



SHERWIN-WILLIAMS.

OPERATING SEGMENT RECONCILIATION

1Q – 2018

SHW Operating Segments: 1Q 2018



The Americas Group

Paint Stores  Latin America Coatings 

Do-It-Yourself  Residential Repaint 

Commercial  Property Management 



Sales: \$2,080.4M
Profit: \$337.4M



Consumer Brands Group



valspar	Geocel Setting the Standard	wattyl
	MINWAX	Purdy
KRYLON	Dutch Boy	WHITE LIGHTNING
RONSEAL	Thompson's WaterSeal	PRATT & LAMBERT PAINTS
Altax	Cabot	华润涂料 HUA RUN PAINTS


Sales: \$656.4M
Profit: \$74.2M

Performance Coatings Group

Automotive Finishes  Coil Coatings 

Engineered Polymer Solutions  General Industrial Coatings 

Packaging Coatings  Protective & Marine 

Industrial Wood Coatings 

Sales: \$1,227.8M
Profit: \$90.8M

The Americas Group



1Q-18

Sales: \$1,925.7M (+6.4%)
Profit: \$335.9M (+10.5%)

Old Segments

SHERWIN-WILLIAMS.
Paint Stores Group

SHERWIN-WILLIAMS.
Latin America Coatings Group



New Segment

The Americas Group

North America 	Latin America
Do-It-Yourself 	Residential Repaint
Commercial 	Property Management

Sales: \$2,080.4M (+6.6%)
Profit: \$337.4M (+10.5%)

Consumer Brands Group



Old Segments

New Segment

1Q-18

Sales: \$306.1M (-5.3%)
Profit: \$49.3M (-11.8%)

<i>SHERWIN-WILLIAMS.</i> Consumer Group	
valspar	Paint Segment
Architectural	

Sales: \$350.2M (+13.4%)
Profit: \$24.9M (-16.6%)

Consumer Brands Group		
valspar	Geocel Selling the Standard™	wattyl™
	MINWAX	Purdy
KRYLON		WHITE LIGHTNING
RONSEAL	<i>Thompson's WaterSeal</i>	
Altax		

Sales: \$656.4M (+103.0%^(A) / +3.8%^(B))
Profit: \$74.2M (+23.7%)^(C)

A: Compared to Prior Year SHW B: Compared to Prior Year Combined C: Prior Year Combined, Without Acquisition Related Charges

Performance Coatings Group



1Q-18

Sales: \$510.2M (+5.3%)
Profit: \$50.2M (-12.1%)

Old Segments

SHERWIN-WILLIAMS Global Finishes	
Protective & Marine	Automotive Finishes
valspar Coatings Segment	
Packaging Coatings	General Industrial Coatings
valspar Paint Segment	
valspar REFINISH	PRC SPRAY
DEBEER REFINISH	Auto Refinish



New Segment

Performance Coatings Group	
Automotive Finishes 	Coil Coatings
Engineered Polymer Solutions 	General Industrial Coatings
Packaging Coatings 	Protective & Marine
Industrial Wood Coatings 	

Sales: \$1,227.8M (+153.4%^(A) / +9.8%^(B))
Profit: \$90.8M (-1.5%)^(C)

A: Compared to Prior Year SHW B: Compared to Prior Year Combined C: Prior Year Combined, Without Acquisition Related Charges

1Q 2018 Operating Segment Comparison



Q1 2018 SEGMENT SALES COMPARISON TO PRIOR YEAR

<u>SEGMENT</u>	<u>TY</u>	<u>% Change</u>
Paint Stores	\$ 1,926	6.4%
Latin America	\$ 154	9.5%
THE AMERICAS GROUP	\$ 2,080	6.6%
<i>As Reported</i>		6.6%
Consumer Group	\$ 306	(5.3%)
Valspar Paints	\$ 350	13.4%
CONSUMER BRANDS GROUP	\$ 656	3.8%
<i>As Reported</i>		103.0%
Global Finishes Group	\$ 510	5.3%
Valspar Coatings	\$ 718	13.3%
PERFORMANCE COATINGS GROUP	\$ 1,228	9.8%
<i>As Reported</i>		153.4%
Total	\$ 3,965	6.9%
<i>As Reported</i>		43.6%

Regulation G Reconciliation

Earnings per Share



	Three Months Ended March 31, 2018	Year Ended December 31, 2018 (guidance)	
		Low	High
Diluted net income per common share	\$ 2.62	\$ 14.95	\$ 15.45
Transaction and integration costs	0.24	0.75	0.85
Purchase accounting impacts	0.71	2.65	2.65
Total acquisition costs	0.95	3.40	3.50
Consolidated excluding Valspar acquisition costs	3.57	18.35	18.95
Valspar operations income	1.08	3.95	4.15
New debt interest expense	(0.40)	(1.65)	(1.65)
Total Valspar income contribution	0.68	2.30	2.50
Adjusted diluted net income per common share	\$ 2.89	\$ 16.05	\$ 16.45

Regulation G Reconciliation

EBITDA



	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017	\$ Change	% Change
Net income from continuing operations	\$250,127	\$239,152	\$10,975	4.6%
Interest expense	91,547	25,695	65,852	256.3%
Income taxes	53,459	67,453	(13,994)	(20.7)%
Depreciation	71,591	44,595	26,996	60.5%
Amortization	<u>85,049</u>	<u>6,170</u>	<u>78,879</u>	<u>1,278.4%</u>
EBITDA from continuing operations	551,773	383,077	168,696	44.0%
Valspar EBITDA *	<u>137,922</u>	<u>(7,457)</u>	<u>145,379</u>	
EBITDA from continuing operations without Valspar	\$413,851	\$390,522	\$23,329	6.0%

* Valspar EBITDA for 2018 includes Valspar operations, purchase accounting items and acquisition costs. Valspar EBITDA for 2017 includes acquisition costs only.