FINANCIAL OVERVIEW

AL MISTYSYN
SENIOR VICE PRESIDENT, FINANCE & CHIEF FINANCIAL OFFICER
The presentations today will contain certain “forward-looking statements,” as defined under U.S. federal securities laws, with respect to sales, earnings and other matters. These statements can be identified by the use of forward-looking terminology such as "believe," "expect," "may," "will," "should," "project," "could," "plan," "goal," "potential," "seek," "intend" or "anticipate" or the negative thereof or comparable terminology. These forward-looking statements are based upon management's current expectations, estimates, assumptions and beliefs concerning future events and conditions. Readers are cautioned not to place undue reliance on any forward-looking statements. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company that could cause actual results to differ materially from such statements and from the Company's historical results and experience. These risks, uncertainties and other factors include such things as: general business conditions; the Company's ability to successfully integrate past and future acquisitions into its 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; strengths of retail and manufacturing economies and the growth in the coatings industry; changes in the Company's relationships with customers and suppliers; changes in raw material availability and pricing; unusual weather conditions; and other risks, uncertainties and factors described from time to time in the Company's reports filed with the Securities and Exchange Commission. Since it is not possible to predict or identify all of the risks, uncertainties and other factors that may affect future results, the above list should not be considered a complete list. Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.
Financial Priorities to Drive Shareholder Value

FY17 TARGETS → BUILDING TO FY20

ACCELERATE ORGANIC GROWTH
OPTIMIZE COST STRUCTURE & MARGINS
IMPROVE FREE CASH FLOW
DRIVE BALANCED CAPITAL ALLOCATION
CLEAR PORTFOLIO CHOICES
Balanced Revenue Mix Provides Strong Base for Growth

Sherwin-Williams Revenue by Segment
- THE AMERICAS GROUP: 71%
- PERFORMANCE COATINGS GROUP: 16%
- CONSUMER BRANDS GROUP: 13%

Sherwin-Williams Revenue by Geography
- US/CANADA: 87%
- LATIN AMERICA: 7%
- EMEA: 5%
- APAC: 1%
- AUSTRALIA: 1%

2016 Pre-Acquisition
$11.9B

2016 SHW + VAL
Revenue ~$16B
Well-Positioned to Drive Top-Line Growth

MEGATRENDS DRIVING DEMAND IN END MARKETS

GAINING MARKET SHARE AND DRIVING GROWTH

Expected CAGR GDP Growth in 2017-2020 Period

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>~2%</td>
</tr>
<tr>
<td>Eurozone</td>
<td>~2%</td>
</tr>
<tr>
<td>Asia Pacific (ex-China)</td>
<td>~4.5%</td>
</tr>
<tr>
<td>LATAM</td>
<td>~2%</td>
</tr>
<tr>
<td>UK</td>
<td>~1.5%</td>
</tr>
<tr>
<td>China</td>
<td>~6.5%</td>
</tr>
</tbody>
</table>

SOURCE: Citi Research

EXPECT 4% TO 6% SALES CAGR THROUGH FY20
Proven History of Operational Execution

EBITDA Margin*

FY12 HISTORICAL SHW + VAL

FY16 PROFORMA

12.8% → 16.6%

+380bps

- TAG Organic Growth
- Operational Efficiencies
- Continuous Improvement Culture
- Successful Acquisition Integration
- Good Cost Control Across Our Businesses
- Continued Investments in Core Businesses

*Excluding Acquisition Costs, One Time Costs to Achieve & Restructuring Charges
Consolidated Run Rate Synergies Progress

2019 Synergies Allocations ($385M)

- Raw Material 39%
- Manufacturing/Distribution/R&D 12%
- SG&A 43%
- Revenue 6%

...Expected To Be Realized by 2020

- Increased Confidence to Realize Identified Savings
- Integration Progress On Track
- Expect to Incur Majority of Costs to Achieve by End of 2018

$106M
$280M
$385M - $415M

2017
2018

Long-Term Annual Synergy Target

SHERWIN-WILLIAMS HAS SUCCESSFULLY ACQUIRED AND INTEGRATED 21 BUSINESSES IN THE LAST 10 YEARS
Significant EBITDA Growth
Synergies & Continuous Improvement Initiatives

$1.0+ Billion Cumulative Savings By FY20

SG&A
- Expansion of SS Centers
- Corporate Costs
- Sales Support
- Redundant Field Sales

PROCUREMENT
- Direct
- Indirect

OPERATIONS
- Manufacturing
- Distributions
- Supply Chain
- R&D

REVENUE SYNERGIES
- Technology Transfer
- Leveraging Existing Relationships
- Cross Selling Opportunities
Driving EBITDA Expansion While Investing in Growth

**EBITDA**

- **FY16 PROFORMA**
  - $2.6B
  - 16.6%

- **FY20F**
  - $3.6B to $4.1B
  - 18.8% to 21.0%

~8.5% to 11.5% EBITDA Growth with 220 to 440 bps of Margin Expansion over the next 4 years
Working Capital Performance

<table>
<thead>
<tr>
<th>Year</th>
<th>SHW Core</th>
<th>VAL Core</th>
<th>% to Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$1,017</td>
<td></td>
<td>12.7%</td>
</tr>
<tr>
<td>2008</td>
<td>$896</td>
<td></td>
<td>11.2%</td>
</tr>
<tr>
<td>2009</td>
<td>$760</td>
<td></td>
<td>10.7%</td>
</tr>
<tr>
<td>2010</td>
<td>$925</td>
<td></td>
<td>11.9%</td>
</tr>
<tr>
<td>2011</td>
<td>$952</td>
<td></td>
<td>10.9%</td>
</tr>
<tr>
<td>2012</td>
<td>$1,030</td>
<td></td>
<td>10.8%</td>
</tr>
<tr>
<td>2013</td>
<td>$1,070</td>
<td></td>
<td>10.5%</td>
</tr>
<tr>
<td>2014</td>
<td>$1,139</td>
<td></td>
<td>10.2%</td>
</tr>
<tr>
<td>2015</td>
<td>$975</td>
<td></td>
<td>8.6%</td>
</tr>
<tr>
<td>2016</td>
<td>$1,265</td>
<td></td>
<td>12.5%</td>
</tr>
<tr>
<td>2020F</td>
<td>$1,971</td>
<td>$1,471</td>
<td>11.3%</td>
</tr>
</tbody>
</table>

Financial Community Presentation – October 3, 2017 | See page 1 for forward-looking statements declaration
Adjusted Free Cash Flow Performance*

TARGETING STEADY STATE FUTURE FREE CASH FLOW OF 10%+ OF SALES

*Net Operating Cash Less Capital Expenditures

FY16 PROFORMA

~$1.9B to $2.1B

10.0% to 10.5%

FY20F

$1,404

8.9%
Consolidated Net Operating Cash & Uses of Cash

5-Year Net Operating Cash: $7.0B

Uses of Cash:
- Manage Debt
- Capital Expenditures
- Pay Dividends
- Acquisitions
- Buy Back Stock

5-Year Net Operating Cash: ~$9.7B

2011-2015
$5.8B

2016-2020
$3.9B

$1.6B

$1.3B

$1.2B

$1.9B

$1.6B

$1.2B

$1.8B

$0.8B

$1.4B

$1.4B

$0.8B

$1.8B

$1.3B

$1.9B

$3.9B
Significant Items Affecting Cash Flow

**SIGNIFICANT CASH OUTFLOWS**

- Costs to Achieve with Cash Outflows Tapering in FY19
- Tax Impact of Valspar North American Industrial Wood Divestiture
- Acquisition Costs at Closing

**FUTURE DRIVERS OF IMPROVED FCF**

- Core Operating Margin Expansion
- Synergy Realization
- Working Capital Improvements
  - Global System Implementations
  - Valspar Inventory Improvement
  - Core SHW Inventory Improvements
Consistent Capital Allocation Philosophy

**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

**OBJECTIVES**

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

- EBITDA Excludes Acquisition Costs & Costs to Achieve
Capital Expenditures

DISCIPLINED APPROACH TO CAPEX

FY16 PROFORMA
$356
2.3%

FY20F
$380M
$300M

1.6% to 2.0%
Dividends Per Share
1979 – 2020

FINANCIAL COMMUNITY PRESENTATION – OCTOBER 3, 2017 | SEE PAGE 1 FOR FORWARD-LOOKING STATEMENTS DECLARATION
Strategic M&A

TARGET

- Improve Technology Portfolio
- Strengthen Global Reach
- Fills Product or Capability Gap
- Improves Our Ability to Serve Targeted Customers

CRITERIA

- Fit Core Competencies
- Leadership in Key Technologies, Markets, or Regions
- Strong Growth Potential
- EPS Accretion by Year 2
- Return Above Our Weighted Average Cost of Capital By Year 3

VALUE DRIVERS

- Leverage Acquisitions Across Our Global Businesses
- Supply Products Across Target Distribution Channels
- Strengthen Leadership Position in Our Chosen Markets
# Treasury Stock Acquired

## 2010-2020

<table>
<thead>
<tr>
<th>Year</th>
<th>Shares</th>
<th>Average Price Per Share</th>
<th>Total Dollars</th>
<th>Avg. Diluted Shares Outstanding (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>5,000,000</td>
<td>75.14</td>
<td>375,700,000</td>
<td>108,786</td>
</tr>
<tr>
<td>2011</td>
<td>4,700,000</td>
<td>78.16</td>
<td>367,371,981</td>
<td>105,672</td>
</tr>
<tr>
<td>2012</td>
<td>4,600,000</td>
<td>121.25</td>
<td>557,765,791</td>
<td>103,930</td>
</tr>
<tr>
<td>2013</td>
<td>4,300,000</td>
<td>178.90</td>
<td>769,271,010</td>
<td>103,049</td>
</tr>
<tr>
<td>2014</td>
<td>6,925,000</td>
<td>220.66</td>
<td>1,528,073,703</td>
<td>98,075</td>
</tr>
<tr>
<td>2015</td>
<td>3,575,000</td>
<td>278.57</td>
<td>995,879,981</td>
<td>94,024</td>
</tr>
<tr>
<td>2016</td>
<td>0</td>
<td>0.00</td>
<td>0</td>
<td>94,488</td>
</tr>
<tr>
<td>2017</td>
<td>0</td>
<td>0.00</td>
<td>0</td>
<td>94,697 (6/2017)</td>
</tr>
<tr>
<td>2018-2020F</td>
<td>3,050,000</td>
<td>432.79</td>
<td>1,320,000,000</td>
<td>94,700</td>
</tr>
</tbody>
</table>
## Summary Capitalization

### Strong Financial Profile Provides Flexibility

<table>
<thead>
<tr>
<th>PRO FORMA</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$0.0B</td>
</tr>
<tr>
<td>Debt</td>
<td>$10.85B</td>
</tr>
<tr>
<td>Revolving Credit Facilities</td>
<td>$1.35B</td>
</tr>
<tr>
<td>LOC CDS</td>
<td>$0.750B</td>
</tr>
<tr>
<td>Total Liquidity Available</td>
<td>$2.1B</td>
</tr>
</tbody>
</table>

- Significant Liquidity
- Expect to Maintain BS Flexibility to Pursue Growth Opportunities
- Annual Cash Generation Comfortably Supports Anticipated Funding Needs
- Upcoming
  - Debt Maturities - $700M 12/17
  - Term Loan - $1.0B FY18
- Credit Rating BBB/Baa3
Third Quarter Outlook

PRIOR
SHERWIN-WILLIAMS

PRIOR
valspar

+
## Third Quarter Guidance Update

- **Revised Consolidated Excluding Valspar - Sales & EPS Guidance**

<table>
<thead>
<tr>
<th>3Q Guidance</th>
<th>Sales</th>
<th>EPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised</td>
<td>Low Single Digits</td>
<td>$4.10 - $4.20</td>
</tr>
<tr>
<td>Previous</td>
<td>Low to Mid-Single Digits</td>
<td>$4.40 - $4.60</td>
</tr>
</tbody>
</table>

- **Unfavorable Impact of Hurricanes Harvey, Irma, & Maria**
- **Business Disruption, Raw Material Increases, & Clean-Up Expenses**
- **Houston, Florida, Atlanta Three Largest Markets Affected**
- **More than 600 Stores Were Affected; 40 Caribbean Locations Remain Closed**
- **Full Year Impact Still Being Assessed**
### Third Quarter Guidance Update

<table>
<thead>
<tr>
<th></th>
<th>Low</th>
<th>High</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>DILUTED NET INCOME PER COMMON SHARE FROM CONTINUING OPERATIONS</td>
<td>$3.40</td>
<td>$3.70</td>
<td>$3.70</td>
<td>$4.10</td>
</tr>
<tr>
<td>VALSPAR-RELATED COSTS:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- TRANSACTION AND INTEGRATION COSTS</td>
<td>0.10</td>
<td>0.10</td>
<td>0.10</td>
<td>0.10</td>
</tr>
<tr>
<td>- PURCHASE ACCOUNTING AMORTIZATION EXPENSE</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>CONSOLIDATED EXCLUDING VALSPAR-RELATED COSTS</td>
<td>4.50</td>
<td>4.80</td>
<td>4.80</td>
<td>5.20</td>
</tr>
<tr>
<td>VALSPAR OPERATIONS INCOME</td>
<td>0.80</td>
<td>1.00</td>
<td>0.80</td>
<td>1.00</td>
</tr>
<tr>
<td>NEW DEBT INTEREST EXPENSE</td>
<td>(0.40)</td>
<td>(0.40)</td>
<td>(0.40)</td>
<td>(0.40)</td>
</tr>
<tr>
<td>TOTAL VALSPAR INCOME CONTRIBUTION</td>
<td>0.40</td>
<td>0.60</td>
<td>0.40</td>
<td>0.60</td>
</tr>
<tr>
<td>CONSOLIDATED EXCLUDING VALSPAR</td>
<td>$4.10</td>
<td>$4.20</td>
<td>$4.40</td>
<td>$4.60</td>
</tr>
</tbody>
</table>
## FY17 – FY20 Financial Outlook Assumptions

<table>
<thead>
<tr>
<th></th>
<th>FY16 PRO FORMA</th>
<th>FY20F TARGETS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>$15.8B</td>
<td>4%-6% CAGR Growth</td>
</tr>
<tr>
<td><strong>EBITDA Margin</strong></td>
<td>16.6%</td>
<td>18.8%-21.0% Margin Expansion</td>
</tr>
<tr>
<td><strong>Free Cash Flow % to Sales</strong></td>
<td>8.9%</td>
<td>10% - 10.5%</td>
</tr>
<tr>
<td><strong>Core EPS</strong>*</td>
<td>$16.57</td>
<td>9.0%-12.0% 4 YRS EPS CAGR</td>
</tr>
</tbody>
</table>

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

**BELOW-THE-LINE ITEMS**
- Effective Tax Rate ~25%-29%
- Weight Average Diluted Share Count Decrease

*Excluding Acquisition Costs, Costs To Achieve, 2016 Valspar Restructuring Costs & Purchase Accounting Items.
A FOUNDATION OF STRENGTH

- Track Record of Financial Performance & Focused Execution
- Large, Stable Revenue Base with Improving EBITDA Margins
- Strong Balance Sheet that Provides Liquidity & Flexibility
- SHW & VAL 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

SHW COMMITTED TO DELIVERING 9.0% TO 12.0% EPS CAGR THROUGH 2020
## Appendix 1A: 2016 PRO FORMA (In Millions)

<table>
<thead>
<tr>
<th></th>
<th>SHW As Reported (A)</th>
<th>VAL As Reported (B)</th>
<th>SHW + VAL As Reported (C)</th>
<th>Pro Forma Adjustments (D)</th>
<th>Consolidated Pro Forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET SALES</td>
<td>$11,856</td>
<td>$4,191</td>
<td>$16,047</td>
<td>($224)</td>
<td>$15,823</td>
</tr>
<tr>
<td>INCOME BEFORE INCOME TAXES</td>
<td>$1,595</td>
<td>$435</td>
<td>$2,030</td>
<td>$130</td>
<td>$2,160</td>
</tr>
<tr>
<td>TAXES</td>
<td>$462</td>
<td>$81</td>
<td>$543</td>
<td>$50</td>
<td>$593</td>
</tr>
<tr>
<td>NET INCOME</td>
<td>$1,133</td>
<td>$353</td>
<td>$1,486</td>
<td>$80</td>
<td>$1,566</td>
</tr>
<tr>
<td>EPS</td>
<td></td>
<td></td>
<td>$15.73</td>
<td>$0.84</td>
<td>$16.57</td>
</tr>
</tbody>
</table>

A – The Sherwin-Williams Company As Reported  
B – The Valspar Company As Reported  
C – Combined As Reported  
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 1B: 2016 PRO FORMA (In Millions)

<table>
<thead>
<tr>
<th></th>
<th>SHW As Reported (A)</th>
<th>VAL As Reported (B)</th>
<th>SHW + VAL As Reported (C)</th>
<th>Pro Forma Adjustments (D)</th>
<th>Consolidated Pro Forma</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 31, 2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NET INCOME</td>
<td>$1,133</td>
<td>$353</td>
<td>$1,486</td>
<td>$80</td>
<td>$1,566</td>
</tr>
<tr>
<td>INCOME TAXES</td>
<td>$462</td>
<td>$81</td>
<td>$543</td>
<td>$50</td>
<td>$593</td>
</tr>
<tr>
<td>INTEREST EXPENSE</td>
<td>$154</td>
<td>$91</td>
<td>$245</td>
<td>($73)</td>
<td>$172</td>
</tr>
<tr>
<td>DEPRECIATION</td>
<td>$172</td>
<td>$86</td>
<td>$258</td>
<td>$0</td>
<td>$258</td>
</tr>
<tr>
<td>AMORTIZATION</td>
<td>$26</td>
<td>$12</td>
<td>$38</td>
<td>$0</td>
<td>$38</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$1,947</td>
<td>$623</td>
<td>$2,570</td>
<td>$57</td>
<td>$2,627</td>
</tr>
<tr>
<td>% TO SALES</td>
<td>16.4%</td>
<td>14.9%</td>
<td>16.0%</td>
<td>16.6%</td>
<td></td>
</tr>
</tbody>
</table>

**A – The Sherwin-Williams Company as Reported**

**B – The Valspar Company as Reported**

**C – Combined as Reported**

**D – Pro Forma Adjustments exclude the divestiture of the Valspar North American Industrial Wood Coatings business, acquisition costs, costs to achieve & restructuring charges**

- Divestiture of Valspar North American Industrial Wood Coatings business reduces 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 1C: 2016 PRO FORMA (In Millions)**

<table>
<thead>
<tr>
<th></th>
<th>SHW As Reported (A)</th>
<th>VAL As Reported (B)</th>
<th>SHW + VAL As Reported (C)</th>
<th>Pro Forma Adjustments (C)</th>
<th>Consolidated Pro Forma</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>December 31, 2016</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>October 26, 2016</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Year End 2016</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>WORKING CAPITAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$1,265</td>
<td>$736</td>
<td>$2,000</td>
<td>($29)</td>
<td>$1,971</td>
</tr>
<tr>
<td><strong>% TO SALES</strong></td>
<td>10.7%</td>
<td>17.6%</td>
<td>12.5%</td>
<td></td>
<td>12.5%</td>
</tr>
<tr>
<td><strong>FREE CASH FLOW</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET OPERATING CASH</strong></td>
<td>$1,309</td>
<td>$483</td>
<td>$1,792</td>
<td>($31)</td>
<td>$1,792</td>
</tr>
<tr>
<td><strong>CAPITAL EXPENDITURES</strong></td>
<td>($239)</td>
<td>($120)</td>
<td>($359)</td>
<td>$3</td>
<td>($356)</td>
</tr>
<tr>
<td><strong>FREE CASH FLOW</strong></td>
<td>$1,070</td>
<td>$363</td>
<td>$1,433</td>
<td>($28)</td>
<td>$1,405</td>
</tr>
<tr>
<td><strong>% TO SALES</strong></td>
<td>9.0%</td>
<td>8.7%</td>
<td>9.1%</td>
<td>(0.2)%</td>
<td>8.9%</td>
</tr>
</tbody>
</table>

* A – The Sherwin-Williams Company as Reported  
* B – The Valspar Company as Reported  
* C – Pro Forma Adjustments to exclude acquisition costs, costs to achieve & restructuring charges  
  * Divestiture of Valspar North American Industrial Wood Coatings business reduces working capital $29 million, net income $31 million and capital expenditures of $3 million.
## Appendix 2: 2012 PRO FORMA *(In Millions)*

<table>
<thead>
<tr>
<th></th>
<th>SHW As Reported (A)</th>
<th>VAL As Reported (B)</th>
<th>SHW + VAL As Reported (C)</th>
<th>Pro Forma Adjustments (C)</th>
<th>Consolidated Pro Forma</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>December 31, 2012</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>$9,534</td>
<td>$4,021</td>
<td>$13,555</td>
<td>($199)</td>
<td>$13,356</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NET INCOME</td>
<td>$631</td>
<td>$292</td>
<td>$923</td>
<td>$5</td>
<td>$923</td>
</tr>
<tr>
<td>INTEREST EXPENSE</td>
<td>$43</td>
<td>$68</td>
<td>$111</td>
<td>$0</td>
<td>$111</td>
</tr>
<tr>
<td>INCOME TAXES</td>
<td>$276</td>
<td>$125</td>
<td>$401</td>
<td>$3</td>
<td>$350</td>
</tr>
<tr>
<td>DEPRECIATION</td>
<td>$152</td>
<td>$87</td>
<td>$239</td>
<td>($3)</td>
<td>$239</td>
</tr>
<tr>
<td>AMORIZATION</td>
<td>$27</td>
<td>$7</td>
<td>$34</td>
<td>$0</td>
<td>$34</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$1,129</td>
<td>$579</td>
<td>$1,708</td>
<td>$5</td>
<td>$1,713</td>
</tr>
<tr>
<td>% TO SALES</td>
<td>11.8%</td>
<td>14.4%</td>
<td>12.6%</td>
<td></td>
<td>12.8%</td>
</tr>
</tbody>
</table>

A – The Sherwin-Williams Company as Reported
B – The Valspar Company as Reported
C – Pro Forma Adjustments exclude the divestiture of the Valspar North American Industrial Wood Coatings business & restructuring charges
  - Divestiture of Valspar North American Industrial Wood Coatings business reduces sales $199 million, income before taxes of $18 million, net income of $12 million and depreciation of $3 million
  - Valspar restructuring charges of $26 million ($17 million after-tax)