

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended August 31, 2025,

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission File No. 1-14187

RPM International Inc.
(Exact name of Registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)
2628 PEARL ROAD;
MEDINA, OHIO
(Address of principal executive offices)

02-0642224
(IRS Employer
Identification No.)
44256
(Zip Code)

(330) 273-5090
(Registrant's telephone number including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01	RPM	New York Stock Exchange

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐.

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒.

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☐ No ☒.

As of September 24, 2025, the registrant had 128,218,717 shares of common stock, \$0.01 par value per share, outstanding.

RPM INTERNATIONAL INC. AND SUBSIDIARIES*

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* As used herein, the terms "RPM" and the "Company" refer to RPM International Inc. and its subsidiaries, unless the context indicates otherwise.

PART I. – FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
RPM INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except per share amounts)

	August 31, 2025	May 31, 2025
Assets		
Current Assets		
Cash and cash equivalents	\$ 297,075	\$ 302,137
Trade accounts receivable (less allowances of \$42,506 and \$42,844, respectively)	1,472,993	1,509,109
Inventories	1,068,183	1,036,475
Prepaid expenses and other current assets	365,271	322,577
Total current assets	3,203,522	3,170,298
Property, Plant and Equipment, at Cost	2,805,421	2,738,373
Allowance for depreciation	(1,306,637)	(1,264,974)
Property, plant and equipment, net	1,498,784	1,473,399
Other Assets		
Goodwill	1,657,612	1,617,626
Other intangible assets, net of amortization	832,195	780,826
Operating lease right-of-use assets	394,831	370,399
Deferred income taxes	147,436	147,436
Other	210,165	215,965
Total other assets	3,242,239	3,132,252
Total Assets	\$ 7,944,545	\$ 7,775,949
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 762,013	\$ 755,889
Current portion of long-term debt	7,434	7,691
Accrued compensation and benefits	189,846	287,398
Accrued losses	30,749	36,701
Other accrued liabilities	424,834	379,768
Total current liabilities	1,414,876	1,467,447
Long-Term Liabilities		
Long-term debt, less current maturities	2,661,990	2,638,922
Operating lease liabilities	340,420	317,334
Other long-term liabilities	243,524	241,117
Deferred income taxes	227,141	224,347
Total long-term liabilities	3,473,075	3,421,720
Contingencies and Accrued Losses (Note 14)		
Stockholders' Equity		
Preferred stock, par value \$0.01; authorized 50,000 shares; none issued	—	—
Common stock, par value \$0.01; authorized 300,000 shares; issued 146,528 and outstanding 128,219 as of August 31, 2025; issued 146,246 and outstanding 128,269 as of May 31, 2025	1,282	1,283
Paid-in capital	1,183,272	1,177,796
Treasury stock, at cost	(973,372)	(953,856)
Accumulated other comprehensive (loss)	(512,832)	(533,631)
Retained earnings	3,356,848	3,193,764
Total RPM International Inc. stockholders' equity	3,055,198	2,885,356
Noncontrolling Interest	1,396	1,426
Total equity	3,056,594	2,886,782
Total Liabilities and Stockholders' Equity	\$ 7,944,545	\$ 7,775,949

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

RPM INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In thousands, except per share amounts)

	Three Months Ended	
	August 31, 2025	August 31, 2024
Net Sales	\$ 2,113,743	\$ 1,968,789
Cost of Sales	1,220,527	1,132,116
Gross Profit	893,216	836,673
Selling, General and Administrative Expenses	573,534	526,146
Restructuring Expense	8,814	7,202
Interest Expense	29,326	24,434
Investment (Income), Net	(13,404)	(11,026)
Other (Income), Net	(3,101)	(534)
Income Before Income Taxes	298,047	290,451
Provision for Income Taxes	70,207	61,897
Net Income	227,840	228,554
Less: Net Income Attributable to Noncontrolling Interests	235	862
Net Income Attributable to RPM International Inc. Stockholders	\$ 227,605	\$ 227,692
Average Number of Shares of Common Stock Outstanding:		
Basic	127,283	127,691
Diluted	127,950	128,420
Earnings per Share of Common Stock Attributable to RPM International Inc. Stockholders:		
Basic	\$ 1.78	\$ 1.78
Diluted	\$ 1.77	\$ 1.77

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

RPM INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(In thousands)

	Three Months Ended	
	August 31, 2025	August 31, 2024
Net Income	\$ 227,840	\$ 228,554
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments, net of tax	19,483	(3,772)
Pension and other postretirement benefit liability adjustments, net of tax	1,093	(142)
Unrealized gain on securities, net of tax	224	633
Total other comprehensive income (loss)	20,800	(3,281)
Total Comprehensive Income	248,640	225,273
Less: Comprehensive Income Attributable to Noncontrolling Interests	236	881
Comprehensive Income Attributable to RPM International Inc. Stockholders	\$ 248,404	\$ 224,392

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

RPM INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Three Months Ended	
	August 31, 2025	August 31, 2024
Cash Flows from Operating Activities:		
Net income	\$ 227,840	\$ 228,554
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	51,464	46,185
Deferred income taxes	1,304	(4,646)
Stock-based compensation expense	5,475	6,226
Net (gain) on marketable securities	(8,673)	(5,971)
Other	(324)	(70)
Changes in assets and liabilities, net of effect from purchases and sales of businesses:		
Decrease in receivables	49,331	78,011
(Increase) in inventory	(16,005)	(43,991)
(Increase) in prepaid expenses and other current and long-term assets	(18,051)	(37,620)
Increase in accounts payable	7,810	52,152
(Decrease) in accrued compensation and benefits	(99,296)	(116,792)
(Decrease) in accrued losses	(6,098)	(123)
Increase in other accrued liabilities	42,733	46,144
Cash Provided by Operating Activities	237,510	248,059
Cash Flows from Investing Activities:		
Capital expenditures	(62,461)	(50,742)
Acquisition of businesses, net of cash acquired	(115,695)	(6,223)
Purchase of marketable securities	(6,283)	(11,394)
Proceeds from sales of marketable securities	1,525	4,188
Other	523	90
Cash (Used for) Investing Activities	(182,391)	(64,081)
Cash Flows from Financing Activities:		
Additions to long-term and short-term debt	35,000	37,807
Reductions of long-term and short-term debt	(14,972)	(131,809)
Cash dividends	(64,521)	(58,892)
Repurchases of common stock	(17,500)	(17,500)
Shares of common stock returned for taxes	(1,921)	(15,396)
Other	(221)	(162)
Cash (Used for) Financing Activities	(64,135)	(185,952)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	3,954	(3,850)
Net Change in Cash and Cash Equivalents	(5,062)	(5,824)
Cash and Cash Equivalents at Beginning of Period	302,137	237,379
Cash and Cash Equivalents at End of Period	\$ 297,075	\$ 231,555
<u>Supplemental Disclosures of Cash Flows Information:</u>		
Cash paid during the period for:		
Interest	\$ 28,640	\$ 26,438
Income Taxes, net of refunds	\$ 38,080	\$ 43,728
<u>Supplemental Disclosures of Noncash Investing Activities:</u>		
Capital expenditures accrued within accounts payable at quarter-end	\$ 17,265	\$ 15,180

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

RPM INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)
(In thousands)

	Common Stock					Accumulated			Total RPM	Noncontrolling	Total
	Number of Shares	Par/Stated Value	Paid-In Capital	Treasury Stock		Other Comprehensive (Loss) Income	Retained Earnings		International Inc. Equity	Interests	Equity
Balance at June 1, 2025	128,269	\$ 1,283	\$ 1,177,796	\$ (953,856)	\$	(533,631)	\$ 3,193,764	\$	2,885,356	\$ 1,426	\$ 2,886,782
Net income	-	-	-	-	-	-	227,605	-	227,605	235	227,840
Other comprehensive income	-	-	-	-	-	20,799	-	-	20,799	1	20,800
Dividends declared and paid (\$0.51 per share)	-	-	-	-	-	-	(64,521)	-	(64,521)	-	(64,521)
Other noncontrolling interest activity	-	-	-	-	-	-	-	-	-	(266)	(266)
Share repurchases under repurchase program	(146)	(2)	2	(17,500)	-	-	-	-	(17,500)	-	(17,500)
Stock compensation expense and other deferred compensation, shares granted less shares returned for taxes	96	1	5,474	(2,016)	-	-	-	-	3,459	-	3,459
Balance at August 31, 2025	128,219	\$ 1,282	\$ 1,183,272	\$ (973,372)	\$	(512,832)	\$ 3,356,848	\$	3,055,198	\$ 1,396	\$ 3,056,594

	Common Stock					Accumulated			Total RPM	Noncontrolling	Total
	Number of Shares	Par/Stated Value	Paid-In Capital	Treasury Stock		Other Comprehensive (Loss) Income	Retained Earnings		International Inc. Equity	Interests	Equity
Balance at June 1, 2024	128,629	\$ 1,286	\$ 1,150,751	\$ (864,502)	\$	(537,290)	\$ 2,760,639	\$	2,510,884	\$ 1,341	\$ 2,512,225
Net income	-	-	-	-	-	-	227,692	-	227,692	862	228,554
Other comprehensive (loss) income	-	-	-	-	-	(3,300)	-	-	(3,300)	19	(3,281)
Dividends declared and paid (\$0.46 per share)	-	-	-	-	-	-	(58,892)	-	(58,892)	-	(58,892)
Other noncontrolling interest activity	-	-	-	-	-	-	-	-	-	(122)	(122)
Share repurchases under repurchase program	(152)	(1)	1	(17,500)	-	-	-	-	(17,500)	-	(17,500)
Stock compensation expense and other deferred compensation, shares granted less shares returned for taxes	225	2	6,225	(15,684)	-	-	-	-	(9,457)	-	(9,457)
Balance at August 31, 2024	128,702	\$ 1,287	\$ 1,156,977	\$ (897,686)	\$	(540,590)	\$ 2,929,439	\$	2,649,427	\$ 2,100	\$ 2,651,527

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

RPM INTERNATIONAL INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 — CONSOLIDATION, NONCONTROLLING INTERESTS AND BASIS OF PRESENTATION

The accompanying unaudited Consolidated Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles in the U.S. ("GAAP") for interim financial information and the instructions to Form 10-Q. In our opinion, all adjustments (consisting of normal, recurring accruals) considered necessary for a fair presentation have been included for the three-month periods ended August 31, 2025 and 2024. For further information, refer to the Consolidated Financial Statements and Notes included in our Annual Report on Form 10-K for the year ended May 31, 2025.

Effective June 1, 2025, we realigned certain businesses and management structures to recognize how we allocate resources and analyze the operating performance of our operating segments. As such, we will begin reporting under three reportable segments instead of our four previous reportable segments. Our three reportable segments will now be: CPG, PCG and Consumer. This realignment changed our reportable segments beginning with our first quarter of fiscal 2026. As a result, historical segment results disclosed in Note 3, "Restructuring," Note 4, "Goodwill", and Note 17, "Segment Information" have been recast to reflect the impact of this change. These prior period reclassifications have no impact on previously reported financial position, net income or cash flows. See Note 17, "Segment Information," to the Consolidated Financial Statements for further detail.

Our financial statements include all of our majority-owned subsidiaries. We account for our investments in less-than-majority-owned joint ventures, for which we have the ability to exercise significant influence, under the equity method. Effects of transactions between related companies are eliminated in consolidation.

Noncontrolling interests are presented in our Consolidated Financial Statements as if parent company investors (controlling interests) and other minority investors (noncontrolling interests) in partially-owned subsidiaries have similar economic interests in a single entity. As a result, investments in noncontrolling interests are reported as equity in our Consolidated Financial Statements. Additionally, our Consolidated Financial Statements include 100% of a controlled subsidiary's earnings, rather than only our share. Transactions between the parent company and noncontrolling interests are reported in equity as transactions between stockholders, provided that these transactions do not create a change in control.

Our business is dependent on external weather factors. Historically, we have experienced strong sales and net income in our first, second and fourth fiscal quarters comprising the three-month periods ending August 31, November 30, and May 31, respectively, with seasonally lower performance in our third fiscal quarter (December through February).

NOTE 2 — NEW ACCOUNTING PRONOUNCEMENTS

New Pronouncements Adopted

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures," which expands disclosures about a public business entity's reportable segments and provides for more detailed information about a reportable segment's expenses. This guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, and requires retrospective application to all prior periods presented in the financial statements. We adopted the new standard effective May 31, 2025. Adoption of this ASU resulted in additional disclosure, but did not impact our consolidated balance sheet, results of operations or cash flows. Refer to Note 17, "Segment Information," to the Consolidated Financial Statements.

New Pronouncements Issued

In September 2025, the FASB issued ASU 2025-06, "Intangibles - Goodwill and Other-Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software". The ASU amends the existing standard to remove all references to prescriptive and sequential software development project stages. Under this guidance, eligible software development costs will begin capitalization when management has authorized and committed to funding the software project, and it is probable that the project will be completed and the software will be used to perform the function intended. In evaluating whether it is probable the project will be completed; management is required to consider whether there is significant uncertainty associated with the development activities of the software. This guidance is effective for all annual periods beginning after December 15, 2027, and for interim periods within those annual reporting periods, with early adoption permitted. The guidance may be applied on a prospective basis, a modified basis for in-process projects, or a retrospective basis. We are currently evaluating the impact of this ASU to determine the impact on the consolidated financial statements and related disclosures.

In July 2025, the FASB issued ASU 2025-05, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets". The ASU provides a practical expedient to assume that conditions as of the balance sheet date remain unchanged over the life of the asset when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under Topic 606. This guidance is effective for annual reporting periods beginning after December 15, 2025, and for interim periods within those annual reporting periods, with early adoption permitted. The amendments in ASU 2025-05 should be applied prospectively. We are currently evaluating the impact of this ASU and believe that the adoption will not have a material impact on the consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)." Additionally, in January 2025, the FASB issued ASU 2025-01 to clarify the effective date of ASU 2024-03. The standard provides guidance to expand disclosures related to the disaggregation of income statement expenses. The standard requires, in the notes to the financial statements, disclosure of specified information about certain costs and expenses which includes purchases of inventory, employee compensation, depreciation, and intangible asset amortization included in each relevant expense caption. This guidance is effective for fiscal years beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027, on a retrospective or prospective basis, with early adoption permitted. We are currently evaluating this ASU to determine its impact on our disclosures.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," which requires a public business entity to disclose specific categories in its annual effective tax rate reconciliation and disaggregated information about significant reconciling items by jurisdiction and by nature. The ASU also requires entities to disclose annually their income tax payments (net of refunds) to international, federal, and state and local jurisdictions. The guidance makes several other changes to annual income tax disclosure requirements. This guidance is effective for fiscal years beginning after December 15, 2024, and, when issued, was allowed to be applied on a retrospective or prospective basis, and early adoption was permitted. We will first apply this guidance, on an annual basis, for our current fiscal year. This guidance will expand our annual income tax disclosures, but will not affect our consolidated balance sheet, results of operations or cash flows.

NOTE 3 — RESTRUCTURING

We record restructuring charges associated with management-approved restructuring plans to either reorganize one or more of our business segments, or to remove duplicative headcount and infrastructure associated with our businesses. Restructuring charges can include severance costs to eliminate a specified number of associates, infrastructure charges to vacate facilities and consolidate operations, contract cancellation costs and other costs. We record the short-term portion of our restructuring liability in other accrued liabilities and the long-term portion, if any, in other long-term liabilities in our Consolidated Balance Sheets.

In August 2022, we approved and announced our Margin Achievement Plan 2025 ("MAP 2025"), which was a multi-year restructuring plan designed to improve margins by streamlining business processes, reducing working capital, implementing commercial initiatives to drive improved mix, pricing discipline and salesforce effectiveness and improving operating efficiency. On May 31, 2025, we formally concluded MAP 2025; however, certain projects identified prior to May 31, 2025, are not yet completed. As a result, we plan to continue recognizing restructuring costs throughout fiscal 2026.

The current total expected costs associated with this plan are outlined below and increased approximately \$2.6 million compared to our prior quarter estimate, attributable to increases in expected severance and benefit costs of \$3.2 million and decreases in expected facility closure and other related costs of \$0.6 million. The total expected costs are subject to change as we complete these projects.

Following is a summary of the charges recorded in connection with MAP 2025 by reportable segment, as well as the total expected costs related to projects identified to date:

<i>(In thousands)</i>	Three Months Ended August 31, 2025	Three Months Ended August 31, 2024	Cumulative Costs to Date	Total Expected Costs
Construction Products Group ("CPG") Segment:				
Severance and benefit costs	\$ 1,941	\$ 890	\$ 21,659	\$ 26,757
Facility closure and other related costs	655	376	3,033	7,791
Total Charges	\$ 2,596	\$ 1,266	\$ 24,692	\$ 34,548
Performance Coatings Group ("PCG") Segment:				
Severance and benefit costs	\$ 3,307	\$ 482	\$ 13,645	\$ 13,837
Facility closure and other related costs	636	341	3,628	4,602
Other restructuring costs	-	-	7,092	7,092
Total Charges	\$ 3,943	\$ 823	\$ 24,365	\$ 25,531
Consumer Segment:				
Severance and benefit costs	\$ 1,828	\$ 5,087	\$ 21,999	\$ 23,124
Facility closure and other related costs	447	26	3,923	5,632
Other restructuring costs	-	-	532	532
Total Charges	\$ 2,275	\$ 5,113	\$ 26,454	\$ 29,288
Corporate/Other:				
Severance and benefit (credits)	\$ -	\$ -	\$ (50)	\$ (50)
Total Charges	\$ -	\$ -	\$ (50)	\$ (50)
Consolidated:				
Severance and benefit costs	\$ 7,076	\$ 6,459	\$ 57,253	\$ 63,668
Facility closure and other related costs	1,738	743	10,584	18,025
Other restructuring costs	-	-	7,624	7,624
Total Charges	\$ 8,814	\$ 7,202	\$ 75,461	\$ 89,317

A summary of the activity in the restructuring reserves related to MAP 2025 is as follows:

<i>(in thousands)</i>	Severance and Benefits Costs	Facility Closure and Other Related Costs	Total
Balance at June 1, 2025	\$ 13,055	\$ 432	\$ 13,487
Additions charged to expense	7,076	1,738	8,814
Cash payments charged against reserve	(5,286)	(1,653)	(6,939)
Non-cash charges and other adjustments	188	(83)	105
Balance at August 31, 2025	\$ 15,033	\$ 434	\$ 15,467

<i>(In thousands)</i>	Severance and Benefits Costs	Facility Closure and Other Related Costs	Total
Balance at June 1, 2024	\$ 17,351	\$ 18	\$ 17,369
Additions charged to expense	6,459	743	7,202
Cash payments charged against reserve	(7,443)	(736)	(8,179)
Non-cash charges and other adjustments	244	-	244
Balance at August 31, 2024	\$ 16,611	\$ 25	\$ 16,636

NOTE 4 — GOODWILL

Goodwill represents the excess of the purchase price paid over the fair value of net assets acquired in a business combination, including the amount assigned to identifiable intangible assets. Goodwill is assigned to reporting units that are expected to benefit from the synergies of the business combination as of the acquisition date. Once goodwill has been allocated to the reporting units, it no longer retains its identification with a particular acquisition and becomes identified with the reporting unit in its entirety. Accordingly, the fair value of the reporting unit as a whole is available to support the recoverability of its goodwill. We evaluate our reporting units when changes in our operating structure occur, and if necessary, reassign goodwill using a relative fair value allocation approach.

We test our goodwill balances at least annually, or more frequently as impairment indicators arise, at the reporting unit level. Our annual impairment assessment date has been designated as the first day of our fourth fiscal quarter. One of our reporting units has been identified at the operating segment level. The remainder of our reporting units have been identified at the component level, which is one level below our operating segments.

We follow the FASB guidance found in Accounting Standards Codification 350 that simplifies how an entity tests goodwill for impairment. It provides an option to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, and whether it is necessary to perform a quantitative goodwill impairment test.

We assess qualitative factors in each of our reporting units that carry goodwill. We assess these qualitative factors to determine whether it is necessary to perform the quantitative goodwill impairment test. The quantitative process is required only if we conclude that it is more likely than not that a reporting unit's fair value is less than its carrying amount. However, we have an unconditional option to bypass a qualitative assessment and proceed directly to performing the quantitative analysis.

Effective June 1, 2025, we realigned certain businesses and management structures to recognize how we allocate resources and analyze the operating performance of our operating segments, as further discussed in Note 17, "Segment Information." As such, we will begin reporting under three reportable segments instead of our four previous reportable segments. Our three reportable segments will now be: CPG, PCG and Consumer. In connection with this realignment, we transferred our Legend Brands reporting unit from our Specialty Products Group ("SPG") to CPG, our Industrial Coatings Group and Food Group reporting units from SPG to PCG, and our Color Group reporting unit from SPG to Consumer.

This realignment did not result in any changes to our designated reporting units. As a result, no goodwill impairment assessment was considered necessary as no indications of impairment were identified during the first quarter of fiscal 2026.

The changes in the carrying amount of goodwill, by reportable segment, for the three months ended August 31, 2025, are as follows:

<i>(In thousands)</i>	CPG Segment	PCG Segment	Consumer Segment	SPG Segment	Total
Balance as of May 31, 2025	\$ 484,955	\$ 223,673	\$ 768,079	\$ 140,919	\$ 1,617,626
Transfers	33,669	107,250	-	(140,919)	-
Acquisitions and purchase price allocation adjustments	-	333	30,329	-	30,662
Translation adjustments	4,902	2,652	1,770	-	9,324
Balance as of August 31, 2025	\$ 523,526	\$ 333,908	\$ 800,178	\$ -	\$ 1,657,612

NOTE 5 — FAIR VALUE MEASUREMENTS

Financial instruments recorded in the Consolidated Balance Sheets include cash and cash equivalents, trade accounts receivable, marketable securities, notes and accounts payable, and debt.

An allowance for credit losses is established for trade accounts receivable using assessments of current creditworthiness of customers, historical collection experience, the aging of receivables and other currently available evidence. Trade accounts receivable balances are written-off against the allowance if a final determination of uncollectibility is made. All provisions for allowance for doubtful collection of accounts are included in selling, general and administrative ("SG&A") expense.

The valuation techniques utilized for establishing the fair values of assets and liabilities are based on observable and unobservable inputs. Observable inputs reflect readily obtainable data from independent sources, while unobservable inputs reflect management's market assumptions. The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value, as follows:

Level 1 Inputs — Quoted prices for identical instruments in active markets.

Level 2 Inputs — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 Inputs — Instruments with primarily unobservable value drivers.

The following tables present our assets and liabilities that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy.

<i>(In thousands)</i>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at August 31, 2025
Available-for-sale debt securities:				
U.S. Treasury and other government	\$ -	\$ 24,597	\$ -	\$ 24,597
Corporate bonds	-	125	-	125
Total available-for-sale debt securities	-	24,722	-	24,722
Marketable equity securities:				
Stocks – foreign	1,208	-	-	1,208
Stocks – domestic	9,482	-	-	9,482
Mutual funds – foreign	-	41,628	-	41,628
Mutual funds – domestic	-	96,380	-	96,380
Total marketable equity securities	10,690	138,008	-	148,698
Contingent consideration	-	-	(17,506)	(17,506)
Total	\$ 10,690	\$ 162,730	\$ (17,506)	\$ 155,914

<i>(In thousands)</i>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at May 31, 2025
Available-for-sale debt securities:				
U.S. Treasury and other government	\$ -	\$ 24,200	\$ -	\$ 24,200
Corporate bonds	-	123	-	123
Total available-for-sale debt securities	-	24,323	-	24,323
Marketable equity securities:				
Stocks – foreign	1,265	-	-	1,265
Stocks – domestic	8,642	-	-	8,642
Mutual funds – foreign	-	38,943	-	38,943
Mutual funds – domestic	-	86,569	-	86,569
Total marketable equity securities	9,907	125,512	-	135,419
Contingent consideration	-	-	(17,252)	(17,252)
Total	\$ 9,907	\$ 149,835	\$ (17,252)	\$ 142,490

Our investments in available-for-sale debt securities and marketable equity securities are valued using a market approach. The availability of inputs observable in the market varies from instrument to instrument and depends on a variety of factors, including the type of instrument, whether the instrument is actively traded and other characteristics particular to the transaction. For most of our financial instruments, pricing inputs are readily observable in the market, the valuation methodology used is widely accepted by market participants, and the valuation does not require significant management discretion. For other financial instruments, pricing inputs are less observable in the market and may require management judgment.

The contingent consideration represents the estimated fair value of the additional variable cash consideration payable in connection with recent acquisitions that is contingent upon the achievement of certain performance milestones. We estimated the fair value using expected future cash flows over the period in which the obligation is expected to be settled which is considered to be a Level 3 input. In the Consolidated Statements of Cash Flows, payments of acquisition-related contingent consideration for the amount recognized at fair value as of the acquisition date are reported in cash flows from financing activities, while payment of contingent consideration in excess of fair value as of the acquisition date, are reported in cash flows from operating activities within accrued liabilities.

The carrying value of our current financial instruments, which include cash and cash equivalents, marketable securities, trade accounts receivable, accounts payable and short-term debt approximates fair value because of the short-term maturity of these financial instruments. At August 31, 2025 and May 31, 2025, the fair value of our long-term debt was estimated using active market quotes, based on our current incremental borrowing rates for similar types of borrowing arrangements, which are Level 2 inputs. Based on the analysis performed, the fair value and the carrying value of our long-term debt as of August 31, 2025 and May 31, 2025, is as follows:

<i>(In thousands)</i>	At August 31, 2025	
	Carrying Value	Fair Value
Long-term debt, including current portion	\$ 2,669,424	\$ 2,571,528

<i>(In thousands)</i>	At May 31, 2025	
	Carrying Value	Fair Value
Long-term debt, including current portion	\$ 2,646,613	\$ 2,523,202

NOTE 6 — INVESTMENT (INCOME), NET

Investment (income), net, consists of the following components:

<i>(In thousands)</i>	Three Months Ended	
	August 31, 2025	August 31, 2024
Interest (income)	\$ (3,760)	\$ (3,983)
Net (gain) on marketable securities	(8,673)	(5,971)
Dividend (income)	(971)	(1,072)
Investment (income), net	\$ (13,404)	\$ (11,026)

Net (Gain) on Marketable Securities

<i>(In thousands)</i>	Three Months Ended	
	August 31, 2025	August 31, 2024
Unrealized (gains) on marketable equity securities	\$ (8,586)	\$ (5,778)
Realized (gains) on marketable equity securities	(97)	(195)
Realized losses on available-for-sale debt securities	10	2
Net (gain) on marketable securities	\$ (8,673)	\$ (5,971)

NOTE 7 — OTHER (INCOME), NET

Other (income), net, consists of the following components:

<i>(In thousands)</i>	Three Months Ended	
	August 31, 2025	August 31, 2024
Pension non-service (credits)	\$ (2,539)	\$ (27)
Other	(562)	(507)
Other (income), net	\$ (3,101)	\$ (534)

NOTE 8 — INCOME TAXES

The effective income tax rate of 23.6% for the three months ended August 31, 2025, compares to the effective income tax rate of 21.3% for the three months ended August 31, 2024.

The effective income tax rates for both periods reflect variances from the 21% statutory rate due to the unfavorable impact of state and local income taxes, non-deductible business expenses, and the net tax on foreign subsidiary income resulting from the global intangible low-taxed income provisions, partially offset by tax benefits related to equity compensation and foreign tax credits.

Additionally, the effective tax rate for the three-month period ended August 31, 2024, also reflects a favorable adjustment for incremental U.S. foreign tax credits associated with a distribution of historic foreign earnings that were previously not considered to be permanently reinvested. The distribution of such earnings was done in conjunction with the execution of global cash redeployment and debt optimization projects.

As of May 31, 2025, we had approximately \$164.7 million of unremitted foreign earnings not considered permanently reinvested. As of August 31, 2025, the amount of these earnings has changed to \$169.6 million. There is no deferred tax liability associated with these earnings. We have not provided for foreign withholding or income taxes on the remaining foreign subsidiaries' undistributed earnings because such earnings have been retained and reinvested by the subsidiaries as of August 31, 2025. Accordingly, no provision was made for foreign withholding or income taxes, which may become payable if the remaining undistributed earnings of foreign subsidiaries were remitted to us as dividends.

The Organization for Economic Co-operation and Development ("OECD") proposed a framework comprised of rules and models, collectively referred to as Pillar Two ("P2"), that are designed to ensure that certain multi-national enterprises pay a minimum tax rate of 15% on reported profits arising in each jurisdiction where they operate. Although the OECD provided a framework for applying the minimum tax, individual countries have and may continue to enact P2 rules that are different than the OECD framework. While we continue to monitor P2 developments in individual countries, there have been no current year enactments to date that we anticipate will have a material impact on our Consolidated Financial Statements.

On July 4, 2025, the One Big Beautiful Bill Act (the "Act") was enacted in the U.S. The Act includes significant changes to corporate income tax provisions. Certain changes include immediate expensing for most business assets acquired, including nonresidential U.S. real property, and a temporary suspension of the requirement to capitalize and amortize R&D expenditures. The Act also includes certain changes to international tax provisions. We continue to evaluate the impacts of the Act and its impact on our Consolidated Financial Statements.

NOTE 9 — INVENTORIES

Inventories, net of reserves, were composed of the following major classes:

<i>(In thousands)</i>	August 31, 2025		May 31, 2025	
Raw material and supplies	\$	405,202	\$	387,785
Finished goods		662,981		648,690
Total Inventory, Net of Reserves	\$	1,068,183	\$	1,036,475

NOTE 10 — STOCK REPURCHASE PROGRAM

On January 8, 2008, we announced our authorization of a stock repurchase program under which we may repurchase shares of RPM International Inc. common stock at management's discretion. As announced on November 28, 2018, our goal was to return \$1.0 billion in capital to stockholders by May 31, 2021 through share repurchases and the retirement of our convertible note during fiscal 2019. On April 16, 2019, after taking into account share repurchases under our existing stock repurchase program to date, our Board of Directors authorized the repurchase of the remaining \$600.0 million in value of RPM International Inc. common stock by May 31, 2021.

In January 2021, when our Board of Directors authorized the resumption of stock repurchases under the program after briefly suspending them at the beginning of the Covid pandemic, \$469.7 million of shares of common stock remained available for repurchase. At that time, the Board of Directors also extended the stock repurchase program beyond its original May 31, 2021, expiration date until such time that the remaining \$469.7 million of capital has been returned to our stockholders.

As a result, we may repurchase shares from time to time in the open market or in private transactions at various times and in amounts and for prices that our management deems appropriate, subject to insider trading rules and other securities law restrictions. The timing of our purchases will depend upon prevailing market conditions, alternative uses of capital and other factors. We may limit or terminate the repurchase program at any time.

During the three months ended August 31, 2025, we repurchased 146,191 shares of our common stock at a cost of approximately \$17.5 million, or an average of \$119.70 per share, under this program. During the three months ended August 31, 2024, we repurchased 152,146 shares of our common stock at a cost of approximately \$17.5 million, or an average of \$115.02 per share, under this program. The maximum dollar amount that may yet be repurchased under our stock repurchase program was approximately \$174.8 million at August 31, 2025.

NOTE 11 — ACCUMULATED OTHER COMPREHENSIVE (LOSS)

Accumulated other comprehensive (loss) consists of the following components:

	Foreign Currency Translation Adjustments	Pension And Other Postretirement Benefit Liability Adjustments	Unrealized Gain (Loss) On Derivatives	Unrealized Gain (Loss) On Securities	Total
Three Months Ended August 31, 2025					
<i>(In thousands)</i>					
Balance at June 1, 2025	\$ (470,851)	\$ (72,661)	\$ 11,405	\$ (1,524)	\$ (533,631)
Current period comprehensive income	19,615	-	-	254	19,869
Income taxes associated with the current period	(133)	-	-	(18)	(151)
Amounts reclassified from accumulated other comprehensive income (loss)	-	1,409	-	(14)	1,395
Income taxes reclassified into earnings	-	(316)	-	2	(314)
Balance at August 31, 2025	\$ (451,369)	\$ (71,568)	\$ 11,405	\$ (1,300)	\$ (512,832)

	Foreign Currency Translation Adjustments	Pension And Other Postretirement Benefit Liability Adjustments	Unrealized Gain (Loss) On Derivatives	Unrealized Gain (Loss) On Securities	Total
Three Months Ended August 31, 2024					
<i>(In thousands)</i>					
Balance at June 1, 2024	\$ (461,847)	\$ (84,647)	\$ 11,405	\$ (2,201)	\$ (537,290)
Current period comprehensive (loss) income	(1,279)	(1,521)	-	684	(2,116)
Income taxes associated with the current period	(422)	-	-	(43)	(465)
Amounts reclassified from accumulated other comprehensive income (loss)	-	1,766	-	(9)	1,757
Income taxes reclassified into earnings	(2,090)	(387)	-	1	(2,476)
Balance at August 31, 2024	\$ (465,638)	\$ (84,789)	\$ 11,405	\$ (1,568)	\$ (540,590)

NOTE 12 — EARNINGS PER SHARE

The following table sets forth the reconciliation of the numerator and denominator of basic and diluted earnings per share ("EPS") for the three-month periods ended August 31, 2025 and 2024.

	Three Months Ended	
	August 31, 2025	August 31, 2024
<i>(In thousands, except per share amounts)</i>		
Numerator for earnings per share:		
Net income attributable to RPM International Inc. stockholders	\$ 227,605	\$ 227,692
Less: Allocation of earnings and dividends to participating securities	(885)	(893)
Net income available to common shareholders - basic	226,720	226,799
Add: Undistributed earnings reallocated to unvested shareholders	3	4
Net income available to common shareholders - diluted	\$ 226,723	\$ 226,803
Denominator for basic and diluted earnings per share:		
Basic weighted average common shares	127,283	127,691
Average diluted options and awards	667	729
Total shares for diluted earnings per share (1)	127,950	128,420
Earnings Per Share of Common Stock Attributable to RPM International Inc. Stockholders:		
Basic Earnings Per Share of Common Stock	\$ 1.78	\$ 1.78
Method used to calculate basic earnings per share	Two-class	Two-class
Diluted Earnings Per Share of Common Stock	\$ 1.77	\$ 1.77
Method used to calculate diluted earnings per share	Two-class	Two-class

- (1) The dilutive effect of performance-based restricted stock units is included when they have met minimum performance thresholds. The dilutive effect of SARs includes all outstanding awards except awards that are considered antidilutive. SARs are antidilutive when the exercise price exceeds the average market price of the Company's common shares during the periods presented. For the three months ended August 31, 2025 and 2024, approximately 400,000 and 180,000 shares of stock, respectively, granted under stock-based compensation plans were excluded from the calculation of diluted EPS, as the effect would have been anti-dilutive.

NOTE 13 — PENSION PLANS

We offer defined benefit pension plans, defined contribution pension plans, and various postretirement benefit plans. The following tables provide the retirement-related benefit plans' impact on income before income taxes for the three-month periods ended August 31, 2025 and 2024:

	U.S. Plans		Non-U.S. Plans	
	Three Months Ended		Three Months Ended	
	August 31, 2025	August 31, 2024	August 31, 2025	August 31, 2024
<i>(In thousands)</i>				
Pension Benefits				
Service cost	\$ 10,863	\$ 10,804	\$ 1,467	\$ 1,120
Interest cost	9,484	9,795	2,028	1,963
Expected return on plan assets	(13,326)	(12,017)	(2,506)	(2,376)
Amortization of:				
Prior service cost (credit)	1	1	(25)	(32)
Net actuarial losses recognized	1,448	2,153	323	294
Net Periodic Benefit Cost	\$ 8,470	\$ 10,736	\$ 1,287	\$ 969

	U.S. Plans		Non-U.S. Plans	
	Three Months Ended		Three Months Ended	
	August 31, 2025	August 31, 2024	August 31, 2025	August 31, 2024
<i>(In thousands)</i>				
Postretirement Benefits				
Service cost	\$ -	\$ -	\$ 234	\$ 425
Interest cost	12	21	272	318
Amortization of:				
Net actuarial losses (gains) recognized	9	(6)	(256)	(140)
Net Periodic Benefit Cost	\$ 21	\$ 15	\$ 250	\$ 603

Net periodic pension cost for fiscal 2026 is less than our fiscal 2025 cost due to an increase in discount rates, an increase in the market value of assets, an increase in expected return on plan assets and a reduction in the amortization of the net actuarial loss to be recognized. We expect that pension expense will fluctuate on a year-to-year basis, depending upon the investment performance of plan assets and potential changes in interest rates, and these fluctuations may have a material impact on our consolidated financial results in the future. We previously disclosed in our financial statements for the fiscal year ended May 31, 2025, that we are required and expect to contribute approximately \$6.1 million to plans outside the U.S. during the current fiscal year and we will evaluate whether to make additional contributions to plans in the U.S. and outside the U.S. throughout fiscal 2026.

NOTE 14 — CONTINGENCIES AND ACCRUED LOSSES

Product Liability Matters

We provide, through our wholly-owned insurance subsidiaries, certain insurance coverage, primarily product liability coverage, to our other subsidiaries. Excess coverage is provided by third-party insurers. Our product liability accruals provide for these potential losses as well as other uninsured claims. Product liability accruals are established based upon actuarial calculations of potential liability using industry experience, actual historical experience and actuarial assumptions developed for similar types of product liability claims, including development factors and lag times. To the extent there is a reasonable possibility that potential losses could exceed the amounts already accrued, we believe that the amount of any such additional loss would be immaterial to our results of operations, liquidity and consolidated financial position.

Warranty Matters

We also offer warranties on many of our products, as well as long-term warranty programs at certain of our businesses, and have established product warranty liabilities. We review these liabilities for adequacy on a quarterly basis and adjust them as necessary. The primary factors that could affect these liabilities may include changes in performance rates as well as costs of replacement. Provision for estimated warranty costs is recorded at the time of sale and periodically adjusted, as required, to reflect actual experience. It is probable that we will incur future losses related to warranty claims we have received but that have not been fully investigated and related to claims not yet received. While our warranty liabilities represent our best estimates at August 31, 2025, we can provide no assurances that we will not experience material claims in the future or that we will not incur significant costs to resolve such claims beyond the amounts accrued or beyond what we may recover from our suppliers. Based upon the nature of the expense, product warranty expense is recorded as a component of cost of sales or within SG&A.

Also, due to the nature of our businesses, the amount of claims paid can fluctuate from one period to the next. While our warranty liabilities represent our best estimates of our expected losses at any given time, from time-to-time we may revise our estimates based on our experience relating to factors such as weather conditions, specific circumstances surrounding product installations and other factors.

The following table includes the changes in our accrued warranty balances:

	Three Months Ended	
	August 31, 2025	August 31, 2024
<i>(In thousands)</i>		
Beginning Balance	\$ 14,028	\$ 11,621
Deductions (1)	(10,605)	(6,143)
Provision charged to expense	10,350	5,712
Ending Balance	\$ 13,773	\$ 11,190

(1) Primarily claims paid during the period.

Environmental Matters

Like other companies participating in similar lines of business, some of our subsidiaries are involved in environmental remediation matters. It is our policy to accrue remediation costs when the liability is probable and the costs are reasonably estimable, which generally is not later than at completion of a feasibility study or when we have committed to an appropriate plan of action. We also take into consideration the estimated period of time over which payments may be required. The liabilities are reviewed periodically and, as investigation and remediation activities continue, adjustments are made as necessary. Liabilities for losses from environmental remediation obligations do not consider the effects of inflation and anticipated expenditures are not discounted to their present value. The liabilities are not offset by possible recoveries from insurance carriers or other third parties but do reflect anticipated allocations among potentially responsible parties at federal superfund sites or similar state-managed sites, third-party indemnity obligations, and an assessment of the likelihood that such parties will fulfill their obligations at such sites.

On December 19, 2024, a subsidiary in our Consumer segment received informal notification from the EPA of the EPA's intent to issue a civil penalty for alleged violation of the Toxic Substances Control Act Section 6 regulatory standard related to 2021 sales of a consumer product allegedly containing a regulated substance. The EPA provided an initial proposed penalty calculation on January 14, 2025, which totaled approximately \$6.2 million. During the first quarter of fiscal 2026, the EPA provided a revised proposed penalty calculation, which totaled approximately \$1.4 million. We are disputing this revised proposed penalty and believe that it is unwarranted under the circumstances. Based on information currently known, we are not able to estimate the outcome of this matter or a possible range of loss, if any.

Other Contingencies

One of our former subsidiaries has been the subject of a proceeding in which one of its former distributors brought suit against the subsidiary for breach of contract. Following a June 2017 trial, a jury determined that the distributor was not entitled to any damages on the distributor's claims. On appeal, the Ninth Circuit Court of Appeals ordered a new trial with respect to certain issues. On December 10, 2021, a new jury awarded \$6.0 million in damages to the distributor. Per the parties' contracts, the distributor was also entitled to seek recovery of some portion of its attorneys' fees and costs. On November 15, 2023, the U.S. District Court for the Eastern District of California issued an order awarding the distributor approximately \$4.4 million in connection with attorney's fees and costs the distributor allegedly incurred throughout the duration of this legal action. On December 27, 2023, we paid the \$6.0 million judgment. We appealed the District Court's order awarding attorneys' fees and costs to the distributor to the Ninth Circuit Court of Appeals. On January 21, 2025, the Ninth Circuit reversed in part and affirmed in part the District Court's order awarding attorneys' fees and costs. As a result, we paid the distributor \$4.6 million. On April 17, 2025, at a Court-ordered settlement conference, we agreed to pay the distributor \$4.5 million to resolve all remaining claims, known or unknown, between the parties. As a result of this settlement, we increased our accrual to \$4.5 million as of May 31, 2025. We paid the \$4.5 million settlement during the first quarter of fiscal 2026.

One of our subsidiaries in our Consumer reportable segment has been the subject of a lawsuit filed in the United States District Court for the District of Oregon in which a former supplier of that subsidiary alleged that the subsidiary breached certain contractual obligations, misappropriated trade secrets, and committed fraud in connection with an Exclusive Sales Agreement and a Mutual Settlement Agreement and Release executed in November 2015 and 2017, respectively. Our subsidiary denied, and continues to deny, these allegations.

A jury trial commenced in this matter on September 17, 2024. On September 27, 2024, the jury rendered a verdict against our subsidiary for \$190.0 million, consisting of both compensatory and punitive damages. We filed an objection to the former supplier's proposed form of judgment seeking a reduction or elimination of certain damages included in the jury's verdict. On January 28, 2025, the District Court reduced the compensatory and punitive damages award by \$79.2 million. On February 28, 2025, the District Court entered judgment in the amount of \$110.8 million, consisting of both compensatory and punitive damages, plus prejudgment interest applicable to the compensatory damages in the amount of 9.0% per annum beginning on August 1, 2018. Further, on July 15, 2025, the District Court awarded the former supplier approximately \$2.3 million in attorneys' fees and expenses. We believe that the jury verdict, as well as the District Court's judgment and award are not supported by the facts of the case or applicable law, are the result of significant trial error, and there are strong grounds for appeal. We vigorously challenged the verdict and judgment through appropriate post-trial motions and will continue to challenge them and the award through the appellate process.

As a result, we believe that the likelihood that the amount of the judgment will be affirmed is not probable. We currently estimate a range of possible outcomes between approximately \$0.5 million and \$152.3 million, which is inclusive of the prejudgment interest awarded (but exclusive of any accruing postjudgment interest), and we accrued a liability as of August 31, 2024, at the low end of the range, as no amount within the range is a better estimate than any other amount. This amount is reflected in accrued losses in our Consolidated Financial Statements as of and for the periods ending May 31, 2025 and August 31, 2025. We incurred SG&A expense related to this matter of \$0.5 million during the first quarter of fiscal 2025. We did not incur any SG&A expense related to this matter during the first quarter of fiscal 2026. The ultimate loss to the Company with respect to the litigation matter could be materially different from the amount the Company has accrued. The Company cannot predict or estimate the duration or ultimate outcome of this matter.

NOTE 15 — SUPPLY CHAIN FINANCING

We offer a supplier finance program with a financial institution, in which suppliers may elect to receive early payment from the financial institution on invoices issued to RPM. The financial institution enters into separate arrangements with suppliers directly to participate in the program. We do not determine the terms or conditions of such arrangements or participate in the transactions between the suppliers and the financial institution. There are no assets pledged by RPM under the supplier finance program. Our responsibility is limited to making payments to the financial institution based on payment terms originally negotiated with the suppliers, regardless of whether the financial institution pays the supplier in advance of the original due date. The range of payment terms RPM negotiates with suppliers are consistent, regardless of whether a supplier participates in the supply chain finance program. RPM or the financial institution may terminate participation in the program upon at least 30 days' notice.

The total amount due to the financial institution to settle supplier invoices under the supply chain finance program was \$47.6 million and \$39.0 million as of August 31, 2025 and May 31, 2025, respectively. These amounts are included within accounts payable on the Consolidated Balance Sheets.

NOTE 16 — REVENUE

We operate a portfolio of businesses that manufacture and sell a variety of product lines that include specialty paints, protective coatings, roofing systems, sealants and adhesives, among other things. We disaggregate revenues from the sales of our products and services based upon geographical location by each of our reportable segments, which are aligned by similar economic factors, trends and customers, which best depict the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. See Note 17, "Segment Information," to the Consolidated Financial Statements for further details regarding our disaggregated revenues, as well as a description of each of the unique revenue streams related to each of our four reportable segments.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. The majority of our revenue is recognized at a point in time. However, we also record revenues generated under construction contracts, mainly in connection with the installation of specialized roofing and flooring systems and related services. For certain polymer flooring installation projects, we account for our revenue using the output method, as we consider square footage of completed flooring to be the best measure of progress toward the complete satisfaction of the performance obligation. In contrast, for certain of our roofing installation projects, we account for our revenue using the input method, as that method is the best measure of performance as it considers costs incurred in relation to total expected project costs, which essentially represents the transfer of control for roofing systems to the customer. In general, for our construction contracts, we record contract revenues and related costs as our contracts progress on an over-time model.

We have elected to apply the practical expedient to recognize revenue net of allowances for returns and any taxes collected from customers, which are subsequently remitted to governmental authorities. Payment terms and conditions vary by contract type, although our customers' payment terms generally include a requirement to pay within 30 to 60 days of fulfilling our performance obligations. In instances where the timing of revenue recognition differs from the timing of invoicing, we have determined that our contracts generally do not include a significant financing component. We have elected to apply the practical expedient to treat all shipping and handling costs as fulfillment costs, as a significant portion of these costs are incurred prior to control transfer.

Significant Judgments

Our contracts with customers may include promises to transfer multiple products and/or services to a customer. Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment. For example, judgment is required to determine whether products sold in connection with the sale of installation services are considered distinct and accounted for separately, or not distinct and accounted for together with installation services and recognized over time.

We provide customer rebate programs and incentive offerings, including special pricing and co-operative advertising arrangements, promotions and other volume-based incentives. These customer programs and incentives are considered variable consideration and recognized as a reduction of net sales. Up-front consideration provided to customers is capitalized as a component of other assets and amortized over the estimated life of the contractual arrangement. We include in revenue variable consideration only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the variable consideration is resolved. In general, this determination is made based upon known customer program and incentive offerings at the time of sale and expected sales volume forecasts as it relates to our volume-based incentives. This determination is updated each reporting period. Certain of our contracts include contingent consideration that is receivable only upon the final inspection and acceptance of a project. We include estimates of such variable consideration in our transaction price. Based on historical experience, we consider the probability-based expected value method appropriate to estimate the amount of such variable consideration.

Our products are generally sold with a right of return, and we may provide other credits or incentives, which are accounted for as variable consideration when estimating the amount of revenue to recognize. Returns and credits are estimated at contract inception and updated at the end of each reporting period as additional information becomes available. We record a right of return liability to accrue for expected customer returns. Historical actual returns are used to estimate future returns as a percentage of current sales. Obligations for returns and refunds were not material individually or in the aggregate.

We offer assurance type warranties on our products as well as separately sold warranty contracts. Revenue related to warranty contracts that are sold separately is recognized over the life of the warranty term. Warranty liabilities for our assurance type warranties are discussed further in Note 14, "Contingencies and Accrued Losses," to the Consolidated Financial Statements.

Contract Balances

Timing of revenue recognition may differ from the timing of invoicing customers. Our contract assets are recorded for products and services that have been provided to our customer but have not yet been billed and are included in prepaid expenses and other current assets in our Consolidated Balance Sheets. Our short-term contract liabilities consist of advance payments, or deferred revenue, and are included in other accrued liabilities in our Consolidated Balance Sheets.

Trade accounts receivable, net of allowances, and net contract assets consisted of the following:

<i>(In thousands, except percentages)</i>	August 31, 2025	May 31, 2025	\$ Change	% Change
Trade accounts receivable, less allowances	\$ 1,472,993	\$ 1,509,109	\$ (36,116)	(2.4%)
Contract assets	\$ 99,825	\$ 72,949	\$ 26,876	36.8%
Contract liabilities - short-term	(61,354)	(56,634)	(4,720)	8.3%
Net Contract Assets	\$ 38,471	\$ 16,315	\$ 22,156	

The \$22.2 million increase in our net contract assets from May 31, 2025 to August 31, 2025, resulted primarily due to the timing of construction jobs in progress at August 31, 2025, versus May 31, 2025. During the three-month periods ending August 31, 2025 and 2024, we recognized \$26.2 million and \$22.6 million of revenue, which was included in contract liabilities as of May 31, 2025 and 2024, respectively.

We also record long-term deferred revenue, which amounted to \$85.9 million and \$85.6 million as of August 31, 2025 and May 31, 2025, respectively. The long-term portion of deferred revenue is related to warranty contracts and is included in other long-term liabilities in our Consolidated Balance Sheets.

We have elected to adopt the practical expedient to not disclose the aggregate amount of transaction price allocated to performance obligations that are unsatisfied as of the end of the reporting period for performance obligations that are part of a contract with an original expected duration of one year or less.

We recognize an asset for the incremental costs of obtaining a contract with a customer if we expect the benefit of those costs to be longer than one year. As our contract terms are primarily one year or less in duration, we have elected to apply a practical expedient to expense costs as incurred for costs to obtain a contract with a customer when the amortization period would have been one year or less. These costs include our internal sales force compensation program and certain incentive programs as we have determined annual compensation is commensurate with annual sales activities.

Allowance for Credit Losses

Our primary allowance for credit losses is the allowance for doubtful accounts. The allowance for doubtful accounts reduces the trade accounts receivable balance to the estimated net realizable value equal to the amount that is expected to be collected. The allowance was based on assessments of current creditworthiness of customers, historical collection experience, the aging of receivables and other currently available evidence. Trade accounts receivable balances are written-off against the allowance if a final determination of uncollectibility is made. All provisions for allowances for doubtful collection of accounts are included in SG&A expenses.

The following tables summarize the activity for the allowance for credit losses:

<i>(In thousands)</i>	Three Months Ended	
	August 31, 2025	August 31, 2024
Beginning Balance	\$ 42,844	\$ 48,763
Bad debt provision	1,394	947
Uncollectible accounts written off, net of recoveries	(2,048)	(786)
Translation adjustments	316	182
Ending Balance	\$ 42,506	\$ 49,106

NOTE 17 — SEGMENT INFORMATION

Effective June 1, 2025, we realigned certain businesses and management structures to recognize how we allocate resources and analyze the operating performance of our operating segments. As such, we will begin reporting under three reportable segments instead of our four previous reportable segments. Our three reportable segments will now be: CPG, PCG and Consumer. In connection with this realignment, we transferred our Legend Brands reporting unit from SPG to CPG, our Industrial Coatings Group and Food Group reporting units from SPG to PCG, and our Color Group reporting unit from SPG to Consumer. This realignment changed our reportable segments beginning with our first quarter of fiscal 2026. As a result, historical segment results have been recast to reflect the impact of this change.

We operate a portfolio of businesses and product lines that manufacture and sell a variety of specialty paints, protective coatings, roofing systems, flooring solutions, sealants, cleaners and adhesives, among other things. We manage our portfolio by organizing our businesses and product lines into three reportable segments as outlined below, which are comprised from our four operating segments. We have aggregated our Legend Brands and CPG operating segments into our CPG reportable segment, because they are economically similar and meet the other aggregation criteria for determining reportable segments. Within each operating segment, we manage product lines and businesses which generally address common markets, share similar economic characteristics, utilize similar technologies and can share manufacturing or distribution capabilities. Our four operating segments are each managed by an operating segment manager, who is responsible for the day-to-day operating decisions and performance evaluation of the operating segment's underlying businesses. These four operating segments represent components of our business for which separate financial information is available that is utilized on a regular basis by our Chief Operating Decision Maker ("CODM"), who is our Chairman, President and Chief Executive Officer. Our CODM evaluates the profit performance of our segments and allocates resources primarily based on income before income taxes, but also looks to EBIT, or adjusted EBIT, because interest (income) expense, net is essentially related to corporate functions, as opposed to segment operations. Our CODM utilizes these performance metrics in determining how to allocate the assets of the company, evaluate performance in periodic reviews, and during the annual budget and forecasting process.

Our CPG reportable segment products and services are sold throughout North America and also account for a significant portion of our international sales. Our construction product lines are sold directly to manufacturers, contractors, distributors and end-users, including industrial manufacturing facilities, concrete and cement producers, public institutions and other commercial customers. Products and services within this reportable segment include construction sealants and adhesives, coatings and chemicals, roofing systems, roofing installation, HVAC and roofing restoration, concrete admixture and repair products, building envelope solutions, parking decks, insulated cladding, firestopping, flooring systems, weatherproofing solutions and restoration services equipment.

Our PCG reportable segment products and services are sold throughout North America, as well as internationally, and are sold directly to contractors, distributors and end-users, such as industrial manufacturing facilities, public institutions and other commercial customers. Products and services within this reportable segment include high-performance flooring solutions, corrosion control and fireproofing coatings, infrastructure repair systems and fiberglass reinforced plastic structures, factory applied industrial coatings, preservation products, edible coatings and specialty glazes for pharmaceutical and food industries.

Our Consumer reportable segment manufactures and markets professional use and do-it-yourself products for a variety of mainly residential applications, including home improvement and personal leisure activities. Our Consumer reportable segment's major manufacturing and distribution operations are located primarily in North America, along with a few locations in Europe and Latin America. Our Consumer reportable segment products are primarily sold directly to mass merchandisers, home improvement centers, hardware stores, paint stores, craft shops and through distributors. The Consumer reportable segment offers products that include specialty, hobby and professional paints; caulks; adhesives; cleaners; sandpaper and other abrasives; silicone sealants; wood stains and colorants.

In addition to our three reportable segments, there is a category of certain business activities and expenses, referred to as corporate/other, that does not constitute an operating segment. This category includes our corporate headquarters and related administrative expenses, results of our captive insurance companies, gains or losses on the sales of certain assets and other expenses not directly associated with any reportable segment. These corporate and other expenses reconcile reportable segment data to total consolidated income before income taxes.

We reflect income from our joint ventures on the equity method and receive royalties from our licensees.

The following tables present the results of our reportable segments consistent with our management philosophy, by representing the information we utilize, in conjunction with various strategic, operational and other financial performance criteria, in evaluating the performance of our portfolio of businesses, and a disaggregation of revenues by geography. We do not report identifiable assets by segment as this is not a metric used by our CODM to allocate resources or evaluate segment performance.

Three Months Ended August 31, 2025	CPG Segment	PCG Segment	Consumer Segment	Total
<i>(In thousands)</i>				
Net Sales	\$ 881,446	\$ 538,478	\$ 693,819	\$ 2,113,743
Less:				
Cost of Sales	499,910	299,577	421,081	
Selling, General and Administrative Expenses	215,400	153,428	161,406	
Other Segment Items (1)	2,760	2,794	2,571	
Income Before Income Taxes	\$ 163,376	\$ 82,679	\$ 108,761	\$ 354,816
Less: Corporate/Other Expense				56,769
Consolidated Income Before Income Taxes				\$ 298,047

Three Months Ended August 31, 2024	CPG Segment	PCG Segment	Consumer Segment	Total
<i>(In thousands)</i>				
Net Sales	\$ 828,006	\$ 489,960	\$ 650,823	\$ 1,968,789
Less:				
Cost of Sales	472,263	267,847	392,006	
Selling, General and Administrative Expenses	193,157	145,304	146,618	
Other Segment Items (1)	1,491	(310)	5,770	
Income Before Income Taxes	\$ 161,095	\$ 77,119	\$ 106,429	\$ 344,643
Less: Corporate/Other Expense				54,192
Consolidated Income Before Income Taxes				\$ 290,451

(1) Other Segment Items includes Restructuring Expense, Interest Expense, Investment (Income), Net and Other (Income), Net.

Three Months Ended August 31, 2025	CPG Segment	PCG Segment	Consumer Segment	Consolidated
<i>(In thousands)</i>				
Net Sales (based on shipping location) (2)				
United States	\$ 620,258	\$ 353,945	\$ 538,012	\$ 1,512,215
Foreign				
Canada	82,470	23,502	42,844	148,816
Europe	122,631	87,830	101,901	312,362
Latin America	56,087	8,970	5,859	70,916
Asia Pacific	-	34,224	5,203	39,427
Other Foreign	-	30,007	-	30,007
Total Foreign	261,188	184,533	155,807	601,528
Total	\$ 881,446	\$ 538,478	\$ 693,819	\$ 2,113,743

Three Months Ended August 31, 2024	CPG Segment	PCG Segment	Consumer Segment	Consolidated
<i>(In thousands)</i>				
Net Sales (based on shipping location) (2)				
United States	\$ 572,160	\$ 324,076	\$ 525,251	\$ 1,421,487
Foreign				
Canada	75,330	25,720	46,144	147,194
Europe	121,938	68,198	68,636	258,772
Latin America	58,578	9,931	5,949	74,458
Asia Pacific	-	34,546	4,843	39,389
Other Foreign	-	27,489	-	27,489
Total Foreign	255,846	165,884	125,572	547,302
Total	\$ 828,006	\$ 489,960	\$ 650,823	\$ 1,968,789

(2) It is not practicable to obtain the information needed to disclose revenues attributable to each of our product lines.

ITEM 2. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our financial statements include all of our majority-owned and controlled subsidiaries. Investments in less-than-majority-owned joint ventures over which we have the ability to exercise significant influence are accounted for under the equity method. Preparation of our financial statements requires the use of estimates and assumptions that affect the reported amounts of our assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We continually evaluate these estimates, including those related to our allowances for doubtful accounts; reserves for excess and obsolete inventories; allowances for recoverable sales and/or value-added taxes; uncertain tax positions; useful lives of property, plant and equipment; goodwill and other intangible assets; environmental, warranties and other contingent liabilities; income tax valuation allowances; pension plans; and the fair value of financial instruments. We base our estimates on historical experience, our most recent facts, and other assumptions that we believe to be reasonable under the circumstances. These estimates form the basis for making judgments about the carrying values of our assets and liabilities. Actual results, which are shaped by actual market conditions, may differ materially from our estimates.

A comprehensive discussion of the accounting policies and estimates that are the most critical to our financial statements are set forth in our Annual Report on Form 10-K for the year ended May 31, 2025.

BUSINESS SEGMENT INFORMATION

Effective June 1, 2025, we realigned certain businesses and management structures to recognize how we allocate resources and analyze the operating performance of our operating segments. As such, we will begin reporting under three reportable segments instead of our four previous reportable segments. Our three reportable segments will now be: CPG, PCG and Consumer. This realignment changed our reportable segments beginning with our first quarter of fiscal 2026. As a result, historical segment results have been recast to reflect the impact of this change. See Note 17, "Segment Information," to the Consolidated Financial Statements for further detail.

The following tables reflect the results of our reportable segments consistent with our management philosophy, and represent the information we utilize, in conjunction with various strategic, operational and other financial performance criteria, in evaluating the performance of our portfolio of businesses.

	Three Months Ended	
	August 31, 2025	August 31, 2024
<i>(In thousands)</i>		
Net Sales		
CPG Segment	\$ 881,446	\$ 828,006
PCG Segment	538,478	489,960
Consumer Segment	693,819	650,823
Consolidated	\$ 2,113,743	\$ 1,968,789
Income Before Income Taxes (a)		
CPG Segment		
Income Before Income Taxes (a)	\$ 163,376	\$ 161,095
Interest (Expense), Net (b)	(565)	(468)
EBIT (c)	\$ 163,941	\$ 161,563
PCG Segment		
Income Before Income Taxes (a)	\$ 82,679	\$ 77,119
Interest Income, Net (b)	615	608
EBIT (c)	\$ 82,064	\$ 76,511
Consumer Segment		
Income Before Income Taxes (a)	\$ 108,761	\$ 106,429
Interest (Expense), Net (b)	(215)	(477)
EBIT (c)	\$ 108,976	\$ 106,906
Corporate/Other		
(Loss) Before Income Taxes (a)	\$ (56,769)	\$ (54,192)
Interest (Expense), Net (b)	(15,757)	(13,071)
EBIT (c)	\$ (41,012)	\$ (41,121)
Consolidated		
Net Income	\$ 227,840	\$ 228,554
Add: Provision for Income Taxes	70,207	61,897
Income Before Income Taxes (a)	298,047	290,451
Interest (Expense)	(29,326)	(24,434)
Investment Income, Net	13,404	11,026
EBIT (c)	\$ 313,969	\$ 303,859

(a) The presentation includes a reconciliation of Income (Loss) Before Income Taxes, a measure defined by GAAP, to EBIT.

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

(c) EBIT is a non-GAAP measure and is defined as Earnings (Loss) Before Interest and Taxes. 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 Income (Expense), Net is essentially related to corporate functions, as opposed to segment operations. We believe EBIT is useful to investors for this purpose as well, using EBIT 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 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.

RESULTS OF OPERATIONS

Three Months Ended August 31, 2025

Net Sales

(in millions, except percentages)	Three months ended		Total Growth	Organic Growth (Decline) ⁽¹⁾	Acquisition Impact	Foreign Currency Exchange Impact
	August 31, 2025	August 31, 2024				
CPG Segment	\$ 881.4	\$ 828.0	6.5%	5.4%	0.5%	0.6%
PCG Segment	538.5	490.0	9.9%	6.7%	2.5%	0.7%
Consumer Segment	693.8	650.8	6.6%	(2.9%)	9.1%	0.4%
Consolidated	\$ 2,113.7	\$ 1,968.8	7.4%	3.0%	3.8%	0.6%

(1) Organic growth (decline) includes the impact of price and volume.

Our CPG segment generated strong organic sales growth during the first quarter of fiscal 2026. This growth was driven by systems and turnkey roofing solutions serving high-performance buildings and infrastructure projects, partially offset by soft market conditions in Europe and in the disaster restoration business due to reduced storm activity compared to the prior period.

Our PCG segment generated strong organic sales growth during the first quarter of fiscal 2026, driven by broad-based strength including turnkey flooring solutions serving high-performance buildings, protective coatings and specialty OEM coatings. Prior period acquisitions also contributed to the sales increase.

Our Consumer segment experienced organic sales declines in the first quarter of fiscal 2026 due to softness in DIY markets and product rationalization. These organic declines were more than offset by the successful integration of acquisitions.

Gross Profit Margin Our consolidated gross profit margin of 42.3% of net sales for the first quarter of fiscal 2026 compares to a consolidated gross profit margin of 42.5% for the comparable period a year ago. The current quarter gross profit margin decrease of approximately 0.2%, or 20 basis points, resulted primarily from material inflation, unfavorable sales mix and temporary inefficiencies due to MAP 2025 plant consolidations, which was partially offset by improved pricing and our MAP 2025 initiatives, which generated incremental savings in procurement, manufacturing and commercial excellence.

We expect that the inflationary headwinds noted above, inclusive of tariff-related impacts, will be reflected in our results throughout fiscal 2026.

SG&A Our consolidated SG&A expense during the period was \$47.4 million higher versus the same period last year and increased to 27.1% of net sales from 26.7% of net sales for the prior year quarter. These increases were primarily driven by \$18.6 million of additional SG&A from acquisitions, investments in growth initiatives, merit increases, as well as increased healthcare costs, commission expenses, advertising costs and merger and acquisition ("M&A") expenses. This was partially offset by MAP 2025 benefits and decreased professional fees related to our MAP 2025 initiatives.

Our CPG segment SG&A increased approximately \$22.3 million during the first quarter of fiscal 2026 versus the comparable prior year period and increased as a percentage of net sales. The increase was mainly due to merit increases, increased sales compensation for talent attraction and retention and increased warranty expense, partially offset by MAP 2025 savings.

Our PCG segment SG&A was approximately \$8.1 million higher for the first quarter of fiscal 2026 versus the comparable prior year period but decreased as a percentage of net sales. The increase in expense was driven by \$3.4 million of additional SG&A related to an acquisition, merit increases and increased warranty expense, partially offset by MAP 2025 savings.

Our Consumer segment SG&A increased by approximately \$14.8 million during the first quarter of fiscal 2026 versus the same period last year and increased as a percentage of net sales. The quarter-over-quarter increase in SG&A was primarily attributable to \$13.9 million of additional SG&A related to acquisitions, along with increased distribution and advertising costs, partially offset by MAP 2025 savings.

SG&A expenses in our corporate/other category during the first quarter of fiscal 2026 increased approximately \$2.2 million versus last year's first quarter. This was mainly due to increased healthcare costs, compensation costs and M&A expenses, partially offset by decreased professional fees related to our MAP 2025 operational improvement initiatives.

The following table summarizes the retirement-related benefit plans' impact on income before income taxes for the three months ended August 31, 2025 and 2024, as the service cost component has a significant impact on our SG&A expense:

(in millions)	Three months ended		Change
	August 31, 2025	August 31, 2024	
Service cost	\$ 12.5	\$ 12.3	\$ 0.2
Interest cost	11.8	12.1	(0.3)
Expected return on plan assets	(15.8)	(14.4)	(1.4)
Amortization of:			
Net actuarial losses recognized	1.5	2.3	(0.8)
Total Net Periodic Pension & Postretirement Benefit Costs	\$ 10.0	\$ 12.3	\$ (2.3)

We expect that pension expense will fluctuate on a year-to-year basis, depending upon the investment performance of plan assets and potential changes in interest rates, both of which are difficult to predict, but which may have a material impact on our consolidated financial results in the future.

Restructuring Charges

The following table summarizes restructuring charges recorded during the three months ended August 31, 2025 and 2024, related to our MAP 2025 initiative, which was a multi-year restructuring plan designed to improve margins by streamlining business processes, reducing working capital, implementing commercial initiatives to drive improved mix, pricing discipline and salesforce effectiveness and improving operating efficiency:

(in millions)	Three months ended	
	August 31, 2025	August 31, 2024
Severance and benefit costs	\$ 7.1	\$ 6.5
Facility closure and other related costs	1.7	0.7
Total Restructuring Costs	\$ 8.8	\$ 7.2

On May 31, 2025, we formally concluded MAP 2025; however, certain projects identified prior to May 31, 2025, are not yet completed. As a result, we plan to continue recognizing restructuring costs throughout fiscal 2026. We currently expect to incur approximately \$13.9 million of future additional charges as projects related to MAP 2025 are completed.

For further information and details about MAP 2025, see Note 3, "Restructuring," to the Consolidated Financial Statements.

Interest Expense

(in millions, except percentages)	Three months ended	
	August 31, 2025	August 31, 2024
Interest expense	\$ 29.3	\$ 24.4
Average interest rate (a)	4.28%	4.57%

(a) The interest rate decrease was a result of lower market rates on the variable rate borrowings.

(in millions)	Change in interest expense
Acquisition-related borrowings	\$ 8.6
Non-acquisition-related average debt reduction	(1.7)
Change in average interest rate	(2.0)
Total Change in Interest Expense	\$ 4.9

Investment (Income), Net

See Note 6, "Investment (Income), Net," to the Consolidated Financial Statements for details.

Other (Income), Net

See Note 7, "Other (Income), Net," to the Consolidated Financial Statements for details.

Income (Loss) Before Income Taxes (“IBT”)*(in millions, except percentages)*

	Three months ended			
	August 31, 2025	% of net sales	August 31, 2024	% of net sales
CPG Segment	\$ 163.4	18.5%	\$ 161.1	19.5%
PCG Segment	82.7	15.4%	77.1	15.7%
Consumer Segment	108.7	15.7%	106.5	16.4%
Corporate/Other	(56.8)	—	(54.2)	—
Consolidated	\$ 298.0	14.1%	\$ 290.5	14.8%

On a consolidated basis, our results reflect improved sales and volume growth, which leveraged MAP 2025 operational improvements, and the successful integration of acquired businesses, partially offset by raw material inflation, temporary inefficiencies due to MAP 2025 plant consolidations, increased interest expense and increased SG&A as a result of higher healthcare costs, M&A costs, and investments in growth initiatives. Our CPG segment results reflect increased sales and MAP 2025 benefits, partially offset by investments in growth initiatives and temporary inefficiencies due to MAP 2025 plant consolidations. Our PCG segment results reflect earnings contributed by higher sales volumes and MAP 2025 operational improvement initiatives. Our Consumer segment results reflect contributions from acquired businesses and MAP 2025 benefits, which were partially offset by cost inflation, reduced fixed-cost absorption from lower volumes and temporary inefficiencies from plant consolidations and increased marketing expenses. Our corporate/other category results reflect increased healthcare costs, compensation costs, interest expense and M&A costs, partially offset by decreased professional fees related to our MAP 2025 operational improvement initiatives, improved investment returns and reduced pension non-service costs.

Income Tax Rate The effective income tax rate of 23.6% for the three months ended August 31, 2025, compares to the effective income tax rate of 21.3% for the three months ended August 31, 2024. The effective income tax rates for both periods reflect variances from the 21% statutory rate due to the unfavorable impact of state and local income taxes, non-deductible business expenses, and the net tax on foreign subsidiary income resulting from the global intangible low-taxed income provisions, partially offset by tax benefits related to equity compensation and foreign tax credits. Additionally, the effective tax rate for the three-month period August 31, 2024 reflects a favorable adjustment for incremental U.S. foreign tax credits associated with a distribution of historic foreign earnings that were previously not considered to be permanently reinvested. The distribution of such earnings was done in conjunction with the execution of global cash redeployment and debt optimization projects.

Net Income*(in millions, except percentages and per share amounts)*

	Three months ended			
	August 31, 2025	% of net sales	August 31, 2024	% of net sales
Net income	\$ 227.8	10.8%	\$ 228.6	11.6%
Net income attributable to RPM International Inc. stockholders	227.6	10.8%	227.7	11.6%
Diluted earnings per share	1.77		1.77	

LIQUIDITY AND CAPITAL RESOURCES**Fiscal 2026 Compared with Fiscal 2025****Operating Activities**

Approximately \$237.5 million of cash was provided by operating activities during the first three months of fiscal 2026, compared with \$248.1 million of cash provided by operating activities during the same period last year. The net change in cash from operations includes the change in net income, which decreased by \$0.7 million during the first three months of fiscal 2026 versus the same period during fiscal 2025.

During the first three months of fiscal 2026, the change in accounts receivable provided approximately \$28.7 million less cash than the first three months of fiscal 2025. This was primarily due to customer mix and the timing of sales in our Consumer segment. Average days sales outstanding at August 31, 2025, increased to 61.0 days from 60.2 days at August 31, 2024.

During the first three months of fiscal 2026, the change in inventory used approximately \$28.0 million less cash compared to spending during the same period a year ago as a result of improved procurement practices enabled by MAP 2025, partially offset by strategic purchases to mitigate the impact of tariffs. Average days of inventory outstanding at August 31, 2025, increased to 78.2 days from 76.7 days at August 31, 2024.

The change in accounts payable during the first three months of fiscal 2026 used approximately \$44.3 million more cash than during the first three months of fiscal 2025, but still had a favorable impact on cash flow in the current quarter. This is associated with working capital efficiencies enabled by MAP 2025 initiatives, including improved procurement practices. This is in comparison to more pronounced benefits realized in the comparable prior year period when these initiatives were implemented. Average days payables outstanding increased to 91.7 days at August 31, 2025, from 87.3 days at August 31, 2024.

Investing Activities

For the first three months of fiscal 2026, cash used for investing activities increased by \$118.3 million to \$182.4 million as compared to \$64.1 million in the prior year period. This year-over-year increase in cash used for investing activities was driven primarily by a \$109.5 million increase in cash used for business acquisitions.

We paid for capital expenditures of \$62.5 million and \$50.7 million during the first three months of fiscal 2026 and fiscal 2025, respectively. Our capital expenditures facilitate our continued growth, allow us to achieve production and distribution efficiencies, expand capacity, introduce new technology, improve environmental health and safety capabilities, improve information systems, and enhance our administration capabilities. We continue to invest capital spending in growth initiatives and to improve operational efficiencies in fiscal 2026.

Our captive insurance companies invest their excess cash in marketable securities in the ordinary course of conducting their operations, and this activity will continue. Differences in the amounts related to these activities on a year-over-year basis are primarily attributable to differences in the timing and performance of their investments balanced against amounts required to satisfy claims. At August 31, 2025 and May 31, 2025, the fair value of our investments in available-for-sale debt securities and marketable equity securities, which includes captive insurance-related assets, totaled \$173.4 million and \$159.7 million, respectively.

As of August 31, 2025, approximately \$268.0 million of our consolidated cash and cash equivalents were held at various foreign subsidiaries, compared with \$274.9 million at May 31, 2025. Undistributed earnings held at our foreign subsidiaries that are considered permanently reinvested will be used, for instance, to expand operations organically or for acquisitions in foreign jurisdictions. Further, our operations in the U.S. generate sufficient cash flow to satisfy U.S. operating requirements. Refer to Note 8, "Income Taxes," to the Consolidated Financial Statements for additional information regarding unremitted foreign earnings.

Financing Activities

For the first three months of fiscal 2026, financing activities used \$64.1 million of cash, which compares to cash used for financing activities of \$186.0 million during the first three months of fiscal 2025. The overall decrease in cash used for financing activities was driven principally by debt-related activities. During the first three months of fiscal 2026, we borrowed \$35.0 million on our accounts receivable securitization program ("AR Program") and repaid \$12.5 million on our revolving credit facility. In comparison, we made payments of \$130.0 million on our AR Program and borrowed \$37.8 million on our revolving credit facility during the first three months of fiscal 2025. See below for further details on the significant components of our debt.

Our available liquidity, including our cash and cash equivalents and amounts available under our committed credit facilities, stood at \$933.4 million and \$969.1 million as of August 31, 2025 and May 31, 2025, respectively.

Revolving Credit Agreement

In August 2022, we amended our \$1.3 billion unsecured syndicated revolving credit facility (the "Revolving Credit Facility"), which was set to expire on October 31, 2023. The amendment extended the expiration date to August 1, 2027, and increased the borrowing capacity to \$1.35 billion. The Revolving Credit Facility bears interest at either the base rate or the adjusted Secured Overnight Financing Rate (SOFR), as defined, at our option, plus a spread determined by our debt rating. The Revolving Credit Facility includes sublimits for the issuance of swingline loans, which are comparatively short-term loans used for working capital purposes and letters of credit. The Revolving Credit Facility is available to refinance existing indebtedness, to finance working capital and capital expenditures, and for general corporate purposes.

The Revolving Credit Facility requires us to comply with various customary affirmative and negative covenants, including a leverage covenant (i.e. Net Leverage Ratio) and interest coverage ratio, which are calculated in accordance with the terms as defined by the Revolving Credit Facility. Under the terms of the leverage covenant, we may not permit our leverage ratio for total indebtedness to consolidated EBITDA for the four most recent fiscal quarters to exceed 3.75 to 1.00. During certain periods and per the terms of the Revolving Credit Facility, this ratio may be increased to 4.25 to 1.00 upon delivery of a notice to our lender requesting an increase to our maximum leverage or in connection with certain "material acquisitions." The minimum required consolidated interest coverage ratio for EBITDA to interest expense is 3.50 to 1.00. The interest coverage ratio is calculated at the end of each fiscal quarter for the four fiscal quarters then ended using EBITDA as defined in the Revolving Credit Facility.

As of August 31, 2025, we were in compliance with all financial covenants contained in our Revolving Credit Facility, including the Net Leverage Ratio and Interest Coverage Ratio covenants. At that date, our Net Leverage Ratio was 1.87 to 1.00, while our Interest Coverage Ratio was 12.93 to 1.00. As of August 31, 2025, we had \$561.4 million of borrowing availability on our Revolving Credit Facility.

Our access to funds under our Revolving Credit Facility is dependent on the ability of the financial institutions that are parties to the Revolving Credit Facility to meet their funding commitments. Those financial institutions may not be able to meet their funding commitments if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests within a short period of time. Moreover, the obligations of the financial institutions under our Revolving Credit Facility are several and not joint and, as a result, a funding default by one or more institutions does not need to be made up by the others.

Accounts Receivable Securitization Program

The AR Program, which was initially entered on May 19, 2014, and subsequently amended on multiple dates, was amended on April 30, 2025. This amendment extended the facility termination date to April 30, 2028 and changed the borrowing capacity to a maximum availability of \$300.0 million during all borrowing periods. As of August 31, 2025, we had an outstanding balance under our AR Program of \$225.0 million.

The AR Program contains various customary affirmative and negative covenants, as well as customary default and termination provisions. Our failure to comply with the covenants described above and other covenants contained in the Revolving Credit Facility could result in an event of default under that agreement, entitling the lenders to, among other things, declare the entire amount outstanding under the Revolving Credit Facility to be due and payable immediately. The instruments governing our other outstanding indebtedness generally include cross-default provisions that provide that, under certain circumstances, an event of default that results in acceleration of our indebtedness under the Revolving Credit Facility will entitle the holders of such other indebtedness to declare amounts outstanding immediately due and payable. See “Revolving Credit Agreement” above for details on our compliance with all significant financial covenants at August 31, 2025.

Stock Repurchase Program

See Note 10, “Stock Repurchase Program,” to the Consolidated Financial Statements, for further detail surrounding our stock repurchase program.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet financings. We have no subsidiaries that are not included in our financial statements, nor do we have any interests in, or relationships with, any special purpose entities that are not reflected in our financial statements.

OTHER MATTERS

Environmental Matters

Environmental obligations continue to be appropriately addressed and based upon the latest available information, it is not anticipated that the outcome of such matters will materially affect our results of operations or financial condition. Our critical accounting policies and estimates set forth above describe our method of establishing and adjusting environmental-related accruals and should be read in conjunction with this disclosure. For additional information, refer to “Part II, Item 1. Legal Proceedings.”

FORWARD-LOOKING STATEMENTS

The foregoing discussion includes 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 and regional 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) changes in global trade policies, including the adoption or expansion of tariffs and trade barriers; (h) 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; (i) risks and uncertainties associated with our ongoing acquisition and divestiture activities; (j) the timing of and the realization of anticipated cost savings from restructuring initiatives, the ability to identify additional cost savings opportunities, and the risks of failing to meet any other objectives of our improvement plans; (k) risks related to the adequacy of our contingent liability reserves; (l) risks relating to a public health crisis similar to the Covid pandemic; (m) risks related to acts of war similar to the Russian invasion of Ukraine; (n) risks related to the transition or physical impacts of climate change and other natural disasters or meeting sustainability-related voluntary goals or regulatory requirements; (o) risks related to our or our third parties' use of technology including artificial intelligence, data breaches and data privacy violations; (p) the shift to remote work and online purchasing and the impact that has on residential and commercial real estate construction; and (q) 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, 2025, 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 document.

ITEM 3. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

We are exposed to market risk from changes in raw materials costs, interest rates and foreign exchange rates since we fund our operations through long- and short-term borrowings and conduct our business in a variety of foreign currencies. There were no material potential changes in our exposure to these market risks since May 31, 2025.

ITEM 4. *CONTROLS AND PROCEDURES*

(a) EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES.

Our Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of August 31, 2025 (the "Evaluation Date"), have concluded that as of the Evaluation Date, our disclosure controls and procedures were effective in ensuring that information required to be disclosed by us in the reports we file or submit under the Exchange Act (1) is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms, and (2) is accumulated and communicated to our management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow for timely decisions regarding required disclosure.

(b) CHANGES IN INTERNAL CONTROL.

There were no changes in our internal control over financial reporting that occurred during the fiscal quarter ended August 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. *LEGAL PROCEEDINGS*

Environmental Proceedings

Like other companies participating in similar lines of business, some of our subsidiaries are identified as a “potentially responsible party” under the federal Comprehensive Environmental Response, Compensation and Liability Act and similar local environmental statutes or are participating in the cost of certain clean-up efforts or other remedial actions relating to environmental matters. Our share of such costs to date, however, has not been material and management believes that these environmental proceedings will not have a material adverse effect on our consolidated financial condition or results of operations. See “Item 1 — Business — Environmental Matters,” in our Annual Report on Form 10-K for the year ended May 31, 2025.

As permitted by SEC rules, and given the size of our operations, we have elected to adopt a quantitative threshold for environmental proceedings of \$1 million. On December 19, 2024, a subsidiary in our Consumer segment received informal notification from the EPA of the EPA's intent to issue a civil penalty for alleged violation of the Toxic Substances Control Act Section 6 regulatory standard related to 2021 sales of a consumer product allegedly containing a regulated substance. The EPA provided an initial proposed penalty calculation on January 14, 2025, which totaled approximately \$6.2 million. During the first quarter of fiscal 2026, the EPA provided a revised proposed penalty calculation, which totaled approximately \$1.4 million. We are disputing this revised proposed penalty and believe that it is unwarranted under the circumstances. Based on information currently known, we are not able to estimate the outcome of this matter or a possible range of loss, if any.

ITEM 1A. *RISK FACTORS*

In addition to the other information set forth in this report, you should carefully consider the other risk factors disclosed in Item 1A of our Annual Report on Form 10-K for the fiscal year ended May 31, 2025.

ITEM 2. *UNREGISTERED SALE OF EQUITY SECURITIES AND USE OF PROCEEDS*

The following table presents information about repurchases of RPM International Inc. common stock made by us during the first quarter of fiscal 2026:

Period	Total Number of Shares Purchased(1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Amount that May Yet be Purchased Under the Plans or Programs(2)
June 1, 2025 through June 30, 2025	41	\$ 109.84	-	
July 1, 2025 through July 31, 2025	11,908	\$ 111.43	-	
August 1, 2025 through August 31, 2025	150,837	\$ 119.93	146,191	
Total - First Quarter	162,786	\$ 119.31	146,191	

- (1) All of the 16,595 shares of common stock that were disposed of back to us during the three-month period ended August 31, 2025 were in satisfaction of tax obligations related to the vesting of restricted stock, which was granted under RPM International Inc.'s equity and incentive plans.
- (2) The maximum dollar amount that may yet be repurchased under our program was approximately \$174.8 million at August 31, 2025. Refer to Note 10, “Stock Repurchase Program,” to the Consolidated Financial Statements for further information regarding our stock repurchase program.

ITEM 5. *OTHER INFORMATION*

During the quarter ended August 31, 2025, no Director or Section 16 officer adopted or terminated any Rule 10b5-1 trading arrangements or non-Rule 10b5-1 trading arrangements, nor do any of the Directors or Section 16 officers currently maintain any such arrangements.

ITEM 6. EXHIBITS

Exhibit Number	Description
10.1	<u>Employment Agreement by and between the Company and Tracy D. Crandall, dated effective as of July 21, 2015.(x)</u>
31.1	<u>Rule 13a-14(a) Certification of the Company's Chief Executive Officer.(x)</u>
31.2	<u>Rule 13a-14(a) Certification of the Company's Chief Financial Officer.(x)</u>
32.1	<u>Section 1350 Certification of the Company's Chief Executive Officer.(x)</u>
32.2	<u>Section 1350 Certification of the Company's Chief Financial Officer.(x)</u>
101.INS	Inline XBRL Instance Document- the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended August 31, 2025, has been formatted in Inline XBRL
(x)	Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

RPM International Inc.

By: /s/ Frank C. Sullivan
Frank C. Sullivan
Chairman and Chief Executive Officer

By: /s/ Russell L. Gordon
Russell L. Gordon
Vice President and
Chief Financial Officer

Dated: October 1, 2025

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") dated effective as of the 21st day of July 2015, between RPM International Inc., a Delaware corporation (the "Company"), and Tracy D. Crandall ("Executive").

WHEREAS, Executive is currently Vice President – Associate General Counsel and Assistant Secretary of the Company; and

WHEREAS, the Board of Directors of the Company recognizes the importance of Executive's continuing contribution to the future growth and success of the Company and desires to assure the Company and its stockholders of Executive's continued employment in an executive capacity and to compensate her therefor; and

WHEREAS, Executive is desirous of committing himself to continue to serve the Company on the terms herein provided.

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements of the parties herein contained, the parties hereto agree as follows:

1. Term of Employment. The Company hereby agrees to continue to employ Executive, and Executive hereby agrees to continue to serve the Company, on the terms and conditions set forth herein for the period commencing as of the date hereof and expiring on May 31, 2016 (the "Employment Period"). The Employment Period shall automatically be extended on May 31 of each year for a period of one year from such date unless, not later than March 31 of such year, the Company or Executive has given notice to the other party that it or he, as the case may be, does not wish to have the Employment Period extended. In addition, in the event of a Change in Control, the Employment Period shall automatically be extended for a period of three years beginning on the date of the Change in Control and ending on the third anniversary of the date of such Change in Control (unless further extended under the immediately preceding sentence). In any case, the Employment Period may be Terminated earlier under the terms and conditions set forth herein.

2. Position and Duties. Executive shall serve as Vice President – Associate General Counsel and Assistant Secretary reporting to the reporting to the Senior Vice President, General Counsel and Chief Compliance Officer of the Company ("Direct Report") (or his designee) and shall have responsibility for assisting with the worldwide legal and regulatory functions of the Company and shall have such other powers and duties as may from time to time be assigned by Executive's Direct Report (or his designee) or the Board of Directors of the Company; provided, however, that such duties are consistent with her present duties and her position with the Company. Executive shall devote substantially all her working time and efforts to the continued success of the business and affairs of the Company.

3. Place of Employment. In connection with her employment by the Company, Executive shall not be required to relocate or move from her existing principal residence in Medina, Ohio, and shall not be required to perform services which would make the continuance of her principal residence in Medina, Ohio unreasonably difficult or inconvenient for him. The Company shall give Executive at least six months' advance notice of any proposed relocation of its Medina, Ohio offices to a location more than 50 miles from Medina, Ohio and, if Executive in her sole discretion chooses to relocate her principal residence, the Company shall promptly pay (or reimburse her for) all reasonable relocation expenses (consistent with the Company's past practice for similarly situated senior executive officers) incurred by her relating to a change of her principal residence in connection with any such relocation of the Company's offices from Medina, Ohio.

4. Compensation.

(a) Base Salary. During the Employment Period, Executive shall receive a base salary at the rate of not less than Two-Hundred and Twenty-Five Thousand Dollars (\$225,000) per annum ("Base Salary"), payable in substantially equal monthly installments at the end of each month during the Employment Period hereunder. It is contemplated that annually in the first quarter of each fiscal year of the Company the Chief Executive Officer will review Executive's Base Salary and other compensation during the Employment Period and, at the discretion of the Chief Executive Officer, the Chief Executive Officer may increase Executive's Base Salary and other compensation, effective as of June 1 of such fiscal year, based upon Executive's performance, then generally prevailing industry

salary scales, the Company's results of operations, and other relevant factors. Any increase in Base Salary or other compensation shall in no way limit or reduce any other obligation of the Company hereunder and, once established at an increased specified rate, Executive's Base Salary hereunder shall not be reduced without her written consent.

(b) Incentive Compensation. In addition to her Base Salary, Executive shall be entitled to receive such annual cash incentive compensation ("Incentive Compensation") for each fiscal year of the Company during the Employment Period as the Chief Executive Officer may determine in her sole discretion based upon the Company's results of operation and other relevant factors. Such annual Incentive Compensation shall be received by Executive as soon as possible, but no later than 90 days after the close of the Company's fiscal year for which such Incentive Compensation is granted, provided however, that to the extent the Company's senior executive for Human Resources determines it to be consistent with Section 409A of the Code, Executive shall have such right, if any, as may be provided under the Deferred Compensation Plan to elect to defer annual Incentive Compensation. Any such election shall be made in accordance with the terms of the Deferred Compensation Plan (including provisions regarding the time and form of such deferral election) and such procedures as may be established thereunder.

(c) Expenses. During the Employment Period and subject to Section 16 of this Agreement, Executive shall be entitled to receive prompt reimbursement for all reasonable business expenses incurred by her (in accordance with Company practice) in performing services hereunder, provided that Executive properly accounts therefor in accordance with either Company policies or guidelines established by the Internal Revenue Service if such are less burdensome.

(d) Participation in Benefit Plans.

(i) During the Employment Period and subject to Section 4(d)(ii) below, Executive shall be entitled to continue to participate in or receive benefits under the Benefit Plans, subject to and on a basis consistent with the terms, conditions and overall administration of the Benefit Plans. Except with respect to any benefits related to salary reductions authorized by Executive, nothing paid or awarded to Executive under any Benefit Plan presently in effect or made available in the future shall reduce or be deemed to be in lieu of compensation to Executive pursuant to any other provision of this Section 4. Executive's right to participate in any Benefit Plan shall be subject to the applicable eligibility criteria for participation and Executive shall not be entitled to any benefits under, or based on, any Benefit Plan for any purposes of this Agreement if Executive does not during the Employment Period satisfy the eligibility criteria for participation in such plan.

(ii) Notwithstanding the foregoing, Executive shall be entitled to participate in the Executive Life Insurance Plan only as specified by the terms of the plan and hereby acknowledges that (A) actual coverage in the Executive Life Insurance Plan is dependent upon satisfying the underwriting requirements of the insurance company; (B) in the event the underwriting requirements cannot be satisfied, coverage (if any) may only be available to the level approved by the insurance company; and (C) if the amount of coverage is less than applied for (including the insurance company's determination that no coverage at all is available), the Company has no obligation to provide for any death benefit or any shortfall in the amount of the death benefit that would otherwise be available if the Executive was able to satisfy the underwriting requirements of the insurance company.

(e) Vacations. During the Employment Period, Executive shall be entitled to the same number of paid vacation days in each fiscal year determined by the Company from time to time for its other senior executive officers, but not less than four weeks in any fiscal year, to be taken at such time or times as is desired by Executive after consultation with Executive's Direct Report (or the designated vacation coordinator) to avoid scheduling conflicts (prorated in any fiscal year during which Executive is employed hereunder for less than the entire such year in accordance with the number of days in such fiscal year during which she is so employed). Executive also shall be entitled to all paid holidays given by the Company to its other salaried employees.

(f) Other Benefits. During the Employment Period, Executive shall be entitled to continue to receive the fringe benefits appertaining to her position with the Company in accordance with present practice, including the use of the most recent model of a full-sized automobile.

5. Termination Outside of Protected Period.

(a) Events of Termination. At any time other than during the Protected Period, the Employment Period shall Terminate immediately upon the occurrence of any of the following events: (i) expiration of the Employment Period; (ii) the death of Executive; (iii) the expiration of 30 days after the Company gives Executive written notice of its election to Terminate the Employment Period upon the Disability of Executive, if before the expiration of such 30-day period Executive has not returned to the performance of her duties hereunder on a full-time basis; (iv) the resignation of Executive; (v) the Company's Termination of the Employment Period for Cause; or (vi) the Company's Termination of the Employment Period at any time, without Cause, for any reason or no reason. For purposes of Subsections 5(b) and 5(c), expiration of the Employment Period upon a notice of the Company under Section 1 that it does not wish to have the Employment Period extended shall be deemed a Termination of Employment without Cause pursuant to Subsection 5(a)(vi) and expiration of the Employment Period upon a notice of Executive under Section 1 that she does not wish to have the Employment Period extended shall be deemed a resignation of Executive pursuant to Subsection 5(a)(iv).

(b) Compensation Upon Termination. This Subsection 5(b) sets forth the payments and benefits to which Executive is entitled under any Termination of Employment pursuant to Subsection 5(a).

(i) Death; Disability. During any period in which Executive fails to perform her duties hereunder as a result of Disability, Executive shall continue to receive her full Base Salary until her employment is Terminated pursuant to Subsection 5(a)(ii) or (iii); provided that her employment shall not be continued beyond the 29th month after such period of Disability began. Upon Termination of the Employment Period under Subsection 5(a)(ii) or (iii), Executive shall no longer be entitled to participate in the Benefit Plans, except as required by applicable law or as governed by the Benefit Plans including the Group Long Term Disability Insurance in which Executive participates immediately prior to such Termination of Employment, but Executive shall be entitled to receive her Earned Incentive Compensation, if any, within 30 days after the Termination Date.

(ii) Resignation or Cause. If Executive's employment is Terminated pursuant to Subsection 5(a)(iv) or (v), the Company shall pay Executive her full Base Salary through the Termination Date at the rate in effect at such time. The Company shall then have no further obligations to Executive under this Agreement and Executive shall no longer be entitled to participate in the Benefit Plans, except as required by applicable law.

(iii) Termination of Employment Without Cause. If Executive's employment is Terminated without Cause pursuant to Subsection 5(a)(vi), then in lieu of any further salary payments to Executive for periods subsequent to the Termination Date and subject to the last sentence of this Subsection 5(b)(iii), the Company shall pay to Executive on the Specified Payment Date, a lump sum amount equal to the sum of (A) 150% of Executive's Base Salary in effect as of such date and (B) the amount of Executive's Earned Incentive Compensation. Executive also shall be entitled to certain continuing benefits under the terms of Subsection 5(c). Notwithstanding any other provision of this Subsection 5(b)(iii), Subsection 5(c) or this Agreement, the Company shall have no obligation to make the lump-sum payment referred to in this Subsection 5(b)(iii) or provide any continuing benefits or payment referred to in Subsection 5(c) unless (X) Executive executes and delivers to the Company a Release and Waiver of Claims and (Y) Executive refrains from revoking, rescinding or otherwise repudiating such Release and Waiver of Claims for all applicable periods during which Executive may revoke it.

(c) Additional Benefits Following Termination under Subsection 5(a)(vi). This Subsection 5(c) sets forth the benefits to which Executive shall be entitled, in addition to those set forth in Subsection 5(b)(iii), following a Termination of the Employment Period under Subsection 5(a)(vi). Executive shall not be entitled to the benefit of any provision of this Subsection 5(c) following a Termination of the Employment Period under any other provision hereof.

(i) Continuing Benefit Plans. Executive shall be entitled to receive a lump sum payment in an amount equal to eighteen months' worth of the premiums and other costs for the Continuing Benefit Plans at the rates for Executive's coverage elections in effect for such plans immediately prior to the Termination Date. Such lump sum payment shall be paid to Executive on the Specified Payment Date.

(ii) Limited Benefit Plans. After such a Termination Date, Executive shall no longer be entitled to participate as an active employee in, or receive any additional or new benefits under, the Limited Benefit Plans, except as set forth in this Subsection 5(c)(ii) and except for such benefits, if any, available under such plans to former employees. After such a Termination Date, Executive shall be entitled to the following additional benefits:

(A) A lump sum payment made on the Specified Payment Date equal to 1 ½ times the annual premium most recently paid with respect to Executive for such Executive Life Insurance Plan as may be maintained by the Company at the Termination Date, except that if such premium is less than the next scheduled premium as shown on the then current illustration of coverage, the lump sum payment shall be 1 ½ times such next scheduled premium;

(B) A lump-sum payment equal to the cash value of the benefits Executive would have received had she continued to participate in and receive annual awards under the Restricted Stock Plan on a basis consistent with her past practice for a period of 18 months after the Termination Date, with such payment to be paid on the Specified Payment Date; and

(C) The lapse of all restrictions on transfer and forfeiture provisions to which Executive's awards under the Restricted Stock Plan are subject, so that any restricted shares previously awarded to Executive under such plan shall be nonforfeitable and freely transferable thereafter, all on the terms of the Restricted Stock Plan or the agreements thereunder.

(d) Notice of Termination. Any Termination of Employment by the Company pursuant to Subsection 5(a)(iii), (v) or (vi) or by Executive pursuant to Subsection 5(a)(iv) shall be communicated to the other party hereto by written notice of Termination of Employment, which shall state in reasonable detail the facts upon which the Termination of Employment has occurred.

(e) Set-Off. There shall be no right of set-off or counterclaim against, or delay in, any payment by the Company to Executive of any lump sum payment made under Subsection 5(b)(iii) or 5(c)(ii)(B) in respect of any claim against or debt or obligation of Executive, whether arising hereunder or otherwise.

6. Termination During Protected Period.

(a) Events of Termination. During the Protected Period, the Employment Period shall Terminate immediately upon the occurrence of any of the following events: (i) the death of Executive; (ii) the expiration of 30 days after the Company gives Executive written notice of its election to Terminate the Employment Period upon the Disability of Executive, if before the expiration of such 30-day period Executive has not returned to the performance of her duties hereunder on a full-time basis; (iii) the resignation of Executive without delivering Notice of Termination for Good Reason; (iv) the Company's Termination of the Employment Period for Cause; (v) the Company's Termination of the Employment Period at any time, without Cause, for any reason or no reason; or (vi) Executive's Termination of the Employment Period for Good Reason by delivery of Notice of Termination for Good Reason to the Company during the Protected Period indicating that an event constituting Good Reason has occurred, provided that Executive notifies the Company in writing of the event alleged to constitute Good Reason within 90 days of the date of occurrence of such event and provides the Company at least 30 days from the receipt of such written notice to cure such event. If Executive fails to provide such notice to the Company within the 90-day period described in the preceding sentence and/or fails to provide the Company the opportunity to cure such alleged Good Reason event as described in the preceding sentence, Executive shall be deemed to waive her ability to Terminate the Employment Period for Good Reason under this Subsection 6(a)(vi) based on such event.

(b) Compensation Upon Termination. This Subsection 6(b) sets forth the payments and benefits to which Executive is entitled under any Termination of Employment pursuant to Subsection 6(a).

(i) Death; Disability. During any period in which Executive fails to perform her duties hereunder as a result of Disability, Executive shall continue to receive her full Base Salary until her employment is Terminated pursuant to Subsection 6(a)(i) or (ii); provided that her employment shall not be continued beyond the 29th month after such period of Disability began. Upon Termination of the Employment Period under Subsection 6(a)(i) or (ii), Executive shall no longer be entitled to participate in the Benefit Plans, except as required by applicable

law or as governed by the Benefit Plans including the Group Long Term Disability Insurance in which Executive participates immediately prior to such Termination of Employment, but Executive shall be entitled to receive her Earned Incentive Compensation, if any, within 30 days after the Termination Date.

(ii) Resignation or Cause. If Executive's employment is Terminated pursuant to Subsection 6(a)(iii) or (iv), the Company shall pay Executive her full Base Salary through the Termination Date at the rate in effect at such time. The Company shall then have no further obligations to Executive under this Agreement and Executive shall no longer be entitled to participate in the Benefit Plans, except as required by applicable law.

(iii) Termination of Employment Without Cause or for Good Reason. If Executive's employment is Terminated by the Company without Cause pursuant to Subsection 6(a)(v) or by Executive for Good Reason pursuant to Subsection 6(a)(vi), then in lieu of any further salary payments to Executive for periods subsequent to the Termination Date, the Company shall pay to Executive a lump sum amount equal to the sum of (A) 150% of Executive's Base Salary in effect as of such date and (B) the amount of Executive's Earned Incentive Compensation. Payment under this Section 6(b)(iii) shall be made on the Specified Payment Date. Executive also shall be entitled to certain continuing benefits under the terms of Subsection 6(c). Notwithstanding any other provision of this Subsection 6(b)(iii), Subsection 6(c), Section 7 or this Agreement, the Company shall have no obligation to make the lump-sum payment referred to in this Subsection 6(b)(iii), to provide any continuing benefits or payment referred to in Subsection 6(c) unless (X) Executive executes and delivers to the Company a Release and Waiver of Claims and (Y) Executive refrains from revoking, rescinding or otherwise repudiating such Release and Waiver of Claims for all applicable periods during which Executive may revoke it.

(c) Additional Benefits Following Termination under Subsections 6(a)(v) or (vi). This Subsection 6(c) sets forth the benefits to which Executive shall be entitled, in addition to those set forth in Subsection 6(b)(iii), following a Termination of the Employment Period under Subsection 6(a)(v) or (vi). Executive shall not be entitled to the benefit of any provision of this Subsection 6(c) following a Termination of the Employment Period under any other provision hereof.

(i) Continuing Benefit Plans. Executive shall be entitled to receive a lump sum payment in an amount equal to eighteen months' worth of the premiums and other costs for the Continuing Benefit Plans at the rates for Executive's coverage elections in effect for such plans immediately prior to the Termination Date. Such lump sum payment shall be paid to Executive on the Specified Payment Date.

(ii) Limited Benefit Plans. After such a Termination Date, Executive shall no longer be entitled to participate as an active employee in, or receive any additional or new benefits under, the Limited Benefit Plans, except as set forth in this Subsection 6(c)(ii) and except for such benefits, if any, available under such plans to former employees. After such a Termination Date, Executive shall be entitled to the following additional benefits:

(A) A lump sum payment made on the Specified Payment Date equal to 1 ½ the annual premium most recently paid with respect to Executive for such Executive Life Insurance Plan as may be maintained by the Company at the Termination Date, except that if such premium is less than the next scheduled premium as shown on the then current illustration of coverage, the lump sum payment shall be 1 ½ times such next scheduled premium;

(B) A lump-sum payment to be paid under the Restricted Stock Plan equal to the cash value of the benefits Executive would have received had she continued to participate in and receive annual awards under the Restricted Stock Plan on a basis consistent with her past practice for a period of 18 months after the Termination Date, determined in accordance with the terms of the Restricted Stock Plan and the Company's past practice and payable on the Specified Payment Date; and

(C) The lapse of all restrictions on transfer and forfeiture provisions to which Executive's awards under the Restricted Stock Plan are subject, so that any restricted shares previously awarded to Executive under such plan shall be nonforfeitable and freely transferable thereafter, all on the terms of the Restricted Stock Plan or the agreements thereunder.

(d) Notice of Termination. Any Termination of Employment by the Company pursuant to Subsection 6(a)(ii), (iv) or (v) or by Executive pursuant to Subsection 6(a)(iii) shall be communicated to the other party hereto by

written notice of Termination, which shall state in reasonable detail the facts upon which the Termination of Employment has occurred. A Termination of Employment pursuant to Subsection 6(a)(vi) shall be communicated by Notice of Termination for Good Reason.

(e) Notice of Change in Control. The Company shall give Executive written notice of the occurrence of any event constituting a Change in Control as promptly as practical, and in no case later than 10 calendar days, after the occurrence of such event.

(f) Deemed Termination After Change in Control. In the event of a Termination of Employment of Executive by the Company without Cause following the commencement of any discussion with or communication from a third party that ultimately results in a Change in Control that is also a “change in control” within the meaning of Section 409A, but prior to the date of such a Change in Control, and Executive can reasonably demonstrate that such Termination of Employment was made in connection with or in anticipation of such Change in Control, then Executive shall be entitled to the benefits provided under Subsections 6(b)(iii) and 6(c) and Section 7, provided that (i) no such payments or benefits shall be provided prior to such Change in Control; (ii) any payments shall be payable within the various timeframes specified in Subsections 6(b)(iii) and 6(c) and Section 7, but with such timeframes beginning as of the date of such Change in Control instead of as of the date of Termination of Employment; and (iii) any reimbursements or in-kind benefits shall be made or provided within the timeframes specified within the applicable provisions of regulations under Section 409A in order to be exempt from or, if necessary, compliant with Section 409A.

(g) Set-Off. There shall be no right of set-off or counterclaim against, or delay in, any payment by the Company to Executive of the Lump-Sum Payment in respect of any claim against or debt or obligation of Executive, whether arising hereunder or otherwise.

(h) Interest on Overdue Payments. Without limiting the rights of Executive at law or in equity, if the Company fails to make the Lump-Sum Payment on a timely basis, the Company shall pay interest on the amount thereof at an annualized rate equal to the rate in effect, at the time such payment should have been made, under the 401(k) Plan for loans to participants in such plan.

(i) Outplacement Assistance. Promptly after a request in writing from Executive following a Termination of the Employment Period under Subsection 6(a)(v) or (vi), the Company shall retain a professional outplacement assistance service firm reasonably acceptable to Executive, at the Company’s expense, to provide outplacement assistance to Executive during the Protected Period. In the event Executive pays for such services, the Company shall reimburse Executive within 30 days from the time Executive presents an invoice or receipt for such expenses, provided Executive presents such receipt(s) no later than 30 days before the end of Executive’s second taxable year following the year in which such expenses were incurred. Any outplacement services shall be appropriate to Executive’s position with the Company, as determined by the outplacement assistance service firm. Executive shall not be entitled to such services, however, following a Termination of the Employment Period under Subsection 6(a)(i), (ii), (iii) or (iv).

7. Best Net Alternative Under Section 280G of the Code.

(a) Anything in this Agreement to the contrary notwithstanding, in the event that it shall be determined (as hereafter provided) that any payment or distribution by the Company or any of its Affiliates to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise pursuant to or by reason of any other agreement, policy, plan, program or arrangement, including without limitation any stock option, performance share, performance unit, restricted stock, stock appreciation right or similar right, or the lapse or termination of any restriction on, or the vesting or exercisability of, any of the foregoing (collectively, the “Total Payments”), would be subject to the excise tax imposed by Section 4999 of the Code (or any successor provision thereto) by reason of being considered “contingent on a change in ownership or control” of the Company, within the meaning of Section 280G of the Code (or any successor provision thereto), or to any similar tax imposed by state or local law, or to any interest or penalties with respect to such taxes (such tax or taxes, together with any such interest and penalties, being hereafter collectively referred to as the “Excise Tax”), then, after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement or agreement, the payments under this Agreement shall be reduced in the order specified below, to the

extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which the Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments). The Total Payments shall be reduced in the following order: (A) reduction of any cash severance payments otherwise payable to the Executive that are exempt from Section 409A of the Code; (B) reduction of any other cash payments or benefits otherwise payable to the Executive that are exempt from Section 409A of the Code, but excluding any payments attributable to any acceleration of vesting or payments with respect to any equity award that are exempt from Section 409A of the Code; (C) reduction of any other payments or benefits otherwise payable to the Executive on a pro-rata basis or such other manner that complies with Section 409A of the Code, but excluding any payments attributable to any acceleration of vesting and payments with respect to any equity award that are exempt from Section 409A of the Code; and (D) reduction of any payments attributable to any acceleration of vesting or payments with respect to any equity award that are exempt from Section 409A of the Code, in each case beginning with payments that would otherwise be made last in time.

(b) All determinations required to be made under this Section 7, including whether an Excise Tax is payable by Executive, the amount of such Excise Tax and whether and when the Total Payments should be reduced, shall be made (i) by PricewaterhouseCoopers (or its successor) (the "Accounting Firm"), regardless of any services that PricewaterhouseCoopers (or its successor) has performed or may be performing for the Company, or (ii) if PricewaterhouseCoopers (or its successor) is serving as accountant or auditor for the individual, entity or group effecting a Change in Control, or cannot (because of limitations under applicable law or otherwise) make the determinations required to be made under this Section 7, then by another nationally recognized accounting firm selected by Executive and reasonably acceptable to the Company (which accounting firm shall then be the "Accounting Firm" hereunder). The Company, or Executive if she selects the Accounting Firm, shall direct the Accounting Firm to submit its determination and detailed supporting calculations to both the Company and Executive within 30 calendar days after the Termination Date, if applicable, and any such other time or times as may be requested by the Company or Executive. For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (i) no portion of the Total Payments the receipt or enjoyment of which the Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account; (ii) no portion of the Total Payments shall be taken into account which, in the written opinion of the Accounting Firm, does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which, in the written opinion of the Accounting Firm, constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of Executive's "Base Amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation; and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Accounting Firm in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

As a result of uncertainty in the application of Section 280G and Section 4999 of the Code and the possibility of similar uncertainty regarding applicable state or local tax law at the time of the initial calculation by the Accounting Firm hereunder, it is possible that the cash severance payment made by the Company will have been less than the Company should have paid pursuant to Section 6 hereof (the amount of any such deficiency, the "Underpayment"), or more than the Company should have paid pursuant to Section 6 hereof (the amount of any such overage, the "Overpayment"). In the event of an Underpayment, the Company shall pay Executive the amount of such Underpayment (together with interest at 120% of the rate provided in Section 1274(b)(2)(B) of the Code) not later than five business days after the amount of such Underpayment is subsequently determined, provided, however, such Underpayment shall not be paid later than the end of the calendar year following the calendar year in which the Executive remitted the related taxes. In the event of an Overpayment, the amount of such Overpayment shall be paid to the Company by the Executive not later than five business days after the amount of such Overpayment is subsequently determined (together with interest at 120% of the rate provided in Section 1274(b)(2)(B) of the Code).

(c) The Company and Executive shall each provide the Accounting Firm access to and copies of any books, records and documents in the possession of the Company or Executive, as the case may be, reasonably requested by the Accounting Firm, and otherwise cooperate with the Accounting Firm in connection with the preparation and issuance of the determinations and calculations contemplated by Subsection 7(b). Any determination by the Accounting Firm as to the amount of any reduction of the Total Payments, or any Underpayment or Overpayment shall be binding upon the Company and Executive.

(d) The fees and expenses of the Accounting Firm for its services in connection with the determinations and calculations contemplated by Subsection 7(b) shall be borne by the Company.

8. Binding Agreement; Successors. This Agreement shall inure to the benefit of and be binding upon Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive should die while any amounts would still be payable to her hereunder if she had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's devisee, legatee, or other designee or, if there be no such designee, to Executive's estate. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Company, including, without limitation, any person acquiring directly or indirectly all or substantially all of the assets of the Company, whether by merger, consolidation, sale or otherwise (and such successor shall thereafter be deemed the "Company" for the purposes of this Agreement). The Company shall require any such successor to assume and agree to perform this Agreement. Failure by the Company to obtain such succession shall be a breach of this Agreement and shall entitle Executive to compensation from the Company in the same amount and on the same terms as the Executive would be entitled to hereunder if the Executive were to Terminate the Executive's employment for Good Reason during the Protected Period, except that, for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Termination Date.

9. Restrictive Covenants.

(a) Non-Competition. During the Employment Period and for a period of 18 months following the Termination Date, Executive shall not, directly or indirectly, own, manage, operate, control or participate in the ownership, management, operation or control of, or be connected as an officer, employee, partner or director with, or have any financial interest in, any business which is in substantial competition with any business conducted by the Company or by any group, division or Subsidiary of the Company (collectively, the "RPM Group"), in any area where such business is being conducted at the time of such Termination of Employment. Ownership of 5% or less of the voting stock of any corporation which is required to file periodic reports with the Securities and Exchange Commission under the Exchange Act shall not constitute a violation hereof.

(b) Non-Solicitation. Executive shall not directly or indirectly, at any time during the Employment Period and for 18 months thereafter, solicit or induce or attempt to solicit or induce any employee, sales representative or other representative, agent or consultant of the RPM Group to terminate his, her or its employment, representation or other relationship with the RPM Group or in any way directly or indirectly interfere with such a relationship.

(c) Confidentiality.

(i) Executive shall keep in strict confidence, and shall not, directly or indirectly, at any time during or after the Employment Period, disclose, furnish, publish, disseminate, make available or, except in the course of performing her duties of employment hereunder, use any Confidential Information. Executive specifically acknowledges that all Confidential Information, whether reduced to writing, maintained on any form of electronic media, or maintained in the mind or memory of Executive and whether compiled by the RPM Group, and/or Executive, derives independent economic value from not being readily known to or ascertainable by proper means by others who can obtain economic value from its disclosure or use, that reasonable efforts have been made by the RPM Group to maintain the secrecy of such information, that such information is the sole property of the RPM Group and that any disclosure or use of such information by Executive during the Employment Period (except in the course of performing her duties and obligations hereunder) or after the Termination of the Employment Period shall constitute a misappropriation of the RPM Group's trade secrets.

(ii) Executive agrees that upon Termination of the Employment Period, for any reason, Executive shall return to the Company, in good condition, all property of the RPM Group, including, without limitation, the originals and all copies of any materials, whether in paper, electronic or other media, that contain, reflect, summarize, describe, analyze or refer or relate to any items of Confidential Information.

10. Notice. All notices, requests and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (a) when hand delivered, (b) when dispatched by electronic facsimile transmission (with receipt electronically confirmed), (c) one business day after being sent by recognized overnight delivery service, or (d) three business days after being sent by registered or certified mail, return receipt requested, postage prepaid, and in each case addressed as follows (or addressed as otherwise specified by notice under this Section):

If to Executive:
Tracy D. Crandall
[Address Redacted]
[Address Redacted]

If to the Company:
RPM International Inc.
2628 Pearl Road
P.O. Box 777
Medina, Ohio 44258
Facsimile: 330-225-6574
Attn: Secretary

11. Withholding. The Company may withhold from any amounts payable under or in connection with this Agreement all federal, state, local and other taxes as may be required to be withheld by the Company under applicable law or governmental regulation or ruling.

12. Amendments; Waivers. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing, and is signed by Executive and by another executive officer of the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

13. Jurisdiction. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Ohio, without giving effect to the conflict of law principles of such State. Executive and the Company each agree that the state and federal courts located in the State of Ohio shall have jurisdiction in any action, suit or proceeding against Executive or the Company based on or arising out of this Agreement and each of Executive and the Company hereby (a) submits to the personal jurisdiction of such courts, (b) consents to service of process in connection with any such action, suit or proceeding and (c) waives any other requirement (whether imposed by statute, rule of court or otherwise) with respect to personal jurisdiction, venue or service of process.

14. Equitable Relief. Executive and the Company acknowledge and agree that the covenants contained in Section 9 are of a special nature and that any breach, violation or evasion by Executive of the terms of Section 9 will result in immediate and irreparable injury and harm to the Company, for which there is no adequate remedy at law, and will cause damage to the Company in amounts difficult to ascertain. Accordingly, the Company shall be entitled to the remedy of injunction, as well as to all other legal or equitable remedies to which the Company may be entitled (including, without limitation, the right to seek monetary damages), for any breach, violation or evasion by Executive of the terms of Section 9.

15. Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect. In the event that any provision of Section 9 is found by a court of competent jurisdiction to be invalid or unenforceable as against public policy, such court shall exercise its discretion in reforming such provision to the end that Executive shall be subject to such restrictions and obligations as are reasonable under the circumstances and enforceable by the Company.

16. Code Section 409A. The benefits under this Agreement generally are intended to comply with or meet the requirements for exemption from Code Section 409A and shall be so construed and administered. To the extent any benefit hereunder is not exempt from the application of Code Section 409A, it shall be administered in compliance with Code Section 409A. For this purpose, with respect to any payment (i) that is considered deferred compensation for purposes of Section 409A (and for which there is no applicable exemption), (ii) that is conditioned upon the execution of a Release and Waiver of Claims, (iii) as to which the date of payment or commencement of payment may be in the current calendar year or the subsequent calendar year, and (iv) as to which the Executive's action with respect to returning the Release and Waiver of Claims could affect the calendar year of payment, such payment shall be made in the second taxable year. Notwithstanding anything contained in this Agreement to the contrary, this Agreement may be amended as the Company may determine, with the consent of the Executive (which shall not be unreasonably withheld), to better secure exemption of each benefit hereunder from, or if exemption is not reasonably available for such a benefit, to better comply with, the requirements of Code Section 409A.

17. Specified Employee. Notwithstanding any other payment schedule provided herein to the contrary, if Executive is identified on the date of her separation from service a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B) (which generally means a key employee of a corporation any stock of which is publicly traded on an established securities market or otherwise), then, with regard to any payment or the provision of any benefit that is considered nonqualified deferred compensation subject to Code Section 409A and payable on account of a Termination of Employment such payment or benefit shall not be made or provided until the date which is the earlier of (i) the expiration of the six (6)-month period measured from the date of Executive's Termination of Employment and (ii) the date of Executive's death (the "Delay Period") to the extent required under Code Section 409A. Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section 17 (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to Executive in a lump sum, and all remaining payments due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them therein.

18. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

19. Headings; Definitions. The headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement. Certain capitalized terms used in this Agreement are defined on Schedule A attached hereto.

20. No Assignment. This Agreement may not be assigned by either party without the prior written consent of the other party, except as provided in Section 8.

21. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the employment of Executive and supersedes any and all other agreements (including the Existing Agreement), either oral or in writing, with respect to the employment of Executive.

22. Enforcement Costs. The Company is aware that upon the occurrence of a Change in Control the Board of Directors or a stockholder of the Company may then cause or attempt to cause the Company to refuse to comply with its obligations under this Agreement, or may cause or attempt to cause the Company to institute, or may institute, litigation seeking to have this Agreement declared unenforceable, or may take, or attempt to take, other action to deny Executive the benefits intended under this Agreement. In these circumstances, the purpose of this Agreement could be frustrated. It is the intent of the Company that Executive not be required to incur the expenses associated with the enforcement of her rights under this Agreement by litigation or other legal action because the cost and expense thereof would substantially detract from the benefits intended to be extended to Executive hereunder, nor be bound to negotiate any settlement of her rights hereunder under threat of incurring such expenses. Accordingly, if at any time in the two calendar years following a Termination of Employment during the Protected Period, it should appear to Executive that the Company has failed to comply with any of its obligations under this Agreement or the Company or any other person takes any action to declare this Agreement void or unenforceable, or institutes any litigation or other legal action designed to deny, diminish or recover from Executive the benefits intended to be provided to Executive hereunder, and Executive has complied with all of her obligations under Section 9, then the Company irrevocably authorizes Executive from time to time to retain counsel of her choice at the expense of the Company as provided in

this Section 21 to represent Executive in connection with the initiation or defense of any litigation or other legal action, whether by or against the Company or any Director, officer, stockholder or other person affiliated with the Company, in any jurisdiction. The Company's obligations under this Section 21 shall not be conditioned on Executive's success in the prosecution or defense of any such litigation or other legal action. Notwithstanding any existing or prior attorney-client relationship between the Company and such counsel, the Company irrevocably consents to Executive entering into an attorney-client relationship with such counsel, and in that connection the Company and Executive agree that a confidential relationship shall exist between Executive and such counsel. The reasonable fees and expenses of counsel selected from time to time by Executive as hereinabove provided shall be paid or reimbursed to Executive by the Company on a regular, periodic basis no later than 30 days after presentation by Executive of a statement or statements prepared by such counsel in accordance with its customary practices, up to a maximum annual amount of \$250,000 in each of the two calendar years following the year in which occurs such Termination of Employment within the Protected Period; provided, that Executive presents such statement(s) no later than 30 days prior to the end of each such year, and provided, further, no such payment shall be made prior to the Specified Payment Date. Notwithstanding the foregoing, this Section 21 shall not apply at any time unless a Change in Control has occurred.

[Signatures on following page.]

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date and year first above written.

RPM INTERNATIONAL INC.

By: /s/ Frank C. Sullivan
Frank C. Sullivan
Chairman and Chief Executive Officer

EXECUTIVE

/s/ Tracy D. Crandall
Tracy D. Crandall

Schedule A
Certain Definitions

As used in this Agreement, the following capitalized terms shall have the following meanings:

“*401(k) Plan*” means the RPM International Inc. 401(k) Trust and Plan and any successor plan or arrangement.

“*Affiliate*” of a specified entity means any entity during any period during which it would be treated, together with the Company, as a single employer for purposes of Section 414(b) and (c) of the Code.

“*Average Incentive Compensation*” means an amount equal to the average amount of the annual Incentive Compensation payable to Executive (without regard to any reduction thereof elected by Executive pursuant to any qualified or non-qualified compensation reduction arrangement maintained by the Company, including, without limitation, the Deferred Compensation Plan) for the three most recent completed fiscal years (or for such shorter period during which Executive has been employed by the Company) preceding the Termination Date in which the Company paid Incentive Compensation to executive officers of the Company or in which the Company considered and declined to pay Incentive Compensation to executive officers of the Company.

“*Benefit Plans*” means the Continuing Benefit Plans and the Limited Benefit Plans.

“*Cause*” means a determination of the Board of Directors (without the participation of Executive) of the Company pursuant to the exercise of its business judgment, that either of the following events has occurred:

- (a) Executive has engaged in willful and intentional acts of dishonesty or gross neglect of duty or
- (b) Executive has breached Section 9.

“*Change in Control*” shall mean the occurrence at any time of any of the following events:

(a) The Company is merged or consolidated or reorganized into or with another corporation or other legal person or entity, and as a result of such merger, consolidation or reorganization, less than a majority of the combined voting power of the then-outstanding securities of such corporation, person or entity immediately after such transaction are held in the aggregate by the holders of Voting Stock immediately prior to such transaction;

(b) The Company sells or otherwise transfers all or substantially all of its assets to any other corporation or other legal person or entity, and less than a majority of the combined voting power of the then-outstanding securities of such corporation, person or entity immediately after such sale or transfer is held in the aggregate by the holders of Voting Stock immediately prior to such sale or transfer;

(c) Any person (as the term “person” is used in Section 13(d)(3) or Section 14(d)(2) of the Exchange Act) becomes the beneficial owner (as the term “beneficial owner” is defined under SEC Rule 13d-3 or any successor rule or regulation promulgated under the Exchange Act) of securities representing twenty-five percent (25%) or more of the total votes relating to the then-outstanding securities entitled to vote generally in the election of directors (the “Voting Power”);

(d) During any period of two (2) consecutive years, individuals who, at the beginning of any such period constitute the Directors, cease, for any reason, to constitute at least a majority thereof, unless the nomination for election by the Company’s stockholders of each new Director was approved by a vote of at least two-thirds (2/3) of the Directors then in office who were Directors at the beginning of any such period.

Notwithstanding the foregoing provisions of paragraphs (c) of this definition, a “Change in Control” shall not be deemed to have occurred for purposes of this Agreement: (i) solely because (A) the Company, (B) a Subsidiary, or (C) any Company-sponsored employee stock ownership plan or other employee benefit plan of the Company or any Subsidiary, or any entity holding shares of Voting Stock for or pursuant to the terms of any such plan, either files or becomes obligated to file a report or proxy statement under or in response to Schedule 13D, Schedule TO, Form 8-K or Schedule 14A (or any successor schedule, form or report or item therein) under the Exchange Act, disclosing beneficial ownership by it of shares of Voting Stock or because the Company reports that a change in control of the

Company has or may have occurred or will or may occur in the future by reason of such beneficial ownership, (ii) solely because any other person or entity either files or becomes obligated to file a report on Schedule 13D or Schedule TO (or any successor schedule, form or report) under the Exchange Act, disclosing beneficial ownership by it of shares of Voting Stock, but only if both (A) the transaction giving rise to such filing or obligation is approved in advance of consummation thereof by the Company's Board of Directors and (B) at least a majority of the Voting Power immediately after such transaction is held in the aggregate by the holders of Voting Stock immediately prior to such transaction, or (iii) solely because of a change in control of any Subsidiary.

"*COBRA Continuation Coverage*" means the health care continuation requirements under the federal Consolidated Omnibus Budget Reconciliation Act, as amended, Part VI of Subtitle B of Title I of the Employee Retirement Income Security Act of 1974, as amended, and Code Section 4980B(f), or any successor provisions thereto.

"*Code*" means the Internal Revenue Code of 1986, as amended from time to time.

"*Confidential Information*" means trade secrets and confidential business and technical information of the RPM Group and its customers and vendors, without limitation as to when or how Executive may have acquired such information. Such Confidential Information shall include, without limitation, the RPM Group's manufacturing, selling and servicing methods and business techniques, training, service and business manuals, promotional materials, vendor and product information, product development plans, internal financial statements, sales and distribution information, business plans, marketing strategies, pricing policies, corporate alliances, business opportunities, the lists of actual and potential customers as well as other customer information, technology, know-how, processes, data, ideas, techniques, inventions (whether patentable or not), formulas, terms of compensation and performance levels of RPM Group employees, and other information concerning the RPM Group's actual or anticipated business, research or development, or which is received in confidence by or for the RPM Group from any other person and all other confidential information to the extent that such information is not intended by the RPM Group for public dissemination.

"*Continuing Benefit Plans*" means only the following employee benefit plans and arrangements of the Company in effect on the date hereof, or any successor plan or arrangement in which Executive is eligible to participate immediately before the Termination Date:

- (a) The RPM International Inc. Health and Welfare Plan (including medical, dental and prescription drug benefits) as in existence on the date of this Agreement, or any successor plan that provides medical, dental and prescription drug benefits, but only to the extent of such benefits; and
- (b) Estate/Financial Planning Benefits.

"*Deferred Compensation Plan*" means the RPM International Inc. Deferred Compensation Plan, as amended from time to time, in which executive officers of the Company are eligible to participate and any such successor plan or arrangement.

"*Director*" means a member of the Board of Directors of the Company.

"*Disability*" means any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, and that makes Executive eligible for benefits under any long-term disability program of the Company or an Affiliate. The Company and Executive acknowledge and agree that the essential functions of Executive's position are unique and critical to the Company and that a disability condition that causes Executive to be unable to perform the essential functions of her position under the circumstances described above will constitute an undue hardship on the Company.

"*Earned Incentive Compensation*" means the sum of:

- (a) The amount of any Incentive Compensation payable but not yet paid for the fiscal year preceding the fiscal year in which the Termination Date occurs. If the Chief Executive Officer has determined such amount prior to the Termination Date, then such amount shall be the amount so

determined by the Chief Executive Officer. If the Chief Executive Officer has not determined such amount prior to the Termination Date, then such amount shall equal the amount of the Average Incentive Compensation. For purposes of this paragraph (a), any Incentive Compensation deferred by Executive pursuant to any qualified or non-qualified compensation reduction arrangement maintained by the Company, including, without limitation, the Deferred Compensation Plan, shall be deemed to have been paid on the date of deferral; and

(b) An amount equal to the Average Incentive Compensation multiplied by a fraction, the numerator of which is the number of days in the current fiscal year of the Company that have expired before the Termination Date and the denominator of which is 365.

“Estate/Financial Planning Benefits” means those estate and financial planning services (a) in effect on the date hereof in which Executive is eligible to participate or (b) that the Company makes available at any time before the Termination Date to the executives and key management employees of the Company and in which Executive is then eligible to participate.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, as such law, rules and regulations may be amended from time to time.

“Executive Life Insurance Plan” means the RPM International Inc. Executive Life Insurance Plan in effect on the date hereof or any successor arrangement that the Company makes available at any time before the Termination Date to the executives and key management employees of the Company and in which Executive is then eligible to participate after satisfaction of any underwriting requirement that must be met so that a life insurance policy can be actually issued on the life of Executive.

“Good Reason” means the occurrence of one or more of the following events within the two-year period following a Change in Control:

- (a) a significant reduction in the nature or scope of the title, authority or responsibilities of Executive from those held by Executive immediately prior to the Change in Control or a relocation of Executive’s primary place of employment to a new location that is greater than twenty-five (25) miles from the location immediately prior to the Change in Control;
- (b) a reduction in Executive’s (i) annual base salary from the amount in effect on the date of the Change in Control, or (ii) annual cash incentive compensation from the amount of Executive’s annual cash incentive compensation earned for the fiscal year preceding the fiscal year in which the Executive’s termination of employment occurs, unless such reduction results solely from the Company’s results of operations;
- (c) the failure by the Company to offer to Executive an economic value of benefits reasonably comparable to the economic value of benefits under the benefit plans in which the Executive participates at the time of the Change in Control;
- (d) the failure by the Company to comply with and satisfy Section 8 of this Agreement, relating to the assumption of this Agreement and the Company’s obligations hereunder by any successor entity, or any other action or inaction that constitutes a material breach by the Company of this Agreement or any other agreement under which Executive provides her services to the Company; or
- (e) the Company materially changes its strategic direction, which shall be deemed to occur in the event of (i) any material change in the Company’s group operating structure from that in place

immediately prior to the Change in Control; (ii) any sale, liquidation, or other disposition or discontinuation of any business or businesses that represent, individually or in the aggregate, greater than 20% of the Company's revenue, income from operations or cash flow during the most recent fiscal year completed prior to the Change in Control; or (iii) any material change in the principal methods of sourcing raw materials for, manufacturing of, or methods of distribution with respect to, products that represent, individually or in the aggregate, greater than 20% of the Company's revenue, income from operations or cash flow during the most recent fiscal year completed prior to the Change in Control.

"Group Long Term Disability Insurance" means the Group Long Term Disability Insurance sponsored by the Company, as currently in effect and as the same may be amended from time to time, and any successor long-term disability insurance sponsored by the Company in which the executives and key management employees of the Company are eligible to participate.

"Incentive Compensation" shall have the meaning given such term in Section 4(b).

"Life and Disability Welfare Plan" means the RPM International Inc. Life and Disability Welfare Plan, which includes Group Life Insurance, Group Long Term Disability Insurance and Group Accidental Death and Dismemberment Insurance.

"Limited Benefit Plans" means all the Company's employee benefit plans and arrangements in effect at any time and in which the executives and key management employees of the Company are eligible to participate, excluding the Continuing Benefit Plans, but including, without limitation, the following employee benefit plans and arrangements as in effect on the date of this Agreement or any successor or new plan or arrangement made available in the future to the executives and key management employees of the Company and in which Executive is eligible to participate before the Termination Date:

- (a) The 401(k) Plan;
- (b) The RPM International Inc. Retirement Plan;
- (c) Stock option plans and other equity-based incentive plans, including the RPM International Inc. 2007 Stock Option Plan, the Restricted Stock Plan and the Omnibus Plan;
- (d) Any Executive Life Insurance;
- (e) The RPM International Inc. Incentive Compensation Plan;
- (f) The Deferred Compensation Plan;
- (g) The RPM International Inc. Employee Stock Purchase Plan;
- (h) The Life and Disability Welfare Plan;
- (i) The RPM International Inc. Group Variable Universal Life Plan (also known as GRIP or GVUL);
- (j) The RPM International Inc. Business Travel Accident Plan;
- (k) The fringe benefits appertaining to Executive's position with the Company referred to in Subsection 4(f), including the use of an automobile; and
- (l) RPM International Inc. Flexible Benefits Plan.

“Lump-Sum Payment” means, collectively, the lump-sum payments that may be payable to Executive pursuant to the first sentence of Subsection 6(b)(iii) and pursuant to Subsection 6(c)(ii).

“Notice of Termination for Good Reason” means a written notice delivered by Executive in good faith to the Company under Subsection 6(a)(vi) setting forth in reasonable detail the facts and circumstances that have occurred and that Executive claims in good faith to be an event constituting Good Reason.

“Omnibus Plan” means the RPM International Inc. 2014 Omnibus Equity and Incentive Plan.

“Protected Period” means that period of time commencing on the date of a Change in Control and ending two years after such date.

“Release and Waiver of Claims” means a written release and waiver by Executive, to the fullest extent allowable under applicable law and in form reasonably acceptable to the Company, of all claims, demands, suits, actions, causes of action, damages and rights against the Company and its Affiliates whatsoever which she may have had on account of her Termination of Employment, including, without limitation, claims of discrimination, including on the basis of sex, race, age, national origin, religion, or handicapped status, and any and all claims, demands and causes of action for severance or other termination pay. Such Release and Waiver of Claims shall not, however, apply to the obligations of the Company arising under this Agreement, any indemnification agreement between Executive and the Company, any retirement plans, any stock option agreements, COBRA Continuation Coverage or rights of indemnification Executive may have under the Company’s Certificate of Incorporation or By-laws (or comparable charter document) or by statute.

Notwithstanding anything herein to the contrary, a Release and Waiver of Claims shall not be considered effective if it is not duly executed and returned by Executive, and is not revoked, within the applicable periods provided to the Executive under Section 7(f) of the Age Discrimination in Employment Act for such execution and revocation, or such longer period of time as permitted in the release (the “Release Return and Revocation Period”), provided that the Release Return and Revocation Period is no longer than 60 days after the date of the Executive’s Termination of Employment.

“Restricted Stock Plan” means either the RPM International Inc. 1997 Restricted Stock Plan or the RPM International Inc. 2007 Restricted Stock Plan and any successor plan or arrangement to either of such plans, but shall not be deemed to mean or include the Omnibus Plan.

“Specified Payment Date” means the first payroll date in the seventh month following Executive’s Termination of Employment.

“Subsidiary” means a corporation, company or other entity (a) more than 50 percent of whose outstanding shares or securities (representing the right to vote for the election of directors or other managing authority) are, or (b) which does not have outstanding shares or securities (as may be the case in a partnership, joint venture or unincorporated association), but more than 50 percent of whose ownership interest representing the right generally to make decisions for such other entity is, now or hereafter, owned or controlled, directly or indirectly, by the Company.

“Termination of Employment” means the separation from service within the meaning of Section 409A of the Code, of Executive with the Company and all of its Affiliates, for any reason, including without limitation, quit, discharge, or retirement, or a leave of absence (including military leave, sick leave, or other bona fide leave of absence such as temporary employment by the government if the period of such leave exceeds the greater of six months, or the period for which Executive’s right to reemployment is provided either by statute or by contract) or permanent decrease in service to a level that is no more than Twenty Percent (20%) of its prior level. For this purpose, whether a Termination of Employment has occurred is determined based on whether it is reasonably anticipated that no further services will be performed by Executive after a certain date or that the level of bona fide services Executive will perform after such date (whether as an employee or as an independent contractor) would permanently decrease to no more than Twenty Percent (20%) of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding 36-month period (or the full period of services if Executive has been providing services less than 36 months). The terms “Terminate” or “Terminated,” when used in reference to

Executive's employment or the Employment Period, shall refer to a Termination of Employment as set forth in this paragraph.

"Termination Date" means the effective date of Executive's Termination of Employment.

"Voting Power" means, at any time, the total votes relating to the then-outstanding securities entitled to vote generally in the election of Directors.

"Voting Stock" means, at any time, the then-outstanding securities entitled to vote generally in the election of Directors.

Schedule B

280G “Best Net Alternative” Example

The following tables illustrate how the “best net alternative” approach under Section 280G would work pursuant to Section 7 of the Agreement. Section 7 provides that the employee will receive the greater of either (i) the total amount of parachute payments the employee would be entitled to receive after paying all taxes, including the 280G excise tax (20%) and the federal and state taxes (~40%) or (ii) an amount equal to approximately 2.99 times the employee’s base compensation, which is just below the threshold for triggering an excise tax under Section 280G. In other words, is the employee better off receiving the full amount and paying the 280G excise tax of 20% on a portion of the amount or is the employee better off receiving a reduced amount equal to approximately 2.99 of her base compensation?

The answer will depend on the amount of the parachute payments. Once the amount is high enough, the employee will be better off taking the full amount and paying the excise tax. However, there is a certain lower range in which the employee is better off taking a reduced payment and not paying the excise tax.

The first table below illustrates a scenario in which the employee is better off paying the excise tax as compared to taking a reduced payment (see the “Total Payments After Taxes” column, in which “No 280G Cutback” is greater than “With 280G Cutback”). The second table below illustrates a scenario in which the employee is better off taking a reduced payment instead of paying the 280G excise tax (see the “Total Payments After Taxes” column, in which “With 280G Cutback” is greater than “No 280G Cutback”). Note that the difference in the “Potential Parachute Payments” is what drives the difference between the two scenarios. In the first scenario, \$1,500,000 is a high enough amount in which the employee is better off paying the excise tax. In the second scenario, \$1,000,000 is a low enough amount in which the employee is better off reducing the payments and not paying the excise tax. The differences in the Potential Parachute Payments the employee could receive between the two scenarios (\$1,500,000 vs. \$1,000,000) would be largely driven by the stock price used to determine the value of any accelerated equity payments. Other factors, such as the costs of benefits or any prorated payments may also affect the Potential Parachute Payments amount.

Better Payment without Cutback

	Base Amount	280G threshold (3X base amount)	Potential Parachute Payments	Excess Parachute Amount (total payments minus base amount)	20% Excise Tax on Excess Parachute Amount	Federal and State Income tax (~40%)	Total Taxes (income plus excise tax)	Total Payment After Taxes
No 280G Cutback	\$300,000	\$900,000	\$1,500,000	\$1,200,000	\$240,000	\$600,000	\$840,000	\$660,000
With 280G Cutback	\$300,000	\$900,000	\$899,999*	\$0	\$0	\$360,000	\$360,000	\$539,999

Better Payment with Cutback

	Base Amount	280G threshold (3X base amount)	Potential Parachute Payments	Excess Parachute Amount (total payments minus base amount)	20% Excise Tax on Excess Parachute Amount	Federal and State Income tax (~40%)	Total Taxes (income plus excise tax)	Total Payment After Taxes
No 280G Cutback	\$300,000	\$900,000	\$1,000,000	\$700,000	\$140,000	\$400,000	\$540,000	\$460,000
With 280G Cutback	\$300,000	\$900,000	\$899,999*	\$0	\$0	\$360,000	\$360,000	\$539,999

* Note -- \$899,999 reflects the amount the employee would receive if the payments were reduced to just under her 280G threshold. This row is the same in both tables because the employee’s 280G threshold (3 times her base compensation) is going to stay the same in both scenarios.

RULE 13a-14(a) CERTIFICATION

I, Frank C. Sullivan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of RPM International Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ Frank C. Sullivan

Frank C. Sullivan

Chairman and Chief Executive Officer

Dated: October 1, 2025

RULE 13a-14(a) CERTIFICATION

I, Russell L. Gordon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of RPM International Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ Russell L. Gordon

Russell L. Gordon

Vice President and Chief Financial Officer

Dated: October 1, 2025

CERTIFICATION

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of RPM International Inc., a Delaware corporation (the “Company”), does hereby certify, to such officer’s knowledge, that the Company’s Quarterly Report on Form 10-Q for the quarter ended August 31, 2025 (the “Form 10-Q”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Form 10-Q.

/s/ Frank C. Sullivan

Frank C. Sullivan

Chairman and Chief Executive Officer

Dated: October 1, 2025

The foregoing Certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Form 10-Q or as a separate disclosure document.

CERTIFICATION

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of RPM International Inc., a Delaware corporation (the “Company”), does hereby certify, to such officer’s knowledge, that the Company’s Quarterly Report on Form 10-Q for the quarter ended August 31, 2025 (the “Form 10-Q”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Form 10-Q.

/s/ Russell L. Gordon

Russell L. Gordon

Vice President and Chief Financial Officer

Dated: October 1, 2025

The foregoing Certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Form 10-Q or as a separate disclosure document.
