Forward-Looking Statement

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.
Global Supply Chain

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

DRIVE CONTINUOUS IMPROVEMENT
Global Business Management System

End-to-End Supply Chain

Management Review  Continuous Improvement  Accelerated Root Cause  Time Management

PEOPLE  SYSTEMS  TOOLS  PROCESSES
What This Accomplishes

• Drives Customer Satisfaction

• Cost Reduction

• Accelerated Growth
Focus Areas

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

<table>
<thead>
<tr>
<th></th>
<th>Sherwin-Williams</th>
<th>Valspar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Quality</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Service</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Cost</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>People</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>
Safety
Recordable Case Rate

Source: The North American Industry Classification System (NAICS)
Net Fixed Assets
Value in Dollars

2017

OPPORTUNITY

S-W
Val
Working Capital % to Sale

<table>
<thead>
<tr>
<th>Year</th>
<th>S-W</th>
<th>Val</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Operational Excellence Savings

Valspar Base Line Being Established

- 2008
- 2009
- 2010
- 2011
- 2012
- 2013
- 2014
- 2015
- 2016
- 2017
Fleet Operations
New Distribution Center

Waco, Texas
New Plant

Nantong, China
AFPM ‘18: North America TiO2 supply to remain tight amid growing demand
24 March 2018 21:30
HOUSTON (ICIS)-

AFPM ‘18: US propylene to lengthen, but concerns remain on PDH reliability
27 March 2018 20:21
San Antonio (ICIS)-

US epoxy pricing to remain elevated through summer – Morgan Stanley
29 March 2018 23:03
HOUSTON (ICIS)-

Oil to rise in 2018 as OPEC wages tug-of-war with U.S. shale: Reuters poll
BUSINESS NEWS
MARCH 29, 2018 / 8:23 AM / UPDATED 4 HOURS AGO
Typical Coatings Product
2018 est. vs. 2017

*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.

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%

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

- Alternate Supply
- Internal Development
- Efficiency Projects
- Acquisition Synergies
Sulphate vs. Chloride

Efficiency Projects

High Hide

Light transmission through typical paint film
Light transmission Blocked

Blocking light transmission in paint improves hide and brightness
Dual Sourcing Strategy – Internal vs. External

- Internal Development
  - Engineered Polymer Solutions
- External Suppliers

Controlled Production (lbs.)

Innovation Pipeline

Stage 1
Concept Definition
- Maintenance & Durability
- Visual Appearance
- Custom Solutions
- Sustainability
- The Painting Process
- Time & Labor

Stage 2
Technology Assessment
- Stage 3
Technology Development
- Stage 4
Commercialization

- ProCraft
- AQUA NAME
- SHOWCASE
- Platinum

The Painting Process
Time & Labor

FINANCIAL COMMUNITY PRESENTATION – MAY 22, 2018
## Acquisition Integration

<table>
<thead>
<tr>
<th>Process</th>
<th>Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dedicated Teams</td>
<td>Raw Material Savings</td>
</tr>
<tr>
<td>Project Management</td>
<td>Indirect Spend Savings</td>
</tr>
<tr>
<td>Reporting &amp; Metrics</td>
<td>Organizational Design</td>
</tr>
<tr>
<td>Parking Lot Projects</td>
<td>Operating Efficiencies</td>
</tr>
</tbody>
</table>
Integration Rationalization & Optimization
Summary

• Focused Global Supply Chain Organization

• Leveraging Systems, Tools & Processes

• Deliver Best in Class Service