



*SHERWIN-WILLIAMS.*

# REPORTABLE SEGMENT RECONCILIATION

## 2Q - 2017

# SHW Reportable Segments: 2Q 2017



**The Americas Group**

Paint Stores  Latin America Coatings 

Do-It-Yourself  Residential Repaint 

Commercial  Property Management 



Sales: \$2,437.7M  
Profit: \$532.7M



**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: \$536.4M  
Profit: \$76.1M

**Performance Coatings Group**

Automotive Finishes  Coil Coatings 

Engineered Polymer Solutions  General Industrial Coatings 

Packaging Coatings  Protective & Marine 

Industrial Wood Coatings 

Sales: \$761.1M  
Profit: \$62.3M

# SHW Reportable Segments: 2Q 2017



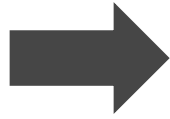
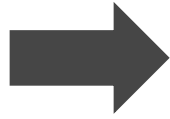
**2Q-17**

Sales: \$2,302.8M (+9.2%)  
 Profit: \$544.6M (+7.0%)

## Old Segments

**SHERWIN-WILLIAMS.**  
 Paint Stores Group

**SHERWIN-WILLIAMS.**  
 Latin America Coatings Group



## New Segment

**The Americas Group**

<p>North America</p>	<p>Latin America</p>
<p>Do-It-Yourself</p>	<p>Residential Repaint</p>
<p>Commercial</p>	<p>Property Management</p>

Sales: \$2,437.7M (+8.7%)  
 Profit: \$532.7M (+6.7%)

# SHW Reportable Segments: 2Q 2017



**2Q-17**

Sales: \$407.5M (-11.9%)  
Profit: \$83.3M (-19.2%)

## Old Segments

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



## New Segment

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

Sales: \$536.5M (+16.0%<sup>(A)</sup> / -7.6%<sup>(B)</sup>)  
Profit: \$96.6M<sup>(C)</sup> (-21.3%)

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

# SHW Reportable Segments: 2Q 2017






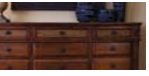








## Old Segments

## New Segment






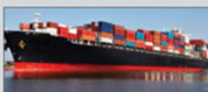

**2Q-17**

Sales: \$509.9M (-0.8%)  
Profit: \$65.4M (-7.1%)

<b>SHERWIN-WILLIAMS</b> Global Finishes	
 Protective & Marine	 Automotive Finishes
 Product Finishes	
<b>valspar</b> Coatings Segment	
	
	
	
<b>valspar</b> Paint Segment	
	
	<b>Auto Refinish</b>



Sales: \$251.2M (+13.8%)  
Profit: \$35.3M (-12.6%)

Performance Coatings Group	
<b>Automotive Finishes</b> 	<b>Coil Coatings</b> 
<b>Engineered Polymer Solutions</b> 	<b>General Industrial Coatings</b> 
<b>Packaging Coatings</b> 	<b>Protective &amp; Marine</b> 
<b>Industrial Wood Coatings</b> 	

Sales: \$761.1M (+48.8%<sup>(A)</sup> / +3.6%<sup>(B)</sup>)  
Profit: \$100.7M<sup>(C)</sup> (-9.1%)

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

# SHW Reportable Segments: 2Q 2017



## Q2 2017 SEGMENT SALES COMPARISON TO PRIOR YEAR

<u>SEGMENT</u>	<u>TY</u>	<u>% Change</u>
Paint Stores	\$ 2,303	9.2%
Latin America	\$ 135	1.2%
<b>THE AMERICAS GROUP</b>	<b>\$ 2,438</b>	<b>8.7%</b>
<i>As Reported</i>		8.7%
Global Finishes Group	\$ 509	-0.8%
Valspar Coatings	\$ 229	14.9%
Valspar Automotive	\$ 22	3.3%
<b>PERFORMANCE COATINGS GROUP</b>	<b>\$ 761</b>	<b>3.6%</b>
<i>As Reported</i>		48%
Consumer Group	\$ 407	-11.9%
Valspar Paint	\$ 129	9.2%
<b>CONSUMER BRANDS GROUP</b>	<b>\$ 536</b>	<b>-7.6%</b>
<i>As Reported</i>		16%
Total	\$ 3,735	4.9%
<i>As Reported</i>		16.0%

# Regulation G Reconciliation

## Earnings per Share



	Three Months	Six Months	Three Months Ended		Year Ended	
	Ended	Ended	September 30, 2017		December 31, 2017	
	June 30,	June 30,	(guidance)		(guidance)	
	2017	2017	Low	High	Low	High
Diluted net income per common share	\$3.36	\$5.90	\$3.70	\$4.10	\$11.86	\$12.26
Charge related to discontinued operations	0.44	0.44			0.44	0.44
Diluted net income per common share from continuing operations	3.8	6.34	3.7	4.1	12.3	12.7
Valspar-related costs:						
Transaction and integration costs	0.3	0.38	0.1	0.1	0.6	0.6
Purchase accounting amortization expense	0.42	0.42	1.00	1.00	1.90	1.90
Consolidated excluding Valspar-related costs	4.52	7.14	4.8	5.2	14.8	15.2
Valspar operations income	0.29	0.29	0.8	1	1.7	1.9
New debt interest expense	(0.19)	(0.19)	(0.4)	(0.4)	(0.95)	(0.95)
Total Valspar income contribution	0.1	0.1	0.4	0.6	0.75	0.95
Consolidated excluding Valspar	\$4.42	\$7.04	\$4.40	\$4.60	\$14.05	\$14.25

# Regulation G Reconciliation

## EBITDA



	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016	\$ Change	% Change
Net income from continuing operations	\$599,803	\$542,940	\$56,863	10.50%
Interest expense	82,424	66,610	15,814	23.70%
Income taxes	215,805	212,639	3,166	1.50%
Depreciation	94,965	86,724	8,241	9.50%
Amortization	35,088	11,366	23,722	208.70%
EBITDA from continuing operations	1,028,085	920,279	107,806	11.70%
Valspar EBITDA *	-16,952	-35,623	18,671	-52.40%
EBITDA from continuing operations without Valspar	\$1,045,037	\$955,902	\$89,135	9.30%

\* Valspar EBITDA for 2017 includes June 2017 Valspar operations, purchase accounting items and acquisition costs. Valspar EBITDA for 2016 includes acquisition costs only.