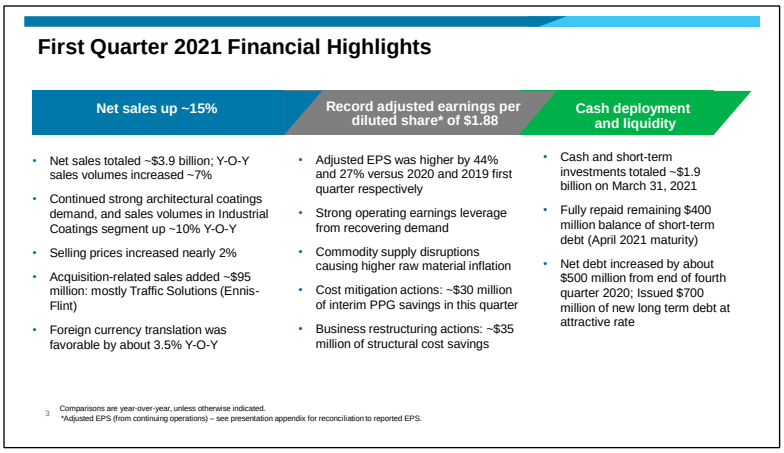
PPG First Quarter 2021 Financial Results

Earnings Brief – April 15, 2021

These prepared remarks should be read in conjunction with the PPG's earnings press release and related presentation that were posted on PPG's website (investor.ppg.com) on April 15, 2021. In addition, these detailed remarks supplement the commentary that the company will make on its first quarter 2021 earnings conference call on April 16, 2021.



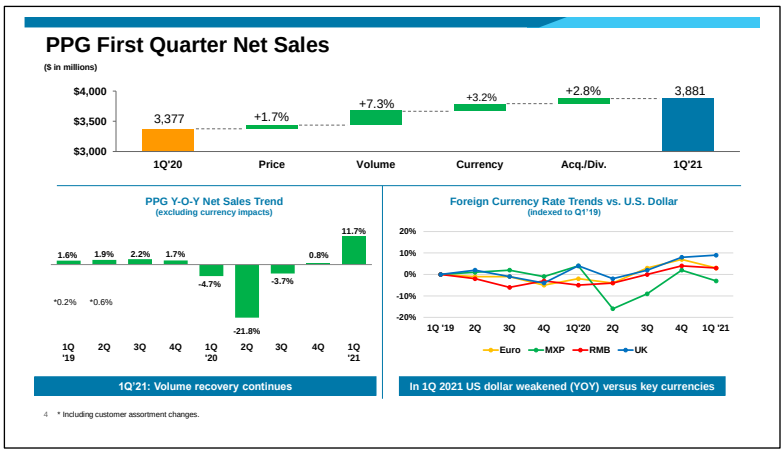
First Quarter Financial Highlights

PPG's record first quarter 2021 net sales were approximately $3.9 billion, an increase of about 15% versus the prior year. Net sales in constant currencies were up by more than 11%, as foreign currency translation had a favorable impact to net sales of more than 3%. First quarter results reflect continuing and broad strengthening of global demand, including automotive original equipment manufacturer (OEM) and industrial coatings products, continued robust global demand for architectural coatings, and a pick up of automotive refinish demand in the U.S., which was partly driven by some customer restocking. Economic activity in the quarter improved in most major regions and remained the strongest in China. These favorable trends were offset by continuing demand weakness due to the COVID-19 pandemic in commercial aerospace, marine, and protective coatings products that are supplied to the energy markets.

Record first quarter reported earnings per diluted share (EPS) was $1.58, compared to $1.02 in the prior-year quarter. Adjusted earnings per diluted share was a first quarter record $1.88, compared to $1.31 in the first quarter 2020. Adjusted 2021 first quarter EPS excludes $0.12 of intangible asset amortization related to completed acquisitions. Increased year-over-year earnings were driven by strong incremental operating margin leverage on improving sales volumes and continued execution of cost initiatives. Interim cost-mitigation actions delivered about $30 million of savings and structural cost-savings programs, which are permanent reductions in the company's cost structure, resulted in an additional $35 million of savings in the quarter.

During the first quarter, the company finalized the acquisition of VersaFlex, a manufacturer specializing in polyurea, epoxy and polyurethane coatings for water and waste water infrastructure, flooring, transportation infrastructure, and industrial applications. VersaFlex's 2020 revenue was approximately $70 million. This business is being integrated into the protective and marine coatings business, which is included in the Performance Coatings reportable segment. Also, the company expects to complete the previously announced acquisitions of Tikkurila and Wörwag during the second quarter of 2021, subject to customary regulatory approval and closing conditions. More information on all recent acquisitions is provided in the accompanying slides.

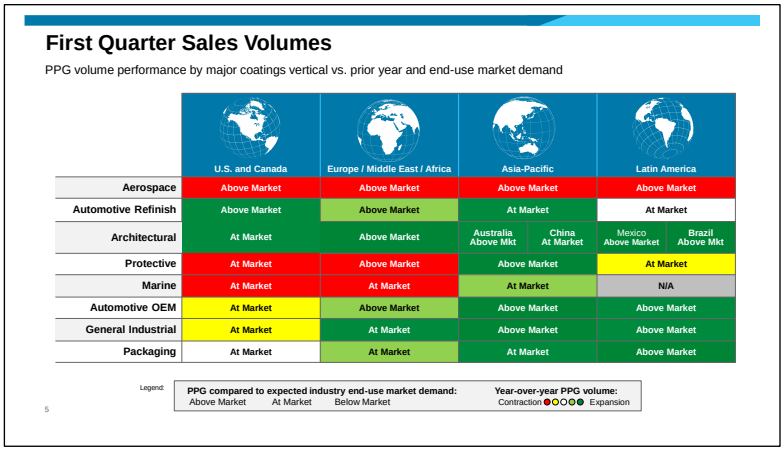
The first quarter reported and adjusted effective tax rates were both about 23%, compared to the reported and adjusted 22% rate in the first quarter of 2020. The higher adjusted tax rate for the first quarter was mainly due to favorable non-recurring discrete tax items that were realized in the first quarter of 2020. The second quarter 2021 tax rate is expected to be between 23% and 24%.



PPG First Quarter Net Sales

PPG's first quarter record net sales of about $3.9 billion were about 15% higher compared to the prior year. In aggregate, company sales volumes were higher by about 7% versus the prior-year first quarter, but still remained about 2% below pre-pandemic first quarter 2019 levels. In the Industrial Coatings reportable segment, the company experienced continued sequential sales volume improvement from the previous quarter, reflecting improving industrial production trends globally.

Aggregate selling prices increased by nearly 2% year over year, with strong contributions from Performance Coatings and a sequential quarterly improvement of about nearly 100 basis points in Industrial Coatings, including pricing gains in the automotive OEM, general industrial, and packaging coatings businesses. Additional selling price increases are being prioritized in the second quarter to mitigate expected higher raw material and logistics cost inflation. The recent acquisitions of Ennis-Flint and ICR increased net sales by about 5%, or about $95 million, in the quarter. The U.S. dollar weakened year over year compared to the company's overall basket of currencies, resulting in a favorable foreign currency translation impact to net sales of about $110 million in the first quarter. For the second quarter 2021, foreign currency translation is expected to have a favorable impact year over year to net sales and earnings by $130 million to $150 million and $17 million to $21 million, respectively.



First Quarter 2021 Sales Volumes

Aggregate year-over-year global sales volumes increased about 7% due to improving demand for industrial coatings products and continued strong demand for global architectural coatings, which more than offset continued soft demand for commercial aerospace coatings and for protective coatings that support the oil and gas industry, primarily due to the economic impacts of the global pandemic.

In the U.S. and Canada, sales volumes were down a low-single-digit percentage compared to the prior year. Aerospace coatings sales volumes remained lower by about 30%, consistent with recent quarters, due to weak commercial new-build and aftermarket demand. Aerospace net sales for military applications grew slightly on a year over year basis. Aerospace commercial aftermarket demand improved modestly throughout the first quarter, and is expected to continue to improve, especially in the second half of the year as the number of domestic flights in various countries increases. Automotive refinish coatings sales volumes were above the prior year level due to increasing body shop activity and some customer restocking during the quarter. Traffic congestion at peak driving hours remains below historic levels and will likely not improve until the second half of 2021. Collision claims in the U.S. were estimated to be down about 10% year over year in the quarter. In the architectural coatings business, net sales excluding the impact of currency and acquisitions (organic sales) increased by a high-single-digit percentage, as organic sales were higher for both the do-it-yourself (DIY) and trade/professional channels. Demand for architectural coatings products supporting the commercial segment remained depressed and are expected to remain so in the next few quarters. Sales volumes in the automotive original equipment manufacturer (OEM) coatings business were lower by a low-single-digit percentage on a year-over-year basis, partially impacted by lower build rates due to semi-conductor chip shortages. Sales volumes in general industrial coatings were lower by a mid-single-digit percentage

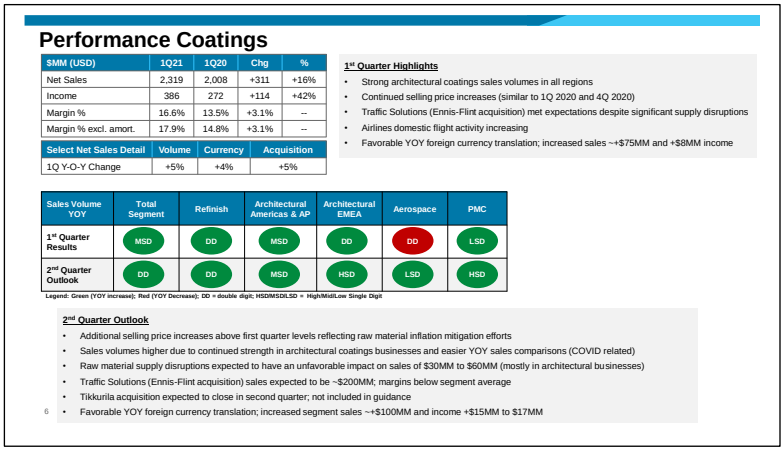
but improved as the quarter progressed, and were higher on a year-over-year basis in the month of March. Demand for packaging coatings products remained at higher levels, with good demand in both beverage and food canned packaging products. The traffic solutions coatings business, which is the acquisition of Ennis-Flint, completed its first full quarter as part of PPG and performed to company expectations. Historically, on an annual basis, more than 80% of its annual sales are in the U.S. and Canada region.

Sales volumes increased by a high-single-digit percentage in the Europe, Middle East, and Africa (EMEA) region, compared to the previous year. These results were led by the architectural coatings – EMEA business, as organic sales were higher by about 20% compared with the prior year. Sales volumes in the automotive OEM and general industrial coatings businesses were higher by a mid-single-digit percentage. The chip shortage also restrained automotive OEM production in Europe during the first quarter. Expectations for improved demand in automotive OEM build rates continue for the second half of the year as mass immunization should allow certain restrictions to be lifted and lead to a more favorable selling environment for the automotive industry. Sales volumes for the packaging coatings business grew by a mid-single-digit percentage. Industry demand for protective and marine coatings products was tepid during the quarter as the pandemic caused more project delays. Sales volumes in automotive refinish coatings were slightly higher on a year-over-year basis. Demand in automotive refinish is expected to remain subdued as additional COVID-related travel restrictions have been imposed in many European countries. Organic sales in the aerospace coatings business remained significantly below prior-year levels.

Sales volumes in the Asia-Pacific region were significantly higher on a year-over-year basis partially due to depressed sales caused by the pandemic in the prior-year period. Demand trends remained robust in China, and economic activity started to recover in India. Demand trends for coatings products in other parts of the region were mixed as the pandemic continues to impact certain countries more than others. Most businesses, with the exception of aerospace coatings, had positive year-over-year sales growth during the first quarter. Additional selling price actions are being implemented to offset the elevated raw material and logistics cost inflation.

In Latin America, sales volumes were higher by a mid-single-digit percentage versus the prior year due to solid sales volume growth in most businesses. Industry demand was soft in both the automotive refinish coatings and protective coatings businesses mostly due to the impact of the ongoing pandemic.

Looking ahead, in aggregate for the company we expect demand recovery to continue. However, the pace of recovery will vary across end-use markets and geographic regions. In the second quarter, we expect that sales will be up by a low-teen percentage on a sequential basis compared to the first quarter 2021. This includes the impact of potential coatings raw material shortages and some customer production constraints related to computer chip shortages.



Performance Coatings

First quarter net sales for the Performance Coatings segment were about $2.3 billion, up about 15% versus the prior year. Selling prices increased more than 2%. Segment sales volumes were up about 5%. Acquisition-related sales and favorable foreign currency translation each added about 4% to sales growth. The level of digital sales in our global architectural businesses continued to rapidly increase and were about 5% of total net sales transacted. In comparison to 2019 sales volume levels, sales volumes were down about 1%.

Segment income was $382 million, up about $110 million compared to the first quarter 2020. Earnings were favorably impacted by higher sales volumes and selling prices, cost-mitigation actions and restructuring savings, partially offset by raw material and logistics cost inflation.

From a business unit perspective, year-over-year sales volumes for automotive refinish coatings improved by a high-teen percentage, aided by an easier comparison in the Asia-Pacific region due to the impact of the pandemic in the first quarter of 2020 and some customer restocking in the U.S. region. Demand continued to improve in the Asia-Pacific region, led by China and India. In Europe, congestion and miles driven in major cities remained at lower levels as many countries remained under stricter mobility restrictions due to the pandemic. In the U.S., body shop activity modestly improved during the first quarter and is expected to gradually improve over the next few quarters. Globally, the business continued to convert new body shops to PPG products during the first quarter. In Europe, PPG has now installed about 670 Moonwalk automated paint dispensing devices, with about 10% of these being installed with new PPG customers. The first Moonwalk pilots in the U.S. started in the first quarter with positive customer feedback. Aggregate sales activity in the second quarter is expected to be similar to that experienced in the first quarter. Additional stay-at-home mandates, particularly in Europe, will likely delay further aggregate demand improvement until the second half of 2021. It is still expected that global demand conditions will gradually improve in the second half of 2021 as more people are expected to return to their offices.

Aerospace coatings sales volumes decreased by nearly 30% versus the prior year, slightly better than year-over-year levels experienced in the fourth quarter, as sharp declines continued in commercial OEM and aftermarket product demand. There was a modest uptick in commercial aftermarket demand that is expected to continue as the year progresses as airlines add more domestic flights. Sales to the military segment remain solid and are expected to trend higher in subsequent quarters due to new business wins driven by PPG's advantaged technology. Domestic flight activity globally remained significantly below prior year levels during the quarter, but did show some modest improvement at quarter's end. Flight activity is expected to gradually improve as the year progresses. Sales volumes, in aggregate, are expected to be modestly above the prior-year 2020 levels in the second quarter, but remain significantly below pre-pandemic levels.

Year-over-year organic sales increased by about 20% in architectural coatings – EMEA, with broad-based year-over-year sales volume growth in most countries, including France and the U.K. This was led by strong consumer demand for residential repaint and DIY products after many countries imposed additional, or stricter, stay-at-home mandates. The improved year-over-year performance was also aided by a decline in demand that occurred towards the end of the first quarter of 2020. Demand for DIY products are expected to remain elevated through the second quarter, and organic sales are expected to be higher by a high-single-digit percentage year-over-year, with normal seasonal trends. Industry demand trends in the U.K. have thus far not been impacted by the BREXIT process. PPG continues to closely monitor this transition, including potential cross-border logistics issues.

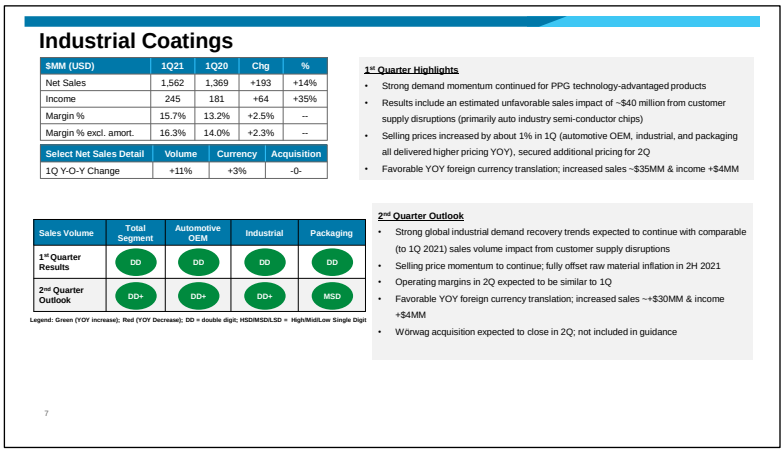
Architectural coatings - Americas and Asia-Pacific organic sales increased by a high-single-digit percentage, as strong demand in the DIY channel continued in the first quarter. Sales volume growth was robust in all major regions. In the U.S. and Canada, organic sales in the trade (do-it-for-me) channel increased during the quarter due to continuing residential paint demand, partially offset by lower commercial repaint activity. In Mexico, PPG-Comex organic sales were higher by a high-single-digit percentage as the concessionaire network sell-out of PPG products continued to be strong throughout the quarter. During the quarter, about 15 new concessionaire locations were added bringing the total store count to nearly 4,900. The Australian architectural business continued to deliver strong sales volume growth largely driven by strong DIY demand trends. Looking ahead, aggregate net sales, excluding foreign currency translation, are expected to be up a mid-single-digit percentage with normal seasonal demand patterns.

Aggregate protective and marine coatings sales volumes increased by a low-single-digit percentage compared with the prior-year first quarter. Strong demand for PPG protective coatings products in the

Asia-Pacific region continued, offset by lower demand for marine coatings globally and protective coatings products that are used by the oil and gas industry. Second quarter sales trends are expected to slightly improve from those experienced in the first quarter.

The first quarter was the first full quarter for the traffic solutions business, the Ennis-Flint acquisition that was completed at the end of the fourth quarter 2020. First quarter sales and earnings for the traffic solutions business met the company's expectations. Sales in the second quarter are expected to be around $200 million, a historically seasonally stronger quarter for the business. Operating margins are expected to be below segment averages.

Looking ahead, raw material cost inflation is expected to be higher in the second quarter compared to the first quarter. Further selling price increases have been secured or are in progress during the quarter. Second quarter year-over-year sales growth will be aided by easier sales comparisons in most businesses due to the pandemic's impact on demand last year. Supply disruptions have caused some challenges with certain raw material availability, which we expect will have a modest impact on sales activity during the quarter, particularly impacting the architectural coatings businesses. The Tikkurila acquisition, expected to close in the second quarter, is not factored into this second quarter outlook. The company will continue to execute against various cost-savings initiatives. Finally, foreign currency translation is expected to have a favorable impact on segment sales and earnings of about $100 million and approximately $15 million, respectively, based on recent exchange rates.



Industrial Coatings

$MM (USD)	1Q21	1Q20	Chg	%
Net Sales	1,562	1,369	+193	+14%
Income	245	181	+64	+35%
Margin %	15.7%	13.2%	+2.5%	--
Margin % excl. amort.	16.3%	14.0%	+2.3%	--

Select Net Sales Detail	Volume	Currency	Acquisition
1Q Y-O-Y Change	+11%	+3%	-0-

1st Quarter Highlights
- Strong demand momentum continued for PPG technology-advantaged products
- Results include an estimated unfavorable sales impact of ~$40 million from customer supply disruptions (primarily auto industry semi-conductor chips)
- Selling prices increased by about 1% in 1Q (automotive OEM, industrial, and packaging all delivered higher pricing YOY), secured additional pricing for 2Q
- Favorable YOY foreign currency translation; increased sales ~$35MM & income +$4MM

Sales Volume	Total Segment	Automotive OEM	Industrial	Packaging
1st Quarter Results	DD	DD	DD	DD
2nd Quarter Outlook	DD+	DD+	DD+	MSD

Legend: Green (YOY increase); Red (YOY Decrease); DD = double digit; HSD/MSD/LSD = High/Mid/Low Single Digit

2nd Quarter Outlook
- Strong global industrial demand recovery trends expected to continue with comparable (to 1Q 2021) sales volume impact from customer supply disruptions
- Selling price momentum to continue; fully offset raw material inflation in 2H 2021
- Operating margins in 2Q expected to be similar to 1Q
- Favorable YOY foreign currency translation; increased sales ~+$30MM & income +$4MM
- Wörwag acquisition expected to close in 2Q; not included in guidance

7

Industrial Coatings

First quarter net sales for the Industrial Coatings segment were about $1.6 billion, up 14% year over year. Segment sales volumes were higher by more than 10% as global industrial production demand continued to recover. In China, demand continued to progress towards pre-pandemic levels in most industrial end-use markets. Aggregate selling prices were higher compared to the first and fourth quarters of 2020. Favorable foreign currency translation added about 2.5% to sales growth. In comparison to 2019 levels, sales volumes were down about 2%.

Segment income of about $245 million was up about $65 million year over year. Segment income was aided by the impact of the higher sales volumes, cost-mitigation actions, restructuring cost savings, higher selling prices, and favorable foreign currency translation, partially offset by raw material and logistics cost inflation.

From a business unit perspective, global automotive OEM coatings year-over-year sales volumes rose by a low-teen percentage versus the prior year, above global industry production rates. The outperformance, supported by the company's strong technology and service capabilities was broad-based, and particularly strong in China and Europe. In China, automotive industry retail sales continued to be robust in the first quarter and were similar to first quarter 2019 levels. In the U.S., automotive retail dealer inventories decreased to historically low levels as consumer demand remained robust while production levels were constrained due to a shortage of computer chips. PPG sales were impacted by an estimated $40 million due to this production disruption. The shortage of chips is expected to continue to impact industry production rates in the second quarter by an equivalent amount. Third party second quarter global industry production car build estimates are about 7% below 2019 second quarter levels, and these third-party forecasts are likely not factoring recent production curtailment announcements by automotive OEMs. PPG's aggregate sales volumes are expected to be up significantly in the second quarter, largely due to a weaker second quarter of 2020 when the pandemic had a material impact on

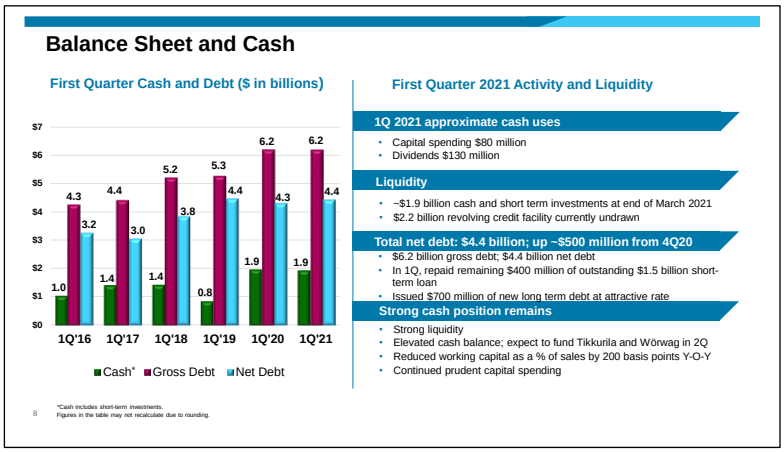
global production, especially in the U.S. and Europe. The company's second quarter year-over-year sales performance is expected to continue to outpace industry production rates.

Industrial coatings sales volumes were higher on a year-over basis, rising a low-teen percentage in aggregate during the first quarter, as global industrial production continued to improve compared to the start of the pandemic. Globally, growth was broad-based throughout most sub-segments with the largest contributions coming from electronic materials, heavy-duty equipment, and cookware. From a regional perspective, growth was the highest in the Asia-Pacific, Latin America and European regions. In the U.S. and Canada sales activity gained momentum throughout the quarter. For the second quarter, strong demand trends are expected to continue.

Sales volumes in packaging coatings increased by a low-teen percentage versus the prior year, led by strong volume growth in Asia-Pacific, Europe, and Latin America. Demand in the canned food and beverage segments in Europe was strong, partially offset by softer demand for canned personal care items, which remains soft in Europe and Asia-Pacific due to the pandemic. Second quarter demand and sales trends are expected to be similar to those experienced in the first quarter.

During the quarter, the company incurred additional costs associated with the winter weather event in the southern United States as well as continuing expenditures to repair damage caused by Hurricanes Laura and Delta to a company facility in Louisiana in September and October 2020. In the first quarter, the net unfavorable earnings impact of the damage to PPG's assets and other incremental costs related to recent storms was about $12 million on a pre-tax basis. These costs were reported as a natural disaster-related charge and were excluded from adjusted net income in the quarter. The Company's specialty coatings and materials facility is open and operational. Remaining repairs are estimated to be less than $5 million on a pre-tax basis, and are expected to be completed in the second quarter 2021.

Looking ahead for the segment in aggregate, sales volumes are expected to be significantly higher than the prior-year second quarter, including the benefit of an easier comparison due to considerably lower global industrial activity during the second quarter of 2020 stemming from the pandemic. Due to disruptions in the coatings supply chain, raw material cost inflation is expected to be higher in the second quarter compared to the first quarter. The company has been actively working with customers to secure selling price increases in all businesses. Due to the rapid increase in raw material costs, the second quarter will likely have an unfavorable net impact from higher raw material and logistics costs compared to selling price increases. This is anticipated to improve in the second half of 2021. The company will also continue to aggressively execute against various cost-savings initiatives. The Wörwag acquisition, which is expected to close in the second quarter, is not factored into this second quarter outlook. Finally, foreign currency translation is expected to have a favorable impact on segment sales and earnings of about $30 million and $4 million, respectively, based on recent exchange rates.



Balance Sheet and Cash

PPG finished the first quarter with approximately $1.9 billion of cash and short-term investments. Operating cash flow was better than the prior-year quarter as working capital as a percent of sales improved about 200 basis points on a year-over-year basis. Operating cash is typically a use of cash during the first quarter.

During the first quarter, the company fully repaid the remaining $400 million of short-term debt due in April 2021. Also during the first quarter, the company issued $700 million of five year bonds with a 1.2% coupon. The company ended the first quarter with net debt of about $4.4 billion, which is $500 million higher than the end of the fourth quarter. The company's $2.2 billion revolving credit facility remains undrawn.

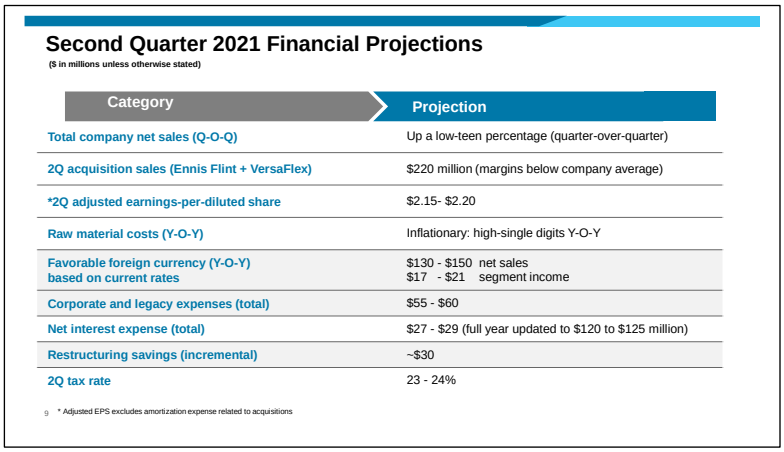
Approximate uses of cash for the first quarter were as follows:

- Capital expenditures were about $80 million for the quarter. The Company continues to expect full-year 2021 capital spending to be around $450 million, reflecting a return to historical levels of spending in support of future organic growth opportunities.

- Dividends paid were about $130 million in the first quarter. PPG has raised its annual dividend payout for 49 consecutive years and paid uninterrupted annual dividends since 1899. This marks the company's 491th consecutive dividend payment.

During the first quarter, the VersaFlex transaction closed. We expect the Tikkurila and Wörwag acquisitions to close in the second quarter. We are rapidly integrating those acquisitions that have already closed, and we expect 2021 synergies from these closed acquisitions to be in the range of 25 million to $30 million.

Interest expense for the second quarter is expected to be $27 million to $29 million. In the third and fourth quarters, interest expense will increase to about $32 million to $34 million per quarter.



Second Quarter 2021 Financial Projections

($ in millions unless otherwise stated)

Category	Projection
Total company net sales (Q-O-Q)	Up a low-teen percentage (quarter-over-quarter)
2Q acquisition sales (Ennis Flint + VersaFlex)	$220 million (margins below company average)
*2Q adjusted earnings-per-diluted share	$2.15- $2.20
Raw material costs (Y-O-Y)	Inflationary: high-single digits Y-O-Y
Favorable foreign currency (Y-O-Y) based on current rates	$130 - $150 net sales $17 - $21 segment income
Corporate and legacy expenses (total)	$55 - $60
Net interest expense (total)	$27 - $29 (full year updated to $120 to $125 million)
Restructuring savings (incremental)	~$30
2Q tax rate	23 - 24%

9 * Adjusted EPS excludes amortization expense related to acquisitions

Second Quarter 2021 Financial Assumptions

For the second quarter 2021, the company detailed financial assumptions in its accompanying presentation materials based on information that is currently known. These financial assumptions do not include any financial results for acquisitions announced, but not yet closed. Some further details are provided below. The company previously announced plans to exclude intangible asset amortization related to completed acquisitions from its reporting of adjusted earnings per share beginning in 2021. In the appendix of the earnings presentation, we have included a chart with adjusted earnings per share excluding amortization expense going back to 2019.

- Aggregate sequential net sales up a low-teen percentage when compared to the first quarter 2021 and consistent with historical pre-COVID sequential quarterly changes.
- Total structural cost savings from restructuring actions of about $30 million.
- Corporate expenses were about $50 million in the first quarter and are expected to be between $55 million to $60 million in the second quarter.
- Net interest expense between $27 million and $29 million.
- The company's global ongoing effective tax rate in the range of 23% to 24%.
- Second quarter adjusted earnings per diluted share between $2.15 and $2.20.

Overview of Recently Announced Acquisitions

	Ennis-Flint	Tikkurila	VersaFlex	Wörwag
Date of Announcement	*November 30, 2020*	*December 18, 2020*	*January 5, 2021*	*January 11, 2021*
Estimated Date of Closing	*Completed December 2020*	*~1H 2021*	*Completed February 2021*	*~1H 2021*
Estimated Annual Revenue	*~$600MM*	*~$700MM*	*~$70MM*	*~$260MM*
EBITDA Synergies as % of Sales	*6-8%*	*8-10%*	*>10%*	*8-10%*

Key Attributes

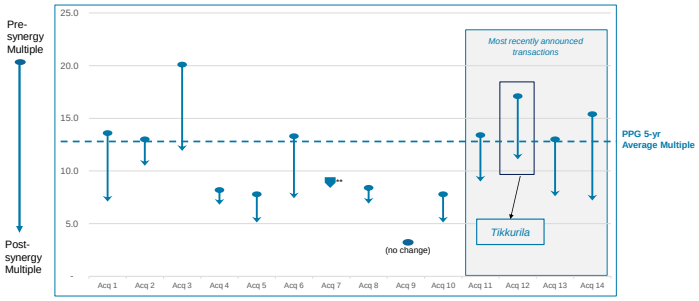
	Ennis-Flint	Tikkurila	VersaFlex	Wörwag
Geographic Expansion		✓		
Product Line Extension	✓		✓	✓
Complimentary Technology	✓	✓	✓	✓
ESG Benefits	✓	✓	✓	✓

Estimated $130 million of synergies from combined acquisitions

10

Transaction Multiples Pre- and Post-synergy

Acquisitions that have been closed for at least 24 months and the four most recently announced acquisitions*



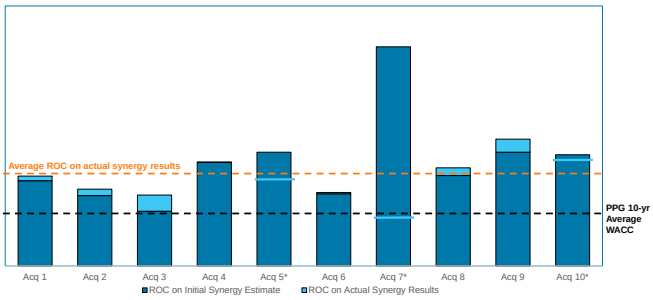
Shareholder value creation: Post-synergy multiples below current PPG valuation

11

*Acquisitions are not listed in chronological order
**Post-transaction valuation of small, strategic acquisition which was in a loss-making position at time of acquisition

PPG M&A has created significant shareholder value

Acquisitions that have been closed for at least 24 months

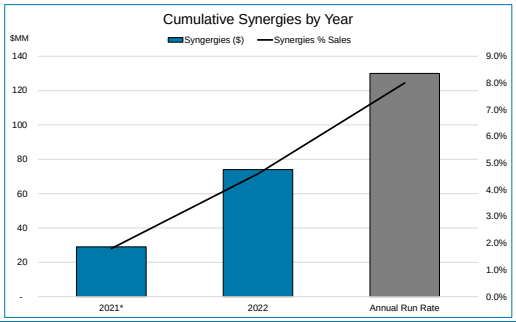


Actual PPG synergy capture typically higher than initial company estimates, resulting in average ROC improvement of 50 basis points versus preliminary projections

12

*Evaluation after the transaction showed a decrease in assumed ROC pre-transaction
**ROCs are after-tax and representative of the acquisition project; not overall company

Synergy Development of Recently Announced Acquisitions



Includes

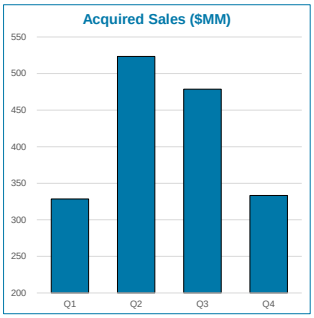
Ennis-Flint
Tikkurila
VersaFlex
Wörwag

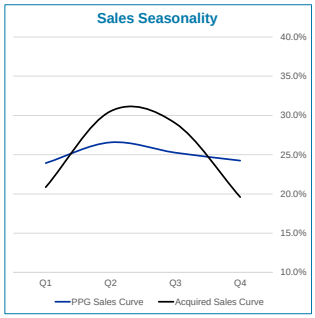
Synergy estimates higher than historical industry average

13

*Partial Year assumes all 4 acquisitions are closed by mid-2Q 2021

Historical Seasonality of New Acquisitions Compared to PPG





Acquired $1.6B of sales with pre-synergy EBTIDA margin of ~14%

14 *Not reflective of estimated 2021 results due to timing of transaction closures*
Acquired EBITDA margin below total company average

Tikkurila will quickly create value for PPG

Company Background

- Established in 1859
- Operations in 11 countries with sales in 40+ countries
- 2,700 employees

Value-Generating Attributes

- Leading positions with well-recognized, #1 regional brands
- Complete Tikkurila's initiatives targeting top-tier industry margins
- Provides growth opportunities in the Nordics and emerging markets, inclusive of cross-business product sales
- Large cost synergy opportunities and tax attributes
- Return on capital expected to be higher than PPG average 10 year WACC

Map Legend

- Countries with Tikkurila operations
- Tikkurila production (7 sites in 6 countries)
- PPG AC Presence





15

Historical ROS* Margin and Adjusted EPS Excluding Amortization

$ in millions, except ROS %

	2019					2020					2021
Performance Segment	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1
ROS Margin, As Reported	14.1%	17.5%	16.4%	14.1%	15.6%	13.5%	17.5%	18.9%	13.8%	16.0%	16.6%
Amortization	24	25	24	25	98	26	21	22	23	92	29
ROS Margin excluding Amortization	15.2%	18.5%	17.5%	15.2%	16.7%	14.8%	18.5%	19.9%	14.9%	17.1%	17.9%
Industrial Segment											
ROS Margin, As Reported	14.4%	14.8%	13.6%	13.6%	14.1%	13.2%	3.7%	17.7%	17.7%	14.0%	15.7%
Amortization	8	10	10	10	38	10	10	10	10	40	10
ROS Margin excluding Amortization	14.9%	15.4%	14.3%	14.3%	14.7%	14.0%	4.7%	18.3%	18.4%	14.8%	16.3%
Total Segments											
ROS Margin, As Reported	14.2%	16.4%	15.3%	13.9%	15.0%	13.4%	13.2%	18.4%	15.4%	15.2%	16.3%
Amortization	32	35	34	35	136	36	31	32	33	132	39
ROS Margin excluding Amortization	15.1%	17.3%	16.2%	14.8%	15.9%	14.5%	14.2%	19.3%	16.3%	16.2%	17.3%

	2019					2020					2021
Total PPG	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1
Adjusted EPS	1.38	1.85	1.67	1.31	6.22	1.19	0.99	1.93	1.59	5.70	1.76
Amortization EPS	0.10	0.11	0.10	0.11	0.42	0.12	0.10	0.10	0.10	0.42	0.12
Adjusted EPS excl Amortization	1.48	1.96	1.77	1.42	6.64	1.31	1.09	2.03	1.69	6.12	1.88

17 *ROS = Return on 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

$ in millions, except EPS

	Total PPG	
First Quarter 2021	**Net Income**	**EPS[a]**
Net Income from Continuing Operations, As Reported	$ 378	$ 1.58
Acquisition-related amortization expense	29	0.12
Acquisition-related costs	19	0.08
Environmental remediation charges	12	0.05
Expenses incurred due to natural disasters[b]	9	0.04
Business restructuring-related costs, net[c]	3	0.01
Adjusted Net Income Attributable to PPG	**$ 450**	**$ 1.88**

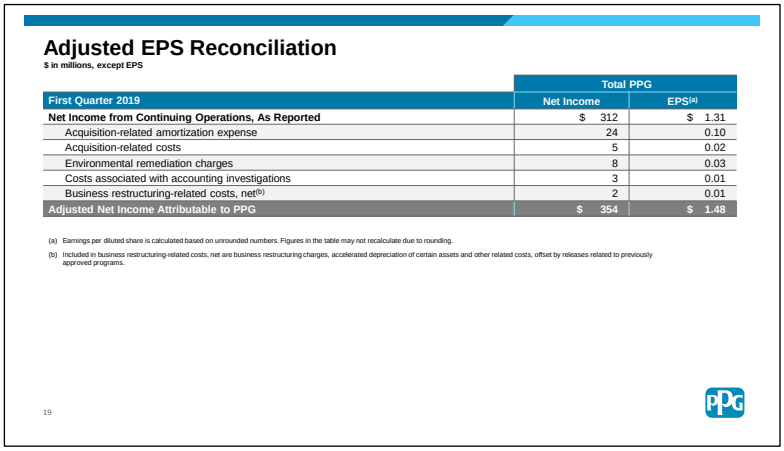
First Quarter 2020		
Net Income from Continuing Operations, As Reported	$ 243	$ 1.02
Acquisition-related amortization expense	28	0.12
Increase in allowance for doubtful accounts related to COVID-19	23	0.10
Business restructuring-related costs, net[c]	10	0.04
Environmental remediation charges, net	6	0.03
Adjusted Net Income Attributable to PPG	**$ 310**	**$ 1.31**

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

(b) In the second half of 2020, Hurricanes Laura and Delta damaged a southern U.S. factory supporting the Company's specialty coatings and materials business. In the first quarter of 2021, a winter storm further damaged that factory as well as other Company factories in the southern U.S. Incremental expenses incurred in the first quarter of 2021 due to these storms included costs related to maintenance and repairs of damaged property, freight and utility premiums and other incremental expenses directly related to the impacted areas. These incremental expenses largely related to the Company's specialty coatings and materials business.

(c) 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.

18



Adjusted EPS Reconciliation

$ in millions, except EPS

First Quarter 2019	Total PPG Net Income	Total PPG EPS[a]
Net Income from Continuing Operations, As Reported	$ 312	$ 1.31
Acquisition-related amortization expense	24	0.10
Acquisition-related costs	5	0.02
Environmental remediation charges	8	0.03
Costs associated with accounting investigations	3	0.01
Business restructuring-related costs, net[b]	2	0.01
Adjusted Net Income Attributable to PPG	$ 354	$ 1.48

(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.

19

Forward-Looking Statement

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 the expected effects on our business of the COVID-19 pandemic and the pace of recovery from the pandemic, global economic conditions, increasing price and product competition by our competitors, fluctuations in cost and availability of raw materials, the ability to achieve selling price increases, the ability to recover margins, customer inventory 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 2020 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 April 15, 2021, 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.