

First Quarter 2020 Financial Results



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Information current as of April 27, 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 expected effects on our business of the COVID-19 pandemic, 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 2019 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 2019 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 April 27, 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.



First Quarter 2020 Financial Highlights

Net sales down nearly 5% in constant currencies

- Sales volumes unfavorable versus the prior year by 8 percent; mostly relating to lower demand from COVID-19 pandemic (estimated ~\$225 million unfavorable impact)
- Selling prices increased more than 1%
- Acquisition-related sales added about 2%: Whitford, Hemmelrath, Dexmet, Texstars, and ICR
- Unfavorable foreign currency translation impacted net sales by ~2%, or about \$75 million

First quarter adjusted earnings per diluted share of \$1.19*

- Earnings per diluted share were lower compared to prior year, including an estimated unfavorable \$0.35 impact related to the COVID-19 pandemic
- Mitigation actions underway including salary reductions for senior leaders and temporary shutdowns of some manufacturing and distribution operations
- Accelerating business restructuring actions; savings of about \$20 million in the quarter, and full year 2020 target raised to \$80 to \$90 million

Cash deployment and liquidity

- Completed bolt-on acquisitions of ICR and Alpha Coatings Technology
- Cash and short-term investments totaled ~\$1.9 billion at March 31, 2020; supplemental \$700 million of cash from recent April borrowing



Balance Sheet and Cash

First Quarter Cash and Short-Term Investments (\$ in millions)

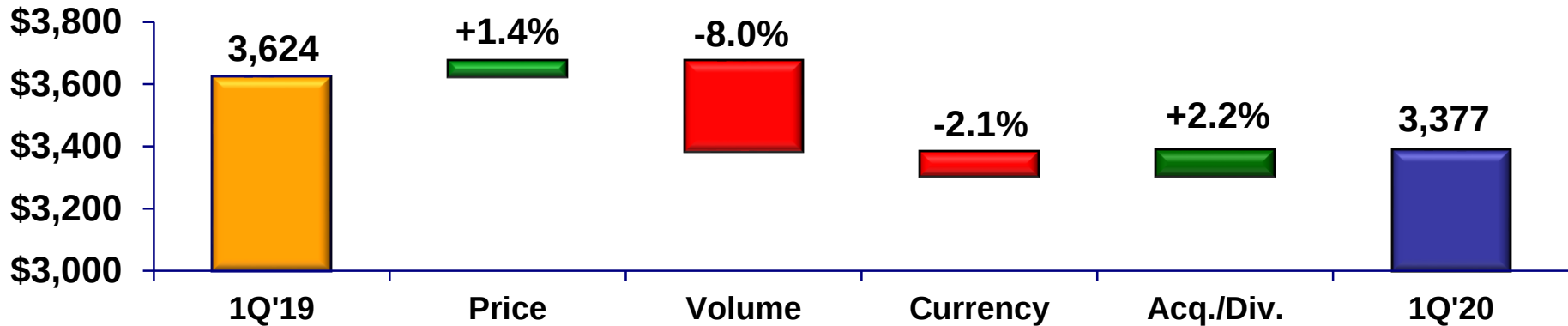


First Quarter 2020 Activity and Liquidity

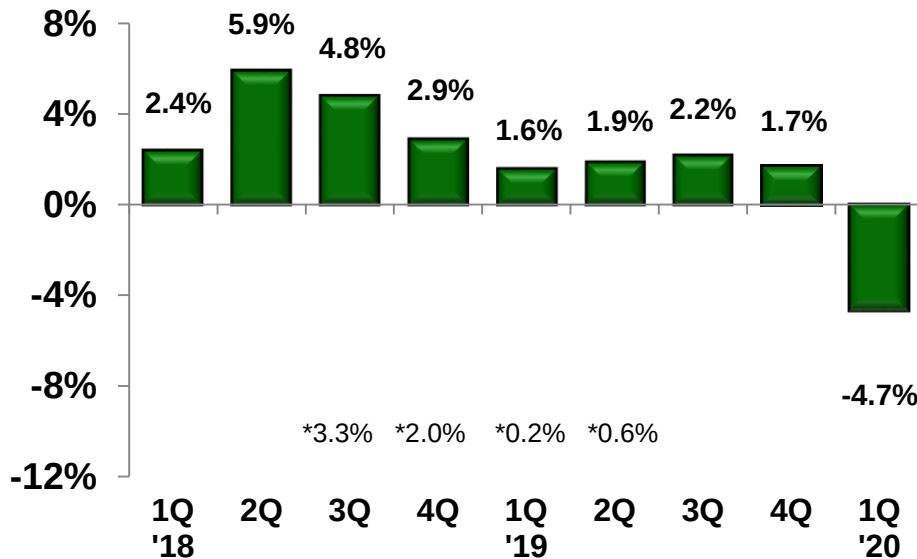
- ✓ 1Q 2020 approximate cash uses:
 - Capital spending \$40 million
 - Dividends \$120 million
- ✓ Liquidity:
 - \$1.9 billion cash at end of March 2020
 - In April, incremental \$700 million of cash from short-term borrowing
 - Revolving credit facility of \$2.2 billion, currently undrawn
- ✓ Total net debt: \$4.3 billion
 - ✓ \$6.2B gross debt
 - ✓ \$1.9B cash and S/T investments
- ✓ Strong cash position remains:
 - Ample liquidity
 - Strong working capital management
 - Deferring non-essential capital spending

PPG First Quarter Net Sales

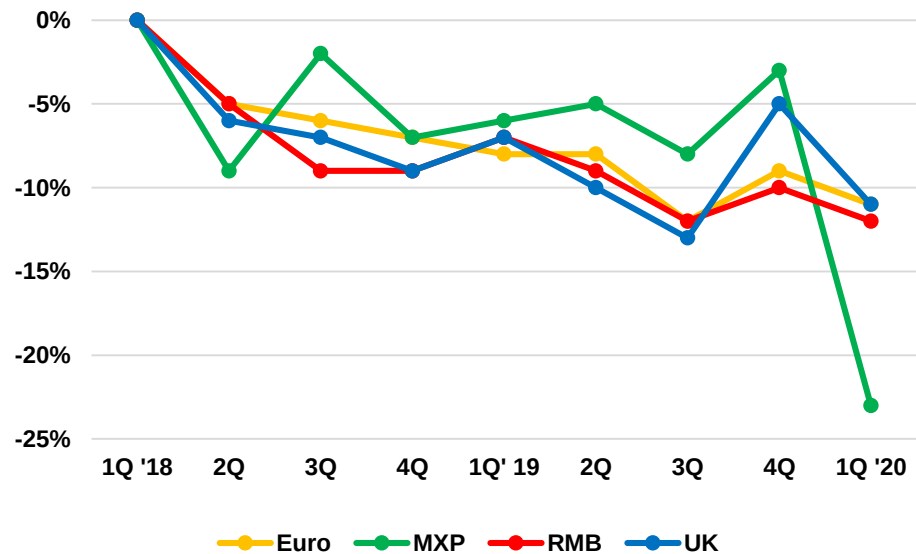
(\$ in millions)



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



Foreign Currency Rate Trends vs. U.S. Dollar
(indexed to 1Q'18)



1Q'20: Net sales impacted by COVID-19 pandemic ~-6%

US dollar strengthened in 1Q'20, especially versus peso and pound



First 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		Above Market	Above Market		Below Market	
Automotive Refinish	At Market		At Market	At Market		At Market	
Architectural	*Trade At Market	DIY At Mkt	At Market	AUS Above Market	CN At Market	Mexico At Market	BRZ Above Mkt
Protective	At Market		Above Market	At Market		At Market	
Marine	At Market		At Market	Above Market		N/A	
Automotive OEM	At Market		Above Market	At Market		Above Market	
General Industrial	At Market		Below Market	At Market		Above Market	
Packaging	Above Market		At Market	At Market		Above Market	

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

- Above Market
- At Market
- Below Market

2. Year-over-year PPG volume legend:



Based on PPG estimates

Performance Coatings

\$MM (USD)	1Q20	1Q19	Chg	%
Net Sales	2,008	2,108	-100	-5%
Income	272	297	-25	-8%
Margin %	13.5%	14.1%	-0.6%	--

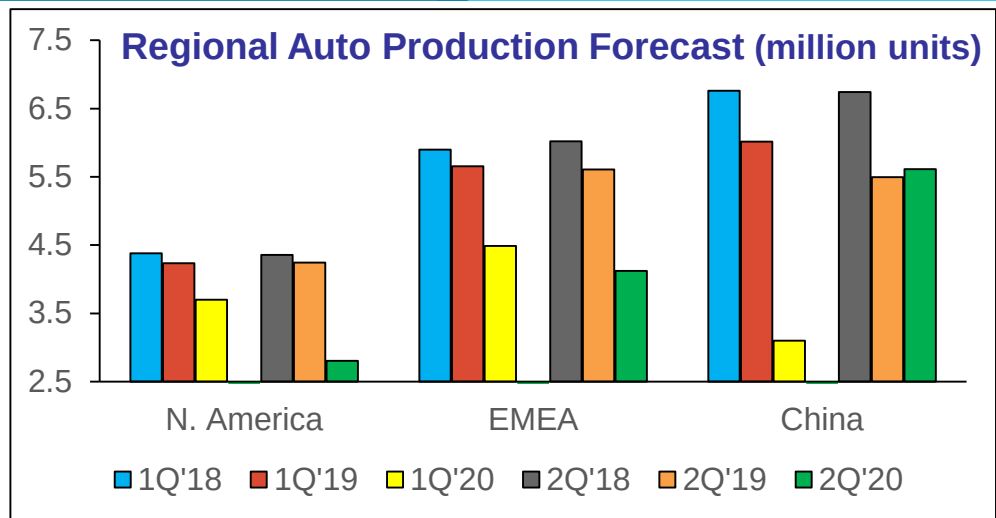
Select Net Sales Detail	Volume	Currency	Acquisition
1Q Y-O-Y Change	-6%	-2%	+1%

Business	1 st Quarter Results	2 nd Quarter Outlook
Segment	✓ Estimated unfavorable sales volumes of \$90MM and earnings, impact of \$35MM from COVID-19 pandemic ✓ Improved selling pricing continues ✓ Acquisitions of Dexmet, Texstars, and ICR contribute net sales growth of ~\$20MM	✓ Expect continued higher Y-O-Y selling price realization ✓ Project sales volumes to be lower by ~25% to 35% ✓ Prioritizing cost mitigation efforts; raw material purchases muted to draw down seasonal inventory build in Q1 ✓ Dexmet, Texstars and ICR acquisition sales expected to be ~\$25MM (below company average margin)
Refinish	Lower sales volumes driven by reduced body-shop demand from sharp decline in miles driven and mild winter in U.S. and Europe	✓ Anticipate sharp decline in demand from lower miles driven ✓ In China, partial recovery of demand
Architectural Americas & Asia-Pacific	✓ Organic sales growth in most key channels and countries ✓ In Mexico, PPG-Comex mid-single-digit organic sales growth; including higher sales volumes	✓ Lower sales volumes in all channels and countries (pandemic) ✓ Trade (DIFM) business much more heavily impacted ✓ Retail (DIY) business expected to be more resilient
Architectural EMEA	EMEA organic sales decreased by low-single-digit percentage as mandated paint store closures in southern Europe offset growth in northern Europe	Lower sales volumes in all countries due to COVID-19
Aerospace	Sales volumes impacted by commercial OEM customer shutdowns partially offset by solid sales to military segment	✓ Lower sales volumes due to customer shutdowns and significantly fewer global hours flown ✓ Military program growth continues, including PPG-specific program gains due to technology
PMC	Lower sales volumes in China (COVID-19 related) and U.S. (slow oil and gas sector) offset growth in Europe	Lower sales volumes in each major region; expect China demand to improve closer to pre-crisis levels
Currency	Unfavorable foreign currency translation; lower segment net sales ~\$40MM and income \$7MM	Unfavorable foreign currency translation on net sales of \$80 - \$100MM and earnings ~\$15MM (based on current rates)

Industrial Coatings

\$MM (USD)	1Q20	1Q19	Chg	%
Net Sales	1,369	1,516	-147	-10%
Income	181	218	-37	-17%
Margin %	13.2%	14.4%	-1.2%	--

Select Net Sales Detail	Vol	FX	Acq
1Q Y-O-Y Change	-11%	-2%	+4%



Source: IHS Global Insights

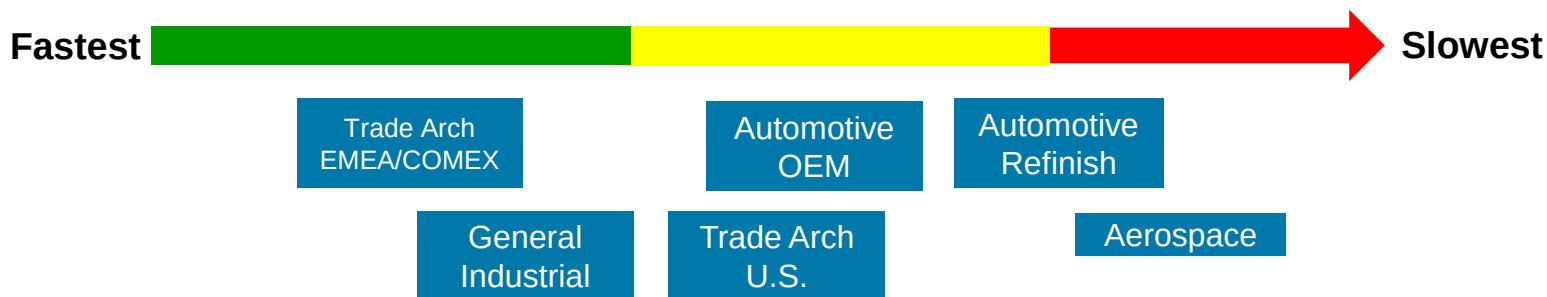
Business	1 st Quarter Results	2 nd Quarter Outlook
Segment	✓ Unfavorable sales volumes impact of \$135MM and earnings of \$55MM stemming from COVID-19 pandemic ✓ Savings from cost initiatives and acquisition-related earnings partially offset pandemic impact ✓ Acquisitions of Whitford and Hemmelrath contribute net sales growth of ~\$60MM (below company average margin)	✓ Expect sales volumes declines of 30% to 35% ✓ Continued recovery being evidenced in China ✓ Certain packaging and industrial product lines to grow YOY ✓ Prioritizing global cost mitigation and cash management
Automotive OEM	✓ Sales volumes declined a high-teen percentage stemming from lower global industry production rates; ❖ China automotive production rates down ~45% ❖ U.S. and Europe automotive production rates declined sharply in March	✓ Expect global automotive OEM industry builds to be lower by ~50% year-over-year ❖ U.S. and Europe industry auto builds tracking down ~80 - 90% Y-O-Y in April ❖ China auto retail sales improving on a sequential basis
Industrial	✓ Net sales were lower by a mid-single-digit percentage; driven by reduced industrial production activity (pandemic); Latin America region delivered positive organic sales ✓ In China, demand improving, including higher net sales YOY for the month of March	✓ Expect lower sales volumes in all major regions ✓ Expect sales volumes in China to improve sequentially, as domestic consumption continues to improve, tempered by lower global economic activity (exported goods)
Packaging	Lower sales volumes in Asia-Pacific region more than offset positive sales in the U.S. and Latin America	Consistent Y-O-Y sales volumes:- good demand for packaged food and beverage cans offset by customer shutdowns
Currency	Unfavorable foreign currency translation; lowered segment net sales ~\$35MM and income ~\$5MM	Unfavorable impacts on net sales of \$50 - \$60MM and earnings ~\$10MM from foreign currency translation (based on current rates)



Q2 PPG Expected Demand / Volume Impact

Least  Unfavorable Volume Impact Most	Coatings Vertical	PPG-Specific Comments
	Packaging	Increases in certain canned goods demand
	DIY Architectural	More resilient; shift from trade and historically somewhat counter-cyclical to high unemployment
	Marine	New build late cycle; global trade flows continue / reduced
	Protective	Later cycle and long-lead project work, partly offset by lower energy-related demand
	General Industrial	Certain sub-sectors growing, while others weakening
	Trade Architectural	Commercial maintenance weak, certain residential repaint delayed/canceled and new build likely slow in 2H'20
	Aerospace	OEM builds / aftermarket very weak; strong military
	Automotive Refinish	Miles driven substantially down until economies reopen
	Automotive OEM	Global build rates down in Q2, with China recovery started

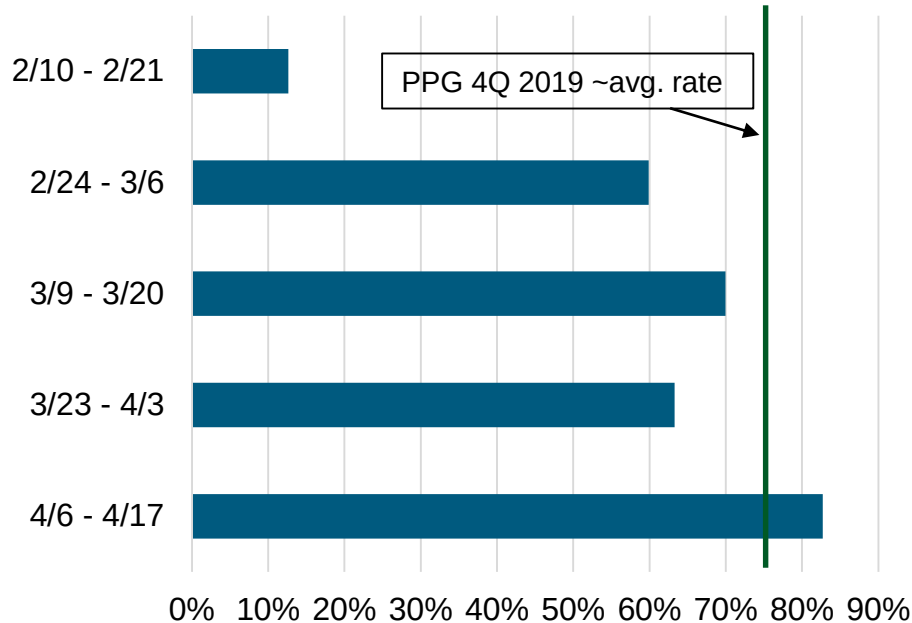
PPG's expected pace of recovery for businesses most impacted



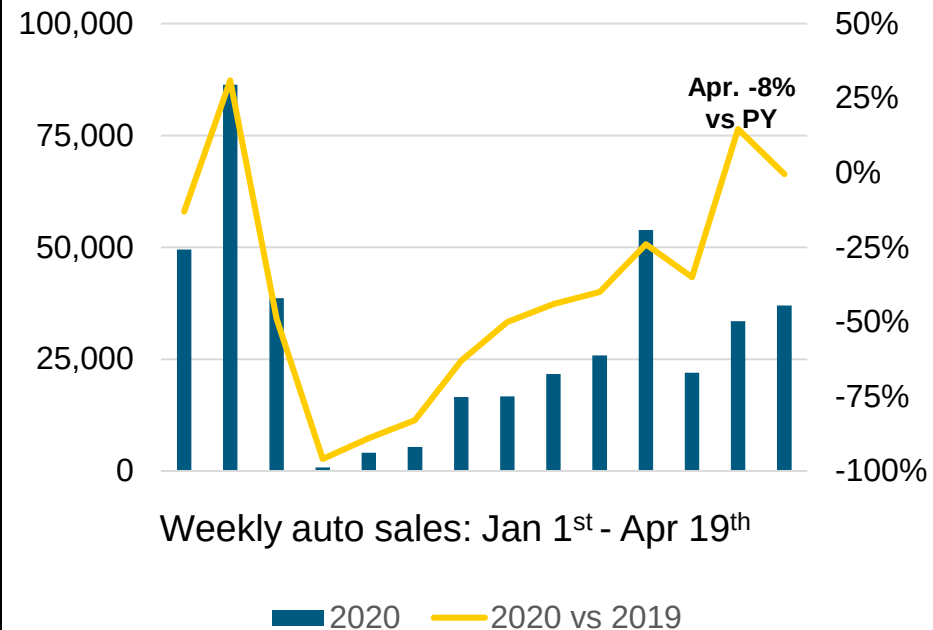
China Operations and Consumer Activity

- PPG operations in China were fully shut-down for two weeks in February
- Measured, safe ramp-up in March based on customer demand
- In April, recovery of consumer spending progressing
- Certain auto-related government incentives beginning

PPG China Weekly Factory Capacity Utilization



China Auto Retail Sales



Source CPCA (www.cpcauto.com)

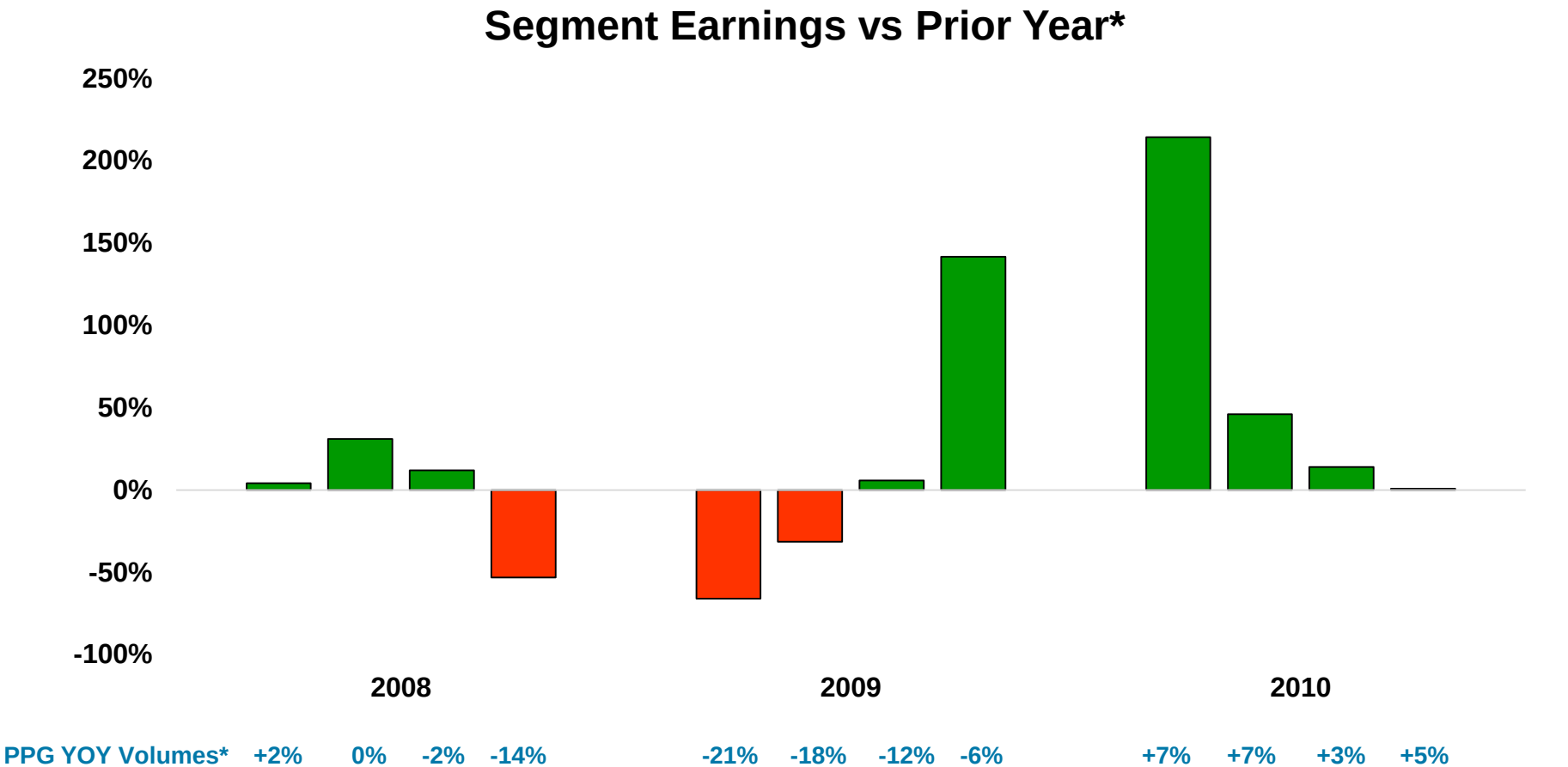
2020 PPG China net sales progression Y-O-Y (excl. fx)

<u>Jan/Feb</u>	<u>Mar</u>	<u>Apr (estimate)</u>
-36%	-19%	-11%



Historical PPG Trends (2008 – 2010)

Coatings Segments Only



*Quarter-to-date information provided

Swift recovery from great recession downturn



Second Quarter 2020 Financial Assumptions

Category	Projection
(\$ in millions unless stated otherwise)	
Raw material costs (Y-O-Y)	Moderating; significantly lower raw material purchases due to finished goods inventory draw down
Unfavorable foreign currency (Y-O-Y) Based on current rates	\$140 - \$150 Net sales \$20 - \$25 Segment expense
Selling, general, and administrative cost As a % of net sales	28% to 29%
Corporate & legacy expenses (total)	\$45 - \$50
Net interest expense (total)	\$35 - \$40
Restructuring savings (incremental)	~\$20
2Q tax rate	22% - 24%



Additional Materials and Appendix

Thank you for your interest in PPG Industries, Inc.

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Adjusted EPS Reconciliation

\$ in millions, except EPS

	Total PPG	
	Net Income	EPS ^(a)
First Quarter 2020		
Net Income Attributable to PPG as Reported	\$ 243	\$ 1.02
Increase in allowance for doubtful accounts related to COVID-19	23	0.10
Business restructuring-related costs, net ^(b)	10	0.04
Environmental remediation charges	6	0.03
Adjusted Net Income Attributable to PPG	\$ 282	\$ 1.19
First Quarter 2019		
Net Income Attributable to PPG as Reported	\$ 312	\$ 1.31
Environmental remediation charge	8	0.03
Acquisition-related costs	5	0.02
Business restructuring-related costs, net ^(b)	2	0.01
Litigation matters	3	0.01
Adjusted Net Income Attributable to PPG	\$ 330	\$ 1.38

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

(b) For the three months ended March 31, 2020 and 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.