



Third Quarter 2020 Financial Results

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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 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 and second quarter 2020 quarterly report on Form 10-Q are 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 second quarter 2020 quarterly report on Form 10-Q 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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Third Quarter 2020 Financial Highlights

Net sales down ~4%

- Net sales totaled ~\$3.7 billion; sales volumes declined versus the prior year by ~5%; driven by lower demand from COVID-19 pandemic
- Selling prices increased by 1.3%
- Acquisition-related sales added about \$20 million: Texstars, ICR, and Alpha
- No significant impact from foreign currency translation compared to prior year third quarter

Record adjusted earnings per diluted share* of \$1.93

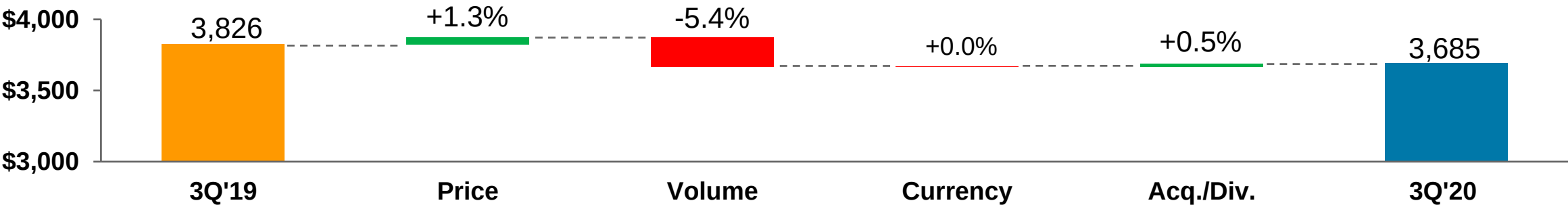
- Adjusted EPS was higher by about 16% versus prior year, primarily due to strong operating earnings from recovering demand
- Cost mitigation actions: ~\$90 million in interim savings for this quarter
- Business restructuring actions: more than \$35 million in structural cost savings

Cash deployment and liquidity

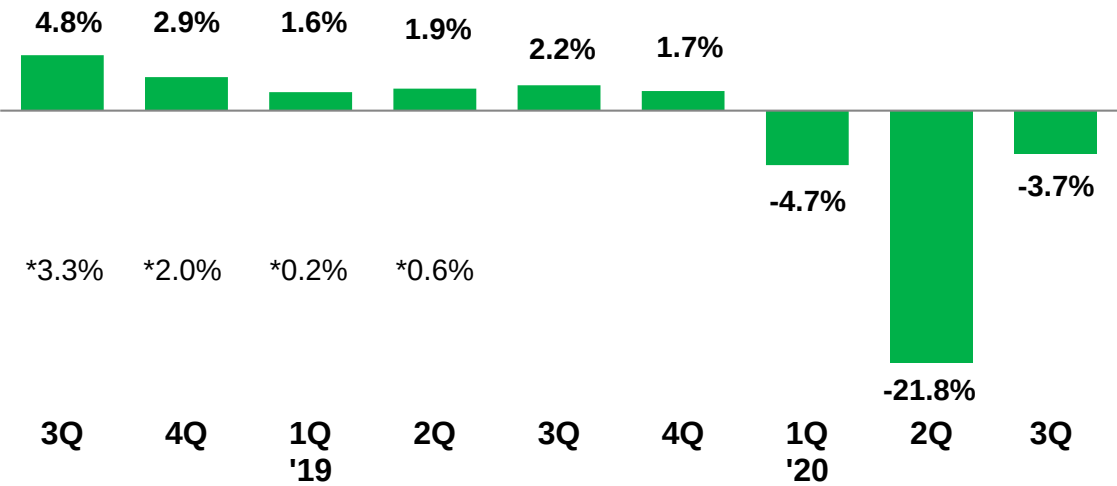
- Cash and short-term investments totaled ~\$2.1 billion at September 30, 2020
- Paid-off \$1 billion of short-term debt (maturing in April 2021); \$500 million still outstanding
- Net debt reduced by about \$600 million from end of second quarter
- Quarterly dividend increased by 6%

PPG Third Quarter Net Sales

(\$ in millions)

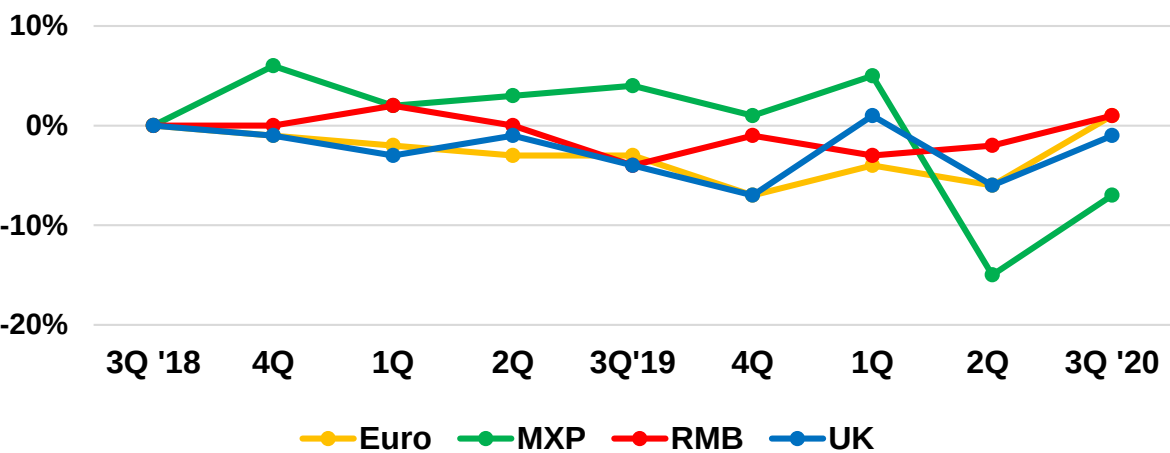


PPG Y-O-Y Net Sales Trend
(excluding currency impacts)



3Q'20: Net sales significantly impacted by COVID-19 pandemic

Foreign Currency Rate Trends vs. U.S. Dollar
(indexed to Q3'18)



US dollar weakened against PPG's currency basket in 3Q

Third Quarter Sales Volumes

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

	 U.S. and Canada		 Europe / Middle East / Africa	 Asia-Pacific		 Latin America	
Aerospace	Above Market		At Market	At Market		At Market	
Automotive Refinish	Above Market		At Market	At Market		At Market	
Architectural	Trade* Below Market	DIY At Market	Above Market	Australia Above Mkt	China At Market	Mexico Above Market	Brazil Above Mkt
Protective	At Market		Above Market	Above Market		At Market	
Marine	At Market		At Market	At Market		N/A	
Automotive OEM	At Market		Above Market	Above Market		At Market	
General Industrial	At Market		At Market	Above Market		At Market	
Packaging	Above Market		At Market	Below Market		Above Market	

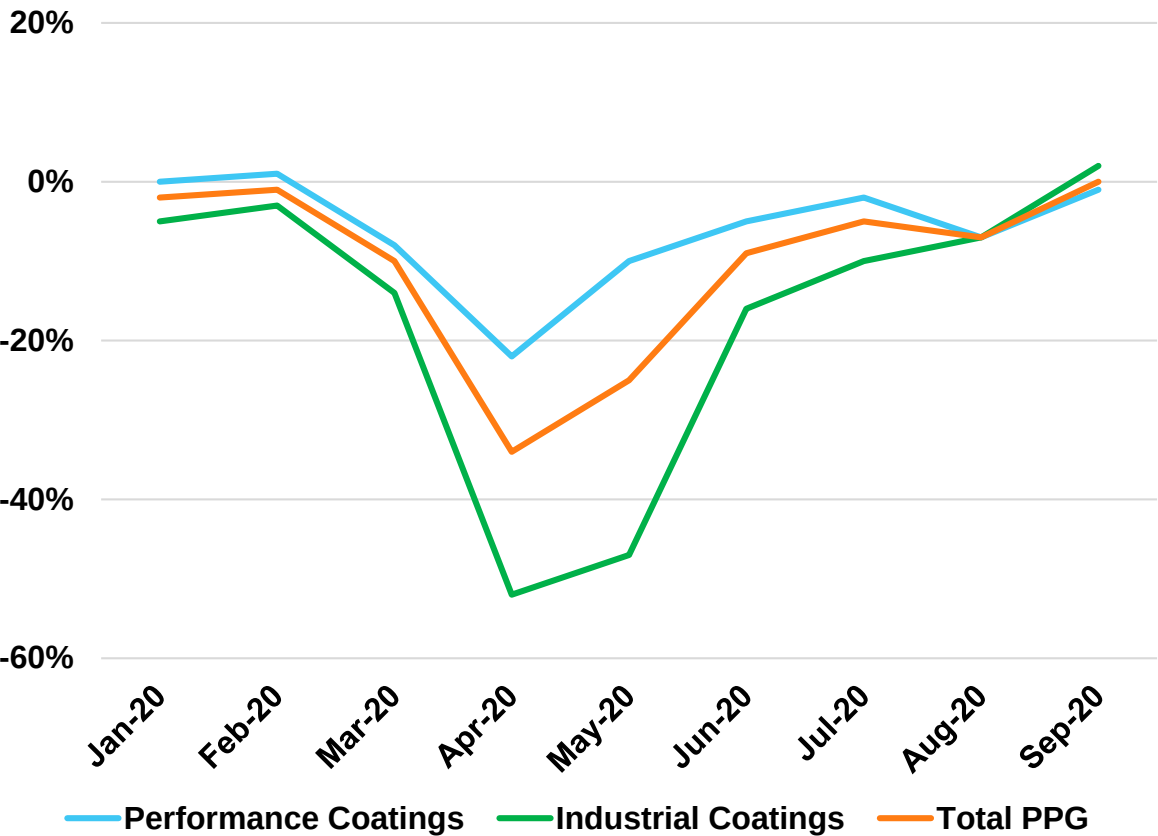
Legend:

PPG compared to expected industry end-use market demand:
 Above Market At Market Below Market

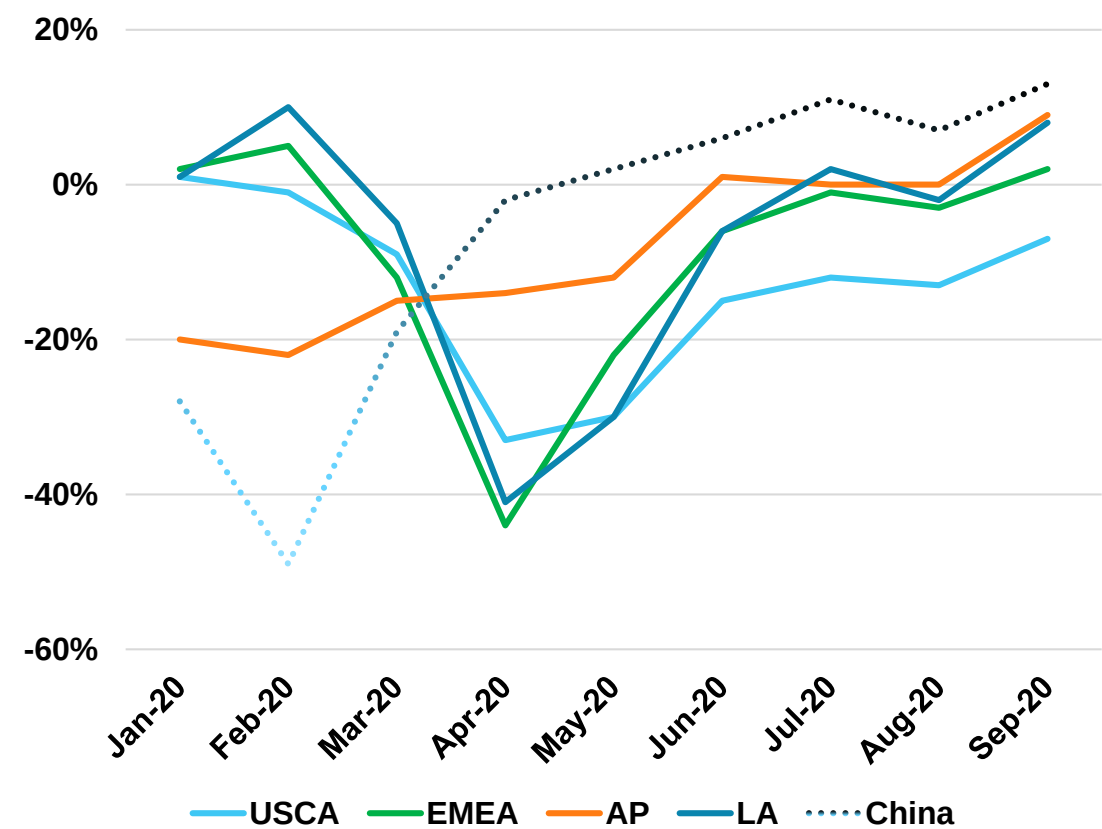
Year-over-year PPG volume:
 Contraction ●●●●● Expansion

2020 Net Sales Trend by Reporting Segment and Major Regions

Reporting Segment Sales Trends*



Regional Sales Trends*



Asia-Pacific (AP) includes China. China also displayed separately.

Industrial segment following historic “V” shaped recovery; Performance segment more stable

*Adjusted architectural coatings sales to reflect one less shipping day in August and one additional shipping day in September versus 2019

Performance Coatings

\$MM (USD)	3Q20	3Q19	Chg	%
Net Sales	2,251	2,313	-62	-3%
Income	426	380	+46	+12%
Margin %	18.9%	16.4%	+2.5%	--

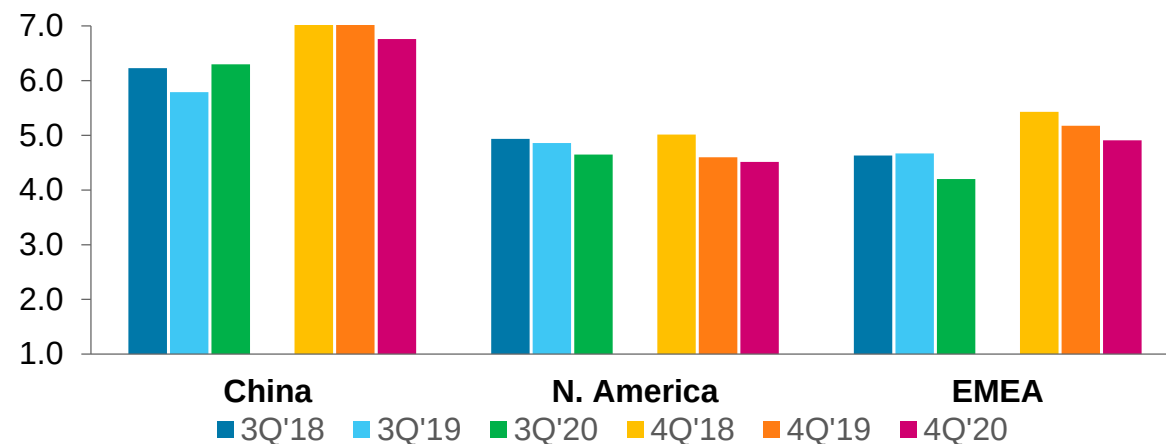
Select Net Sales Detail	Volume	Currency	Acquisition
3Q Y-O-Y Change	-5%	0%	+1%

Business	3rd Quarter Results	4th Quarter Outlook
Segment	✓ Operating margins exceeded prior year despite lower sales volumes in non-architectural businesses (Covid-19 related) ✓ Improved selling pricing continues: +2% ✓ Acquisitions of ICR and Texstars contributed net sales growth of ~\$20MM	✓ Normal seasonal demand patterns (sequentially lower); risk of more shutdowns ✓ Expect selling price realization of about 2% and sales volumes lower by mid to-high-single-digit percentage ✓ Continue to prioritize cost mitigation efforts ✓ Texstars and ICR acquisition sales expected to be ~\$15MM (<Co. average margin)
Refinish	Organic sales improved sequentially from the second quarter; but remain below prior year in aggregate. Sales volumes in China higher year-over-year as miles driven and traffic density significantly improved in the past two quarters	✓ Continued softness in U.S. and Europe due to reduced traffic density ✓ In U.S., difficult comparison to strong fourth quarter 2019
Architectural Americas & Asia-Pacific	✓ Strong do-it-yourself (DIY) sales growth in U.S., Canada, and Australia ✓ Trade (do-it-for-me) sales improved sequentially; sales negatively impacted by the hurricanes in the U.S during the quarter ✓ In Mexico, PPG-Comex organic sales increased by a mid-single-digit percentage. Only a few concessionaire locations remain closed due to locally mandated shutdowns	✓ Trade business to be uneven by segment: improving interior residential but weak commercial maintenance. Normal seasonal trends (lower) expected. ✓ Retail (DIY) business expected to grow; moderating from third quarter absolute levels due to seasonality ✓ PPG-Comex organic sales up low-single-digit percentage year-over-year
Architectural EMEA	Organic sales increased by about 10%, including strong sales in France and the UK, partially offset by soft sales in certain Eastern European countries due to the pandemic	Organic sales expected to be higher by a mid-single-digit percentage
Aerospace	Sales volumes impacted by significantly lower commercial OEM customer builds and weak aftermarket demand due to much lower airline activity; sales for military applications remains similar to 2019 levels	✓ Commercial: continuing lower sales volumes due to reduced customer builds and significantly fewer global miles flown ✓ Sales from military applications slightly higher versus prior year levels
PMC	Lower sales volumes in the U.S. (weak demand in oil and gas sector) and Europe (project delays); partially offset by sales volume growth in Asia-Pacific (new wins)	In aggregate, organic sales down a mid-single-digit percentage
Currency	No significant impact	Unfavorable impacts on net sales of ~\$20MM and earnings ~\$5MM from foreign currency translation (based on current rates) – mainly from Latin American currencies offsetting

Industrial Coatings

\$MM (USD)	3Q20	3Q19	Chg	%
Net Sales	1,434	1,513	-79	-5%
Income	253	206	+47	+23%
Margin %	17.6%	13.6%	+4.0%	--
Select Net Sales Detail	Volume	FX	Acquisition	
3Q Y-O-Y Change	-5%	0%	0%	

Regional Auto Production Forecast (million units)*

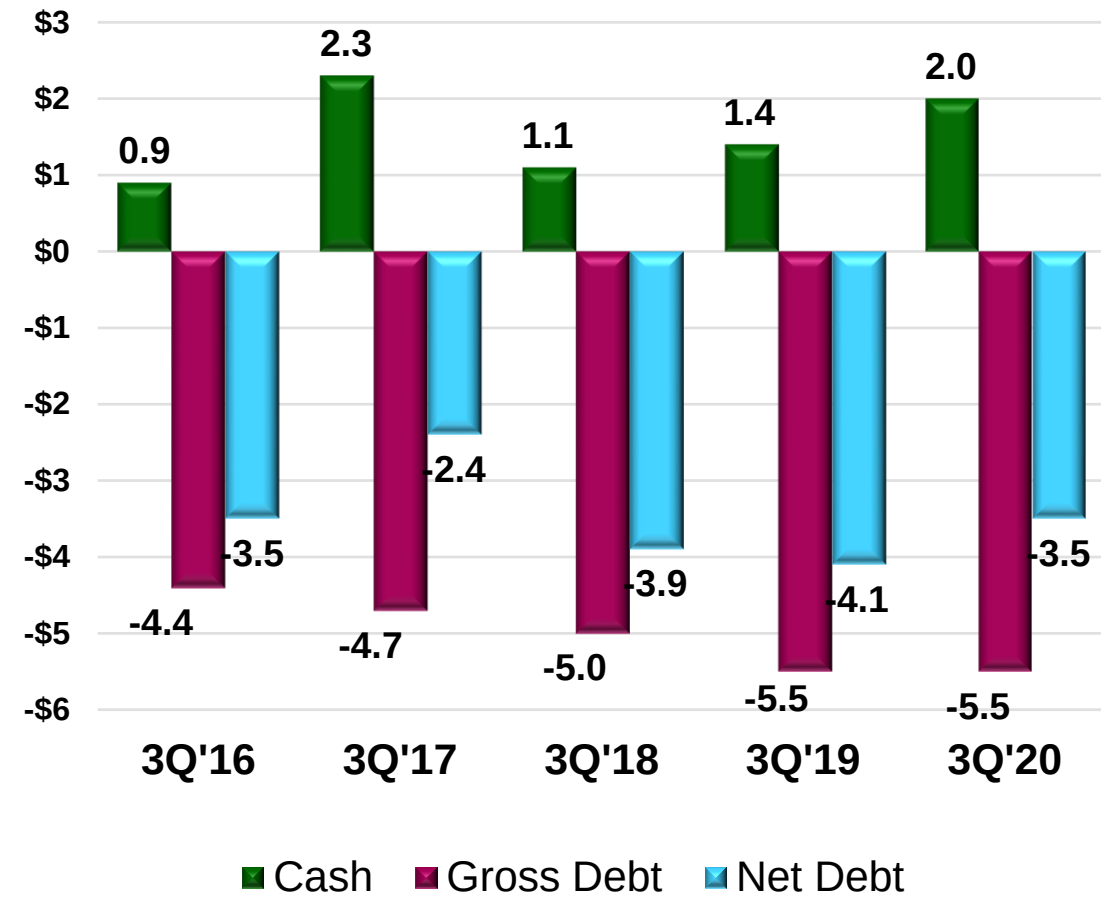


*IHS forecast Oct 1, 2020

Business	3rd Quarter Results	4th Quarter Outlook
Segment	✓ Sales volumes improved significantly from the second quarter; remain below prior year ✓ Operating margins at multi-year high despite lower sales volumes; strong earnings leverage on recovering sales driven by savings from cost initiatives	✓ Expect stable selling prices and sales volumes to be lower by low-single-digit percentage ✓ Continued sales volume growth in the Asia-Pacific region ✓ Prioritizing global cost mitigation
Automotive OEM	✓ In aggregate, sales volumes slightly down compared to prior year, ahead of industry • China automotive production rates were higher Y-O-Y supported by strong retail sales • U.S. and W. Europe automotive production rates down mid-single-digit percentage	✓ Expect global automotive OEM sales volumes to be flat to slightly higher Y-O-Y ✓ Continued positive Y-O-Y auto retail sales in China
Industrial	✓ Sales volumes were lower by a mid-single-digit percentage; strong performance in electronic materials and appliance sub-segments ✓ In China, demand improving; sales volumes up by about 10% Y-O-Y	✓ Expect overall Y-O-Y sales volumes change to be down a low- to mid-single-digit percentage ✓ Continued sales volume growth in the Asia-Pacific region
Packaging	Sales volumes were slightly lower as strong year-over-year sales volume growth in the U.S. and Latin America was offset by softer demand for packaged products in Europe and Asia	Expect similar sales volumes as those experienced in the third quarter
Currency	No significant impact	Based on current rates, do not expect a significant impact

Balance Sheet and Cash

Third Quarter Cash and Debt (\$ in billions)



Third Quarter 2020 Activity and Liquidity

3Q 2020 approximate cash uses

- Capital spending \$80 million
- Dividends \$130 million

Liquidity

- \$2.1 billion cash and short term investments at end of September 2020
- \$2.2 billion revolving credit facility currently undrawn

Total net debt: \$3.5 billion; down ~\$600 million from 2Q20

- \$5.5 billion gross debt; \$3.5 billion net debt
- In September, repaid \$1 billion of the outstanding \$1.5 billion short-term borrowing (remainder due April 2021)
- Issued \$100 million of new long term debt at attractive rate

Strong cash position remains

- Strong liquidity
- Reduced working capital as a % of sales by 150 basis points Y-O-Y
- Continued prudent capital spending

Fourth Quarter 2020 Financial Projections

(\$ in millions unless otherwise stated)

Category	Projection
Total company sales volumes (Y-O-Y)	Down low- to mid-single-digit percentage
4Q adjusted earnings-per-diluted share	\$1.50 - \$1.57
Raw material costs (Q-O-Q)	Slightly higher
Unfavorable foreign currency (Y-O-Y) based on current rates	\$10 - \$20 net sales \$ 3 - \$6 segment expense
Corporate and legacy expenses (total)	\$55 - \$60
Net interest expense (total)	\$28 - \$30
Restructuring savings (incremental)	\$30 - \$35
4Q tax rate	18 - 21%

Additional materials and appendix

Adjusted EPS Reconciliation

\$ in millions, except EPS

	Total PPG	
Third Quarter 2020	Net Income	EPS ^(a)
Net Income from Continuing Operations, As Reported	\$ 442	\$ 1.86
Business restructuring-related costs, net ^(b)	10	0.04
Expenses incurred due to a natural disaster ^(c)	6	0.03
Adjusted Net Income Attributable to PPG	\$ 458	\$ 1.93

Third Quarter 2019		
Net Income from Continuing Operations, As Reported	\$ 366	\$ 1.54
Business restructuring-related costs, net ^(b)	14	0.06
Environmental remediation charges	16	0.07
Adjusted Net Income Attributable to PPG	\$ 396	\$ 1.67

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

(b) 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.

(c) In the third quarter 2020, Hurricane Laura caused damages to a southern U.S. factory that supports the Company's specialty coatings and materials business.

Thank You For Your Interest In PPG

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