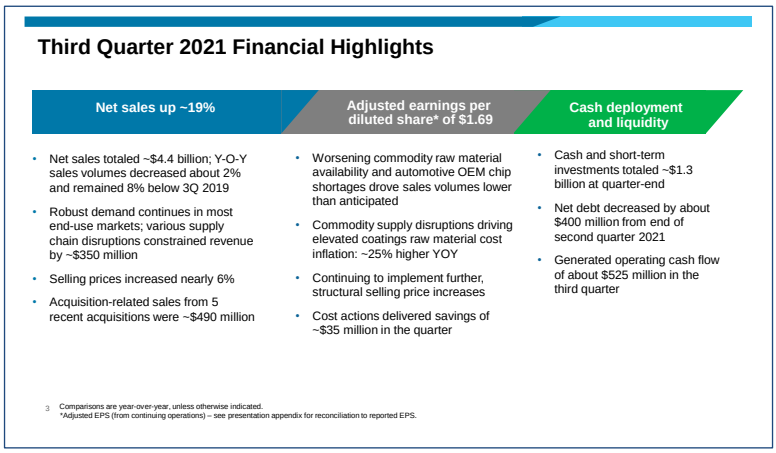
PPG Third Quarter 2021 Financial Results

Earnings Brief – October 20, 2021

These prepared remarks should be read in conjunction with PPG's earnings press release and related presentation that were posted on PPG's website (investor.ppg.com) on October 20, 2021. In addition, these detailed remarks supplement the commentary that the company will make on its third quarter 2021 earnings conference call on October 21, 2021.



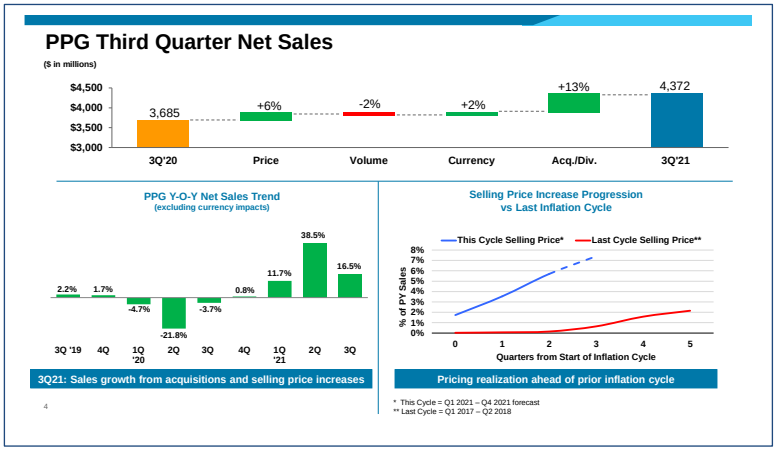
Third Quarter Financial Highlights

PPG achieved record third quarter 2021 net sales of approximately $4.4 billion - an increase of about 19% versus the prior year. Net sales in constant currencies were up nearly 17%, with foreign currency translation contributing about 2%. While underlying demand in most end-use markets remained strong, third quarter results were significantly impacted by direct supply chain disruptions and customer production constraints due to input component shortages which worsened as the quarter progressed. These disruptions resulted in an estimated unfavorable impact to third quarter revenue of about $350 million. Some of the revenue impacts are expected to be recovered in future quarters, particularly in the automotive original equipment manufacturers (OEM), aerospace and automotive refinish businesses.

On a two year comparison basis, third quarter 2021 net sales compared to the third quarter 2019 were up about 14%, despite sales volumes remaining about 8% below 2019 levels. The volume declines primarily stemmed from the effects of the global pandemic and the delayed recovery due to global supply chain interruptions. Volume declines were more pronounced across about 40% of the company's revenue base, including in PPG's automotive OEM, aerospace, and automotive refinish coatings businesses, where aggregate sales volumes were lower by a mid-teen percentage compared to the third quarter 2019. We expect each of these end-use markets to further recover in 2022. Higher selling prices of nearly 6%, acquisition-related sales of 13% and favorable foreign currency translation of about 2% partially offset the volume decline.

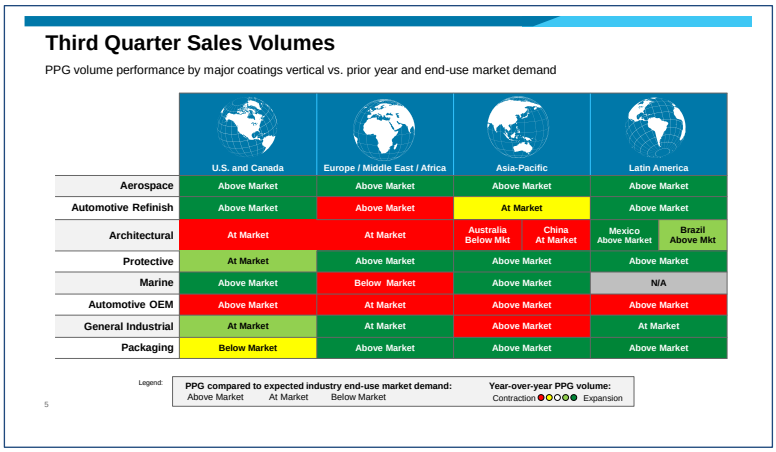
Third quarter reported earnings per diluted share (EPS) was $1.43 compared to $1.86 in the prior-year quarter. Adjusted earnings per diluted share was $1.69, compared to $2.03 in the third quarter 2020. Adjusted third quarter 2021 EPS excludes $0.15 of acquisition-related amortization. Lower year-over-year earnings were driven by historically high raw material cost inflation and availability issues. The supply disruptions specifically affecting the coatings industry continued to worsen during the third quarter and also resulted in higher manufacturing costs due to the unevenness of sourcing. Raw material cost inflation was up by about 25%, driven by higher oil prices, force majeure declarations, maintenance outages at many of our suppliers and transportation shortages. Recently mandated industrial and chemical operational curtailments in China are elongating the inflation cycle. It is expected that raw material costs will increase further in the fourth quarter, to be close to 30% higher on a year-over-year basis. Restructuring actions delivered about $35 million of structural cost savings. The company raised selling prices in the third quarter and will continue to prioritize additional increases in the fourth quarter.

The third quarter 2021 reported and adjusted effective tax rates were both about 22%, which is similar to the third quarter 2020 reported and adjusted effective tax rates. The fourth quarter 2021 adjusted tax rate is expected to be about 20%, which is lower than recent quarters due to expected favorable discrete items.



PPG Third Quarter Net Sales

PPG's third quarter record net sales of about $4.4 billion were about 19% higher compared to the prior year. Aggregate global demand patterns remained robust. However, sales were unfavorably impacted by the disruptions noted above. In aggregate, company sales volumes decreased by 2% versus the prior-year third quarter and still remained about 8% below pre-pandemic, third quarter 2019 levels largely due to the supply issues and the recovery status of the aerospace commercial new build end-use market. Aggregate selling prices increased by nearly 6% year over year, with strong sequential contributions from both business segments, including a nearly 7% increase in the Industrial Coatings segment. The selling price increases continue to be structural in nature. Additional selling price increases are being prioritized in the fourth quarter to mitigate expected higher raw material and logistics costs. The five recent acquisitions (Ennis-Flint, VersaFlex, Cetelon, Wörwag, and Tikkurila) increased the company's net sales by about 13%, or about $490 million, in the quarter. The U.S. dollar weakened year over year, compared to the company's overall basket of currencies. This resulted in a favorable foreign currency translation impact to net sales of about $80 million in the third quarter. For the fourth quarter 2021, foreign currency translation is expected to have a modestly unfavorable, year-over-year impact to net sales of about $30 million.



Third Quarter Sales Volumes

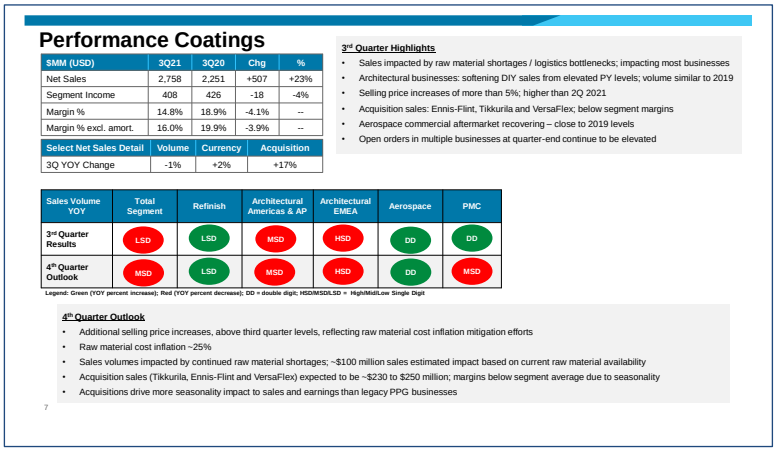
Aggregate year-over-year global sales volumes decreased by 2%.

In the U.S. and Canada, sales volumes were modestly higher compared to the prior year. Aerospace coatings sales volumes were up a mid-teen percentage year over year, driven by a recovery in commercial aftermarket demand. Automotive refinish coatings sales volumes were about 10% above prior-year levels, and approaching third quarter 2019 sales activity, partially aided by customer pre-buying ahead of an additional selling price increase. In the U.S. and Canada architectural coatings business, net sales excluding the impact of currency and acquisitions (organic sales) decreased by a mid-single-digit percentage, driven by moderating do-it-yourself (DIY) demand and continuing commodity supply issues for certain raw materials. Same-store-sales were higher by about 10% compared to the prior year. Sales volumes in the automotive OEM coatings business were sharply lower as industry builds in the quarter fell due to semiconductor chip shortages. Demand for canned beverage coatings products remained high, but sales were constrained due to customer supply chain challenges. Sales volumes for the traffic solutions business, comprised of the Ennis-Flint acquisition, were modestly lower than prior year due to raw material availability. Aggregate regional sales volumes remain about 10% lower than the third quarter 2019.

In the Europe, Middle East and Africa (EMEA) region, sales volumes were down by a high-single-digit percentage on a year-over-year basis. The declines were more prevalent in the Industrial Coatings segment, which experienced a low-teen percentage decline driven by lower automotive OEM industry production rates. The Western European automotive OEM selling rate fell to under 10 million units per year in September, reversing earlier months' upward trends. Full-year regional automotive sales are now projected to be comparable to depressed 2020 levels. Both the packaging and industrial coatings businesses had strong double-digit percentage growth in the third quarter. Industry demand for protective and marine coatings improved a low-teen percentage compared to the third quarter 2020. Sales volumes in the Performance Coatings segment were lower mainly due to softening EMEA architectural coatings do-it-yourself demand compared with elevated levels in the prior-year third quarter. Sales volumes in automotive refinish coatings remained sluggish due to constrained mobility. Sales volumes in aerospace coatings were significantly higher compared to severely depressed sales volumes in the prior year. Aggregate sales volumes in the region remain about 10% lower than the third quarter 2019.

Sales volumes in the Asia-Pacific region declined by a low-single-digit percentage year-over-year, as strong, above-market performance in protective, marine and packaging coatings was offset by lower year-over-year sales volumes in automotive OEM and industrial coatings. In aggregate, the prior year third quarter was a strong sales quarter in the region, making for difficult comparisons in the current year. Demand remained strong for heavy-duty equipment and general finishes, but softened versus elevated prior year sales volumes for electronic materials and kitchenware. Current year quarterly activity was also impacted by the initiation of mandated industrial and chemical production restrictions in China. The company has very minimal exposure to China's real estate market. Economic activity improved sequentially in India as restrictions related to the pandemic continued to be lifted. Aggregate sales volumes in the region were comparable to the third quarter 2019, which includes softening demand related to China's reduced energy consumption mandate (dual control).

In Latin America, sales volumes were higher by a mid-single-digit percentage versus the prior year, with solid contributions from most businesses. Economic activity improved across the region as many countries eased pandemic-related restrictions. The architectural coatings business delivered record financial performance. Consistent with all other regions, automotive OEM coatings sales volumes were impacted by supply issues. For PPG-Comex, it is expected that sales volumes will moderate sequentially with consumers beginning to temper home improvement spending as more people return to the office.



Performance Coatings

Third quarter net sales for the Performance Coatings segment were nearly $2.8 billion, up about 23% versus the prior year. Selling prices increased more than 5%, improving sequentially from the second quarter. Segment sales volumes were down by about 1.5% compared to the third quarter 2020. Acquisition-related sales totaled about 17%, primarily from Tikkurila and Ennis-Flint. Favorable foreign currency translation added about 2% to the year-over-year sales growth. The level of digital sales in our global architectural businesses continued to increase and were about 7% of total net sales transacted, an increase of about 25% year-over-year. In comparison to 2019 levels, segment sales volumes were down about 7%.

Segment income was $408 million, down $18 million compared to the third quarter 2020. Earnings were favorably impacted by higher selling prices, acquisition-related earnings, cost-mitigation actions and restructuring savings, but were more than offset by raw material and logistics cost inflation and lower sales volumes.

From a business unit perspective, year-over-year organic sales for automotive refinish coatings improved by a high-single-digit percentage, aided by improving demand trends in the U.S. and Latin America. Aggregate sales volumes in the third quarter of 2021 remained lower by a high-single-digit percentage compared to the third quarter 2019. While body shop demand continues to gradually improve in all major regions, it remains 5% to 10% below pre-pandemic levels. Demand was mixed by country and impacted by mobility restrictions in certain countries and supply chain disruptions, principally in the U.S. In Europe, demand remained subdued as congestion during peak driving hours continued to be lower than pre-pandemic levels. In the U.S., body-shop activity improved during the third quarter, positively impacted by higher miles driven and a rise in sequential collision claims, with year-over-year claims up about 13%, but still 10% below third quarter 2019 levels. Globally, the business continued to convert new body shops to PPG products during the third quarter. In Europe, PPG has now installed about 800 Moonwalk® automated paint dispensing devices, with about 20% of these installed with new PPG customers. Moonwalk® launched in the U.S. during the third quarter with positive customer feedback. It is expected that global demand conditions will continue to gradually improve as more people return to their offices. Aggregate sales activity in the fourth quarter is expected to be similar to the third quarter, with normal seasonal trends. Further selling price increases are being implemented.

Aerospace coatings sales volumes increased by about 20% versus third quarter 2020, but remain about 20% lower than third quarter 2019. During the quarter, there was improvement in commercial aftermarket demand, which is expected to continue as airlines throughout the world add more domestic flights. In the U.S., domestic passenger volume continues to improve sequentially and was about 80% of pre-pandemic levels at quarter end. International flight activity is still significantly below pre-pandemic levels which impacts the recovery pace for wide-body aircraft. Commercial new build demand in the third quarter remained depressed - about 40% below the third quarter 2019. Sales to the military segment remain solid and are expected to continue to trend higher in subsequent quarters due to new business wins driven by PPG's advantaged technology. Sales volumes, in aggregate, are expected to be slightly higher on a sequential basis in the fourth quarter, but to remain significantly below pre-pandemic levels.

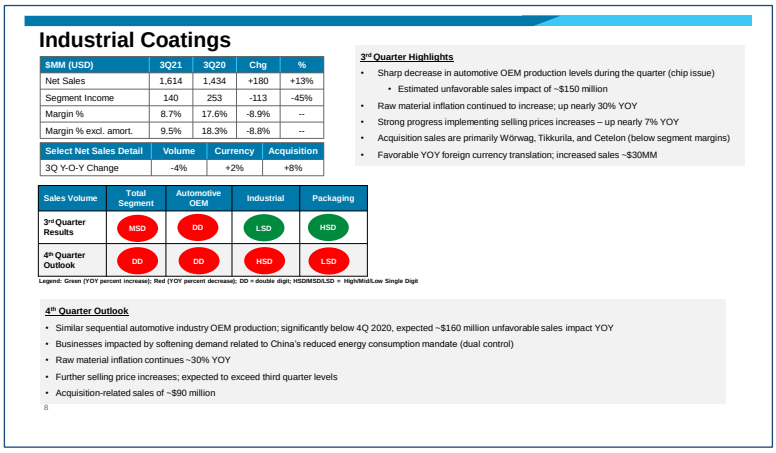
Architectural coatings – EMEA organic sales decreased by a mid-single-digit percentage year over year, including unfavorable impacts from raw material shortages and a difficult comparison to the prior year's heightened DIY sales due to elevated remodeling activity. Demand in the trade (do-it-for-me) channel continued to recover in most countries. Integration of the recently acquired Tikkurila business is underway, and sales met expectations despite raw material availability challenges. In the fourth quarter, organic sales are expected to be down a low to mid-single-digit percentage compared to the fourth quarter 2020, which also includes challenging prior year DIY comparisons. Further selling price increases are expected to be implemented during the fourth quarter. Also, normal historical seasonal trends are expected, including increased seasonal impacts from the Tikkurila business whose historical sales are about 30% lower on a sequential basis between the third and fourth quarters. The Tikkurila business has also averaged an operating loss of about 7 million euros during the fourth quarter over the past three years. Tikkurila will continue to be reported as part of PPG's acquisition-related sales until it reaches the one year anniversary of the acquisition closing in June 2022.

Architectural coatings - Americas and Asia-Pacific organic sales were slightly lower compared to the prior year third quarter. Sales were impacted by significantly higher raw material shortages than anticipated at the outset of the quarter. Underlying demand remained strong, and PPG professional paint contractors (customers) continue to report higher backlogs than normal. Sales were also impacted by moderating demand for DIY paint products. In the U.S. and Canada, sales were impacted by raw material shortages. In Mexico, PPG-Comex organic sales were higher by a low-teen percentage, as concessionaire network demand remained solid and further selling price increases were implemented. About 50 new concessionaire locations have been added in 2021, bringing the total store count to over 4,900. All regions plan to implement further structural selling price increases during the fourth quarter. Looking ahead, aggregate net sales, excluding foreign currency translation, are expected to be up a low-single-digit percentage, with normal seasonal demand patterns. Coatings raw material availability is expected to continue to negatively impact sales in the fourth quarter.

Aggregate protective and marine coatings sales volumes increased by a low-teen percentage compared with the prior-year third quarter, driven by strong, above-market growth in most regions. In particular, strong demand in the Asia Pacific region continued, driven by PPG's technology-advantaged products. Demand for protective coatings that are used in the U.S. oil and gas industry improved on a sequential basis, and was comparable to the third quarter 2019. In the EMEA region, strong sales volumes were supported by pre-buying in advance of a fourth quarter price increase. Infrastructure investments in China, Europe and the U.S. are expected to aid demand in 2022. In addition, large vessel new build orders are at the highest levels in the past seven years. The Versaflex acquisition continues to perform well despite raw material shortages. Fourth quarter sales volumes are expected to be lower than fourth quarter 2020 due to the strong prior year comparison sales growth and some production curtailments in China due to the new dual control policy.

Third quarter net sales for the traffic solutions business, which is the recently acquired Ennis-Flint business, met expectations and were slightly lower than the prior year third quarter, despite significant raw material shortages. Integration of the acquisition continues and synergies are being captured consistent with targets. Historical fourth quarter sales in the traffic solutions business are about 50% lower than the third quarter due to the difficulty of applying traffic markings in colder temperatures. In addition, the business is expected to experience a modest operating loss in the fourth quarter, consistent with historical performance.

Looking ahead, raw material cost inflation is expected to be slightly higher in the fourth quarter compared to the third quarter. Disruptions in the supply chain are expected to continue and to gradually improve as the quarter progresses. Further selling price increases have been secured or will be initiated during the quarter for all businesses. The company will continue to execute against various cost-savings initiatives. Aggregate net sales volumes are anticipated to be down a mid-single-digit percentage compared to the fourth quarter 2020. Fourth quarter acquisition-related sales are estimated to be between $230 million and $250 million from Tikkurila, Ennis-Flint and VersaFlex. As noted above the Tikkurila and Ennis-Flint businesses have more of a seasonal impact than PPG's legacy coatings businesses.



Industrial Coatings

Third quarter net sales for the Industrial Coatings segment were about $1.6 billion, up about 13% year over year. Segment sales volumes were lower by a mid-single-digit percentage due to significantly lower customer production rates related to semiconductor chip shortages that led to lower sales in the automotive OEM coatings business. In comparison to 2019, sales volumes were down a high-single-digit percentage. Aggregate selling prices were higher year-over-year by nearly 7% and were sequentially higher compared to the second quarter of 2021. Favorable foreign currency translation added about 2% to sales growth. Acquisition-related sales, primarily from the Wörwag and Cetelon acquisitions, added about 8% to sales.

Segment income of $140 million was down $113 million year over year compared to the third quarter 2020. Earnings were favorably impacted by higher selling prices, acquisition-related earnings, cost-mitigation actions and restructuring savings, but were more than offset by raw material and logistics cost inflation and lower sales volumes.

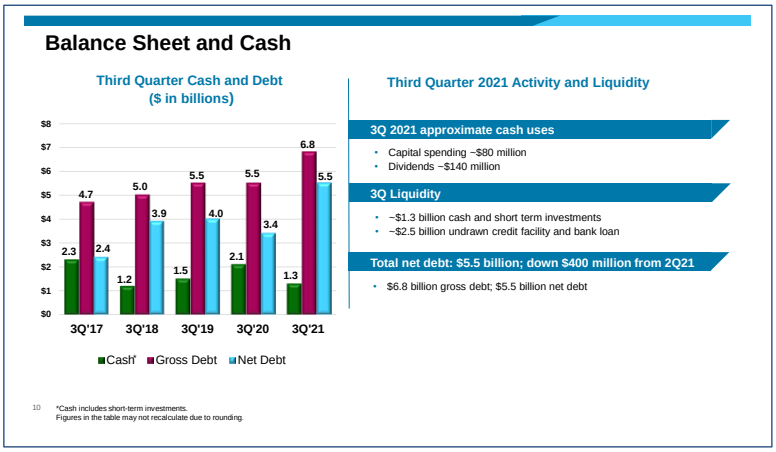
From a business unit perspective, global automotive OEM coatings year-over-year sales volumes decreased by a high-teen-percentage versus the prior year; however, volumes did outpace lower global industry production rates. During the quarter, production disruptions worsened for many automotive OEM customers. This resulted in nearly 4 million fewer vehicles being manufactured during the quarter

compared with the prior year third quarter. Sales were impacted by an estimated $150 million, or about $50 million more than originally anticipated in July. In China, automotive industry retail sales were about 13% below prior year in the third quarter and about 6% below third quarter 2019 levels. Global industry production did not keep pace with continued strong demand. In the U.S., automotive dealer retail inventories remained at historically low levels as consumer demand remained very robust. The business continued to make good progress implementing selling price increases. The semiconductor chip shortages are expected to continue into 2022, impacting industry production rates for the next several quarters, but are anticipated to improve in the second half of 2022. Aggregate sales volumes are expected to be down by more than 25% in the fourth quarter year over year, mostly due to the supply interruptions and a difficult comparison with a strong fourth quarter 2020.

Third quarter industrial coatings organic sales were up nearly 10% compared to the prior year, as global industrial production continued to recover in most regions. Organic sales were about 6% higher than the third quarter 2019, reflecting a similar year-over-year increase as the second quarter 2021. The organic sales growth included a sharp increase in selling prices compared to the third quarter 2020. Growth during the quarter was led by the EMEA and Latin America regions, and the appliance and heavy-duty equipment end-use markets delivered the strongest year-over-year growth. Sales in the Asia Pacific region softened on a year-over-year basis due to a challenging comparison and some weakening demand related to the mandated and broad industrial production curtailments in China. The electronic materials and kitchenware segments were impacted by difficult comparisons to strong sales in the prior year third quarter, logistical bottlenecks, and semiconductor chip shortages. For the fourth quarter, organic sales are expected to be higher by a low-single-digit percentage as lower sales volumes are expected to be offset by higher selling prices. The lower growth rates are largely being driven by expected softer year-over-year sales in China due to economic activity disruptions from the curtailment of energy utilization.

Organic sales in packaging coatings increased by nearly 20% in the third quarter versus the prior year, led by strong volume growth in most regions and selling price increases. Growth in the canned beverage segment remained robust in most regions, partially offset by lower demand in the canned food segment due to difficult year-over-year comparisons. Sales in the personal-care canned segment improved from lower levels in the prior-year quarter. Overall sales in the third quarter were higher than the third quarter 2019. The business continues to win new business stemming from beverage can capacity additions in North America. Fourth quarter organic sales are expected to be up more than 10%, led by higher selling prices offsetting challenging sales volume comparisons with the prior year packaged food segment.

Looking ahead for the segment in aggregate, sales volumes are expected to be down a mid-teen-percentage compared to the prior-year fourth quarter, including ongoing impacts from customer supply disruptions and coatings raw material shortages. These factors are also expected to further elevate coatings raw material cost inflation in the fourth quarter sequentially versus the third quarter. The company continues to prioritize working with customers to secure further selling price increases in all businesses. Segment margins are expected to begin improving on a sequential basis in the first half of 2022. The company will also continue to aggressively manage costs, which will include executing against various cost-savings initiatives. The acquisitions of Wörwag and Cetelon are expected to deliver sales of about $90 million in the fourth quarter, with margins below the segment's average.



Balance Sheet and Cash

PPG finished the third quarter with approximately $1.3 billion of cash and short-term investments. Operating cash flow was about $525 million, and the year-to-date amount is similar to that of 2020.

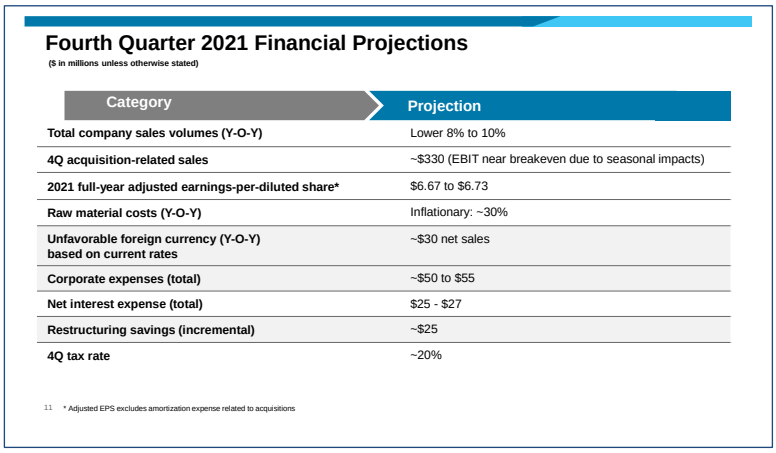
The company ended the third quarter with net debt of about $5.5 billion, which is $400 million lower than the end of the second quarter 2021 and consistent with the company's commitment to reduce debt following recent acquisitions.

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

- Capital expenditures were about $80 million for the quarter. The Company expects full-year 2021 capital spending to be about $400 million in support of future organic growth opportunities.

- Dividends paid were about $140 million in the quarter. With the recently approved dividend that will be paid in December, PPG will have raised its annual dividend payout for 50 consecutive years and will have paid uninterrupted annual dividends since 1899.

The company continues to rapidly integrate all recent acquisitions, and expects 2021 synergies from these closed acquisitions to be approximately $25 million.



Fourth Quarter 2021 Financial Projections

($ in millions unless otherwise stated)

Category	Projection
Total company sales volumes (Y-O-Y)	Lower 8% to 10%
4Q acquisition-related sales	~$330 (EBIT near breakeven due to seasonal impacts)
2021 full-year adjusted earnings-per-diluted share*	$6.67 to $6.73
Raw material costs (Y-O-Y)	Inflationary: ~30%
Unfavorable foreign currency (Y-O-Y) based on current rates	~$30 net sales
Corporate expenses (total)	~$50 to $55
Net interest expense (total)	$25 - $27
Restructuring savings (incremental)	~$25
4Q tax rate	~20%

11 * Adjusted EPS excludes amortization expense related to acquisitions

Fourth Quarter and Full Year 2021 Financial Projections

The company detailed financial assumptions for the fourth quarter and full year 2021 in its accompanying presentation materials based on information that is currently known. A summary is also included below.

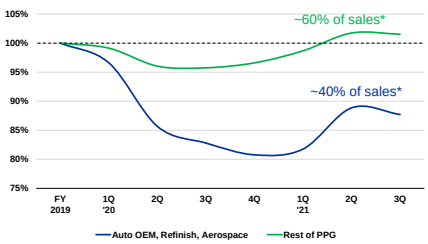
- Aggregate net sales volumes expected to be down a high-single-digit percentage compared to the fourth quarter 2020.
- Acquisition-related sales of about $330 million.
- Total structural cost savings from restructuring actions of about $25 million.
- Corporate expenses are expected to be about $50 million and $55 million in the fourth quarter.
- Net interest expense between $25 million and $27 million.
- Full-year adjusted earnings per diluted share of $6.67 to $6.73. Sequential earnings changes between the third and fourth quarter including the impact of recent acquisitions, have averaged about a 30% decline.

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. The appendix of the earnings presentation includes a chart with historical reconciliations of adjusted earnings per share excluding amortization expense.

Additional materials and appendix

PPG End-Use Market Volume Recovery

PPG Sales Volume Indexed to FY 2019



Commentary

Automotive OEM, Refinish and Aerospace sales volumes down mid-teens percent vs. 2019

- Global automotive industry builds
  - 2021 projected down 15% vs. 2019 and down ~20% vs. peak production
  - Three-pronged recovery expected in 2022/2023:
    - Fulfill current strong demand
    - Rebuild dealer inventories
    - Fleet car restocking
- Aerospace and Refinish gradual demand recovery expected to continue
- Rest of PPG - solid underlying demand; unfavorable impacts by supply shortages and moderating DIY demand

PPG well-positioned in end-use markets; volume expected to recover in 2022 – 2023

6

*Sales % is based on 2019 pre-pandemic business sales mix

ESG: PPG Energy Projects Continuing to Reduce Carbon Emissions

2021 Chemical Week Sustainability Award Finalist for "Best Carbon Management Initiative"

100% of electricity at San Juan del Rio Mexico facility powered by solar photovoltaic energy



237,000 MT

PPG Greenhouse Gas Emissions reduction since 2017

New 10-year agreement with Constellation Energy to use renewable energy from 200 MW Texas Big Star Solar Project to power PPG Carrollton, Texas plant
3200 metric tons carbon emission reduction annually





15% reduction in carbon emissions at Caivano and Quattordio (Italy) plants using combined heat and power approach

9

Adjusted EPS Reconciliation

$ in millions, except EPS

	Total PPG	
Third Quarter 2021	**Net Income**	**EPS[a]**
Net Income from Continuing Operations, As Reported	$ 344	$ 1.43
Acquisition-related amortization expense	35	0.15
Acquisition-related costs[b]	33	0.14
Impairment charge[c]	12	0.05
Business restructuring-related costs, net[d]	(18)	(0.08)
Adjusted Net Income Attributable to PPG	**$ 406**	**$ 1.69**

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

(b) Acquisition-related costs include the impact for the step up to fair value of inventory acquired in certain acquisitions which are included in Cost of Sales, exclusive of depreciation and amortization in the condensed consolidated statement of income. Acquisition-related costs also include advisory, legal, accounting, valuation, other professional or consulting fees, and certain internal costs directly incurred to effect acquisitions. These costs are included in Selling, general and administrative expense in the condensed consolidated statement of income.

(c) An incremental impairment charge was recorded in the third quarter 2021 related to the previously planned sale of certain smaller entities in non-strategic regions.

(d) Included in business restructuring-related costs, net are business restructuring charges, accelerated depreciation of certain assets and other related costs, offset by releases to previously approved programs and a $34 million gain on the sale of certain assets in connection with the Company's manufacturing footprint consolidation plans and associated restructuring programs. This gain is included in Other income in the condensed consolidated statements of income.

13

Historical ROS* Segment Margin and Adjusted EPS Excluding Amortization

$ in millions, except ROS %

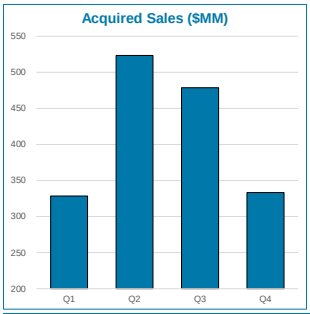
	2019					2020					2021		
Performance Segment	**Q1**	**Q2**	**Q3**	**Q4**	**FY**	**Q1**	**Q2**	**Q3**	**Q4**	**FY**	**Q1**	**Q2**	**Q3**
ROS Margin, As Reported	14.1%	17.5%	16.4%	14.1%	15.6%	13.5%	17.5%	18.9%	13.8%	16.0%	16.6%	16.5%	14.8%
Amortization	24	25	24	25	98	26	21	22	23	92	29	29	33
ROS Margin excluding Amortization	15.2%	18.5%	17.5%	15.2%	16.7%	14.8%	18.5%	19.9%	14.9%	17.1%	17.9%	17.5%	16.0%
Industrial Segment													
ROS Margin, As Reported	14.4%	14.8%	13.6%	13.6%	14.1%	13.2%	3.7%	17.6%	17.7%	14.0%	15.7%	11.8%	8.7%
Amortization	8	10	10	10	38	10	10	10	10	40	10	10	13
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%	12.4%	9.5%
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%	14.7%	12.5%
Amortization	32	35	34	35	136	36	31	32	33	132	39	41	46
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%	15.7%	13.6%

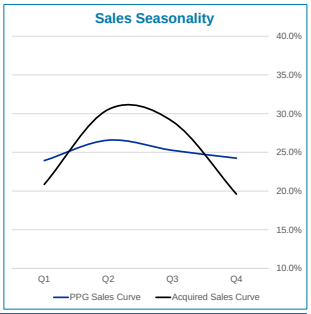
	2019					2020					2021		
Total PPG	**Q1**	**Q2**	**Q3**	**Q4**	**FY**	**Q1**	**Q2**	**Q3**	**Q4**	**FY**	**Q1**	**Q2**	**Q3**
Adjusted EPS	1.38	1.85	1.67	1.31	6.22	1.19	0.99	1.93	1.59	5.70	1.76	1.81	1.54
Amortization EPS	0.10	0.11	0.10	0.11	0.42	0.12	0.10	0.10	0.10	0.42	0.12	0.13	0.15
Adjusted EPS excl Amortization	1.48	1.96	1.77	1.42	6.64	1.31	1.09	2.03	1.69	6.12	1.88	1.94	1.69

*ROS = Return on Sales

14 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.

Historical Seasonality of New Acquisitions Compared to PPG





Five recent acquisitions annualized sales of $1.7B

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

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 the expected effects on our business of COVID-19, 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 and second quarter 2021 quarterly report on Form 10-Q, 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 20, 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.