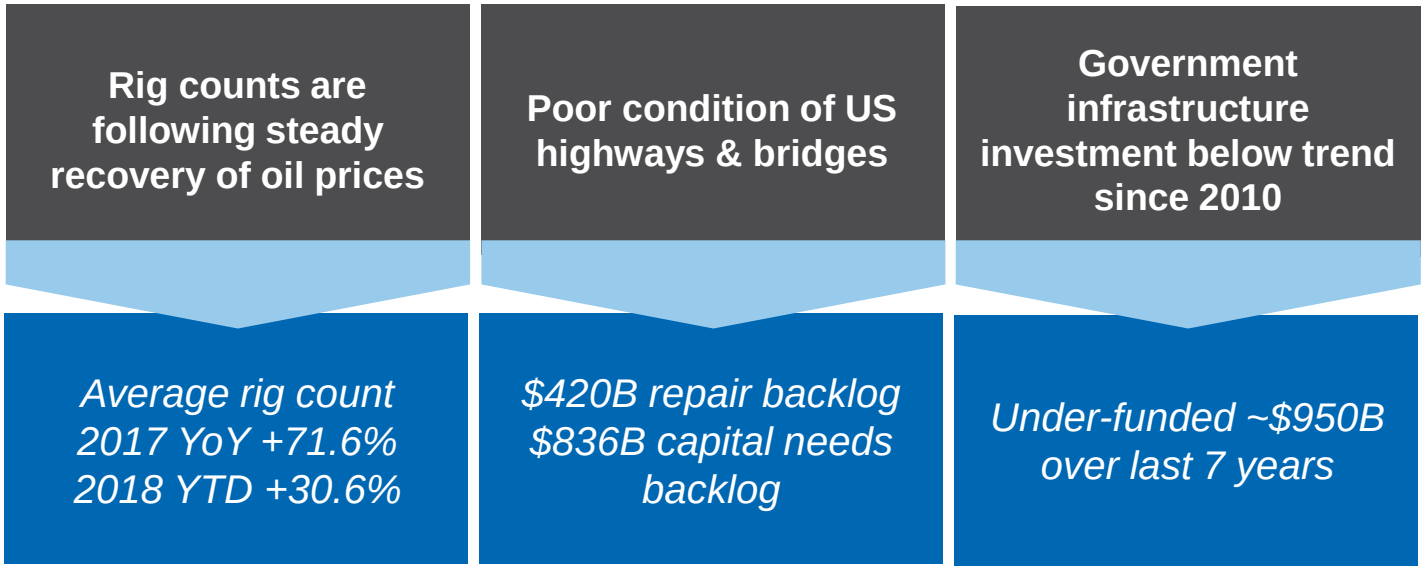

Refer to Industry Appendix for support data

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GLOBAL MANUFACTURING



Global Confidence
Positive Outlook

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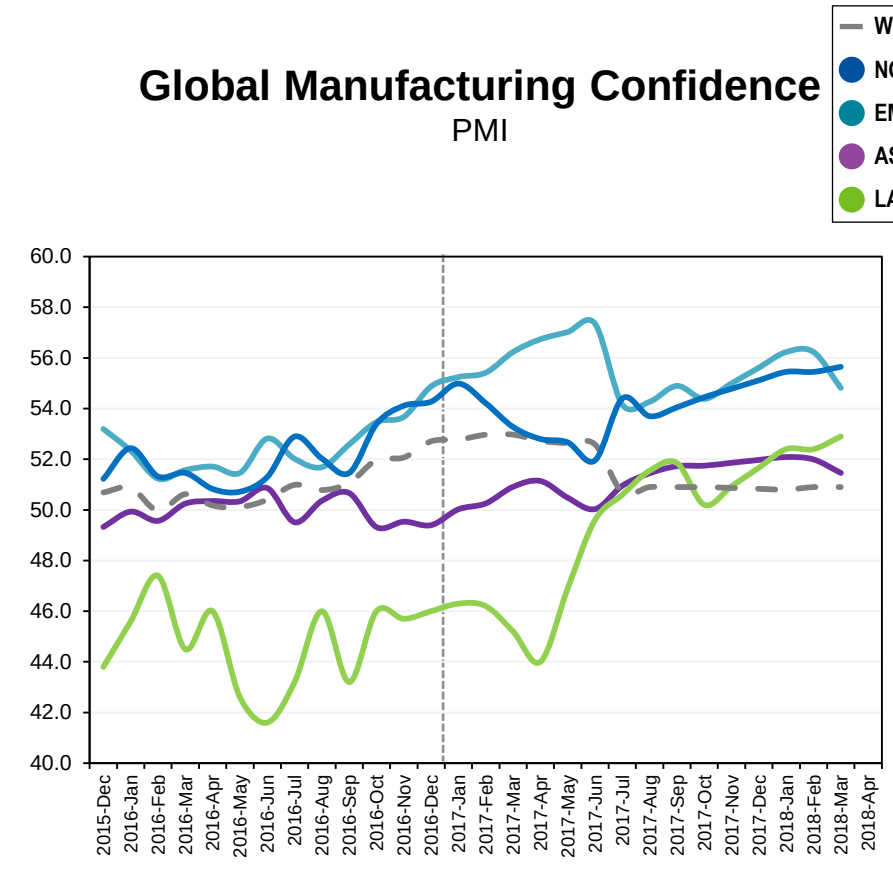
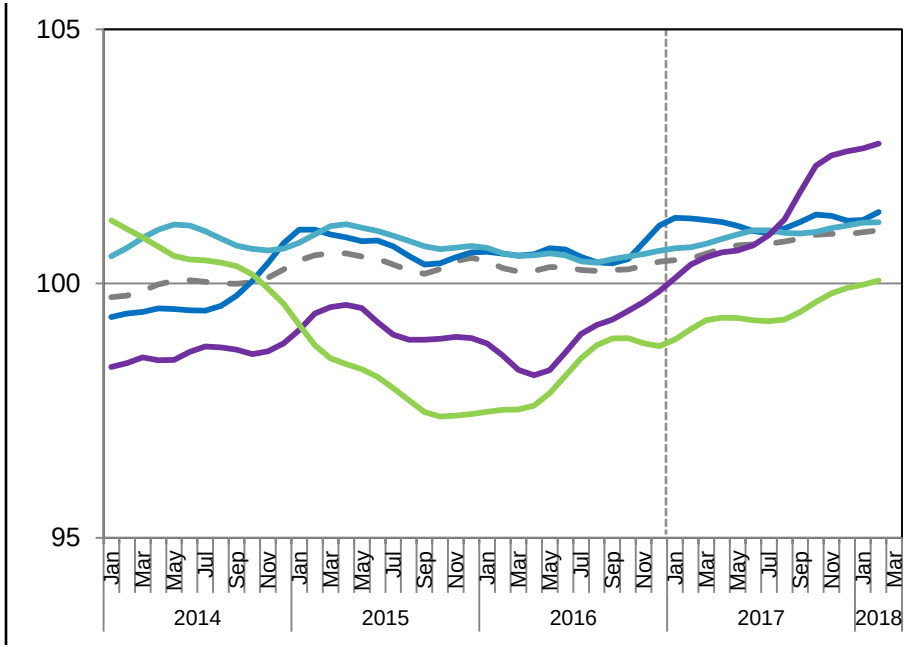
Global Manufacturing Confidence
PMI



Global Consumer Confidence
Consumer Outlook



Sources: IHS-Markit, OECD

Global Manufacturing
Factors Supporting a Continued Growth Cycle

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General Industrial	Industrial Wood	Packaging	Coil & Extrusion
Macroeconomic trends support global growth in heavy construction & agricultural machinery	*Primarily driven by US remodeling activity and construction starts*	*Conversion to Non-BPA technology and growing consumption in emerging markets*	*2018 expected to be another record year for high-rise construction completions*

Refer to Industry Appendix for support data

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AUTO REFINISH

- VEHICLES IN USE
- MILES DRIVEN
- COLLISION REPAIR



Automotive Refinish

Factors Supporting a Continued Growth Cycle

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Vehicle Miles Driven & Vehicles In Use (US)	**Collision repair industry consolidation drives partnership opportunities**	**Continued shift to waterborne products**
Positive trend since 2015, potential slow down as oil/gas rises	*MSO's expected to account for ~50% of revenues by 2020*	*Global regulatory environment driving technology change*

Refer to Industry Appendix for support data

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INDUSTRY APPENDIX

U.S. Residential Activity

Sustained Household Formation Underpins Housing Demand

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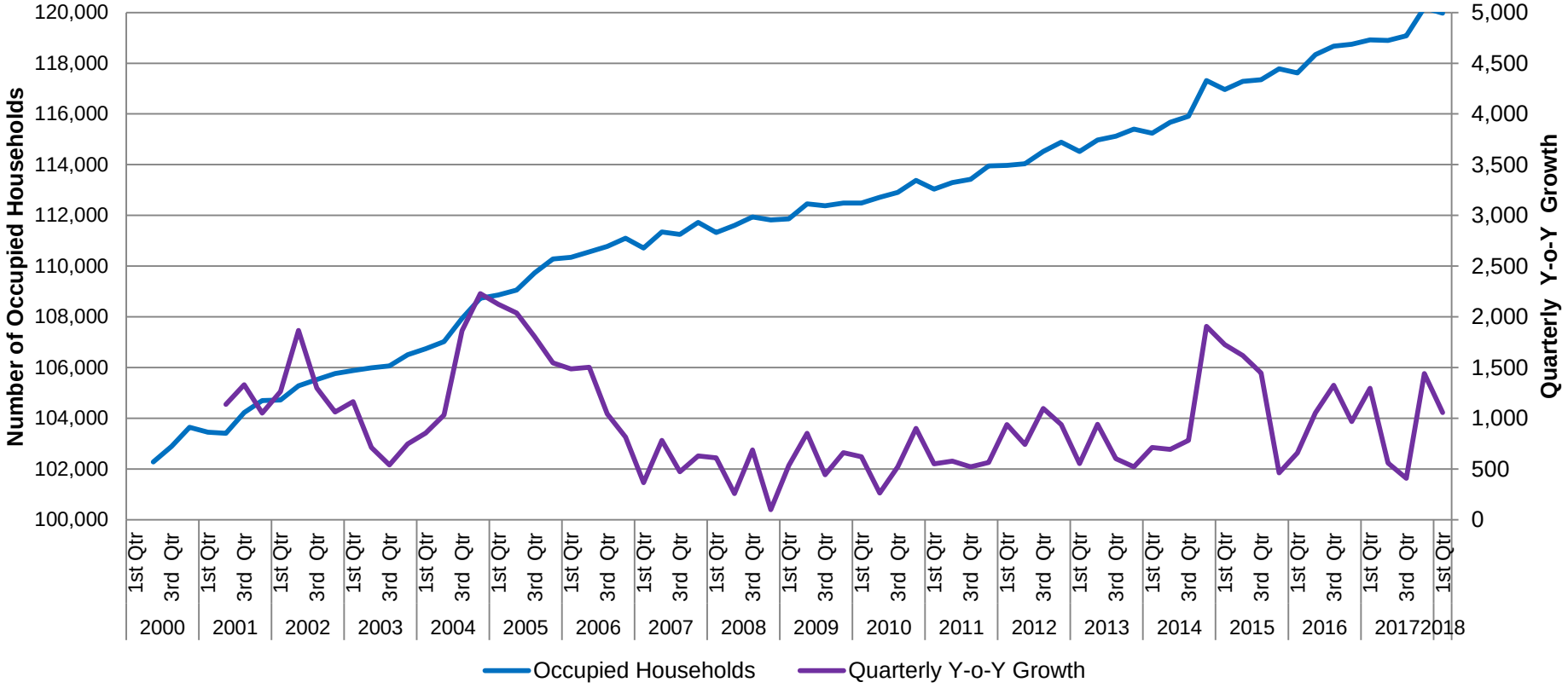

Source: U.S. Census Bureau

U.S. Residential Supply & Demand

Shortfall Particularly Acute in Entry Level

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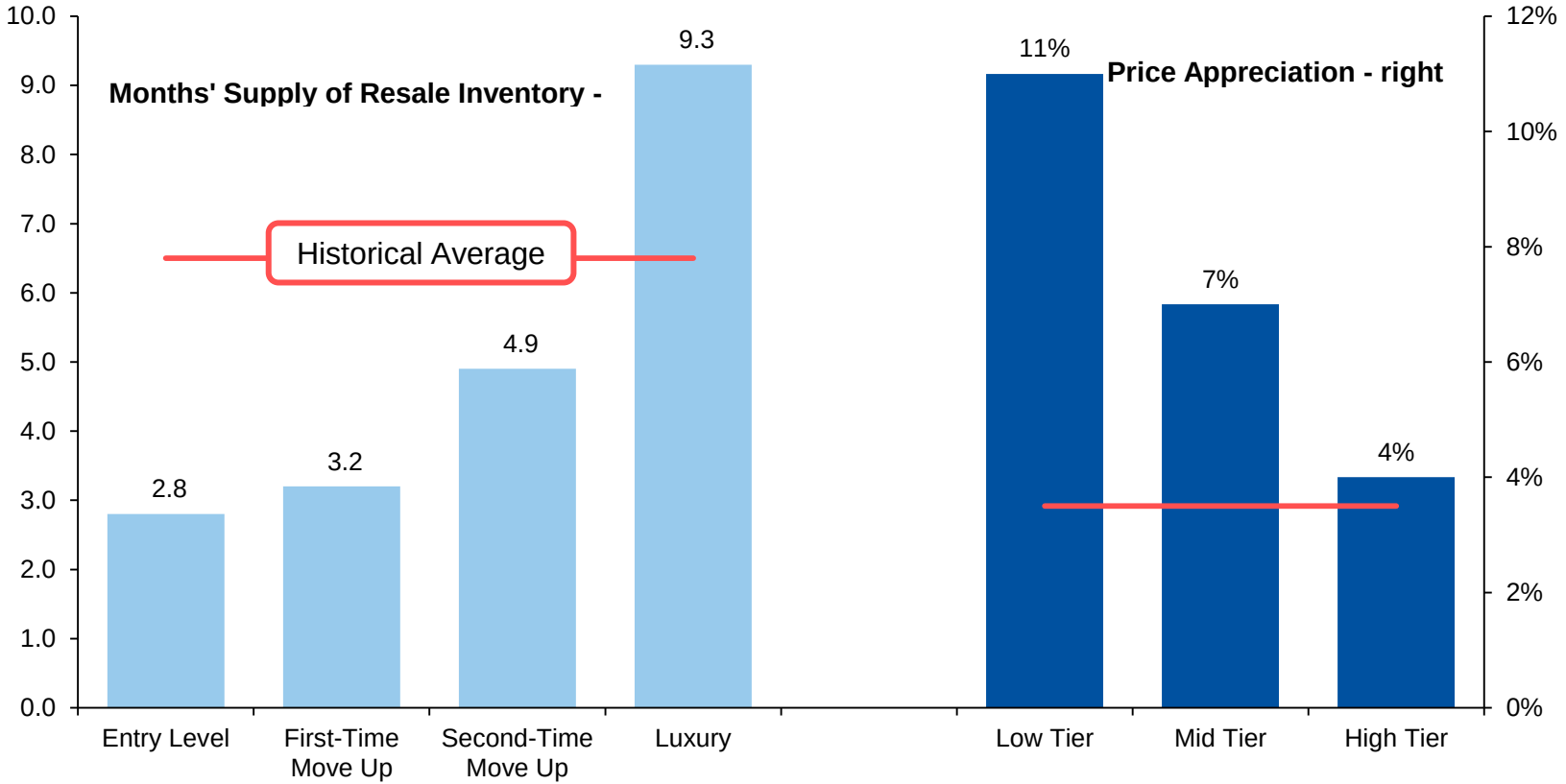

Sources: Zelman & Associates, Case-Shiller, CoreLogic, Local MLS

U.S. Residential Limited Supply

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

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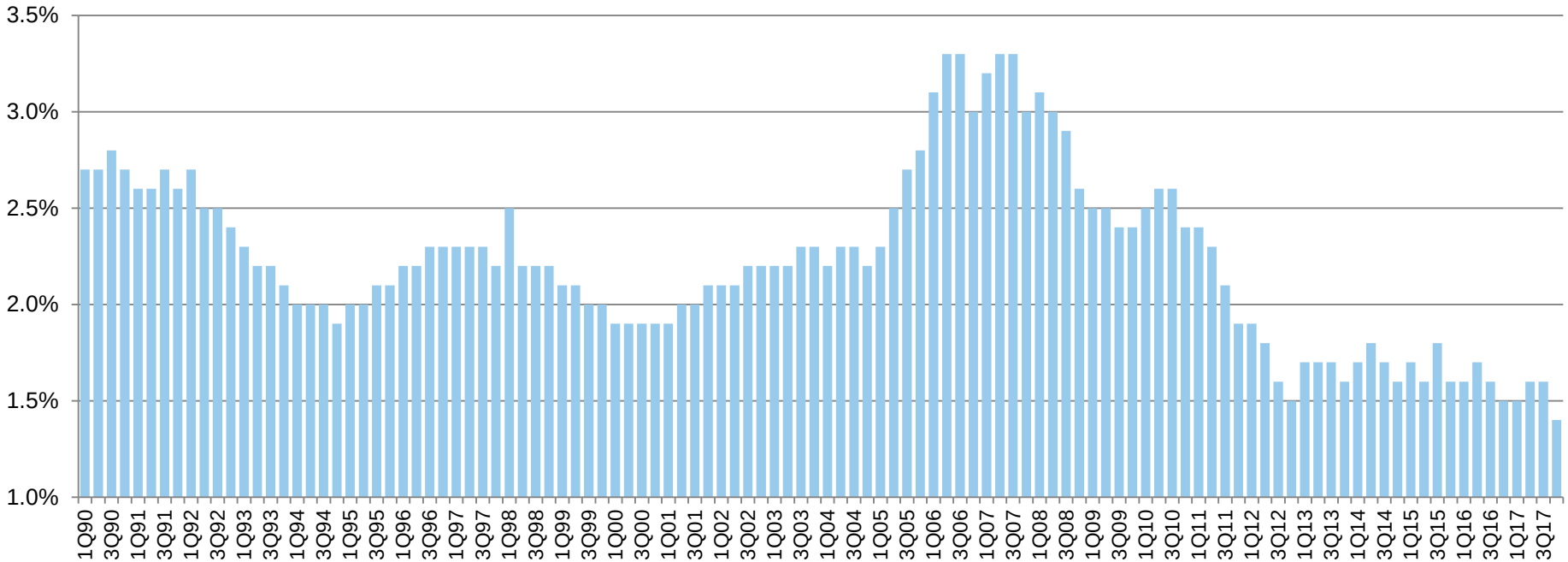
Seasonally-Adjusted Single-Family New and Existing Home Inventory as Percentage of Households



Sources: Zelman & Associates, Census Bureau, NAR

U.S. New Residential
Housing Supply Not Keeping Pace

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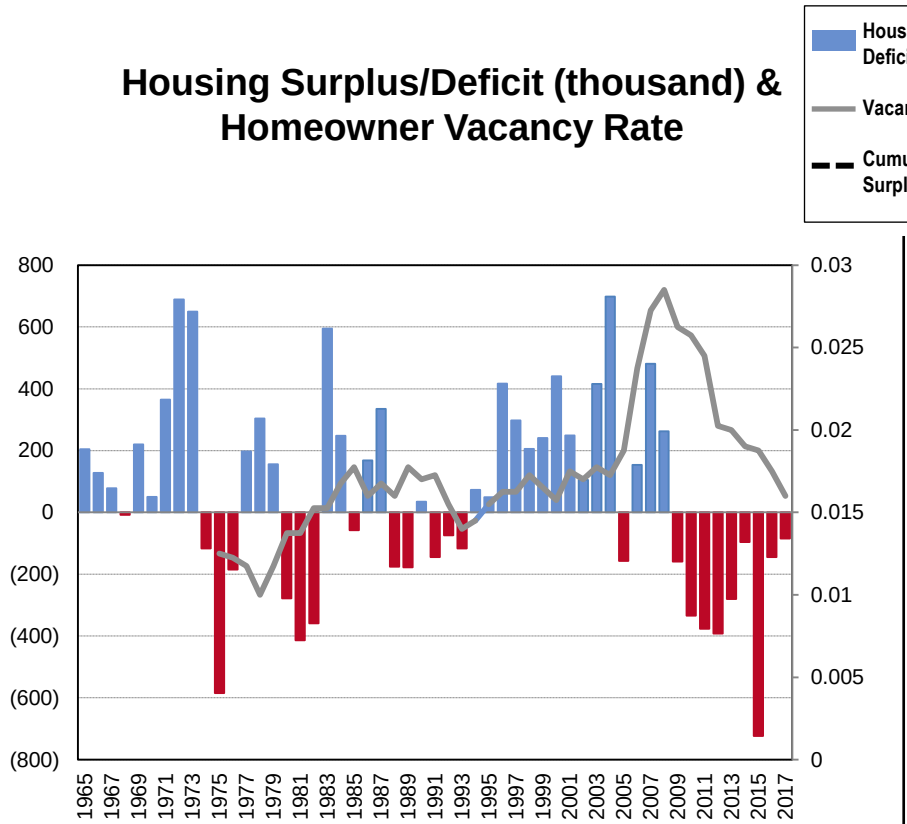
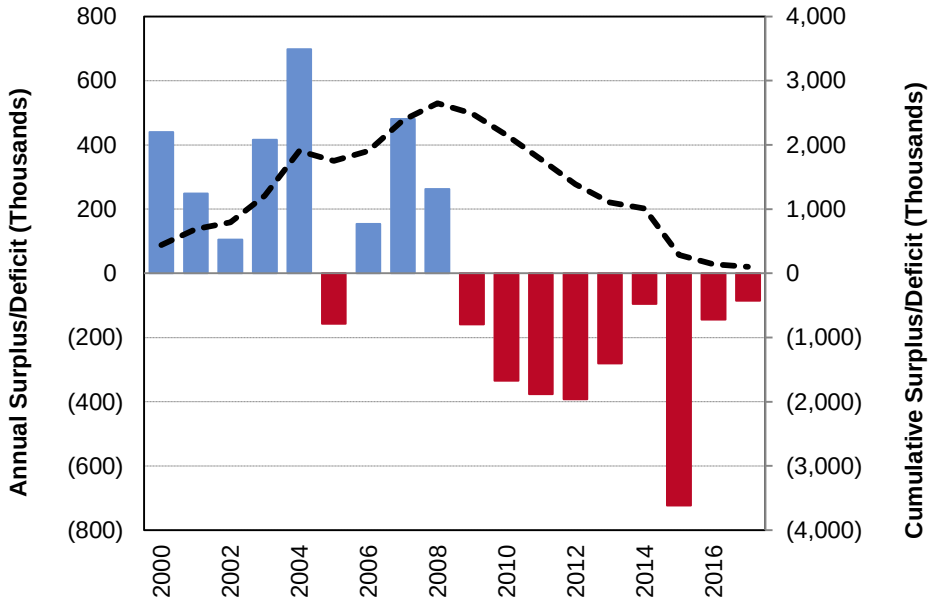
Housing Surplus/Deficit (thousand) & Homeowner Vacancy Rate



Housing Surplus/Deficit (thousand)



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

U.S. New Residential

New Housing Activity Lags Prior Periods

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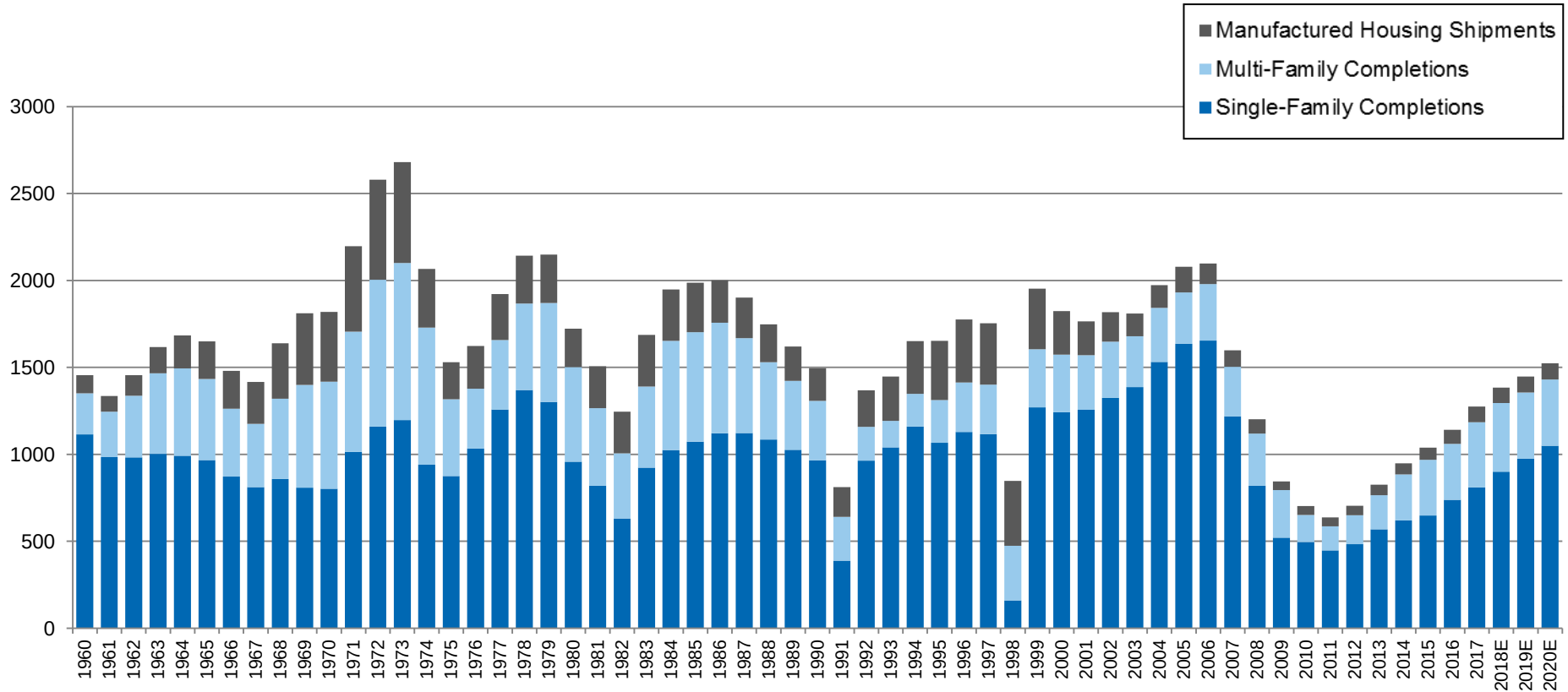

Sources: Zelman & Associates, Census Bureau

U.S. New Non-Residential
Positive Manufacturing & Construction Outlook

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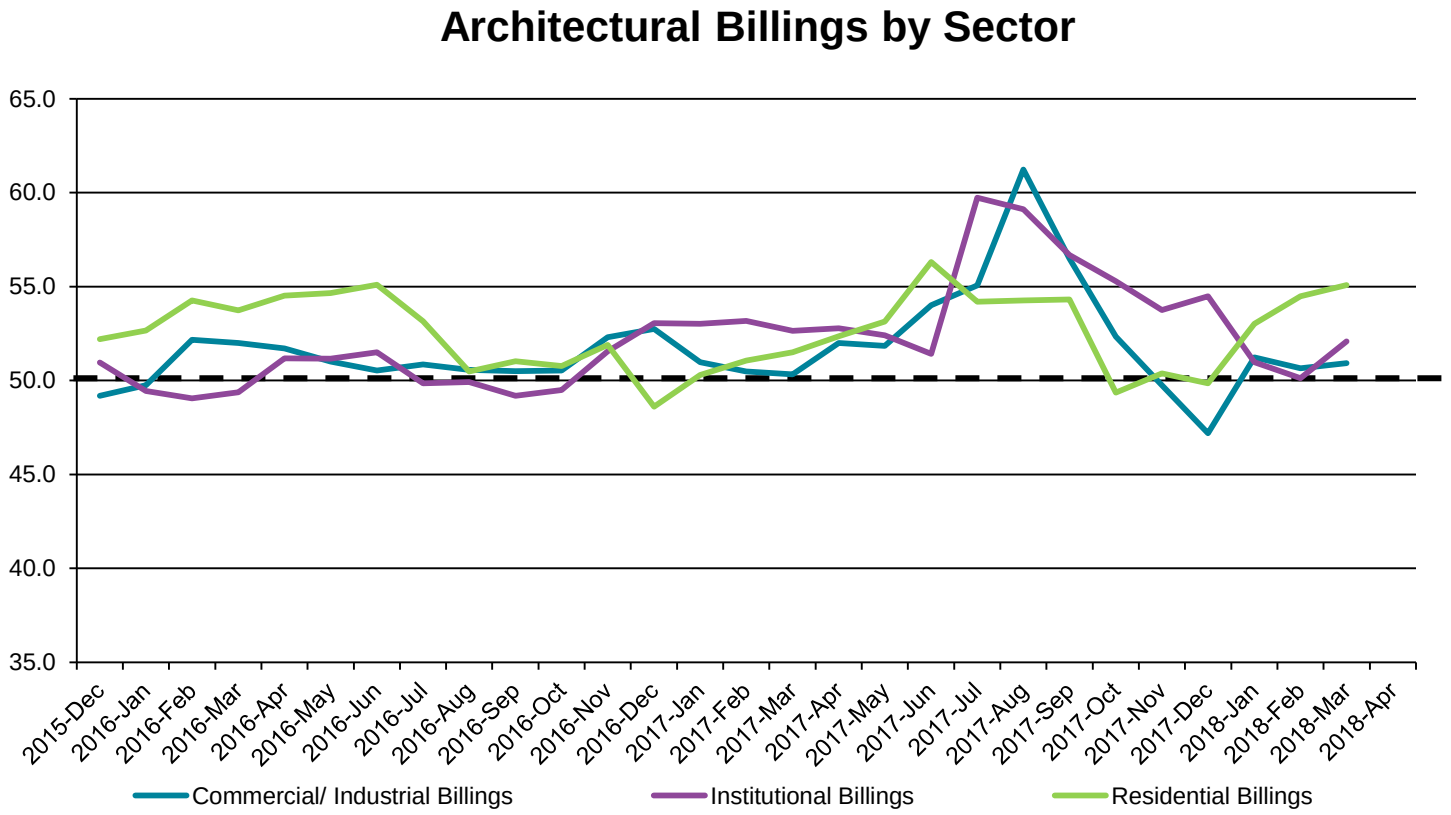

Sources: American Institute of Architects

U.S. New Non-Residential
Positive Growth to Continue in Non-Res Spending

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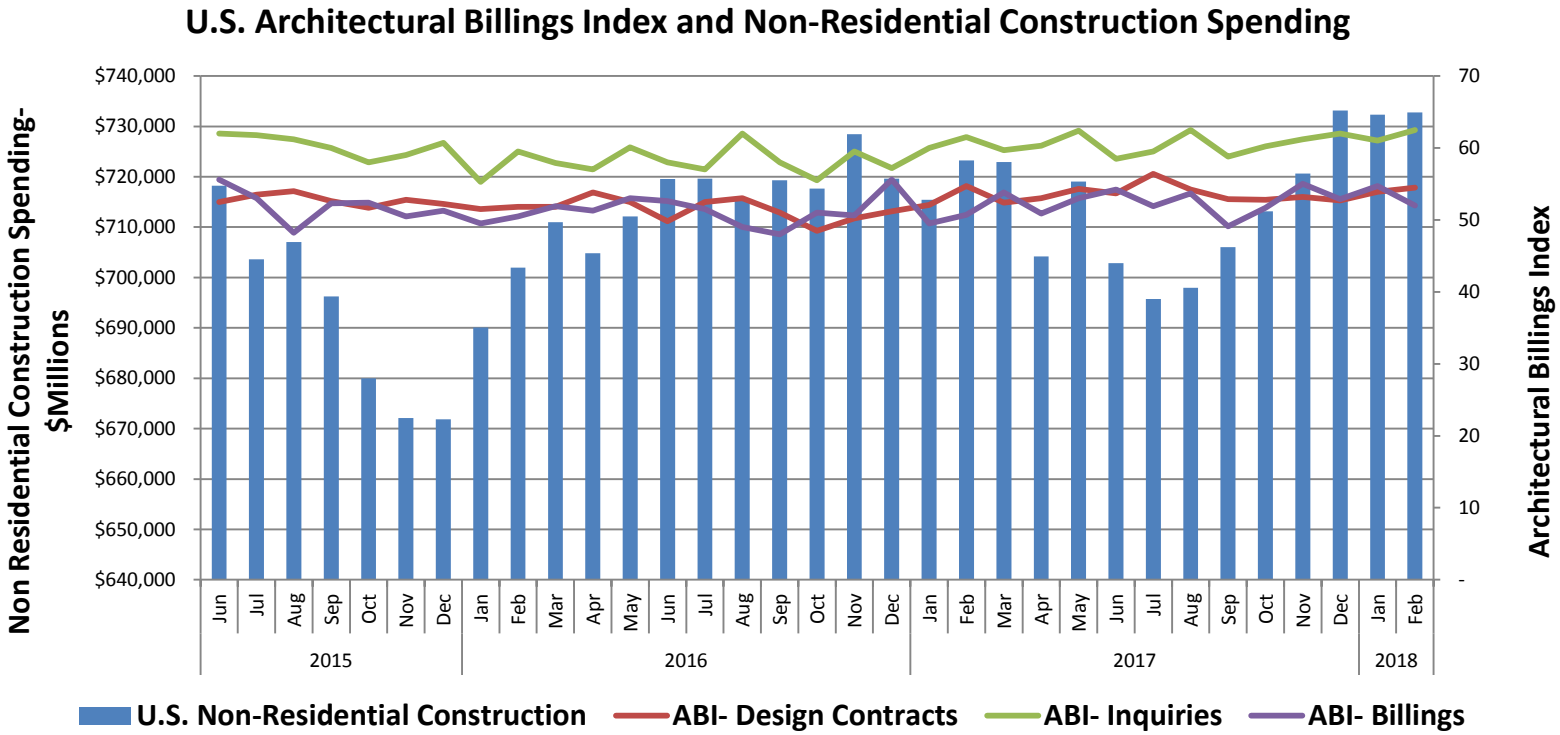

Sources: American Institute of Architects, St Louis Fed

U.S. Non-Residential

Moderating Permits and Starts – Completions Likely to Continue Rising

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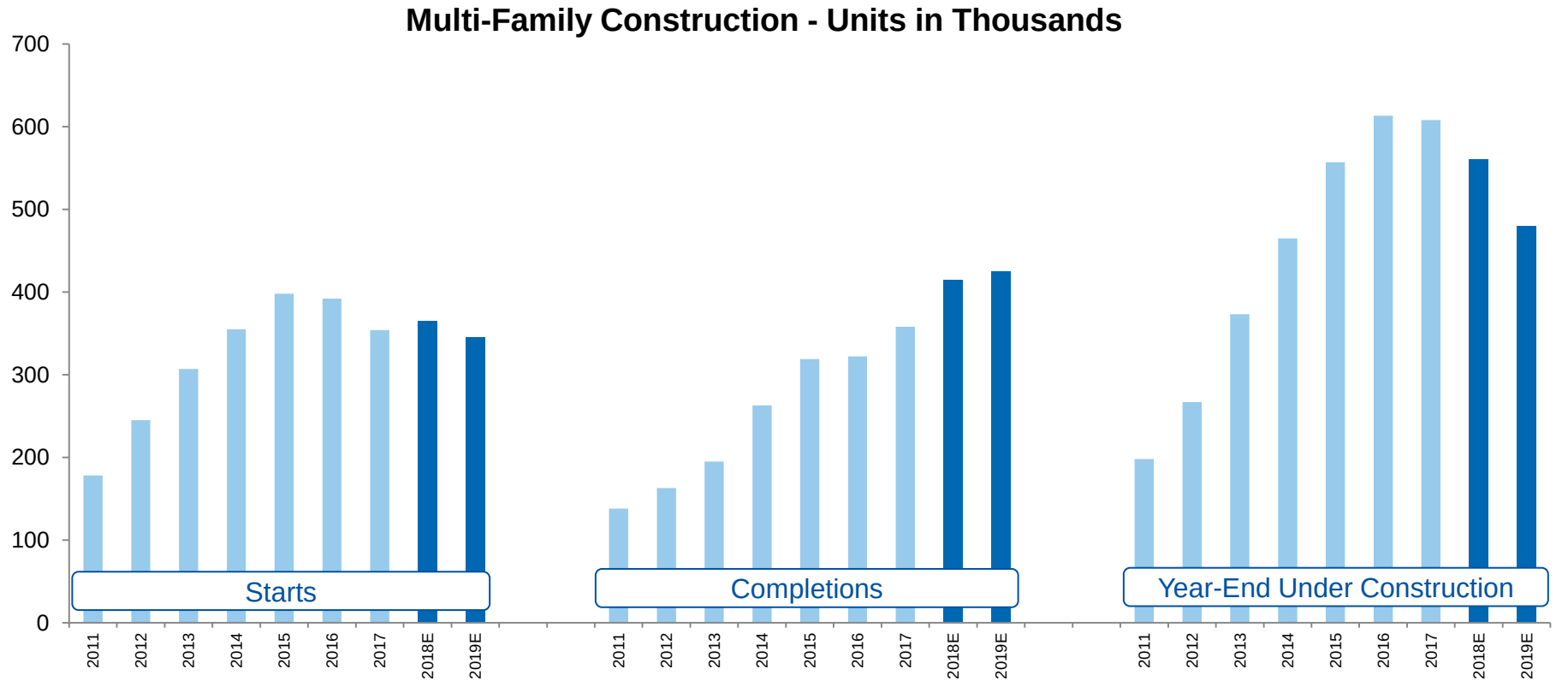

Sources: Zelman & Associates, Census Bureau

U.S. New Non-Residential

Positive Starts Support Completions thru 2018 and into 2019

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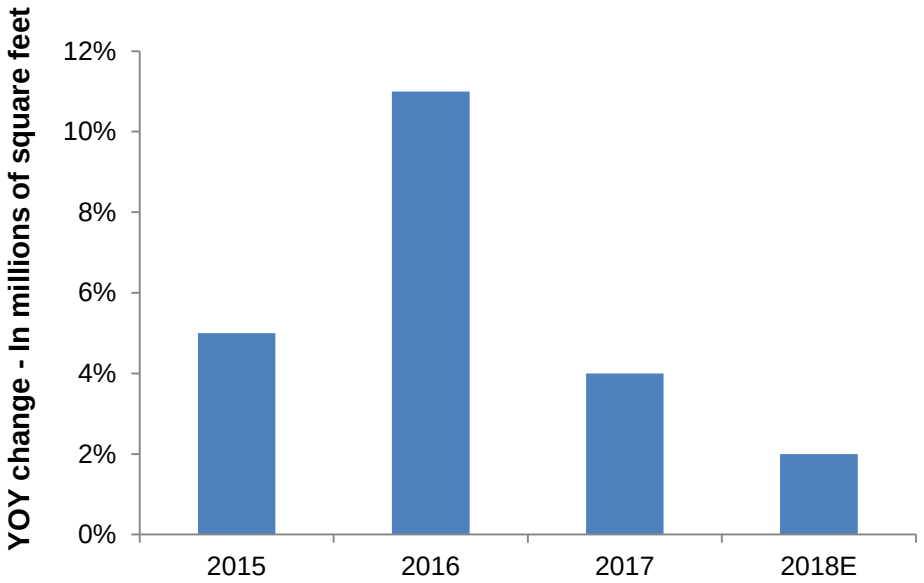
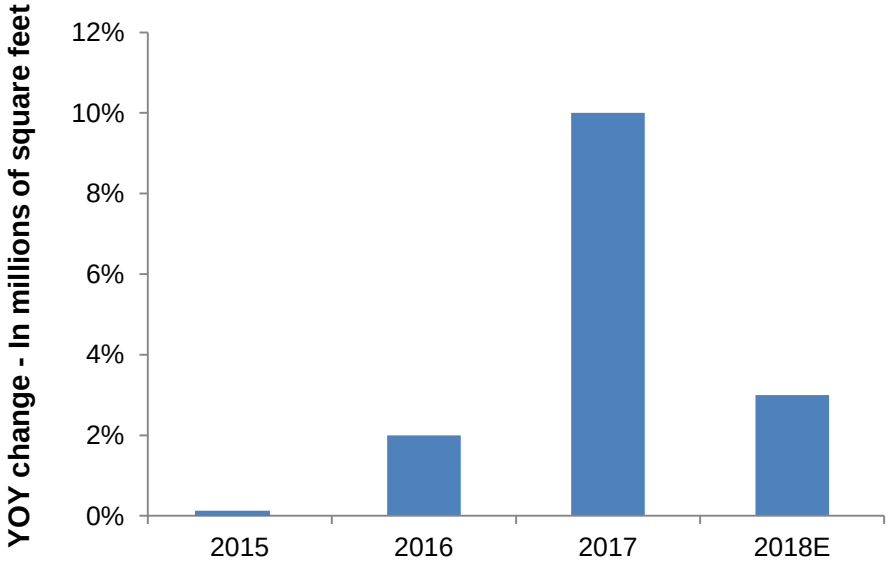
Commercial Building Starts

Commercial includes Retail. Warehouse, Office, Parking Garage.



Institutional Building Starts

Institutional includes Education, Dormitory, Healthcare, Govt Building, Religious building, recreation building, transportation building



Source: Dodge Data & Analytics

Latin America New Residential & Non-Residential
Construction Spend by Country

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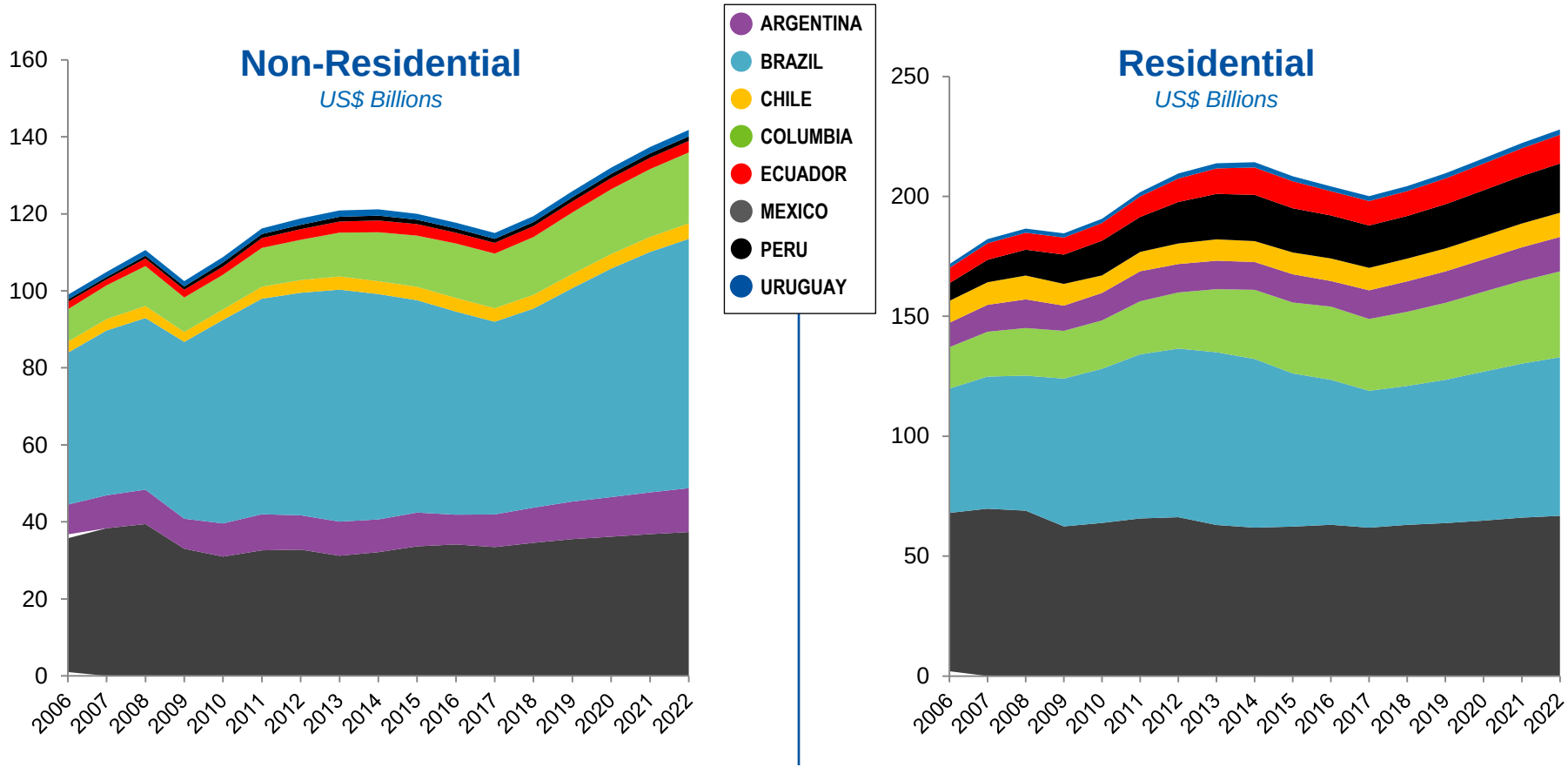

Sources: IHS Global Construction Outlook (Jan. 2018)

Repaint & Remodel

U.S. Residential Remodeling Remains Strong

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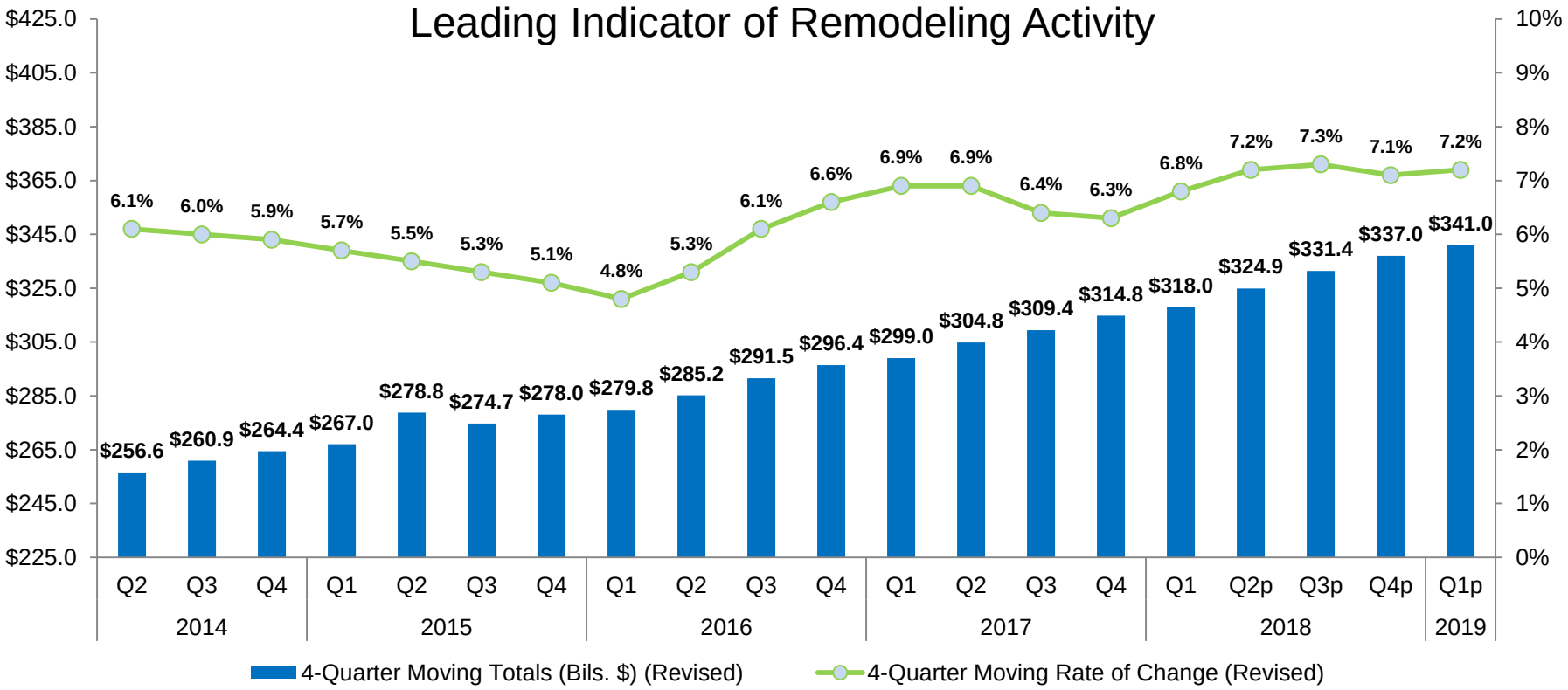
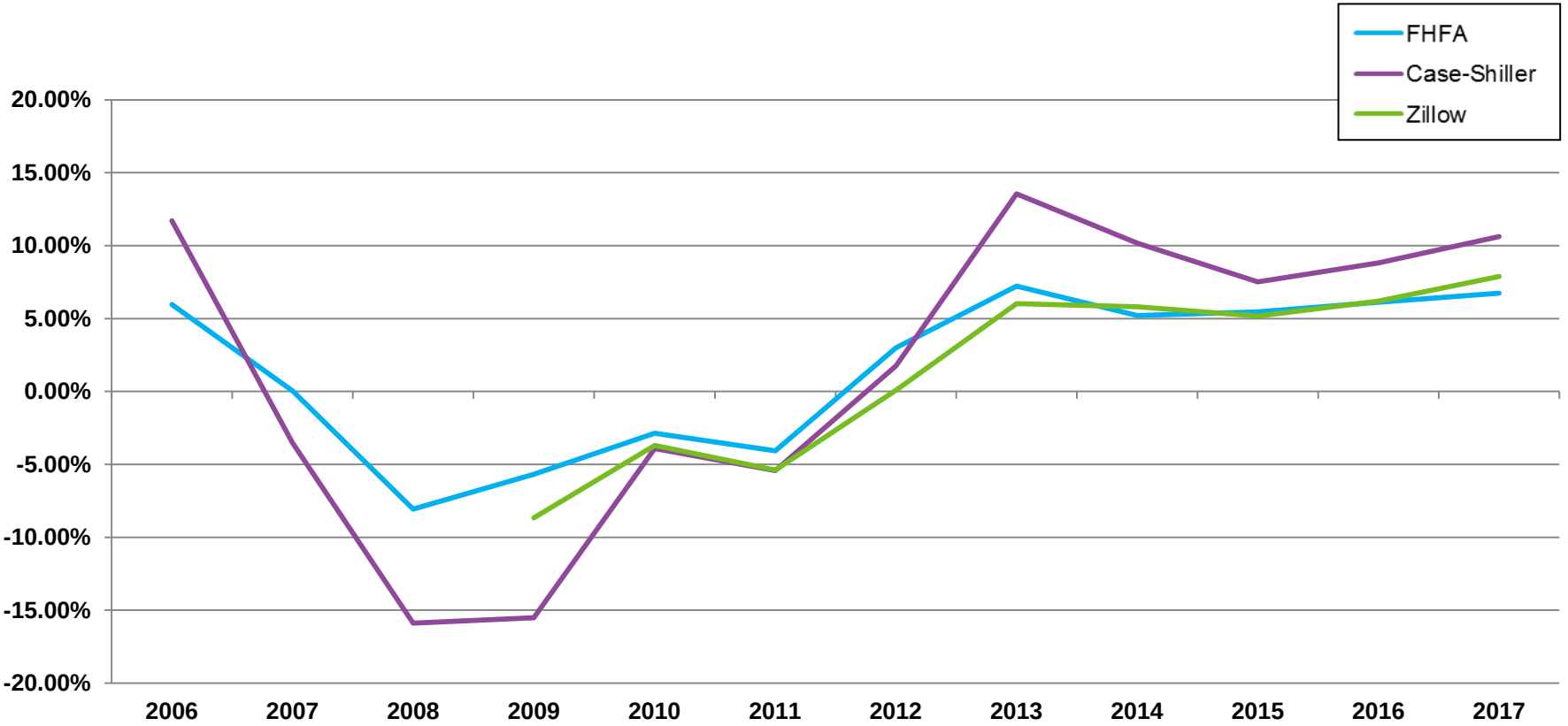


Source: Harvard Joint Center for Housing Studies

Repaint & Remodel

Change in U.S. Home Values



Repaint & Remodel

Senior Cohort Show Lowest Mobility; Choosing to Age in Place

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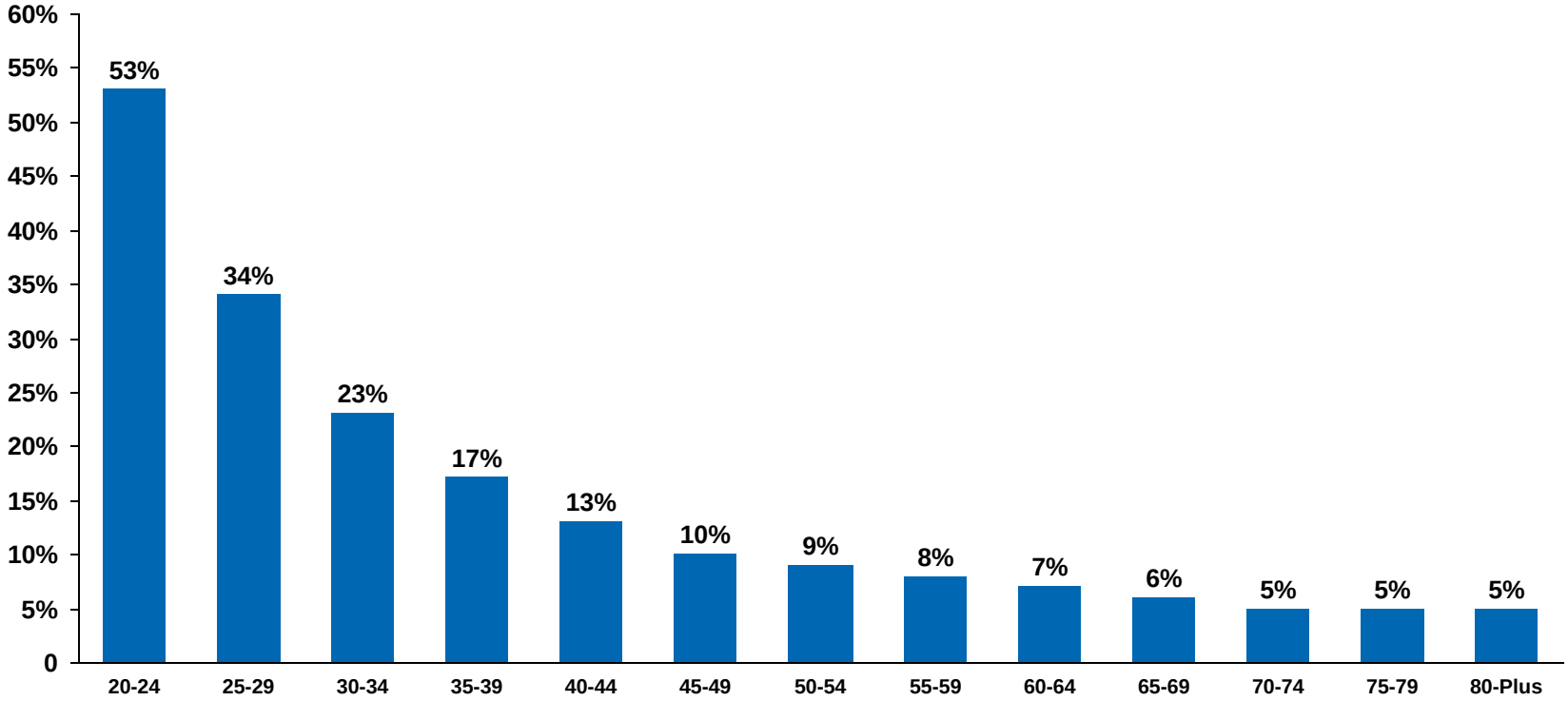
Average Share of Households That Moved Per Year by Age



Sources: Zelman & Associates, Census Bureau

U.S. Paint & Coatings Industry

Residential and Non-Residential Fixed Investment as % of GDP

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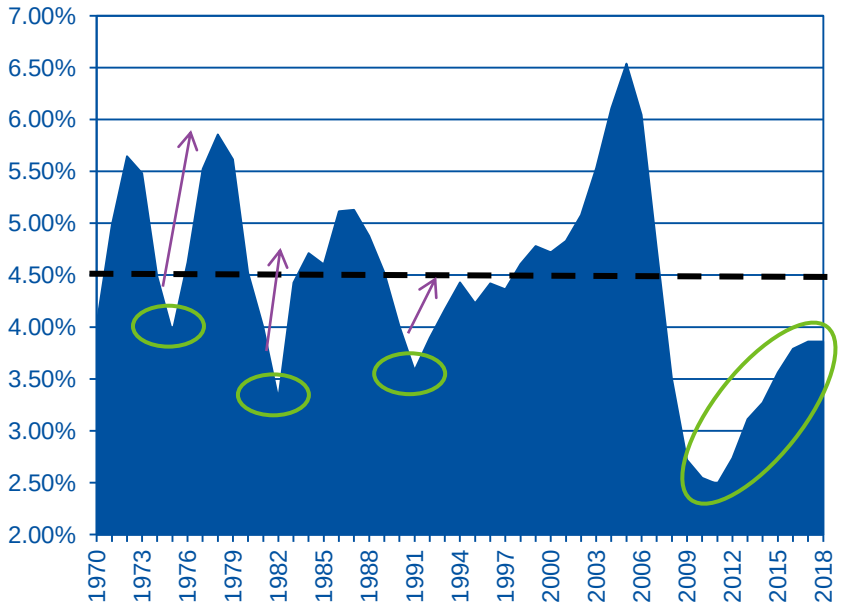
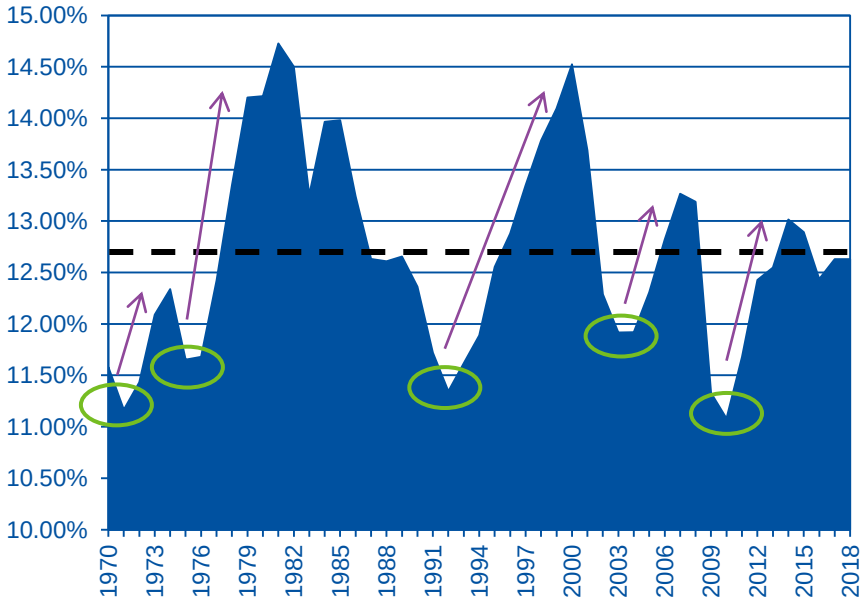
Residential Investment

3.9% of GDP in 1Q18
13% Below Historical Average



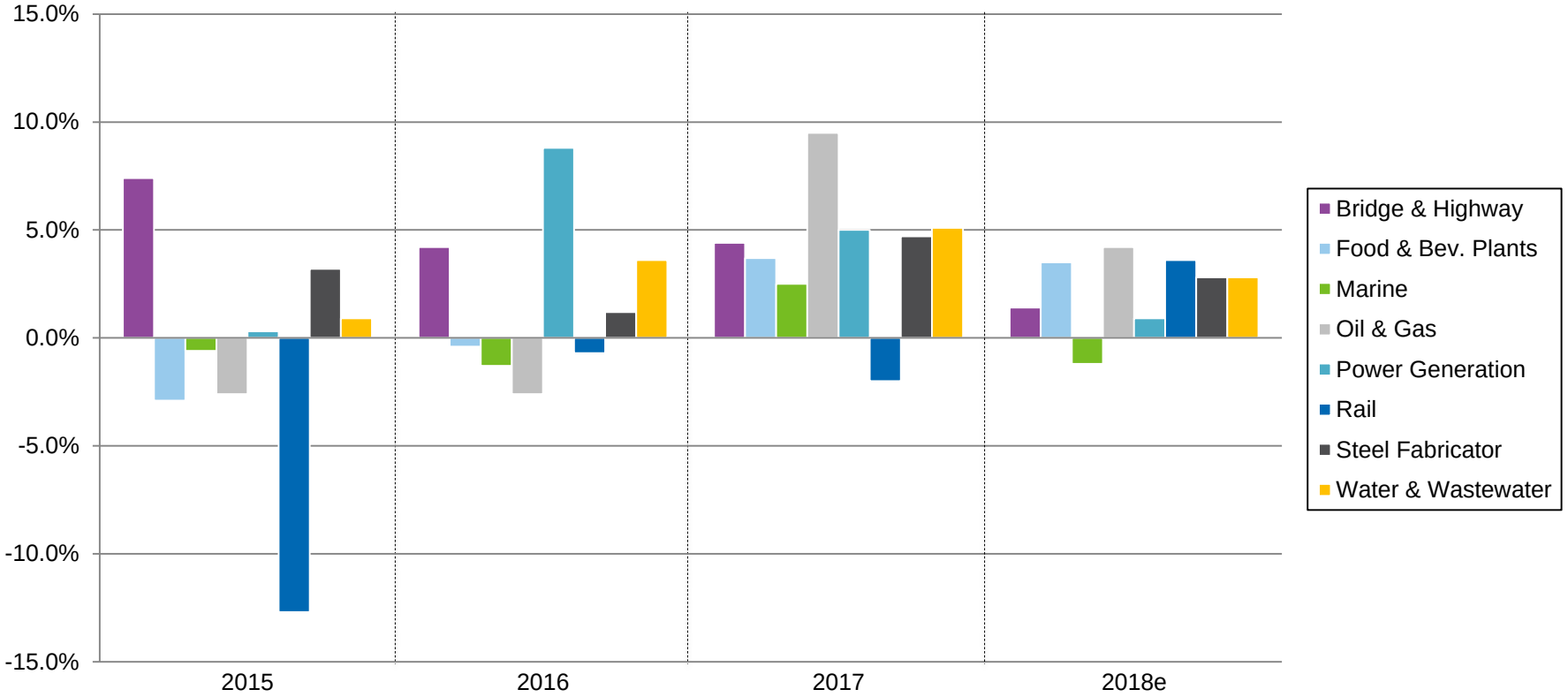
Non-Residential Investment

12.8% of GDP in 1Q18
4% Below Historical Average



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

Protective & Marine Coatings
Forecasted U.S. & Canada Activity



Sources: IHS Global Insight, Company Estimates

Global Economic Indicator: Oil and Gas

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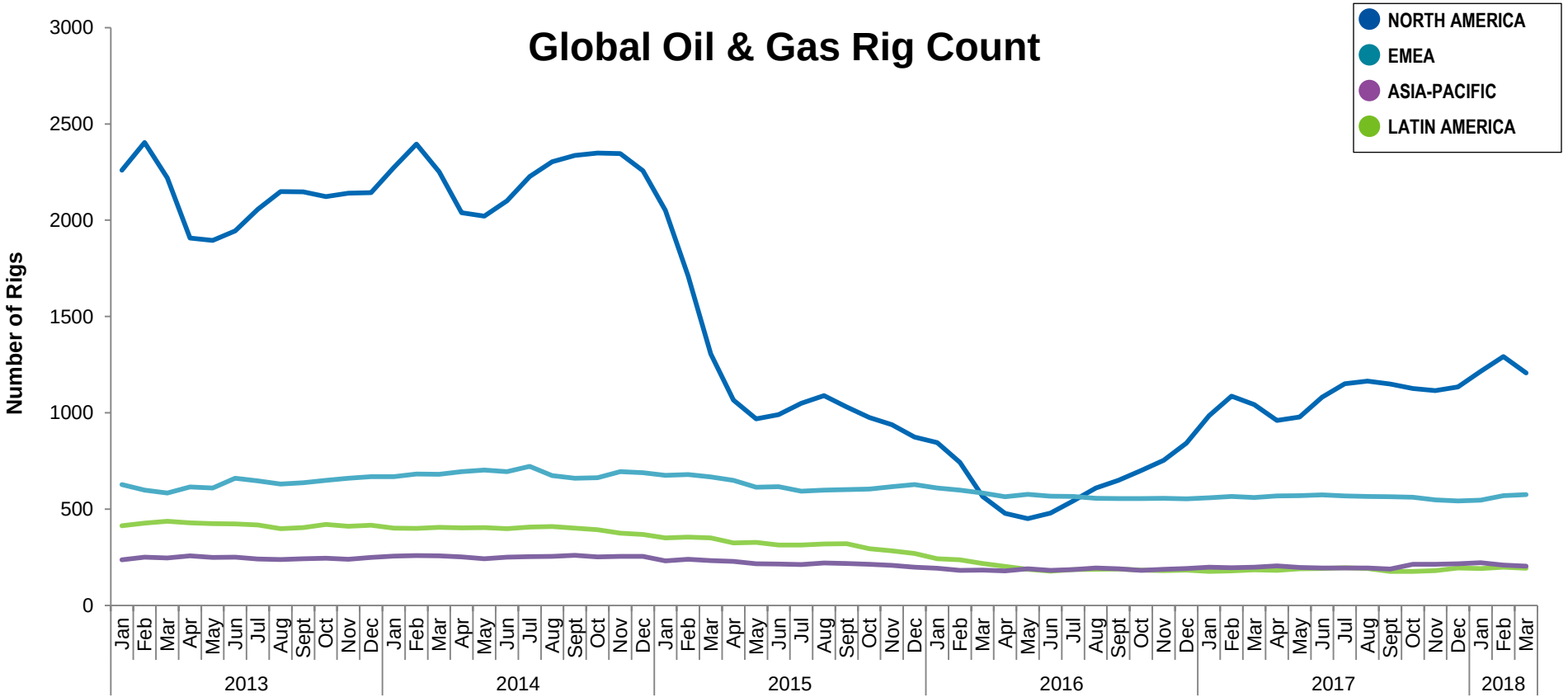

Source: Baker Hughes

Oil & Gas Infrastructure

Capital Expenditure (in Billions $)

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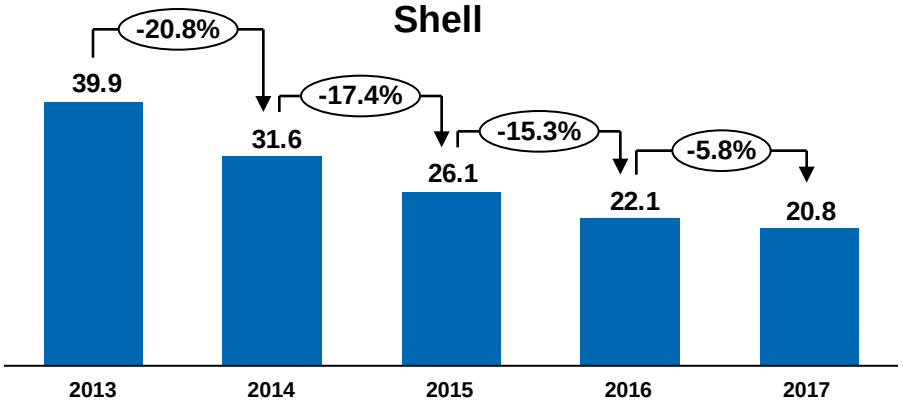
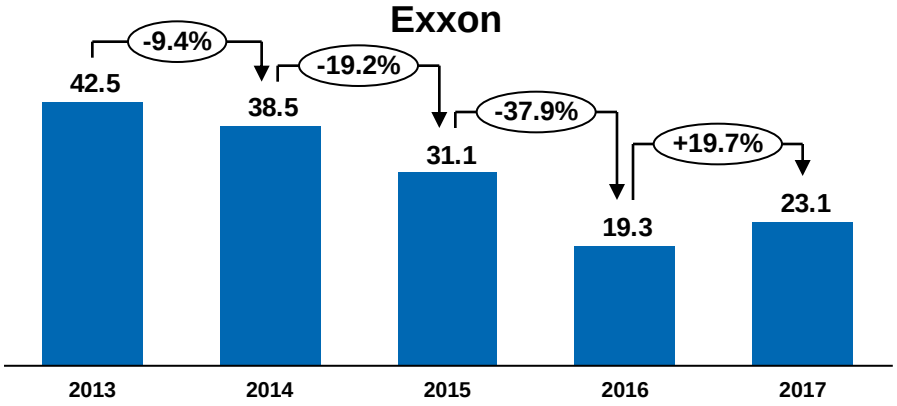
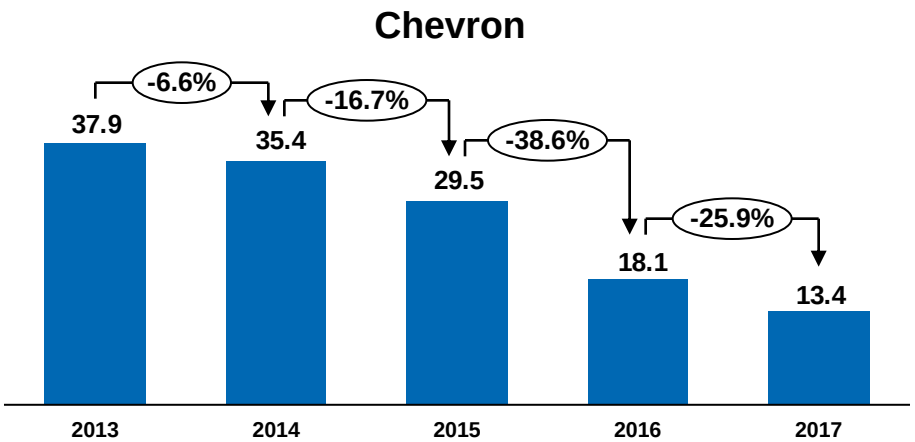
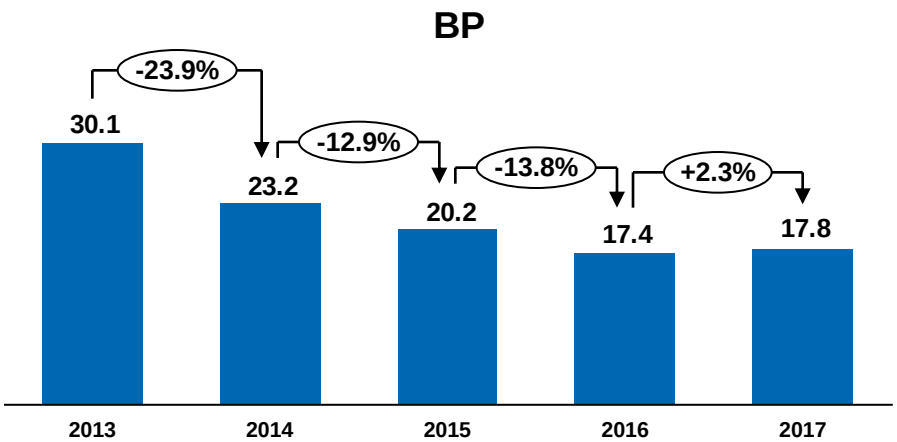






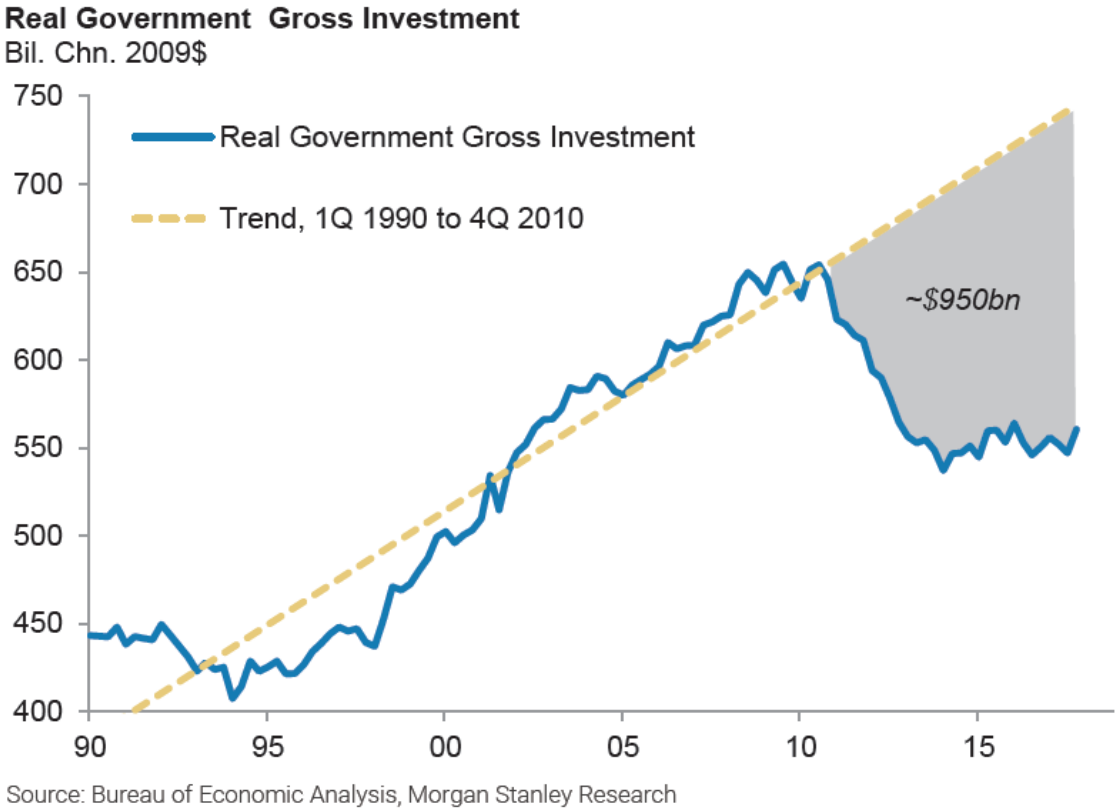


Source: Public Company Reports

U.S. Infrastructure Spending
Under-Funded is Increasingly Urgent

SHERWIN-WILLIAMS®

Government Investment Has Been Running Below Trend Since 2010



Source: Bureau of Economic Analysis, Morgan Stanley Research

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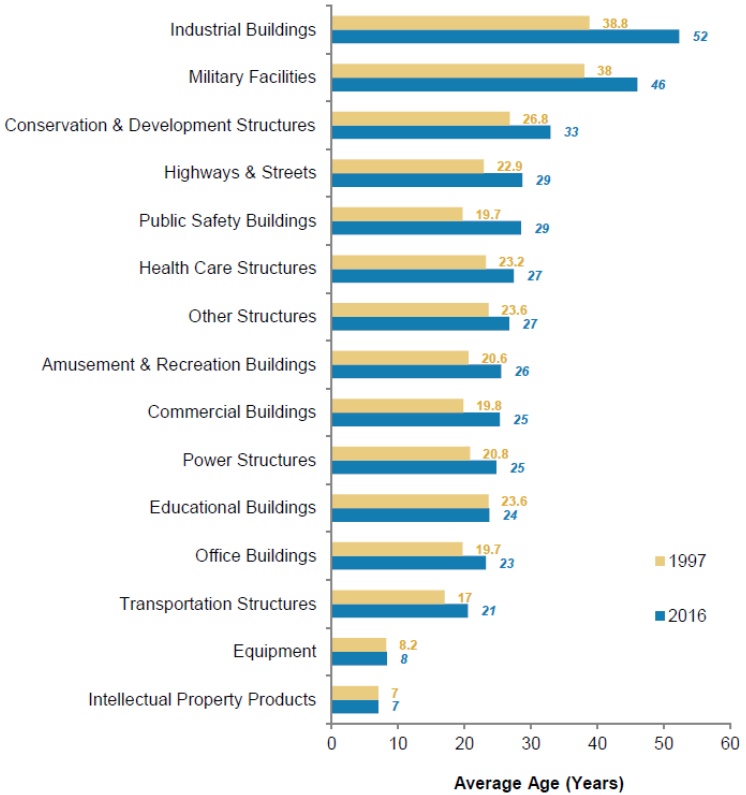
U.S. Infrastructure Spending

Funding is Increasingly Urgent

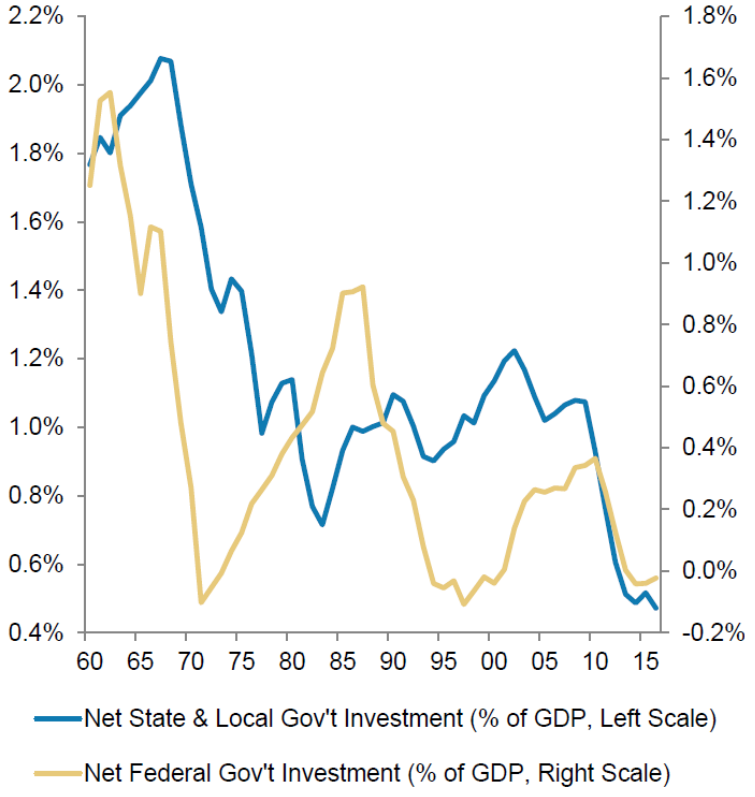
SHERWIN-WILLIAMS.

The Average Age of Government Fixed Assets Has Increased Broadly



Source: Bureau of Economic Analysis, Morgan Stanley Research

Net Government Investment Has Been Extraordinarily Low



Source: Bureau of Economic Analysis, Morgan Stanley Research

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U.S. Infrastructure Spending

Total Nonbuilding Starts for the United States

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	History				Forecast				
Billions of Current Dollars	2013	2014	2015	2016	2017	2018	2019	2020	2017-2020 CAGR
Total Nonbuilding	**157.3**	**147.5**	**185.0**	**176.6**	**177.5**	**172.4**	**177.1**	**176.2**	
% Chg	***-5%***	***-6%***	***25%***	***-5%***	***1%***	***-3%***	***3%***	***-1%***	
Public Works	**127.4**	**122.4**	**127.6**	**130.2**	**145.5**	**142.4**	**151.1**	**152.2**	**+1.51%**
% Chg	***13%***	***-4%***	***4%***	***2%***	***12%***	***-2%***	***6%***	***1%***	
Street	45.1	43.6	49.0	46.1	48.5	51.0	54.4	55.4	**+ 4.53**
% Chg	*14%*	*-3%*	*13%*	*-6%*	*5%*	*5%*	*7%*	*2%*	
Bridge	22.1	15.6	18.2	15.2	18.6	18.2	19.2	19.8	**+ 2.11%**
% Chg	*60%*	*-29%*	*16%*	*-16%*	*22%*	*-2%*	*5%*	*3%*	
Dam/Flood Control	11.5	11.5	10.7	10.6	10.6	11.2	12.0	12.5	**+ 5.65%**
% Chg	*33%*	*0%*	*-6%*	*-1%*	*0%*	*6%*	*7%*	*4%*	
Sewer	10.9	12.2	12.3	11.4	10.6	11.2	12.2	12.8	**+ 6.49%**
% Chg	*3%*	*13%*	*1%*	*-7%*	*-7%*	*6%*	*9%*	*5%*	
Water Supply	11.1	10.7	10.7	11.8	10.0	10.7	12.0	12.7	**+ 8.29%**
% Chg	*11%*	*-3%*	*0%*	*10%*	*-15%*	*7%*	*12%*	*6%*	
Other Nonbuilding	26.7	28.8	26.6	34.9	47.2	40.1	41.3	39.0	**-6.16%**
% Chg	*-10%*	*8%*	*-8%*	*31%*	*35%*	*-15%*	*3%*	*-6%*	
Power/Utilities	29.9	25.1	57.4	46.4	32.0	30.0	26.0	24.0	**-9.1%**
% Chg	*-44%*	*-16%*	*128%*	*-19%*	*-31%*	*-6%*	*-13%*	*-8%*	

Source: Dodge Data & Analytics

U.S. Manufacturing Activity

Positive Manufacturing Outlook

SHERWIN-WILLIAMS®

Index	April 2018	March 2018	Change	Direction	Rate of Change
PMI	57.3	59.3	-2.0	Growing	Slower
New Orders	61.2	61.9	-0.7	Growing	Slower
Production	57.2	61.0	-3.8	Growing	Slower
Employment	54.2	57.3	-3.1	Growing	Slower
Inventories	52.9	55.5	-2.6	Growing	Slower
Order Backlog	62.0	59.8	+2.2	Growing	Faster
Exports	57.7	58.7	-1.0	Growing	Slower

Source: Institute for Supply Management

Industrial Coatings

Positive Global Activity & 2018 Outlook

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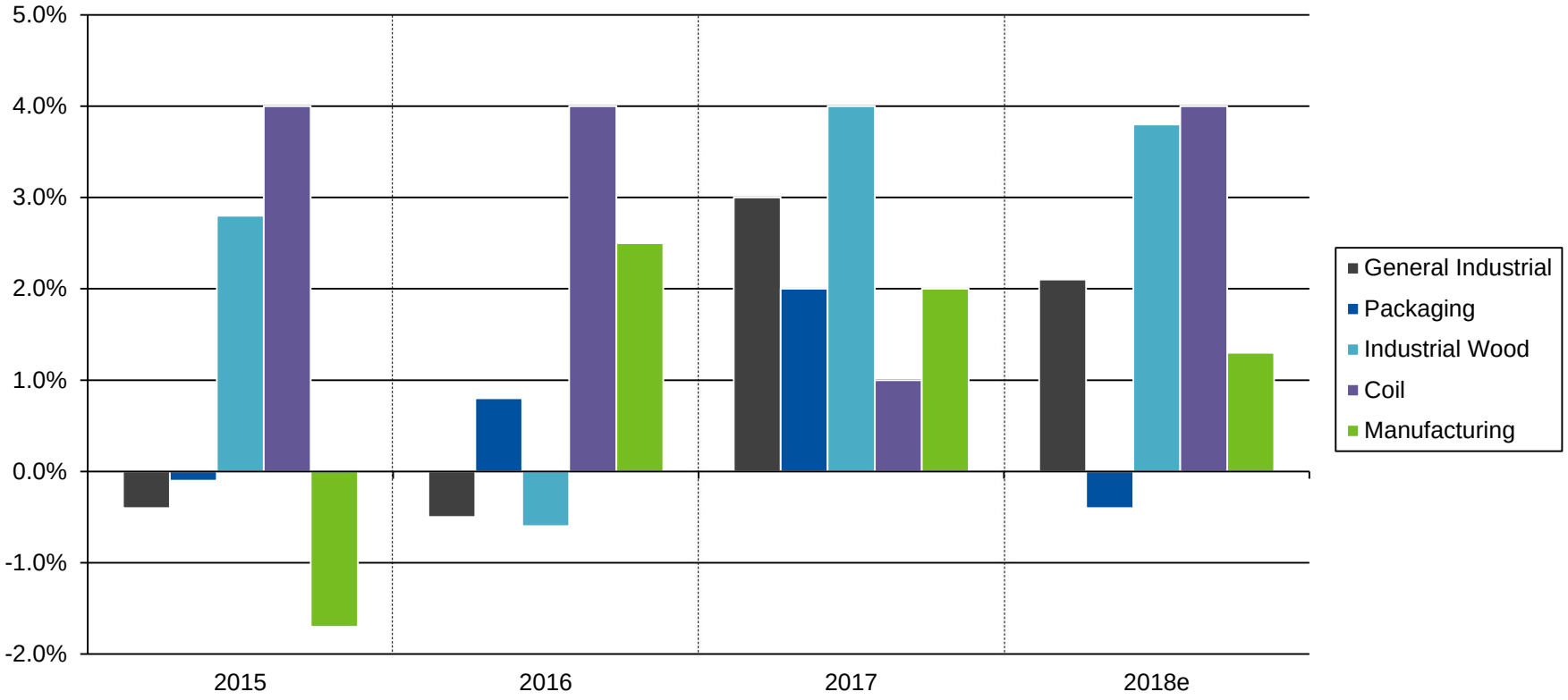

Source: IHS Global Insight, KNG Global Research

Industrial Coatings
Metal Packaging Growth

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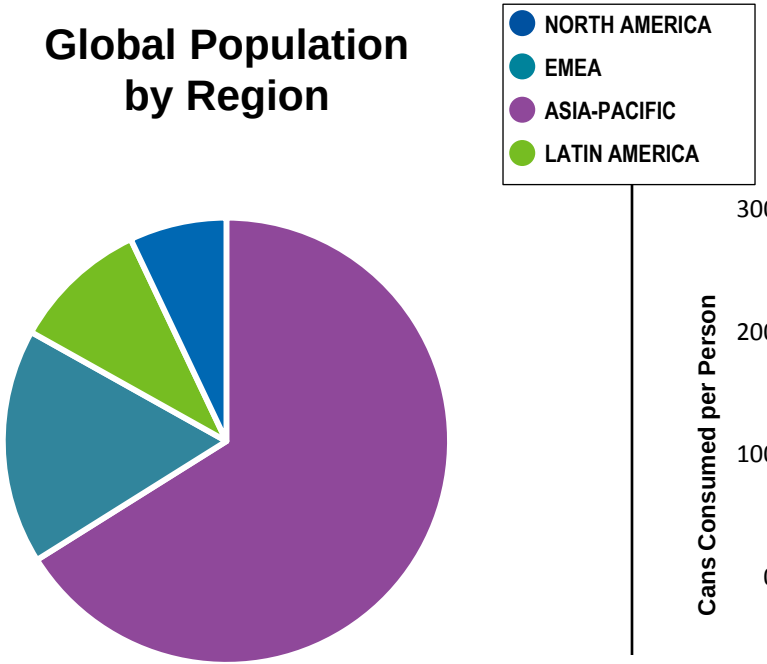
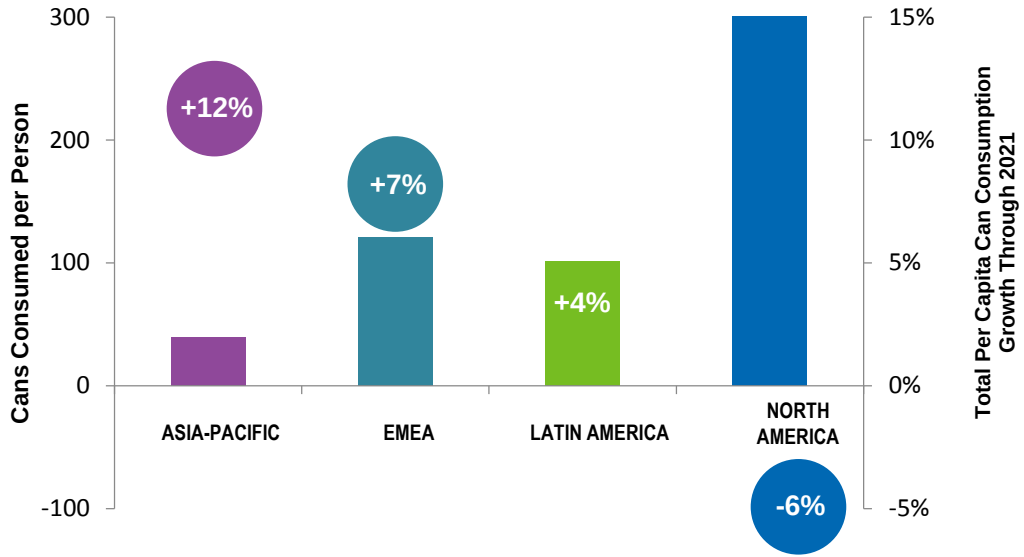
Global Population by Region



Metal Can Consumption per Capita



Metal can consumption increasing in developing regions where Population and GDP driving consumers to spend more on packaged food. North American per capita consumption decreasing as Population growth flattens and alternative packaging shifts buying preferences.

Sources: OECD, Euromonitor, Company Estimates

Industrial Coatings

Coil Coatings - High Rise Construction

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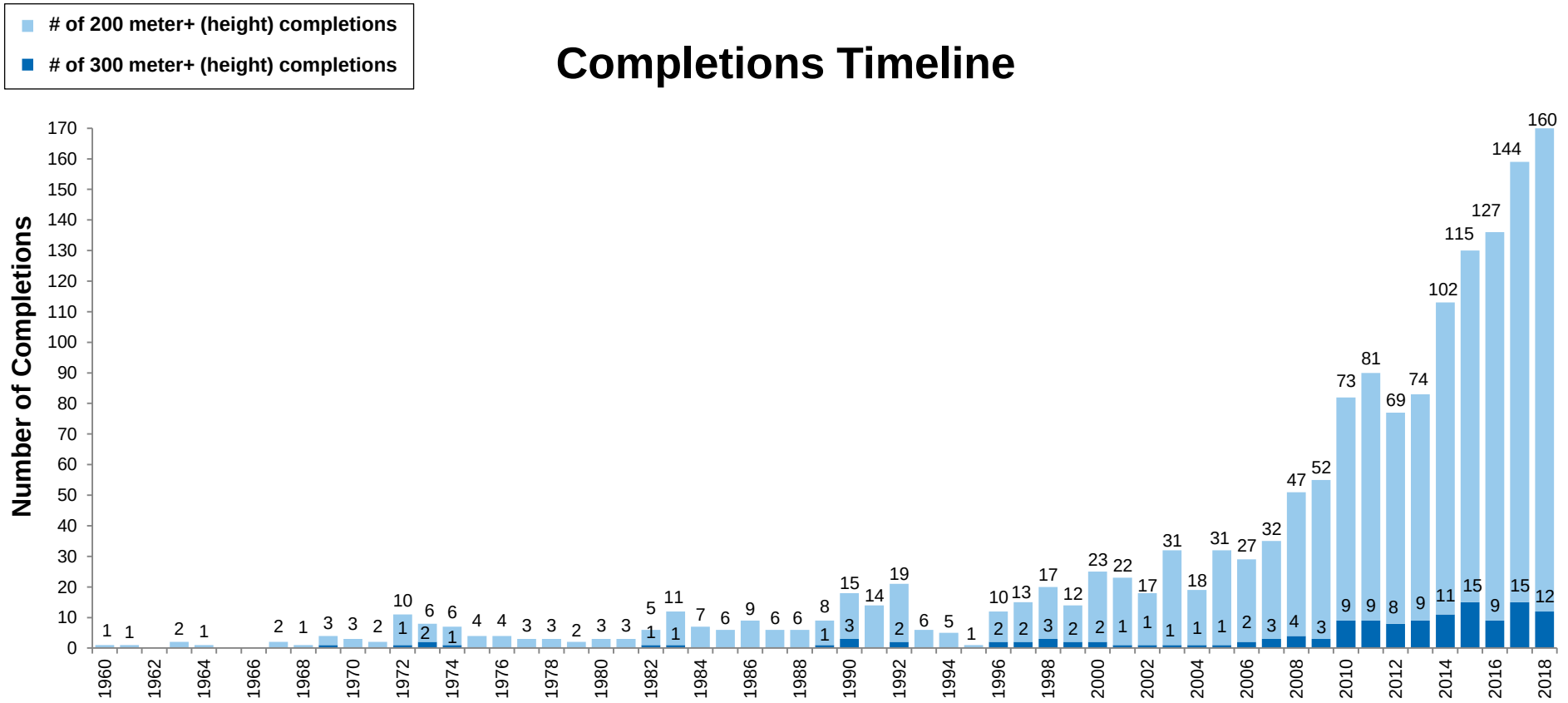

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Automotive Refinish
CR/VR Indicators

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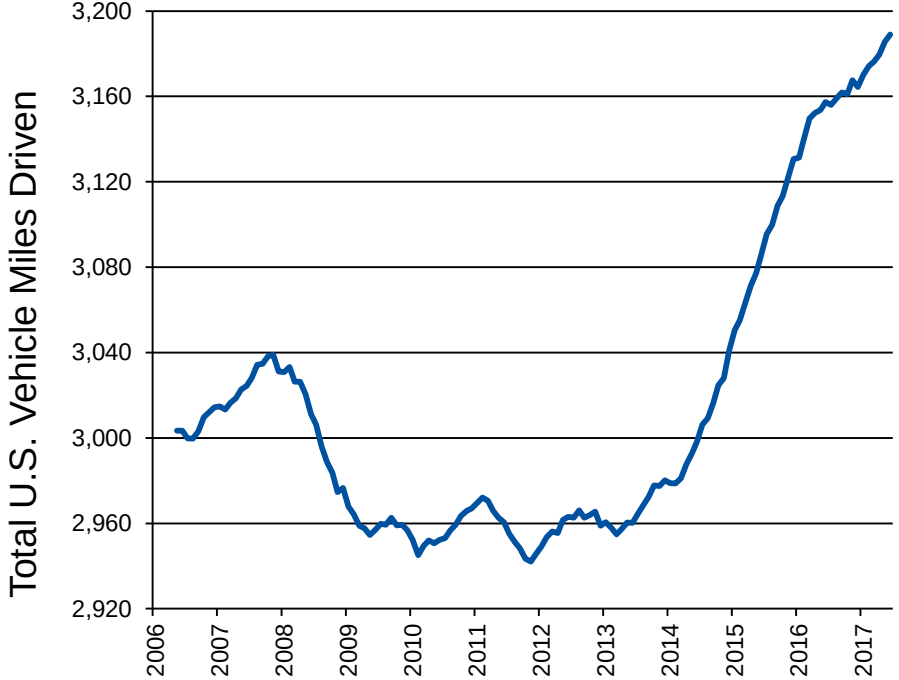
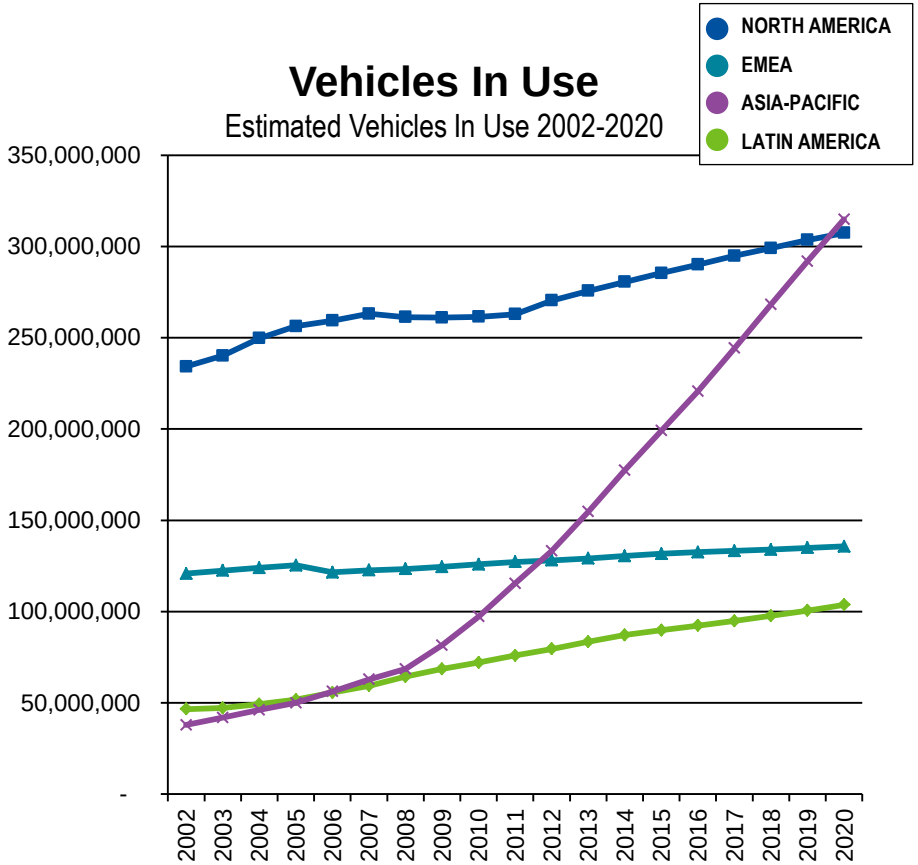
U.S. Vehicle Miles Driven
Moving 12-Month Total Vehicle Miles Driven (10 Years)



Vehicles In Use
Estimated Vehicles In Use 2002-2020



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

FINANCIAL OVERVIEW

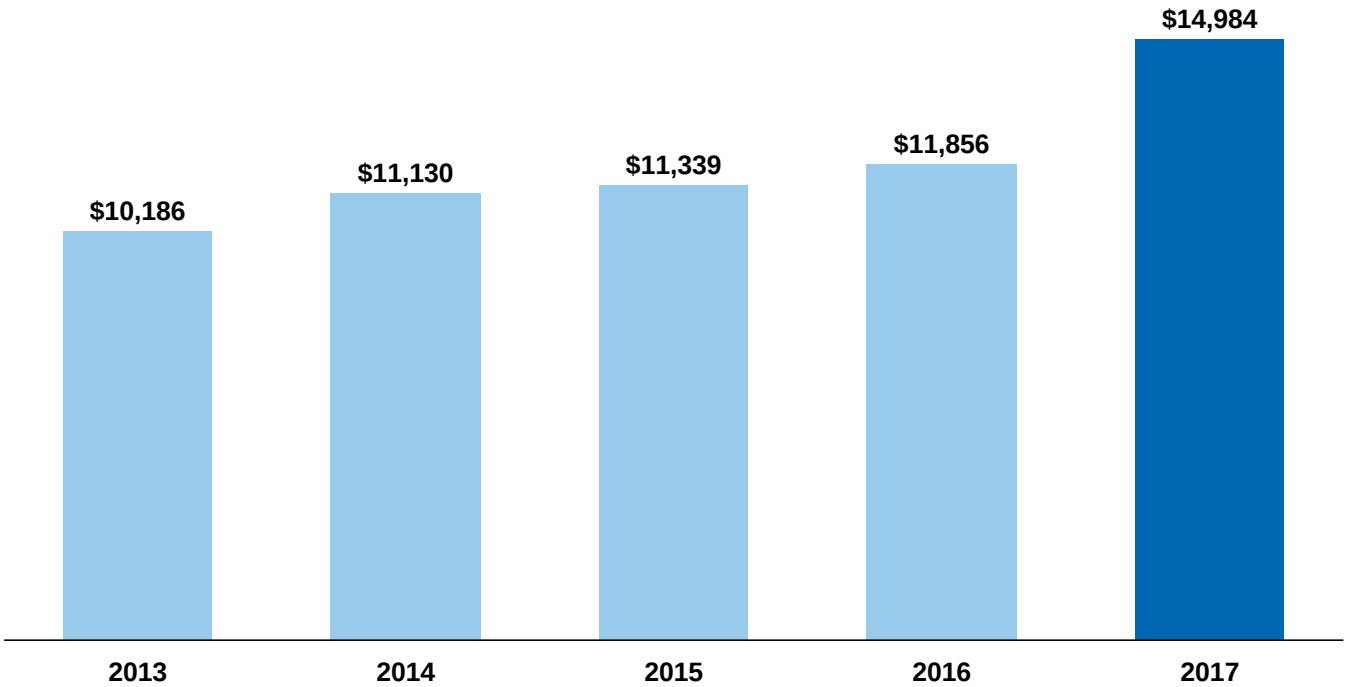
AL MISTYSYN
SENIOR VICE PRESIDENT, FINANCE & CHIEF FINANCIAL OFFICER

Forward-Looking Statement

SHERWIN-WILLIAMS®

The presentations today will contain certain “forward-looking statements," within the meaning of the federal securities laws, with respect to anticipated future performance (including sales and earnings), expected growth, future business plans and other matters. These statements may be identified by the use of words and phrases such as "believe," "expect," "may," "will," "should," "project," "could," "plan," "goal," "potential," "seek," "intend" or "anticipate" or the negative thereof or comparable terminology. These statements are based upon management's current expectations, estimates, assumptions and beliefs concerning future events and conditions. Readers are cautioned not to place undue reliance on any forward-looking statements. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside our control that could cause actual results to differ materially from such statements and from our historical results and experience. These risks, uncertainties and other factors include such things as: general business conditions, strengths of retail and manufacturing economies and the growth in the coatings industry; changes in raw material and energy supplies and pricing; changes in our relationships with customers and suppliers; our ability to successfully integrate past and future acquisitions into our existing operations, including Valspar, as well as the performance of the businesses acquired; risks inherent in the achievement of anticipated cost synergies resulting from the acquisition of Valspar and the timing thereof; competitive factors, including pricing pressures and product innovation and quality; the nature, cost, quantity and outcome of pending and future litigation and other claims, including the lead pigment and lead-based paint litigation, and the effect of any legislation and administrative regulations relating thereto; adverse weather conditions and natural disasters; and other risks, uncertainties and factors described from time to time in our reports filed with the SEC. Since it is not possible to predict or identify all of the risks, uncertainties and other factors that may affect future results, the above list should not be considered a complete list. Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Consolidated Sales
In Millions of Dollars

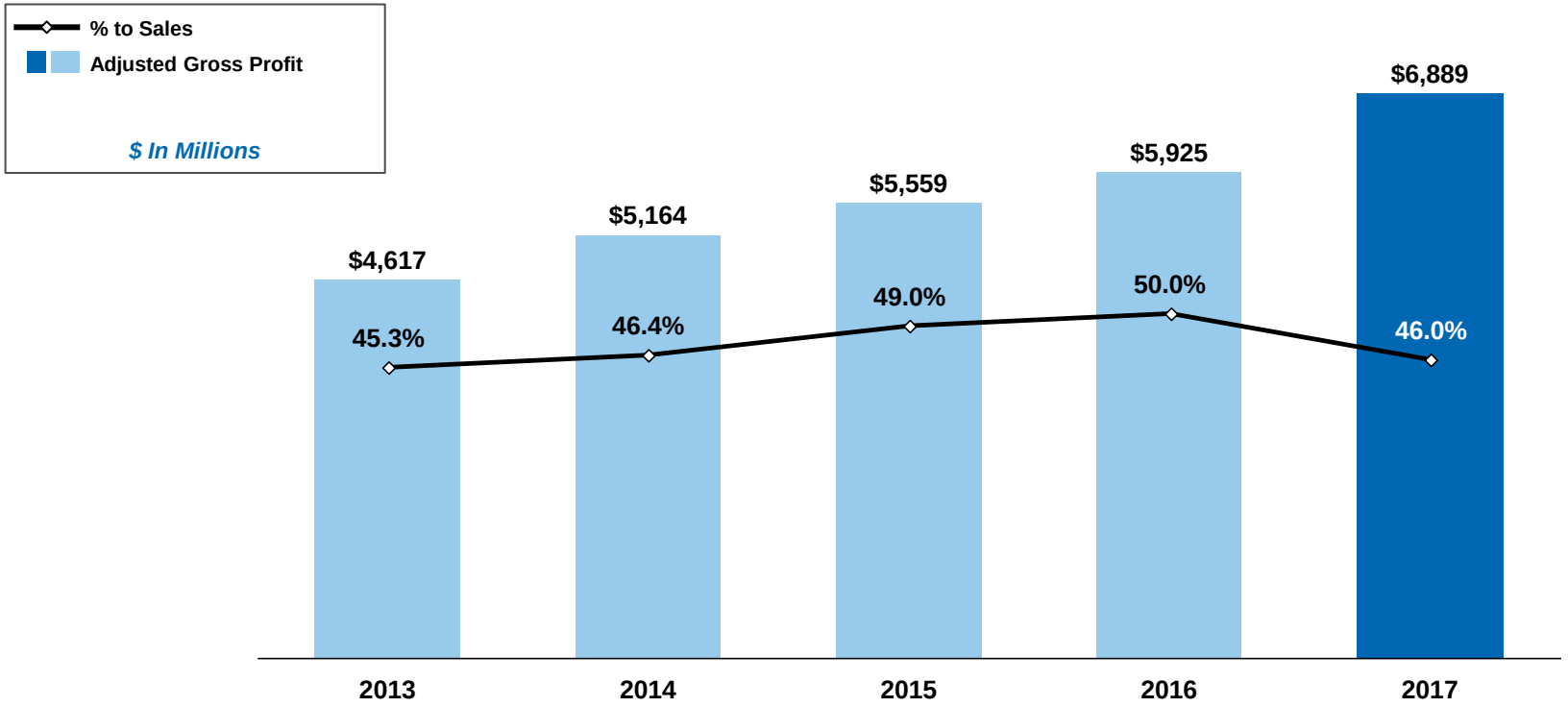


EXPECT 4% to 6% SALES CAGR THROUGH FY20

Refer to Financial Appendix 1: Income Statement

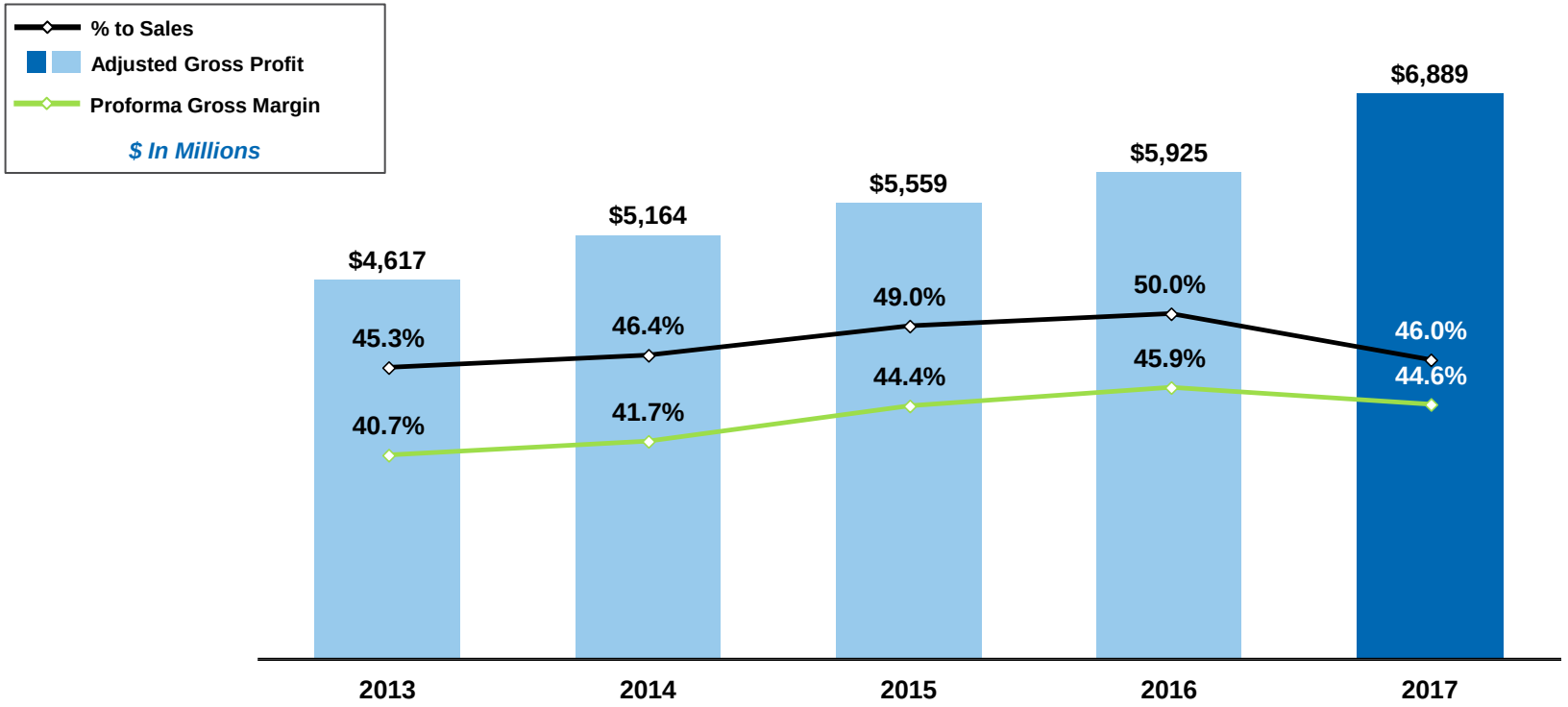
Consolidated Gross Profit
Excluding Acquisition Related Costs

SHERWIN-WILLIAMS®



Refer to Financial Appendix 1: Income Statement

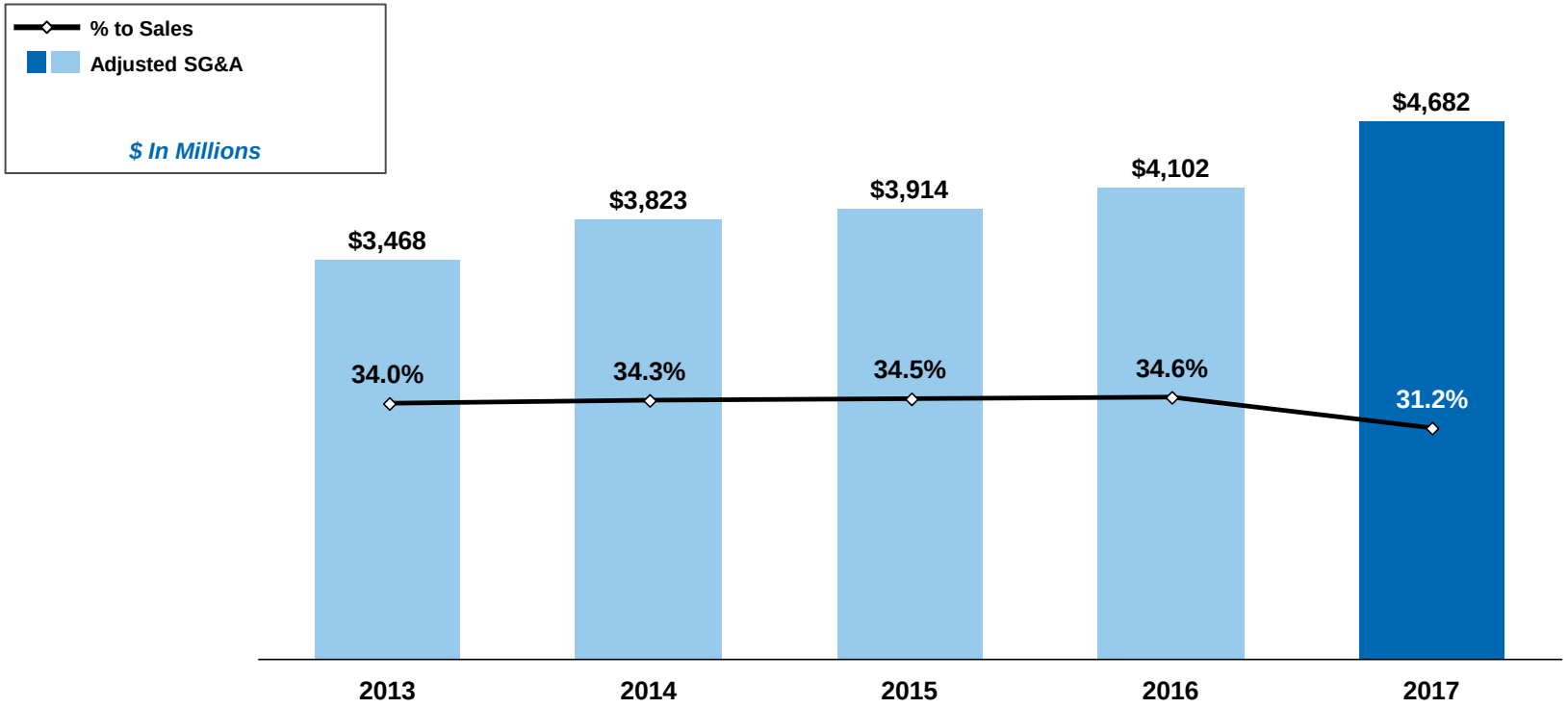
Consolidated Gross Profit
Excluding Acquisition Related Costs



EXPECT LONG TERM GROSS MARGIN RANGE OF 45% to 48%

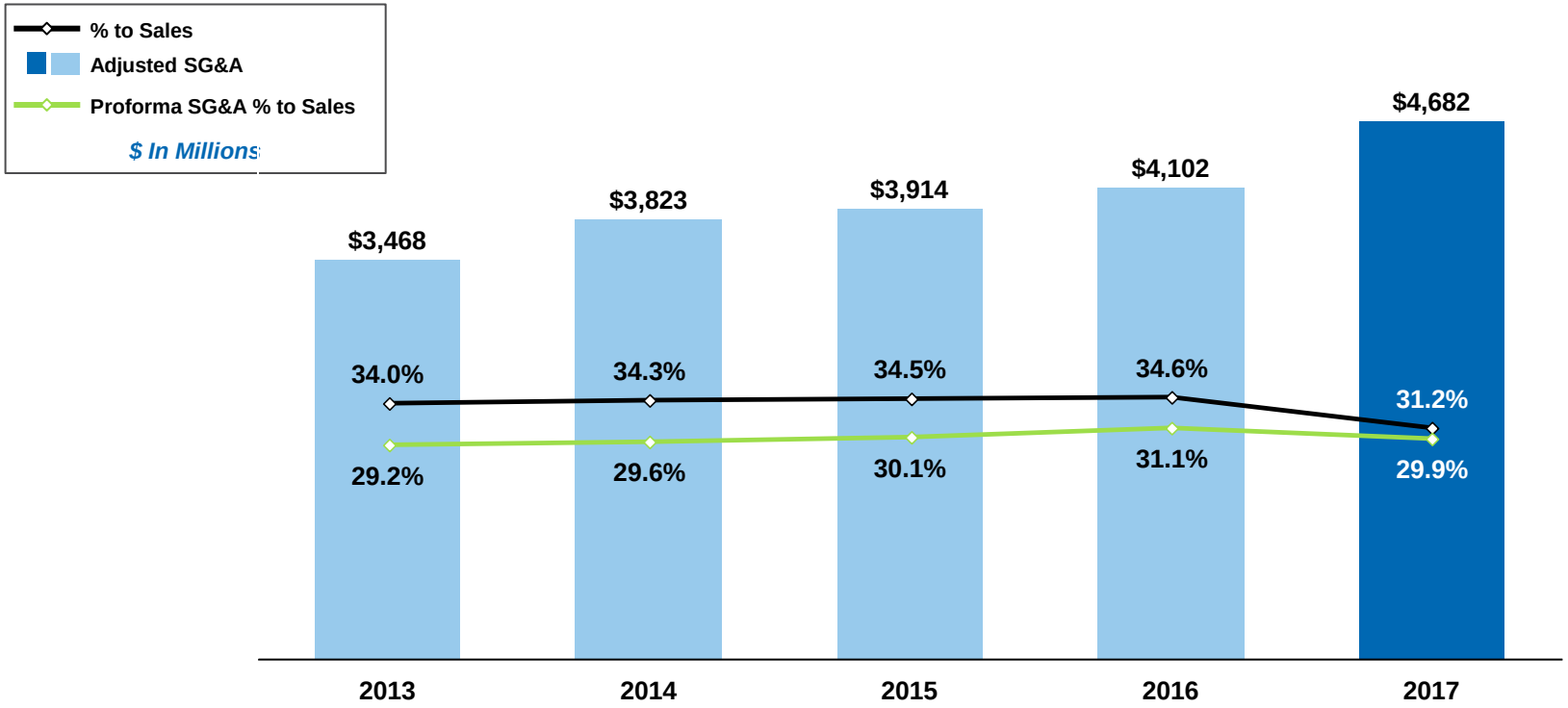
Refer to Financial Appendix 1: Income Statement

SG&A Expense
Excluding Acquisition Related Costs



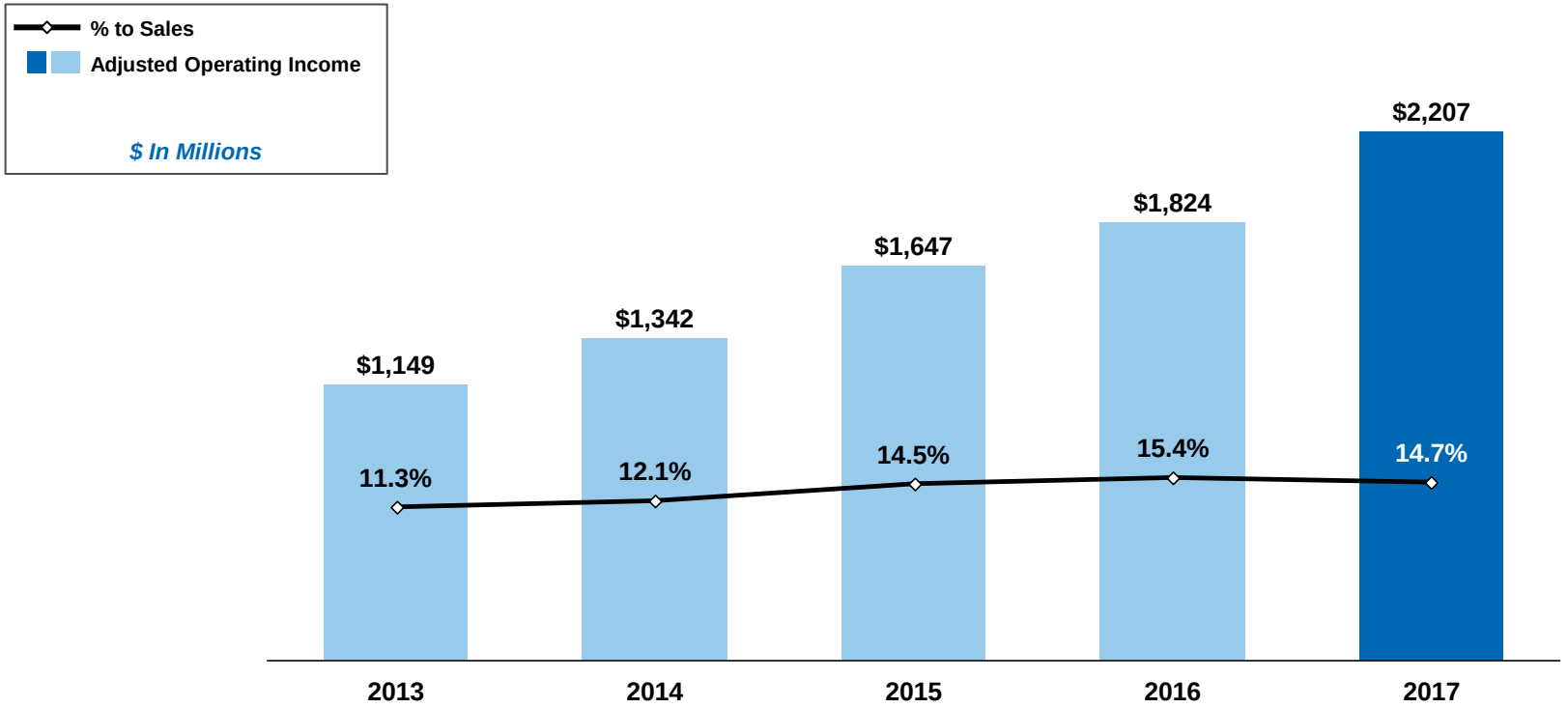
Refer to Financial Appendix 1: Income Statement

SG&A Expense
Excluding Acquisition Related Costs



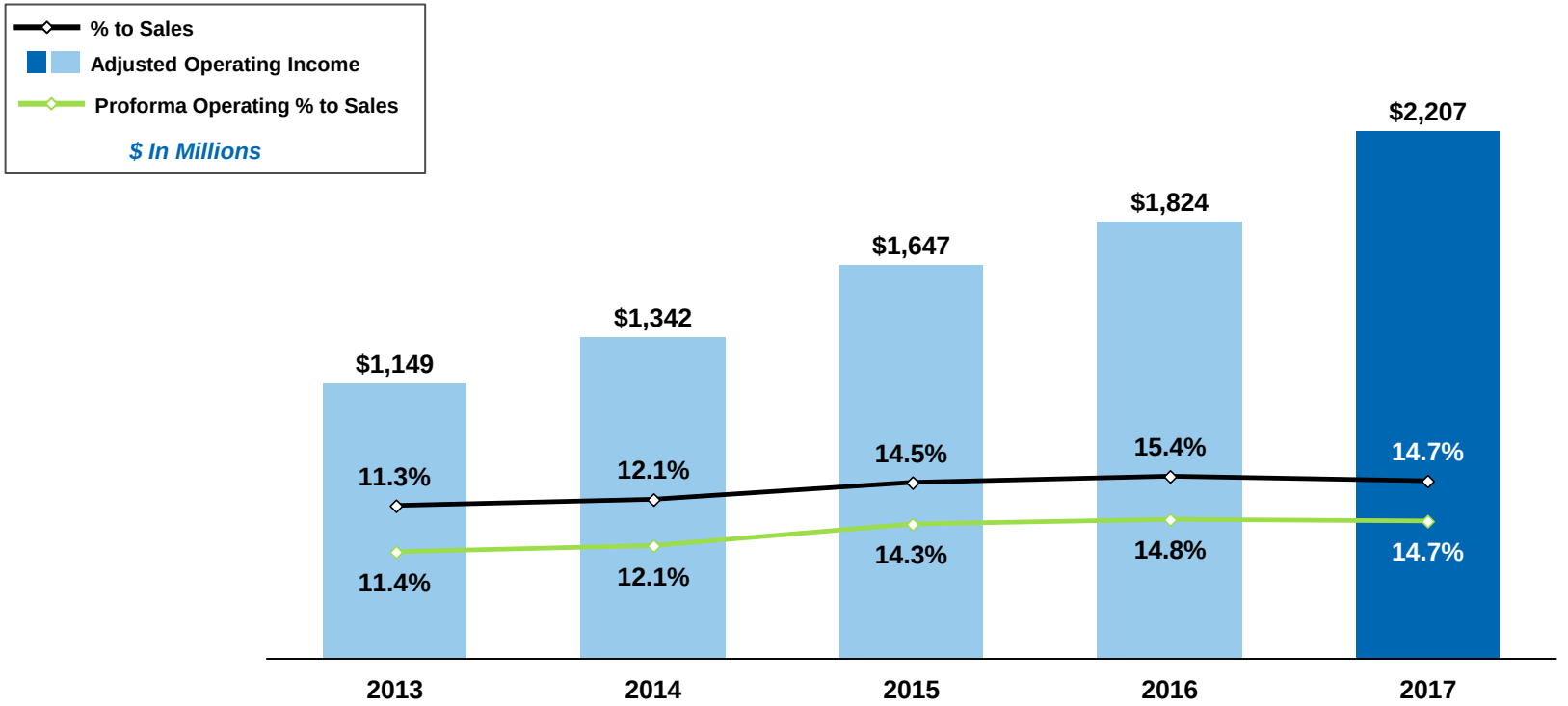
Refer to Financial Appendix 1: Income Statement

Operating Income
Excluding Acquisition Related Costs



Refer to Financial Appendix 1: Income Statement

Operating Income
Excluding Acquisition Related Costs



Refer to Financial Appendix 1: Income Statement

Profit Before & After Tax

Excluding Acquisition Related Costs & Tax Reform

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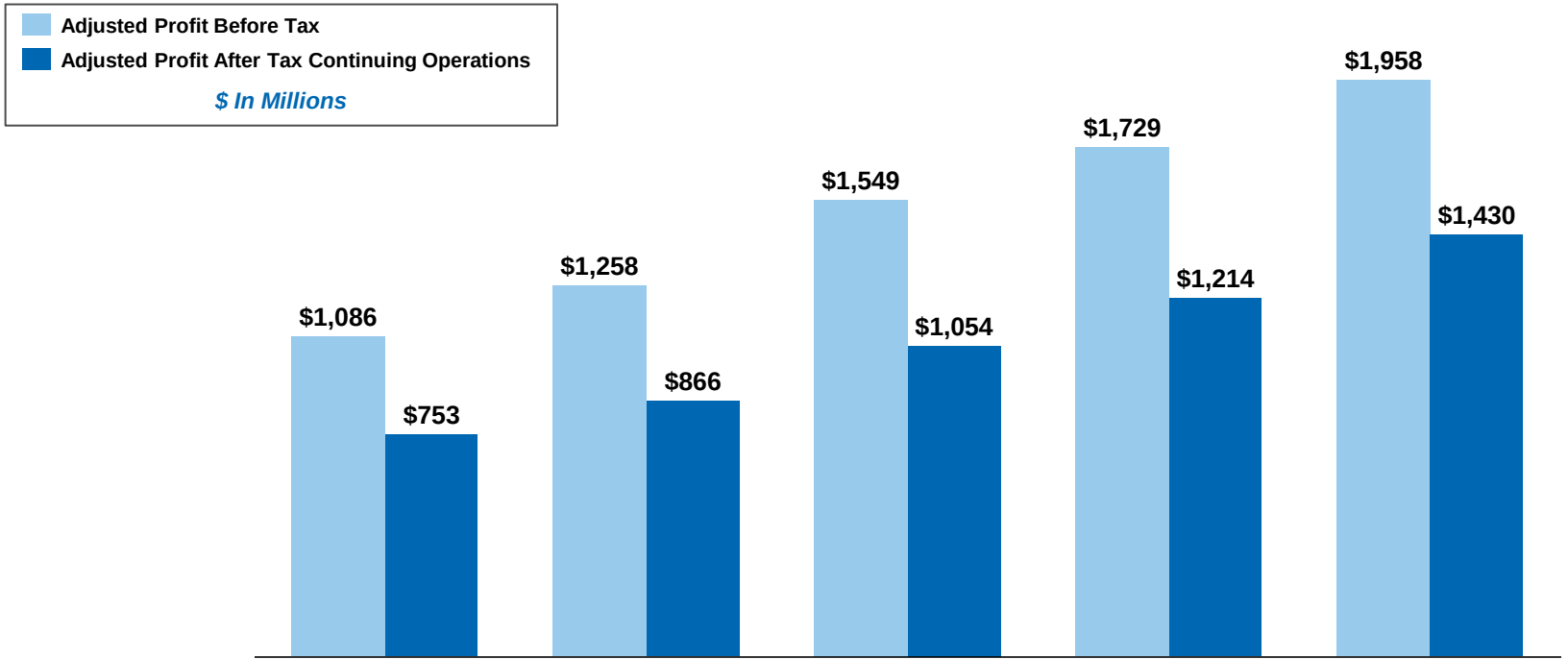

	2013	2014	2015	2016	2017
PBT % to Sales	10.7%	11.3%	13.7%	14.6%	13.1%
PAT % to Sales	7.4%	7.8%	9.3%	10.2%	9.5%

Refer to Financial Appendix 1: Income Statement

Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA) Excluding Acquisition Related Costs

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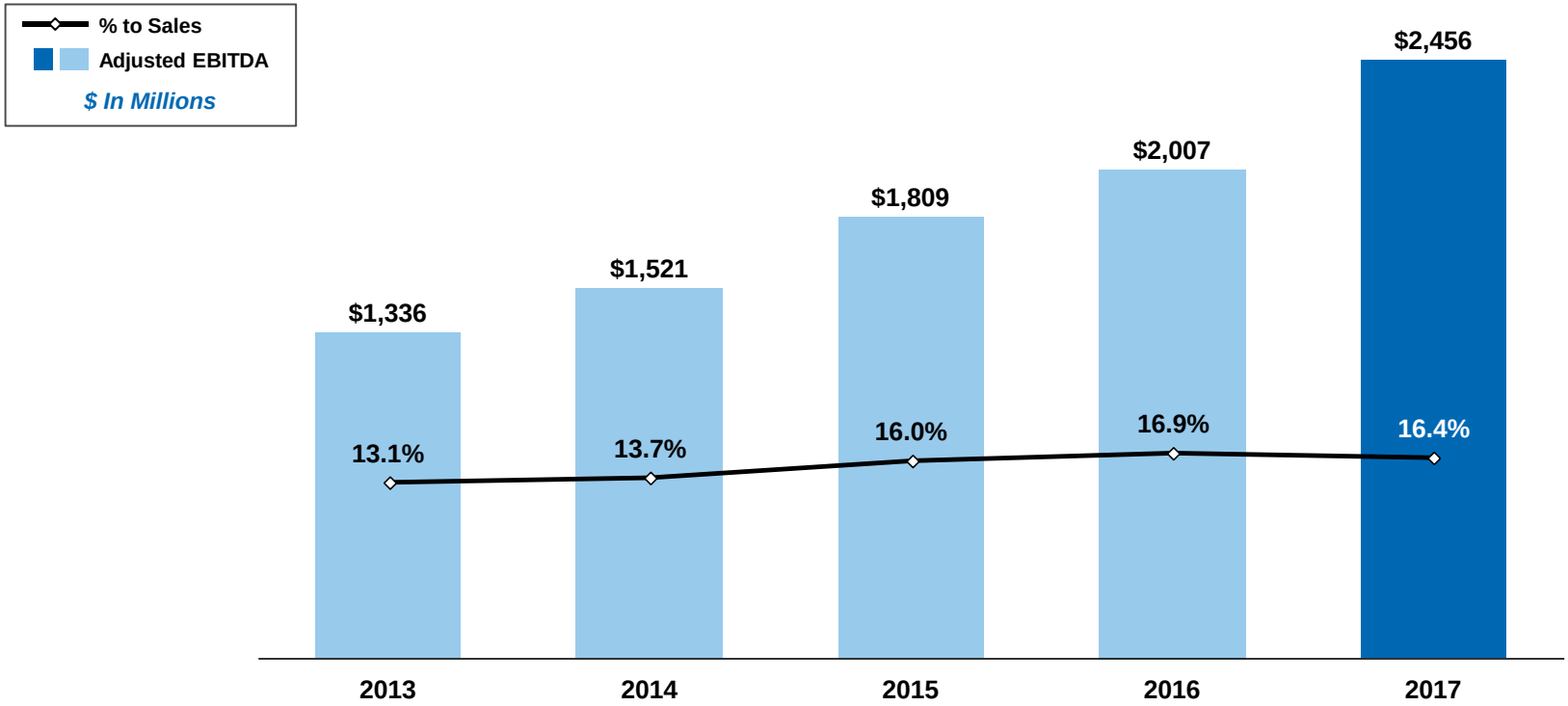


TARGET EBITDA AS A % TO SALES OF 18.8% TO 21.0% BY 2020

Refer to Financial Appendix 2A: FY EBITDA

First Quarter 2018 Highlights

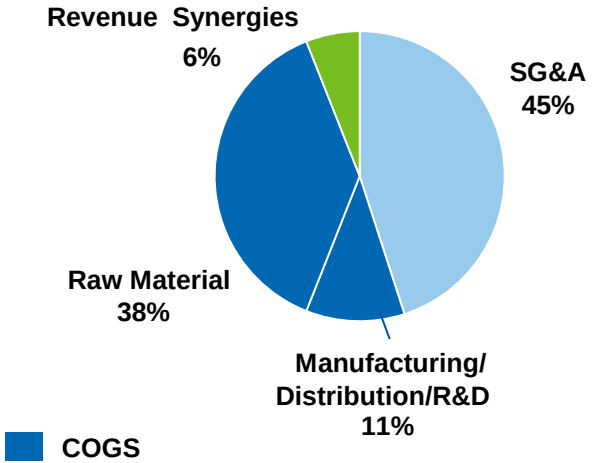
SHERWIN-WILLIAMS®

	1Q17	1Q18	% Chg
External Sales	$2.76B	$3.97B	+43.6%
US/Canada SSS	+7.5%	+5.2%	
Consolidated EPS, Excluding Acquisition Related Costs	$2.61	$3.57	+36.8%
EBITDA, Excluding Acquisition Related Costs	$391M	$582M	+49.0%

Refer to Financial Appendix 2B: 1Q EBITDA & Appendix 3: 1Q Highlights

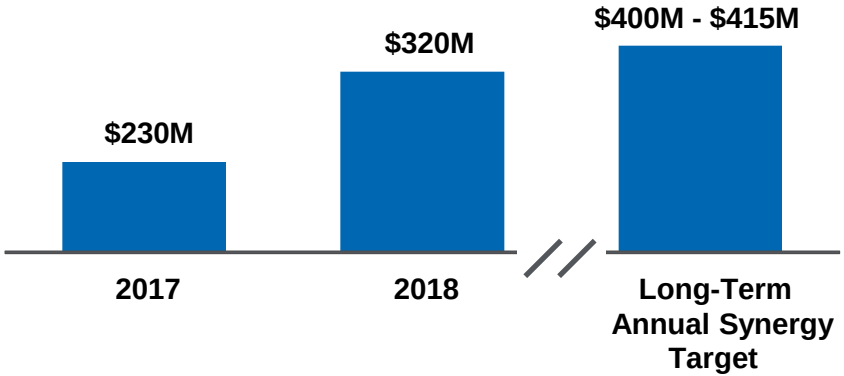
Consolidated Run Rate Synergies

2020 Synergies Allocations ($400M)



- Integration progress ahead of schedule
- 2018 P&L synergies of $140M to $160M

…Expected To Be Realized by 2020

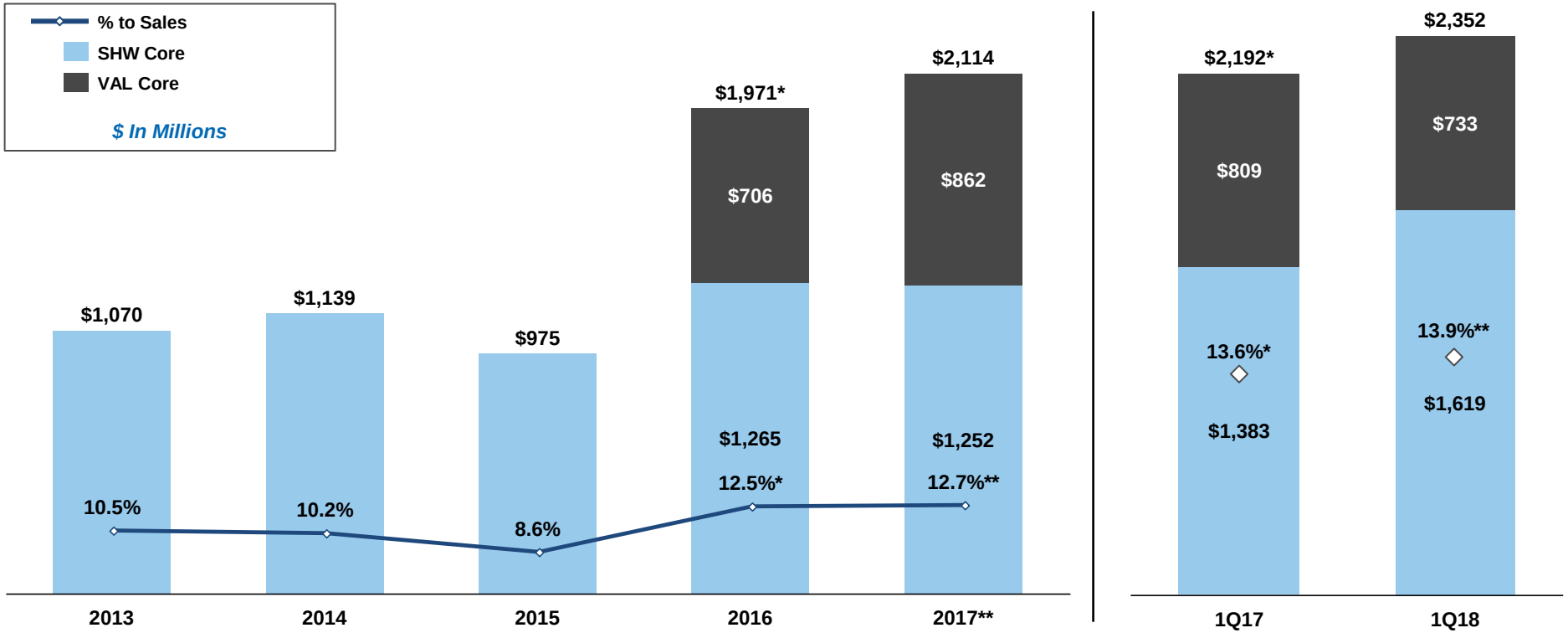


- Expect to incur majority of costs to achieve by end of 2018

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

Working Capital Performance

Accounts Receivable + Inventory – Payables



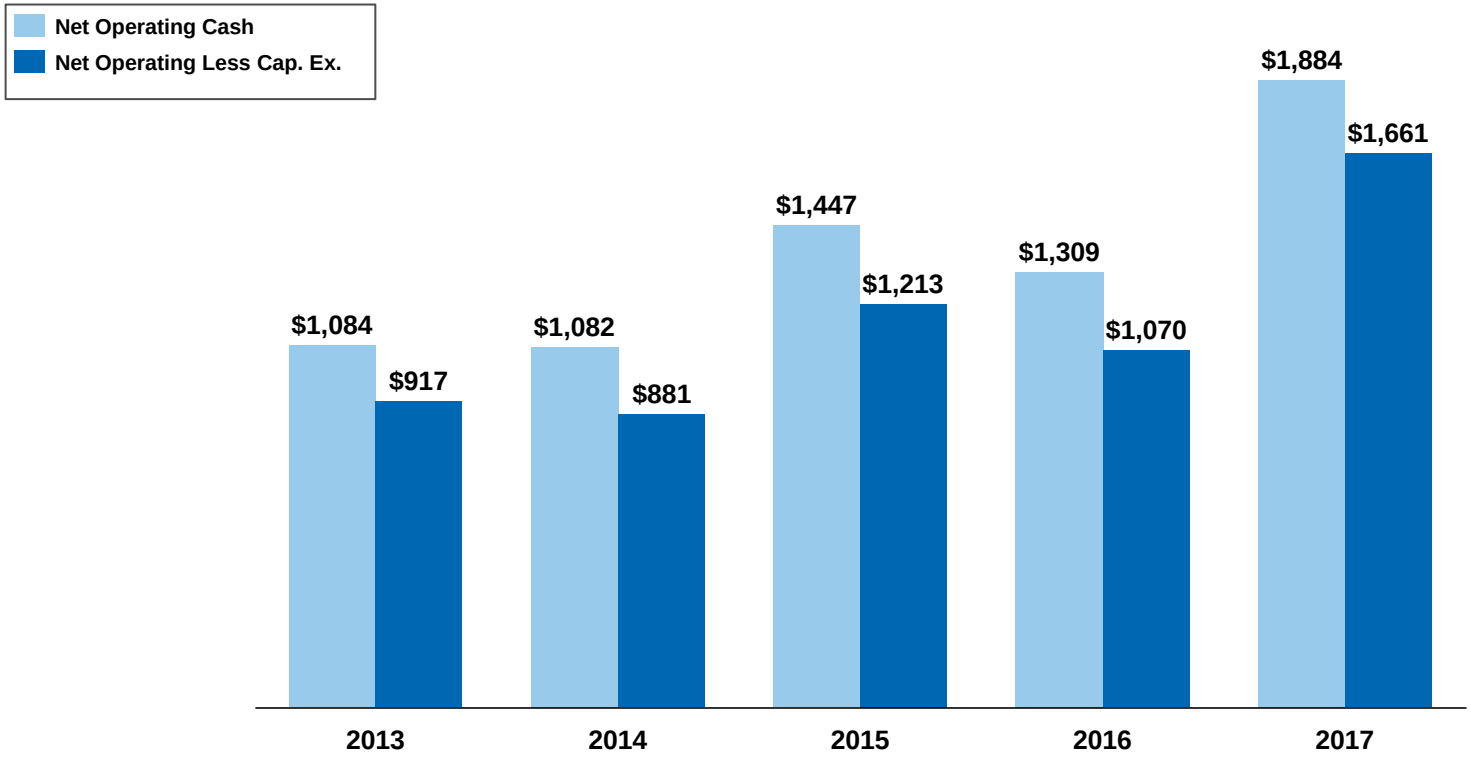
TARGET WORKING CAPITAL AS A % TO SALES OF 11% TO 11.5% BY 2020

*PRO FORMA

**% TO PRO FORMA SALES

Cash Flow Performance

In Millions of Dollars



Uses of Cash

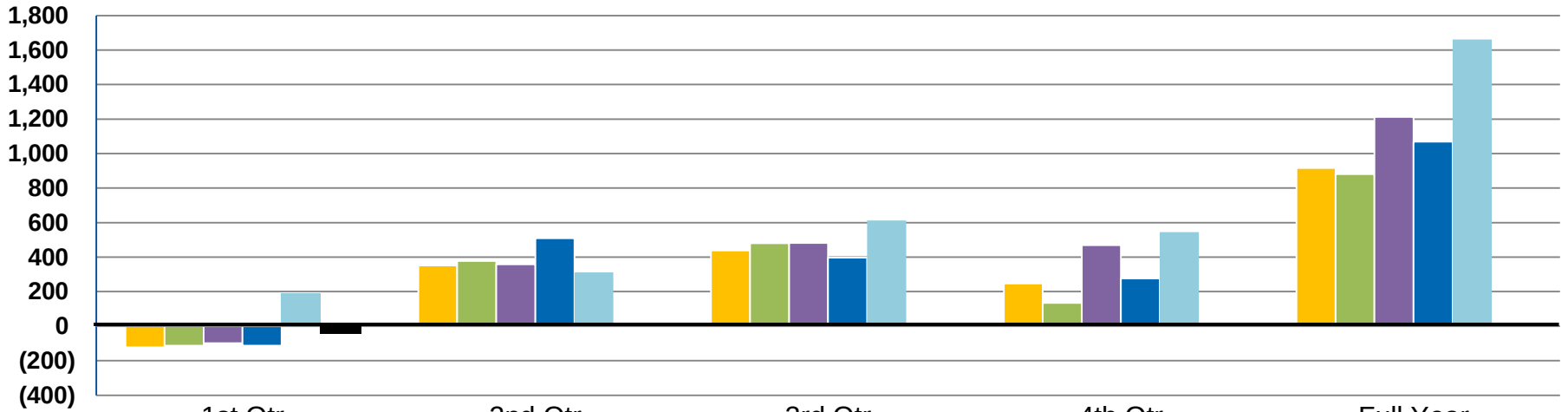
- Manage Debt
- Capital Expenditures
- Pay Dividends
- Acquisitions
- Buy Back Stock

TARGETING STEADY STATE FUTURE FREE CASH FLOW OF GREATER THAN 11.0% OF SALES

Net Operating Cash less CapEx

In Millions of Dollars

SHERWIN-WILLIAMS®



	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year
2013	(122)	352	439	248	917
2014	(112)	377	481	136	881
2015	(98)	359	483	469	1,213
2016	(113)	509	398	276	1,070
2017	190	312	613	546	1,661
2018	(2)				

Debt to EBITDA Ratio

Excluding Acquisition Related Costs

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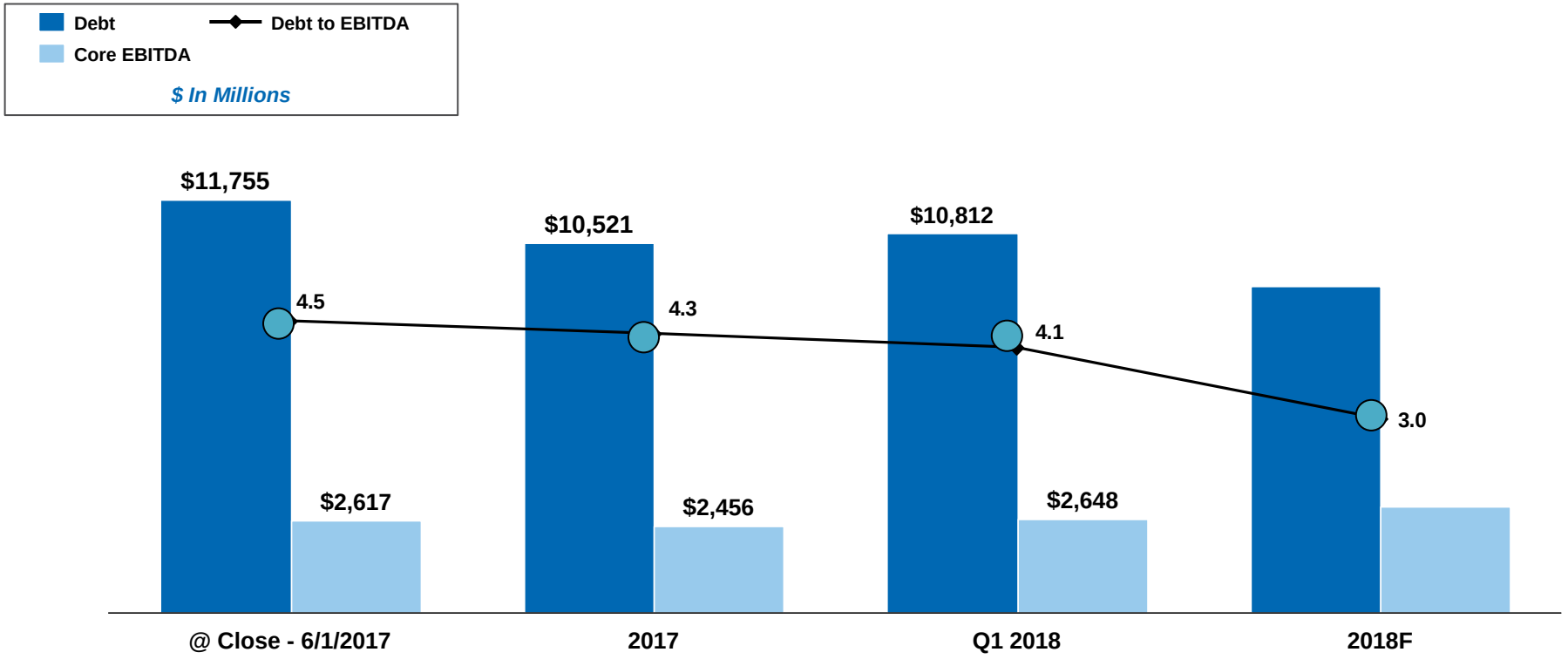

TARGETING LONG TERM DEBT TO EBITDA RATIO OF 2.0X TO 2.5X

Maturities of Long-Term Debt
(as of December 31, 2017)

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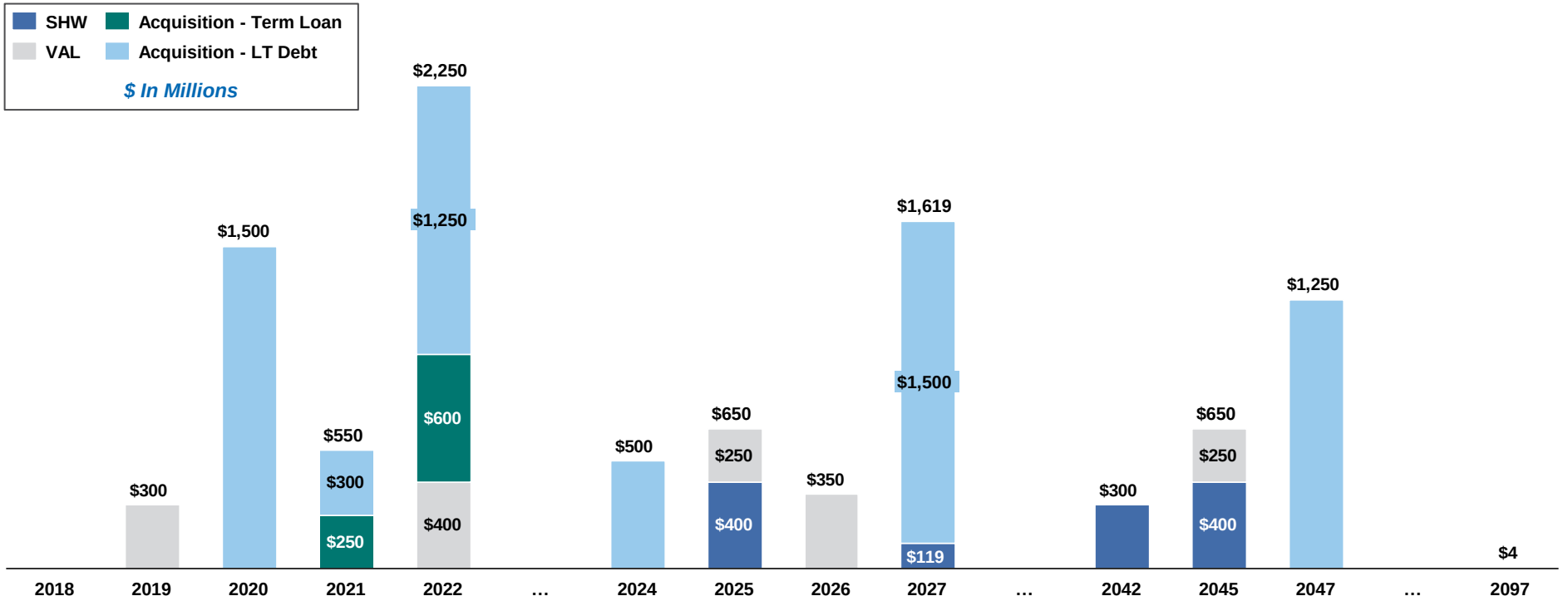

COMMITTED TO REDUCING TOTAL DEBT $1.0B IN 2018

Consistent Capital Allocation Philosophy

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CONSISTENT CAPITAL ALLOCATION PHILOSOPHY
WE WILL NOT HOLD CASH

KEY OBJECTIVES

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

BALANCED CAPITAL ALLOCATION GOALS

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

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

Rating Agencies

SHERWIN-WILLIAMS.

Standard & Poor's Rating Services

May 2017

- Long-Term Rating at 'BBB'
- Short-Term Rating at 'A-2'
- Credit Watch Stable

Moody's Investors Services

April 2018

- Long-Term Rating at 'Baa3'
- Short-Term Rating at 'P-3'
- Credit Watch Stable

Fitch Ratings

May 2017

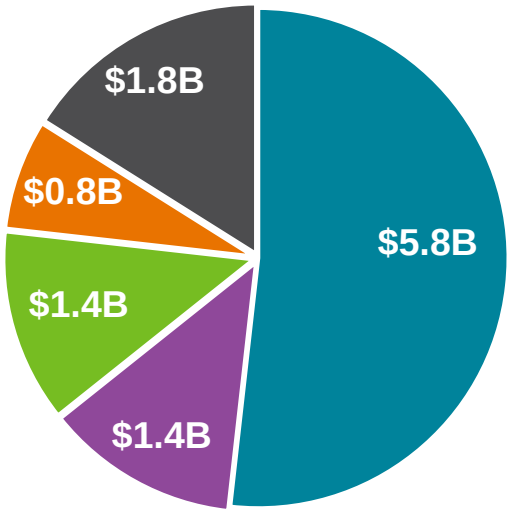
- Long-Term Rating at 'BBB'
- Short-Term Rating at 'F-3'
- Ratings Watch Stable

Consolidated Net Operating Cash & Uses of Cash

SHERWIN-WILLIAMS

5-Year Net Operating Cash: $7.0B

2011-2015
SHW + VAL



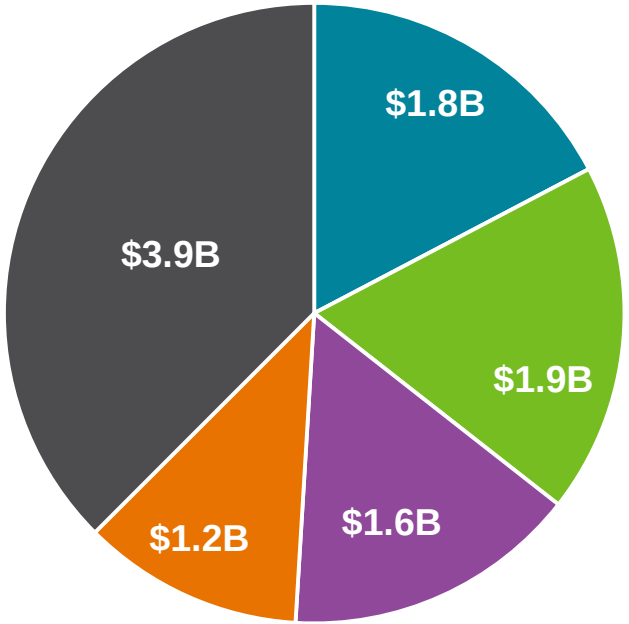
- DEBT REPAYMENT
- CAPITAL EXPENDITURES
- CASH DIVIDENDS
- ACQUISITIONS
- TREASURY STOCK PURCHASE

USES OF CASH

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

5-Year Net Operating Cash: ~$10.2B

2016-2020



Dividends Per Share
2005 - 2018

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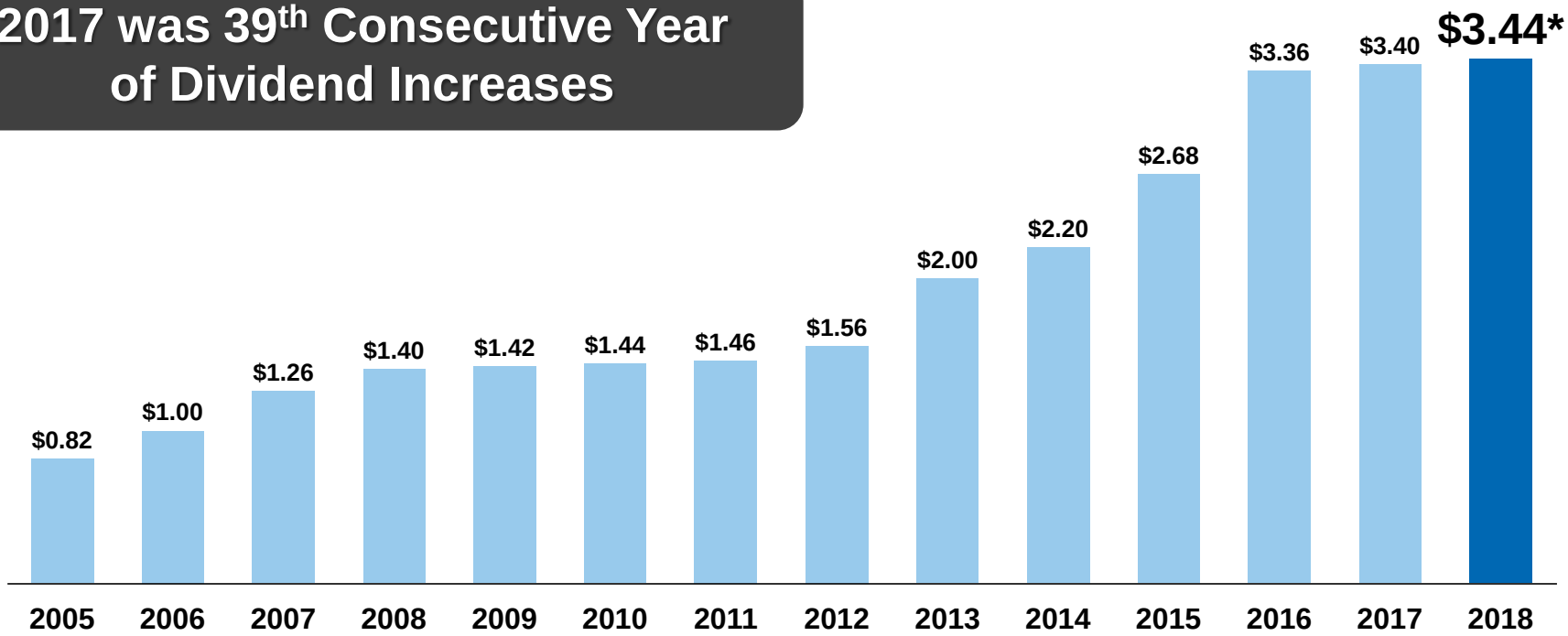
2017 was 39th Consecutive Year of Dividend Increases



RETURN DIVIDEND TO 30% OF PRIOR YEAR EARNINGS IN 2020

*Management Recommendation Board approval required.

Treasury Stock Acquired
2010 - 1Q 2018

SHERWIN-WILLIAMS®

	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	98,741
2015	3,575,000	278.57	995,879,981	94,544
2016	0	0.00	0	94,488
2017	0	0.00	0	94,927
1Q 2018	600,000	401.91	241,148,280	95,546

Balance of Authorization at 3/31/18: 11,050,000 Shares

Summary Capitalization

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Strong Financial Profile Provides Flexibility

	1Q18
Cash	$0.16B
Debt	$10.8B
Revolving Credit Facilities	$1.35B
LOC CDS	$1.25B
Total Liquidity Available	$2.60B

- Significant Liquidity
- Expect to Maintain BS Flexibility to Pursue Growth Opportunities
- Annual Cash Generation Comfortably Supports Anticipated Funding Needs
- Reduce Debt $1.0B FY18

FY16 – FY20 Financial Outlook Assumptions

SHERWIN-WILLIAMS®

	FY16 PRO FORMA	FY17 PRO FORMA	FY18 GUIDANCE	FY20F TARGETS
Net Sales	$15.8B	$16.6B	Mid to High Single Digits	**4%-6%** CAGR Growth
EBITDA Margin	16.6%	16.5%	-	**18.8%-21.0%** Margin Expansion
Free Cash Flow % to Sales	8.9%	10.2%	-	**>11%**
Core EPS*	$16.57	$15.98	$18.65	**11.0%-14.0%** 4 YRS EPS CAGR

FY2020 TARGET UPDATES

- Free Cash Flow % to Sales > 11%
- Core EPS 4 Year CAGR 11% to 14%
- Effective Tax Rate ~20%-25%

EBITDA MARGIN

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

CORE EPS

- 2017 Pro Forma Core EPS adjusted for January to May Valspar Operations, plus annualized synergies, less new debt interest expense
- 2018 Lowe's Program Dilutive $0.40 Per Share

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

Refer to Financial Appendix 4A: 2016 PRO FORMA & Appendix 4B: 2017 PRO FORMA



A STRONG FOUNDATION

- Track Record of Financial Performance & Focused Execution
- Large, Stable Revenue Base with Improving EBITDA Margins
- Strong Balance Sheet & Getting Stronger
- SHW Experienced & Determined Management Team

…ON WHICH WE WILL CONTINUE TO BUILD

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

FINANCIAL APPENDIX

Appendix 1: Income Statement *(In Millions)*

Excluding Acquisition Related Costs, Reconciliation to As Reported

SHERWIN-WILLIAMS®

	FY16 AS REPORTED	FY16 ACQUISITION RELATED COSTS	FY16 EXCLUDING ACQUISITION RELATED COSTS	FY17 AS REPORTED	FY17 ACQUISITION RELATED COSTS	FY17 EXCLUDING ACQUISITION RELATED COSTS
Sales	$11,856		$11,856	$14,984		$14,984
Gross Profit	$5,923	$(2)	$5,925	$6,781	$(108)	$6,889
% to Sales	50.0%		50.0%	45.3%		46.0%
SG&A	$4,160	$58	$4,102	$4,992	$310	$4,682
% to Sales	35.1%		34.6%	33.3%		31.2%
OPERATING INCOME	$1,763	$(61)	$1,824	$1,789	$(418)	$2,207
% to Sales	14.9%		15.4%	11.9%		14.7%
PBT	$1,595	$(134)	$1,729	$1,528	$(429)	$1,958
% to Sales	13.5%		14.6%	10.2%		13.1%
PAT	$1,133	$(82)	$1,214	$1,145	$(285)	$1,430
% to Sales	9.6%		10.2%	7.6%		9.5%
TAX REFORM				$669		
DISC OPS				$(42)		
PAT AS REPORTED				$1,772		
				11.8%		

Appendix 2A: FY EBITDA *(In Millions)*

Excluding Acquisition Related Costs, Reconciliation to As Reported

SHERWIN-WILLIAMS®

	FY16 AS REPORTED	FY16 ACQUISITION RELATED COSTS	FY16 EXCLUDING ACQUISTION RELATED COSTS	FY17 AS REPORTED	FY17 ACQUISITION RELATED COSTS	FY17 EXCLUDING ACQUISTION RELATED COSTS
Net Income from Continuing Operations	$1,133	$(82)	$1,214	$1,814	$(285)	$2,099
Interest Expense	$154	$73	$81	$263	$9	$254
Income Taxes	$463	$(52)	$515	$(286)	$(144)	$(141)
Depreciation	$172	$0	$172	$285	$65	$220
Amortization	$25	-	$25	$207	$183	$24
EBITDA	$1,947	$(61)	$2,007	$2,283	$(173)	$2,456
% to Sales	16.4%		16.9%	15.2%		16.4%

Appendix 2B: 1Q EBITDA *(In Millions)*

Excluding Acquisition Related Costs, Reconciliation to As Reported

SHERWIN-WILLIAMS®

	1Q17 AS REPORTED	1Q17 ACQUISITION RELATED	1Q17 EXCLUDING ACQUISITION RELATED COSTS	1Q18 AS REPORTED	1Q18 ACQUISITION RELATED	1Q18 EXCLUDING ACQUISITION RELATED COSTS
Net Income	$239	$(8)	$247	$250	$(91)	$341
Interest Expense	$26	$5	$21	$92	$0	$92
Income Taxes	$68	$(5)	$73	$54	$(29)	$82
Depreciation	$45	$1	$44	$72	$12	$60
Amortization	$6	-	$6	$85	$78	$7
EBITDA	$383	$(8)	$391	$552	$(30)	$582

Appendix 3: 1Q Highlights *(In Millions)*

Regulation G Reconciliation

SHERWIN-WILLIAMS®

	1Q17 ACTUAL	1Q18 ACTUAL	2017 ACTUAL	2018 GUIDANCE	
				LOW	HIGH
Diluted net income per common share	$2.53	$2.62	$18.67	$14.95	$15.45
One-time charge related to discontinued operations	-	-	$0.44	-	-
Diluted net income per common share from continuing operations	$2.53	$2.62	$19.11	$14.95	$15.45
One-time benefit from deferred income tax reductions			$7.04	-	-
Transaction and integration costs	$0.08	$0.24	$0.88	$0.75	$0.85
Purchase accounting impacts	-	$0.71	$2.12	$2.65	$2.65
Total acquisition costs	$0.08	$0.95	$3.00	$3.40	$3.50
Consolidated excluding Valspar acquisition costs and one-time items	$2.61	$3.57	$15.07	$18.35	$18.95

Appendix 4A: 2016 PRO FORMA *(In Millions)*

SHERWIN-WILLIAMS®

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

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

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

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

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

Appendix 4B: 2017 PRO FORMA *(In Millions)*

SHERWIN-WILLIAMS®

	FY17 AS REPORTED	FY17 ACQUISITION RELATED COSTS & TAX REFORM BENEFITS	FY17 EXCLUDING ACQUISTION RELATED COSTS	FY17 PRO FORMA ADJUSTMENTS*	FY17 PRO FORMA
NET SALES	$14,984		$14,984	$1,651	$16,635
INCOME BEFORE INCOME TAXES	$1,528	$(429)	$1,957	$118	$2,075
TAXES	$(244)	$(771)	$527	$32	$559
NET INCOME	$1,772	$342	$1,430	$86	$1,516
EPS	$18.67	$3.60	$15.07	$0.91	$15.98

Pro Forma Adjustments include January to May 2017 Valspar Operations, Plus Annualized Synergies, Less Annualized New Debt Interest Expense.

Appendix 5: Group Financials *(In Millions)*

Excluding Acquisition Related Costs, Reconciliation to As Reported

SHERWIN-WILLIAMS®

	FY16 AS REPORTED	FY16 VAL PRO FORMA	FY16 PRO FORMA	FY17 AS REPORTED	FY17 VAL PRO FORMA	FY17 ACQUISITION RELATED COSTS	FY17 PRO FORMA
PCG Sales	$1,946	$2,658	$4,604	$3,706	$1,102		$4,808
PCG Segment Profit	$257	$497	$755	$299	$172	$(183)	$653
CBG Sales	$1,527	$1,327	$2,854	$2,155	$547		$2,701
CBG Segment Profit	$301	$166	$467	$226	$60	$(108)	$394

	1Q17 AS REPORTED	1Q17 VAL PRO FORMA	1Q17 PRO FORMA	1Q18 AS REPORTED	1Q18 ACQUISITION RELATED COSTS	1Q18 EXCLUDING ACQUISTION RELATED COSTS
PCG Sales	$485	$634	$1,118	$1,228		$1,228
PCG Segment Profit	$57	$93	$150	$91	$(58)	$148
CBG Sales	$323	$309	$632	$656		$656
CBG Segment Profit	$56	$30	$86	$74	$(32)	$106

SHERWIN-WILLIAMS

COMPANY OVERVIEW

JOHN MORIKIS
CHAIRMAN, PRESIDENT & CHIEF EXECUTIVE OFFICER



Why SHW?

SHERWIN-WILLIAMS®



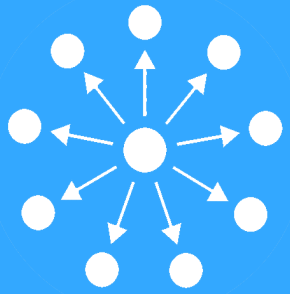
GROWTH OPPORTUNITIES



GREAT BRAND PORTFOLIO



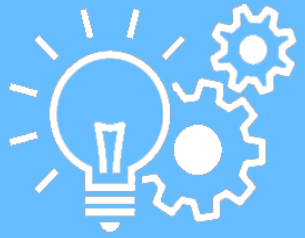
STRATEGIC PARTNERSHIPS



DISTRIBUTION & SERVICE



WORLD CLASS SUPPLY CHAIN



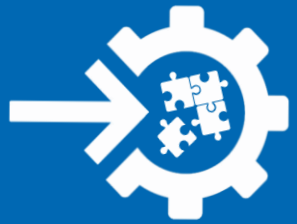
INNOVATIVE PRODUCTS



BALANCE SHEET & CASH GENERATION



ATTRACTIVE RETURNS



INTEGRATION SUCCESS



EXPERIENCED MGMT & TALENT PIPELINE

Why SHW?

SHERWIN-WILLIAMS®



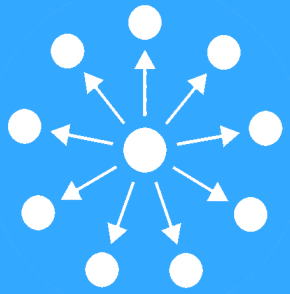
GROWTH OPPORTUNITIES



GREAT BRAND PORTFOLIO



STRATEGIC PARTNERSHIPS



DISTRIBUTION & SERVICE



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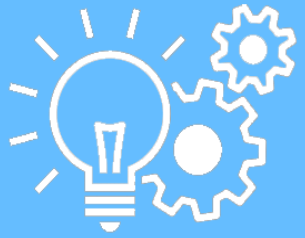

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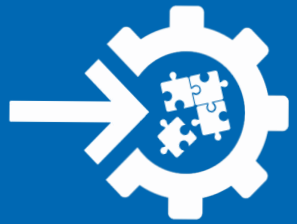

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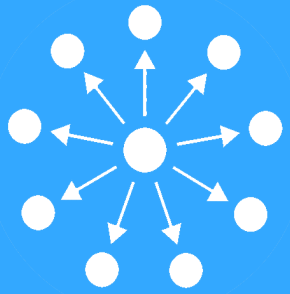

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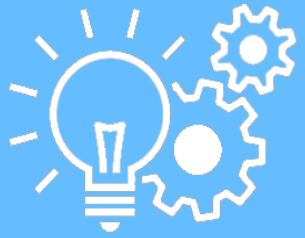

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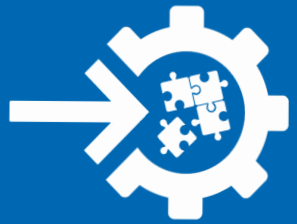

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Why SHW?

SHERWIN-WILLIAMS



GREAT BRAND PORTFOLIO

- **Leaders in their categories**
- **Trusted by customers**

Why SHW?

SHERWIN-WILLIAMS®



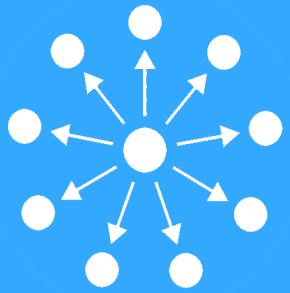
GROWTH OPPORTUNITIES



GREAT BRAND PORTFOLIO



STRATEGIC PARTNERSHIPS



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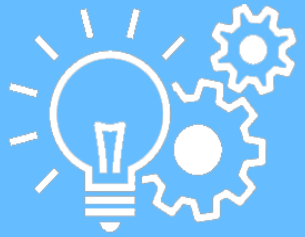
WORLD CLASS SUPPLY CHAIN



INNOVATIVE PRODUCTS



BALANCE SHEET & CASH GENERATION



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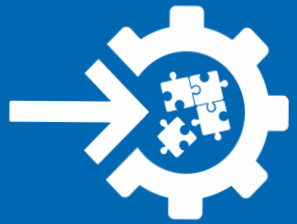

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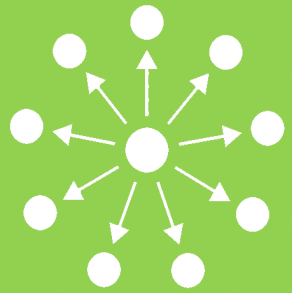

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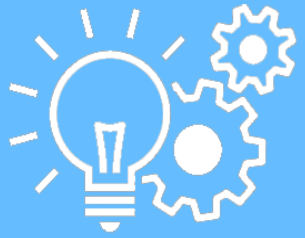

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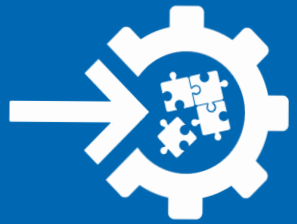

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Why SHW?

SHERWIN-WILLIAMS.



DISTRIBUTION & SERVICE

- **Company operated stores & dedicated dealers**
- **E-commerce**
- **Sales reps**
- **Site delivery**
- **Training & support**
- **High volume and batch**
- **Color matching**
- **Line trials**

Why SHW?

SHERWIN-WILLIAMS®



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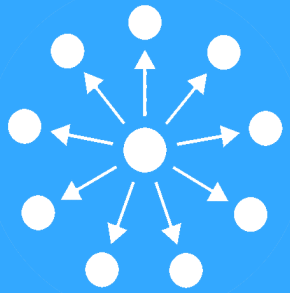
GREAT BRAND PORTFOLIO



STRATEGIC PARTNERSHIPS



DISTRIBUTION & SERVICE



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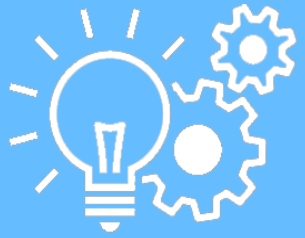

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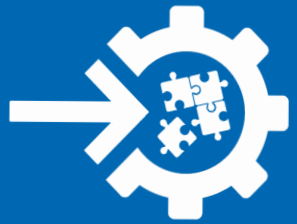

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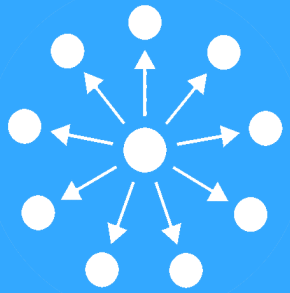


DISTRIBUTION & SERVICE



WORLD CLASS SUPPLY CHAIN



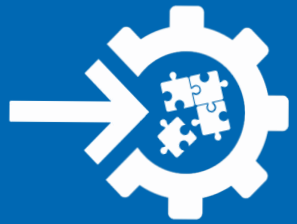
INNOVATIVE PRODUCTS



BALANCE SHEET & CASH GENERATION



ATTRACTIVE RETURNS



INTEGRATION SUCCESS



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Why SHW?

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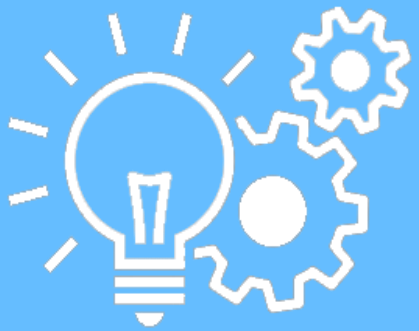

INNOVATIVE PRODUCTS

- **25 new architectural products in 2017; more in 2018**
- **2017: Highest in customer satisfaction interior and exterior *(J.D. Power)**
- **Non-BPA technology**
- **Waterborne technology**

**Sherwin-Williams received the highest numerical score among interior paints in the J.D. Power 2017 Paint Satisfaction study, based on 4,625 total responses from 12 companies measuring experiences and perceptions of customers, surveyed February-March 2017. Valspar received the highest numerical score among exterior paints in the J.D. Power 2017 Paint Satisfaction study, based on 3,139 total responses from 12 companies measuring experiences and perceptions of customers, surveyed February-March 2017. Your experiences may vary. Visit jdpower.com*

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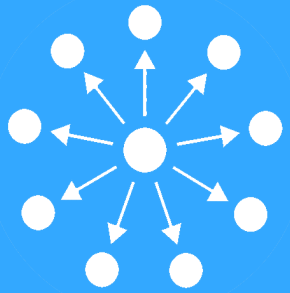
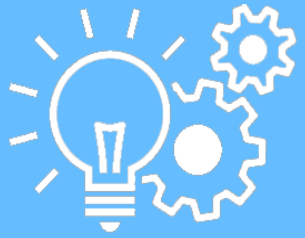
STRATEGIC PARTNERSHIPS



DISTRIBUTION & SERVICE



WORLD CLASS SUPPLY CHAIN



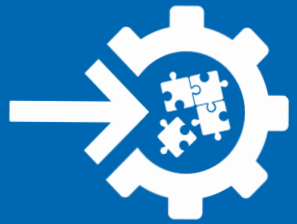
INNOVATIVE PRODUCTS



BALANCE SHEET & CASH GENERATION



ATTRACTIVE RETURNS



INTEGRATION SUCCESS



EXPERIENCED MGMT & TALENT PIPELINE

Why SHW?

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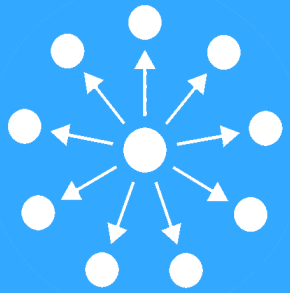
GROWTH OPPORTUNITIES



GREAT BRAND PORTFOLIO



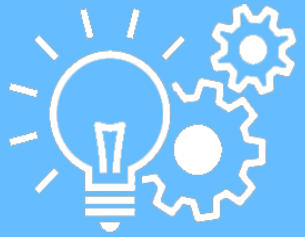
STRATEGIC PARTNERSHIPS



DISTRIBUTION & SERVICE



WORLD CLASS SUPPLY CHAIN



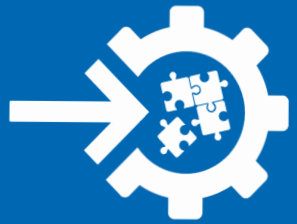
INNOVATIVE PRODUCTS



BALANCE SHEET & CASH GENERATION



ATTRACTIVE RETURNS



INTEGRATION SUCCESS



EXPERIENCED MGMT & TALENT PIPELINE

Why SHW?

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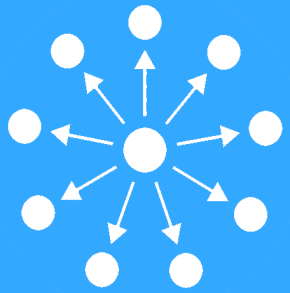
GREAT BRAND PORTFOLIO



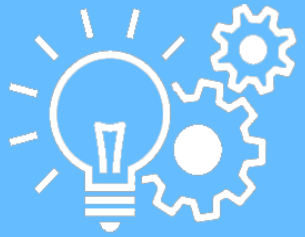
STRATEGIC PARTNERSHIPS



DISTRIBUTION & SERVICE



WORLD CLASS SUPPLY CHAIN



INNOVATIVE PRODUCTS



BALANCE SHEET & CASH GENERATION



ATTRACTIVE RETURNS



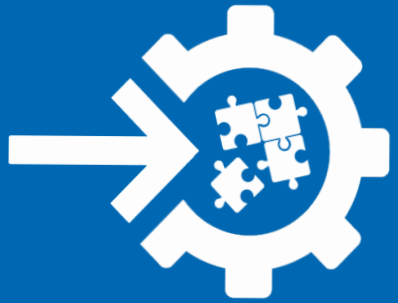
INTEGRATION SUCCESS



EXPERIENCED MGMT & TALENT PIPELINE

Why SHW?

SHERWIN-WILLIAMS



INTEGRATION SUCCESS

BETTER TOGETHER

Customers • Talent • Value

- **Single, unified team**
- **No loss of significant customer**
- **Exceeded 2017 synergy target**
- **Raised 2018 synergy target**
- **550+ projects completed or in process**
- **125+ projects being evaluated**

Why SHW?

SHERWIN-WILLIAMS®



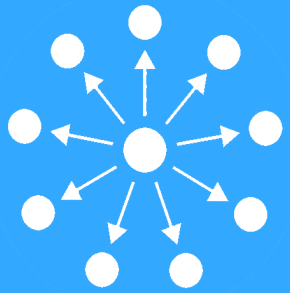
GROWTH OPPORTUNITIES



GREAT BRAND PORTFOLIO



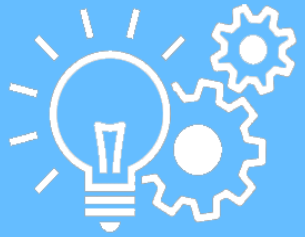
STRATEGIC PARTNERSHIPS



DISTRIBUTION & SERVICE



WORLD CLASS SUPPLY CHAIN



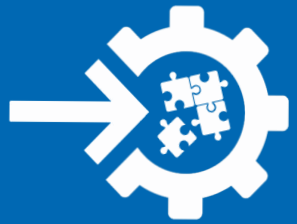
INNOVATIVE PRODUCTS



BALANCE SHEET & CASH GENERATION



ATTRACTIVE RETURNS



INTEGRATION SUCCESS



EXPERIENCED MGMT & TALENT PIPELINE

Introductions…



Al Mistysyn
Chief Financial Officer



Pete Ippolito
President,
The Americas Group



Aaron Erter
President,
Consumer Brands Group



David Sewell
President,
Performance Coatings Group



Joel Baxter
President & GM,
Global Supply Chain

FINANCIAL OVERVIEW

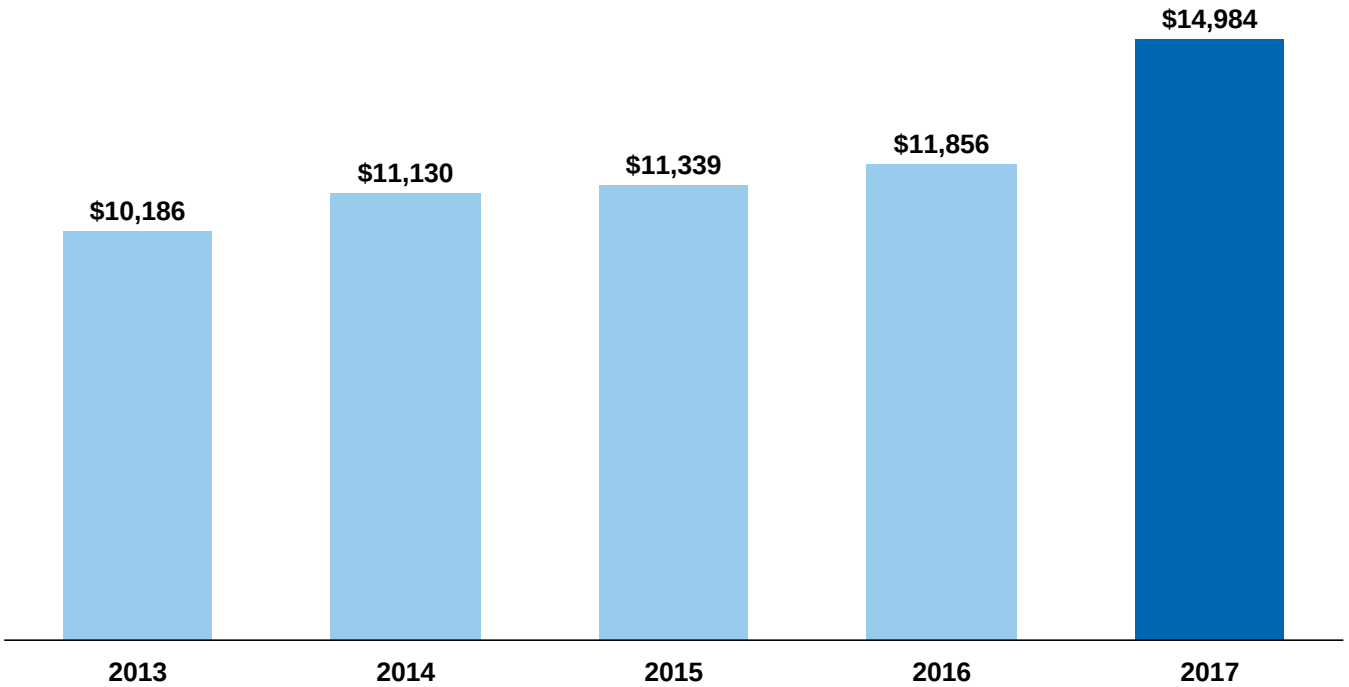
AL MISTYSYN
SENIOR VICE PRESIDENT, FINANCE & CHIEF FINANCIAL OFFICER

Forward-Looking Statement

SHERWIN-WILLIAMS®

The presentations today will contain certain “forward-looking statements," within the meaning of the federal securities laws, with respect to anticipated future performance (including sales and earnings), expected growth, future business plans and other matters. These statements may be identified by the use of words and phrases such as "believe," "expect," "may," "will," "should," "project," "could," "plan," "goal," "potential," "seek," "intend" or "anticipate" or the negative thereof or comparable terminology. These statements are based upon management's current expectations, estimates, assumptions and beliefs concerning future events and conditions. Readers are cautioned not to place undue reliance on any forward-looking statements. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside our control that could cause actual results to differ materially from such statements and from our historical results and experience. These risks, uncertainties and other factors include such things as: general business conditions, strengths of retail and manufacturing economies and the growth in the coatings industry; changes in raw material and energy supplies and pricing; changes in our relationships with customers and suppliers; our ability to successfully integrate past and future acquisitions into our existing operations, including Valspar, as well as the performance of the businesses acquired; risks inherent in the achievement of anticipated cost synergies resulting from the acquisition of Valspar and the timing thereof; competitive factors, including pricing pressures and product innovation and quality; the nature, cost, quantity and outcome of pending and future litigation and other claims, including the lead pigment and lead-based paint litigation, and the effect of any legislation and administrative regulations relating thereto; adverse weather conditions and natural disasters; and other risks, uncertainties and factors described from time to time in our reports filed with the SEC. Since it is not possible to predict or identify all of the risks, uncertainties and other factors that may affect future results, the above list should not be considered a complete list. Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Consolidated Sales
In Millions of Dollars

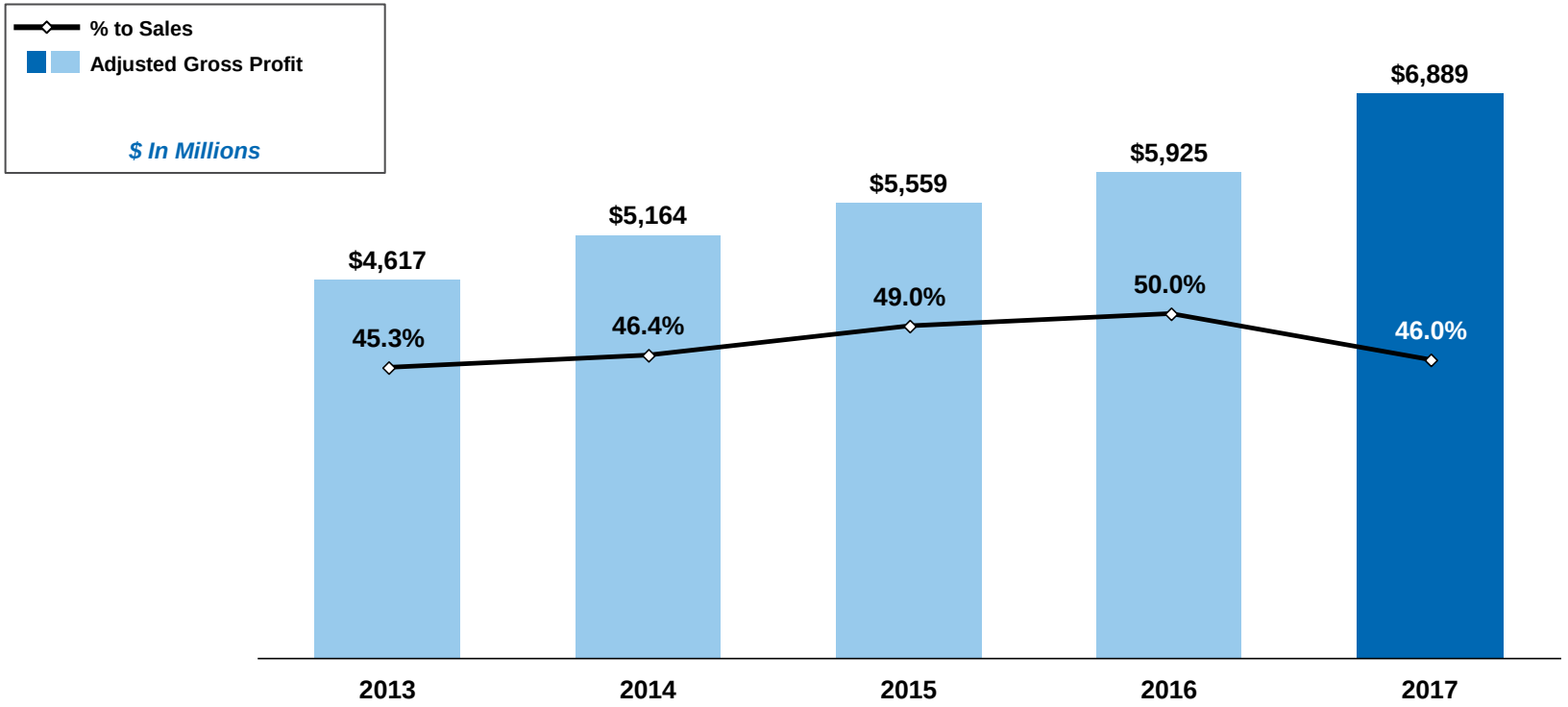


EXPECT 4% to 6% SALES CAGR THROUGH FY20

Refer to Financial Appendix 1: Income Statement

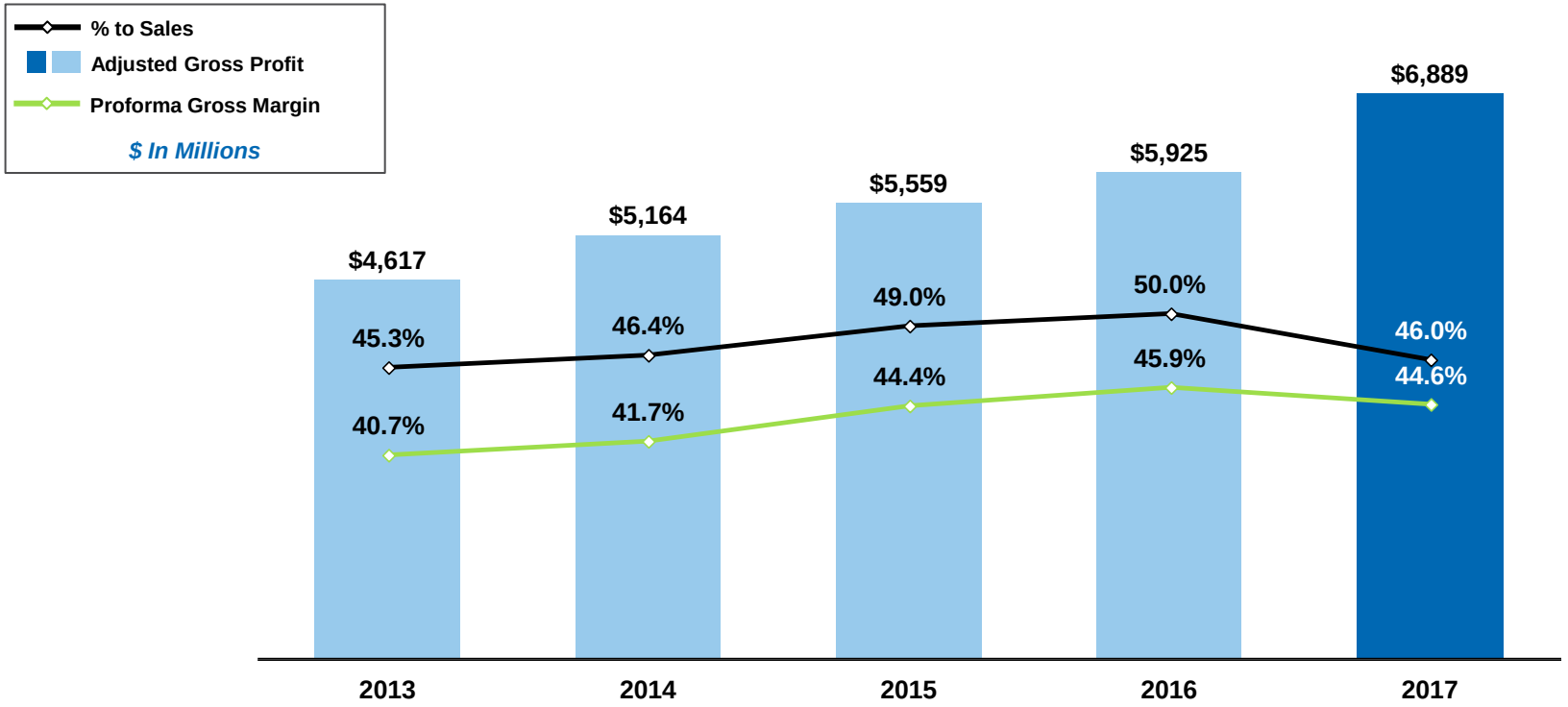
Consolidated Gross Profit
Excluding Acquisition Related Costs

SHERWIN-WILLIAMS®



Refer to Financial Appendix 1: Income Statement

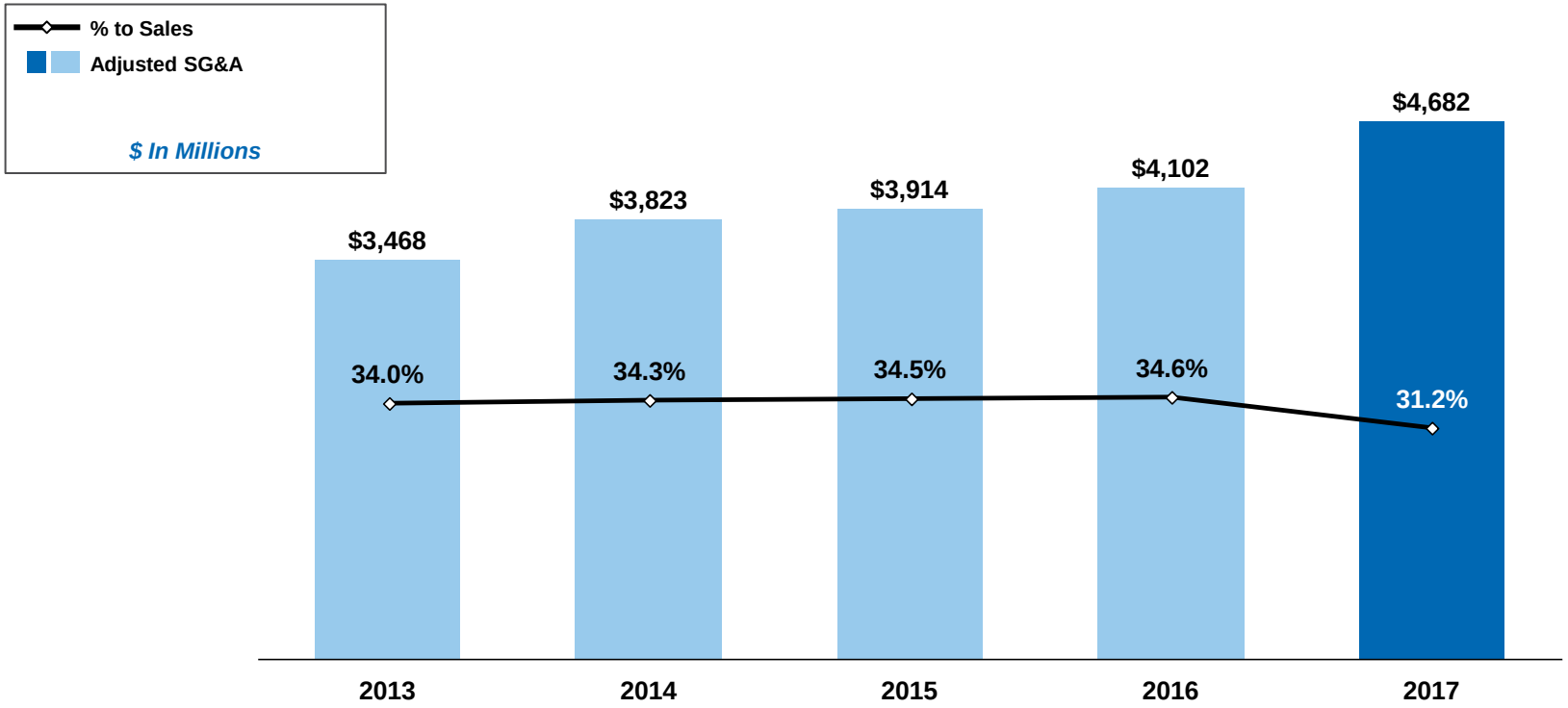
Consolidated Gross Profit
Excluding Acquisition Related Costs



EXPECT LONG TERM GROSS MARGIN RANGE OF 45% to 48%

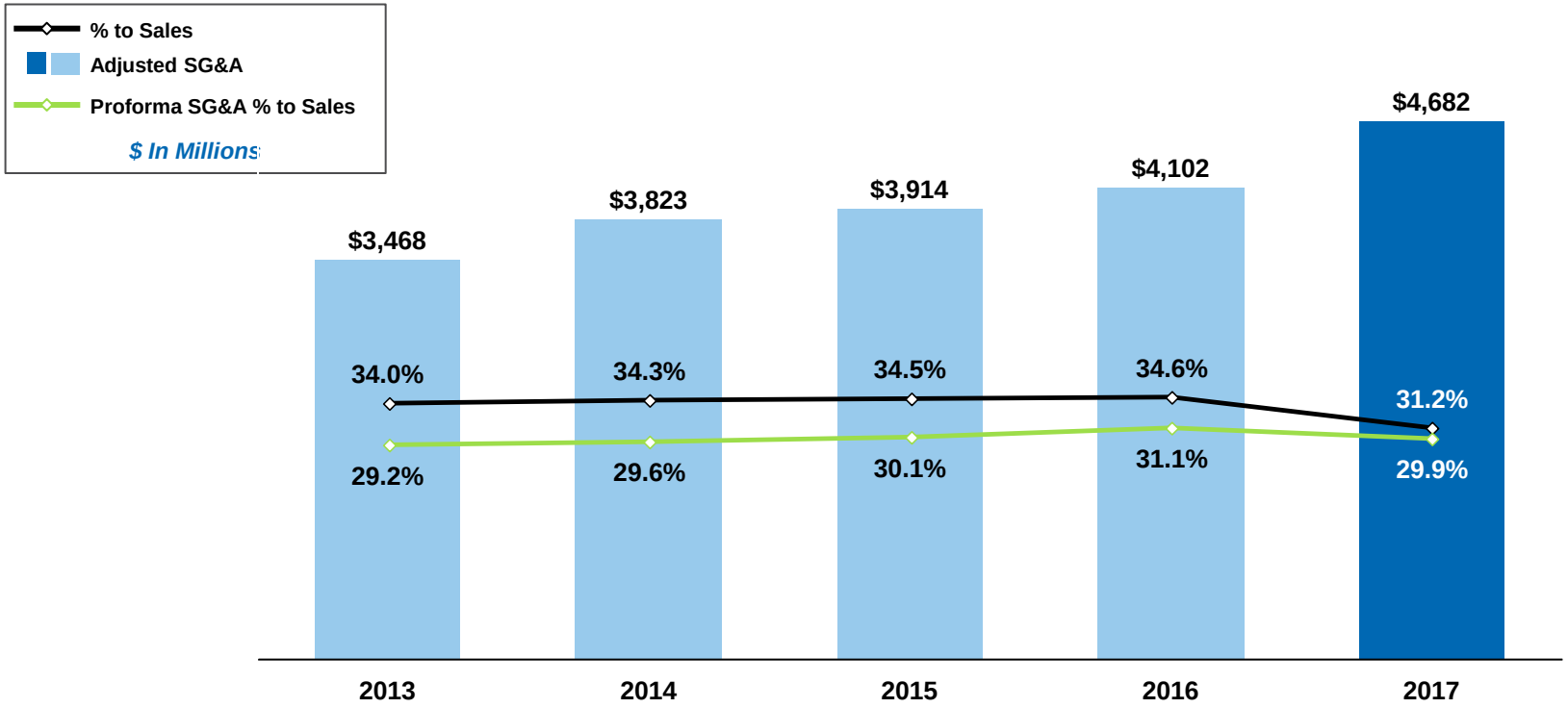
Refer to Financial Appendix 1: Income Statement

SG&A Expense
Excluding Acquisition Related Costs



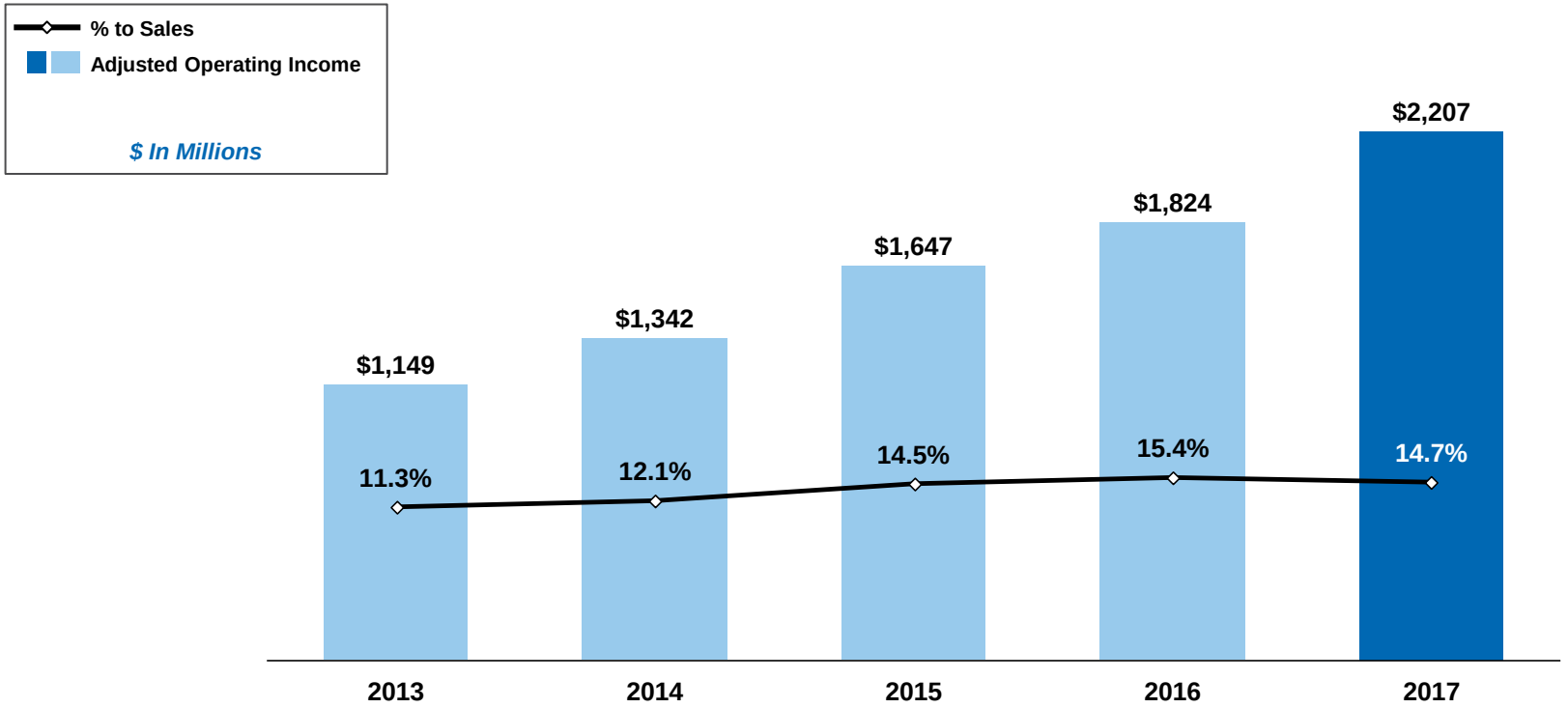
Refer to Financial Appendix 1: Income Statement

SG&A Expense
Excluding Acquisition Related Costs



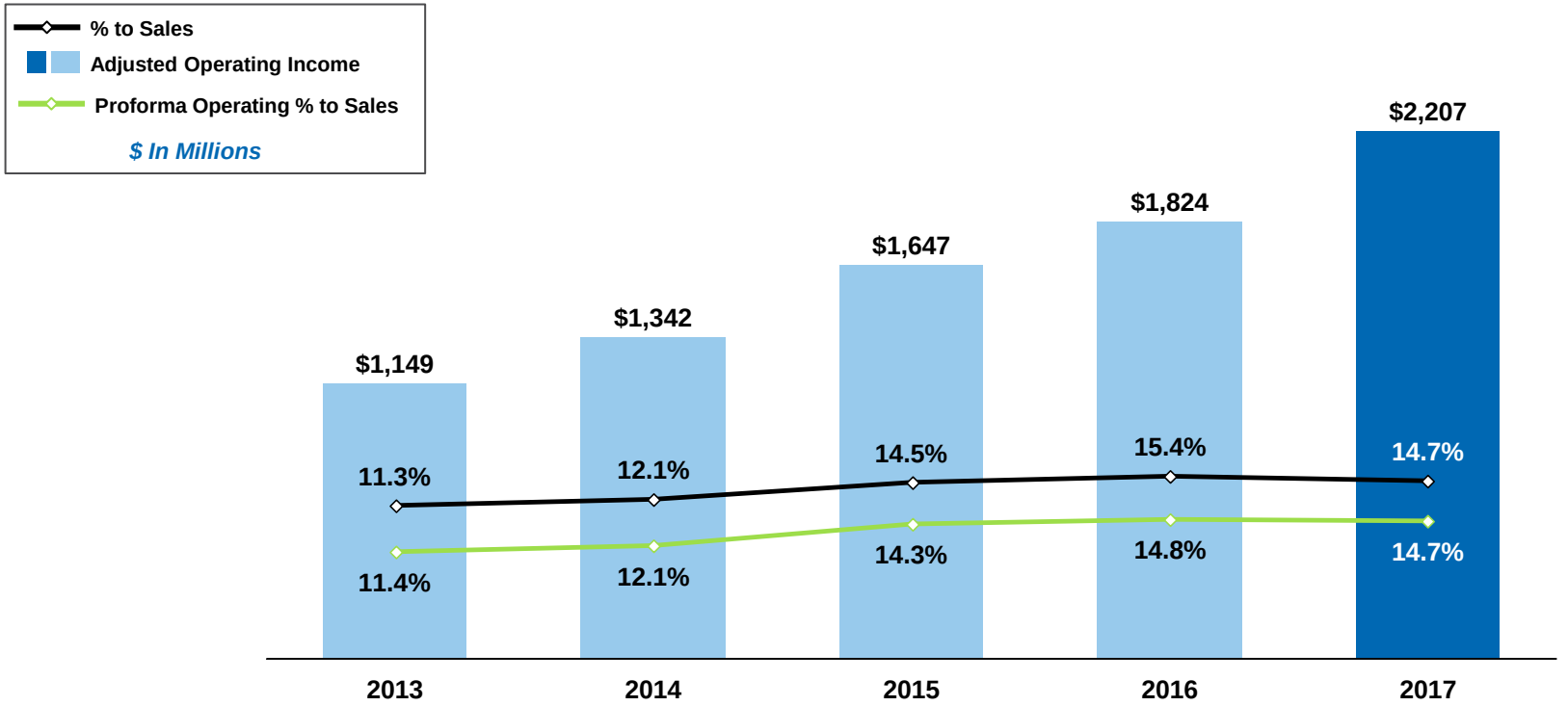
Refer to Financial Appendix 1: Income Statement

Operating Income
Excluding Acquisition Related Costs



Refer to Financial Appendix 1: Income Statement

Operating Income
Excluding Acquisition Related Costs



Refer to Financial Appendix 1: Income Statement

Profit Before & After Tax

Excluding Acquisition Related Costs & Tax Reform

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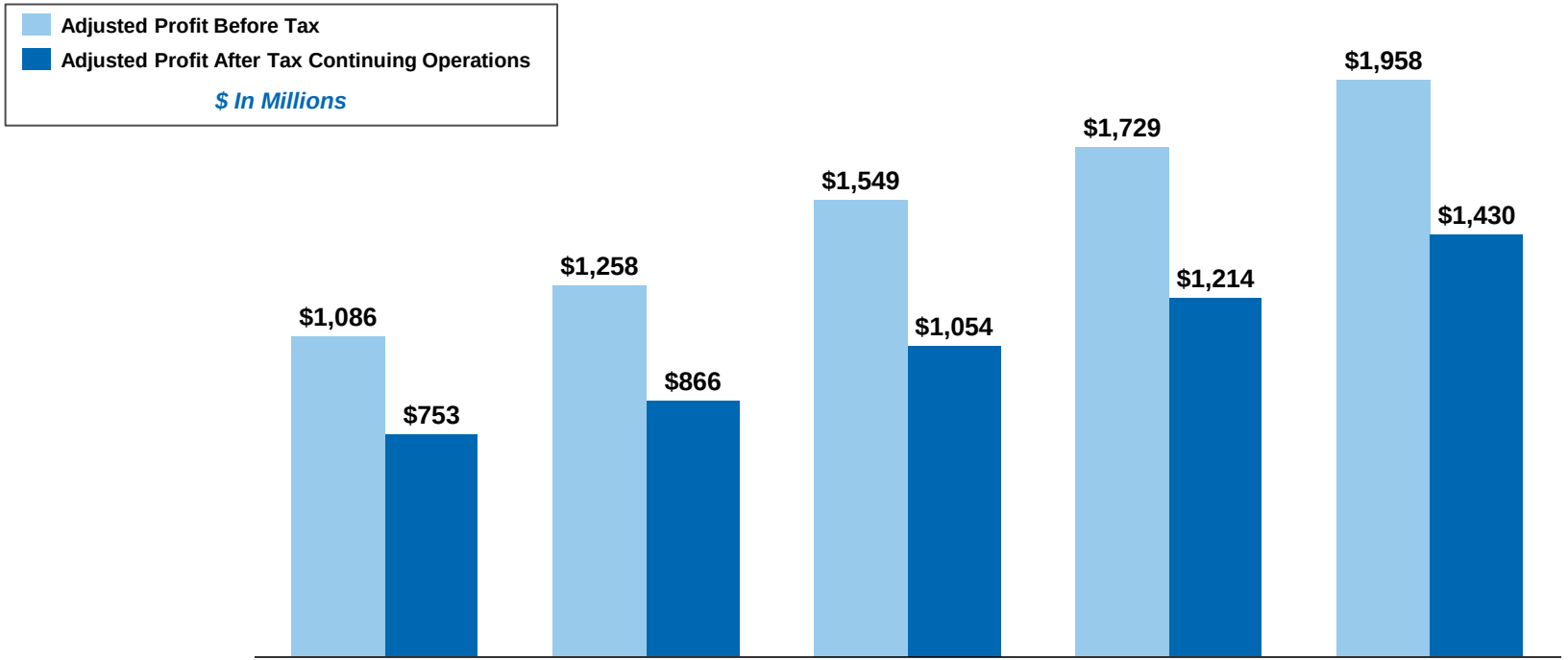
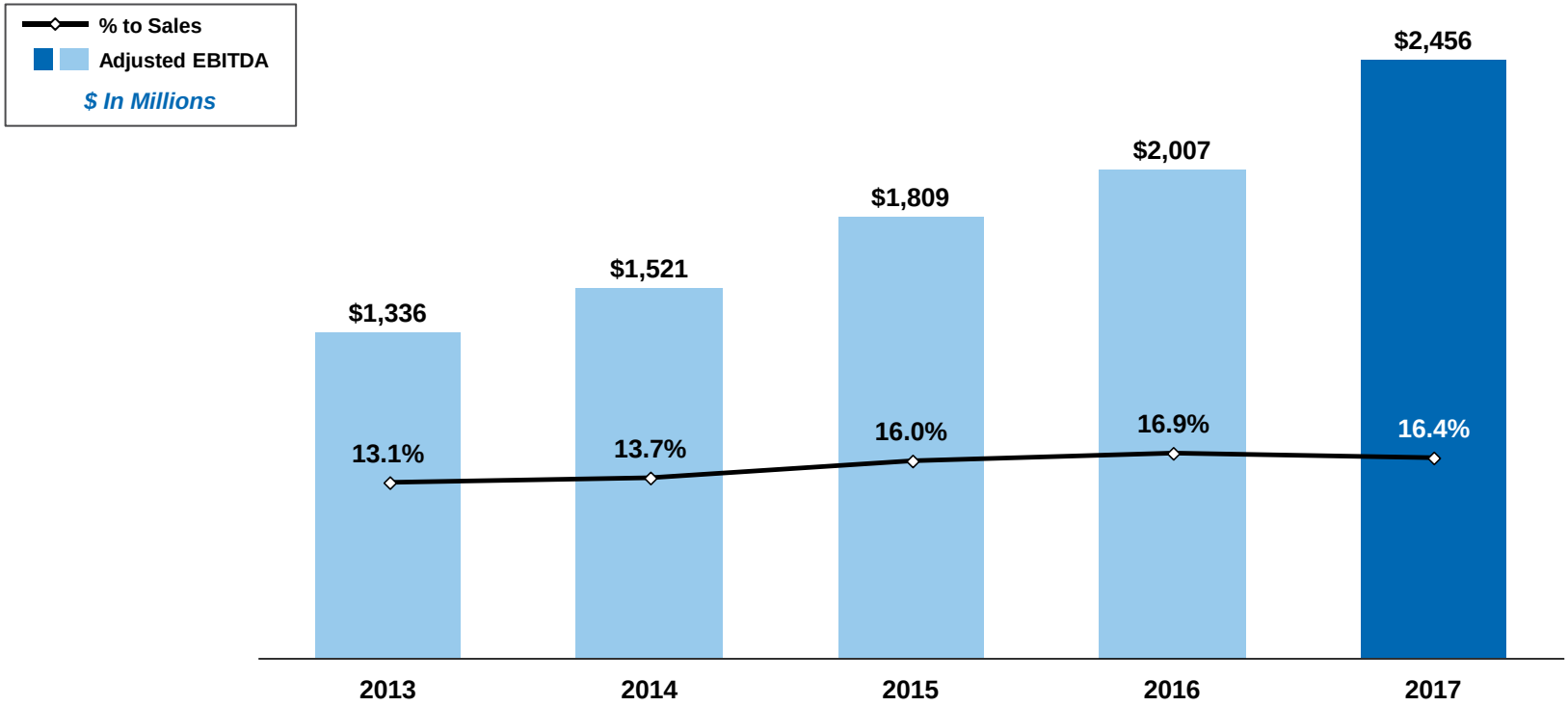


	2013	2014	2015	2016	2017
PBT % to Sales	10.7%	11.3%	13.7%	14.6%	13.1%
PAT % to Sales	7.4%	7.8%	9.3%	10.2%	9.5%

Refer to Financial Appendix 1: Income Statement

Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA) Excluding Acquisition Related Costs

SHERWIN-WILLIAMS®



TARGET EBITDA AS A % TO SALES OF 18.8% TO 21.0% BY 2020

Refer to Financial Appendix 2A: FY EBITDA

First Quarter 2018 Highlights

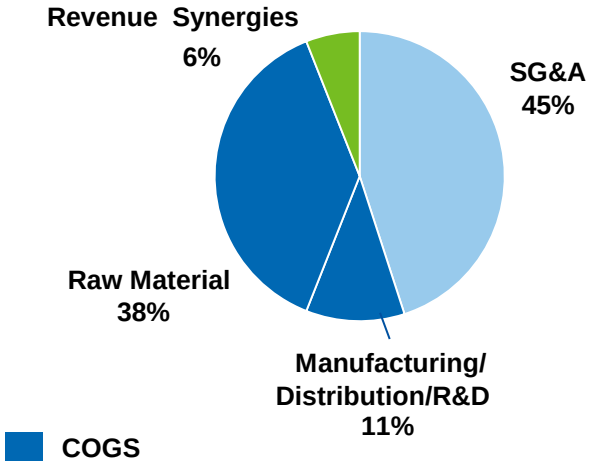
SHERWIN-WILLIAMS®

	1Q17	1Q18	% Chg
External Sales	$2.76B	$3.97B	+43.6%
US/Canada SSS	+7.5%	+5.2%	
Consolidated EPS, Excluding Acquisition Related Costs	$2.61	$3.57	+36.8%
EBITDA, Excluding Acquisition Related Costs	$391M	$582M	+49.0%

Refer to Financial Appendix 2B: 1Q EBITDA & Appendix 3: 1Q Highlights

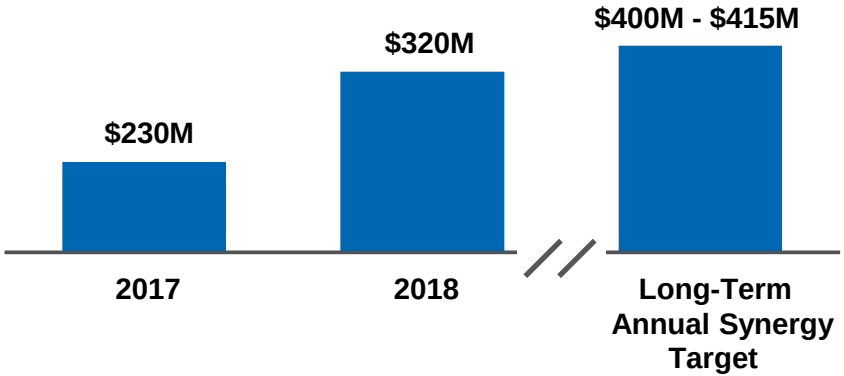
Consolidated Run Rate Synergies

2020 Synergies Allocations ($400M)



- Integration progress ahead of schedule
- 2018 P&L synergies of $140M to $160M

…Expected To Be Realized by 2020

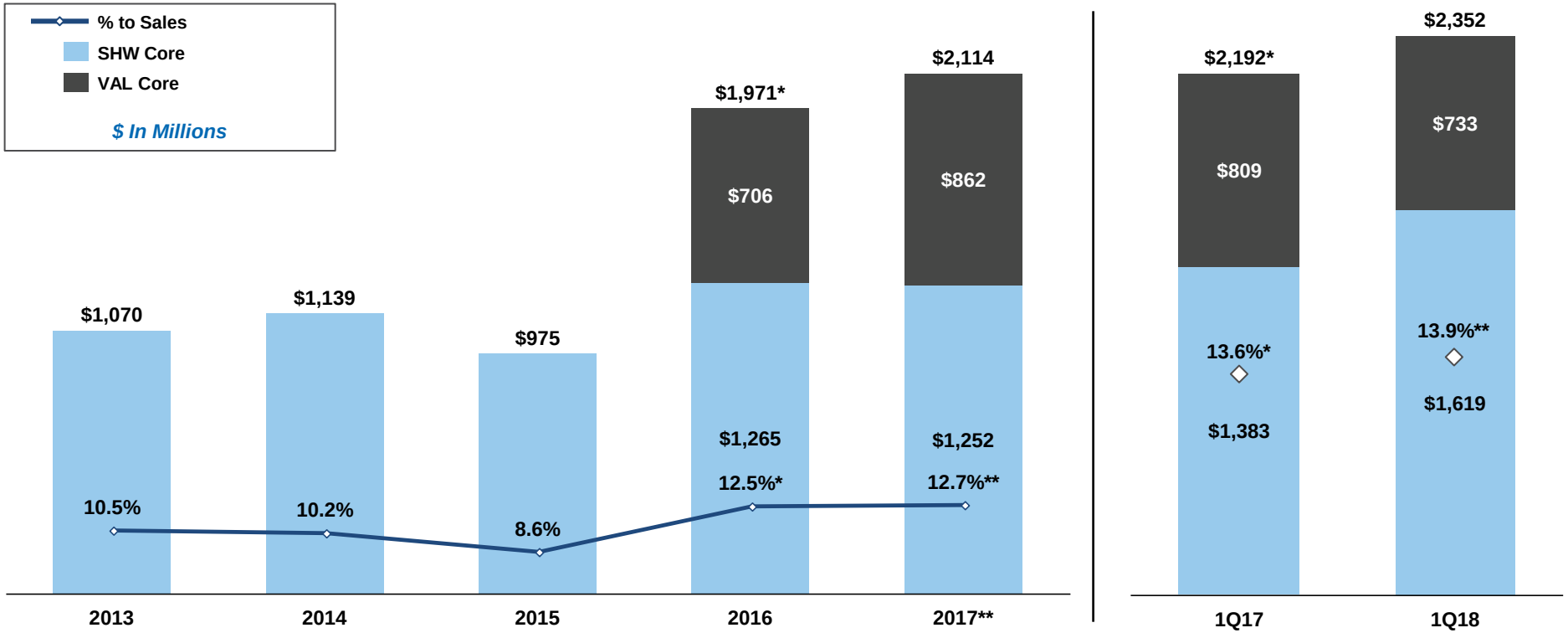


- Expect to incur majority of costs to achieve by end of 2018

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

Working Capital Performance

Accounts Receivable + Inventory – Payables



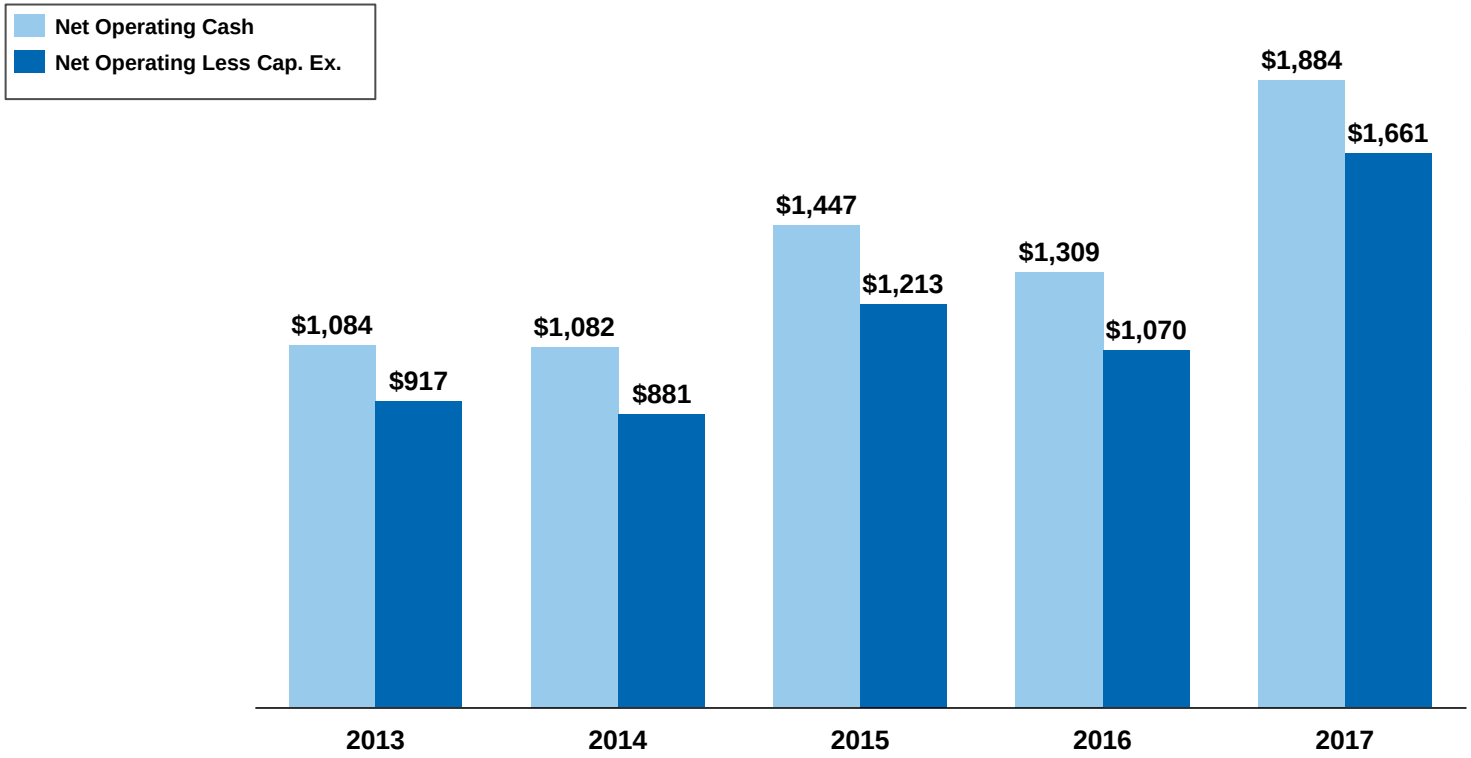
TARGET WORKING CAPITAL AS A % TO SALES OF 11% TO 11.5% BY 2020

*PRO FORMA

**% TO PRO FORMA SALES

Cash Flow Performance

In Millions of Dollars



Uses of Cash

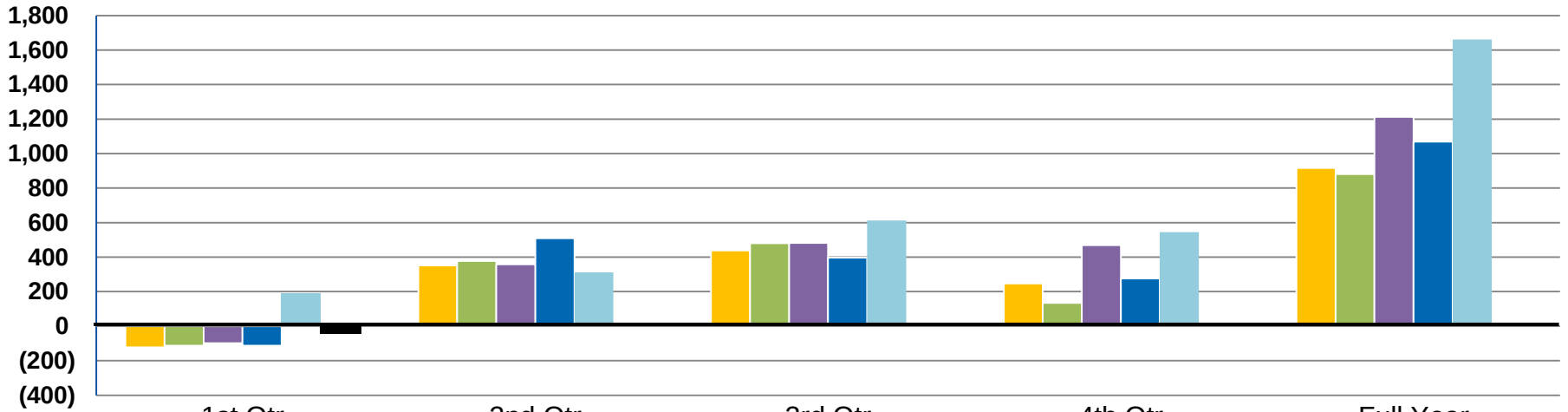
- Manage Debt
- Capital Expenditures
- Pay Dividends
- Acquisitions
- Buy Back Stock

TARGETING STEADY STATE FUTURE FREE CASH FLOW OF GREATER THAN 11.0% OF SALES

Net Operating Cash less CapEx

In Millions of Dollars

SHERWIN-WILLIAMS®

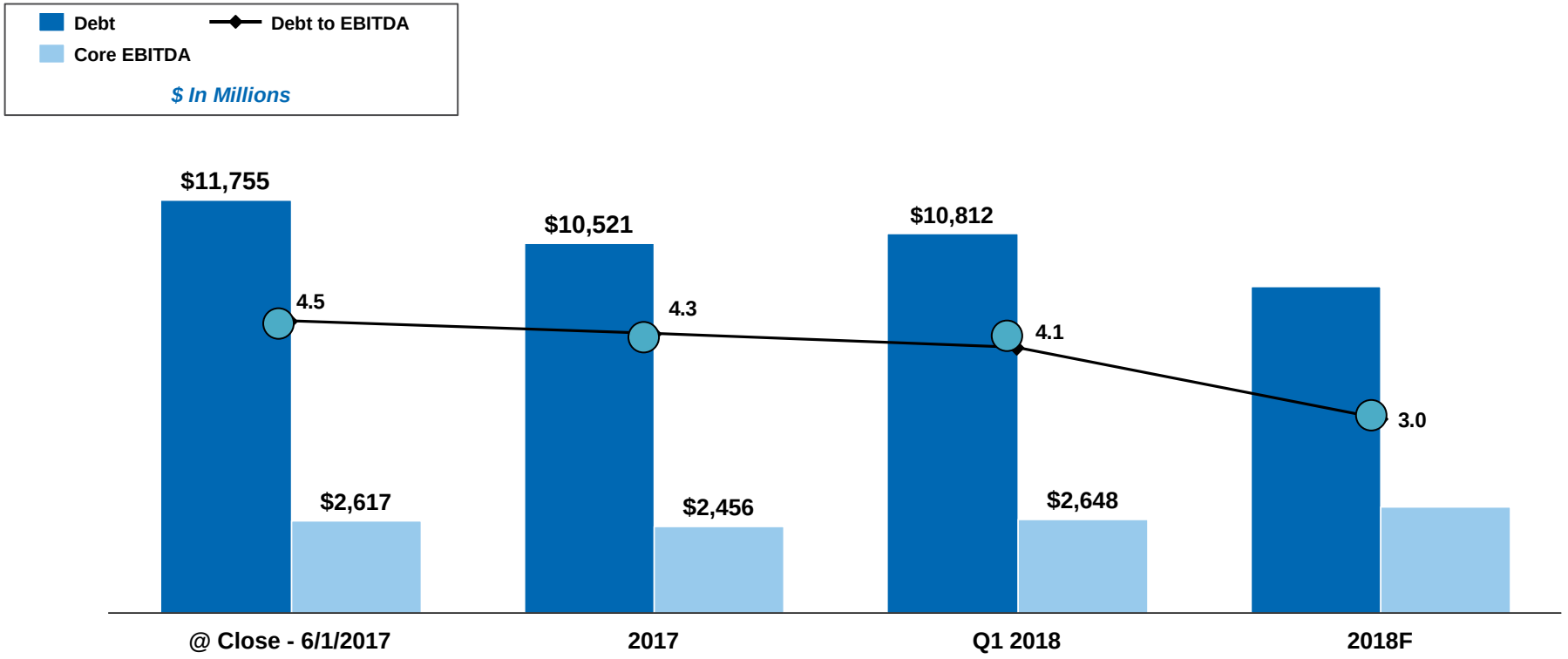


	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year
2013	(122)	352	439	248	917
2014	(112)	377	481	136	881
2015	(98)	359	483	469	1,213
2016	(113)	509	398	276	1,070
2017	190	312	613	546	1,661
2018	(2)				

Debt to EBITDA Ratio

Excluding Acquisition Related Costs

SHERWIN-WILLIAMS®



TARGETING LONG TERM DEBT TO EBITDA RATIO OF 2.0X TO 2.5X

Maturities of Long-Term Debt
(as of December 31, 2017)

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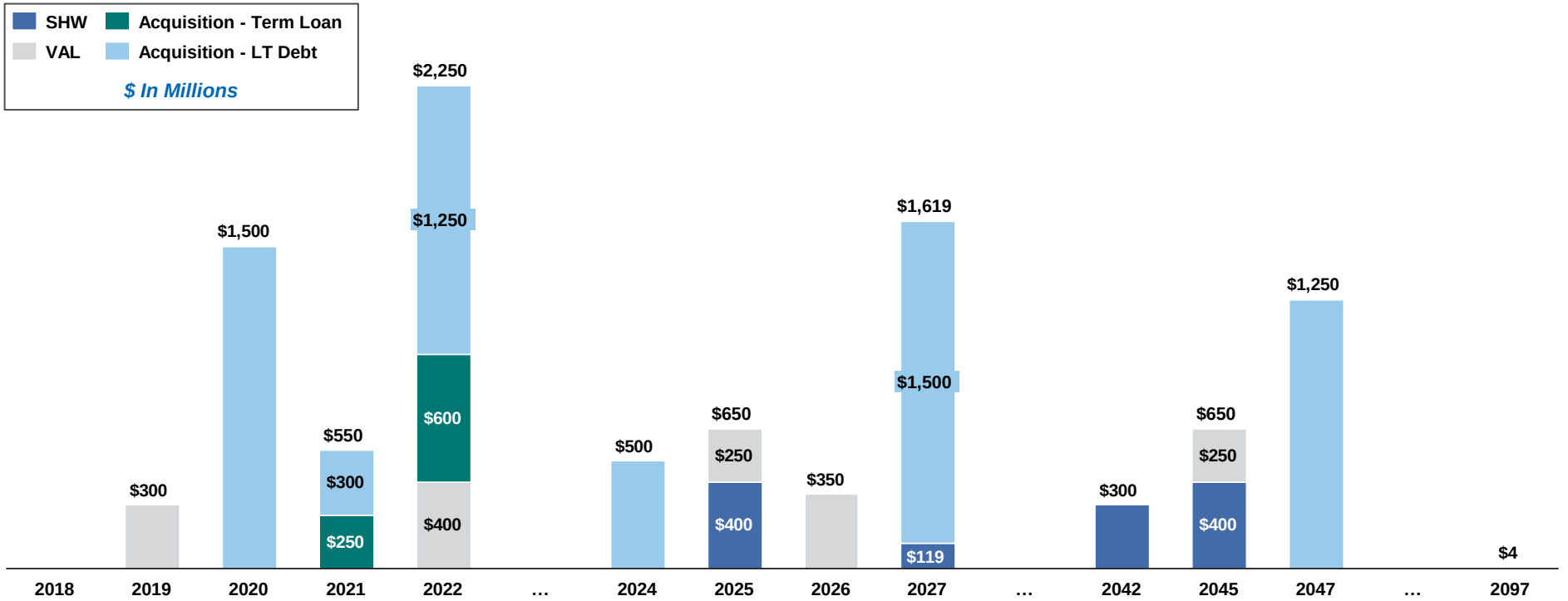


COMMITTED TO REDUCING TOTAL DEBT $1.0B IN 2018

Consistent Capital Allocation Philosophy

SHERWIN-WILLIAMS.

CONSISTENT CAPITAL ALLOCATION PHILOSOPHY
WE WILL NOT HOLD CASH

KEY OBJECTIVES

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

BALANCED CAPITAL ALLOCATION GOALS

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

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

Rating Agencies

SHERWIN-WILLIAMS.

Standard & Poor's Rating Services

May 2017

- Long-Term Rating at 'BBB'
- Short-Term Rating at 'A-2'
- Credit Watch Stable

Moody's Investors Services

April 2018

- Long-Term Rating at 'Baa3'
- Short-Term Rating at 'P-3'
- Credit Watch Stable

Fitch Ratings

May 2017

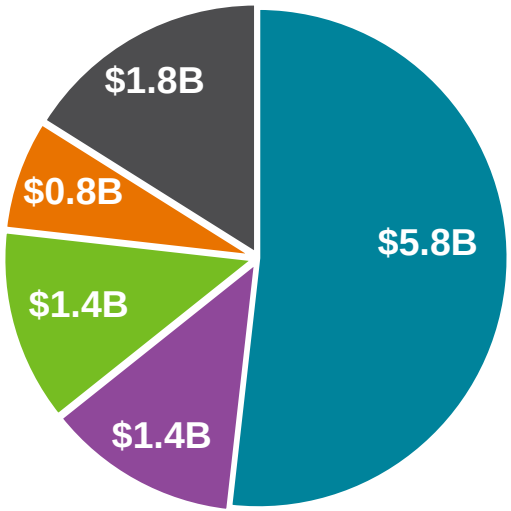
- Long-Term Rating at 'BBB'
- Short-Term Rating at 'F-3'
- Ratings Watch Stable

Consolidated Net Operating Cash & Uses of Cash

SHERWIN-WILLIAMS

5-Year Net Operating Cash: $7.0B

2011-2015
SHW + VAL



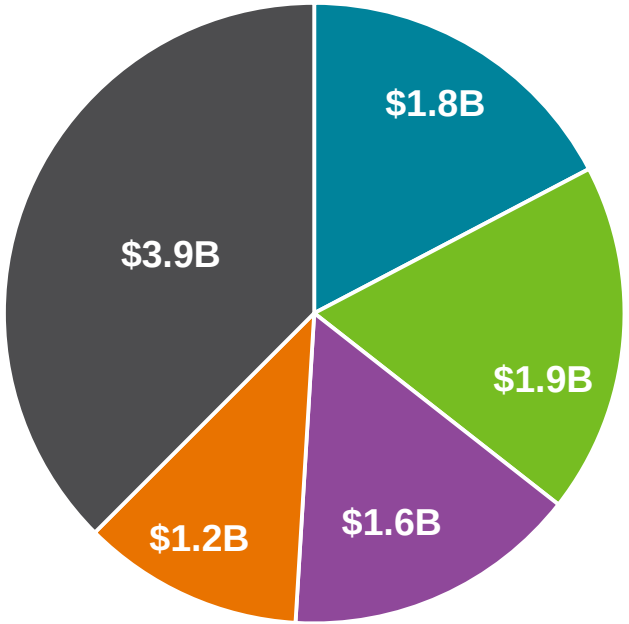
- DEBT REPAYMENT
- CAPITAL EXPENDITURES
- CASH DIVIDENDS
- ACQUISITIONS
- TREASURY STOCK PURCHASE

USES OF CASH

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

5-Year Net Operating Cash: ~$10.2B

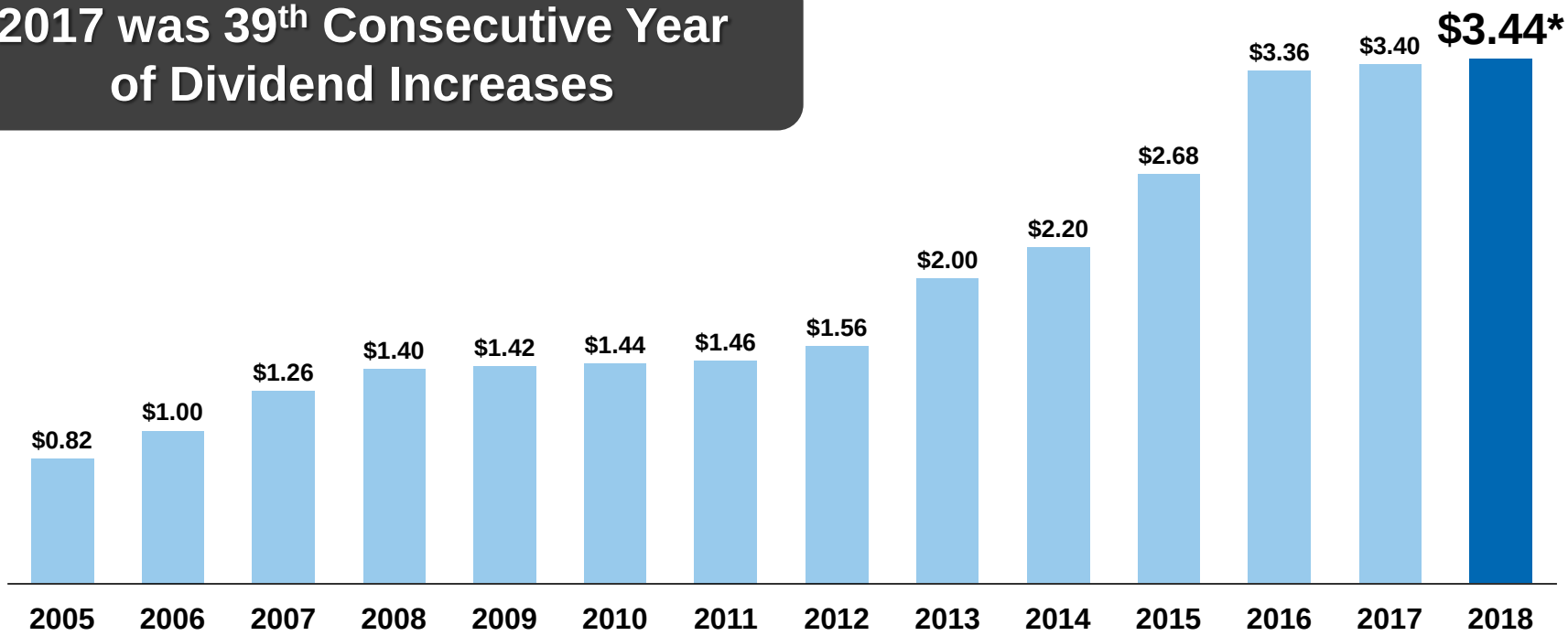
2016-2020



Dividends Per Share
2005 - 2018

SHERWIN-WILLIAMS®

2017 was 39th Consecutive Year of Dividend Increases



RETURN DIVIDEND TO 30% OF PRIOR YEAR EARNINGS IN 2020

*Management Recommendation Board approval required.

Treasury Stock Acquired
2010 - 1Q 2018

SHERWIN-WILLIAMS®

	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	98,741
2015	3,575,000	278.57	995,879,981	94,544
2016	0	0.00	0	94,488
2017	0	0.00	0	94,927
1Q 2018	600,000	401.91	241,148,280	95,546

Balance of Authorization at 3/31/18: 11,050,000 Shares

Summary Capitalization

SHERWIN-WILLIAMS®

Strong Financial Profile Provides Flexibility

	1Q18
Cash	$0.16B
Debt	$10.8B
Revolving Credit Facilities	$1.35B
LOC CDS	$1.25B
Total Liquidity Available	$2.60B

- Significant Liquidity
- Expect to Maintain BS Flexibility to Pursue Growth Opportunities
- Annual Cash Generation Comfortably Supports Anticipated Funding Needs
- Reduce Debt $1.0B FY18

FY16 – FY20 Financial Outlook Assumptions

SHERWIN-WILLIAMS®

	FY16 PRO FORMA	FY17 PRO FORMA	FY18 GUIDANCE	FY20F TARGETS
Net Sales	$15.8B	$16.6B	Mid to High Single Digits	**4%-6%** CAGR Growth
EBITDA Margin	16.6%	16.2%	-	**18.8%-21.0%** Margin Expansion
Free Cash Flow % to Sales	8.9%	8.9%	-	**>11%**
Core EPS*	$16.57	$15.65	$18.65	**11.0%-14.0%** 4 YRS EPS CAGR

FY2020 TARGET UPDATES

- Free Cash Flow % to Sales > 11%
- Core EPS 4 Year CAGR 11% to 14%
- Effective Tax Rate ~20%-25%

EBITDA MARGIN

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

CORE EPS

- 2017 Pro Forma Core EPS adjusted for January to May Valspar Operations, less new debt interest expense
- 2018 Lowe's Program Dilutive $0.40 Per Share

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

Refer to Financial Appendix 4A: 2016 PRO FORMA & Appendix 4B: 2017 PRO FORMA



A STRONG FOUNDATION

- Track Record of Financial Performance & Focused Execution
- Large, Stable Revenue Base with Improving EBITDA Margins
- Strong Balance Sheet & Getting Stronger
- SHW Experienced & Determined Management Team

…ON WHICH WE WILL CONTINUE TO BUILD

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

FINANCIAL APPENDIX

Appendix 1: Income Statement *(In Millions)*

Excluding Acquisition Related Costs, Reconciliation to As Reported

SHERWIN-WILLIAMS®

	FY16 AS REPORTED	FY16 ACQUISITION RELATED COSTS	FY16 EXCLUDING ACQUISITION RELATED COSTS	FY17 AS REPORTED	FY17 ACQUISITION RELATED COSTS	FY17 EXCLUDING ACQUISITION RELATED COSTS
Sales	$11,856		$11,856	$14,984		$14,984
Gross Profit	$5,923	$(2)	$5,925	$6,781	$(108)	$6,889
% to Sales	50.0%		50.0%	45.3%		46.0%
SG&A	$4,160	$58	$4,102	$4,992	$310	$4,682
% to Sales	35.1%		34.6%	33.3%		31.2%
OPERATING INCOME	$1,763	$(61)	$1,824	$1,789	$(418)	$2,207
% to Sales	14.9%		15.4%	11.9%		14.7%
PBT	$1,595	$(134)	$1,729	$1,528	$(429)	$1,958
% to Sales	13.5%		14.6%	10.2%		13.1%
PAT	$1,133	$(82)	$1,214	$1,145	$(285)	$1,430
% to Sales	9.6%		10.2%	7.6%		9.5%
TAX REFORM				$669		
DISC OPS				$(42)		
PAT AS REPORTED				$1,772		
				11.8%		

Appendix 2A: FY EBITDA *(In Millions)*

Excluding Acquisition Related Costs, Reconciliation to As Reported

SHERWIN-WILLIAMS®

	FY16 AS REPORTED	FY16 ACQUISITION RELATED COSTS	FY16 EXCLUDING ACQUISTION RELATED COSTS	FY17 AS REPORTED	FY17 ACQUISITION RELATED COSTS	FY17 EXCLUDING ACQUISTION RELATED COSTS
Net Income from Continuing Operations	$1,133	$(82)	$1,214	$1,814	$(285)	$2,099
Interest Expense	$154	$73	$81	$263	$9	$254
Income Taxes	$463	$(52)	$515	$(286)	$(144)	$(141)
Depreciation	$172	$0	$172	$285	$65	$220
Amortization	$25	-	$25	$207	$183	$24
EBITDA	$1,947	$(61)	$2,007	$2,283	$(173)	$2,456
% to Sales	16.4%		16.9%	15.2%		16.4%

Appendix 2B: 1Q EBITDA *(In Millions)*

Excluding Acquisition Related Costs, Reconciliation to As Reported

SHERWIN-WILLIAMS®

	1Q17 AS REPORTED	1Q17 ACQUISITION RELATED	1Q17 EXCLUDING ACQUISITION RELATED COSTS	1Q18 AS REPORTED	1Q18 ACQUISITION RELATED	1Q18 EXCLUDING ACQUISITION RELATED COSTS
Net Income	$239	$(8)	$247	$250	$(91)	$341
Interest Expense	$26	$5	$21	$92	$0	$92
Income Taxes	$68	$(5)	$73	$54	$(29)	$82
Depreciation	$45	$1	$44	$72	$12	$60
Amortization	$6	-	$6	$85	$78	$7
EBITDA	$383	$(8)	$391	$552	$(30)	$582

Appendix 3: 1Q Highlights *(In Millions)*

Regulation G Reconciliation

SHERWIN-WILLIAMS®

	1Q17 ACTUAL	1Q18 ACTUAL	2017 ACTUAL	2018 GUIDANCE	
				LOW	HIGH
Diluted net income per common share	$2.53	$2.62	$18.67	$14.95	$15.45
One-time charge related to discontinued operations	-	-	$0.44	-	-
Diluted net income per common share from continuing operations	$2.53	$2.62	$19.11	$14.95	$15.45
One-time benefit from deferred income tax reductions			$7.04	-	-
Transaction and integration costs	$0.08	$0.24	$0.88	$0.75	$0.85
Purchase accounting impacts	-	$0.71	$2.12	$2.65	$2.65
Total acquisition costs	$0.08	$0.95	$3.00	$3.40	$3.50
Consolidated excluding Valspar acquisition costs and one-time items	$2.61	$3.57	$15.07	$18.35	$18.95

Appendix 4A: 2016 PRO FORMA *(In Millions)*

SHERWIN-WILLIAMS®

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

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

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

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

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

Appendix 4B: 2017 PRO FORMA *(In Millions)*

SHERWIN-WILLIAMS®

	FY17 AS REPORTED	FY17 ACQUISITION RELATED COSTS & TAX REFORM BENEFITS	FY17 EXCLUDING ACQUISTION RELATED COSTS	FY17 PRO FORMA ADJUSTMENTS*	FY17 PRO FORMA
NET SALES	$14,984		$14,984	$1,651	$16,635
INCOME BEFORE INCOME TAXES	$1,528	$(429)	$1,957	$75	$2,032
TAXES	$(244)	$(771)	$527	$20	$547
NET INCOME	$1,772	$342	$1,430	$55	$1,485
EPS	$18.67	$3.60	$15.07	$0.58	$15.65

Pro Forma Adjustments include January to May 2017 Valspar Operations and January to May 2017 New Debt Interest Expense.

Appendix 5: Group Financials *(In Millions)*

Excluding Acquisition Related Costs, Reconciliation to As Reported

SHERWIN-WILLIAMS®

	FY16 AS REPORTED	FY16 VAL PRO FORMA	FY16 PRO FORMA	FY17 AS REPORTED	FY17 VAL PRO FORMA	FY17 ACQUISITION RELATED COSTS	FY17 PRO FORMA
PCG Sales	$1,946	$2,658	$4,604	$3,706	$1,102		$4,808
PCG Segment Profit	$257	$497	$755	$299	$172	$(183)	$653
CBG Sales	$1,755	$1,327	$2,854	$2,155	$547		$2,701
CBG Segment Profit	$301	$166	$467	$226	$60	$(108)	$394

	1Q17 AS REPORTED	1Q17 VAL PRO FORMA	1Q17 PRO FORMA	1Q18 AS REPORTED	1Q18 ACQUISITION RELATED COSTS	1Q18 EXCLUDING ACQUISTION RELATED COSTS
PCG Sales	$485	$634	$1,118	$1,228		$1,228
PCG Segment Profit	$57	$93	$150	$91	$(58)	$148
CBG Sales	$323	$309	$632	$656		$656
CBG Segment Profit	$56	$30	$86	$74	$(32)	$106

THE AMERICAS GROUP

PETE IPPOLITO
PRESIDENT, THE AMERICAS GROUP

The Americas Group
New Reportable Segment

SHERWIN-WILLIAMS.

OLD SEGMENTS

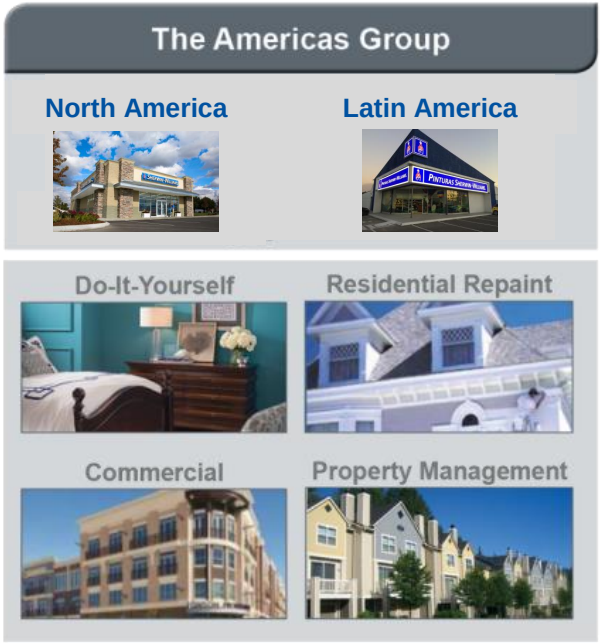
SHERWIN-WILLIAMS.
North America



SHERWIN-WILLIAMS.
Latin America



NEW SEGMENT

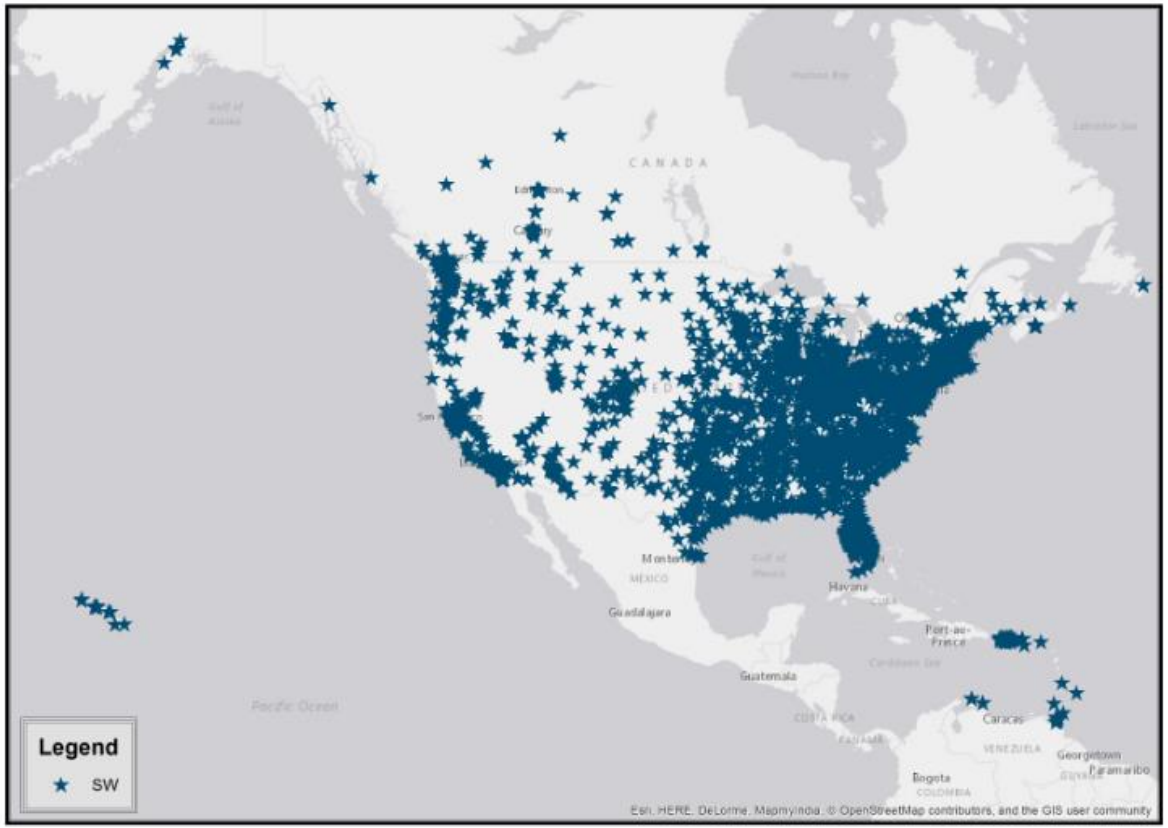


The Americas Group
Financial Highlights

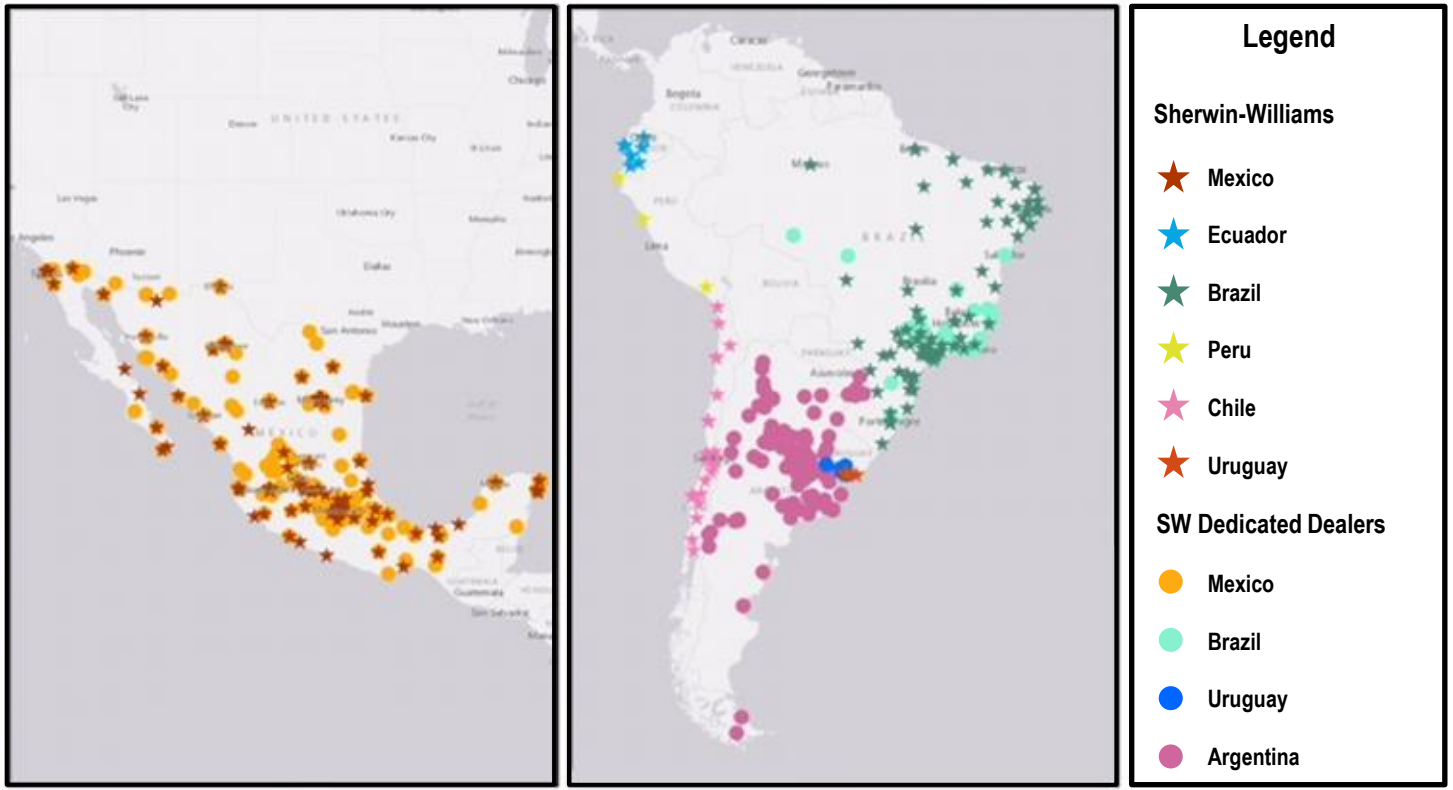
	FY16	FY17	% Chg.
Net Sales	$8,377	$9,117	+8.8%
Segment Profit	$1,605	$1,770	+10.2%
% Sales	19.2%	19.4%	+0.2pts.

	1Q17	1Q18	% Chg.
Net Sales	$1,952	$2,080	+6.6%
Segment Profit	$305	$337	+10.5%
% Sales	15.6%	16.2%	+0.6pts.

North America Store Locations



Latin America Store Locations





#1 PREFERRED BRAND BY PROFESSIONAL PAINTERS

2017 MarketVision Research



#1 PAINT BRAND AWARENESS

2017 MarketVision Research



BEST PRODUCT FOR DEALERS AWARD

COLORGIN SPRAY PAINT
NOVACOR FLOOR PAINT

ARTESP (Paint Dealers Association Sao Paulo, Brazil)



MATERIAL DEALERS 1ST PLACE AWARD

MASTER SPRAY PAINT
NOVACOR FLOOR PAINT

ANAMACO (Nacional Building Material Dealers) Brazil



ENTERPRISE WITH SOCIAL RESPONSIBILITY AWARD

Centro Mexicano para la Filantropia

Customer Commitment

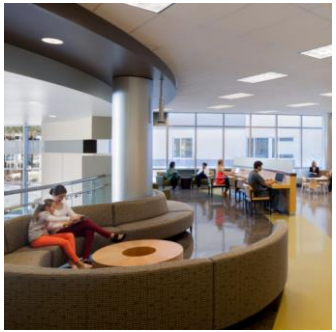
SHERWIN-WILLIAMS®



COMMERCIAL



NEW RESIDENTIAL



ARCHITECT - DESIGNER



PROTECTIVE & MARINE



DIY



PROPERTY MANAGEMENT



RESIDENTIAL REPAINT



PRODUCT FINISHES

Key Initiatives

SHERWIN-WILLIAMS®



EXPAND DISTRIBUTION



ACCOUNT GROWTH



EXCEPTIONAL, INNOVATIVE PRODUCTS



CONTINUOUS IMPROVEMENT



CUSTOMIZED EXPERIENCE

Expanded Distribution
Sherwin-Williams Branded Outlets

SHERWIN-WILLIAMS®

NORTH AMERICA

4,267
COMPANY OPERATED STORES



LATIN AMERICA



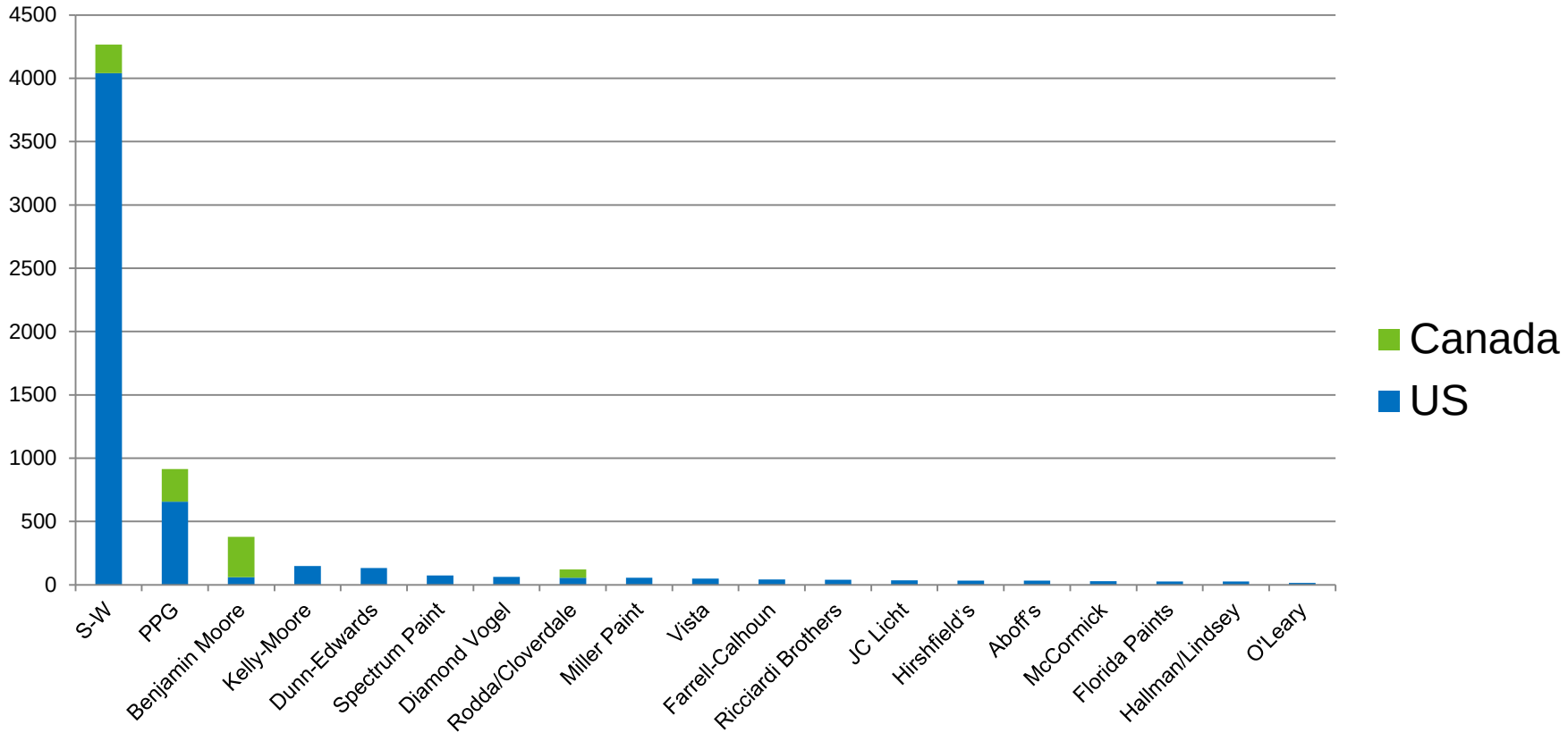
350
COMPANY OPERATED STORES



703
DEDICATED DEALERS

Expanded Distribution

North America Specialty Paint Store Count Comparison*



*Does not include non-pure paint suppliers such as home centers, retail department stores, hardware stores, dealers and online suppliers.

Expanded Distribution
Sales Reps

2,881
US & CANADA REPS

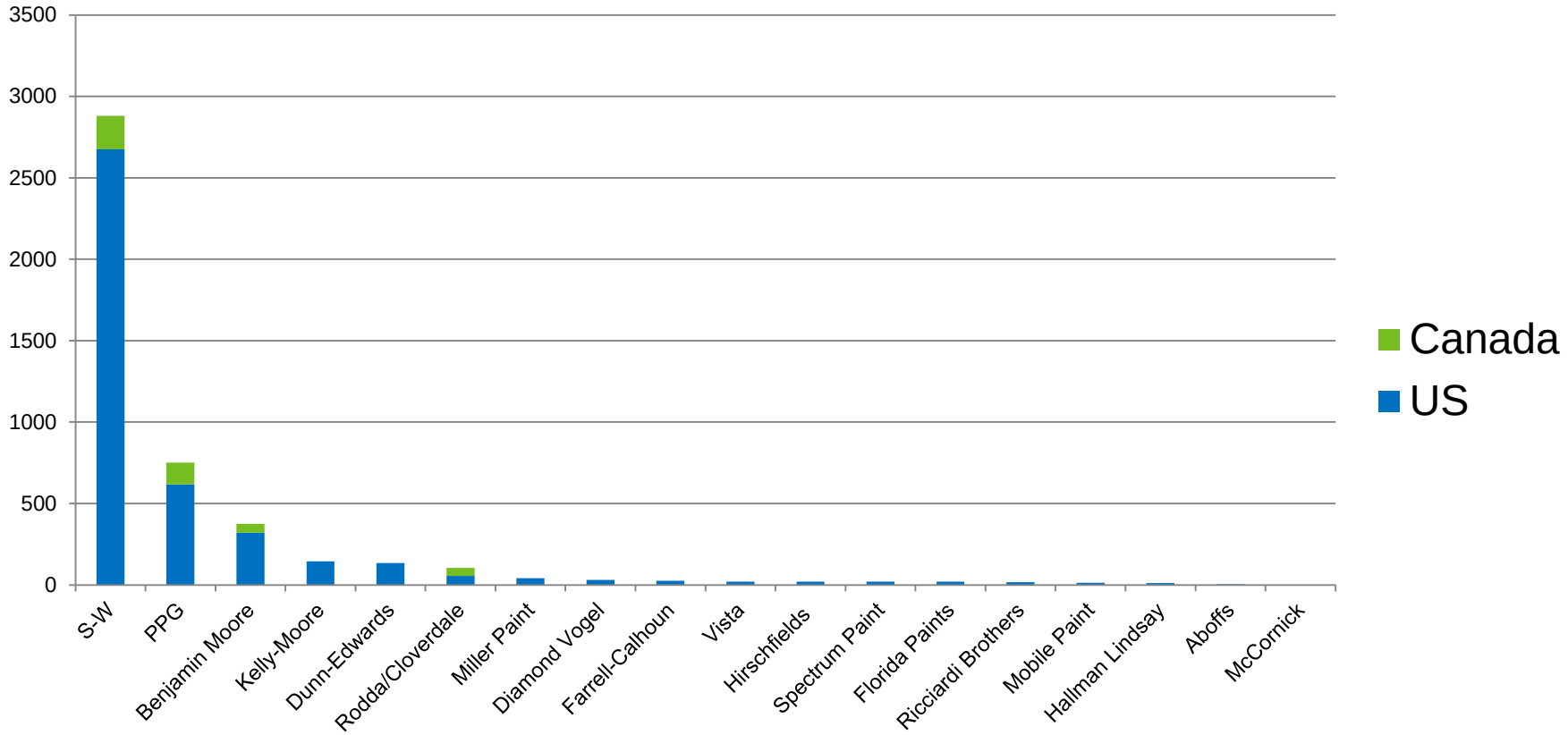




521
LATAM REPS

Expanded Distribution

North America Rep Count Comparison*



*Does not include non-pure paint suppliers such as home centers, retail department stores, hardware stores, dealers and online suppliers.

Expanded Distribution
Latin America Channel Management

SHERWIN-WILLIAMS.







CONTROLLED DISTRIBUTION

DEALERS

HOMECENTERS







Account Growth

SHERWIN-WILLIAMS®

GET'EM IN



GET'EM GOING



GET'EM UP



Account Growth
Latin America Painters Academy

SHERWIN-WILLIAMS®







Account Growth

North America Professional Painter Development

SHERWIN-WILLIAMS®



ONLINE TRAINING



RECRUITMENT & SUPPORT



CAREER BRANDING

Account Growth
National Accounts

SHERWIN-WILLIAMS®

MULTI-FAMILY



NEW RESIDENTIAL



RETAIL/HOSPITALITY



Exceptional, Innovative Products

SHERWIN-WILLIAMS.

CUSTOMER CENTRIC PRODUCTS FOR

RESIDENTIAL REPAINT

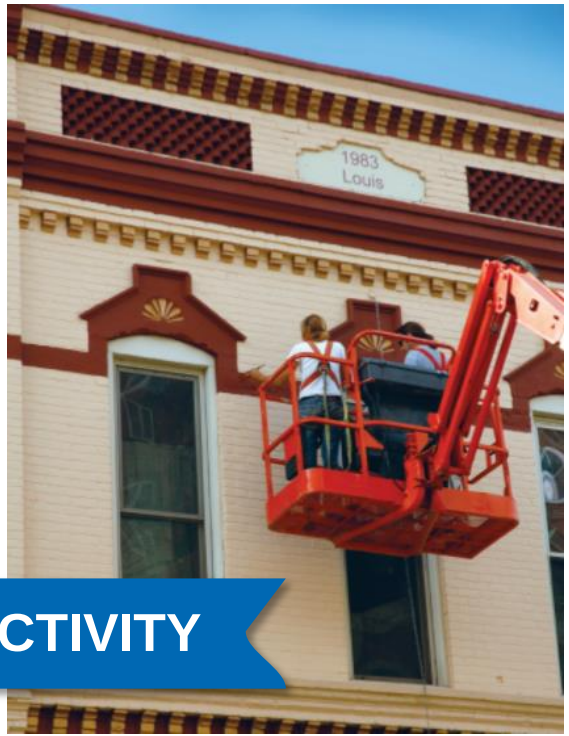




DURABILITY

Exceptional, Innovative Products

SHERWIN-WILLIAMS®



PRODUCTIVITY

CUSTOMER CENTRIC PRODUCTS FOR

COMMERCIAL



Exceptional, Innovative Products

SHERWIN-WILLIAMS.

CUSTOMER CENTRIC PRODUCTS FOR

NEW RESIDENTIAL





TOUCH-UP

Exceptional, Innovative Products

SHERWIN-WILLIAMS®



HIDE

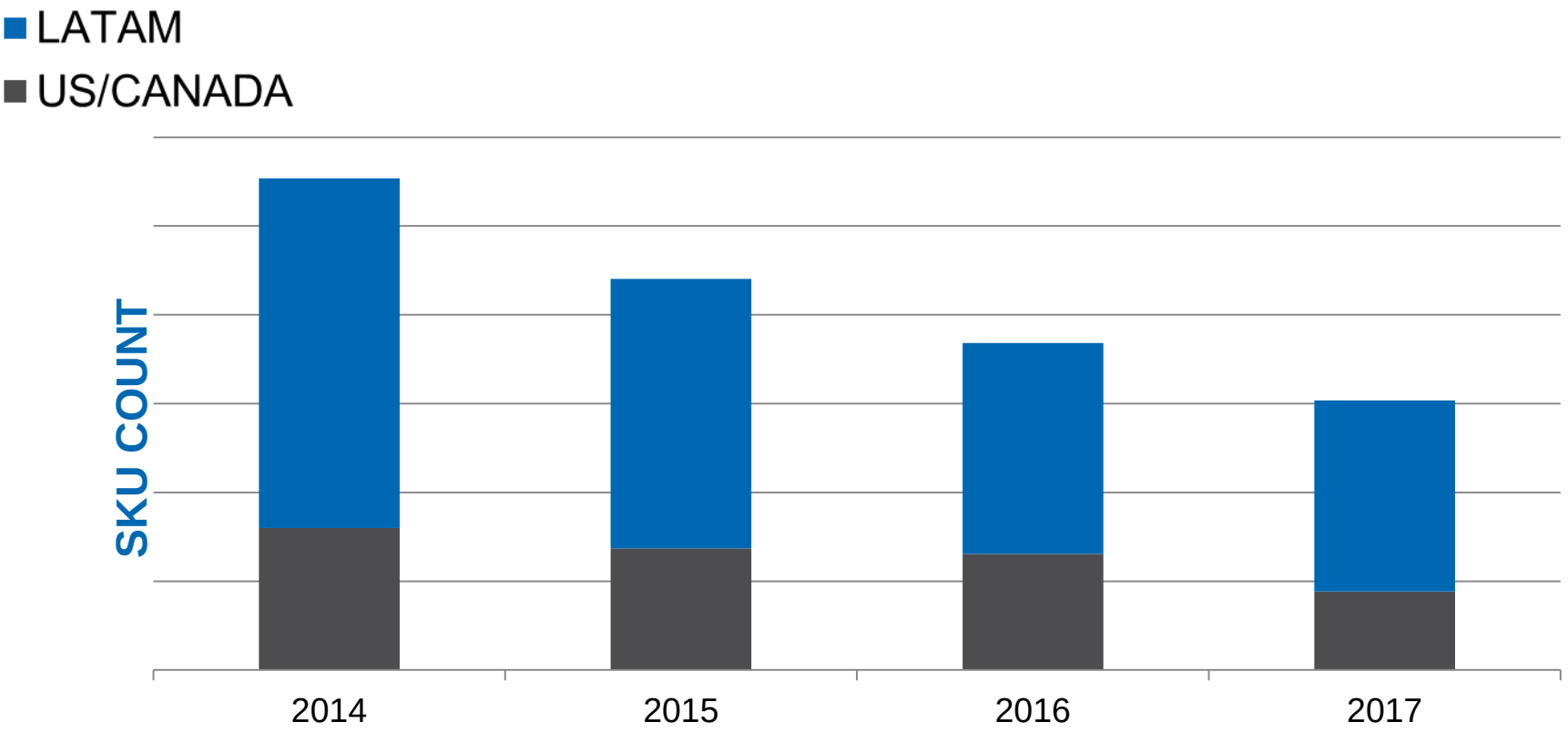
CUSTOMER CENTRIC PRODUCTS FOR

PROPERTY MANAGEMENT



Continuous Improvement
SKU Rationalization

SHERWIN-WILLIAMS®



Continuous Improvement

SHERWIN-WILLIAMS®

DELIVERY



TINT OPTIMIZATION



Customized Experience
Store Missions









Customized Experience
Communications

SHERWIN-WILLIAMS®

OVER 6 BILLION AD IMPRESSIONS

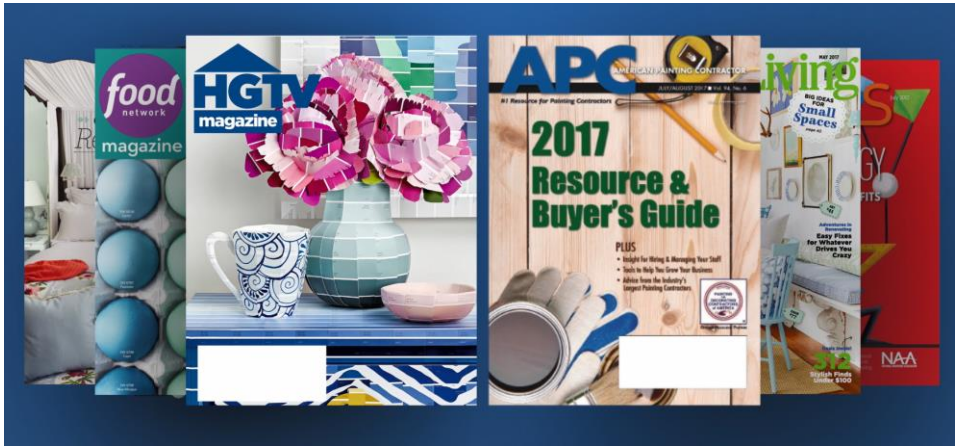


3,300 STORES PARTICIPATED



REACHING CUSTOMERS IN THE MARKET FOR PAINT





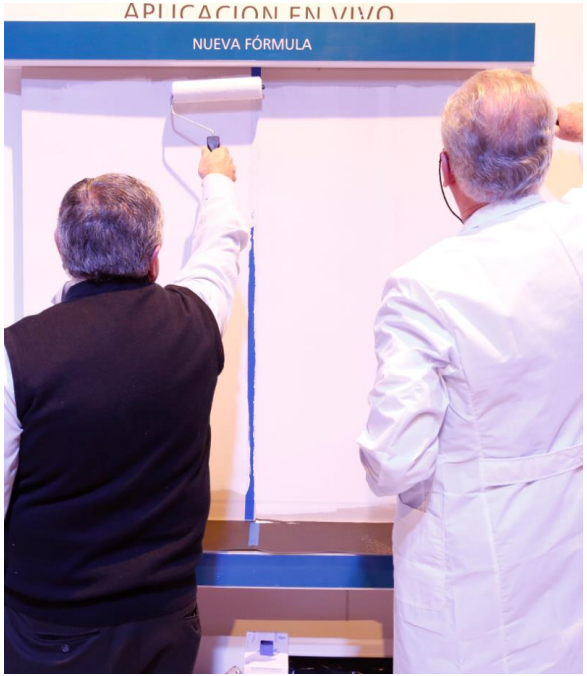
abc · NBC · USA · food network · tbs · HGTV · truTV · diy network · CANADA · ESPN · travel CHANNEL · Discovery · Bravo · FX · FXNOW · A+E NETWORKS

The Americas Group
Highlights Video



Customized Experience
Talent Development

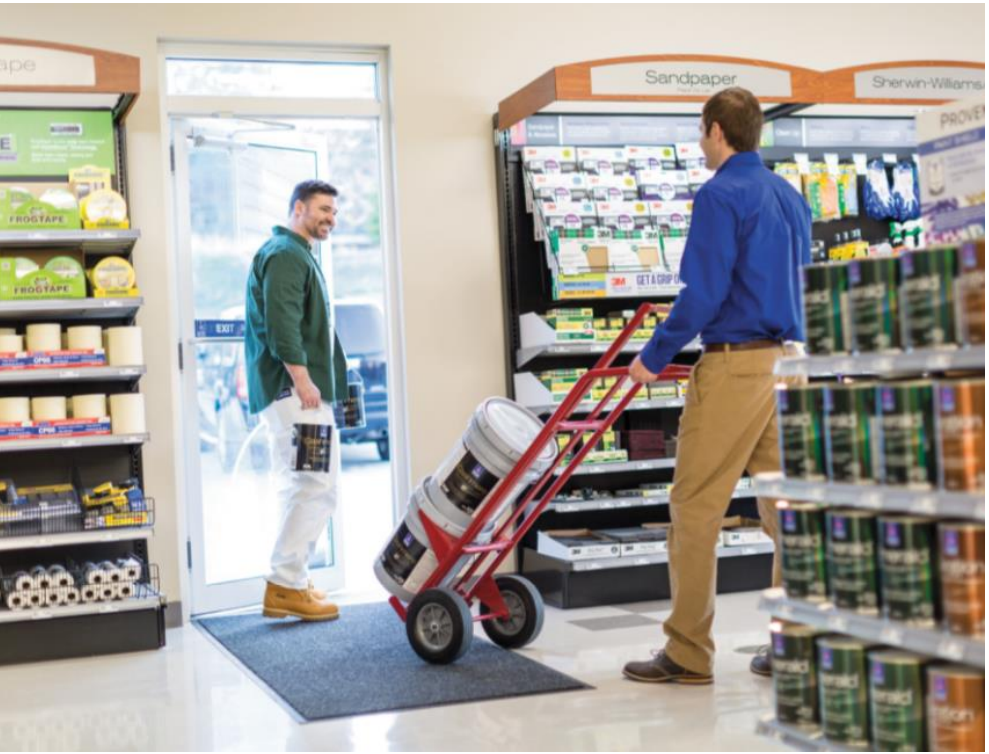






Customized Experience
Trademark Service

SHERWIN-WILLIAMS®





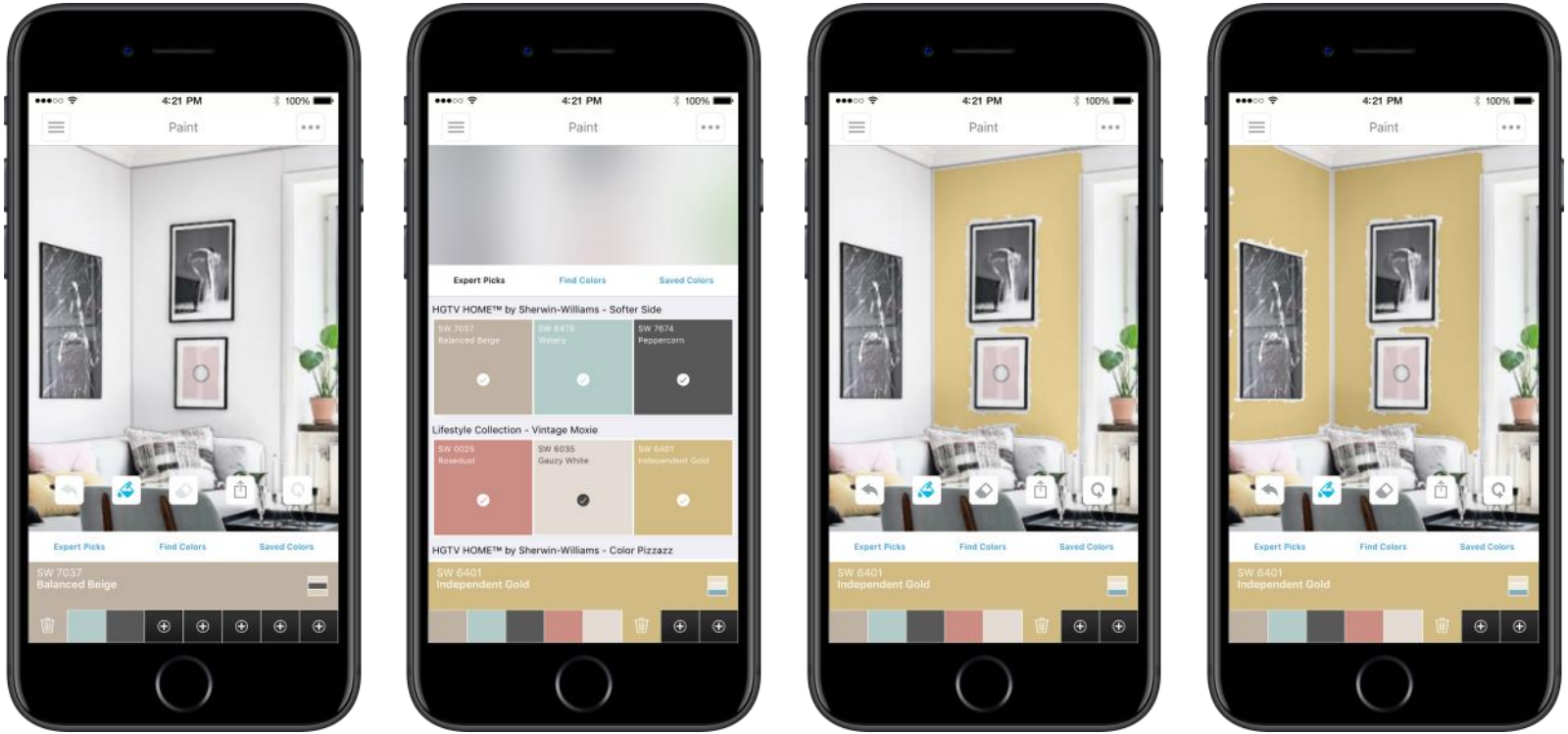
Customized Experience
E-Commerce

SHERWIN-WILLIAMS.





Customized Experience
ColorSnap AR



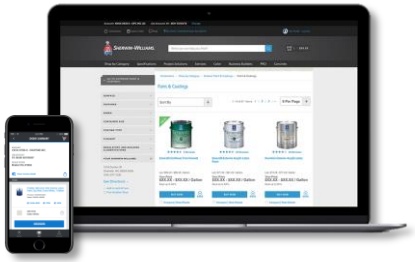
The Americas Group
ColorSnap Video



Success By Design











CONSUMER BRANDS GROUP

AARON M. ERTER
PRESIDENT, CONSUMER BRANDS GROUP

Consumer Brands Group

CBG Video



What is the Consumer Brands Group?

SHERWIN-WILLIAMS

Industry Leading Brands

valspar

HGTV HOME by SHERWIN WILLIAMS QUALITY SINCE 1866

Purdy PROFESSIONAL PAINTING TOOLS

Cabot PREMIUM WOODCARE

华润漆 漆业真专家

wattyl

RONSEAL

MINWAX

Dutch Boy

Thompson's WaterSeal

KRYLON

GP General Paint

Granosite

SOLVER

Strategic Retail Partners

TARGET

LOWE'S

B&Q

MENARDS

Walmart

MITRE 10 MEGA

ACE The helpful place.

Do it Best

ORGILL Worldwide Distribution & Retail Services

Consumer Brands Group
Financial Highlights Pro forma Results

SHERWIN-WILLIAMS®

	FY16	FY17	% Chg.
Net Sales	$2,854	$2,701	-5.4%
Segment Profit	$467	$394	-15.7%
% Sales	16.4%	14.6%	-1.8pts.

	1Q17	1Q18*	% Chg.
Net Sales	$632	$656	+3.8%
Segment Profit	$86	$106	+23.7%
% Sales	13.6%	16.2%	+2.6pts.

**EXCLUDING ACQUISTION RELATED COSTS*
Refer to Financial Appendix 5: Group Financials

In Only Eleven Months…

SHERWIN-WILLIAMS®

Integration Highlights

Optimizing our brand portfolio



Strengthening strategic partnerships

LOWE'S®

Creating a best in class organization

SHERWIN-WILLIAMS®

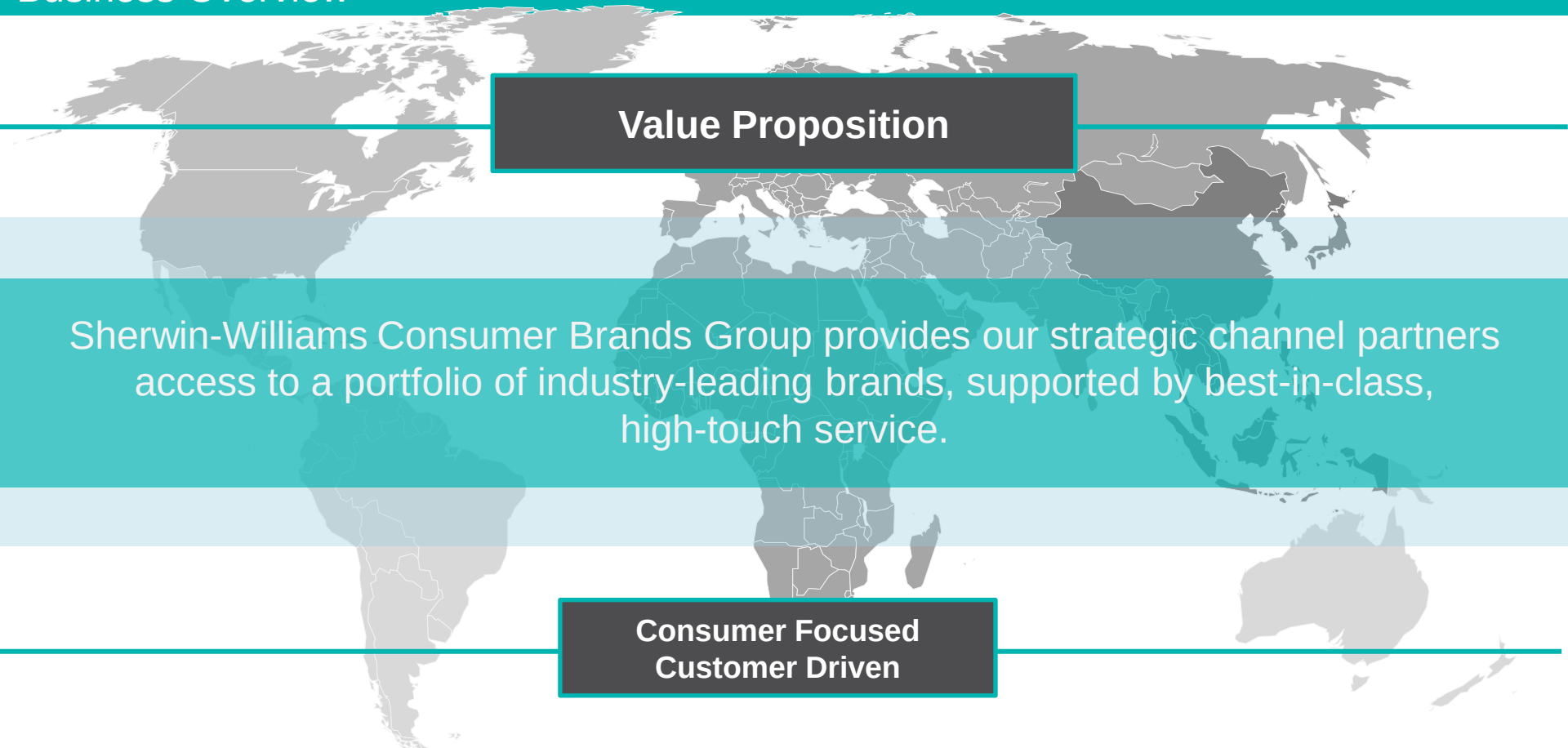
+

valspar

Simplification. Execution. Capabilities.

Consumer Brands Group
Business Overview

SHERWIN-WILLIAMS®



Value Proposition

Sherwin-Williams Consumer Brands Group provides our strategic channel partners access to a portfolio of industry-leading brands, supported by best-in-class, high-touch service.

Consumer Focused
Customer Driven

Consumer Focused & Customer Driven

SHERWIN-WILLIAMS.

Consumer Insights

- **Focus on the the total project experience**
- **Innovation in and out of the can**
- **Brands that consumers desire**

Custom Retail Solutions

- **Simplified product assortments**
- **Digital tools to help with color decision**
- **Merchandising to increase close rates**







Consumer Brands Group
North America

SHERWIN-WILLIAMS®

Bringing our Value Proposition to Life:

Provide access to industry leading brands with high-touch channel support that yield customized retail solutions.



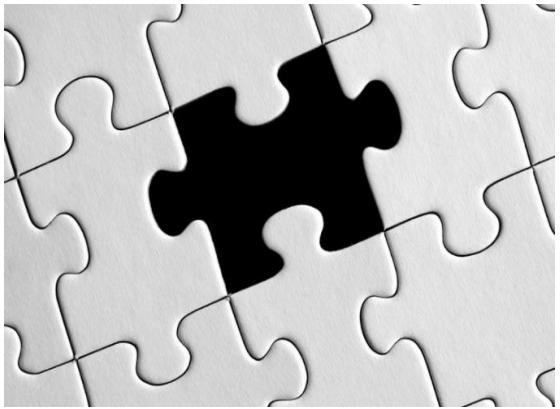
- Hero Brands
- Field Sales Support
- Category Management
- Digital Leadership
- Merchandising Excellence

Increase Close Rates | **Grow Sales** | **Enhance Margins**

Consumer Brands Group

North America – A Tale of Two Businesses

SHERWIN-WILLIAMS®



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HGTV HOME by SHERWIN WILLIAMS QUALITY SINCE 1866

Purdy PROFESSIONAL PAINTING TOOLS

MINWAX

KRYLON

Thompson's WaterSeal

valspar

To unlock the potential of our Value Proposition,
we utilized our anchor paint brand to pull all of our Brands together.

Hero Brands – Promote & Grow

SHERWIN-WILLIAMS

Over 10,000 points of Distribution



The Big Reveal



Live for "TA-DA!"

#1 Selling Interior Wood Stain*





#1 Applicator Brand Preferred by Pros**





A Trusted Name in Spray Paint



A Recognized Leader for Water Protection



Trusted by Pros for Over 100 Years





Simplification. Execution. Capabilities.

*Minwax #1: 2017 Vista Report
**Purdy #1: 2017 InPaint Magazine Preference Survey (June/July Issue)

Field Sales Team











Opportunities:

- Improve Draw / Close Rates
- Simplify Line Designs
- Enhance Service Models
- Color Expert Training Program
- Vendor Focused Training
- Premium Brands Focus
- In-Store Event Execution

Simplification. Execution. Capabilities.

Category Management



Opportunities:

- Store Level and Regional Optimization
- Inventory Optimization
- Promotional Enhancement
- Multi-Brand Cross-Promotions
- Multi-Brand Cross-Merchandising

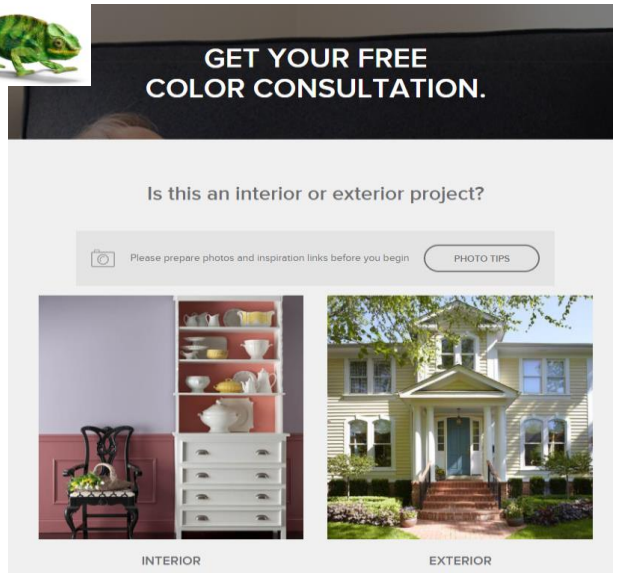
Simplification. Execution. Capabilities.

Digital Leadership

SHERWIN-WILLIAMS.

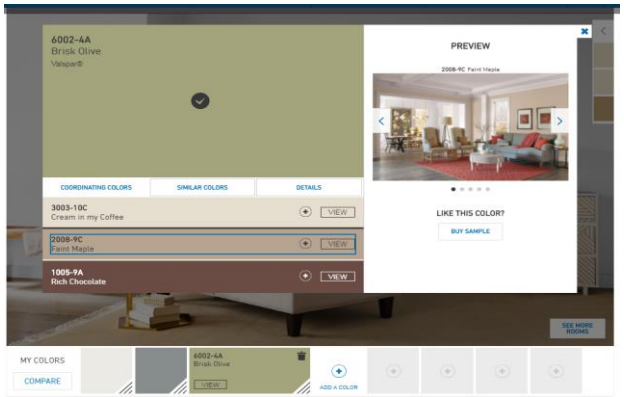
ASK VAL

valspar



LOWE'S | PAINT VISUALIZER





Simplification. Execution. Capabilities.

Merchandising Excellence



Opportunities:

- Meet Customer where they are in the Process
- Simplify Color Decision
- In-Aisle Selling Tools
- Clear Focus on Premium

Simplification. Execution. Capabilities.

Strong Retail Partnership Operating Model

SHERWIN-WILLIAMS

Product

Marketing

In-Store



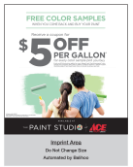






LOWE'S







ACE
The helpful place.







ORGILL
Worldwide Distribution & Retail Services

Do it Best



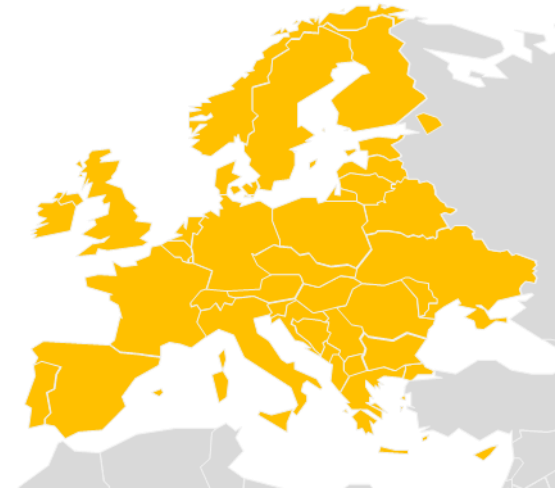




MENARDS®

Global Growth Opportunities

SHERWIN-WILLIAMS®



valspar®

RONSEAL®



Huarun®
华润涂料
漆 业 真 专 家



wattyl®

Growth and Profitability

Brands and Channels

Service and Support

Consumer Brands Group
Solid Growth Potential & Profitability

SHERWIN-WILLIAMS®



Strategic Partnerships



Brand Portfolio Optimization



New Growth Initiatives In and Beyond the Can



Global Initiatives

PERFORMANCE COATINGS GROUP

DAVID SEWELL
PRESIDENT, PERFORMANCE COATINGS GROUP

Performance Coatings Group
Integration Progress

SHERWIN-WILLIAMS®
Performance Coatings Group



SHERWIN-WILLIAMS®
Automotive Finishes



SHERWIN-WILLIAMS®
Industrial Wood Coatings



SHERWIN-WILLIAMS®
General Industrial Coatings



SHERWIN-WILLIAMS®
Protective & Marine Coatings



SHERWIN-WILLIAMS®
Coil Coatings



SHERWIN-WILLIAMS®
Packaging Coatings



ENGINEERED POLYMER SOLUTIONS
eps Science Simplified

Performance Coatings Group
Divisional Leadership

SHERWIN-WILLIAMS®



Dennis Karnstein
Industrial Wood
29 years experience



Bruce Irussi
General Industrial
34 years experience



Tom Hablitzel
Automotive
32 years experience



Karl Jorgenrud
Protective & Marine
24 years experience

210 Years Combined Industry Experience



Sam Shoemaker
Packaging
35 years experience



Mike Bourdeau
Coil Coatings
33 years experience



Colin Davie
EPS
23 years experience

Performance Coatings Group

Focus



Performance Coatings Group
Financial Highlights Pro forma Results

SHERWIN-WILLIAMS®

	FY16	FY17	% Chg.
Net Sales	$4,604	$4,808	+4.4%
Segment Profit	$755	$653	-13.4%
% Sales	16.4%	13.6%	-2.8pts.

	1Q17	1Q18*	% Chg.
Net Sales	$1,118	$1,228	+9.8%
Segment Profit	$150	$148	-1.5%
% Sales	13.5%	12.1%	-1.4pts.

EXCLUDING ACQUISTION RELATED COSTS
Refer to Financial Appendix 5: Group Financials


T-Mobile ARENA
WELCOME TO
T-MOBILE ARENA



GENERAL INDUSTRIAL COATINGS



COIL COATINGS



GENERAL INDUSTRIAL COATINGS


HALL OF HONOR
RESTROOMS
CONCESSIONS
SECTIONS 1 TO 5
K-STATE SUPERSTORE
ELEVATOR LOBBY
SECTION 6
BILL SNYDER FAMILY STADIUM
4 TERENCE NEWMAN 1999-02
42 MARK SIMONEAU 1996-99
SECTION 5
SECTION 4
WOMEN'S GOLF
WELCOME TO K-STATE
SECTION 6
MEN'S GOLF

PROTECTIVE & MARINE COATINGS




ny



PACKAGING COATINGS

AUTOMOTIVE FINISHES





AUTOMOTIVE FINISHES

Performance Coatings Group

SHERWIN-WILLIAMS®



COMPLETE CUSTOMER SOLUTION

Global Reach

SHERWIN-WILLIAMS®

MULTI-LOCAL

GLOBAL FINISHES GROUP
PRE-CLOSE SALES

68%	32%
NORTH AMERICA	REST OF WORLD

PERFORMANCE COATINGS GROUP
POST-CLOSE SALES

57%	43%
NORTH AMERICA	REST OF WORLD

MANAGE LOCALLY
DELIVER GLOBALLY

Global Reach
R&D Capability

SHERWIN-WILLIAMS®

Pre-Close	Post-Close
Opportunity: Increase our global R&D footprint, technology portfolio, and development capability.	**Solution:** Footprint in 8 new countries, doubled R&D staff, and significant new development capabilities.







FASTER INNOVATION, CLOSER TO THE CUSTOMER

Global Reach

Profitable Expansion into EMEAI & ANZ

SHERWIN-WILLIAMS®

Pre-Close	Post-Close
Opportunity: Seek strategic growth for new segments and products in geographies where Valspar channel is strong.	**Solution:** Expand S-W Automotive in EMEAI and ANZ with existing Valspar channel, and replicate best practices of Protective & Marine TAG channel model in ANZ at Wattyl stores.







NEW GEOGRAPHIC REGIONS USING PROVEN CHANNELS

Global Reach

Fluropon Small Batch Capacity in Blending Facilities

SHERWIN-WILLIAMS®

Pre-Close	Post-Close
Opportunity: Provide smaller, faster-turn quantities of industry-leading coil coating.	**Solution:** Utilize over 300 blending facilities worldwide to blend and deliver small batches quickly.







MEET CUSTOMER DEMANDS FOR SMALL-BATCH PVDF COATINGS

Specification & Design

SHERWIN-WILLIAMS®

COLOR & DESIGN > DESIGN ENGINEERING > APPLICATION CENTERS > PRODUCT TESTING > CUSTOMER LINE TRIAL > FINISHED PRODUCT



Complete Development Support; Differentiated Solutions

Specification & Design
Global Color & Design Center

SHERWIN-WILLIAMS®

Pre-Close	Post-Close
Opportunity: Invest in industrial wood design consulting services to enable global manufacturers to design in US & manufacture in Asia.	**Solution:** Expanded, remodeled GCDC produced 1,850 panels in 2017 and transfers to sister sites in China & Vietnam.







OPERATIONALIZE DESIGNS IN A GLOBAL VALUE CHAIN

Performance Coatings Group
Global Color & Design Center Video



Specification & Design

Optimize Global Color Systems

SHERWIN-WILLIAMS®

Pre-Close	Post-Close
Opportunity: Increase our ability to deliver custom color matches faster and at a lower cost.	**Solution:** Decrease time and cost per match by 40% by making novel color algorithm and data accessible online.







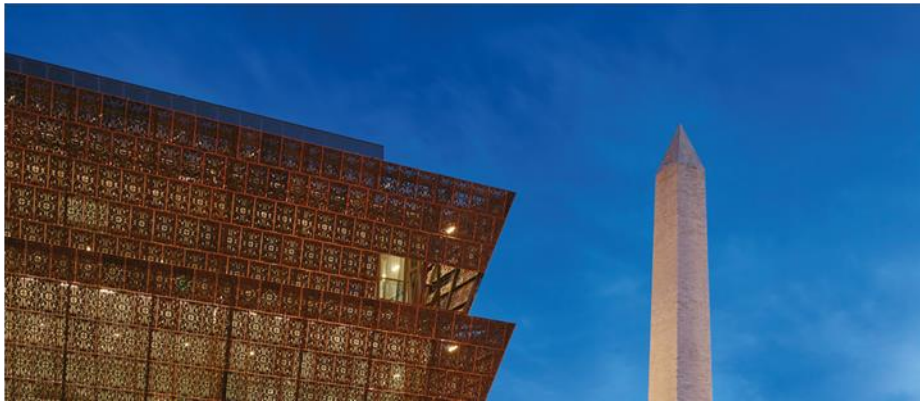
ACHIEVE COLOR MATCH IN FEWER HITS

Specification & Design
Architectural Selling Initiative

SHERWIN-WILLIAMS®

Pre-Close	Post-Close
Opportunity: Opportunity for holistic approach to Architects and Specifiers for large projects with multiple applications.	**Solution:** With extended product portfolio, we now can have Coil, Protective & Marine, General Industrial, Industrial Wood coatings spec'd for interior and exterior buildings and projects.





CROSS-SELL MONUMENTAL PROJECTS

Specification & Design

Maximize our FBE pipe position to sell high performance liquid coatings in new segments

SHERWIN-WILLIAMS®

Pre-Close

Opportunity:

Identify additional specification opportunities for larger portfolio of Protective & Marine coatings in pipeline projects.

Post-Close

Solution:

Add liquid high performance coatings for pump stations and terminal storage tanks to differentiated Fusion Bonded Epoxy.





BUILD ON EXISTING SPEC POSITION WITH COMPLETE PORTFOLIO

Technology & Sustainability

SHERWIN-WILLIAMS®



TECHNOLOGY SYNERGIES + **TARGETING GROWTH OPPORTUNITIES** = **SOLUTIONS OPTIMIZED FOR RAPIDLY CHANGING CUSTOMER NEEDS**

Technology & Sustainability

Non-BPA Industry Conversion: ValPure V70

SHERWIN-WILLIAMS®

Pre-Close	Post-Close
Opportunity: Demand for Non-BPA coatings growing at 19% CAGR in modest growth overall.*	**Solution:** Leverage epoxy platform to develop non-BPA coating and expanding manufacturing to meet demand.







EASE OF USE OF EPOXY WITH 49 SPECIALIZED NON-BPA PATENTS

*Source: Internal sources, Canadean.

Technology & Sustainability

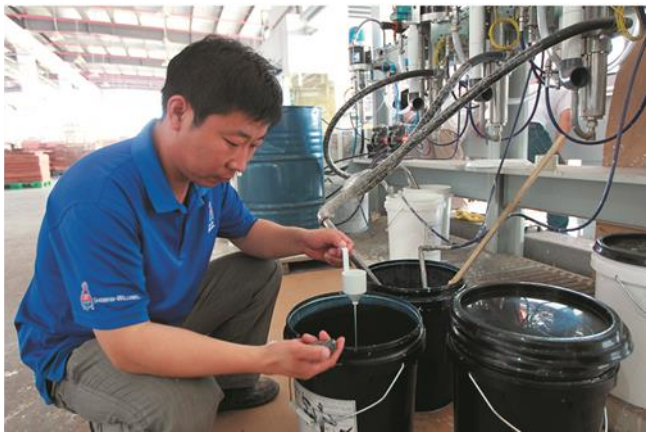
Best in Class Waterborne Systems

SHERWIN-WILLIAMS®

Pre-Close	Post-Close
Challenges: Lead waterborne conversions quickly to help customers meet government mandates and improve sustainability efforts.	**Opportunity:** Combine Valspar and Sherwin-Williams coating technologies into a single system.







BETTER TOGETHER = GLOBAL WATERBORNE LEADERSHIP

Performance Coatings Group
Ultra 9k Video



Performance Coatings Group

SHERWIN-WILLIAMS®



COMPLETE CUSTOMER SOLUTION

Performance Coatings Group
What's Next Video



GLOBAL SUPPLY CHAIN

JOEL BAXTER
PRESIDENT & GENERAL MANAGER

Global Footprint



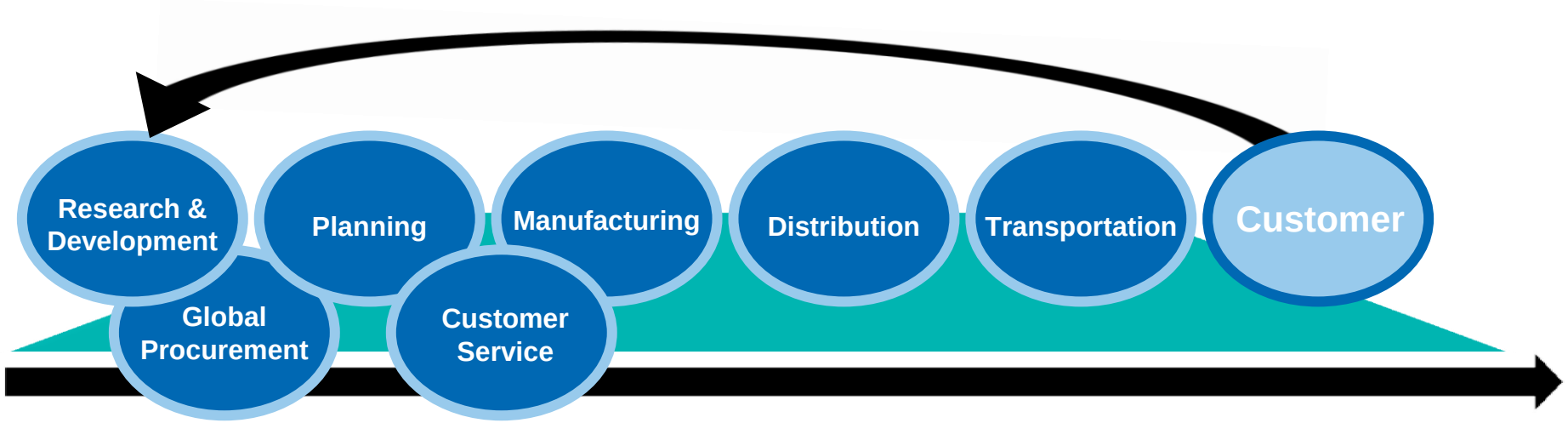
Global Supply Chain

SHERWIN-WILLIAMS®

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

End-to-End Supply Chain

SHERWIN-WILLIAMS®













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

DRIVE CONTINUOUS IMPROVEMENT

Global Business Management System

SHERWIN-WILLIAMS.

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

- PEOPLE
- SYSTEMS
- TOOLS
- PROCESSES

End-to-End Supply Chain



What This Accomplishes

- Drives Customer Satisfaction
- Cost Reduction
- Accelerated Growth

Focus Areas

- Operational Excellence
- Global Procurement
- Innovation Excellence
- Acquisition Integration



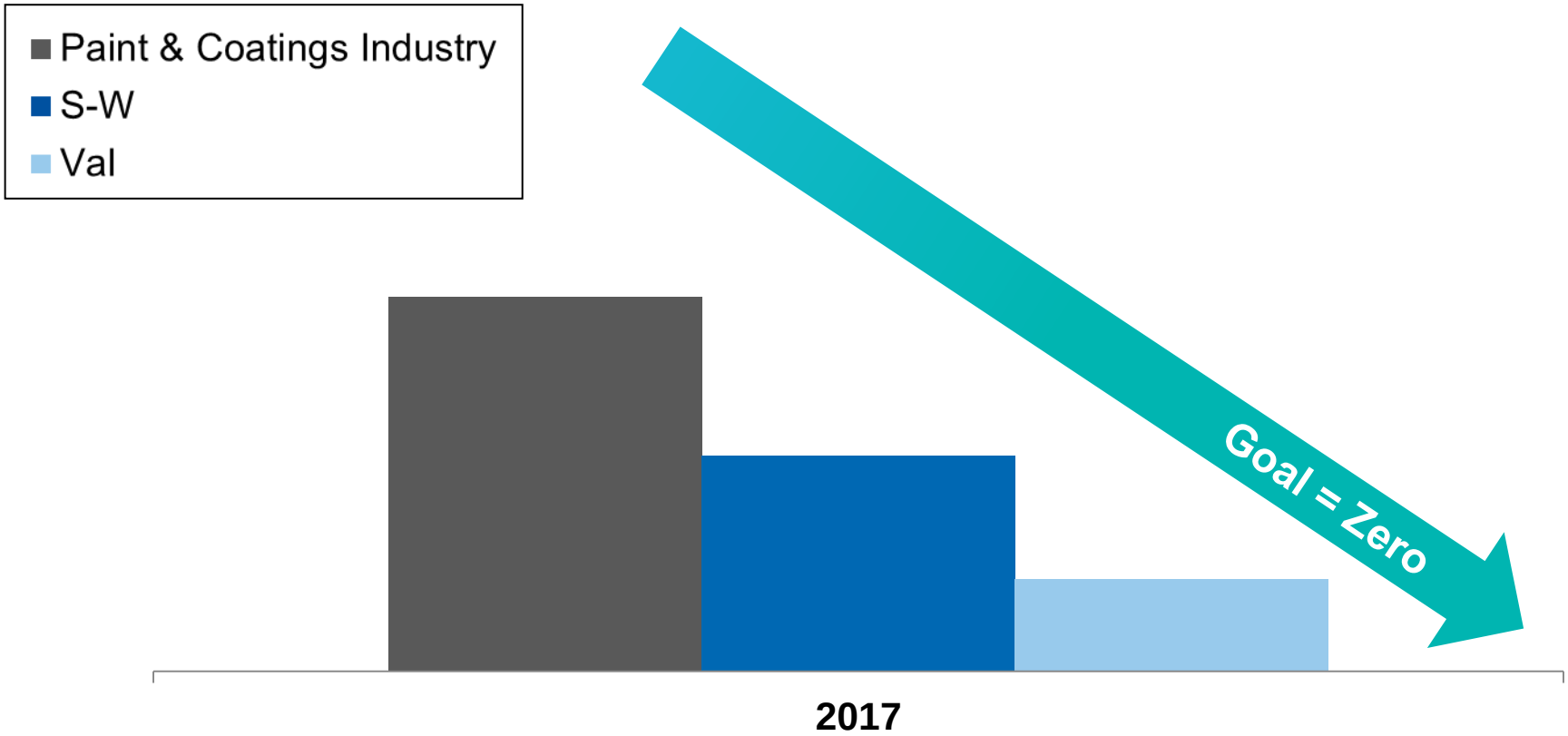


Operational Excellence Alignment

SHERWIN-WILLIAMS®

	Sherwin-Williams	Valspar
Safety	✓	✓
Quality	✓	✓
Service	✓	✓
Cost	✓	✓
People	✓	✓

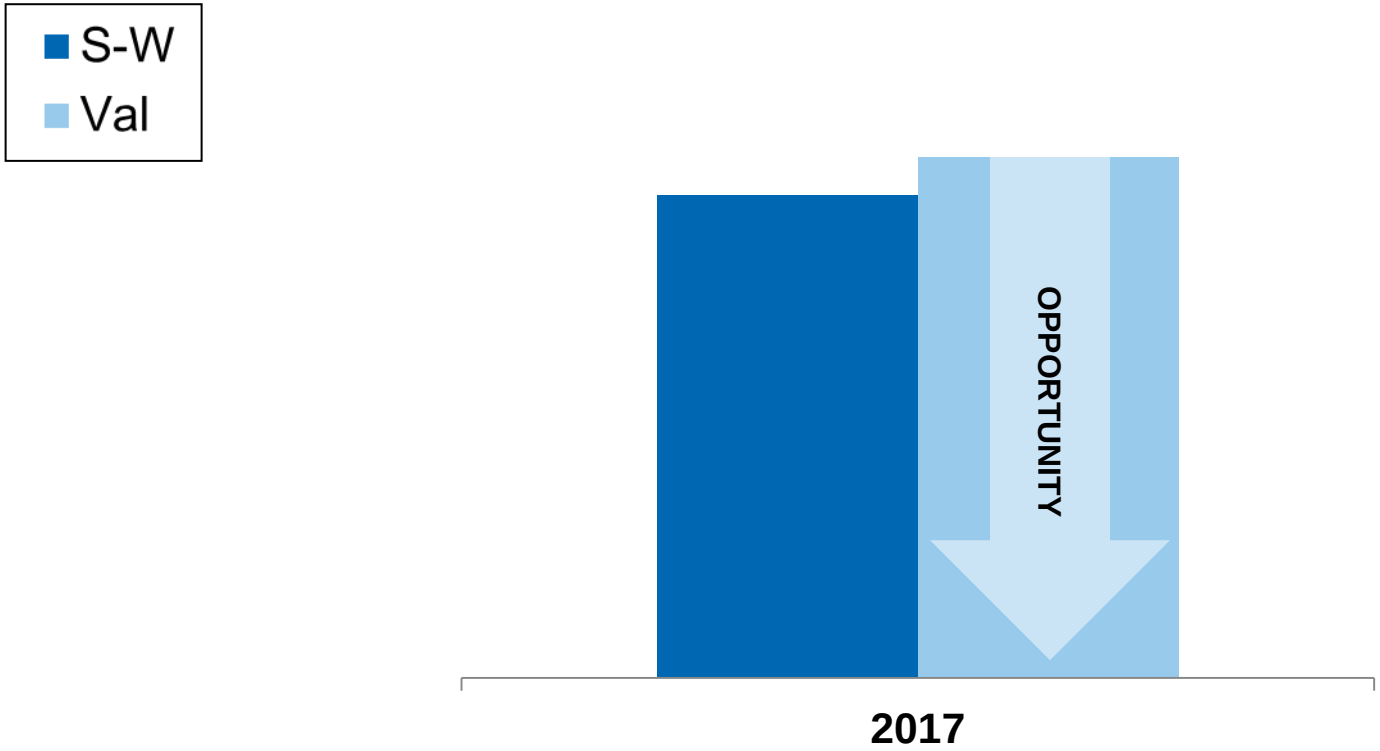
Safety
Recordable Case Rate



Source: The North American Industry Classification System (NAICS)

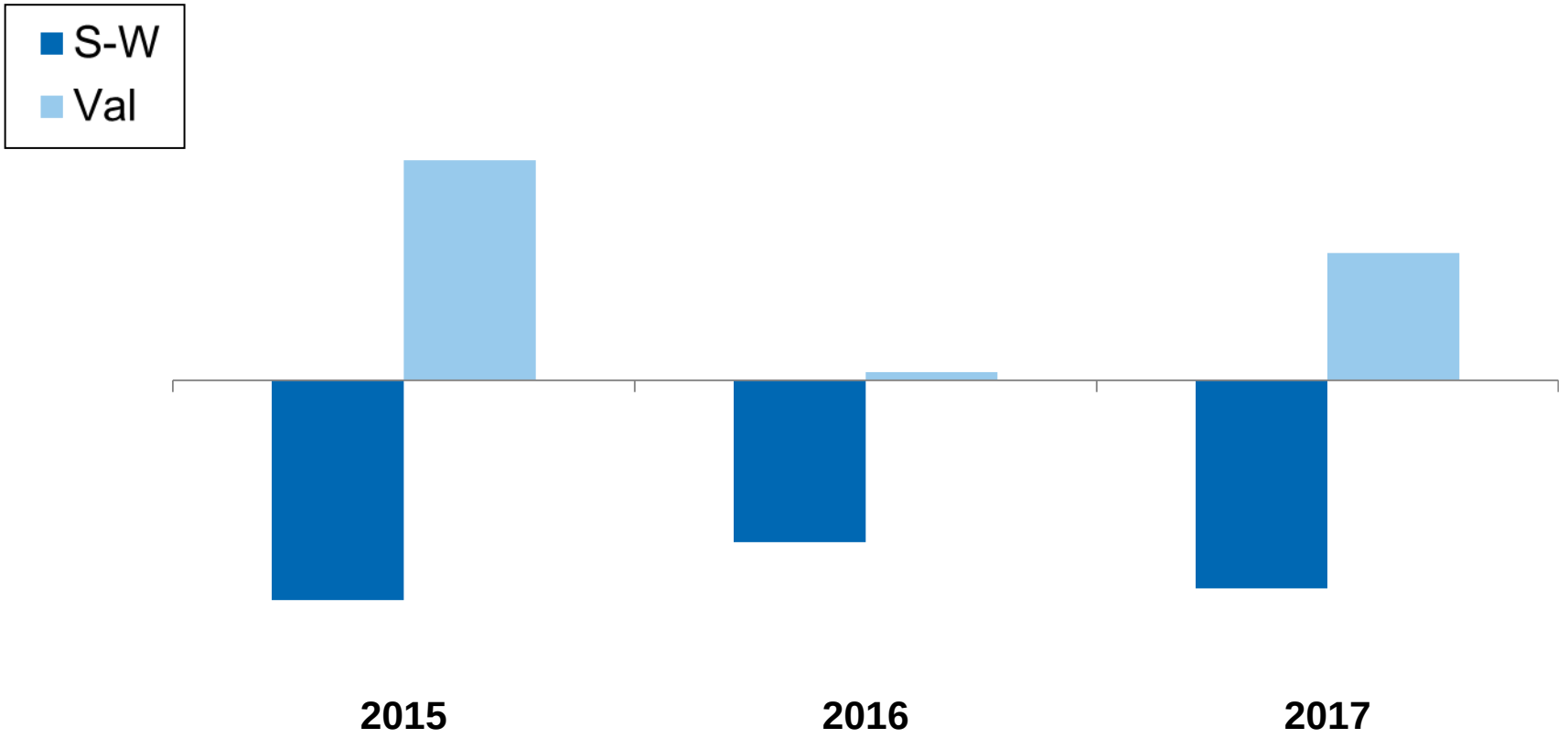
Net Fixed Assets

Value in Dollars



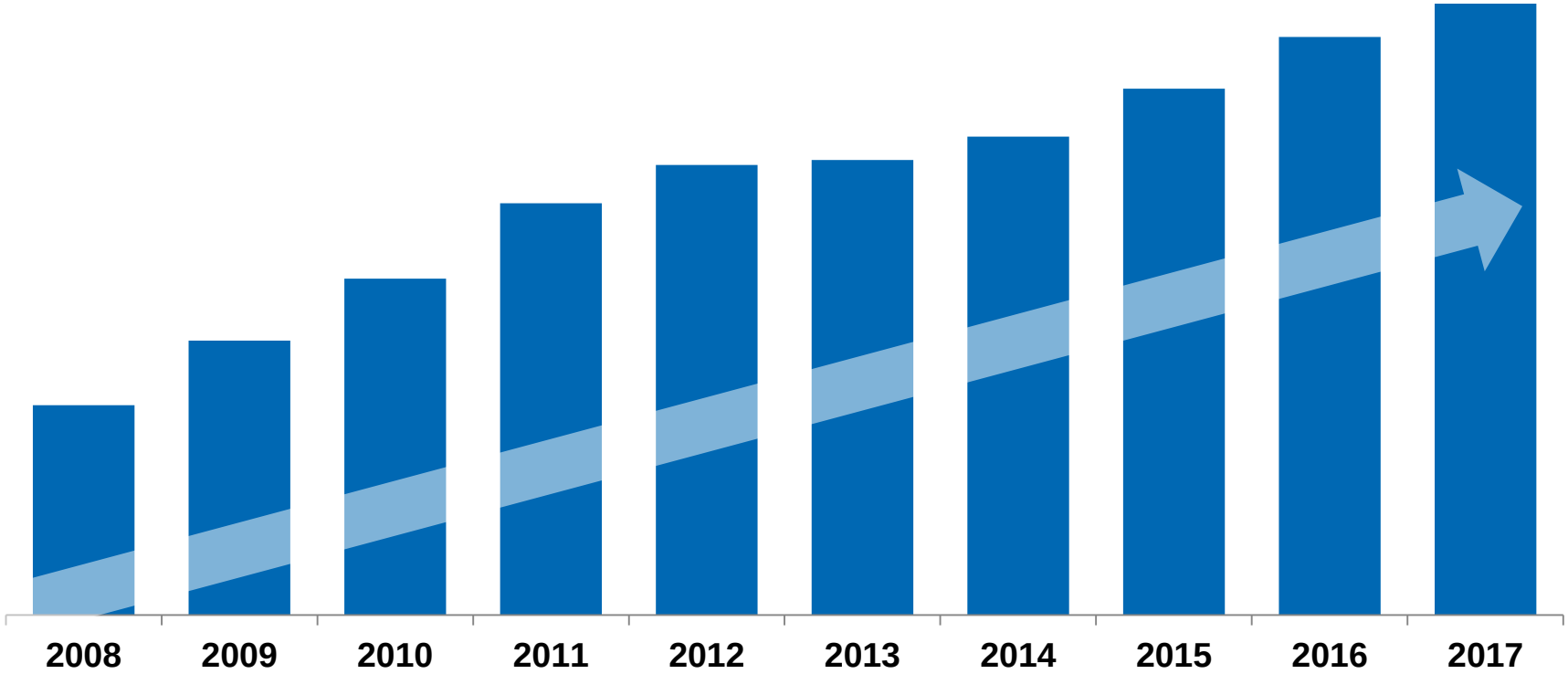
Working Capital % to Sale

SHERWIN-WILLIAMS.



Operational Excellence Savings

SHERWIN-WILLIAMS®



Fleet Operations



SmartWay®
Excellence Awardee

New Distribution Center

SHERWIN-WILLIAMS®



Waco, Texas

New Plant

SHERWIN-WILLIAMS®





Nantong, China

Global Procurement

SHERWIN-WILLIAMS®

AFPM '18: North America TiO2 supply to remain tight amid growing demand

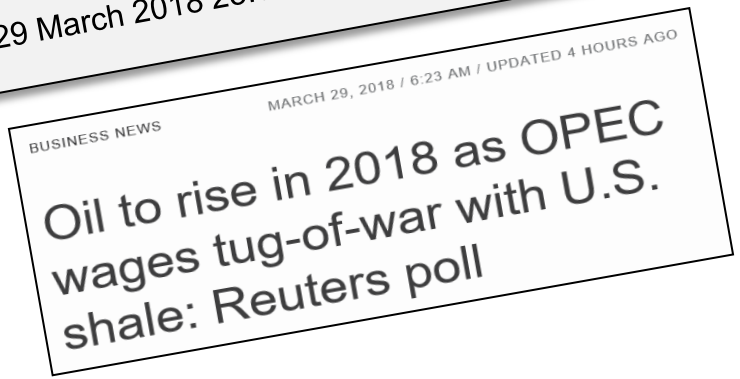
24 March 2018 21:30 HOUSTON (ICIS)-

US epoxy pricing to remain elevated through summer – Morgan Stanley

29 March 2018 23:03 HOUSTON (ICIS)-

AFPM '18: US propylene to lengthen, but concerns remain on PDH reliability

27 March 2018 20:21 San Antonio (ICIS)-


BUSINESS NEWS

MARCH 29, 2018 / 6:23 AM / UPDATED 4 HOURS AGO

Oil to rise in 2018 as OPEC wages tug-of-war with U.S. shale: Reuters poll

Typical Coatings Product
2018 est. vs. 2017

SHERWIN-WILLIAMS®



	*Industry **
Resins/Latex (44%)	**3 to 5%**
Acrylic (Latex Paints)	
Alkyd (Oil Paints)	
Epoxy (Epoxy Paints)	
Pigments (26%)	**8 to 10%**
Titanium Dioxide	
Pigments	
Paint Fillers	
Extenders	
Containers (12%)	**4 to 6%**
Metal or Plastic	
Additives (10%)	**0 to 1%**
Solvents (8%)	**4 to 6%**

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

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

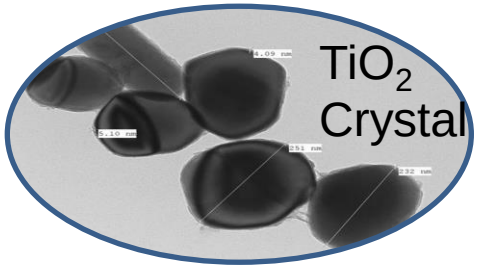
Global Procurement Benefits

SHERWIN-WILLIAMS®

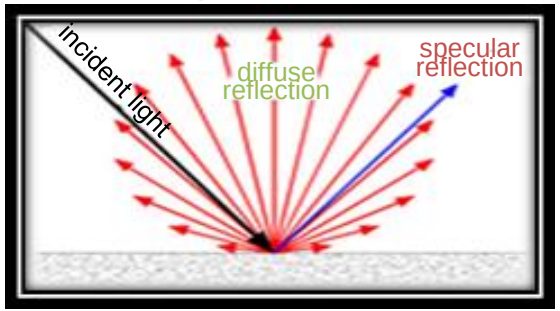
- Alternate Supply
- Internal Development
- Efficiency Projects
- Acquisition Synergies



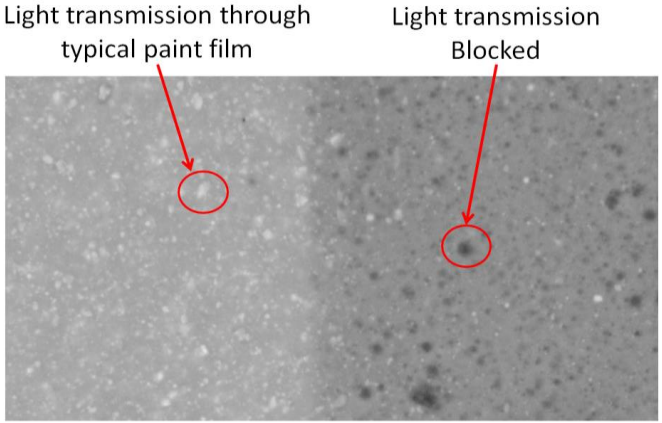
Sulphate vs. Chloride



High Hide



Efficiency Projects



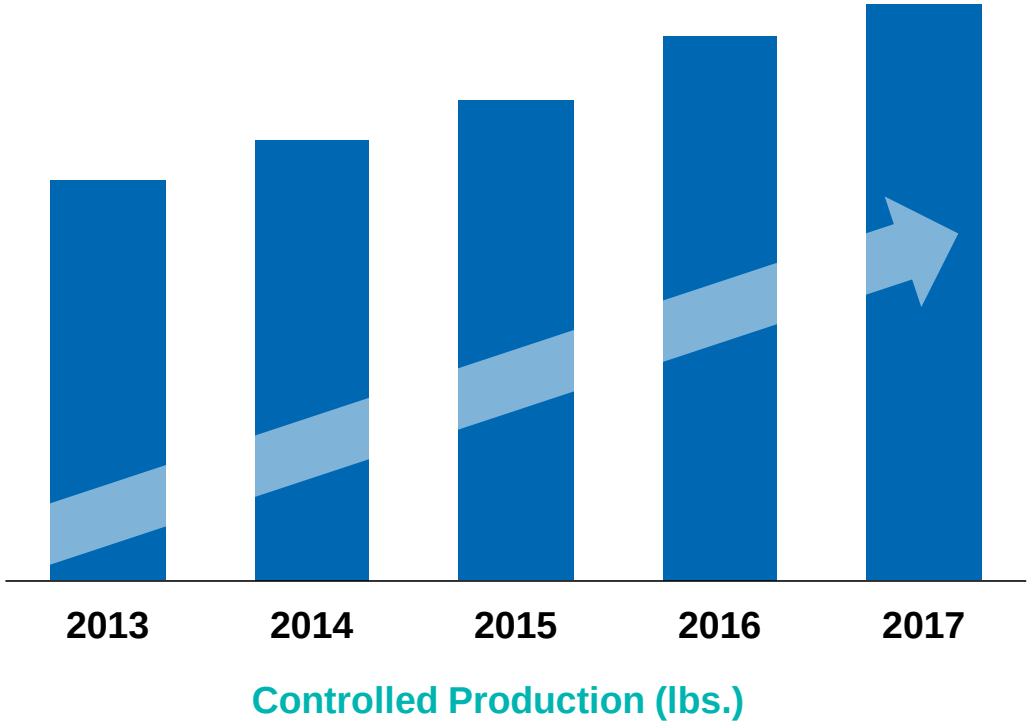
Blocking light transmission in paint improves hide and brightness

Dual Sourcing Strategy – Internal vs. External

- Internal Development
  - Engineered Polymer Solutions

eps ENGINEERED POLYMER SOLUTIONS Science Simplified

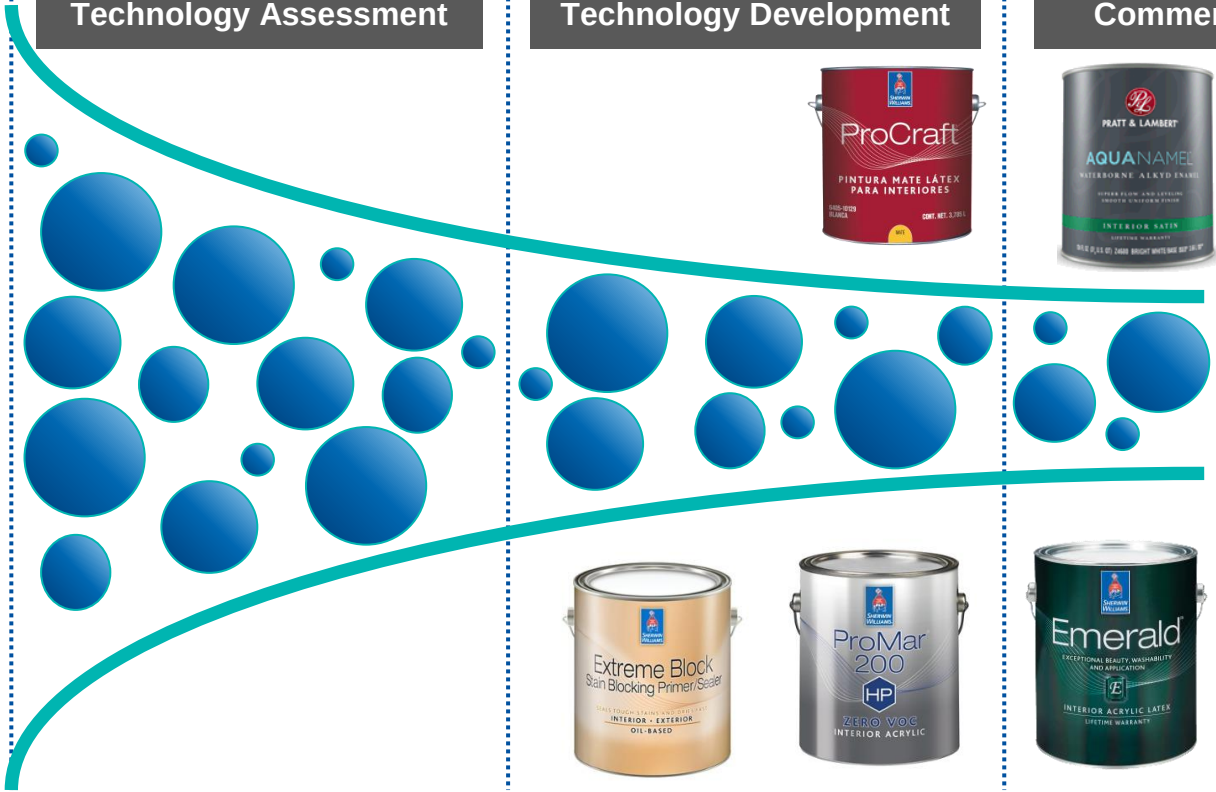
- External Suppliers



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			



New Architectural Product Launches

SHERWIN-WILLIAMS®



Acquisition Integration

Process	Categories
Dedicated Teams	Raw Material Savings
Project Management	Indirect Spend Savings
Reporting & Metrics	Organizational Design
Parking Lot Projects	Operating Efficiencies

Integration Rationalization & Optimization

SHERWIN-WILLIAMS®



Summary

- Focused Global Supply Chain Organization
- Leveraging Systems, Tools & Processes
- Deliver Best in Class Service