

Fourth Quarter 2019 Financial Results

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Information current as of January 16, 2020

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 global economic conditions, increasing price and product competition by foreign and domestic competitors, fluctuations in cost and availability of raw materials, the ability to achieve selling price increases, the ability to recover margins, customer inventory levels, our ability to maintain favorable supplier relationships and arrangements, the timing of and the realization of anticipated cost savings from restructuring initiatives, the ability to identify additional cost savings opportunities, 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 2018 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 2018 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.

All of this information speaks only as of January 16, 2020, and any distribution of this presentation 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.

Fourth Quarter 2019 Financial Highlights

Net sales up approximately 2% in constant currencies

- Selling prices increased nearly 2%, marking the seventh consecutive quarter of sequentially higher pricing of about 2% with continuing contributions from both reporting segments
- Aggregate sales volumes were lower versus the prior year by nearly 3%, impacted by weakening global industrial production activity
- Acquisition-related sales added nearly 3%: SEM, Whitford, Hemmelrath, Dexmet, and Texstars
- Unfavorable foreign currency translation impacted net sales by ~1%, or about \$30 million

Fourth quarter adjusted earnings per diluted share of \$1.31*

- Adjusted earnings per diluted share grew 14% compared to prior year
- Segment operating margins improved 160 basis points year-over-year driven by continued selling price realization and cost management
- Business restructuring savings of more than \$20 million in the quarter; actions stemming from the 2019 cost-savings program will continue to be implemented throughout 2020

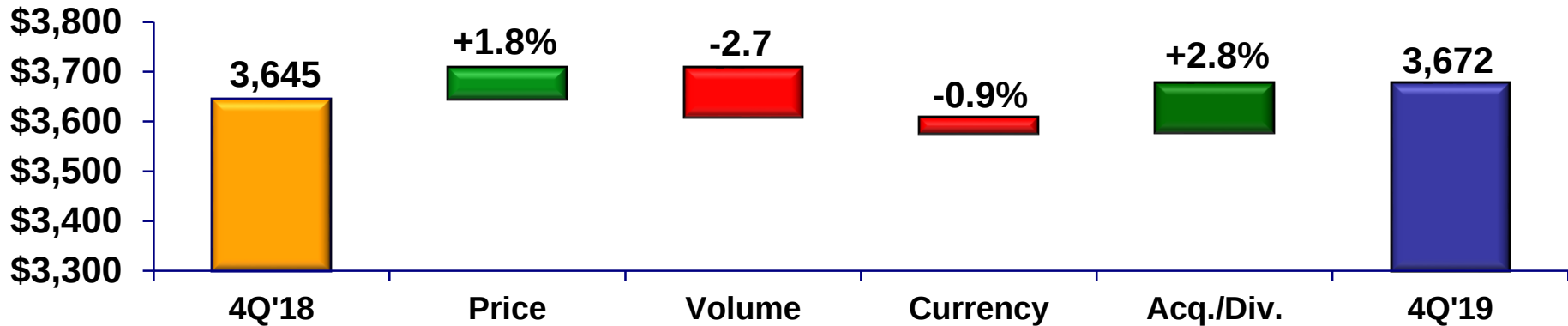
Strategic cash deployment continues

- Completed acquisition of Texstars and recently announced acquisition of ICR
- Stock repurchases in the fourth quarter were \$150 million and \$325 million for the full year
- Coatings industry acquisition pipeline remains active

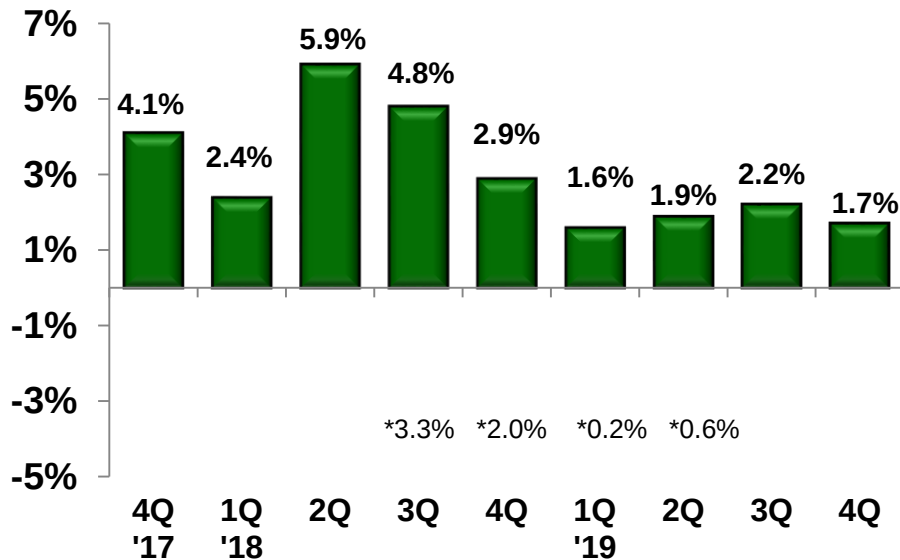


PPG Fourth Quarter Net Sales

(\$ in millions)

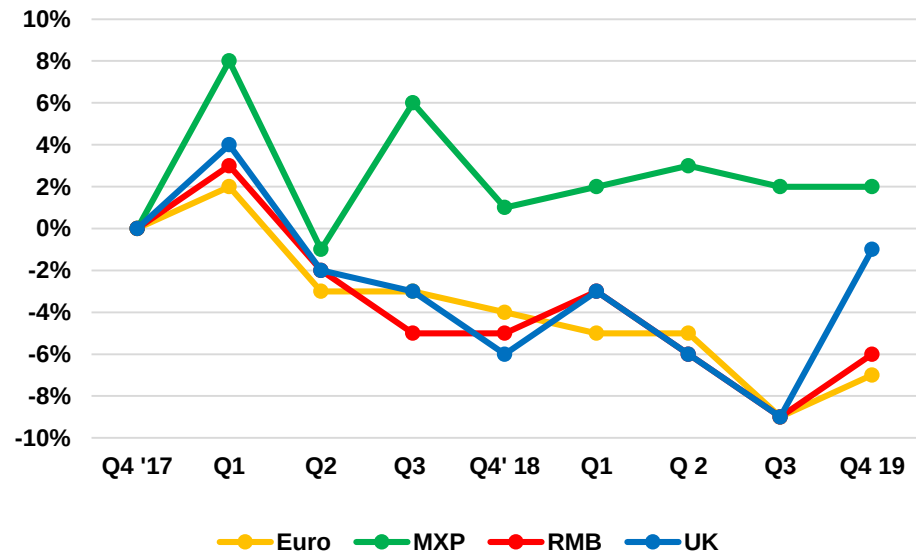


PPG Y-O-Y Net Sales Trend
(excluding currency impacts)



4Q'19: Net sales impacted by soft macro industrial demand

Foreign Currency Rate Trends vs. U.S. Dollar
(indexed to Q4'17)



US dollar weakened vs. some key currencies in 4Q'19



Fourth Quarter Sales Volumes

PPG volume performance by major coatings vertical vs. prior year and end-use market demand

	U.S. & Canada		Europe / Middle East / Africa	Asia-Pacific	Latin America	
Aerospace	Above Market		At Market	Above Market	At Market	
Automotive Refinish	Above Market		At Market	At Market	At Market	
Architectural	Trade Below Market	DIY At Mkt	At Market	AUS At Market	CN Above Mkt	Mexico At Market BRZ At Mkt
Protective	At Market		At Market	At Market	At Market	
Marine	At Market		Above Market	Above Market	N/A	
Automotive OEM	Above Market		At Market	Below Market	At Market	
General Industrial	At Market		Below Market	At Market	At Market	
Packaging	Below Market		Below Market	Below Market	Below Market	

1. PPG compared to expected industry end-use market demand legend:

- Above Market
- At Market
- Below Market

Based on PPG estimates

2. Year-over-year PPG volume legend:



Performance Coatings

\$MM (USD)	4Q19	4Q18	Chg	%		Year 2019	Year 2018	Chg	%	
Net Sales	2,183	2,140	+43	+2%		9,034	9,087	-53	-1%	
Income	307	261	+46	+18%		1,409	1,300	+109	+8%	
Margin %	14.1%	12.2%	+1.9%	--		15.6%	14.3%	+1.3%	--	
Select Net Sales Detail		Total	Volume	Currency		Select Net Sales Detail		Total	Volume	Currency
4Q Y-O-Y Change		+2%	0%	-1%		2019 Y-O-Y Change		-1%	-1%	-2%

Business	4 th Quarter Results	1 st Quarter Outlook
Segment	✓ Increase in selling prices, savings from cost initiatives, and acquisitions drive margin improvement ✓ Full year segment margins comparable to 2016	✓ Expect sequential selling price realization at lower levels due to anniversary of certain price increases ✓ Acquisition sales expected to be ~\$25MM
Refinish	Net sales growth driven by higher selling prices and SEM acquisition, offset by lower sales volumes in Europe due to customer inventory management	✓ Anticipate industry demand to be similar sequentially ✓ ICR acquisition expected to add \$10MM of net sales
Architectural Americas & Asia-Pacific	✓ Net sales growth in U.S. company-owned same store sales, independent dealer network and DIY sales ✓ PPG-Comex low-single-digit organic sales growth; sales volumes impacted by lower economic activity in Mexico	✓ Low-single-digit organic sales ✓ Expect modest improvement in Mexican economy which may drive higher sales at PPG-Comex
Architectural EMEA	EMEA organic sales decreased by low-single-digit percentage as weak industry demand drove lower sales volumes partially offset by price gains	Anticipate generally flat year-over-year organic sales
Aerospace	High single-digit percentage sales volume growth; solid growth across all major technology platforms	Sales volume expected to remain above industry demand, but lower than 2019 growth levels partially due to a customer's expected production curtailment
PMC	Sales volumes grew mid-single-digit percentage; strong growth in Asia-Pacific region	Positive sales trends continue at more modest growth levels due to difficult year-over-year comparisons
Currency	Unfavorable foreign currency translation; lower segment net sales (~\$15MM) and income (\$1MM)	Unfavorable net sales impact of between \$5 - \$20MM from foreign currency translation (based on current rates)



Industrial Coatings

\$MM (USD)	4Q19	4Q18	Chg	%		Year 2019	Year 2018	Chg	%		
Net Sales	1,489	1,505	-16	-1%		6,112	6,287	-175	-3%		
Income	203	187	+16	+9%		862	818	+44	+5%		
Margin %	13.6%	12.4%	+1.2%	--		14.1%	13.0%	+1.1%	--		
Select Net Sales Detail		Total	Volume	Currency			Select Net Sales Detail		Total	Volume	Currency
4Q Y-O-Y Change		-1%	-6%	-1%			2019 Y-O-Y Change		-3%	-6%	-3%

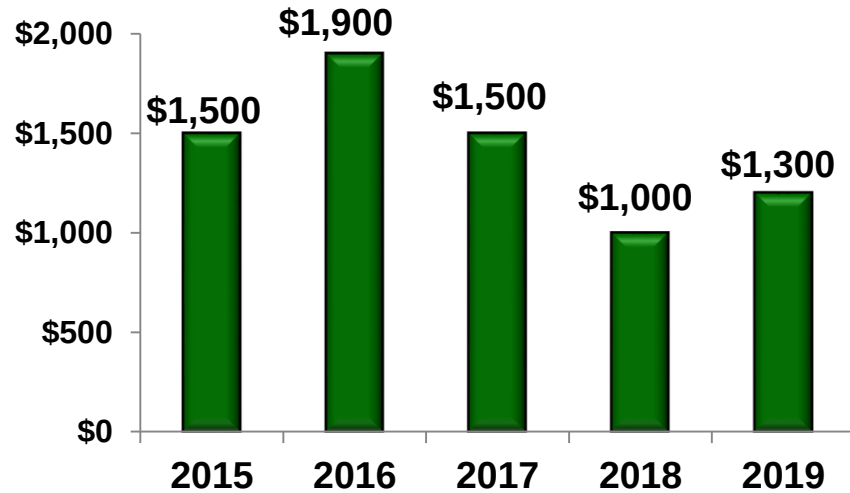
Business	4 th Quarter Results	1 st Quarter Outlook
Segment	✓ Continued progress on margin recovery driven by higher selling prices and strong cost management; in spite of contracting industrial activity in Europe and U.S. ✓ Full-year margin expansion despite weak demand trends during the year ✓ Acquisitions of Whitford and Hemmelrath contribute net sales growth of ~\$80MM (below company average margin)	✓ Expect sequential selling price realization at lower levels due to anniversary of certain price increases ✓ Continued prioritization of margin recovery ✓ Acquisition sales expected to be ~\$60MM
Automotive OEM	✓ Sales volumes declined a mid-single-digit percentage stemming from lower global industry production rates; ❖ China automotive production rates moderated in comparison to a steep decline last year ❖ Europe automotive production rates down by a mid-single-digit percentage ✓ Modest price gains continued	✓ Global automotive OEM industry builds projected to be lower year-over-year ❖ Limited visibility on China auto production rates until after the Chinese New Year ❖ Potential for more volatility in automotive build rates in Europe reflecting the onset of new emission standards
Industrial	✓ Net sales were higher by a low-single-digit percentage; driven by acquisition sales ✓ Industrial demand weakened in all major regions leading to lower sales volumes, most notably in Europe and U.S.	Modest Y-O-Y improvement in manufacturing activity in China; continuing weak activity expected in Europe, U.S., and India
Packaging	Sales volumes declined a mid-single-digit percentage year-over-year, partially driven by weak demand for canned food products	Year-over-year sales volume trends improve compared to the fourth quarter
Currency	Unfavorable foreign currency translation; lower segment net sales (~\$15MM) and income (\$2MM)	Unfavorable net sales impact \$5 - \$20MM from foreign currency translation (based on current rates)



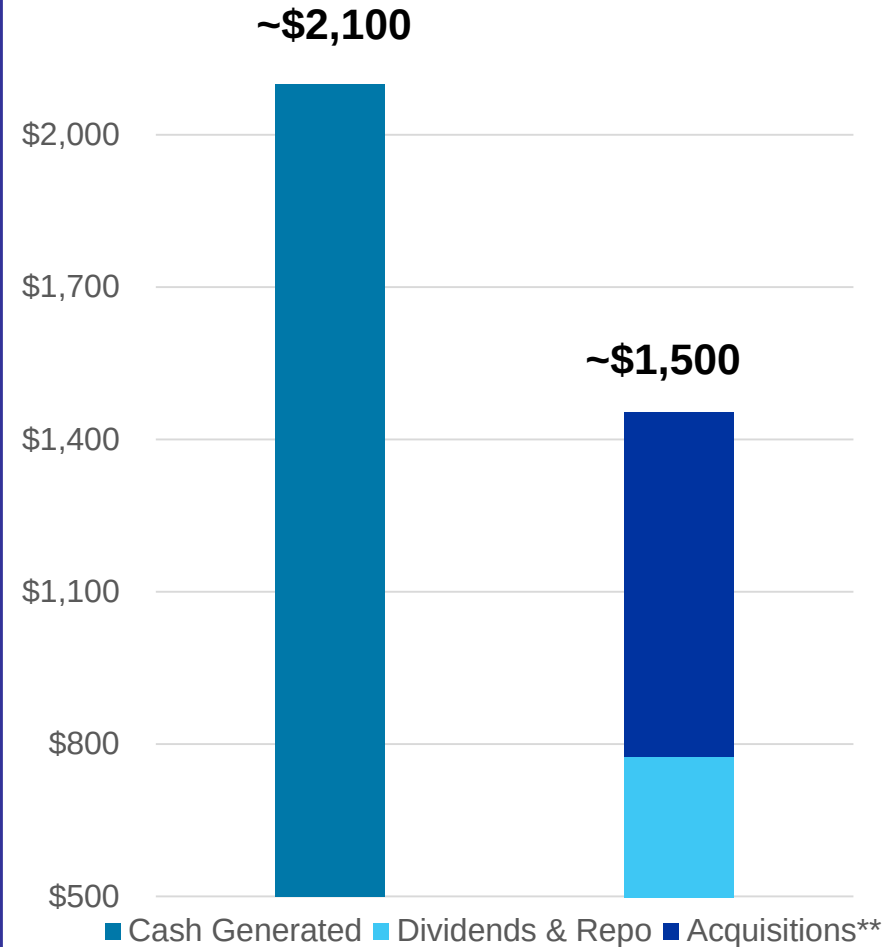
Cash

(\$ in millions)

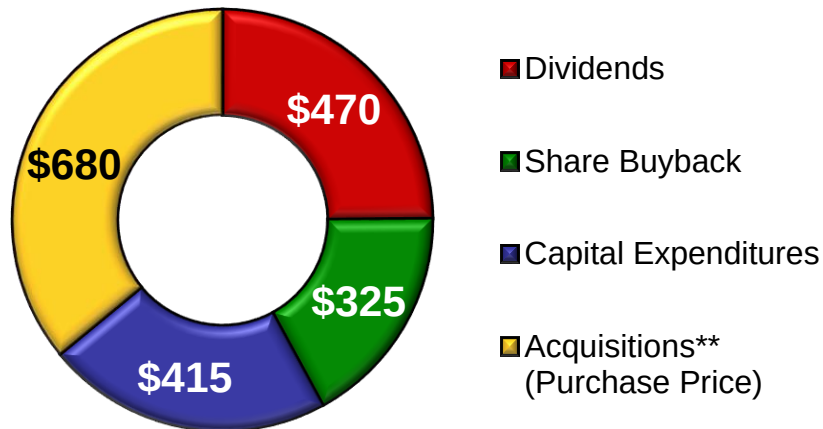
Cash and Short Term Investments*



2019 Cash Generated & Uses



Approximate 2019 Cash Uses



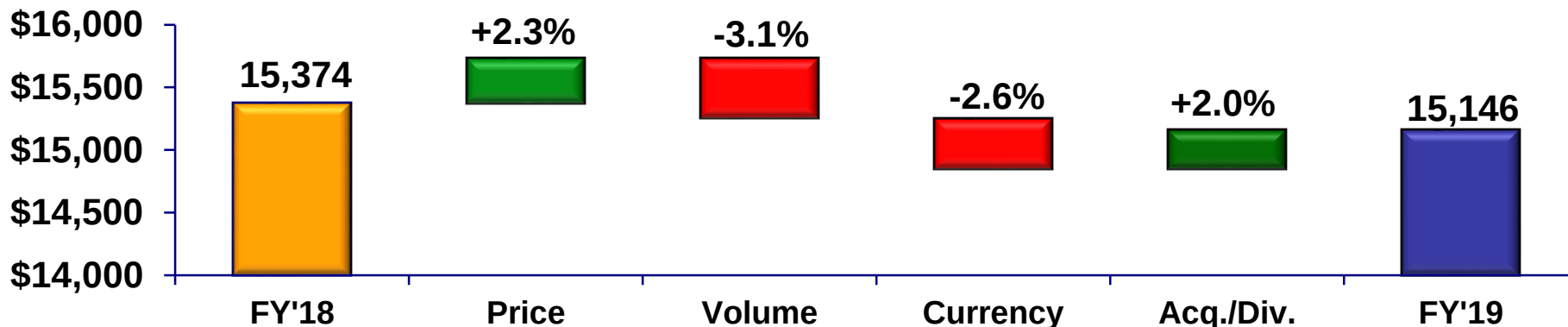
*Total is rounded to the nearest '000 million; exact figure included in PPG's quarterly and annual filings with the SEC.

8 **Acquisitions includes the 2019 cash paid to acquire the remaining minority interest in a coatings business.

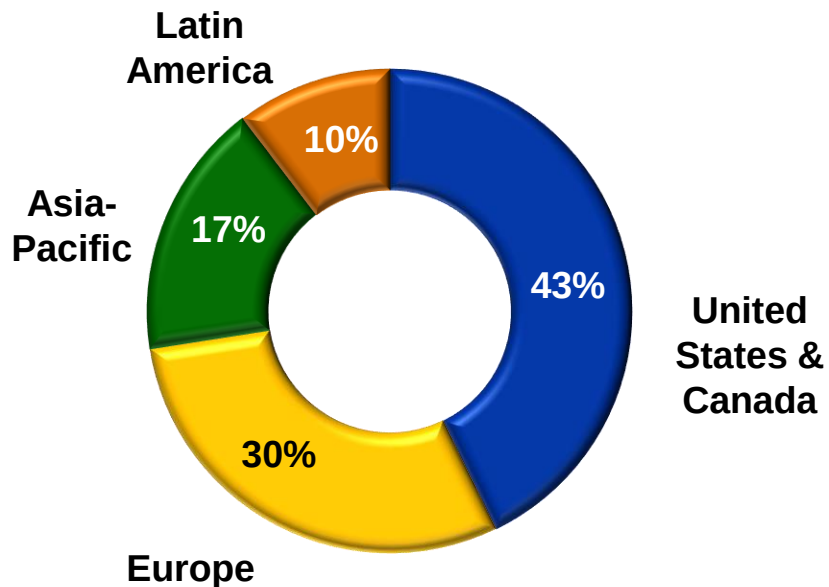


PPG Full Year Net Sales (continuing operations)

(\$ in millions)



2019 Net Sales by Major Region



PPG Currency Exposure

Currency	~2019 % PPG Net Sales
Euro	20%
China RMB	9%
Mexican Peso	6%
Canada Dollar	4%
British Pound	4%
All Others	2% or less

Selling price increases and acquisition sales were offset by lower sales volumes



2019 Full Year Summary

Financial and operational performance

- Net sales up nearly 1% in constant currencies; aided by selling prices increases of more than 2%
- Sales volume fell by about 3%, impacted by weak industrial and manufacturing activity as well as the previously communicated customer assortment changes that impacted net sales by nearly 1%
- Acquisition-related sales growth of 2%
- Aggregate segment margins improved by about 120 basis points
- Adjusted earnings per diluted share of \$6.22* up about 5%; excluding impact from foreign currency translation adjusted earnings per diluted share was \$6.38*, or up about 8%* Y-O-Y
- Cost savings from restructuring actions totaled ~\$85 million

Strategic execution and cash deployment focused on value creation

- Acquisitions announced since December 2018 total aggregate annualized revenue of ~\$500 million
- Increased quarterly per share dividend about 6 percent (in September); 48th consecutive year of annual per share increases

Financial flexibility remains

- Nearly \$2.1 billion of cash from continuing operations, ~\$600 million higher than prior year
- Cash and short-term investments totaling approximately \$1.3 billion at year-end



First Quarter 2020 Financial Assumptions

Category	Projection
(\$ in millions unless stated otherwise)	
Cost savings programs (incremental)	• \$17 - \$20
Raw material costs (Y-O-Y)	• Flattening Potential for heightened volatility due to recent crude oil movements
Corporate & legacy expenses (total)	• \$60 - \$65
Unfavorable foreign currency (Y-O-Y) Based on current rates	• \$15 - \$40 Net sales • \$2 - \$5 Segment expense
Net interest expense (total)	• \$26 - \$27
1Q tax rate	• 22% - 23%
1Q adjusted earnings-per-diluted share	• \$1.32 - \$1.42

2020 Full Year Financial Assumptions

Category	Full Year Net Sales	Full Year Pre-Tax Income	Comments
(\$ in millions unless stated otherwise)			
2019 - 2020 Acquisitions (acquired or announced)	\$160 - \$180	Below segment average earnings margins	Phasing of incremental net sales follows 2019 and 2020 acquisition closure timeline
Unfavorable Foreign Currency Translation	\$20 - \$40 (Lower Net Sales) <i>Memo: 2019 unfavorable ~\$400MM</i>	\$3 - \$5 (Lower Income) <i>Memo: 2019 unfavorable ~\$50MM expense</i>	Based on recent exchange rates
Restructuring Savings	N/A	~\$75 (Higher Income)	Continuance of programs initiated in May 2018 and June 2019
Full Year Adjusted Effective Tax Rate	Estimated range of 22% - 24%		
Corporate and Legacy Costs	Expect full year expense to be between \$220 - \$240		
Net Interest Expense	Expect full year expense to be between \$110 - \$125		



Additional Materials and Appendix

Thank you for your interest in PPG Industries, Inc.

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Adjusted EPS Reconciliation

\$ in millions, except EPS

	Continuing Operations		Discontinued Operations		Total PPG	
	Net Income	EPS ^(b)	Net (Loss)	EPS ^(b)	Net Income	EPS ^(b)
Fourth Quarter 2019						
Net Income/(Loss) Attributable to PPG as Reported	\$ 295	\$ 1.23	\$ (3)	\$ (0.01)	\$ 292	\$ 1.22
Business restructuring-related costs, net ^(a)	14	0.06	--	--	14	0.06
Litigation matters, net	4	0.02	--	--	4	0.02
Adjusted Net Income Attributable to PPG	\$ 313	\$ 1.31	\$ (3)	\$ (0.01)	\$ 310	\$ 1.30
Full Year 2019						
Net Income/(Loss) Attributable to PPG as Reported	\$ 1,243	\$ 5.22	\$ --	\$ --	\$ 1,243	\$ 5.22
Business restructuring-related costs, net ^(a)	168	0.71	--	--	168	0.71
Litigation matters, net	9	0.04	--	--	9	0.04
Environmental remediation charges, net	47	0.20	--	--	47	0.20
Acquisition-related costs	13	0.05	--	--	13	0.05
Adjusted Net Income Attributable to PPG^(c)	\$ 1,480	\$ 6.22	\$ --	\$ --	\$ 1,480	\$ 6.22

- (a) In the three and twelve months ended December 31, 2019, included in business restructuring-related costs, net are business restructuring charges, accelerated depreciation of certain assets and other related costs, offset by releases related to previously approved programs.
- (b) Earnings per diluted share is calculated based on unrounded numbers. Figures in the table may not recalculate due to rounding.
- (c) After-tax impact of foreign currency translation was \$37 million, or \$0.16 per diluted share for the year ended December 31, 2019.

