



# Fiscal 2023 Third-Quarter Results

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April 6, 2023

**RPM**  
LISTED  
NYSE

# 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 Consolidated Q3-23 Sales and Adjusted EBIT

## FINANCIAL HIGHLIGHTS

**\$1.52B**

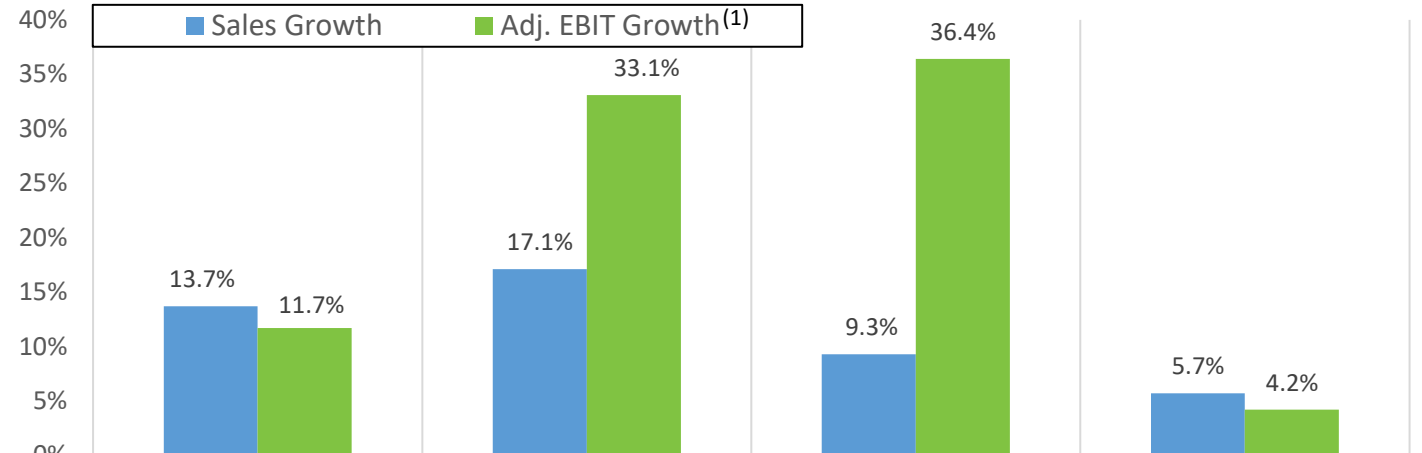
RECORD Q3 SALES  
+5.7%

**\$83.9M**

RECORD Q3 ADJUSTED EBIT <sup>1</sup>  
+4.2%

5 Consecutive  
Quarters  
of record sales and  
adjusted EBIT

Consolidated Sales and Adjusted EBIT Growth



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

## Focus on Execution

**MAP 2025 • Top Growth Opportunities • Expense Reduction**

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

# Record Q3 Sales For All Segments; Record Consolidated Q3 Adjusted EBIT

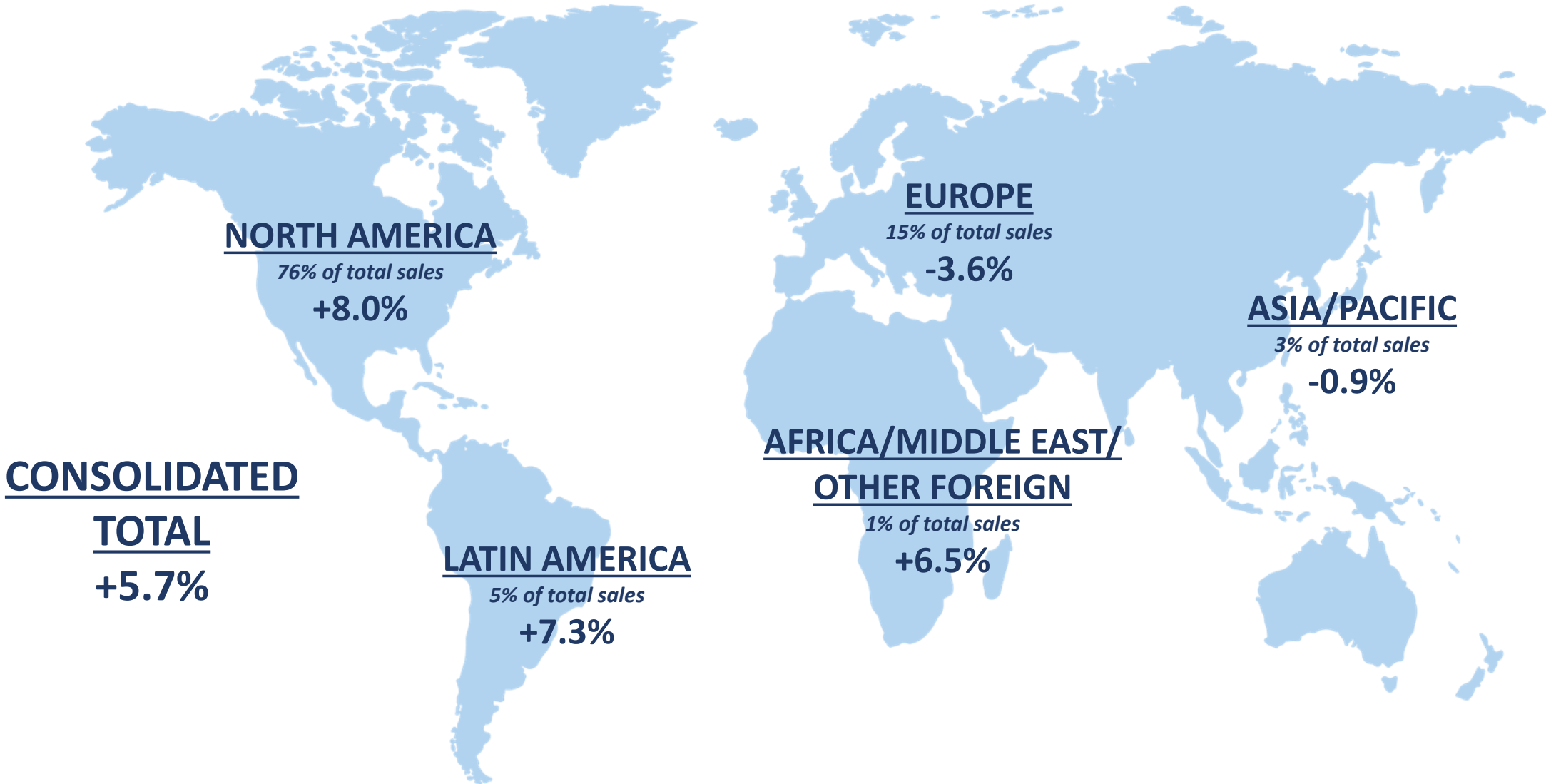
	CPG	PCG	SPG	Consumer	Consolidated
Record Sales	✓	✓	✓	✓	✓
Record Adjusted EBIT <sup>1</sup>		✓		✓	✓

## HIGHLIGHTS

- Record Q3 sales in all four segments driven by increased pricing in response to continued inflation
- Growth in businesses benefiting from increased spending on infrastructure and reshoring projects
- Softness in certain construction sectors (CPG), OEM (SPG) and Consumer, including customer destocking and caution on building inventory
- Record Q3 adjusted EBIT driven by solid sales, MAP 2025 benefits and Consumer margin recovery, partially offset by lower fixed-cost utilization, unfavorable FX and continued material cost inflation

(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 | Q3-23



# Fiscal 2023 Third-Quarter Financial Results | Consolidated

## Record Q3 sales and adjusted EBIT

(\$ in millions, except per share amounts)	Q3 2023	Q3 2022	% Change
Sales	\$1,516	\$1,434	+5.7%
EBIT <sup>1</sup>	\$71	\$67	+5.5%
Adjusted EBIT <sup>1</sup>	\$84	\$81	+4.2%
Adjusted EBIT Margin <sup>1</sup>	5.5%	5.6%	-10 bps
Net Income	\$27	\$33	-18.3%
Diluted EPS	\$0.21	\$0.25	-16.0%
Adjusted Diluted EPS <sup>1</sup>	\$0.37	\$0.38	-2.6%

### KEY POINTS

- Sales increased 5.7% resulting in Q3 record sales of \$1.52 billion and include FX headwinds of 2.3%
- Sales primarily driven by increased pricing in response to continued inflation
- Record Q3 adjusted EBIT driven by solid sales, MAP 2025 improvements and Consumer margin recovery, partially offset by FX, continued inflation and lower fixed-cost utilization
- Adjusted EBIT and adjusted EPS exclude the pre-tax impact of:
  - \$59.2 million of MAP 2025-related expenses including a non-cash \$39.2 million asset impairment charge
  - \$25.8 million gain from non-core business and assets sales
  - \$20.0 million gain from insurance recovery

(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.

# Fiscal 2023 Third-Quarter Financial Results

*CPG record Q3 sales; adjusted EBIT negatively impacted by lower fixed-cost leverage*

## CONSTRUCTION PRODUCTS GROUP



(\$ in millions, except margins)	Q3 2023	Q3 2022	% Change
Sales	497	482	+3.1%
EBIT <sup>1</sup>	12	33	-65.0%
Adjusted EBIT <sup>1</sup>	13	35	-62.1%
Adjusted EBIT Margin <sup>1</sup>	2.7%	7.3%	-460 bps

- Record sales led by pricing increases and strength in concrete admixtures, which benefited from market share gains and demand from infrastructure and reshoring-related projects
- Demand for restoration systems for roofing, facades and parking structures also contributed to growth
- Weak residential and certain commercial construction demand, which included customer destocking
- Sales in Europe remained soft
- FX reduced sales by 2.6% and negatively impacted adjusted EBIT
- Lower adjusted EBIT driven by reduced fixed-cost leverage at plants, due in part to internal initiatives to normalize inventories that resulted in lower production
- Challenging comparison to Q3-22, when adjusted EBIT increased 89.7%

(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 Third-Quarter Financial Results

## Strong growth throughout PCG resulted in record Q3 sales and adjusted EBIT

# PERFORMANCE COATINGS GROUP



(\$ in millions, except margins)	Q3 2023	Q3 2022	% Change
Sales	300	271	+10.6%
EBIT <sup>1</sup>	-9	25	-135.5%
Adjusted EBIT <sup>1</sup>	31	27	+16.4%
Adjusted EBIT Margin <sup>1</sup>	10.4%	9.9%	+50 bps

- Sales driven by volume growth and price increases
- Fiberglass grating, protective coatings and flooring systems all generated strong sales growth, and were aided by higher customer spending on reshoring and infrastructure-related projects
- Energy demand remained strong
- FX reduced sales by 3.4% and negatively impacted adjusted EBIT
- Adjusted EBIT driven by strong sales growth and MAP 2025 benefits
- Growth achieved in addition to strong Q3-22 results when adjusted EBIT increased 89.9%
- Adjusted EBIT excludes \$39.2 million non-cash asset impairment charges caused by MAP 2025 initiative that resulted in go-to-market strategy change in Europe

(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 Third-Quarter Financial Results

Record Q3 revenue at SPG, with adjusted EBIT negatively impacted by reduced fixed-cost leverage

## SPECIALTY PRODUCTS GROUP



(\$ in millions, except margins)	Q3 2023	Q3 2022	% Change
Sales	191	189	+0.9%
EBIT <sup>1</sup>	39	26	+52.3%
Adjusted EBIT <sup>1</sup>	17	27	-37.0%
Adjusted EBIT Margin <sup>1</sup>	8.8%	14.1%	-530 bps

- Strength in disaster restoration business, where recent operational improvement investments allowed for quick responses to inclement weather
- Food coatings and additives revenue grew double digits as a result of strategically refocusing sales management and selling efforts
- Sales declined at businesses serving OEM markets, including customer destocking
- Adjusted EBIT decline driven by reduced fixed-cost leverage due to customer destocking and internal initiatives to normalize inventories, as well as unfavorable mix
- Adjusted EBIT excludes \$25.8 million pre-tax gain on sale of non-core furniture warranty business and other assets

(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 Third-Quarter Financial Results

Record Q3 sales and adjusted EBIT driven by MAP 2025 benefits and improved pricing

## CONSUMER GROUP



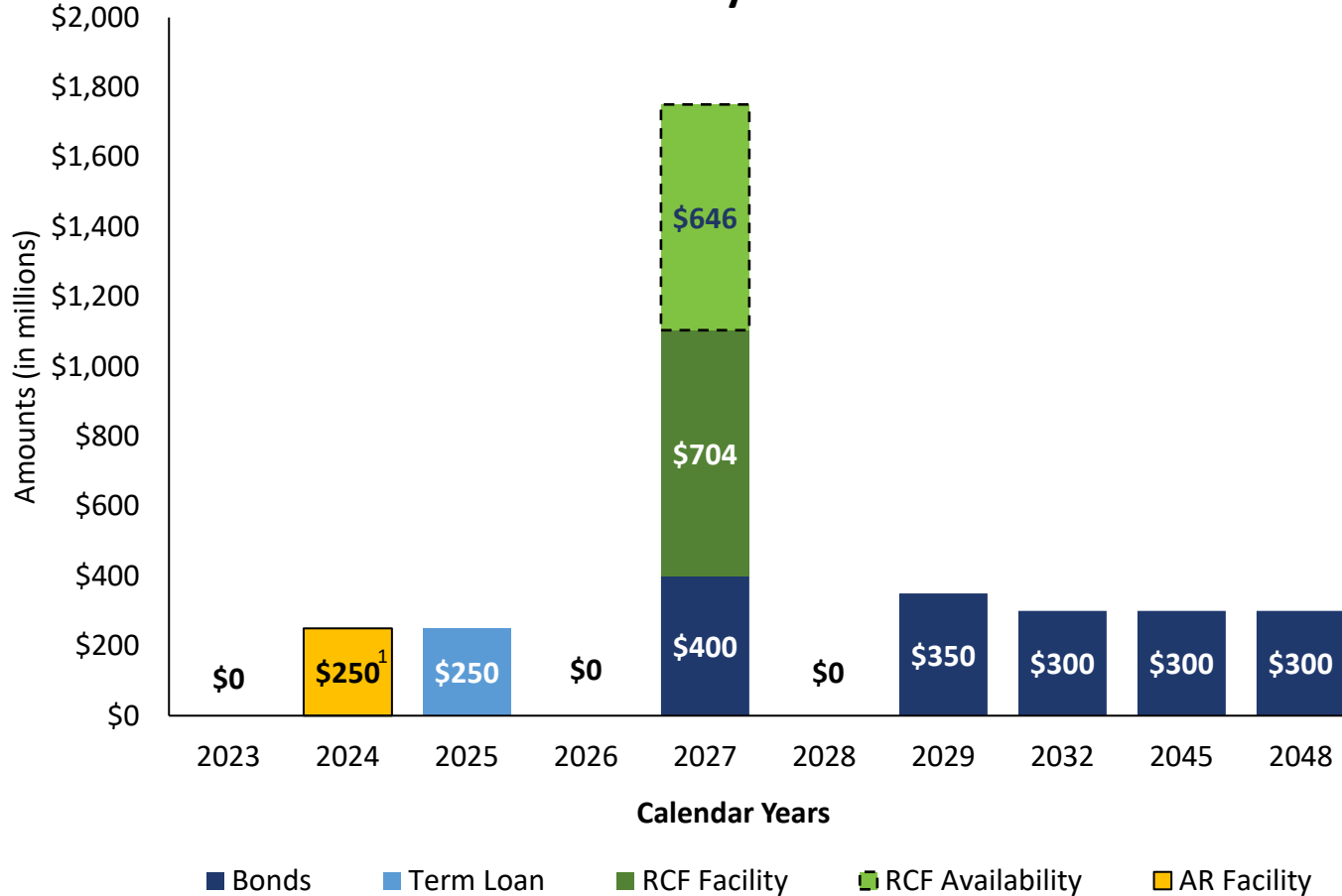
(\$ in millions, except margins)	Q3 2023	Q3 2022	% Change
Sales	529	492	+7.5%
EBIT <sup>1</sup>	68	17	+304.8%
Adjusted EBIT <sup>1</sup>	48	17	+180.4%
Adjusted EBIT Margin <sup>1</sup>	9.1%	3.5%	+560 bps

- Sales growth driven by selling price increases to catch up with continued cost inflation
- Volumes declined due to retailer caution on increasing inventory levels and from a slowdown in consumer takeaway
- MAP 2025 benefits and solid sales increases 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 Q3-22 profitability
- Adjusted EBIT excludes \$20.0 million pre-tax gain related to business interruption insurance recovery resulting from the explosion at the alkyd resin supplier

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

# Balance Sheet and Cash Flow Update

## Debt Maturity Schedule



(1) Balance of \$225M at end of Q3-23

## Q3-23 Update

- Paid \$159.8 million in dividends and repurchased \$37.5 million of shares since beginning of fiscal year
- Cash flow from operations +\$72.1 million compared to -\$3.4 million in Q3-22
- Inventories declined by \$48.3 million since Nov. 30, 2022
- Significant liquidity of \$843.5 million
- Average interest rate of 4.0% on fixed-rate debt
- Vast majority of debt not due until 2027 or later
- Next debt maturity is \$250 million AR facility due May 2024

# Transformational Forces Driving Opportunities

## Energy Transition



- Protective coatings
- Specified fireproofing
- Concrete admixtures
- FRP Grating

## Energy Efficient Buildings



- High-performance construction products
- High-efficiency restoration systems
- Concrete admixtures

## Reshoring



- Engineered flooring systems
- Specified fireproofing
- High-performance construction products
- Concrete admixtures

## Electric Vehicle Manufacturing



- Specified fireproofing
- Engineered flooring systems
- Protective coatings
- Concrete admixtures

# Positioned to Benefit from Stimulus Pipeline

Significant government stimulus expected to contribute to growth in construction, infrastructure and reshoring projects

**\$2.2 Trillion**

CARES Act  
March 2020

**\$1.9 Trillion**

American Rescue Plan  
March 2021

**\$1.2 Trillion**

Infrastructure  
Investment and Jobs Act  
November 2021

**\$53 Billion**

CHIPS Act  
August 2022

**\$390 Billion**

Inflation  
Reduction Act  
August 2022



**\$340 bb**

State / Local  
Government  
Funding



**\$350 bb**

State / Local Gov. Funding  
**\$130 bb**  
K-12 Schools



**\$550 bb**

Incremental  
Infrastructure Spending



**\$39 bb**

Incentives for  
Reshoring of  
Manufacturing



Up to **\$7,500 EV  
Credit**

For Cars with North  
American-made  
Batteries

# Engineered Solutions to Serve Growing EV and Battery Manufacturing

## CPG: High Range Water Reducer

- Reduces water consumption by up to 30%
- Requires less Portland cement



EUCLID CHEMICAL

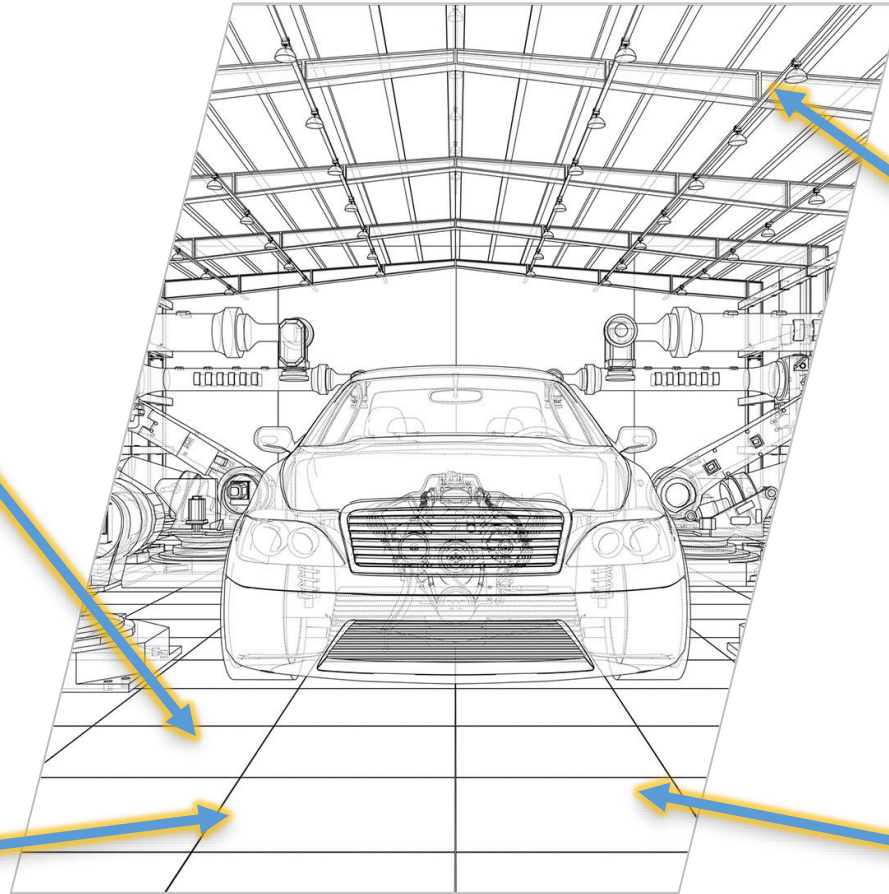


## CPG: Tuf-Strand Macrofibers

- Replacement for steel reinforcement
- Enhanced 3-D protection against cracking
- Improved safety and construction times



EUCLID CHEMICAL



## PCG: Thermo-Sorb VOC

- Up to 3 hours of passive fire protection
- Low outgassing for clean rooms
- Fast application

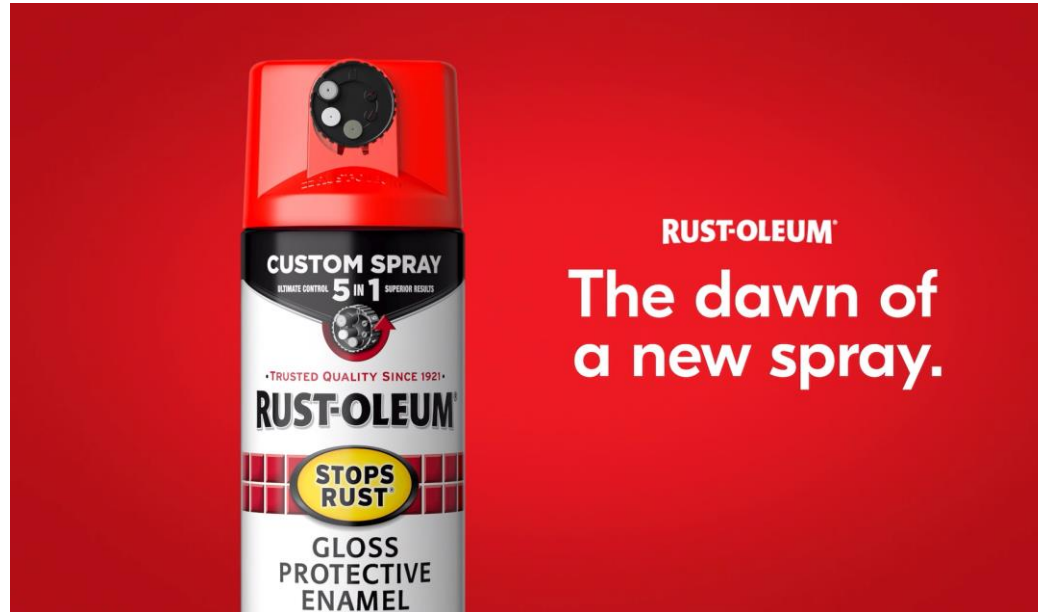


## PCG: Stonclad GS

- Abrasion and impact resistant epoxy mortar system
- Controls static and resistant to chemicals
- Installed by Stonhard



# Innovation: Rust-Oleum's New Custom Spray 5-in-1



- Patent-pending spraying technology
- 5 spray patterns – increased precision, minimized drips, reduced waste
- 30% greater corrosion resistance and color retention<sup>1</sup>
- [www.dawnofanewspray.com](http://www.dawnofanewspray.com)

1 – Compared to traditional Stops Rust formula

# Fiscal 2023 Fourth-Quarter Guidance

CATEGORY	Q4-23 OUTLOOK (YOY)	PRIOR-YEAR RESULTS	PRIOR-YEAR RECORD
<b>SALES   Consolidated</b>	Flat to prior year	+13.7%	✓
Construction Products Group	Decrease low to mid-single digits	+18.5%	✓
Performance Coatings Group	Increase mid-single digits	+16.3%	✓
Specialty Products Group	Decrease low-double digits	+11.4%	✓
Consumer Group	Increase mid-single digits	+8.6%	✓
<b>ADJUSTED EBIT   Consolidated</b>	Flat to down high-single digits	+11.7%	✓

## Positioned to Outperform

- (+) Strategically balanced portfolio of businesses
- (+) Focus on repair & maintenance
- (+) MAP 2025 improvements
- (+) Infrastructure / stimulus spending
- (+) New product introductions
- (+) Reducing expenses
- (+) Focus on cash flow
- (+) Moderating year-over-year cost inflation

## Headwinds to Growth

- (-) Slowing overall economic activity
- (-) Elevated interest rates and tightening credit pressuring construction
- (-) Customers holding lower inventories
- (-) Lower production to normalize inventories
- (-) Higher insurance and non-service pension expenses





# Appendix

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Reconciliation of Non-GAAP to GAAP Measures

April 6, 2023

# Consolidated Statements of Income: Three Months

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

	Three Months Ended				
	February 28, 2023	%	February 28, 2022	%	% Change
<b>Net Sales</b>	\$ 1,516,176		\$ 1,433,879		5.7
<b>Cost of Sales</b>	978,142	64.5	935,293	65.2	
<b>Gross Profit</b>	538,034	35.5	498,586	34.8	
<b>SG&amp;A</b>	450,019	29.7	433,569	30.2	
<b>Restructuring Expense</b>	4,154	0.2	1,140	0.1	
<b>Goodwill Impairment</b>	36,745	2.4	-	0.0	
<b>(Gain) on Sales of Assets and Business, Net</b>	(25,743)	(1.7)	(249)	(0.0)	
<b>Other Expense (Income), Net</b>	2,339	0.2	(2,742)	(0.2)	
<b>EBIT** (non-GAAP measure)</b>	70,520	4.7	66,868	4.7	5.5
<b>Interest Expense</b>	30,756	2.1	22,016	1.6	
<b>Investment (Income) Expense, Net</b>	(2,723)	(0.2)	4,355	0.3	
<b>Income Before Income Taxes</b>	42,487	2.8	40,497	2.8	
<b>Provision for Income Taxes</b>	15,248	1.0	7,248	0.5	
<b>Net Income</b>	27,239	1.8	33,249	2.3	(18.1)
<b>Less: Net Income Attributable to Noncontrolling Interests</b>	265	0.0	230	0.0	
<b>Net Income Attributable to RPM Stockholders</b>	\$ 26,974	1.8	\$ 33,019	2.3	(18.3)
<b>Diluted EPS</b>	\$ 0.21		\$ 0.25		(16.0)

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, 2023	%	February 28, 2022	%	% Change
<b>Net Sales</b>	\$ 5,240,204		\$ 4,723,838		10.9
<b>Cost of Sales</b>	3,267,308	62.4	3,029,287	64.1	
<b>Gross Profit</b>	1,972,896	37.6	1,694,551	35.9	
<b>SG&amp;A</b>	1,425,969	27.2	1,290,245	27.3	
<b>Restructuring Expense</b>	6,780	0.1	5,128	0.1	
<b>Goodwill Impairment</b>	36,745	0.7	-	0.0	
<b>(Gain) on Sales of Assets and Business, Net</b>	(25,881)	(0.5)	(42,491)	(0.9)	
<b>Other Expense (Income), Net</b>	7,065	0.1	(9,001)	(0.2)	
<b>EBIT** (non-GAAP measure)</b>	522,218	10.0	450,670	9.5	15.9
<b>Interest Expense</b>	85,385	1.7	64,127	1.3	
<b>Investment (Income) Expense, Net</b>	(5,910)	(0.1)	1,421	0.0	
<b>Income Before Income Taxes</b>	442,743	8.4	385,122	8.2	
<b>Provision for Income Taxes</b>	114,683	2.2	91,962	2.0	
<b>Net Income</b>	328,060	6.2	293,160	6.2	11.9
<b>Less: Net Income Attributable to Noncontrolling Interests</b>	729	0.0	684	0.0	
<b>Net Income Attributable to RPM Stockholders</b>	\$ 327,331	6.2	\$ 292,476	6.2	11.9
<b>Diluted EPS</b>	\$ 2.54		\$ 2.26		12.4

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 Goods Sold 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, impairments, 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) Goodwill impairment charge related to the Universal Sealants reporting unit.
- d) 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 and ERP consolidation.
- e) 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.
- f) Includes implementation costs associated with our ERP consolidation plan and other decision support tools.
- g) Comprises professional fees incurred in connection with our MAP initiatives.
- h) 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.
- i) Accrual adjustment related to unusual compensation costs that resulted from executive departures related to our MAP to Growth.
- j) Reflects unusual compensation costs that resulted from executive departures unrelated to our MAP to Growth.
- k) The current year balance reflects the gains associated with the sale of the furniture warranty business and the sale and leaseback of a facility in the SPG segment. The prior year balance reflects the net gain associated with the sale and leaseback of certain real property assets within our CPG segment during Q2 2022.
- l) Business interruption insurance recovery at our Consumer segment related to lost sales and incremental costs incurred during fiscal 2021 and 2022 as a result of an explosion at the plant of a significant alkyd resin supplier.
- m) 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>February 28, 2023</u>	<u>February 28, 2022</u>
Reported Earnings per Diluted Share	\$ 0.21	\$ 0.25
Restructuring expense (b)	0.03	0.01
Goodwill impairment (c)	0.28	-
ERP consolidation plan (f)	0.01	0.01
Professional fees (g)	0.09	0.05
Acquisition-related costs (h)	-	0.01
Unusual executive costs (j)	-	0.01
(Gain) on sales of assets and business, net (k)	(0.14)	-
Business interruption insurance recovery (l)	(0.12)	-
Investment returns (m)	0.01	0.04
<b>Adjusted Earnings per Diluted Share****</b>	<b>\$ 0.37</b>	<b>\$ 0.38</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: Nine Months

(Unaudited)

<u>Reconciliation of Reported Earnings per Diluted Share to Adjusted Earnings per Diluted Share (All amounts presented after-tax):</u>	<u>Nine Months Ended</u>	
	<u>February 28, 2023</u>	<u>February 28, 2022</u>
Reported Earnings per Diluted Share	\$ 2.54	\$ 2.26
Restructuring expense (b)	0.05	0.04
Goodwill impairment (c)	0.28	-
Accelerated expense - other (d)	-	0.01
ERP consolidation plan (f)	0.03	0.01
Professional fees (g)	0.28	0.11
Acquisition-related costs (h)	-	0.01
Unusual executive costs (j)	-	0.03
(Gain) on sales of assets and business, net (k)	(0.14)	(0.28)
Business interruption insurance recovery (l)	(0.12)	-
Investment returns (m)	0.02	0.05
<b>Adjusted Earnings per Diluted Share****</b>	<b>\$ 2.94</b>	<b>\$ 2.24</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	
	February 28, 2023	February 28, 2022
<b>Net Income</b>	\$ 27,239	\$ 33,249
<b>Provision for Income Taxes</b>	15,248	7,248
<b>Income Before Income Taxes</b>	42,487	40,497
<b>Interest Expense</b>	30,756	22,016
<b>Investment (Income) Expense, Net</b>	(2,723)	4,355
<b>EBIT** (non-GAAP measure)</b>	70,520	66,868
<b>Inventory-related charges (a)</b>	500	99
<b>Restructuring expense (b)</b>	4,054	1,219
<b>Goodwill impairment (c)</b>	36,745	-
<b>Accelerated expense - other (d)</b>	250	236
<b>Receivable (recoveries) (e)</b>	-	(98)
<b>ERP consolidation plan (f)</b>	2,237	1,127
<b>Professional fees (g)</b>	15,375	8,723
<b>Acquisition-related costs (h)</b>	-	1,218
<b>Unusual executive costs (j)</b>	-	1,165
<b>(Gain) on sales of assets and business, net (k)</b>	(25,774)	-
<b>Business interruption insurance recovery (l)</b>	(20,000)	-
<b>Adjusted EBIT*** (non-GAAP measure)</b>	\$ 83,907	\$ 80,557
<b>Net Sales</b>	\$ 1,516,176	\$ 1,433,879
<b>Adj EBIT*** as a % of Net Sales (non-GAAP measure)</b>	5.5%	5.6%

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: Nine Months

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

	Nine Months Ended	
	February 28, 2023	February 28, 2022
<b>Net Income</b>	\$ 328,060	\$ 293,160
<b>Provision for Income Taxes</b>	114,683	91,962
<b>Income Before Income Taxes</b>	442,743	385,122
<b>Interest Expense</b>	85,385	64,127
<b>Investment (Income) Expense, Net</b>	(5,910)	1,421
<b>EBIT** (non-GAAP measure)</b>	522,218	450,670
<b>Inventory-related charges (a)</b>	912	44
<b>Restructuring expense (b)</b>	7,238	6,209
<b>Goodwill impairment (c)</b>	36,745	-
<b>Accelerated expense - other (d)</b>	508	1,075
<b>Receivable (recoveries) (e)</b>	-	(181)
<b>ERP consolidation plan (f)</b>	4,486	2,824
<b>Professional fees (g)</b>	47,512	18,951
<b>Acquisition-related costs (h)</b>	-	2,357
<b>Unusual (credits) triggered by executive departures (i)</b>	-	(8)
<b>Unusual executive costs (j)</b>	-	4,678
<b>(Gain) on sales of assets and business, net (k)</b>	(25,774)	(41,906)
<b>Business interruption insurance recovery (l)</b>	(20,000)	-
<b>Adjusted EBIT*** (non-GAAP measure)</b>	\$ 573,845	\$ 444,713
<b>Net Sales</b>	\$ 5,240,204	\$ 4,723,838
<b>Adj EBIT*** as a % of Net Sales (non-GAAP measure)</b>	11.0%	9.4%

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): Construction Products Segment: Three Months

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

	Three Months Ended	
	February 28, 2023	February 28, 2022
<b>Income Before Income Taxes</b>	<b>\$ 8,181</b>	<b>\$ 31,498</b>
<b>Add: Interest Expense, Net*</b>	<b>3,456</b>	<b>1,735</b>
<b>EBIT** (non-GAAP measure)</b>	<b>11,637</b>	<b>33,233</b>
<b>Restructuring expense (b)</b>	<b>305</b>	<b>357</b>
<b>Accelerated expense - other (d)</b>	<b>37</b>	<b>144</b>
<b>ERP consolidation plan (f)</b>	<b>530</b>	<b>(8)</b>
<b>Professional fees (g)</b>	<b>795</b>	<b>541</b>
<b>Unusual executive costs (j)</b>	<b>-</b>	<b>805</b>
<b>Adjusted EBIT*** (non-GAAP measure)</b>	<b>\$ 13,304</b>	<b>\$ 35,072</b>
<b>Net Sales</b>	<b>\$ 497,014</b>	<b>\$ 482,026</b>
<b>Adj EBIT*** as a % of Net Sales (non-GAAP measure)</b>	<b>2.7%</b>	<b>7.3%</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: Nine Months

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

	<b>Nine Months Ended</b>	
	<b>February 28, 2023</b>	<b>February 28, 2022</b>
<b>Income Before Income Taxes</b>	<b>\$ 192,836</b>	<b>\$ 276,223</b>
<b>Add: Interest Expense, Net*</b>	<b>7,979</b>	<b>5,254</b>
<b>EBIT** (non-GAAP measure)</b>	<b>200,815</b>	<b>281,477</b>
<b>Inventory-related charges (recoveries) (a)</b>	<b>24</b>	<b>(59)</b>
<b>Restructuring expense (b)</b>	<b>429</b>	<b>1,488</b>
<b>Accelerated expense - other (d)</b>	<b>164</b>	<b>570</b>
<b>ERP consolidation plan (f)</b>	<b>1,658</b>	<b>597</b>
<b>Professional fees (g)</b>	<b>1,781</b>	<b>662</b>
<b>Unusual executive costs (j)</b>	<b>-</b>	<b>805</b>
<b>(Gain) on sales of assets, net (k)</b>	<b>-</b>	<b>(41,906)</b>
<b>Adjusted EBIT*** (non-GAAP measure)</b>	<b>\$ 204,871</b>	<b>\$ 243,634</b>
<b>Net Sales</b>	<b>\$ 1,860,825</b>	<b>\$ 1,740,578</b>
<b>Adj EBIT*** as a % of Net Sales (non-GAAP measure)</b>	<b>11.0%</b>	<b>14.0%</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	
	February 28, 2023	February 28, 2022
<b>(Loss) Income Before Income Taxes</b>	\$ (8,351)	\$ 24,917
<b>Add: Interest (Income), Net*</b>	(475)	(76)
<b>EBIT** (non-GAAP measure)</b>	<b>(8,826)</b>	<b>24,841</b>
<b>Restructuring expense (b)</b>	<b>3,032</b>	<b>(194)</b>
<b>Goodwill impairment (c)</b>	<b>36,745</b>	<b>-</b>
<b>Accelerated expense - other (d)</b>	<b>-</b>	<b>3</b>
<b>Receivable (recoveries) (e)</b>	<b>-</b>	<b>(98)</b>
<b>ERP consolidation plan (f)</b>	<b>264</b>	<b>1,136</b>
<b>Professional fees (g)</b>	<b>-</b>	<b>1,127</b>
<b>Adjusted EBIT*** (non-GAAP measure)</b>	<b>\$ 31,215</b>	<b>\$ 26,815</b>
<b>Net Sales</b>	<b>\$ 299,627</b>	<b>\$ 270,865</b>
<b>Adj EBIT*** as a % of Net Sales (non-GAAP measure)</b>	<b>10.4%</b>	<b>9.9%</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): Performance Coatings Segment: Nine Months

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

	Nine Months Ended	
	February 28, 2023	February 28, 2022
<b>Income Before Income Taxes</b>	<b>\$ 83,896</b>	<b>\$ 97,849</b>
<b>Add: Interest (Income), Net*</b>	<b>(947)</b>	<b>(407)</b>
<b>EBIT** (non-GAAP measure)</b>	<b>82,949</b>	<b>97,442</b>
<b>Restructuring expense (b)</b>	<b>3,122</b>	<b>1,072</b>
<b>Goodwill impairment (c)</b>	<b>36,745</b>	<b>-</b>
<b>Accelerated expense - other (d)</b>	<b>-</b>	<b>15</b>
<b>Receivable (recoveries) (e)</b>	<b>-</b>	<b>(181)</b>
<b>ERP consolidation plan (f)</b>	<b>1,142</b>	<b>2,227</b>
<b>Professional fees (g)</b>	<b>1,325</b>	<b>2,575</b>
<b>Acquisition-related costs (h)</b>	<b>-</b>	<b>339</b>
<b>Unusual executive costs (j)</b>	<b>-</b>	<b>472</b>
<b>Adjusted EBIT*** (non-GAAP measure)</b>	<b>\$ 125,283</b>	<b>\$ 103,961</b>
<b>Net Sales</b>	<b>\$ 975,212</b>	<b>\$ 858,987</b>
<b>Adj EBIT*** as a % of Net Sales (non-GAAP measure)</b>	<b>12.8%</b>	<b>12.1%</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)

	Three Months Ended	
	February 28, 2023	February 28, 2022
<b>Income Before Income Taxes</b>	<b>\$ 39,482</b>	<b>\$ 25,881</b>
<b>Add: Interest (Income) Expense, Net*</b>	<b>(28)</b>	<b>18</b>
<b>EBIT** (non-GAAP measure)</b>	<b>39,454</b>	<b>25,899</b>
<b>Inventory-related charges (a)</b>	<b>500</b>	<b>101</b>
<b>Restructuring expense (b)</b>	<b>552</b>	<b>631</b>
<b>Accelerated expense - other (d)</b>	<b>213</b>	<b>58</b>
<b>ERP consolidation plan (f)</b>	<b>722</b>	<b>-</b>
<b>Professional fees (g)</b>	<b>1,125</b>	<b>-</b>
<b>Acquisition-related costs (h)</b>	<b>-</b>	<b>(45)</b>
<b>(Gain) on sales of assets and business, net (k)</b>	<b>(25,774)</b>	<b>-</b>
<b>Adjusted EBIT*** (non-GAAP measure)</b>	<b>\$ 16,792</b>	<b>\$ 26,644</b>
<b>Net Sales</b>	<b>\$ 191,004</b>	<b>\$ 189,371</b>
<b>Adj EBIT*** as a % of Net Sales (non-GAAP measure)</b>	<b>8.8%</b>	<b>14.1%</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: Nine Months

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

	Nine Months Ended	
	February 28, 2023	February 28, 2022
<b>Income Before Income Taxes</b>	<b>\$ 94,798</b>	<b>\$ 71,028</b>
<b>Add: Interest (Income) Expense, Net*</b>	<b>(23)</b>	<b>82</b>
<b>EBIT** (non-GAAP measure)</b>	<b>94,775</b>	<b>71,110</b>
<b>Inventory-related charges (a)</b>	<b>888</b>	<b>101</b>
<b>Restructuring expense (b)</b>	<b>2,773</b>	<b>878</b>
<b>Accelerated expense - other (d)</b>	<b>344</b>	<b>451</b>
<b>ERP consolidation plan (f)</b>	<b>877</b>	<b>-</b>
<b>Professional fees (g)</b>	<b>2,511</b>	<b>-</b>
<b>Acquisition-related costs (h)</b>	<b>-</b>	<b>(45)</b>
<b>Unusual (credits) triggered by executive departures (i)</b>	<b>-</b>	<b>(8)</b>
<b>(Gain) on sales of assets and business, net (k)</b>	<b>(25,774)</b>	<b>-</b>
<b>Adjusted EBIT*** (non-GAAP measure)</b>	<b>\$ 76,394</b>	<b>\$ 72,487</b>
<b>Net Sales</b>	<b>\$ 605,785</b>	<b>\$ 565,050</b>
<b>Adj EBIT*** as a % of Net Sales (non-GAAP measure)</b>	<b>12.6%</b>	<b>12.8%</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): Consumer Segment: Three Months

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

	<b>Three Months Ended</b>	
	<b>February 28, 2023</b>	<b>February 28, 2022</b>
<b>Income Before Income Taxes</b>	<b>\$ 68,146</b>	<b>\$ 16,893</b>
<b>Add: Interest (Income), Net*</b>	<b>(18)</b>	<b>(62)</b>
<b>EBIT** (non-GAAP measure)</b>	<b>68,128</b>	<b>16,831</b>
<b>Inventory-related (recoveries) (a)</b>	<b>-</b>	<b>(2)</b>
<b>Restructuring expense (b)</b>	<b>165</b>	<b>364</b>
<b>Accelerated expense - other (d)</b>	<b>-</b>	<b>32</b>
<b>Business interruption insurance recovery (l)</b>	<b>(20,000)</b>	<b>-</b>
<b>Adjusted EBIT*** (non-GAAP measure)</b>	<b>\$ 48,293</b>	<b>\$ 17,225</b>
<b>Net Sales</b>	<b>\$ 528,531</b>	<b>\$ 491,617</b>
<b>Adj EBIT*** as a % of Net Sales (non-GAAP measure)</b>	<b>9.1%</b>	<b>3.5%</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.**



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

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

	Nine Months Ended	
	February 28, 2023	February 28, 2022
Income Before Income Taxes	\$ 278,708	\$ 95,912
Add: Interest (Income), Net*	(45)	(211)
EBIT** (non-GAAP measure)	278,663	95,701
Inventory-related charges (a)	-	1
Restructuring expense (b)	914	1,198
Accelerated expense - other (d)	-	39
Professional fees (g)	-	16
Unusual executive costs (j)	-	776
Business interruption insurance recovery (l)	(20,000)	-
Adjusted EBIT*** (non-GAAP measure)	\$ 259,577	\$ 97,731
Net Sales	\$ 1,798,382	\$ 1,559,223
Adj EBIT*** as a % of Net Sales (non-GAAP measure)	14.4%	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.