To Our Shareholders

The benefits of our 2020 MAP to Growth operating improvement plan, which really began to take hold during the fourth quarter of last fiscal year, carried over into the first quarter of fiscal 2020 and generated significant earnings leverage. On a consolidated basis, we realized $26 million of 2020 MAP to Growth savings in the first quarter.

Initiatives that proved particularly beneficial included actions to rationalize our manufacturing and distribution footprint, improve production processes and strengthen our supplier relationships through center-led procurement. These efforts resulted in an increase to adjusted earnings before interest and taxes (EBIT) of 25.3% and adjusted diluted earnings per share (EPS) of 25.0% over the prior year's quarter. This exceeded our guidance despite modest sales growth in the quarter, which we anticipated. The 260-basis-point improvement in our adjusted EBIT margin was not just contained to one or two segments, but was spread across the entire enterprise, which demonstrates the breadth and effectiveness of our 2020 MAP to Growth operating improvement program.

Directly impacting our top-line results were three factors. First, was the decision to exit low-margin product lines and businesses as we pursue a value-over-volume strategy in certain businesses. For the 2020 fiscal year, this will reduce revenue by approximately $40 million. Second, there was extremely wet weather in June in North America, our largest market, that slowed painting and construction activity. This particularly impacted our Consumer Group and our Construction Products Group. Third, was sluggish international markets, principally in Europe, coupled with unfavorable foreign exchange.

We continue to have a positive outlook on the outcomes of our restructuring program, and as a result, repurchased approximately $100 million of our common shares during the quarter. This was in addition to the $200 million we repurchased during fiscal 2019. When combined with the $200 million cash redemption of our convertible notes in November of 2018, we are approximately halfway through our 2020 MAP to Growth goal of repurchasing $1 billion of our stock.

First-Quarter Results

On a consolidated basis, our fiscal 2020 first-quarter net sales were a record $1.47 billion compared to the $1.46 billion reported a year ago. First-quarter net income was $106.2 million, up 52.2% over the $69.8 million reported in the year-ago period, and diluted EPS was $0.82, up 57.7% compared to $0.52 in the year-ago quarter. Income before income taxes (IBT) was up 55.4% to $142.8 million compared to $91.9 million reported in the fiscal 2019 first quarter. Our EBIT was up 45.5% to $165.8 million compared to $113.9 million reported in the fiscal 2019 first quarter.

The first quarter included restructuring-related expenses and other items of $26.8 million during fiscal 2020 and $39.8 million of restructuring-related items in fiscal 2019. Excluding these charges, our adjusted EBIT was up 25.3% to $192.6 million compared to $153.7 million during the year-ago period.

In addition, we have continued to exclude the impact of all unrealized net gains and losses from marketable equity securities, as well as actual realized net gains and losses on sales of all marketable securities from adjusted EPS, as their inherent volatility is outside of our control and cannot be predicted with any level of certainty. These investments resulted in a net after-tax gain of $2.8 million for the first quarter of fiscal 2020 and were minimal during the same quarter last year. Excluding the restructuring and other charges, as well as investment gains, adjusted diluted EPS increased 25.0% to $0.95 compared to $0.76 in fiscal 2019.

Four-Segment Realignment to Accelerate Growth

As we communicated last quarter, we have realigned the business into four reportable segments from our previous three segments. The new segments are the Construction Products Group, Performance Coatings Group, Consumer Group and Specialty Products Group. The objectives of this realignment are to position RPM for accelerated growth and to provide our investors with greater visibility into the business and better comparability among our peers. Starting this quarter, we are reporting our results under this four-segment structure and are providing comparable fiscal 2019 financials that have been recast to reflect the effect of this realignment.

First-Quarter Segment Results

Net sales in our Construction Products Group increased 3.6%, to $536.1 million during the fiscal 2020 first quarter compared to fiscal 2019 first-quarter sales of $517.5 million, reflecting organic growth of 0.7% and acquisitions contributing an additional 4.4%. Foreign currency translation reduced sales by 1.5%. The recent acquisitions of Nudura and Schul, as well as last year's price increases, helped to drive sales growth in our Construction Products Group, despite unfavorable foreign exchange. Impacting our North American businesses were labor shortages and June weather conditions that delayed construction activity. Also contributing to the top line was our basement waterproofing solutions business, as well as a recovery in our Brazilian operation, which generated significant sales growth. EBIT was $84.7 million, up 25.8% compared to EBIT of $67.3 million in the fiscal 2019 first quarter. The segment incurred $2.2 million in restructuring-related expenses and other costs during the first quarter of fiscal 2020 and $3.3 million in restructuring-related expenses during the same period of fiscal 2019. Excluding these charges, fiscal 2020 adjusted EBIT increased 23.1% to $86.9 million from adjusted EBIT of $70.6 million reported during the year-ago period. The $16.3 million improvement in the segment's adjusted EBIT was substantially driven by savings from our restructuring program, including management delayering, plant rationalization and improved manufacturing disciplines.

In our Performance Coatings Group, net sales were $297.2 million during the fiscal 2020 first quarter as compared to sales of $296.4 million reported a year ago, reflecting organic growth of 0.4% and acquisitions contributing an additional 1.8%. Foreign currency translation reduced sales by 1.9%. EBIT was $28.2 million, compared to EBIT of $8.4 million in the fiscal 2019 first quarter. The segment reported first-quarter restructuring-related charges of $8.7 million in fiscal 2020 and $19.8 million in fiscal 2019. Adjusted EBIT, which excludes these charges, increased 31.0% to $36.9 million during the first quarter of fiscal 2020 from adjusted EBIT of $28.2 million during the year-ago period. Savings from our 2020 MAP to Growth plan provided significant earnings leverage in the Performance Coatings Group, driven by a reduction of our operational footprint and strategic decisions to exit low-margin businesses. In addition, the segment benefited from executing a reorganization and management delayering as it moves towards a global brand management structure.

Our Consumer Group sales were $479.3 million during the first quarter of fiscal 2020 compared to sales of $477.4 million reported in the first quarter of fiscal 2019. Organic sales increased 0.1%, while acquisition growth contributed 1.3%. Foreign

Continued on inside page

Quarterly
Report
1

RPM International Inc.

First-Quarter Report

For Period Ended August 31, 2019

- **Dividend increased for 46th consecutive year**
- **2020 MAP to Growth restructuring program drives strong earnings growth**
- **Net income +52%, diluted EPS +58% and adjusted diluted EPS +25%**
- **Cash flow increases due to operating improvement initiatives**
- **Fiscal 2019 second-quarter adjusted EBIT expected to be +20% to +24%**

The Value of
168®

The Value of
168®

The Value of 168 is a statement of the corporate philosophy of RPM. This figure, often cited by our founder Frank C. Sullivan, literally represents the number of hours in a week. On a deeper level, it serves to remind us of his belief that we are born with two great gifts: life and the time to do something with it.

The Value of 168 signifies RPM's enduring commitment to our fellow employees, customers and stockholders. This commitment springs from an ethos woven into our culture. It is evident in the stimulus of a work environment characterized by empowerment, accountability, opportunity and respect. The care that goes into building and sustaining long-term relationships with those we serve. The refusal to compromise on quality. The integrity that ensures results the right way.

The Value of 168 is the essence of RPM.

currency translation reduced sales by 1.0%. Segment sales were dampened by a difficult comparison to the prior year, a soft economy in the U.K. related to Brexit, rainy June weather in North America and deferred promotional activity by big box retailer customers. EBIT was up 15.9% to $59.3 million compared to EBIT of $51.1 million in the fiscal 2019 first quarter. The segment incurred restructuring-related expenses of $2.4 million during fiscal 2020 and $0.9 million during fiscal 2019. Excluding these charges, fiscal 2020 first-quarter adjusted EBIT was $61.7 million, an increase of 18.6% over adjusted EBIT of $52.0 million reported during the prior period. The Consumer Group's improvement in EBIT was largely due to a favorable year-over-year comparison resulting from $10 million in costs associated with legal settlements during the first quarter of fiscal 2019. Results in the first quarter were impacted by market share gains in the prior quarter, which led to higher costs from outsourcing production to service this increased demand. As a result, we are investing in new equipment, improving production methods and leveraging RPM's internal manufacturing network to produce products more efficiently and create greater capacity.

The Specialty Products Group reported sales of $160.1 million during the first quarter of fiscal 2020 as compared to sales of $168.7 million in the fiscal 2019 first quarter. Organic sales decreased 4.3% and foreign currency translation reduced sales by 0.8%. The Specialty Products Group experienced sluggish demand in the OEM (Original Equipment Manufacturer), manufacturing and international markets it serves, which impacted the top line. EBIT was $23.3 million compared to EBIT of $23.7 million in the fiscal 2019 first quarter. The segment reported first-quarter restructuring-related charges of $5.3 million in fiscal 2020 and $2.7 million in fiscal 2019. Adjusted EBIT, which excludes restructuring-related expenses, was $28.6 million in the fiscal 2020 first quarter, up 8.5% compared to adjusted EBIT of $26.4 million in fiscal 2019. On the bottom line, adjusted EBIT margins improved by 230 basis points and adjusted EBIT increased by $2.2 million due to good cost discipline, manufacturing yield improvements and restructuring activities from our 2020 MAP to Growth program.

Cash Flow and Financial Position

During the fiscal 2020 first quarter, cash generated from operations was $145.1 million compared to cash used for operations of $7.1 million a year ago. The increase in cash from operations resulted from improved earnings and margin improvement initiatives, which removed early cash payment discounts, and effectively shifted approximately $100 million in receipts from the fourth quarter of fiscal 2019 to the first quarter of fiscal 2020, which we discussed in our fiscal 2019 fourth-quarter earnings release.

Capital expenditures were $36.6 million in the quarter, compared to $28.3 million in the year-ago period. Total debt at August 31, 2019 of $2.60 billion compares to $2.53 billion at May 31, 2019. Total liquidity, including cash and long-term available credit, was $1.20 billion at August 31, 2019, compared to $1.28 billion at May 31, 2019.

Directors Elected at Annual Meeting

On October 3, 2019, we welcomed approximately 700 shareholders to our annual meeting. At the meeting, four directors were elected to serve with three-year terms expiring at the annual meeting of stockholders in 2022. In addition to me, the directors elected included Kirkland B. Andrews, executive vice president and chief financial officer of NRG Energy, Inc.; David A. Daberko, retired chairman and chief executive officer, National City Corporation, now a part of PNC Financial Services Group, Inc.; and Thomas S. Gross, retired vice chairman and chief operating officer for the Electrical Sector of Eaton Corporation plc.

Dividend Increased for 46th Consecutive Year

During the meeting, we announced that our board of directors declared a regular quarterly cash dividend of $0.36 per share, payable on October 31, 2019, to stockholders of record as of October 15, 2019. This payment represents a 2.9% increase over the $0.35 quarterly cash dividend paid at this time last year. We have now increased the cash dividend paid to our stockholders for 46 consecutive years, which places RPM in an elite category of less than half of 1% of all publicly traded U.S. companies. Only 41 other companies, besides RPM, have consecutively paid an increasing annual dividend for this period of time or longer, according to the Mergent Handbook of Dividend Achievers. Increasing our cash dividend on an annual basis is one of the principal ways we reward our shareholders. Combined with an appreciating stock price, increasing the dividend enables us to consistently deliver long-term growth and outperform the cumulative total return of the broader market.

Business Outlook Positive

As we look ahead to the second quarter of fiscal 2020, we expect to generate consolidated sales growth of 2% to 3%. We expect to leverage the sales growth to the bottom line for an estimated 20% to 24% adjusted EBIT growth, resulting in adjusted diluted EPS in the low to mid-$0.70 range.

Given our first quarter results and our expectations for the remainder of the fiscal year, we affirm the fiscal 2020 full year guidance we provided on July 22, 2019. Revenue growth is anticipated to be at the low end of our previously disclosed range of 2.5% to 4%. We expect to leverage the positive momentum of the 2020 MAP to Growth operating improvement plan to our bottom-line results. Therefore, we are maintaining our adjusted EBIT growth guidance in the 20% to 24% range as previously reported in July. We expect this to result in adjusted diluted EPS between $3.30 and $3.42 per share for the full year of fiscal 2020.

I'd like to close by recognizing the RPM associates around the world who are doing a great job executing our 2020 MAP to Growth program. When we get through this program, the entrepreneurial spirit and culture of RPM, combined with the operational excellence and continuous improvement culture that we are instituting, is going to be hugely successful both in the marketplace and for our shareholders. Thank you for your continued investment and confidence in RPM.

Sincerely yours,

Frank C. Sullivan

Chairman & Chief Executive Officer
October 28, 2019

Consolidated Statements of Income

IN THOUSANDS, EXCEPT PER SHARE DATA (UNAUDITED)

	Three Months Ended August 31, 2019	Three Months Ended August 31, 2018
Net Sales	$ 1,472,764	$ 1,459,989
Cost of sales	898,010	910,636
Gross profit	574,754	549,353
Selling, general & administrative expenses	400,566	415,053
Restructuring charges	6,622	20,076
Interest expense	28,317	24,406
Investment (income), net	(5,385)	(2,433)
Other expense, net	1,785	313
Income before income taxes	142,849	91,938
Provision for income taxes	36,353	21,752
Net income	106,496	70,186
Less: Net income attributable to noncontrolling interests	308	422
Net income attributable to RPM International Inc. Stockholders	$ 106,188	$ 69,764
Earnings per share of common stock attributable to RPM International Inc. Stockholders:		
Basic	$ 0.82	$ 0.52
Diluted	$ 0.82	$ 0.52
Average shares of common stock outstanding - basic	128,882	131,861
Average shares of common stock outstanding - diluted	129,504	136,430

Supplemental Information

RECONCILIATION OF "REPORTED" TO "ADJUSTED" AMOUNTS *(Unaudited)*

	Three Months Ended August 31, 2019	Three Months Ended August 31, 2018
Reconciliation of Reported Earnings per Diluted Share to Adjusted Earnings per Diluted Share (*All amounts presented after-tax*):		
Reported Earnings per Diluted Share	$ 0.82	$ 0.52
2020 MAP to Growth related initiatives (d)	0.15	0.24
Investment returns (f)	(0.02)	
Adjusted Earnings per Diluted Share (g)	$ 0.95	$ 0.76

(d) Reflects restructuring and other charges, all of which have been incurred in relation to our 2020 Margin Acceleration Plan initiatives, as follows. During fiscal 2020: headcount reductions, closures of facilities and related costs, all of which have been recorded in restructuring expense; inventory-related charges recorded in cost of goods sold that reflect product line and SKU rationalization at our Consumer Segment, as well as inventory write-offs in connection with restructuring activities at our Construction Products and Performance Coatings Segments; increases in our allowance for doubtful accounts deemed uncollectible as a result of a change in market and leadership strategy, and implementation costs associated with our ERP consolidation plan, professional fees incurred in connection with our 2020 MAP to Growth, all of which have been recorded in SG&A. During fiscal 2019: headcount reductions, closures of facilities, and accelerated vesting of equity awards in connection with key executives, all of which are included in restructuring expense; inventory-related charges reflecting a true-up of fiscal 2018 inventory write-offs at our Consumer Segment during the first quarter of fiscal 2019, inventory write-offs and disposals at our Construction Products and Performance Coatings Segments, and accelerated depreciation expense related to the shortened useful lives of facilities being prepared for closure; increases in our allowance for doubtful accounts deemed uncollectible as a result of a change in market and leadership strategy, implementation costs associated with our ERP consolidation plan, and professional fees incurred in connection with our restructuring plan implementation as well as the negotiation of a cooperation agreement, all of which have been recorded in SG&A.

(f) Investment returns include realized net gains and losses on sales of investments and unrealized net gains and losses on equity securities, which are adjusted due to their inherent volatility. Management does not consider these gains and losses, which cannot be predicted with any level of certainty, to be reflective of the company's core business operations.

(g) Adjusted EPS is provided for the purpose of adjusting diluted earnings per share for items impacting earnings that are not considered by management to be indicative of ongoing operations.

Consolidated Balance Sheets

IN THOUSANDS (UNAUDITED)

	August 31, 2019		August 31, 2018		May 31, 2019	
Assets						
Current Assets						
Cash and cash equivalents		$ 212,091		$ 202,183		$ 223,168
Trade accounts receivable	1,166,444		1,126,184		1,287,098	
Allowance for doubtful accounts	(57,185)		(55,558)		(54,748)	
Net trade accounts receivable		1,109,259		1,070,626		1,232,350
Inventories		860,518		853,573		841,873
Prepaid expenses and other current assets		234,401		306,333		220,701
Total current assets		2,416,269		2,432,715		2,518,092
Property, Plant and Equipment, at Cost		1,674,713		1,589,312		1,662,859
Allowance for depreciation		(861,697)		(812,253)		(843,648)
Property, plant and equipment, net		813,016		777,059		819,211
Other Assets						
Goodwill		1,249,818		1,187,705		1,245,762
Other intangible assets, net of amortization		601,747		585,056		601,082
Operating lease right-of-use assets		257,628		-		-
Deferred income taxes, non-current		36,335		21,953		34,908
Other		221,612		218,904		222,300
Total other assets		2,367,140		2,013,618		2,104,052
Total Assets		$ 5,596,425		$ 5,223,392		$ 5,441,355
Liabilities and Stockholders' Equity						
Current Liabilities						
Accounts payable		$ 477,050		$ 500,913		$ 556,696
Current portion of long-term debt		582,611		3,376		552,446
Accrued compensation and benefits		119,349		119,037		193,345
Accrued losses		20,142		30,295		19,899
Other accrued liabilities		297,420		224,515		217,019
Total current liabilities		1,496,572		878,136		1,539,405
Long-Term Liabilities						
Long-term debt, less current maturities		2,018,185		2,267,159		1,973,462
Operating lease liabilities		215,131		-		-
Other long-term liabilities		407,285		360,074		405,040
Deferred income taxes		113,227		104,644		114,843
Total long-term liabilities		2,753,828		2,731,877		2,493,345
Total liabilities		4,250,400		3,610,013		4,032,750
Commitments and contingencies						
Stockholders' Equity						
Preferred stock; none issued						
Common stock (outstanding 129,670; 133,408; 130,995)		1,297		1,334		1,310
Paid-in capital		1,001,081		992,086		994,508
Treasury stock, at cost		(543,650)		(256,899)		(437,290)
Accumulated other comprehensive (loss)		(601,253)		(493,026)		(577,628)
Retained earnings		1,485,917		1,366,952		1,425,052
Total RPM International Inc. stockholders' equity		1,343,392		1,610,447		1,405,952
Noncontrolling interest		2,633		2,932		2,653
Total equity		1,346,025		1,613,379		1,408,605
Total Liabilities and Stockholders' Equity		$ 5,596,425		$ 5,223,392		$ 5,441,355

CONSOLIDATED STATEMENTS OF CASH FLOWS

IN THOUSANDS (UNAUDITED)

	Three Months Ended August 31, 2019	Three Months Ended August 31, 2018
Cash Flows From Operating Activities:		
Net income	$ 106,496	$ 70,186
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Depreciation and amortization	35,839	35,540
Restructuring charges, net of payments	611	7,084
Deferred income taxes	(4,580)	(561)
Stock-based compensation expense	6,560	6,668
Other non-cash interest expense		775
Realized/unrealized (gain) loss on sales of marketable securities	(2,854)	6
Other	250	992
Changes in assets and liabilities, net of effect from purchases and sales of businesses:		
Decrease in receivables	116,349	32,389
(Increase) in inventory	(22,640)	(27,207)
(Increase) in prepaid expenses and other current and long-term assets	(5,801)	(18,282)
(Decrease) in accounts payable	(63,831)	(88,271)
(Decrease) in accrued compensation and benefits	(73,180)	(56,747)
Increase in accrued losses	404	8,415
Increase in other accrued liabilities	50,588	20,857
Other	928	1,027
Cash Provided By (Used For) Operating Activities	145,139	(7,129)
Cash Flows From Investing Activities:		
Capital expenditures	(36,602)	(28,295)
Acquisition of businesses, net of cash acquired	(30,598)	(26,366)
Purchase of marketable securities	(9,996)	(12,695)
Proceeds from sales of marketable securities	2,837	9,758
Other	(97)	(2,881)
Cash (Used For) Investing Activities	(74,456)	(60,479)
Cash Flows From Financing Activities:		
Additions to long-term and short-term debt	75,718	120,702
Reductions of long-term and short-term debt	(874)	(21,952)
Cash dividends	(45,323)	(42,715)
Repurchases of common stock	(100,000)	(6,994)
Shares of common stock returned for taxes	(6,127)	(13,587)
Payments of acquisition-related contingent consideration	(131)	(3,456)
Other	(295)	(319)
Cash (Used For) Provided By Financing Activities	(77,032)	31,679
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(4,728)	(6,310)
Net Change in Cash and Cash Equivalents	(11,077)	(42,239)
Cash and Cash Equivalents at Beginning of Period	223,168	244,422
Cash and Cash Equivalents at End of Period	$ 212,091	$ 202,183

SUPPLEMENTAL SEGMENT INFORMATION

IN THOUSANDS (UNAUDITED)

	Three Months Ended August 31, 2019	Three Months Ended August 31, 2018
Net Sales:		
Construction Products Segment	$ 536,105	$ 517,492
Performance Coatings Segment	297,241	296,419
Consumer Products Segment	479,330	477,363
Specialty Products Segment	160,088	168,715
Total	$ 1,472,764	$ 1,459,989
Income Before Income Taxes:		
Construction Products Segment		
Income Before Income Taxes (a)	$ 82,680	$ 65,044
Interest (Expense), Net (b)	(2,027)	(2,290)
EBIT (c)	84,707	67,334
2020 MAP to Growth related initiatives (d)	1,652	3,257
Acquisition-related costs (e)	548	
Adjusted EBIT	$ 86,907	$ 70,591
Performance Coatings Segment		
Income Before Income Taxes (a)	$ 28,057	$ 8,325
Interest (Expense), Net (b)	(129)	(118)
EBIT (c)	28,186	8,443
2020 MAP to Growth related initiatives (d)	8,737	19,751
Adjusted EBIT	$ 36,923	$ 28,194
Consumer Segment		
Income Before Income Taxes (a)	$ 59,158	$ 50,969
Interest (Expense), Net (b)	(105)	(174)
EBIT (c)	59,263	51,143
2020 MAP to Growth related initiatives (d)	2,433	864
Adjusted EBIT	$ 61,696	$ 52,007
Specialty Segment		
Income Before Income Taxes (a)	$ 23,327	$ 23,816
Interest Income, Net (b)	26	93
EBIT (c)	23,301	23,723
2020 MAP to Growth related initiatives (d)	5,328	2,663
Adjusted EBIT	$ 28,629	$ 26,386
Corporate/Other		
(Expense) Before Income Taxes (a)	$ (50,373)	$ (56,216)
Interest (Expense), Net (b)	(20,697)	(19,484)
EBIT (c)	(29,676)	(36,732)
2020 MAP to Growth related initiatives (d)	8,106	13,296
Adjusted EBIT	$ (21,570)	$ (23,436)
Consolidated		
Income Before Income Taxes (a)	$ 142,849	$ 91,938
Interest (Expense)	(28,317)	(24,406)
Investment Income, Net	5,385	2,433
EBIT (c)	165,781	113,911
2020 MAP to Growth related initiatives (d)	26,256	39,831
Acquisition-related costs (e)	548	
Adjusted EBIT	$ 192,585	$ 153,742

(a) The presentation includes a reconciliation of Income (Loss) Before Income Taxes, a measure defined by Generally Accepted Accounting Principles in the United States (GAAP), to EBIT and Adjusted EBIT.

(b) Interest income (expense), net includes the combination of interest income (expense) and investment income (expense), net.

(c) EBIT is defined as earnings (loss) before interest and taxes, with Adjusted EBIT provided for the purpose of adjusting for items impacting earnings that are not considered by management to be indicative of ongoing operations. We evaluate the profit performance of our segments based on income before income taxes, but also look to EBIT as a performance evaluation measure because interest expense is essentially related to acquisitions, as opposed to segment operations. For that reason, we believe EBIT is also useful to investors as a metric in their investment decisions. EBIT should not be considered an alternative to, or more meaningful than, income before income taxes as determined in accordance with GAAP, since EBIT omits the impact of interest and investment income or expense in determining operating performance, which represent items necessary to our continued operations, given our level of indebtedness. Nonetheless, EBIT is a key measure expected by and useful to our fixed income investors, rating agencies and the banking community all of whom believe, and we concur, that this measure is critical to the capital markets' analysis of our segments' core operating performance. We also evaluate EBIT because it is clear that movements in EBIT impact our ability to attract financing. Our underwriters and bankers consistently require inclusion of this measure in offering memoranda in conjunction with any debt underwriting or bank financing. EBIT may not be indicative of our historical operating results, nor is it meant to be predictive of potential future results.

(d) Reflects restructuring and other charges, all of which have been incurred in relation to our 2020 Margin Acceleration Plan initiatives, as follows. During fiscal 2020: headcount reductions, closures of facilities and related costs, all of which have been recorded in restructuring expense; inventory-related charges recorded in cost of goods sold that reflect product line and SKU rationalization at our Consumer Segment, as well as inventory write-offs in connection with restructuring activities at our Construction Products and Performance Coatings Segments; increases in our allowance for doubtful accounts deemed uncollectible as a result of a change in market and leadership strategy, and implementation costs associated with our ERP consolidation plan, professional fees incurred in connection with our 2020 MAP to Growth, all of which have been recorded in SG&A. During fiscal 2019: headcount reductions, closures of facilities, and accelerated vesting of equity awards in connection with key executives, all of which are included in restructuring expense; inventory-related charges reflecting a true-up of fiscal 2018 inventory write-offs at our Consumer Segment during the first quarter of fiscal 2019, inventory write-offs and disposals at our Construction Products and Performance Coatings Segments, and accelerated depreciation expense related to the shortened useful lives of facilities being prepared for closure; increases in our allowance for doubtful accounts deemed uncollectible as a result of a change in market and leadership strategy, implementation costs associated with our ERP consolidation plan, and professional fees incurred in connection with our restructuring plan implementation as well as the negotiation of a cooperation agreement, all of which have been recorded in SG&A.

(e) Acquisition costs reflect amounts included in gross profit for inventory disposals and step-ups related to fiscal 2020 acquisitions.

RPM International Inc. (NYSE) owns subsidiaries that are world leaders in coatings, sealants and building materials. It is comprised of three business segments: industrial, specialty and consumer. Among its many products are small project paints, primer-sealers, wood stains, corrosion control coatings, flooring coatings, caulks, sealants, adhesives, fluorescent pigments, roofing systems, concrete admixtures and other construction chemicals. RPM's leading brands include Rust-Oleum, DAP, Varathane, Zinsser, Tremco, Stonhard, Carboline, Day-Glo, Dryvit and Pettit.

Download the

RPM App

For up-to-date investment information on RPM, download the RPM app for Apple and Android devices. Scan this QR code or visit your app market.

RPM International Inc.

P.O. Box 777, Medina, Ohio 44258

330-273-5090 • 800-776-4488

FAX 330-225-8743

www.rpminc.com

www.twitter.com/RPMintl

E-mail: info@rpminc.com

Cautionary statement for purposes of the Safe Harbor provisions of The Private Securities Litigation Reform Act of 1995: Statements in this quarterly report that are not strictly historical may be forward-looking statements, which involve risks and uncertainties. Risk factors include general economic and industry conditions, effects of leverage, legal and environmental matters, technological developments, product pricing, raw material cost changes and international operations, among others, which are set forth in the company's SEC filings.