



Fiscal 2024 First-Quarter Results

October 4, 2023

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Forward-Looking Statements & Regulation G

This presentation contains “forward-looking statements” relating to our business. These forward-looking statements, or other statements made by us, are made based on our expectations and beliefs concerning future events impacting us and are subject to uncertainties and factors (including those specified below), which are difficult to predict and, in many instances, are beyond our control. As a result, our actual results could differ materially from those expressed in or implied by any such forward-looking statements. These uncertainties and factors include (a) global markets and general economic conditions, including uncertainties surrounding the volatility in financial markets, the availability of capital, and the viability of banks and other financial institutions; (b) the prices, supply and availability of raw materials, including assorted pigments, resins, solvents, and other natural gas- and oil-based materials; packaging, including plastic and metal containers; and transportation services, including fuel surcharges; (c) continued growth in demand for our products; (d) legal, environmental and litigation risks inherent in our 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 a public health crisis similar to the Covid pandemic; (l) risks related to acts of war similar to the Russian invasion of Ukraine; (m) risks related to the transition or physical impacts of climate change and other natural disasters or meeting sustainability-related voluntary goals or regulatory requirements; (n) risks related to our use of technology, artificial intelligence, 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 Form 10-K for the year ended May 31, 2023, 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 filing date of this presentation.

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

Record Consolidated Q1-24 Sales and All-Time Record Adjusted EBIT

FINANCIAL HIGHLIGHTS

\$2.01B

RECORD Q1 SALES
+4.1%

7 Consecutive
Quarters
of record sales and
adjusted EBIT

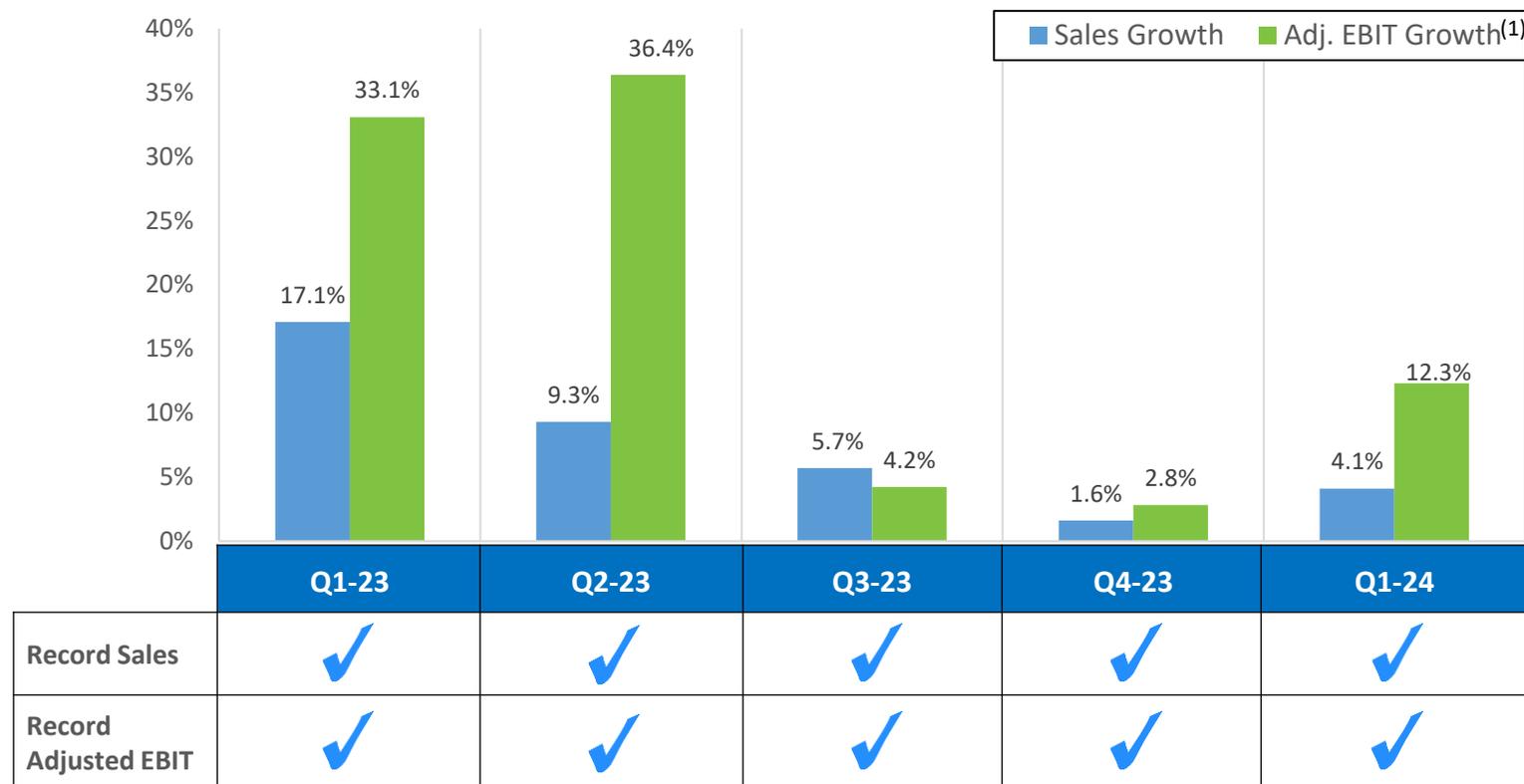
\$309.0M

ALL-TIME RECORD
ADJUSTED EBIT ¹
+12.3%

\$359.2M

ALL-TIME RECORD
CASH FLOW FROM
OPERATING ACTIVITIES

Consolidated Sales and Adjusted EBIT Growth

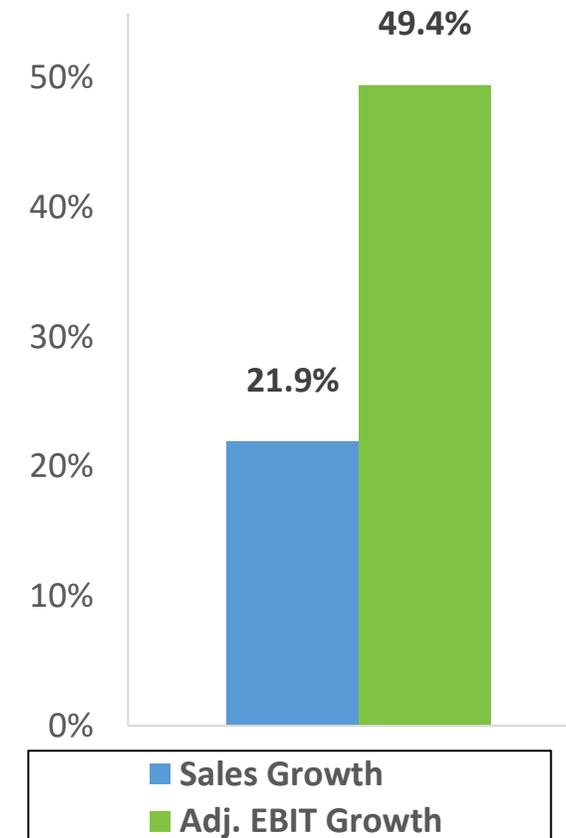


(1) EBIT and Adjusted EBIT are non-GAAP financial measures. Refer to Appendix for reconciliations between GAAP and non-GAAP measures.

Strong Execution and MAP 2025 Drive Record Consolidated Results

	CPG	PCG	SPG	Consumer	Consolidated
Record Sales Q1-24	✓	✓		✓	✓
Record Adjusted EBIT ¹ Q1-24	✓	✓			✓

2-Year Stacked Consolidated Q1 Growth

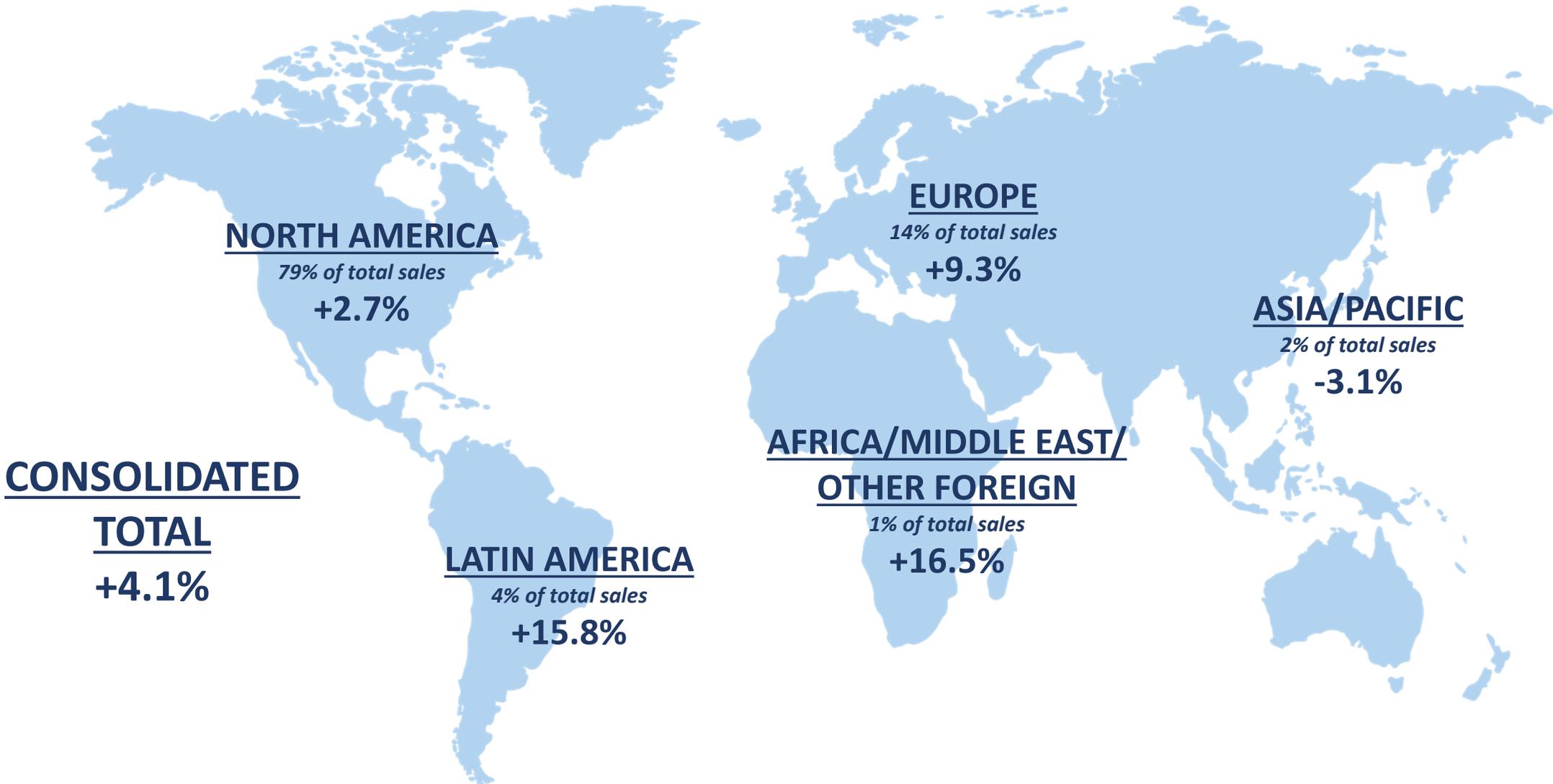


HIGHLIGHTS

- Record Q1 consolidated sales, driven by increased pricing
- Continued strong demand from infrastructure and reshoring capital projects
- CPG generated strong growth driven by focus on repair and maintenance, and differentiated service model
- All-time record adjusted EBIT driven by execution of MAP 2025 initiatives, and improved fixed-cost utilization, primarily in CPG
- Strong cash flow generation including structural MAP 2025 working capital improvements

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

Sales Growth in USD by Region | Q1-24



Fiscal 2024 First-Quarter Financial Results | Consolidated

Record Q1 sales and all-time adjusted EBIT

(\$ in millions, except per share amounts)	Q1 2024	Q1 2023	% Change
Sales	\$2,012	\$1,932	+4.1%
EBIT ¹	\$289	\$255	+12.9%
Adjusted EBIT ¹	\$309	\$275	+12.3%
Adjusted EBIT Margin ¹	15.4%	14.2%	+120 bps
Net Income	\$201	\$169	+19.0%
Diluted EPS	\$1.56	\$1.31	+19.1%
Adjusted Diluted EPS ¹	\$1.64	\$1.47	+11.6%

KEY POINTS

- Record Q1 sales of \$2.01 billion driven by pricing with modest volume growth
- Sales include +3.9% organic growth, +0.1% from F/X and +0.1% from acquisitions / divestitures
- All-time record adjusted EBIT driven by sales growth, MAP 2025 initiatives, and improved fixed-cost leverage, primarily in CPG
- All segments except Consumer generated commodity cycle benefits
- SG&A increased, driven by growth investments and higher variable compensation expense due to improved financial performance, partially offset by cost reduction actions taken in Q4-23

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

Fiscal 2024 First-Quarter Financial Results

CPG achieves all-time record sales and adjusted EBIT

CONSTRUCTION PRODUCTS GROUP



(\$ in millions, except margins)	Q1 2024	Q1 2023	% Change	Sales Components	
Sales	\$782.8	\$706.4	+10.8%	Organic	+9.5%
EBIT ¹	\$143.8	\$107.5	+33.8%	Acquisitions/ Divestitures	+0.6%
Adjusted EBIT ¹	\$144.6	\$108.7	+33.0%	F/X	+0.7%
Adjusted EBIT Margin ¹	18.5%	15.4%	+310 bps		

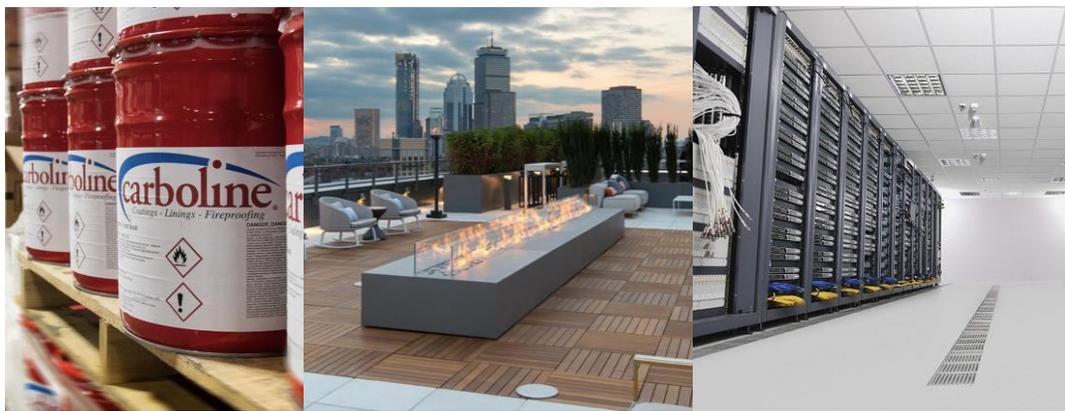
- All-time record sales led by growth in restoration systems for roofing, facades and parking structures as well as concrete admixtures, which benefited from increased demand from capital spending on infrastructure and reshoring projects
- Sales growth achieved despite challenging prior-year comparison
- Europe returned to growth
- New office construction weak, but more than offset by growth in other end markets
- All-time record adjusted EBIT from improved fixed-cost leverage and MAP 2025 benefits, which included commodity cycle benefits
- Variable compensation increased due to improved financial performance, partially offset by expense reduction actions implemented at the end of FY23
- Acquired wall panel manufacturing business in Q2-24 with annual sales of \$20 million

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

Fiscal 2024 First-Quarter Financial Results

Record results fueled by MAP 2025 and strong demand for engineered solutions

PERFORMANCE COATINGS GROUP



(\$ in millions, except margins)	Q1 2024	Q1 2023	% Change	Sales Components	
Sales	\$378.5	\$363.7	+4.1%	Organic	+4.0%
EBIT ¹	\$43.7	\$49.2	-11.2%	Acquisitions/ Divestitures	+0.8%
Adjusted EBIT ¹	\$59.1	\$50.3	+17.4%	F/X	-0.7%
Adjusted EBIT Margin ¹	15.6%	13.8%	+180 bps		

- Record Q1 sales driven by growth in flooring systems and businesses that serve infrastructure and reshoring projects, as well as positive pricing
- Strong international growth
- All-time record adjusted EBIT driven by sales growth and MAP 2025 benefits, led by commercial excellence programs in Europe and the commodity cycle
- Growth in addition to strong prior-year results
- Divested non-core service business in Europe and incurred \$14.6 million in charges related to divested business, which are excluded from adjusted EBIT

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

Fiscal 2024 First-Quarter Financial Results

Sales and adjusted EBIT negatively impacted by weak OEM demand

SPECIALTY PRODUCTS GROUP



(\$ in millions, except margins)	Q1 2024	Q1 2023	% Change	Sales Components	
Sales	\$181.0	\$202.7	-10.7%	Organic	-9.0%
EBIT ¹	\$16.3	\$27.9	-41.5%	Acquisitions/ Divestitures	-2.2%
Adjusted EBIT ¹	\$17.9	\$29.6	-39.6%	F/X	+0.5%
Adjusted EBIT Margin ¹	9.9%	14.6%	-470 bps		

- Lower volumes at businesses supplying OEM customers, particularly those in the residential housing sector
- Customers held inventories below historical levels, which negatively impacted sales
- Non-core furniture warranty business divestiture in Q3-23 reduced sales and adjusted EBIT
- Adjusted EBIT decline driven by the sales decline, product mix and unfavorable deleveraging at plants because of reduced volumes, partially offset by expense reduction actions taken in Q4-23
- Investments to accelerate future growth weighed on short-term profitability

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



Fiscal 2024 First-Quarter Financial Results

MAP 2025 benefits drove growth, despite challenging comparisons

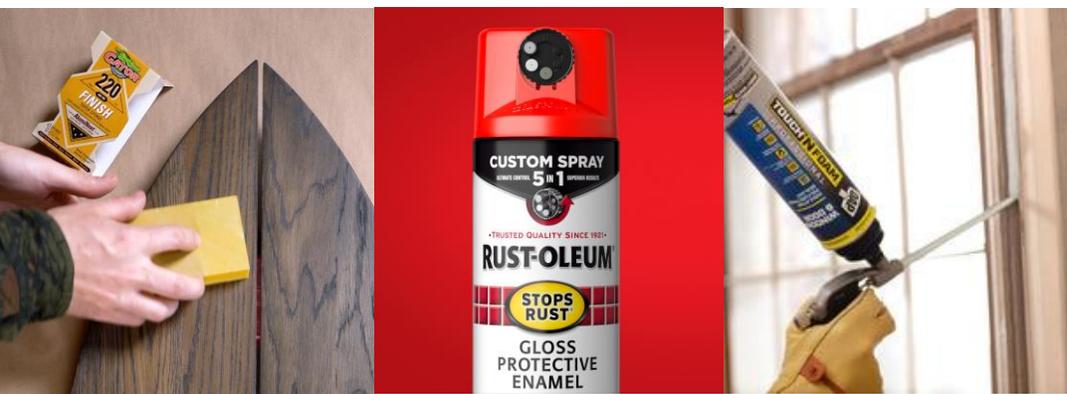
CONSUMER GROUP



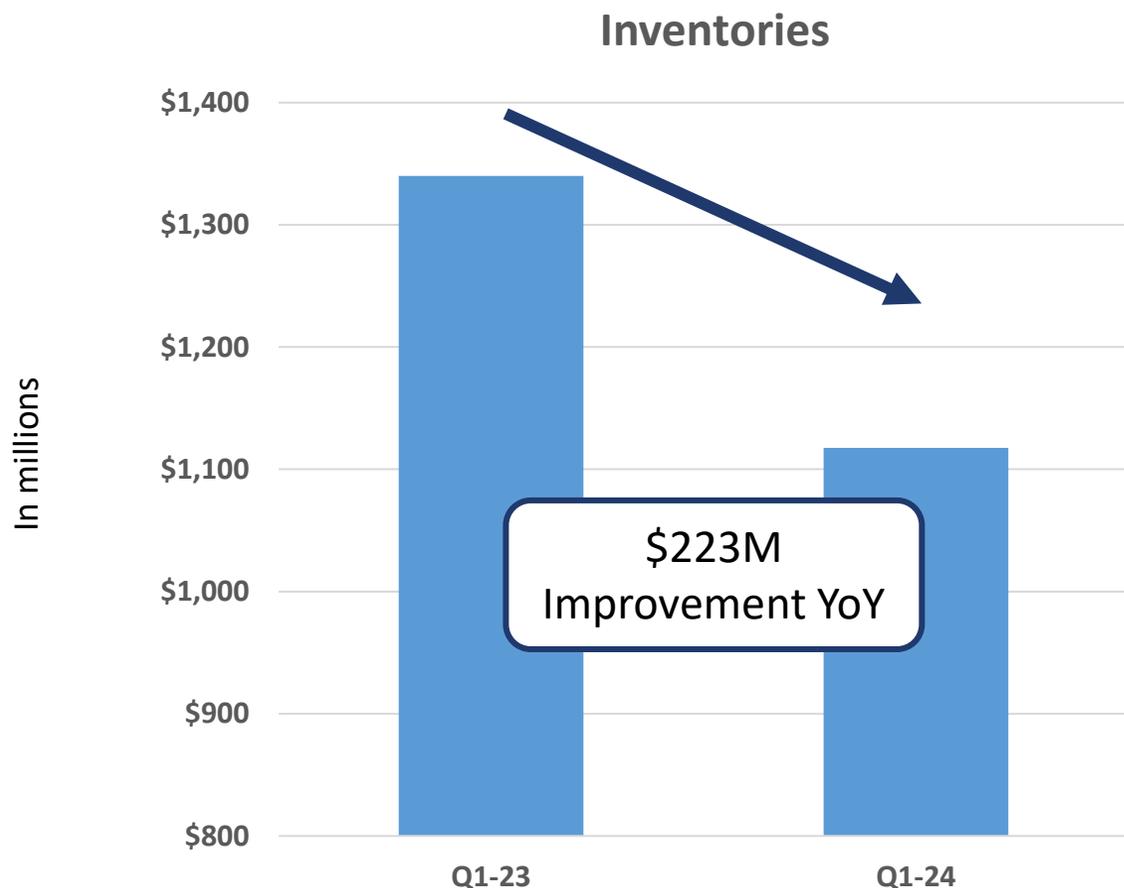
(\$ in millions, except margins)	Q1 2024	Q1 2023	% Change	Sales Components	
Sales	\$669.6	\$659.5	+1.5%	Organic	+1.7%
EBIT ¹	\$131.1	\$116.7	+12.4%	Acquisitions/ Divestitures	0.0%
Adjusted EBIT ¹	\$121.2	\$117.1	+3.5%		
Adjusted EBIT Margin ¹	18.1%	17.8%	+30 bps	F/X	-0.2%

- Record sales driven by price increases in response to continued cost inflation
- Sales growth on top of strong prior-year-period results, when sales surged 22.5% as it restocked retailers after raw material supply improved
- Volume decline driven by lower consumer takeaway and certain customers holding inventory levels below historical levels, partially offset by share gains
- Adjusted EBIT driven by MAP 2025 benefits and the sales increase, partially offset by continued cost inflation and lower fixed cost utilization
- Adjusted EBIT growth on top of strong prior-year growth, which increased 149.6%
- Adjusted EBIT excludes \$10.3 million gain on insurance reimbursement

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



Working Capital Management Results in All-Time Record Cash Flow from Operations



Q1-24 Update

- Reduced inventories by \$222.5 million from Q1-23
- Record Q1-24 cash flow from operations +\$359.2 million compared to +\$23.6 million in Q1-23
- Paid \$54.1 million in dividends in Q1
- Repurchased \$25.0 million of shares YTD through September
- \$178.5 million debt reduction since Q4-23
- Strong liquidity of \$1.23 billion



- Increases HVAC efficiency / capacity
- Improves air quality
- Significant savings compared to HVAC replacement
- Reduces disruption to occupants
- Pure Air has doubled trailing 12-month sales since joining RPM

Expands CPG's offering of products and services focused on maintenance & restoration of all 6 sides of a building

Fiscal 2024 Second-Quarter Guidance

CATEGORY	Q2-24 OUTLOOK (YOY)	PRIOR-YEAR RECORD
SALES Consolidated	+LSD %	✓
Construction Products Group	+MSD %	✓
Performance Coatings Group	+MSD %	✓
Specialty Products Group	-LDD %	✓
Consumer Group	+LSD %	✓
ADJUSTED EBIT Consolidated	+HSD % to LDD %	✓

LSD = Low Single Digit | MSD = Mid Single Digit | HSD = High Single Digit | LDD = Low Double Digit

Expected Trends in Q2

- | | |
|---|-----------------------------------|
| (+) MAP 2025 improvements | (-) OEM softness |
| (+) Commodity cycle benefits | (-) Mixed new construction demand |
| (+) Infrastructure / reshoring spending | (-) Reduced benefit from pricing |
| (+) Improved destocking trends | (-) Record prior-year comparisons |
| (+) Resilient repair and maintenance demand | |

Fiscal Year 2024 Guidance

CATEGORY	FY24 OUTLOOK (YOY)	PRIOR-YEAR RESULTS	PRIOR-YEAR RECORD
SALES Consolidated	+MSD %	+8.2%	✓
ADJUSTED EBIT Consolidated	+LDD to +Mid-Teen %	+18.8%	✓

MSD = Mid Single Digit | LDD = Low Double Digit

Expected FY24 Trends

- Modest economic growth
- Continued MAP 2025 benefits
- Strength in infrastructure / reshoring
- Moderating headwinds from inflation and destocking
- Continuing uncertainty around commercial construction
- Stronger growth in 2H-24, including less-challenging comparisons

Expected FY24 Trends by Segment

CPG

- (+) Concrete admixtures
- (+) Focus on repair and maintenance
- (+) Reshoring
- (+) Infrastructure
- (-) Uncertain commercial construction

PCG

- (+) Reshoring
- (+) Infrastructure
- (-) Challenging comparisons

SPG

- (+) Easier 2H-24 comparisons
- (+) Reduced destocking headwinds
- (-) Depressed OEM demand

Consumer

- (+) Stabilizing volumes in 2H-24
- (-) Reduced benefit from pricing



Appendix

Reconciliation of Non-GAAP to GAAP Measures

October 4, 2023

Consolidated Statements of Income: Three Months

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

	Three Months Ended August 31,				
	2023	%	2022	%	% Change
Net Sales	\$ 2,011,857		\$ 1,932,320		4.1
Cost of Sales	1,183,240	58.8	1,187,849	61.5	
Gross Profit	828,617	41.2	744,471	38.5	
SG&A	531,032	26.4	485,205	25.1	
Restructuring Expense	6,498	0.3	1,354	0.1	
Other Expense, Net	2,554	0.2	2,416	0.1	
EBIT** (non-GAAP measure)	288,533	14.3	255,496	13.2	12.9
Interest Expense	31,818	1.5	26,711	1.3	
Investment (Income) Expense, Net	(12,439)	(0.6)	3,664	0.2	
Income Before Taxes	269,154	13.4	225,121	11.7	
Provision for Income Taxes	67,841	3.4	55,842	2.9	
Net Income	201,313	10.0	169,279	8.8	18.9
Less: Net Income Attributable to Noncontrolling Interests	231	0.0	266	0.0	
Net Income Attributable to RPM Stockholders	\$ 201,082	10.0	\$ 169,013	8.8	19.0
Diluted EPS	\$ 1.56		\$ 1.31		19.1

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

Non-GAAP Financial Measures

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

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

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

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

Adjustments Detail

- a) Charges recorded in Cost of Goods Sold related to inventory write-offs in connection with restructuring activities at our Construction Products, Performance Coatings and Specialty Products segments.
- b) Reflects restructuring charges, including headcount reductions, impairments, closures of facilities and related costs, all in relation to our Margin Acceleration Plan (“MAP to Growth”) and our Margin Achievement Plan (“MAP 2025”), together MAP initiatives. This includes the current year loss on sale in connection with the divestiture of Universal Sealant's Bridgecare services division, a non-core business.
- c) Accelerated costs, including depreciation and amortization expense related to the shortened useful lives of facilities, equipment, ERP systems, and other intangible assets that are currently in use, but are in the process of being retired associated with various MAP initiatives including facility closures, ERP consolidation, and SKU rationalization.
- d) Reflects the increase in our allowance for doubtful accounts as a result of the divestiture of the non-core Universal Sealant's Bridgecare service business within our PCG segment.
- e) Includes implementation costs associated with our ERP consolidation plan and other decision support tools.
- f) Comprises professional fees incurred in connection with our MAP initiatives.
- g) Reflects inventory write-offs related to the discontinuation of certain product lines within our SPG segment. This resulted from ongoing product line rationalization efforts in connection with our MAP initiatives.
- h) Reflects the gain associated with post-closing adjustments for the sale of the non-core furniture warranty business in the SPG segment in fiscal 2023.
- i) Business interruption insurance recovery at our Consumer segment related to lost sales and incremental costs incurred during fiscal 2021 and 2022 as a result of an explosion at the plant of a significant alkyd resin supplier.
- j) Investment returns include realized net gains and losses on sales of investments and unrealized net gains and losses on equity securities, which are adjusted due to their inherent volatility. Management does not consider these gains and losses, which cannot be predicted with any level of certainty, to be reflective of the company's core business operations.

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

(Unaudited)

<u>Reconciliation of Reported Earnings per Diluted Share to Adjusted Earnings per Diluted Share (All amounts presented after-tax):</u>	<u>Three Months Ended August 31,</u>	
	<u>2023</u>	<u>2022</u>
Reported Earnings per Diluted Share	\$ 1.56	\$ 1.31
Restructuring expense (b)	0.07	0.01
Receivable write-offs (d)	0.03	-
ERP consolidation plan (e)	0.02	0.01
Professional fees (f)	0.07	0.10
(Gain) on sale of a business (h)	(0.01)	-
Business interruption insurance recovery (i)	(0.06)	-
Investment returns (j)	(0.04)	0.04
Adjusted Earnings per Diluted Share****	\$ 1.64	\$ 1.47

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

NOTE: Refer to "Adjustments detail" slide for further information on adjustments outlined above

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

(\$ in thousands, except percent data)
(Unaudited)

	Three Months Ended August 31,	
	2023	2022
Net Income	\$ 201,313	\$ 169,279
Provision for Income Taxes	67,841	55,842
Income Before Income Taxes	269,154	225,121
Interest Expense	31,818	26,711
Investment (Income) Expense, Net	(12,439)	3,664
EBIT** (non-GAAP measure)	288,533	255,496
Inventory-related charges (a)	133	76
Restructuring expense (b)	11,016	1,592
Accelerated expense - other (c)	690	87
Receivable write-offs (d)	4,588	-
ERP consolidation plan (e)	3,143	1,201
Professional fees (f)	12,279	16,813
Discontinued product line (g)	47	-
(Gain) on sale of a business (h)	(1,123)	-
Business interruption insurance recovery (i)	(10,292)	-
Adjusted EBIT*** (non-GAAP measure)	\$ 309,014	\$ 275,265
Net Sales	\$ 2,011,857	\$ 1,932,320
Adj EBIT*** as a % of Net Sales (non-GAAP measure)	15.4%	14.2%

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

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

(\$ in thousands, except percent data)
(Unaudited)

	Three Months Ended August 31,	
	2023	2022
Income Before Income Taxes	\$ 140,452	\$ 106,755
Add: Interest Expense, Net*	3,396	780
EBIT** (non-GAAP measure)	143,848	107,535
Inventory-related charges (a)	-	24
Restructuring expense (b)	415	57
Accelerated expense - other (c)	-	87
ERP consolidation plan (e)	259	574
Professional fees (f)	75	439
Adjusted EBIT*** (non-GAAP measure)	\$ 144,597	\$ 108,716
Net Sales	\$ 782,789	\$ 706,413
Adj EBIT*** as a % of Net Sales (non-GAAP measure)	18.5%	15.4%

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

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

(\$ in thousands, except percent data)
(Unaudited)

	Three Months Ended August 31,	
	2023	2022
Income Before Income Taxes	\$ 44,821	\$ 49,401
Add: Interest (Income), Net*	(1,124)	(194)
EBIT** (non-GAAP measure)	43,697	49,207
Inventory-related charges (a)	80	-
Restructuring expense (credit) (b)	9,921	(37)
Receivable write-offs (d)	4,588	-
ERP consolidation plan (e)	585	539
Professional fees (f)	180	600
Adjusted EBIT*** (non-GAAP measure)	\$ 59,051	\$ 50,309
Net Sales	\$ 378,513	\$ 363,718
Adj EBIT*** as a % of Net Sales (non-GAAP measure)	15.6%	13.8%

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

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

(\$ in thousands, except percent data)
(Unaudited)

	Three Months Ended August 31,	
	2023	2022
Income Before Income Taxes	\$ 16,397	\$ 27,885
Add: Interest (Income), Net*	(99)	(2)
EBIT** (non-GAAP measure)	16,298	27,883
Inventory-related charges (a)	53	52
Restructuring expense (b)	667	1,165
Accelerated expense - other (c)	323	-
ERP consolidation plan (e)	712	-
Professional fees (f)	917	549
Discontinued product line (g)	47	-
(Gain) on sale of a business (h)	(1,123)	-
Adjusted EBIT*** (non-GAAP measure)	\$ 17,894	\$ 29,649
Net Sales	\$ 180,951	\$ 202,697
Adj EBIT*** as a % of Net Sales (non-GAAP measure)	9.9%	14.6%

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

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

(\$ in thousands, except percent data)
(Unaudited)

	Three Months Ended August 31,	
	2023	2022
Income Before Income Taxes	\$ 131,829	\$ 116,689
Add: Interest (Income), Net*	(750)	(26)
EBIT** (non-GAAP measure)	131,079	116,663
Restructuring expense (b)	13	407
Accelerated expense - other (c)	367	-
Business interruption insurance recovery (i)	(10,292)	-
Adjusted EBIT*** (non-GAAP measure)	\$ 121,167	\$ 117,070
Net Sales	\$ 669,604	\$ 659,492
Adj EBIT*** as a % of Net Sales (non-GAAP measure)	18.1%	17.8%

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