

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, 2026,

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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

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 30, 2026, the registrant had 127,533,690 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, 2026	May 31, 2026
Assets		
Current Assets		
Cash and cash equivalents	\$ 312,842	\$ 315,188
Trade accounts receivable (less allowances of \$38,236 and \$39,179, respectively)	1,517,963	1,661,538
Inventories	1,140,432	1,058,911
Prepaid expenses and other current assets	405,141	423,198
Total current assets	<u>3,376,378</u>	<u>3,458,835</u>
Property, Plant and Equipment, at Cost	2,952,267	2,919,058
Allowance for depreciation	(1,399,118)	(1,362,540)
Property, plant and equipment, net	<u>1,553,149</u>	<u>1,556,518</u>
Other Assets		
Goodwill	1,686,520	1,688,164
Other intangible assets, net of amortization	813,600	824,638
Operating lease right-of-use assets	389,937	396,936
Deferred income taxes	113,035	116,474
Other	298,019	303,040
Total other assets	<u>3,301,111</u>	<u>3,329,252</u>
Total Assets	<u>\$ 8,230,638</u>	<u>\$ 8,344,605</u>
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 889,731	\$ 853,524
Current portion of long-term debt	407,497	407,834
Accrued compensation and benefits	185,200	307,299
Accrued losses	49,019	51,258
Other accrued liabilities	391,253	441,148
Total current liabilities	<u>1,922,700</u>	<u>2,061,063</u>
Long-Term Liabilities		
Long-term debt, less current maturities	1,999,028	2,125,690
Operating lease liabilities	334,729	341,283
Other long-term liabilities	256,569	258,641
Deferred income taxes	237,280	244,823
Total long-term liabilities	<u>2,827,606</u>	<u>2,970,437</u>
Contingencies and Accrued Losses (Note 13)		
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 146,910 and outstanding 127,554 as of August 31, 2026; issued 146,578 and outstanding 127,643 as of May 31, 2026	1,276	1,276
Paid-in capital	1,220,252	1,210,651
Treasury stock, at cost	(1,067,754)	(1,036,645)
Accumulated other comprehensive (loss)	(446,690)	(447,200)
Retained earnings	3,771,739	3,583,451
Total RPM International Inc. stockholders' equity	<u>3,478,823</u>	<u>3,311,533</u>
Noncontrolling Interest	1,509	1,572
Total equity	<u>3,480,332</u>	<u>3,313,105</u>
Total Liabilities and Stockholders' Equity	<u>\$ 8,230,638</u>	<u>\$ 8,344,605</u>

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, 2026	August 31, 2025
Net Sales	\$ 2,215,593	\$ 2,113,743
Cost of Sales	1,301,631	1,220,527
Gross Profit	913,962	893,216
Selling, General and Administrative Expenses	559,768	573,534
Restructuring Expense	5,157	8,814
Interest Expense	25,535	29,326
Investment (Income), Net	(7,518)	(13,404)
Other (Income), Net	(6,033)	(3,101)
Income Before Income Taxes	337,053	298,047
Provision for Income Taxes	80,427	70,207
Net Income	256,626	227,840
Less: Net Income Attributable to Noncontrolling Interests	269	235
Net Income Attributable to RPM International Inc. Stockholders	\$ 256,357	\$ 227,605
Average Number of Shares of Common Stock Outstanding:		
Basic	126,744	127,283
Diluted	127,240	127,950
Earnings per Share of Common Stock Attributable to RPM International Inc. Stockholders:		
Basic	\$ 2.02	\$ 1.78
Diluted	\$ 2.01	\$ 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, 2026	August 31, 2025
Net Income	\$ 256,626	\$ 227,840
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments, net of tax	519	19,483
Pension and other postretirement benefit liability adjustments, net of tax	(132)	1,093
Unrealized gain on securities, net of tax	126	224
Total other comprehensive income	513	20,800
Total Comprehensive Income	257,139	248,640
Less: Comprehensive Income Attributable to Noncontrolling Interests	272	236
Comprehensive Income Attributable to RPM International Inc. Stockholders	\$ 256,867	\$ 248,404

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, 2026	August 31, 2025
Cash Flows from Operating Activities:		
Net income	\$ 256,626	\$ 227,840
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	53,075	51,464
Fair value adjustments to contingent earnout obligations	(4,945)	-
Deferred income taxes	(3,817)	1,304
Stock-based compensation expense	9,601	5,475
Net (gain) on marketable securities	(2,032)	(8,673)
Net (gain) on sales of assets	(10,505)	-
Other	244	(324)
Changes in assets and liabilities, net of effect from purchases and sales of businesses:		
Decrease in receivables	142,204	49,331
(Increase) in inventory	(81,609)	(16,005)
(Increase) in prepaid expenses and other current and long-term assets	(9,868)	(18,051)
Increase in accounts payable	57,344	7,810
(Decrease) in accrued compensation and benefits	(121,260)	(99,296)
(Decrease) in accrued losses	(2,320)	(6,098)
(Decrease) increase in other accrued liabilities	(18,802)	42,733
Cash Provided by Operating Activities	263,936	237,510
Cash Flows from Investing Activities:		
Capital expenditures	(58,505)	(62,461)
Acquisition of businesses, net of cash acquired	-	(115,695)
Purchase of marketable securities	(10,243)	(6,283)
Proceeds from sales of marketable securities	1,526	1,525
Proceeds from sales of assets	27,634	-
Other	(238)	523
Cash (Used for) Investing Activities	(39,826)	(182,391)
Cash Flows from Financing Activities:		
Additions to long-term and short-term debt	148,886	35,000
Reductions of long-term and short-term debt	(276,448)	(14,972)
Cash dividends	(68,069)	(64,521)
Repurchases of common stock	(22,386)	(17,500)
Shares of common stock returned for taxes	(8,987)	(1,921)
Other	(278)	(221)
Cash (Used for) Financing Activities	(227,282)	(64,135)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	826	3,954
Net Change in Cash and Cash Equivalents	(2,346)	(5,062)
Cash and Cash Equivalents at Beginning of Period	315,188	302,137
Cash and Cash Equivalents at End of Period	\$ 312,842	\$ 297,075
<u>Supplemental Disclosures of Cash Flows Information:</u>		
Cash paid during the period for:		
Interest	\$ 26,529	\$ 28,640
Income taxes, net of refunds	\$ 63,677	\$ 38,080
<u>Supplemental Disclosures of Noncash Investing Activities:</u>		
Capital expenditures accrued within accounts payable at quarter-end	\$ 12,287	\$ 17,265

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 Other Comprehensive (Loss) Income		Retained Earnings	Total RPM International Inc. Equity	Noncontrolling Interests	Total Equity
	Number of Shares	Par/Stated Value	Paid-In Capital	Treasury Stock						
Balance at June 1, 2026	127,643	\$ 1,276	\$ 1,210,651	\$ (1,036,645)	\$	(447,200)	\$ 3,583,451	\$ 3,311,533	\$ 1,572	\$ 3,313,105
Net income	-	-	-	-	-	-	256,357	256,357	269	256,626
Other comprehensive income	-	-	-	-	-	510	-	510	3	513
Dividends declared and paid (\$0.54 per share)	-	-	-	-	-	-	(68,069)	(68,069)	-	(68,069)
Other noncontrolling interest activity	-	-	-	-	-	-	-	-	(335)	(335)
Share repurchases under repurchase program	(196)	(2)	2	(22,386)	-	-	-	(22,386)	-	(22,386)
Stock compensation expense and other deferred compensation, shares granted less shares returned for taxes	107	2	9,599	(8,723)	-	-	-	878	-	878
Balance at August 31, 2026	127,554	\$ 1,276	\$ 1,220,252	\$ (1,067,754)	\$	(446,690)	\$ 3,771,739	\$ 3,478,823	\$ 1,509	\$ 3,480,332

	Common Stock				Accumulated Other Comprehensive (Loss) Income		Retained Earnings	Total RPM International Inc. Equity	Noncontrolling Interests	Total Equity
	Number of Shares	Par/Stated Value	Paid-In Capital	Treasury Stock						
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

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, 2026 and 2025. 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, 2026.

In August 2026, management approved the transfer of certain Latin America businesses and management structures, formerly of our Construction Products Group (“CPG”) and Consumer segments, to our Performance Coatings Group (“PCG”) segment to create operating efficiencies and a more unified go-to-market strategy in Latin America. This realignment is reflected in our reportable segments beginning with our first quarter of fiscal 2027. As a result, historical segment results disclosed in Note 3, “Restructuring” and Note 16, “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 16, “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 stronger 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 July 2025, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Update (“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. We adopted the new standard effective June 1, 2026 on a prospective basis. The adoption of this guidance did not have a material impact on our consolidated balance sheet, results of operations or cash flows.

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 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.

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.

Margin Achievement Plan 2025

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 in fiscal 2027.

The current total expected costs associated with this plan are outlined below and decreased approximately \$0.3 million compared to our prior quarter estimate, attributable to decreases in expected facility closure and other related costs of \$0.2 million and decreases in expected severance and benefit costs of \$0.1 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, 2026	Three Months Ended August 31, 2025	Cumulative Costs to Date	Total Expected Costs
CPG Segment:				
Severance and benefit (credits) costs	\$ (152)	\$ 1,941	\$ 23,663	\$ 24,917
Facility closure and other related costs	829	655	7,004	9,404
Total Charges	\$ 677	\$ 2,596	\$ 30,667	\$ 34,321
PCG Segment:				
Severance and benefit (credits) costs	\$ (71)	\$ 3,307	\$ 14,055	\$ 14,055
Facility closure and other related costs	61	636	5,450	6,190
Other restructuring costs	-	-	7,092	7,092
Total (Credits) Charges	\$ (10)	\$ 3,943	\$ 26,597	\$ 27,337
Consumer Segment:				
Severance and benefit (credits) costs	\$ (22)	\$ 1,828	\$ 23,049	\$ 23,049
Facility closure and other related costs	-	447	4,691	4,691
Other restructuring costs	-	-	532	532
Total (Credits) Charges	\$ (22)	\$ 2,275	\$ 28,272	\$ 28,272
Corporate/Other:				
Severance and benefit (credits)	\$ -	\$ -	\$ (50)	\$ (50)
Total (Credits)	\$ -	\$ -	\$ (50)	\$ (50)
Consolidated:				
Severance and benefit (credits) costs	\$ (245)	\$ 7,076	\$ 60,717	\$ 61,971
Facility closure and other related costs	890	1,738	17,145	20,285
Other restructuring costs	-	-	7,624	7,624
Total Charges	\$ 645	\$ 8,814	\$ 85,486	\$ 89,880

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, 2026	\$ 7,849	\$ 117	\$ 7,966
Charges (credits) to expense	(245)	890	645
Cash payments charged against reserve	(1,890)	(973)	(2,863)
Non-cash charges and other adjustments	(52)	-	(52)
Balance at August 31, 2026	\$ 5,662	\$ 34	\$ 5,696

<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
Charges 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

2026 Restructuring Action

During the third quarter of fiscal 2026, we approved and announced selling, general and administrative ("SG&A") focused optimization actions in response to performance and market conditions. This is an acceleration of actions planned to be included as part of our next MAP initiative. The initial focus of the program is eliminating SG&A costs through the structural realignment and elimination of certain levels of management, as well as certain footprint rationalization initiatives. The objective of which is to better align our resources with our strategic priorities and navigate the current economic environment.

The current total expected costs associated with this plan are outlined below and increased approximately \$8.4 million compared to our prior quarter estimate, attributable to increases in expected severance and benefit costs of \$3.5 million and expected facility closure and other related costs of \$4.9 million. As we finalize our next multi-year MAP initiative, we will continue to identify improvement and cost savings opportunities, as well as establish the expected duration of the program. As such, the final implementation and total expected costs are subject to change.

The following is a summary of the charges recorded in connection with this program 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, 2026	Cumulative Costs to Date	Total Expected Costs
CPG Segment:			
Severance and benefit costs	\$ 385	\$ 9,353	\$ 12,855
Facility closure and other related costs	13	236	236
Total Charges	\$ 398	\$ 9,589	\$ 13,091
PCG Segment:			
Severance and benefit costs	\$ 599	\$ 6,595	\$ 8,556
Facility closure and other related costs	297	842	6,325
Total Charges	\$ 896	\$ 7,437	\$ 14,881
Consumer Segment:			
Severance and benefit costs	\$ 3,043	\$ 9,709	\$ 9,709
Facility closure and other related costs	175	822	1,045
Total Charges	\$ 3,218	\$ 10,531	\$ 10,754
Corporate/Other:			
Severance and benefit costs	\$ -	\$ 1,373	\$ 1,373
Total Charges	\$ -	\$ 1,373	\$ 1,373
Consolidated:			
Severance and benefit costs	\$ 4,027	\$ 27,030	\$ 32,493
Facility closure and other related costs	485	1,900	7,606
Total Charges	\$ 4,512	\$ 28,930	\$ 40,099

A summary of the activity in the restructuring reserves related to this program is as follows:

<i>(in thousands)</i>	Severance and Benefits Costs	Facility Closure and Other Related Costs	Total
Balance at June 1, 2026	\$ 6,702	\$ 119	\$ 6,821
Charges to expense	4,027	485	4,512
Cash payments charged against reserve	(7,024)	(547)	(7,571)
Non-cash charges and other adjustments	(54)	-	(54)
Balance at August 31, 2026	\$ 3,651	\$ 57	\$ 3,708

NOTE 4 — 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 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, 2026
Available-for-sale debt securities:				
U.S. Treasury and other government	\$ -	\$ 25,190	\$ -	\$ 25,190
Corporate bonds	-	117	-	117
Total available-for-sale debt securities	-	25,307	-	25,307
Marketable equity securities:				
Stocks – foreign	389	-	-	389
Stocks – domestic	5,525	-	-	5,525
Mutual funds – foreign	-	52,599	-	52,599
Mutual funds – domestic	14,119	112,610	-	126,729
Total marketable equity securities	20,033	165,209	-	185,242
Contingent consideration	-	-	(408)	(408)
Total	\$ 20,033	\$ 190,516	\$ (408)	\$ 210,141

<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, 2026
Available-for-sale debt securities:				
U.S. Treasury and other government	\$ -	\$ 25,231	\$ -	\$ 25,231
Corporate bonds	-	123	-	123
Total available-for-sale debt securities	-	25,354	-	25,354
Marketable equity securities:				
Stocks – foreign	370	-	-	370
Stocks – domestic	5,213	-	-	5,213
Mutual funds – foreign	-	49,082	-	49,082
Mutual funds – domestic	13,664	106,065	-	119,729
Total marketable equity securities	19,247	155,147	-	174,394
Contingent consideration	-	-	(5,349)	(5,349)
Total	\$ 19,247	\$ 180,501	\$ (5,349)	\$ 194,399

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. During the first three months of fiscal 2027, we decreased our accrual by \$4.9 million primarily related to an acquisition completed during fiscal 2025. No such adjustments were made in the first three months of fiscal 2026. 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, 2026 and May 31, 2026, 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, 2026 and May 31, 2026, is as follows:

<i>(In thousands)</i>	At August 31, 2026	
	Carrying Value	Fair Value
Long-term debt, including current portion	\$ 2,406,525	\$ 2,279,883

<i>(In thousands)</i>	At May 31, 2026	
	Carrying Value	Fair Value
Long-term debt, including current portion	\$ 2,533,524	\$ 2,434,070

NOTE 5 — INVESTMENT (INCOME), NET

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

<i>(In thousands)</i>	Three Months Ended	
	August 31, 2026	August 31, 2025
Interest (income)	\$ (3,865)	\$ (3,760)
Net (gain) on marketable securities	(2,032)	(8,673)
Dividend (income)	(1,621)	(971)
Investment (income), net	\$ (7,518)	\$ (13,404)

Net (Gain) on Marketable Securities

<i>(In thousands)</i>	Three Months Ended	
	August 31, 2026	August 31, 2025
Unrealized (gains) on marketable equity securities	\$ (1,563)	\$ (8,586)
Realized (gains) on marketable equity securities	(469)	(97)
Realized losses on available-for-sale debt securities	-	10
Net (gain) on marketable securities	\$ (2,032)	\$ (8,673)

NOTE 6 — OTHER (INCOME), NET

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

<i>(In thousands)</i>	Three Months Ended	
	August 31, 2026	August 31, 2025
Pension non-service (credits)	\$ (5,323)	\$ (2,539)
Other	(710)	(562)
Other (income), net	\$ (6,033)	\$ (3,101)

NOTE 7 — INCOME TAXES

The effective income tax rate of 23.9% for the three months ended August 31, 2026, compares to the effective income tax rate of 23.6% for the three months ended August 31, 2025.

The effective income tax rates for the three-month period ended August 31, 2026 and 2025, 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 U.S. foreign income inclusion provisions, partially offset by tax benefits related to equity compensation and foreign tax credits.

As of May 31, 2026, we had approximately \$171.6 million of unremitted foreign earnings not considered permanently reinvested, with a corresponding \$0.4 million deferred tax liability for foreign withholding or income taxes, which may become payable if these earnings were remitted to us as dividends. As of August 31, 2026, these earnings are approximately \$171.0 million. The related deferred tax liability associated with these earnings is \$0.4 million.

NOTE 8 — INVENTORIES

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

<i>(In thousands)</i>	August 31, 2026	May 31, 2026
Raw material and supplies	\$ 447,987	\$ 410,187
Finished goods	692,445	648,724
Total Inventory, Net of Reserves	\$ 1,140,432	\$ 1,058,911

NOTE 9 — STOCK REPURCHASE PROGRAM

On November 28, 2018 we announced our plan 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. In January 2021, our Board of Directors extended the stock repurchase program beyond its original expiration date until such time that the remaining capital has been returned to our stockholders. As of May 31, 2026, the maximum dollar amount that was available to be repurchased under this program was \$114.8 million. On July 22, 2026, we announced a \$700 million increase to the repurchase program. The authorization has no expiration date.

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. The maximum dollar amount that may yet be repurchased under our stock repurchase program was \$792.4 million at August 31, 2026.

The following table provides our share repurchase activity under this program for the three-month periods ended August 31, 2026 and 2025:

<i>(In thousands, except share and per share amounts)</i>	Three Months Ended	
	August 31, 2026	August 31, 2025
Shares repurchased	196,274	146,191
Cost of repurchases	\$ 22,386	\$ 17,500
Average cost per share	\$ 114.05	\$ 119.70

NOTE 10 — 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 On Derivatives	Unrealized Gain (Loss) On Securities	Total
Three Months Ended August 31, 2026					
<i>(In thousands)</i>					
Balance at June 1, 2026	\$ (428,828)	\$ (28,318)	\$ 11,405	\$ (1,459)	\$ (447,200)
Current period comprehensive income	521	-	-	(239)	282
Income taxes associated with the current period	(5)	-	-	365	360
Amounts reclassified from accumulated other comprehensive income (loss)	-	(178)	-	-	(178)
Income taxes reclassified into earnings	-	46	-	-	46
Balance at August 31, 2026	\$ (428,312)	\$ (28,450)	\$ 11,405	\$ (1,333)	\$ (446,690)

	Foreign Currency Translation Adjustments	Pension And Other Postretirement Benefit Liability Adjustments	Unrealized Gain 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)

NOTE 11 — 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, 2026 and 2025.

	Three Months Ended	
	August 31, 2026	August 31, 2025
<i>(In thousands, except per share amounts)</i>		
Numerator for earnings per share:		
Net income attributable to RPM International Inc. stockholders	\$ 256,357	\$ 227,605
Less: Allocation of earnings and dividends to participating securities	(915)	(885)
Net income available to common shareholders - basic	255,442	226,720
Add: Undistributed earnings reallocated to unvested shareholders	3	3
Net income available to common shareholders - diluted	\$ 255,445	\$ 226,723
Denominator for basic and diluted earnings per share:		
Basic weighted average common shares	126,744	127,283
Average diluted options and awards	496	667
Total shares for diluted earnings per share ⁽¹⁾	127,240	127,950
Earnings Per Share of Common Stock Attributable to RPM International Inc. Stockholders:		
Basic Earnings Per Share of Common Stock	\$ 2.02	\$ 1.78
Method used to calculate basic earnings per share	Two-class	Two-class
Diluted Earnings Per Share of Common Stock	\$ 2.01	\$ 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 stock appreciation rights ("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, 2026 and 2025, approximately 860,000 and 400,000 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 12 — 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, 2026 and 2025:

	U.S. Plans		Non-U.S. Plans	
	Three Months Ended		Three Months Ended	
	August 31, 2026	August 31, 2025	August 31, 2026	August 31, 2025
<i>(In thousands)</i>				
Pension Benefits				
Service cost	\$ 10,806	\$ 10,863	\$ 1,489	\$ 1,467
Interest cost	9,861	9,484	2,267	2,028
Expected return on plan assets	(14,899)	(13,326)	(2,718)	(2,506)
Amortization of:				
Prior service cost (credit)	-	1	(22)	(25)
Net actuarial losses recognized	2	1,448	162	323
Net Periodic Benefit Cost	\$ 5,770	\$ 8,470	\$ 1,178	\$ 1,287
	U.S. Plans		Non-U.S. Plans	
	Three Months Ended		Three Months Ended	
	August 31, 2026	August 31, 2025	August 31, 2026	August 31, 2025
<i>(In thousands)</i>				
Postretirement Benefits				
Service cost	\$ -	\$ -	\$ 224	\$ 234
Interest cost	11	12	280	272
Amortization of:				
Net actuarial (gains) losses recognized	(27)	9	(246)	(256)
Net Periodic Benefit Cost	\$ (16)	\$ 21	\$ 258	\$ 250

Net periodic pension cost for fiscal 2027 is less than our fiscal 2026 cost mainly due to an increase in the value of expected return on plan assets driven by the higher market value of plan assets. There was also 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, 2026, that we are required and expect to contribute approximately \$7.8 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 2027.

NOTE 13 — 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, 2026, 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, 2026	August 31, 2025
<i>(In thousands)</i>		
Beginning Balance	\$ 13,774	\$ 14,028
Deductions ⁽¹⁾	(15,685)	(10,605)
Provision charged to expense	17,304	10,350
Ending Balance	<u>\$ 15,393</u>	<u>\$ 13,773</u>

⁽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.

Other Contingencies

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 and awarded supplemental attorneys' fees of approximately \$0.2 million on October 2, 2025. 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 \$152.5 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, 2026, and August 31, 2026. We did not incur any SG&A expense related to this matter during the three-month periods ending August 31, 2026 and 2025. 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 14 — 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 \$70.2 million and \$58.1 million as of August 31, 2026 and May 31, 2026, respectively. These amounts are included within accounts payable on the Consolidated Balance Sheets.

NOTE 15 — REVENUE

We operate a portfolio of services and product lines which include a variety of specialty paints, protective coatings, roofing systems, flooring solutions, sealants, cleaners 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 16, "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 three 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 13, "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 (liabilities) consisted of the following:

<i>(In thousands, except percentages)</i>	August 31, 2026	May 31, 2026	\$ Change	% Change
Trade accounts receivable, less allowances	\$ 1,517,963	\$ 1,661,538	\$ (143,575)	(8.6%)
Contract assets	\$ 84,482	\$ 61,757	\$ 22,725	36.8%
Contract liabilities - short-term	(52,044)	(75,279)	23,235	(30.9%)
Net Contract Assets (Liabilities)	\$ 32,438	\$ (13,522)	\$ 45,960	

The \$46.0 million change in our net contract assets (liabilities) from May 31, 2026 to August 31, 2026, resulted primarily due to the timing of construction jobs in progress at August 31, 2026, versus May 31, 2026. During the three-month periods ending August 31, 2026 and 2025, we recognized \$46.5 million and \$26.2 million of revenue, respectively, which was included in contract liabilities as of May 31, 2026 and 2025, respectively.

We also record long-term deferred revenue, which amounted to \$91.9 million and \$92.4 million as of August 31, 2026 and May 31, 2026, 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:

	Three Months Ended	
	August 31, 2026	August 31, 2025
<i>(In thousands)</i>		
Beginning Balance	\$ 39,179	\$ 42,844
Bad debt provision	6,546	1,394
Uncollectible accounts written off, net of recoveries	(7,478)	(2,048)
Translation adjustments	(11)	316
Ending Balance	\$ 38,236	\$ 42,506

NOTE 16 — SEGMENT INFORMATION

In August 2026, management approved the transfer of certain Latin America businesses and management structures, formerly of our CPG and Consumer segments, to our PCG segment to create operating efficiencies and a more unified go-to-market strategy in Latin America. The businesses generated approximately \$143.1 million in combined annual revenue in fiscal 2026. This transfer is effective June 1, 2026. As a result of this business realignment, \$13.3 million and \$3.5 million of goodwill was transferred from the CPG and Consumer segments, respectively, to the PCG segment. Additionally, this realignment is reflected in our reportable segments beginning with our first quarter of fiscal 2027. As such, historical segment results have been recast to reflect the impact of this change.

We operate a portfolio of services and product lines which include 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 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, EBITDA, adjusted EBIT, or adjusted EBITDA, because interest (income) expense, net is essentially related to corporate functions, as opposed to segment operations. Additionally, EBITDA provides a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable segments. 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, Latin America and Asia Pacific. 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, 2026	CPG Segment	PCG Segment	Consumer Segment	Total
<i>(In thousands)</i>				
Net Sales	\$ 859,209	\$ 629,650	\$ 726,734	\$ 2,215,593
Less:				
Cost of Sales	502,136	358,467	441,080	
Selling, General and Administrative Expenses	206,755	165,206	149,920	
Other Segment Items ⁽¹⁾	1,208	(1,325)	3,455	
Income Before Income Taxes	\$ 149,110	\$ 107,302	\$ 132,279	\$ 388,691
Less: Corporate/Other Expense				51,638
Consolidated Income Before Income Taxes				\$ 337,053

Supplemental Information:

Depreciation and Intangible Asset Amortization	\$ 19,585	\$ 13,267	\$ 18,896	
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Three Months Ended August 31, 2025	CPG Segment	PCG Segment	Consumer Segment	Total
<i>(In thousands)</i>				
Net Sales	\$ 851,997	\$ 571,593	\$ 690,153	\$ 2,113,743
Less:				
Cost of Sales	479,604	321,795	419,169	
Selling, General and Administrative Expenses	209,389	161,326	159,519	
Other Segment Items ⁽¹⁾	3,820	1,677	2,628	
Income Before Income Taxes	\$ 159,184	\$ 86,795	\$ 108,837	\$ 354,816
Less: Corporate/Other Expense				56,769
Consolidated Income Before Income Taxes				\$ 298,047

Supplemental Information:

Depreciation and Intangible Asset Amortization	\$ 18,923	\$ 12,329	\$ 18,912	
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⁽¹⁾ Other Segment Items includes Restructuring Expense, Interest Expense, Investment (Income), Net and Other (Income), Net.

Three Months Ended August 31, 2026	CPG Segment	PCG Segment	Consumer Segment	Consolidated
<i>(In thousands)</i>				
Net Sales (based on shipping location) ⁽²⁾				
United States	\$ 605,830	\$ 382,264	\$ 566,768	\$ 1,554,862
Foreign				
Canada	81,997	20,252	47,909	150,158
Europe	136,170	92,468	102,029	330,667
Latin America	33,109	51,233	2,935	87,277
Asia Pacific	-	47,480	7,093	54,573
Other Foreign	2,103	35,953	-	38,056
Total Foreign	253,379	247,386	159,966	660,731
Total	\$ 859,209	\$ 629,650	\$ 726,734	\$ 2,215,593

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	26,638	42,085	2,193	70,916
Asia Pacific	-	34,224	5,203	39,427
Other Foreign	-	30,007	-	30,007
Total Foreign	231,739	217,648	152,141	601,528
Total	\$ 851,997	\$ 571,593	\$ 690,153	\$ 2,113,743

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

NOTE 17 — SUBSEQUENT EVENTS

Subsequent to August 31, 2026, we completed the acquisition of Volteco S.p.A. (“Volteco”), an Italy-based leading supplier of below-grade waterproofing solutions. Volteco generated net sales of approximately €28.0 million in calendar year 2025 and will be included in our CPG reportable segment.

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.

Goodwill

As outlined in Note 16, "Segment Information", in August 2026, management approved the realignment of certain businesses and management structures within our CPG, Consumer and PCG segments to create operating efficiencies and a more unified go-to-market strategy in Latin America. As a result, certain CPG and Consumer Latin America businesses, formerly of our Euclid and Rust-Oleum reporting units within our CPG and Consumer segments, were transferred to our Platform reporting unit within our PCG segment.

We performed a goodwill impairment test for the reporting units affected by the business realignment and change in management structure using a qualitative assessment. We concluded that the estimated fair values exceeded the carrying values for these reporting units, and accordingly, no indications of impairment were identified as a result of these changes during the first quarter of fiscal 2027.

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, 2026.

BUSINESS SEGMENT INFORMATION

Effective June 1, 2026, certain Latin America businesses and management structures, formerly of our CPG and Consumer segments, were transferred to our PCG segment to create operating efficiencies and a more unified go-to-market strategy in Latin America. This realignment is reflected in our reportable segments beginning with our first quarter of fiscal 2027. As such, historical segment results have been recast to reflect the impact of this realignment.

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.

(In thousands)	Three Months Ended	
	August 31, 2026	August 31, 2025
Net Sales		
CPG Segment	\$ 859,209	\$ 851,997
PCG Segment	629,650	571,593
Consumer Segment	726,734	690,153
Consolidated	\$ 2,215,593	\$ 2,113,743
Income Before Income Taxes ^(a)		
CPG Segment		
Income Before Income Taxes ^(a)	\$ 149,110	\$ 159,184
Interest (Expense), Net ^(b)	(896)	(1,623)
EBIT ^(c)	\$ 150,006	\$ 160,807
PCG Segment		
Income Before Income Taxes ^(a)	\$ 107,302	\$ 86,795
Interest Income, Net ^(b)	1,716	1,730
EBIT ^(c)	\$ 105,586	\$ 85,065
Consumer Segment		
Income Before Income Taxes ^(a)	\$ 132,279	\$ 108,837
Interest (Expense), Net ^(b)	(118)	(272)
EBIT ^(c)	\$ 132,397	\$ 109,109
Corporate/Other		
(Loss) Before Income Taxes ^(a)	\$ (51,638)	\$ (56,769)
Interest (Expense), Net ^(b)	(18,719)	(15,757)
EBIT ^(c)	\$ (32,919)	\$ (41,012)
Consolidated		
Net Income	\$ 256,626	\$ 227,840
Add: Provision for Income Taxes	80,427	70,207
Income Before Income Taxes ^(a)	337,053	298,047
Interest (Expense)	(25,535)	(29,326)
Investment Income, Net	7,518	13,404
EBIT ^(c)	\$ 355,070	\$ 313,969

(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. 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, 2026

Net Sales

	Three months ended		Total Growth	Organic Growth (Decline) ⁽¹⁾	Acquisition & Divestiture Impact	Foreign Currency Exchange Impact
<i>(in millions, except percentages)</i>	August 31, 2026	August 31, 2025				
CPG Segment	\$ 859.2	\$ 852.0	0.8%	(1.7%)	2.5%	0.0%
PCG Segment	629.7	571.6	10.2%	7.9%	1.8%	0.5%
Consumer Segment	726.7	690.1	5.3%	5.2%	0.3%	(0.2%)
Consolidated	\$ 2,215.6	\$ 2,113.7	4.8%	3.1%	1.6%	0.1%

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

Our CPG segment experienced organic sales decline during the first quarter of fiscal 2027 driven by delayed sales resulting from a slowdown in healthcare and education markets, as well as supplier raw material availability issues affecting certain products, partially offset by pricing actions in response to inflation. The overall sales increase was driven by prior period acquisitions.

Our PCG segment generated organic sales growth during the first quarter of fiscal 2027, driven by broad-based growth, with particular strength in engineered solutions for high-performance buildings, energy and infrastructure projects, including in emerging markets, as well as food coatings and ingredients. Price increases to offset inflation, prior period acquisitions and favorable foreign currency translation also contributed to the sales increase.

Our Consumer segment generated organic sales growth in the first quarter of fiscal 2027 driven by solid growth across all businesses, and were aided by shelf space wins, new product introductions and pricing to offset inflation, which was higher in the quarter.

Gross Profit Margin Our consolidated gross profit margin of 41.3% of net sales for the first quarter of fiscal 2027 compares to a consolidated gross profit margin of 42.3% for the comparable period a year ago. The current quarter gross profit margin decrease of approximately 1.0%, or 100 basis points, was driven by cost inflation, inclusive of the net tariff-related impacts, and warranty expenses, partially offset by improved pricing to recover inflation and our MAP 2025 initiatives, which generated incremental savings in procurement, manufacturing and commercial excellence.

We expect that the inflationary headwinds noted above, including the impact from geopolitical-driven inflation, will be reflected in our results throughout fiscal 2027.

SG&A Our consolidated SG&A expense during the first quarter was \$13.8 million lower versus the same period last year and decreased to 25.3% of net sales from 27.1% of net sales for the prior year period. The decrease was driven by reduced commission expenses, a \$10.8 million net gain on the sale of a Consumer property that was closed as part of our MAP 2025 program, a \$4.9 million gain on a fair value adjustment of the earnout liability primarily associated with an acquisition completed during fiscal 2025, decreased healthcare costs and MAP 2025 benefits and savings from 2026 restructuring actions. This was partially offset by \$8.3 million of additional SG&A from prior period acquisitions, increased bonus expense, \$4.4 million of bad debt expense in the CPG segment related to a customer bankruptcy and higher stock compensation expense.

Our CPG segment SG&A decreased approximately \$2.6 million during the first quarter of fiscal 2027 versus the comparable prior year period and decreased as a percentage of net sales. The decrease was due to reduced commission expenses, \$4.7 million gain on a fair value adjustment of the earnout liability associated with an acquisition completed during fiscal 2025, MAP 2025 savings and savings from 2026 restructuring actions, partially offset by \$4.4 million of bad debt expense related to a customer bankruptcy and \$5.1 million of additional SG&A from prior period acquisitions.

Our PCG segment SG&A increased approximately \$3.9 million during the first quarter of fiscal 2027 versus the comparable prior year period but decreased as a percentage of net sales. The increase in expense was driven by \$2.9 million of additional SG&A from prior period acquisitions, increased bonus expense and increased distribution costs, partially offset by MAP 2025 savings and savings from 2026 restructuring actions.

Our Consumer segment SG&A decreased by approximately \$9.7 million during the first quarter of fiscal 2027 versus the same period last year and decreased as a percentage of net sales. The decrease in expense was due to a \$10.8 million net gain on the sale of a property that was closed as part of our MAP 2025 program, MAP 2025 savings and savings from 2026 restructuring actions partially offset by higher distribution costs.

SG&A expenses in our corporate/other category during the first quarter of fiscal 2027 decreased approximately \$5.4 million versus the same period last year. This was mainly due to decreased healthcare costs and savings from 2026 restructuring actions, partially offset by higher stock compensation expense.

The following table summarizes the retirement-related benefit plans' impact on income before income taxes for the three months ended August 31, 2026 and 2025, as the service cost component has a significant impact on our SG&A expense:

(in millions)	Three months ended		Change
	August 31, 2026	August 31, 2025	
Service cost	\$ 12.5	\$ 12.5	\$ —
Interest cost	12.4	11.8	0.6
Expected return on plan assets	(17.6)	(15.8)	(1.8)
Amortization of:			
Net actuarial (gains) losses recognized	(0.1)	1.5	(1.6)
Total Net Periodic Pension & Postretirement Benefit Costs	\$ 7.2	\$ 10.0	\$ (2.8)

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

Our MAP 2025 initiative 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 2027. We currently expect to incur approximately \$4.4 million of future additional charges as projects related to MAP 2025 are completed.

We also incurred costs associated with our 2026 restructuring action in the three months ended August 31, 2026. The initial focus of the program is eliminating SG&A costs through the structural realignment and elimination of certain levels of management, as well as certain footprint rationalization initiatives. The objective of which is to align our resources with our strategic priorities and navigate the current economic environment. As we finalize our next multi-year MAP initiative, we will continue to identify improvement and cost savings opportunities, as well as establish the expected duration of the program. We currently expect to incur approximately \$11.2 million of future additional charges related to the implementation of this initiative.

The following table summarizes restructuring charges recorded during the three months ended August 31, 2026 and 2025:

(in millions)	2026 Restructuring Action		MAP 2025	
	Three months ended		Three months ended	
	August 31, 2026	August 31, 2025	August 31, 2026	August 31, 2025
Severance and benefit costs (credits)	\$ 4.0	\$ -	\$ (0.2)	\$ 7.1
Facility closure and other related costs	0.5	-	0.9	1.7
Other restructuring costs	-	-	-	-
Total Restructuring Costs	\$ 4.5	\$ -	\$ 0.7	\$ 8.8

For further information and details about our restructuring initiatives, see Note 3, "Restructuring," to the Consolidated Financial Statements.

Interest Expense

(in millions, except percentages)	Three months ended	
	August 31, 2026	August 31, 2025
Interest expense	\$ 25.5	\$ 29.3
Average interest rate ^(a)	4.12%	4.28%

^(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	\$ 1.2
Non-acquisition-related average debt reduction	(4.1)
Change in average interest rate	(0.9)
Total Change in Interest Expense	\$ (3.8)

Investment (Income), Net

See Note 5, "Investment (Income), Net," to the Consolidated Financial Statements for details.

Other (Income), Net

See Note 6, "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, 2026	% of net sales	August 31, 2025	% of net sales
CPG Segment	\$ 149.1	17.4%	\$ 159.2	18.7%
PCG Segment	107.3	17.0%	86.8	15.2%
Consumer Segment	132.3	18.2%	108.8	15.8%
Corporate/Other	(51.6)	—	(56.8)	—
Consolidated	\$ 337.1	15.2%	\$ 298.0	14.1%

On a consolidated basis, our results reflect improved sales, MAP 2025 operational improvement initiatives and savings from 2026 restructuring actions, decreased SG&A as a result of reduced commission expenses and a \$10.8 million net gain on the sale of a Consumer property that was closed as part of our MAP 2025 program, a \$4.9 million gain on a fair value adjustment of the earnout liability primarily associated with an acquisition completed during fiscal 2025, decreased restructuring expense and reduced interest expense, partially offset by cost inflation, warranty expenses, \$4.4 million of bad debt expense in the CPG segment related to a customer bankruptcy, and decreased investment returns. Our CPG segment results reflect increased warranty expenses, cost inflation and \$4.4 million of bad debt expense related to a customer bankruptcy, partially offset by MAP 2025 benefits and savings from the 2026 restructuring actions, a \$4.7 million gain on a fair value adjustment of the earnout liability primarily associated with an acquisition completed during fiscal 2025, and reduced commission expenses. Our PCG segment results reflect earnings contributed by higher sales, MAP 2025 operational improvement initiatives and savings from 2026 restructuring actions, and decreased restructuring expense. Our Consumer segment results reflect earnings contributed by higher sales volumes and pricing to offset inflation, a \$10.8 million net gain on the sale of a property that was closed as part of our MAP 2025 program, and MAP operational improvement initiatives, including savings from the 2026 restructuring actions, which more than offset cost inflation. Our corporate/other category results reflect decreased healthcare costs and savings from the 2026 restructuring actions, reduced interest expense and reduced pension non-service costs, partially offset by decreased investment returns and higher stock compensation expense.

Income Tax Rate The effective income tax rate of 23.9% for the three months ended August 31, 2026, compares to the effective income tax rate of 23.6% for the three months ended August 31, 2025. 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 U.S. foreign income inclusion provisions, partially offset by tax benefits related to equity compensation and foreign tax credits.

Net Income

	Three months ended			
	August 31, 2026	% of net sales	August 31, 2025	% of net sales
(in millions, except percentages and per share amounts)				
Net income	\$ 256.6	11.6%	\$ 227.8	10.8%
Net income attributable to RPM International Inc. stockholders	256.4	11.6%	227.6	10.8%
Diluted earnings per share	2.01		1.77	

LIQUIDITY AND CAPITAL RESOURCES

Fiscal 2027 Compared with Fiscal 2026

Operating Activities

Approximately \$263.9 million of cash was provided by operating activities during the first three months of fiscal 2027, compared with \$237.5 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 increased by \$28.8 million during the first three months of fiscal 2027 versus the same period during fiscal 2026.

During the first three months of fiscal 2027, the change in accounts receivable provided approximately \$92.9 million more cash than the first three months of fiscal 2026. This was primarily due to the timing of sales in our CPG segment, which generated stronger sales in the fourth quarter of fiscal 2026, compared to the first quarter of fiscal 2027, resulting in strong collections in the current period. Average days sales outstanding at August 31, 2026, decreased to 60.8 days from 61.0 days at August 31, 2025.

During the first three months of fiscal 2027, the change in inventory used approximately \$65.6 million more cash compared to spending during the same period a year ago as a result of cost inflation. Average days of inventory outstanding at August 31, 2026, decreased to 76.2 days from 78.2 days at August 31, 2025.

The change in accounts payable during the first three months of fiscal 2027 provided approximately \$49.5 million more cash compared to the first three months of fiscal 2026. Cost inflation and working capital efficiencies enabled by MAP initiatives, including improved procurement practices, contributed to higher accounts payable balances. Average days payables outstanding increased to 97.8 days at August 31, 2026, from 91.7 days at August 31, 2025.

The change in other accrued liabilities during the first three months of fiscal 2027 used \$61.5 million more cash than during the first three months of fiscal 2026 primarily as a result of a decrease in contract liabilities due to the timing of construction jobs in progress and a decrease in taxes payable due to the timing of tax payments.

Investing Activities

For the first three months of fiscal 2027, cash used for investing activities decreased by \$142.6 million to \$39.8 million as compared to \$182.4 million in the prior year period. This year-over-year decrease in cash used for investing activities was driven primarily by a \$115.7 million decrease in cash used for business acquisitions and a \$27.6 million increase in cash proceeds from sales of assets.

We paid for capital expenditures of \$58.5 million and \$62.5 million during the first three months of fiscal 2027 and fiscal 2026, 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 2027.

We hold a portfolio of marketable securities in connection with our deferred compensation plan. Further, 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, 2026 and May 31, 2026, the fair value of our investments in available-for-sale debt securities and marketable equity securities, which includes deferred compensation and captive insurance-related assets, totaled \$210.5 million and \$199.7 million, respectively.

As of August 31, 2026, approximately \$296.5 million of our consolidated cash and cash equivalents were held at various foreign subsidiaries, compared with \$291.8 million at May 31, 2026. 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 7, "Income Taxes," to the Consolidated Financial Statements for additional information regarding unremitted foreign earnings.

Financing Activities

For the first three months of fiscal 2027, financing activities used \$227.3 million of cash, which compares to cash used for financing activities of \$64.1 million during the first three months of fiscal 2026. The overall increase in cash used for financing activities was driven principally by debt-related activities. During the first three months of fiscal 2027, we repaid \$274.0 million on our accounts receivable securitization program ("AR Program") and borrowed \$148.8 million on our revolving credit facility. In comparison, we borrowed \$35.0 million on our AR Program and repaid \$12.5 million on our revolving credit facility during the first three months of fiscal 2026. 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 \$1.21 billion and \$1.09 billion as of August 31, 2026 and May 31, 2026, respectively.

Revolving Credit Agreement

Our \$1.35 billion unsecured syndicated revolving credit facility (the "Revolving Credit Facility"), was amended during the third quarter of fiscal 2026. The amendment extended the expiration date to February 27, 2031 and streamlined our financial covenants. 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), which is 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."

As of August 31, 2026, we were in compliance with all covenants contained in our Revolving Credit Facility, including the Net Leverage Ratio covenant. At that date, our Net Leverage Ratio was 1.59 to 1.00 and we had \$601.6 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. Availability is further subject to changes in credit ratings of our customers, customer concentration levels, or certain characteristics of the accounts receivable being transferred and, therefore, at certain times, we may not be able to fully access the \$300.0 million of funding available under the AR Program. As of August 31, 2026, we did not have an outstanding balance under our AR Program, compared to the maximum availability of \$300.0 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, 2026.

Stock Repurchase Program

See Note 9, “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 Middle East conflict and 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 Annual Report on Form 10-K for the year ended May 31, 2026, 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, 2026.

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, 2026 (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, 2026 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 Matters

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, 2026.

As permitted by Securities and Exchange Commission rules, and given the size of our operations, we have elected to adopt a quantitative disclosure threshold for environmental proceedings of \$1.0 million. As of the date of this filing, we are not aware of any matters that exceed this threshold and meet the definition for disclosure.

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, 2026.

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 2027:

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, 2026 through June 30, 2026	497	\$ 104.62	-	
July 1, 2026 through July 31, 2026	36,667	\$ 105.08	-	
August 1, 2026 through August 31, 2026	239,938	\$ 114.48	196,274	
Total - First Quarter	277,102	\$ 113.22	196,274	

(1) All of the 80,828 shares of common stock that were delivered back to us during the three-month period ended August 31, 2026 were to satisfy employee tax withholding obligations arising from the vesting of restricted stock and the exercise of SARs 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 \$792.4 million at August 31, 2026. Refer to Note 9, “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, 2026, 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
31.1	Rule 13a-14(a) Certification of the Company's Chief Executive Officer.(x)
31.2	Rule 13a-14(a) Certification of the Company's Chief Financial Officer.(x)
32.1	Section 1350 Certification of the Company's Chief Executive Officer.(x)
32.2	Section 1350 Certification of the Company's Chief Financial Officer.(x)
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, 2026, 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 6, 2026

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 6, 2026

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 6, 2026

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, 2026 (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 6, 2026

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, 2026 (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 6, 2026

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.
