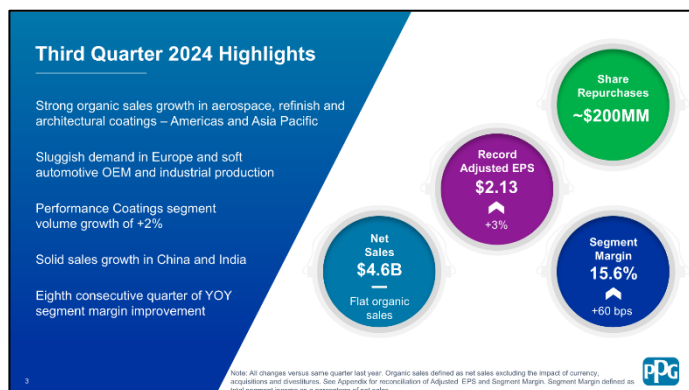




PPG Third Quarter 2024 Financial Results

Earnings Brief – October 16, 2024

These prepared remarks should be read in conjunction with PPG's earnings press release and related presentation that were posted on PPG's website at investor.ppg.com on October 16, 2024. In addition, these detailed remarks supplement the commentary that the company makes on its third quarter 2024 earnings conference call on October 17, 2024.



Third Quarter 2024 Highlights

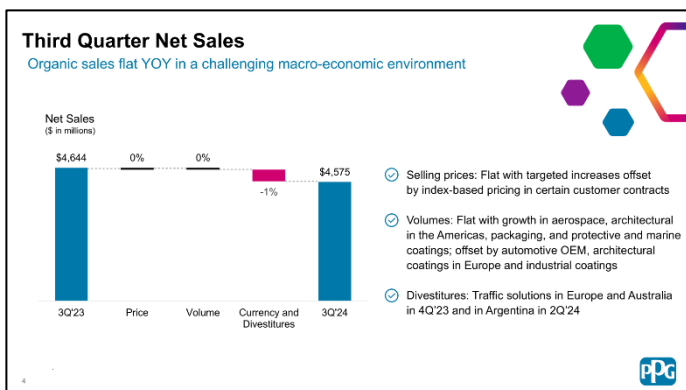
PPG third quarter net sales were \$4.6 billion, a decrease of 1% compared with the third quarter 2023 due to foreign currency translation and business divestitures. Overall organic sales^(a) were flat as growth in the Performance Coatings segment was offset by increasingly challenged global industrial production which constrained demand in the Industrial Coatings segment. PPG benefited from its well-established businesses in Mexico, China and India. We achieved record quarterly net sales in aerospace coatings and

grew sales volumes in seven of our ten businesses. These gains were offset by an acute drop in global automotive original equipment manufacturer (OEM) production, soft industrial production and tepid demand in Europe.

Reported earnings per diluted share (EPS) was a third quarter record of \$2.00, compared to \$1.79 in the prior-year third quarter. Adjusted EPS was also a third quarter record of \$2.13, up 3% compared to \$2.07 in the third quarter 2023, even with an unfavorable impact from a higher effective income tax rate, which reduced the year-over-year EPS comparison by \$0.08. PPG's combined operating segments delivered earnings growth resulting in aggregate segment margins of 15.6%, 60 basis points higher than the prior-year third quarter. This marks the eighth consecutive quarter of year-over-year segment margin improvement. The company benefited from manufacturing productivity and reductions in overhead, partially offset by wage and benefits inflation.

Consistent with our legacy, we intend to utilize our strong balance sheet and cash generation for shareholder value creation. During the quarter, the company repurchased approximately \$200 million of stock and has repurchased about \$500 million year to date.

In the third quarter, the realized cost of raw materials were unchanged versus 2023 but remained well above historical levels despite the ample availability of raw materials compared to pre-pandemic conditions. The company expects year-over-year raw material costs to be flat in the fourth quarter 2024 as prior-year deflation is lapped.



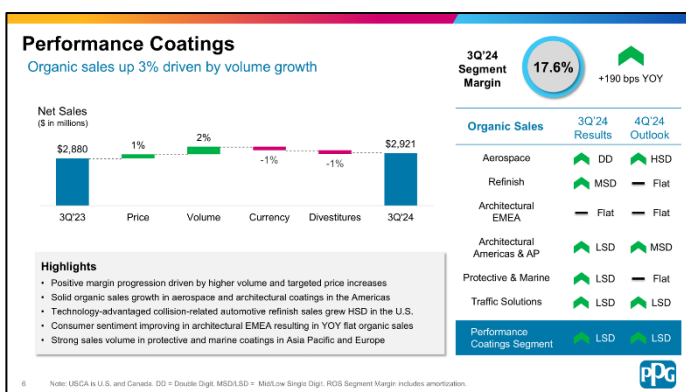
Third Quarter Net Sales

Organic sales were flat compared to the prior-year third quarter. Aggregate selling prices were flat year over year as structural price increases in the Performance Coatings segment were offset by declines in certain indexed-based customer contract pricing in the Industrial Coatings segment. Overall company sales volumes were flat compared to the prior-year third quarter. Sales volume increased 2% in the Performance Coatings segment offset by increasingly challenged global industrial production which

constrained demand in the Industrial Coatings segment. Sales volumes grew in seven of our ten businesses, including growth in aerospace coatings, packaging coatings, architectural coatings Americas and Asia Pacific, automotive refinish coatings, traffic solutions, protective and marine coatings and specialty coatings and materials. Industry demand declined more than originally expected in both Europe and the U.S. in automotive OEM coatings and industrial coatings. In the Asia-Pacific region, we delivered solid sales growth in China and India, as we are well positioned in those countries.

Outlook

In the fourth quarter, we expect to benefit from PPG's strategic positions in Mexico, China and India. Strong growth in our aerospace coatings, architectural coatings Americas and Asia Pacific, and packaging coatings businesses will underpin results in the fourth quarter while lower automotive OEM and industrial production is expected to limit organic growth. We maintain our full-year 2024 guidance, expecting earnings per share to be at the low end of the \$8.15 to \$8.30 range.



Performance Coatings Segment

Third quarter 2024 net sales for the Performance Coatings segment were \$2.9 billion, an increase of 1% compared to the prior year. Selling prices increased by 1% year over year, and sales volume increased 2% with growth in five of the six businesses led by aerospace coatings, protective and marine coatings, refinish coatings, and architectural coatings in the U.S. and Canada. Organic sales were flat in architectural coatings Europe, Middle East and Africa. Segment sales declined 1% due to foreign currency translation,

primarily driven by a weaker Mexican peso, and were negatively impacted by 1% as a result of the divestiture of the non-North American portion of PPG's traffic solutions business in prior quarters.

Segment operating margin was 17.6%, improving by 190 basis points year over year. Segment income was \$513 million, an increase of 13% versus the prior year, primarily due to higher selling prices and sales volumes partially offset by wage inflation.

Aerospace coatings

Aerospace coatings sales were a quarterly record with organic sales increasing by a double-digit percentage compared to the third quarter 2023, led by higher selling prices and sales volume. Demand remained strong and customer order backlogs remained at approximately \$290 million, even though we



improved our production capacity this year through debottlenecking and other productivity gains. Global air travel has improved year over year but remains about 3% below pre-pandemic levels for both domestic and international flights. The company remains focused on debottlenecking and expanding manufacturing capabilities to drive volume and earnings growth. Fourth quarter organic sales are expected to increase by a high single-digit percentage compared to the fourth quarter 2023.

Automotive refinish coatings

Third quarter organic sales for automotive refinish coatings increased a mid-single-digit percentage versus the prior year. In the U.S., sales volumes for technology-advantaged collision products and services grew a high single-digit percentage year over year despite lower industry collision claims. In Europe, organic sales increased modestly year over year driven by price, and demand improved slightly in Latin America. In China, demand for refinish products is recovering and is expected to improve in the coming quarters. In the third quarter, the company grew the number of LINQ™ services subscriptions and added approximately 100 Moonwalk™ installations, further supporting customer productivity and related share gain. The company expects fourth quarter 2024 organic sales to be flat compared to the prior year.

Architectural coatings – Europe, Middle East, and Africa (EMEA)

Third quarter organic sales for architectural coatings – EMEA were flat year over year, which is a positive trend after several quarters of declines. Consumer confidence remained weak during the quarter, and regional demand was uneven by country. Sales volumes were strong in central and eastern Europe offset by lower sales volumes in western Europe. The company expects fourth quarter 2024 organic sales to be flat compared to the prior year.

Architectural coatings – Americas and Asia Pacific

Organic sales for architectural coatings – Americas and Asia Pacific increased a low single-digit percentage compared to the prior-year third quarter driven by increased sales volumes in the U.S. and Canada coupled with higher prices. In the U.S. and Canada, growth initiatives through our partnership with The Home Depot® drove higher professional contractor sales volumes. In Mexico, our concessionaire network continues to perform well. Fourth quarter organic sales are expected to increase by a mid-single-digit percentage compared to the fourth quarter 2023.

Protective and marine coatings

Organic sales for protective and marine coatings increased a low single-digit percentage compared to the prior-year third quarter driven by higher sales volumes in Europe and the Asia-Pacific region partially offset by lower sales volumes in the United States. The third quarter was the sixth consecutive quarter with positive year-over-year sales volume growth. In Europe and the Asia-Pacific region, increased sales volumes were driven by share gains in marine maintenance and repair, reflecting demand for PPG's sustainably advantaged products. The company expects fourth quarter 2024 organic sales to be flat compared to the prior year.

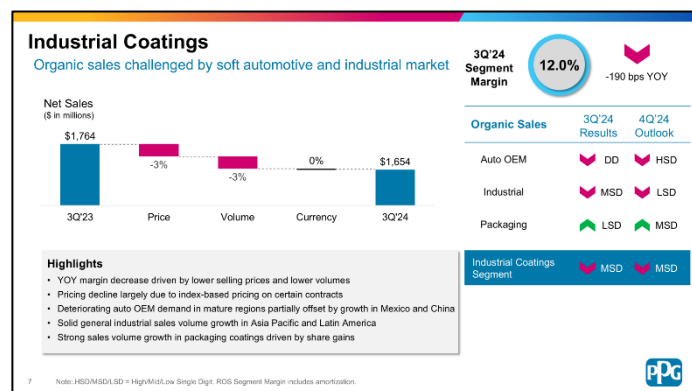
Traffic solutions

Third quarter organic sales for the traffic solutions business increased a low single-digit percentage compared to the prior-year third quarter. Seasonally, second and third quarter sales in the business are typically more than twice the sales in the first and fourth quarter due to the difficulty of applying traffic markings in colder temperatures. Fourth quarter organic sales are expected to increase by a low single-digit percentage compared to the fourth quarter 2023.



Outlook

Looking ahead, we expect demand in Mexico to be robust and consumer sentiment in Europe to be tepid. In the fourth quarter, we anticipate continued strength in aerospace coatings, strong performance in architectural coatings Americas and Asia Pacific, and expect growth in automotive refinish coatings above industry rates. The sales pipeline for the company's protective coatings products remains solid, and demand is expected to improve as global infrastructure activity progresses. Traffic solutions is expected to follow typical seasonal trends and is well positioned to benefit in the coming years from increased U.S. infrastructure spending. Aggregate organic sales for the segment are anticipated to increase by a low single-digit percentage compared to the fourth quarter 2023.



Industrial Coatings Segment

Third quarter net sales for the Industrial Coatings segment were \$1.7 billion, down 6% versus the prior year. Organic sales declined 6% compared to the third quarter 2023 driven by lower selling prices and lower sales volume. Selling prices declined due to certain index-based customer contracts. Sales volume decreased 3% with strong growth in packaging coatings more than offset by soft global industrial production and weakening automotive OEM industry production.

Segment margin declined by 190 basis points compared to the third quarter 2023, and segment income of \$199 million was down 19% year over year, mainly due to lower prices and lower sales volumes.

Automotive OEM coatings

Organic sales decreased by a double-digit percentage compared to the third quarter 2023 driven by lower sales volumes and lower indexed-based selling prices for certain customer contracts. Sales volume increases in the Latin America region were more than offset by declines in the U.S. and Europe. In the third quarter 2024, western Europe and U.S. automotive industry build rates were lower than originally forecasted due to reduced demand and extended OEM downtime. In China, industry automotive retail sales activity was relatively flat, and while the pace of export growth slowed in the third quarter, exports have grown 27% year to date compared to last year. PPG volume increased a low single-digit percentage compared to a low single-digit percentage decline in industry builds, reflecting our share gains in the country. Fourth quarter organic sales are expected to decrease by a high single-digit percentage compared to the prior year.

Industrial coatings

Third quarter industrial coatings organic sales were down a mid-single-digit percentage compared to the prior year due to lower sales volumes and lower indexed-based prices. Industrial production was below our expectations and remained sluggish especially in Europe and the U.S. Sales volume declines in those regions were partially offset by strong growth in the Asia Pacific and Latin America regions. Sales in several product categories were above prior-year levels, including solid growth in consumer electronics, extrusion and kitchen bakeware. The most pronounced weakness was in heavy duty equipment, and declines were experienced in transportation and appliance. Fourth quarter organic sales are expected to decrease by a low single-digit percentage compared to the fourth quarter 2023.

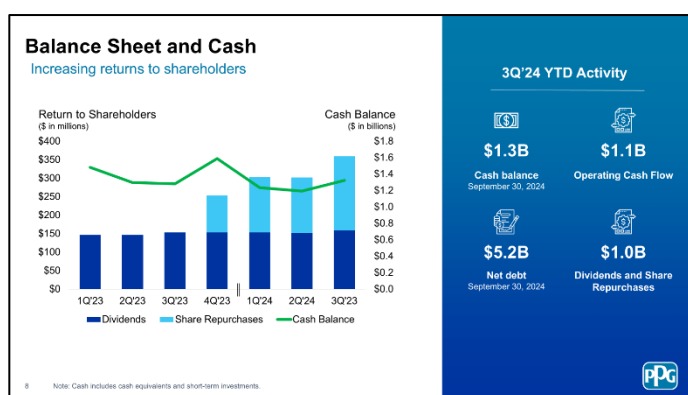


Packaging coatings

Third quarter organic sales in packaging coatings increased by a low single-digit percentage compared to the prior year with higher sales volumes offset by lower, index-based prices. Global beverage demand remains strong, and PPG sales growth is outpacing the market reflecting prior year and current year share gains. In the Asia-Pacific region, growth is strong in all categories, and PPG is well positioned to support this growth. Fourth quarter organic sales are expected to increase by a mid-single-digit percentage compared to the prior year.

Outlook

Looking ahead, global industrial production is expected to be a headwind and remain at a low level in the fourth quarter with improvement in the Asia-Pacific and Latin America regions offset by sluggishness in Europe and in the U.S. Demand growth for PPG's industrial coatings in China is expected to continue for the next several quarters. Automotive OEM industry build rates are expected to decline in the fourth quarter, but we expect to outpace the market in Latin America and the Asia-Pacific region. In packaging coatings, recent customer wins as a result of PPG's preferred technologies are expected to improve year-over-year comparisons over the next few quarters. Aggregate organic sales for the segment are anticipated to decrease by a mid-single-digit percentage compared to the fourth quarter 2023.



Balance Sheet, Cash and Other

Cash and short-term investments totaled \$1.3 billion and net debt totaled \$5.2 billion at the end of the third quarter, which is about \$300 million higher than the same quarter last year. In the third quarter 2024, operating cash flow was \$769 million.

Third quarter 2024 additional financial highlights:

- Restructuring actions from previously announced programs delivered about \$10 million of incremental structural cost savings
- The reported and adjusted effective tax rates were approximately 22.5% in the third quarter. The adjusted effective tax rate was 19.5% in the third quarter 2023 due to certain nonrecurring discrete tax items. The higher year-over-year adjusted tax rate reduces the EPS comparison to third quarter 2023 by \$0.08.
- Corporate expenses were \$72 million, \$16 million lower than the prior year, primarily due to lower incentive-based compensation and cost savings initiatives

Third quarter 2024 uses of cash were as follows:

- Capital expenditures were \$149 million
- Dividends paid were \$159 million
- Shares repurchased were approximately \$200 million



| Full-Year 2024 Financial Projections | |
|--------------------------------------|--------------------------------------|
| Category | Full Year 2024 |
| Total organic sales (YOY) | Flat |
| Adjusted EPS | Low end of \$8.15 - \$8.30 per share |
| Raw material costs (YOY) | - LSD |
| Corporate expense | ~\$300MM to \$305MM |
| Net interest expense | ~\$70MM to \$75MM |
| Restructuring savings (incremental) | ~\$35 MM |
| Capital expenditures | \$650MM - \$700MM |
| Effective tax rate | ~23% |

9 Note: MSDLSD = Mid-Low Single Digit. The company is not able to provide a reconciliation of third quarter or full-year 2024 expected adjusted earnings per diluted share to the most directly comparable GAAP financial measure because certain items that impact such measure are uncertain or cannot be reasonably predicted at this time.

Full-Year 2024 Financial Assumptions

The company provided financial assumptions for the full-year 2024 in its accompanying presentation materials based on information that is currently known. A few of the assumptions are highlighted below.

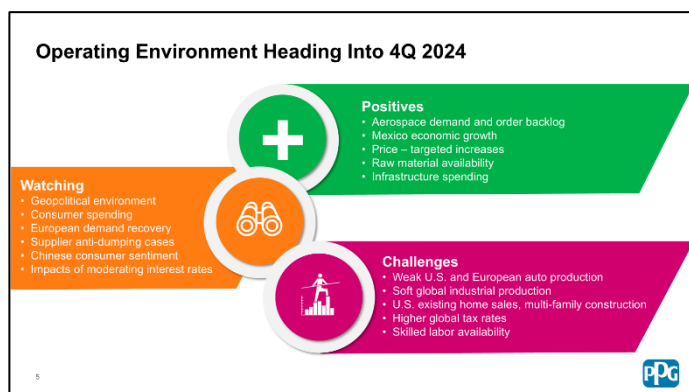
Full year 2024 assumptions are as follows:

- Aggregate organic sales expected to be flat year over year
- Corporate expenses of \$300 million to \$305 million
- Net interest expense of \$70 million to \$75 million
- Adjusted earnings per diluted share at the low end of the \$8.15 to \$8.30 range
- Capital expenditures of approximately \$650 million to \$700 million in support of future organic growth opportunities and as we continue to recover from lower spending during the pandemic
- Effective tax rate of approximately 23%, higher than prior year due to higher tax rates in certain countries, the geographic mix of earnings and the absence of certain prior year favorable discrete tax items.

Additional information related to the third quarter financial information is posted on the investor section of the company's website.

The company is not able to provide a reconciliation of full-year 2024 expected adjusted earnings per diluted share to the most directly comparable GAAP financial measure without unreasonable effort because certain items that impact such measure are uncertain or cannot be reasonably predicted at this time.

(a) Organic sales are defined as: net sales excluding the impact of currency, acquisitions and divestitures.





Segment Margin Reconciliation

\$ in millions, except margin %

| | 2023 | | | 2024 | | |
|---------------------------------------|---------|---------|---------|---------|----------|---------|
| | Q1 | Q2 | Q3 | Q1 | Q2 | Q3 |
| Performance Segment | | | | | | |
| Segment Margin, As Reported | 15.0% | 17.7% | 15.7% | 15.4% | 15.4% | 15.3% |
| Net Sales | \$7,028 | \$1,341 | \$7,880 | \$8,015 | \$11,104 | \$7,214 |
| Segment Income | 1,065 | 231 | 1,225 | 1,236 | 1,709 | 1,103 |
| Amortization | 30 | 28 | 28 | 31 | 27 | 25 |
| Segment Income excluding Amortization | 1,035 | 203 | 1,197 | 1,205 | 1,682 | 1,078 |
| Segment Margin excluding Amortization | 14.7% | 18.0% | 15.2% | 15.0% | 15.2% | 14.8% |
| Other Segment | | | | | | |
| Segment Margin, As Reported | 13.7% | 15.7% | 13.8% | 13.3% | 13.0% | 13.0% |
| Net Sales | \$1,750 | \$1,831 | \$1,734 | \$1,776 | \$7,162 | \$1,687 |
| Segment Income | 240 | 293 | 240 | 232 | 951 | 229 |
| Amortization | 11 | 12 | 12 | 11 | 48 | 9 |
| Segment Income excluding Amortization | 229 | 281 | 228 | 221 | 903 | 220 |
| Segment Margin excluding Amortization | 14.3% | 16.7% | 14.0% | 13.0% | 14.3% | 13.0% |
| Total Operations | | | | | | |
| Segment Margin, As Reported | 14.3% | 16.7% | 15.0% | 14.7% | 14.8% | 14.3% |
| Net Sales | \$8,778 | \$3,172 | \$9,614 | \$9,791 | \$18,266 | \$8,901 |
| Segment Income | 1,305 | 524 | 1,465 | 1,468 | 2,660 | 1,332 |
| Amortization | 41 | 40 | 40 | 38 | 75 | 34 |
| Segment Income excluding Amortization | 1,264 | 484 | 1,425 | 1,430 | 2,585 | 1,298 |
| Segment Margin excluding Amortization | 14.4% | 17.0% | 15.0% | 15.0% | 15.0% | 15.0% |

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.

Adjusted EPS Reconciliation

\$ in millions, except EPS

| | Total PPG | |
|--|------------|--------------------|
| | Net Income | EPS ^(a) |
| Third Quarter 2024 | | |
| Net Income from Continuing Operations, As Reported | \$ 468 | \$ 2.00 |
| Acquisition-related amortization expense | 24 | 0.10 |
| Portfolio optimization ^(b) | 8 | 0.03 |
| Adjusted Net Income Attributable to PPG | \$ 500 | \$ 2.13 |
| Third Quarter 2023 | | |
| Net Income from Continuing Operations, As Reported | \$ 426 | \$ 1.79 |
| Acquisition-related amortization expense | 30 | 0.13 |
| Business restructuring-related costs, net ^(c) | 10 | 0.04 |
| Portfolio optimization ^(b) | 27 | 0.11 |
| Adjusted Net Income Attributable to PPG | \$ 493 | \$ 2.07 |

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

(b) Portfolio optimization includes advisory, legal, accounting, valuation, other professional or consulting fees and certain internal costs directly incurred to effect acquisitions, as well as write-down and other costs to effect divestitures and other portfolio optimization activities. These costs are included in Selling, general and administrative expenses on the condensed consolidated statement of income. Portfolio optimization also includes losses on the sale of certain assets, which are included in Other (income)/charge, net in the condensed consolidated statement of income, including the loss recognized in the third quarter 2023 on the sale of the company's equity investment in Baxalta operations.

(c) Business restructuring-related costs, net include business restructuring charges, offset by revenues related to previously approved programs, which are included in Other (income)/charge, net on the condensed consolidated statement of income, considered a component of certain assets, which is included in Depreciation on the condensed 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 condensed consolidated statement of income.

Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by or on behalf of the company. This earnings brief 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," "target," "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 global economic conditions, geopolitical issues, the effects on our business of COVID-19, 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 and production levels, the ability to maintain favorable supplier relationships and arrangements, the timing of 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 international markets, 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 in our 2023 Annual Report on Form 10-K, 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 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 and similar risks, any of which could have a material adverse effect on PPG's consolidated financial condition, results of operations or liquidity.



All of this information speaks only as of October 16, 2024 and any distribution of this earnings brief after that date is not intended and will not be construed as updating or confirming such information. PPG undertakes no obligation to update any forward-looking statement, except as otherwise required by applicable law.