To Our Shareholders

I'm very pleased to report that we generated record sales, earnings and cash flow for our second quarter of fiscal 2021, despite challenging economic conditions worldwide. This excellent performance was achieved largely due to the efforts of our associates to grow the top line, which was achieved by three out of our four segments, despite challenging economic conditions worldwide, coupled with operational improvements from our MAP to Growth program.

The MAP to Growth initiative once again generated strong leverage to the bottom line on moderate sales growth of 6%. Organic sales grew in a broad range of categories, including cleaning and disinfecting products, air purification equipment, small project paints, OEM coatings, and others. Acquisitions also contributed to sales, including the second-quarter addition of Ali Industries, LLC. Ali is the largest acquisition we have made since fiscal 2013 and positively impacted both sales and earnings, while also demonstrating our renewed focus to invest in growth initiatives. Foreign currency translation also added to sales as international markets, particularly those in Europe, showed improvement.

Our businesses remain focused on growth and are continuing to develop new, innovative solutions for our customers. One such solution is DAP's Eclipse Rapid Wall Repair Patch, which was developed to quickly fix most common drywall damage with a simple, mess-free repair. Another is Carboline's Pyrocrete 341, a next generation cementitious coating for passive fire protection. With enhanced application properties and excellent durability, Pyrocrete 341 positions Carboline as a market leader in passive fire protection.

MAP to Growth Momentum Continues

Our MAP to Growth program continues to have tremendous momentum. We are becoming much more efficient in utilizing our manufacturing assets. In one case, a Dryvit manufacturing engineer, recently trained in Six Sigma principles, identified process improvements to reduce scrap and increase yields, which will result in $250,000 in annual savings. There are hundreds of other continuous improvement examples like this across the company as we have invested in training our operations associates throughout the MAP to Growth program. In addition, the targeted benefits from our center-led procurement initiatives are ahead of plan, and our administrative improvements and ERP consolidations continue to be implemented. As mentioned last quarter, we expect that we will reach the MAP to Growth program's planned run rate of $290 million in annualized savings by the conclusion of this fiscal year ending May 31, 2021. That said, we continue to add to our robust pipeline of cost saving initiatives and operational improvements that will carry into fiscal 2022 and beyond.

Second-Quarter Consolidated Results

Fiscal 2021 second-quarter net sales were a record $1.49 billion, up 6.0% over the $1.40 billion reported a year ago. Net income was up 65.7% to $127.7 million versus $77.0 million in the year-ago period. Diluted earnings per share (EPS) were $0.98, an increase of 66.1% over the $0.59 reported in the year-ago quarter. Income before income taxes (IBT) was $167.0 million, up 64.1% compared to $101.8 million reported in the prior year's second quarter. Our consolidated earnings before interest and taxes (EBIT) were up 49.8% to $178.7 million compared to $119.3 million reported in the year-ago period.

The fiscal 2021 second quarter included $18.6 million in charges for restructuring related to the MAP to Growth program and other charges, as well as a $2.0 million charge for the resolution of a legacy investigation by the Securities and Exchange Commission (SEC). Excluding these charges, our adjusted EBIT was up 29.7% to $199.3 million compared to $153.7 million during the year-ago period. We have excluded the impact of gains and losses from marketable securities from adjusted EPS, as their inherent volatility is outside of management's control and cannot be predicted with any level of certainty. These investments resulted in a net pre-tax gain of $7.5 million for our second quarter of fiscal 2021 and $5.9 million during the same quarter last year. Excluding the restructuring and other charges, as well as investment gains and losses, adjusted diluted EPS increased 39.5% to $1.06 compared to $0.76 in fiscal 2020.

Second-Quarter Segment Results

Sales in our Construction Products Group increased 0.8% to $503.5 million from $499.5 million a year ago, reflecting organic growth of 1.2%, which was somewhat offset by foreign currency translation headwinds of 0.4%. Segment IBT was $71.8 million compared with $57.1 million a year ago. EBIT increased 25.0% to $74.0 million compared to $59.2 million in the fiscal 2020 second quarter. The segment incurred restructuring-related expenses and other costs of $4.5 million during the second quarter of fiscal 2021 and $2.7 million during the same period of fiscal 2020. Excluding these charges, fiscal 2021 second-quarter adjusted EBIT increased 26.8% to $78.5 million from adjusted EBIT of $61.9 million reported during the year-ago period. Our Construction Products Group was able to leverage modest sales growth into outstanding results on the bottom line, due in large part to our MAP to Growth program, aggressive discretionary cost cuts and proactive management to improve its product mix. This was achieved despite commercial and institutional construction markets that continue to be soft in North America and Europe. The segment was able to maintain its top line by focusing on renovation and restoration projects, expanding its position as a single-source provider of building envelope systems and continuing to take market share with industry leading construction technologies, including its Nudura insulated concrete forms.

Sales in our Performance Coatings Group decreased 11.6% to $258.8 million from $292.7 million a year ago, reflecting an organic decline of 12.2%, offset somewhat by foreign currency translation of 0.4% and acquisitions of 0.2%. Segment IBT and EBIT were $24.0 million compared with $33.3 million a year-ago, a decrease of 27.8% compared to the year-ago period. The segment reported second-quarter restructuring and other charges related to the company's MAP to Growth program of $4.0 million in fiscal 2021 and $3.7 million during the same period of fiscal 2020. Adjusted EBIT, which excludes these charges, decreased 24.2% to $28.0 million during the second quarter of fiscal 2021 from adjusted EBIT of $37.0 million during the year-ago period. Similar to last quarter, Performance Coatings Group's sales continued to be impacted by Covid-19 restrictions that limited access to construction sites and weak energy markets that have caused deferred industrial maintenance spending. Conditions in emerging markets were particularly challenging. In addition, its Carboline business was temporarily disrupted by a series of hurricanes in the Gulf region of the U.S. The segment's earnings were impacted by declining sales, partially offset by MAP to Growth savings and discretionary cost reductions. Out of all our segments, the Performance Coatings Group has been unfavorably affected the most by the pandemic. However, it also stands to benefit significantly from the pandemic's end, as its customers catch up on deferred maintenance and construction projects.

In our Consumer Group, sales increased 21.4%, which grew to $547.5 million from $450.9 million in the fiscal 2020 second quarter. Organic sales increased 15.2%, while acquisition growth contributed 5.8% and foreign currency translation increased sales by 0.4%. The top line benefitted from the current-quarter acquisition of Ali Industries, which is the largest acquisition that we have executed since fiscal 2013. Consumer Group IBT and EBIT were $88.4 million

Continued on inside page

Quarterly
Report 2

RPM International Inc.

Second-Quarter Report

For Period Ended November 30, 2020

- **Record second-quarter sales, earnings and cash from operations**
- **Net income $127.7 million; adjusted EBIT +29.7% to $199.3 million**
- **Reported diluted EPS $0.98; adjusted diluted EPS +39.5% to $1.06**
- **Record first-half cash from operations of $579.5 million**

The Value of **168**®

compared with $34.5 million in the prior-year period, an increase of 156.2%. The segment incurred restructuring and other charges related to our MAP to Growth program and acquisition costs totaling $2.2 million during the second quarter of fiscal 2021 and $20.2 million of restructuring-related costs during the same period of fiscal 2020. Excluding these expenses, adjusted EBIT was up 65.8% to $90.7 million for the fiscal 2021 second quarter versus adjusted EBIT of $54.7 million for the year-ago period. The Consumer Group's outstanding performance was driven by our broad distribution and market-leading position as consumers tackled significantly more projects while homebound because of the pandemic. We are investing in paint-making and aerosol filling capacity to help meet this demand. The top line also benefited from brisk cleaning product sales, favorable translational foreign exchange and the recent acquisition of Ali Industries, provider of Gator brand sandpaper and other abrasive products. Raw material costs were stable overall during the second quarter, but are currently rising. High sales volumes and MAP to Growth savings were leveraged to the segment's strong bottom line.

Sales in our Specialty Products Group were $176.1 million, an increase of 11.3% compared to $158.2 million in the year-ago period. Organic sales increased 6.6%, a recent acquisition added 3.8% and foreign currency translation increased sales by 0.9%. Specialty Products Group IBT was $28.4 million compared with $18.8 million in the prior-year period. EBIT was $28.5 million, an increase of 51.7% compared to $18.8 million in the fiscal 2020 second quarter. The segment reported second-quarter restructuring and other charges related to the company's MAP to Growth of $1.1 million in fiscal 2021 and $4.4 million during the same period of fiscal 2020. Adjusted EBIT, which excludes restructuring-related expenses, was $29.6 million in the fiscal 2021 second quarter, an increase of 27.7% compared to $23.2 million in the year-ago period. Recent management changes at the Specialty Products Group have helped to turn around results at the segment this quarter. Sales were boosted by increased hurricane and wildfire activity, which drove demand for our water restoration equipment, as well as fluorescent pigments, which are used in fire retardant tracer dyes. Additionally, we continued to experience strong demand for our expanding lineup of disinfectants, air purification equipment and HEPA filters. A few of this segment's end markets have improved. For example, sales of its industrial wood protection products increased as a result of a stronger residential market that has driven demand for lumber, furniture and cabinets in the U.S. We also expanded sales in our forestry chemicals business in Australia and New Zealand. The segment's bottom line increased due to higher sales volumes, operational improvements and MAP to Growth savings.

Record Cash Flow Generated, Financial Position Strong

For the first half of fiscal 2021, cash from operations grew by 93.1% to a record $579.5 million compared to $300.2 million a year ago. This increase of $279.3 million was due to initiatives to improve working capital metrics and profit margins. Capital expenditures of $70.9 million compared to $71.4 million during the first half of last year. Total debt at November 30, 2020 was $2.30 billion, compared to $2.52 billion at November 30, 2019 and $2.54 billion at May 31, 2020. At November 30, 2020, total liquidity was $1.56 billion and included cash of $272.9 million and $1.29 billion in committed available credit. Our balance sheet is stronger than it has ever been. We have been strategic in managing our record cash flow, using it to pay down debt, make acquisitions and increase our cash reserves.

Leading Abrasives Manufacturer Acquired

Ali Industries was acquired by our Rust-Oleum business on September 1, 2020. Ali is a leading manufacturer of sandpaper and other abrasives. Its well-recognized brands include Gator, Finish 1st and Zip Sander. Headquartered in Fairborn, Ohio, Ali has annual net sales of approximately $75 million. It is an excellent synergistic fit within our Consumer Group because it broadens the segment's surface preparation capabilities by adding abrasives to our lineup of patch, repair and cleaning products.

Quarterly Dividend Declared

On January 4, 2021, our board of directors declared a regular quarterly cash dividend of $0.38 per share, payable on January 29, 2021 to stockholders of record as of January 15, 2021. We have increased our dividend for 47 consecutive years. During this timeframe, we have paid approximately $2.6 billion in cash dividends to our stockholders.

Business Outlook

Looking ahead to the fiscal 2021 third quarter, we anticipate consolidated sales to grow in the mid-single-digit range with strong leverage to the bottom line for adjusted EBIT growth of 30% or more. Our third quarter typically provides modest sales activity each year because it falls during the winter months when painting and construction activity slow. This seasonal reduction of activity will benefit our Consumer Segment by allowing it to replenish retail inventories after working to meet the unprecedented demand over the last six months.

On a segment basis, we expect fiscal 2021 third-quarter sales to be flat to negative in the Construction Products Group, as it focuses on building restoration, renovation and innovation to outperform its peers in a challenging construction market. We anticipate that negative sales growth will continue in the Performance Coatings Group, which serves our most challenged end markets. The Consumer Group is expected to continue its double-digit sales growth and will benefit from the recent acquisition of Ali Industries, which is performing better than projected. We anticipate positive sales growth from the Specialty Products Group to continue into the third quarter, driven by new management, improved business development initiatives and a recovering OEM customer base. Sales in all four segments should be up in the fiscal 2021 fourth quarter due to an easier comparison to last year's fourth quarter, which is when the economic interruption caused by the pandemic was most severe.

I'd like to thank our associates around the world for their dedication to manage and grow the business during these unprecedented times. To our shareholders, thank you for your continued investment in RPM. We remain focused on generating long-term value for you. I wish you a happy and healthy New Year.

Sincerely yours,

Frank C. Sullivan
Chairman and Chief Executive Officer

January 29, 2021

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.

Consolidated Statements of Income

IN THOUSANDS, EXCEPT PER SHARE DATA (*Unaudited*)

	Three Months Ended November 30,		Six Months Ended November 30,	
	2020	2019	2020	2019
Net Sales	$ 1,485,915	$ 1,401,292	$ 3,092,586	$ 2,874,056
Cost of sales	899,743	871,894	1,852,759	1,769,904
Gross profit	586,172	529,398	1,239,827	1,104,152
Selling, general & administrative expenses	399,418	403,357	795,370	803,923
Restructuring charges	4,918	4,801	9,151	11,423
Interest expense	21,266	26,341	43,011	54,658
Investment (income), net	(9,519)	(8,805)	(22,281)	(14,190)
Other expense, net	3,133	1,951	6,251	3,736
Income before income taxes	166,956	101,753	408,325	244,602
Provision for income taxes	39,072	24,431	99,655	60,784
Net income	127,884	77,322	308,670	183,818
Less: Net income attributable to noncontrolling interests	225	292	416	600
Net income attributable to RPM International Inc. Stockholders	$ 127,659	$ 77,030	$ 308,254	$ 183,218
Earnings per share of common stock attributable to RPM International Inc. Stockholders:				
Basic	$ 0.98	$ 0.60	$ 2.38	$ 1.42
Diluted	$ 0.98	$ 0.59	$ 2.37	$ 1.41
Average shares of common stock outstanding - basic	128,500	128,393	128,459	128,639
Average shares of common stock outstanding - diluted	129,090	129,079	129,078	129,294

Supplemental Information

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

	Three Months Ended November 30,		Six Months Ended November 30,	
	2020	2019	2020	2019
Reconciliation of Reported Earnings per Diluted Share to Adjusted Earnings per Diluted Share *(All amounts presented after-tax)*:				
Reported Earnings per Diluted Share	**$ 0.98**	**$ 0.59**	**$ 2.37**	**$ 1.41**
MAP to Growth related initiatives (d)	0.11	0.21	0.22	0.36
Acquisition-related costs (e)	0.01	-	0.01	-
Settlement for SEC Investigation & Enforcement Action (h)	0.01	-	0.01	-
Investment returns (i)	(0.05)	(0.04)	(0.11)	(0.06)
Adjusted Earnings per Diluted Share (j)	**$ 1.06**	**$ 0.76**	**$ 2.50**	**$ 1.71**

(d) Reflects restructuring and other charges, all of which have been incurred in relation to our Margin Acceleration Plan initiatives, as follows. **During fiscal 2021:** Product line and SKU rationalization at our Consumer Segment and accelerated expense related to the shortened useful lives of facilities and equipment that is currently in use but that is in the process of being retired associated with facility closures, offset somewhat by the reversal of prior period product line and SKU rationalization inventory charges due to the sale of immaterial amounts of previously reserved inventory at our Consumer Segment, all of which have been recorded in **Cost of Goods Sold;** headcount reductions, closures of facilities and related costs, all of which have been recorded in Restructuring Expense; Professional fees incurred in connection with our 2020 MAP to Growth, early retirements of key executives within the Consumer Group, headcount reductions, implementation costs associated with our ERP consolidation plan, accelerated expense related to the shortened useful lives of facilities and equipment that is currently in use but that is in the process of being retired associated with facility closures, immaterial reversal of a prior period charge associated with the divestiture of a business in our PCG segment, immaterial reversal of a prior period charge to our allowance for doubtful accounts as a result of a change in market and leadership strategy, all of which have been recorded in **Selling, General & Administrative Expenses. During fiscal 2020:** inventory-related charges 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, all of which have been recorded in **Cost of Goods Sold;** headcount reductions, closures of facilities and related costs, all of which have been recorded in **Restructuring Expense;** 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 **Selling, General & Administrative Expenses.**

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

(h) On December 22, 2020, the Court entered its Final Judgment resolving the legacy "SEC Investigation & Enforcement Action." We agreed to pay a civil monetary penalty of $2.0 million under Section 21(d)(3) of the Exchange Act. The settlement amount has been accrued for in our consolidated financial statements as of the period ending November 30, 2020.

(i) 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.

(i) 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*)

	November 30, 2020		November 30, 2019		May 31, 2020	
Assets						
Current Assets						
Cash and cash equivalents		$ 272,945		$ 208,173		$ 233,416
Trade accounts receivable	1,135,383		1,107,637		1,193,804	
Allowance for doubtful accounts	(53,542)		(59,824)		(55,847)	
Net trade accounts receivable		1,081,841		1,047,813		1,137,957
Inventories		829,617		883,722		810,448
Prepaid expenses and other current assets		268,029		220,557		241,608
Total current assets		2,452,432		2,360,265		2,423,429
Property, Plant and Equipment, at Cost		1,851,794		1,712,511		1,755,190
Allowance for depreciation		(962,395)		(890,736)		(905,504)
Property, plant and equipment, net		889,399		821,775		849,686
Other Assets						
Goodwill		1,300,777		1,259,556		1,250,066
Other intangible assets, net of amortization		620,399		595,311		584,380
Operating lease right-of-use assets		297,695		284,852		284,491
Deferred income taxes, non-current		37,154		34,719		30,894
Other		192,352		224,520		208,008
Total other assets		2,448,377		2,398,958		2,357,839
Total Assets		$ 5,790,208		$ 5,580,998		$ 5,630,954
Liabilities and Stockholders' Equity						
Current Liabilities						
Accounts payable		$ 540,678		$ 475,288		$ 535,311
Current portion of long-term debt		75,709		102,136		80,890
Accrued compensation and benefits		161,515		139,403		185,531
Accrued losses		23,717		21,646		20,021
Other accrued liabilities		331,074		245,595		271,827
Total current liabilities		1,132,693		984,068		1,093,580
Long-Term Liabilities						
Long-term debt, less current maturities		2,224,627		2,421,339		2,458,290
Operating lease liabilities		256,045		243,863		244,691
Other long-term liabilities		560,749		415,838		510,175
Deferred income taxes		65,651		112,590		59,555
Total long-term liabilities		3,107,072		3,193,630		3,272,711
Total liabilities		4,239,765		4,177,698		4,366,291
Stockholders' Equity						
Preferred stock; none issued		-		-		-
Common stock (outstanding 130,106; 129,767; 129,511)		1,301		1,298		1,295
Paid-in capital		1,035,539		1,007,554		1,014,428
Treasury stock, at cost		(595,851)		(547,683)		(580,117)
Accumulated other comprehensive (loss)		(649,819)		(576,707)		(717,497)
Retained earnings		1,756,571		1,516,230		1,544,336
Total RPM International Inc. stockholders' equity		1,547,741		1,400,692		1,262,445
Noncontrolling interest		2,702		2,608		2,218
Total equity		1,550,443		1,403,300		1,264,663
Total Liabilities and Stockholders' Equity		$ 5,790,208		$ 5,580,998		$ 5,630,954

Consolidated Statements of Cash Flows

IN THOUSANDS (*Unaudited*)

	Six Months Ended November 30, 2020	Six Months Ended November 30, 2019
Cash Flows From Operating Activities:		
Net income	$ 308,670	$ 183,818
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Depreciation and amortization	72,506	77,572
Restructuring charges, net of payments	(2,291)	(1,713)
Fair value adjustments to contingent earnout obligations	2,712	-
Deferred income taxes	1,786	(5,426)
Stock-based compensation expense	21,118	13,034
Net (gain) on marketable securities	(20,172)	(8,741)
Other	(194)	(705)
Changes in assets and liabilities, net of effect from purchases and sales of businesses:		
Decrease in receivables	91,027	183,782
Decrease (increase) in inventory	21,655	(41,129)
Decrease in prepaid expenses and other current and long-term assets	8,782	8,524
Increase (decrease) in accounts payable	8,331	(70,712)
(Decrease) in accrued compensation and benefits	(28,919)	(53,589)
Increase in accrued losses	3,377	1,894
Increase in other accrued liabilities	89,020	13,644
Other	2,095	(90)
Cash Provided By Operating Activities	**579,503**	**300,163**
Cash Flows From Investing Activities:		
Capital expenditures	(70,943)	(71,393)
Acquisition of businesses, net of cash acquired	(113,618)	(36,281)
Purchase of marketable securities	(23,292)	(14,332)
Proceeds from sales of marketable securities	21,189	13,100
Other	703	2,183
Cash (Used For) Investing Activities	**(185,961)**	**(106,723)**
Cash Flows From Financing Activities:		
Additions to long-term and short-term debt	15	539,277
Reductions of long-term and short-term debt	(256,096)	(542,744)
Cash dividends	(96,019)	(92,040)
Repurchases of common stock	-	(100,000)
Shares of common stock returned for taxes	(15,729)	(10,155)
Payments of acquisition-related contingent consideration	(2,218)	(187)
Other	-	(664)
Cash (Used For) Financing Activities	**(370,047)**	**(206,513)**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**16,034**	**(1,922)**
Net Change in Cash and Cash Equivalents	**39,529**	**(14,995)**
Cash and Cash Equivalents at Beginning of Period	**233,416**	**223,168**
Cash and Cash Equivalents at End of Period	**$ 272,945**	**$ 208,173**

Supplemental Segment Information

IN THOUSANDS (*Unaudited*)

	Three Months Ended November 30, 2020	Three Months Ended November 30, 2019	Six Months Ended November 30, 2020	Six Months Ended November 30, 2019
Net Sales:				
CPG Segment	$ 503,520	$ 499,510	$ 1,051,210	$ 1,035,615
PCG Segment	258,833	292,712	518,622	589,953
Consumer Segment	547,508	450,900	1,188,676	930,230
SPG Segment	176,054	158,170	334,078	318,258
Total	$ 1,485,915	$ 1,401,292	$ 3,092,586	$ 2,874,056
Income Before Income Taxes:				
CPG Segment				
Income Before Income Taxes (a)	$ 71,832	$ 57,123	$ 170,182	$ 139,803
Interest (Expense), Net (b)	(2,141)	(2,074)	(4,251)	(4,101)
EBIT (c)	73,973	59,197	174,433	143,904
MAP to Growth related initiatives (d)	4,794	2,674	6,659	4,326
Acquisition-related costs (e)	-	-	-	548
Adjustment to Exit Flowcrete China (g)	(305)	-	(305)	-
Adjusted EBIT	$ 78,462	$ 61,871	$ 180,787	$ 148,778
PCG Segment				
Income Before Income Taxes (a)	$ 24,047	$ 33,320	$ 52,561	$ 61,377
Interest Income (Expense), Net (b)	9	25	(22)	(104)
EBIT (c)	24,038	33,295	52,583	61,481
MAP to Growth related initiatives (d)	3,999	3,676	6,325	12,413
Acquisition-related costs (e)	-	35	-	35
Adjusted EBIT	$ 28,037	$ 37,006	$ 58,908	$ 73,929
Consumer Segment				
Income Before Income Taxes (a)	$ 88,368	$ 34,456	$ 221,089	$ 93,614
Interest (Expense), Net (b)	(64)	(56)	(127)	(161)
EBIT (c)	88,432	34,512	221,216	93,775
MAP to Growth related initiatives (d)	1,055	20,172	4,999	22,605
Acquisition-related costs (e)	1,178	-	1,178	-
Adjusted EBIT	$ 90,665	$ 54,684	$ 227,393	$ 116,380
SPG Segment				
Income Before Income Taxes (a)	$ 28,406	$ 18,762	$ 48,855	$ 42,089
Interest Income (Expense), Net (b)	(73)	(7)	(155)	19
EBIT (c)	28,479	18,769	49,010	42,070
MAP to Growth related initiatives (d)	1,140	4,418	4,683	9,746
Adjusted EBIT	$ 29,619	$ 23,187	$ 53,693	$ 51,816
Corporate/Other				
(Loss) Before Income Taxes (a)	$ (45,697)	$ (41,908)	$ (84,362)	$ (92,281)
Interest (Expense), Net (b)	(9,478)	(15,424)	(16,175)	(36,121)
EBIT (c)	(36,219)	(26,484)	(68,187)	(56,160)
MAP to Growth related initiatives (d)	6,641	3,393	13,809	11,499
Unusual executive costs, net of insurance proceeds (f)	49	-	56	-
Settlement for SEC Investigation & Enforcement Action (h)	2,000	-	2,000	-
Adjusted EBIT	$ (27,529)	$ (23,091)	$ (52,322)	$ (44,661)
Consolidated				
Income Before Income Taxes (a)	$ 166,956	$ 101,753	$ 408,325	$ 244,602
Interest (Expense)	(21,266)	(26,341)	(43,011)	(54,658)
Investment Income, Net	9,519	8,805	22,281	14,190
EBIT (c)	178,703	119,289	429,055	285,070
MAP to Growth related initiatives (d)	17,629	34,333	36,475	60,589
Acquisition-related costs (e)	1,178	35	1,178	583
Unusual executive costs, net of insurance proceeds (f)	49	-	56	-
Adjustment to Exit Flowcrete China (g)	(305)	-	(305)	-
Settlement for SEC Investigation & Enforcement Action (h)	2,000	-	2,000	-
Adjusted EBIT	$ 199,254	$ 153,657	$ 468,459	$ 346,242

(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, or adjusted 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 Margin Acceleration Plan initiatives, as follows. **During fiscal 2021:** Product line and SKU rationalization at our Consumer Segment and accelerated expense related to the shortened useful lives of facilities and equipment that is currently in use but that is in the process of being retired associated with facility closures, offset somewhat by the reversal of prior period product line and SKU rationalization inventory charges due to the sale of immaterial amounts of previously reserved inventory at our Consumer Segment, all of which have been recorded in **Cost of Goods Sold;** headcount reductions, closures of facilities and related costs, all of which have been recorded in **Restructuring Expense;** Professional fees incurred in connection with our MAP to Growth, early retirements of key executives within the Consumer Group, headcount reductions, implementation costs associated with our ERP consolidation plan, accelerated expense related to the shortened useful lives of facilities and equipment that is currently in use but that is in the process of being retired associated with facility closures, immaterial reversal of a prior period charge associated with the divestiture of a business in our PCG segment, an immaterial charge to writeoff the remaining cumulative translation adjustment associated with a prior period divestiture in our CPG segment, immaterial reversal of a prior period charge to our allowance for doubtful accounts as a result of a change in market and leadership strategy, all of which have been recorded in Selling, General & Administrative Expenses. **During fiscal 2020:** Costs associated with exiting unprofitable product lines, inventory-related charges 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, all of which have been recorded in **Cost of Goods Sold;** headcount reductions, closures of facilities and related costs, all of which have been recorded in Restructuring Expense; 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 MAP to Growth, the net gain incurred for the divestiture of assets and unprofitable businesses, all of which have been recorded in **Selling, General & Administrative Expenses.**
(e) Acquisition costs reflect amounts included in gross profit for inventory disposals and step-ups related to recent acquisitions.
(f) Reflects unusual compensation costs, net of insurance proceeds, recorded unrelated to our MAP to Growth initiative, including stock and deferred compensation plan arrangements.
(g) In FY18, we added back a charge to exit our Flowcrete China business. Included in that charge from FY18 was an accrual for a contingent liability. During Q2 2021, the contingent liability was resolved, and a favorable adjustment of ~ $0.3 million was recognized.
(h) On December 22, 2020, the Court entered its Final Judgment resolving the legacy "SEC Investigation & Enforcement Action." We agreed to pay a civil monetary penalty of $2.0 million under Section 21(d)(3) of the Exchange Act. The settlement amount has been accrued for in our consolidated financial statements as of the period ending November 30, 2020.

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