

# **RPM Reports Record Fiscal 2023 Second-Quarter Results**

- Second-quarter net sales increased 9.3% to a record \$1.79 billion
- Second-quarter net income increased 5.2% to a record \$131.3 million, income before income taxes was a record \$175.1 million, diluted EPS was a record \$1.02, and adjusted diluted EPS was a record \$1.10
- Second-quarter EBIT increased 4.9% to a record \$196.2 million and adjusted EBIT increased 36.4% to a record \$214.7 million
- Fiscal 2023 third-quarter outlook calls for sales to increase in the low to mid-singledigit percentage range and adjusted EBIT to be between \$75 million and \$85 million

MEDINA, OH – January 5, 2023 – RPM International Inc. (NYSE: RPM), a world leader in specialty coatings, sealants and building materials, today reported financial results for its fiscal 2023 second quarter ended November 30, 2022.

"The second quarter was a positive one for RPM with record sales and significant margin expansion resulting in record adjusted EBIT," commented RPM Chairman and CEO Frank C. Sullivan. "We generated these impressive results despite several macroeconomic challenges. We also introduced our MAP 2025 operating improvement program at an investor day during the quarter and are off to a promising start with year-to-date MAP benefits exceeding our targets."

He added, "All four of our segments achieved record second-quarter sales, which included the impact of significant foreign exchange headwinds, and three of our four segments generated record second-quarter adjusted EBIT, despite continued year-over-year cost inflation."

## Second-Quarter 2023 Consolidated Results

## Consolidated

		Three Mon	nths E	nded				
\$ in 000s except per share data	No	vember 30,	No	ovember 30,				
		2022		2021	\$ Change		% Change	
Net Sales	\$	1,791,708	\$	1,639,538	\$	152,170	9.3%	
Net Income Attributable to RPM Stockholders		131,344		124,875		6,469	5.2%	
Diluted Earnings Per Share (EPS)		1.02		0.96		0.06	6.3%	
Income Before Income Taxes (IBT)		175,135		163,154		11,981	7.3%	
Earnings Before Interest and Taxes (EBIT)		196,202		186,972		9,230	4.9%	
Adjusted EBIT <sup>(1)</sup>		214,673		157,345		57,328	36.4%	
Adjusted EPS <sup>(1)</sup>		1.10		0.79		0.31	39.2%	

(1) Excludes certain items that are not indicative of RPM's ongoing operations. See tables below titled Supplemental Segment Information and Reconciliation of Reported to Adjusted Amounts for details.

Record fiscal 2023 second-quarter sales were driven by increased pricing in response to continued inflation. In addition, volume grew in businesses that are benefiting from reshoring and infrastructure spending, and material supply improved through insourcing and qualifying new suppliers.

Geographically, demand was strong in the U.S. across a number of businesses and was solid in emerging markets. Demand in Europe, which accounted for 13.5% of sales, was weak as the region continued to be challenged by high inflation and difficult macroeconomic conditions.

Sales included 12.4% organic growth, 1.0% growth from acquisitions, and foreign currency translation headwinds of 4.1%.

Record fiscal 2023 second-quarter adjusted EBIT was driven by strong sales growth as well as MAP 2025 benefits, primarily from manufacturing and commercial improvement initiatives. Partially offsetting this growth were weakness in Europe, the negative impact of foreign currency translation and continued material cost inflation.

## Second-Quarter 2023 Segment Sales and Earnings

## Construction Products Group

		Three Mo				
\$ in 000s	Nov	ember 30,	Nov	ember 30,		
		2022		2021	\$ Change	% Change
Net Sales	\$	634,114	\$	614,190	\$ 19,924	3.2%
Income Before Income Taxes		75,453		130,368	(54,915)	(42.1%)
EBIT		79,209		132,017	(52,808)	(40.0%)
Adjusted EBIT <sup>(1)</sup>		80,417		91,383	(10,966)	(12.0%)

(1) Excludes certain items that are not indicative of RPM's ongoing operations. See table below titled Supplemental Segment Information for details.

CPG's record fiscal second-quarter sales were driven by strength in restoration systems for commercial roofing, facades, and parking structures. Admixtures and repair products for concrete continued to gain market share, resulting in sales growth. Price increases in response to continued inflation also contributed to growth. Partially offsetting this growth were continued weak demand in Europe and reduced demand for businesses that serve the new residential home construction market. These pressures became more pronounced late in the fiscal 2023 second quarter. Foreign currency translation also negatively impacted growth.

Sales included 6.9% organic growth, 1.5% growth from acquisitions, and foreign currency translation headwinds of 5.2%.

EBIT declined 40.0% primarily as a result of a \$41.9 million gain recognized in the fiscal 2022 second quarter related to the sale of real estate assets that did not reoccur in the fiscal 2023 second quarter. This gain was excluded from adjusted EBIT in the fiscal 2022 second quarter.

In addition to the CPG sales headwinds, adjusted EBIT was also negatively impacted by unfavorable mix and reduced fixed cost leverage at plants, including the Corsicana, Texas facility, which was acquired in the fiscal 2022 second quarter.

## Performance Coatings Group

		Three Mo					
\$ in 000s	Nov	ember 30,	Nov	ember 30,			
		2022		2021	\$ (	Change	% Change
Net Sales	\$	335,151	\$	302,527	\$	32,624	10.8%
Income Before Income Taxes		45,294		37,854		7,440	19.7%
EBIT		45,002		37,607		7,395	19.7%
Adjusted EBIT <sup>(1)</sup>		46,193		39,616		6,577	16.6%

(1) Excludes certain items that are not indicative of RPM's ongoing operations. See table below titled Supplemental Segment Information for details.

PCG generated record fiscal second-quarter sales supported by volume growth across most of its businesses and price increases in response to continued cost inflation. Flooring systems, protective coatings, and fiberglass reinforced plastic grating all generated double-digit sales growth, fueled by a strong demand from manufacturing customers, due in part to reshoring. Energy market demand also contributed to growth.

Sales included 15.4% organic growth, 0.6% from acquisitions, and foreign currency translation headwinds of 5.2%.

Record second-quarter adjusted EBIT was driven by volume growth and price increases in response to inflation, which were partially offset by foreign currency translation headwinds.

## Specialty Products Group

		Three Mor					
\$ in 000s	Nov	ember 30,	Nov	ember 30,			
		2022		2021	\$ (	Change	% Change
Net Sales	\$	212,084	\$	193,624	\$	18,460	9.5%
Income Before Income Taxes		27,431		20,591		6,840	33.2%
EBIT		27,438		20,620		6,818	33.1%
Adjusted EBIT <sup>(1)</sup>		29,953		20,916		9,037	43.2%

(1) Excludes certain items that are not indicative of RPM's ongoing operations. See table below titled Supplemental Segment Information for details.

SPG's record second-quarter sales were led by strength in food coatings and additives as a result of strategically refocusing sales management and selling efforts. Additionally, the disaster restoration business benefited from the 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.

Sales included 11.5% organic growth, 0.9% growth from acquisitions, and foreign currency translation headwinds of 2.9%.

Record second-quarter adjusted EBIT was driven by strong sales growth and the successful execution of MAP 2025 improvement initiatives.

## Consumer Group

		Three Mor					
\$ in 000s	Nov	ember 30,	Nov	ember 30,			
		2022		2021	\$ (	Change	% Change
Net Sales	\$	610,359	\$	529,197	\$	81,162	15.3%
Income Before Income Taxes		93,873		33,104		60,769	183.6%
EBIT		93,872		33,031		60,841	184.2%
Adjusted EBIT <sup>(1)</sup>		94,214		33,613		60,601	180.3%

(1) Excludes certain items that are not indicative of RPM's ongoing operations. See table below titled Supplemental Segment Information for details.

The Consumer Group's record second-quarter sales were driven by selling price increases to catch up with continued cost inflation and strong sales growth in North America.

Sales included 17.5% organic growth, 0.4% growth from acquisitions and foreign currency translation headwinds of 2.6%.

Adjusted EBIT growth was driven by MAP 2025 operational initiatives that were realized as a result of improved material supply, as well as strong sales growth. Additionally, the Consumer Group experienced extraordinarily low profitability in the prior-year period due to severe supply chain disruptions resulting from a plant explosion at an alkyd resin supplier and high material cost inflation, which was not offset by commensurate price increases. The low profitability in fiscal 2022 second quarter contributed to the strong year-over-year adjusted EBIT growth in the fiscal 2023 second quarter.

## **Cash Flow and Financial Position**

During the six months of fiscal 2023:

- Cash provided by operating activities was \$190.9 million compared to \$159.4 million during the prior-year period. The increase was driven by higher earnings partially offset by increased inventory purchases in the fiscal 2023 first quarter designed to improve supply chain resiliency. During the fiscal 2023 second quarter, raw material purchases began normalizing.
- Capital expenditures were \$113.5 million compared to \$101.4 million during the prior-year period driven by organic growth opportunities and MAP 2025 efficiency programs.
- The company returned \$130.6 million to shareholders through cash dividends and share repurchases. During the second quarter of fiscal 2023, RPM increased its annual dividend to \$1.68 per share, representing the 49<sup>th</sup> consecutive year of dividend increases.

As of November 30, 2022:

• Total debt was \$2.84 billion compared to \$2.47 billion a year ago. The increase was driven by increased working capital needs designed to improve supply chain resiliency.

• Total liquidity, including cash and committed revolving credit facilities, was \$880.0 million, compared to \$1.32 billion a year ago. The decline was driven by a temporary increase in inventories to navigate recent supply chain challenges, which is expected to begin normalizing in the third quarter of fiscal year 2023.

## **Business Outlook**

"While long-term visibility remains limited, economic conditions have recently become increasingly challenging as higher interest rates have negatively impacted construction activity, existing home sales, and overall economic activity. Additionally, some customers are temporarily moderating purchases as they normalize inventories in response to a more stable supply chain. As a result, certain RPM businesses have experienced reduced customer demand, a trend that is expected to continue throughout the third quarter. When combined with headwinds from foreign currency translation and inflation, we are forecasting year-over-year adjusted EBIT growth to slow or possibly modestly decline for the first time in five quarters," Sullivan added.

"RPM is well positioned to successfully navigate this near-term volatility. By leveraging the strengths of our strategically balanced portfolio of businesses and focusing on the execution of our MAP 2025 initiatives, we are confident in our ability to continue creating long-term value," he concluded.

The company expects in the fiscal year 2023 third quarter:

- Consolidated sales to increase in the low-single-digit to mid-single-digit percentage range compared to prior-year record results.
- CPG sales to decline in the low-single-digit to mid-single-digit percentage range compared to prior-year record results.
- PCG sales to increase in the high-single-digit to low-double-digit percentage range compared to prior-year record results.
- SPG sales to be flat compared to prior-year record results.
- Consumer Group sales to increase in the mid-single-digit percentage range compared to prioryear record results.
- Consolidated adjusted EBIT to be between \$75 million and \$85 million, which includes the impact of continued year-over-year inflation and foreign currency translation headwinds, compared to a record \$80.6 million in the fiscal year 2022 third quarter.

## **Earnings Webcast and Conference Call Information**

Management will host a conference call to discuss these results beginning at 10:00 a.m. EDT today. The call can be accessed via webcast at <u>www.RPMinc.com/Investors/Presentations-Webcasts</u> or by dialing 1-877-270-2148 or 1-412-902-6510 for international callers and asking to join the RPM International call. Participants are asked to call the assigned number approximately 10 minutes before the conference call begins. The call, which will last approximately one hour, will be open to the public, but only financial analysts will be permitted to ask questions. The media and all other participants will be in a listen-only mode.

For those unable to listen to the live call, a replay will be available from January 5, 2023, until January 12, 2023. The replay can be accessed by dialing 1-877-344-7529 or 1-412-317-0088 for international callers. The access code is 9556870. The call also will be available for replay and as a written transcript via the RPM website at <u>www.RPMinc.com</u>.

## About RPM

RPM International Inc. owns subsidiaries that are world leaders in specialty coatings, sealants, building materials and related services. The company operates across four reportable segments: consumer, construction products, performance coatings and specialty products. RPM has a diverse portfolio of market-leading brands, including <u>Rust-Oleum</u>, <u>DAP</u>, <u>Zinsser</u>, <u>Varathane</u>, <u>DayGlo</u>, <u>Legend Brands</u>, <u>Stonhard</u>, <u>Carboline</u>, <u>Tremco</u> and <u>Dryvit</u>. From homes and workplaces, to infrastructure and precious landmarks, RPM's brands are trusted by consumers and professionals alike to <u>help build a better world</u>. The company employs approximately 16,800 individuals worldwide. Visit <u>www.RPMinc.com</u> to learn more.

For more information, contact Matt Schlarb, Senior Director of Investor Relations, at 330-273-5090 or <u>mschlarb@rpminc.com</u>.

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### **Use of Non-GAAP Financial Information**

To supplement the financial information presented in accordance with Generally Accepted Accounting Principles in the United States ("GAAP") in this earnings release, we use EBIT, adjusted EBIT and adjusted earnings per share, which are all non-GAAP financial measures. EBIT is defined as earnings (loss) before interest and taxes, with adjusted EBIT and adjusted earnings per share provided for the purpose of adjusting for one-off items impacting revenues and/or expenses that are not considered by management to be indicative of ongoing operations. We evaluate the profit performance of our segments based on income before income taxes, but also look to EBIT as a performance evaluation measure because interest expense is essentially related to corporate functions, as opposed to segment operations. For that reason, we believe EBIT is also useful to investors as a metric in their investment decisions. EBIT should not be considered an alternative to, or more meaningful than, income before income taxes as determined in accordance with GAAP, since EBIT omits the impact of interest and investment income or expense in determining operating performance, which represent items necessary to our continued operations, given our level of indebtedness. Nonetheless, EBIT is a key measure expected by and useful to our fixed income investors, rating agencies and the banking community all of whom believe, and we concur, that this measure is critical to the capital markets' analysis of our segments' core operating performance. We also evaluate EBIT because it is clear that movements in EBIT impact our ability to attract financing. Our underwriters and bankers consistently require inclusion of this measure in offering memoranda in conjunction with any debt underwriting or bank financing. EBIT may not be indicative of our historical operating results, nor is it meant to be predictive of potential future results. See the financial statement section of this earnings release for a reconciliation of EBIT and adjusted EBIT to income before income taxes, and adjusted earnings per share to earnings per share. We have not provided a reconciliation of our third-quarter fiscal 2023 adjusted EBIT guidance because material terms that impact such measure are not in our control and/or cannot be reasonably predicted, and therefore a reconciliation of such measure is not available without unreasonable effort.

### **Forward-Looking Statements**

This press release 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; (1) 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 release.

#### CONSOLIDATED STATEMENTS OF INCOME

IN THOUSANDS, EXCEPT PER SHARE DATA (Unaudited)

	Three Mor	nths E	nded		Six Mont	hs En	ded
No	vember 30,	No	vember 30,	No	vember 30,	No	vember 30,
	2022		2021		2022		2021
\$	1,791,708 1,101,317	\$	1,639,538 1,056,924	\$	3,724,028 2,289,166	\$	3,289,959 2,093,994
	690,391		582,614		1,434,862		1,195,965
	490,607		437,709		975,812		856,676
	1,272		2,977		2,626		3,988
	27,918		21,002		54,629		42,111
	(6,851)		2,816		(3,187)		(2,934)
	-		(42,124)		-		(42,242)
	2,310		(2,920)		4,726		(6,259)
	175,135		163,154		400,256		344,625
	43,593		38,038		99,435		84,714
	131,542		125,116		300,821		259,911
	198		241		464		454
\$	131,344	\$	124,875	\$	300,357	\$	259,457
\$	1.02	\$	0.97	\$	2.34	\$	2.01
\$	1.02	\$	0.96	\$	2.33	\$	2.00
	127,585		128,022		127,600		128,058
	128,911		128,494		128,887		128,537
	\$	November 30, 2022           \$ 1,791,708           1,101,317           690,391           490,607           1,272           27,918           (6,851)           -           2,310           175,135           43,593           131,542           198           \$ 131,344           \$ 1.02           \$ 1.02	November 30, 2022         November 30, 2022           \$ 1,791,708         \$ 1,101,317           690,391         490,607           490,607         1,272           27,918         (6,851)           -         -           2,310         -           175,135         43,593           131,542         198           \$ 131,344         \$           \$ 1.02         \$           127,585         -	2022         2021           \$ 1,791,708         \$ 1,639,538           1,101,317         1,056,924           690,391         582,614           490,607         437,709           1,272         2,977           27,918         21,002           (6,851)         2,816           -         (42,124)           2,310         (2,920)           175,135         163,154           43,593         38,038           131,542         125,116           198         241           \$ 131,344         \$ 124,875           \$ 1.02         \$ 0.97           \$ 1.02         \$ 0.96           127,585         128,022	November 30, 2022         November 30, 2021         November 30, 2021 $\$$ 1,791,708         \$         1,639,538         \$           1,101,317         1,056,924         -         -         -           690,391         582,614         -         -         -         -           490,607         437,709         -         <	November 30, 2022November 30, 2021November 30, 2022 $\$$ 1,791,708 $\$$ 1,639,538 $\$$ 3,724,028 $1,101,317$ 1,056,9242,289,166690,391582,6141,434,862490,607437,709975,8121,2722,9772,62627,91821,00254,629(6,851)2,816(3,187)-(42,124)-2,310(2,920)4,726175,135163,154400,25643,59338,03899,435131,542125,116300,821198241464 $\$$ 131,344 $\$$ 124,875 $\$$ 1.02 $\$$ 0.97 $$$ 2.34 $$$ 1.02 $$$ 127,585128,022127,600	$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$

#### SUPPLEMENTAL SEGMENT INFORMATION

IN THOUSANDS (Unaudited)

November 30, 2021         November 30, 2021         November 30, 2021         November 30, 2021         November 30, 2021         November 30, 2021           Net Sales:         2 <td< th=""><th></th><th colspan="2">Three Months Ended</th><th colspan="2"></th><th colspan="2">ths Ended</th></td<>		Three Months Ended				ths Ended			
Net state:         C <thc< th="">         C         <thc< th=""> <thc< <="" th=""><th></th><th>Nov</th><th></th><th>Nov</th><th></th><th>No</th><th></th><th>No</th><th></th></thc<></thc<></thc<>		Nov		Nov		No		No	
CPOS Segment         S         634,114         S         F1.4100         S         1.268.821         S         5.268.822           SPOS Segment         212,044         153.624         74.7431         375.679           Total         S         1.268.81         S         1.268.81         S         3.274.028         S         3.289.959           Income Before Income Taxes         CPC Segment         S         1.200.81         S         1.268.81         S         1.248.851         S         2.247.253           Income Before Income Taxes (a)         S         75.433         S         1.90.388         S         184.855         S         2.247.253           Interm Elements, Net (b)         G.3769         1.200.81         S         1.90.80         S         1.92.842.44           MAP initiations (c)         7.97.09         1.200.17         1.89.178         2.248.244         S         2.99.176         3.23.91           PGC Segment         S         9.0.47         S         9.0.400         S         7.2.302         2.2.2.40         S         7.2.302           CPG Segment         S         9.0.47         S         9.0.400         S         7.2.302         2.2.3.233.333         9.0.50         7.2.3			2022		2021		2022		2021
PCC Segment         335, 51 (1)         332, 527 (1)         675, 585 (1)         588, 122 (1)           SPC Segment         212,044 (153,624 (142,527 (142,527 (142,527 (142,527 (142,528 (		¢	624 114	¢	614 100	¢	1 262 011	¢	1 259 552
SPC Segment Total         212.084         138.024         414.781         375.679           Total         \$1.091.083         \$3.240.025         \$3.289.595           Income Before Income Taxes:         \$1.091.083         \$1.091.083         \$3.240.025         \$3.289.595           CPC Segment Income Before Income Taxes (a)         \$7.5453         \$1.039.684         \$144.576         \$2.44.725           Income Before Income Taxes (a)         \$7.5453         \$1.03.686         \$1.84.655         \$2.44.725           Income Before Income Taxes (a)         \$7.6433         \$1.02017         1168.178         \$244.725           Adjusted EBIT         \$0.0417         \$1.02017         1168.178         \$244.251         \$3.691.655         \$2.44.725           PCO Segment Income Before Income Taxes (a)         \$1.22017         1168.178         \$242.24         \$1.22017         1168.178         \$242.24           Component Taxes (a)         \$1.222         \$2.248         \$7.7137         \$7.2301         \$1.7716         \$7.231           PCO Segment Income Before Income Taxes (a)         \$1.911.7017         \$7.231         \$2.00.911         \$7.7145         \$2.248         \$7.7146           PCO Segment Income Before Income Taxes (a)         \$7.7145         \$2.00.911         \$5.53.16         \$4.5147	5	\$		Ф		Þ		Þ	
Consumer Segment Total         610,359         52,9197         1,269,851         1.007,066           Income Berlor Income Taxes: CPG Segment Income Berlor Income Taxes (a) Income Series (b)         5         75,453         \$         130,368         \$         144,655         \$         244,725           Income Series Income Taxes (a) Income Berlor Income Taxes (a) Income Berlor Income Taxes (a) Income Berlor Income Taxes (a)         1,272         2,389         2,224         (41,300)         -         -         (41,300)         -         (41,300)         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -									
Total         \$ 1,791,708         \$ 1,639,538         \$ 3,724,028         \$ 3,289,999           Income Before Income Taxes: CPG Segment Income Before Income Taxes (a)         \$ 75,453         \$ 103,368         \$ 144,655         \$ 244,725           BEIT (c)         79,209         132,077         198,178         248,244           MAP initiatives (d)         1,2007         198,178         248,244           Adjusted EBIT         5         8,144,055         \$ 247,25           PCG Segment Income Before Income Taxes (a)         5         8,0412         \$ 132,077         198,178         248,244           Adjusted EBIT         5         80,4172         \$ 91,938         \$ 101,567         \$ 22,08,562           PCG Segment Income Before Income Taxes (a)         5         45,244         \$ 37,854         \$ 20,226         \$ 7,73,07           BEIT (c)         4,0002         37,607         91,775         72,2001         1,137         2,223         3,334           Unsuel executive costs (f)         -         -         -         3,33         104,946         \$ 77,142           SPO Segment Income Before Income Taxes (a)         5         27,431         \$ 20,956         \$ 5,462,94         5,33,61         \$ 45,447           Interest Income, Nethor Income Reve (a)									
Income Before Income Taxes :         View         <	-	\$		\$		\$		\$	
CPG Segment         S         75,453         \$         100,08600r Norm Taxes (a)         \$         75,453         \$         100,0860 r Norm Taxes (a)         \$         244,725           Horms Before Norm Taxes (a)         1,208         1,272         2,389         2,427,25         1,46,505         \$         244,745           MAP initiatives (d)         1,208         1,272         2,389         2,428,244         1,208         1,272         2,389         2,428,244           (Gai) on Sales of Assets, Nt (g)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (42,72)         -         (43,917)         -         (43,917)         -         (43,917)         -         (43,917)         -         (43,917)         -         (41,916)         -         -         (42,72)         -         -         (42,72)	lotar	Ψ	1,701,700	Ψ	1,000,000	Ŷ	0,724,020	Ψ	0,200,000
CPG Segment         S         75,453         \$         100,08600r Norm Taxes (a)         \$         75,453         \$         100,0860 r Norm Taxes (a)         \$         244,725           Horms Before Norm Taxes (a)         1,208         1,272         2,389         2,427,25         1,46,505         \$         244,745           MAP initiatives (d)         1,208         1,272         2,389         2,428,244         1,208         1,272         2,389         2,428,244           (Gai) on Sales of Assets, Nt (g)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (41,906)         -         (42,72)         -         (43,917)         -         (43,917)         -         (43,917)         -         (43,917)         -         (43,917)         -         (41,916)         -         -         (42,72)         -         -         (42,72)	Income Before Income Taxes:								
Interest (Expense), Net (b)         (3.756)         (1.649)         (4.529)         (3.519)           EBIT (c)         79.209         11.2017         1180.176         246.344           MAP initiatives (d)         1.208         1.272         2.389         2.224           (Gain) on Sales of Assets, Net (g)         -         (41.996)         -         (41.996)           Adjusted EBIT         \$         90.417         \$         91.383         \$         7.232           PCG Segment         2         \$         3.774         4.73         3.31           Incore Editor Incore, Net (b)         2.237         91.775         7.2401           MAP initiatives (d)         1.191         1.537         2.233         3.374           Adjusted EBIT         \$         46.103         \$         91.775         7.2401           MAP initiatives (d)         -         -         472         -         472         -         472         -         472         -         472         -         472         -         472         -         472         -         472         -         472         -         472         -         472         -         472         -         472         -									
EBT (c)         79,200         132,017         189,178         248,244           MAP initiatives (d)	Income Before Income Taxes (a)	\$	75,453	\$	130,368	\$	184,655	\$	244,725
MAP initiatives (d)         1,208         1,272         2,389         2,224           (Gain) on Sales of Assets, Net (g)         5         6(1,906)         -         (41,906)           Adjusted EBIT         \$         90,383         \$         191,567         \$         208,562           PCG Segment         \$         45,294         \$         37,854         \$         92,248         \$         7,232           Interest income, Net (b)         202         247         473         331         4         5,293         37,607         91,775         72,601           M4P initiatives (d)         1,191         1,537         2,223         3,743         \$         92,616         \$         472         331           Unsual executive costs (f)         -         -         -         -         339         -         472         331           Unsual executive costs (f)         -         -         -         -         472         331         -         452,117           More relative sci (a)         5         27,431         \$         20,515         \$         452,117           Income Before Income Taxes (a)         -         27,431         \$         20,515         \$         452,117	Interest (Expense), Net (b)		(3,756)		(1,649)		(4,523)		(3,519)
(Gain) on Sales of Assets, Net (g)         -         (41.906)         -         (41.906)           Adjusted EBT         \$ 80.417         \$ 91.383         \$ 191.567         \$ 208.562           PCG Segment         222         247         473         331           EBT (c)         45.024         \$ 77.607         91.775         72.832           Interest knome, Net (b)         222         247         473         331           Concent Conservation         1.191         1.537         2.293         3.734           Acquisition-related costs (e)         -         -         -         339           Unusual executive costs (f)         -         -         -         -           Adjusted EBT         \$ 27.431         \$ 20.560         \$ 55.361         \$ 45.147           Interest knome, Net (b)         -         -         -         -         -           EBT (c)         77.448         20.560         \$ 55.321         45.211         -	EBIT (c)		79,209		132,017		189,178		248,244
Adjusted EBIT         \$ 80.417         \$ 91.383         \$ 191.567         \$ 208.562           PCG Segment hoome Before hoome Taxes (a) therest hoome, Net (b)         \$ 45.244         \$ 37.854         \$ 02.248         \$ 72.932           LEBIT (c)         45.002         \$ 37.607         \$ 01.775         72.601           NAP initiatives (d)         1,191         1,537         2.228         3.744           Acquisiton-related costs (e)         -         -         339           Unusual executive costs (f)         -         -         77.746           Adjusted EBIT         \$ 27.431         \$ 20.551         \$ 55.316         \$ 45.147           Interest (Expense), Net (b)         -         -         -         472           Adjusted EBIT         \$ 27.431         \$ 20.551         \$ 55.316         \$ 45.147           Interest (Expense), Net (b)         -         -         -         472           VAP initiatives (d)         -         -         -         472.11         45.211           MAP initiatives (d)         -         -         -         -         472.91           VAP initiatives (d)         -         -         -         -         -         -         -         45.211           <	MAP initiatives (d)		1,208		1,272		2,389		2,224
PCG Segment         \$         45.294         \$         37.84         \$         92.248         \$         72.932           Informe Before Income, Net (b)         222         247         47.3         331         231           EBIT (c)         46,002         37,607         91,775         72,601         72,801           MAP initiatives (d)         1.191         1.537         2.239         3.734           Acquisition-related costs (e)         -         -         -         -         339           Unusual executive costs (f)         -         46,193         \$         39,616         \$         94,068         \$         77,7146           Income Before Income Taxes (a)         5         27,431         \$         20,591         \$         5,5316         \$         45,147           Income Before Income Taxes (a)         7/7         (29)         (5)         (69)         653         653         20,916         \$         5,3216         \$         45,614           MP initiatives (d)         2,7438         20,963         \$         20,965         \$         20,965         \$         20,965         \$         45,241         \$         632         74451         \$         45,244         \$	(Gain) on Sales of Assets, Net (g)		-		(41,906)		-		(41,906)
hcome Before Income Taxes (a)         \$         45,294         \$         37,854         \$         92,248         \$         72,932           Hierest Income, Net (b)         292         247         473         331           EBIT (c)         45,002         37,607         91,775         72,601           M4P initiatives (d)         1,191         1,537         2,233         3,744           Acquisition-related costs (e)         -         -         339           Unusual executive costs (f)         -         -         -         339           Adjusted EBIT         \$         20,515         \$         94,068         \$         77,146           SPG Segment         (7)         (29)         \$         55,316         \$         45,147           Interest (Expense), Net (b)         (7)         (29)         \$         55,321         45,211           EBIT (c)         2,2165         2,2965         \$         20,962         \$         20,962         \$         45,823           Adjusted EBIT         \$         93,873         \$         33,114         \$         210,562         \$         79,019           Income Before Income Taxes (a)         \$         93,873         \$		\$	80,417	\$	91,383	\$	191,567	\$	208,562
hcome Before Income Taxes (a)         \$         45,294         \$         37,854         \$         92,248         \$         72,932           Hierest Income, Net (b)         292         247         473         331           EBIT (c)         45,002         37,607         91,775         72,601           M4P initiatives (d)         1,191         1,537         2,233         3,744           Acquisition-related costs (e)         -         -         339           Unusual executive costs (f)         -         -         -         339           Adjusted EBIT         \$         20,515         \$         94,068         \$         77,146           SPG Segment         (7)         (29)         \$         55,316         \$         45,147           Interest (Expense), Net (b)         (7)         (29)         \$         55,321         45,211           EBIT (c)         2,2165         2,2965         \$         20,962         \$         20,962         \$         45,823           Adjusted EBIT         \$         93,873         \$         33,114         \$         210,562         \$         79,019           Income Before Income Taxes (a)         \$         93,873         \$	PCG Seament								
Interest Income, Net (b)         222         247         473         331           EBT (c)         45,002         37,607         91,775         72,601           MAP initiatives (d)         -         -         -         339           Acquisition-related costs (e)         -         -         -         339           Unusual executive costs (f)         -         -         -         339           Income Balere Income Taxes (a)         \$         \$         27,431         \$         20,501         \$         55,316         \$         45,147           Interest (Expense), Net (b)         -         (7)         (29)         (5)         (64)           EBTF (c)         -         27,433         \$         20,501         \$         55,316         \$         45,147           Interest (Expense), Net (b)         -         (7)         (29)         (5)         (64)           EBTF (c)         -         2,515         2066         \$         59,002         \$         45,843           Consumer Segment         -         -         73         31,104         \$         210,552         79,019           Income Balera Income Taxes (a)         1         73         27		\$	45,294	\$	37,854	\$	92,248	\$	72,932
EBIT (c)         45.002         37.607         91.775         72.601           MP initiatives (d)         1,191         1,537         2,293         3,734           Acquisition-related costs (e)         -         472         -         339           Unusual executive costs (f)         -         472         -         472           Adjusted EBIT         \$         46.193         \$         94.068         \$         77.146           SPG Segment         r         -         472         -         472         -         472           Increase Elefore Income Taxes (a)         \$         27.431         \$         20.6501         \$         55.316         \$         45.147           Interest (Expense), Net (b)         (G4)         27.743         20.620         55.321         45.241         6522           Adjusted EBIT         \$         29.363         \$         20.916         \$         50.602         \$         45.043           Consumer Segment         \$         29.337         \$         33.014         \$         210.552         \$         79.019           Interest (Expense), Net (b)         \$         93.872         33.031         277         149         860			292		247		473		331
MAP initiatives (d)         1,191         1,537         2,293         3,734           Acquisition-related costs (e)         -         -         -         -         339           Unusual executive costs (f)         \$         4472         -         -         472           Adjusted EBIT         \$         366,163         \$         94,068         \$         7,71,46           Proceed Before Income Taxes (a)         \$         27,431         \$         20,591         \$         55,321         45,147           Income Before Income Taxes (a)         27,438         20,620         55,321         45,211           MAP initiatives (d)         22,515         2266         4,221         652           Adjusted EBIT         5         29,853         \$         20,916         \$         59,602         \$         45,843           Consumer Segment         \$         93,873         \$         33,014         \$         210,552         \$         79,019           Interest Income, Net (b)         1         73         27         149         800         100         342         570         749         800           Unusual executive costs (f)         -         -         12         -			45.002						
Acquisition-related costs (e)       -       -       -       -       333         Unusual executive costs (f)       -       472       -       -       472         Adjusted EBIT       \$       46,193       \$       306,16       \$       94,068       \$       77,1,46         SPG Segment       \$       27,431       \$       20,591       \$       55,316       \$       45,147         Increase (Expense), Net (b)       (f)       -       27,438       20,620       55,321       45,241         MAP initiatives (d)       2,515       2.296       \$       20,916       \$       59,602       \$       45,843         Consumer Segment       \$       20,827       \$       33,104       \$       210,552       \$       79,019         Interest Income, Net (b)       1       73       27       149       860       100,555       78,870         MAP initiatives (d)       342       570       749       860       -       776       749       800,506       5       (12,525)       \$       (97,198)       161,1241       5       30,613       \$       211,284       \$       80,506       5       307,148       10,158       800,506       5									
Unusual executive costs (f)         -         -         472         -         472           Adjusted EBIT         \$ 46,193         \$ 39,616         \$ 94,068         \$ 77,146           SPG Segment         ncome Before Income Taxes (a)         \$ 27,431         \$ 20,591         \$ 55,316         \$ 45,147           Income Before Income Taxes (a)         27,433         \$ 20,620         55,321         45,211           MAP initiatives (d)         2,515         296         4,281         632           Adjusted EBIT         \$ 20,963         \$ 20,963         \$ 20,962         \$ 45,843           Consumer Segment         \$ 20,963         \$ 20,976         \$ 59,9002         \$ 445,843           Consumer Segment         \$ 33,873         \$ 33,104         \$ 210,562         \$ 79,019           Interest Income Taxes (a)         \$ 33,872         \$ 33,031         210,555         78,870           MAP initiatives (d)         342         570         749         \$ 80,506           Unusual executive costs (f)         \$ 42,241         \$ 33,613         \$ 211,244         \$ 70,158           Unusual executive costs (f)         \$ 12,577         (22,460)         (47,414)         (36,074)           Unusual executive costs (f)         \$ 211,525         \$ 211,525<			-		-		-		
Adjusted EBIT       \$ 46,193       \$ 39,616       \$ 94,068       \$ 77,146         SPG Segment       ncome Before Income Taxes (a)       \$ 27,431       \$ 20,591       \$ 55,316       \$ 45,147         Incerest (Expense), Net (b)       (f)       (7)       (29)       (5)       (64)         MAP initiatives (d)       2,515       20,620       \$ 55,316       \$ 45,147         MAP initiatives (d)       2,515       20,620       \$ 55,321       45,241         MAP initiatives (d)       \$ 22,953       \$ 20,963       \$ 20,960       \$ 42,843         Consumer Segment       \$ 29,653       \$ 20,963       \$ 20,960       \$ 45,843         Income Before Income Taxes (a)       \$ 93,873       \$ 33,104       \$ 210,562       \$ 79,019         Incerest Expense Income, Net (b)       1       73       27       149         EBIT (c)       34,22       570       749       860         Unusual executive costs (f)       -       12       -       776         Adjusted EBIT       \$ 94,214       \$ 33,613       \$ 211,284       \$ 80,506         Corporate/Other       -       12       -       776         Income Expense), Net (b)       -       -       12       -       776			-		472		-		
SPG Segnent Income Before Income Taxes (a)         \$         27,431         \$         20,591         \$         55,316         \$         45,147           MAP initiatives (d)         27,438         20,620         55,321         45,211           MAP initiatives (d)         2,515         296         4,281         632           Adjusted EBIT         \$         29,853         \$         20,916         \$         55,021         45,243           Consumer Segment         ncome Before Income Taxes (a)         \$         93,873         \$         33,104         \$         210,582         \$         79,019           Interest Income, Net (b)         173         277         149		\$	46,193	\$		\$	94.068	\$	
Income Before hoome Taxes (a)         \$         27,431         \$         20,591         \$         55,316         \$         45,147           Interest (Expense), Net (b)         27,438         20,620         55,321         45,211           MAP initiatives (c)         2,515         296         4,281         632           Adjusted EBIT         \$         29,953         \$         20,916         \$         59,002         \$         45,843           Consumer Segment         \$         93,873         \$         33,104         \$         210,555         79,019           Income Before hoome Taxes (a)         \$         93,872         33,031         210,535         78,870           MAP initiatives (d)         342         570         749         860           Unusual executive costs (f)         -         1         773         277         149           Corporate/Other         \$         94,214         \$         33,613         \$         211,284         \$         800,506           Unusual executive costs (f)         -         -         12         -         776         749         860           Unusual executive costs (f)         -         12,2460         (47,414)         \$         9	-	-		<u> </u>				-	1
Interest (Expense), Net (b)         (7)         (29)         (5)         (64)           EBIT (c)         27,438         20,620         55,321         45,211         632           Adjusted EBIT         \$29,953         \$20,916         \$59,602         \$45,843           Consumer Segment         \$93,873         \$33,104         \$210,562         \$79,019           Interest hcome, Net (b)         1         73         27         149           EBIT (c)         93,873         \$33,014         \$210,552         \$79,019           Interest hcome, Net (b)         1         73         27         149           EBIT (c)         93,872         33,031         210,553         78,870           MAP initiatives (d)         342         570         749         860           Unusual executive costs (f)         -         12         -         776           Adjusted EBIT         \$94,214         \$33,613         \$211,284         \$80,506           Corporate/Other         (1,59)         (24,60)         (47,414)         (36,074)           (Loss) Before Income Taxes (a)         \$17,597         (22,460)         47,414         (36,074)           Interest (Expense), Net (b)         -         10,565         <		s	27 431	\$	20 591	\$	55 316	\$	45 147
EBIT (c)         27,438         20,620         55,321         45,211           MAP initiatives (d)         2,615         266         4,281         632           Adjusted EBIT         \$ 29,953         \$ 20,916         \$ 59,002         \$ 45,843           Consumer Segment         1         73         27         149           Income Before Income Taxes (a)         \$ 93,872         33,031         210,535         78,870           MAP initiatives (d)         342         570         749         860           Unusual executive costs (f)         -         12         -         776           Adjusted EBIT         \$ 94,214         \$ 33,613         \$ 211,284         \$ 80,506           Corporate/Other         -         12         -         776           Adjusted EBIT         -         13,215         66,916         \$ (66,916)         \$ (142,525)         \$ (97,198)           Interest (Expense), Net (b)         -         -         10,48         -         2,265           Adjusted EBIT         -         -         776         2,460)         (47,414)         (36,074)           LeBIT (c)         -         -         -         800         -         800         - <t< td=""><td></td><td>Ŷ</td><td></td><td>Ŷ</td><td></td><td>Ŷ</td><td></td><td>Ŷ</td><td>- 1</td></t<>		Ŷ		Ŷ		Ŷ		Ŷ	- 1
MAP initiatives (d)       2,515       296       4,281       632         Adjusted EBIT       \$ 29,953       \$ 20,916       \$ 59,602       \$ 45,843         Consumer Segment       \$ 93,873       \$ 33,104       \$ 210,562       \$ 79,019         Interest hoome Taxes (a)       1       73       27       149         EBIT (c)       93,872       33,031       210,552       78,870         MAP initiatives (d)       342       570       749       860         Unusual executive costs (f)       -       12       -       776         Adjusted EBIT       \$ 94,214       \$ 33,613       \$ 211,284       \$ 80,506         Corporate/Other       -       12       -       776         (Loss) Before Income Taxes (a)       \$ (66,916)       \$ (58,763)       \$ (142,525)       \$ (97,198)         Interest (Expense), Net (b)       -       -       800       -       800         Unusual executive costs (e)       -       -       800       -       800         Unusual executive costs (f)       -       -       800       -       800         Unusual executive costs (f)       -       -       -       2,265       3 (47,901)         Income Before									
Adjusted EBIT       \$ 29,963       \$ 20,916       \$ 59,602       \$ 45,843         Consumer Segment       ncome Before Income Taxes (a)       \$ 93,873       \$ 33,104       \$ 210,562       \$ 79,019         Interest Income, Net (b)       1       73       27       149         EBIT (c)       93,872       33,031       210,535       78,870         MAP initiatives (d)       342       570       749       8800         Unusual executive costs (f)       -       12       -       776         Adjusted EBIT       \$ 94,214       \$ 33,613       \$ 211,284       \$ 80,506         Corporate/Other       \$       (66,916)       \$ (142,525)       \$ (97,198)         Interest (Expense), Net (b)       13,215       6,274       28,528       10,158         Acquisition-related costs (e)       -       800       -       800         Unusual executive costs (f)       -       1,246       \$ 24,629       (47,801)         Adjusted EBIT       \$ (36,104)       \$ (28,163)       \$ (47,901)       \$ 342       5 (36,104)       \$ 211,284       \$ 30,607         Unusual executive costs (f)       -       -       22,460)       (47,414)       (36,074)       \$ (22,460)       (47,411)       (36,674)<			,				/ -		
Consumer Segment Income Before Income Taxes (a)         \$ 93,873         \$ 33,104         \$ 210,562         \$ 79,019           Interest Income, Net (b)         1         73         27         149           EBIT (c)         93,872         33,031         210,535         78,870           MAP initiatives (d)         342         570         749         860           Unusual executive costs (f)         -         12         -         776           Adjusted EBIT         \$ 94,214         \$ 33,613         \$ 211,284         \$ 80,506           Corporate/Other         -         12         -         776           (Loss) Before Income Taxes (a)         (66,916)         \$ (66,916)         \$ (142,525)         \$ (97,198)           Interest (Expense), Net (b)         (17,597)         (22,460)         (47,414)         (36,074)           EBIT (c)         (49,319)         (36,303)         (95,111)         (61,124)           MAP initiatives (d)         -         800         -         800         -           Acquisition-related costs (f)         -         10,46         -         2,265         \$ (47,901)           TOTAL CONSOLIDATED         \$ 175,135         \$ 163,154         \$ 400,256         \$ 344,625         Interest (		\$		\$		\$		\$	
Income Before Income Taxes (a)         \$         93,873         \$         33,104         \$         210,562         \$         79,019           Interest Income, Net (b)         1         73         27         149           EBIT (c)         93,872         33,031         210,535         78,870           MAP initiatives (d)         342         570         749         860           Unusual executive costs (f)         -         12         -         776           Adjusted EBIT         \$         94,214         \$         33,613         \$         211,284         \$         80,506           Corporate/Other         -         11,797         (22,460)         (47,414)         (36,074)           EBIT (c)         (49,319)         (36,303)         (95,111)         (61,124)         (36,074)           MAP initiatives (d)         -         800         -         800         -         800           Unusual executive costs (f)         -         10,466         -         2,265         \$         344,625           Interest (Expense)         (27,918)         (21,002)         (54,628)         \$         447,901           Income Before Income Taxes (a)         \$         13,215         \$	-	<b></b>	20,000	Ψ	20,010	Ψ	00,002	Ψ	40,040
Interest Income, Net (b)         1         73         27         149           EBIT (c)         93,872         33,031         210,535         78,870           MAP initiatives (d)         342         570         749         860           Unusual executive costs (f)         -         12         -         776           Adjusted EBIT         \$ 94,214         \$ 33,613         \$ 211,284         \$ 80,506           Corporate/Other         \$ (66,916)         \$ (58,763)         \$ (142,525)         \$ (97,198)           (Loss) Before Income Taxes (a)         (17,597)         (22,460)         (47,414)         (36,074)           Interest (Expense), Net (b)         13,215         6,274         28,528         10,158           Acquisition-related costs (e)         -         800         -         800           Unusual executive costs (f)         -         1,046         -         2,265           Adjusted EBIT         \$ (36,104)         \$ (28,183)         \$ (47,901)            TOTAL CONSOLIDATED         \$ (36,104)         \$ (28,183)         \$ (47,901)            Investment Income (Expense), Net         6,851         (2,816)         3,187         2,938,302           MAP initiatives (d)		¢	03 873	¢	33 104	¢	210 562	¢	79.019
EBIT (c)       93,872       33,031       210,535       78,870         MAP initiatives (d)       342       570       749       860         Unusual executive costs (f)       -       12       -       776         Adjusted EBIT       \$ 94,214       \$ 33,613       \$ 211,284       \$ 800,506         Corporate/Other       \$ 066,916       \$ (58,763)       \$ (142,525)       \$ (97,198)         Interest (Expense), Net (b)       (17,597)       (22,460)       (47,414)       (36,074)         EBIT (c)       13,215       6,274       28,528       10,158         Acquisition-related costs (e)       -       800       -       800         Unusual executive costs (f)       -       1,046       -       2,265         Adjusted EBIT       \$ (36,104)       \$ (28,183)       \$ (47,901)         TOTAL CONSOLIDATED       -       1,046       -       2,265         Interest (Expense), Net       \$ (27,918)       (21,002)       (54,623)       \$ (47,901)         Investment Income (Expense), Net       \$ (28,161)       3,187       2,934       2,934         Interest (Expense)       -       8600       -       2,265       344,625         Interest (Expense), Net <td< td=""><td></td><td>ψ</td><td>35,075</td><td>Ψ</td><td></td><td>Ψ</td><td></td><td>Ψ</td><td></td></td<>		ψ	35,075	Ψ		Ψ		Ψ	
MAP initiatives (d)       342       570       749       860         Unusual executive costs (f)       -       12       -       776         Adjusted EBIT       \$ 94,214       \$ 33,613       \$ 211,284       \$ 80,506         Corporate/Other       \$ 94,214       \$ 33,613       \$ 211,284       \$ 80,506         (Loss) Before Income Taxes (a)       \$ (66,916)       \$ (58,763)       \$ (142,525)       \$ (97,198)         Interest (Expense), Net (b)       (17,597)       (22,460)       (47,414)       (36,074)         EBIT (c)       (49,319)       (36,303)       (95,111)       (61,124)         MAP initiatives (d)       13,215       6,274       28,528       10,158         Acquisition-related costs (e)       -       10,466       -       2,265         Adjusted EBIT       \$ (36,104)       \$ (28,108)       \$ (47,901)         TOTAL CONSOLIDATED       -       1,046       -       2,265         Interest (Expense)       (27,918)       (21,002)       (54,629)       (42,111)         Investment Income (Expense), Net       6,851       (2,816)       3,187       2,934         EBIT (c)       196,202       186,972       451,698       38,3602         MAP inititatives (d			03.872						
Unusual executive costs (f)       -       12       -       776         Adjusted EBIT       \$ 94,214       \$ 33,613       \$ 211,284       \$ 80,506         Corporate/Other       \$       (66,916)       \$ (58,763)       \$ (142,525)       \$ (97,198)         Interest (Expense), Net (b)       (17,597)       (22,460)       (47,414)       (36,074)         EBIT (c)       (49,319)       (36,303)       (95,111)       (61,124)         MAP initiatives (d)       13,215       6,274       28,528       10,158         Acquisition-related costs (e)       -       800       -       800         Unusual executive costs (f)       -       1,046       -       2,265         Adjusted EBIT       \$ (36,104)       \$ (28,183)       \$ (66,583)       \$ (47,901)         TOTAL CONSOLIDATED       -       1046       -       2,265         Interest (Expense)       \$ (175,135       \$ 163,154       \$ 400,256       \$ 344,625         Interest (Expense)       \$ (28,183)       \$ (28,163)       \$ (47,901)         Investment Income (Expense), Net       6,851       (2,216)       3,187       2,934         EBIT (c)       196,202       186,972       451,698       383,802         MA									
Adjusted EBIT       \$ 94,214       \$ 33,613       \$ 211,284       \$ 80,506         Corporate/Other       (Loss) Before Income Taxes (a)       \$ (66,916)       \$ (142,525)       \$ (97,198)         Interest (Expense), Net (b)       (17,597)       (22,460)       (47,414)       (36,074)         EBIT (c)       (49,319)       (36,303)       (95,111)       (61,124)         MAP initiatives (d)       13,215       6,274       28,528       10,158         Acquisition-related costs (e)       -       800       -       800         Unusual executive costs (f)       -       1,046       -       2,265         Adjusted EBIT       \$ (36,104)       \$ (28,183)       \$ (66,583)       \$ (47,901)         TOTAL CONSOLIDATED       \$ (75,135)       \$ 163,154       \$ 400,256       \$ 344,625         Interest (Expense)       (27,918)       (21,002)       (54,629)       (42,111)         Investment Income (Expense), Net       6,851       (2,816)       3,187       2,934         EBIT (c)       196,202       186,972       451,698       383,802         MAP initiatives (d)       -       800       -       1,139         Acquisition-related costs (e)       -       800       -       1,139			542				745		
Corporate/Other         \$         (66,916)         \$         (142,525)         \$         (97,198)           Interest (Expense), Net (b)         (17,597)         (22,460)         (47,414)         (36,074)           EBIT (c)         (49,319)         (36,303)         (95,111)         (61,124)           MAP initiatives (d)         13,215         6,274         28,528         10,158           Acquisition-related costs (e)         -         800         -         800           Unusual executive costs (f)         -         1,046         -         2,265           Adjusted EBIT         \$         (36,104)         \$         (28,183)         \$         (66,583)         \$         (47,901)           TOTAL CONSOLIDATED         -         -         800         -         2,265         \$         344,625           Interest (Expense)         (27,918)         (21,002)         (54,629)         (42,111)           Investment Income (Expense), Net         6,851         (2,816)         3,187         2,934           EBIT (c)         196,202         186,972         451,698         383,802           MAP initiatives (d)         -         1,139         -         1,139           Acquisition-related costs (e)		\$	94 214	\$		\$	211 284	¢	
Loss) Before Income Taxes (a)       \$ (66,916)       \$ (58,763)       \$ (142,525)       \$ (97,198)         Interest (Expense), Net (b)       (17,597)       (22,460)       (47,414)       (36,074)         EBIT (c)       (49,319)       (36,303)       (95,111)       (61,124)         MAP initiatives (d)       13,215       6,274       28,528       10,158         Acquisition-related costs (e)       -       800       -       800         Unusual executive costs (f)       -       1,046       -       2,265         Adjusted EBIT       \$ (36,104)       \$ (28,183)       \$ (66,583)       \$ (47,901)         TOTAL CONSOLIDATED       -       10,466       -       2,265         Interest (Expense)       (27,918)       (21,002)       (54,629)       (42,111)         Investment Income (Expense), Net       6,851       (2,816)       3,187       2,934         EBIT (c)       196,202       186,972       451,698       383,602         MAP initiatives (d)       18,471       9,949       38,240       17,608         Acquisition-related costs (e)       -       1,350       -       1,139         Unsual executive costs (f)       -       1,500       -       1,139         <	-	Ψ	34,214	Ψ	33,013	Ψ	211,204	Ψ	00,000
Interest (Expense), Net (b)       (17,597)       (22,460)       (47,414)       (36,074)         EBIT (c)       (49,319)       (36,303)       (95,111)       (61,124)         MAP initiatives (d)       13,215       6,274       28,528       10,158         Acquisition-related costs (e)       -       1,046       -       2,265         Unusual executive costs (f)       -       1,046       -       2,265         Adjusted EBIT       \$ (36,104)       \$ (28,183)       \$ (66,583)       \$ (47,901)         TOTAL CONSOLIDATED       -       10,246       -       2,265         Interest (Expense)       \$ (27,918)       (21,002)       (54,629)       (42,111)         Investment Income (Expense), Net       6,851       (2,816)       3,187       2,934         EBIT (c)       196,202       186,972       451,698       383,802         MAP initiatives (d)       18,471       9,949       38,240       17,608         Acquisition-related costs (e)       -       1,139       -       3,513         Unusual executive costs (f)       -       1,530       -       3,513         (Gain) on Sales of Assets, Net (g)       -       (41,906)       -       (41,906)	•	¢	(66.016)	¢	(59.762)	¢	(142 525)	¢	(07 109)
EBIT (c)       (49,319)       (36,303)       (95,111)       (61,124)         MAP initiatives (d)       13,215       6,274       28,528       10,158         Acquisition-related costs (e)       -       800       -       800         Unusual executive costs (f)       -       1,046       -       2,265         Adjusted EBIT       \$       (36,104)       \$       (28,183)       \$       (47,901)         TOTAL CONSOLIDATED       Income Before Income Taxes (a)       \$       175,135       \$       163,154       \$       400,256       \$       344,625         Interest (Expense)       (27,918)       (21,002)       (54,629)       (42,111)         Investment Income (Expense), Net       6,851       (2,816)       3,187       2,934         EBIT (c)       196,202       186,972       451,698       383,802         MAP initiatives (d)       18,471       9,949       38,240       17,608         Acquisition-related costs (e)       -       800       -       1,139         Unsual executive costs (f)       -       1,530       -       3,513         (Gain) on Sales of Assets, Net (g)       -       (41,906)       -       (41,906)		φ	,	φ	,	φ	,	φ	,
MAP initiatives (d)       13,215       6,274       28,528       10,158         Acquisition-related costs (e)       -       800       -       800         Unusual executive costs (f)       -       1,046       -       2,265         Adjusted EBIT       \$       (36,104)       \$       (28,183)       \$       (66,583)       \$       (47,901)         TOTAL CONSOLIDATED       Income Before Income Taxes (a)       \$       175,135       \$       163,154       \$       400,256       \$       344,625         Interest (Expense)       (27,918)       (21,002)       (54,629)       (42,111)         Investment Income (Expense), Net       6,851       (2,816)       3,187       2,934         EBIT (c)       196,202       186,972       451,698       383,802         MAP initiatives (d)       18,471       9,949       38,240       17,608         Acquisition-related costs (e)       -       1,139       -       3,513         Unusual executive costs (f)       -       1,530       -       3,513         (Gain) on Sales of Assets, Net (g)       -       (41,906)       -       (41,906)									
Acquisition-related costs (e)       -       800       -       800         Unusual executive costs (f)       -       1,046       -       2,265         Adjusted EBIT       \$       (36,104)       \$       (28,183)       \$       (66,583)       \$       (47,901)         TOTAL CONSOLIDATED       -       -       2,265       \$       (47,901)       -       -       2,265       \$       (47,901)         Income Before Income Taxes (a)       \$       175,135       \$       163,154       \$       400,256       \$       344,625         Interest (Expense)       (27,918)       (21,002)       (54,629)       (42,111)       -       2,934         EBIT (c)       -       6,851       (2,816)       3,187       2,934         MAP initiatives (d)       18,471       9,949       38,240       17,608         Acquisition-related costs (e)       -       800       -       1,139         Unusual executive costs (f)       -       1,530       -       3,513         (Gain) on Sales of Assets, Net (g)       -       (41,906)       -       (41,906)									
Unusual executive costs (f)       -       1,046       -       2,265         Adjusted EBIT       \$ (36,104)       \$ (28,183)       \$ (66,583)       \$ (47,901)         TOTAL CONSOLIDATED       Income Before Income Taxes (a)       \$ 175,135       \$ 163,154       \$ 400,256       \$ 344,625         Interest (Expense)       (27,918)       (21,002)       (54,629)       (42,111)         Investment Income (Expense), Net       6,851       (2,816)       3,187       2,934         EBIT (c)       196,202       186,972       451,698       383,802         MAP initiatives (d)       18,471       9,949       38,240       17,608         Acquisition-related costs (e)       -       1,139       -       3,513         Unusual executive costs (f)       -       (41,906)       -       3,513			13,213						
Adjusted EBIT       \$ (36,104)       \$ (28,183)       \$ (66,583)       \$ (47,901)         TOTAL CONSOLIDATED       Income Before Income Taxes (a)       \$ 175,135       \$ 163,154       \$ 400,256       \$ 344,625         Interest (Expense)       (27,918)       (21,002)       (54,629)       (42,111)         Investment Income (Expense), Net       6,851       (2,816)       3,187       2,934         EBIT (c)       196,202       186,972       451,698       383,802         MAP initiatives (d)       18,471       9,949       38,240       17,608         Acquisition-related costs (e)       -       800       -       1,139         Unsual executive costs (f)       -       (41,906)       -       3,513         (Gain) on Sales of Assets, Net (g)       -       (41,906)       -       (41,906)			-				-		
TOTAL CONSOLIDATED         \$ 175,135         \$ 163,154         \$ 400,256         \$ 344,625           Income Before Income Taxes (a)         (27,918)         (21,002)         (54,629)         (42,111)           Investment Income (Expense), Net         6,851         (2,816)         3,187         2,934           EBIT (c)         196,202         186,972         451,698         383,802           MAP initiatives (d)         18,471         9,949         38,240         17,608           Acquisition-related costs (e)         -         800         -         1,139           Unusual executive costs (f)         -         1,530         -         3,513           (Gain) on Sales of Assets, Net (g)         -         (41,906)         -         (41,906)		\$	(36 104)	\$		\$	(66 583)	¢	
Income Before Income Taxes (a)         \$         175,135         \$         163,154         \$         400,256         \$         344,625           Interest (Expense)         (27,918)         (21,002)         (54,629)         (42,111)           Investment Income (Expense), Net         6,851         (2,816)         3,187         2,934           EBIT (c)         196,202         186,972         451,698         383,802           MAP initiatives (d)         18,471         9,949         38,240         17,608           Acquisition-related costs (e)         -         800         -         1,139           Unusual executive costs (f)         -         1,530         -         3,513           (Gain) on Sales of Assets, Net (g)         -         (41,906)         (41,906)         (41,906)	-	Ŷ	(30,104)	Ψ	(20,103)	Ψ	(00,303)	Ψ	(47,301)
Interest (Expense)         (27,918)         (21,002)         (54,629)         (42,111)           Investment Income (Expense), Net         6,851         (2,816)         3,187         2,934           EBIT (c)         196,202         186,972         451,698         383,802           MAP initiatives (d)         18,471         9,949         38,240         17,608           Acquisition-related costs (e)         -         800         -         1,139           Unusual executive costs (f)         -         1,530         -         3,513           (Gain) on Sales of Assets, Net (g)         -         (41,906)         -         (41,906)			475 405	*	400 454		400.050	•	244 625
Investment Income (Expense), Net         6,851         (2,816)         3,187         2,934           EBIT (c)         196,202         186,972         451,698         383,802           MAP initiatives (d)         18,471         9,949         38,240         17,608           Acquisition-related costs (e)         -         800         -         1,139           Unusual executive costs (f)         -         1,530         -         3,513           (Gain) on Sales of Assets, Net (g)         -         (41,906)         -         (41,906)		\$		Þ		Þ		Þ	,
EBIT (c)         196,202         186,972         451,698         383,802           MAP initiatives (d)         18,471         9,949         38,240         17,608           Acquisition-related costs (e)         -         800         -         1,139           Unusual executive costs (f)         -         1,530         -         3,513           (Gain) on Sales of Assets, Net (g)         -         (41,906)         -         (41,906)									
MAP initiatives (d)         18,471         9,949         38,240         17,608           Acquisition-related costs (e)         -         800         -         1,139           Unusual executive costs (f)         -         1,530         -         3,513           (Gain) on Sales of Assets, Net (g)         -         (41,906)         -         (41,906)									
Acquisition-related costs (e)       -       800       -       1,139         Unusual executive costs (f)       -       1,530       -       3,513         (Gain) on Sales of Assets, Net (g)       -       (41,906)       -       (41,906)									,
Unusual executive costs (f)         -         1,530         -         3,513           (Gain) on Sales of Assets, Net (g)         _         _         _         (41,906)         _         _         (41,906)			18,4/1		,		38,240		,
(Gain) on Sales of Assets, Net (g) (41,906) (41,906)			-				-		,
			-				-		,
Aujusteu Edit		*	-	*		•	490.022	•	
	Aujusted EDIT	3	214,073	φ	137,343	φ	409,938	φ	304,130

(a) The presentation includes a reconciliation of Income (Loss) Before Income Taxes, a measure defined by Generally Accepted Accounting Principles in the United States (GAAP), to EBIT and Adjusted EBIT.

(b) Interest Income (Expense), Net includes the combination of Interest Income (Expense) and Investment Income (Expense), Net.

(c) EBIT is defined as earnings (loss) before interest and taxes, with Adjusted EBIT provided for the purpose of adjusting for items impacting earnings that are not considered by management to be indicative of orgoing operations. We evaluate the profit performance of our segments based on income before income taxes, but also look to EBIT, or adjusted EBIT, as a performance evaluation measure because interest expenses is essentially related to corporate functions, as opposed to segment operations. For that reason, we believe EBIT is also useful to investors as a metric in their investment decisions. EBIT should not be considered an alternative to, or more meaningful than, income before income taxes as determined in accordance with GAAP, since EBIT omits the impact of interest and investment income or expense in determining operating performance, which represent items necessary to our continued operations, given our level of indebtedness. Nonetheless, EBIT is a key method to our fixed income investors, rating agencies and the banking community all of whom believe, and we concur, that this measure is oritical to the capital market's analysis of our segments' core operating performance. We also evaluate EBIT because it is clear that movements in EBIT impact our ability to attract financing. Our underwriters and bankers consistently require inclusion of this measure is offering memoranda in conjunction with any debt underwriting or bank financing. EBIT may not be indicative of our historical operating results, nor is it meant to be predictive of potential future results.

(d) Reflects restructuring and other charges, which have been incurred in relation to our Margin Acceleration Plan ("MAP to Growth") and our Margin Achievement Plan ("MAP 2025"), together MAP initiatives, as follows:

"Inventory-related charges," & "Accelerated Expense - Other," which have been recorded in **Cost of Sales**; "Headcount reductions & closures of facilities and related costs," which have been recorded in **Restructuring Expense**; "Accelerated Expense - Other," "Receivable (recoveries)," "ERP consolidation plan," "Professional Fees," "Unusual credits triggered by executive departures," & 'Divestitures," which have been recorded in **Seling, General & Administrative Expenses**.

(e) 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.

(f) Reflects unusual compensation costs recorded unrelated to our MAP to Growth initiative.

(g) Reflects the net gain associated with the sale of certain real property assets within our CPG segment during Q2 fiscal 2022.

#### SUPPLEMENTAL INFORMATION

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

		Three Mor	nths Ende	d		Six Mont	hs Ende	d
	Nove	mber 30,	Nove	mber 30,	Nove	November 30,		mber 30,
	2	2022	;	2021		2022	2	2021
Reconciliation of Reported Earnings per Diluted Share to Adjusted								
Earnings per Diluted Share (All amounts presented after-tax):								
Reported Earnings per Diluted Share	\$	1.02	\$	0.96	\$	2.33	\$	2.00
MAP initiatives (d)		0.11		0.06		0.23		0.11
Acquisition-related costs (e)		-		0.01		-		0.01
Unusual executive costs (f)		-		0.01		-		0.02
(Gain) on Sales of Assets, Net (g)		-		(0.28)		-		(0.28)
Investment returns (h)		(0.03)		0.03		0.02		0.01
Adjusted Earnings per Diluted Share (i)	\$	1.10	\$	0.79	\$	2.58	\$	1.87

(d) Reflects restructuring and other charges, which have been incurred in relation to our Margin Acceleration Plan ("MAP to Growth") and our Margin Achievement Plan ("MAP 2025"), together MAP initiatives, as follows:

"Inventory-related charges," & "Accelerated Expense - Other," which have been recorded in **Cost of Sales**; "Headcount reductions & closures of facilities and related costs," which have been recorded in **Restructuring Expense**; "Accelerated Expense - Other," "Receivable (recoveries)," "ERP consolidation plan," "Professional Fees," "Unusual credits triggered by executive departures," & "Divestitures," all of which have been recorded in **Selling, General & Administrative Expense**s.

(e) 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.

(f) Reflects unusual compensation costs recorded unrelated to our MAP to Growth initiative.

(g) Reflects the net gain associated with the sale of certain real property assets within our CPG segment during Q2 fiscal 2022.

(h) Investment returns include realized net gains and losses on sales of investments and unrealized net gains and losses on equity securities, which are adjusted due to their inherent volatility. Management does not consider these gains and losses, which cannot be predicted with any level of certainty, to be reflective of the Company's core business operations.

(i) Adjusted EPS is provided for the purpose of adjusting diluted earnings per share for items impacting earnings that are not considered by management to be indicative of ongoing operations.

# CONSOLIDATED BALANCE SHEETS

IN THOUSANDS (Unaudited)

	Nove	mber 30, 2022	Nover	nber 30, 2021	Ма	y 31, 2022
Assets						
Current Assets						
Cash and cash equivalents	\$	232,118	\$	192,851	\$	201,672
Trade accounts receivable		1,388,168		1,224,426		1,479,301
Allowance for doubtful accounts		<u>(48,041)</u>		<u>(50,932)</u>		<u>(46,669)</u>
Net trade accounts receivable		1,340,127		1,173,494		1,432,632
Inventories		1,389,591		1,040,923		1,212,618
Prepaid expenses and other current assets		355,024		352,153		304,887
Total current assets		3,316,860		2,759,421		3,151,809
Property, Plant and Equipment, at Cost		2,187,570		2,035,005		2,132,915
Allowance for depreciation		(1,061,701)		(1,011,928)		(1,028,932)
Property, plant and equipment, net		1,125,869		1,023,077		1,103,983
Other Assets						
Goodwill		1,341,580		1,338,465		1,337,868
Other intangible assets, net of amortization		581,909		611,427		592,261
Operating lease right-of-use assets		295,384		302,701		307,797
Deferred income taxes		16,201		23,368		18,914
Other		171,710		196,440		195,074
Total other assets		2,406,784		2,472,401		2,451,914
Total Assets	\$	6,849,513	\$	6,254,899	\$	6,707,706
Liabilities and Stockholders' Equity						
Current Liabilities						
Accounts payable	\$	679,596	\$	655,502	\$	800,369
Current portion of long-term debt		3,713		302,719		603,454
Accrued compensation and benefits		197,266		180,549		262,445
Accrued losses		25,795		25,283		24,508
Other accrued liabilities		383,664		319,536		325,632
Total current liabilities		1,290,034		1,483,589		2,016,408
Long-Term Liabilities		· · ·		· · ·		· · · · ·
Long-term debt, less current maturities		2,841,066		2,163,274		2,083,155
Operating lease liabilities		254,217		259,962		265,139
Other long-term liabilities		292,101		404,548		276,990
Deferred income taxes		80,010		105,770		82,186
Total long-term liabilities		3,467,394		2,933,554		2,707,470
Total liabilities		4,757,428		4,417,143		4,723,878
Stockholders' Equity		· · · · · ·		· · · · ·		· · · · · ·
Preferred stock; none issued		-		-		-
Common stock (outstanding 129,090; 129,677; 129,199)		1,291		1,297		1,292
Paid-in capital		1,113,025		1,073,039		1,096,147
Treasury stock, at cost		(756,872)		(675,471)		(717,019)
Accumulated other comprehensive (loss)		(601,046)		(573,745)		(537,337)
Retained earnings		2,334,063		2,010,991		2,139,346
Total RPM International Inc. stockholders' equity		2,090,461		1,836,111		1,982,429
Noncontrolling interest		1,624		1,645		1,399
Total equity		2,092,085		1,837,756		1,983,828
Total Liabilities and Stockholders' Equity	\$	6,849,513	\$	6,254,899	\$	6,707,706
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# CONSOLIDATED STATEMENTS OF CASH FLOWS

IN THOUSANDS (Unaudited)

(Unaudited)		Six Mont	ha En	امما
	Nov	ember 30,		ember 30,
	100	2022	1101	2021
				-
Cash Flows From Operating Activities:				
Net income	\$	300,821	\$	259,911
Adjustments to reconcile net income to net				
cash provided by operating activities:				
Depreciation and amortization		76,750		75,975
Restructuring charges, net of payments		-		(2,107)
Fair value adjustments to contingent earnout obligations		-		2,470
Deferred income taxes		(4,196)		(6,130)
Stock-based compensation expense		16,877		17,010
Net loss on marketable securities		2,812		1,817
Net (gain) on sales of assets		-		(42,242)
Other		(104)		(7)
Changes in assets and liabilities, net of effect				
from purchases and sales of businesses:				
Decrease in receivables		72,931		80,510
(Increase) in inventory		(189,487)		(124,941)
(Increase) in prepaid expenses and other		(23,025)		(15,165)
current and long-term assets		( , ,		( ) )
(Decrease) in accounts payable		(95,502)		(29,291)
(Decrease) in accrued compensation and benefits		(62,724)		(73,449)
Increase (decrease) in accrued losses		1,465		(3,322)
Increase in other accrued liabilities		94,297		18,316
Cash Provided By Operating Activities		190,915		159,355
Cash Flows From Investing Activities:		100,010		100,000
Capital expenditures		(113,463)		(101,416)
Acquisition of businesses, net of cash acquired		(113,403) (47,542)		(114,231)
Purchase of marketable securities				
Proceeds from sales of marketable securities		(10,309) 7,071		(9,476)
Proceeds from sales of marketable securities		7,071		6,179
		-		50,599
Other	·	236		(55)
Cash (Used For) Investing Activities		(164,007)		(168,400)
Cash Flows From Financing Activities:		E47 705		404.077
Additions to long-term and short-term debt		517,785		104,377
Reductions of long-term and short-term debt		(351,795)		(733)
Cash dividends		(105,640)		(100,725)
Repurchases of common stock		(25,000)		(12,500)
Shares of common stock returned for taxes		(14,825)		(9,959)
Payments of acquisition-related contingent consideration		(3,705)		(5,714)
Other		(2,627)		(710)
Cash Provided By (Used For) Financing Activities		14,193		(25,964)
Effect of Exchange Rate Changes on Cash and				
Cash Equivalents		(10,655)		(18,844)
Net Change in Cash and Cash Equivalents		30,446		(53,853)
Cash and Cash Equivalents at Beginning of Period		201,672		246,704
Cash and Cash Equivalents at End of Period	\$	232,118	\$	192,851