To Our Shareholders

Our strategically balanced business model, the resiliency of our operating companies and our MAP to Growth operating improvement program have enabled RPM to pull through the depths of the economic slowdown created by the Covid-19 pandemic. With the dual benefit of improved margins and better working capital management, our businesses are generating excellent cash flow, which allowed us to pay down nearly $200 million of debt during the first quarter.

During our fiscal 2021 first quarter, select segments of the global economy began to gain momentum as stay-at-home orders were relaxed. This freed pent-up demand from last year's fourth quarter and helped drive our record top-line results. In addition, much credit for our strong performance is due to our management philosophy, which keeps customer-centric decision making at the operating level and enables our companies to be very nimble in adapting to change. I am proud of the efforts of our plant managers who have made our workers' health and safety a top priority during the pandemic. Our operations personnel have successfully kept workplace transmission of Covid-19 to a very low level.

MAP to Growth Drives Efficiency and Operational Excellence

The momentum behind our MAP to Growth program continues to accelerate as it drives efficiency and operational excellence throughout the business. We are on track to reach the targeted run rate of $290 million in annualized savings by the conclusion of our current fiscal year, which ends May 31, 2021. The projected benefits from our center-led procurement initiatives are ahead of plan, and our administrative improvements and ERP consolidations will continue into fiscal 2022. Through our program, we are establishing a culture of continuous improvement that will benefit RPM's bottom line for years to come.

First-Quarter Consolidated Results

Fiscal 2021 first-quarter net sales increased 9.1% to a record $1.61 billion compared to the $1.47 billion reported a year ago. First-quarter net income was $180.6 million, up 70.1% over the $106.2 million reported in the year-ago period, and diluted earnings per share (EPS) were $1.39, up 69.5% compared to $0.82 in the year-ago quarter. Income before income taxes (IBT) was up 69.0% to $241.4 million compared to $142.8 million reported in the fiscal 2020 first quarter. RPM's consolidated earnings before interest and taxes (EBIT) increased 51.0% to $250.4 million compared to $165.8 million reported in the fiscal 2020 first quarter.

The first quarter included restructuring-related and other expenses of $18.9 million during fiscal 2021 and $26.8 million in fiscal 2020. Excluding these charges, our adjusted EBIT was up 39.8% to $269.2 million compared to $192.6 million during the year-ago period. We have excluded the impact of all gains and losses from marketable securities from adjusted EPS, as their inherent volatility is outside of management's control and cannot be predicted with any level of certainty. These investments resulted in a net after-tax gain of $8.1 million for our first quarter of fiscal 2021 and a net after-tax gain of $2.8 million during the same quarter last year. Excluding the restructuring and other charges, as well as investment gains, adjusted diluted EPS increased 51.6% to $1.44 compared to $0.95 in the fiscal 2020 first quarter.

First-Quarter Segment Results

Sales in our Construction Products Group increased 2.2%, to $547.7 million during the fiscal 2021 first quarter compared to fiscal 2020 first-quarter sales of $536.1 million, reflecting organic growth of 3.6%. Foreign currency translation reduced sales by 1.4%. Segment IBT was $98.3 million compared with IBT of $82.7 million a year ago. EBIT was $100.5 million, up 18.6% compared to EBIT of $84.7 million during the fiscal 2020 first quarter. The segment incurred $1.9 million in restructuring-related expenses during the first quarter of fiscal 2021 and $2.2 million in restructuring-related and other costs during the same period of fiscal 2020. Excluding these charges, fiscal 2021 adjusted EBIT increased 17.7% to $102.3 million from adjusted EBIT of $86.9 million reported during the year-ago period. Points of strength in our Construction Products Group were sales by our commercial sealants and roofing businesses in North America due to continued success in our restoration and building envelope systems initiatives. MAP to Growth initiatives, price increases and strong cost management enabled the segment's bottom line to vastly outpace its modest sales growth.

Sales in our Performance Coatings Group were $259.8 million during the fiscal 2021 first quarter, a 12.6% decrease as compared to sales of $297.2 million reported a year ago. Organic sales decreased 12.2%, while acquisitions contributed 0.3% to sales. Foreign currency translation reduced sales by 0.7%. Segment IBT was $28.5 million compared with IBT of $28.1 million reported a year ago. EBIT was $28.5 million, a 1.3% increase compared to EBIT of $28.2 million in the fiscal 2020 first quarter. The segment reported first-quarter restructuring-related charges of $2.3 million in fiscal 2021 and $8.7 million in fiscal 2020. Adjusted EBIT, which excludes these charges, decreased 16.4% to $30.9 million during the first quarter of fiscal 2021 from $36.9 million during the year-ago period. Sales in the segment continued to be impacted by Covid-19 restrictions that limited outside contractors' access to facilities and construction sites, as well as poor energy market conditions that resulted in deferred industrial maintenance spending. In response, the segment has managed its decremental margins well by reducing its breakeven point and aggressively cutting fixed costs. Adjusted EBIT margins would have actually improved during the quarter had it not been for the impact of transactional foreign exchange expense. Savings from MAP to Growth operational improvements benefitted the segment's earnings.

In our Consumer Group, sales increased 33.8% to $641.2 million during the first quarter of fiscal 2021 compared to sales of $479.3 million reported in the first quarter of fiscal 2020. Organic sales increased 34.0%, while sales were reduced by 0.2% from foreign currency translation. Consumer Group IBT was $132.7 million compared with IBT of $59.2 million in the prior-year period. EBIT was up 124.1% to $132.8 million compared to EBIT of $59.3 million in the fiscal 2020 first quarter. The segment incurred restructuring-related expenses of $3.9 million during fiscal 2021 and $2.4 million during fiscal 2020. Excluding these charges, fiscal 2021 first-quarter adjusted EBIT was $136.7 million, an increase of 121.6% over adjusted EBIT of $61.7 million reported during the prior period. Top- and bottom-line results were up significantly for the businesses in our Consumer Group due to spiking DIY demand as consumers spent more time in their homes completing improvement projects during the pandemic. Our Consumer Group was a large beneficiary of this trend due to our market leadership position in small project paints, caulks, sealants and other related products. We are working around the clock and are also making significant investments in plants, equipment and operational disciplines to expand our capacity and meet unprecedented demand. The segment also benefited from an easier comparison to the prior year's first quarter when its product sales were tempered by extremely wet weather. The segment's bottom line increased as a result of volume leveraging, MAP to Growth savings, favorable product mix and moderation in some raw material categories. However, future cost pressure is anticipated due to recent inflation in certain raw materials and packaging, as well as additional overhead expenses resulting from ongoing investments in capacity. We anticipate that we will see elevated demand over the next few quarters as housing turnover improves and more DIYers gain successful experience with new home improvement projects.

Continued on inside page

Quarterly Report 1

RPM International Inc.

First-Quarter Report

For Period Ended August 31, 2020

- **Reported diluted EPS $1.39; adjusted diluted EPS +51.6% to $1.44**
- **Net income $180.6 million; adjusted EBIT +39.8% to $269.2 million**
- **Leading abrasives manufacturer acquired**
- **First ESG report released**
- **Dividend increased for the 47th consecutive year**
- **Fiscal 2021 second-quarter outlook: low- to mid-single digit sales growth; +20% adjusted EBIT growth**

The Value of 168®

The Value of 168®

The Value of 168 is a statement of the corporate philosophy of RPM. This figure, often cited by our founder Frank C. Sullivan, literally represents the number of hours in a week. On a deeper level, it serves to remind us of his belief that we are born with two great gifts: life and the time to do something with it.

The Value of 168 signifies RPM's enduring commitment to our fellow employees, customers and stockholders. This commitment springs from an ethos woven into our culture. It is evident in the stimulus of a work environment characterized by empowerment, accountability, opportunity and respect. The care that goes into building and sustaining long-term relationships with those we serve. The refusal to compromise on quality. The integrity that ensures results the right way.

The Value of 168 is the essence of RPM.

Sales in our Specialty Products Group were $158.0 million during the first quarter of fiscal 2021, a decline of 1.3% as compared to sales of $160.1 million in the fiscal 2020 first quarter. Organic sales decreased 5.7%, while acquisitions contributed 4.1% to sales and foreign currency translation increased sales by 0.3%. Segment IBT was $20.4 million compared with $23.3 million in the prior-year period. EBIT was $20.5 million, a decrease of 11.9% as compared to EBIT of $23.3 million in the fiscal 2020 first quarter. The segment reported first-quarter restructuring-related charges of $3.5 million in fiscal 2021 and $5.3 million in fiscal 2020. Adjusted EBIT, which excludes restructuring-related expenses, was $24.1 million in the fiscal 2021 first quarter, a decrease of 15.9% as compared to adjusted EBIT of $28.6 million in fiscal 2020. First-quarter sales in the segment rebounded and were nearly flat compared to last year's first quarter due to more favorable market conditions that drove demand for some of its products, including marine coatings, wood coatings and protectants, and nail enamels. The bottom line was impacted by unfavorable product mix, operating disruptions associated with Covid-19 and deleveraging on lower volumes, which were partially offset by savings from the MAP to Growth operating improvement program.

Record Cash Flow Generated, Financial Position Strong

During the fiscal 2021 first quarter, cash generated from operations was a record $318.1 million compared to $145.1 million a year ago. Capital expenditures were $41.5 million in the quarter, compared to $36.6 million in the year-ago period. Total debt at August 31, 2020 of $2.34 billion compares to $2.54 billion at May 31, 2020. Total liquidity, including cash and committed revolving credit facilities, was $1.50 billion at August 31, 2020, compared to $1.28 billion at May 31, 2020.

Margin improvement activities and good working capital management helped to drive our cash flow to record levels and drive debt down by nearly $200 million from the end of last year. Additionally, our liquidity is $1.5 billion, which will help us weather the current macro-economic challenges and pivot RPM back to investing for accelerated growth, as demonstrated by our recent acquisition of Ali Industries, LLC.

Leading Abrasives Manufacturer Acquired

Speaking of Ali, it was acquired by our Rust-Oleum business on September 1, 2020. Ali is a leading manufacturer of sandpaper and other abrasives. Its well-recognized brands include Gator, Finish 1st and Zip Sander. Headquartered in Fairborn, Ohio, Ali has annual net sales of approximately $75 million. It is an excellent synergistic fit within our Consumer Group because it broadens the segment's surface preparation capabilities by adding abrasives to our lineup of patch, repair and cleaning products.

First ESG Report Released

On August 27, 2020, we released our first Environmental, Social and Governance (ESG) Report highlighting our safe, ethical and sustainable business practices, which result in value creation for RPM's key stakeholders. It provides concrete examples and data-driven metrics that demonstrate our track record of taking care of our associates, customers and communities, which is how we create stockholder value and leave a legacy we can all celebrate.

New VP of Financial Planning and Analysis

We announced on July 28, 2020, that Scott D. Copeland has been named vice president of financial planning and analysis. He will be responsible for executing our global financial, operational and market analysis. He will also play a significant role in our budgeting and forecasting functions, including the development of annual budgets and long-term financial plans.

Directors Elected at Annual Meeting

On October 8, 2020, we hosted our annual meeting of shareholders virtually. At the meeting, four directors were elected to serve with three-year terms expiring at the annual meeting of stockholders in 2023. The directors elected included Julie A. Lagacy, vice president of enterprise strategy of Caterpillar Inc.; Robert A. Livingston, retired president and chief executive officer of Dover Corporation; Frederick R. Nance, global managing partner of Squire Patton Boggs (US) LLP; and William B. Summers Jr., retired chairman and chief executive officer of McDonald Investments Inc.

Dividend Increased for the 47th Consecutive Year

During the annual meeting, we announced that our board of directors declared a regular quarterly cash dividend of $0.38 per share, an increase of 5.6%. This is the 47th consecutive year we have increased the dividend, which is a record few can match. It is one of the primary ways we reward our stockholders.

Business Outlook

As we look ahead to the second quarter of fiscal 2021, we expect to generate consolidated sales growth in the low- to mid-single digits with strong leverage to the bottom line for more than 20% adjusted EBIT growth, which are rates that are more in line with recent quarters prior to the outbreak of Covid-19. Our MAP to Growth program continues to have excellent momentum, and the Ali acquisition, excluding acquisition-related costs, will contribute towards our second-quarter results.

For the full year of fiscal 2021, our guidance is relatively unchanged from the direction we provided in our fiscal 2020 fourth-quarter earnings release. We anticipate that our Construction Products Group and Performance Coatings Group could experience sales declines for the next two quarters and then turn positive in the fourth quarter. Our Consumer Group should continue its strong sales momentum throughout the fiscal year. Our Specialty Products Group is likely to face flat sales comparisons during the second quarter, which should turn positive in the second half of the year. These estimates assume that we do not experience a surge in Covid-19 that results in a second round of stay-at-home orders. Due to continued economic uncertainty related to the impacts of Covid-19 and the upcoming U.S. elections, we are not providing fiscal 2021 full-year earnings guidance.

Thank you for your continued investment in RPM. We remain laser focused on generating value for you over the long term.

Sincerely yours,

Frank C. Sullivan
Chairman & Chief Executive Officer

October 30, 2020

CONSOLIDATED STATEMENTS OF INCOME

IN THOUSANDS, EXCEPT PER SHARE DATA (*UNAUDITED*)

	Three Months Ended August 31, 2020	Three Months Ended August 31, 2019
Net Sales	$ 1,606,670	$ 1,472,764
Cost of sales	953,015	898,010
Gross profit	653,655	574,754
Selling, general & administrative expenses	395,953	400,566
Restructuring charges	4,233	6,622
Interest expense	21,745	28,317
Investment (income), net	(12,763)	(5,385)
Other expense, net	3,118	1,785
Income before income taxes	241,369	142,849
Provision for income taxes	60,584	36,353
Net income	180,785	106,496
Less: Net income attributable to noncontrolling interests	190	308
Net income attributable to RPM International Inc. Stockholders	$ 180,595	$ 106,188
Earnings per share of common stock attributable to RPM International Inc. Stockholders:		
Basic	$ 1.39	$ 0.82
Diluted	$ 1.39	$ 0.82
Average shares of common stock outstanding - basic	128,418	128,882
Average shares of common stock outstanding - diluted	128,783	129,504

SUPPLEMENTAL INFORMATION

RECONCILIATION OF "REPORTED" TO "ADJUSTED" AMOUNTS *(Unaudited)*

<u>Reconciliation of Reported Earnings per Diluted Share to Adjusted Earnings per Diluted Share</u> (***All amounts presented after-tax***):	Three Months Ended August 31, 2020	Three Months Ended August 31, 2019
Reported Earnings per Diluted Share	**$ 1.39**	**$ 0.82**
MAP to Growth related initiatives (d)	0.12	0.15
Acquisition-related costs (e)	-	-
Unusual executive costs, net of insurance proceeds (f)	-	-
Investment returns (g)	(0.07)	(0.02)
Adjusted Earnings per Diluted Share (h)	**$ 1.44**	**$ 0.95**

(d) Reflects restructuring and other charges, all of which have been incurred in relation to our 2020 Margin Acceleration Plan initiatives, as follows.
During fiscal 2021: Product line and SKU rationalization at our Consumer Segment and accelerated expense related to the shortened useful lives of facilities and equipment that is currently in use but that is in the process of being retired associated with facility closures, offset somewhat by the reversal of prior period product line and SKU rationalization inventory charges due to the sale of immaterial amounts of previously reserved inventory at our Consumer Segment, all of which have been recorded in **Cost of Goods Sold;** headcount reductions, closures of facilities and related costs, all of which have been recorded in **Restructuring Expense;** Professional fees incurred in connection with our 2020 MAP to Growth, early retirements of key executives within the Consumer Group, headcount reductions, implementation costs associated with our ERP consolidation plan, accelerated expense related to the shortened useful lives of facilities and equipment that is currently in use but that is in the process of being retired associated with facility closures, immaterial reversal of a prior period charge associated with the divestiture of a business in our PCG segment, immaterial reversal of a prior period charge to our allowance for doubtful accounts as a result of a change in market and leadership strategy, all of which have been recorded in **Selling, General & Administrative Expenses.**
During fiscal 2020: inventory-related charges that reflect product line and SKU rationalization at our Consumer Segment, as well as inventory write-offs in connection with restructuring activities at our Construction Products and Performance Coatings Segments, all of which have been recorded in **Cost of Goods Sold**; headcount reductions, closures of facilities and related costs, all of which have been recorded in **Restructuring Expense;** increases in our allowance for doubtful accounts deemed uncollectible as a result of a change in market and leadership strategy, and implementation costs associated with our ERP consolidation plan, professional fees incurred in connection with our 2020 MAP to Growth, all of which have been recorded in **Selling, General & Administrative Expenses.**

(e) Acquisition costs reflect amounts included in gross profit for inventory disposals and step-ups related to recent acquisitions.

(f) Reflects unusual compensation costs, net of insurance proceeds, recorded unrelated to our 2020 MAP to Growth initiative, including stock and deferred compensation plan arrangements.

(g) Investment returns include realized net gains and losses on sales of investments and unrealized net gains and losses on equity securities, which are adjusted due to their inherent volatility. Management does not consider these gains and losses, which cannot be predicted with any level of certainty, to be reflective of the Company's core business operations.

(h) Adjusted EPS is provided for the purpose of adjusting diluted earnings per share for items impacting earnings that are not considered by management to be indicative of ongoing operations.

CONSOLIDATED BALANCE SHEETS

IN THOUSANDS (*UNAUDITED*)

	August 31, 2020		August 31, 2019		May 31, 2020	
Assets						
Current Assets						
Cash and cash equivalents	$	251,765	$	212,091	$	233,416
Trade accounts receivable	1,215,057		1,166,444		1,193,804	
Allowance for doubtful accounts	(55,927)		(57,185)		(55,847)	
Net trade accounts receivable		1,159,130		1,109,259		1,137,957
Inventories		783,472		860,518		810,448
Prepaid expenses and other current assets		262,668		234,401		241,608
Total current assets		2,457,035		2,416,269		2,423,429
Property, Plant and Equipment, at Cost		1,803,824		1,674,713		1,755,190
Allowance for depreciation		(942,849)		(861,697)		(905,504)
Property, plant and equipment, net		860,975		813,016		849,686
Other Assets						
Goodwill		1,278,534		1,249,818		1,250,066
Other intangible assets, net of amortization		583,787		601,747		584,380
Operating lease right-of-use assets		283,546		257,628		284,491
Deferred income taxes, non-current		36,577		36,335		30,894
Other		193,965		221,612		208,008
Total other assets		2,376,409		2,367,140		2,357,839
Total Assets	$	5,694,419	$	5,596,425	$	5,630,954
Liabilities and Stockholders' Equity						
Current Liabilities						
Accounts payable	$	525,980	$	477,050	$	535,311
Current portion of long-term debt		45,913		582,611		80,890
Accrued compensation and benefits		133,880		119,349		185,531
Accrued losses		22,269		20,142		20,021
Other accrued liabilities		364,735		297,420		271,827
Total current liabilities		1,092,777		1,496,572		1,093,580
Long-Term Liabilities						
Long-term debt, less current maturities		2,297,172		2,018,185		2,458,290
Operating lease liabilities		242,903		215,131		244,691
Other long-term liabilities		545,707		407,285		510,175
Deferred income taxes		63,789		113,227		59,555
Total long-term liabilities		3,149,571		2,753,828		3,272,711
Total liabilities		4,242,348		4,250,400		4,366,291
Stockholders' Equity						
Preferred stock; none issued		-		-		-
Common stock (outstanding 129,975; 129,670; 129,511)		1,300		1,297		1,295
Paid-in capital		1,024,879		1,001,081		1,014,428
Treasury stock, at cost		(587,232)		(543,650)		(580,117)
Accumulated other comprehensive (loss)		(667,662)		(601,253)		(717,497)
Retained earnings		1,678,309		1,485,917		1,544,336
Total RPM International Inc. stockholders' equity		1,449,594		1,343,392		1,262,445
Noncontrolling interest		2,477		2,633		2,218
Total equity		1,452,071		1,346,025		1,264,663
Total Liabilities and Stockholders' Equity	$	5,694,419	$	5,596,425	$	5,630,954

Consolidated Statements of Cash Flows

IN THOUSANDS (*UNAUDITED*)

	Three Months Ended August 31, 2020	Three Months Ended August 31, 2019
Cash Flows From Operating Activities:		
Net income	$ 180,785	$ 106,496
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Depreciation and amortization	35,317	35,839
Restructuring charges, net of payments	(1,972)	611
Fair value adjustments to contingent earnout obligations	2,712	-
Deferred income taxes	1,938	(4,580)
Stock-based compensation expense	10,457	6,560
Net (gain) on marketable securities	(11,784)	(2,854)
Other	(10)	250
Changes in assets and liabilities, net of effect from purchases and sales of businesses:		
Decrease in receivables	692	116,349
Decrease (increase) in inventory	43,395	(22,640)
(Increase) in prepaid expenses and other current and long-term assets	(5,526)	(5,801)
Increase (Decrease) in accounts payable	4,945	(63,831)
(Decrease) in accrued compensation and benefits	(55,368)	(73,180)
Increase in accrued losses	1,936	404
Increase in other accrued liabilities	109,399	50,588
Other	1,173	928
Cash Provided By Operating Activities	**318,089**	**145,139**
Cash Flows From Investing Activities:		
Capital expenditures	(41,488)	(36,602)
Acquisition of businesses, net of cash acquired	-	(30,598)
Purchase of marketable securities	(17,104)	(9,996)
Proceeds from sales of marketable securities	16,070	2,837
Other	244	(97)
Cash (Used For) Investing Activities	**(42,278)**	**(74,456)**
Cash Flows From Financing Activities:		
Additions to long-term and short-term debt	136	75,718
Reductions of long-term and short-term debt	(213,090)	(874)
Cash dividends	(46,622)	(45,323)
Repurchases of common stock	-	(100,000)
Shares of common stock returned for taxes	(7,115)	(6,127)
Payments of acquisition-related contingent consideration	(2,217)	(131)
Other	-	(295)
Cash (Used For) Financing Activities	**(268,908)**	**(77,032)**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**11,446**	**(4,728)**
Net Change in Cash and Cash Equivalents	**18,349**	**(11,077)**
Cash and Cash Equivalents at Beginning of Period	**233,416**	**223,168**
Cash and Cash Equivalents at End of Period	**$ 251,765**	**$ 212,091**

Supplemental Segment Information

IN THOUSANDS (*UNAUDITED*)

	Three Months Ended August 31, 2020	Three Months Ended August 31, 2019
Net Sales:		
CPG Segment	$ 547,690	$ 536,105
PCG Segment	259,788	297,241
Consumer Segment	641,168	479,330
SPG Segment	158,024	160,088
Total	$ 1,606,670	$ 1,472,764
Income Before Income Taxes:		
CPG Segment		
Income Before Income Taxes (a)	$ 98,349	$ 82,680
Interest (Expense), Net (b)	(2,110)	(2,027)
EBIT (c)	100,459	84,707
MAP to Growth related initiatives (d)	1,866	1,652
Acquisition-related costs (e)	-	548
Adjusted EBIT	$ 102,325	$ 86,907
PCG Segment		
Income Before Income Taxes (a)	$ 28,514	$ 28,057
Interest (Expense), Net (b)	(31)	(129)
EBIT (c)	28,545	28,186
MAP to Growth related initiatives (d)	2,326	8,737
Adjusted EBIT	$ 30,871	$ 36,923
Consumer Segment		
Income Before Income Taxes (a)	$ 132,722	$ 59,158
Interest (Expense), Net (b)	(62)	(105)
EBIT (c)	132,784	59,263
MAP to Growth related initiatives (d)	3,944	2,433
Adjusted EBIT	$ 136,728	$ 61,696
SPG Segment		
Income Before Income Taxes (a)	$ 20,449	$ 23,327
Interest Income (Expense), Net (b)	(82)	26
EBIT (c)	20,531	23,301
MAP to Growth related initiatives (d)	3,543	5,328
Adjusted EBIT	$ 24,074	$ 28,629
Corporate/Other		
(Loss) Before Income Taxes (a)	$ (38,665)	$ (50,373)
Interest (Expense), Net (b)	(6,697)	(20,697)
EBIT (c)	(31,968)	(29,676)
MAP to Growth related initiatives (d)	7,169	8,106
Unusual executive costs, net of insurance proceeds (f)	7	-
Adjusted EBIT	$ (24,792)	$ (21,570)
Consolidated		
Income Before Income Taxes (a)	$ 241,369	$ 142,849
Interest (Expense)	(21,745)	(28,317)
Investment Income, Net	12,763	5,385
EBIT (c)	250,351	165,781
MAP to Growth related initiatives (d)	18,848	26,256
Acquisition-related costs (e)	-	548
Unusual executive costs, net of insurance proceeds (f)	7	-
Adjusted EBIT	$ 269,206	$ 192,585

(a) The presentation includes a reconciliation of Income (Loss) Before Income Taxes, a measure defined by Generally Accepted Accounting Principles in the United States (GAAP), to EBIT and Adjusted EBIT.

(b) Interest Income (Expense), Net includes the combination of Interest Income (Expense) and Investment Income (Expense), Net.

(c) EBIT is defined as earnings (loss) before interest and taxes, with Adjusted EBIT provided for the purpose of adjusting for items impacting earnings that are not considered by management to be indicative of ongoing operations. We evaluate the profit performance of our segments based on income before income taxes, but also look to EBIT, or adjusted EBIT, as a performance evaluation measure because interest expense is essentially related to acquisitions, as opposed to segment operations. For that reason, we believe EBIT is also useful to investors as a metric in their investment decisions. EBIT should not be considered an alternative to, or more meaningful than, income before income taxes as determined in accordance with GAAP, since EBIT omits the impact of interest and investment income or expense in determining operating performance, which represent items necessary to our continued operations, given our level of indebtedness. Nonetheless, EBIT is a key measure expected by and useful to our fixed income investors, rating agencies and the banking community all of whom believe, and we concur, that this measure is critical to the capital markets' analysis of our segments' core operating performance. We also evaluate EBIT because it is clear that movements in EBIT impact our ability to attract financing. Our underwriters and bankers consistently require inclusion of this measure in offering memoranda in conjunction with any debt underwriting or bank financing. EBIT may not be indicative of our historical operating results, nor is it meant to be predictive of potential future results.

(d) Reflects restructuring and other charges, all of which have been incurred in relation to our Margin Acceleration Plan initiatives, as follows.
During fiscal 2021: Product line and SKU rationalization at our Consumer Segment and accelerated expense related to the shortened useful lives of facilities and equipment that is currently in use but that is in the process of being retired associated with facility closures, offset somewhat by the reversal of prior period product line and SKU rationalization inventory charges due to the sale of immaterial amounts of previously reserved inventory at our Consumer Segment, all of which have been recorded in **Cost of Goods Sold;** headcount reductions, closures of facilities and related costs, all of which have been recorded in **Restructuring Expense;** Professional fees incurred in connection with our 2020 MAP to Growth, early retirements of key executives within the Consumer Group, headcount reductions, implementation costs associated with our ERP consolidation plan, accelerated expense related to the shortened useful lives of facilities and equipment that is currently in use but that is in the process of being retired associated with facility closures, immaterial reversal of a prior period charge associated with the divestiture of a business in our PCG segment, immaterial reversal of a prior period charge to our allowance for doubtful accounts as a result of a change in market and leadership strategy, all of which have been recorded in **Selling, General & Administrative Expenses**.
During fiscal 2020: inventory-related charges that reflect product line and SKU rationalization at our Consumer Segment, as well as inventory write-offs in connection with restructuring activities at our Construction Products and Performance Coatings Segments, all of which have been recorded in Cost of Goods Sold; headcount reductions, closures of facilities and related costs, all of which have been recorded in Restructuring Expense; increases in our allowance for doubtful accounts deemed uncollectible as a result of a change in market and leadership strategy, and implementation costs associated with our ERP consolidation plan, professional fees incurred in connection with our 2020 MAP to Growth, all of which have been recorded in **Selling, General & Administrative Expenses.**

(e) Acquisition costs reflect amounts included in gross profit for inventory disposals and step-ups related to recent acquisitions.

(f) Reflects unusual compensation costs, net of insurance proceeds, recorded unrelated to our 2020 MAP to Growth initiative, including stock and deferred compensation plan arrangements.

RPM International Inc. (NYSE) owns subsidiaries that are world leaders in specialty coatings, sealants, building materials and related services. The company operates four reportable segments: consumer, construction products, performance coatings and specialty products. RPM has a diverse portfolio with hundreds of market-leading brands, including Rust-Oleum, DAP, Zinsser, Varathane, Day-Glo, Legend Brands, Stonhard, Carboline, Tremco and Dryvit. From homes and workplaces, to infrastructure and precious landmarks, RPM's brands are trusted by consumers and professionals alike to help build a better world.

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