

Fiscal 2022 Third-Quarter Results

Frank C. Sullivan
Chairman and CEO

April 6, 2022

This presentation contains “forward-looking statements” relating to our business. These forward-looking statements, or other statements made by us, are made based on our expectations and beliefs concerning future events impacting us and are subject to uncertainties and factors (including those specified below), which are difficult to predict and, in many instances, are beyond our control. As a result, our actual results could differ materially from those expressed in or implied by any such forward-looking statements. These uncertainties and factors include (a) global markets and general economic conditions, including uncertainties surrounding the volatility in financial markets, the availability of capital and the effect of changes in interest rates, and the viability of banks and other financial institutions; (b) the prices, supply and availability of raw materials, including assorted pigments, resins, solvents, and other natural gas- and oil-based materials; packaging, including plastic and metal containers; and transportation services, including fuel surcharges; (c) continued growth in demand for our products; (d) legal, environmental and litigation risks inherent in our construction and chemicals businesses and risks related to the adequacy of our insurance coverage for such matters; (e) the effect of changes in interest rates; (f) the effect of fluctuations in currency exchange rates upon our foreign operations; (g) the effect of non-currency risks of investing in and conducting operations in foreign countries, including those relating to domestic and international political, social, economic and regulatory factors; (h) risks and uncertainties associated with our ongoing acquisition and divestiture activities; (i) the timing of and the realization of anticipated cost savings from restructuring initiatives and the ability to identify additional cost savings opportunities; (j) risks related to the adequacy of our contingent liability reserves; (k) risks relating to the Covid pandemic; (l) risks related to adverse weather conditions or the impacts of climate change and natural disasters; and (m) other risks detailed in our filings with the Securities and Exchange Commission, including the risk factors set forth in our Annual Report on Form 10-K for the year ended May 31, 2021, as the same may be updated from time to time. We do not undertake any obligation to publicly update or revise any forward-looking statements to reflect future events, information or circumstances that arise after the date of this presentation.

This presentation includes certain company data that do not directly conform to generally accepted accounting principles, or GAAP, and certain company data that has been restated for improved clarity, understanding and comparability, or pro forma. All non-GAAP data in this presentation are indicated by footnote. Tables reconciling such data with GAAP measures are available through our website, www.rpminc.com under Investor Information/Presentations.

FINANCIAL HIGHLIGHTS

\$1.43B
RECORD SALES
+13%

\$180.1M
RETURNED TO
SHAREHOLDERS
through Dividends and
Share Repurchases in
fiscal 2022 (9 mos.)

\$67M
RECORD EBIT
+2.3%

\$81M
RECORD ADJUSTED EBIT
+0.8%



Manufacturing
Center of Excellence



High-performance
building solutions

**Making Significant
Investments in
High-Growth
Initiatives**



Aggressive 3-year
growth plans



\$25 million Research,
Development & Innovation
Center of Excellence

Fiscal 2022 Third-Quarter Financial Results | Consolidated

Record sales and adjusted EBIT achieved despite supply disruption and inflation



(\$ in millions, except per share amounts)	3Q 2022	3Q 2021	3Q 2020	% Change	
				F22 vs F21	F22 vs F20
Sales	\$1,434	\$1,269	\$1,174	+13.0%	+22.1%
EBIT ¹	\$67	\$65	\$44	+2.3%	+51.6%
Adjusted EBIT ¹	\$81	\$80	\$60	+0.8%	+33.3%
Adjusted EBIT Margin ¹	5.6%	6.3%	5.1%	-70 bps	+50 bps
Net Income	\$33	\$38	\$12	-13.7%	+178.6%
Diluted EPS	\$0.25	\$0.29	\$0.09	-13.8%	+177.8%
Adjusted Diluted EPS ¹	\$0.38	\$0.38	\$0.23	0.0%	+65.2%

HIGHLIGHTS

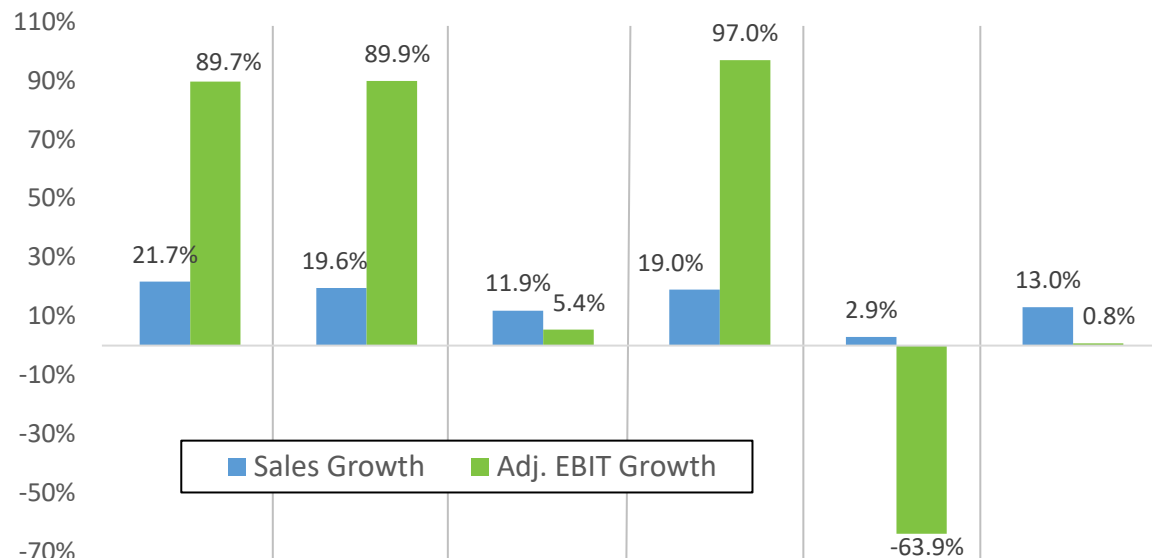
- Sales increased 13.0% to a Q3 record of \$1.43 billion, driven by investments in the fastest-growing areas of the business, along with scaled up in-house resin production
- Record adjusted EBIT achieved despite a difficult comparison to the prior year when adjusted EBIT improved 32.2%
- Supply chain challenges, Omicron disruptions and inflation were partially offset by price increases and operational improvements
- On a “double-stack” basis, comparing fiscal Q3-22 to pre-pandemic Q3-20, sales, EBIT, adjusted EBIT, net income, diluted EPS and adjusted diluted EPS all showed growth

(1) EBIT, Adjusted EBIT, Adjusted EBIT Margin and Adjusted Diluted EPS are non-GAAP financial measures. Refer to Appendix for reconciliations between GAAP and non-GAAP measures.

3 of 4 Segments Achieved Record Third-Quarter Sales and Adjusted EBIT



Third-Quarter Ended February 28, 2022



	CPG	PCG	SPG	RPM, excluding Consumer	Consumer	Consolidated
Record Sales	✓	✓	✓	✓	✓	✓
Record Adjusted EBIT	✓	✓	✓	✓	-	✓

HIGHLIGHTS

- Q3 performance reflects the benefits of RPM’s balanced business portfolio, where softness in one segment is generally offset by strength in the others
- CPG, PCG and SPG successfully managed through supply challenges to post strong sales and earnings growth
- Consumer Group results heavily impacted by inflation, as well as unreliable shipping and supply due to labor shortages from Omicron variant
- Construction and industrial maintenance activity was robust, energy markets began to rebound and consumer takeaway remained strong

(1) Adjusted EBIT Growth is a non-GAAP financial measure. Refer to Appendix for reconciliations between GAAP and non-GAAP measures.

CONSTRUCTION PRODUCTS GROUP



(\$ in millions, except per share amounts)	3Q 2022	3Q 2021	3Q 2020	% Change	
				F22 vs F21	F22 vs F20
Sales	\$482	\$396	\$372	+21.7%	+29.5%
EBIT ¹	\$33	\$17	\$2	+101.4%	+1,911.7%
Adjusted EBIT ¹	\$35	\$18	\$6	+89.7%	+481.1%
Adjusted EBIT Margin ¹	7.3%	4.7%	1.6%	+260 bps	+570 bps

- Record top-line growth driven by success promoting its innovative building envelope products and differentiated restoration solutions
- Highest growth achieved by businesses providing roofing systems, insulated concrete forms, concrete admixtures and repair products, and commercial sealants
- Nudura ICF sales continued to be robust due to the product's superior wall construction benefits
- Earnings increased due to improved product mix, volume growth and operational improvements; combined with selling price increases, these factors helped to offset material inflation

(1) EBIT, Adjusted EBIT, and Adjusted EBIT Margin are non-GAAP financial measures. Refer to Appendix for reconciliations between GAAP and non-GAAP measures.

Fiscal 2022 Third-Quarter Financial Results

PCG revenue and adjusted EBIT increased to third-quarter record levels



PERFORMANCE COATINGS GROUP



(\$ in millions, except per share amounts)	3Q 2022	3Q 2021	3Q 2020	% Change	
				F22 vs F21	F22 vs F20
Sales	\$271	\$227	\$256	+19.6%	+5.9%
EBIT ¹	\$25	\$12	\$22	+105.6%	+12.3%
Adjusted EBIT ¹	\$27	\$14	\$24	+89.9%	+10.9%
Adjusted EBIT Margin ¹	9.9%	6.2%	9.5%	+370 bps	+40 bps

- All of PCG's North American business generated double-digit organic sales growth; businesses serving emerging markets generated explosive growth and European companies continued their steady rebound
- Driving the strong top-line were increased industrial maintenance spending, recovery in energy markets and price increases
- PCG's best performing businesses were those providing polymer flooring systems, corrosion control coatings and raised flooring systems
- Adjusted EBIT increased as a result of volume growth, operational improvements and driving a more favorable product mix

(1) EBIT, Adjusted EBIT, and Adjusted EBIT Margin are non-GAAP financial measures. Refer to Appendix for reconciliations between GAAP and non-GAAP measures.

Fiscal 2022 Third-Quarter Financial Results

SPG generated record third-quarter sales and adjusted EBIT



SPECIALTY PRODUCTS GROUP



(\$ in millions, except per share amounts)	3Q 2022	3Q 2021	3Q 2020	% Change	
				F22 vs F21	F22 vs F20
Sales	\$189	\$169	\$147	+11.9%	+28.4%
EBIT ¹	\$26	\$25	\$13	+5.2%	+99.7%
Adjusted EBIT ¹	\$27	\$25	\$18	+5.4%	+52.1%
Adjusted EBIT Margin ¹	14.1%	14.9%	11.9%	-80 bps	+220 bps

- SPG generated record revenue due to strong performance at nearly all of its businesses; highest growth was from those serving the OEM and food additives markets
- Disaster restoration equipment business rebounded after securing semiconductor chips and reconfiguring its products to accommodate them; now addressing significant order backlog
- SPG record third-quarter adjusted EBIT was largely due to operational improvements

(1) EBIT, Adjusted EBIT, and Adjusted EBIT Margin are non-GAAP financial measures. Refer to Appendix for reconciliations between GAAP and non-GAAP measures.

Fiscal 2022 Third-Quarter Financial Results

Demand remained strong, while raw material shortages and inflation impacted performance



CONSUMER GROUP



(\$ in millions, except per share amounts)	3Q 2022	3Q 2021	3Q 2020	% Change	
				F22 vs F21	F22 vs F20
Sales	\$492	\$478	\$399	+2.9%	+23.3%
EBIT ¹	\$17	\$43	\$30	-60.7%	-43.6%
Adjusted EBIT ¹	\$17	\$48	\$32	-63.9%	-46.4%
Adjusted EBIT Margin ¹	3.5%	10.0%	8.1%	-650 bps	-460 bps

- Record revenue growth due, in part, to new plant supplying in-house alkyd resins to mitigate shortages
- Results heavily impacted by inflation, as well as unreliable shipping and supply due to labor shortages from Omicron variant
- Raw material inflation has had the most significant impact on EBIT
- Q3-22 sales were 23.3% above pre-pandemic levels of Q3-20
- Faced difficult comparison to prior-year when sales increased 19.8% and adjusted EBIT increased 48.6% due to pandemic-driven demand
- Continuing to implement price increases to catch up on raw material, freight and labor inflation experienced over the last four quarters
- Building resilience in its supply chain while investing in capacity

(1) EBIT, Adjusted EBIT, and Adjusted EBIT Margin are non-GAAP financial measures. Refer to Appendix for reconciliations between GAAP and non-GAAP measures.

Fund Internal
Growth Initiatives



Make Strategic
Acquisitions



Capital
Allocation



Reward Investors
with Cash Dividends



Repurchase Stock
(\$15 million in 3Q-22)

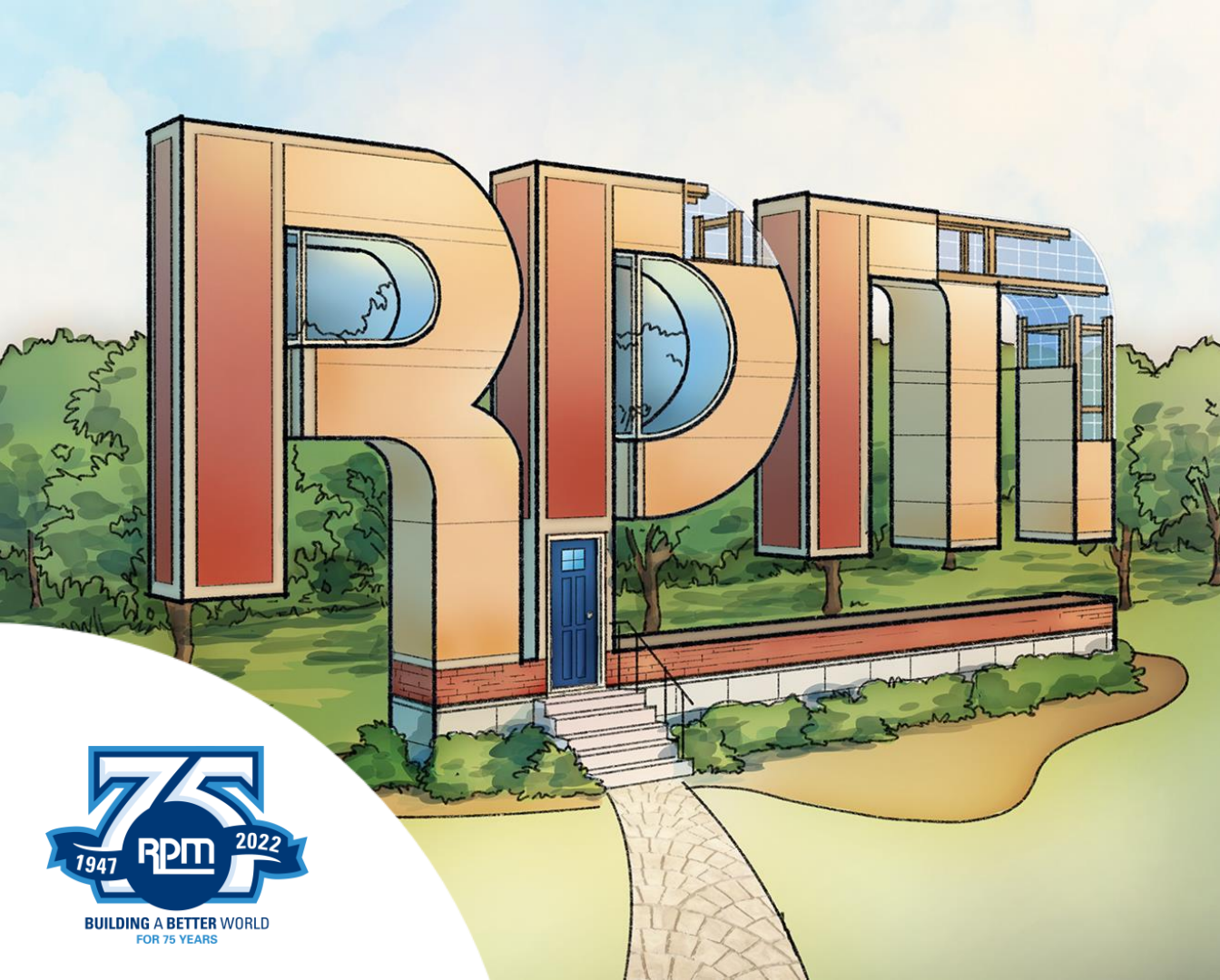
CATEGORY	OUTLOOK (YOY)
SALES Consolidated	Increase low teens
Construction Products Group	Increase low teens
Performance Coatings Group	Increase low teens
Specialty Products Group	Increase low teens
Consumer Group	Increase low teens
ADJUSTED EBIT Consolidated	Increase in the low teens vs. prior-year when adjusted EBIT increased 10.6%

Factors Expected to Impact 4Q22 Results

- (+) Capitalizing on market opportunities and industry trends
- (+) Investing in growth initiatives and manufacturing capacity
- (+) Continuous improvement culture creating greater efficiencies
- (+) Continuing to implement price increases
- (-) Continued raw material, freight & wage inflation
- (-) Continued impact of supply chain disruption and raw material shortages on productivity
- (-) Rising interest rates
- (-) High prior-year comparisons
- (-) Strengthening U.S. dollar
- (-) Uncertainty resulting from war in Ukraine



- RPM has stopped conducting business with Russia
- Sales to Ukraine and Russia are immaterial
- Russian sanctions are exacerbating energy and transportation cost inflation and creating supply challenges for plant-based raw materials and those that are oil derivatives
- RPM is doing what it can to support associates of Ukrainian heritage who have returned home to assist family members and defend their country



APPENDIX

Reconciliations of Non-GAAP to GAAP Measures

April 6, 2022

Consolidated Statements of Income: Three Months



(\$ in thousands, except per share and percent data)
(Unaudited)

	Three Months Ended					
	February 28, 2022	%	February 28, 2021	%	% Change	
Net Sales	\$ 1,433,879		\$ 1,269,395		13.0	
Cost of Sales	935,293	65.2	797,454	62.8		
Gross Profit	498,586	34.8	471,941	37.2		
SG&A	433,569	30.2	402,186	31.7		
Restructuring Expense	1,140	0.1	3,129	0.3		
(Gain) on Sales of Assets, Net	(249)	(0.0)	-	-		
Other (Income) Expense, Net	(2,742)	(0.2)	1,256	0.1		
EBIT** (non-GAAP measure)	66,868	4.7	65,370	5.1	2.3	
Interest Expense	22,016	1.6	20,964	1.6		
Investment Expense (Income), Net	4,355	0.3	(11,454)	(0.9)		
Income Before Taxes	40,497	2.8	55,860	4.4		
Provision for Income Taxes	7,248	0.5	17,394	1.4		
Net Income	33,249	2.3	38,466	3.0	(13.6)	
Less: Net Income Attributable to Noncontrolling Interests	230	0.0	224	0.0		
Net Income Attributable to RPM Stockholders	\$ 33,019	2.3	\$ 38,242	3.0	(13.7)	
Diluted EPS	\$ 0.25		\$ 0.29		(13.8)	

NOTE – Refer to “Non-GAAP Financial Measures” slide for definition of EBIT.

Consolidated Statements of Income: Nine Months



(\$ in thousands, except per share and percent data)
(Unaudited)

	Nine Months Ended				
	February 28, 2022	%	February 28, 2021	%	% Change
Net Sales	\$ 4,723,838		\$ 4,361,981		8.3
Cost of Sales	3,029,287	64.1	2,650,213	60.8	
Gross Profit	1,694,551	35.9	1,711,768	39.2	
SG&A	1,290,245	27.3	1,197,556	27.4	
Restructuring Expense	5,128	0.1	12,280	0.3	
(Gain) on Sales of Assets, Net	(42,491)	(0.9)	-	-	
Other (Income) Expense, Net	(9,001)	(0.2)	7,507	0.2	
EBIT** (non-GAAP measure)	450,670	9.5	494,425	11.3	(8.8)
Interest Expense	64,127	1.3	63,975	1.5	
Investment (Income), Net	1,421	0.0	(33,735)	(0.8)	
Income Before Taxes	385,122	8.2	464,185	10.6	
Provision for Income Taxes	91,962	2.0	117,049	2.6	
Net Income	293,160	6.2	347,136	8.0	(15.5)
Less: Net Income Attributable to Noncontrolling Interests	684	0.0	640	0.1	
Net Income Attributable to RPM Stockholders	\$ 292,476	6.2	\$ 346,496	7.9	(15.6)
Diluted EPS	\$ 2.26		\$ 2.66		(15.0)

NOTE – Refer to “Non-GAAP Financial Measures” slide for definition of EBIT.

The following are the non-GAAP financial measures used in this presentation:

***Interest (Income) Expense, Net** includes the combination of interest (income) expense and investment (income) expense, net.

****EBIT** is defined as earnings (loss) before interest and taxes. Management uses EBIT, as defined, as a measure of operating performance, since interest (income) expense, net, essentially relates to corporate functions, as opposed to segment operations.

*****Adjusted EBIT** is defined as earnings (loss) before interest and taxes, adjusted for items that management does not consider to be indicative of ongoing operations. Management uses Adjusted EBIT, as defined, as a measure of operating performance, since interest expense, net, essentially relates to corporate functions, as opposed to segment operations. Tables reconciling this non-GAAP data with GAAP measures are available in the appendix of this presentation.

- a) Charges recorded in Cost of Goods Sold related to inventory write-offs in connection with restructuring activities, partially offset by subsequent recoveries and revisions of accrual estimates.
- b) Reflects restructuring charges, including headcount reductions, closures of facilities and related costs, and accelerated vesting of equity awards, all in relation to our Margin Acceleration Plan (“MAP to Growth”) and other cost-savings related initiatives.
- c) Accelerated costs, including depreciation and amortization expense related to the shortened useful lives of facilities, equipment, and ERP systems that are currently in use, but are in the process of being retired associated with various MAP to Growth initiatives including facility closures, exiting a business, and ERP consolidation.
- d) Reflects subsequent collections of amounts previously written off to our allowance for doubtful accounts as a result of a change in market and leadership strategy.
- e) Includes implementation costs associated with our ERP consolidation plan and decision support tools.
- f) Comprises professional fees incurred in connection with our MAP to Growth and other strategic initiatives.
- g) Acquisition costs reflect amounts included in gross profit for inventory step-ups and reserve adjustments associated with completed acquisitions and third-party consulting fees incurred in evaluating potential acquisition targets.
- h) Reflects unusual compensation costs that resulted from executive departures related to our MAP to Growth, including stock and deferred compensation plan arrangements, offset by subsequent revisions of accrual estimates.
- i) Reflects unusual compensation costs, net of insurance proceeds that resulted from executive departures unrelated to our MAP to Growth.
- j) Reflects gains upon divestiture of a business.
- k) Reflects subsequent recoveries of previously recorded charges related to the discontinuation of a product line targeting OEM markets and related prepaid asset and inventory write-off. This resulted from ongoing product line rationalization efforts in connection with our MAP to Growth.
- l) Reflects the favorable adjustment as a result of the resolution of a contingent liability related to a FY18 charge to exit our Flowcrete business in China.
- m) Reflects charges related to the Final Judgement entered by the court, resolving our legacy “SEC Investigation & Enforcement Action.”
- n) Reflects the net gain associated with the sale and leaseback of certain real property assets within our CPG segment during Q2 2022.
- o) 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.
- p) Income tax charge for an increase to our deferred income tax liability for withholding taxes on additional unremitted foreign earnings not considered permanently reinvested.

Reconciliation of "Reported" to "Adjusted" EPS: Three Months



(Unaudited)

Reconciliation of Reported Earnings per Diluted Share to Adjusted Earnings per Diluted Share (All amounts presented after-tax):

	Three Months Ended	
	February 28, 2022	February 28, 2021
Reported Earnings per Diluted Share	\$ 0.25	\$ 0.29
Restructuring expense (b)	0.01	0.05
ERP consolidation plan (e)	0.01	0.01
Professional fees (f)	0.05	0.04
Acquisition-related costs (g)	0.01	-
Unusual executive costs, net of insurance proceeds (i)	0.01	(0.01)
Investment returns (o)	0.04	(0.04)
Discrete tax adjustment (p)	-	0.04
Adjusted Earnings per Diluted Share****	\$ 0.38	\$ 0.38

****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.

NOTE – Refer to “Adjustments Detail” slide for further information on adjustments outlined above.

Reconciliation of "Reported" to "Adjusted" EPS: Nine Months



(Unaudited)

Reconciliation of Reported Earnings per Diluted Share to Adjusted Earnings per Diluted Share (All amounts presented after-tax):

	Nine Months Ended	
	February 28, 2022	February 28, 2021
Reported Earnings per Diluted Share	\$ 2.26	\$ 2.66
Inventory-related charges (a)	-	0.01
Restructuring expense (b)	0.04	0.11
Accelerated expense - other (c)	0.01	0.03
ERP consolidation plan (e)	0.01	0.02
Professional fees (f)	0.11	0.14
Acquisition-related costs (g)	0.01	0.01
Unusual costs triggered by executive departures (h)	-	0.01
Unusual executive costs, net of insurance proceeds (i)	0.03	(0.01)
SEC Settlement (m)	-	0.01
(Gain) on Sales of Assets, Net (n)	(0.28)	-
Investment returns (o)	0.05	(0.15)
Discrete tax adjustment (p)	-	0.04
Adjusted Earnings per Diluted Share****	\$ 2.24	\$ 2.88

****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.

NOTE – Refer to “Adjustments Detail” slide for further information on adjustments outlined above.

EBIT** (Non-GAAP Measure): RPM Consolidated: Three Months



(\$ in thousands, except per share and percent data)
(Unaudited)

	Three Months Ended	
	February 28, 2022	February 28, 2021
Net Income	\$ 33,249	\$ 38,466
Provision for Income Taxes	7,248	17,394
Income Before Income Taxes	40,497	55,860
Interest Expense	22,016	20,964
Investment (Income) Expense, Net	4,355	(11,454)
EBIT** (non-GAAP measure)	66,868	65,370
Inventory-related charges (a)	99	912
Restructuring expense (b)	1,219	6,968
Accelerated expense - other (c)	236	801
Receivable (recoveries) (d)	(98)	(56)
ERP consolidation plan (e)	1,127	1,109
Professional fees (f)	8,723	6,012
Acquisition-related costs (g)	1,218	-
Unusual executive costs, net of insurance proceeds (i)	1,165	(1,324)
Divestitures (j)	-	123
Adjusted EBIT*** (non-GAAP measure)	\$ 80,557	\$ 79,915
Net Sales	\$ 1,433,879	\$ 1,269,395
Adj EBIT*** as a % of Net Sales (non-GAAP measure)	5.6%	6.3%

NOTE – Refer to “Non-GAAP Financial Measures” slide for definitions of non-GAAP measures identified (*) in the table above and “Adjustments Detail” slide for further information on adjustments outlined above.

EBIT** (Non-GAAP Measure): RPM Consolidated: Nine Months



(\$ in thousands, except per share and percent data)
(Unaudited)

	Nine Months Ended	
	February 28, 2022	February 28, 2021
Net Income	\$ 293,160	\$ 347,136
Provision for Income Taxes	91,962	117,049
Income Before Income Taxes	385,122	464,185
Interest Expense	64,127	63,975
Investment (Income) Expense, Net	1,421	(33,735)
EBIT** (non-GAAP measure)	450,670	494,425
Inventory-related charges (a)	44	1,390
Restructuring expense (b)	6,209	17,131
Accelerated expense - other (c)	1,075	4,815
Receivable (recoveries) (d)	(181)	(392)
ERP consolidation plan (e)	2,824	3,378
Professional fees (f)	18,951	22,783
Acquisition-related costs (g)	2,357	1,178
Unusual costs (benefit) triggered by executive departures (h)	(8)	2,831
Unusual executive costs, net of insurance proceeds (i)	4,678	(1,267)
Divestitures (j)	-	791
Discontinued product line (k)	-	(384)
Adjustment to exit Flowcrete China (l)	-	(305)
SEC Settlement (m)	-	2,000
(Gain) on Sales of Assets, Net (n)	(41,906)	-
Adjusted EBIT*** (non-GAAP measure)	\$ 444,713	\$ 548,374
Net Sales	\$ 4,723,838	\$ 4,361,981
Adj EBIT*** as a % of Net Sales (non-GAAP measure)	9.4%	12.6%

NOTE – Refer to “Non-GAAP Financial Measures” slide for definitions of non-GAAP measures identified (*) in the table above and “Adjustments Detail” slide for further information on adjustments outlined above.

EBIT** (Non-GAAP Measure): Construction Products Segment: Three Months



(\$ in thousands, except per share and percent data)
(Unaudited)

	Three Months Ended	
	February 28, 2022	February 28, 2021
Income Before Income Taxes	\$ 31,498	\$ 14,431
Add: Interest Expense, Net*	1,735	2,074
EBIT** (non-GAAP measure)	33,233	16,505
Restructuring expense (b)	357	1,714
Accelerated expense - other (c)	144	377
ERP consolidation plan (e)	(8)	327
Professional fees (f)	541	88
Unusual executive costs, net of insurance proceeds (i)	805	-
Divestitures (j)	-	(519)
Adjusted EBIT*** (non-GAAP measure)	\$ 35,072	\$ 18,492
Net Sales	\$ 482,026	\$ 395,969
Adj EBIT*** as a % of Net Sales (non-GAAP measure)	7.3%	4.7%

NOTE – Refer to “Non-GAAP Financial Measures” slide for definitions of non-GAAP measures identified (*) in the table above and “Adjustments Detail” slide for further information on adjustments outlined above.

EBIT** (Non-GAAP Measure): Construction Products Segment: Nine Months



(\$ in thousands, except per share and percent data)
(Unaudited)

	Nine Months Ended	
	February 28, 2022	February 28, 2021
Income Before Income Taxes	\$ 276,223	\$ 184,613
Add: Interest Expense, Net*	5,254	6,325
EBIT** (non-GAAP measure)	281,477	190,938
Inventory-related (recoveries) (a)	(59)	(51)
Restructuring expense (b)	1,488	5,207
Accelerated expense - other (c)	570	2,473
ERP consolidation plan (e)	597	512
Professional fees (f)	662	356
Unusual executive costs, net of insurance proceeds (i)	805	-
Divestitures (j)	-	149
Adjustment to exit Flowcrete China (l)	-	(305)
(Gain) on Sales of Assets, Net (n)	(41,906)	-
Adjusted EBIT*** (non-GAAP measure)	\$ 243,634	\$ 199,279
Net Sales	\$ 1,740,578	\$ 1,447,179
Adj EBIT*** as a % of Net Sales (non-GAAP measure)	14.0%	13.8%

NOTE – Refer to “Non-GAAP Financial Measures” slide for definitions of non-GAAP measures identified (*) in the table above and “Adjustments Detail” slide for further information on adjustments outlined above.

EBIT** (Non-GAAP Measure): Performance Coatings Segment: Three Months



(\$ in thousands, except per share and percent data)
(Unaudited)

	Three Months Ended	
	February 28, 2022	February 28, 2021
Income Before Income Taxes	\$ 24,917	\$ 12,158
Add: Interest (Income), Net*	(76)	(75)
EBIT** (non-GAAP measure)	24,841	12,083
Restructuring (credit) expense (b)	(194)	774
Accelerated expense - other (c)	3	212
Receivable (recoveries) (d)	(98)	(56)
ERP consolidation plan (e)	1,136	400
Professional fees (f)	1,127	709
Adjusted EBIT*** (non-GAAP measure)	\$ 26,815	\$ 14,122
Net Sales	\$ 270,865	\$ 226,523
Adj EBIT*** as a % of Net Sales (non-GAAP measure)	9.9%	6.2%

NOTE – Refer to “Non-GAAP Financial Measures” slide for definitions of non-GAAP measures identified (*) in the table above and “Adjustments Detail” slide for further information on adjustments outlined above.

EBIT** (Non-GAAP Measure): Performance Coatings Segment: Nine Months



(\$ in thousands, except per share and percent data)
(Unaudited)

	Nine Months Ended	
	February 28, 2022	February 28, 2021
Income Before Income Taxes	\$ 97,849	\$ 64,719
Add: Interest (Income), Net*	(407)	(53)
EBIT** (non-GAAP measure)	97,442	64,666
Inventory-related charges (a)	-	37
Restructuring expense (b)	1,072	3,672
Accelerated expense - other (c)	15	1,717
Receivable (recoveries) (d)	(181)	(392)
ERP consolidation plan (e)	2,227	1,165
Professional fees (f)	2,575	2,165
Acquisition-related costs (g)	339	-
Unusual executive costs, net of insurance proceeds (i)	472	-
Adjusted EBIT*** (non-GAAP measure)	\$ 103,961	\$ 73,030
Net Sales	\$ 858,987	\$ 745,145
Adj EBIT*** as a % of Net Sales (non-GAAP measure)	12.1%	9.8%

NOTE – Refer to “Non-GAAP Financial Measures” slide for definitions of non-GAAP measures identified (*) in the table above and “Adjustments Detail” slide for further information on adjustments outlined above.

EBIT** (Non-GAAP Measure): Specialty Products Segment: Three Months



(\$ in thousands, except per share and percent data)
(Unaudited)

	Three Months Ended	
	February 28, 2022	February 28, 2021
Income Before Income Taxes	\$ 25,881	\$ 24,560
Add: Interest Expense, Net*	18	64
EBIT** (non-GAAP measure)	25,899	24,624
Inventory-related charges (a)	101	-
Restructuring expense (b)	631	434
Accelerated expense - other (c)	58	180
ERP consolidation plan (e)	-	9
Professional fees (f)	-	26
Acquisition-related costs (g)	(45)	-
Adjusted EBIT*** (non-GAAP measure)	\$ 26,644	\$ 25,273
Net Sales	\$ 189,371	\$ 169,161
Adj EBIT*** as a % of Net Sales (non-GAAP measure)	14.1%	14.9%

NOTE – Refer to “Non-GAAP Financial Measures” slide for definitions of non-GAAP measures identified (*) in the table above and “Adjustments Detail” slide for further information on adjustments outlined above.

EBIT** (Non-GAAP Measure): Specialty Products Segment: Nine Months



(\$ in thousands, except per share and percent data)
(Unaudited)

	Nine Months Ended	
	February 28, 2022	February 28, 2021
Income Before Income Taxes	\$ 71,028	\$ 73,415
Add: Interest Expense, Net*	82	219
EBIT** (non-GAAP measure)	<u>71,110</u>	<u>73,634</u>
Inventory-related charges (a)	101	-
Restructuring expense (b)	878	1,736
Accelerated expense - other (c)	451	404
ERP consolidation plan (e)	-	1,234
Professional fees (f)	-	1,913
Acquisition-related costs (g)	(45)	-
Unusual costs (benefit) triggered by executive departures (h)	(8)	45
Adjusted EBIT*** (non-GAAP measure)	<u>\$ 72,487</u>	<u>\$ 78,966</u>
Net Sales	<u>\$ 565,050</u>	<u>\$ 503,239</u>
Adj EBIT*** as a % of Net Sales (non-GAAP measure)	<u>12.8%</u>	<u>15.7%</u>

NOTE – Refer to “Non-GAAP Financial Measures” slide for definitions of non-GAAP measures identified (*) in the table above and “Adjustments Detail” slide for further information on adjustments outlined above.

EBIT** (Non-GAAP Measure): Consumer Segment: Three Months



(\$ in thousands, except per share and percent data)
(Unaudited)

	Three Months Ended	
	February 28, 2022	February 28, 2021
Income Before Income Taxes	\$ 16,893	\$ 42,724
Add: Interest (Income) Expense, Net*	(62)	60
EBIT** (non-GAAP measure)	<u>16,831</u>	<u>42,784</u>
Inventory-related charges (recoveries) (a)	(2)	912
Restructuring expense (b)	364	3,905
Accelerated expense - other (c)	32	32
ERP consolidation plan (e)	-	70
Professional fees (f)	-	58
Adjusted EBIT*** (non-GAAP measure)	<u>\$ 17,225</u>	<u>\$ 47,761</u>
Net Sales	<u>\$ 491,617</u>	<u>\$ 477,742</u>
Adj EBIT*** as a % of Net Sales (non-GAAP measure)	<u>3.5%</u>	<u>10.0%</u>

NOTE – Refer to “Non-GAAP Financial Measures” slide for definitions of non-GAAP measures identified (*) in the table above and “Adjustments Detail” slide for further information on adjustments outlined above.

EBIT** (Non-GAAP Measure): Consumer Segment: Nine Months



(\$ in thousands, except per share and percent data)
(Unaudited)

	Nine Months Ended	
	February 28, 2022	February 28, 2021
Income Before Income Taxes	\$ 95,912	\$ 263,813
Add: Interest (Income) Expense, Net*	(211)	187
EBIT** (non-GAAP measure)	95,701	264,000
Inventory-related charges (a)	1	1,404
Restructuring expense (b)	1,198	6,375
Accelerated expense - other (c)	39	221
ERP consolidation plan (e)	-	84
Professional fees (f)	16	276
Acquisition-related costs (g)	-	1,178
Unusual costs triggered by executive departures (h)	-	2,000
Unusual executive costs, net of insurance proceeds (i)	776	-
Discontinued product line (k)	-	(384)
Adjusted EBIT*** (non-GAAP measure)	\$ 97,731	\$ 275,154
Net Sales	\$ 1,559,223	\$ 1,666,418
Adj EBIT*** as a % of Net Sales (non-GAAP measure)	6.3%	16.5%

NOTE – Refer to “Non-GAAP Financial Measures” slide for definitions of non-GAAP measures identified (*) in the table above and “Adjustments Detail” slide for further information on adjustments outlined above.