Fourth Quarter 2024 Financial Results

January 30, 2025



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 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, global human health issues, 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 2023 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 2023 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 30, 2025, 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.

Full-Year 2024 Accomplishments

Increased margin and EPS, returned $1.4B of cash returned to shareholders and optimized portfolio

Net Sales
$15.8B

Operating Cash Flow
$1.4B

Segment EBITDA Margin
20%
▲ +70bps

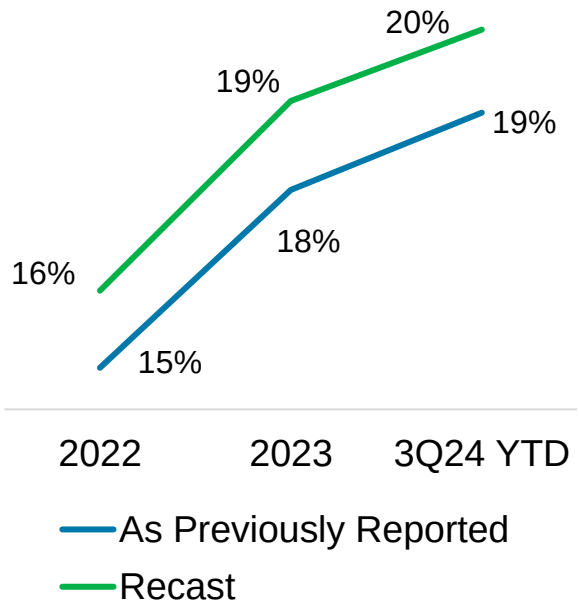
Adjusted EPS
▲ **6%**

Share Repurchases
$750MM
~3% of shares outstanding

Dividends
$620MM

Portfolio Management
Completed divestitures of silicas and architectural coatings U.S. and Canada

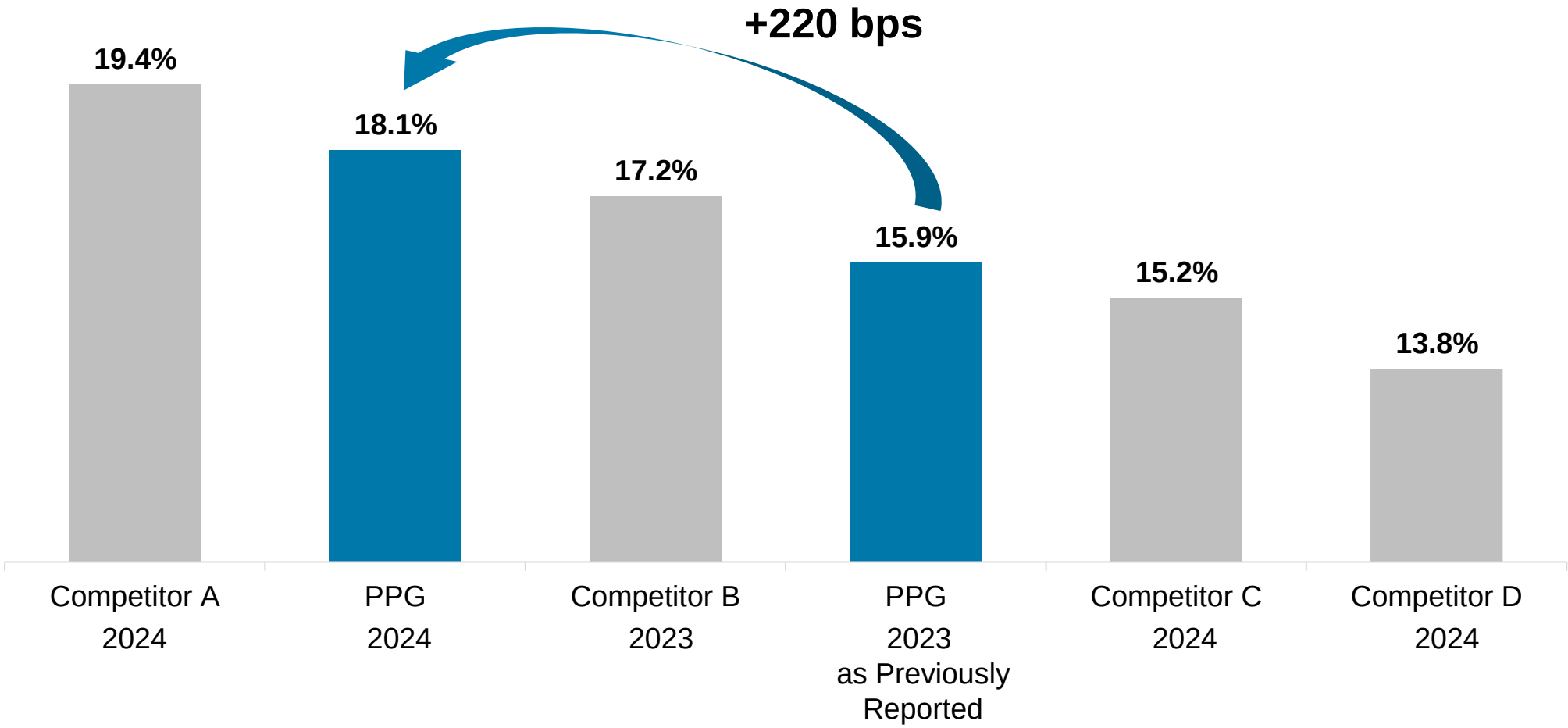
Improved Segment EBITDA Margin



Note: The company's financial results presented for all periods, except the line shown as 'Prior' in the chart, reflect the reclassification of the divested U.S. and Canada architectural coatings business as discontinued operations. All changes versus prior year. Segment EBITDA Margin defined as the sum of total segment income, depreciation and amortization as a percentage of net sales. See Appendix for reconciliation of Adjusted EPS and Adjusted Segment EBITDA

Coatings Industry - Adjusted EBITDA Margin

PPG's improved business portfolio results in step change in margin



Note: Competitors include AkzoNobel N.V., Axalta Coatings Systems Ltd, Sherwin-Williams Company, and RPM International Inc. See Appendix for reconciliation of EBITDA.

Revised PPG Business Segmentation

Higher margin and higher growth portfolio supported by differentiated products and strong brands

Global Architectural Coatings
Strong #1 or #2 in >15 countries

~25%

- Architectural EMEA
- Architectural LATAM & AP

Organic sales 2 Yr CAGR **Flat**

Performance Coatings
Differential products and services

Organic sales 2 Yr CAGR **+5%**

~35%

- Aerospace
- Automotive Refinish
- Protective & Marine
- Traffic Solutions

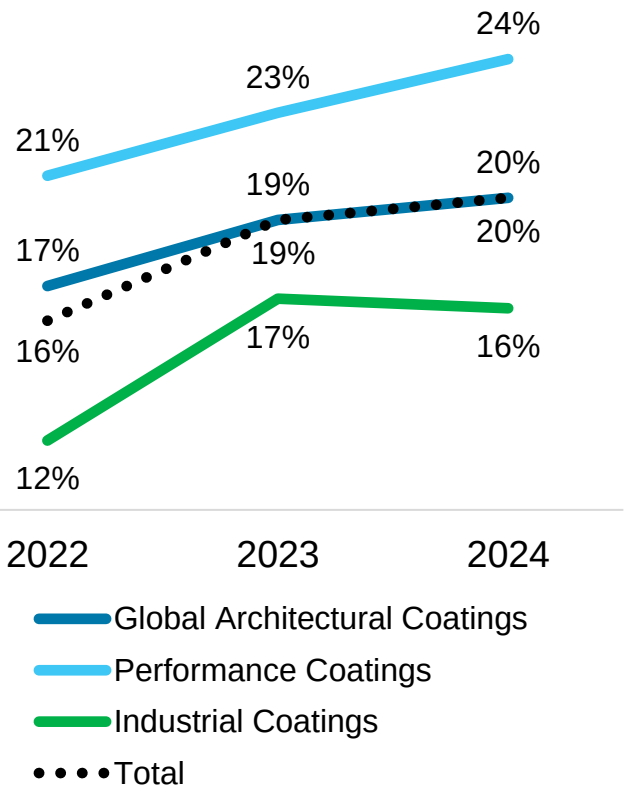
Industrial Coatings
Technology advantaged products

~40%

- Automotive OEM
- Industrial
- Packaging
- Specialty Products

Organic sales 2 Yr CAGR **-2%**

Segment EBITDA Margin

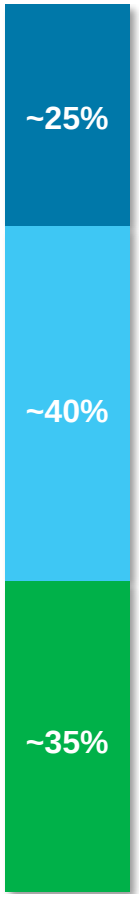


Note: Bar chart represents 2024 sales. CAGR is growth during the years 2023 and 2024. Data reflects reclassification for discontinued operations.

Segment Drivers

Growth enablers

2024 Segment EBITDA
$3.2B



Global Architectural Coatings

- Leading and trusted brands with world-class distribution networks
- Strong #1 or #2 in >15 countries
- Advanced water-based product portfolio and low-carbon product offerings
- Excellent digital solutions and customer service
- Consistent cash generation with vast majority of sales related to aftermarket/repaint



Performance Coatings

- Highly-specified and sustainably-advantaged products and services
- Significant value-proposition due to impact on customer productivity
- Digital technology offerings driving increased customer connectivity
- Distribution capabilities that are needed to rapidly supply both global and local markets
- >75% aftermarket and maintenance



Industrial Coatings

- Technology-advantaged products that meet global specifications for B2B customers
- Paint integrated within customer's operations driving high impact on customer's productivity
- Excellent technical and field service organization supporting bespoke customer needs
- Sustainable products and applications that contribute to customers' emission goals
- Strong positions with global customers, supporting their operations and expansion plans



Note: Performance Coatings aftermarket and maintenance includes all of refinish coatings and traffic solutions and portions from aerospace and protective and marine coatings.

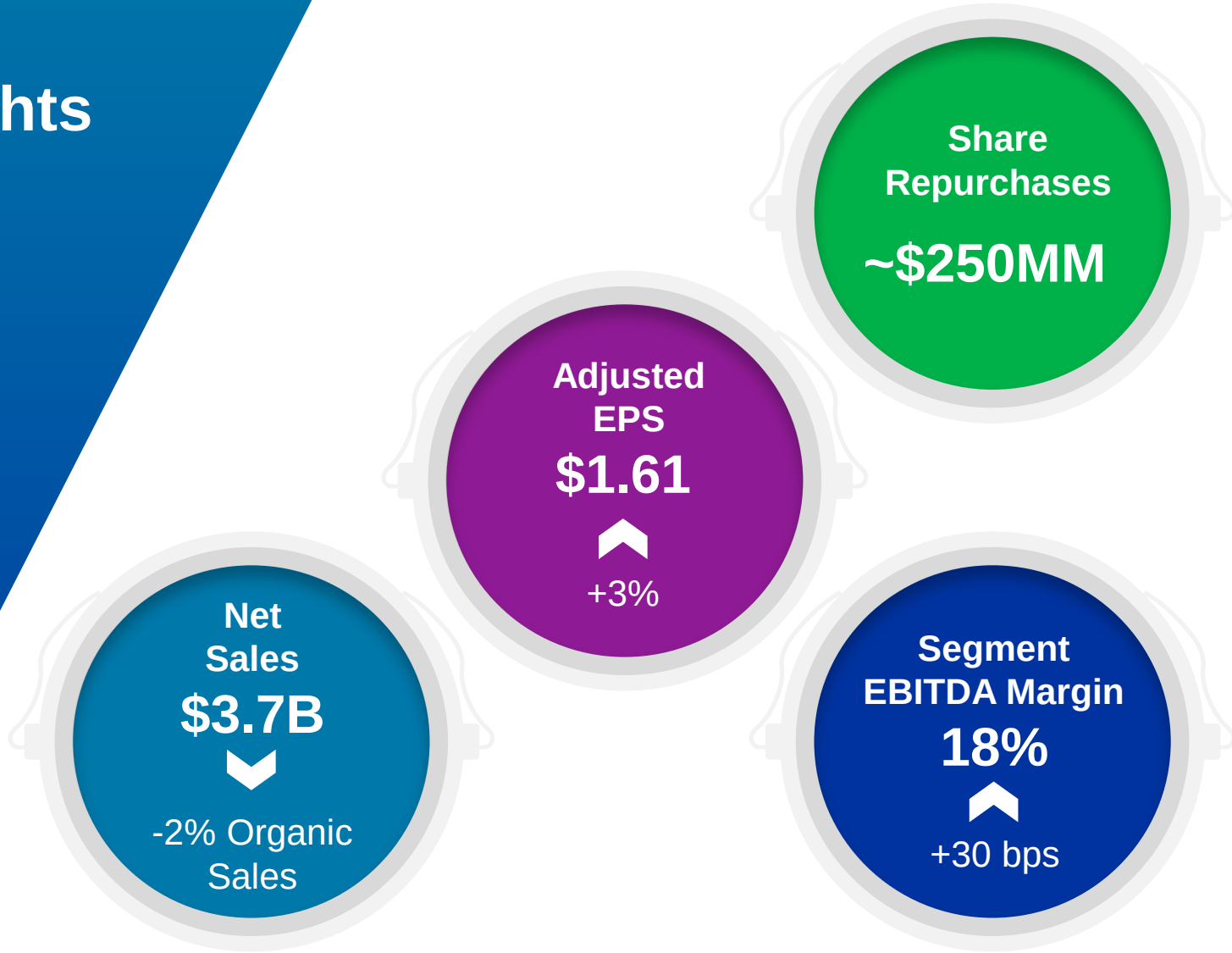
Fourth Quarter 2024 Highlights

Adjusted EPS of $1.61 increased 6% excluding foreign exchange impact

Strong organic sales growth in aerospace, protective and marine, and traffic solutions

Sluggish demand in Europe and soft automotive OEM and industrial production

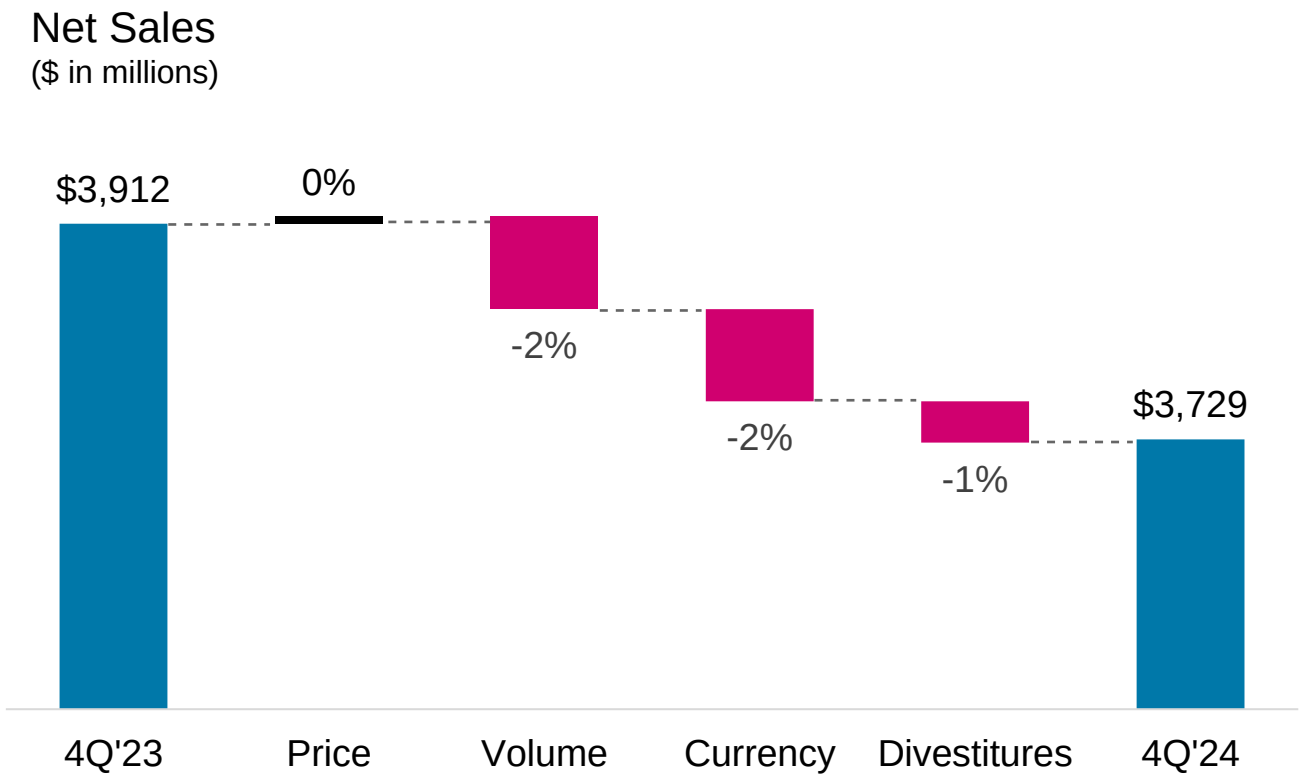
Solid sales growth in Mexico, China and India



Note: Data reflects reclassification for discontinued operations. All changes versus same quarter last year. Organic sales defined as net sales excluding the impact of currency, acquisitions and divestitures. See Appendix for reconciliation of Adjusted EPS and Segment EBITDA Margin.

Fourth Quarter Net Sales

Organic sales down 2% in a challenging macro-economic environment

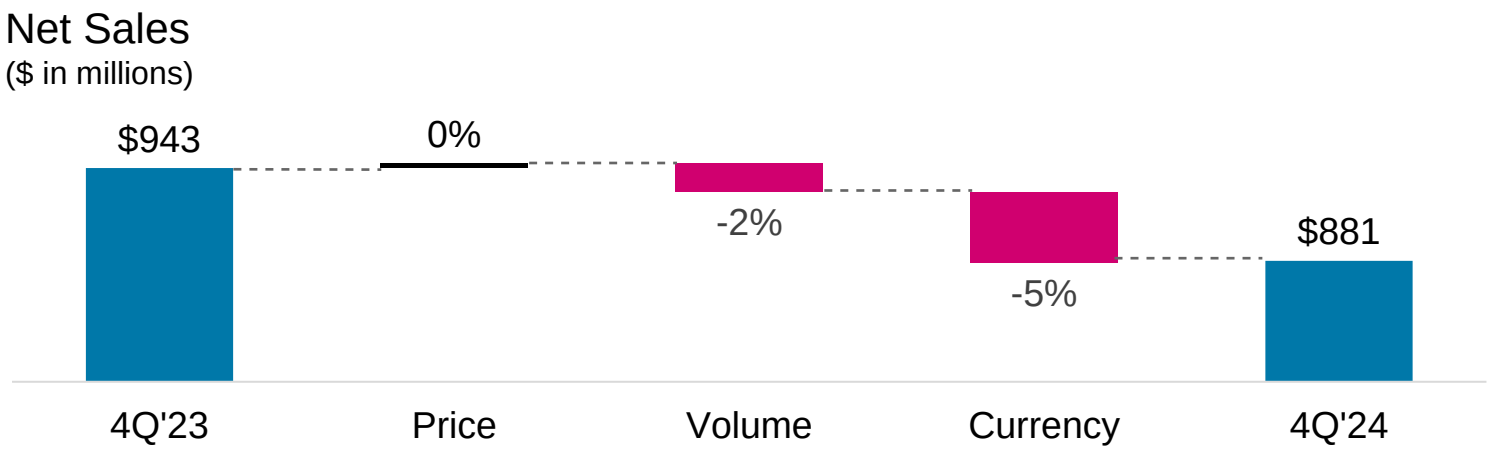


- Selling prices: Flat with targeted increases offset by index-based pricing in certain customer contracts
- Volumes: Growth in Performance Coatings more than offset by Global Architectural Coatings and Industrial Coatings
- Divestitures: Silicas in 4Q’24, traffic solutions in Europe and Australia in 4Q’23 and in Argentina in 2Q’24

Note: Data reflects reclassification for discontinued operations.

Global Architectural Coatings

Organic sales growth in Mexico offset by lower European demand



Highlights

- 4Q margin impacted by timing of inflation due to currency offset by cost control actions
- Solid organic sales growth in architectural coatings in Mexico
- Architectural EMEA organic sales lower driven by sluggish demand
- 1Q'25 organic sales growth expected in Latin America, demand trends flat in Europe; currency translation expected to remain unfavorable

Segment EBITDA Margin

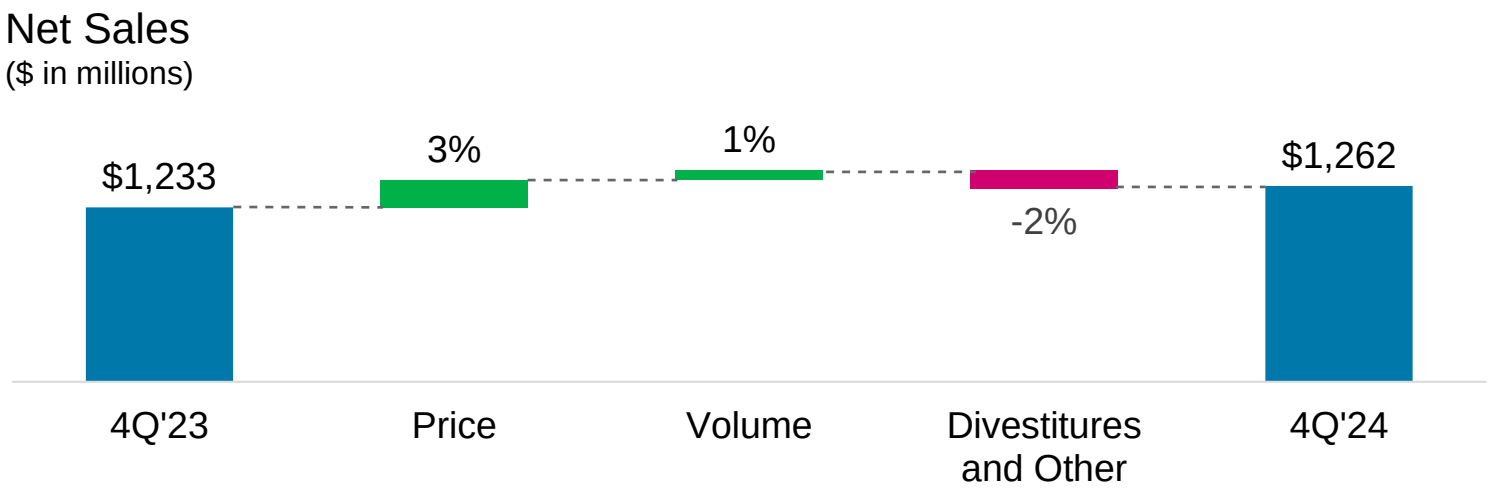
4Q'24	FY 2024
16.3%	19.9%
-20 bps	+70 bps

Organic Sales	4Q'24 Results
Architectural EMEA	LSD
Architectural Latin America & AP	Flat
Global Architectural Coatings Segment	LSD

Note: EBITDA margin change for quarter and full year versus the same prior year period. LSD = Low Single Digit. See appendix for EBITDA margin reconciliation.

Performance Coatings

Strong growth in aerospace and protective and marine coatings



Highlights

- Increased margins due to value pricing for our advantaged products and solutions
- Record fourth quarter aerospace net sales with low double-digit percentage organic sales growth
- Automotive refinish share gains more than offset by lower industry collision claims in the U.S.
- Strong sales volume in protective and marine coatings in Asia Pacific and Europe
- Traffic solutions benefitted from share gains in North America and favorable weather
- Modest 1Q'25 organic sales growth expected in all four businesses

Segment EBITDA Margin

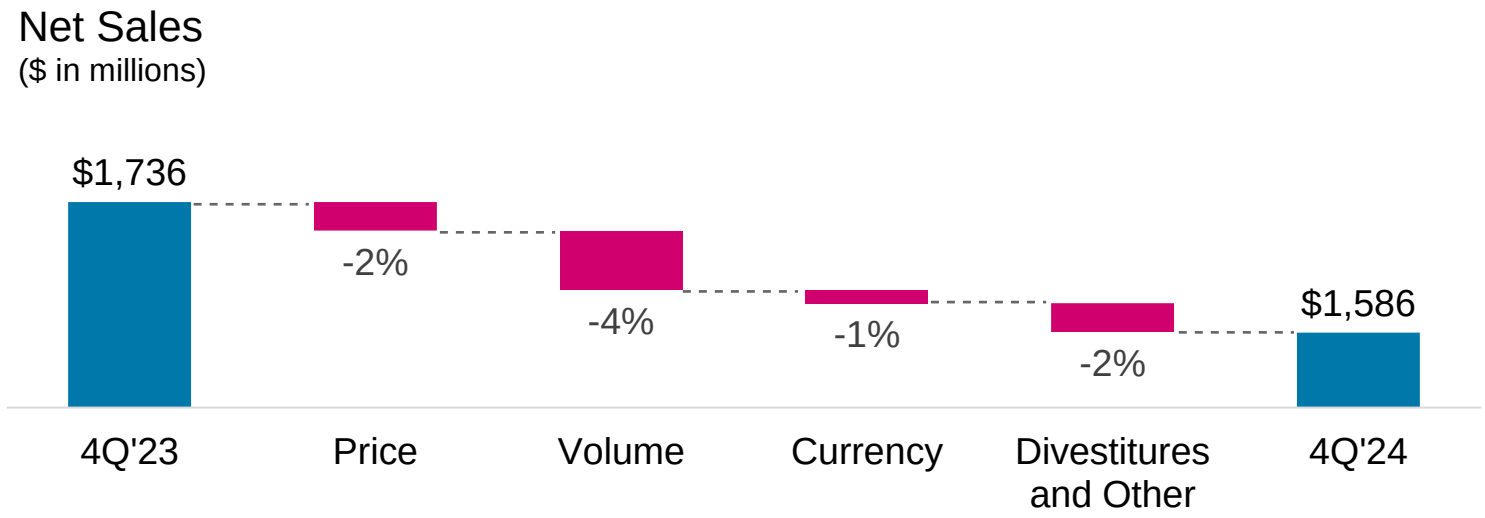
4Q'24	FY 2024
23.1%	24.3%
+260 bps	+170 bps

Organic Sales	4Q'24 Results
Aerospace	DD
Refinish	LSD
Protective & Marine	MSD
Traffic Solutions	HSD
Performance Coatings Segment	MSD

Note: EBITDA margin change for quarter and full year versus the same prior year period. DD = Double Digit. HSD/MSD/LSD = High/Mid/Low Single Digit. See appendix for EBITDA margin reconciliation.

Industrial Coatings

Organic sales challenged by soft automotive and industrial markets



Highlights

- Pricing decline largely due to carryover of index-based pricing on certain contracts
- Weakened auto OEM demand in mature regions partially offset by growth in Mexico and China
- Solid general industrial sales volume growth in Latin America offset by declines in mature regions
- Packaging coatings impacted by strong prior year comparison and delay in committed share gains
- Organic sales in 1Q'25 declining with continued sluggish industrial demand; mitigating with decisive cost actions

Segment EBITDA Margin

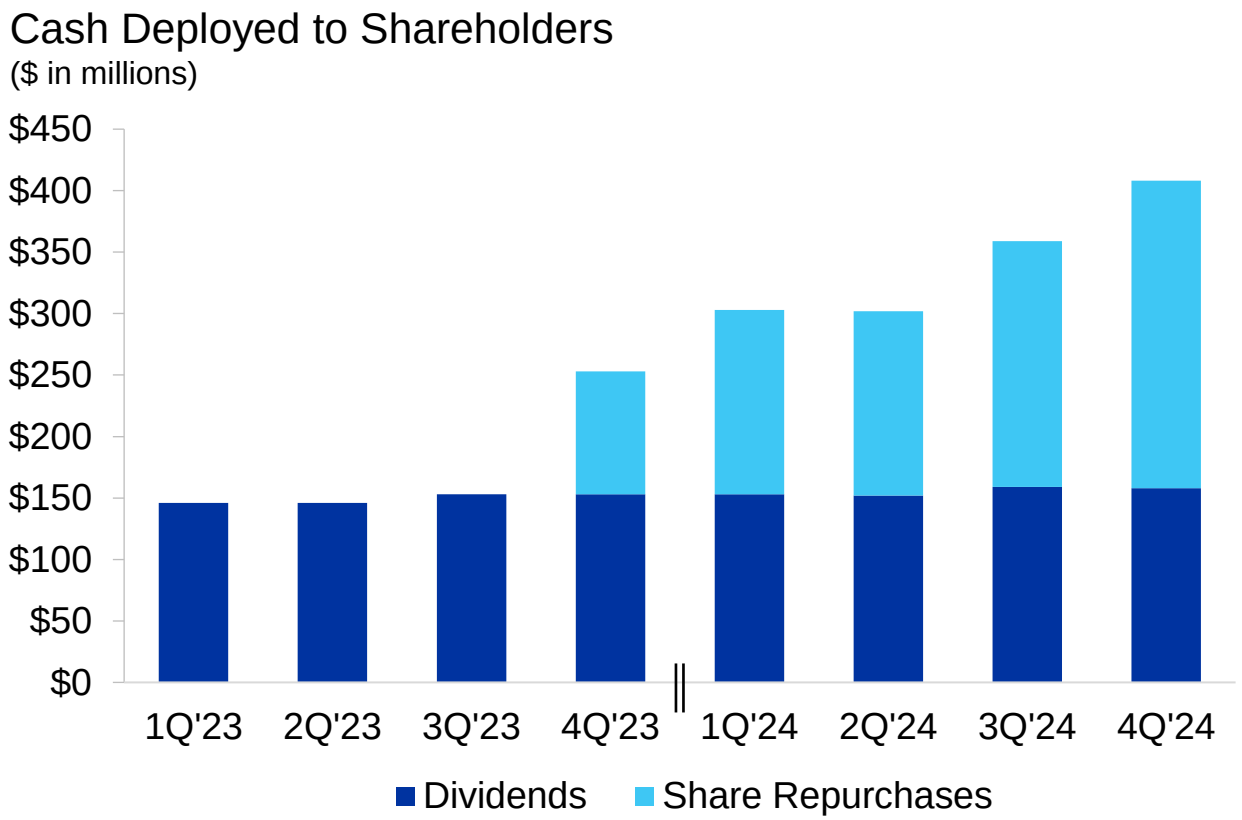
4Q'24	FY 2024
14.8% ▼ -160 bps	16.4% ▼ -30 bps

Organic Sales	4Q'24 Results
Auto OEM	▼ HSD
Industrial	▼ MSD
Packaging	▼ LSD
Industrial Coatings Segment	▼ MSD

Note:.EBITDA margin change for quarter and full year versus the same prior year period. HSD/MSD/LSD = High/Mid/Low Single Digit. See appendix for EBITDA margin reconciliation.

Strong Balance Sheet and Cash

Increased cash return to shareholders



2024 Activity

$1.4B

Cash Balance
December 31, 2024

$1.4B

Operating Cash Flow

$4.5B

Net Debt
December 31, 2024

$1.4B

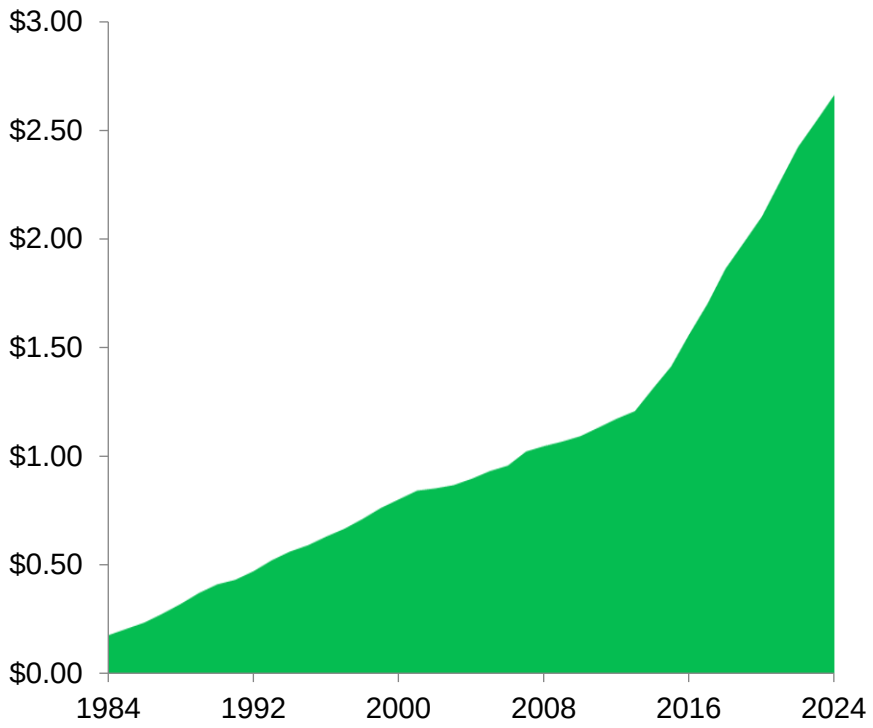
Dividends and Share Repurchases

Note: Cash balance includes cash equivalents and short-term investments.

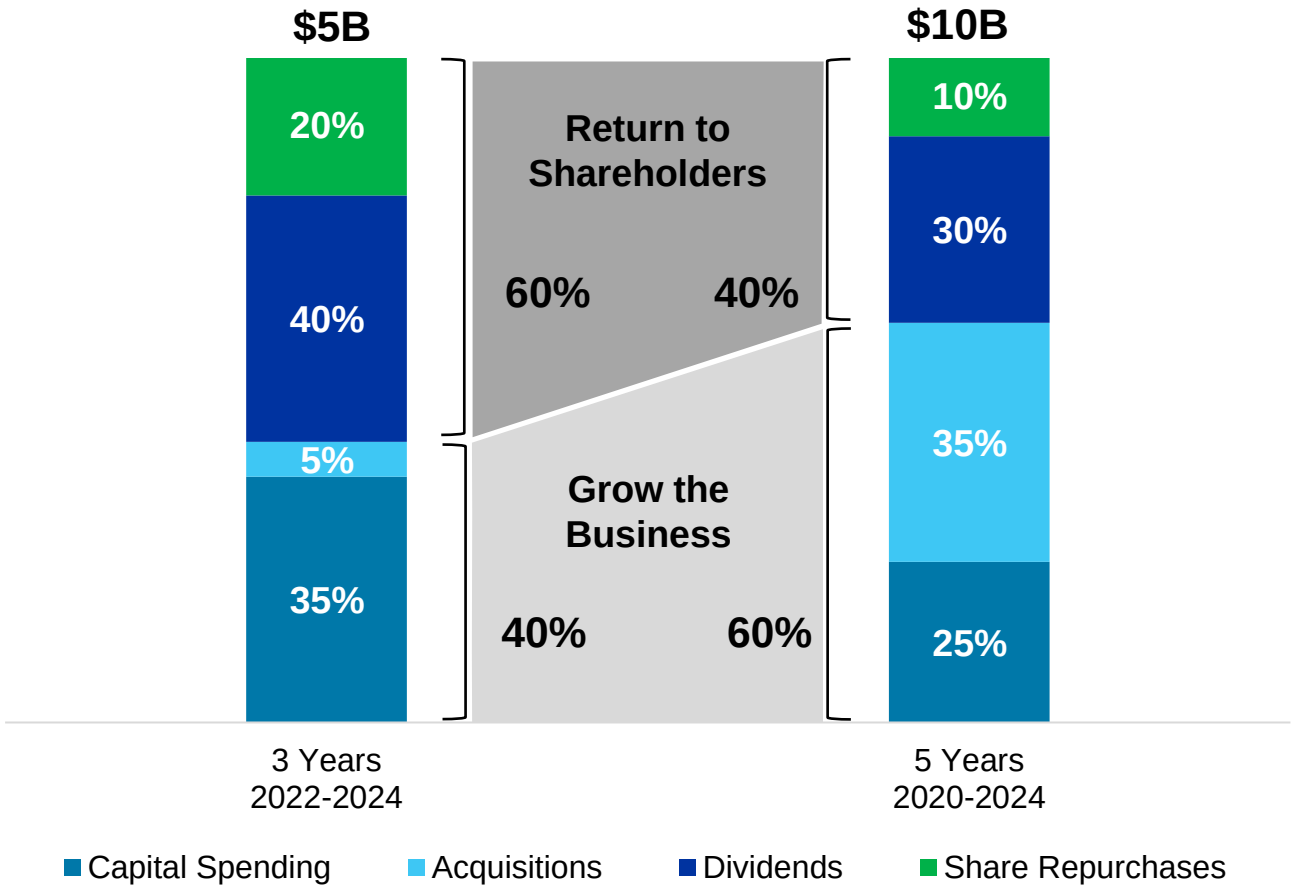
Balanced Cash Deployment

Legacy of consistent, accretive and prudent cash deployment

PPG Annual Dividend



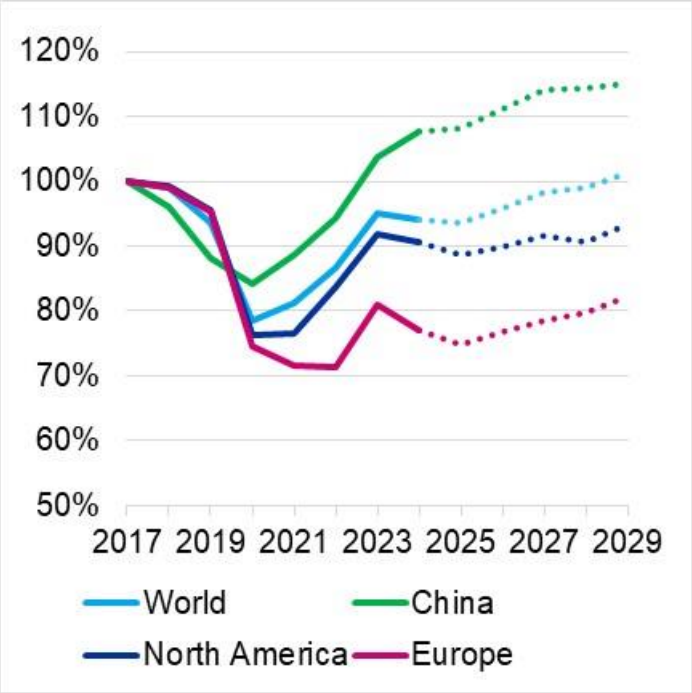
Cash Deployed



Note: Cash deployed is approximate.

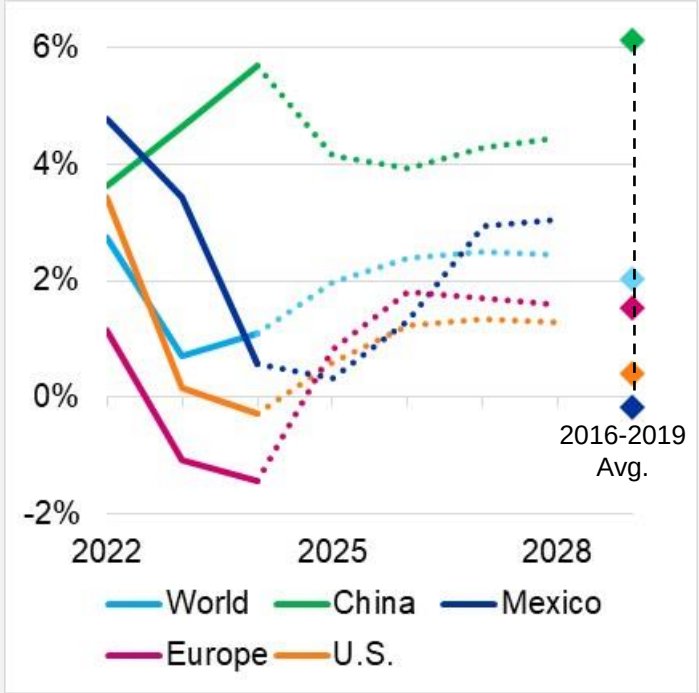
Macro Trends Support PPG's Long-Term Growth

Automotive OEM Light Vehicle Builds
Indexed to 2017 Global Peak



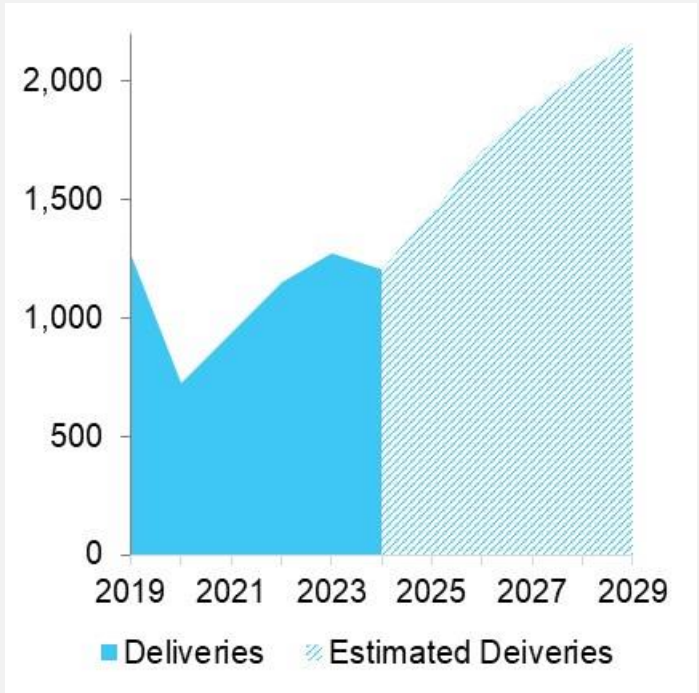
Stabilizing production environment in 2025

Industrial Production
% Change YOY



Global industrial production to deliver growth in 2025

Passenger Aircraft Delivery
# of Aircraft



PPG is well positioned for multi-year aerospace industry growth

Source: S&P, Jefferies

PPG's Next Chapter

Driving superior performance through high-margin business growth and strong cash flow

Aggressive Execution of Enterprise Growth Strategy

Portfolio

- ✓ Sharpened portfolio with 3 distinct segments
- ✓ Selective, accretive M&A

Growth & Margin Leadership

- ✓ Building and executing organic growth muscle
- ✓ Delivery of world class margins
- ✓ Decisive self-help actions
- ✓ Rapidly expanding digital and AI impact

Capital Allocation

- ✓ Growth focused innovation and capex
- ✓ Capital deployment to drive shareholder value

2025 Outcomes

Organic Sales
+LSD, driven by share gains, 2H weighted

Adjusted EPS
+5-9% excluding FX and Tax Rate

Improved Segment EBITDA Margin
>20%, +50 bps YOY

Strong Operating Cash Flow
>10% of sales

Cost Reduction Program
$60MM gross, pre-tax savings

Accretive Cash Deployment
Maximize shareholder value creation

First Quarter and Full-Year 2025 Financial Projections

First Quarter 2025		Full Year 2025	
Share Repurchases	Up to $400MM	**Adjusted EPS**	$7.75 - $8.05 per share
Segment organic sales (YOY %):	-LSD to Flat		+LSD
Global Architectural Coatings	Flat to +LSD		+LSD to +MSD
Performance Coatings	+LSD to +MSD		+LSD to +MSD
Industrial Coatings	-MSD to -LSD		Flat to +LSD
Segment margin (YOY)	-150 bps		+50 bps
Raw material and enacted tariff costs (YOY)	LSD inflation		LSD inflation
Foreign exchange (basis current rates)	-$0.10 to -$0.13 per share		-$0.30 to -$0.35 per share
Corporate expense (net of TSA)	$95MM - $100MM		$340MM - $360MM
Net interest expense	$20MM - $24MM		$85MM - $95MM
Effective tax rate	24%		23% - 25%
		Capital expenditures	$725MM - $775MM
		Restructuring savings (net of stranded costs)	$45MM

Note: All forecasts are approximate. MSD/LSD = Mid/Low Single Digit. The company is not able to provide a reconciliation of full-year 2025 expected adjusted earnings per diluted share to the most directly comparable GAAP financial measure because certain items that impact such measure are uncertain or cannot be reasonably predicted at this time.

PPG: A Compelling Long-Term Investment



Diversified Global Portfolio	Leading positions in all coatings verticals
Strong Brands, Technologies and Services	Organic and inorganic growth opportunities
Asset-Light, Highly Flexible Cost Structure	Accelerating margin expansion
Strong Balance Sheet & Consistent Cash Generation	Cash deployment focused on shareholder value creation

Appendix



Segment Margin Reconciliation

$ in millions, except margin %

	2022	2023					2024				
Global Architectural Coatings	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Segment Margin, As Reported	14.5%	16.4%	17.4%	18.9%	13.9%	16.7%	17.2%	19.6%	18.3%	13.4%	17.3%
Net Sales	$3,852	$975	$1,066	$1,037	$943	$4,021	$966	$1,070	$1,004	$881	$3,921
Segment Income	558	160	186	196	131	673	166	211	183	118	678
Depreciation and Amortization	102	25	25	26	25	101	26	26	26	26	104
Adjusted EBITDA	660	185	211	222	156	774	192	237	209	144	782
Adjusted EBITDA margin	**17.1%**	**19.0%**	**19.8%**	**21.4%**	**16.5%**	**19.2%**	**19.9%**	**22.1%**	**20.8%**	**16.3%**	**19.9%**
Performance Coatings											
Segment Margin, As Reported	17.7%	19.9%	23.1%	18.3%	17.7%	19.9%	21.1%	23.1%	22.3%	20.5%	21.8%
Net Sales	$4,792	$1,153	$1,424	$1,322	$1,233	$5,132	$1,184	$1,418	$1,373	$1,262	$5,237
Segment Income	847	230	329	242	218	1,019	251	326	306	259	1,142
Depreciation and Amortization	142	35	34	35	35	139	34	34	31	33	132
Adjusted EBITDA	989	265	363	277	253	1,158	284	361	337	292	1,274
Adjusted EBITDA margin	**20.6%**	**23.0%**	**25.5%**	**21.0%**	**20.5%**	**22.6%**	**24.0%**	**25.5%**	**24.5%**	**23.1%**	**24.3%**
Industrial Coatings											
Segment Margin, As Reported	9.3%	13.7%	13.6%	13.9%	13.3%	13.7%	14.7%	14.8%	12.1%	11.7%	13.4%
Net Sales	$6,970	$1,753	$1,833	$1,767	$1,736	$7,089	$1,699	$1,747	$1,655	$1,586	$6,687
Segment Income	646	241	250	246	231	968	249	259	200	185	893
Depreciation and Amortization	207	53	53	53	54	213	52	53	52	49	206
Adjusted EBITDA	853	294	303	299	285	1,181	301	312	252	234	1,099
Adjusted EBITDA margin	**12.2%**	**16.8%**	**16.5%**	**16.9%**	**16.4%**	**16.7%**	**17.7%**	**17.9%**	**15.2%**	**14.8%**	**16.4%**
Total Segments											
Segment Margin, As Reported	13.1%	16.3%	17.7%	16.6%	14.8%	16.4%	17.3%	18.8%	17.1%	15.1%	17.1%
Net Sales	$15,614	$3,881	$4,324	$4,125	$3,912	$16,242	$3,849	$4,235	$4,032	$3,729	$15,845
Segment Income	2,051	631	765	684	580	2,660	666	796	689	562	2,713
Depreciation and Amortization	451	113	112	114	114	453	112	113	109	108	442
Adjusted EBITDA	2,502	744	877	798	694	3,113	778	909	798	670	3,155
Adjusted EBITDA margin	**16.0%**	**19.2%**	**20.3%**	**19.3%**	**17.7%**	**19.2%**	**20.2%**	**21.5%**	**19.8%**	**18.0%**	**19.9%**

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.

Adjusted EPS Reconciliation

$ in millions, except EPS

Fourth Quarter 2024	Total PPG Net Income	Total PPG EPS[a]
Net Income from Continuing Operations, As Reported	$ 2	$ 0.01
Acquisition-related amortization expense	24	0.10
Business restructuring-related costs, net[b]	314	1.35
Portfolio optimization costs[c]	35	0.15
Legacy environmental remediation charges[d]	3	0.01
Insurance recoveries[e]	(3)	(0.01)
Adjusted Net Income Attributable to PPG	**$ 375**	**$ 1.61**

Full year 2024	Total PPG Net Income	Total PPG EPS[a]
Net Income from Continuing Operations, As Reported	$ 1,344	$ 5.72
Acquisition-related amortization expense	100	0.42
Business restructuring-related costs, net[b]	324	1.39
Portfolio optimization costs[c]	65	0.28
Legacy environmental remediation charges[d]	18	0.07
Insurance recoveries[e]	(3)	(0.01)
Adjusted Net Income Attributable to PPG	**$ 1,848**	**$ 7.87**

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

b. Business restructuring-related costs, net include business restructuring charges, offset by releases related to previously approved programs, which are included in Business restructuring, 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. Business restructuring-related costs, net also includes the fourth quarter 2024 recognition of accumulated foreign currency translation losses of $110 million related to the company's exit of its Argentina operations in connection with a restructuring program, which are included in Other (income)/charges, net in the consolidated statement of income. No tax benefit was recorded on the fourth quarter 2024 recognition of the accumulated foreign currency translation losses.

c. Portfolio optimization includes gains and losses related to the sale of certain assets, which are included in Other (income)/charges, net on the consolidated statement of income, including the gain of $129 million on the sale of the company's silicas products business in the fourth quarter 2024, and the losses on the sales of the company's traffic solutions business in Argentina in the second quarter 2024, the company's European and Australian Traffic Solutions businesses in the fourth quarter 2023 and the company's legacy industrial Russian operations in the third quarter 2023. Portfolio optimization 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 on the consolidated statement of income. Portfolio optimization also includes an impairment charge of $146 million recognized during the fourth quarter 2024 when the company's remaining operations in Russia were classified as held for sale, which is included in Impairment and other related charges, net on the consolidated statement of income. No tax benefit was recorded on the fourth quarter 2024 impairment charge.

d. Legacy environmental remediation charges represent environmental remediation costs at certain non-operating PPG manufacturing sites. These charges are included in Other (income)/charges, net in the consolidated statement of income.

e. In the fourth quarter 2024 and the fourth quarter 2023, the company received reimbursement for previously approved insurance claims under policies covering legacy asbestos-related matters. 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. These insurance recoveries are included in Other charges/(income), net on the consolidated statement of income.

Adjusted EPS Reconciliation

$ in millions, except EPS

	Total PPG	
Fourth Quarter 2023	**Net Income**	**EPS[a]**
Net Income from Continuing Operations, As Reported	$ 103	$ 0.43
Acquisition-related amortization expense	32	0.13
Impairment and other related charges, net[b]	160	0.67
Business restructuring-related costs, net[c]	13	0.06
Portfolio optimization costs[d]	28	0.12
Legacy environmental remediation charges[e]	17	0.07
Argentina currency devaluation losses[f]	24	0.10
Insurance recoveries[g]	(5)	(0.02)
Adjusted Net Income Attributable to PPG	**$ 372**	**$ 1.56**

(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.

(c) Business restructuring-related costs, net include business restructuring charges, offset by releases related to previously approved programs, which are included in Business restructuring, 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. Business restructuring-related costs, net also includes the fourth quarter 2024 recognition of accumulated foreign currency translation losses of $110 million related to the company's exit of its Argentina operations in connection with a restructuring program, which are included in Other (income)/charges, net in the consolidated statement of income. No tax benefit was recorded on the fourth quarter 2024 recognition of the accumulated foreign currency translation losses.

(d) Portfolio optimization includes gains and losses related to the sale of certain assets, which are included in Other (income)/charges, net on the consolidated statement of income, including the gain of $129 million on the sale of the company's silicas products business in the fourth quarter 2024, and the losses on the sales of the company's traffic solutions business in Argentina in the second quarter 2024, the company's European and Australian Traffic Solutions businesses in the fourth quarter 2023 and the company's legacy industrial Russian operations in the third quarter 2023. Portfolio optimization 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 on the consolidated statement of income. Portfolio optimization also includes an impairment charge of $146 million recognized during the fourth quarter 2024 when the company's remaining operations in Russia were classified as held for sale, which is included in Impairment and other related charges, net on the consolidated statement of income. No tax benefit was recorded on the fourth quarter 2024 impairment charge.

(e) Legacy environmental remediation charges represent environmental remediation costs at certain non-operating PPG manufacturing sites. These charges are included in Other (income)/charges, 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 polices 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.

Adjusted EPS Reconciliation

$ in millions, except EPS

Full year 2023	Total PPG Net Income	Total PPG EPS[a]
Net Income from Continuing Operations, As Reported	$ 1,223	$ 5.16
Acquisition-related amortization expense	115	0.48
Impairment and other related charges, net[b]	160	0.67
Business restructuring-related costs, net[c]	33	0.14
Portfolio optimization costs[d]	58	0.24
Legacy environmental remediation charges[e]	17	0.07
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	**$ 1,762**	**$ 7.42**

(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.

(c) Business restructuring-related costs, net include business restructuring charges, offset by releases related to previously approved programs, which are included in Business restructuring, 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. Business restructuring-related costs, net also includes the fourth quarter 2024 recognition of accumulated foreign currency translation losses of $110 million related to the company's exit of its Argentina operations in connection with a restructuring program, which are included in Other (income)/charges, net in the consolidated statement of income. No tax benefit was recorded on the fourth quarter 2024 recognition of the accumulated foreign currency translation losses.

(d) Portfolio optimization includes gains and losses related to the sale of certain assets, which are included in Other (income)/charges, net on the consolidated statement of income, including the gain of $129 million on the sale of the company's silicas products business in the fourth quarter 2024, and the losses on the sales of the company's traffic solutions business in Argentina in the second quarter 2024, the company's European and Australian Traffic Solutions businesses in the fourth quarter 2023 and the company's legacy industrial Russian operations in the third quarter 2023. Portfolio optimization 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 on the consolidated statement of income. Portfolio optimization also includes an impairment charge of $146 million recognized during the fourth quarter 2024 when the company's remaining operations in Russia were classified as held for sale, which is included in Impairment and other related charges, net on the consolidated statement of income. No tax benefit was recorded on the fourth quarter 2024 impairment charge.

(e) Legacy environmental remediation charges represent environmental remediation costs at certain non-operating PPG manufacturing sites. These charges are included in Other (income)/charges, 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 polices 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.

Adjusted EBITDA Reconciliation

$ in millions

	Full Year	
	2024	2023
Net Income from Continuing Operations, As Reported	$ 1,344	$1,223
Interest expense, net of interest income	64	107
Income tax expense	475	428
Depreciation	360	360
Amortization	132	154
Net income attributable to noncontrolling interests	33	39
EBITDA	**$2,408**	**$2,311**
Business restructuring-related costs, net (a)	377	41
Portfolio optimization (b)	59	53
Legacy environmental remediation charges (c)	24	24
Insurance recoveries (d)	(4)	(16)
Impairment and other related charges (e)	-	160
Currency valuation loss (f)	-	20
Pension settlement charge (g)	-	190
Adjusted EBITDA	**$ 2,864**	**$ 2,783**
Net sales	**$15,845**	**$16,242**
Net income margin	**8.5%**	**7.5%**
Adjusted EBITDA margin	**18.1%**	**17.1%**

(a) Business restructuring-related costs, net include business restructuring charges, offset by releases related to previously approved programs, which are included in Business restructuring, 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. Business restructuring-related costs, net also includes the fourth quarter 2024 recognition of accumulated foreign currency translation losses of $110 million related to the company's exit of its Argentina operations in connection with a restructuring program, which are included in Other (income)/charges, net in the consolidated statement of income. No tax benefit was recorded on the fourth quarter 2024 recognition of the accumulated foreign currency translation losses.

(b) Portfolio optimization includes gains and losses related to the sale of certain assets, which are included in Other (income)/charges, net on the consolidated statement of income, including the gain of $129 million on the sale of the company's silicas products business in the fourth quarter 2024, and the losses on the sales of the company's traffic solutions business in Argentina in the second quarter 2024, the company's European and Australian Traffic Solutions businesses in the fourth quarter 2023 and the company's legacy industrial Russian operations in the third quarter 2023. Portfolio optimization 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 on the consolidated statement of income. Portfolio optimization also includes an impairment charge of $146 million recognized during the fourth quarter 2024 when the company's remaining operations in Russia were classified as held for sale, which is included in Impairment and other related charges, net on the consolidated statement of income. No tax benefit was recorded on the fourth quarter 2024 impairment charge.

(c) Legacy environmental remediation charges represent environmental remediation costs at certain non-operating PPG manufacturing sites. These charges are included in Other (income)/charges, net in the consolidated statement of income. In the fourth quarter 2024 and the fourth quarter 2023, the company received reimbursement for previously approved insurance claims under policies covering legacy asbestos-related matters.

(d) 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. These insurance recoveries are included in Other charges/(income), net on the consolidated statement of income.

(e) In the fourth quarter 2023, the company recorded impairment and other related charges due to a non-cash 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.

(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 on the consolidated statement of income.

(g) 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.

Adjusted EBITDA Reconciliation – As Presented in 2023 Form 10-K

$ in millions

	Full Year
As presented in Form 10-K filed on February 15, 2024	**2023**
Net Income from Continuing Operations, As Reported	$ 1,270
Interest expense, net of interest income	107
Income tax expense	439
Depreciation	391
Amortization	167
Net income attributable to noncontrolling interests	39
EBITDA	**$2,413**
Business restructuring-related costs, net (a)	43
Impairment and other related charges, net (b)	160
Portfolio optimization (c)	53
Environmental remediation charges, net (d)	30
Argentina currency devaluation losses (e)	20
Insurance recoveries (f)	(16)
Pension settlement charge (g)	190
Adjusted EBITDA	**$2,893**
Net sales	**$18,246**
Net income margin	**7.0%**
Adjusted EBITDA margin	**15.9%**

(a) 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.

(b) In the fourth quarter 2023, the Company recorded Impairment and other related charges, net 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, net due to the wind down of the company's operation in Russia.

(c) 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.

(d) 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.

(e) 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.

(f) 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 for a previously approved insurance claim under a policy covering legacy asbestos-related matters. These insurance recoveries are included in Other charges/(income), net in the consolidated statement of income.

(g) 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.

Adjusted EBITDA Reconciliation

$ in millions, except Akzo € in millions	SHW 2024	PPG 2024	AXTA 2023	RPM Fiscal 2024	AKZA 2024
Reported net income from continuing operations	$2,681	$1,344	$269	$589	€ 592
Interest expense, net of interest income and non-controling interest	405	97	204	73	79
Income tax expense	770	475	86	198	246
Depreciation & Amortization	624	492	275.6	171	365
EBITDA	$4,480	$2,408	$834	$1,032	€ 1,282
Business restructuring-related costs, net		377		93	196
Portfolio optimization		59	6.8		
Legacy environmental remediation charges		24			
Insurance recoveries		-4		-11	
Impairment and other related charges			15		
Currency valuation loss					
Pension settlement charge					
Debt extinguishment and refinancing related costs			10		
Termination benefits and other employee related costs			18		
Acquisition and divestiture-related costs			3	4	
Long-term employee benefit plan adjustments			9		
Gains on sales of facilities			0	-5	
Russia Sancition Impacts			-2		
Other Adjustments			-1		
Adjusted EBITDA	$4,480	$2,864	$893	$1,113	€ 1,478
Net sales	$23,099	$15,845	$5,184	$7,335	€ 10,711
Adjusted EBITDA margin	19.4%	18.1%	17.2%	15.2%	13.8%

Note: All competitor figures are available in the company financial statements and website. Adjustments were made for comparability purposes.

Full Year 2023 Discontinued Operations Impact

Item	Comments	Sales Impact $MM	EBIT Impact $MM	EPS Impact
Architectural coatings U.S. and Canada, as previously reported	Business as reported in Performance Coatings segment	$1,950	$3	
Commercial agreements	Historic product sales that will be supplied to buyer (Newco)	54	15	
Allocated costs retained by PPG – subject to Transition Services Agreements	Overhead costs moved to corporate that will be recovered via reimbursement from Newco (as other income)		25	
Allocated costs retained by PPG – stranded costs	Overhead costs moved to corporate that will be offset by restructuring or other cost actions		15	
Architectural coatings U.S. and Canada, discontinued operations	**Discontinued operations, as reported**	**$2,004**	**$58**	**$0.19**
Amortization and restructuring	Adjustments		15	0.06
Architectural coatings U.S. and Canada, excluding amortization and restructuring	**Impact of results moved to discontinued operations**	**$2,004**	**$73**	**$0.25**

Full Year 2024 Discontinued Operations Impact

Item	Comments	Sales Impact $MM	EBIT Impact $MM	EPS Impact
Architectural coatings U.S. and Canada, as previously reported	Business as reported in Performance Coatings segment	$1,847	$18	
Commercial agreements	Historic product sales that will be supplied to buyer (Newco)	31	12	
Allocated costs retained by PPG – subject to Transition Services Agreements	Overhead costs moved to corporate that will be recovered via reimbursement from Newco (as other income)		26	
Allocated costs retained by PPG – stranded costs	Overhead costs moved to corporate that will be offset by restructuring or other cost actions		15	
Book loss on sale of business	Book loss on divestiture		(285)	
Architectural coatings U.S. and Canada, discontinued operations	**Discontinued operations, as reported**	**$1,878**	**($214)**	**($0.97)**
Amortization	Adjustment		6	0.02
Book loss on sale of business	Adjustment		285	1.22
Architectural coatings U.S. and Canada, excluding amortization	**Impact of results moved to discontinued operations**	**$1,878**	**$77**	**$0.27**

Thank You For Your Interest In PPG

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