

First Quarter 2024 Financial Results

April 18, 2024



We protect and
beautify the world®

Forward-Looking Statements

This presentation contains forward-looking statements that reflect the Company's current views with respect to future events and financial performance. You can identify forward-looking statements by the fact that they do not relate strictly to current or historic facts. Forward-looking statements are identified by the use of the words "aim," "believe," "expect," "anticipate," "intend," "estimate," "project," "outlook," "forecast" and other expressions that indicate future events and trends. Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosures we make on related subjects in our reports to the Securities and Exchange Commission. Also, note the following cautionary statements:

Many factors could cause actual results to differ materially from the Company's forward-looking statements. Such factors include statements related to the effects on our business of COVID-19, global economic conditions, geopolitical issues, increasing price and product competition by our competitors, fluctuations in cost and availability of raw materials, energy, labor and logistics, the ability to achieve selling price increases, the ability to recover margins, customer inventory production levels, our ability to maintain favorable supplier relationships and arrangements, the timing of and the realization of anticipated cost savings from restructuring and other initiatives, the ability to identify additional cost savings opportunities, the timing and expected benefits of our acquisitions, difficulties in integrating acquired businesses and achieving expected synergies therefrom, economic and political conditions in the markets we serve, the ability to penetrate existing, developing and emerging foreign and domestic markets, foreign exchange rates and fluctuations in such rates, fluctuations in tax rates, the impact of future legislation, the impact of environmental regulations, unexpected business disruptions, the unpredictability of existing and possible future litigation, including asbestos litigation and governmental investigations. However, it is not possible to predict or identify all such factors. Consequently, while the list of factors presented here and under Item 1A of PPG's 2023 Form 10-K is considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Consequences of material differences in the results compared with those anticipated in the forward-looking statements could include, among other things, lower sales or earnings, business disruption, operational problems, financial loss, legal liability to third parties, other factors set forth in Item 1A of PPG's 2023 Form 10-K and similar risks, any of which could have a material adverse effect on the Company's consolidated financial condition, results of operations or liquidity.

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First Quarter 2024 Highlights

Announced strategic review of architectural coatings U.S. and Canada to maximize shareholder value

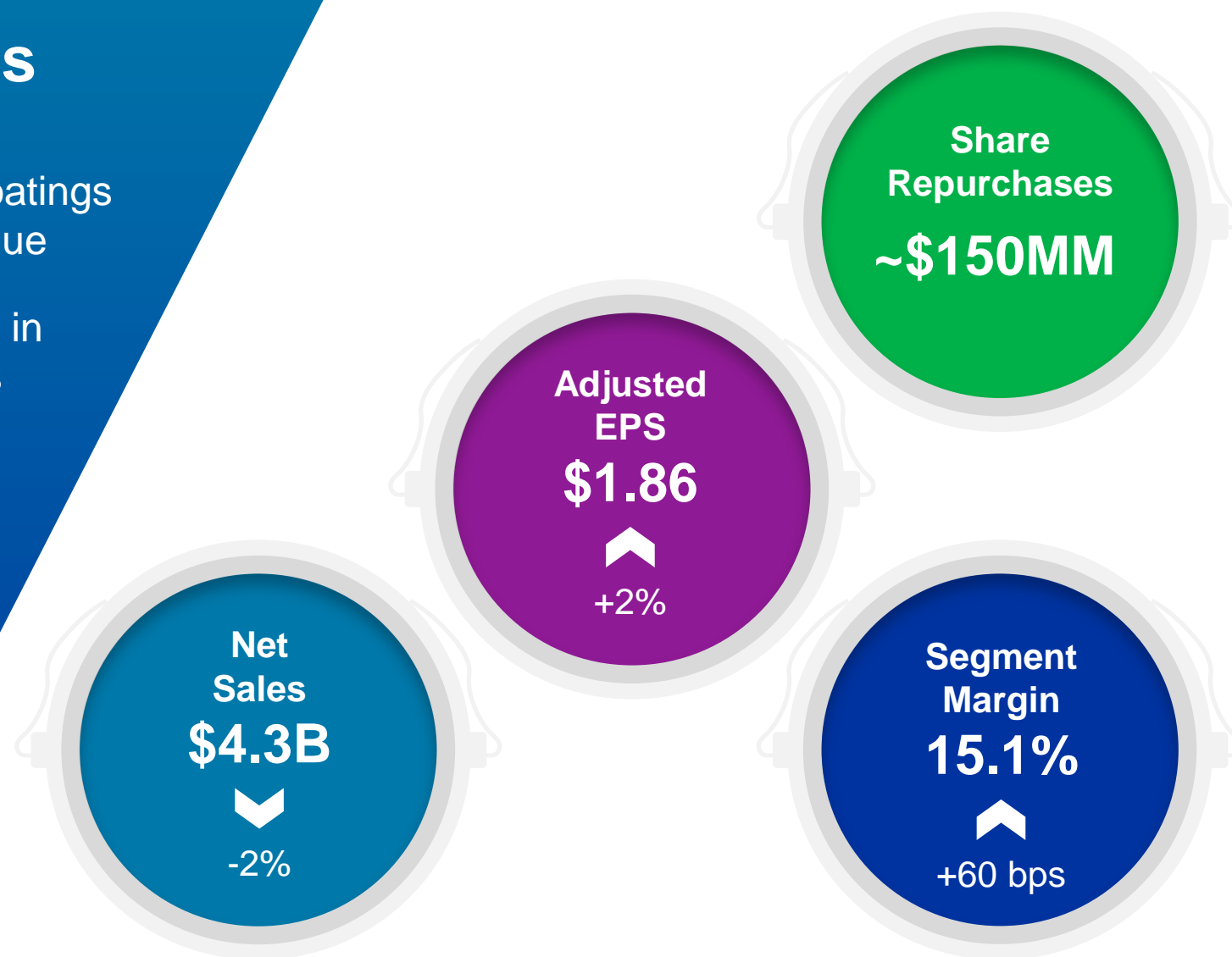
Solid organic sales growth and order backlogs in aerospace and protective and marine coatings

Above market, double-digit sales growth in China and India

Sluggish demand in Europe and industrial production

Volume negatively impacted by Easter timing and PY customer load-in

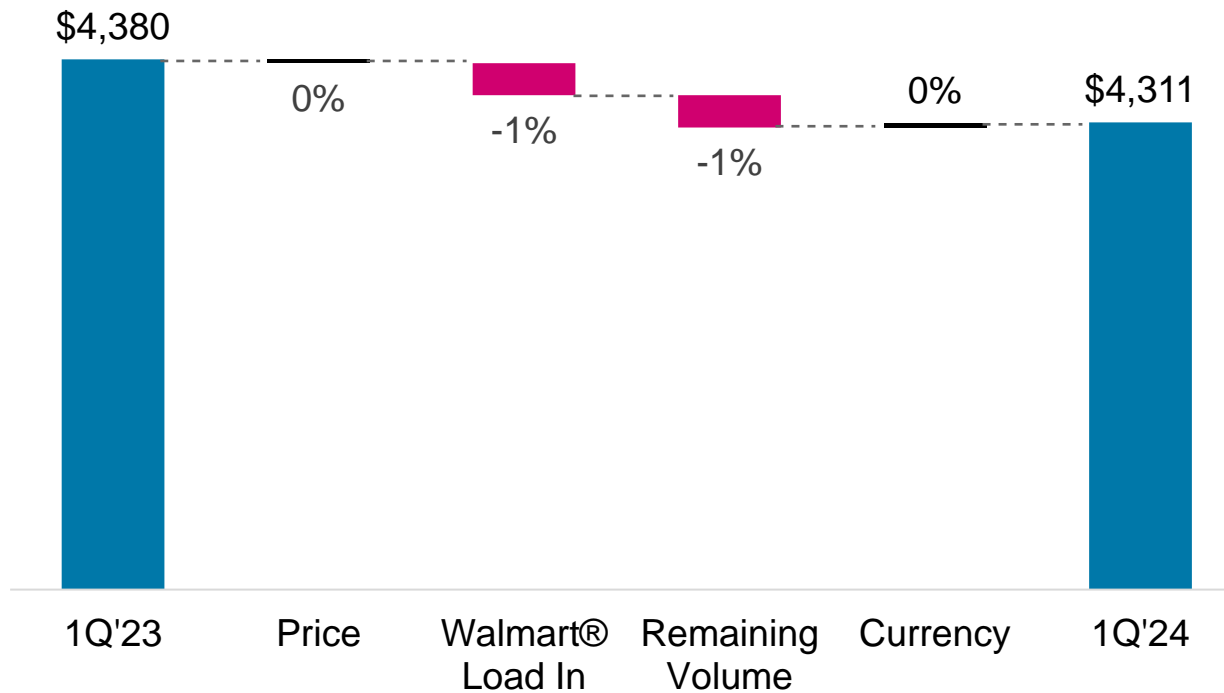
Sixth consecutive quarter of YOY segment margin improvement



First Quarter Net Sales

Organic sales down 2% YOY impacted by PY customer load-in and Easter timing

Net Sales
(\$ in millions)



- ✓ Selling prices: Targeted increases offset by index pricing and non-recurring prior-year energy surcharge
- ✓ Volumes: Solid aerospace, protective and marine and packaging coatings offset by soft industrial production and European demand

Operating Environment Heading Into 2Q 2024



Positives

- Aerospace recovery and order backlog
- Double-digit percentage PPG sales growth in China
- Mexico economic growth
- Raw material availability
- Infrastructure spending



Watching

- Geopolitical environment
- Consumer spending
- European demand recovery
- Oil, feedstock prices



Challenges

- U.S. existing home sales; multi-family construction
- Soft global industrial production
- Wage rates / skilled labor availability
- Higher global tax rates

Performance Coatings

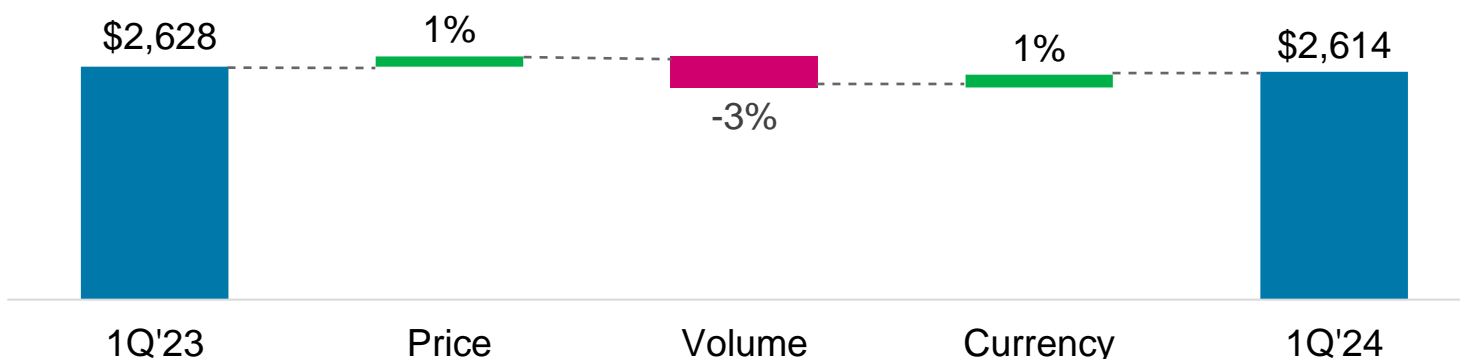
Organic sales impacted by PY customer load-in and Easter timing

1Q'24
Segment
Margin

15.4%

+40 bps YOY

Net Sales
(\$ in millions)



Highlights

- Positive margin progression driven by targeted price increases and moderating input costs
- Continued solid organic sales growth in aerospace and protective and marine coatings
- Architectural USCA 1Q'24 organic sales +LSD excluding PY Walmart® load-in
- Easter timing impact mostly in architectural coatings: 1Q'24 unfavorable and 2Q'24 favorable
- Refinish 2Q'24 outlook negatively impacted by record PY comp

Organic Sales

1Q'24
Results

2Q'24
Outlook

Aerospace

↑ MSD

↑ HSD

Refinish

→ FLAT

↓ MSD

Architectural
EMEA

↓ MSD

↑ LSD

Architectural
Americas & AP

↓ MSD

↑ LSD

Protective & Marine

↑ LSD

↑ MSD

Traffic Solutions

↓ MSD

↑ LSD

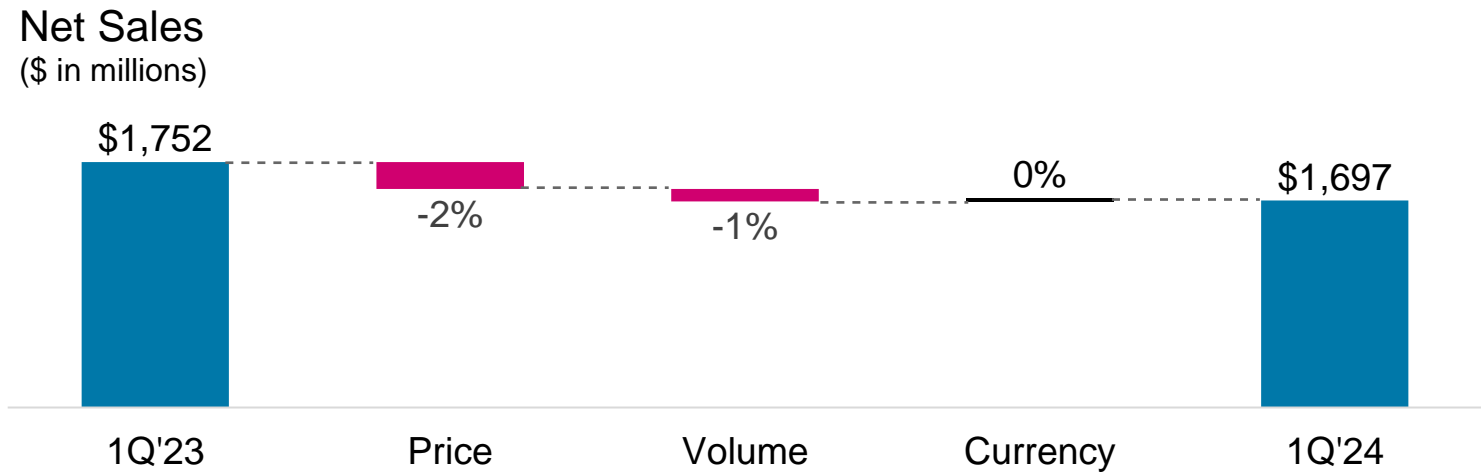
Performance
Coatings Segment

↓ LSD

↑ LSD

Industrial Coatings

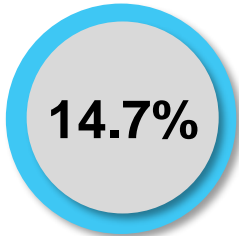
Continued year over year margin improvement



Highlights

- YOY margin improvement due to moderating input costs and improved manufacturing
- 1Q sales growth +DD in China and India; expect continued strong performance
- Robust auto OEM and industrial production in Asia Pacific offset by declines in other regions
- Strong volume growth in consumer electronics
- Pricing decline driven by Europe energy surcharges in prior year and other index pricing

1Q'24
Segment
Margin



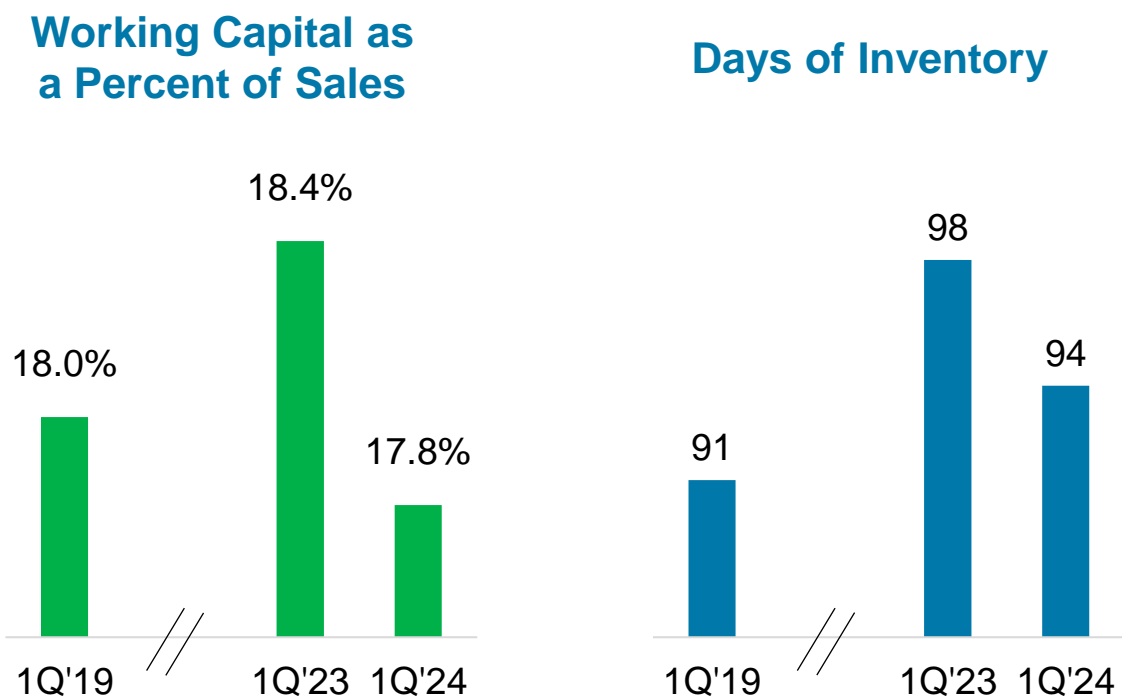
+100 bps YOY

Organic Sales	1Q'24 Results	2Q'24 Outlook
Auto OEM	▼ LSD	▼ LSD
Industrial	▼ MSD	— FLAT
Packaging	— FLAT	▲ LSD
Industrial Coatings Segment	▼ LSD	— FLAT



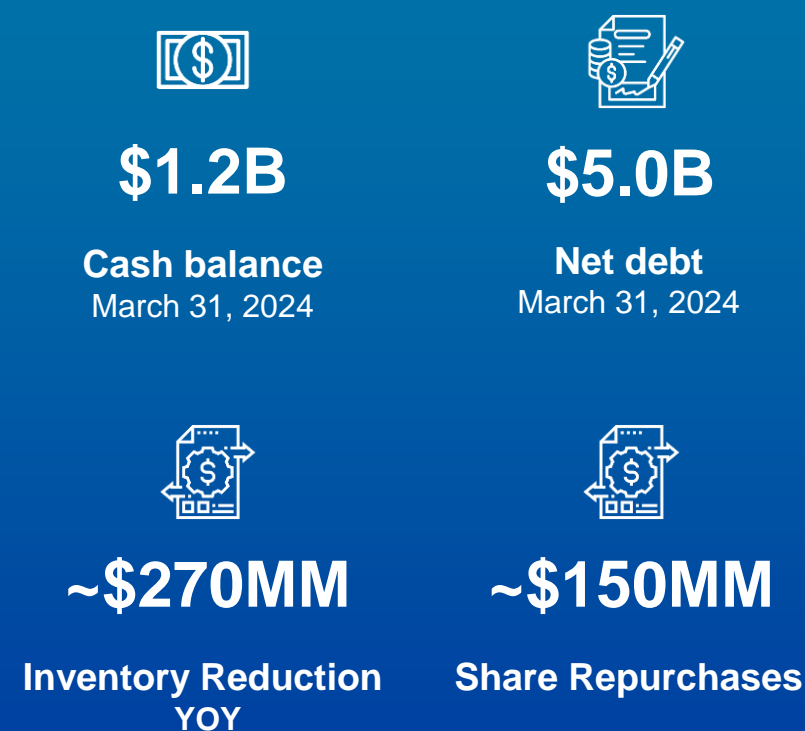
Balance Sheet Metrics

Solid progress on normalizing inventory



*Increased share repurchase authorization by **\$2.5B** to **~\$3.4B**, reflecting strong balance sheet and free cash flow*

1Q'24 Activity



Note: Working capital as a percent of sales uses sales on an annualized basis. Days of inventory excludes the impact of foreign exchange rates.



Strategic Portfolio Review Update

Creating a higher-margin, faster growing company

Silica Products Business

Objective

Divestiture to maximize shareholder value and streamline PPG’s business portfolio

Summary

Sales: 2019-2023 Average ~ \$240MM
EBIT margin: varies over an economic cycle

Timeline

Engaged Morgan Stanley
Expected path forward determination in 3Q’24

Architectural U.S. and Canada Business

Objective

Divestiture, partnership or JV to maximize shareholder value and to focus PPG growth on leading and high margin businesses

	Performance Coatings Segment Margin (Avg. Last 3 Yrs)	PPG Total Volume Growth (Last 3 Yrs)
PPG current portfolio	14.3%	- LSD
PPG without AC USCA	+200 to 300 basis points	+ LSD

Summary

Sales: 2019-2023 average ~ \$2B
EBIT margin: 2019-2023 average of LSD

Timeline

Engaged Goldman Sachs
Expected path forward determination in 3Q’24



Second Quarter and Full-Year 2024 Financial Projections

Category	Second Quarter 2024	Full Year
Total organic sales (YOY)	+ LSD	+ LSD
Adjusted EPS	\$2.42 - \$2.52 per share	\$8.34 - \$8.59 per share
Raw material costs (YOY)	- MSD	- LSD to - MSD
Corporate expense	~\$80MM to \$85MM	~\$320MM to \$340MM
Net interest expense	~\$18MM to \$22MM	~\$85MM to \$95MM
Restructuring savings (incremental)	~\$7MM to \$9MM	~\$35MM
Capital expenditures		~\$600MM to 650MM
Effective tax rate	~23.5% - 24.5%	~23% - 24%

Appendix



Segment Margin and Adjusted EPS Excluding Amortization

Reconciliation:

\$ in millions, except margin %

Performance Segment	
Segment Margin, As Reported	
Net Sales	
Segment Income	
Amortization	
Segment Income excluding Amortization	
Segment Margin excluding Amortization	
Industrial Segment	
Segment Margin, As Reported	
Net Sales	
Segment Income	
Amortization	
Segment Income excluding Amortization	
Segment Margin excluding Amortization	
Total Segments	
Segment Margin, As Reported	
Net Sales	
Segment Income	
Amortization	
Segment Income excluding Amortization	
Segment Margin excluding Amortization	

Total PPG	
Adjusted EPS	
Amortization EPS	
Adjusted EPS excl Amortization	

2023					2024
Q1	Q2	Q3	Q4	FY	Q1
15.0%	17.7%	15.7%	12.4%	15.3%	15.4%
\$2,628	\$3,041	\$2,880	\$2,615	\$11,164	\$2,614
395	537	452	325	1,709	402
30	28	28	28	114	27
425	565	480	353	1,823	429
16.2%	18.6%	16.7%	13.5%	16.3%	16.4%
13.7%	13.6%	13.9%	13.3%	13.6%	14.7%
\$1,752	\$1,831	\$1,764	\$1,735	\$7,082	\$1,697
240	250	246	230	966	249
11	12	12	11	46	9
251	262	258	241	1,012	258
14.3%	14.3%	14.6%	13.9%	14.3%	15.2%
14.5%	16.2%	15.0%	12.8%	14.7%	15.1%
\$4,380	\$4,872	\$4,644	\$4,350	\$18,246	\$4,311
635	787	698	555	2,675	651
41	40	40	39	160	36
676	827	738	594	2,835	687
15.4%	17.0%	15.9%	13.7%	15.5%	15.9%
2023					2024
Q1	Q2	Q3	Q4	FY	Q1
\$1.69	\$2.12	\$1.94	\$1.40	\$7.16	\$1.74
0.13	0.13	0.13	0.13	0.51	0.12
\$1.82	\$2.25	\$2.07	\$1.53	\$7.67	\$1.86

Note: Figures in the table may not recalculate due to rounding. Individual segment margin defined as segment income as a percentage of segment net sales and segment margin for the total segments defined as total segment income as a percentage of net sales. Full year EPS is calculated using the full year average diluted shares outstanding and quarterly EPS is calculated using the quarterly average diluted shares outstanding. As such, full year EPS may not equal the sum of the quarterly EPS figures due to this calculation.



Adjusted EPS Reconciliation

Reconciliation:

\$ in millions, except EPS

First Quarter 2024	Total PPG	
	Net Income	EPS ^(a)
Net Income from Continuing Operations, As Reported	\$ 400	\$ 1.69
Acquisition-related amortization expense	29	0.12
Business restructuring-related costs, net ^(b)	8	0.03
Portfolio optimization ^(c)	4	0.02
Adjusted Net Income Attributable to PPG	\$ 441	\$ 1.86

First Quarter 2023	Total PPG	
	Net Income	EPS ^(a)
Net Income from Continuing Operations, As Reported	\$ 264	\$ 1.11
Acquisition-related amortization expense	31	0.13
Pension settlement charge ^(d)	144	0.61
Insurance recovery ^(e)	(7)	(0.03)
Adjusted Net Income Attributable to PPG	\$ 432	\$ 1.82

(a) Earnings per diluted share is calculated based on unrounded numbers. Figures in the table may not recalculate due to rounding.

(b) Business restructuring-related costs, net include business restructuring charges, offset by releases related to previously approved programs, which are included in Other charges/(income), net on the consolidated statement of income, accelerated depreciation of certain assets, which is included in Depreciation on the consolidated statement of income, and other restructuring-related costs, which are included in Cost of sales, exclusive of depreciation and amortization and Selling, general and administrative on the consolidated statement of income.

(c) Portfolio optimization includes advisory, legal, accounting, valuation, other professional or consulting fees, and certain internal costs directly incurred to effect acquisitions, as well as similar fees and other costs to effect divestitures and other portfolio optimization exit actions. These costs are included in Selling, general and administrative expense in the consolidated statement of income.

(d) In the first quarter 2023, PPG purchased group annuity contracts that transferred pension benefit obligations for certain of the company's retirees in the U.S. to third-party insurance companies, resulting in a non-cash pension settlement charge.

(e) In the first quarter 2023, the company received reimbursement under its insurance policies for damages incurred at a southern U.S. factory from a winter storm in 2020.



Thank You For Your Interest In PPG

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