



# Fiscal 2023 Second-Quarter Results

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January 5, 2023

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# Forward-Looking Statements & Regulation G

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 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; (m) risks relating to the Russian invasion of Ukraine and other wars;(n) risks related to data breaches and data privacy violations; and (o) 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, 2022, 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](http://www.rpminc.com) under Investor Information/Presentations.

# Record Q2-23 Results with Increased Sales and Margins

## FINANCIAL HIGHLIGHTS

**\$1.79B**

RECORD Q2 SALES  
+9.3%

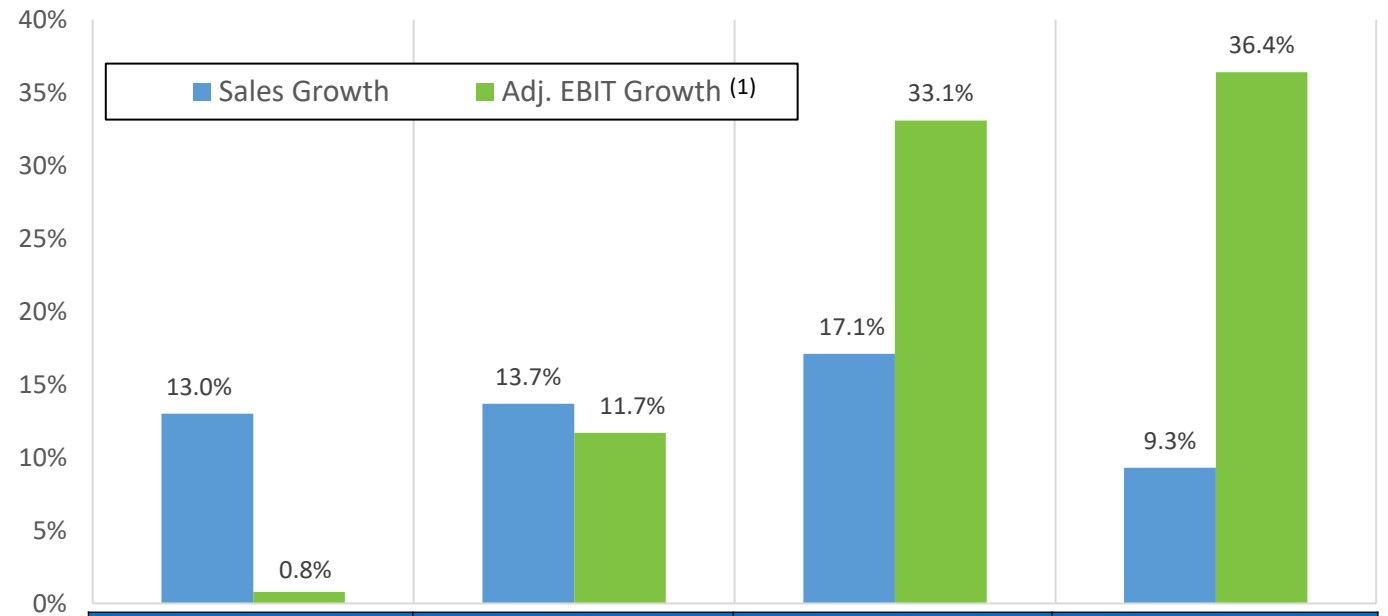
**\$196.2M**

RECORD Q2 EBIT <sup>1</sup>  
+4.9%

**\$214.7M**

RECORD Q2 ADJUSTED EBIT <sup>1</sup>  
+36.4%

Consolidated Sales and Adjusted EBIT Growth



	Q3-22	Q4-22	Q1-23	Q2-23
Record Sales	✓	✓	✓	✓
Record Adjusted EBIT	✓	✓	✓	✓

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

# Record Q2 Sales For All Segments; Record Consolidated Q2 Adjusted EBIT

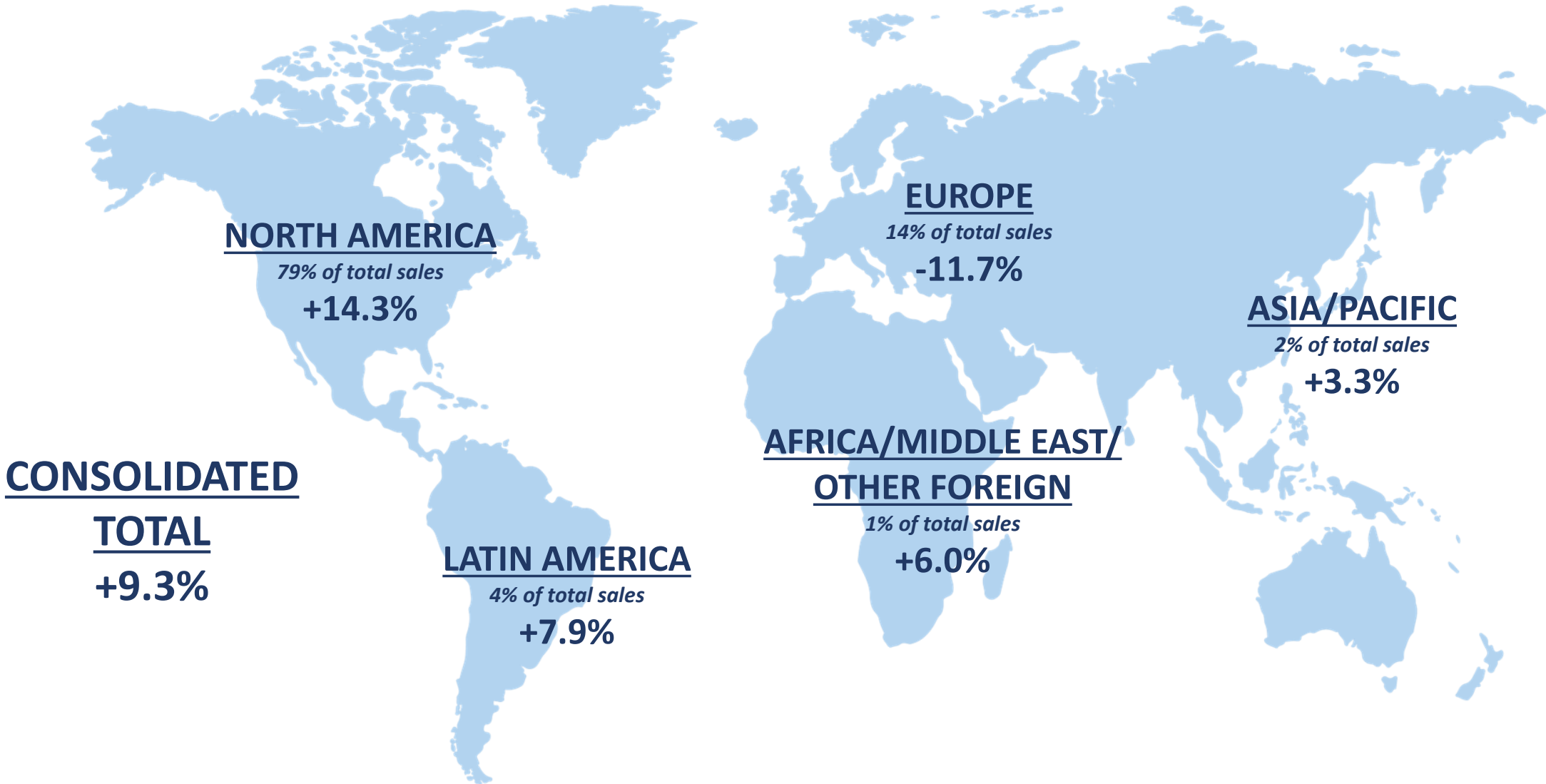
	CPG	PCG	SPG	Consumer	Consolidated
Record Sales	✓	✓	✓	✓	✓
Record Adjusted EBIT <sup>1</sup>		✓	✓	✓	✓

## HIGHLIGHTS

- Record Q2 sales in all four segments, despite significant FX headwinds
- Sales driven by increased pricing in response to continued inflation
- Several businesses benefited from reshoring and infrastructure spending
- Improved material supply from insourcing and qualifying new suppliers
- Strong sales combined with MAP 2025 improvements resulted in record consolidated Q2 adjusted EBIT

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

# Sales Growth in USD by Region | Q2-23



# Fiscal 2023 Second-Quarter Financial Results | Consolidated

## Record Q2 sales and adjusted EBIT achieved

(\$ in millions, except per share amounts)	Q2 2023	Q2 2022	% Change
Sales	\$1,792	\$1,640	+9.3%
EBIT <sup>1</sup>	\$196	\$187	+4.9%
Adjusted EBIT <sup>1</sup>	\$215	\$157	+36.4%
Adjusted EBIT Margin <sup>1</sup>	12.0%	9.6%	+240 bps
Net Income	\$131	\$125	+5.2%
Diluted EPS	\$1.02	\$0.96	+6.3%
Adjusted Diluted EPS <sup>1</sup>	\$1.10	\$0.79	+39.2%

(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.

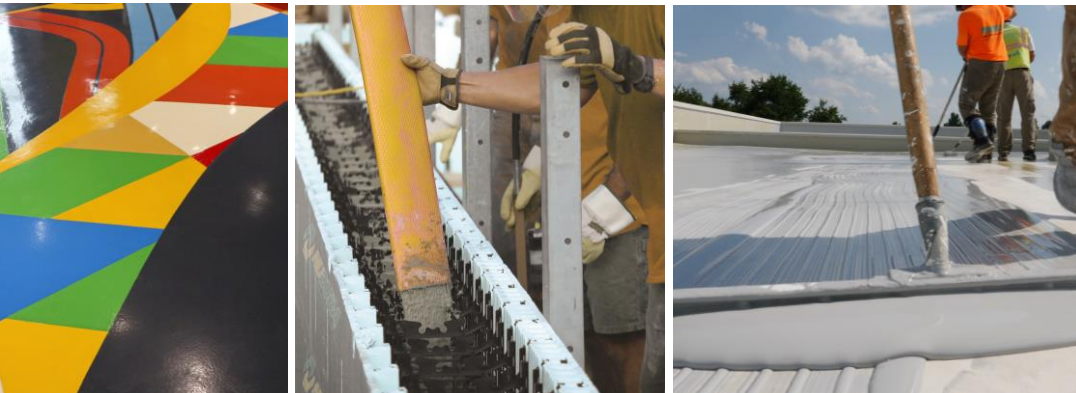
### HIGHLIGHTS

- Sales increased 13.4% excluding FX, which was a headwind of 4.1%, resulting in Q2 record sales of \$1.79 billion, or up 9.3%
- Sales driven by increased pricing in response to continued inflation
- Achieved better material supply through insourcing and qualifying new suppliers
- Demand was strong in U.S., solid in emerging markets and weak in Europe
- Record Q2 adjusted EBIT driven by strong sales and MAP 2025 improvements
- Record adjusted Q2 diluted EPS

# Fiscal 2023 Second-Quarter Financial Results

Record Q2 sales in CPG, but weakness in Europe and businesses serving new residential construction

## CONSTRUCTION PRODUCTS GROUP



(\$ in millions, except margins)	Q2 2023	Q2 2022	% Change
Sales	634	614	+3.2%
EBIT <sup>1</sup>	79	132	-40.0%
Adjusted EBIT <sup>1</sup>	80	91	-12.0%
Adjusted EBIT Margin <sup>1</sup>	12.7%	14.9%	-220 bps

- Strength in restoration systems for commercial roofing, facades and parking structures
- Admixtures and repair products for concrete continued to gain market share
- Price increases in response to continued inflation contributed to growth
- Weak demand in Europe and in businesses serving new residential construction, and this weakness intensified at the end of Q2-23
- Q2-22 EBIT included \$41.9 million gain from sale of real estate that did not reoccur in Q2-23, and this gain was excluded from Q2-22 adjusted EBIT
- FX reduced sales by 5.2% and was a headwind to adjusted EBIT
- Unfavorable mix and reduced fixed cost leverage at plants, including the Corsicana, Texas facility, also negatively impacted adjusted EBIT

(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 2023 Second-Quarter Financial Results

## Broad-based strength in PCG resulted in record Q2 sales and adjusted EBIT

# PERFORMANCE COATINGS GROUP



(\$ in millions, except margins)	Q2 2023	Q2 2022	% Change
Sales	335	303	+10.8%
EBIT <sup>1</sup>	45	38	+19.7%
Adjusted EBIT <sup>1</sup>	46	40	+16.6%
Adjusted EBIT Margin <sup>1</sup>	13.8%	13.1%	+70 bps

- Flooring systems, protective coatings and fiberglass reinforced plastic grating all generated double-digit sales growth, fueled by demand from manufacturing customers, due in part to reshoring
- Strong demand in energy markets
- FX reduced sales by 5.2%
- Adjusted EBIT driven by volume growth and price increases in response to continued inflation, partially offset by FX headwinds

(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 2023 Second-Quarter Financial Results

## SPG generated record Q2 sales and adjusted EBIT, led by food coatings and additives

### SPECIALTY PRODUCTS GROUP



(\$ in millions, except margins)	Q2 2023	Q2 2022	% Change
Sales	212	194	+9.5%
EBIT <sup>1</sup>	27	21	+33.1%
Adjusted EBIT <sup>1</sup>	30	21	+43.2%
Adjusted EBIT Margin <sup>1</sup>	14.1%	10.8%	+330 bps

- Strength in food coatings and additives as a result of strategically refocusing sales management and selling efforts
- Disaster restoration business benefited from response to Hurricane Ian, where its ability to quickly meet increasing demand was aided by prior operational improvement investments
- Price increases in response to continued cost inflation also contributed to sales growth
- Adjusted EBIT driven by strong sales growth and successful execution of MAP 2025 improvement initiatives

(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 2023 Second-Quarter Financial Results

*Record Q2 sales and margin expansions driven by improved material supply and pricing*

## CONSUMER GROUP

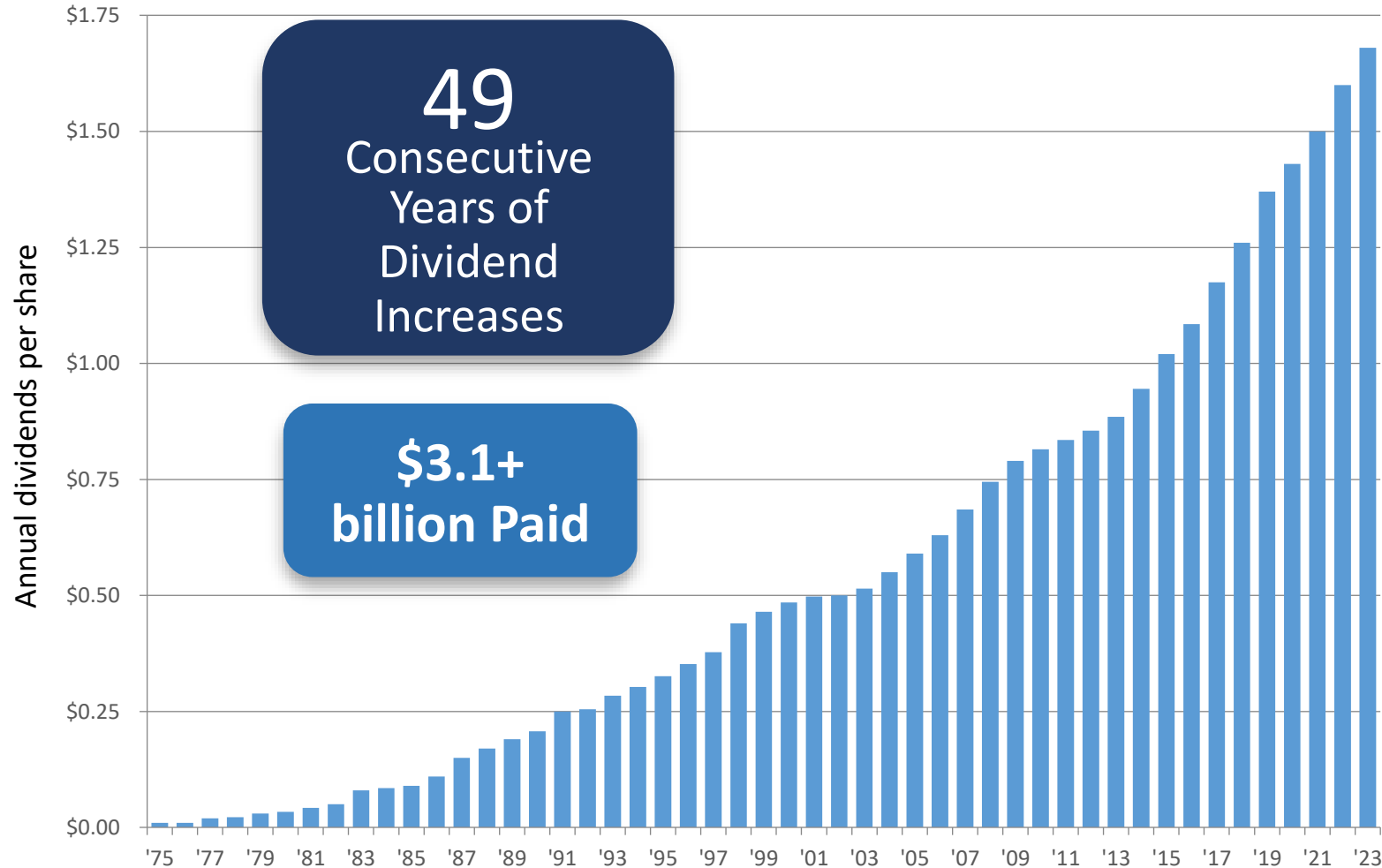


(\$ in millions, except margins)	Q2 2023	Q2 2022	% Change
Sales	610	529	+15.3%
EBIT <sup>1</sup>	94	33	+184.2%
Adjusted EBIT <sup>1</sup>	94	34	+180.3%
Adjusted EBIT Margin <sup>1</sup>	15.4%	6.4%	+900 bps

- Sales growth driven by selling price increases to catch up with continued cost inflation and strong sales growth in North America
- MAP 2025 operational improvement initiatives, enabled by improved material supply, and strong sales growth drove adjusted EBIT growth
- In the prior-year period, severe supply chain disruptions from an explosion at an alkyd resin supplier and high material cost inflation that was not offset by commensurate price increases resulted in extraordinarily low Q2-22 profitability

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

# Capital Allocation Update

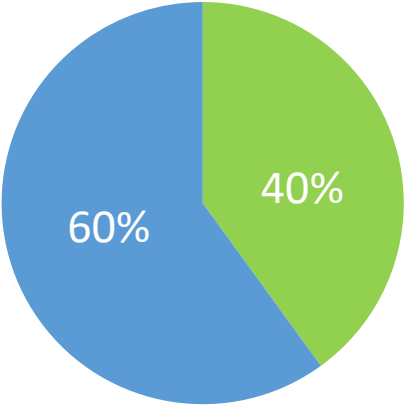


## Q2-23 Update

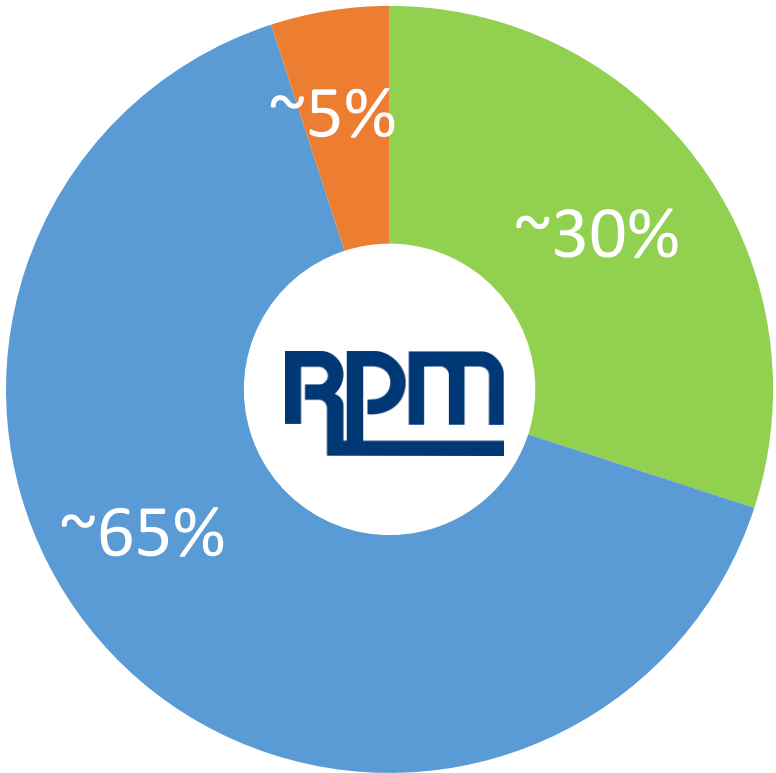
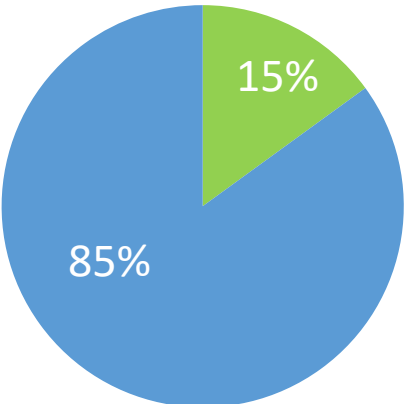
- \$54.2 million of cash dividends paid, marking 49<sup>th</sup> consecutive year of dividend increases
- Strategically-balanced portfolio of maintenance-focused businesses have produced steadily growing cash flows, enabling consistent dividend increases
- Raw material purchases began normalizing in Q2-23
- Working capital levels expected to improve in Q3-23
- 6 small M&A deals completed in FY23, with focus on discipline
- M&A target multiples starting to normalize

# Strategic Balance with Focus on Repair & Maintenance

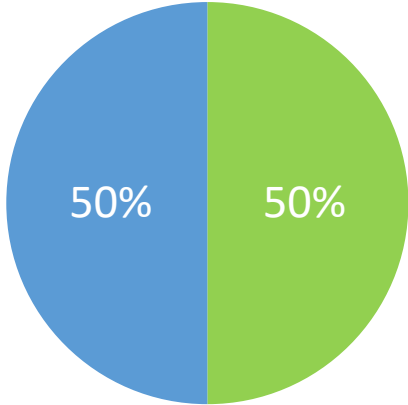
**CONSTRUCTION PRODUCTS GROUP**



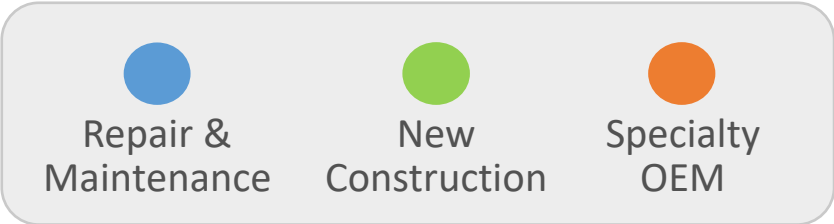
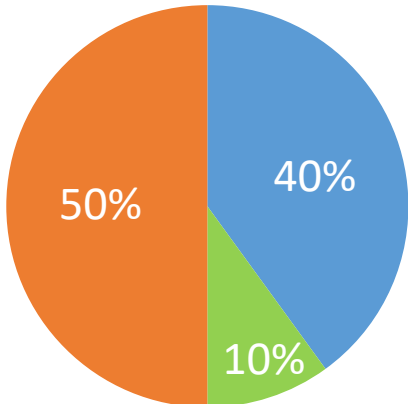
**CONSUMER GROUP**



**PERFORMANCE COATINGS GROUP**



**SPECIALTY PRODUCTS GROUP**



\*Current estimates, which are subject to change based on actual operating mix.

# Why Customers Choose RPM



1 – Source: Forbes Article, Nov. 7, 2022 [How Much Does A Bathroom Remodel Cost? – Forbes Home](#)

# Fiscal 2023 Third-Quarter Guidance

CATEGORY	Q3-23 OUTLOOK (YOY)	PRIOR-YEAR COMPARABLE
<b>SALES</b>   <b>Consolidated</b>	Increase low-single digits to mid-single digits	Versus prior-year record
Construction Products Group	Decrease low-single digits to mid-single digits	Versus prior-year record
Performance Coatings Group	Increase high-single digits to low-double digits	Versus prior-year record
Specialty Products Group	Flat to prior-year period	Versus prior-year record
Consumer Group	Increase mid-single digits	Versus prior-year record
<b>ADJUSTED EBIT</b>   <b>Consolidated</b>	\$75 million to \$85 million	Prior-year record of \$80.6 million

## Positioned to Outperform

- (+) Strategically balanced portfolio of businesses
- (+) Focus on repair & maintenance
- (+) MAP 2025 initiatives
- (+) Businesses positioned to benefit from reshoring of manufacturing and infrastructure / stimulus spending

## Headwinds to Growth

- (-) Slowing overall economic activity
- (-) Rising interest rates pressuring construction
- (-) 10 consecutive months of U.S. existing home sales declines
- (-) Customers normalizing inventories
- (-) Strong U.S. dollar
- (-) Continued year-over-year inflation



# Appendix

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Reconciliation of Non-GAAP to GAAP Measures

January 5, 2023

# Consolidated Statements of Income: Three Months

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

	Three Months Ended				
	November 30, 2022	%	November 30, 2021	%	% Change
<b>Net Sales</b>	\$ 1,791,708		\$ 1,639,538		9.3
<b>Cost of Sales</b>	1,101,317	61.5	1,056,924	64.5	
<b>Gross Profit</b>	690,391	38.5	582,614	35.5	
<b>SG&amp;A</b>	490,607	27.3	437,709	26.7	
<b>Restructuring Expense</b>	1,272	0.1	2,977	0.2	
<b>(Gain) on Sales of Assets, Net</b>	-	0.0	(42,124)	(2.6)	
<b>Other Expense (Income), Net</b>	2,310	0.1	(2,920)	(0.2)	
<b>EBIT** (non-GAAP measure)</b>	196,202	11.0	186,972	11.4	4.9
<b>Interest Expense</b>	27,918	1.6	21,002	1.3	
<b>Investment (Income) Expense, Net</b>	(6,851)	(0.4)	2,816	0.1	
<b>Income Before Taxes</b>	175,135	9.8	163,154	10.0	
<b>Provision for Income Taxes</b>	43,593	2.5	38,038	2.4	
<b>Net Income</b>	131,542	7.3	125,116	7.6	5.1
<b>Less: Net Income Attributable to Noncontrolling Interests</b>	198	0.0	241	0.0	
<b>Net Income Attributable to RPM Stockholders</b>	\$ 131,344	7.3	\$ 124,875	7.6	5.2
<b>Diluted EPS</b>	\$ 1.02		\$ 0.96		6.3

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



# Consolidated Statements of Income: Six Months

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

	Six Months Ended				
	November 30, 2022	%	November 30, 2021	%	% Change
<b>Net Sales</b>	\$ 3,724,028		\$ 3,289,959		13.2
<b>Cost of Sales</b>	2,289,166	61.5	2,093,994	63.6	
<b>Gross Profit</b>	1,434,862	38.5	1,195,965	36.4	
<b>SG&amp;A</b>	975,812	26.2	856,676	26.0	
<b>Restructuring Expense</b>	2,626	0.1	3,988	0.1	
<b>(Gain) on Sales of Assets, Net</b>	-	0.0	(42,242)	(1.2)	
<b>Other Expense (Income), Net</b>	4,726	0.1	(6,259)	(0.2)	
<b>EBIT** (non-GAAP measure)</b>	451,698	12.1	383,802	11.7	17.7
<b>Interest Expense</b>	54,629	1.5	42,111	1.3	
<b>Investment (Income), Net</b>	(3,187)	(0.1)	(2,934)	(0.1)	
<b>Income Before Taxes</b>	400,256	10.7	344,625	10.5	
<b>Provision for Income Taxes</b>	99,435	2.6	84,714	2.6	
<b>Net Income</b>	300,821	8.1	259,911	7.9	15.7
<b>Less: Net Income Attributable to Noncontrolling Interests</b>	464	0.0	454	0.0	
<b>Net Income Attributable to RPM Stockholders</b>	\$ 300,357	8.1	\$ 259,457	7.9	15.8
<b>Diluted EPS</b>	\$ 2.33		\$ 2.00		16.5

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

# Non-GAAP Financial Measures

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.

# Adjustments Detail

- a) Charges recorded in Cost of Sales related to inventory write-offs in connection with restructuring activities at our Consumer, Construction Products and Specialty Products segments, partially offset by subsequent recoveries and revisions of accrual estimates.
- b) Reflects restructuring charges, including headcount reductions, closures of facilities and related costs, all in relation to our Margin Acceleration Plan ("MAP to Growth") and our Margin Achievement Plan ("MAP 2025"), together MAP 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 initiatives including facility closures 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 initiatives.
- g) Acquisition costs reflect amounts included in gross profit for inventory step-ups associated with completed acquisitions and third-party consulting fees incurred in evaluating potential acquisition targets.
- h) Accrual adjustment related to unusual compensation costs that resulted from executive departures related to our MAP to Growth.
- i) Reflects unusual compensation costs that resulted from executive departures unrelated to our MAP to Growth.
- j) Gains from asset sales reclassified to (Gain) on Sales of Assets, Net and Restructuring Expense.
- k) Reflects the net gain associated with the sale of certain real property assets within our CPG segment during Q2 fiscal 2022.
- l) 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.

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

(Unaudited)

<u>Reconciliation of Reported Earnings per Diluted Share to Adjusted Earnings per Diluted Share (All amounts presented after-tax):</u>	<u>Three Months Ended</u>	
	<u>November 30, 2022</u>	<u>November 30, 2021</u>
Reported Earnings per Diluted Share	\$ 1.02	\$ 0.96
Restructuring expense (b)	0.01	0.02
ERP consolidation plan (e)	0.01	0.01
Professional fees (f)	0.09	0.03
Acquisition-related costs (g)	-	0.01
Unusual executive costs (i)	-	0.01
(Gain) on Sales of Assets, Net (k)	-	(0.28)
Investment returns (l)	(0.03)	0.03
<b>Adjusted Earnings per Diluted Share****</b>	<b>\$ 1.10</b>	<b>\$ 0.79</b>

\*\*\*\*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: Six Months

(Unaudited)

<u>Reconciliation of Reported Earnings per Diluted Share to Adjusted Earnings per Diluted Share (All amounts presented after-tax):</u>	<u>Six Months Ended</u>	
	<u>November 30, 2022</u>	<u>November 30, 2021</u>
Reported Earnings per Diluted Share	\$ 2.33	\$ 2.00
Restructuring expense (b)	0.02	0.03
Accelerated expense - other (c)	-	0.01
ERP consolidation plan (e)	0.01	0.01
Professional fees (f)	0.20	0.06
Acquisition-related costs (g)	-	0.01
Unusual executive costs (i)	-	0.02
(Gain) on Sales of Assets, Net (k)	-	(0.28)
Investment returns (l)	0.02	0.01
<b>Adjusted Earnings per Diluted Share****</b>	<b>\$ 2.58</b>	<b>\$ 1.87</b>

\*\*\*\*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	
	November 30, 2022	November 30, 2021
Net Income	\$ 131,542	\$ 125,116
Provision for Income Taxes	43,593	38,038
Income Before Income Taxes	175,135	163,154
Interest Expense	27,918	21,002
Investment (Income) Expense, Net	(6,851)	2,816
EBIT** (non-GAAP measure)	196,202	186,972
Inventory-related charges (a)	336	15
Restructuring expense (b)	1,591	3,382
Accelerated expense - other (c)	171	460
Receivable (recoveries) (d)	-	(56)
ERP consolidation plan (e)	1,048	600
Professional fees (f)	15,325	5,526
Acquisition-related costs (g)	-	800
Unusual executive costs (i)	-	1,530
Divestitures (j)	-	22
(Gain) on Sales of Assets, Net (k)	-	(41,906)
Adjusted EBIT*** (non-GAAP measure)	\$ 214,673	\$ 157,345
Net Sales	\$ 1,791,708	\$ 1,639,538
Adj EBIT*** as a % of Net Sales (non-GAAP measure)	12.0%	9.6%

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): RPM Consolidated: Six Months

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

	Six Months Ended	
	November 30, 2022	November 30, 2021
<b>Net Income</b>	\$ 300,821	\$ 259,911
<b>Provision for Income Taxes</b>	99,435	84,714
<b>Income Before Income Taxes</b>	400,256	344,625
<b>Interest Expense</b>	54,629	42,111
<b>Investment (Income), Net</b>	(3,187)	(2,934)
<b>EBIT** (non-GAAP measure)</b>	451,698	383,802
<b>Inventory-related charges (recoveries) (a)</b>	412	(56)
<b>Restructuring expense (b)</b>	3,183	4,990
<b>Accelerated expense - other (c)</b>	258	838
<b>Receivable (recoveries) (d)</b>	-	(83)
<b>ERP consolidation plan (e)</b>	2,250	1,697
<b>Professional fees (f)</b>	32,137	10,229
<b>Acquisition-related costs (g)</b>	-	1,139
<b>Unusual (credits) triggered by executive departures (h)</b>	-	(7)
<b>Unusual executive costs (i)</b>	-	3,513
<b>(Gain) on Sales of Assets, Net (k)</b>	-	(41,906)
<b>Adjusted EBIT*** (non-GAAP measure)</b>	\$ 489,938	\$ 364,156
<b>Net Sales</b>	\$ 3,724,028	\$ 3,289,959
<b>Adj EBIT*** as a % of Net Sales (non-GAAP measure)</b>	13.2%	11.1%

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	
	November 30, 2022	November 30, 2021
Income Before Income Taxes	\$ 75,453	\$ 130,368
Add: Interest Expense, Net*	3,756	1,649
<b>EBIT** (non-GAAP measure)</b>	<b>79,209</b>	<b>132,017</b>
Inventory-related charges (a)	-	16
Restructuring expense (b)	67	911
Accelerated expense - other (c)	40	182
ERP consolidation plan (e)	554	107
Professional fees (f)	547	38
Divestitures (j)	-	18
(Gain) on Sales of Assets, Net (k)	-	(41,906)
<b>Adjusted EBIT*** (non-GAAP measure)</b>	<b>\$ 80,417</b>	<b>\$ 91,383</b>
Net Sales	\$ 634,114	\$ 614,190
<b>Adj EBIT*** as a % of Net Sales (non-GAAP measure)</b>	<b>12.7%</b>	<b>14.9%</b>

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: Six Months

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

	<b>Six Months Ended</b>	
	<b>November 30, 2022</b>	<b>November 30, 2021</b>
<b>Income Before Income Taxes</b>	<b>\$ 184,655</b>	<b>\$ 244,725</b>
<b>Add: Interest Expense, Net*</b>	<b>4,523</b>	<b>3,519</b>
<b>EBIT** (non-GAAP measure)</b>	<b>189,178</b>	<b>248,244</b>
<b>Inventory-related charges (recoveries) (a)</b>	<b>24</b>	<b>(59)</b>
<b>Restructuring expense (b)</b>	<b>124</b>	<b>1,131</b>
<b>Accelerated expense - other (c)</b>	<b>127</b>	<b>426</b>
<b>ERP consolidation plan (e)</b>	<b>1,128</b>	<b>605</b>
<b>Professional fees (f)</b>	<b>986</b>	<b>121</b>
<b>(Gain) on Sales of Assets, Net (k)</b>	<b>-</b>	<b>(41,906)</b>
<b>Adjusted EBIT*** (non-GAAP measure)</b>	<b>\$ 191,567</b>	<b>\$ 208,562</b>
<b>Net Sales</b>	<b>\$ 1,363,811</b>	<b>\$ 1,258,552</b>
<b>Adj EBIT*** as a % of Net Sales (non-GAAP measure)</b>	<b>14.0%</b>	<b>16.6%</b>

**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	
	November 30, 2022	November 30, 2021
Income Before Income Taxes	\$ 45,294	\$ 37,854
Add: Interest (Income), Net*	(292)	(247)
EBIT** (non-GAAP measure)	45,002	37,607
Restructuring expense (b)	126	377
Accelerated expense - other (c)	-	5
Receivable (recoveries) (d)	-	(56)
ERP consolidation plan (e)	340	491
Professional fees (f)	725	720
Unusual executive costs (i)	-	472
Adjusted EBIT*** (non-GAAP measure)	\$ 46,193	\$ 39,616
Net Sales	\$ 335,151	\$ 302,527
Adj EBIT*** as a % of Net Sales (non-GAAP measure)	13.8%	13.1%

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: Six Months

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

	<b>Six Months Ended</b>	
	<b>November 30, 2022</b>	<b>November 30, 2021</b>
<b>Income Before Income Taxes</b>	<b>\$ 92,248</b>	<b>\$ 72,932</b>
<b>Add: Interest (Income), Net*</b>	<b>(473)</b>	<b>(331)</b>
<b>EBIT** (non-GAAP measure)</b>	<b>91,775</b>	<b>72,601</b>
<b>Restructuring expense (b)</b>	<b>89</b>	<b>1,266</b>
<b>Accelerated expense - other (c)</b>	<b>-</b>	<b>12</b>
<b>Receivable (recoveries) (d)</b>	<b>-</b>	<b>(83)</b>
<b>ERP consolidation plan (e)</b>	<b>879</b>	<b>1,091</b>
<b>Professional fees (f)</b>	<b>1,325</b>	<b>1,448</b>
<b>Acquisition-related costs (g)</b>	<b>-</b>	<b>339</b>
<b>Unusual executive costs (i)</b>	<b>-</b>	<b>472</b>
<b>Adjusted EBIT*** (non-GAAP measure)</b>	<b>\$ 94,068</b>	<b>\$ 77,146</b>
<b>Net Sales</b>	<b>\$ 675,585</b>	<b>\$ 588,122</b>
<b>Adj EBIT*** as a % of Net Sales (non-GAAP measure)</b>	<b>13.9%</b>	<b>13.1%</b>

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)

	<b>Three Months Ended</b>	
	<b>November 30, 2022</b>	<b>November 30, 2021</b>
<b>Income Before Income Taxes</b>	<b>\$ 27,431</b>	<b>\$ 20,591</b>
<b>Add: Interest Expense, Net*</b>	<b>7</b>	<b>29</b>
<b>EBIT** (non-GAAP measure)</b>	<b>27,438</b>	<b>20,620</b>
<b>Inventory-related charges (a)</b>	<b>336</b>	<b>-</b>
<b>Restructuring expense (b)</b>	<b>1,056</b>	<b>55</b>
<b>Accelerated expense - other (c)</b>	<b>131</b>	<b>241</b>
<b>ERP consolidation plan (e)</b>	<b>154</b>	<b>-</b>
<b>Professional fees (f)</b>	<b>838</b>	<b>-</b>
<b>Adjusted EBIT*** (non-GAAP measure)</b>	<b>\$ 29,953</b>	<b>\$ 20,916</b>
<b>Net Sales</b>	<b>\$ 212,084</b>	<b>\$ 193,624</b>
<b>Adj EBIT*** as a % of Net Sales (non-GAAP measure)</b>	<b>14.1%</b>	<b>10.8%</b>

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: Six Months

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

	<b>Six Months Ended</b>	
	<b>November 30, 2022</b>	<b>November 30, 2021</b>
<b>Income Before Income Taxes</b>	<b>\$ 55,316</b>	<b>\$ 45,147</b>
<b>Add: Interest Expense, Net*</b>	<b>5</b>	<b>64</b>
<b>EBIT** (non-GAAP measure)</b>	<b>55,321</b>	<b>45,211</b>
<b>Inventory-related charges (a)</b>	<b>388</b>	<b>-</b>
<b>Restructuring expense (b)</b>	<b>2,221</b>	<b>247</b>
<b>Accelerated expense - other (c)</b>	<b>131</b>	<b>393</b>
<b>ERP consolidation plan (e)</b>	<b>154</b>	<b>-</b>
<b>Professional fees (f)</b>	<b>1,387</b>	<b>-</b>
<b>Unusual (credits) triggered by executive departures (h)</b>	<b>-</b>	<b>(8)</b>
<b>Adjusted EBIT*** (non-GAAP measure)</b>	<b>\$ 59,602</b>	<b>\$ 45,843</b>
<b>Net Sales</b>	<b>\$ 414,781</b>	<b>\$ 375,679</b>
<b>Adj EBIT*** as a % of Net Sales (non-GAAP measure)</b>	<b>14.4%</b>	<b>12.2%</b>

**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	
	November 30, 2022	November 30, 2021
Income Before Income Taxes	\$ 93,873	\$ 33,104
Add: Interest (Income), Net*	(1)	(73)
EBIT** (non-GAAP measure)	93,872	33,031
Inventory-related (recoveries) (a)	-	(1)
Restructuring expense (b)	342	528
Accelerated expense - other (c)	-	32
Professional fees (f)	-	7
Unusual executive costs (i)	-	12
Divestitures (j)	-	4
Adjusted EBIT*** (non-GAAP measure)	\$ 94,214	\$ 33,613
Net Sales	\$ 610,359	\$ 529,197
Adj EBIT*** as a % of Net Sales (non-GAAP measure)	15.4%	6.4%

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: Six Months

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

	<b>Six Months Ended</b>	
	<b>November 30, 2022</b>	<b>November 30, 2021</b>
<b>Income Before Income Taxes</b>	<b>\$ 210,562</b>	<b>\$ 79,019</b>
<b>Add: Interest (Income), Net*</b>	<b>(27)</b>	<b>(149)</b>
<b>EBIT** (non-GAAP measure)</b>	<b>210,535</b>	<b>78,870</b>
<b>Inventory-related charges (a)</b>	<b>-</b>	<b>3</b>
<b>Restructuring expense (b)</b>	<b>749</b>	<b>834</b>
<b>Accelerated expense - other (c)</b>	<b>-</b>	<b>7</b>
<b>Professional fees (f)</b>	<b>-</b>	<b>16</b>
<b>Unusual executive costs(i)</b>	<b>-</b>	<b>776</b>
<b>Adjusted EBIT*** (non-GAAP measure)</b>	<b>\$ 211,284</b>	<b>\$ 80,506</b>
<b>Net Sales</b>	<b>\$ 1,269,851</b>	<b>\$ 1,067,606</b>
<b>Adj EBIT*** as a % of Net Sales (non-GAAP measure)</b>	<b>16.6%</b>	<b>7.5%</b>

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.