



# Consolidated Statements of Income



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

	Three Months Ended November 30				
	2020	%	2019	%	% Change
<b>Net Sales</b>	\$ 1,485,915		\$ 1,401,292		6.0
<b>Cost of Sales</b>	899,743	60.6	871,894	62.2	
<b>Gross Profit</b>	586,172	39.4	529,398	37.8	
<b>SG&amp;A</b>	399,418	26.9	403,357	28.8	
<b>Restructuring Expense</b>	4,918	0.3	4,801	0.4	
<b>Other Expense, Net</b>	3,133	0.2	1,951	0.1	
<b>EBIT* (non-GAAP measure)</b>	178,703	12.0	119,289	8.5	49.8
<b>Interest Expense</b>	21,266	1.4	26,341	1.9	
<b>Investment (Income), Net</b>	(9,519)	(0.6)	(8,805)	(0.6)	
<b>Income Before Taxes</b>	166,956	11.2	101,753	7.2	
<b>Provision for Income Taxes</b>	39,072	2.6	24,431	1.7	
<b>Net Income</b>	127,884	8.6	77,322	5.5	65.4
<b>Less: Net Income Attributable to Noncontrolling Interests</b>	225	0.0	292	0.0	
<b>Net Income Attributable to RPM Stockholders</b>	\$ 127,659	8.6	\$ 77,030	5.5	65.7
<b>Diluted EPS</b>	\$ 0.98		\$ 0.59		66.1

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

# Consolidated Statements of Income



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

	Six Months Ended November 30				
	2020	%	2019	%	% Change
<b>Net Sales</b>	\$ 3,092,586		\$ 2,874,056		7.6
<b>Cost of Sales</b>	1,852,759	59.9	1,769,904	61.6	
<b>Gross Profit</b>	1,239,827	40.1	1,104,152	38.4	
<b>SG&amp;A</b>	795,370	25.7	803,923	28.0	
<b>Restructuring Expense</b>	9,151	0.3	11,423	0.4	
<b>Other Expense, Net</b>	6,251	0.2	3,736	0.1	
<b>EBIT* (non-GAAP measure)</b>	429,055	13.9	285,070	9.9	50.5
<b>Interest Expense</b>	43,011	1.4	54,658	1.9	
<b>Investment (Income), Net</b>	(22,281)	(0.7)	(14,190)	(0.5)	
<b>Income Before Taxes</b>	408,325	13.2	244,602	8.5	
<b>Provision for Income Taxes</b>	99,655	3.2	60,784	2.1	
<b>Net Income</b>	308,670	10.0	183,818	6.4	67.9
<b>Less: Net Income Attributable to Noncontrolling Interests</b>	416	0.0	600	0.0	
<b>Net Income Attributable to RPM Stockholders</b>	\$ 308,254	10.0	\$ 183,218	6.4	68.2
<b>Diluted EPS</b>	\$ 2.37		\$ 1.41		68.1

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



RPM International Inc.

## Reconciliations of Non-GAAP Measures To GAAP Measures

- (a) Inventory related charges reflect the following in fiscal 2021: Charges recorded in Cost of Goods Sold that reflect product line and SKU rationalization at our Consumer Segment and the reversal of prior period product line and SKU rationalization inventory charges due to the sale of immaterial amounts of previously reserved inventory at our Consumer Segment; Inventory related charges reflect the following in fiscal 2020: Charges recorded in Cost of Goods Sold that reflect product line and SKU rationalization at our Consumer Segment, as well as inventory write-offs in connection with restructuring activities at our Construction Products and Performance Coatings segments.
- (b) Reflects restructuring charges, including headcount reductions, closures of facilities and related costs, and accelerated vesting of equity awards in connection with key executives, all in relation to our Margin Acceleration Plan (“MAP to Growth”).
- (c) Includes accelerated depreciation and amortization expense related to the shortened useful lives of facilities and equipment, ERP systems, and intangible that are currently in use, but are in the process of being retired associated with various MAP to Growth initiatives including facility closures, exiting a business, and ERP consolidation.
- (d) Reflects the increase in our allowance for doubtful accounts deemed uncollectible as a result of a change in market and leadership strategy, offset by subsequent collections.
- (e) Includes implementation costs associated with our ERP consolidation plan.
- (f) Comprises professional fees incurred in connection with our MAP to Growth.
- (g) Acquisition costs reflect amounts included in gross profit for inventory step-ups.
- (h) Reflects unusual compensation costs recorded during fiscal 2021 and 2020 that resulted from executive departures related to our MAP to Growth, including stock and deferred compensation plan arrangements.
- (i) Reflects unusual compensation costs, net of insurance proceeds that resulted from executive departures unrelated to our MAP to Growth
- (j) Reflects true-up of reserves related to prior period gains or losses incurred upon divestiture of a business and/or assets.
- (k) Reflects charges related to the discontinuation of a product line targeting OEM markets and related prepaid asset and inventory write-off, offset by subsequent recoveries. This resulted from ongoing product line rationalization efforts in connection with our MAP to Growth.
- (l) Reflects the favorable adjustment as a result of the resolution of a contingent liability related to a FY18 charge to exit our Flowcrete business in China.
- (m) Reflects charges related to the Final Judgment entered by the Court, resolving our legacy “SEC Investigation & Enforcement Action.”
- (n) 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



(Unaudited)

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

	Three Months Ended November 30	
	2020	2019
Reported Earnings per Diluted Share	\$ 0.98	\$ 0.59
Inventory-related charges (a)	-	0.03
Restructuring expense (b)	0.03	0.03
Accelerated expense - other (c)	0.02	0.05
ERP consolidation plan (e)	0.01	0.02
Professional fees (f)	0.05	0.03
Acquisition-related costs (g)	0.01	-
Discontinued product line (k)	-	0.05
SEC Settlement (m)	0.01	-
Investment returns (n)	(0.05)	(0.04)
<b>Adjusted Earnings per Diluted Share*</b>	<b>\$ 1.06</b>	<b>\$ 0.76</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 slide 5 for all adjustment detail

# Reconciliation of "Reported" to "Adjusted" EPS



(Unaudited)

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

**Six Months Ended November 30**

	<b>2020</b>		<b>2019</b>	
<b>Reported Earnings per Diluted Share</b>	<b>\$</b>	<b>2.37</b>	<b>\$</b>	<b>1.41</b>
<b>Inventory-related charges (a)</b>		<b>0.01</b>		<b>0.05</b>
<b>Restructuring expense (b)</b>		<b>0.06</b>		<b>0.07</b>
<b>Accelerated expense - other (c)</b>		<b>0.02</b>		<b>0.05</b>
<b>Receivable write-offs (d)</b>		<b>-</b>		<b>0.02</b>
<b>ERP consolidation plan (e)</b>		<b>0.01</b>		<b>0.04</b>
<b>Professional fees (f)</b>		<b>0.10</b>		<b>0.08</b>
<b>Acquisition-related costs (g)</b>		<b>0.01</b>		<b>-</b>
<b>Unusual costs triggered by executive departures (h)</b>		<b>0.02</b>		<b>-</b>
<b>Discontinued product line (k)</b>		<b>-</b>		<b>0.05</b>
<b>SEC Settlement (m)</b>		<b>0.01</b>		<b>-</b>
<b>Investment returns (n)</b>		<b>(0.11)</b>		<b>(0.06)</b>
<b>Adjusted Earnings per Diluted Share*</b>	<b>\$</b>	<b>2.50</b>	<b>\$</b>	<b>1.71</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 slide 5 for all adjustment detail**

# EBIT\* (Non-GAAP Measure): RPM Consolidated



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

	Three Months Ended November 30	
	2020	2019
Net Income	\$ 127,884	\$ 77,322
Provision for Income Taxes	39,072	24,431
Income Before Income Taxes	166,956	101,753
Interest Expense	21,266	26,341
Investment (Income), Net	(9,519)	(8,805)
EBIT* (non-GAAP measure)	178,703	119,289
Inventory-related charges (a)	(182)	5,582
Restructuring Expense (b)	5,468	5,100
Accelerated expense - other (c)	2,479	7,412
Receivable write-offs (recoveries) (d)	(198)	94
ERP consolidation plan (e)	900	2,720
Professional fees (f)	8,494	4,779
Acquisition-related costs (g)	1,178	35
Unusual costs triggered by executive departures (h)	-	292
Unusual executive costs, net of insurance proceeds (i)	49	-
Divestitures (j)	677	(264)
Discontinued product line (k)	(9)	8,618
Adjustment to exit Flowcrete China (l)	(305)	-
SEC Settlement (m)	2,000	-
Adjusted EBIT** (non-GAAP measure)	\$ 199,254	\$ 153,657
Net Sales	\$ 1,485,915	\$ 1,401,292
Adj EBIT** as a % of Net Sales (non-GAAP measure)	13.4%	11.0%

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

\*\*Adjusted EBIT is provided for the purpose of adjusting for one-off items impacting revenue and/or expenses that are not considered by management to be indicative of ongoing operations.

NOTE: Refer to slide 5 for all adjustment detail.



# EBIT\* (Non-GAAP Measure): RPM Consolidated



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

	Six Months Ended November 30	
	2020	2019
Net Income	\$ 308,670	\$ 183,818
Provision for Income Taxes	99,655	60,784
Income Before Income Taxes	408,325	244,602
Interest Expense	43,011	54,658
Investment (Income), Net	(22,281)	(14,190)
EBIT* (non-GAAP measure)	429,055	285,070
Inventory-related charges (a)	478	8,807
Restructuring expense (b)	10,163	11,929
Accelerated expense - other (c)	4,014	8,464
Receivable write-offs (recoveries) (d)	(335)	3,227
ERP consolidation plan (e)	2,269	6,244
Professional fees (f)	16,771	12,925
Acquisition-related costs (g)	1,178	583
Unusual costs triggered by executive departures (h)	2,831	639
Unusual executive costs, net of insurance proceeds (i)	56	-
Divestitures (j)	668	(264)
Discontinued product line (k)	(384)	8,618
Adjustment to exit Flowcrete China (l)	(305)	-
SEC Settlement (m)	2,000	-
Adjusted EBIT** (non-GAAP measure)	\$ 468,459	\$ 346,242
Net Sales	\$ 3,092,586	\$ 2,874,056
Adj EBIT** as a % of Net Sales (non-GAAP measure)	15.1%	12.0%

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NOTE: Refer to slide 5 for all adjustment detail.

# EBIT\*\* (Non-GAAP Measure): Construction Products Segment



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

	Three Months Ended November 30	
	2020	2019
Income Before Income Taxes	\$ 71,832	\$ 57,123
Add: Interest Expense, Net*	2,141	2,074
<b>EBIT** (non-GAAP measure)</b>	<b>73,973</b>	<b>59,197</b>
Restructuring expense (b)	2,447	1,896
Accelerated expense - other (c)	1,399	438
Receivable write-offs (recoveries) (d)	-	(20)
ERP consolidation plan (e)	68	293
Professional fees (f)	204	67
Divestitures (j)	676	-
Adjustment to exit Flowcrete China (l)	(305)	-
<b>Adjusted EBIT*** (non-GAAP measure)</b>	<b>\$ 78,462</b>	<b>\$ 61,871</b>
Net Sales	\$ 503,520	\$ 499,510
<b>Adj EBIT*** as a % of Net Sales (non-GAAP measure)</b>	<b>15.6%</b>	<b>12.4%</b>

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

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# EBIT\*\* (Non-GAAP Measure): Construction Products Segment



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(Unaudited)

	Six Months Ended November 30	
	2020	2019
<b>Income Before Income Taxes</b>	\$ 170,182	\$ 139,803
<b>Add: Interest Expense, Net*</b>	4,251	4,101
<b>EBIT** (non-GAAP measure)</b>	<b>174,433</b>	<b>143,904</b>
<b>Inventory-related charges (a)</b>	(51)	271
<b>Restructuring expense (b)</b>	3,492	2,952
<b>Accelerated expense - other (c)</b>	2,096	640
<b>Receivable write-offs (d)</b>	-	33
<b>ERP consolidation plan (e)</b>	185	354
<b>Professional fees (f)</b>	269	76
<b>Acquisition-related costs (g)</b>	-	548
<b>Divestitures (j)</b>	668	-
<b>Adjustment to exit Flowcrete China (l)</b>	(305)	-
<b>Adjusted EBIT*** (non-GAAP measure)</b>	<b>\$ 180,787</b>	<b>\$ 148,778</b>
<b>Net Sales</b>	<b>\$ 1,051,210</b>	<b>\$ 1,035,615</b>
<b>Adj EBIT*** as a % of Net Sales (non-GAAP measure)</b>	<b>17.2%</b>	<b>14.4%</b>

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# EBIT\*\* (Non-GAAP Measure): Performance Coatings Segment



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

	Three Months Ended November 30	
	2020	2019
<b>Income Before Income Taxes</b>	<b>\$ 24,047</b>	<b>\$ 33,320</b>
<b>Add: Interest (Income), Net*</b>	<b>(9)</b>	<b>(25)</b>
<b>EBIT** (non-GAAP measure)</b>	<b>24,038</b>	<b>33,295</b>
<b>Inventory-related charges (a)</b>	<b>-</b>	<b>1,028</b>
<b>Restructuring expense (b)</b>	<b>1,542</b>	<b>1,239</b>
<b>Accelerated expense - other (c)</b>	<b>820</b>	<b>1,119</b>
<b>Receivable write-offs (recoveries) (d)</b>	<b>(198)</b>	<b>117</b>
<b>ERP consolidation plan (e)</b>	<b>636</b>	<b>129</b>
<b>Professional fees (f)</b>	<b>1,199</b>	<b>308</b>
<b>Acquisition-related costs (g)</b>	<b>-</b>	<b>35</b>
<b>Divestitures (j)</b>	<b>-</b>	<b>(264)</b>
<b>Adjusted EBIT*** (non-GAAP measure)</b>	<b>\$ 28,037</b>	<b>\$ 37,006</b>
<b>Net Sales</b>	<b>\$ 258,833</b>	<b>\$ 292,712</b>
<b>Adj EBIT*** as a % of Net Sales (non-GAAP measure)</b>	<b>10.8%</b>	<b>12.6%</b>

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

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# EBIT\*\* (Non-GAAP Measure): Performance Coatings Segment



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

	Six Months Ended November 30	
	2020	2019
<b>Income Before Income Taxes</b>	<b>\$ 52,561</b>	<b>\$ 61,377</b>
<b>Add: Interest Expense, Net*</b>	<b>22</b>	<b>104</b>
<b>EBIT** (non-GAAP measure)</b>	<b>52,583</b>	<b>61,481</b>
<b>Inventory-related charges (a)</b>	<b>36</b>	<b>3,066</b>
<b>Restructuring expense (b)</b>	<b>2,898</b>	<b>3,848</b>
<b>Accelerated expense - other (c)</b>	<b>1,505</b>	<b>1,819</b>
<b>Receivable write-offs (recoveries) (d)</b>	<b>(335)</b>	<b>3,139</b>
<b>ERP consolidation plan (e)</b>	<b>765</b>	<b>496</b>
<b>Professional fees (f)</b>	<b>1,456</b>	<b>309</b>
<b>Acquisition-related costs (g)</b>	<b>-</b>	<b>35</b>
<b>Divestitures (j)</b>	<b>-</b>	<b>(264)</b>
<b>Adjusted EBIT*** (non-GAAP measure)</b>	<b>\$ 58,908</b>	<b>\$ 73,929</b>
<b>Net Sales</b>	<b>\$ 518,622</b>	<b>\$ 589,953</b>
<b>Adj EBIT*** as a % of Net Sales (non-GAAP measure)</b>	<b>11.4%</b>	<b>12.5%</b>

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

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



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

	Three Months Ended November 30	
	2020	2019
<b>Income Before Income Taxes</b>	<b>\$ 88,368</b>	<b>\$ 34,456</b>
<b>Add: Interest Expense, Net*</b>	<b>64</b>	<b>56</b>
<b>EBIT** (non-GAAP measure)</b>	<b>88,432</b>	<b>34,512</b>
<b>Inventory-related charges (a)</b>	<b>(182)</b>	<b>4,554</b>
<b>Restructuring expense (b)</b>	<b>985</b>	<b>1,124</b>
<b>Accelerated expense - other (c)</b>	<b>167</b>	<b>5,626</b>
<b>Receivable write-offs (recoveries) (d)</b>	<b>-</b>	<b>(3)</b>
<b>ERP consolidation plan (e)</b>	<b>-</b>	<b>125</b>
<b>Professional fees (f)</b>	<b>94</b>	<b>128</b>
<b>Acquisition-related costs (g)</b>	<b>1,178</b>	<b>-</b>
<b>Discontinued product line (k)</b>	<b>(9)</b>	<b>8,618</b>
<b>Adjusted EBIT*** (non-GAAP measure)</b>	<b>\$ 90,665</b>	<b>\$ 54,684</b>
<b>Net Sales</b>	<b>\$ 547,508</b>	<b>\$ 450,900</b>
<b>Adj EBIT*** as a % of Net Sales (non-GAAP measure)</b>	<b>16.6%</b>	<b>12.1%</b>

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

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



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

	Six Months Ended November 30	
	2020	2019
<b>Income Before Income Taxes</b>	\$ 221,089	\$ 93,614
<b>Add: Interest Expense, Net*</b>	127	161
<b>EBIT** (non-GAAP measure)</b>	<b>221,216</b>	<b>93,775</b>
<b>Inventory-related charges (a)</b>	493	5,470
<b>Restructuring expense (b)</b>	2,470	2,406
<b>Accelerated expense - other (c)</b>	189	5,626
<b>Receivable write-offs (d)</b>	-	55
<b>ERP consolidation plan (e)</b>	14	125
<b>Professional fees (f)</b>	217	305
<b>Acquisition-related costs (g)</b>	1,178	-
<b>Unusual costs triggered by executive departures (h)</b>	2,000	-
<b>Discontinued product line (k)</b>	(384)	8,618
<b>Adjusted EBIT*** (non-GAAP measure)</b>	<b>\$ 227,393</b>	<b>\$ 116,380</b>
<b>Net Sales</b>	<b>\$ 1,188,676</b>	<b>\$ 930,230</b>
<b>Adj EBIT*** as a % of Net Sales (non-GAAP measure)</b>	<b>19.1%</b>	<b>12.5%</b>

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

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# EBIT\*\* (Non-GAAP Measure): Specialty Segment



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

	Three Months Ended November 30	
	2020	2019
Income Before Income Taxes	\$ 28,406	\$ 18,762
Add: Interest Expense, Net*	73	7
EBIT** (non-GAAP measure)	28,479	18,769
Restructuring expense (b)	495	819
Accelerated expense - other (c)	93	166
ERP consolidation plan (e)	115	2,172
Professional fees (f)	437	981
Unusual costs triggered by executive departures (h)	-	280
Adjusted EBIT*** (non-GAAP measure)	\$ 29,619	\$ 23,187
Net Sales	\$ 176,054	\$ 158,170
Adj EBIT*** as a % of Net Sales (non-GAAP measure)	16.8%	14.7%

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

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# EBIT\*\* (Non-GAAP Measure): Specialty Segment



(\$ in thousands, except per share and percent data)  
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	Six Months Ended November 30	
	2020	2019
Income Before Income Taxes	\$ 48,855	\$ 42,089
Add: Interest Expense (Income), Net*	155	(19)
EBIT** (non-GAAP measure)	49,010	42,070
Restructuring expense (b)	1,302	2,709
Accelerated expense - other (c)	224	315
ERP consolidation plan (e)	1,225	5,268
Professional fees (f)	1,886	981
Unusual costs triggered by executive departures (h)	46	473
Adjusted EBIT*** (non-GAAP measure)	\$ 53,693	\$ 51,816
Net Sales	\$ 334,078	\$ 318,258
Adj EBIT*** as a % of Net Sales (non-GAAP measure)	16.1%	16.3%

\*Interest 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 expense, net, essentially relates to corporate functions, as opposed to segment operations.

\*\*\*Adjusted EBIT is provided for the purpose of adjusting for one-off items impacting revenue and/or expenses that are not considered by management to be indicative of ongoing operations.

NOTE: Refer to slide 5 for all adjustment detail.