



SHERWIN-WILLIAMS.

OPERATING SEGMENT RECONCILIATION

3Q – 2017

SHW Operating Segments: 3Q 2017



The Americas Group


Paint Stores  Latin America Coatings 

Do-It-Yourself  Residential Repaint 

Commercial  Property Management 



Sales: \$2,539.3M
Profit: \$525.6M



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: \$723.3M
Profit: \$70.4M

Performance Coatings Group

Automotive Finishes  Coil Coatings 

Engineered Polymer Solutions  General Industrial Coatings 

Packaging Coatings  Protective & Marine 

Industrial Wood Coatings 

Sales: \$1,242.3M
Profit: \$59.6M

The Americas Group



3Q-17

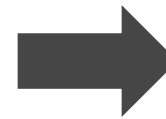
Sales: \$2,375.0M (+6.6%)
Profit: \$524.7M (+1.2%)

Old Segments

SHERWIN-WILLIAMS.
Paint Stores Group

SHERWIN-WILLIAMS.
Latin America Coatings Group

Sales: \$164.3M (+4.9%)
Profit: \$0.8M (-14.4%)



New Segment

The Americas Group

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

Sales: \$2,539.3M (+6.5%)
Profit: \$525.6M (+1.2%)

Consumer Brands Group



Old Segments

New Segment

3Q-17

Sales: \$387.4M (-2.7%)
Profit: \$86.9M (-0.4%)

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



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

Sales: \$723.3M (+81.6%^(A) / -2.8%^(B))
Profit: \$70.4M (-7.4%^(C))

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

Performance Coatings Group



Old Segments

New Segment

3Q-17

Sales: \$505.7M (+2.1%)
Profit: \$57.2M (-15.9%)

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



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

Sales: \$1,242.3M (+151.0%^(A) / +5.8%^(B))
Profit: \$59.6M (-15.9%)^(C)

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

3Q 2017 Operating Segment Comparison



Q3 2017 SEGMENT SALES COMPARISON TO PRIOR YEAR

<u>SEGMENT</u>	<u>TY</u>	<u>% Change</u>
Paint Stores	\$ 2,375	6.6%
Latin America	\$ 164	4.9%
THE AMERICAS GROUP	\$ 2,539	6.5%
<i>As Reported</i>		6.5%
Consumer Group	\$ 387	(2.7%)
Valspar Paints	\$ 336	(2.8%)
CONSUMER BRANDS GROUP	\$ 723	(2.8%)
<i>As Reported</i>		81.6%
Global Finishes Group	\$ 506	2.1%
Valspar Coatings	\$ 737	8.5%
PERFORMANCE COATINGS GROUP	\$ 1,242	5.8%
<i>As Reported</i>		151.0%
Total	\$ 4,507	4.6%
<i>As Reported</i>		37.4%

Regulation G Reconciliation

Earnings per Share



	Three Months	Nine Months	Three Months Ended		Year Ended	
	Ended	Ended	December 30, 2017		December 31, 2017	
	Sept 30,	Sept 30,	(guidance)		(guidance)	
	2017	2017	Low	High	Low	High
Diluted net income per common share	\$3.33	\$9.23	\$1.97	\$2.27	\$11.20	\$11.50
Charge related to discontinued operations		0.44			0.44	0.44
Diluted net income per common share from continuing operations	3.33	9.67	1.97	2.27	11.64	11.94
Valspar-related costs:						
Transaction and integration costs	0.26	0.64	0.40	0.40	1.04	1.04
Purchase accounting amortization expense	1.16	1.58	0.58	0.58	2.17	2.17
Consolidated excluding Valspar-related costs	4.75	11.89	2.95	3.25	14.85	15.15
Valspar operations income	0.88	1.17	0.54	0.64	1.71	1.81
New debt interest expense	(0.39)	(0.58)	(0.39)	(0.39)	(0.96)	(0.96)
Total Valspar income contribution	0.49	0.59	0.15	0.25	0.75	0.85
Consolidated excluding Valspar	\$4.26	\$11.30	\$2.80	\$3.00	\$14.10	\$14.30

Regulation G Reconciliation

EBITDA



	Nine Months Ended Sept 30, 2017	Nine Months Ended Sept 30, 2016	\$ Change	% Change
Net income from continuing operations	\$916,409	\$929,673	(\$13,264)	(1.4)%
Interest expense	174,017	110,710	63,307	57.2%
Income taxes	326,921	361,526	(34,605)	(9.6)%
Depreciation	162,214	128,313	33,901	26.4%
Amortization	118,799	19,549	99,250	507.7%
EBITDA from continuing operations	1,698,360	1,549,771	148,589	9.6%
Valspar EBITDA *	29,834	(49,227)	79,061	160.6%
EBITDA from continuing operations without Valspar	\$1,668,526	\$1,598,998	\$69,528	4.3%

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