PPG Announces Completion of Strategic Business Review

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- Board of Directors concludes, with the assistance of full reviews by two separate, independent financial advisors, that PPG's current business portfolio presents the best opportunity to maximize long-term shareholder value
- An additional operational and growth investment review of the U.S. and Canada architectural coatings business was completed by globally-recognized independent consulting firm
- Comprehensive internal operational assessment identifies further opportunities to improve profitability of the overall business portfolio, including approximately $125 million of additional run-rate savings

PITTSBURGH--(BUSINESS WIRE)-- PPG (NYSE: PPG) today announced that two separate and independent reviews of its business portfolio were completed by Goldman Sachs & Co. LLC and Morgan Stanley & Co. LLC, with each firm independently conducting multi-faceted evaluations of PPG's business portfolio, including potential separation opportunities.

PPG's Board of Directors and executive management team recently received a full report from each advisor with respect to their independent reviews. Based on these reports and its own evaluation, the Board has determined that maintaining the company's current business portfolio composition, including its architectural and industrial coatings businesses, provides the best opportunity to maximize long-term shareholder value.

"PPG's Board of Directors commissioned a strategic review process by two independent advisors, with a focus on long-term shareholder value, along with the guidance of 'nothing is sacred,'" said Hugh Grant, PPG's lead independent director. "The independent findings made clear, and after its own review of these findings the Board concluded that, the current business portfolio provides the best opportunity to drive long-term shareholder value. The Board and management team remain strongly aligned and accountable for delivering on the company's current year commitments and future growth potential."

"The two independent advisors performed thorough reviews and their similar conclusions clearly indicate the value of maintaining our current business portfolio, including architectural and industrial coatings, as the best strategic path to maximize shareholder value. By maintaining our current portfolio, we avoid negative commercial, operational and procurement impacts and preserve full strategic flexibility for the future," said Michael H. McGarry, PPG chairman and chief executive officer. "As we have done consistently, we will continue our ongoing strategic assessment of all our businesses, ensuring each business continually earns its place in our portfolio based on current performance and future expectations.

"In addition, we recently concluded an engagement by a globally-recognized consulting firm focused on operational and growth investment reviews for our U.S. and Canada architectural coatings business, targeting full and rapid earnings recovery following the prior year customer assortment changes. Recommendations from this engagement include driving certain commercial network optimizations, implementing further cost structure improvements, utilizing additional sales effectiveness tools and adopting new digital technologies. We are executing these initiatives with the goals of achieving full recovery of our profitability next quarter and positioning the business for continued success," McGarry added.

"Also, while we remain a top quartile performer in our overhead and corporate cost structures, we conducted a rigorous internal operational and organizational review and identified certain opportunities for the company to further improve operating efficiency and maintain commercial excellence," McGarry said. "As a result, we are working to finalize a new cost savings program with targeted full year run rate savings of about $125 million. We expect to provide additional detail with the release of our second quarter financial results; however, the final program is expected to include:

- Further manufacturing optimization
- Targeted pruning of low profit business in certain regions
- Exiting certain smaller product lines that are not meeting profitability objectives
- Reorganization of certain business unit cost structures based on current economic climate
- Certain redundancy actions related to recent acquisitions
- Second quarter charge in the range of $185 to $200 million, excluding certain non-cash items

"Finally, I would like to thank our shareholders for their continued feedback and support. I remain confident that we are well positioned strategically and that we are taking the appropriate long-term actions to drive operational excellence and increase shareholder value," McGarry concluded.

The company will hold a conference call to provide further information on the review today at 9 a.m. ET. Visit http://dpregister.com/10131836 to register for the conference call at any time before or during the call. Upon registering to participate, you will receive a dial-in number and a unique

PIN. (If unable to pre-register, visit the Investor Center section of www.ppg.com for dial-in details.)

PPG: WE PROTECT AND BEAUTIFY THE WORLD™

At PPG (NYSE:PPG), we work every day to develop and deliver the paints, coatings and materials that our customers have trusted for more than 130 years. Through dedication and creativity, we solve our customers' biggest challenges, collaborating closely to find the right path forward. With headquarters in Pittsburgh, we operate and innovate in more than 70 countries and reported net sales of $15.4 billion in 2018. We serve customers in construction, consumer products, industrial and transportation markets and aftermarkets. To learn more, visit www.ppg.com.

Forward-Looking Statements

Statements contained herein relating to matters that are not historical facts are forward-looking statements reflecting PPG's current view with respect to future events and financial performance. These matters within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, involve risks and uncertainties that may affect PPG Industries' operations, as discussed in the company's filings with the Securities and Exchange Commission pursuant to Sections 13(a), 13(c) or 15(d) of the Exchange Act, and the rules and regulations promulgated thereunder. Accordingly, many factors could cause actual results to differ materially from the forward-looking statements contained herein. Such factors include global economic conditions, increasing price and product competition by foreign and domestic competitors, fluctuations in cost and availability of raw materials, the ability to achieve selling price increases, the ability to recover margins, customer inventory levels, the ability to maintain favorable supplier relationships and arrangements, the timing of realization of anticipated cost savings from restructuring initiatives, the ability to identify additional cost savings opportunities, difficulties in integrating acquired businesses and achieving expected synergies therefrom, economic and political conditions in 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. Consequently, while the list of factors presented here and in our Annual Report on Form 10-K are considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Consequences of material differences in 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 information in this release speaks only as of May 21, 2019, and any distribution of this release after that date is not intended and will not be construed as updating or confirming such information. PPG Industries undertakes no obligation to update any forward-looking statement, except as otherwise required by applicable law.

PPG Media Contact:

Mark Silvey

Corporate Communications

+1-412-434-3046

silvey@ppg.com

PPG Investor Contact:

John Bruno

Investor Relations

+1-412-434-3466

jbruno@ppg.com

investor.ppg.com

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