Quarterly
Report 3

RPM International Inc.

Third-Quarter Report

For Period Ended February 28, 2021

- **Record third-quarter sales, earnings and cash from operations**
- **Net income $38.2 million; adjusted EBIT +32.2% to $79.9 million**
- **Reported diluted EPS $0.29; adjusted diluted EPS +65.2% to $0.38**
- **Record cash from operations of $651.9 million for the nine-month period**
- **Fiscal 2021 fourth-quarter outlook: double-digit sales and adjusted EBIT growth**

NOTE: Final Quarterly Report

In order to be more environmentally friendly, we will no longer produce quarterly reports. Investors can stay up to date on RPM's latest financial results and news through our website and email alerts. Register for our emails at: www.rpminc.com/investors/email-alerts/.

The Value of **168**®

To Our Shareholders

I'm pleased to report that we generated record consolidated sales, earnings and cash from operations for our third quarter of fiscal 2021. This was particularly impressive considering supply chain challenges and a difficult comparison to last year's very strong third quarter. Much like last quarter, three of our four operating segments generated solid sales growth and significant EBIT growth due to the benefits of our MAP to Growth operating improvement program being leveraged to the bottom line.

In mid-February, a severe winter storm blanketed nearly 75% of the U.S. in snow, which disrupted transportation, distribution and supply chains. In anticipation of severe transportation gridlock; the potential of losing multiple shipping days in the North American market, which makes up approximately 70% of our revenue; and the desire to maintain transparent communication with our investors, we lowered our third-quarter guidance on February 18. In the end, through the extraordinary measures of our associates, as well as the fact that plants, distribution centers and transportation networks resumed operation more quickly than anticipated, we were able to catch up and execute delivery of customer orders in the final week of February, which enabled us to exceed our original third-quarter sales and earnings guidance.

MAP to Growth Pays Dividends

Our MAP to Growth program continues to pay dividends. We are becoming more efficient in utilizing our manufacturing assets to generate cost savings opportunities. The benefits of our center-led procurement initiatives are even more evident in the current inflationary raw material environment, which we expect will impact our financial results over the next several quarters. Lastly, in the G&A area, we continue to consolidate our IT systems and accounting and finance operations.

At the conclusion of our fourth quarter, we expect to exceed the targeted MAP to Growth program's planned run rate of $290 million in annualized savings. Through our culture of continuous improvement, we will continue to add to our robust pipeline of cost saving initiatives and operational improvements. As we sustain the efficiency gains achieved through MAP to Growth, we are shifting more focus and resources toward top-line growth through internal investment and acquisitions. Our goal is to return to the exceptional revenue growth rates that have been a hallmark of RPM since its founding in 1947.

As we sustain the efficiency gains achieved through MAP to Growth, we are now shifting more focus and resources toward top-line growth through internal investments and acquisitions. We continued to prove why RPM is the best home for entrepreneurial businesses in our industry with two acquisitions in March. We have also taken a more collaborative view of our manufacturing footprint as we add capacity and invest in our operations.

Third-Quarter Consolidated Results

Fiscal 2021 third-quarter net sales were $1.27 billion, an increase over the $1.17 billion reported a year ago. Sales growth was 8.1%, with 4.9% being due to organic initiatives, 2.1% resulting from acquisitions, and 1.1% was a result of favorable foreign exchange.

Third-quarter net income increased 222.6% to $38.2 million compared to $11.9 million reported in the year-ago period, and diluted earnings per share (EPS) were $0.29, an increase of 222.2% compared to $0.09 in the year-ago quarter. Income before income taxes (IBT) was $55.9 million compared to $16.3 million reported in the fiscal 2020 third quarter. Our consolidated earnings before interest and taxes (EBIT) were up 48.2% to $65.4 million compared to $44.1 million reported in the fiscal 2020 third quarter.

Third-quarter EBIT included restructuring and other items that are not indicative of ongoing operations of $14.5 million during fiscal 2021 and $16.3 million in fiscal 2020. Excluding these items, our adjusted EBIT was up 32.2% to $79.9 million compared to $60.5 million during the year-ago period. In addition, we have continued to exclude the impact of all 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 after-tax gain of $5.5 million for the third quarter of fiscal 2021 and a net after-tax loss of $4.9 million during the same quarter last year. Finally, we recorded a $5.3 million discrete tax adjustment during the third quarter to increase our deferred tax liability for withholding taxes on additional unremitted foreign earnings not considered permanently reinvested. Excluding the restructuring and other items, as well as investment gains/losses and the discrete tax adjustment, fiscal 2021 third-quarter adjusted diluted EPS increased 65.2% to $0.38 compared to $0.23 in the fiscal 2020 third quarter.

Third-Quarter Segment Results

Construction Products Group net sales increased 6.4% to $396.0 million during the fiscal 2021 third quarter, compared to fiscal 2020 third-quarter net sales of $372.1 million, reflecting organic growth of 5.4%. Favorable foreign currency translation increased sales by 1.0%. Our Construction Products Group continued to focus on renovation and restoration projects, leading to solid sales growth during the quarter, despite softness in the commercial and institutional construction markets, which it leveraged to the bottom line. Our roofing business performed well, as did our Nudura insulated concrete forms, which are seeing accelerated long-term adoption as a wall system due to their environmental and structural benefits relative to traditional building methods. Segment IBT was $14.4 million compared with a loss of $0.5 million a year ago. EBIT was $16.5 million, up 899.1% compared to EBIT of $1.7 million in the fiscal 2020 third quarter. The segment incurred restructuring-related expenses of $2.0 million during the third quarter of fiscal 2021 and $4.4 million during the same period of fiscal 2020. Excluding these charges, fiscal 2021 adjusted EBIT increased 206.4% to $18.5 million compared to adjusted EBIT of $6.0 million reported during the year-ago period. Overall, the group was able to generate 310 basis points of adjusted EBIT margin growth as a result of MAP to Growth savings and the favorable leverage of sales volume increases. The segment's European businesses continue to improve due to ongoing restructuring and better product mix.

Performance Coatings Group net sales were $226.5 million during the fiscal 2021 third quarter, a decrease of 11.4% from net sales of $255.7 million reported a year ago. Organic sales decreased 12.7%, which was partially offset by favorable foreign currency translation of 1.3%. Challenging market trends persisted for our Performance Coatings Group during the quarter, including weak energy demand that impacted industrial coatings and Covid-19 protocols that restricted access to facilities for flooring system installations. Segment IBT was $12.2 million compared with IBT of $22.2 million reported a year ago. EBIT was $12.1 million, a decrease of 45.4% compared to EBIT of $22.1 million in the fiscal 2020 third quarter. The segment reported restructuring-related charges of $2.0 million in the third quarter compared to $2.1 million in the prior-year quarter. Adjusted EBIT, which excludes these charges, decreased 41.6% to $14.1 million during the third quarter of fiscal 2021 from adjusted EBIT of $24.2 million during the year-ago period. Lower sales volumes and pricing pressures resulted in earnings deleveraging, which was offset, in part, by discretionary cost cuts and MAP to Growth savings. As vaccines are administered and the impact of the pandemic diminishes, we expect the segment to rebound as its industrial customers resume maintenance projects and energy markets recover due to increased travel.

Continued on inside page

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.

Consumer Group net sales were $477.7 million during the third quarter of fiscal 2021, an increase of 19.8% compared to net sales of $398.7 million reported in the third quarter of fiscal 2020. Organic sales increased 12.7%. Acquisitions contributed 6.1% to sales growth and foreign currency translation was favorable by 1.0%. Our Consumer Group continued to leverage its broad distribution and market leadership in caulks, sealants, cleaners, abrasives and small-project paints to capitalize on the positive DIY home improvement trend. Similar to the U.S., the segment's international results were equally robust in Europe and Canada. Consumer Group IBT was $42.7 million compared with IBT of $29.8 million in the prior-year period. EBIT was up 43.3% to $42.8 million compared to EBIT of $29.9 million in the fiscal 2020 third quarter. The segment incurred restructuring-related expenses of $5.0 million during fiscal 2021 and $2.3 million during fiscal 2020. Excluding these charges, fiscal 2021 third-quarter adjusted EBIT was $47.8 million, an increase of 48.6% over adjusted EBIT of $32.1 million reported during the prior-year period. Adjusted EBIT margins improved due to MAP savings and the leveraging of higher sales volumes, which offset rising distribution expenses.

Specialty Products Group results were a record. The segment reported net sales of $169.2 million during the third quarter of fiscal 2021, an increase of 14.7% compared to net sales of $147.5 million in the fiscal 2020 third quarter. Organic sales increased 13.4% and favorable foreign currency translation added 1.3%. For the second consecutive quarter, the segment showed dramatic improvement due to recent management changes and improving market conditions for many of its businesses. In particular, our restoration equipment business, driven by extreme weather events in North America, experienced excellent top-line growth, as did our businesses serving the furniture, outdoor recreational equipment, food and OEM markets. Segment IBT was $24.6 million compared to $12.9 million in the prior-year period. EBIT was $24.6 million, an increase of 89.9% compared to EBIT of $13.0 million in the fiscal 2020 third quarter. The segment reported third-quarter restructuring-related charges of $0.6 million in fiscal 2021 and restructuring-related charges and acquisition costs of $4.6 million in fiscal 2020. Adjusted EBIT, which excludes these charges, was $25.3 million in the fiscal 2021 third quarter, an increase of 44.2% compared to adjusted EBIT of $17.5 million in last year's quarter. The segment was able drive MAP to Growth savings and operating leverage from higher sales volumes to the bottom line.

Record Cash Flow Generated, Financial Position Strong

Our year-to-date cash flow from operations improved by $270.7 million, or 71% over last fiscal year to a record $651.9 million. This was a result of continued better working capital management, where all components of working capital improved as compared to the prior year, and margin improvement from our MAP to Growth program. At the quarter's end, our total liquidity was $1.4 billion. Our net leverage ratio, as calculated under our bank agreements, was 2.13 on February 28, 2021, which was an improvement as compared to 2.90 a year ago. Our balance sheet remains strong, and we have strategically deployed our record cash flow to reduce debt. Simultaneously, we are completing acquisitions and making investments to improve the efficiency of our operations. Additionally, we repurchased approximately $24.6 million of stock during the quarter.

Two Acquisitions Completed

On March 1, 2021, our Modern Recreational Technologies business acquired Tuff Coat, the world's #1 rubberized non-skid coating used for aquatic applications, which is a strategic fit with our recreational marine products. On March 29, 2021, our Fibergrate business acquired Bison Innovative Products, a leading manufacturer of raised flooring systems.

Quarterly Dividend Declared

On April 2, 2021, our board of directors declared a regular quarterly cash dividend of $0.38 per share, payable on April 30, 2021 to stockholders of record as of April 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

The fourth quarter is seasonally our strongest and started off well in March. However, several macroeconomic factors are creating inflationary and supply pressures on some of our product categories. These factors include supplier refineries operating at lower levels due to low fuel demand; the disruption winter storm Uri caused on supply chains; intermittent supplier plant shutdowns in response to the pandemic; and significant worldwide demand for packaging, solvents and chemicals used in cleaning products. We expect that these increased costs will be reflected in our results for the fourth quarter of fiscal 2021 and more significantly during fiscal 2022. We are moving aggressively to offset these increased costs with commensurate selling price increases.

Fortunately, due to our MAP to Growth program, we are in a much better position to weather these challenges than we were three years ago when the last inflationary cycle occurred. With a stronger partnership with our supplier base and longer-term contracts, we are working with our supplier partners to secure necessary raw materials and control costs to whatever extent possible. In addition, our improved center-led processes and systems are providing more timely and actionable information to address these challenges. We are also working in collaboration with customers through these supply chain difficulties.

Based on the information available to us today, we expect our fiscal 2021 fourth-quarter sales to increase by double digits compared to the fiscal 2020 fourth quarter. Last year's fourth quarter should prove to be an easier revenue comparison because it was heavily impacted by the onset of the pandemic. Our earnings comparison versus last year will be more challenging because of raw material inflation as well as an extraordinary situation last year when our non-operating segment reported a profit due to lower travel and medical expenses, incentive reversals and other factors. As a result, our fourth quarter adjusted EBIT is expected to increase double digits, but below the rate of sales growth. Excluding our non-operating segment, adjusted EBIT for our four operating segments in total is expected to increase by more than 20%.

Thank you for your continued investment in RPM. We look forward to updating you on our fiscal 2021 fourth-quarter and year-end results, progress on our MAP to Growth and outlook for fiscal 2021 in July.

Sincerely yours,

Frank C. Sullivan
Chairman and Chief Executive Officer

April 23, 2021

Consolidated Statements of Income

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

	Three Months Ended		Nine Months Ended	
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
Net Sales	$ 1,269,395	$ 1,173,976	$ 4,361,981	$ 4,048,033
Cost of sales	797,454	739,229	2,650,213	2,509,133
Gross profit	471,941	434,747	1,711,768	1,538,900
Selling, general & administrative expenses	402,186	381,866	1,197,556	1,185,791
Restructuring charges	3,129	7,343	12,280	18,766
Interest expense	20,964	23,972	63,975	78,630
Investment (income) expense, net	(11,454)	3,836	(33,735)	(10,354)
Other expense, net	1,256	1,422	7,507	5,158
Income before income taxes	55,860	16,308	464,185	260,909
Provision for income taxes	17,394	4,218	117,049	65,002
Net Income	38,466	12,090	347,136	195,907
Less: net income attributable to noncontrolling interests	224	237	640	835
Net Income Attributable to RPM International Inc. Stockholders	$ 38,242	$ 11,853	$ 346,496	$ 195,072
Earnings per share of common stock attributable to RPM International Inc. Stockholders:				
Basic	$ 0.30	$ 0.09	$ 2.68	$ 1.51
Diluted	$ 0.29	$ 0.09	$ 2.66	$ 1.50
Average shares of common stock outstanding - basic	128,447	128,426	128,455	128,572
Average shares of common stock outstanding - diluted	129,949	130,028	129,052	129,238

Supplemental Information

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

	Three Months Ended		Nine Months Ended	
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
Reconciliation of Reported Earnings per Diluted Share to Adjusted Earnings per Diluted Share (*All amounts presented after-tax*):				
Reported Earnings per Diluted Share	$ 0.29	$ 0.09	$ 2.66	$ 1.50
MAP to Growth related initiatives (d)	0.10	0.10	0.32	0.45
Acquisition-related costs (e)	-	-	0.01	0.01
Unusual executive costs, net of insurance proceeds (f)	(0.01)	-	(0.01)	
Settlement for SEC Investigation & Enforcement Action (h)	-	-	0.01	-
Discrete Tax Adjustment (i)	0.04	-	0.04	
Investment returns (j)	(0.04)	0.04	(0.15)	(0.02)
Adjusted Earnings per Diluted Share (k)	$ 0.38	$ 0.23	$ 2.88	$ 1.94

(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 and termination costs 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, and accelerated vesting of equity awards in connection with key executives, all of which have been recorded in **Restructuring Expense;** Professional fees incurred in connection with our MAP to Growth, executive departures within our Consumer Group, headcount reductions, implementation costs associated with our ERP consolidation plan and decision support tools, accelerated expense related to the shortened useful lives of facilities, equipment, and intangibles that are currently in use but that is in the process of being retired associated with facility closures, reversal of an immaterial prior period charge associated with the divestiture of a business in our PCG segment, charges to writeoff the remaining cumulative translation adjustment associated with divestitures in our CPG and Non-Operating segment, and the true-up of reserves related to prior period gains or losses incurred upon divestiture of a business and/or assets, an increase in our allowance for doubtful accounts deemed uncollectible as a result of a change in market and leadership strategy offset by subsequent collections, all of which have been recorded in Selling, General & Administrative Expenses. **During fiscal 2020:** Inventory-related charges that reflect product line and SKU rationalization and closure of a business at our Consumer Segment, as well as inventory write-offs in connection with restructuring activities at our CPG, PCG, and SPG 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; accelerated expense related to the shortened useful lives of facilities, equipment, ERP systems, and intangibles that are currently in use, but are in the process of being retired associated with facility closures, exiting a business, and ERP consolidation, increases in our allowance for doubtful accounts deemed uncollectible as a result of a change in market and leadership strategy, costs associated with exiting unprofitable product lines & regions, implementation costs associated with our ERP consolidation plan, professional fees incurred in connection with our MAP to Growth, and 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.

(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 was accrued for in our consolidated financial statements as of the period ending November 30, 2020, and paid during our fiscal 3rd quarter ending February 28, 2021.

(i) Income tax charge for an increase to our deferred income tax liability for withholding taxes on additional unremitted foreign earnings not considered permanently reinvested.

(j) 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.

(k) 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)

	February 28, 2021	February 29, 2020	May 31, 2020
Assets			
Current Assets			
Cash and cash equivalents	$ 249,214	$ 212,242	$ 233,416
Trade accounts receivable	1,050,986	1,006,843	1,193,804
Allowance for doubtful accounts	(52,203)	(58,492)	(55,847)
Net trade accounts receivable	998,783	948,351	1,137,957
Inventories	913,302	914,197	810,448
Prepaid expenses and other current assets	286,274	240,678	241,608
Total current assets	2,447,573	2,315,468	2,423,429
Property, Plant and Equipment, at Cost	1,887,807	1,731,101	1,755,190
Allowance for depreciation	(985,176)	(900,368)	(905,504)
Property, plant and equipment, net	902,631	830,733	849,686
Other Assets			
Goodwill	1,310,762	1,265,237	1,250,066
Other intangible assets, net of amortization	612,702	597,018	584,380
Operating lease right-of-use assets	292,224	289,654	284,491
Deferred income taxes, non-current	37,991	36,601	30,894
Other	188,502	231,159	208,008
Total other assets	2,442,181	2,419,669	2,357,839
Total Assets	$ 5,792,385	$ 5,565,870	$ 5,630,954
Liabilities and Stockholders' Equity			
Current Liabilities			
Accounts payable	$ 569,002	$ 475,613	$ 535,311
Current portion of long-term debt	1,027	71,234	80,890
Accrued compensation and benefits	190,167	154,129	185,531
Accrued losses	23,457	22,831	20,021
Other accrued liabilities	303,852	238,324	271,827
Total current liabilities	1,087,505	962,131	1,093,580
Long-Term Liabilities			
Long-term debt, less current maturities	2,310,483	2,488,529	2,458,290
Operating lease liabilities	251,563	247,685	244,691
Other long-term liabilities	502,724	391,677	510,175
Deferred income taxes	90,440	122,499	59,555
Total long-term liabilities	3,155,210	3,250,390	3,272,711
Total liabilities	4,242,715	4,212,521	4,366,291
Stockholders' Equity			
Preferred stock; none issued	-	-	-
Common stock (outstanding 129,815; 129,879; 129,511)	1,298	1,299	1,295
Paid-in capital	1,045,585	1,013,561	1,014,428
Treasury stock, at cost	(621,836)	(553,663)	(580,117)
Accumulated other comprehensive (loss)	(622,937)	(592,024)	(717,497)
Retained earnings	1,745,375	1,481,339	1,544,336
Total RPM International Inc. stockholders' equity	1,547,485	1,350,512	1,262,445
Noncontrolling interest	2,185	2,837	2,218
Total equity	1,549,670	1,353,349	1,264,663
Total Liabilities and Stockholders' Equity	$ 5,792,385	$ 5,565,870	$ 5,630,954

CONSOLIDATED STATEMENTS OF CASH FLOWS

IN THOUSANDS (*Unaudited*)

	Nine Months Ended	
	February 28, 2021	February 29, 2020
Cash Flows From Operating Activities:		
Net income	$ **347,136**	$ **195,907**
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Depreciation and amortization	109,119	113,520
Restructuring charges, net of payments	(3,830)	(132)
Fair value adjustments to contingent earnout obligations	1,829	-
Deferred income taxes	24,473	2,505
Stock-based compensation expense	31,157	18,881
Net (gain) on marketable securities	(29,652)	(3,063)
Other	(394)	(371)
Changes in assets and liabilities, net of effect from purchases and sales of businesses:		
Decrease in receivables	181,032	282,052
(Increase) in inventory	(57,702)	(73,566)
Decrease in prepaid expenses and other current and long-term assets	19,133	19,747
Increase (Decrease) in accounts payable	31,825	(70,286)
(Decrease) in accrued compensation and benefits	(1,107)	(38,468)
Increase in accrued losses	3,054	3,120
(Decrease) in other accrued liabilities	(7,615)	(68,906)
Other	3,448	237
Cash Provided By Operating Activities	**651,906**	**381,177**
Cash Flows From Investing Activities:		
Capital expenditures	(103,226)	(105,430)
Acquisition of businesses, net of cash acquired	(114,355)	(65,102)
Purchase of marketable securities	(30,784)	(17,076)
Proceeds from sales of marketable securities	28,773	21,325
Other	1,664	2,203
Cash (Used For) Investing Activities	**(217,928)**	**(164,080)**
Cash Flows From Financing Activities:		
Additions to long-term and short-term debt	-	698,256
Reductions of long-term and short-term debt	(249,518)	(664,040)
Cash dividends	(145,457)	(138,784)
Repurchases of common stock	(24,628)	(100,000)
Shares of common stock returned for taxes	(17,083)	(16,579)
Payments of acquisition-related contingent consideration	(2,218)	(227)
Other	(786)	(665)
Cash (Used For) Financing Activities	**(439,690)**	**(222,039)**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**21,510**	**(5,984)**
Net Change in Cash and Cash Equivalents	**15,798**	**(10,926)**
Cash and Cash Equivalents at Beginning of Period	**233,416**	**223,168**
Cash and Cash Equivalents at End of Period	$ **249,214**	$ **212,242**

SUPPLEMENTAL SEGMENT INFORMATION

IN THOUSANDS (*Unaudited*)

	Three Months Ended		Nine Months Ended	
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
Net Sales:				
CPG Segment	$ 395,969	$ 372,082	$ 1,447,179	$ 1,407,697
PCG Segment	226,523	255,686	745,145	845,639
Consumer Segment	477,742	398,743	1,666,418	1,328,974
SPG Segment	169,161	147,465	503,239	465,723
Total	$ 1,269,395	$ 1,173,976	$ 4,361,981	$ 4,048,033
Income Before Income Taxes:				
CPG Segment				
Income (Loss) Before Income Taxes (a)	$ 14,431	$ (478)	$ 184,613	$ 139,324
Interest (Expense), Net (b)	(2,074)	(2,130)	(6,325)	(6,231)
EBIT (c)	16,505	1,652	190,938	145,555
MAP to Growth related initiatives (d)	1,987	4,383	8,646	8,711
Acquisition-related costs (e)	-	-	-	548
Adjustment to Exit Flowcrete China (g)	-	-	(305)	-
Adjusted EBIT	$ 18,492	$ 6,035	$ 199,279	$ 154,814
PCG Segment				
Income Before Income Taxes (a)	$ 12,158	$ 22,240	$ 64,719	$ 83,617
Interest Income, Net (b)	75	123	53	20
EBIT (c)	12,083	22,117	64,666	83,597
MAP to Growth related initiatives (d)	2,039	1,980	8,364	14,394
Acquisition-related costs (e)	-	83	-	118
Adjusted EBIT	$ 14,122	$ 24,180	$ 73,030	$ 98,109
Consumer Segment				
Income Before Income Taxes (a)	$ 42,724	$ 29,798	$ 263,813	$ 123,413
Interest (Expense), Net (b)	(60)	(57)	(187)	(219)
EBIT (c)	42,784	29,855	264,000	123,632
MAP to Growth related initiatives (d)	4,977	2,291	9,976	24,894
Acquisition-related costs (e)	-	-	1,178	-
Adjusted EBIT	$ 47,761	$ 32,146	$ 275,154	$ 148,526
SPG Segment				
Income Before Income Taxes (a)	$ 24,560	$ 12,942	$ 73,415	$ 55,031
Interest (Expense), Net (b)	(64)	(24)	(219)	(6)
EBIT (c)	24,624	12,966	73,634	55,037
MAP to Growth related initiatives (d)	649	4,369	5,332	14,113
Acquisition-related costs (e)	-	188	-	188
Adjusted EBIT	$ 25,273	$ 17,523	$ 78,966	$ 69,338
Corporate/Other				
(Loss) Before Income Taxes (a)	$ (38,013)	$ (48,194)	$ (122,375)	$ (140,476)
Interest (Expense), Net (b)	(7,387)	(25,720)	(23,562)	(61,840)
EBIT (c)	(30,626)	(22,474)	(98,813)	(78,636)
MAP to Growth related initiatives (d)	6,217	3,041	20,025	14,542
Unusual executive costs, net of insurance proceeds (f)	(1,324)	-	(1,267)	-
Settlement for SEC Investigation & Enforcement Action (h)	-	-	2,000	-
Adjusted EBIT	$ (25,733)	$ (19,433)	$ (78,055)	$ (64,094)
Consolidated				
Income Before Income Taxes (a)	$ 55,860	$ 16,308	$ 464,185	$ 260,909
Interest (Expense)	(20,964)	(23,972)	(63,975)	(78,630)
Investment Income, Net	11,454	(3,836)	33,735	10,354
EBIT (c)	65,370	44,116	494,425	329,185
MAP to Growth related initiatives (d)	15,869	16,064	52,343	76,654
Acquisition-related costs (e)	-	271	1,178	854
Unusual executive costs, net of insurance proceeds (f)	(1,324)	-	(1,267)	-
Adjustment to Exit Flowcrete China (g)	-	-	(305)	-
Settlement for SEC Investigation & Enforcement Action (h)	-	-	2,000	-
Adjusted EBIT	$ 79,915	$ 60,451	$ 548,374	$ 406,693

(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 and termination costs 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, and accelerated vesting of equity awards in connection with key executives, all of which have been recorded in **Restructuring Expense;** Professional fees incurred in connection with our MAP to Growth, executive departures within our Consumer Group, headcount reductions, implementation costs associated with our ERP consolidation plan and decision support tools, accelerated expense related to the shortened useful lives of facilities, equipment, and intangibles that are currently in use but that is in the process of being retired associated with facility closures, reversal of an immaterial prior period charge associated with the divestiture of a business in our PCG segment, charges to writeoff the remaining cumulative translation adjustment associated with divestitures in our CPG and Non-Operating segment, and the true-up of reserves related to prior period gains or losses incurred upon divestiture of a business and/or assets, an increase in our allowance for doubtful accounts deemed uncollectible as a result of a change in market and leadership strategy offset by subsequent collections, all of which have been recorded in Selling, General & Administrative Expenses. **During fiscal 2020:** Inventory-related charges that reflect product line and SKU rationalization and closure of a business at our Consumer Segment, as well as inventory write-offs in connection with restructuring activities at our CPG, PCG, and SPG 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;** accelerated expense related to the shortened useful lives of facilities, equipment, ERP systems, and intangibles that are currently in use, but are in the process of being retired associated with facility closures, exiting a business, and ERP consolidation, increases in our allowance for doubtful accounts deemed uncollectible as a result of a change in market and leadership strategy, costs associated with exiting unprofitable product lines & regions, implementation costs associated with our ERP consolidation plan, professional fees incurred in connection with our MAP to Growth, and 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 step-ups.
(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 was accrued for in our consolidated financial statements as of the period ending November 30, 2020, and paid during our fiscal 3rd quarter ending February 28, 2021.

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