



Investor Day

October 7, 2022

Forward-Looking Statements and Regulation G



This presentation contains “forward-looking statements” relating to our business. These forward-looking statements, or other statements made by us, are made based on our expectations and beliefs concerning future events impacting us and are subject to uncertainties and factors (including those specified below), which are difficult to predict and, in many instances, are beyond our control. As a result, our actual results could differ materially from those expressed in or implied by any such forward-looking statements. These uncertainties and factors include (a) global markets and general economic conditions, including uncertainties surrounding the volatility in financial markets, the availability of capital, and the viability of banks and other financial institutions; (b) the prices, supply and availability of raw materials, including assorted pigments, resins, solvents, and other natural gas-and oil-based materials; packaging, including plastic and metal containers; and transportation services, including fuel surcharges; (c) continued growth in demand for our products; (d) legal, environmental and litigation risks inherent in our construction and chemicals businesses and risks related to the adequacy of our insurance coverage for such matters; (e) the effect of changes in interest rates ; (f) the effect of fluctuations in currency exchange rates upon our foreign operations; (g) the effect of non-currency risks of investing in and conducting operations in foreign countries, including those relating to domestic and international political, social, economic and regulatory factors; (h) risks and uncertainties associated with our ongoing acquisition and divestiture activities; (i) the timing of and the realization of anticipated cost savings from restructuring initiatives and the ability to identify additional cost savings opportunities; (j) risks related to the adequacy of our contingent liability reserves; (k) risks relating to the Covid pandemic; (l) risks related to adverse weather conditions or the impacts of climate change and natural disasters; (m) risks relating to the Russian invasion of Ukraine and other wars; (n) risks related to data breaches and data privacy violations; and (o) other risks detailed in our filings with the Securities and Exchange Commission, including the risk factors set forth in our Annual Report on Form 10-K for the year ended May 31, 2022, as the same may be updated from time to time. We do not undertake any obligation to publicly update or revise any forward-looking statements to reflect future events, information or circumstances that arise after the date of this presentation.

This presentation includes certain company data that do not directly conform to generally accepted accounting principles, or GAAP, and certain company data that has been restated for improved clarity, understanding and comparability, or pro forma. All non-GAAP data in this presentation are indicated by footnote. Tables reconciling such data with GAAP measures are available in an appendix to this presentation and through our website, www.rpminc.com under Investor Information/Presentations.



Overview

Frank Sullivan, Chairman & Chief Executive Officer

MAP 2025

Tim Kinser, Vice President – Operations

Capital Update

Rusty Gordon, Vice President & Chief Financial Officer

Sustainability at RPM

Tracy Crandall, Vice President – Compliance & Sustainability, Associate General Counsel

Construction Products Group

Paul Hoogenboom – CPG Group President

Conclusion

Frank Sullivan, Chairman & Chief Executive Officer



Overview

Frank Sullivan

Chairman & Chief Executive Officer

75 Years of RPM's Entrepreneurial Growth Culture



The Value of
168[®]

*"Hire the best people you can find.
Create an atmosphere
that will keep them.
Then let them do their jobs."*

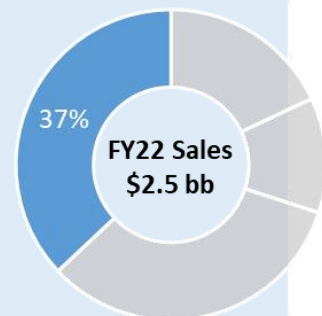
Frank C. Sullivan, 1947

Driving Significant Improvements to Achieve Operating Efficiencies

MAP to Growth Strategy



Operating Groups Drive Growth & Efficiency



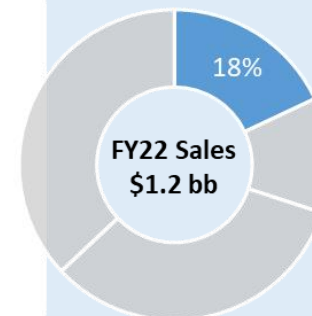
CONSTRUCTION PRODUCTS GROUP

Create and drive unique solutions for the construction, restoration and maintenance of the building envelope



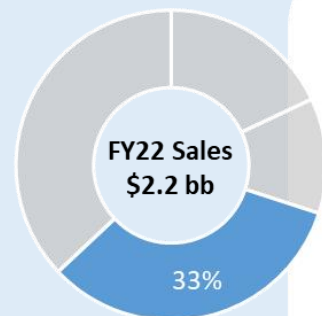
PERFORMANCE COATINGS GROUP

Protecting, decorating and extending the useful life of steel and concrete in industry + infrastructure



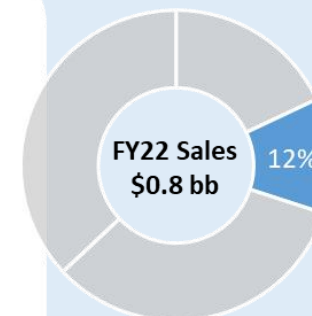
CONSUMER GROUP

Create, innovate and lead consumer product category platforms



SPECIALTY PRODUCTS GROUP

Best home for entrepreneurial companies and incubator of new market platforms



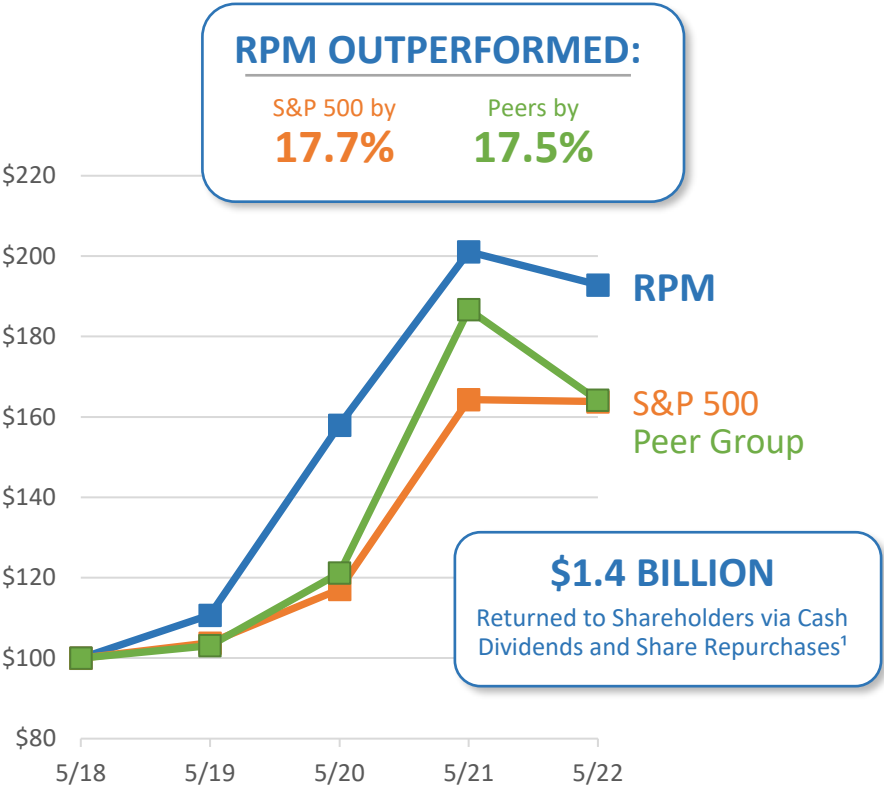
THE POWER OF RPM

Entrepreneurial Approach to Customers with Leading Brands Driving Innovation and Growth
Center-Led in Operations and Administration, Driving Efficiency and Continuous Improvement
Value of 168: Transparency, Trust & Respect + Connections Creating Value

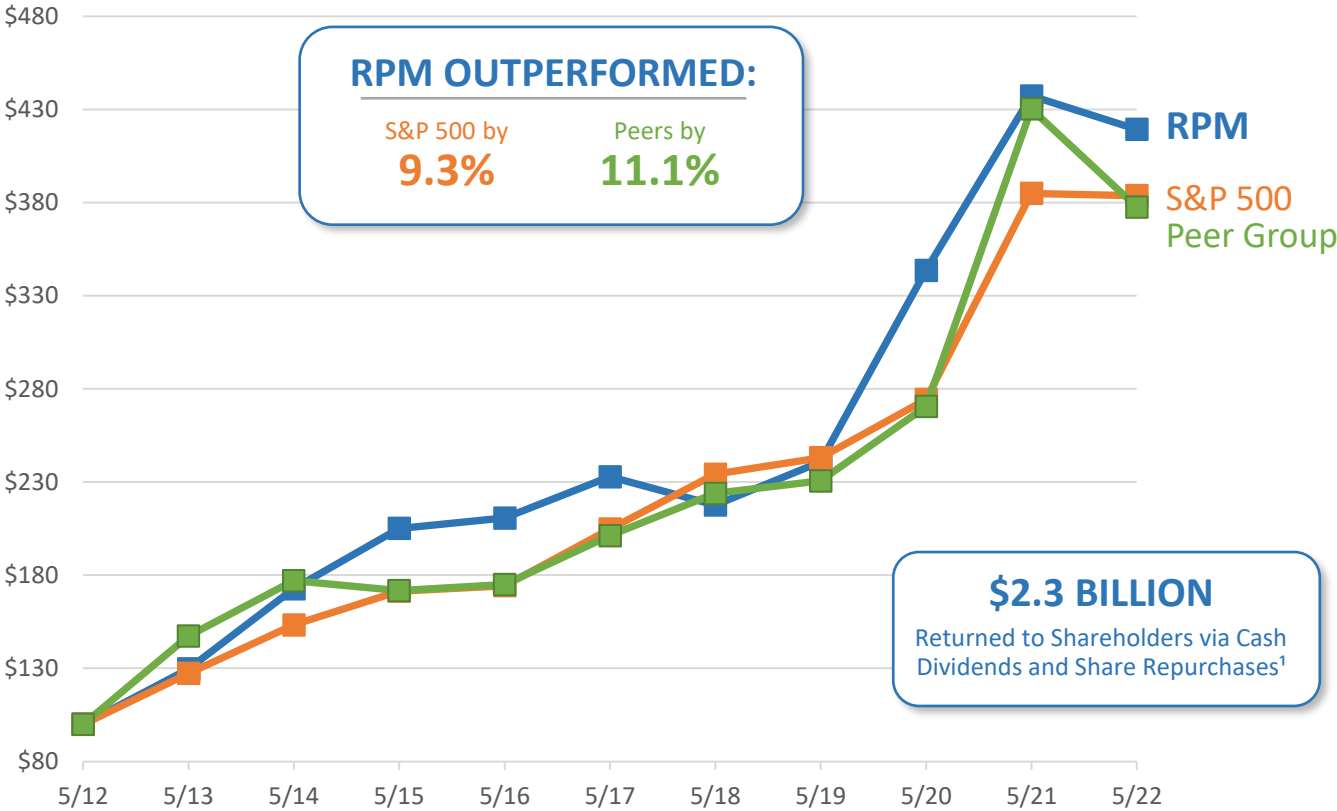
Commitment to Total Shareholder Return



Comparison of Cumulative Total Return vs. S&P 500 and a Customized Peer Group



Since Start of MAP to Growth Program:
FY19 – FY22



10-Year:
FY13 – FY22

(1) Includes \$205M cash settlement of convertible debt

The graphs above compare the cumulative four- and ten-year total return provided to stockholders on RPM International Inc.'s common stock relative to the cumulative total returns of the S&P 500 Index and a customized peer group. An investment of \$100 (with reinvestment of all dividends) is assumed to have been made in RPM common stock, the peer group, and the index on 5/31/2012 and 5/31/2018 and their relative performance is tracked through 5/31/2022. Peer Group companies include: Akzo Nobel N.V., Axalta Coating Systems Ltd., Carlisle Companies Inc., H.B. Fuller Company, Masco Corporation, PPG Industries, Inc., The Sherwin-Williams Company and Sika AG.



MAP 2025

Tim Kinser

Vice President - Operations



Where We've Been

What did we set out to do?

Strategy and Culture

PURPOSE

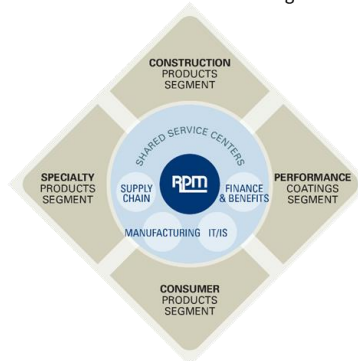
To position RPM for sustained, profitable growth creating superior value for its customers, entrepreneurs, associates and shareholders.



Maintain Entrepreneurial Growth Culture

VISION

To transform RPM into a more connected and efficient company focused on operational excellence and continuous improvement, while maintaining the strengths of its entrepreneurial culture.



Organize to Execute

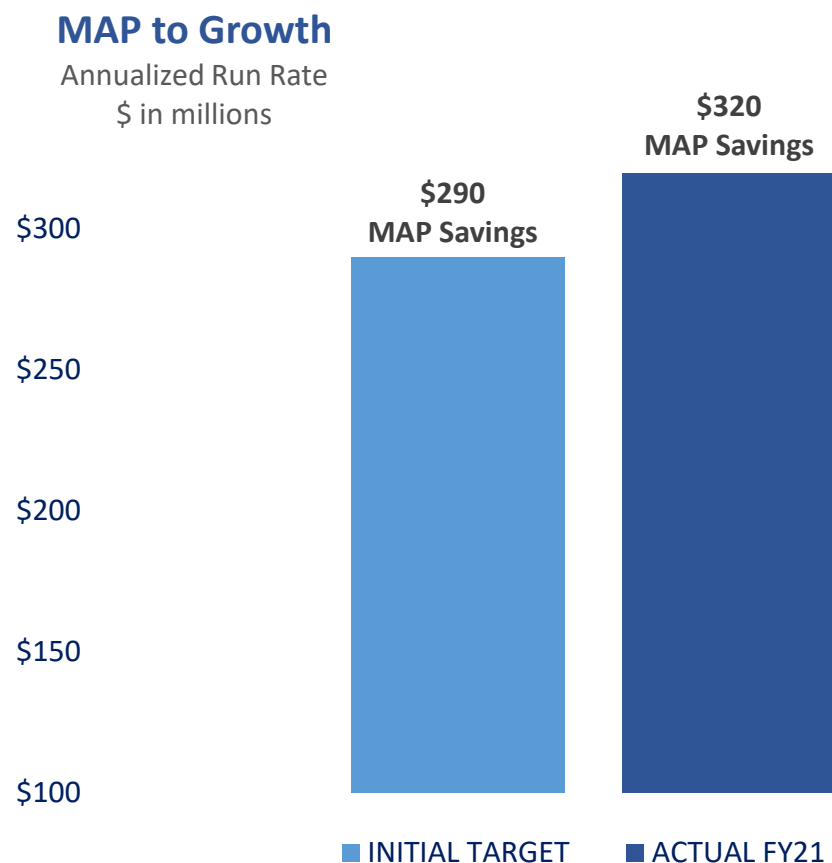


Increase Operational Efficiency

VISION

To transform RPM into a more connected and efficient company focused on operational excellence and continuous improvement, while maintaining the strengths of its entrepreneurial culture.

MAP to Growth – Significant Operational Efficiency Improvement



- Exceeded targets on efficiency improvements within our control
- Operational improvements driven by:
 - Center-led manufacturing
 - Center-led procurement
 - Center-led administration

MAP initiatives helped RPM navigate compounding industry challenges

- Mar 2020 – COVID lockdowns
- Feb 2021 – Winter Storm Uri
- Mar 2021 – Supply chain disruptions begin
- Apr 2021 – Explosion at alkyd resin supplier
- 2021-2022 – Inflation surge and supply chain disruptions intensify
- 2022 – Uncertainty from Russia / Ukraine

MAP to Growth Financial Results



	MAP 2020 Goals	FY21	FY22
Revenue	\$6.25B	\$6.1B	\$6.7B
Gross margin	42.3% ¹	39.4%	36.3%
Adjusted EBIT ² <i>Adjusted EBIT margin ²</i>	\$1,000M 16.0%	\$785M 12.8%	\$708M 10.6%

Industry headwinds led to significant financial impact partially offset by controllable efficiency improvements

1 – Adjusted for reclass of freight after initial release of MAP 2020 goals

2 – Non-GAAP measure. Please see appendix for reconciliation to nearest GAAP measure.

M·A·P

Completed 75% of ERP
migrations to 4 platforms

Implemented RPM-wide systems
to enhance data analytics

Optimized manufacturing
/ distribution locations

Consolidated accounting
locations and improved controls

Repurchased \$633M of stock
since 2018^{1 2}

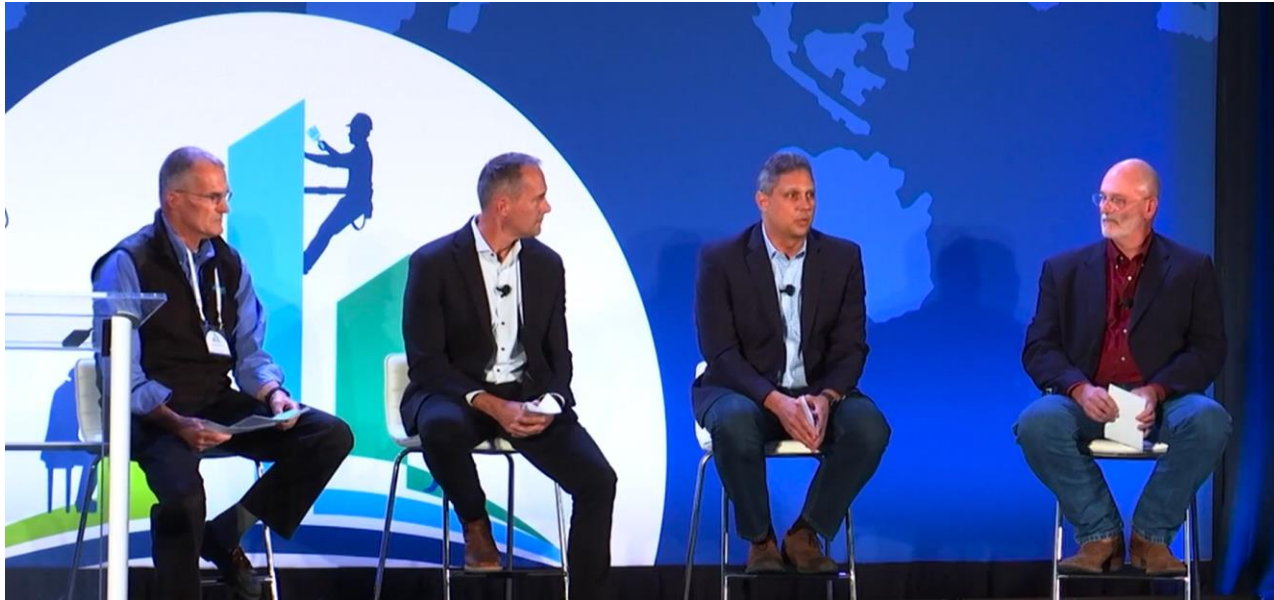
Improved goal-setting
methodology

Tripled insourcing

1 – Through FY22
2 - Includes \$205M cash settlement
of convertible debt

What did we accomplish?

Enhanced collaboration & coordination



Adopted a culture for continued success

- Connections Creating Value – increased intercompany interactions
- Launched Global Shared Service Centers
- Implemented RPM-wide systems to improve visibility, productivity and analytics capability
- Incentives to collaborate for overall company performance

What did we accomplish?

Corsicana – Generating Benefits from Collaboration



- Purchased in September 2021
- First alkyds produced in October 2021 to help offset loss of large industry supplier
- Supplier to all RPM segments
- Strengthens and adds flexibility to supply chain



MAP 2020 was a milestone – not the finish line

We've put in place resources, systems and a culture to achieve continued financial and organizational success



Where We're Going

Margin Acceleration Plan

M · A · P
TO
GROWTH



Margin Achievement Plan

GOALS ¹

By May 31, 2025, RPM is
targeting improvements to:

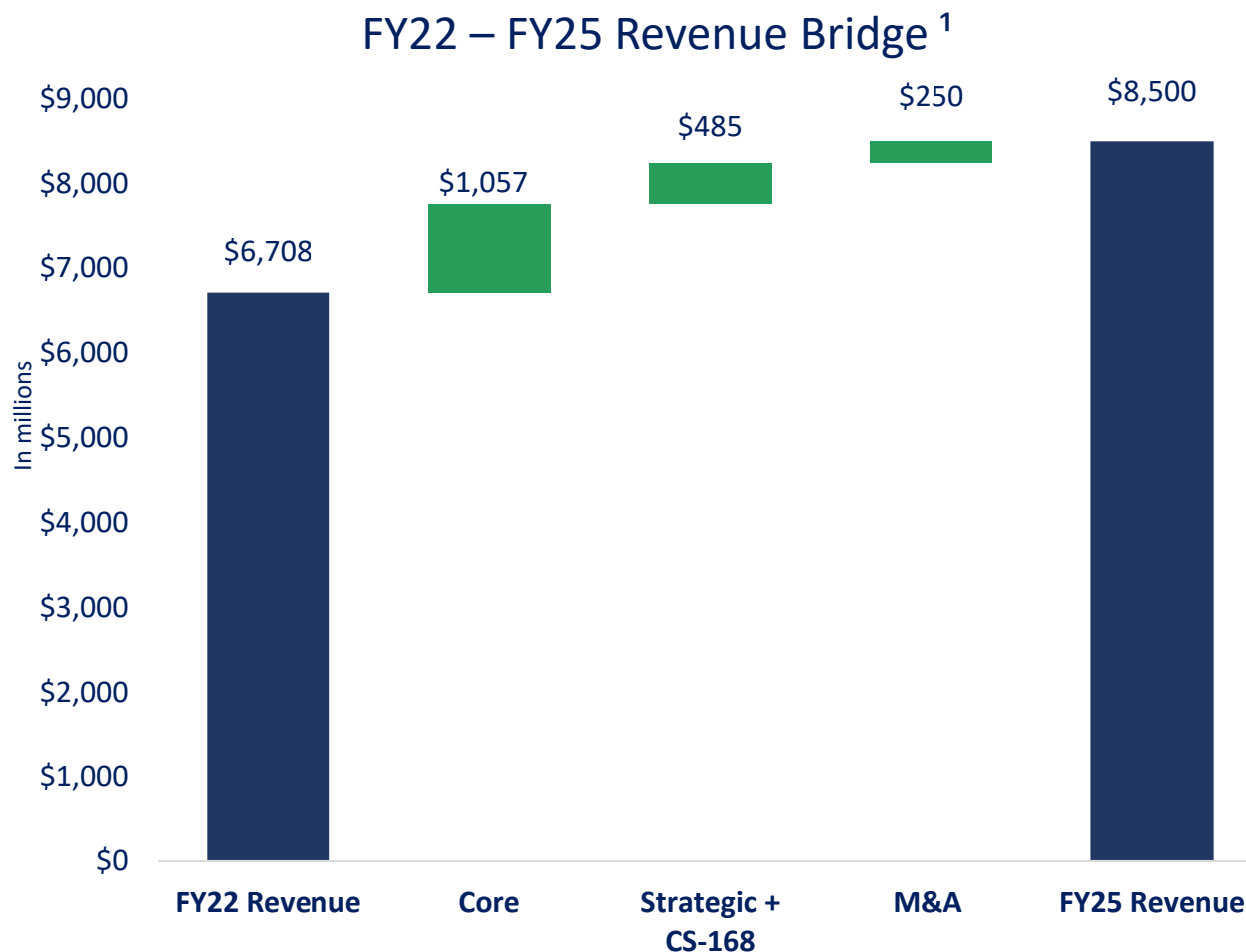
\$8.5B Revenue

42% Gross Margin

16% Adjusted EBIT Margin

1 – Projected goals are on an annualized run-rate basis to be fully realized in FY26

MAP 2025 Revenue Bridge



- Forecast developed through bottom-up analysis
- Core CAGR of 5%
- Some examples of strategic investments include:
 - Carboline end-market diversification
 - CPG enhanced building efficiency
 - R&D Coating Center of Excellence
- Assumes modest GDP growth

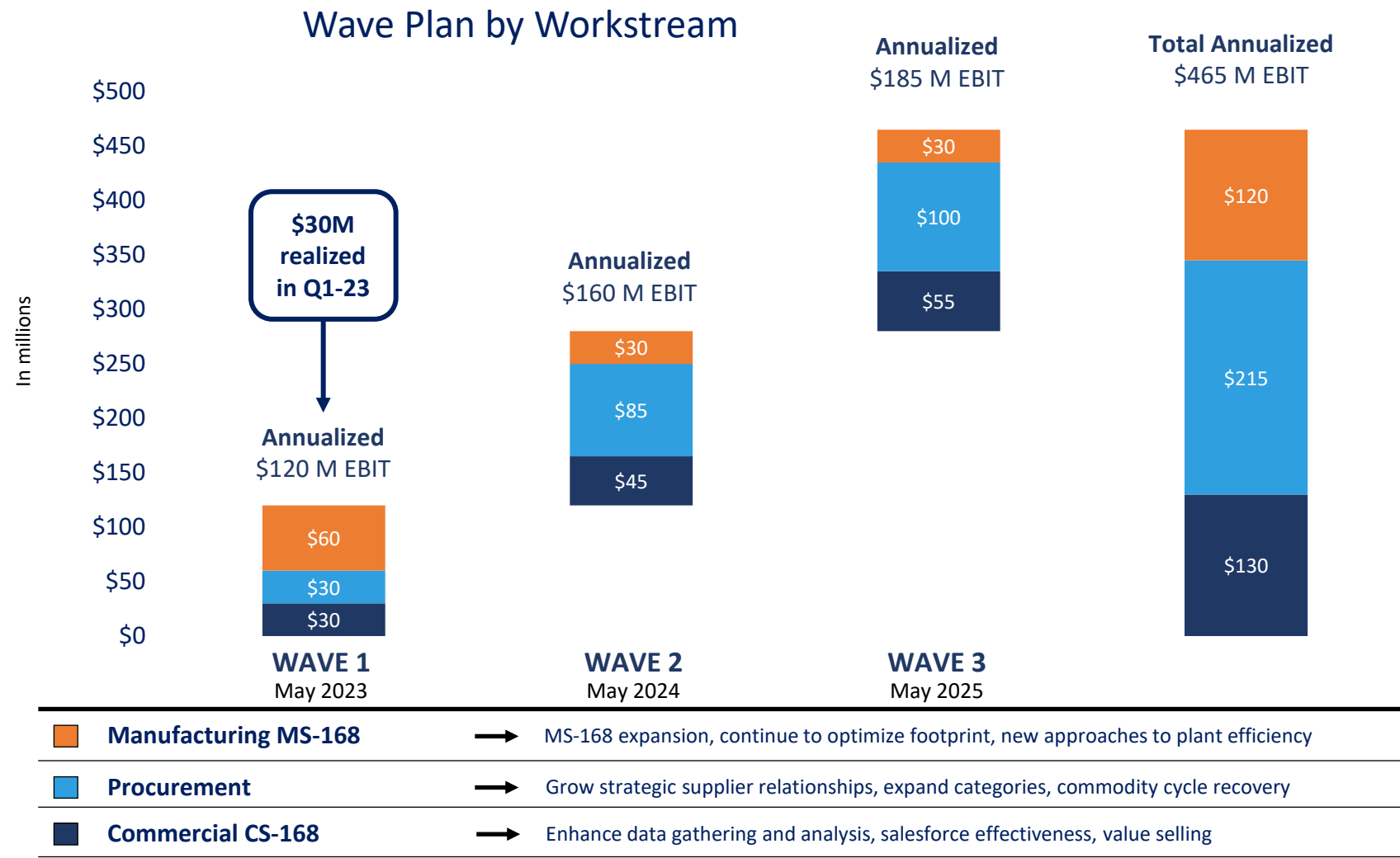
1 – On an annualized run-rate basis to be fully realized in FY26

MAP 2025 Targeted Savings



	MAP 2020 successes	MAP 2025 focus	Forecasted savings
Manufacturing (MS-168)	<ul style="list-style-type: none"> Implemented MS-168 at over 40 larger facilities Created center-led manufacturing Purchased Corsicana, TX facility 	<ul style="list-style-type: none"> Expand MS-168 to additional facilities Continue to optimize footprint Execute new approaches to plant efficiency 	\$120 M
Procurement	<ul style="list-style-type: none"> Created center-led procurement Consolidated spend and developed strategic supplier relationships Value engineering focused on cost reduction activities 	<ul style="list-style-type: none"> Grow strategic supplier relationships Expand categories of centralized procurement Commodity cycle recovery 	\$215 M
Commercial (CS-168)	<ul style="list-style-type: none"> Established commercial system process Implemented tools needed for data capture Expanded data analysis capabilities 	<ul style="list-style-type: none"> Sales force effectiveness Value added selling Improve margin management through mix and innovation 	\$130 M
Total Targeted Annualized Savings by May 31, 2025			\$465 M

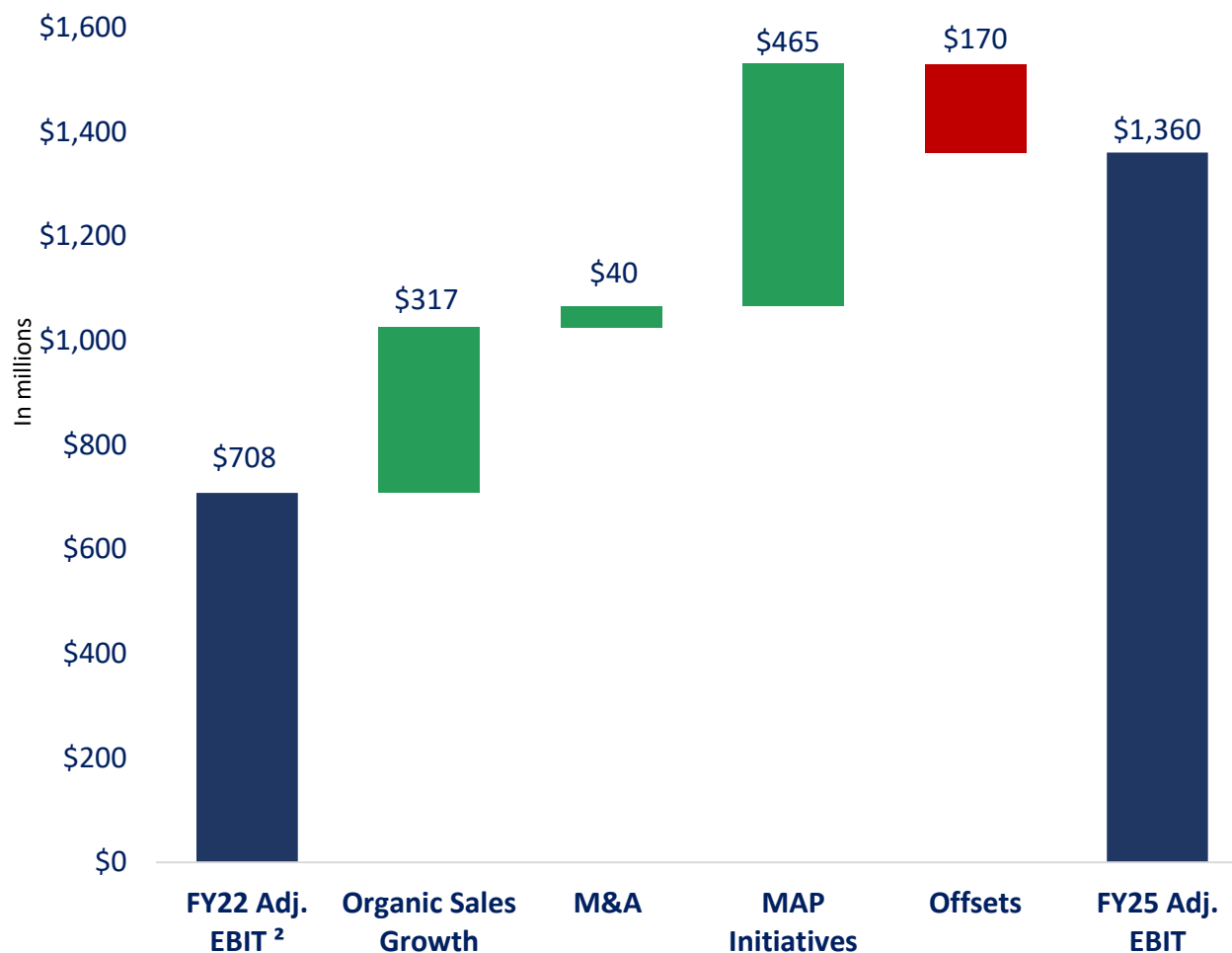
Where We're Going: MAP 2025 | \$465M in Savings by Workstream



Where We're Going: MAP 2025 | EBIT Bridge



FY22 – FY25 EBIT Bridge¹



- Organic sales growth includes both core and strategic growth EBIT contributions
- MAP 2025 savings workstreams (CS-168, MS-168 and procurement) driving >50% of EBIT improvement
- Offsets represents inflation on current SG&A base

1 –On an annualized run-rate basis to be fully realized in FY26
2 – Non-GAAP measure. Please see appendix for reconciliation to nearest GAAP measure.

MAP 2025 Financial Goals



<i>Dollars in millions</i>	FY22 Actuals	Improvement	Target FY25	CAGR ¹
Total Revenue	\$6,708	+\$1,792	\$8,500	6.1%
Gross Profit % margin	\$2,433 36.3%	+\$1,137 +570 bps	\$3,570 42.0%	10.0%
SG&A % of sales	\$1,788 26.7%	-\$422 +70 bps	\$2,210 ² 26.0%	5.4%
Adjusted EBIT % margin	\$708 ³ 10.6% ³	+\$652 +540 bps	\$1,360 16.0%	17.7%

1 – CAGR calculated through FY26 as projected target is expected to be fully realized in FY26

2 – Excludes charges related to MAP that are non-recurring in nature

3 – Non-GAAP measure. Please visit appendix for reconciliation to nearest GAAP measure.

Factors Impacting Speed to Achieve MAP 2025 Goals





Capital Update

Rusty Gordon

Vice President & Chief Financial Officer

Current Capital Priorities

Maintain Investment
Grade Rating

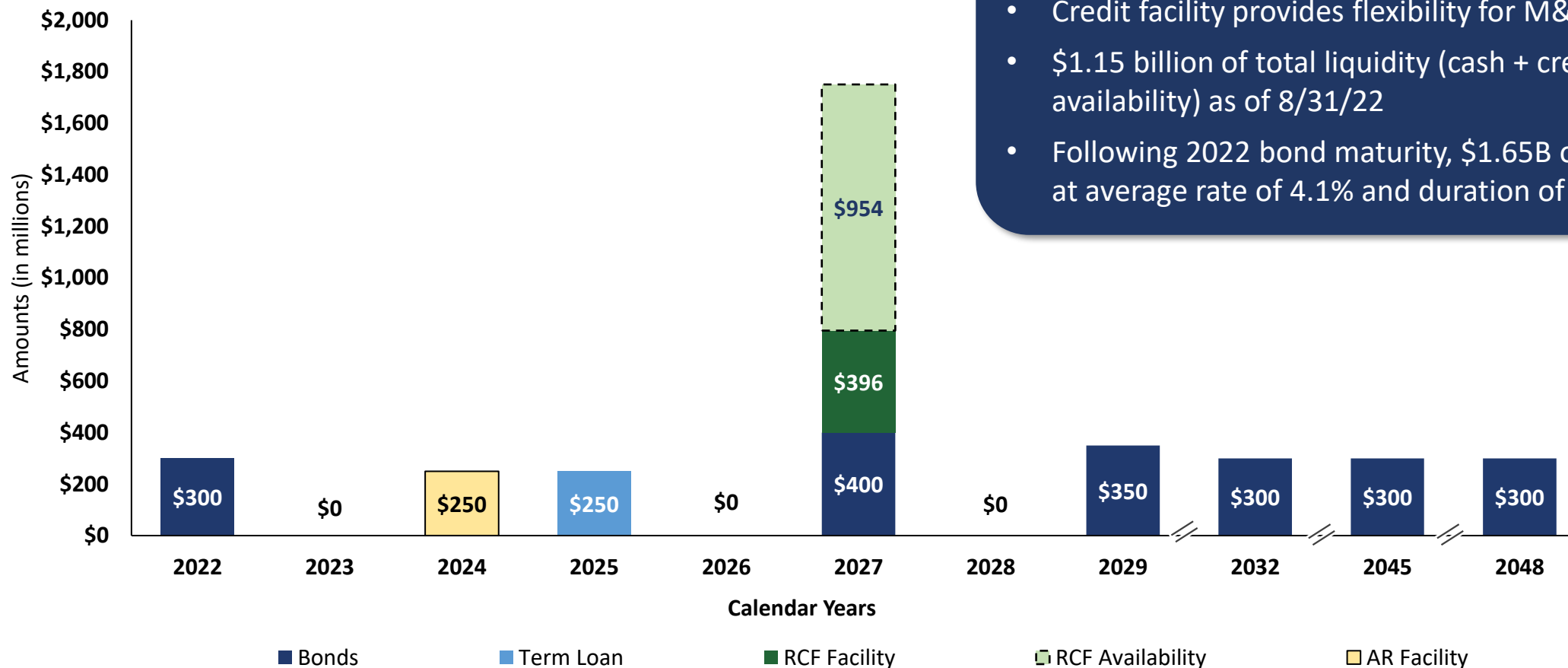
Favor Internal Growth
through Capex

49 Years of Consecutive
Dividend Increases

M&A with Reasonable
Valuation

Continue Share
Repurchases Above
Pre-MAP levels

Debt Structure Provides Flexibility to Invest for Growth



- Modest repayment requirements through 2026
- Credit facility provides flexibility for M&A
- \$1.15 billion of total liquidity (cash + credit facility availability) as of 8/31/22
- Following 2022 bond maturity, \$1.65B of debt is fixed at average rate of 4.1% and duration of 12.7 years



Sustainability at RPM

Tracy Crandall

Vice President – Compliance & Sustainability,
Associate General Counsel

Sustainability = Building a Better World



Building a Better World is about engaging associates throughout RPM in our ongoing commitment to create a sustainable future using our values of transparency, trust and respect. These values fuel our continued focus on solutions that grow our business, drive innovative product development, prioritize the people important to our success, and honor the planet we call home.



Sustainability Report – Released in August of 2022



Dear Stakeholders,

Sustainability is fundamental to who we are at RPM. We provide a portfolio of products designed to protect, restore and extend the useful life of buildings, equipment and other items the world relies on every day.

As RPM celebrates 75 years in business, we reflect on our track record of delivering a positive impact in our communities and for our stakeholders. While we are proud of the work achieved to live The Value of 168 commitment by our operating companies and associates to be good corporate stewards in everything we do – we recognize our work is only getting started.

Building a Better World is RPM's ongoing commitment to building a sustainable future across three pillars: **Our Products**, **Our People** and **Our Processes**. This commitment is supported by a foundation of corporate governance and ethical practices that emphasizes our company's core values of transparency, trust and respect.

In recent years, RPM has doubled down on our commitment by implementing new data-driven systems and processes across our decentralized operating companies. Our initiatives prioritize the areas where we can make the biggest impact as stewards of the built and natural environment. For example, this includes reducing waste-to-landfill from our facilities, recruiting diverse candidates, and supporting our associates' growth and development.

On behalf of RPM and our associates, we thank you for sharing in our commitment to building a better world, together.

Yours very truly,

Frank C. Sullivan
Chairman and CEO
RPM International Inc.

August 22, 2022

Our Approach



2025 Sustainability Goals



Reduce our Scope 1 and 2 greenhouse gas (GHG) emissions from our facilities by 20% per ton of production and energy consumed in our facilities by 10% per ton of production.



Reduce our waste to landfill by 10% and increase recycling by 20% per ton of production from our facilities.



Identify and implement additional opportunities for water reuse and conservation and collaborate with suppliers to do the same.

Our Products



Kop-Coat and AGPRO produce adjuvants that increase crop yields and can help reduce the use of pesticides by up to 50%.



AlphaGuard, a liquid applied roofing system, keeps tons of material out of stressed landfills each year because it is applied over the existing roof. The AlphaGuard line includes bio-based products and all are used to promote more energy efficiency in the buildings they are applied to.



Nudura Insulated Concrete Forms (ICFs) provide superior energy efficiency by lowering utility costs, including in a number of net zero projects. Nudura ICFs also provide strength, safety and durability against extreme weather conditions.

Our People



Tremco RISE (Roofing Individuals Succeed through Education)

This program helps educate a new generation of roofing professionals in technical and business skills, including offering apprenticeships and scholarships and working with Departments of Corrections.

Diversity and Inclusion

We embrace the ways our associates are different, including their background, age, gender, ability, sexuality or any other characteristics that make our associates unique.

Training and Development

Using associate feedback to develop new and improved initiatives focused on associate training and development.

Our Processes



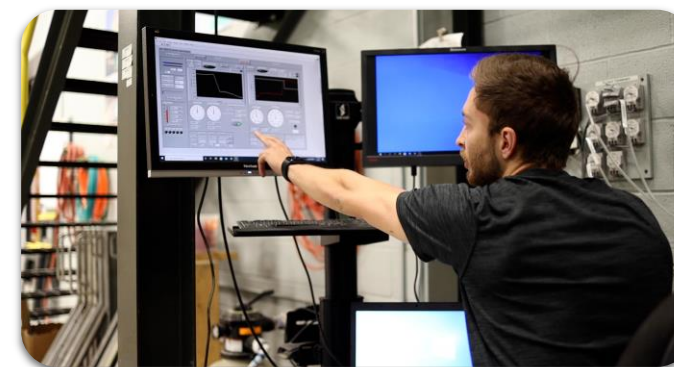
Environmental, Health and Safety

Maintaining safe and sustainable operations for our associates, communities and the planet



Water Stress Analysis

We completed a water stress analysis for all manufacturing locations in 2021, which supports Cap Ex and other planning processes



MS-168

Closed older/redundant inefficient locations

Focused on operational efficiency

Significantly reduced greenhouse gas emissions and energy, waste and water use

Significant Sustainability Gains Achieved to Date



Environmental Sustainability Impact of Map to Growth MS-168 – 2015-2021¹

	2015 ²	2021 ³	Approx. % Change
Tons (US) of Production	1,100,000	1,400,000	30%
kWh per Ton of Production	790	533	-35%
Greenhouse Gas Emissions per Ton of Production (lbs.)	460	269	-40%
Waste (lbs. not including Recycled) per Ton of Production	99	60	-40%
Water (gallons) per Ton of Production	190	79	-60%
Hazardous Waste (lbs.) per Ton of Production	20	18	-10%
Non-Hazardous Waste (lbs.) per Ton of Production	23	15	-35%
Waste to Landfill (lbs.) per Ton of Production	55	26	-55%
Recycled (lbs.) per Ton of Production	20	72	260%

[1] Assumptions and estimation methodology used for 2015 differs from the calculation and estimation methodology used for 2021 given the limited data available for 2015.

[2] 2015 energy and emissions information include only facilities; waste and water information includes only manufacturing and production facilities; to address information availability, 2015 calculations include a significant amount of assumptions and estimations, which may vary materially from actual.

[3] 2021 energy and emissions data include only facilities worldwide; waste and water data includes only manufacturing and production locations worldwide; calculations include assumptions and estimates, which may vary from actual.

Our Governance Board of Directors



- Governance and Nominating Committee - oversight responsibility
- Our three most recently appointed board members are:
 - **Ellen M. Pawlikowski**, General (Retired) of the United States Air Force
 - **Elizabeth F. Whited**, Executive Vice President – Sustainability & Strategy, Union Pacific Corporation.
 - **Julie A. Lagacy**, Chief Sustainability and Strategy Officer, Caterpillar Inc.
- All Directors independent, except Chairman and CEO



Objectives for Driving Continued Progress



- Develop People and Products Goals
- Develop renewable energy strategy
- Update materiality assessment
- Improved data analytics in risk assessment process
- Further assess and model climate change risks to report using TCFD framework
- Meet 2025 goals
- Track and report sustainably advantaged product development initiatives
- Continue to implement best practices in governance and compliance initiatives
- Implement corporate-wide training and development programs





Construction Products Group

Paul Hoogenboom

CPG Group President

Strategic Realignment to Drive Growth & Efficiency

AIR • MOISTURE • THERMAL

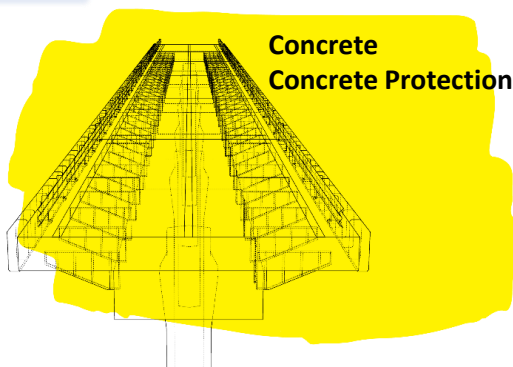
6 sides of the Building

- + Floor (seamless)
- + Fire protection
- + Concrete



INFRASTRUCTURE

Concrete Concrete Protection



CONSTRUCTION PRODUCTS GROUP



CONSUMER GROUP



RPM
FY22 SALES:
\$6.7 BILLION

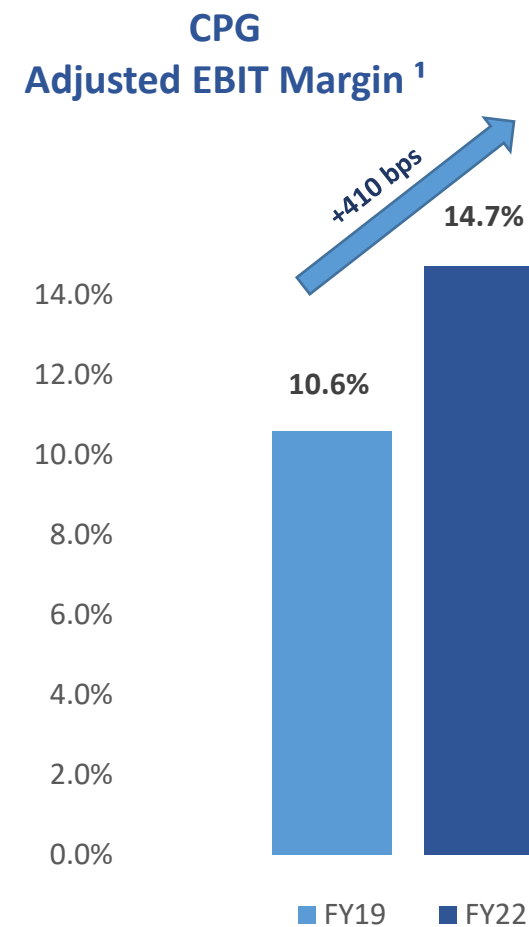
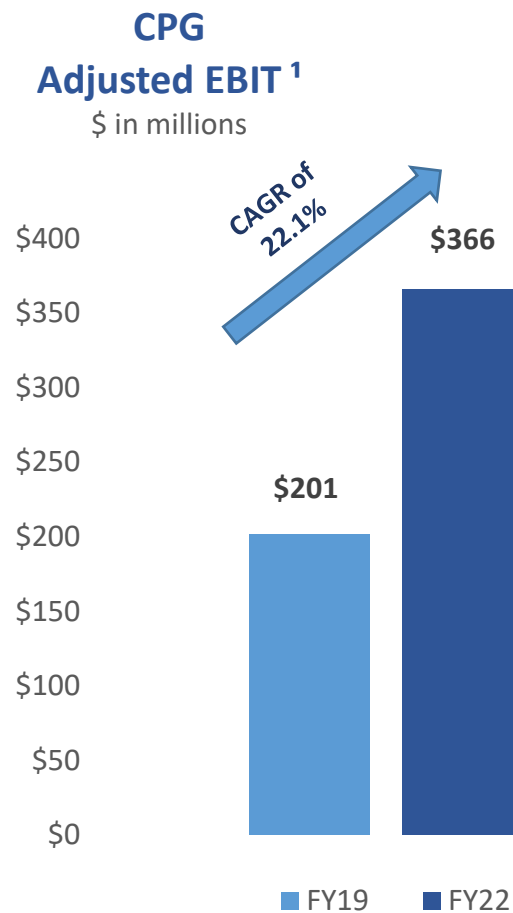
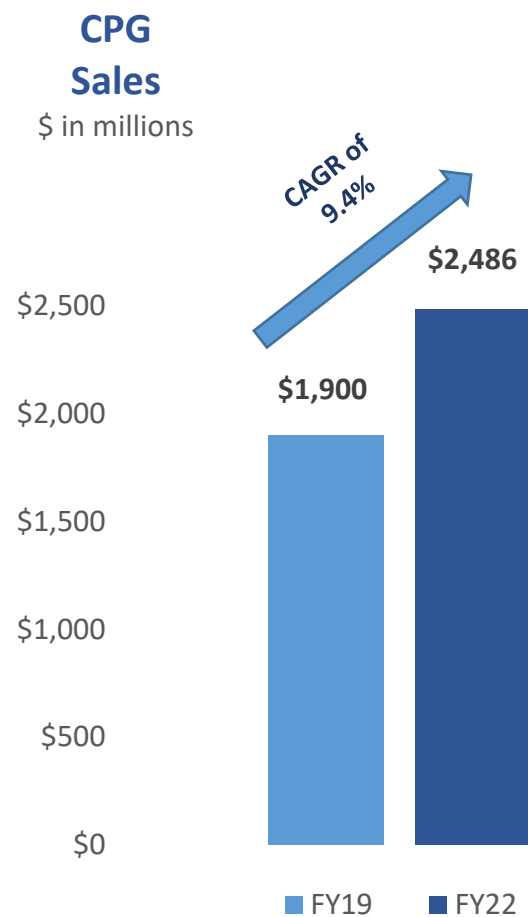
PERFORMANCE COATINGS GROUP



SPECIALTY PRODUCTS GROUP



Strong Financial Performance Since MAP to Growth Introduction



1- Non-GAAP measure. Please visit appendix for reconciliation to nearest GAAP measure.

Trusted Brands

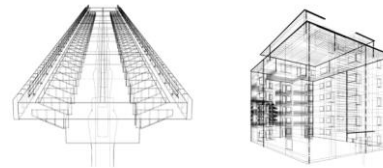
GLOBAL BRANDS



REGIONAL BRANDS



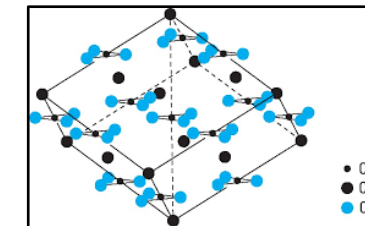
POWER of ONE



Nullifire



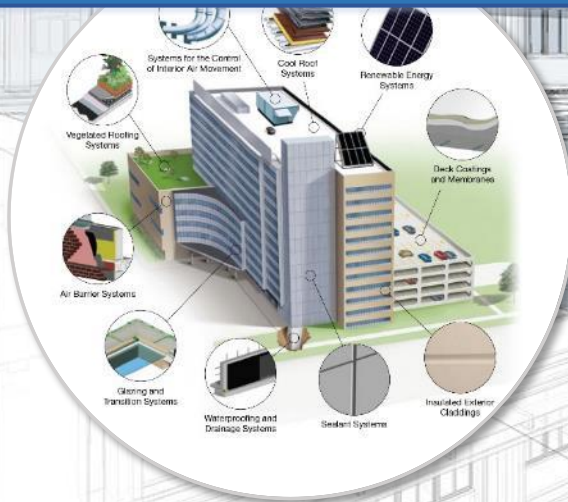
EUCLID CHEMICAL



6 sides of the Building

- + Floor (seamless)
- + Fire protection
- + Concrete

BUILDING ENVELOPE Air | Moisture | Thermal



- Bridge
- Rail
- Transit
- Highway
- Tunnel
- Water
- Power

INFRASTRUCTURE Concrete | Concrete Protection



MAP 2025



The
Wolfpack

1947



Decision
Making
as Close to
the Customer
as Possible

+

... platforms ...

*“Good **platforms** make it easy to do hard things.” - IPP*

**CREATE + DRIVE
THE MARKET**

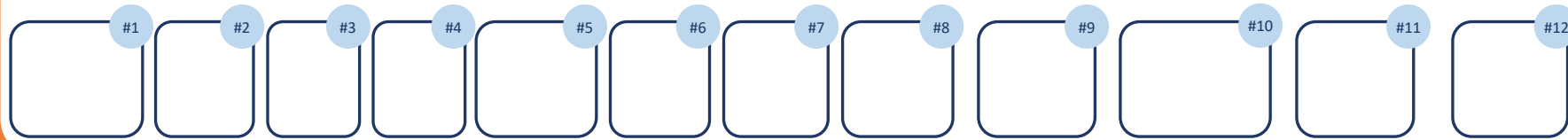
... solve unique problems ...

*“CPG wins when we **solve unique problems**.” - PGH*

... new scientific truth ...

*“A **new scientific truth** does not triumph by convincing its opponents and making them see the light, but rather because its opponents eventually die, and a new generation grows up that is familiar with it.” - Max Planck*

STRATEGIC TECHNOLOGY PLATFORMS (12)



R&D + Manufacturing + Supply Chain + M&A

Consultative Sales + Technical Support + Training

Direct + Specialty Distribution + Self-Perform

Regional Business Platform

Customer

Restoration...the roof

Asset Management: eliminate run-to-failure

Cost of Neglect / Run-To-Failure

	2012	2015	2018	2022
SF Wet	5,000	25,000	50,000	170,000
Cost/SF	\$40	\$40	\$40	\$40
Replace \$	\$200K	\$1M	\$2M	\$6.8M



Fluid Applied Roofing
North America

\$796
million
market

14% of
\$5.64 billion
total low/no
slope market

Tremco is
creating +
driving market's
share gain

Services are
\$11+
billion
(2x materials)

MACRO TRENDS

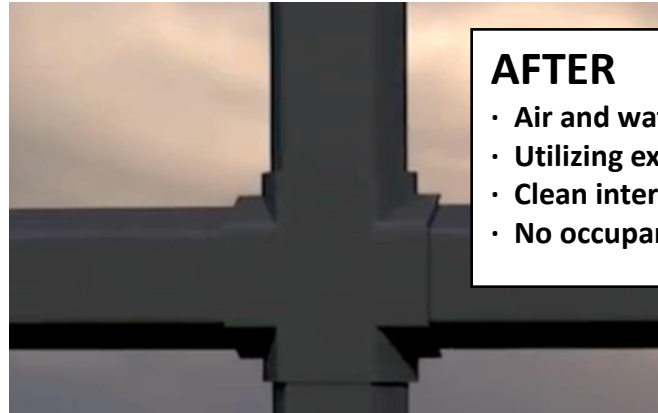
- Labor shortage
- Less "feet in the street"
- "Unmaintainable" buildings
- Zero landfill
- Energy efficiency
- Indoor air quality
- "Lead with Safety"
- IoT monitoring + diagnostics
- Chief Procurement Officer: CPE, "Method to buy"
- Climate change (volatility)
- Thermal stability/harmony

Restoration...4 more sides of the building



BEFORE

- Neoprene rubber
- Visual degradation
- Air and water leakage
- Residue on glass from degradation
- Staining



AFTER

- Air and watertight
- Utilizing existing glass
- Clean interior sight line
- No occupant displacement

Which solution was chosen for this project?



Factors To Consider	Sealant	Pre-Cured Silicone	Restoration Overlay	Gasket Replacement
Sealant Removal	Yes	No	No	Yes
Window Removal	No	No	No	No / Yes
Color Flexibility	Yes	Yes	Yes	Yes
Approved for Exposure	Yes	Yes	Yes	Yes
Solution Type	Standard Solution	Encapsulation Solution	Encapsulation Solution	System Reset Solution



MACRO TRENDS

- Labor shortage
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Restoration...Insulated Concrete Forms (ICF)



FAST FACTS

- First net-zero school in North America (2010)
- Cost comparable to “conventional” schools
- International recognition, extensive national press of ICF technology
- PV sqft 25% of “conventional” construction
- Tornado-resistant walls (to 250+ mph winds)
- Dozens of large windows
- Huge suspended radius wall
- Sound resistance



Richardsville Elementary School
Bowling Green, KY



MACRO TRENDS

- Labor shortage
- Less “feet in the street”
- “Unmaintainable” buildings
- Zero landfill
- Energy efficiency
- Indoor air quality
- “Lead with Safety”
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- Thermal stability/harmony

Stronger

More energy
efficient

More
comfortable

More
environmentally
friendly

POWER of ONE

One Building Envelope. One Warranty.
One Powerful System Delivering Unmatched Protection.



Parking Garage Restoration:



Facade Restoration:



Roofing + HVAC Restoration:



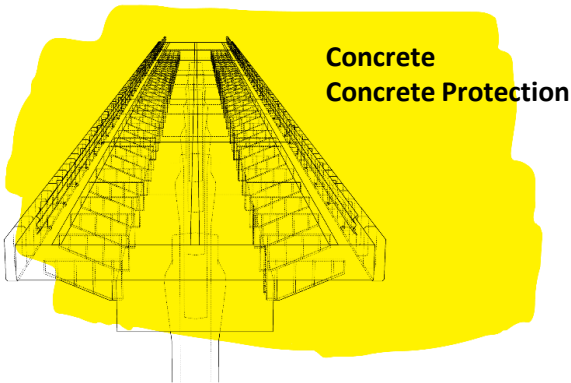
Strategic Realignment to Drive Growth & Efficiency

AIR • MOISTURE • THERMAL

- 6 sides of the Building
- + Floor (seamless)
 - + Fire protection
 - + Concrete



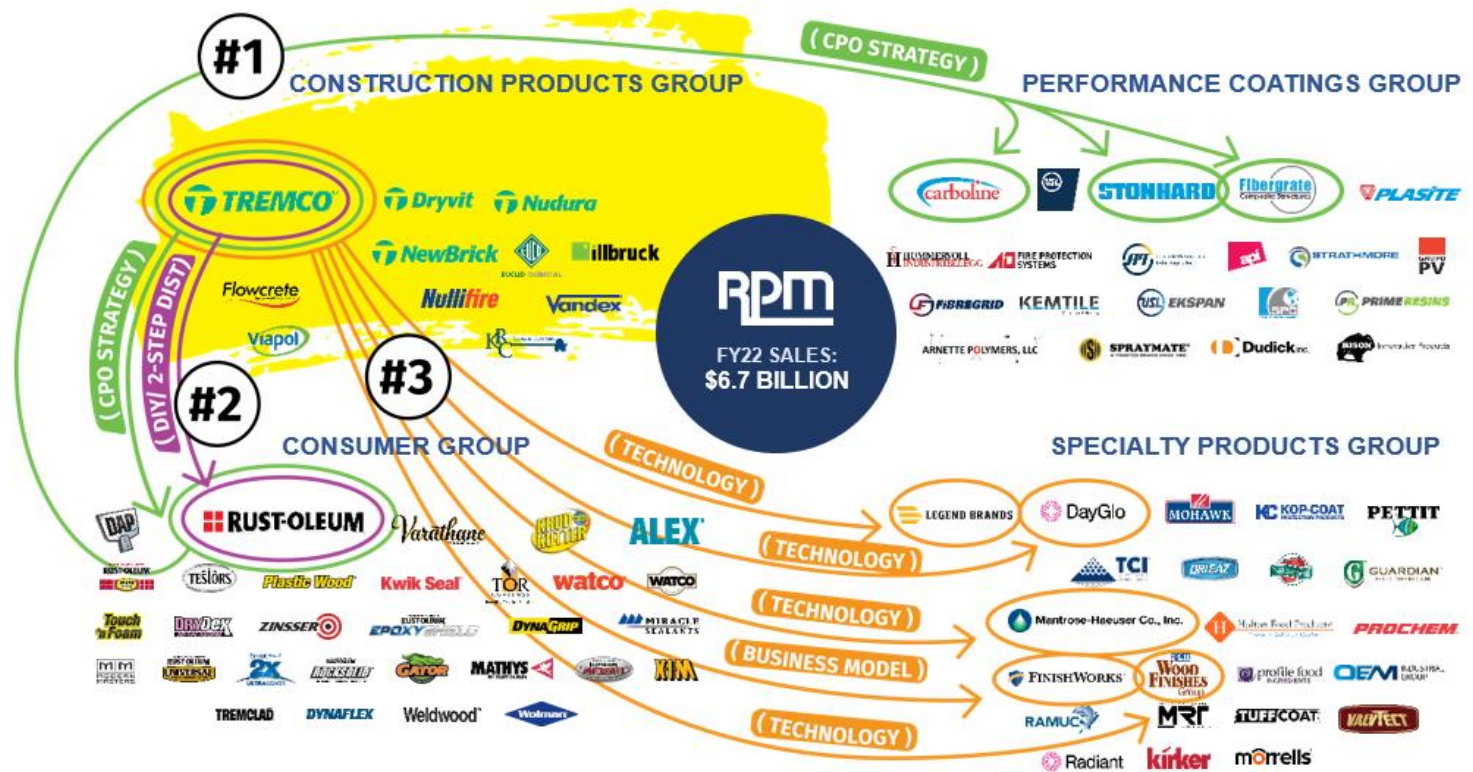
INFRASTRUCTURE



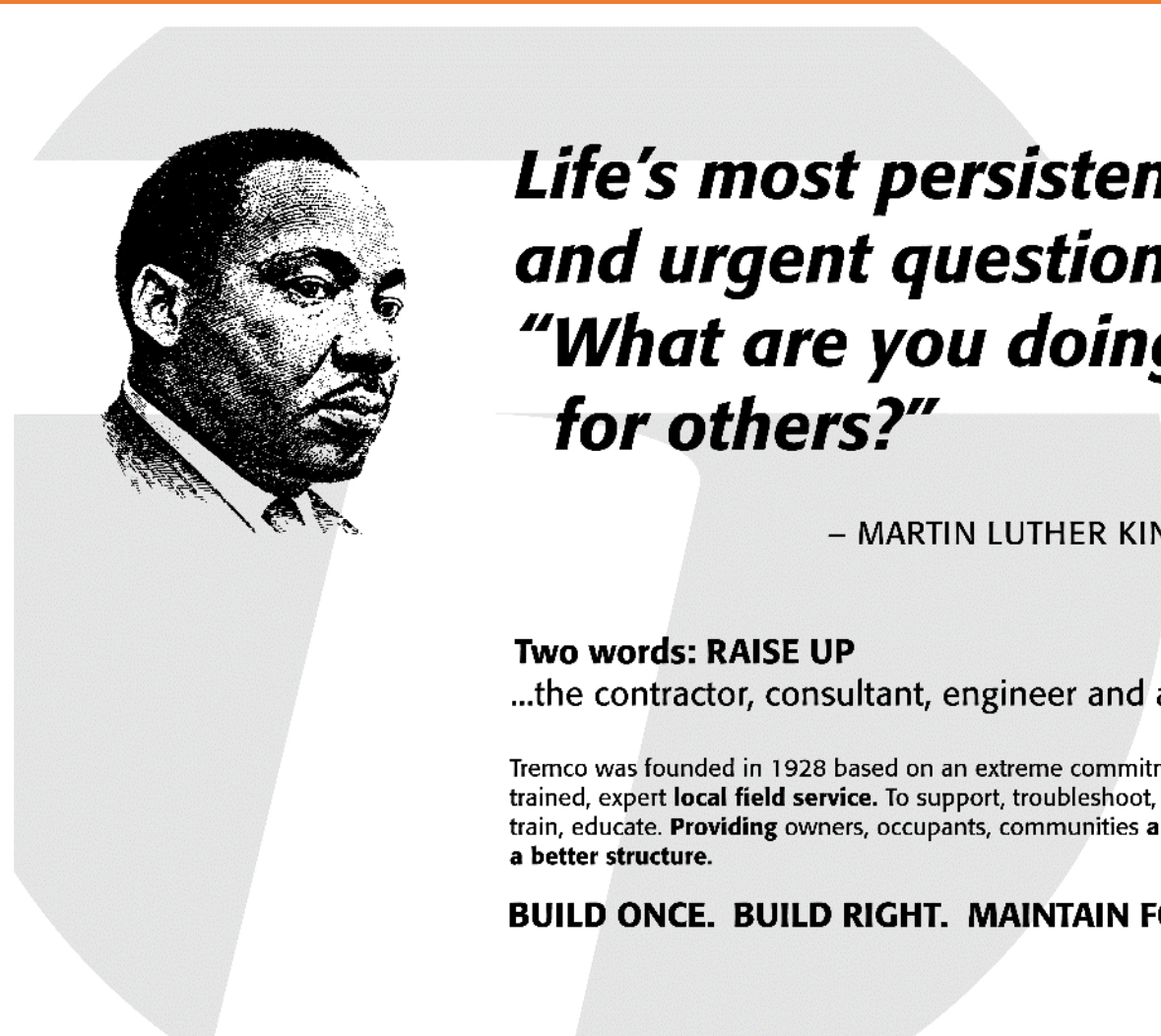
Concrete
Concrete Protection

“Good platforms make it easy to do hard things.”

- IPP



“Life’s Most Persistent and Urgent Question”



***Life’s most persistent
and urgent question is,
“What are you doing
for others?”***

– MARTIN LUTHER KING JR.

Two words: RAISE UP

...the contractor, consultant, engineer and architect

Tremco was founded in 1928 based on an extreme commitment to highly trained, expert **local field service**. To support, troubleshoot, be **on the jobsite**, train, educate. **Providing** owners, occupants, communities **a better building, a better structure**.

BUILD ONCE. BUILD RIGHT. MAINTAIN FOREVER.



Conclusion

Frank Sullivan

Chairman & Chief Executive Officer

- 1 Culture of collaboration, efficiency and entrepreneurial growth
- 2 MAP improvements led by manufacturing, procurement and commercial initiatives
- 3 Strong balance sheet with flexibility to invest in growth projects
- 4 Sustainability is an integral part of RPM's operations and culture
- 5 CPG's focus on solving unique customer problems is key growth driver
- 6 CPG positioned to benefit from macro trends



Thank you for your
interest in RPM



Appendix

Reconciliation of Non-GAAP to GAAP Measures

Non-GAAP Financial Measures

The following are the non-GAAP financial measures used in this presentation:

***Interest (Income) Expense, Net** includes the combination of interest (income) expense and investment (income) expense, net.

****EBIT** is defined as earnings (loss) before interest and taxes. Management uses EBIT, as defined, as a measure of operating performance, since interest (income) expense, net, essentially relates to corporate functions, as opposed to segment operations.

*****Adjusted EBIT** is defined as earnings (loss) before interest and taxes, adjusted for items that management does not consider to be indicative of ongoing operations. Management uses Adjusted EBIT, as defined, as a measure of operating performance, since interest expense, net, essentially relates to corporate functions, as opposed to segment operations. Tables reconciling this non-GAAP data with GAAP measures are available in the appendix of this presentation.

Adjustment Detail For RPM Consolidated for Fiscal Years 2021 and 2022

- a) Charges recorded in Cost of Goods Sold related to inventory write-offs in connection with restructuring activities, partially offset by subsequent recoveries and revisions of accrual estimates.
- b) Reflects restructuring charges, including headcount reductions, closures of facilities and related costs, and accelerated vesting of equity awards, all in relation to our Margin Acceleration Plan (“MAP to Growth”) and other cost-savings related initiatives.
- c) Accelerated costs, including depreciation and amortization expense related to the shortened useful lives of facilities, equipment, and ERP systems that are currently in use, but are in the process of being retired associated with various MAP to Growth initiatives including facility closures, exiting a business, and ERP consolidation.
- d) Reflects write-offs and subsequent collections of amounts previously written off to our allowance for doubtful accounts as a result of a change in market and leadership strategy.
- e) Includes implementation costs associated with our ERP consolidation plan and decision support tools.
- f) Comprises professional fees incurred in connection with our MAP to Growth and other strategic initiatives.
- g) Acquisition costs reflect amounts included in gross profit for inventory step-ups and reserve adjustments associated with completed acquisitions and third-party consulting fees incurred in evaluating potential acquisition targets.
- h) Reflects unusual compensation costs that resulted from executive departures related to our MAP to Growth, including stock and deferred compensation plan arrangements, offset by subsequent revisions of accrual estimates.
- i) Reflects unusual compensation costs, net of insurance proceeds that resulted from executive departures unrelated to our MAP to Growth.
- j) Reflects gains upon divestiture of a business.
- k) Reflects prepaid asset and inventory write-off related to the discontinuation of a product line targeting OEM markets and subsequent recoveries of previously recorded charges related to the discontinuation of a product line. This resulted from ongoing product line rationalization efforts in connection with our MAP to Growth.
- l) Reflects the favorable adjustment as a result of the resolution of a contingent liability related to a FY18 charge to exit our Flowcrete business in China.
- m) Reflects charges related to the Final Judgement entered by the court, resolving our legacy “SEC Investigation & Enforcement Action.”
- n) Reflects the net gain associated with the sale and leaseback of certain real property assets within our CPG and SPG segments during 2022.
- o) Foreign exchange loss on early payment of the \$100 million term loan in Q4 of fiscal 2022.
- p) Investment returns include realized net gains and losses on sales of investments and unrealized net gains and losses on equity securities, which are adjusted due to their inherent volatility. Management does not consider these gains and losses, which cannot be predicted with any level of certainty, to be reflective of the company's core business operations.
- q) FY22 includes income tax benefits associated with a reduction of the deferred income tax liability for unremitted foreign earnings and the reversal of valuation allowance against foreign tax credits. FY21 includes income tax charges for an increase to our deferred income tax liability for withholding taxes on additional unremitted foreign earnings not considered permanently reinvested and for income tax charges related to certain foreign legal entity restructurings.

EBIT** (Non-GAAP Measure): RPM Consolidated Fiscal Years 2021 and 2022

(\$ in thousands, except per share and percent data)
(Unaudited)

	Fiscal Year Ended May 31,	
	2022	2021
Net Income	\$ 492,466	\$ 503,500
Provision for Income Taxes	114,333	164,938
Income Before Income Taxes	606,799	668,438
Interest Expense	87,928	85,400
Investment Expense (Income), Net	7,595	(44,450)
EBIT** (non-GAAP measure)	702,322	709,388
Inventory-related charges (a)	43	1,967
Restructuring expense (b)	5,863	23,954
Accelerated expense - other (c)	1,209	5,966
Receivable (recoveries) write-offs (d)	(227)	1,553
ERP consolidation plan (e)	3,873	4,711
Professional fees (f)	34,244	33,888
Acquisition-related costs (g)	2,776	1,724
Unusual (credits) costs triggered by executive departures (h)	(8)	2,832
Unusual executive costs, net of insurance proceeds (i)	5,590	(1,006)
Divestitures (j)	-	(1,715)
Discontinued product line (k)	558	(384)
Adjustment to exit Flowcrete China (l)	-	(305)
SEC Settlement (m)	-	2,000
(Gain) on Sales of Assets, Net (n)	(49,163)	-
Foreign exchange loss on settlement of debt (o)	1,357	-
Adjusted EBIT*** (non-GAAP measure)	\$ 708,437	\$ 784,573
Net Sales	\$ 6,707,728	\$ 6,106,288
Adj EBIT*** as a % of Net Sales (non-GAAP measure)	10.6%	12.8%

NOTE – Refer to “Non-GAAP Financial Measures” slide for definitions of non-GAAP measures identified (*) in the table above and “Adjustments Detail” slide for further information on adjustments outlined above.

EBIT** (Non-GAAP Measure): Constructions Products Segment: Fiscal Year 2022

(\$ in thousands, except per share and percent data)
(Unaudited)

	Fiscal Year Ended May 31,	
	2022	2021
Income Before Income Taxes	\$ 396,509	\$ 291,773
Add: Interest Expense, Net*	6,673	8,030
EBIT** (non-GAAP measure)	403,182	299,803
Inventory-related (recoveries) charges (a)	(59)	63
Restructuring expense (b)	978	7,717
Accelerated expense - other (c)	657	2,876
ERP consolidation plan (e)	667	1,243
Professional fees (f)	1,724	433
Unusual executive costs, net of insurance proceeds (i)	805	-
Divestitures (j)	-	(2,174)
Adjustment to exit Flowcrete China (l)	-	(305)
(Gain) on Sales of Assets, Net (n)	(41,906)	-
Adjusted EBIT*** (non-GAAP measure)	\$ 366,048	\$ 309,656
Net Sales	\$ 2,486,486	\$ 2,076,565
Adj EBIT*** as a % of Net Sales (non-GAAP measure)	14.7%	14.9%

NOTE – Refer to “Non-GAAP Financial Measures” slide for definitions of non-GAAP measures identified (*) in the table above and “Adjustments Detail” slide for further information on adjustments outlined above.

Adjustment Detail For RPM Consolidated for Fiscal Year 2019

- a. Inventory-related charges reflect the following in fiscal 2020: charges recorded in cost of goods sold that reflect product line and SKU rationalization at our Consumer segment, as well as inventory write-offs in connection with restructuring activities at our Construction Products, Performance Coatings, and Specialty Products segments. Following are the inventory-related charges in fiscal 2019: charges reflecting a true-up of fiscal 2018 inventory write-offs, SKU rationalization, and more proactive management of inventory at our Consumer Segment and inventory write-offs and disposals at our Construction Products and Performance Coatings segments.
- b. Reflects restructuring charges, including headcount reductions, closures of facilities and related costs (including asset impairment), and accelerated vesting of equity awards in connection with key executives, all in relation to our 2020 Margin Acceleration Plan ("2020 MAP to Growth").
- c. Includes accelerated depreciation and amortization expense related to the shortened useful lives of facilities and equipment, ERP systems, and intangible that are currently in use, but are in the process of being retired associated with various 2020 MAP to Growth initiatives including facility closures, exiting a business, and ERP consolidation.
- d. Reflects the increase in our allowance for doubtful accounts deemed uncollectible as a result of a change in market and leadership strategy, offset by subsequent collections.
- e. Includes implementation costs associated with our ERP consolidation plan.
- f. Comprises professional fees incurred in connection with our restructuring plan as well as the negotiation of a cooperation agreement and related fees incurred in connection with hosting an investor conference, all of which have been incurred in relation to our 2020 MAP to Growth.
- g. Acquisition costs reflect amounts included in gross profit for inventory step-ups as well as an inventory write-off recorded during the second quarter of fiscal 2019.
- h. Reflects the loss on redemption of our convertible notes incurred during the second quarter of fiscal 2019.
- i. Includes adjustments to the fair value of contingent earnout obligations recorded during the second quarter of fiscal 2019.
- j. Reflects other expense associated with a change in ownership of a business in South Africa, as required by local legislation in order to qualify for doing business in South Africa.
- k. Reflects unusual compensation costs that resulted from executive departures related to our 2020 MAP to Growth, including stock and deferred compensation plan arrangements.
- l. Reflects unusual compensation costs, net of insurance proceeds, that resulted from executive departures unrelated to our 2020 MAP to Growth.
- m. Reflects the gain or loss incurred upon divestiture of businesses and/or assets.
- n. Reflects charges related to the discontinuation of a product line targeting OEM markets and related prepaid asset and inventory write-off. This resulted from ongoing product line rationalization efforts in connection with our 2020 MAP to Growth.
- o. Reflects costs associated with exiting licensing agreements.
- p. Reflects the favorable adjustment as a result of the resolution of a contingent liability related to a FY18 charge to exit our Flowcrete business in China.
- q. Investment returns include realized net gains and losses on sales of investments and unrealized net gains and losses on equity securities, which are adjusted due to their inherent volatility. Management does not consider these gains and losses, which cannot be predicted with any level of certainty, to be reflective of the company's core business operations.

EBIT** (Non-GAAP Measure): Constructions Products Segment: Fiscal Year 2019

(As Reported)
(\$ in thousands and percent data)
(Unaudited)

Income Before Income Taxes
Add: Interest Expense, Net*
EBIT** (non-GAAP measure)
Inventory-related charges (a)
Restructuring Expense (b)
Accelerated expense - other (c)
Receivable write-offs (d)
ERP consolidation plan (e)
Professional fees (f)
Acquisition-related costs (g)
Divestitures (m)
Adjustment to exit Flowcrete China (p)
Adjusted EBIT***
Net Sales
EBIT** as a % of Net Sales (non-GAAP measure)
Adj EBIT*** as a % of Net Sales (non-GAAP measure)

Fiscal Year Ended May 31,			
	2020		2019
\$	209,663	\$	178,823
	8,265		8,334
	217,928		187,157
	674		964
	9,918		11,599
	3,015		(1,651)
	-		95
	869		1,597
	286		442
	548		1,167
	(60)		-
	(1,039)		-
\$	232,139	\$	201,370
\$	1,880,105	\$	1,899,744
	11.6%		9.9%
	12.3%		10.6%

*Interest expense, net includes the combination of interest (income) expense and investment (income) expense, net.

**EBIT is defined as earnings (loss) before interest and taxes. Management uses EBIT, as defined, as a measure of operating performance, since interest expense, net, essentially relates to corporate functions, as opposed to segment operations.

***Adjusted EBIT is provided for the purpose of adjusting for one-off items impacting revenue and/or expenses that are not considered by management to be indicative of ongoing operations.

NOTE: Refer to slide 6 for all adjustment detail