Global Finishes Group

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President, Global Finishes Group
Game Changer Video
Global Finishes Group
‘Industrial Coatings’ Industry by Segment

$68.5 Billion Global Industry

Source: KNG; Sherwin-Williams
Revenue Share By Region

$68.5 Billion Global Industry

Americas 23%
Europe 28%
Asia-Pacific 46%
Rest of World 3%
Business Environment

Uneven Global Economy
- Growth Opportunities
- Currency Headwinds Persist

Expanding Environmental Pressures
- Disruptive Opportunities
- Technology Innovation

Customer Globalization
- Manufacturing Shifting to Low Cost Regions
- OEMs Sourcing Globally
- Solution-Driven Business Environment
Delivering Solutions

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

**Globalization of Customers**
- Complete Global Product Lines
- Local JIT Service
- Technology Transfer
- Global Account Management

**Improved Cycle Times**
- Increased Coverage w/ Fewer Cycles
- Faster Curing
- Higher Throughput
- “Air Dry” Technology

**Environmentally Preferable Products**
- Waterborne Solutions
- Maintain Cost Competitiveness
- On-Site Technical Support
- Minimize Customer Investment
### The Global Finishes Group

#### Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>Full Year</th>
<th>2014</th>
<th>2015</th>
<th>% Chg.</th>
<th>Currency Impact %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td></td>
<td>$2.08B</td>
<td>$1.92B</td>
<td>(7.9)%</td>
<td>(7.5)%</td>
</tr>
<tr>
<td><strong>Segment Profit</strong></td>
<td></td>
<td>$201.1M</td>
<td>$201.9M</td>
<td>0.4%</td>
<td>(13.2)%</td>
</tr>
<tr>
<td><strong>% Sales</strong></td>
<td></td>
<td>9.7%</td>
<td>10.5%</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>First Quarter</th>
<th>1Q-2015</th>
<th>1Q-2016</th>
<th>% Chg.</th>
<th>Currency Impact %</th>
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</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td></td>
<td>$469.6M</td>
<td>$454.2M</td>
<td>(3.3)%</td>
<td>(4.7)%</td>
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<tr>
<td><strong>Segment Profit</strong></td>
<td></td>
<td>$38.9M</td>
<td>$48.6M</td>
<td>24.9%</td>
<td>(7.6)%</td>
</tr>
<tr>
<td><strong>% Sales</strong></td>
<td></td>
<td>8.3%</td>
<td>10.7%</td>
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<td></td>
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</tbody>
</table>
Sales
Year-End Results

$ Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>% Chg</th>
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<tbody>
<tr>
<td>2009</td>
<td>$1,085</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>$1,417</td>
<td>30.6%</td>
</tr>
<tr>
<td>2011</td>
<td>$1,878</td>
<td>32.5%</td>
</tr>
<tr>
<td>2012</td>
<td>$1,961</td>
<td>4.4%</td>
</tr>
<tr>
<td>2013</td>
<td>$2,005</td>
<td>2.2%</td>
</tr>
<tr>
<td>2014</td>
<td>$2,081</td>
<td>3.8%</td>
</tr>
<tr>
<td>2015</td>
<td>$1,916</td>
<td>(7.9)%</td>
</tr>
</tbody>
</table>

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Segment Profit
Year-End Results

$ Millions  % to Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Segment Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$14.1, 1.3%</td>
</tr>
<tr>
<td>2010</td>
<td>$64.7, 4.6%</td>
</tr>
<tr>
<td>2011</td>
<td>$90.3, 4.8%</td>
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<tr>
<td>2012</td>
<td>$147.2, 7.5%</td>
</tr>
<tr>
<td>2013</td>
<td>$170.6, 8.5%</td>
</tr>
<tr>
<td>2014</td>
<td>$201.1, 9.7%</td>
</tr>
<tr>
<td>2015</td>
<td>$201.9, 10.5%</td>
</tr>
</tbody>
</table>

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Sales Approach
Segmentation

Wood Finishes

General Industrial
Customer Needs

Global Support
Sales Approach
Global Accounts
Global Finishes Group

R&D 2016

Group R&D & Technical

Lab Synergy

Raw Material Optimization

Color

Product Innovation

Scale Up

Global Strategy & Resources
Complete Development Support
Delivering Differentiated Solutions
Complete Development Support
Delivering Differentiated Solutions

COLOR & DESIGN
Color Studio
OEM Matching Tools
Trends & Innovation
Complete Development Support
Delivering Differentiated Solutions

DESIGN ENGINEERING
- CAD Modeling
- Lean Manufacturing
- Complete Turnkey Installation

Manufacturing
Design

Color & Design

Product Testing

Customer Line Trial

Centers

Finished Product
Complete Development Support
Delivering Differentiated Solutions

- Product Testing
  - Complete ASTM Logs
  - Centers of Excellence
  - Color Matching

- Design Engineering
- Application Centers
- Customer Line Trial
- Finished Product
- Manufacturing Design
- Color & Design

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Complete Development Support
Delivering Differentiated Solutions

Design Engineering

Application Centers
- Humidity
- Temperature
- Curing Methods

Manufacturing
Design

Color & Design

Product Testing

Finished Product

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Complete Development Support
Delivering Differentiated Solutions

CUSTOMER LINE TRIAL
Local Tech Service
Drop-In Solutions
Qualification On Line

Design Engineering
Color & Design
Product Testing
Finished Product

Manufacturing
Design
Complete Development Support
Delivering Differentiated Solutions

Design Engineering

Application Centers

Customer Line Trial

Design
Manufacturing

Color & Design

Product Testing

FINISHED PRODUCT

Speed to Market
Minimal Downtime

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Summary

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