Industry Overview

BOB WELLS

Senior Vice President,
Corporate Communications & Public Affairs
2015 Coatings Industry
Global Mix by Category (Based on $)

2015
~9.0 Billion Gallons (+4.0%)
~132.6 Billion Dollars (+4.4%)

Source: KNG, Company Estimates
Coatings Demand by Region
Geographic Split of Global Revenue

North America
21%
24%
19%
21%

South America
6%
9%
5%
4%

EMEA
28%
28%
27%
30%

Asia-Pacific
41%
34%
48%
41%

ROW ~ 4%

Source: KNG, Company Estimates
U.S. Coatings Industry
Sales ($) Mix by Category

Architectural Paint: 44%
OEM Coatings: 33%
Special Purpose Coatings: 23%

2015
~1.45 Billion Gallons (+4%)
~27.8 Billion Dollars (+4%)

Source: KNG, Company Estimates
U.S. Coatings Industry
Architectural Coatings Gallons (Millions)

Source: ACA 2015, Company Estimates

Estimate of Normalized, Sustainable Industry Volume

~ 757 Million (+5.1%)
Favorable Customer Mix
DIY → Contractor Shift Will Continue

41%  Do-It-Yourself
     (‘15 Growth: ~4.0%)

59%  Contractor
     (‘15 Growth: ~6.0%)

Source: USDOC, Company Estimates
U.S. Architectural Paint Market
Breakdown by Segment (Current)

- Residential Repaint (Pro) 27% (202M Gal)
- Non-Residential Repaint 16% (119M Gal)
- New Non-Residential 6% (45M Gal)
- New Residential 11% (84M Gal)
- DIY 41% (307M Gal)

757 Million Gallons

Source: Company Estimates
U.S. Architectural Paint Market
Breakdown by Segment (High Normal)

New Build
+32M

New Non-Residential
6%
(51M Gal)

New Residential
14%
(110M Gal)

Residential Repaint (Pro)
26%
(213M Gal)

Repaint (Pro)
+17M

DIY
39%
(313M Gal)

Repaint (DIY)
+6M

Non-Residential Repaint
15%
(125M Gal)

810 Million Gallons

Source: Company Estimates
Demand Outlook
FY 2015 vs 1Q 2016

• Architectural Paint (Domestic)
• OEM Product Finishes
• Automotive Finishes
• Protective & Marine

Positive Neutral Negative
U.S. Architectural Paint
Domestic Economic Backdrop

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY-2015</th>
<th>1Q 2016</th>
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<tbody>
<tr>
<td>GDP Growth</td>
<td>Up</td>
<td>Up</td>
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<tr>
<td>Consumer Confidence</td>
<td>Up</td>
<td>Up</td>
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<tr>
<td>Household Formation</td>
<td>Up</td>
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<tr>
<td>Home Ownership Rate</td>
<td>Down</td>
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U.S. Architectural Paint
Residential Market - New

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<thead>
<tr>
<th></th>
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<tr>
<td>New Home Sales</td>
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<td>New Home Inventory</td>
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<td>Permits</td>
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<td>Starts</td>
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Financial Community Presentation - May 26, 2016
U.S. Architectural Paint
Residential Market - Repaint

- Existing Home Sales
- Existing Home Inventory
- Pending Home Sales
- Home Equity

FY-2015 1Q 2016
U.S. Architectural Paint
Non-Residential Market

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<thead>
<tr>
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<tbody>
<tr>
<td>Occupancy</td>
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<td>Contracts (Sq. Ft.)</td>
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Source: Dodge Construction Potentials, Construction Market Data
Latin America Architectural Paint
Residential Indicators

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Industrial Coatings
OEM Product Finishes

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Industrial Coatings
Protective & Marine

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