



SHERWIN-WILLIAMS.







OPERATING SEGMENT RECONCILIATION

4Q – 2017

SHW Operating Segments: 4Q 2017



The Americas Group

<p>Paint Stores</p> 	<p>Latin America Coatings</p> 
<p>Do-It-Yourself</p> 	<p>Residential Repaint</p> 
<p>Commercial</p> 	<p>Property Management</p> 








Sales: \$2,188.6M
Profit: \$406.0M

Consumer Brands Group

Sales: \$571.6M
Profit: \$23.6M

Performance Coatings Group

<p>Automotive Finishes</p> 	<p>Coil Coatings</p> 
<p>Engineered Polymer Solutions</p> 	<p>General Industrial Coatings</p> 
<p>Packaging Coatings</p> 	<p>Protective & Marine</p> 
<p>Industrial Wood Coatings</p> 	

Sales: \$1,218.3M
Profit: \$119.4M

The Americas Group



4Q-17

Sales: \$2,015.6M (+9.6%)
Profit: \$406.9M (+19.0%)

Old Segments

SHERWIN-WILLIAMS.
Paint Stores Group



SHERWIN-WILLIAMS.
Latin America Coatings Group



Sales: \$173.0M (+0.7%)
Profit: (\$0.9M) (+87.8%)



New Segment

The Americas Group

North America



Latin America



Do-It-Yourself



Residential Repair



Commercial



Property Management



Sales: \$2,188.6M (+8.9%)
Profit: \$406.0M (+21.5%)

Consumer Brands Group



Old Segments

4Q-17

Sales: \$281.7M (-6.8%)
Profit: \$35.9M (-29.4%)



Sales: \$289.9M (-3.2%)
Profit: (\$12.3M) (-159.9%)

New Segment



Sales: \$571.6M (+89.1%^(A) / -5.0%^(B))
Profit: \$23.6M (-20.9%)^(C)

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

Performance Coatings Group



4Q-17

Sales: \$504.2M (+7.6%)
Profit: \$70.8M (+7.0%)

Old Segments

SHERWIN-WILLIAMS Global Finishes



Protective & Marine



Automotive Finishes



Product Finishes

valspar Coatings Segment



valspar Paint Segment

valspar
REFINISH
PRC **SPRAY**



Auto Refinish

Sales: \$714.1M (+6.4%)
Profit: \$48.7M (-56.0%)



New Segment

Performance Coatings Group

Automotive Finishes



Engineered Polymer Solutions



Packaging Coatings



Industrial Wood Coatings



Coil Coatings



General Industrial Coatings



Protective & Marine



Sales: \$1,218.3M (+159.9%^(A) / +6.9%^(B))
Profit: \$119.4M (-8.7%)^(C)

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

4Q 2017 Operating Segment Comparison



Q4 2017 SEGMENT SALES COMPARISON TO PRIOR YEAR

<u>SEGMENT</u>	<u>TY</u>	<u>% Change</u>
Paint Stores	\$ 2,016	9.6%
Latin America	\$ 173	0.7%
THE AMERICAS GROUP	\$ 2,189	8.9%
<i>As Reported</i>		8.9%
Consumer Group	\$ 282	(6.8%)
Valspar Paints	\$ 290	(3.2%)
CONSUMER BRANDS GROUP	\$ 572	(5.0%)
<i>As Reported</i>		89.1%
Global Finishes Group	\$ 504	7.6%
Valspar Coatings	\$ 714	6.4%
PERFORMANCE COATINGS GROUP	\$ 1,218	6.9%
<i>As Reported</i>		159.9%
Total	\$ 3,980	6.0%
<i>As Reported</i>		43.0%

Regulation G Reconciliation

Earnings per Share



	Three Months Ended December 31, 2017	Twelve Months Ended December 31, 2017	Year Ended December 31, 2018 (guidance)	
			Low	High
Diluted net income per common share	\$ 9.39	\$ 18.67	\$ 15.35	\$ 15.85
One-time charge related to discontinued operations		0.44		
Diluted net income per common share from continuing operations	9.39	19.11	15.35	15.85
One-time benefit from Deferred income tax reductions	7.00	7.04		
Transaction and integration costs	0.24	0.88	0.75	0.85
Purchase accounting amortization expense	0.53	2.12	2.65	2.65
Total acquisition costs	0.77	3.00	3.40	3.5
Consolidated excluding Valspar acquisition costs and one-time items	3.16	15.07	18.75	19.35
Valspar operations income	0.55	1.72	4.35	4.55
New debt interest expense	(0.34)	(0.92)	(1.65)	(1.65)
Total Valspar income contribution	0.21	0.80	2.70	2.90
Adjusted diluted net income per common share	\$ 2.95	\$ 14.27	\$ 16.05	\$ 16.45

Regulation G Reconciliation

EBITDA



	<u>Dec 31, 2017</u>	<u>Dec 31, 2016</u>	<u>\$ Change</u>	<u>% Change</u>
Net income from continuing operations	\$1,813,802	\$1,132,703	\$681,099	60.1%
Interest expense	263,471	154,088	109,383	71.0%
Income taxes	(285,583)	462,530	(748,113)	(161.7)%
Depreciation	284,997	172,074	112,923	65.6%
Amortization	<u>206,764</u>	<u>25,404</u>	<u>181,360</u>	<u>713.9%</u>
EBITDA from continuing operations	2,283,451	1,946,799	336,652	17.3%
Valspar EBITDA *	<u>160,563</u>	<u>(60,630)</u>	<u>221,193</u>	<u>364.8%</u>
EBITDA from continuing operations without Valspar	\$2,122,888	\$2,007,429	\$115,459	5.8%

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