UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the Quarterly Period Ended March 31, 2026

or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from ______ to ______
Commission file number 1-04851

THE SHERWIN-WILLIAMS COMPANY

(Exact name of registrant as specified in its charter)

Ohio	**34-0526850**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1 Sherwin Way	
Cleveland, Ohio	**44113-2206**
(Address of principal executive offices)	**(Zip Code)**

(216) 566-2000
Registrant's telephone number, including area code

Title of each class	Trading Symbol	Name of exchange on which registered
Common Stock, par value of $0.33-1/3 per share	**SHW**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒
Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, $0.33-1/3 Par Value – 246,635,621 shares as of March 31, 2026.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

THE SHERWIN-WILLIAMS COMPANY AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED INCOME (UNAUDITED)

(in millions, except per share data)	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Net sales	**$ 5,666.9**	$ 5,305.7
Cost of goods sold	**2,886.4**	2,746.6
Gross profit	**2,780.5**	2,559.1
Percent to Net sales	***49.1 %***	*48.2 %*
Selling, general and administrative expenses	**1,969.6**	1,793.8
Percent to Net sales	***34.8 %***	*33.8 %*
Other general expense - net	**6.3**	8.9
Interest expense	**131.6**	103.8
Interest income	**(2.8)**	(3.3)
Other (income) expense - net	**(4.0)**	2.9
Income before income taxes	**679.8**	653.0
Income taxes	**145.1**	149.1
Net income	**$ 534.7**	$ 503.9
Net income per common share:		
Basic	**$ 2.18**	$ 2.02
Diluted	**$ 2.15**	$ 2.00
Weighted average shares outstanding:		
Basic	**245.7**	249.4
Diluted	**248.1**	252.5

See notes to condensed consolidated financial statements.

THE SHERWIN-WILLIAMS COMPANY AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED COMPREHENSIVE INCOME (UNAUDITED)

(in millions)	Three Months Ended March 31,	
	2026	2025
Net income	**$ 534.7**	$ 503.9
Other comprehensive income, net of tax:		
Foreign currency translation adjustments [1]	**49.6**	106.6
Pension and other postretirement benefit adjustments:		
Amounts reclassified from AOCI [2]	**(0.9)**	(3.4)
Unrealized net gains on cash flow hedges:		
Amounts reclassified from AOCI [3]	**(1.1)**	(0.9)
Other comprehensive income, net of tax	**47.6**	102.3
Comprehensive income	**$ 582.3**	$ 606.2

(1) The three months ended March 31, 2026 and 2025 include unrealized gains (losses), net of taxes of $26.3 million and $(36.3) million, respectively, related to net investment hedges. See Note 12 for further information.

(2) Net of taxes of $0.2 million and $1.1 million for the three months ended March 31, 2026 and 2025, respectively.

(3) Net of taxes of $0.3 million for the three months ended March 31, 2026 and 2025.

See notes to condensed consolidated financial statements.

THE SHERWIN-WILLIAMS COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(in millions)	**March 31, 2026**	December 31, 2025	March 31, 2025
Assets			
Current assets:			
Cash and cash equivalents	**$ 216.9**	$ 207.2	$ 199.8
Accounts receivable, net	**3,192.1**	2,791.2	2,813.1
Inventories	**2,473.2**	2,318.2	2,515.2
Other current assets	**617.5**	690.8	511.6
Total current assets	**6,499.7**	6,007.4	6,039.7
Property, plant and equipment, net	**4,205.9**	4,137.4	3,663.4
Goodwill	**8,003.4**	8,036.6	7,708.4
Intangible assets	**3,885.6**	3,966.1	3,493.4
Operating lease right-of-use assets	**2,007.4**	1,995.2	1,972.9
Other assets	**1,776.7**	1,759.0	1,758.3
Total Assets	**$ 26,378.7**	$ 25,901.7	$ 24,636.1
Liabilities and Shareholders' Equity			
Current liabilities:			
Short-term borrowings	**$ 2,376.6**	$ 1,200.5	$ 1,798.5
Accounts payable	**2,603.4**	2,354.2	2,512.9
Compensation and taxes withheld	**592.0**	839.4	566.7
Accrued taxes	**271.7**	187.4	225.9
Current portion of long-term debt	**0.1**	350.1	1,150.8
Current portion of operating lease liabilities	**484.7**	479.8	470.1
Other accruals	**1,206.1**	1,508.9	1,151.8
Total current liabilities	**7,534.6**	6,920.3	7,876.7
Long-term debt	**9,323.1**	9,320.7	7,827.1
Postretirement benefits other than pensions	**131.6**	129.8	120.7
Deferred income taxes	**765.4**	765.3	586.0
Long-term operating lease liabilities	**1,602.2**	1,591.5	1,573.4
Other long-term liabilities	**2,590.7**	2,575.8	2,522.1
Shareholders' equity:			
Common stock - $0.33-1/3 par value: 246.6 million, 247.7 million and 250.6 million shares outstanding at March 31, 2026, December 31, 2025 and March 31, 2025, respectively	**83.2**	83.1	92.6
Other capital	**4,275.5**	4,204.5	4,622.4
Retained earnings	**1,367.0**	1,029.4	7,549.8
Treasury stock, at cost	**(707.8)**	(84.3)	(7,361.8)
Accumulated other comprehensive income (loss)	**(586.8)**	(634.4)	(772.9)
Total shareholders' equity	**4,431.1**	4,598.3	4,130.1
Total Liabilities and Shareholders' Equity	**$ 26,378.7**	$ 25,901.7	$ 24,636.1

See notes to condensed consolidated financial statements.

THE SHERWIN-WILLIAMS COMPANY AND SUBSIDIARIES
STATEMENTS OF CONDENSED CONSOLIDATED CASH FLOWS (UNAUDITED)

(in millions)	Three Months Ended	
	March 31, 2026	March 31, 2025
Operating Activities		
Net income	**$ 534.7**	$ 503.9
Adjustments to reconcile Net income to Net operating cash:		
Depreciation	**98.3**	79.9
Non-cash lease expense	**124.0**	123.5
Amortization of intangible assets	**88.5**	81.0
Provisions for environmental-related matters - net	**0.1**	3.1
Deferred income taxes	**(3.2)**	(18.7)
Stock-based compensation expense	**29.5**	26.6
Amortization of non-traded investments	**31.4**	28.7
Loss (gain) on sale or disposition of assets	**1.5**	(2.1)
Other	**5.5**	2.6
Change in working capital accounts - net	**(673.6)**	(780.4)
Change in operating lease liabilities	**(118.7)**	(124.1)
Costs incurred for environmental-related matters	**(7.3)**	(10.2)
Other	**28.4**	25.1
Net operating cash	**139.1**	(61.1)
Investing Activities		
Capital expenditures	**(138.3)**	(189.3)
Acquisition of business, net of cash acquired	**—**	(82.4)
Other	**(32.2)**	(44.5)
Net investing cash	**(170.5)**	(316.2)
Financing Activities		
Net increase in short-term borrowings	**1,180.9**	1,135.8
Payments of long-term debt	**(350.0)**	(250.0)
Payments of cash dividends	**(197.1)**	(200.4)
Proceeds from stock options exercised	**47.6**	26.2
Treasury stock purchased	**(575.6)**	(351.7)
Proceeds from real estate financing transactions	**—**	40.7
Other	**(58.2)**	(33.4)
Net financing cash	**47.6**	367.2
Effect of exchange rate changes on cash and cash equivalents	**(6.5)**	(0.5)
Net increase (decrease) in cash and cash equivalents	**9.7**	(10.6)
Cash and cash equivalents at beginning of year	**207.2**	210.4
Cash and cash equivalents at end of period	**$ 216.9**	$ 199.8
Supplemental information:		
Income taxes paid	**$ 44.2**	$ 89.9
Interest paid	**$ 159.7**	$ 119.8

See notes to condensed consolidated financial statements.

THE SHERWIN-WILLIAMS COMPANY AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY (UNAUDITED)

(in millions, except per share data)	Common Stock	Other Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2025	**$ 83.1**	**$ 4,204.5**	**$ 1,029.4**	**$ (84.3)**	**$ (634.4)**	**$ 4,598.3**
Net income			**534.7**			**534.7**
Other comprehensive income					**47.6**	**47.6**
Treasury stock purchased				**(575.6)**		**(575.6)**
Stock-based compensation activity	**0.1**	**71.5**		**(47.9)**		**23.7**
Other adjustments		**(0.5)**				**(0.5)**
Cash dividends -- $0.80 per share			**(197.1)**			**(197.1)**
Balance at March 31, 2026	**$ 83.2**	**$ 4,275.5**	**$ 1,367.0**	**$ (707.8)**	**$ (586.8)**	**$ 4,431.1**

(in millions, except per share data)	Common Stock	Other Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2024	$ 92.5	$ 4,576.2	$ 7,246.3	$ (6,988.6)	$ (875.2)	$ 4,051.2
Net income			503.9			503.9
Other comprehensive income					102.3	102.3
Treasury stock purchased				(351.7)		(351.7)
Stock-based compensation activity	0.1	53.1		(21.5)		31.7
Other adjustments		(6.9)				(6.9)
Cash dividends -- $0.79 per share			(200.4)			(200.4)
Balance at March 31, 2025	$ 92.6	$ 4,622.4	$ 7,549.8	$ (7,361.8)	$ (772.9)	$ 4,130.1

'ee notes to condensed consolidated financial statements.

(millions of dollars, unless otherwise noted)

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements included in this report have been prepared by management of The Sherwin-Williams Company (herein referred to as the Company) in accordance with U.S. generally accepted accounting principles (US GAAP) for interim financial information and the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by US GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The condensed consolidated financial statements include the accounts of the Company and all consolidated subsidiaries. Intercompany accounts and transactions have been eliminated. The Company's share of earnings or losses from nonconsolidated affiliates is included in the condensed consolidated financial statements using the equity method of accounting when the Company is able to exercise significant influence over the operating and financial decisions of the affiliate.

The Company has historically experienced, and expects to continue to experience, variability in quarterly results. The results of operations for the three months ended March 31, 2026 are not indicative of the results to be expected for the full year as business is seasonal in nature with the majority of Net sales for the reportable segments traditionally occurring during the second and third quarters. However, periods of economic uncertainty can alter the Company's seasonal patterns.

Since December 31, 2025, accounting estimates were revised as necessary during the first three months of 2026 based on new information and changes in facts and circumstances.

The following represents updates to certain significant accounting policy disclosures. For further details on the Company's significant accounting policies and related disclosures, see Note 1 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

Supply Chain Financing

As part of our strategy to manage working capital, we have entered into agreements with various financial institutions that act as intermediaries between the Company and certain suppliers. Liabilities associated with these arrangements are recorded in Accounts payable on the Consolidated Balance Sheets and amounted to $216.1 million, $206.1 million and $211.5 million at March 31, 2026, December 31, 2025 and March 31, 2025, respectively.

Non-Traded Investments

The Company has invested in U.S. affordable housing, historic renovation and other real estate investments (Non-Traded Investments) that have been identified as variable interest entities which qualify for certain tax credits and other tax benefits. The Company is not considered the primary beneficiary of these investments and as such, the Non-Traded Investments are not consolidated. Activity is recorded based on the proportional amortization method. Both the amortization and related tax credits and other tax benefits are recognized in Income tax expense on the Statements of Consolidated Income.

	Three Months Ended	
	March 31, 2026	March 31, 2025
Amortization of Non-Traded Investments	**$ 31.4**	$ 28.7
Tax credits and other tax benefits received	**35.6**	31.5

The carrying value of Non-Traded Investments is recorded in Other assets. The liabilities for estimated future capital contributions are recorded in Other accruals and Other long-term liabilities. In addition, the associated impact of related tax credits and other tax benefits are recorded as a reduction of Accrued taxes and a net deferred income tax asset within Deferred income taxes. On the Statements of Condensed Consolidated Cash Flows, the tax credits and other tax benefits are presented as a Change in working capital accounts - net and in Deferred income taxes within Operating activities. Tax credits and other tax benefits reduced Accrued taxes by $35.6 million, $128.3 million and $31.5 million at March 31, 2026, December 31, 2025 and March 31, 2025, respectively.

The following table summarizes the balances related to Non-Traded Investments and related tax credits and other tax benefits on the Consolidated Balance Sheets:

	March 31, 2026	December 31, 2025	March 31, 2025
Other assets	**$ 866.2**	$ 826.1	$ 885.3
Other accruals	**120.4**	123.4	94.0
Other long-term liabilities	**710.7**	667.8	733.6
Net deferred income tax asset	**4.4**	2.6	13.8

Reclassifications

Certain amounts in the condensed consolidated financial statements for 2025 have been reclassified to conform to the 2026 presentation.

NOTE 2 - RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Not Yet Adopted

In September 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2025-06, "Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software". This ASU clarifies and modernizes the accounting for costs related to internal-use software by removing references to prescriptive and sequential software development states and clarifies the threshold entities apply to begin capitalizing costs. Additionally, this ASU specifies that the disclosures in Subtopic 360-10, Property, Plant and Equipment - Overall, are required for all capitalized internal-use software costs, regardless of how those costs are presented in the financial statements. This ASU is effective for fiscal years beginning after December 15, 2027, with early adoption permitted. The Company is evaluating the impact of adopting ASU 2025-06.

In November 2024, the FASB issued ASU 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses." This ASU enhances expense disclosures on both an annual and interim basis by requiring public business entities to disclose additional information about specific expense categories in the notes to the consolidated financial statements. This ASU requires public entities to disclose, in a tabular format, purchases of inventory, employee compensation, depreciation, intangible asset amortization and depletion, as applicable, for each income statement line item that contains those expenses. Specific expenses, gains and losses that are already disclosed under existing US GAAP are also required to be included in the disaggregated income statement expense line-item disclosures, and any remaining amounts will need to be described qualitatively. Additionally, the ASU requires disclosure of the total amount of selling expenses and the entity's definition of selling expenses. In January 2025, the FASB issued ASU 2025-01, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date" which clarified that ASU 2024-03 is effective for annual fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The Company is evaluating the impact of adopting ASU 2024-03.

NOTE 3 - ACQUISITIONS

Acquisitions

Closed in prior year

In October 2025, the Company completed the acquisition of BASF SE's Brazilian decorative paints business (Suvinil) for approximately $1.15 billion. The purchase price is subject to revision for a contractual working capital adjustment, which is expected to be finalized in 2026. The acquired business develops, manufactures and sells a comprehensive portfolio of innovative products under the well-known Suvinil and Glasu! brand names to professional painters, designers, architects and consumers across the country. The business also operates two manufacturing facilities located in the Northeast and Southeast regions of Brazil. The acquired business is reported within the Company's Consumer Brands Group.

During the first quarter of 2026, the Company adjusted the purchase price allocation primarily to reflect an increase in Property, plant and equipment of $48.1 million, a decrease in Goodwill of $29.7 million and a decrease in finite-lived intangibles of $17.3 million. The Company expects to finalize the purchase price allocation for the acquisition within the allowable measurement period. Pro forma results of operations have not been presented as the impact on the Company's consolidated financial results is not material.

In June 2025, the Company completed the acquisition of a domestic regional floor covering provider for an immaterial purchase price. The acquired business is reported within the Company's Paint Stores Group. The Company expects to finalize the purchase price allocation for the acquisition within the allowable measurement period. Pro forma results of operations have not been presented as the impact on the Company's consolidated financial results is not material.

In March 2025, the Company completed the acquisition of a European coil and industrial coatings company for approximately $80 million. The acquired business is reported within the Company's Performance Coatings Group. The Company finalized the purchase price allocation for the acquisition during the first quarter of 2026. Pro forma results of operations have not been presented as the impact on the Company's consolidated financial results is not material.

NOTE 4 - INVENTORIES

Included in Inventories were the following:

	March 31, 2026	December 31, 2025	March 31, 2025
Finished goods	**$ 1,908.7**	$ 1,784.2	$ 1,966.3
Work in process and raw materials	**564.5**	534.0	548.9
Inventories	**$ 2,473.2**	$ 2,318.2	$ 2,515.2

The Company primarily uses the last-in, first-out (LIFO) method of valuing inventory. An actual valuation of inventory under the LIFO method can be made only at the end of each year based on the inventory levels and costs at that time. Accordingly, interim LIFO calculations are based on management's estimates of expected year-end inventory levels and costs are subject to the final year-end LIFO inventory valuation. In addition, interim inventory levels include management's estimates of annual inventory losses due to shrinkage and other factors. For further information on the Company's inventory valuation, see Note 4 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

NOTE 5 - LONG-LIVED ASSETS

Included in Property, plant and equipment, net were the following:

	March 31, 2026	December 31, 2025	March 31, 2025
Land	**$ 316.0**	$ 314.1	$ 265.7
Buildings	**2,719.8**	2,667.3	1,196.9
Machinery and equipment	**3,994.4**	3,885.1	3,781.8
Construction in progress	**506.1**	520.0	1,689.3
Property, plant and equipment, gross	**7,536.3**	7,386.5	6,933.7
Less allowances for depreciation	**3,330.4**	3,249.1	3,270.3
Property, plant and equipment, net	**$ 4,205.9**	$ 4,137.4	$ 3,663.4

In accordance with the Goodwill and Other Intangibles Topic of the ASC, goodwill and indefinite-lived intangible assets are tested for impairment annually during the fourth quarter, and interim impairment tests are performed whenever an event occurs or circumstances change that indicate an impairment has more likely than not occurred.

NOTE 6 - DEBT

The following table summarizes the Company's outstanding debt:

	March 31, 2026	December 31, 2025	March 31, 2025
Long-term debt (including current portion)	**$ 9,323.2**	$ 9,670.8	$ 8,977.9
Short-term borrowings	**2,376.6**	1,200.5	1,798.5
Total debt outstanding	**$ 11,699.8**	$ 10,871.3	$ 10,776.4

Long-Term Debt

The Company's long-term debt primarily consists of senior notes. In January 2026, the Company repaid the principal of $350.0 million related to the Company's 3.95% senior notes using commercial paper. For further details on the Company's long-term debt, see Note 7 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

Short-Term Borrowings

In February 2026, the Company amended its credit agreement dated November 17, 2025, as amended, to extend the maturity of $75.0 million of commitments available for borrowing and issuing letters of credit under the credit agreement from June 20, 2026 to December 20, 2030.

The Company's available capacity under its committed credit agreements is reduced for amounts outstanding under its domestic commercial paper program, various credit agreements and letters of credit. At March 31, 2026, the Company had unused capacity under its various credit agreements of $2.443 billion. The following table summarizes the Company's short-term borrowings:

	March 31, 2026	December 31, 2025	March 31, 2025
Domestic:			
Domestic commercial paper	**$ 1,487.3**	$ 281.4	$ 1,782.2
USD delayed draw term loan (DDTL)	**600.0**	625.0	—
Foreign:			
EUR DDTL	**288.8**	293.6	—
Foreign facilities	**0.5**	0.5	16.3
Total	**$ 2,376.6**	$ 1,200.5	$ 1,798.5
Weighted average interest rate:			
Domestic	**4.1 %**	4.4 %	4.6 %
Foreign	**2.8 %**	2.8 %	3.1 %

For further details on the Company's short-term borrowings, see Note 7 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

NOTE 7 - PENSION AND OTHER POSTRETIREMENT BENEFITS

The following table summarizes the components of the Company's net periodic pension and benefit (credit) cost for domestic and foreign defined benefit pension plans and domestic other postretirement benefits:

	Domestic Defined Benefit Pension Plan		Foreign Defined Benefit Pension Plans		Domestic Other Postretirement Benefits	
	2026	2025	**2026**	2025	**2026**	2025
Three Months Ended March 31:						
Service cost	**$ 0.7**	$ 0.7	**$ 1.3**	$ 1.1	**$ —**	$ 0.1
Interest cost	**1.3**	1.3	**3.5**	3.1	**1.4**	1.7
Expected return on assets	**(2.5)**	(2.4)	**(3.0)**	(2.6)	**—**	—
Amortization of prior service cost (credit)	**0.4**	0.5	**—**	—	**—**	(3.6)
Amortization of actuarial gains	**(0.7)**	(0.5)	**(0.3)**	(0.3)	**(0.8)**	(0.6)
Net periodic pension and benefit (credit) cost	**$ (0.8)**	$ (0.4)	**$ 1.5**	$ 1.3	**$ 0.6**	$ (2.4)

Service cost is recorded in Cost of goods sold and Selling, general and administrative expenses. All other components are recorded in Other (income) expense - net.

For further details on the Company's pension and other postretirement benefits, see Note 8 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

NOTE 8 - OTHER LONG-TERM LIABILITIES

Environmental Matters

The operations of the Company, like those of other companies in its industry, are subject to various domestic and foreign environmental laws and regulations. These laws and regulations not only govern current operations and products, but also impose potential liability on the Company for past operations. Management expects environmental laws and regulations to impose increasingly stringent requirements upon the Company and the industry in the future. Management believes that the Company conducts its operations in compliance with applicable environmental laws, regulations and requirements and has implemented various programs designed to protect the environment and promote continued compliance.

The Company is involved with environmental investigation and remediation activities at some of its currently and formerly owned sites, including sites which were previously owned and/or operated by businesses acquired by the Company. In addition, the Company, together with other parties, has been designated a potentially responsible party under federal and state environmental protection laws for the investigation and remediation of environmental contamination and hazardous waste at a number of third-party sites, primarily Superfund sites. In general, these laws provide that potentially responsible parties may be held jointly and severally liable for investigation and remediation costs regardless of fault. The Company may be similarly designated with respect to additional third-party sites in the future.

The Company initially provides for estimated costs of environmental-related activities relating to its past operations and third-party sites for which commitments or clean-up plans have been developed and when such costs can be reasonably estimated based on industry standards and professional judgment. These estimated costs, which are mostly undiscounted, are determined based on currently available facts regarding each site. If the reasonably estimable costs can only be identified as a range and no specific amount within that range can be determined more likely than any other amount within the range, the minimum of the range is provided.

The Company routinely assesses its potential liability for investigation and remediation-related activities and adjusts its environmental-related accruals as information becomes available, including as a result of sites progressing through investigation and remediation-related activities, upon which more accurate costs can be reasonably estimated and as additional accounting guidelines are issued. At March 31, 2026 and 2025, the Company had accruals reported on the Consolidated Balance Sheets as Other long-term liabilities of $217.4 million and $223.8 million, respectively. Estimated costs of current investigation and remediation activities of $52.7 million and $65.9 million are included in Other accruals on the Consolidated Balance Sheets at March 31, 2026 and 2025, respectively.

Actual costs incurred may vary from the accrued estimates due to the inherent uncertainties involved including, among others, the number and financial condition of parties involved with respect to any given site, the volumetric contribution which may be attributed to the Company relative to that attributed to other parties, the nature and magnitude of the wastes involved, the various technologies that can be used for remediation and the determination of acceptable remediation with respect to a particular site. If the Company's future loss contingency is ultimately determined to be at the unaccrued maximum of the estimated range of possible outcomes for every site for which costs can be reasonably estimated, the Company's accrual for environmental-related activities would be $78.6 million higher than the minimum accruals at March 31, 2026. Additionally, costs for environmental-related activities may not be reasonably estimable at early stages of investigation and therefore would not be included in the unaccrued maximum amount.

Four of the Company's currently and formerly owned manufacturing sites (Major Sites) account for the majority of the accrual for environmental-related activities and the unaccrued maximum of the estimated range of possible outcomes at March 31, 2026. At March 31, 2026, $227.6 million, or 84.6% of the total accrual, related directly to the Major Sites. In the aggregate unaccrued maximum of $78.6 million at March 31, 2026, $56.2 million, or 71.5%, related to the Major Sites. The significant cost components of this liability continue to be related to remedy implementation, regulatory agency interaction and project management and other costs. While different for each specific environmental situation, these components generally each account for approximately 85%, 10% and 5%, respectively, of the accrued amount and those percentages are subject to change over time. While environmental investigations and remedial actions are in different stages at these sites, additional investigations, remedial actions and monitoring will likely be required at each site.

The largest and most complex of the Major Sites is the Gibbsboro, New Jersey site (Gibbsboro) which comprises the substantial majority of the environmental-related accrual. Gibbsboro, a former manufacturing plant, and related areas, which ceased operations in 1978, has had various areas included on the National Priorities List since 1999. This location has soil, sediment, surface water and groundwater contamination related to the historic operations of the facility. Gibbsboro has been divided by the Environmental Protection Agency (EPA) into six operable units (OUs) based on location and characteristics, whose investigation and remediation efforts are likely to occur over an extended period of time. To date, the Company has completed remedy construction on three of the six OUs. While there are administrative tasks to be completed before final agency approval, the remediation phase of the work for these three OUs is effectively complete and future work for these OUs is anticipated to be limited. OUs are in various phases of investigation and remediation with the EPA that provide enough information to reasonably estimate cost ranges and record environmental-related accruals. The most significant assumptions underlying the reliability and precision of remediation cost estimates for the Gibbsboro site are the type and extent of future remedies to be selected by the EPA and the costs of implementing those remedies.

The remaining three Major Sites comprising the majority of the accrual include: (1) a multi-party Superfund site that (a) has received a record of decision from the federal EPA and is currently in the remedial design phase for one OU, (b) has received a record of decision from the federal EPA for an interim remedy for another OU and (c) has a remedial investigation ongoing for another OU, (2) a closed paint manufacturing facility that is in the operation and maintenance phase of remediation under both federal and state EPA programs and (3) a formerly-owned site containing warehouse and office space that is in the remedial/design investigation phase under a state EPA program. Each of these three Major Sites are in phases of investigation, remediation and monitoring that provide sufficient information to reasonably estimate cost ranges and record environmental-related accruals.

Excluding the Major Sites discussed above, no sites are individually material to the total accrual balance. There are multiple, future events yet to occur, including further remedy selection and design, remedy implementation and execution, and securing applicable governmental agency approvals, all of which have the potential to contribute to the uncertainty surrounding these future events. As these events occur and to the extent that the cost estimates of the environmental remediation change, the existing reserve will be adjusted.

Management cannot presently estimate the ultimate potential loss contingencies related to these sites or other less significant sites until such time as a substantial portion of the investigation at the sites is completed and remedial action plans are developed. Unasserted claims could have a material effect on the Company's loss contingency as more information becomes available over time. At March 31, 2026, the Company did not have material loss contingency accruals related to unasserted claims. Management does not expect that a material portion of unrecognized loss contingencies will be recoverable through insurance, indemnification agreements or other sources. In the event any future loss contingency significantly exceeds the current amount accrued, the recording of the ultimate liability may result in a material impact on Net income for the annual or interim period during which the additional costs are accrued. Moreover, management does not believe that any potential liability ultimately attributed to the Company for its environmental-related matters will have a material adverse effect on the Company's financial condition, liquidity or cash flow due to the extended length of time during which environmental investigation and remediation takes place. An estimate of the potential impact on the Company's operations cannot be made due to the aforementioned uncertainties.

Management expects these contingent environmental-related liabilities to be resolved over an extended period of time. Management is unable to provide a more specific time frame due to the indeterminate amount of time to conduct investigation activities at any site, the indeterminate amount of time to obtain environmental agency approval, as necessary, with respect to investigation and remediation activities, and the indeterminate amount of time necessary to conduct remediation activities.

Asset Retirement Obligations

The Asset Retirement and Environmental Obligations Topic of the ASC requires a liability to be recognized for the fair value of a conditional asset retirement obligation if a settlement date and fair value can be reasonably estimated. The Company recognizes a liability for any conditional asset retirement obligation when sufficient information is available to reasonably estimate a settlement date to determine the fair value of such liability. Management does not believe that any potential liability ultimately attributed to the Company for its conditional asset retirement obligations will have a material adverse effect on the Company's financial condition, liquidity or cash flows due to the extended period of time over which sufficient information may become available regarding the closure or modification of any one or group of the Company's facilities. An estimate of the potential impact on the Company's operations cannot be made due to the aforementioned uncertainties. See Note 10 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2025 for additional information.

Real Estate Financing

The Company has entered into certain sale-leaseback agreements that do not qualify as asset sales and were accounted for as real estate financing transactions, one of which was to sell and subsequently lease back its new global headquarters which was placed into service in the third quarter of 2025. The Company received $40.9 million of final proceeds for the new global headquarters for a total of $800 million and capitalized $13.6 million of related interest within Property, plant and equipment, net in the Consolidated Balance Sheets in the first quarter of 2025. The following table summarizes the corresponding liabilities recognized in the Consolidated Balance Sheets.

	March 31, 2026	December 31, 2025	March 31, 2025
Short-term liability [1]	**$ 51.2**	$ 51.0	$ 50.3
Long-term liability [2]	**763.5**	762.0	757.8
Total liability	**$ 814.7**	$ 813.0	$ 808.1

(1) The short-term portion of the liability is recorded in Other accruals.

(2) The long-term portion of the liability is recorded in Other long-term liabilities.

See Note 10 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2025 for more information concerning real estate financing.

NOTE 9 - LITIGATION

In the course of its business, the Company is subject to a variety of actual and potential claims, lawsuits, and other proceedings, including, but not limited to, litigation relating to product liability and warranty, raw materials used in our products, personal injury, environmental (including alleged natural resource damages), intellectual property, commercial, contractual and antitrust claims, that are inherently subject to many uncertainties regarding the possibility of a loss to the Company. Uncertainties to which litigation is inherently subject include, among other things, costs, unpredictable court or jury decisions that could affect other litigation against the Company and encourage an increase in the number and nature of future claims and proceedings, and differing laws and regulations in jurisdictions where the Company operates. These uncertainties will ultimately be resolved when one or more future events occur or fail to occur confirming the incurrence of a liability or the avoidance or reduction of a liability. In accordance with the Contingencies Topic of the ASC, the Company accrues for contingencies by a charge to income when it is both probable that one or more future events will occur confirming the fact of a loss and the amount of the loss can be reasonably estimated. In the event that a loss contingency is ultimately determined to be significantly higher than currently accrued, the recording of the additional liability may result in a material impact on the Company's results of operations, liquidity or financial condition for the annual or interim period during which such additional liability is accrued. In matters where no accrual is recorded because it is not probable that a liability will be incurred or the amount of any such loss cannot be reasonably estimated, any potential liability ultimately determined to be attributable to the Company may result in a material impact on the Company's results of operations, liquidity or financial condition for the annual or interim period during which such liability is accrued. In those matters where no accrual is recorded or exposure to loss exists in excess of the amount accrued, the Contingencies Topic of the ASC requires disclosure of the contingency when there is a reasonable possibility that a loss or additional loss may have been incurred.

Due to the uncertainties involved in claims, lawsuits, and other proceedings, management is unable to predict the outcome of the matters identified below, the number or nature of possible future claims, lawsuits, and proceedings, or the effect that any legislation and/or administrative regulations may have on such matters or the Company. In addition, management cannot reasonably determine the scope or amount of the potential costs and liabilities related to such matters, or resulting from any such legislation and regulations. We currently have not accrued any amounts for the pending lead pigment and lead-based paint litigation identified below because the Company does not believe it is probable that a loss will occur, or the Company believes it is not possible to estimate the range of potential losses. In addition, any potential liability that may result from any changes to legislation and regulations cannot reasonably be estimated. Due to the uncertainties associated with the amount of any such liability and/or the nature of any other remedy which may be imposed in litigation, any potential liability determined to be attributable to the Company arising out of such litigation may have a material adverse effect on the Company's results of operations, liquidity or financial condition. An estimate of the potential impact on the Company's results of operations, cash flow, liquidity or financial condition cannot be made due to the aforementioned uncertainties.

Lead pigment and lead-based paint litigation. The Company's past operations included the manufacture and sale of lead pigments and lead-based paints. The Company, along with other companies, is and has been a defendant in a number of legal proceedings arising from the manufacture and sale of lead pigments and lead-based paints. The plaintiffs' claims have been based upon various legal theories, including negligence, strict liability, breach of warranty, negligent misrepresentations and omissions, fraudulent misrepresentations and omissions, concert of action, civil conspiracy, violations of unfair trade practice and consumer protection laws, enterprise liability, market share liability, public nuisance, unjust enrichment and other theories. The Company has also been a defendant in legal proceedings arising from the manufacture and sale of non-lead-based paints that seek recovery based upon various legal theories, including the failure to adequately warn of potential exposure to lead during surface preparation when using non-lead-based paint on surfaces previously painted with lead-based paint. Other than currently pending cases and the California Proceedings, identified in the Public Nuisance Claim Litigation section, all of these legal proceedings have been concluded in favor of the Company and other defendants at various stages in the proceedings. In addition, from time to time, various legislation and administrative regulations have been enacted, promulgated or proposed to impose obligations on present and former manufacturers of lead pigments and lead-based paints respecting asserted health concerns associated with such products or to overturn the effect of court decisions in which the Company and other manufacturers have been successful. The Company is vigorously defending all lead pigment and lead-based paint litigation. The Company expects that additional lead pigment and lead-based paint litigation may be filed against the Company in the future asserting similar or different legal theories and seeking similar or different types of damages and relief. The Company will continue to vigorously defend against any additional litigation that may be filed, including utilizing all avenues of appeal, if necessary.

Public Nuisance Claim Litigation. The Company and other companies have been defendants in legal proceedings seeking recovery based on public nuisance liability theories, among other theories, brought by various states, cities and counties, including by the State of Rhode Island; the City of St. Louis, Missouri; various cities and counties in the State of New Jersey; various cities in the State of Ohio and the State of Ohio; the City of Chicago, Illinois; the City of Milwaukee, Wisconsin; the County of Santa Clara, California and other public entities in the State of California (the California Proceedings); and Lehigh and Montgomery Counties in Pennsylvania. Except for the California Proceedings in which the Company reached a court-approved agreement in 2019 after nearly twenty years of litigation, all of those legal proceedings have been concluded in favor of the Company and other defendants at various stages in the proceedings. Most recently, on May 7, 2024, as further described below in Wisconsin Litigation, three plaintiffs filed amended complaints alleging, in part, public nuisance claims.

Wisconsin Litigation. The Company and other companies are or have been defendants in a number of legal proceedings seeking monetary damages and other relief from alleged personal injuries. The current proceedings consist of two federal court cases pending in the United States District Court for the Eastern District of Wisconsin (Ernest Gibson v. American Cyanamid, et al. and Deziree and Detareion Valoe v. American Cyanamid, et. al.) and one case pending in Milwaukee County Circuit Court in Wisconsin (Arrieona Beal v. Armstrong Containers, Inc., et al.). Those matters include claims by four individuals allegedly injured from ingestion of lead pigment or lead-containing paint while they were minors. The plaintiffs generally seek compensatory damages and have invoked Wisconsin's risk contribution theory (which is similar to market share liability, except that liability can be joint and several) due to the plaintiff's inability to identify the manufacturer of any product that allegedly injured the plaintiff.

In the Gibson and Valoe cases, which are pending in federal court, the three individual plaintiffs filed amended complaints on May 7, 2024, alleging strict liability, negligence and public nuisance claims. The defendants filed motions to dismiss the plaintiffs' amended complaints on June 20, 2024. On November 8, 2024, the district court granted in part and denied in part defendants' motions to dismiss the amended complaints, dismissing the second cause of action for general negligence and plaintiffs' abatement allegations, but otherwise permitting the case to proceed. On December 6, 2024, the Company and some of the other defendants filed a third-party complaint against NL Industries, Inc. (NL) and the owners and landlords of the properties where the Gibson and Valoe plaintiffs resided. On January 30, 2025, the federal court entered a stipulated order dismissing NL pursuant to the execution of a Pierringer release settlement agreement between plaintiffs and NL where the plaintiffs have agreed to indemnify NL against claims for contribution from the Company and some of the other defendants. Some of the owners and landlords filed motions to dismiss the third-party complaints, which motions the federal court denied on September 4, 2025. On April 6, 2026, the federal court granted the defendants' unopposed motion to stay all proceedings in the Valoe case and vacated all case deadlines pending the resolution of certain issues raised by opposing counsel related to one of the plaintiffs. In the Gibson case, the parties are conducting discovery, and discovery is scheduled to be completed by December 15, 2026.

In the Beal case, which is pending in state court, on August 24, 2021, Arrieona Beal filed an amended complaint in Milwaukee County Circuit Court, naming the Company and other alleged former lead pigment manufacturers as defendants pursuant to the risk contribution liability theory. The plaintiff previously had sued her landlords. On January 3, 2024, the Company and some of the other manufacturing defendants filed a third-party complaint against NL and cross-claims against the landlord defendants. On January 10, 2024, one of the landlord defendants filed a counterclaim and cross-claim against all parties. On February 27, 2025, landlord defendants Hattie and Jerry Mitchell were voluntarily dismissed pursuant to the execution of a Pierringer release settlement agreement between plaintiff and the landlord defendants where the plaintiff has agreed to indemnify the landlord defendants against claims for contribution from the Company and the other defendants. On October 6, 2025, the court entered an amended scheduling order indicating that trial will be scheduled between January 15, 2027 and March 31, 2027, on dates to be set by the court. On April 27, 2026, the Company and some of the other manufacturing defendants filed a motion for partial summary judgment against the plaintiff.

Other matters. On December 18, 2019, the New Jersey Department of Environmental Protection, the Commissioner of the New Jersey Department of Environmental Protection and the Administrator of the New Jersey Spill Compensation Fund (collectively, the NJ DEP) filed a lawsuit against the Company in the Superior Court of New Jersey Law Division in Camden County, New Jersey. The NJ DEP seeks to recover natural resource damages, punitive damages and litigation fees and costs, as well as other costs, damages, declaratory relief and penalties pursuant to New Jersey state statutes and common law theories in connection with the alleged discharge of hazardous substances and pollutants at the Company's Gibbsboro, New Jersey site, a former manufacturing plant and related facilities. There is an ongoing discovery dispute that remains pending between the Company and the NJ DEP. The court adjourned a February 2026 trial date, and a new trial date has not yet been scheduled.

In July 2024, a third-party assurance, testing, inspection and certification provider (the Third-Party Provider) changed its listing for Firetex FX9502, one of the Company's protective coatings products, an intumescent coating used for fire protection of steel beam assemblies. The Company has received claims regarding this matter, including from a competitor (which culminated in the false advertising claim described below), and is working with its customers and end users to assist in understanding the potential impacts of the listing change, including the extent of potential remedial action that may involve the application of additional product. The Company is also investigating potential inaccuracies for certain other Firetex intumescent products arising out of tests conducted on those products by the Third-Party Provider. Additionally, the Company is investigating an issue in connection with its Firetex Design Estimator software in which the software recommended estimated dry film thicknesses (DFT) for certain intumescent products that were in excess of published maximum DFTs, for which the Company has also received claims. The Company's review of these matters is ongoing.

On September 2, 2025, Carboline Global Inc. (Carboline) filed a lawsuit against the Company in the Eastern District of Missouri, which alleges that the Company violated the Lanham Act by disseminating false advertisements related to Firetex FX9502, an intumescent coating used for fire protection of steel beam assemblies. Carboline's claim arises from a change to the product's listing by the Third-Party Provider. Carboline seeks actual damages, treble damages, fees and costs, and injunctive relief. The Company moved to dismiss Carboline's complaint on October 24, 2025. Carboline filed an amended complaint on November 14, 2025, which the Company moved to dismiss on November 28, 2025.

NOTE 10 - SHAREHOLDERS' EQUITY

Dividends

The following table summarizes the dividends declared and paid on common stock:

	2026		2025	
	Cash Dividend Per Share	**Total Dividends (in millions)**	Cash Dividend Per Share	Total Dividends (in millions)
First Quarter	**$ 0.80**	**$ 197.1**	$ 0.79	$ 200.4

Treasury Stock

The Company acquires its common stock for general corporate purposes through its publicly announced share repurchase program. As of March 31, 2026, the Company had remaining authorization from its Board of Directors to purchase 28.0 million shares of its common stock. The table below summarizes the Company's share repurchase activity:

	Three Months Ended March 31,	
	2026	2025
Treasury stock purchases (in millions)	**$ 575.6**	$ 351.7
Treasury stock purchases (in shares)	**1,600,000**	1,000,000
Average price per share	**$ 359.72**	$ 351.68

Other Capital

During the three months ended March 31, 2026, 317,573 stock options were exercised at a weighted average exercise price per share of $151.45. In addition, 345,759 restricted stock units vested during the same period.

NOTE 11 - ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The income and (loss) components of Accumulated other comprehensive income (loss) (AOCI), including the adjustments that were reclassified from AOCI to Net income, are shown below.

	Foreign Currency Translation Adjustments [1]	Pension and Other Postretirement Benefits Adjustments [2]	Unrealized Net Gains on Cash Flow Hedges [3]	Total
Balance at December 31, 2025	$ (719.4)	$ 59.5	$ 25.5	$ (634.4)
Amounts recognized in AOCI	**49.6**	—	—	**49.6**
Amounts reclassified from AOCI	—	**(0.9)**	**(1.1)**	**(2.0)**
Balance at March 31, 2026	**$ (669.8)**	**$ 58.6**	**$ 24.4**	**$ (586.8)**

[1] Includes changes in the fair value of net investment hedges, net of taxes, of $26.3 million, for the three months ended March 31, 2026. See Note 12 for further information.

[2] Net of taxes of $0.2 million for the three months ended March 31, 2026. See Note 7 for further information.

[3] Net of taxes of $0.3 million for the three months ended March 31, 2026.

	Foreign Currency Translation Adjustments [1]	Pension and Other Postretirement Benefits Adjustments [2]	Unrealized Net Gains on Cash Flow Hedges [3]	Total
Balance at December 31, 2024	$ (972.9)	$ 73.1	$ 24.6	$ (875.2)
Amounts recognized in AOCI	106.6	—	—	106.6
Amounts reclassified from AOCI	—	(3.4)	(0.9)	(4.3)
Balance at March 31, 2025	$ (866.3)	$ 69.7	$ 23.7	$ (772.9)

[1] Includes changes in the fair value of net investment hedges, net of taxes, of $(36.3) million, for the three months ended March 31, 2025. See Note 12 for further information.

[2] Net of taxes of $1.1 million for the three months ended March 31, 2025. See Note 7 for further information.

[3] Net of taxes of $0.3 million for the three months ended March 31, 2025.

NOTE 12 - DERIVATIVES AND HEDGING

Net Investment Hedges

The Company has entered into U.S. dollar to euro cross currency swap contracts with various counterparties to hedge the Company's net investment in its European operations. These contracts qualified for and were designated as net investment hedges under US GAAP. During the term of the contracts, the Company will pay fixed-rate interest in euros and receive fixed-rate interest in U.S. dollars, thereby effectively converting a portion of the Company's U.S. dollar denominated fixed-rate debt to euro denominated fixed-rate debt. The cash flow impact of these net investment hedges is classified as an investing activity in the Statements of Condensed Consolidated Cash Flows. The outstanding contracts as of March 31, 2026 are summarized by maturity date in the table below.

Notional Value	Maturity Date
$ 687.7	June 1, 2027
100.0	March 1, 2028
200.0	August 15, 2028
525.0	August 15, 2029
200.0	September 1, 2031
$ 1,712.7	

The following table summarizes the location of the net investment hedges on the Consolidated Balance Sheets. See Note 13 for further information on the fair value of these contracts.

	March 31, 2026	December 31, 2025	March 31, 2025
Other current assets	**$ —**	$ —	$ 1.0
Other assets	**—**	—	3.3
Other long-term liabilities	**87.7**	122.6	3.6

The changes in fair value of the net investment hedges are recognized in the foreign currency translation adjustments component of AOCI. See Note 11 for further information.

The following table summarizes gains (losses), net of taxes:

	Three Months Ended	
	March 31, 2026	March 31, 2025
Gains (losses)	**$ 34.9**	$ (48.2)
Tax effect	**(8.6)**	11.9
Gains (losses), net of taxes	**$ 26.3**	$ (36.3)

Derivatives Not Designated as Hedging Instruments

The Company enters into foreign currency option and forward contracts with maturity dates less than twelve months, primarily to hedge against value changes in foreign currency. The related gains and losses are recorded in Other (income) expense - net. See Note 15 for further information.

NOTE 13 - FAIR VALUE MEASUREMENTS

The Fair Value Measurements and Disclosures Topic of the ASC applies to the Company's financial and non-financial assets and liabilities. The guidance applies when other standards require or permit the fair value measurement of assets and liabilities. Under the guidance, assets and liabilities measured at fair value are categorized as follows:

Level 1: Quoted prices in active markets for identical assets

Level 2: Significant other observable inputs

Level 3: Significant unobservable inputs

There were no assets and liabilities measured at fair value on a recurring basis classified as Level 3 at March 31, 2026, December 31, 2025 and March 31, 2025. Except for the acquisition related fair value measurements described in Note 3, there were no assets and liabilities measured at fair value on a nonrecurring basis. The following table summarizes the Company's assets and liabilities measured at fair value on a recurring basis, categorized using the fair value hierarchy.

	March 31, 2026			December 31, 2025			March 31, 2025		
	Total	**Level 1**	**Level 2**	Total	Level 1	Level 2	Total	Level 1	Level 2
Assets:									
Deferred compensation plan	**$ 95.0**	**$ 95.0**	**$ —**	$ 101.0	$ 101.0	$ —	$ 99.2	$ 99.2	$ —
Net investment hedges	**—**	**—**	**—**	—	—	—	4.3	—	4.3
	$ 95.0	**$ 95.0**	**$ —**	$ 101.0	$ 101.0	$ —	$ 103.5	$ 99.2	$ 4.3
Liabilities:									
Net investment hedges	**$ 87.7**	**$ —**	**$ 87.7**	$ 122.6	$ —	$ 122.6	$ 3.6	$ —	$ 3.6

The deferred compensation plan assets consist of investment funds maintained for future payments under the Company's executive deferred compensation plans, which are structured as rabbi trusts. The investments are marketable securities accounted for under the Debt and Equity Securities Topics of the ASC. The Level 1 investments are valued using quoted market prices multiplied by the number of shares or units. There were $7.7 million, $7.7 million and $6.9 million of deferred compensation plan assets held in partnership funds measured using net asset value (or its equivalent) as a practical expedient as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively. These investments are not classified in the fair value hierarchy. The cost basis of all investments within the deferred compensation plan was $75.6 million, $80.7 million and $84.8 million at March 31, 2026, December 31, 2025 and March 31, 2025, respectively.

The net investment hedges represent the fair value of the cross currency swaps. See Note 12 for further information. The fair value is based on a valuation model that uses observable inputs, including interest rate curves and the euro foreign currency rate.

The carrying amounts reported for Cash and cash equivalents and Short-term borrowings approximate fair value.

The fair value of the Company's publicly traded debt is based on quoted market prices. The fair value of the Company's non-publicly traded debt is estimated using discounted cash flow analyses, based on the Company's current incremental borrowing rates for similar types of borrowing arrangements. The Company's publicly traded debt and non-publicly traded debt are classified as Level 1 and Level 2, respectively, in the fair value hierarchy. The following table summarizes the carrying amounts and fair values of the Company's publicly traded debt and non-publicly traded debt.

	March 31, 2026		December 31, 2025		March 31, 2025	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Publicly traded debt	**$ 9,323.1**	**$ 8,344.1**	$ 9,670.7	$ 8,813.7	$ 8,977.7	$ 8,000.1
Non-publicly traded debt	**0.1**	**0.1**	0.1	0.1	0.2	0.2

NOTE 14 - REVENUE

The Company manufactures and sells paint, stains, supplies, equipment and floor covering through company-operated stores, branded and private label products through retailers and a broad range of industrial coatings directly to global manufacturing customers through company-operated branches. A large portion of the Company's revenue is recognized at a point in time and made to customers who are not engaged in a long-term supply agreement or any form of contract with the Company. These sales are paid for at the time of sale in cash, credit card or on account with the vast majority of customers having terms between 30 and 60 days, not to exceed one year. Many customers who purchase on account take advantage of early payment discounts offered by paying within 30 days of being invoiced. The Company estimates variable consideration for these sales on the basis of both historical information and current trends to estimate the expected amount of discounts to which customers are likely to be entitled.

The remaining revenue is governed by long-term supply agreements and related purchase orders (contracts) that specify shipping terms and aspects of the transaction price including rebates, discounts and other sales incentives, such as advertising support. Contracts are at standalone pricing. The performance obligation in these contracts is determined by each of the individual purchase orders and the respective stated quantities, with revenue being recognized at a point in time when obligations under the terms of the agreement are satisfied. This generally occurs with the transfer of control of our products to the customer. Sales, value add and other taxes we collect concurrent with revenue-producing activities are excluded from revenue.

Refer to Note 18 for the Company's disaggregation of Net sales by reportable segment. As the reportable segments are aligned by similar economic factors, trends and customers, this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Approximately 80% of the Company's Net sales are in the North America region (which is comprised of the United States, Canada and the Caribbean region), slightly less than 10% in the EMEAI region (Europe, Middle East, Africa and India), with the remaining global regions accounting for the residual balance. No individual country outside of the United States is individually significant.

The Company has made payments or given credits for various incentives at the beginning of a long-term contract where future revenue is expected and before satisfaction of performance obligations. Under these circumstances, the Company recognizes a contract asset and amortizes these prepayments as a reduction to Net sales over the expected benefit life of the long-term contract, typically on a straight-line basis.

The majority of variable consideration in the Company's contracts include volume rebates, discounts and other incentives, where the customer receives a retrospective percentage rebate based on the amount of their purchases. In these situations, the rebates are accrued as a fixed percentage of sales and recorded as a reduction of Net sales until paid to the customer per the terms of the contract. Forms of variable consideration such as tiered rebates, whereby a customer receives a retrospective price decrease dependent on the volume of their purchases, are calculated using a forecasted percentage to determine the most likely amount to accrue. Management creates a baseline calculation using historical sales and then utilizing forecast information, estimates the anticipated sales volume each quarter to calculate the expected reduction to Net sales. The remainder of the transaction price is fixed as agreed upon with the customer, limiting estimation of revenues, including constraints.

Deferred revenue and related amounts recognized as Net sales during the first three months of 2026 were not material. The Company's Accounts receivable and current and long-term contract assets and liabilities are summarized by balance sheet date in the following table.

	Accounts Receivable, Less Allowance	Contract Assets (Current)	Contract Assets (Long-Term)	Contract Liabilities (Current)	Contract Liabilities (Long-Term)
Balance sheet caption:	*Accounts receivable, net*	*Other current assets*	*Other assets*	*Other accruals*	*Other long-term liabilities*
Balance at March 31, 2025	$ 2,813.1	$ 82.7	$ 234.1	$ 245.8	$ 15.0
Balance at December 31, 2025	2,791.2	73.3	227.7	427.3	10.3
Balance at March 31, 2026	**3,192.1**	**117.1**	**208.8**	**294.5**	**9.2**

The difference between the opening December 31, 2025 and closing March 31, 2026 balances of the Company's contract assets and contract liabilities primarily results from the timing difference between the contractual performance obligation and the associated payment.

Provisions for estimated returns are recognized as contra-revenue per ASC 606 when the products are sold. The Company records a right of return liability within each of its operations to accrue for expected customer returns. Historical actual returns are used to estimate future returns as a percentage of current sales. Obligations for returns and refunds were not material individually or in the aggregate.

The Company only offers an assurance type warranty on products sold, and there is no material service to the customer beyond fixing defects that existed at the time of sale and no warranties are sold separately. Warranty liabilities are excluded from the table above.

Allowance for Current Expected Credit Losses

The following table summarizes the movement in the Company's allowance for current expected credit losses:

	Three Months Ended March 31,	
	2026	2025
Beginning balance	**$ 62.5**	$ 60.4
Bad debt expense	**18.8**	11.9
Uncollectible accounts written off, net of recoveries	**(6.5)**	(3.9)
Ending balance	**$ 74.8**	$ 68.4

For further information on the Company's allowance for current expected credit loss, see Note 1 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

NOTE 15 - OTHER (INCOME) EXPENSE

Other general expense - net

Included in Other general expense - net were the following:

	Three Months Ended March 31,	
	2026	2025
Provisions for environmental matters - net	**$ 0.1**	$ 3.1
Gain on sale or disposition of assets	**(1.9)**	(2.1)
Other	**8.1**	7.9
Total	**$ 6.3**	$ 8.9

Provisions for environmental matters - net represent initial provisions for site-specific estimated costs of environmental investigation or remediation and increases or decreases to environmental-related accruals as information becomes available upon which more accurate costs can be reasonably estimated and as additional accounting guidelines are issued. See Note 8 for further information on the Company's environmental-related activities.

Gain on sale or disposition of assets represents the net realized gains associated with the sale or disposal of property, plant and equipment, intangible assets and leases previously used in the conduct of the primary business of the Company.

There were no items within the Other caption that were individually significant.

Other (income) expense - net

Included in Other (income) expense - net were the following:

	Three Months Ended March 31,	
	2026	2025
Investment losses (gains)	**$ 3.3**	$ (3.2)
Foreign currency transaction related (gains) losses - net	**(5.8)**	10.0
Miscellaneous pension and benefit expense (income)	**0.1**	(3.4)
Other income	**(1.6)**	(10.4)
Other expense	**—**	9.9
Total	**$ (4.0)**	$ 2.9

Investment losses (gains) primarily relate to the change in market value of the investments held in the deferred compensation plans. See Note 13 for further information on the fair value of these investments.

Foreign currency transaction related (gains) losses - net include the impact from foreign currency transactions, including from highly inflationary economies such as Argentina, and net realized (gains) losses from foreign currency option and forward contracts. See Note 12 for further information regarding these foreign currency contracts.

Miscellaneous pension and benefit expense (income) consists of the non-service components of Net periodic pension and benefit (credit) cost. See Note 7 for further information.

Other income and Other expense include items of revenue, gains, expenses and losses that were unrelated to the primary business purpose of the Company. There were no items within Other income or Other expense that were individually significant.

NOTE 16 - INCOME TAXES

The effective tax rate was 21.3% for the first quarter of 2026, compared to 22.8% for the first quarter of 2025. The decrease in the effective tax rate was primarily due to a more favorable impact from tax benefits related to employee share-based payments. The other significant components of the Company's effective tax rate were consistent year-over-year.

At December 31, 2025, the Company had $106.9 million in unrecognized tax benefits, the recognition of which would have an effect of $91.9 million on the effective tax rate.

The Company classifies all income tax related interest and penalties as income tax expense. At December 31, 2025, the Company had accrued $23.9 million for the potential payment of income tax interest and penalties.

There were no significant changes to any of the balances of unrecognized tax benefits at December 31, 2025 during the first three months of 2026.

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. The IRS is currently auditing the Company's 2020 through 2022 income tax returns. As of March 31, 2026, the federal statute of limitations has not expired for the 2020 through 2025 tax years.

At March 31, 2026, the Company is subject to non-U.S. income tax examinations for the 2014 through 2025 tax years. In addition, the Company is subject to state and local income tax examinations for the 2016 through 2025 tax years.

NOTE 17 - NET INCOME PER SHARE

Basic and diluted net income per share are calculated using the treasury stock method.

	Three Months Ended March 31,	
	2026	2025
Basic		
Net income	**$ 534.7**	$ 503.9
Weighted average shares outstanding	**245.7**	249.4
Basic net income per share	**$ 2.18**	$ 2.02
Diluted		
Net income	**$ 534.7**	$ 503.9
Weighted average shares outstanding assuming dilution:		
Weighted average shares outstanding	**245.7**	249.4
Stock options and other contingently issuable shares [1]	**2.4**	3.1
Weighted average shares outstanding assuming dilution	**248.1**	252.5
Diluted net income per share	**$ 2.15**	$ 2.00

[1] Stock options and other contingently issuable shares excludes 1.8 million and 1.0 million shares at March 31, 2026 and 2025, respectively, due to their anti-dilutive effect.

NOTE 18 - REPORTABLE SEGMENT INFORMATION

The Company reports its segment information in the same way that management internally organizes its business for assessing performance and making decisions regarding the allocation of resources in accordance with the Segment Reporting Topic of the ASC. The Company determined it has three reportable segments: Paint Stores Group, Consumer Brands Group and Performance Coatings Group (individually, a Reportable Segment and collectively, the Reportable Segments). In the reportable segment financial information, segment profit represents each segment's Income before income taxes.

	Three Months Ended March 31, 2026				
	Paint Stores Group	Consumer Brands Group	Performance Coatings Group	Administrative	Consolidated Totals
Net sales	**$ 3,049.9**	**$ 908.3**	**$ 1,705.8**	**$ 2.9**	**$ 5,666.9**
Intersegment transfers	**—**	**1,277.8**	**12.9**	**(1,290.7)**	**—**
Total net sales and intersegment transfers	**3,049.9**	**2,186.1**	**1,718.7**	**(1,287.8)**	**5,666.9**
Cost of goods sold	**1,332.2**	**1,735.8**	**1,107.2**	**(1,288.8)**	**2,886.4**
Selling, general and administrative expenses	**1,157.0**	**259.3**	**384.0**	**169.3**	**1,969.6**
Interest expense	**—**	**—**	**—**	**131.6**	**131.6**
Other segment items (1)	**1.9**	**(6.2)**	**(4.9)**	**8.7**	**(0.5)**
Income before income taxes	**$ 558.8**	**$ 197.2**	**$ 232.4**	**$ (308.6)**	**$ 679.8**
Percent to Net sales	**18.3%**	**21.7%**	**13.6%**	**nm**	**12.0%**
Supplemental Information:					
Capital expenditures	**$ 18.6**	**$ 51.7**	**$ 3.8**	**$ 64.2**	**$ 138.3**
Depreciation (2)	**23.7**	**52.9**	**5.0**	**16.7**	**98.3**
Amortization (3)	**2.1**	**20.7**	**65.4**	**0.3**	**88.5**

nm - not meaningful

(1) Other segment items includes Other general expense - net, Interest income and Other (income) expense - net. See Note 15 for further information.

(2) Depreciation is recorded within Cost of goods sold and Selling, general and administrative expenses.

(3) Amortization is recorded within Selling, general and administrative expenses.

	Three Months Ended March 31, 2025				
	Paint Stores Group	Consumer Brands Group	Performance Coatings Group	Administrative	Consolidated Totals
Net sales	$ 2,939.8	$ 762.2	$ 1,602.0	$ 1.7	$ 5,305.7
Intersegment transfers	—	1,221.0	5.3	(1,226.3)	—
Total net sales and intersegment transfers	2,939.8	1,983.2	1,607.3	(1,224.6)	5,305.7
Cost of good sold	1,307.9	1,632.7	1,036.0	(1,230.0)	2,746.6
Selling, general and administrative expenses	1,093.0	217.7	351.5	131.6	1,793.8
Interest expense	—	—	—	103.8	103.8
Other segment items [(1)]	(2.3)	0.9	7.1	2.8	8.5
Income before income taxes	$ 541.2	$ 131.9	$ 212.7	$ (232.8)	$ 653.0
Percent to Net sales	18.4%	17.3%	13.3%	nm	12.3%
Supplemental Information:					
Capital expenditures	$ 26.7	$ 56.9	$ 12.4	$ 93.3	$ 189.3
Depreciation [(2)]	22.1	45.9	4.8	7.1	79.9
Amortization [(3)]	0.4	16.8	63.5	0.3	81.0

nm - not meaningful

(1) Other segment items includes Other general expense - net, Interest income and Other (income) expense - net. See Note 15 for further information.

(2) Depreciation is recorded within Cost of goods sold and Selling, general and administrative expenses.

(3) Amortization is recorded within Selling, general and administrative expenses.

Net sales of all consolidated foreign subsidiaries were $1.279 billion and $1.045 billion for the three months ended March 31, 2026 and 2025, respectively. Long-lived assets of these subsidiaries totaled $4.782 billion and $3.583 billion at March 31, 2026 and 2025, respectively. Domestic operations accounted for the remaining Net sales and long-lived assets. No single geographic area outside the United States was significant relative to consolidated Net sales, Income before income taxes or consolidated long-lived assets. Export sales and sales to any individual customer were each less than 10 percent of consolidated Net sales in 2026 and 2025.

The following table presents identifiable assets for each of the Company's Reportable Segments:

	Paint Stores Group	Consumer Brands Group	Performance Coatings Group	Administrative	Consolidated Totals
March 31, 2026	**$ 6,551.2**	**$ 8,321.8**	**$ 7,877.9**	**$ 3,627.8**	**$ 26,378.7**
December 31, 2025	6,378.6	8,025.5	7,859.5	3,638.1	25,901.7
March 31, 2025	6,143.8	7,156.8	8,071.1	3,264.4	24,636.1

For further information on the Company's Reportable Segments, see Note 22 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

(dollars in millions, except as noted and per share data)

BACKGROUND

The Sherwin-Williams Company, founded in 1866, and its consolidated subsidiaries (collectively, the Company) are engaged in the development, manufacture, distribution and sale of paint, coatings and related products to professional, industrial, commercial and retail customers primarily in North and South America with additional operations in the Caribbean region and throughout Europe, Asia and Australia.

The Company is structured into three reportable segments - Paint Stores Group, Consumer Brands Group and Performance Coatings Group (collectively, the Reportable Segments) - and an Administrative function, which is representative of the way it is internally organized for assessing performance and making decisions regarding the allocation of resources. See Note 18 in Item 1 for further information on the Company’s Reportable Segments.

SUMMARY

- Consolidated Net sales increased 6.8% to $5.667 billion in the quarter
    - Net sales from stores in the Paint Stores Group open more than twelve calendar months increased 2.4% in the quarter
- Diluted net income per share increased 7.5% to $2.15 per share in the quarter compared to $2.00 per share in the first quarter of 2025
    - Adjusted diluted net income per share increased 4.4% to $2.35 per share in the quarter compared to $2.25 per share in the first quarter of 2025
- Generated Net operating cash of $139.1 million in the quarter compared to a usage of $61.1 million in the first quarter of 2025

OUTLOOK

In an uncertain demand environment given current customer sentiment, our growth investments and execution on our differentiated strategy, Success by Design, continued to yield positive results. As the softer-for-longer demand environment continues to persist in 2026, coupled with potential inflation related to raw materials, energy, logistics and packaging as a result of recent geopolitical events, we are focusing on securing incremental volume, balanced with appropriate and decisive pricing and cost-out actions to maintain the products, services and supply solutions which drive productivity and profitability for our customers. Significant opportunities exist for each business, and we will continue to support our growth strategy by executing initiatives within our enterprise priorities, including talent, simplification, digitization, supply chain responsiveness and sustainability.

We employ a disciplined capital deployment strategy, while maintaining a balanced approach toward driving value for our customers and returns for our shareholders. We continue to pursue business acquisitions, transactions and investments that fit our long-term growth strategy and will return value to our shareholders through the payment of dividends and the reinvestment of excess cash for share repurchases of Company stock. We have a strong liquidity position, with $216.9 million in cash and $2.443 billion of unused capacity under our credit facilities at March 31, 2026. We are, and expect to remain, in compliance with all financing covenants.

RESULTS OF OPERATIONS

The Company has historically experienced, and expects to continue to experience, variability in quarterly results. The results of operations for the three months ended March 31, 2026 are not indicative of the results to be expected for the full year as our business is seasonal in nature, with the majority of Net sales for the Reportable Segments traditionally occurring during the second and third quarters. However, periods of economic uncertainty can alter the Company's seasonal patterns.

The following discussion and analysis addresses comparisons of material changes in the condensed consolidated financial statements for the three months ended March 31, 2026 and 2025.

Net Sales

	Three Months Ended March 31,					
	2026	2025	$ Change	% Change	Currency Impact	Acquisition and Divestiture Impact
Paint Stores Group	**$ 3,049.9**	$ 2,939.8	$ 110.1	3.7 %	0.1 %	0.2 %
Consumer Brands Group	**908.3**	762.2	146.1	19.2 %	2.4 %	17.2 %
Performance Coatings Group	**1,705.8**	1,602.0	103.8	6.5 %	4.1 %	0.3 %
Administrative	**2.9**	1.7	1.2	70.6 %	— %	— %
Total	**$ 5,666.9**	$ 5,305.7	$ 361.2	6.8 %	1.7 %	2.7 %

Consolidated Net sales increased by 6.8% in the first quarter of 2026 primarily due to higher Net sales in all reportable segments, inclusive of the October 2025 acquisition of Suvinil and a 1.7% impact from favorable foreign currency translation. Net sales of all consolidated foreign subsidiaries increased to $1.279 billion in the first quarter of 2026 compared to $1.045 billion in the same period last year. The increase in Net sales for all consolidated foreign subsidiaries was due to higher Net sales in all regions, led by Latin America, which is inclusive of the Suvinil acquisition. Net sales of all operations other than consolidated foreign subsidiaries increased to $4.388 billion in the first quarter of 2026 compared to $4.261 billion in the same period last year.

Net sales in the Paint Stores Group increased by 3.7% in the first quarter of 2026 primarily due to selling price increases, which impacted Net sales by a low-single digit percentage, as well as low-single digit percentage sales volume growth. Net sales increased in all but one professional customer end market, led by a double-digit percentage increase in protective and marine and a mid-single digit percentage increase in residential repaint and commercial. New residential decreased by a low-single digit percentage. Net sales from stores open for more than twelve calendar months increased by 2.4% in the first quarter of 2026 compared to last year's comparable period. Net sales of non-paint products increased 2.5% in the first quarter of 2026 compared to last year's comparable period. A discussion of changes in volume versus pricing for sales of non-paint products is not pertinent due to the wide assortment of general merchandise sold.

Net sales in the Consumer Brands Group increased by 19.2% in the first quarter of 2026 primarily as a result of the acquisition of Suvinil, a 2.4% impact from favorable foreign currency translation and increased Net sales in Europe. These increases were partially offset by soft DIY demand in North America which decreased Net sales by a low-single digit percentage.

Net sales in the Performance Coating Group increased by 6.5% in the first quarter of 2026 primarily as a result of a 4.1% impact from favorable foreign currency translation and low-single digit percentage sales volume growth. Net sales increased in certain business units led by Automotive Refinish, which increased by a double-digit percentage, General Industrial and Packaging, which increased by high-single digit percentages, and Coil, which increased by a mid-single digit percentage.

Income Before Income Taxes

The following table presents the components of Income before income taxes as a percentage of Net sales:

	Three Months Ended March 31,			
	2026		2025	
		Percent to Net Sales		Percent to Net Sales
Net sales	**$ 5,666.9**	**100.0 %**	$ 5,305.7	100.0 %
Cost of goods sold	**2,886.4**	**50.9 %**	2,746.6	51.8 %
Gross profit	**2,780.5**	**49.1 %**	2,559.1	48.2 %
Selling, general and administrative expenses (SG&A)	**1,969.6**	**34.8 %**	1,793.8	33.8 %
Other general expense - net	**6.3**	**0.1 %**	8.9	0.2 %
Interest expense	**131.6**	**2.3 %**	103.8	1.9 %
Interest income	**(2.8)**	**— %**	(3.3)	(0.1)%
Other (income) expense - net	**(4.0)**	**(0.1)%**	2.9	0.1 %
Income before income taxes	**$ 679.8**	**12.0 %**	$ 653.0	12.3 %

Three Months Ended March 31, 2026

Consolidated Cost of goods sold increased $139.8 million, or 5.1%, in the first quarter of 2026 compared to the same period in 2025 primarily due to the impact of the Suvinil acquisition and foreign currency translation changes, which increased Cost of goods sold by 2.2%. These increases were partially offset by moderating raw material costs.

Consolidated Gross profit increased $221.4 million in the first quarter of 2026 compared to the same period in 2025 primarily due to higher Net sales in all reportable segments, the acquisition of Suvinil within the Consumer Brands Group, moderating raw material costs and favorable foreign currency translation. Consolidated Gross profit as a percent of consolidated Net sales increased in the first quarter of 2026 to 49.1% compared to 48.2% during the same period in 2025 for these same reasons.

The Paint Stores Group's Gross profit in the first quarter of 2026 was higher than the same period last year by $85.8 million due primarily to higher Net sales as a result of increased selling prices and sales volume growth. The Paint Stores Group's Gross profit as a percent of Net sales increased in the first quarter of 2026 compared to the same period last year for these same reasons. The Consumer Brands Group's Gross profit increased by $99.8 million in the first quarter of 2026 compared to the same period last year due primarily to the acquisition of Suvinil and global supply chain efficiencies. The Consumer Brands Group's Gross profit as a percent of Net sales increased in the first quarter of 2026 compared to the same period last year for these same reasons. The Performance Coatings Group's Gross profit increased $40.2 million in the first quarter of 2026 compared to the same period last year primarily due to favorable foreign currency translation and higher Net sales as a result of sales volume growth. The Performance Coatings Group's Gross profit as a percent of Net sales increased modestly in the first quarter of 2026 compared to the same period last year for these same reasons.

Consolidated SG&A increased $175.8 million in the first quarter of 2026 versus the same period last year primarily due to an increase in employee-related costs and marketing and advertising to support higher Net sales, incremental SG&A expenses associated with the Suvinil acquisition, higher costs in the Administrative function related to the new global headquarters and technology center and unfavorable foreign currency translation. As a percent of Net sales, consolidated SG&A increased in the first quarter of 2026 compared to the same period last year due to these same factors.

The Paint Stores Group's SG&A increased $64.0 million in the first quarter of 2026 compared to the same period last year primarily due to increased costs to support higher sales, including higher employee-related costs and marketing and advertising. The Consumer Brands Group's SG&A increased $41.6 million in the first quarter of 2026 compared to the same period last year primarily due to incremental SG&A expenses associated with the Suvinil acquisition as well as higher employee-related and marketing costs to support higher sales. The Performance Coatings Group's SG&A increased $32.5 million in the first quarter of 2026 compared to the same period last year primarily due to higher employee-related costs. The Administrative function's SG&A increased $37.7 million in the first quarter of 2026 compared to the same period last year due primarily to costs related to the new global headquarters and technology center.

Other general expense - net decreased $2.6 million in the first quarter of 2026 compared to the same period last year primarily due to a decrease in site specific environmental-related accruals. See Note 15 in Item 1 for further information.

Interest expense increased $27.8 million in the first quarter of 2026 compared to the same period last year due to an increase in long-term debt and short-term borrowings as well as interest expense related to the new global headquarters and technology center. See Note 6 in Item 1 for further information on the Company's outstanding debt.

Other (income) expense - net was income of $4.0 million in the first quarter of 2026 compared to expense of $2.9 million in the same period last year primarily due to foreign currency transaction related net gains in the current period as compared to net losses in the comparable prior year period, partially offset by unfavorable changes in the market value of investments held in deferred compensation plans. See Note 15 in Item 1 for further information.

The following table presents Income before income taxes by segment and as a percent of Net sales by segment:

	Three Months Ended March 31,			
	2026	2025	$ Change	% Change
Income Before Income Taxes:				
Paint Stores Group	**$ 558.8**	$ 541.2	$ 17.6	3.3 %
Consumer Brands Group	**197.2**	131.9	65.3	49.5 %
Performance Coatings Group	**232.4**	212.7	19.7	9.3 %
Administrative	**(308.6)**	(232.8)	(75.8)	(32.6)%
Total	**$ 679.8**	$ 653.0	$ 26.8	4.1 %
Income Before Income Taxes as a percent of Net sales:				
Paint Stores Group	**18.3 %**	18.4 %		
Consumer Brands Group	**21.7 %**	17.3 %		
Performance Coatings Group	**13.6 %**	13.3 %		
Administrative	**nm**	nm		
Total	**12.0 %**	12.3 %		

nm - not meaningful

<u>Income Tax Expense</u>

The effective tax rate was 21.3% for the first quarter of 2026 compared to 22.8% for the first quarter of 2025. The decrease in the effective tax rate was primarily due to a more favorable impact from tax benefits related to employee share-based payments. The other significant components of the Company's effective tax rate were consistent year-over-year. See Note 16 in Item 1 for further information.

<u>Net Income Per Share</u>

Diluted net income per share increased 7.5% to $2.15 per share in the first quarter of 2026 compared to $2.00 per share in the first quarter of 2025. Diluted net income per share in the first quarter of 2026 included Valspar acquisition-related amortization expense of $0.20 per share. Diluted net income per share in the first quarter of 2025 included charges for Valspar acquisition-related amortization expense of $0.19 per share and severance and other restructuring expenses of $0.06 per share. Foreign currency translation rate changes increased diluted net income per share by $0.03 in the first quarter of 2026.

FINANCIAL CONDITION, LIQUIDITY AND CASH FLOW

Overview

The Company's financial condition and liquidity remained strong at March 31, 2026. The Company generated $139.1 million in Net operating cash during the first quarter of 2026 and returned cash of $772.7 million to its shareholders in the form of dividends and share repurchases during the first quarter of 2026. Net income increased 6.1% to $534.7 million and EBITDA increased 8.8% to $998.2 million for the first three months of 2026. Refer to the Non-GAAP Financial Measures section below for the definition and calculation of EBITDA.

At March 31, 2026, the Company had Cash and cash equivalents of $216.9 million and total debt outstanding of $11.700 billion. Total debt, net of Cash and cash equivalents, was $11.483 billion. The Company continues to maintain sufficient short-term borrowing capacity at reasonable rates, and has sufficient cash on hand and total available borrowing capacity to fund its current operating requirements.

Net Working Capital

Net working capital, defined as Total current assets less Total current liabilities, increased $802.1 million to a deficit of $1.035 billion at March 31, 2026 compared to a deficit of $1.837 billion at March 31, 2025. The net working capital increase is due to an increase in current assets of $460.0 million and a decrease of $342.1 million in current liabilities.

Current asset balances increased $460.0 million at March 31, 2026 compared to March 31, 2025 due to an increase in Accounts receivable, net of $379.0 million, an increase in Other current assets of $105.9 million, primarily related to prepaid expenses and recoverable income taxes, and an increase in Cash and cash equivalents of $17.1 million. These increases were offset by a decrease in Inventories of $42.0 million.

Current liability balances decreased $342.1 million at March 31, 2026 compared to March 31, 2025 due to a decrease in the Current portion of long-term debt of $1.151 billion. This decrease was offset by an increase in Short-term borrowings of $578.1 million, an increase in Accounts payable of $90.5 million, an increase in Other accruals of $54.3 million primarily related to customer considerations, an increase in Accrued taxes of $45.8 million, an increase in Compensation and taxes withheld of $25.3 million and an increase in the Current portion of operating lease liabilities of $14.6 million. The Company's current ratio was 0.86, 0.87 and 0.77 at March 31, 2026, December 31, 2025 and March 31, 2025, respectively.

Property, Plant and Equipment

Net property, plant and equipment increased $68.5 million in the first three months of 2026 and $542.5 million in the twelve months since March 31, 2025. The increase in the first three months was due to capital expenditures of $118.7 million, Suvinil purchase price allocation adjustments of $48.1 million and foreign currency translation and other adjustments of $1.5 million, offset by depreciation expense of $98.3 million and the sale or disposition of fixed assets of $1.5 million. Since March 31, 2025, the increase was due to capital expenditures of $683.7 million, assets acquired through business combinations of $193.7 million, foreign currency translation and other adjustments of $21.3 million and the sale or disposition of fixed assets of $2.5 million, offset by depreciation expense of $358.7 million.

Buildings within Property, plant and equipment, net increased $52.5 million in the first three months of 2026 and $1.523 billion in the twelve months since March 31, 2025. The increase in the first three months was primarily due to capital expenditures related to finalizing the construction of the new global headquarters and technology center. Since March 31, 2025, the increase was primarily due to the new global headquarters and technology center meeting the criteria to be placed into service during 2025.

Also included in 2026 capital expenditures were expenditures related to manufacturing capacity expansion, operational efficiencies and maintenance projects in the Consumer Brands and Performance Coatings Groups and the opening of new stores and renovation and improvements in existing stores in the Paint Stores Group.

In 2026, the Company expects to spend less than 2025 for capital expenditures, which it will fund primarily through the generation of operating cash. Core capital expenditures are targeted to be approximately 2% of Net sales in 2026 and are expected to be for investments in various productivity improvements and maintenance projects at existing manufacturing, distribution and technology facilities and new store openings.

Real Estate Financing

In December 2022, the Company closed a transaction to sell and subsequently lease back its new global headquarters. This transaction did not meet the criteria for recognition as an asset sale under U.S. generally accepted accounting principles (US GAAP) and as such, was accounted for as a real estate financing transaction. The Company received the final proceeds for the new global headquarters in 2025 for a total of $800 million. The initial lease term includes the construction period and extends for 30 years thereafter, and the Company has the right and option to extend the lease term.

The net proceeds from this transaction and other real estate financing transactions are recognized as Proceeds from real estate financing transactions within the Financing Activities section of the Statements of Condensed Consolidated Cash Flows. The Company will continue to recognize the related assets, including any capitalized interest, within Property, plant and equipment, net on the Consolidated Balance Sheets. These assets are subject to depreciation over their useful lives in accordance with the Company's accounting policies. The Company also allocates payments between interest and repayment of the financing liability over the life of the agreement. See Note 8 in Item 1 and Note 10 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2025 for further information concerning real estate financing.

Goodwill and Intangible Assets

Goodwill decreased $33.2 million from December 31, 2025 and increased $295.0 million from March 31, 2025. The decrease during the first three months of 2026 was due to Suvinil purchase price allocation adjustments of $29.7 million and foreign currency translation fluctuations and other adjustments of $3.5 million. The increase over the twelve month period from March 31, 2025 was due to purchase price allocation adjustments of $202.3 million, primarily related to the Suvinil acquisition, and foreign currency translation fluctuations and other adjustments of $92.7 million.

Intangible assets decreased $80.5 million from December 31, 2025 and increased $392.2 million from March 31, 2025. The decrease during the first three months of 2026 was due to amortization of $88.5 million and Suvinil purchase price allocation adjustments of $17.1 million, offset by foreign currency translation fluctuations and other adjustments of $23.6 million and capitalized software of $1.5 million. The increase over the twelve month period from March 31, 2025 was due to purchase price allocations of $626.0 million, primarily related to the Suvinil acquisition, foreign currency translation fluctuations and other adjustments of $90.1 million and capitalized software of $38.0 million, offset by amortization of $344.1 million and trademark impairment of $17.8 million.

See Note 5 in Item 1 and Note 6 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2025 for further information concerning the Company's Goodwill and Intangible assets.

Other Assets

Other assets increased $17.7 million from December 31, 2025 and $18.4 million from March 31, 2025. The increase in the first three months of 2026 was primarily due to an increase in non-traded investments partially offset by a decrease in customer considerations. The increase from March 31, 2025 was primarily due to an increase in assets related to cloud computing arrangements, deferred income tax assets and pension plan assets, partially offset by a decrease in customer considerations and non-traded investments. See Notes 1 and 14 in Item 1 and Notes 1, 8, 18 and 20 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2025 in for further information.

Debt (including Short-term borrowings)

	March 31, 2026	December 31, 2025	March 31, 2025
Long-term debt (including current portion)	**$ 9,323.2**	$ 9,670.8	$ 8,977.9
Short-term borrowings	**2,376.6**	1,200.5	1,798.5
Total debt outstanding	**$ 11,699.8**	$ 10,871.3	$ 10,776.4

The Company's long-term debt primarily consists of senior notes as disclosed in Note 7 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

See Note 6 in Item 1 for further information concerning debt.

Defined Benefit Pension and Other Postretirement Benefit Plans

Long-term liabilities for defined benefit pension and other postretirement benefit plans did not change significantly from December 31, 2025. The changes from March 31, 2025 are primarily due to changes in actuarial assumptions and the acquisition of Suvinil. See Note 8 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2025 for further information concerning the Company's liabilities for defined benefit pension and other postretirement benefit plans.

Deferred Income Taxes

Deferred income taxes were effectively flat from December 31, 2025 and increased $179.4 million from March 31, 2025. The changes from March 31, 2025 are primarily due to accelerated domestic research and development deductions recognized as a result of U.S. tax reform legislation known as the One Big Beautiful Bill Act. This increase was partially offset by amortization of acquisition-related intangible assets.

Environmental-Related Liabilities

The operations of the Company, like those of other companies in the same industry, are subject to various domestic and foreign environmental laws and regulations. These laws and regulations not only govern current operations and products, but also impose potential liability on the Company for past operations. Management expects environmental laws and regulations to impose increasingly stringent requirements upon the Company and the industry in the future. Management believes that the Company conducts its operations in compliance with applicable environmental laws, regulations and requirements and has implemented various programs designed to help protect the environment and promote continued compliance.

Depreciation of capital expenditures and other expenses related to ongoing environmental compliance measures were included in the normal operating expenses of conducting business. The Company's capital expenditures, depreciation and other expenses related to ongoing environmental compliance measures were not material to the Company's financial condition, liquidity, cash flow or results of operations during the first three months of 2026. Management also does not expect that such capital expenditures, depreciation and other expenses will be material to the Company's financial condition, liquidity, cash flow or results of operations for the remainder of 2026. See Notes 8 and 15 in Item 1 for further information on environmental-related long-term liabilities.

Contractual Obligations, Commercial Commitments and Warranties

There have been no significant changes to the Company's contractual obligations and commercial commitments in the first three months of 2026 as summarized in Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

Litigation

See Note 9 in Item 1 for further information concerning litigation.

Shareholders' Equity

	March 31, 2026	December 31, 2025	March 31, 2025
Total shareholders' equity	**$ 4,431.1**	$ 4,598.3	$ 4,130.1

Shareholders' equity decreased $167.2 million during the first three months of 2026 primarily as a result of $623.5 million of treasury stock activity mainly attributable to treasury stock repurchases and the payment of $197.1 million in cash dividends, partially offset by Net income of $534.7 million, an increase in Other capital of $71.0 million mainly associated with stock-based compensation expense and stock option exercises and an increase in Other comprehensive income, net of tax of $47.6 million mainly due to foreign currency translation adjustments.

Shareholders' equity increased $301.0 million since March 31, 2025 primarily as a result of Net income of $2.599 billion, an increase in Other comprehensive income, net of tax of $186.1 million mainly due to foreign currency translation adjustments and an increase in Other capital of $182.4 million mainly associated with stock-based compensation expense and stock option exercises. The increase in Shareholders' equity was partially offset by treasury stock activity mainly attributable to treasury stock repurchases of $1.880 billion and the payment of $786.5 million in cash dividends. Additionally, during the fourth quarter of 2025, the Company retired 29.5 million common stock shares held in treasury stock, which resulted in decreases of Common stock, Other capital, Retained earnings and Treasury stock. See Note 10 in Item 1 for further information concerning Shareholders' Equity. See the Statements of Consolidated Shareholders' Equity in the Company's Annual Report on Form 10-K for the year ended December 31, 2025 for further information concerning the treasury stock retirement.

During the first three months of 2026, the Company purchased 1.6 million shares of its common stock for treasury purposes through open market purchases. The Company acquires its common stock for general corporate purposes, and depending on its cash position and market conditions, it may acquire shares in the future. The Company had remaining authorization from its Board of Directors at March 31, 2026 to purchase 28.0 million shares of its common stock.

In February 2026, the Company's Board of Directors increased the quarterly cash dividend from $0.79 per share to $0.80 per share. This quarterly dividend, if approved in each of the remaining quarters of 2026, would result in an annual dividend for 2026 of $3.20 per share, or a 31% payout of 2025 diluted net income per share.

Cash Flow

Net operating cash for the three months ended March 31, 2026 was a source of $139.1 million compared to a usage of $61.1 million for the same period in 2025. The improvement in Net operating cash was primarily due to lower cash requirements for working capital and deferred taxes, higher Net income and an increase in depreciation and amortization.

Net investing cash usage decreased $145.7 million in the first three months of 2026 compared to the same period in 2025 primarily due to cash used for an acquisition in the first three months of 2025 and a decrease in cash used for capital expenditures related to the new global headquarters and technology center.

Net financing cash source decreased $319.6 million in the first three months of 2026 compared to the same period in 2025 primarily due to an increase in treasury stock purchases, an increase in payments of long-term debt and a decrease in proceeds from real estate financing transactions, partially offset by an increase in short-term borrowings and proceeds from stock options exercised.

In the twelve month period from April 1, 2025 through March 31, 2026, the Company generated Net operating cash of $3.652 billion, used $1.921 billion in investing activities and used $1.698 billion in financing activities.

Market Risk

The Company is exposed to market risk associated with interest rates, foreign currency and commodity fluctuations. The Company occasionally utilizes derivative instruments as part of its overall financial risk management policy, but does not use derivative instruments for speculative or trading purposes. In 2026 and 2025, the Company utilized U.S. dollar to euro cross currency swap contracts to hedge the Company's net investment in its European operations. The contracts have been designated as net investment hedges and have various maturity dates. In addition, the Company entered into forward foreign currency exchange contracts during 2026 and 2025 primarily to hedge value changes in foreign currency. Lastly, the Company entered into interest rate lock contracts in 2025 to hedge the variability in the benchmark interest rate for the 2025 issuance of long-term fixed rate debt. See Notes 12 and 15 in Item 1 for further information related to the Company's use of derivative instruments. The Company believes it may experience losses from foreign currency translation and transactions, interest rate movement and commodity price fluctuations. However, the Company does not expect foreign currency translation or transactions, interest rate movement, commodity price fluctuations or hedging contract losses to have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Financial Covenant

Certain borrowings contain a consolidated leverage covenant. The covenant states the Company's consolidated leverage ratio is not to exceed 3.75 to 1.00; however, the Company may elect to temporarily increase the leverage ratio to 4.25 to 1.00 for a period of four consecutive fiscal quarters immediately following the consummation of a qualifying acquisition, as defined in the credit agreement dated July 31, 2024. The leverage ratio is defined as the ratio of total indebtedness (the sum of Short-term borrowings, Current portion of long-term debt and Long-term debt) at the reporting date to consolidated "Earnings Before Interest, Taxes, Depreciation, and Amortization" (EBITDA), as defined in the credit agreement, for the 12-month period ended on the same date. Refer to the "Non-GAAP Financial Measures" section for a reconciliation of EBITDA to Net income. At March 31, 2026, the Company was in compliance with the covenant and expects to remain in compliance. The Company's notes, debentures and revolving credit agreements contain various default and cross-default provisions. In the event of default under any one of these arrangements, acceleration of the maturity of any one or more of these borrowings may result. See Note 6 in Item 1 and Note 7 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2025 for further information concerning the Company's debt and related covenants.

Reconciliation of Non-GAAP Financial Measures

Management utilizes certain financial measures that are not in accordance with US GAAP to analyze and manage the performance of the business. The required disclosures for these non-GAAP measures are shown below. The Company provides such non-GAAP information in reporting its financial results to give investors additional data to evaluate the Company's operations. Management does not, nor does it suggest investors should, consider such non-GAAP measures in isolation from, or in substitution for, financial information prepared in accordance with US GAAP.

EBITDA and Adjusted EBITDA

EBITDA is a non-GAAP financial measure defined as Net income before income taxes, Interest expense, depreciation and amortization. Adjusted EBITDA is a non-GAAP financial measure defined as EBITDA that excludes certain adjustments that management believes enhances investors' understanding of the Company's operating performance. Management considers EBITDA and Adjusted EBITDA useful in understanding the operating performance of the Company. The reader is cautioned that the Company's EBITDA and Adjusted EBITDA should not be compared to other entities unknowingly. Further, EBITDA and Adjusted EBITDA should not be considered alternatives to Net income as an indicator of operating performance. The reader should refer to the determination of Net income in accordance with US GAAP disclosed in the Statements of Consolidated Income in Item 1.

The following table reconciles Net income computed in accordance with US GAAP to EBITDA and Adjusted EBITDA as calculated by management for the periods indicated below:

	Three Months Ended March 31,	
	2026	2025
Net income	**$ 534.7**	$ 503.9
Interest expense	**131.6**	103.8
Income taxes	**145.1**	149.1
Depreciation	**98.3**	79.9
Amortization	**88.5**	81.0
EBITDA	**$ 998.2**	$ 917.7
Severance and other restructuring expenses	**—**	19.3
Adjusted EBITDA	**$ 998.2**	$ 937.0

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect amounts reported in the accompanying condensed consolidated financial statements. These determinations were made based upon management's best estimates, judgments and assumptions that were believed to be reasonable under the circumstances, giving due consideration to materiality. We do not believe there is a great likelihood that materially different amounts would be reported under different conditions or using different assumptions related to the accounting policies and estimates described below. However, application of these accounting policies involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates.

A comprehensive discussion of the Company's critical accounting policies, management estimates and significant accounting policies followed in the preparation of the condensed consolidated financial statements is included in Management's Discussion and Analysis of Financial Condition and Results of Operations and Note 1 in the Company's Annual Report on Form 10-K for the year ended December 31, 2025. There have been no significant changes in critical accounting policies, management estimates or significant accounting policies since the year ended December 31, 2025.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this report constitute "forward-looking statements" within the meaning of federal securities laws. These forward-looking statements are based upon management's current expectations, predictions, estimates, assumptions and beliefs concerning future events and conditions and may relate to, among other things, anticipated future performance (including sales and earnings), expected growth, future business plans and the costs and potential liability for environmental-related matters and lead pigment and lead-based paint litigation. Any statement that is not historical in nature is a forward-looking statement and may be identified by the use of words and phrases such as "anticipate," "aspire," "believe," "could," "estimate," "expect," "goal," "intend," "may," "plan," "potential," "project," "seek," "should," "strive," "target," "will," or "would" or the negative thereof or comparable terminology.

Readers are cautioned not to place undue reliance on any forward-looking statements. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside our control, that could cause actual results to differ materially from such statements and from our historical results, performance and experience. These risks, uncertainties and other factors include such things as:

- general business and economic conditions in the United States and worldwide;
- inflation rates, interest rates, unemployment rates, labor costs, healthcare costs, recessionary conditions, geopolitical conditions, terrorist activity, armed conflicts and wars, public health crises, pandemics, outbreaks of disease and supply chain disruptions;
- shifts in consumer behavior driven by economic downturns in cyclical segments of the economy;
- shortages and increases in the cost of raw materials and energy;
- catastrophic events, adverse weather conditions and natural disasters (including those that may be related to climate change);
- disruptions to our information technology systems, including due to digitization efforts or cybersecurity incidents;
- our ability to attract, retain, develop and progress a qualified global workforce;
- the loss of any of our largest customers;
- increased competition or failure to keep pace with developments in key competitive areas of our business;
- our ability to successfully integrate past and future acquisitions, including Suvinil, into our existing operations;
- risks and uncertainties associated with our expansion into and our operations in South America, Asia, Europe and other foreign markets;
- policy changes affecting international trade, including import/export restrictions and tariffs;
- our ability to achieve our strategies or expectations relating to sustainability considerations, including as a result of evolving legal, regulatory and other standards, processes and assumptions, the pace of scientific and technological developments, increased costs, the availability of requisite suppliers, energy sources, or financing and changes in carbon markets and carbon accounting rules;
- damage to our business, reputation, image or brands due to negative publicity;
- the infringement or loss of our intellectual property rights or the theft or unauthorized use of our trade secrets or other confidential business information;
- a weakening of global credit markets or changes to our credit ratings;
- our ability to generate cash to service our indebtedness;
- fluctuations in foreign currency exchange rates and changing monetary policies;
- our ability to comply with a variety of complex U.S. and non-U.S. laws, rules and regulations;
- increases in tax rates, or changes in tax laws or regulations;
- our ability to comply with numerous, complex and increasingly stringent domestic and foreign health, safety and environmental laws, regulations and requirements;
- our liability related to environmental investigation and remediation activities at some of our currently- and formerly-owned sites;
- the nature, cost, quantity and outcome of pending and future litigation, including lead pigment and lead-based paint litigation; and
- the other risk factors discussed in Part 1, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025 and our other reports filed with the SEC.

Readers are cautioned that it is not possible to predict or identify all of the risks, uncertainties and other factors that may affect future results and that the above list should not be considered a complete list. Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as otherwise required by law.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to market risk associated with interest rates, foreign currency and commodity fluctuations. The Company occasionally utilizes derivative instruments as part of its overall financial risk management policy, but does not use derivative instruments for speculative or trading purposes. The Company may enter into foreign currency option and forward contracts, cross currency swaps, interest rate locks and commodity swaps to hedge against value changes in its foreign currency, net investment in foreign operations, interest rates and commodities. The Company believes it may experience continuing losses from foreign currency translation, interest rate movement and commodity price fluctuations. However, the Company does not expect foreign currency translation or transactions, interest rate movement, commodity price fluctuations or hedging contract losses to have a material adverse effect on the Company’s financial condition, results of operations or cash flows. There were no material changes in the Company’s exposure to market risk since the disclosure included in Management’s Discussion and Analysis of Financial Condition and Results of Operations in the Company’s Annual Report on Form 10-K for the year ended December 31, 2025.

Item 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our Chair, President and Chief Executive Officer and our Senior Vice President - Finance and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 and Rule 15d-15 of the Securities Exchange Act of 1934, as amended (the Exchange Act). Based upon that evaluation, our Chair, President and Chief Executive Officer and our Senior Vice President - Finance and Chief Financial Officer concluded that as of the end of the period covered by this report our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and accumulated and communicated to our management including our Chair, President and Chief Executive Officer and our Senior Vice President - Finance and Chief Financial Officer, to allow timely decisions regarding required disclosure.

There have been no changes in our internal control over financial reporting identified in connection with the evaluation that occurred during the periods covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

SEC regulations require disclosure of certain environmental matters when a governmental authority is a party to the proceedings and such proceedings involve potential monetary sanctions that the Company reasonably believes will exceed a specified threshold. Pursuant to these regulations, the Company uses a threshold of $1 million for purposes of determining whether disclosure of any such proceedings is required.

On May 12, 2025, a subsidiary of the Company, The Sherwin-Williams Manufacturing Company (SWM), was served with a Petition and Application for Injunctive Relief from the State of Texas, through its Attorney General on behalf of the Texas Commission on Environmental Quality, filed in the District Court of Travis County, Texas, and on January 30, 2026, the State filed a First Amended Petition and Application for Injunctive Relief (together, the Petition). The Petition alleges that one of SWM's Garland, Texas facility's past operations violated Texas environmental regulations related to air and water emissions, and includes events related to the fire experienced at that facility on August 8, 2023. The Petition seeks injunctive relief, civil penalties, reimbursement of response costs, expenses, and attorney fees and costs. SWM denies the violations and claims for relief as alleged and intends to vigorously defend these claims if SWM is unable to resolve this matter to the mutual satisfaction of the parties.

For information regarding certain other environmental-related matters and legal proceedings, see the information included under the captions titled "Environmental-Related Liabilities" and "Litigation" of "Management's Discussion and Analysis of Results of Operations and Financial Condition" and Notes 8 and 9 of the "Notes to Condensed Consolidated Financial Statements." The information contained in Note 9 to the Condensed Consolidated Financial Statements is incorporated herein by reference.

Item 1A. Risk Factors.

We face a number of risks that could materially and adversely affect our business, results of operations, cash flows, liquidity or financial condition. A discussion of our risk factors can be found in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025. Readers should not interpret the disclosure of any risk factor to imply that the risk has not already materialized. During the three months ended March 31, 2026, there were no material changes to our previously disclosed risk factors.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

A summary of the Company’s first quarter activity is as follows:

Period	Total Number of Shares Purchased		Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Plan	Maximum Number of Shares That May Yet Be Purchased Under the Plan
January 1 - January 31					
Share repurchase program [1]	50,000	$	355.71	50,000	29,575,000
February 1 - February 28					
Share repurchase program [1]	1,100,000	$	364.15	1,100,000	28,475,000
Employee transactions [2]	129,284	$	368.87	—	N/A
March 1 - March 31					
Share repurchase program [1]	450,000	$	349.34	450,000	28,025,000
Employee transactions [2]	1,423	$	357.08	—	N/A
Quarter Total					
Share repurchase program [1]	1,600,000	$	359.72	1,600,000	28,025,000
Employee transactions [2]	130,707	$	368.75	—	N/A

(1) Shares were purchased through the Company’s publicly announced share repurchase program. There is no expiration date specified for the program.

(2) Shares were delivered to satisfy the exercise price and/or tax withholding obligations by employees who exercised stock options or had restricted stock units vest.

Item 5. Other Information.

Trading Arrangements

During the quarter ended March 31, 2026, none of the Company's directors or "officers," as defined in Rule 16a-1(f) of the Exchange Act, adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

Item 6. Exhibits.

31.1 Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer (filed herewith)

31.2 Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer (filed herewith)

32.1 Section 1350 Certification of Chief Executive Officer (furnished herewith)

32.2 Section 1350 Certification of Chief Financial Officer (furnished herewith)

101.INS	Inline XBRL Instance Document - the instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	The cover page from this Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026, formatted in Inline XBRL and contained in Exhibit 101.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE SHERWIN-WILLIAMS COMPANY

April 28, 2026	By:	/s/ J. Paul Lang
		J. Paul Lang Senior Vice President - Enterprise Finance and Chief Accounting Officer
April 28, 2026	By:	/s/ Benjamin E. Meisenzahl
		Benjamin E. Meisenzahl Senior Vice President - Finance and Chief Financial Officer

EXHIBIT 31.1

CERTIFICATION

I, Heidi G. Petz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Sherwin-Williams Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2026

/s/ Heidi G. Petz

Heidi G. Petz
Chair, President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Benjamin E. Meisenzahl, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Sherwin-Williams Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2026

/s/ Benjamin E. Meisenzahl
Benjamin E. Meisenzahl
Senior Vice President - Finance and
Chief Financial Officer

EXHIBIT 32.1

SECTION 1350 CERTIFICATION

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of The Sherwin-Williams Company (the "Company") for the period ended March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Heidi G. Petz, Chair, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 28, 2026

/s/ Heidi G. Petz
Heidi G. Petz
Chair, President and Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to The Sherwin-Williams Company and will be retained by The Sherwin-Williams Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

SECTION 1350 CERTIFICATION

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of The Sherwin-Williams Company (the "Company") for the period ended March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Benjamin E. Meisenzahl, Senior Vice President - Finance and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 28, 2026

/s/ Benjamin E. Meisenzahl
Benjamin E. Meisenzahl
Senior Vice President - Finance and
Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to The Sherwin-Williams Company and will be retained by The Sherwin-Williams Company and furnished to the Securities and Exchange Commission or its staff upon request.