



Fourth Quarter 2023 Financial Results

January 18, 2024

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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 statements related to the effects on our business of COVID-19, global economic conditions, geopolitical issues, increasing price and product competition by our competitors, fluctuations in cost and availability of raw materials, energy, labor and logistics, the ability to achieve selling price increases, the ability to recover margins, customer inventory production levels, our ability to maintain favorable supplier relationships and arrangements, the timing of and the 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 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 2022 Form 10-K is considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Consequences of material differences in the results compared with those anticipated in the forward-looking statements could include, among other things, lower sales or earnings, business disruption, operational problems, financial loss, legal liability to third parties, other factors set forth in Item 1A of PPG's 2022 Form 10-K and similar risks, any of which could have a material adverse effect on the Company's consolidated financial condition, results of operations or liquidity.

All of this information speaks only as of January 18, 2024, and any distribution of this presentation after that date is not intended and will not be construed as updating or confirming such information. PPG undertakes no obligation to update any forward-looking statement, except as otherwise required by applicable law.

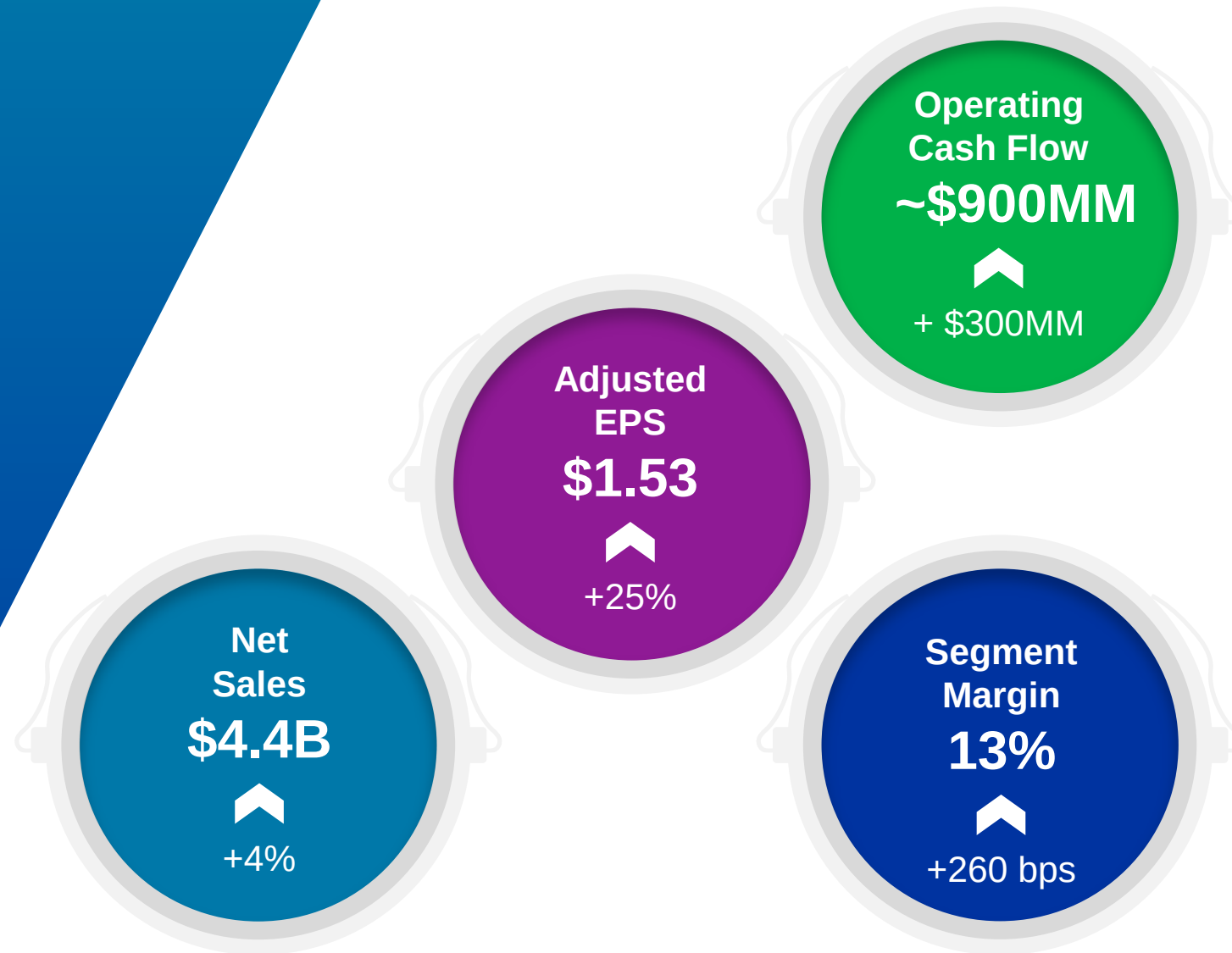
Fourth Quarter 2023 Financial Highlights

Record 4Q sales and cash generation

Strong organic growth in aerospace, auto OEM and protective & marine coatings

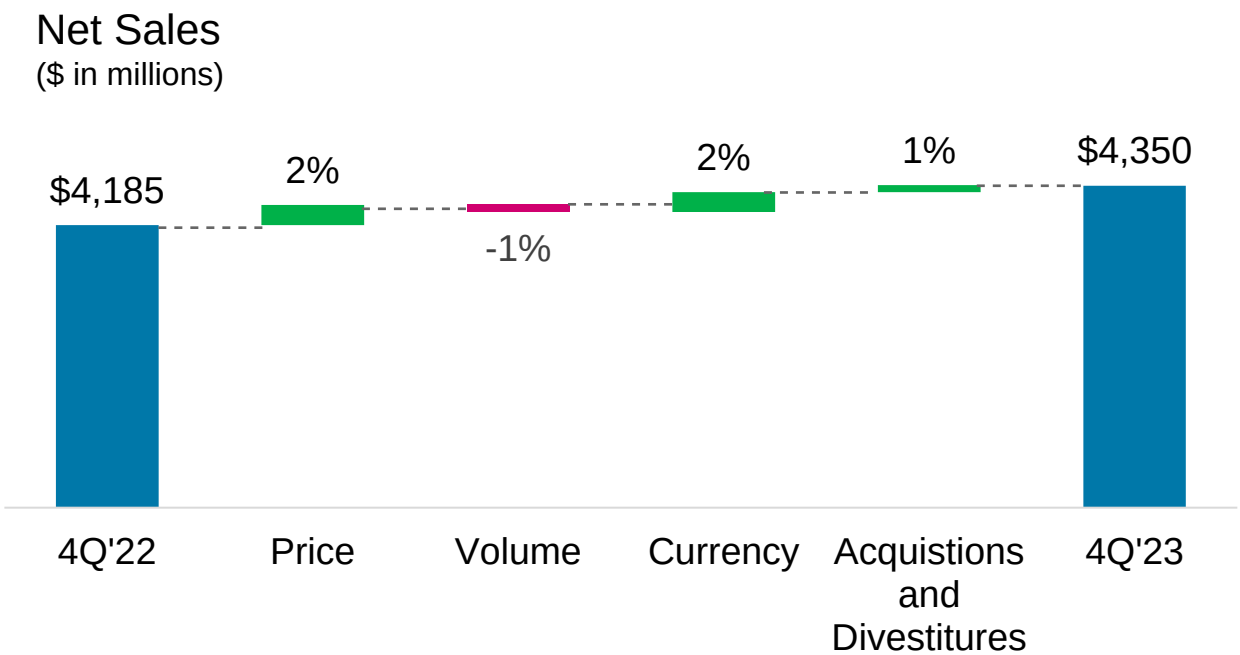
Solid YOY volume growth in China and stabilizing demand in Europe

Strong margin recovery



Fourth Quarter Record Net Sales

Organic sales up 1% year-over-year



- ✓ Selling prices: Includes incremental 2023 actions
- ✓ Volumes: Strong aerospace, automotive OEM, and protective and marine coatings offset by soft industrial production and architectural demand
- ✓ Currency: YOY appreciation in Euro and Mexican peso
- ✓ Acquisitions: Paint films and powder coatings



Operating Environment Heading Into 2024

Watching

- Geopolitical environment
- Consumer spending
- U.S. labor climate
- Red Sea logistics



Positives

- Aerospace recovery and order backlog
- Mexico economic growth
- Price – targeted increases
- Raw material availability
- China demand improving; Europe stabilizing
- Infrastructure spending



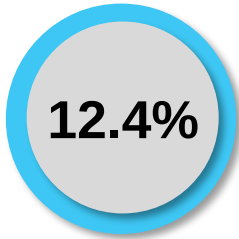
Challenges

- U.S. housing: existing home sales
- Soft global industrial production
- Lag impacts from higher interest rates
- Wage rates / skilled labor availability
- Higher global tax rates

Performance Coatings

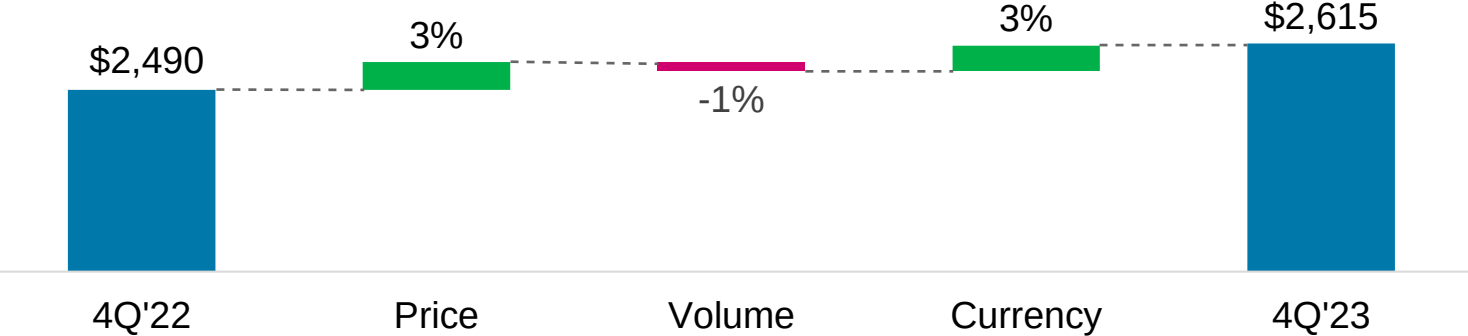
Organic sales increase led by aerospace and protective & marine

4Q'23
Segment
Margin



+150 bps YOY

Net Sales
(\$ in millions)



- Highlights**
- Continued strong organic growth in aerospace and protective & marine coatings
 - Europe demand stabilizing at lower absolute levels
 - 4Q record sales in refinish and strong architectural performance in Mexico
 - Architectural Americas & AP 1Q'24 organic sales up LSD excluding 1Q'23 Walmart® load-in
 - 1Q'24 negative impact due to Easter timing

Organic Sales	4Q'23 Results	1Q'24 Outlook
Aerospace	DD	HSD
Refinish	LSD	LSD
Architectural EMEA	LSD	FLAT
Architectural Americas & AP	LSD	LSD
Protective & Marine	MSD	MSD
Traffic Solutions	FLAT	LSD
Performance Coatings Segment	LSD	LSD

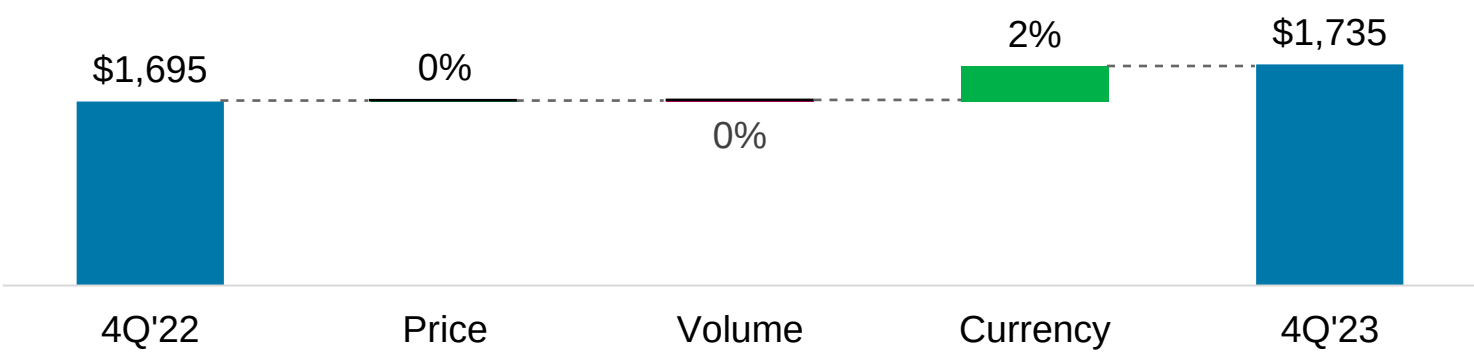
Note: Organic sales results and outlook include only price and sales volumes. DD = double digit; HSD/MSD/LSD = High/Mid/Low Single Digit. ROS Segment Margin includes amortization.



Industrial Coatings

Strong YOY margin improvement

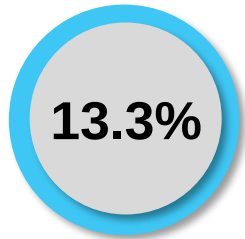
Net Sales
(\$ in millions)



Highlights

- Strong YOY margin improvement due to moderating input costs and auto OEM growth
- 4Q sales growth ~10% in China; 1Q outlook includes continued YOY sales volume growth
- Packaging coatings and industrial coatings volume declines beginning to moderate
- Robust auto OEM growth in China continuing; offset by other regional declines in 1Q'24
- Expect modest pricing decline of LSD driven by non-recurrence of EMEA energy surcharges in prior year and other index pricing

4Q'23
Segment
Margin



+420 bps YOY

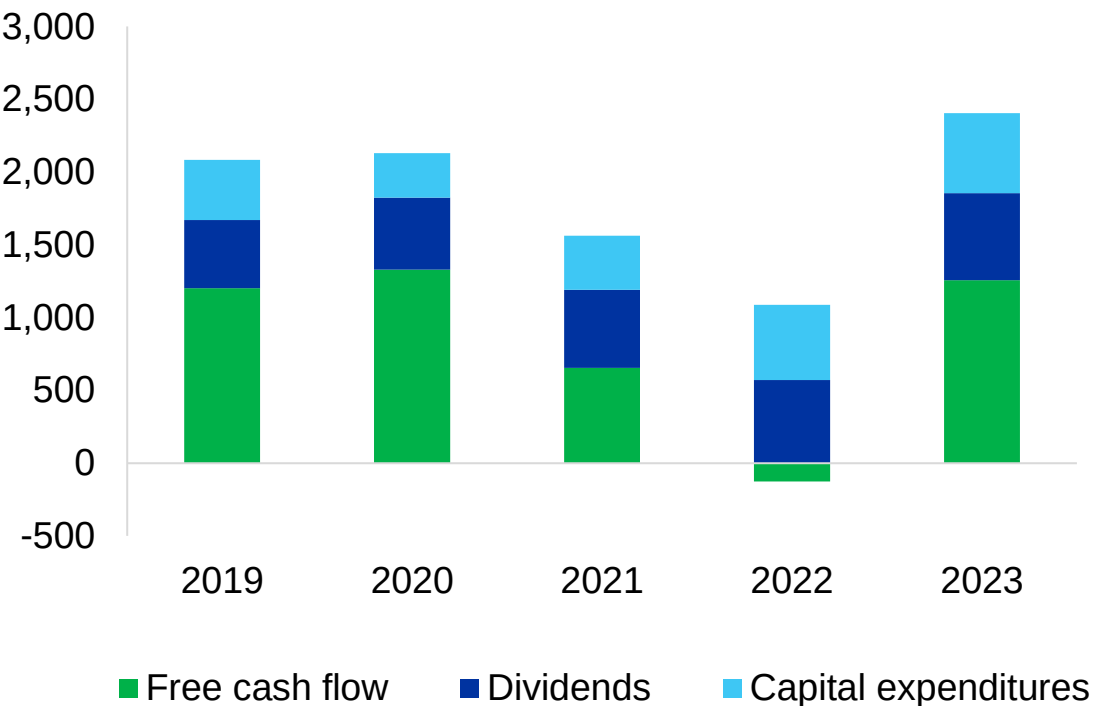
Organic Sales	4Q'23 Results	1Q'24 Outlook
Auto OEM	MSD	LSD
Industrial	MSD	FLAT
Packaging	LSD	FLAT
Industrial Coatings Segment	FLAT	LSD

Note: Organic sales results and outlook include only price and sales volumes. DD = double digit; HSD/MSD/LSD = High/Mid/Low Single Digit. ROS Segment Margin includes amortization.



Record Operating Cash Flow

Operating cash flow
(\$ in millions)



4Q'23 Activity



~\$900MM

Operating cash flow

▲ \$300MM YOY



\$1.6B

Cash balance

December 31, 2023



\$4.5B

Net debt

December 31, 2023

- ✓ Paid down \$300MM of term loan debt
- ✓ Significantly reduced net interest expense

Note: Operating cash flow is cash from/(used for) operating activities. Cash includes cash equivalents and short-term investments. Free cash flow is operating cash flow minus dividends and capital expenditures.



Full Year 2023 Results

Record net sales, adjusted EPS, and operating cash flow supporting strong progress on margin recovery



Full Year and First Quarter 2024 Financial Projections

Category	First Quarter 2024	Full Year
Total organic sales (YOY)	+/- LSD	+ LSD
Adjusted EPS	\$1.80 - \$1.87 per share	\$8.34 - \$8.59 per share
Raw material costs (YOY)	- MSD	
Corporate expense	~\$90MM	\$320MM - \$340MM
Net interest expense	~\$13MM to \$16MM	\$90MM to \$100MM
Restructuring savings (incremental)	~\$5MM to \$7MM	~\$35MM
Capital expenditures		~\$600MM
Effective tax rate	~24% - 25%	~23% - 24%

Note: HSD/MSD/LSD = High/Mid/Low Single Digit. The company is not able to provide a reconciliation of first quarter or full-year 2024 expected adjusted earnings per diluted share to the most directly comparable GAAP financial measure without unreasonable effort because certain items that impact such measure are uncertain or cannot be reasonably predicted at this time.

Appendix

Reconciliation:

Segment Margin and Adjusted EPS Excluding Amortization

\$ in millions, except margin %

Performance Segment
Segment Margin, As Reported
Net Sales
EBIT
Amortization
EBIT excluding Amortization
Segment Margin excluding Amortization

2021				
Q1	Q2	Q3	Q4	FY
16.6%	16.5%	14.8%	9.7%	14.4%
\$ 2,319	\$ 2,749	\$ 2,758	\$ 2,507	\$ 10,333
386	454	408	243	1,491
29	30	33	34	126
415	484	441	277	1,617
17.9%	17.5%	16.0%	11.0%	15.6%

2022				
Q1	Q2	Q3	Q4	FY
12.4%	15.2%	13.4%	10.9%	13.1%
\$ 2,570	\$ 2,929	\$ 2,705	\$ 2,490	\$ 10,694
319	446	362	272	1,399
32	31	30	30	123
351	477	392	302	1,522
13.7%	16.3%	14.5%	12.1%	14.2%

2023				
Q1	Q2	Q3	Q4	FY
15.0%	17.7%	15.7%	12.4%	15.3%
\$2,628	\$3,041	\$2,880	\$2,615	\$11,164
395	537	452	325	1,709
30	28	28	28	114
425	565	480	353	1,823
16.2%	18.6%	16.7%	13.5%	16.3%

Industrial Segment
Segment Margin, As Reported
Net Sales
EBIT
Amortization
EBIT excluding Amortization
Segment Margin excluding Amortization

Q1	Q2	Q3	Q4	FY
15.7%	11.8%	8.7%	6.2%	10.5%
\$ 1,562	\$ 1,610	\$ 1,614	\$ 1,683	\$ 6,469
245	190	140	105	680
10	11	13	12	46
255	201	153	117	726
16.3%	12.4%	9.5%	7.0%	11.2%

Q1	Q2	Q3	Q4	FY
8.1%	8.9%	10.9%	9.1%	9.2%
\$ 1,738	\$ 1,762	\$ 1,763	\$ 1,695	\$ 6,958
140	156	192	155	643
11	11	10	11	43
151	167	202	166	686
8.7%	9.5%	11.5%	9.8%	9.9%

Q1	Q2	Q3	Q4	FY
13.7%	13.6%	13.9%	13.3%	13.6%
\$1,752	\$1,831	\$1,764	\$1,735	\$7,082
240	250	246	230	966
11	12	12	11	46
251	262	258	241	1,012
14.3%	14.3%	14.6%	13.9%	14.3%

Total Segments
Segment Margin, As Reported
Net Sales
EBIT
Amortization
EBIT excluding Amortization
Segment Margin excluding Amortization

Q1	Q2	Q3	Q4	FY
16.3%	14.7%	12.5%	8.3%	12.9%
\$ 3,881	\$ 4,359	\$ 4,372	\$ 4,190	\$ 16,802
631	644	548	348	2,171
39	41	46	46	172
670	685	594	394	2,343
17.3%	15.7%	13.6%	9.4%	13.9%

Q1	Q2	Q3	Q4	FY
10.7%	12.8%	12.4%	10.2%	11.6%
\$ 4,308	\$ 4,691	\$ 4,468	\$ 4,185	\$ 17,652
459	602	554	427	2,042
43	42	40	41	166
502	644	594	468	2,208
11.7%	13.7%	13.3%	11.2%	12.5%

Q1	Q2	Q3	Q4	FY
14.5%	16.2%	15.0%	12.8%	14.7%
\$4,380	\$4,872	\$4,644	\$4,350	\$18,249
635	787	698	555	2,675
41	40	40	39	160
676	827	738	594	2,835
15.4%	17.0%	15.9%	13.7%	15.5%

Total PPG
Adjusted EPS
Amortization EPS
Adjusted EPS excl Amortization

2021				
Q1	Q2	Q3	Q4	FY
1.76	1.81	1.54	1.11	6.22
0.12	0.13	0.15	0.15	0.55
1.88	1.94	1.69	1.26	6.77

2022				
Q1	Q2	Q3	Q4	FY
1.23	1.68	1.53	1.09	5.52
0.14	0.13	0.13	0.13	0.53
1.37	1.81	1.66	1.22	6.05

2023				
Q1	Q2	Q3	Q4	FY
1.69	2.12	1.94	1.40	7.16
0.13	0.13	0.13	0.13	0.51
1.82	2.25	2.07	1.53	7.67

Note: Figures in the table may not recalculate due to rounding. Individual segment margin defined as segment income as a percentage of segment net sales and segment margin for the total segments defined as total segment income as a percentage of net 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.

Reconciliation:

Adjusted EPS

\$ in millions, except EPS

Fourth Quarter 2023	Total PPG	
	Net Income	EPS ^(a)
Net Income from Continuing Operations, As Reported	\$ 90	\$ 0.38
Acquisition-related amortization expense	30	0.13
Impairment and other related charges, net ^(b)	160	0.67
Business restructuring-related costs, net ^(c)	13	0.05
Portfolio optimization costs ^(d)	28	0.12
Environmental remediation charges ^(e)	23	0.10
Argentina currency devaluation losses ^(f)	24	0.10
Insurance recoveries ^(g)	(5)	(0.02)
Adjusted Net Income Attributable to PPG	\$ 363	\$ 1.53

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

- (b) In the fourth quarter 2023, the company recorded impairment and other related charges due to goodwill impairment recognized for the Traffic Solutions reporting unit as a result of its annual goodwill impairment test. The fair value of the Traffic Solutions reporting unit decreased primarily due to increases in the cost of capital (discount rate assumption) and declines in the reporting unit's long-term forecast driven by challenges at its operations in Argentina due to the highly inflationary environment and changes to the reporting unit's global footprint, including the fourth quarter 2023 divestiture of its European and Australian businesses. In 2022, the company recorded impairment and other related charges due to the wind down of the company's operation in Russia. Business restructuring-related costs, net include business restructuring charges, offset by releases related to previously approved programs, which are included in Other charges/(income), net on the consolidated statement of income, accelerated depreciation of certain assets, which is included in Depreciation on the consolidated statement of income, and other restructuring-related costs, which are included in Cost of sales, exclusive of depreciation and amortization and Selling, general and administrative on the consolidated statement of income.
- (c) Business restructuring-related costs, net include business restructuring charges, offset by releases related to previously approved programs, which are included in Other charges/(income), net on the consolidated statement of income, accelerated depreciation of certain assets, which is included in Depreciation on the consolidated statement of income, and other restructuring-related costs, which are included in Cost of sales, exclusive of depreciation and amortization and Selling, general and administrative on the consolidated statement of income.
- (d) Portfolio optimization includes losses on the sale of non-core assets, including the losses recognized on the sales of the Company's European and Australian Traffic Solutions businesses in the fourth quarter 2023, which are included in Other charges/(income), net in the consolidated statement of income, accelerated amortization expense recognized related to the exit of a non-core business, which is included in Amortization in the consolidated statement of income, and the impact for the step up to fair value of inventory acquired in certain acquisitions, which is included in Cost of sales, exclusive of depreciation and amortization in the consolidated statement of income. Portfolio optimization also includes advisory, legal, accounting, valuation, other professional or consulting fees, and certain internal costs directly incurred to effect acquisitions, as well as similar fees and other costs to effect divestitures and other portfolio optimization exit actions. These costs are included in Selling, general and administrative expense in the consolidated statement of income.
- (e) Environmental remediation charges represent environmental remediation costs at certain legacy PPG manufacturing sites. These charges are included in Other charges/(income), net in the consolidated statement of income.
- (f) In December 2023, the central bank of Argentina adjusted the official foreign currency exchange rate for the Argentine peso, significantly devaluing the currency relative to the United States dollar. Argentina currency devaluation losses represent foreign currency translation losses recognized during December 2023 related to the devaluation of the Argentine peso, which is included in Other charges/(income), net in the consolidated statement of income.
- (g) In the first quarter 2023, the company received reimbursement under its insurance policies for damages incurred at a southern U.S. factory from a winter storm in 2020. In the fourth quarter 2023, the company received reimbursement to a previously approved insurance claim under a policy covering asbestos-related matters at Pittsburgh Corning, a former joint venture of the company. These insurance recoveries are included in Other charges/(income), net in the consolidated statement of income.

Reconciliation:

Adjusted EPS

\$ in millions, except EPS

Full year 2023	Total PPG	
	Net Income	EPS ^(a)
Net Income from Continuing Operations, As Reported	\$ 1,270	\$ 5.35
Acquisition-related amortization expense	121	0.51
Impairment and other related charges, net ^(b)	160	0.67
Business restructuring-related costs, net ^(c)	34	0.14
Portfolio optimization costs ^(d)	58	0.24
Environmental remediation charges ^(e)	23	0.10
Argentina currency devaluation losses ^(f)	24	0.10
Insurance recoveries ^(g)	(12)	(0.05)
Pension settlement charge ^(h)	144	0.61
Adjusted Net Income Attributable to PPG	\$ 1,822	\$ 7.67

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

(b) In the fourth quarter 2023, the company recorded impairment and other related charges due to goodwill impairment recognized for the Traffic Solutions reporting unit as a result of its annual goodwill impairment test. The fair value of the Traffic Solutions reporting unit decreased primarily due to increases in the cost of capital (discount rate assumption) and declines in the reporting unit's long-term forecast driven by challenges at its operations in Argentina due to the highly inflationary environment and changes to the reporting unit's global footprint, including the fourth quarter 2023 divestiture of its European and Australian businesses. In 2022, the company recorded impairment and other related charges due to the wind down of the company's operation in Russia. Business restructuring-related costs, net include business restructuring charges, offset by releases related to previously approved programs, which are included in Other charges/(income), net on the consolidated statement of income, accelerated depreciation of certain assets, which is included in Depreciation on the consolidated statement of income, and other restructuring-related costs, which are included in Cost of sales, exclusive of depreciation and amortization and Selling, general and administrative on the consolidated statement of income.

(c) Business restructuring-related costs, net include business restructuring charges, offset by releases related to previously approved programs, which are included in Other charges/(income), net on the consolidated statement of income, accelerated depreciation of certain assets, which is included in Depreciation on the consolidated statement of income, and other restructuring-related costs, which are included in Cost of sales, exclusive of depreciation and amortization and Selling, general and administrative on the consolidated statement of income.

(d) Portfolio optimization includes losses on the sale of non-core assets, including the losses recognized on the sales of the Company's European and Australian Traffic Solutions businesses in the fourth quarter 2023, which are included in Other charges/(income), net in the consolidated statement of income, accelerated amortization expense recognized related to the exit of a non-core business, which is included in Amortization in the consolidated statement of income, and the impact for the step up to fair value of inventory acquired in certain acquisitions, which is included in Cost of sales, exclusive of depreciation and amortization in the consolidated statement of income. Portfolio optimization also includes advisory, legal, accounting, valuation, other professional or consulting fees, and certain internal costs directly incurred to effect acquisitions, as well as similar fees and other costs to effect divestitures and other portfolio optimization exit actions. These costs are included in Selling, general and administrative expense in the consolidated statement of income.

(e) Environmental remediation charges represent environmental remediation costs at certain legacy PPG manufacturing sites. These charges are included in Other charges/(income), net in the consolidated statement of income.

(f) In December 2023, the central bank of Argentina adjusted the official foreign currency exchange rate for the Argentine peso, significantly devaluing the currency relative to the United States dollar. Argentina currency devaluation losses represent foreign currency translation losses recognized during December 2023 related to the devaluation of the Argentine peso, which is included in Other charges/(income), net in the consolidated statement of income.

(g) In the first quarter 2023, the company received reimbursement under its insurance policies for damages incurred at a southern U.S. factory from a winter storm in 2020. In the fourth quarter 2023, the company received reimbursement to a previously approved insurance claim under a policy covering asbestos-related matters at Pittsburgh Corning, a former joint venture of the company. These insurance recoveries are included in Other charges/(income), net in the consolidated statement of income.

(h) In the first quarter 2023, PPG purchased group annuity contracts that transferred pension benefit obligations for certain of the company's retirees in the U.S. to third-party insurance companies, resulting in a non-cash pension settlement charge.

Reconciliation:

Adjusted EPS

\$ in millions, except EPS

	Total PPG	
Fourth Quarter 2022	Net Income	EPS ^(a)
Net Income from Continuing Operations, As Reported	\$ 238	\$ 1.01
Acquisition-related amortization expense	31	0.13
Impairment and other-related charges, net ^(b)	11	0.05
Business restructuring-related costs, net ^(c)	6	0.03
Adjusted Net Income Attributable to PPG	\$ 286	\$ 1.22

	Total PPG	
Full Year 2022	Net Income	EPS ^(a)
Net Income from Continuing Operations, As Reported	\$ 1,028	\$ 4.33
Impairment and other-related charges, net ^(b)	214	0.90
Acquisition-related amortization expense	126	0.53
Business restructuring-related costs, net ^(c)	56	0.24
Transaction-related costs, net ^(d)	12	0.05
Adjusted Net Income Attributable to PPG	\$ 1,436	\$ 6.05

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

(b) In the first quarter 2022, the Company recorded impairment and other related charges due to the wind down of the company's operations in Russia. In the second quarter 2022, the Company released a portion of the previously established reserves due to the collection of certain trade receivables and the realization of certain inventories. In the fourth quarter 2022, impairment and other related charges were recorded related to the planned sale of a non-core business and for certain asset write downs.

(c) Included in business restructuring-related costs, net are business restructuring charges, accelerated depreciation of certain assets and other related costs, partially offset by releases related to previously approved programs.

(d) Transaction-related costs, net include advisory, legal, accounting, valuation, other professional or consulting fees, and certain internal costs directly incurred to effect acquisitions, as well as similar fees and other costs to effect disposals not classified as discontinued operations. These costs are included in Selling, general and administrative expense in the condensed consolidated statement of income. Transaction-related costs also include losses on the sale of certain assets, which are included in Other income, net in the condensed consolidated statement of income, and 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.

Thank You For Your Interest In PPG

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