



SHERWIN-WILLIAMS.

INDUSTRY OVERVIEW

BOB WELLS
SENIOR VICE PRESIDENT,
CORPORATE COMMUNICATIONS & PUBLIC AFFAIRS



Forward-Looking Statement

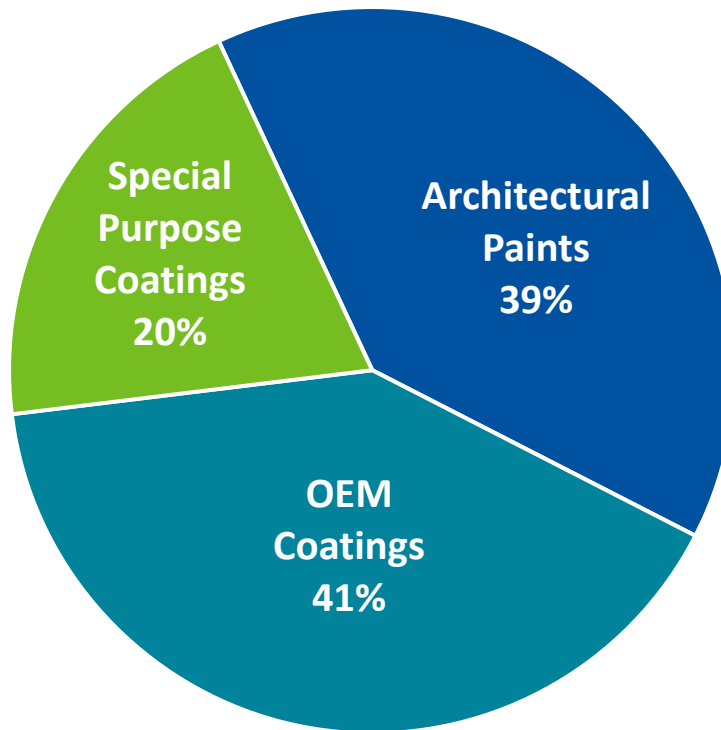
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The presentations today will contain certain “forward-looking statements,” as defined under U.S. federal securities laws, with respect to sales, earnings and other matters. These statements can be identified by the use of forward-looking terminology 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.

Paint & Coatings Industry

Global Mix by Category (Based on \$)

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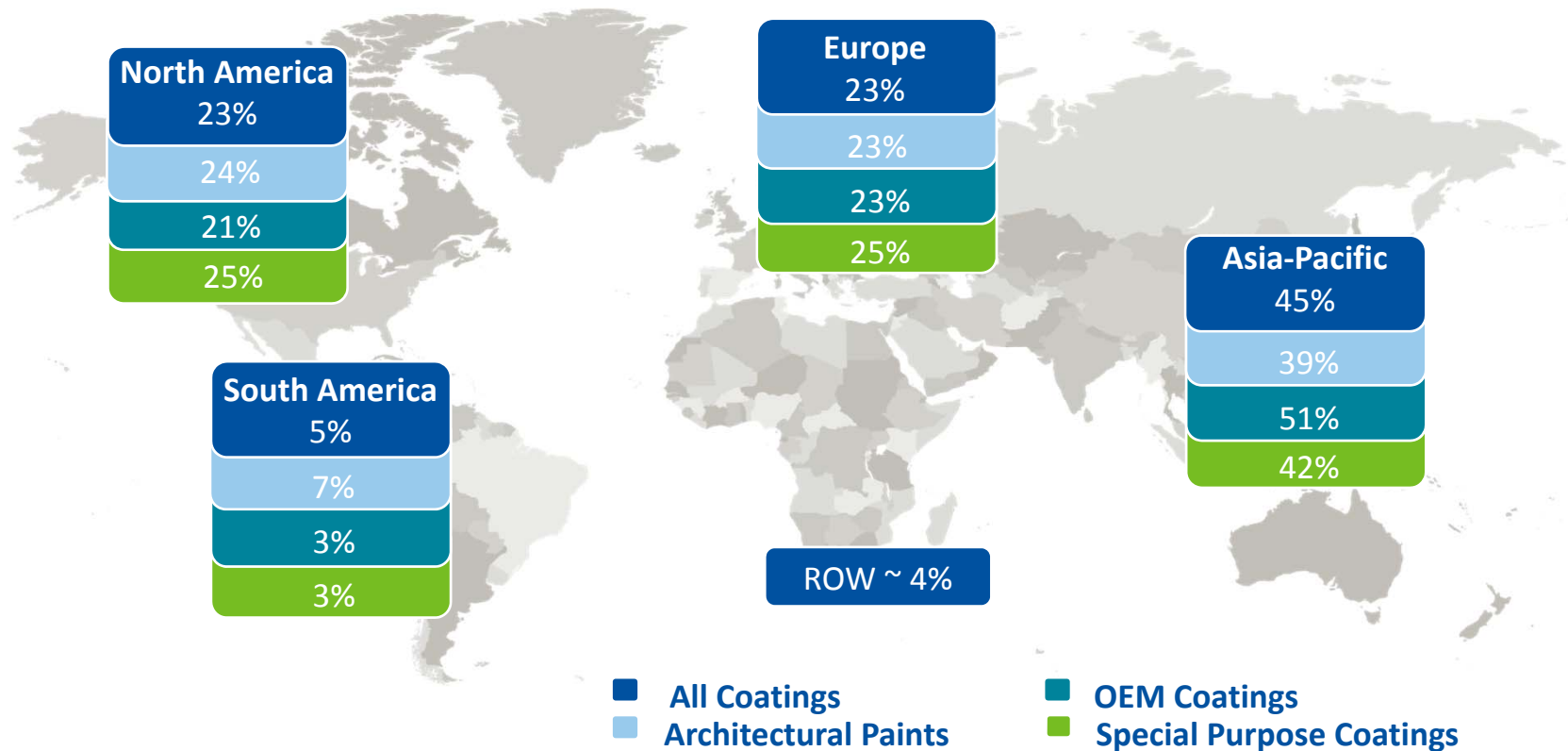
Total Coatings

2016
~ 9 Billion Gallons
~121 Billion Dollars

Paint & Coatings Demand by Region

Geographic Split of Global Revenue

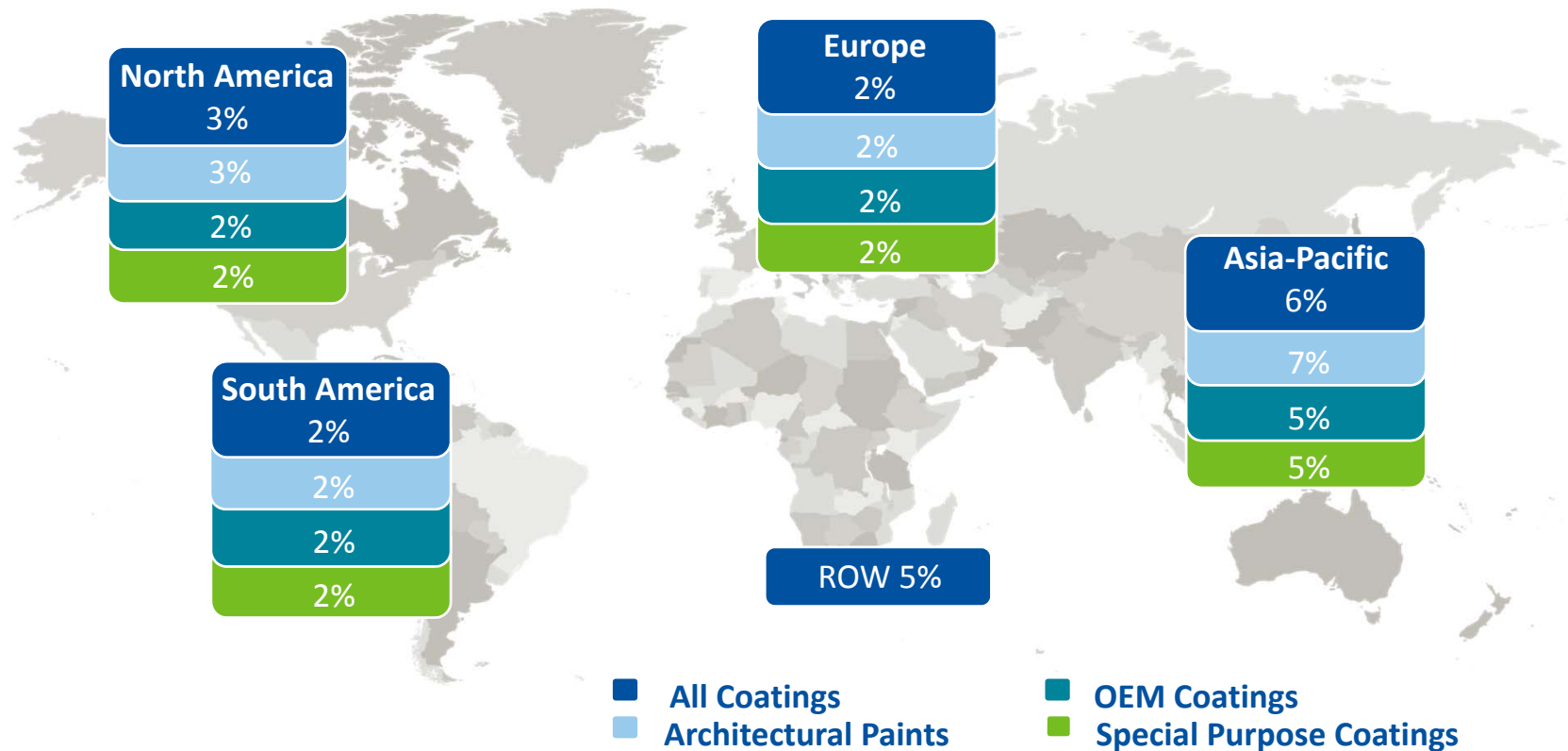
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Projected Demand by Region

5-Year Growth Rate Estimates

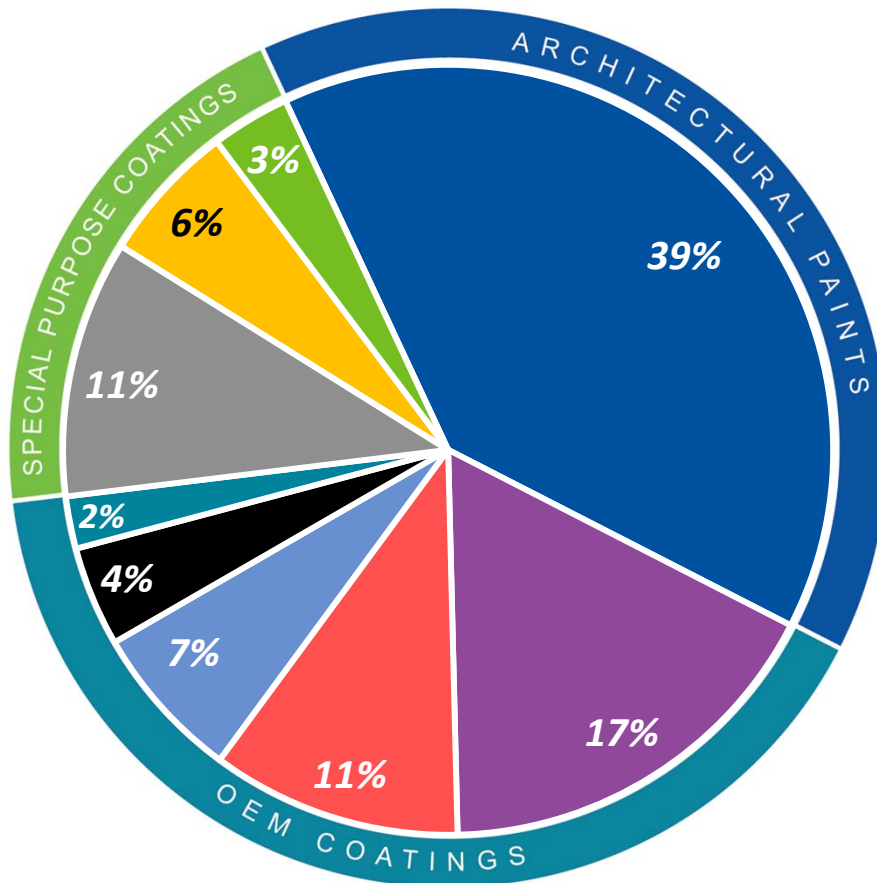
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Paint & Coatings Industry

Global Mix by Category (Based on \$)

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Total Coatings

2016
 ~9 Billion Gallons
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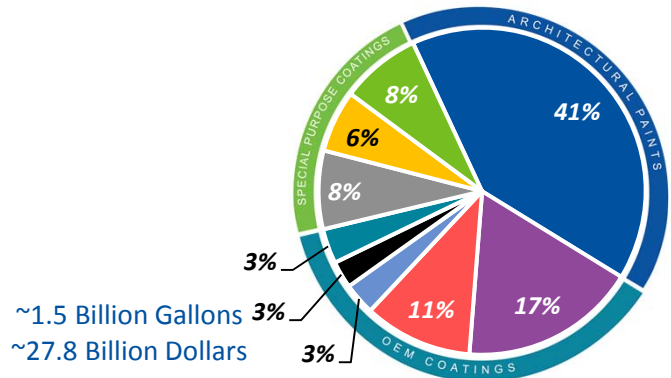
- ARCHITECTURAL
- GENERAL INDUSTRIAL
- AUTO OEM
- WOOD
- COIL
- PACKAGING
- PROTECTIVE & MARINE
- AUTO REFINISH
- OTHER

Industry Breakdown by Region

2016 Sales (\$) Mix by Category

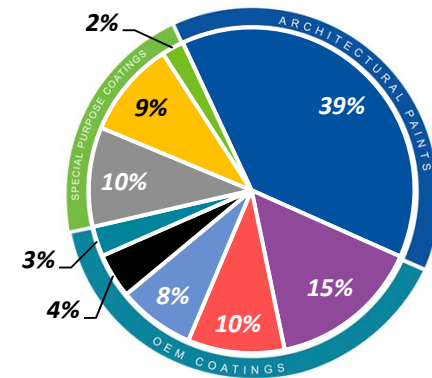
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North America Coatings Industry



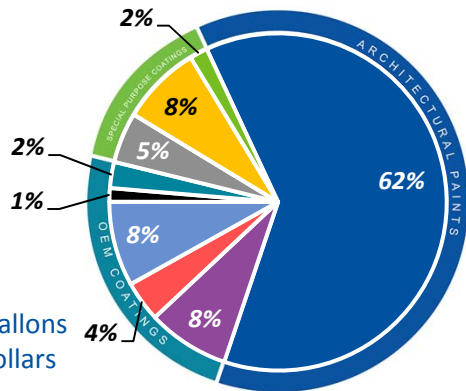
~1.5 Billion Gallons
~27.8 Billion Dollars

Europe Coatings Industry



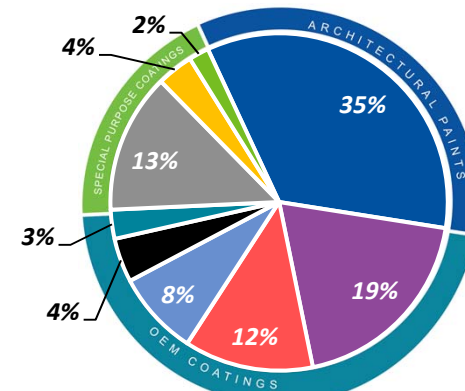
~2.1 Billion Gallons
~28.4 Billion Dollars

Latin America Coatings Industry



~583 Million Gallons
~5.5 Billion Dollars

Asia-Pacific Coatings Industry



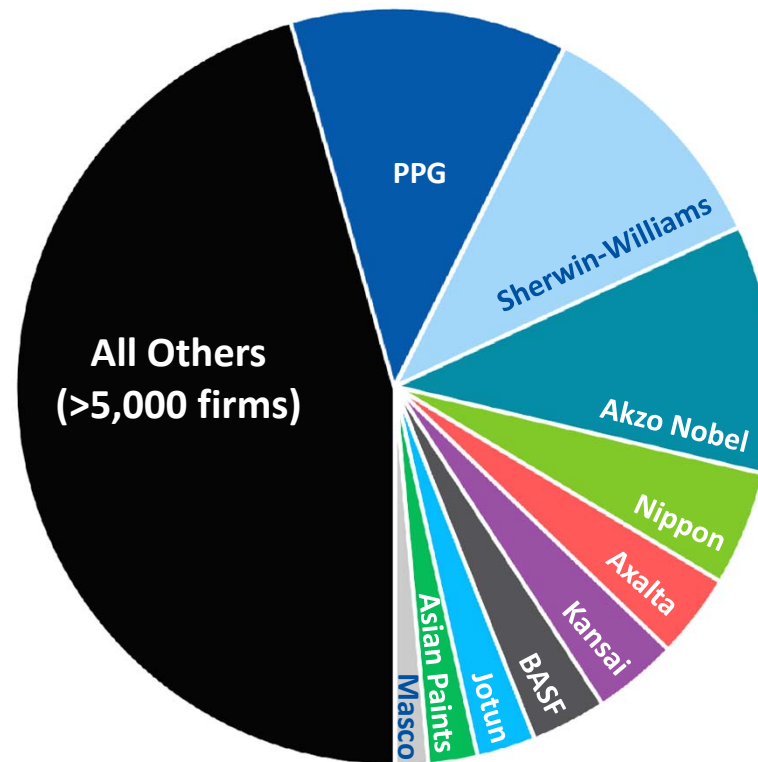
~4.2 Billion Gallons
~53.8 Billion Dollars

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

Top Global Manufacturers

Coatings Industry 2016

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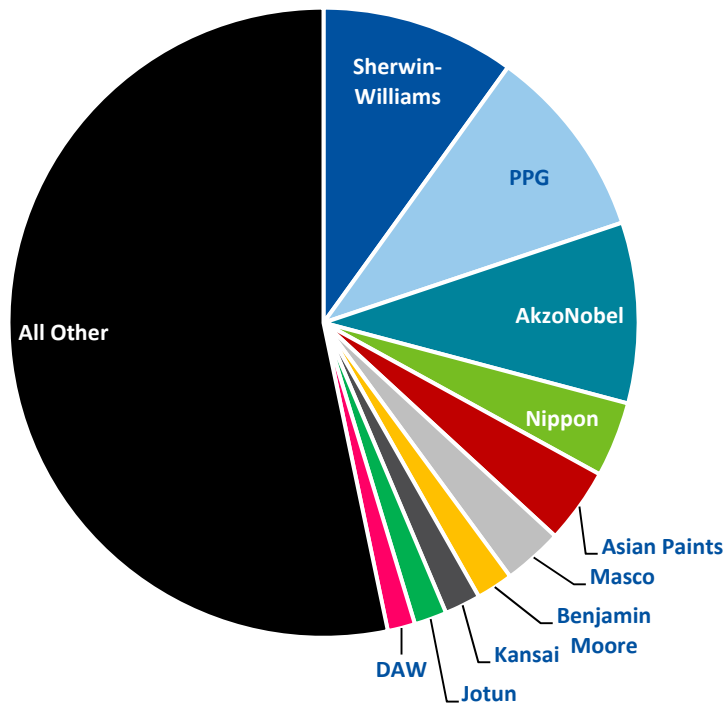
Global Market
Top 10 Suppliers ~55%

Top Global Manufacturers

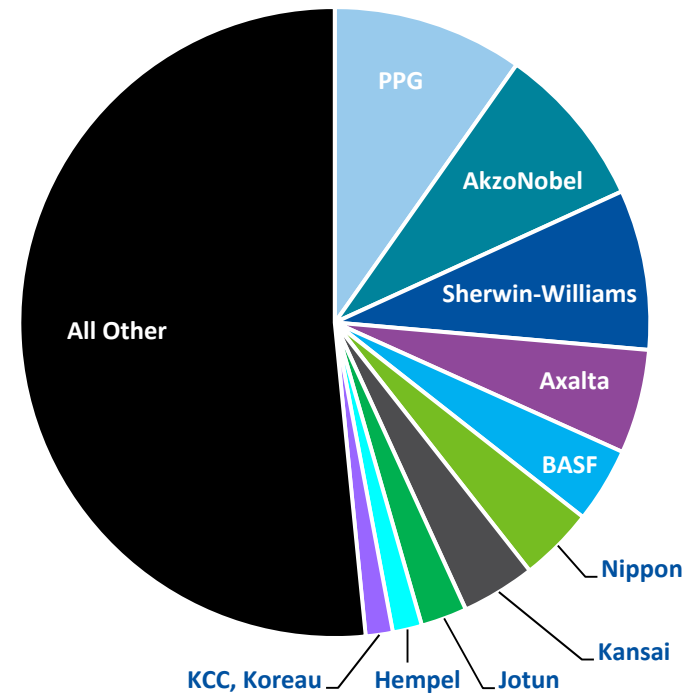
Coatings Industry 2016

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Architectural Market
Top 10 Suppliers ~46%



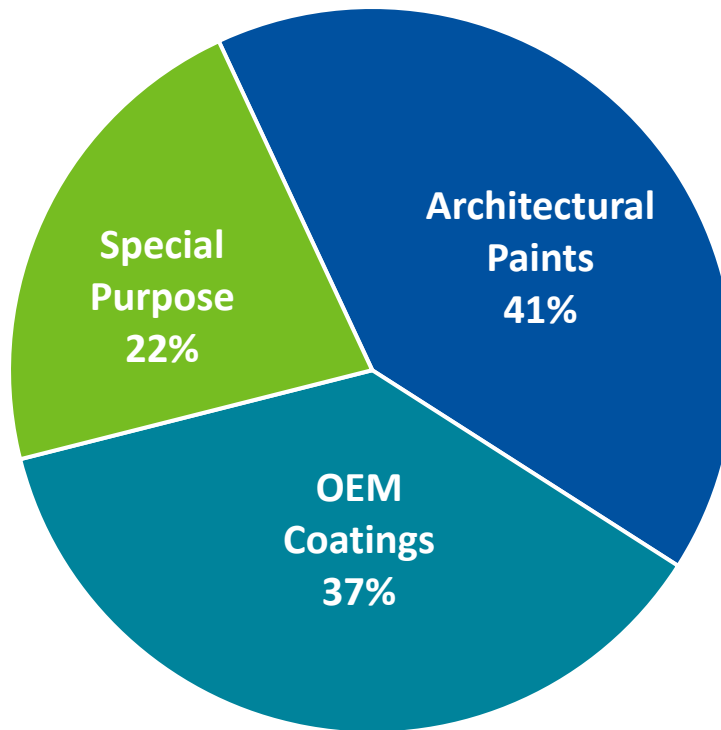
Industrial Market
Top 10 Suppliers ~48%



North America Paint & Coatings Industry

Sales (\$) Mix by Category

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North America Paint & Coatings

2016

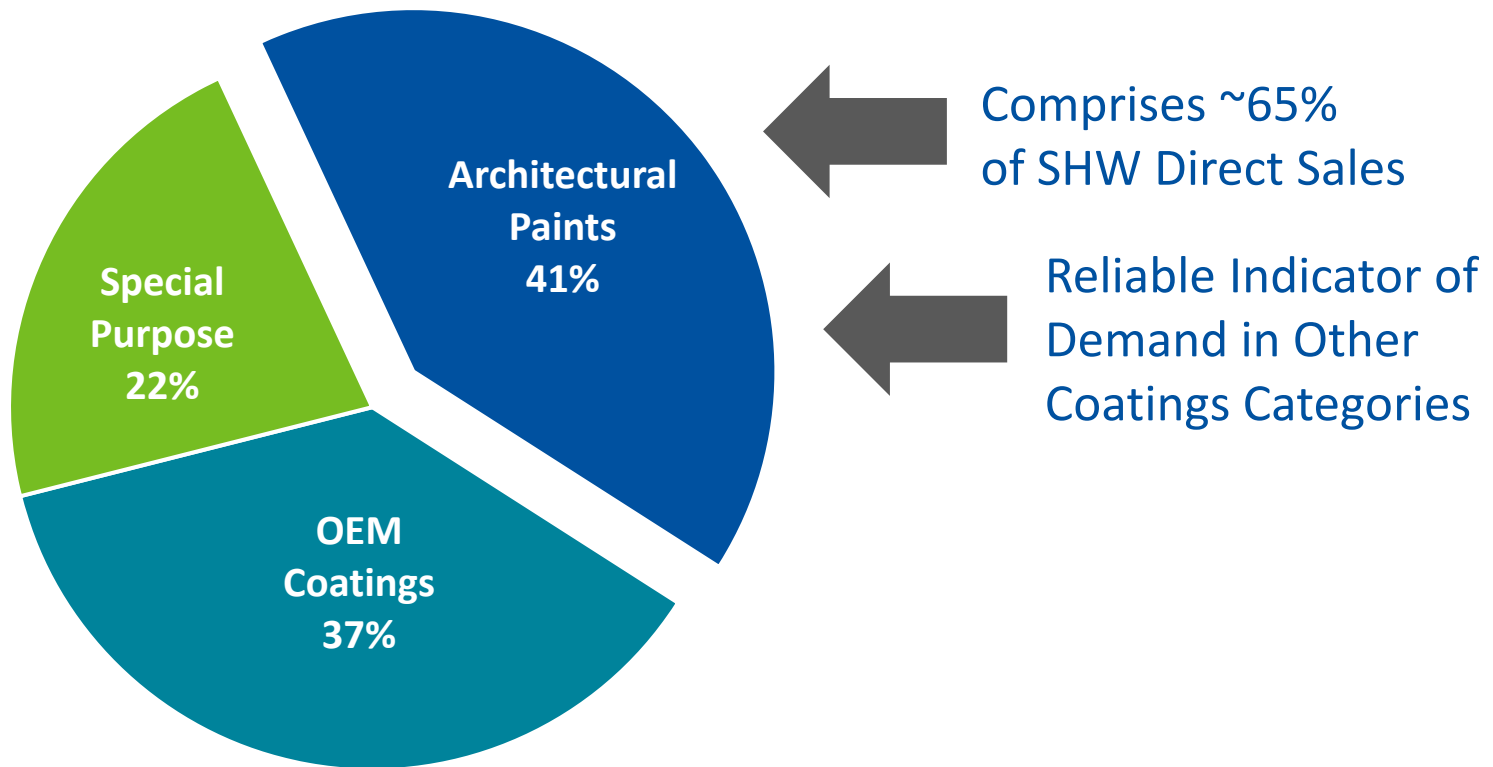
~ 1.5 Billion Gallons

~27.8 Billion Dollars

North America Paint & Coatings Industry

Sales (\$) Mix by Category

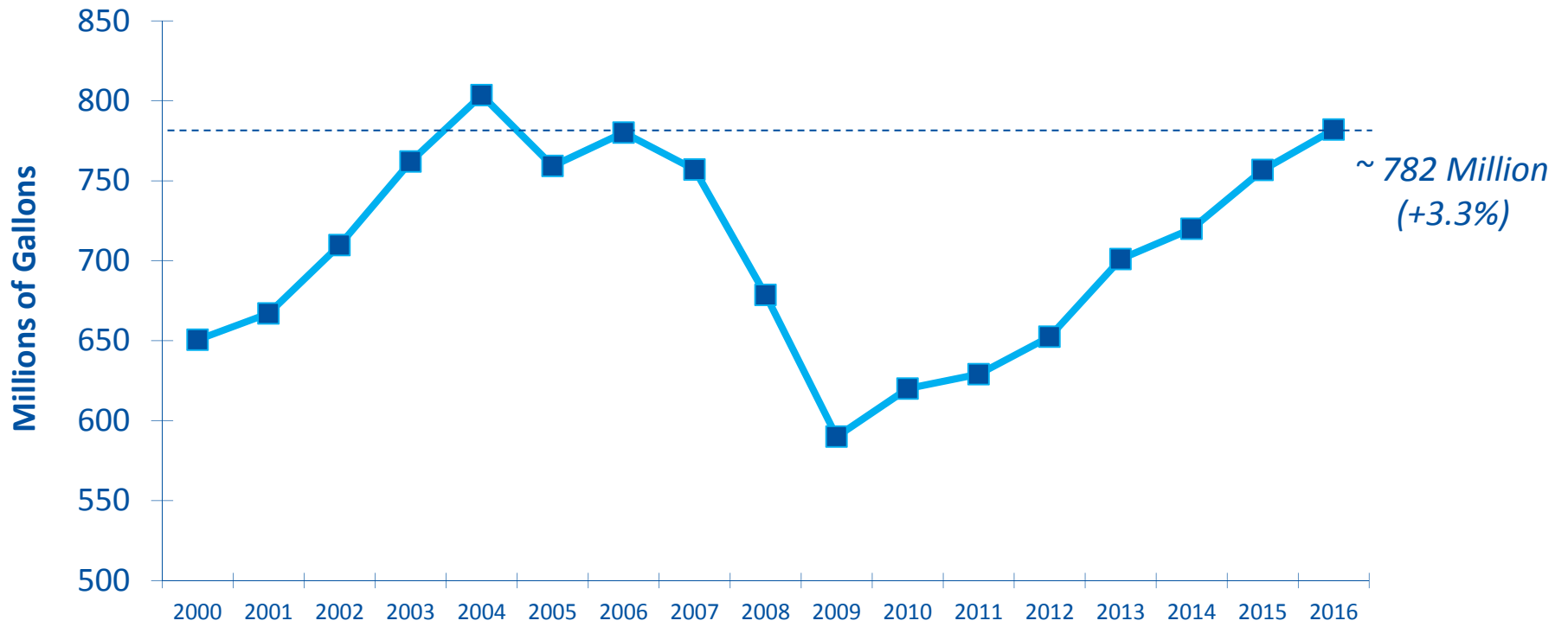
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U.S. Paint & Coatings Industry

Architectural Paint Gallons (Millions)

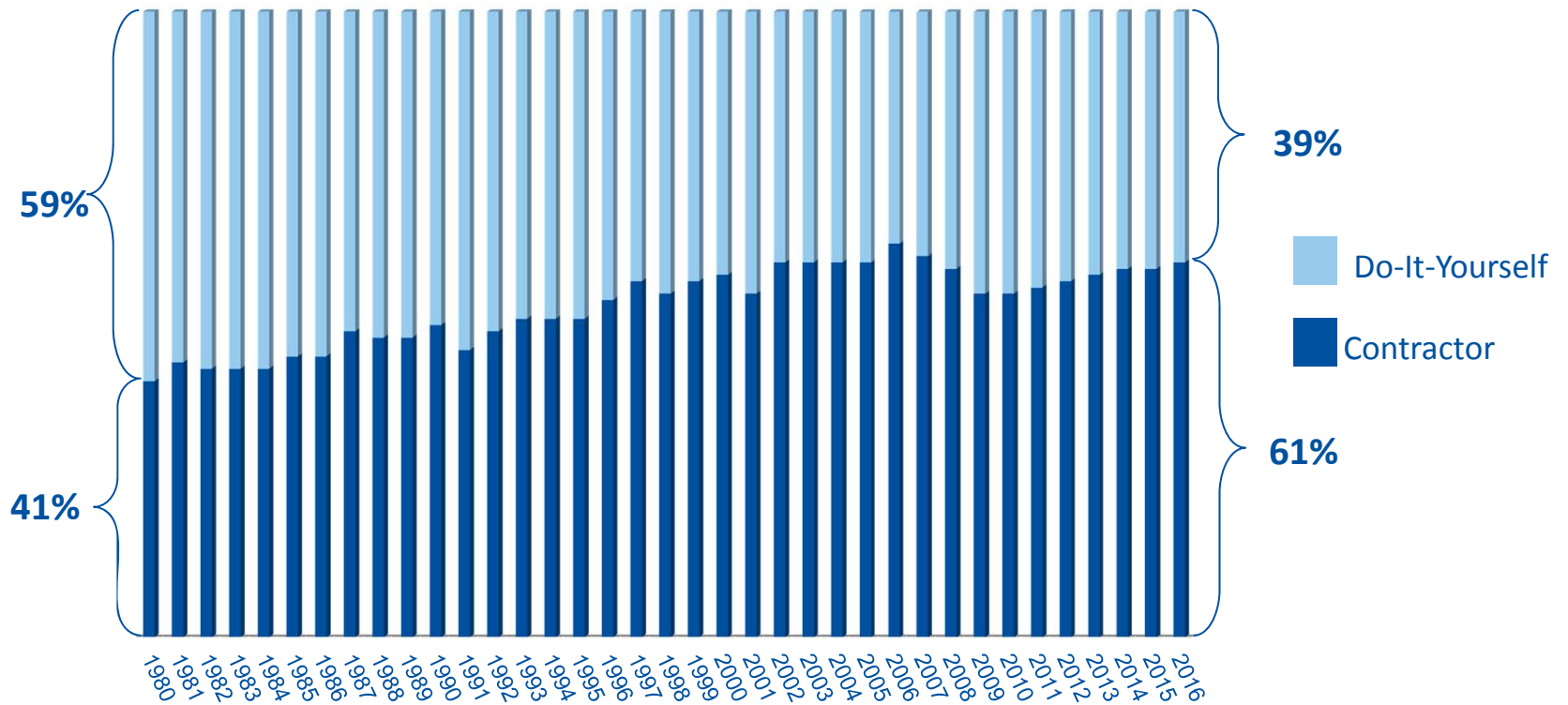
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Favorable Customer Mix

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

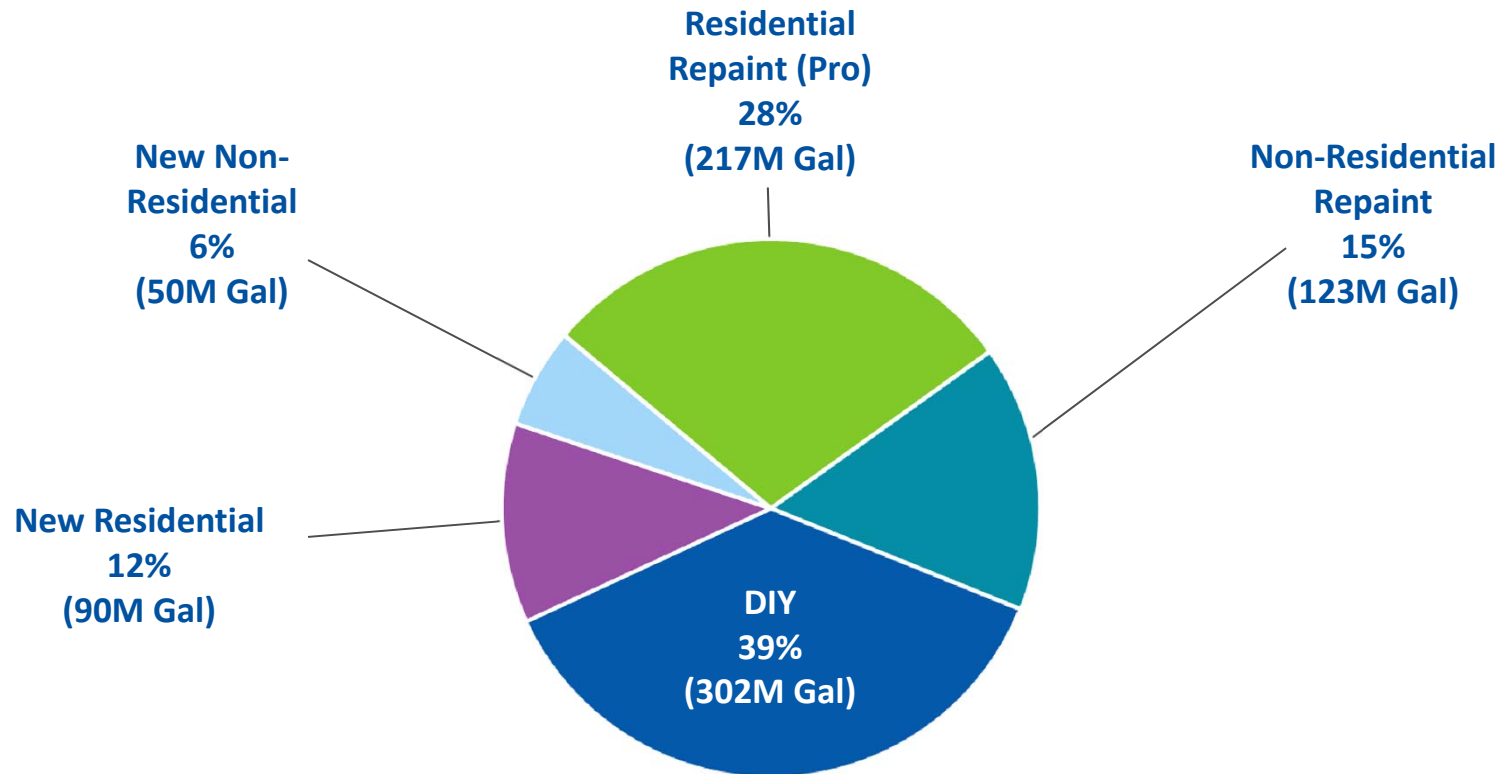
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U.S. & Canada Architectural Paints

Breakdown by Segment

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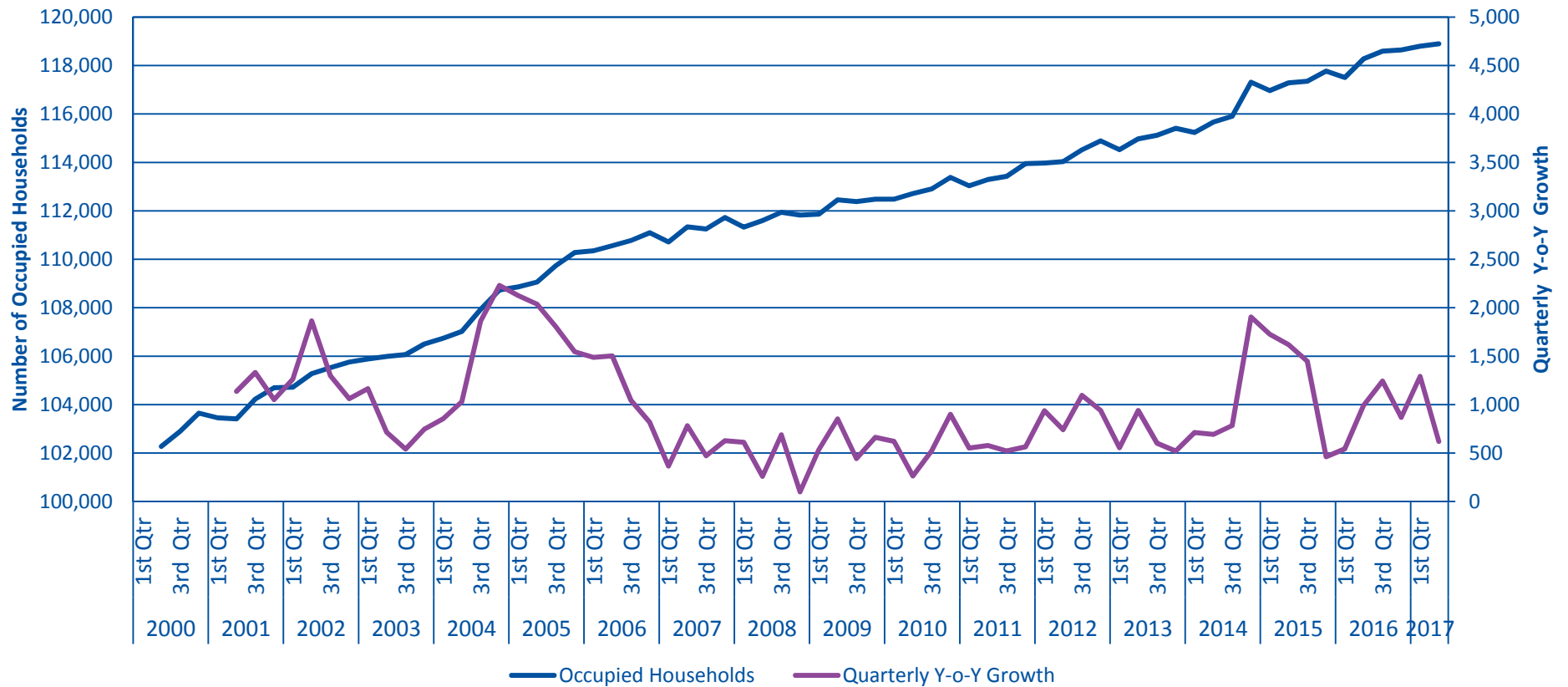


782 Million Gallons

U.S. Paint & Coatings Industry

Sustained Household Formation Underpins Housing Demand

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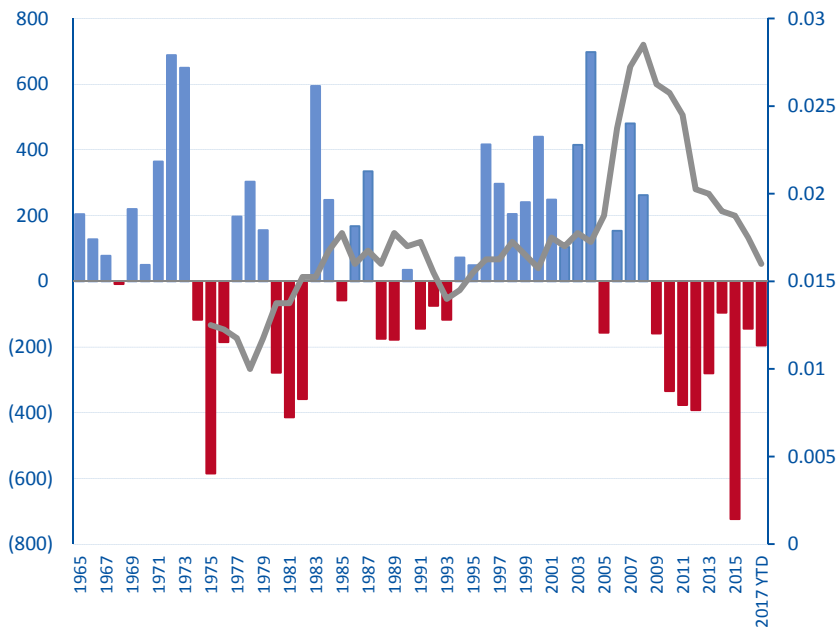
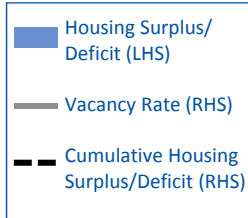


U.S. Paint & Coatings Industry

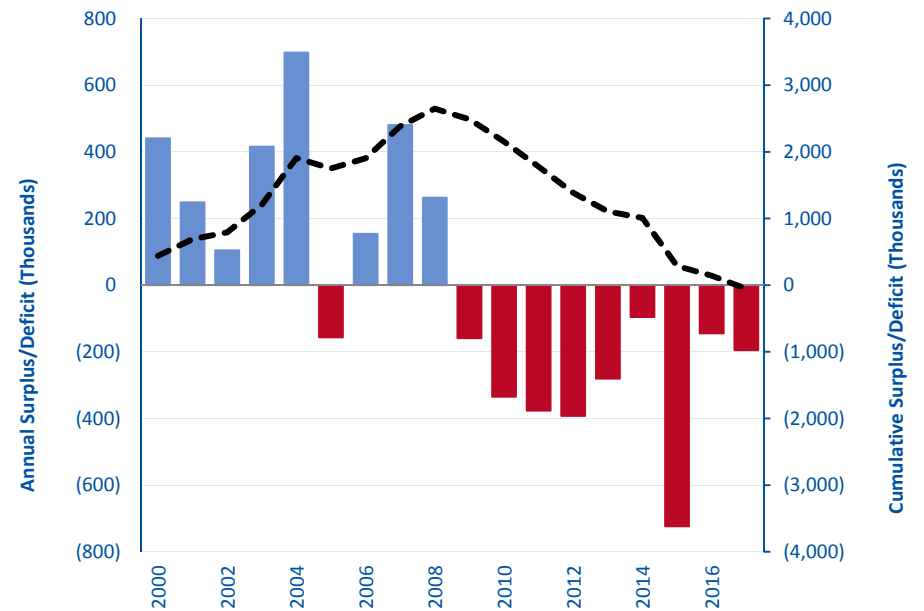
Housing Supply not Keeping Pace

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Housing Surplus/Deficit (thousand) & Homeowner Vacancy Rate



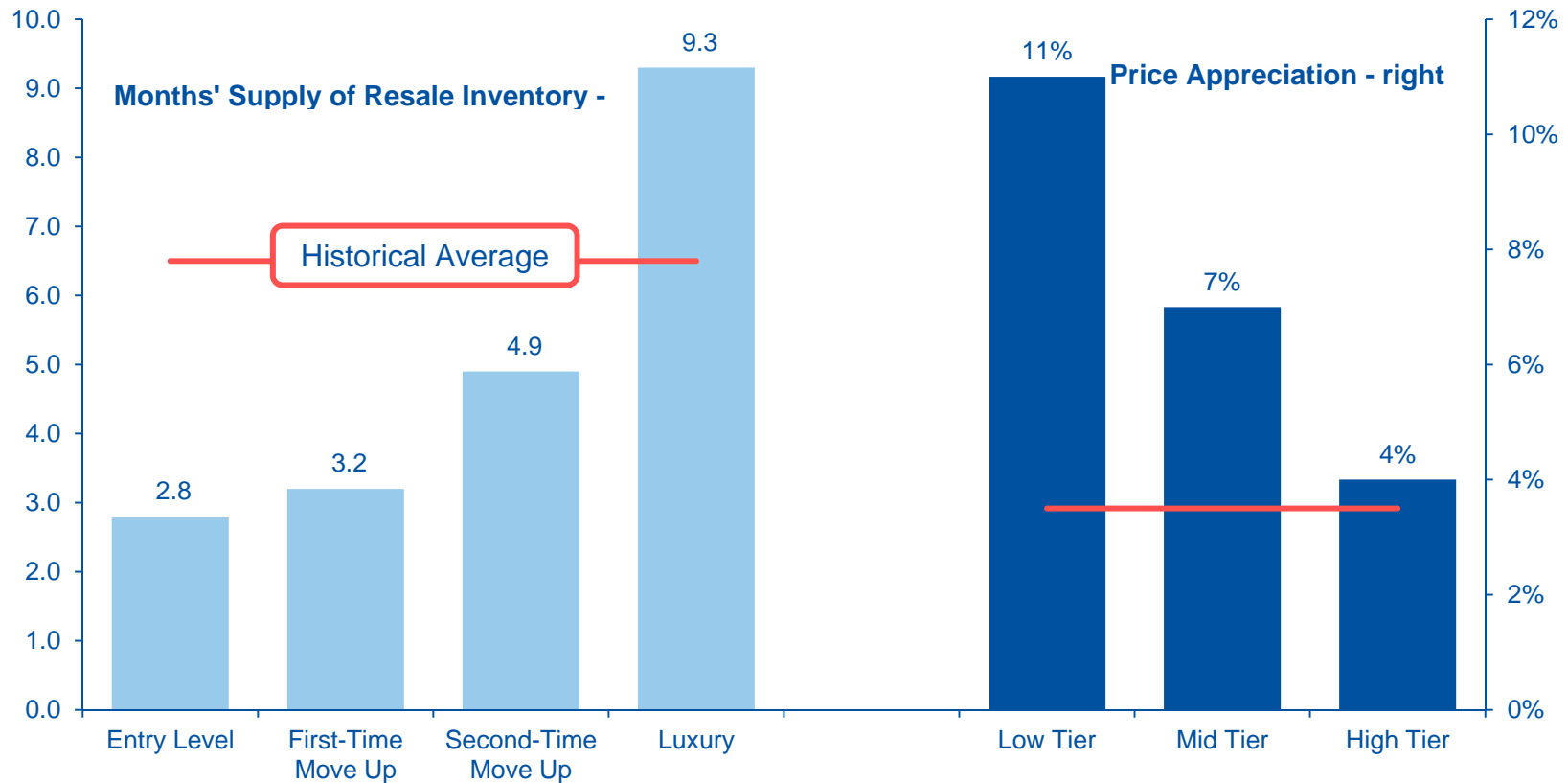
Housing Surplus/Deficit (thousand)



U.S. Paint & Coatings Industry

Shortfall Particularly Acute in Entry Level

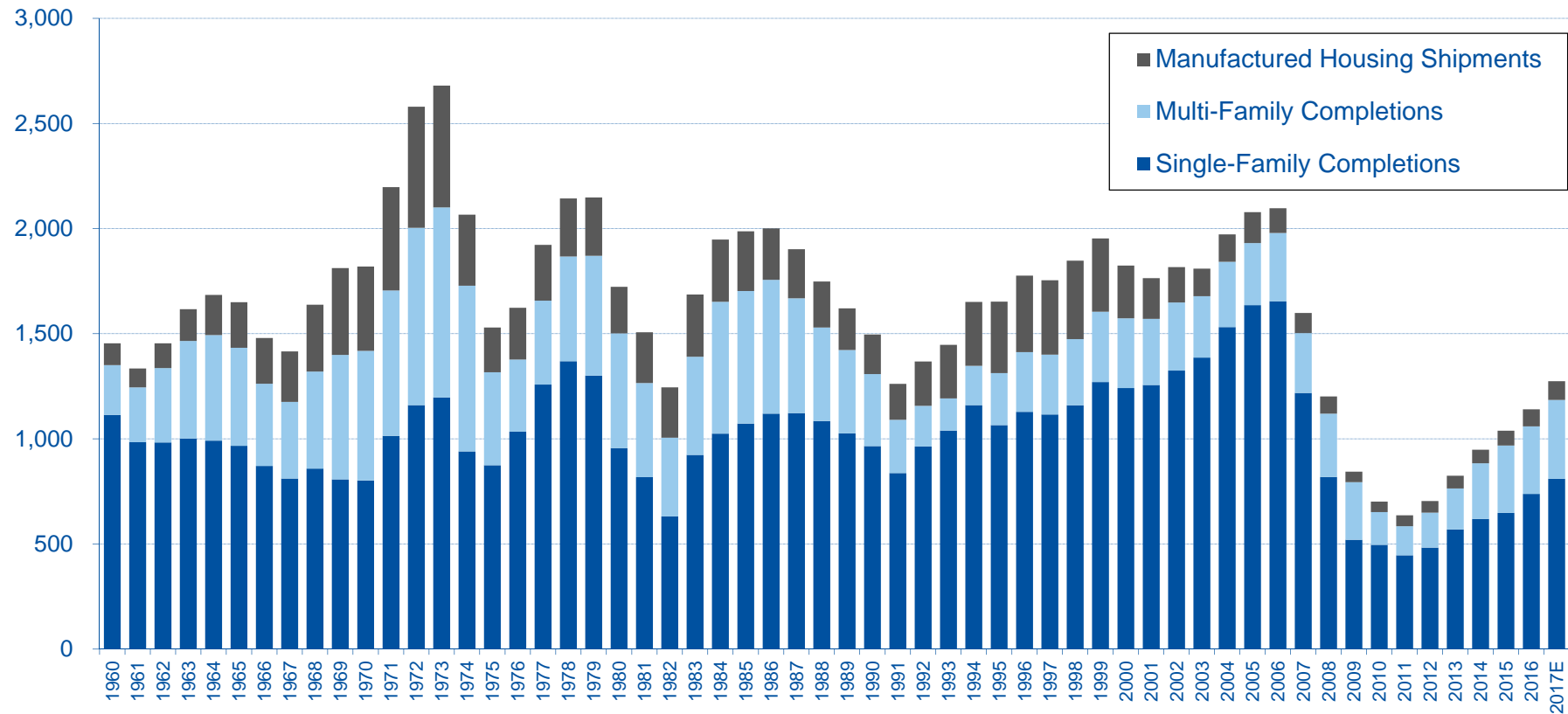
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U.S. Paint & Coatings Industry

New Housing Activity Lags Prior Periods

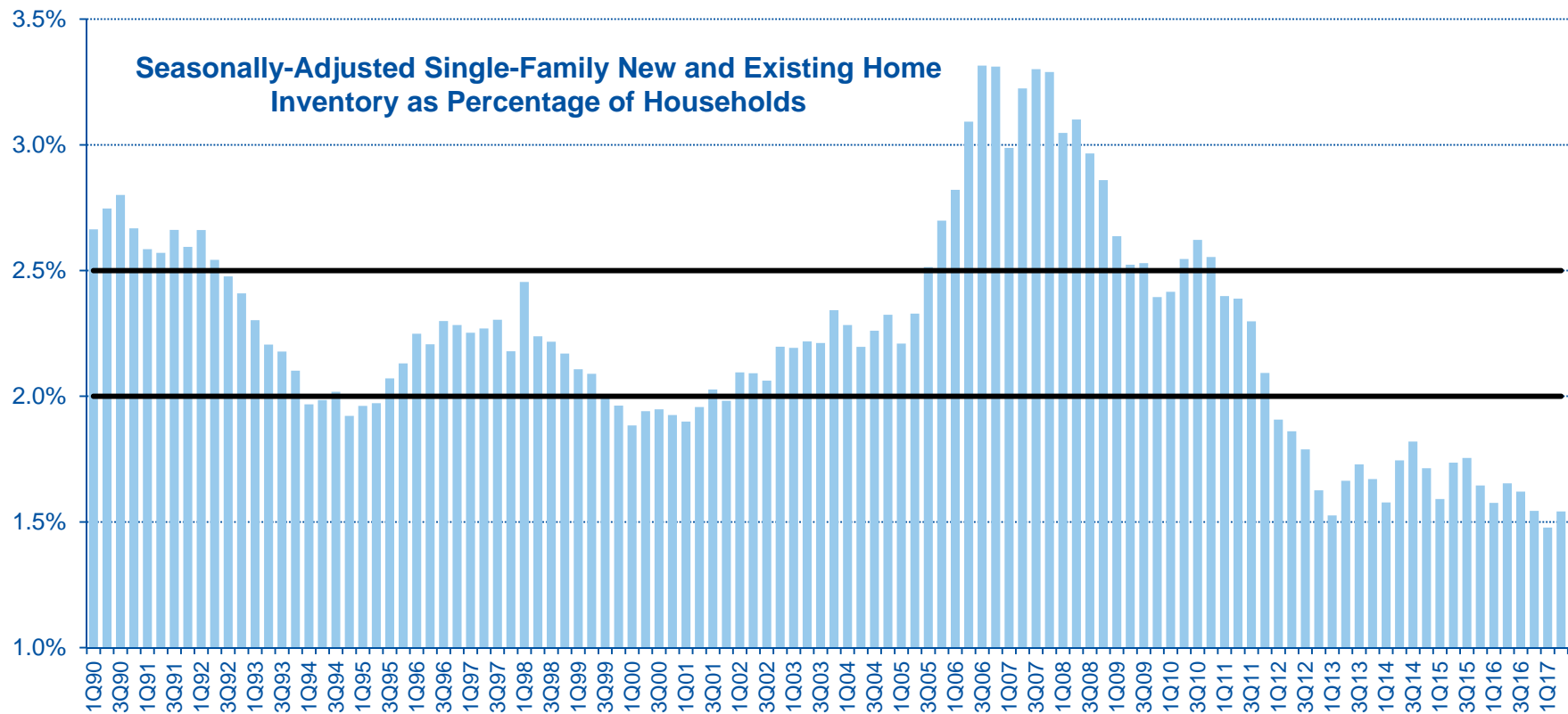
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U.S. Paint & Coatings Industry

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

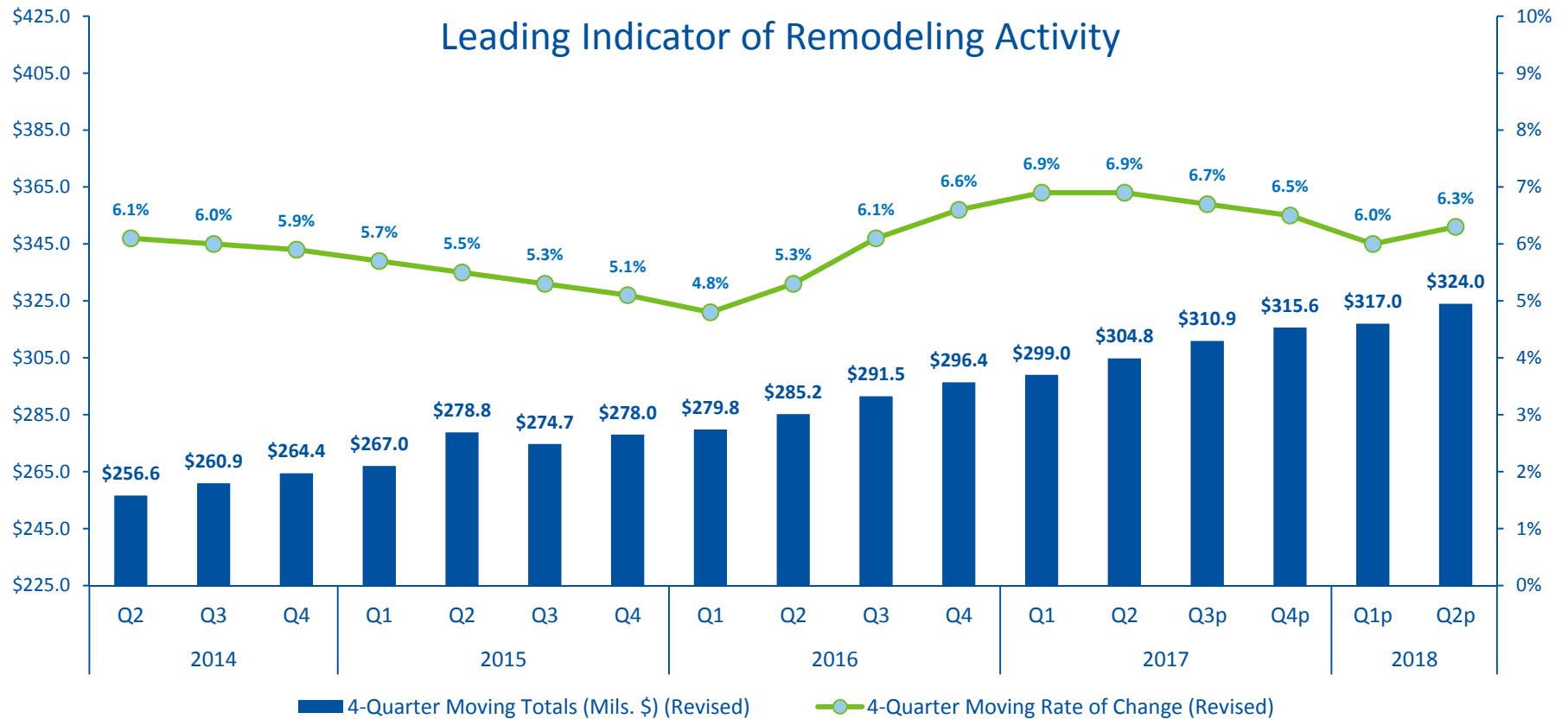
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U.S. Paint & Coatings Industry

Residential Remodeling Market Remains Strong

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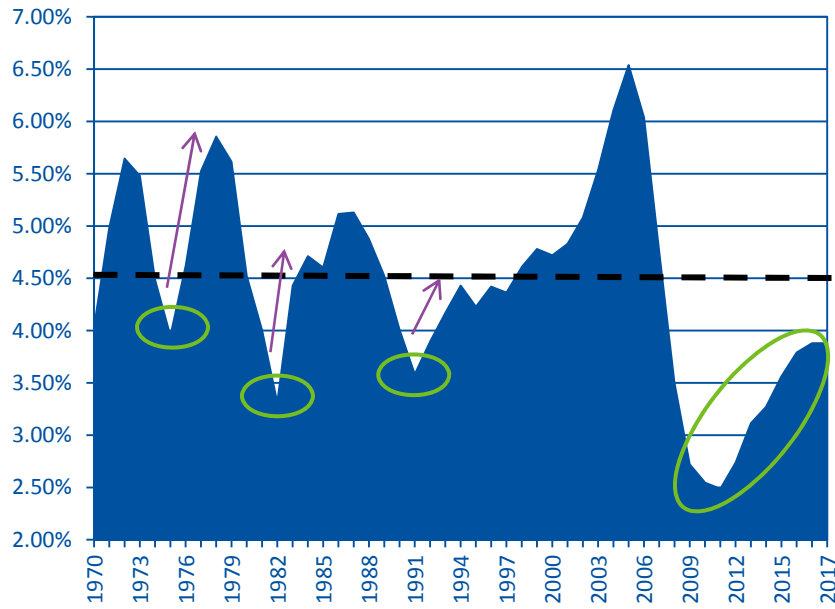
U.S. Paint & Coatings Industry

Residential and Non-Residential Fixed Investment as % of GDP

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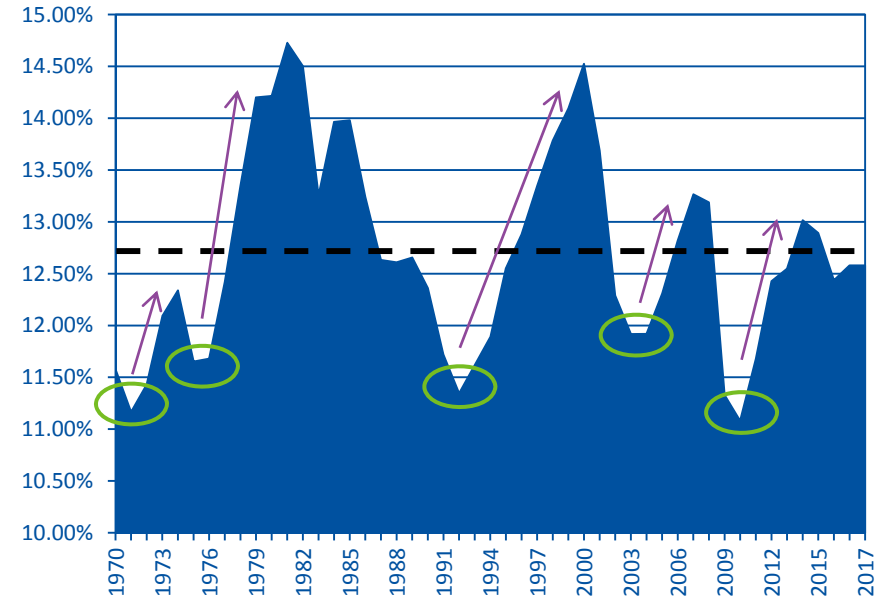
Residential Investment

3.8% of GDP in 2Q17
13% Below Historical Average



Non-Residential Investment

12.6% of GDP in 2Q17
4% Below Historical Average

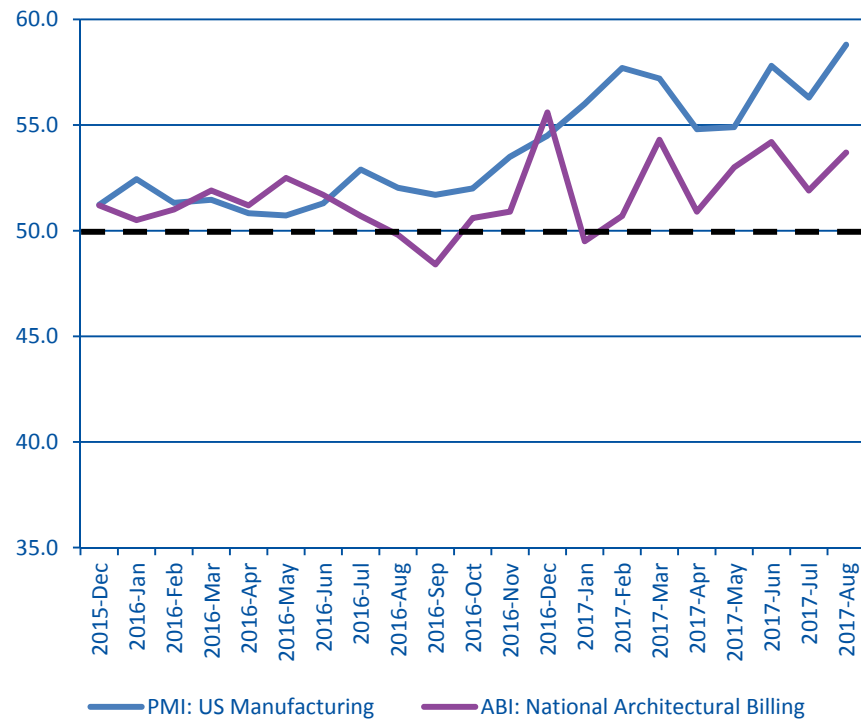


U.S. Paint & Coatings Industry

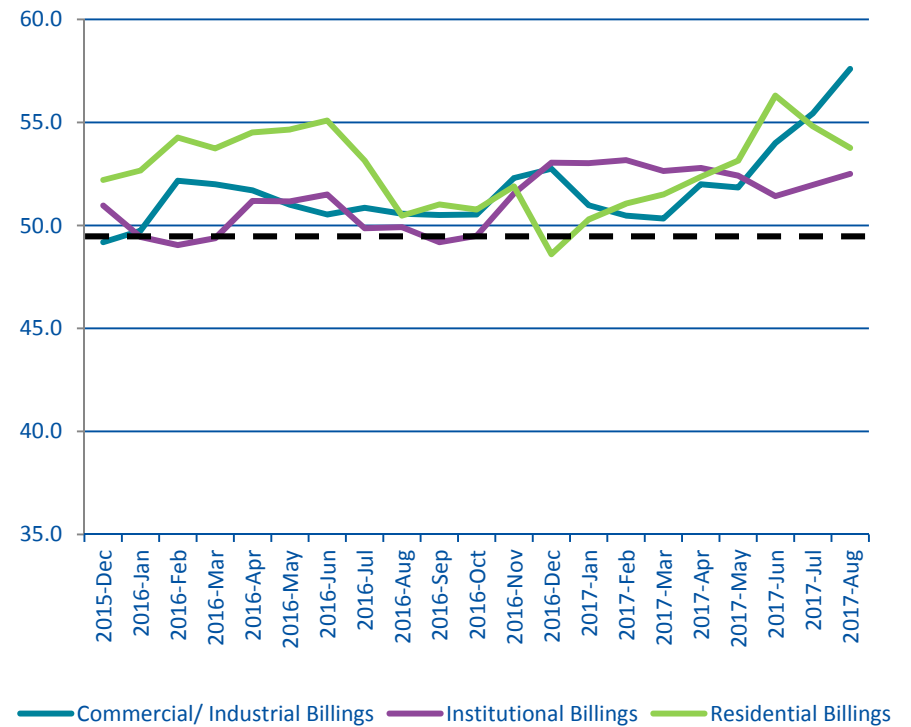
Positive Manufacturing & Construction Outlook

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Manufacturing PMI & Architectural Billings



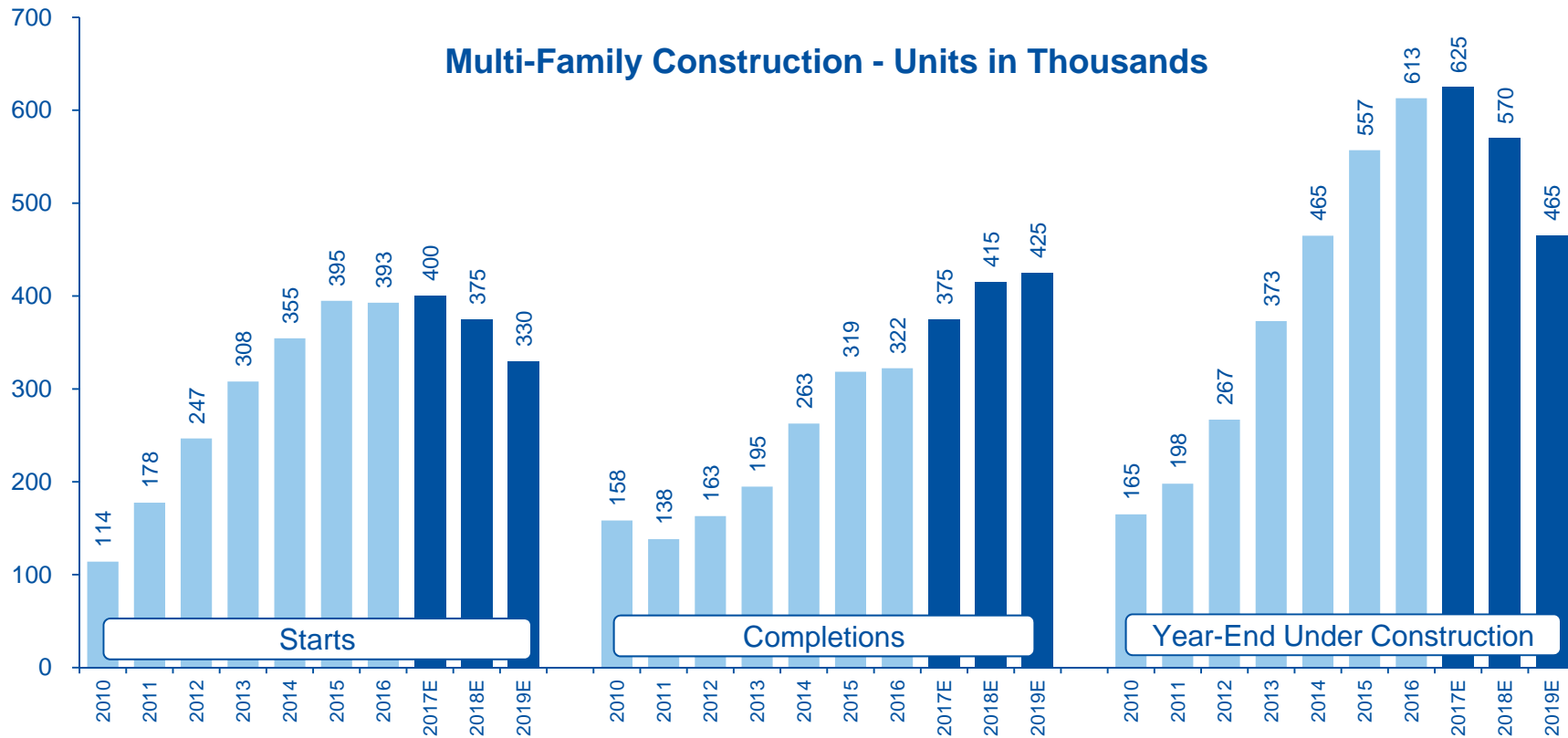
Architectural Billings by Sector



U.S. Paint & Coatings Industry

Moderating Permits and Starts – Completions likely to Continue Rising

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U.S. Manufacturing Activity

Positive Manufacturing Outlook

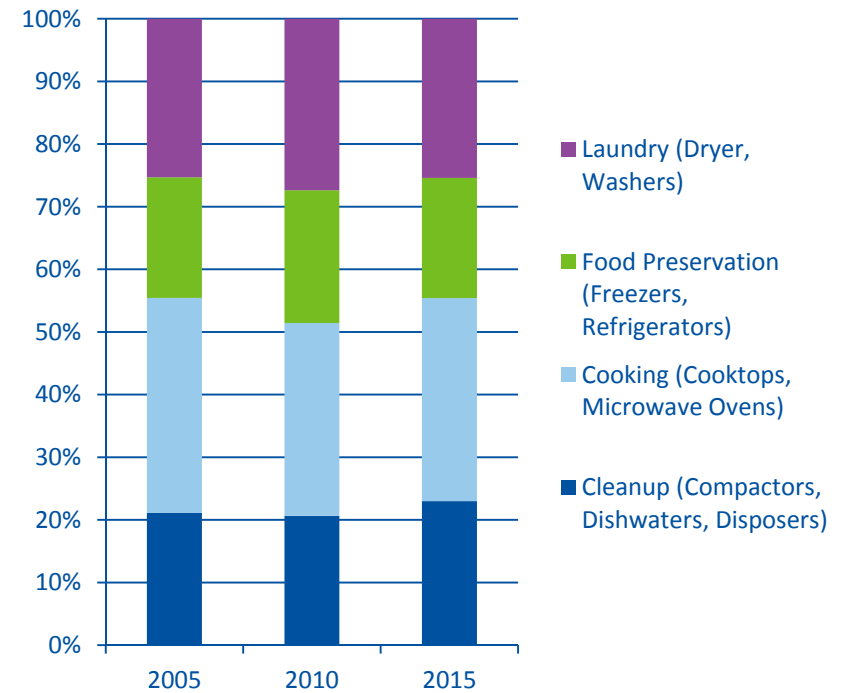
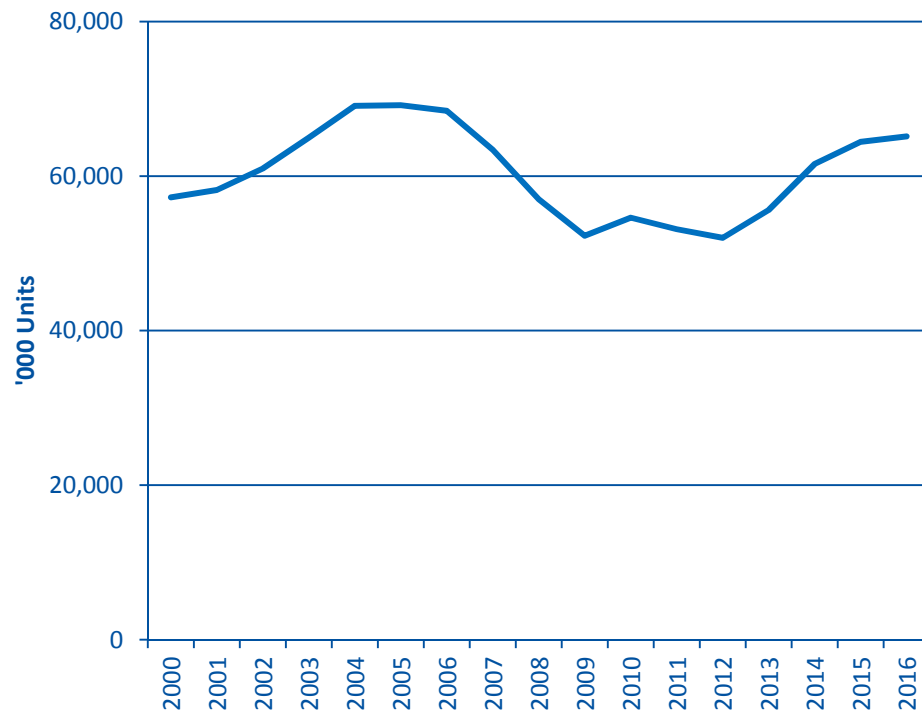
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Index	Aug 2017	Jul 2017	Change	Direction	Rate of Change
PMI	58.8	56.3	+2.5	Growing	Faster
New Orders	60.3	60.4	-0.1	Growing	Slower
Production	61.0	60.6	+0.4	Growing	Faster
Employment	59.9	55.4	+4.7	Growing	Faster
Inventories	55.5	50.0	+5.5	Unchanged	From Contracting
Order Backlog	57.5	55.0	+2.5	Growing	Faster
Exports	55.5	57.5	-2.0	Growing	Slower

Coil Coatings & General Industrial

U.S. Appliance Shipments

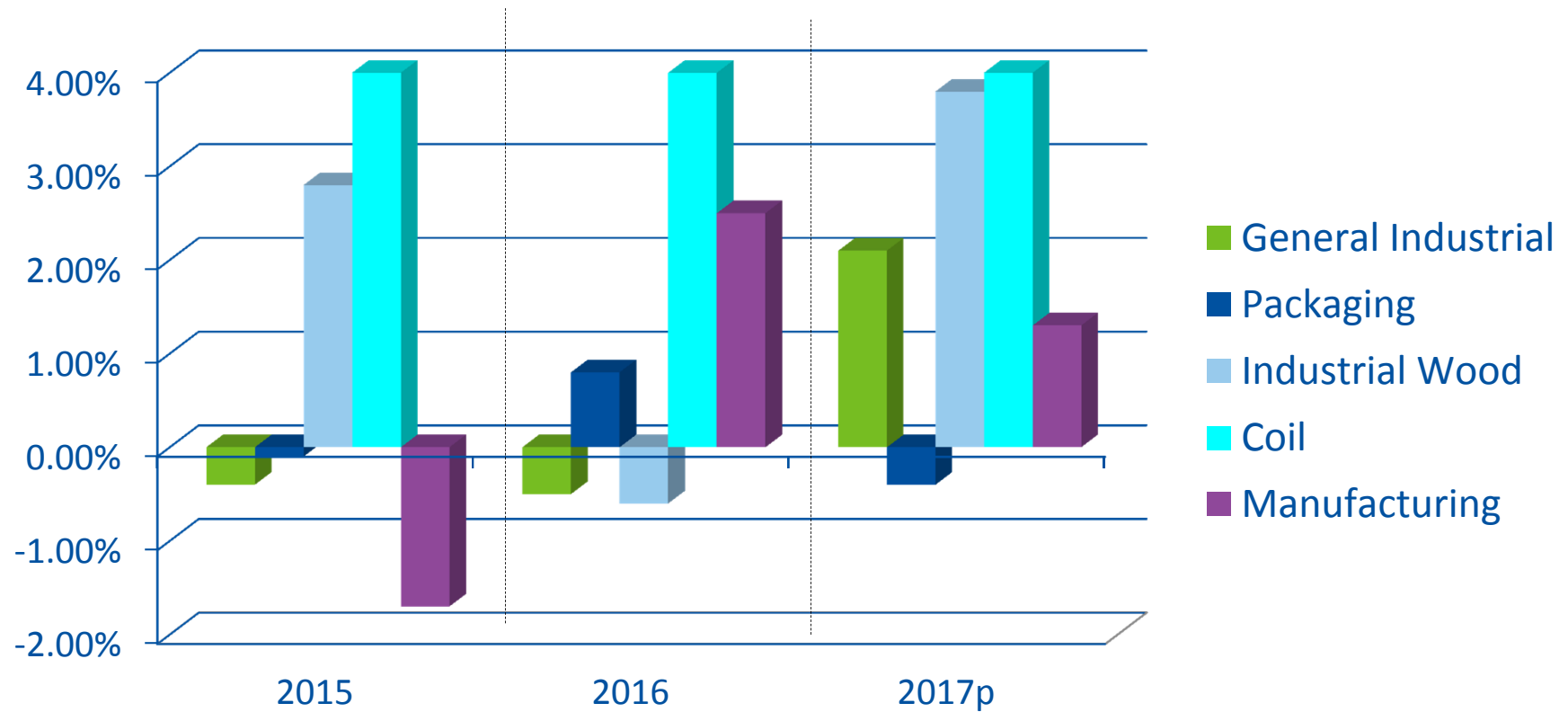
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Industrial Coatings

Forecasted U.S. & Canada Activity

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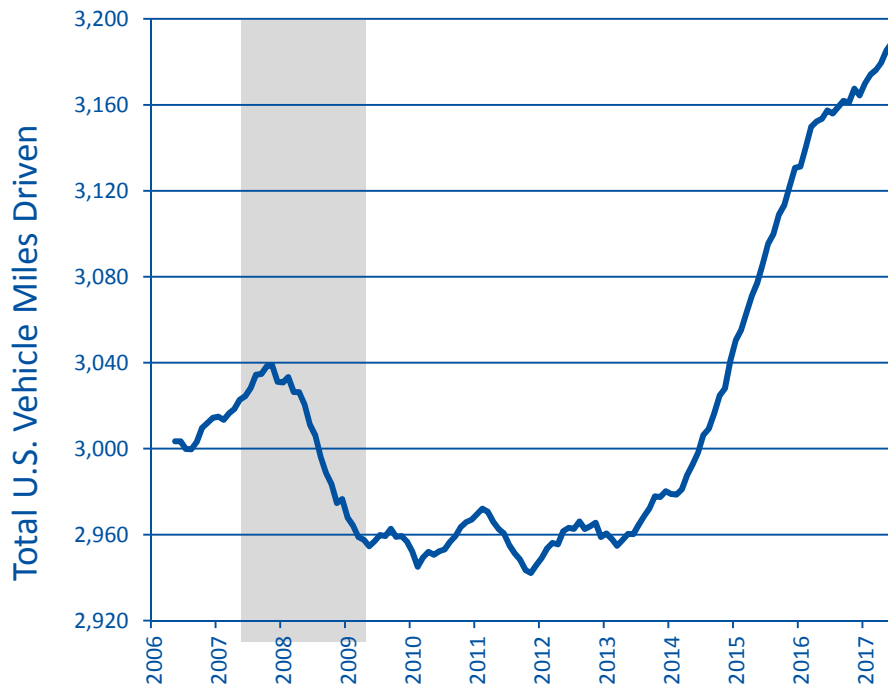
Automotive Refinish

CR/VR Indicators

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U.S. Vehicle Miles Driven

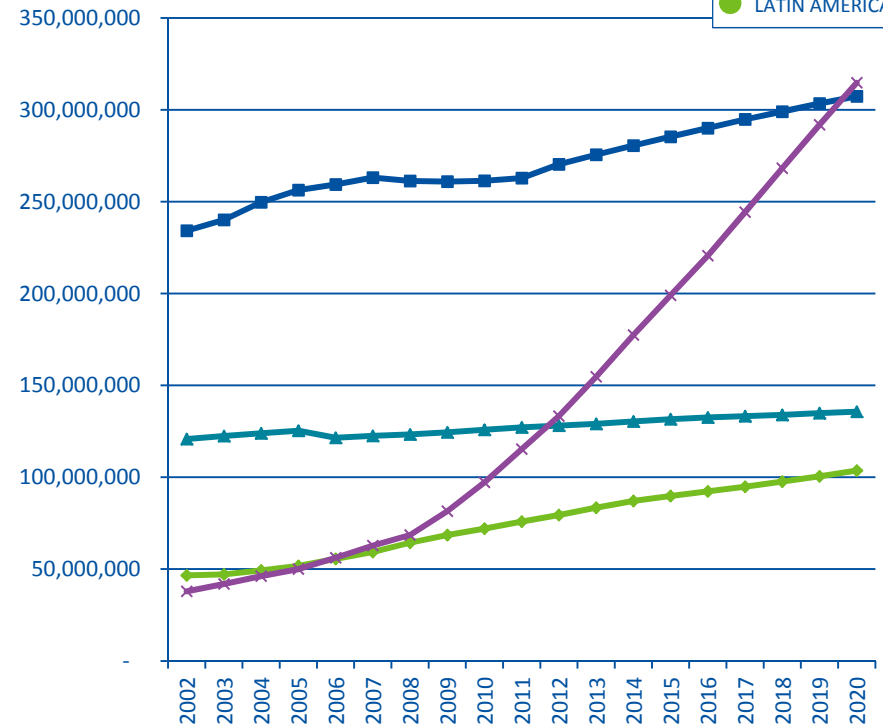
Moving 12-Month Total Vehicle Miles Driven (10 Years)



Vehicles In Use

Estimated Vehicles In Use 2002-2020

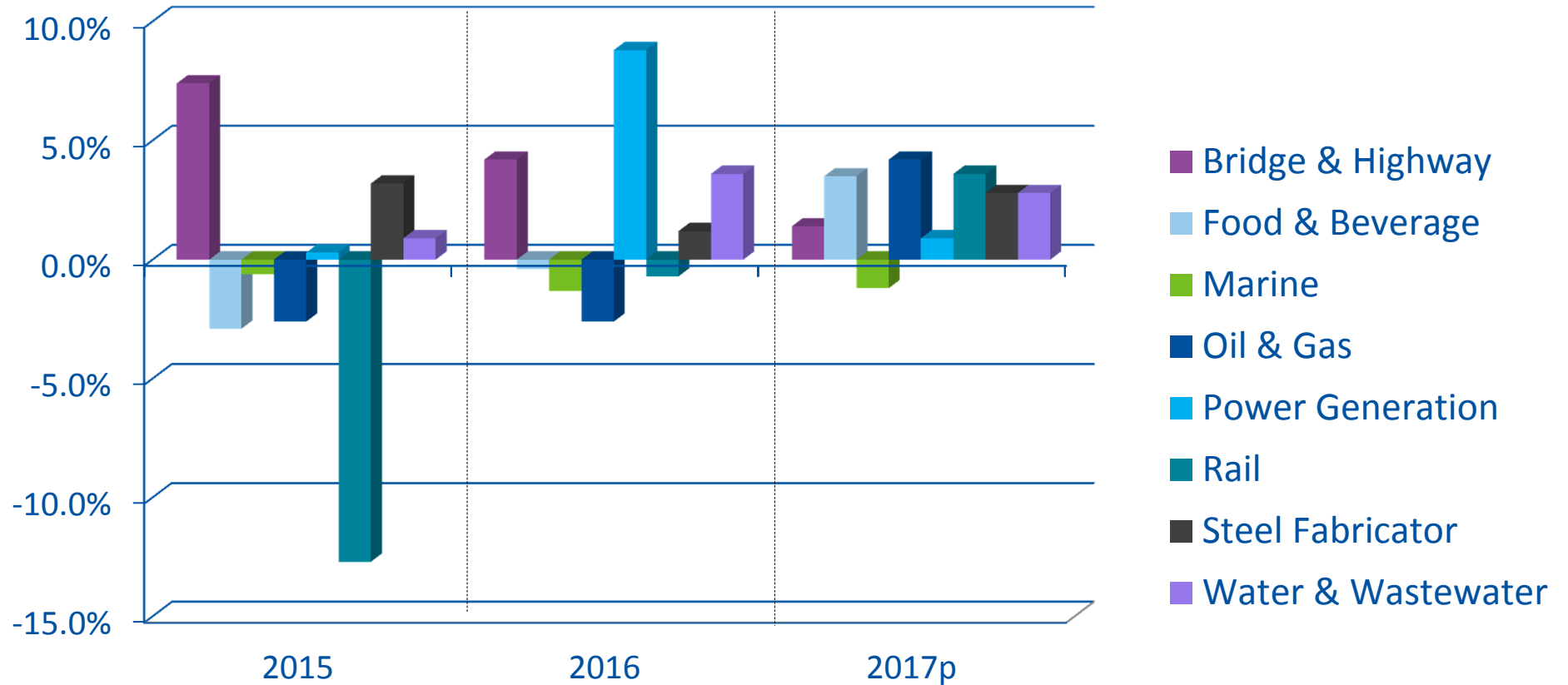
- NORTH AMERICA
- ▲ EUROPE
- ◆ ASIA-PACIFIC
- ◇ LATIN AMERICA



Protective & Marine Coatings

Forecasted U.S. & Canada Activity

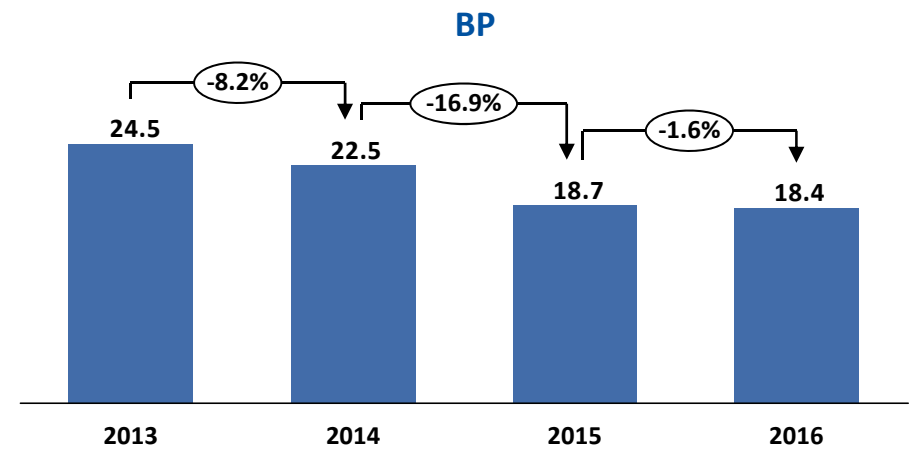
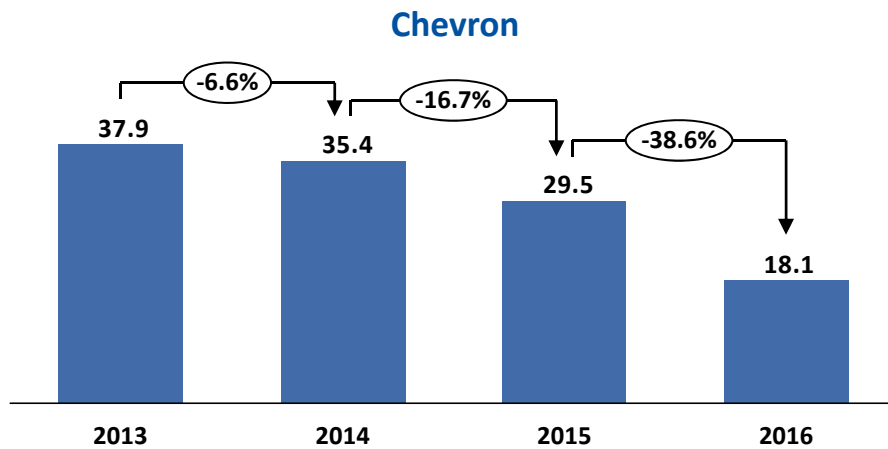
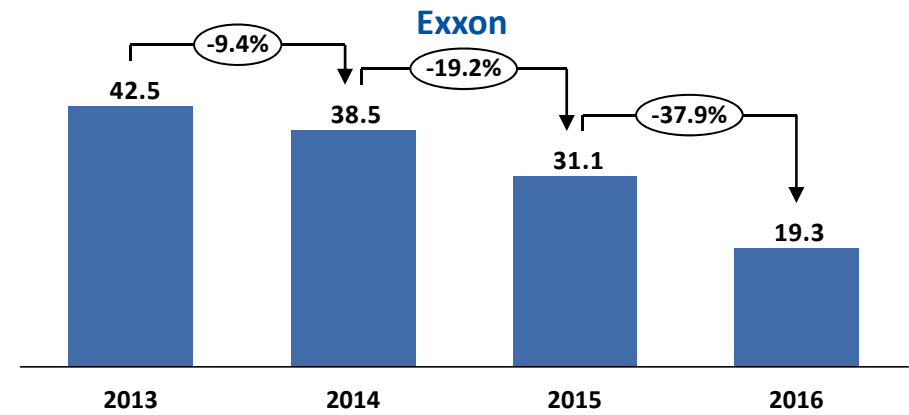
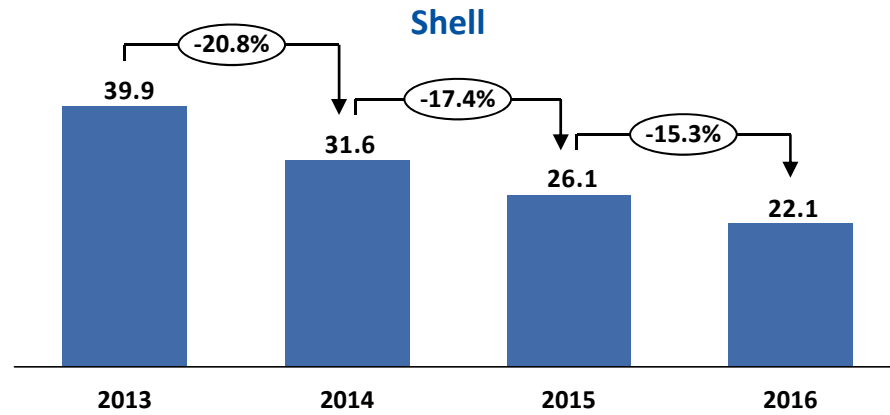
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Oil & Gas Infrastructure

Capital Expenditure (in Billions \$)

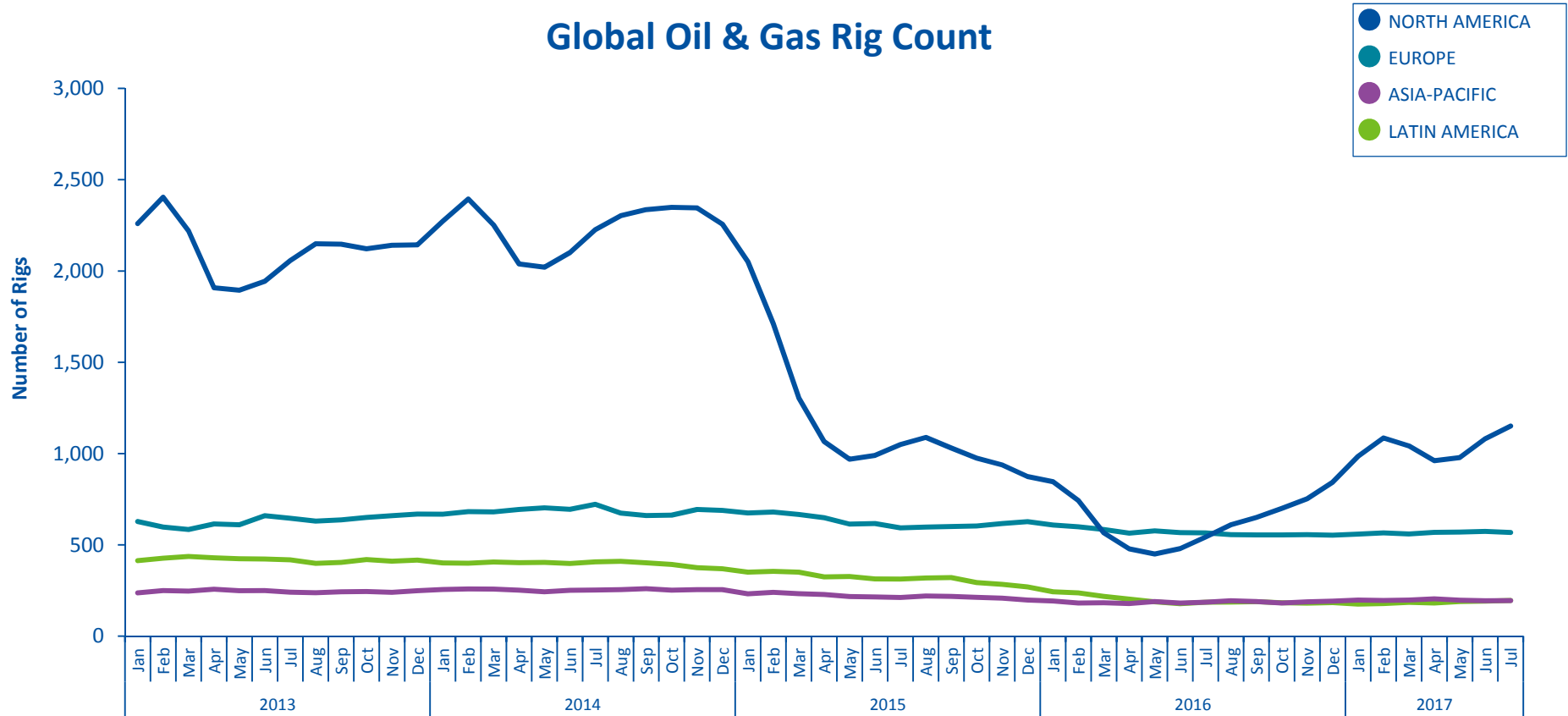
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Global Economic Indicator: Oil and Gas

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Global Oil & Gas Rig Count



Global Confidence

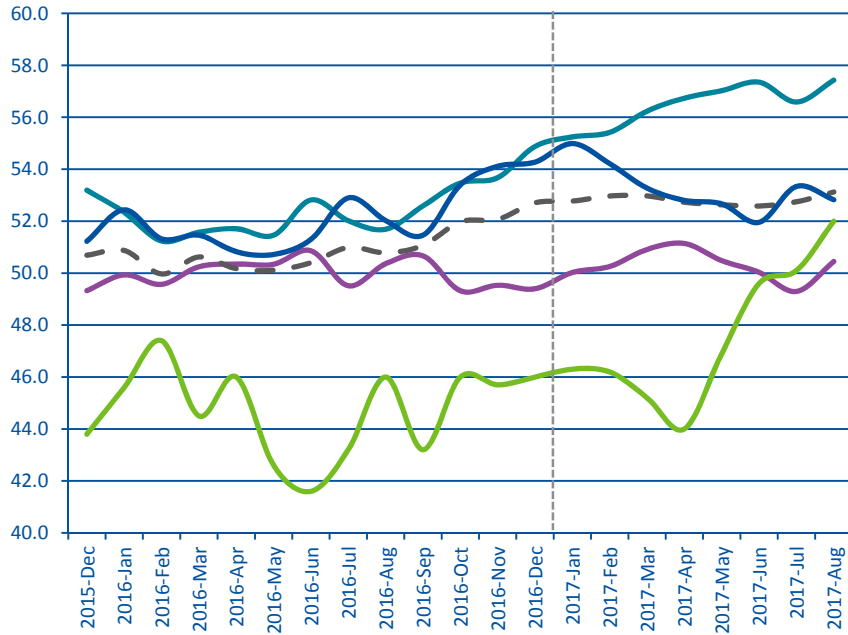
Positive Outlook

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Global Manufacturing Confidence

PMI

- WORLD
- NORTH AMERICA
- EUROPE
- ASIA
- LATIN AMERICA



Global Consumer Confidence

Consumer Outlook

