REFINITIV

DELTA REPORT

10-Q

RPM - RPM INTERNATIONAL INC/DE/

10-Q - AUGUST 31, 2023 COMPARED TO 10-Q - FEBRUARY 28, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1251
CHANGES	226
DELETIONS	767
ADDITIONS	258

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

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

Form 10-Q

 QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended February 28, August 31, 2023,

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 No. 1-14187

RPM International Inc.
(Exact name of Registrant as specified in its charter)

DELAWARE	**02-0642224**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**
2628 PEARL ROAD; MEDINA, OHIO	**44256**
(Address of principal executive offices)	**(Zip Code)**

(330) 273-5090

(Registrant's telephone number including area code)

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, par value $0.01	**RPM**	**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 by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No .

As of March 29, 2023 September 28, 2023, the registrant had 128,911,630 128,828,265 shares of common stock, $0.01 par value per share, outstanding.

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

RPM INTERNATIONAL INC. AND SUBSIDIARIES*

INDEX

* As used herein, the terms "RPM" and the "Company" refer to RPM International Inc. and its subsidiaries, unless the context indicates otherwise.

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

PART I. – FINANCIAL INFORMATION

ITEM 1. ***FINANCIAL STATEMENTS***

RPM INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands, except per share amounts)

	February 28, 2023	May 31, 2022	August 31, 2023	May 31, 2023
Assets				
Current Assets				
Cash and cash equivalents	$ 193,870	$ 201,672	$ 240,586	$ 215,787
Trade accounts receivable (less allowances of $47,322 and $46,669, respectively)	1,203,212	1,432,6 32		
Trade accounts receivable (less allowances of $56,584 and $49,482, respectively)			1,418,88 6	1,503,0 40
Inventories	1,341,303	1,212,6 18	1,117,44 1	1,135,4 96
Prepaid expenses and other current assets	340,990	304,887	335,065	329,845
Total current assets	3,079,375	3,151,8 09	3,111,97 8	3,184,1 68
Property, Plant and Equipment, at Cost	2,237,743	2,132,9 15	2,372,53 2	2,332,9 16
Allowance for depreciation	(1,071,722)	(1,028,9 32)	(1,127,20 9)	(1,093,4 40)
Property, plant and equipment, net	1,166,021	1,103,9 83	1,245,32 3	1,239,4 76
Other Assets				
Goodwill	1,288,071	1,337,8 68	1,300,83 3	1,293,5 88
Other intangible assets, net of amortization	562,732	592,261	541,994	554,991
Operating lease right-of-use assets	327,179	307,797	324,655	329,582
Deferred income taxes	17,023	18,914	19,907	15,470
Other	169,022	195,074	170,587	164,729

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

Total other assets	2,364,027	2,451,914	2,357,976	2,358,360
Total Assets	$ 6,609,423	$ 6,707,706	$ 6,715,277	$ 6,782,004
Liabilities and Stockholders' Equity				
Current Liabilities				
Accounts payable	$ 577,761	$ 800,369	$ 684,075	$ 680,938
Current portion of long-term debt	3,130	603,454	6,885	178,588
Accrued compensation and benefits	204,542	262,445	170,333	257,328
Accrued losses	22,101	24,508	28,753	26,470
Other accrued liabilities	311,974	325,632	378,601	347,477
Total current liabilities	1,119,508	2,016,408	1,268,647	1,490,801
Long-Term Liabilities				
Long-term debt, less current maturities	2,819,432	2,083,155	2,498,426	2,505,221
Operating lease liabilities	283,981	265,139	279,632	285,524
Other long-term liabilities	239,046	276,990	287,087	267,111
Deferred income taxes	92,474	82,186	98,649	90,347
Total long-term liabilities	3,434,933	2,707,470	3,163,794	3,148,203
Contingencies and Accrued Losses (Note 15)				
Contingencies and Accrued Losses (Note 13)				
Stockholders' Equity				
Preferred stock, par value $0.01; authorized 50,000 shares; none issued	—	—	—	—
Common stock, par value $0.01; authorized 300,000 shares; issued 145,100 and outstanding 128,933 as of February 28, 2023; issued 144,685 and outstanding 129,199 as of May 31, 2022	1,289	1,292		

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Common stock, par value $0.01; authorized 300,000 shares; issued 145,605 and outstanding 128,962 as of August 31, 2023; issued 145,124 and outstanding 128,766 as of May 31, 2023			1,290	1,288
Paid-in capital	1,119,786	1,096,147	1,133,941	1,124,825
Treasury stock, at cost	(769,933)	(717,019)	(812,041)	(784,463)
Accumulated other comprehensive (loss)	(604,821)	(537,337)	(593,189)	(604,935)
Retained earnings	2,306,836	2,139,346	2,551,142	2,404,125
Total RPM International Inc. stockholders' equity	2,053,157	1,982,429	2,281,143	2,140,840
Noncontrolling Interest	1,825	1,399	1,693	2,160
Total equity	2,054,982	1,983,828	2,282,836	2,143,000
Total Liabilities and Stockholders' Equity	$ 6,609,423	$ 6,707,706	$ 6,715,277	$ 6,782,004

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

RPM INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In thousands, except per share amounts)

	Three Months Ended		Nine Months Ended		Three Months Ended	
	February 28, 2023	**February 28, 2022**	**February 28, 2023**	**February 28, 2022**	**August 31, 2023**	**August 31, 2022**

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

Net Sales	**$ 1,516,176**	**$ 1,433,879**	**$ 5,240,204**	**$ 4,723,838**	**$ 2,011,857**	**$ 1,932,320**
Cost of Sales	978,142	935,293	3,267,308	3,029,287	1,183,240	1,187,849
Gross Profit	538,034	498,586	1,972,896	1,694,551	828,617	744,471
Selling, General and Administrative Expenses	450,019	433,569	1,425,969	1,290,245	531,032	485,205
Restructuring Expense	4,154	1,140	6,780	5,128	6,498	1,354
Goodwill Impairment	36,745	-	36,745	-		
Interest Expense	30,756	22,016	85,385	64,127	31,818	26,711
Investment (Income) Expense, Net	(2,723)	4,355	(5,910)	1,421	(12,439)	3,664
(Gain) on Sales of Assets and Business, Net	(25,743)	(249)	(25,881)	(42,491)		
Other Expense (Income), Net	2,339	(2,742)	7,065	(9,001)		
Other Expense, Net					2,554	2,416
Income Before Income Taxes	42,487	40,497	442,743	385,122	269,154	225,121
Provision for Income Taxes	15,248	7,248	114,683	91,962	67,841	55,842
Net Income	27,239	33,249	328,060	293,160	201,313	169,279
Less: Net Income Attributable to Noncontrolling Interests	265	230	729	684	231	266

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Net Income Attributable to RPM International Inc. Stockholders	**$ 26,974**	**$ 33,019**	**$ 327,331**	**$ 292,476**	**$ 201,082**	**$ 169,013**
Average Number of Shares of Common Stock Outstanding:						
Basic	**127,495**	**127,943**	**127,564**	**128,013**	**127,633**	**127,617**
Diluted	**128,035**	**129,702**	**128,789**	**129,622**	**128,771**	**128,161**
Earnings per Share of Common Stock Attributable to RPM International Inc. Stockholders:						
Basic	**$ 0.21**	**$ 0.26**	**$ 2.55**	**$ 2.27**	**$ 1.57**	**$ 1.31**
Diluted	**$ 0.21**	**$ 0.25**	**$ 2.54**	**$ 2.26**	**$ 1.56**	**$ 1.31**

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

RPM INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

(In thousands)

	Three Months Ended		**Nine Months Ended**	
	February 28, 2023	**February 28, 2022**	**February 28, 2023**	**February 28, 2022**
Net Income	$ 27,239	$ 33,249	$ 328,060	$ 293,160
Other comprehensive (loss) income, net of tax:				
Foreign currency translation adjustments (net of tax of $72; $296; $2,263 and $3,562, respectively)	(6,935)	16,124	(76,719)	(69,722)
Pension and other postretirement benefit liability adjustments (net of tax of $1,132; $951; $3,637 and $3,630, respectively)	3,606	3,057	11,427	11,086

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

Unrealized gain (loss) on securities and other (net of tax of $199; $238; $405 and $473, respectively)	107	(384)	(467)	(287)
Unrealized (loss) gain on derivatives (net of tax of zero; $838; zero and $6,551, respectively)	(555)	2,648	(1,765)	21,448
Total other comprehensive (loss) income	(3,777)	21,445	(67,524)	(37,475)
Total Comprehensive Income	23,462	54,694	260,536	255,685
Less: Comprehensive Income Attributable to Noncontrolling Interests	263	238	689	633
Comprehensive Income Attributable to RPM International Inc. Stockholders	**$ 23,199**	**$ 54,456**	**$ 259,847**	**$ 255,052**

	Three Months Ended	
	August 31, 2023	August 31, 2022
Net Income	$ 201,313	$ 169,279
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments, net of tax	8,853	(78,956)
Pension and other postretirement benefit liability adjustments, net of tax	3,164	4,272
Unrealized (loss) on securities, net of tax	(257)	(340)
Unrealized (loss) on derivatives, net of tax	-	(606)
Total other comprehensive income (loss)	11,760	(75,630)
Total Comprehensive Income	213,073	93,649
Less: Comprehensive Income Attributable to Noncontrolling Interests	245	204
Comprehensive Income Attributable to RPM International Inc. Stockholders	**$ 212,828**	**$ 93,445**

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

RPM INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(In thousands)

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

	Nine Months Ended		Three Months Ended	
	February 28, 2023	February 28, 2022	August 31, 2023	August 31, 2022
Cash Flows from Operating Activities:				
Net income	**$ 328,060**	**$ 293,160**	**$ 201,313**	**$ 169,279**
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	115,186	114,295	43,539	38,416
Restructuring charges, net of payments	-	(2,341)		
Goodwill impairment	36,745	-		
Fair value adjustments to contingent earnout obligations	-	2,470		
Deferred income taxes	8,506	(16,908)	2,295	(1,919)
Stock-based compensation expense	23,636	29,287	9,118	9,062
Net loss on marketable securities	3,241	10,032		
Net (gain) on sales of assets and a business	(25,881)	(42,491)		
Net (gain) loss on marketable securities			(6,451)	6,606
Net loss on sales of assets and businesses			3,263	-
Other	684	112	5,100	111
Changes in assets and liabilities, net of effect from purchases and sales of businesses:				
Decrease in receivables	202,742	170,513		
(Increase) in inventory	(142,069)	(273,519)		
Decrease in prepaid expenses and other current and long-term assets	4,807	506		
(Decrease) in accounts payable	(195,093)	(9,884)		
Decrease (increase) in receivables			87,712	(266)
Decrease (increase) in inventory			22,281	(148,188)

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

(Increase) in prepaid expenses and other current and long-term assets			(14,27 7)	(36,02 1)
Increase in accounts payable			18,840	15,113
(Decrease) in accrued compensation and benefits	(54,747)	(47,442)	(88,46 0)	(92,97 0)
(Decrease) in accrued losses	(2,119)	(2,985)		
(Decrease) in other accrued liabilities	(40,690)	(68,854)		
Increase in accrued losses			2,211	1,873
Increase in other accrued liabilities			72,726	62,459
Cash Provided by Operating Activities	**263,008**	**155,951**	**359,21 0**	**23,555**
Cash Flows from Investing Activities:				
Capital expenditures	(179,72 5)	(152,40 1)	(52,20 1)	(57,81 8)
Acquisition of businesses, net of cash acquired	(47,542)	(116,45 7)	(4,026)	(36,37 3)
Purchase of marketable securities	(13,173)	(13,674)	(16,23 5)	(6,440)
Proceeds from sales of marketable securities	9,596	9,004	9,443	4,116
Proceeds from sales of assets and a business, net	53,318	51,913		
Other	2,127	(55)	1,502	80
Cash (Used for) Investing Activities	**(175,39 9)**	**(221,67 0)**	**(61,51 7)**	**(96,43 5)**
Cash Flows from Financing Activities:				
Additions to long-term and short-term debt	489,881	300,967	852	250,05 1
Reductions of long-term and short-term debt	(354,13 5)	(72,493)	(193,0 85)	(75,26 4)
Cash dividends	(159,84 1)	(152,57 5)	(54,06 5)	(51,42 0)
Repurchases of common stock	(37,500)	(27,500)	(12,50 0)	(25,00 0)
Shares of common stock returned for taxes	(15,252)	(10,906)	(14,83 3)	(12,43 0)

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Payments of acquisition-related contingent consideration	(3,765)	(5,774)	-	(3,705)
Other	(2,689)	(3,824)	(712)	(2,487)
Cash (Used for) Provided by Financing Activities	**(83,301)**	**27,895**	**(274,343)**	**79,745**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**(12,110)**	**(15,689)**	**1,449**	**(10,963)**
Net Change in Cash and Cash Equivalents	**(7,802)**	**(53,513)**	**24,799**	**(4,098)**
Cash and Cash Equivalents at Beginning of Period	**201,672**	**246,704**	**215,787**	**201,672**
Cash and Cash Equivalents at End of Period	**$ 193,870**	**$ 193,191**	**$ 240,586**	**$ 197,574**
Supplemental Disclosures of Cash Flows Information:				
Cash paid during the period for:				
Interest	**$ 83,248**	**$ 58,129**	**$ 32,819**	**$ 24,493**
Income Taxes, net of refunds	**$ 133,753**	**$ 130,862**	**$ 18,052**	**$ 15,813**
Supplemental Disclosures of Noncash Investing Activities:				
Capital expenditures accrued within accounts payable at quarter-end	**$ 12,147**	**$ 9,390**	**$ 15,176**	**$ 8,733**

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

RPM INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(Unaudited)

(In thousands)

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

	Common Stock									Common Stock								
	Number of Shares	Par/Stated Value	Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive (Loss) Income	Retained Earnings	Total RPM International Inc. Equity	Noncontrolling Interests	Total Equity	Number of Shares	Par/Stated Value	Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive (Loss) Income	Retained Earnings	Total RPM International Inc. Equity	Noncontrolling Interests	Total Equity
Balance at June 1, 2022	129,199	$ 1,292	$ 1,096,147	$ (717,019)	$ (537,337)	$ 2,139,346	$ 1,982,429	$ 1,399	$ 1,983,828									
Net income	-	-	-	-	-	169,013	169,013	266	169,279									
Other comprehensive (loss)	-	-	-	-	(75,568)	-	(75,568)	(62)	(75,630)									

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Dividends declared and paid ($0.40 per share)	-	-	-	-	-	(51,420)	(51,420)	-	(51,420)
Other noncontrolling interest activity	-	-	-	-	-	-	-	(60)	(60)
Share repurchases under repurchase program	(303)	(3)	3	(25,000)	-	-	(25,000)	-	(25,000)
Stock compensation expense and other deferred compensation, shares granted less shares returned for taxes	203	2	9,061	(12,458)	-	-	(3,395)	-	(3,395)
Balance at August 31, 2022	129,099	$ 1,291	$ 1,105,211	$ (754,477)	$ (612,905)	$ 2,256,939	$ 1,996,059	$ 1,543	$ 1,997,602

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Balance at June 1, 2023										128,766	$ 1,288	$ 1,124,825	$ (784,463)	$ (604,935)	$ 2,404,125	$ 2,140,840	$ 2,160	$ 2,143,000
Net income	-	-	-	-	-	131,344	131,344	198	131,542	-	-	-	-	-	201,082	201,082	231	201,313
Other comprehensive income	-	-	-	-	11,859	-	11,859	24	11,883	-	-	-	-	11,746	-	11,746	14	11,760
Dividends declared and paid ($0.42 per share)	-	-	-	-	-	(54,220)	(54,220)	-	(54,220)	-	-	-	-	-	(54,065)	(54,065)	-	(54,065)
Other noncontrolling interest activity	-	-	-	-	-	-	-	(141)	(141)	-	-	-	-	-	-	-	(712)	(712)

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Stock compensation expense and other deferred compensation, shares granted less shares returned for taxes	(9)	-	7,814	(2,395)	-	-	5,419	-	5,419
Balance at November 30, 2022	129,090	$ 1,291	$ 1,113,025	$ (756,872)	$ (601,046)	$ 2,334,063	$ 2,090,461	$ 1,624	$ 2,092,085
Net income	-	-	-	-	-	26,974	26,974	265	27,239
Other comprehensive (loss)	-	-	-	-	(3,775)	-	(3,775)	(2)	(3,777)
Dividends paid ($0.42 per share)	-	-	-	-	-	(54,201)	(54,201)	-	(54,201)

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Other noncontrolling interest activity	-	-	-	-	-	-	-	(62)	(62)									
Share repurchases under repurchase program	(143)	(2)	2	(12,500)	-	-	(12,500)	-	(12,500)	(122)	(1)	1	(12,500)	-	-	(12,500)	-	(12,500)
Stock compensation expense and other deferred compensation, shares granted less shares returned for taxes	(14)	-	6,759	(561)	-	-	6,198	-	6,198	318	3	9,115	(15,078)	-	-	(5,960)	-	(5,960)
Balance at February 28, 2023	128,933	$ 1,289	$ 1,119,786	$ (769,933)	$ (604,821)	$ 2,306,836	$ 2,053,157	$ 1,825	$ 2,054,982									

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

	Number of Shares	Par/Stated Value	Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive (Loss) Income	Retained Earnings	Total RPM International Inc. Equity	Noncontrolling Interests	Total Equity
Balance at August 31, 2023	128,962	$ 1,290	$ 1,133,941	$ (812,041)	$ (593,189)	$ 2,551,142	$ 2,281,143	$ 1,693	$ 2,282,836

	Common Stock				Accumulated					Common Stock				Accumulated				
	Number of Shares	Par/Stated Value	Paid-In Capital	Treasury Stock	Other Comprehensive (Loss) Income	Retained Earnings	Total RPM International Inc. Equity	Noncontrolling Interests	Total Equity	Number of Shares	Par/Stated Value	Paid-In Capital	Treasury Stock	Other Comprehensive (Loss) Income	Retained Earnings	Total RPM International Inc. Equity	Noncontrolling Interests	Total Equity
Balance at June 1, 2021	129,573	$ 1,295	$ 1,055,400	$ (653,006)	$ (514,884)	$ 1,852,259	$ 1,741,064	$ 1,961	$ 1,743,025									

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Net income	-	-	-	-	-	134,582	134,582	213	134,795
Other comprehensive (loss)	-	-	-	-	(25,624)	-	(25,624)	(30)	(25,654)
Dividends declared and paid ($0.38 per share)	-	-	-	-	-	(48,901)	(48,901)	-	(48,901)
Share repurchases under repurchase program	(133)	(1)	1	(12,500)	-		(12,500)	-	(12,500)
Stock compensation expense and other deferred compensation, shares granted less shares returned for taxes	303	3	5,760	(5,808)	-	-	(45)	-	(45)

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Balance at August 31, 2021	129,743	$ 1,297	$ 1,061,161	$ (671,314)	$ (540,508)	$ 1,937,940	$ 1,788,576	$ 2,144	$ 1,790,720									
Balance at June 1, 2022										129,199	$ 1,292	$ 1,096,147	$ (717,019)	$ (537,337)	$ 2,139,346	$ 1,982,429	$ 1,399	$ 1,983,828
Net income	-	-	-	-	-	124,875	124,875	241	125,116	-	-	-	-	-	169,013	169,013	266	169,279
Other comprehensive (loss)	-	-	-	-	(33,237)	-	(33,237)	(29)	(33,266)	-	-	-	-	(75,568)	-	(75,568)	(62)	(75,630)
Dividends declared and paid ($0.40 per share)	-	-	-	-	-	(51,824)	(51,824)	(71)	(52,535)	-	-	-	-	-	(51,420)	(51,420)	-	(51,420)

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Stock compensation expense and other deferred compensation, shares granted less shares returned for taxes	(66)	-	11,878	(4,157)	-	-	7,721	-	7,721
Balance at November 30, 2021	129,677	$ 1,297	$ 1,073,039	$ (675,471)	$ (573,745)	$ 2,010,991	$ 1,836,111	$ 1,645	$ 1,837,756
Net income	-	-	-	-	-	33,019	33,019	230	33,249
Other comprehensive income	-	-	-	-	21,437	-	21,437	8	21,445
Dividends paid ($0.40 per share)	-	-	-	-	-	(51,850)	(51,850)	(284)	(52,134)

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Other noncontrolling interest activity										-	-	-	-	-	-	-	(60)	(60)
Share repurchases under repurchase program	(172)	(2)	2	(15,000)	-	-	(15,000)	-	(15,000)	(303)	(3)	3	(25,000)	-	-	(25,000)	-	(25,000)
Stock compensation expense and other deferred compensation, shares granted less shares returned for taxes	(9)	-	12,276	(947)	-	-	11,329	-	11,329	203	2	9,061	(12,458)	-	-	(3,395)	-	(3,395)
Balance at February 28, 2022	129,496	$ 1,295	$ 1,085,317	$ (691,418)	$ (552,308)	$ 1,992,160	$ 1,835,046	$ 1,599	$ 1,836,645									

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Balance at August 31, 2022	129,099	$ 1,291	$ 1,105,211	$ (754,477)	$ (612,905)	$ 2,256,939	$ 1,996,059	$ 1,543	$ 1,997,602

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

RPM INTERNATIONAL INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 — CONSOLIDATION, NONCONTROLLING INTERESTS AND BASIS OF PRESENTATION

The accompanying unaudited Consolidated Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles in the U.S. (“GAAP”) for interim financial information and the instructions to Form 10-Q. In our opinion, all adjustments (consisting of normal, recurring accruals) considered necessary for a fair presentation have been included for the three- and nine-month three-month periods ended February 28, 2023 August 31, 2023, and February 28, 2022 August 31, 2022. For further information, refer to the Consolidated Financial Statements and Notes included in our Annual Report on Form 10-K for the year ended May 31, 2022 May 31, 2023.

Our financial statements include all of our majority-owned subsidiaries. We account for our investments in less-than-majority-owned joint ventures, for which we have the ability to exercise significant influence, under the equity method. Effects of transactions between related companies are eliminated in consolidation.

Noncontrolling interests are presented in our Consolidated Financial Statements as if parent company investors (controlling interests) and other minority investors (noncontrolling interests) in partially-owned subsidiaries have similar economic interests in a single entity. As a result, investments in noncontrolling interests are reported as equity in our Consolidated Financial Statements. Additionally, our Consolidated Financial Statements include 100% of a controlled subsidiary’s earnings, rather than only our share. Transactions between the parent company and noncontrolling interests are reported in equity as transactions between stockholders, provided that these transactions do not create a change in control.

Our business is dependent on external weather factors. Historically, we have experienced strong sales and net income in our first, second and fourth fiscal quarters comprising the three-month periods ending August 31, November 30 and May 31, respectively, with weaker performance in our third fiscal quarter (December through February).

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

NOTE 2 — NEW ACCOUNTING PRONOUNCEMENTS

New Accounting Pronouncements

The Company has We have not adopted any Accounting Standard Updates ("ASU") during fiscal 2023 2024 that have a material impact on our Consolidated Financial Statements. Additionally, there are no current ASU's issued, but not adopted, that are expected to have a material impact on the Company.

NOTE 3 — RESTRUCTURING

We record restructuring charges associated with management-approved restructuring plans to either reorganize one or more of our business segments, or to remove duplicative headcount and infrastructure associated with our businesses. Restructuring charges can include severance costs to eliminate a specified number of associates, infrastructure charges to vacate facilities and consolidate operations, contract cancellation costs and other costs. We record the short-term portion of our restructuring liability in Other Accrued Liabilities other accrued liabilities and the long-term portion, if any, in Other Long-Term Liabilities other long-term liabilities in our Consolidated Balance Sheets.

During 2018, we approved and implemented the initial phases of a multi-year restructuring plan, which is referred to as the 2020 Margin Acceleration Plan ("MAP to Growth"). On May 31, 2021, we formally concluded our MAP to Growth. However, certain projects identified prior to that date will be completed throughout fiscal 2023. We

For MAP to Growth, we incurred $0.7 million and $3.3 1.4 million of restructuring costs associated with this plan for the three and nine months ended February 28, 2023, respectively. August 31, 2022. We incurred $ did 1.1 no million and $5.1 million of t incur any restructuring costs for the three and nine months ended February 28, 2022 August 31, 2023, respectively. The current total expected and we do not expect to incur any further costs associated with this plan are $121.6 million, of which $120.6 million has been incurred to date. plan.

In August 2022, we approved and announced our Margin Achievement Plan 2025 ("MAP 2025"). MAP 2025, which is a multi-year restructuring plan to build on the achievements of MAP to Growth and designed to improve margins by streamlining business processes, reducing working capital, implementing commercial initiatives to drive improved mix and salesforce effectiveness and improving operating efficiency. Initial phases of the plan have focused on commercial initiatives, operational efficiencies, and procurement. Most activities under MAP 2025 are anticipated to be completed by the end of fiscal year 2025.

The current total expected costs associated with this plan are outlined below. below and increased approximately $12.1 million compared to our previous estimate, attributable to increases in expected severance and benefit charges of $7.4 million, expected facility closure and other related costs of $0.1 million and expected other restructuring costs of $4.6 million. Throughout our MAP 2025 initiative, we will continue to assess and find areas of improvement and cost savings. As such, the final implementation of the aforementioned phases and total expected costs are subject to change.

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

9 USL Restructuring

As previously disclosed during fiscal 2023, due to the challenged macroeconomic environment, we evaluated certain business restructuring actions, specifically our go to market strategy for operating in Europe. During the quarter ended February 28, 2023, due to declining profitability and regulatory headwinds, management decided to restructure the Universal Sealants ("USL") reporting unit within our PCG segment and explore strategic alternatives for our USL infrastructure services business within the United Kingdom.

During the quarter ended August 31, 2023, we recognized a loss on sale of $4.5 million in connection with the divestiture of USL's Bridgecare services division. The Bridgecare division is a contracting business focused on the installation of joints and waterproofing in the UK. The loss on this sale is included in selling, general and administrative ("SG&A") expenses in our Consolidated Statements of Income and net loss on sales of assets and businesses in our Consolidated Statements of Cash Flows.

Additionally, during the quarter ended August 31, 2023, in connection with MAP 2025, we realigned certain businesses and management structures within our segments. Within our PCG segment, certain businesses of our USL reporting unit were transferred to our Fibergrate, Carboline and Stonhard reporting units. As a result of this change in our market strategy, we performed an interim impairment assessment of the USL indefinite-lived tradename. Calculating the fair value of the USL's indefinite-lived tradename required the use of various estimates and assumptions. We estimated the fair value of USL's indefinite-lived tradename by applying a relief-from-royalty calculation, which included discounted future cash flows related to projected revenues impacted by this decision. In applying this methodology, we relied on a number of factors, including actual and forecasted revenues and market data. As the carrying amount of the tradename exceeded its fair value, an impairment loss of $3.3 million was recorded for the three months ended August 31, 2023. This impairment loss was classified as restructuring expense within our PCG segment.

Following is a summary of the charges recorded in connection with MAP 2025 by reportable segment as well as the total expected costs related to projects identified to date:

(In thousands)	Three Months Ended February 28, 2023	Nine Months Ended February 28, 2023	Cumulative Costs to Date	Total Expected Costs	Three Months Ended August 31, 2023	Cumulative Costs to Date	Total Expected Costs

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Construction Products Group ("CPG") Segment:							
Severance and benefit costs	$ 324	$ 324	$ 324	$ 3,755	$ 415	$ 6,507	$ 16,564
Facility closure and other related costs					-	-	271
Total Charges	$ 324	$ 324	$ 324	$ 3,755	$ 415	$ 6,507	$ 16,835
Performance Coatings Group ("PCG") Segment:							
Severance and benefit costs	$ 573	$ 573	$ 573	$ 3,038	$ 831	$ 1,979	$ 2,296
Facility closure and other related costs	-	-	-	1,000	30	30	1,030
Other restructuring costs (a)	2,537	2,537	2,537	2,552	4,555	7,092	7,092
Total Charges	$ 3,110	$ 3,110	$ 3,110	$ 6,590	$ 5,416	$ 9,101	$ 10,418
Consumer Segment:							
Severance and benefit costs	$ 13	$ 13	$ 13	$ 4,018	$ -	$ 507	$ 507
Facility closure and other related costs					14	635	635

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

Total Charges	$ 13	$ 13	$ 13	$ 4,018	$ 14	$ 1,142	$ 1,142
Specialty Products Group ("SPG") Segment:							
Severance and benefit costs	$ -	$ -	$ -	$ 740	$ 653	$ 1,458	$ 1,956
Facility closure and other related costs	-	-	-	3,059	-	-	4,486
Total Charges	$ -	$ -	$ -	$ 3,799	$ 653	$ 1,458	$ 6,442
Corporate/Other Segment:							
Severance and benefit (credits)					$ -	$ (50)	$ (50)
Total Charges					$ -	$ (50)	$ (50)
Consolidated:							
Severance and benefit costs	$ 910	$ 910	$ 910	$ 11,551	$ 1,899	$ 10,401	$ 21,273
Facility closure and other related costs	-	-	-	4,059	44	665	6,422
Other restructuring costs	2,537	2,537	2,537	2,552	4,555	7,092	7,092
Total Charges	$ 3,447	$ 3,447	$ 3,447	$ 18,162	$ 6,498	$ 18,158	$ 34,787

(a) OtherOf the $4.6 million of other restructuring costs, are $3.3 million is associated with the impairment of an indefinite-lived tradename as described below in Note 4, "Goodwill and Other Intangible Assets," above.

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

A summary of the Consolidated Financial Statements.

activity in the restructuring reserves related to MAP 2025 is as follows:

(in thousands)	Severance and Benefits Costs	Facility Closure and Other Related Costs	Other Asset Write-Offs	Total
Balance at June 1, 2023	$ 2,717	$ -	$ -	$ 2,717
Additions charged to expense	1,899	44	4,555	6,498
Cash payments charged against reserve	(2,061)	(44)	-	(2,105)
Non-cash charges and other adjustments	(45)	-	(4,555)	(4,600)
Balance at August 31, 2023	$ 2,510	$ -	$ -	$ 2,510

NOTE 4 — GOODWILL AND OTHER INTANGIBLE ASSETS

The changes in the carrying amount of goodwill, by reportable segment, for the nine months ended February 28, 2023, are as follows:

(In thousands)	CPG Segment	PCG Segment	Consumer Segment	SPG Segment	Total
Balance as of May 31, 2022	$ 453,651	$ 201,815	$ 515,597	$ 166,805	$ 1,337,868
Acquisitions	7,306	907	16,952	281	25,446
Divestitures	-	-	-	(15,723)	(15,723)
Impairments	-	(36,745)	-	-	(36,745)
Translation adjustments & other	(14,452)	(3,737)	(3,364)	(1,222)	(22,775)
Balance as of February 28, 2023	$ 446,505	$ 162,240	$ 529,185	$ 150,141	$ 1,288,071

Total accumulated goodwill impairment losses were $156.3 million at May 31, 2022. Of the accumulated balance, $141.4 million is included in our SPG segment, and $14.9 million is included in our CPG segment. For the three and nine months ended February 28, 2023, we recognized $36.7 million of goodwill impairment losses, which was recorded by our PCG segment. At February 28, 2023, accumulated impairment losses total $193.0 million.

In August 2022, we announced our MAP 2025 operational improvement initiative. Initial phases of the plan focused on commercial initiatives, operational efficiencies, and procurement. However, as previously disclosed, due to the challenged macroeconomic environment, we evaluated certain business restructuring actions, specifically our go to market strategy for operating in Europe. During the third quarter ended February 28, 2023, due to declining

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

profitability and regulatory headwinds, management decided to restructure the Universal Sealants (“USL”) reporting unit within our PCG segment and is correspondingly exploring strategic alternatives for our USL infrastructure services business within the United Kingdom ("U.K."), which represents approximately 30% of annual revenues of the reporting unit.

Due to this decision, we determined that an interim goodwill impairment assessment was required, as well as an impairment assessment for our other long-lived assets. Accordingly, for the three and nine months ended February 28, 2023, we recorded an impairment loss totaling $36.7 million for the impairment of goodwill and $2.5 million for the impairment of an indefinite-lived tradename in our USL reporting unit. We did not record any impairments for our definite-lived long-lived assets as a result of this assessment.

Our goodwill impairment assessment included estimating the fair value of our USL reporting unit and comparing it with its carrying amount at February 28, 2023. Since the carrying amount of the USL reporting unit exceeded its fair value, we recognized an impairment loss. We estimated the fair value of the USL reporting unit using both the income and the market approaches. For the income approach, we estimated the fair value of our USL reporting unit by applying a discounted future cash flow calculation to USL’s projected earnings before interest, taxes, depreciation and amortization (“EBITDA”). In applying this methodology, we relied on a number of factors, including actual and forecasted operating results, future operating margins, and market data. The discounted cash flow used in the goodwill impairment test for USL assumed discrete period revenue growth through fiscal 2027 for the ongoing USL businesses in the U.K. and North America as well as probability-weighted cash flows that were dependent on the methodology utilized in determining strategic alternatives for the U.K. infrastructure services business. In applying the market approach, we used market multiples derived from a set of companies similar to USL.

After recording the goodwill impairment charge of $36.7 million, $1.1 million of goodwill remains on the USL balance sheets as of February 28, 2023.

Calculating the fair value of the USL’s indefinite-lived tradenames required the use of various estimates and assumptions. We estimated the fair value of USL’s indefinite-lived tradenames by applying a relief-from-royalty calculation, which included discounted future cash flows related to projected revenues for those USL tradenames impacted by this decision. In applying this methodology, we relied on a number of factors, including actual and forecasted revenues and market data. As the carrying amount of one of the tradenames exceeded its fair value, an impairment loss of $2.5 million was recorded for the three and nine months ended February 28, 2023. This impairment loss was classified in restructuring expense within our PCG segment.

The impairment assessment for our long-lived assets, such as property and equipment and purchased intangibles subject to amortization, involved estimating the fair value of USL’s long-lived assets and comparing it with its carrying amount. Measuring a potential impairment of long-lived assets requires the use of various estimates and assumptions, including the determination of which cash flows are directly related to the assets being evaluated, the respective useful

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

lives over which those cash flows will occur and potential residual values, if any. The results of our testing indicated that the carrying values of these assets were recoverable, as such we did not record an impairment of our long-lived assets for the three and nine months ended February 28, 2023.

Any changes to underlying assumptions used in USL's goodwill impairment assessment, including if the financial performance of the reporting unit does not meet expectations in future years or changes in management's methodology utilized in determining strategic alternatives for the U.K. infrastructure services business, may cause a change to the results of the impairment assessment in future periods and, as such, could result in an impairment of goodwill or other long-lived assets.

NOTE 5 — FAIR VALUE MEASUREMENTS

Financial instruments recorded in the Consolidated Balance Sheets include cash and cash equivalents, trade accounts receivable, marketable securities, notes and accounts payable, and debt.

An allowance for credit losses is established for trade accounts receivable using assessments of current creditworthiness of customers, historical collection experience, the aging of receivables and other currently available evidence. Trade accounts receivable balances are written-off against the allowance if a final determination of uncollectibility is made. All provisions for allowance for doubtful collection of accounts are included in selling, general and administrative ("SG&A") &A expense.

The valuation techniques utilized for establishing the fair values of assets and liabilities are based on observable and unobservable inputs. Observable inputs reflect readily obtainable data from independent sources, while unobservable inputs reflect management's market assumptions. The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value, as follows:

Level 1 Inputs — Quoted prices for identical instruments in active markets.

Level 2 Inputs — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 Inputs — Instruments with primarily unobservable value drivers.

The following tables present our assets and liabilities that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy.

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

(In thousands)	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Fair Value at February 28, 2023**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Fair Value at August 31, 2023**
Available-for-sale debt securities:								
U.S. Treasury and other government	$ -	$ 24,806	$ -	$ 24,806	$ -	$ 25,983	$ -	$ 25,983
Corporate bonds	-	139	-	139	-	137	-	137
Total available-for-sale debt securities	-	24,945	-	24,945	-	26,120	-	26,120
Marketable equity securities:								
Stocks – foreign	723	-	-	723	1,049	-	-	1,049
Stocks – domestic	4,768	-	-	4,768	9,742	-	-	9,742
Mutual funds – foreign	-	39,278	-	39,278	-	41,667	-	41,667

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Mutual funds – domestic	-	73,89 9	-	73,89 9	-	81,64 4	-	81,64 4
Total marketable equity securities	5,491	113,1 77	-	118,6 68	10,79 1	123,3 11	-	134,1 02
Contingent consideration	-	-	(2,23 5)	(2,235)	-	-	(3,07 4)	(3,07 4)
Total	$ 5,491	$ 138,1 22	$ (2,23 5)	$ 141,3 78	$ 10,79 1	$ 149,4 31	$ (3,07 4)	$ 157,1 48

(In thousands)	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Fair Value at May 31, 2022**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Fair Value at May 31, 2023**
Available-for-sale debt securities:								
U.S. Treasury and other government	$ -	$ 25,23 9	$ -	$ 25,2 39	$ -	$ 27,02 1	$ -	$ 27,0 21
Corporate bonds	-	155	-	155	-	141	-	141

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Total available-for-sale debt securities	-	25,394	-	25,394	-	27,162	-	27,162
Marketable equity securities:								
Stocks – foreign	598	-	-	598	786	-	-	786
Stocks – domestic	5,085	-	-	5,085	5,009	-	-	5,009
Mutual funds – foreign	-	39,139	-	39,139	-	40,074	-	40,074
Mutual funds – domestic	-	74,227	-	74,227	-	75,284	-	75,284
Total marketable equity securities	5,683	113,366	-	119,049	5,795	115,358	-	121,153
Contingent consideration	-	-	(10,529)	(10,529)	-	-	(2,686)	(2,686)
Total	$ 5,683	$ 138,760	$ (10,529)	$ 133,914	$ 5,795	$ 142,520	$ (2,686)	$ 145,629

Our investments in available-for-sale debt securities and marketable equity securities are valued using a market approach. The availability of inputs observable in the market varies from instrument to instrument and depends on a variety of factors, including the type of instrument, whether the instrument is actively traded and other characteristics particular to the transaction. For most of our financial instruments, pricing inputs are readily observable in the market, the valuation methodology used is widely accepted by market participants, and the valuation does not require significant management discretion. For other financial instruments, pricing inputs are less observable in the market and may require management judgment.

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

The contingent consideration represents the estimated fair value of the additional variable cash consideration payable in connection with recent acquisitions that is contingent upon the achievement of certain performance milestones. We estimated the fair value using expected future cash flows over the period in which the obligation is expected to be settled which is considered to be a Level 3 input. During the first nine three months of fiscal 2023, we recorded an increase in the contingent consideration accrual for approximately $3.0 million related to acquisitions of $2.1 million and paid approximately $10.4 million to satisfy contingent consideration obligations relating to certain performance milestones that were established in prior periods and achieved during the current year. During the first nine months of fiscal 2022, we recorded an increase in the accrual for approximately $2.5 million related to fair value adjustments and paid approximately $5.8 10.3 million to satisfy contingent consideration obligations relating to certain performance milestones that were established in prior periods and achieved during fiscal 2022. 2023. In the Consolidated Statements of Cash Flows, payments of acquisition-related contingent consideration for the amount recognized at fair value as of the acquisition date are reported in cash flows from financing activities, while payments of contingent consideration in excess of fair value as of the acquisition date, are reported in cash flows from operating activities within other accrued liabilities.

12

The carrying value of our current financial instruments, which include cash and cash equivalents, marketable securities, trade accounts receivable, accounts payable and short-term debt approximates fair value because of the short-term maturity of these financial instruments. At February 28, 2023 August 31, 2023 and May 31, 2022 May 31, 2023, the fair value of our long-term debt was estimated using active market quotes, based on our current incremental borrowing rates for similar types of borrowing arrangements, which are Level 2 inputs. Based on the analysis performed, the fair value and the carrying value of our cash and cash equivalents and long-term debt as of February 28, 2023 August 31, 2023 and May 31, 2022 May 31, 2023 are as follows:

	At February 28, 2023		At August 31, 2023	
(In thousands)	**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
Cash and cash equivalents	$ 193,870	$ 193,870	$ 240,586	$ 240,586
Long-term debt, including current portion	2,822,562	2,614,247	2,505,311	2,296,118

	At May 31, 2022		At May 31, 2023	
(In thousands)	**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
Cash and cash equivalents	$ 201,672	$ 201,672	$ 215,787	$ 215,787
Long-term debt, including current portion	2,686,609	2,618,978	2,683,809	2,490,863

11

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

NOTE 65 — INVESTMENT (INCOME) EXPENSE, NET

Investment (income) expense, net, consists of the following components:

(In thousands)	Three Months Ended February 28, 2023	Three Months Ended February 28, 2022	Nine Months Ended February 28, 2023	Nine Months Ended February 28, 2022	Three Months Ended August 31, 2023	Three Months Ended August 31, 2022
Interest (income)	$ (2,266)	$ (1,203)	$ (6,805)	$ (3,349)	$ (5,451)	$ (2,150)
Net loss on marketable securities	429	8,215	3,241	10,032		
Net (gain) loss on marketable securities					(6,451)	6,606
Dividend (income)	(886)	(2,657)	(2,346)	(5,262)	(537)	(792)
Investment (income) expense, net	$ (2,723)	$ 4,355	$ (5,910)	$ 1,421	$ (12,439)	$ 3,664

Net (Gain) Loss on Marketable Securities

(In thousands)	Three Months Ended August 31, 2023	Three Months Ended August 31, 2022
Unrealized (gains) losses on marketable equity securities	$ (6,527)	$ 6,513
Realized losses on marketable equity securities	45	129
Realized losses (gains) on available-for-sale debt securities	31	(36)
Net (gain) loss on marketable securities	$ (6,451)	$ 6,606

(In thousands)	Three Months Ended February 28, 2023	Three Months Ended February 28, 2022	Nine Months Ended February 28, 2023	Nine Months Ended February 28, 2022
Unrealized losses on marketable equity securities	$ 946	$ 8,903	$ 3,704	$ 11,227
Realized (gains) on marketable equity securities	(525)	(699)	(435)	(1,223)
Realized losses (gains) on available-for-sale debt securities	8	11	(28)	28
Net loss on marketable securities	$ 429	$ 8,215	$ 3,241	$ 10,032

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

NOTE 6 — OTHER EXPENSE, NET

Other expense, net, consists of the following components:

	Three Months Ended	
(In thousands)	August 31, 2023	August 31, 2022
Pension non-service costs	$ 2,781	$ 2,516
Other	(227)	(100)
Other expense, net	$ 2,554	$ 2,416

NOTE 7 — (GAIN) ON SALES OF ASSETS AND BUSINESS, NET

During the three and nine months ended February 28, 2023, we recognized net gains of $25.7 million and $25.9 million, respectively, on the sale of certain real property assets and a business divestiture. On January 20, 2023, we completed the divestiture of our Guardian Protection Products, Inc ("Guardian") business for proceeds of approximately $49.2 million, net of cash disposed. The transaction also includes a future contingent cash receipt of up to an additional $7.5 million which may be recognized upon achievement of certain financial goals. In connection with the divestiture, we recognized a gain of $24.7 million for the quarter ended February 28, 2023, which is included in (gain) on sales of assets and business, net in our Consolidated Statements of Income. As of November 30, 2022, the criteria necessary to be classified as held for sale on the accompanying Consolidated Balance Sheets had not been met.

Guardian, headquartered in Hickory, North Carolina, was a reporting unit included in our SPG segment and is a seller of furniture protection plans and protection products for fabric, leather, and wood applications. The sale of Guardian does not represent a strategic shift that will have a major effect on our operations and financial results and therefore is not presented as discontinued operations.

During the three and nine months ended February 28, 2022, we recognized net gains of $0.2 million and $42.5 million, respectively, on the sale of certain real property assets. Most significantly, certain real property assets for the Toronto, Ontario location, within our CPG segment, were sold on September 15, 2021 for $49.8 million. We received $48.0 million of net proceeds after adjustments and expenses and recognized a gain of $41.9 million. The purpose of this transaction was to generate cash by monetizing a real estate market opportunity.

In conjunction with the sale, we executed a leaseback agreement commencing September 15, 2021 and expiring on September 14, 2024. During the second quarter of fiscal 2022, the lease was classified as an operating lease with total future minimum lease payments during the initial term of the lease of approximately $3.4 million. An incremental borrowing rate of 1.3% was used to determine the ROU asset. We recorded a $3.7 million operating lease right-of-use asset and corresponding liabilities in our Consolidated Balance Sheets during the second quarter of fiscal 2022.

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

NOTE 8 — OTHER EXPENSE (INCOME), NET

Other expense (income), net, consists of the following components:

	Three Months Ended		Nine Months Ended	
(In thousands)	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
Pension non-service costs (credits)	2,648	$ (2,644)	$ 7,650	$ (8,012)
Other	(309)	(98)	(585)	(989)
Other expense (income), net	$ 2,339	$ (2,742)	$ 7,065	$ (9,001)

NOTE 9 — INCOME TAXES

The effective income tax rate of 35.9 25.2% for the three months ended February 28, 2023 August 31, 2023 compares to the effective income tax rate of 17.9 24.8% for the three months ended February 28, 2022 August 31, 2022. The effective income tax rate of 25.9% for the nine months ended February 28, 2023 compares to the effective income tax rate of 23.9% for the nine months ended February 28, 2022.

The effective income tax rates for the three- and nine-month three-month periods ended February 28, 2023 August 31, 2023 and 2022 reflect variances from the 21% statutory rate due primarily to the unfavorable impact of state and local income taxes, non-deductible business expenses, and the net tax on foreign subsidiary income resulting from the global intangible low-taxed income provisions, partially offset by tax benefits related to equity compensation.

Further, Additionally, the effective tax rates rate for the three- current period reflects incremental tax expense related to increases to our net deferred income tax liability for unremitted earnings and nine-month periods ended February 28, 2023 reflect the unfavorable impact of our liability for uncertain tax positions, partially offset by a noncash impairment charge for goodwill that is nondeductible for tax purposes. Additionally, the effective tax rates for the three- and nine-month periods ended February 28, 2022 reflect net favorable changes in adjustment related to U.S. foreign tax credit valuation allowances.credits.

Our deferred tax liability for unremitted foreign earnings was $0.7 5.9 million as of February 28, 2023 August 31, 2023, which represents our estimate of the net tax cost associated with the remittance of $202.5 284.0 million of foreign earnings that are not considered to be permanently reinvested. We have not provided for foreign withholding or income taxes on the remaining foreign subsidiaries' undistributed earnings because such earnings have been retained and reinvested by the subsidiaries as of February 28, 2023 August 31, 2023. Accordingly, no provision has been made for foreign withholding or income taxes, which may become payable if the remaining undistributed earnings of foreign subsidiaries were remitted to us as dividends.

NOTE 10 8 — INVENTORIES

Inventories, net of reserves, were composed of the following major classes:

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

(In thousands)	February 28, 2023		May 31, 2022		August 31, 2023		May 31, 2023	
Raw material and supplies	$	521,729	$	560,886	$	431,228	$	451,504
Finished goods		819,574		651,732		686,213		683,992
Total Inventory, Net of Reserves	$	1,341,303	$	1,212,618	$	1,117,441	$	1,135,496

1412

NOTE 11 — BORROWINGS

3.45% Notes due 2022

On November 15, 2022, we repaid the $300.0 million aggregate principal amount outstanding on our 3.45% Notes due 2022.

Revolving Credit Agreement

During the quarter ended August 31, 2022, we amended our $1.3 billion unsecured syndicated revolving credit facility (the "Revolving Credit Facility"), which was set to expire on October 31, 2023. The amendment extended the expiration date to August 1, 2027 and increased the borrowing capacity to $1.35 billion. The Revolving Credit Facility bears interest at either the base rate or the adjusted Secured Overnight Financing Rate (SOFR), as defined, at our option, plus a spread determined by our debt rating. The amount outstanding on the Revolving Credit Facility adjusted for deferred financing fees, net of amortization as of February 28, 2023 and May 31, 2022, was $701.4 million and $442.2 million, respectively. The Revolving Credit Facility is available to refinance existing indebtedness, to finance working capital and capital expenditures, and for general corporate purposes.

Term Loan Credit Facility Agreement

On August 1, 2022, we amended the term loan credit facility, which was set to expire on February 21, 2023, to extend the maturity date to August 1, 2025, and paid down the borrowings outstanding on the term loan to $250 million. The term loan bears interest at either the base rate or the adjusted SOFR, as defined, at our option, plus a spread determined by our debt rating. The amount outstanding on the term loan adjusted for deferred financing fees, net of amortization as of February 28, 2023 and May 31, 2022, was $249.7 million and $299.8 million, respectively.

NOTE 129 — STOCK REPURCHASE PROGRAM

On January 8, 2008, we announced our authorization of a stock repurchase program under which we may repurchase shares of RPM International Inc. common stock at management's discretion. As announced on November 28, 2018, our goal was to return $1.0 billion in capital to stockholders by May 31, 2021 through share repurchases and the retirement of our convertible note during fiscal 2019. On April 16, 2019, after taking into account share repurchases

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

under our existing stock repurchase program to date, our Board of Directors authorized the repurchase of the remaining $600.0 million in value of RPM International Inc. common stock by May 31, 2021.

As previously announced, given macroeconomic uncertainty resulting from the Covid pandemic, we had suspended stock repurchases under the program, but in January 2021, our Board of Directors authorized the resumption of our stock repurchase program. At the time of resuming the program, $469.7 million of shares of common stock remained available for repurchase. The Board of Directors also extended the stock repurchase program beyond its original May 31, 2021 expiration date until such time that the remaining $469.7 million of capital has been returned to our stockholders.

As a result, we may repurchase shares from time to time in the open market or in private transactions at various times and in amounts and for prices that our management deems appropriate, subject to insider trading rules and other securities law restrictions. The timing of our purchases will depend upon prevailing market conditions, alternative uses of capital and other factors. We may limit or terminate the repurchase program at any time.

During the three and nine months ended February 28, 2023 August 31, 2023, we repurchased 143,096 and 446,175 122,425 shares of our common stock at a cost of approximately $12.5 million, and $37.5 million, or an average of $87.35 per share and $84.05 102.10 per share. During the three and nine months ended February 28, 2022 August 31, 2022, we repurchased 171,933 and 305,321 303,079 shares of our common stock at a cost of approximately $15.0 million and $27.5 25.0 million, or an average of $87.24 per share and $90.07 82.49 per share. The maximum dollar amount that may yet be repurchased under our stock repurchase program was approximately $329.8 304.8 million at February 28, 2023 August 31, 2023.

15

NOTE 10 — ACCUMULATED OTHER COMPREHENSIVE (LOSS)

Accumulated other comprehensive (loss) consists of the following components:

(In thousands)	Foreign Currency Translation Adjustments	Pension And Other Postretirement Benefit Liability Adjustments	Unrealized Gain (Loss) On Derivatives	Unrealized Gain (Loss) On Securities	Total
Balance at June 1, 2023	$ (465,375)	$ (148,764)	$ 11,405	$ (2,201)	$ (604,935)
Current period comprehensive income (loss)	9,790	-	-	(87)	9,703

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Income taxes associated with current period comprehensive (loss) income	(951)	-	-	(45)	(996)
Amounts reclassified from accumulated other comprehensive income (loss)	-	4,122	-	(130)	3,992
Income taxes reclassified into earnings	-	(958)	-	5	(953)
Balance at August 31, 2023	$ (456,536)	$ (145,600)	$ 11,405	$ (2,458)	$ (593,189)

(In thousands)	Foreign Currency Translation Adjustments	Pension And Other Postretirement Benefit Liability Adjustments	Unrealized Gain (Loss) On Derivatives	Unrealized Gain (Loss) On Securities	Total
Balance at June 1, 2022	$ (395,473)	$ (153,383)	$ 13,171	$ (1,652)	$ (537,337)
Current period comprehensive (loss) income	(80,515)	-	-	(469)	(80,984)
Income taxes associated with current period comprehensive income (loss)	1,621	-	-	94	1,715
Amounts reclassified from accumulated other comprehensive income (loss)	-	5,703	(606)	40	5,137
Income taxes reclassified into earnings	-	(1,431)	-	(5)	(1,436)
Balance at August 31, 2022	$ (474,367)	$ (149,111)	$ 12,565	$ (1,992)	$ (612,905)

13

NOTE 13 11 — EARNINGS PER SHARE

The following table sets forth the reconciliation of the numerator and denominator of basic and diluted earnings per share ("EPS") for the three- and nine-month three-month periods ended February 28, 2023 August 31, 2023 and 2022.

(In thousands, except per share amounts)	Three Months Ended		Nine Months Ended		Three Months Ended	
	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022	August 31, 2023	August 31, 2022

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Numerator for earnings per share:						
Net income attributable to RPM International Inc. stockholders	$ 26,974	$ 33,019	$ 327,331	$ 292,476	$ 201,082	$ 169,013
Less: Allocation of earnings and dividends to participating securities	(274)	(133)	(1,593)	(2,222)	(872)	(1,312)
Net income available to common shareholders - basic	26,700	32,886	325,738	290,254	200,210	167,701
Reverse: Allocation of earnings and dividends to participating securities	-	133	1,593	2,222	872	-
Add: Undistributed earnings reallocated to unvested shareholders					-	4
Net income available to common shareholders - diluted	$ 26,700	$ 33,019	$ 327,331	$ 292,476	$ 201,082	$ 167,705
Denominator for basic and diluted earnings per share:						
Basic weighted average common shares	127,495	127,943	127,564	128,013	127,633	127,617
Average diluted options and awards	540	1,759	1,225	1,609	1,138	544
Total shares for diluted earnings per share (1)	128,035	129,702	128,789	129,622	128,771	128,161
Earnings Per Share of Common Stock Attributable to						
RPM International Inc. Stockholders:						
Basic Earnings Per Share of Common Stock	$ 0.21	$ 0.26	$ 2.55	$ 2.27	$ 1.57	$ 1.31

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Method used to calculate basic earnings per share	Two-class	Two-class	Two-class	Two-class	Two-class	Two-class
Diluted Earnings Per Share of Common Stock	$ 0.21	$ 0.25	$ 2.54	$ 2.26	$ 1.56	$ 1.31
Method used to calculate diluted earnings per share	Two-class	Treasury	Treasury	Treasury	Treasury	Two-class

(1) For the three and nine months ended February 28, 2023, August 31, 2023 and 2022, approximately 680,000 1,037,000 and 715,000 shares of stock, respectively, granted under stock-based compensation plans were excluded from the calculation of diluted EPS, as the effect would have been anti-dilutive. For the three and nine months ended February 28, 2022, approximately 320,000 and 655,000 shares of stock granted under stock-based compensation plans were excluded from the calculation of diluted EPS, as the effect would have been anti-dilutive.

16

NOTE 14 12 — PENSION PLANS

We offer defined benefit pension plans, defined contribution pension plans, and various postretirement benefit plans. The following tables provide the retirement-related benefit plans' impact on income before income taxes for the three- and nine-month three-month periods ended February 28, 2023 August 31, 2023 and 2022:

	U.S. Plans		Non-U.S. Plans		U.S. Plans		Non-U.S. Plans	
	Three Months Ended		Three Months Ended		Three Months Ended		Three Months Ended	
(In thousands)	February 28,	February 28,	February 28,	February 28,	August 31,	August 31,	August 31,	August 31,
Pension Benefits	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Service cost	$ 10,890	$ 11,914	$ 951	$ 1,348	$ 10,913	$ 10,890	$ 887	$ 951
Interest cost	7,173	3,842	1,728	1,282	8,992	7,173	1,935	1,728
Expected return on plan assets	(9,536)	(10,386)	(1,727)	(2,073)	(10,518)	(9,536)	(2,400)	(1,727)
Amortization of:								

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Prior service cost (credit)	-	1	(27)	(38)	1	-	(31)	(27)
Net actuarial losses recognized	4,487	4,225	125	114	4,205	4,487	209	125
Net Periodic Benefit Cost	$ 13,014	$ 9,596	$ 1,050	$ 633	$ 13,593	$ 13,014	$ 600	$ 1,050

	U.S. Plans		Non-U.S. Plans	
	Three Months Ended		Three Months Ended	
(In thousands)	February 28,	February 28,	February 28,	February 28,
Postretirement Benefits	2023	2022	2023	2022
Service cost	$ -	$ -	$ 287	$ 432
Interest cost	21	10	368	299
Amortization of:				
Prior service (credit)	(30)	(40)	-	-
Net actuarial losses (gains) recognized	11	15	(14)	32
Net Periodic Benefit Cost (Credit)	$ 2	$ (15)	$ 641	$ 763

	U.S. Plans		Non-U.S. Plans	
	Nine Months Ended		Nine Months Ended	
(In thousands)	February 28,	February 28,	February 28,	February 28,
Pension Benefits	2023	2022	2023	2022
Service cost	$ 32,670	$ 35,742	$ 2,853	$ 4,044
Interest cost	21,519	11,526	5,184	3,846
Expected return on plan assets	(28,608)	(31,158)	(5,181)	(6,219)
Amortization of:				
Prior service cost (credit)	-	3	(81)	(114)
Net actuarial losses recognized	13,461	12,675	375	342
Net Periodic Benefit Cost	$ 39,042	$ 28,788	$ 3,150	$ 1,899

	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
	Nine Months Ended	Nine Months Ended	Three Months Ended	Three Months Ended

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

(In thousands) Postretirement Benefits	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022	August 31, 2023	August 31, 2022	August 31, 2023	August 31, 2022
Service cost	$ -	$ -	$ 861	$ 1,296	$ -	$ -	$ 569	$ 287
Interest cost	63	30	1,104	897	22	21	390	368
Amortization of:								
Prior service (credit)	(90)	(120)	-	-	-	(30)	-	-
Net actuarial losses (gains) recognized	33	45	(42)	96				
Net Periodic Benefit Cost (Credit)	$ 6	$ (45)	$ 1,923	$ 2,289				
Net actuarial (gains) losses recognized					(4)	11	(12)	(14)
Net Periodic Benefit Cost					$ 18	$ 2	$ 947	$ 641

17 14

Due Net periodic pension cost for fiscal 2024 is similar to a reduction in return on plan assets and our fiscal 2023 cost due to higher interest costs, which are only partially offset by a reduction an increase in service cost due to higher discount rates, net periodic pension cost for fiscal 2023 is higher than our fiscal 2022 expense. expected return on plan assets. We expect that pension expense will fluctuate on a year-to-year basis, depending upon the investment performance of plan assets and potential changes in interest rates, and these fluctuations may have a material impact on our consolidated financial results in the future. We previously disclosed in our financial statements for the fiscal year ended May 31, 2022 May 31, 2023 that we are required and expect to contribute approximately $1.3 0.7 million to our retirement plans in the U.S. and approximately $4.9 5.7 million to plans outside the U.S. during the current fiscal

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

year and that year. Throughout fiscal 2024, we will evaluate whether to make additional contributions throughout fiscal 2023. As a result of our evaluation, we elected to contribute $62.3 million to the main pension plan in the U.S. during the current quarter, which will result in total expected U.S. contributions of $63.6 million during fiscal year 2023. contributions.

NOTE 15 13 — CONTINGENCIES AND ACCRUED LOSSES

Product Liability Matters

We provide, through our wholly-owned insurance subsidiaries, certain insurance coverage, primarily product liability coverage, to our other subsidiaries. Excess coverage is provided by third-party insurers. Our product liability accruals provide for these potential losses as well as other uninsured claims. Product liability accruals are established based upon actuarial calculations of potential liability using industry experience, actual historical experience and actuarial assumptions developed for similar types of product liability claims, including development factors and lag times. To the extent there is a reasonable possibility that potential losses could exceed the amounts already accrued, we believe that the amount of any such additional loss would be immaterial to our results of operations, liquidity and consolidated financial position.

Warranty Matters

We also offer warranties on many of our products, as well as long-term warranty programs at certain of our businesses, and have established product warranty liabilities. We review these liabilities for adequacy on a quarterly basis and adjust them as necessary. The primary factors that could affect these liabilities may include changes in performance rates as well as costs of replacement. Provision for estimated warranty costs is recorded at the time of sale and periodically adjusted, as required, to reflect actual experience. It is probable that we will incur future losses related to warranty claims we have received but that have not been fully investigated and related to claims not yet received. While our warranty liabilities represent our best estimates at February 28, 2023 August 31, 2023, we can provide no assurances that we will not experience material claims in the future or that we will not incur significant costs to resolve such claims beyond the amounts accrued or beyond what we may recover from our suppliers. Based upon the nature of the expense, product warranty expense is recorded as a component of cost of sales or within SG&A.

Also, due to the nature of our businesses, the amount of claims paid can fluctuate from one period to the next. While our warranty liabilities represent our best estimates of our expected losses at any given time, from time-to-time we may revise our estimates based on our experience relating to factors such as weather conditions, specific circumstances surrounding product installations and other factors.

The following table includes the changes in our accrued warranty balances:

	Three Months Ended		Nine Months Ended	
	February 28,	February 28,	February 28,	February 28,

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

(In thousands)	2023	2022	2023	2022
Beginning Balance	$ 11,509	$ 12,886	$ 10,905	$ 13,175
Deductions (1)	(5,620)	(5,186)	(20,124)	(16,868)
Provision charged to expense	5,558	4,628	20,666	16,021
Ending Balance	$ 11,447	$ 12,328	$ 11,447	$ 12,328

	Three Months Ended	
(In thousands)	August 31, 2023	August 31, 2022
Beginning Balance	$ 11,776	$ 10,905
Deductions (1)	(7,407)	(6,344)
Provision charged to expense	7,633	7,939
Ending Balance	$ 12,002	$ 12,500

(1) Primarily claims paid during the period.

Environmental Matters

Like other companies participating in similar lines of business, some of our subsidiaries are involved in environmental remediation matters. It is our policy to accrue remediation costs when the liability is probable and the costs are reasonably estimable, which generally is not later than at completion of a feasibility study or when we have committed to an appropriate plan of action. We also take into consideration the estimated period of time over which payments may be required. The liabilities are reviewed periodically and, as investigation and remediation activities continue, adjustments are made as necessary. Liabilities for losses from environmental remediation obligations do not consider the effects of inflation and anticipated expenditures are not discounted to their present value. The liabilities are not offset by possible recoveries from insurance carriers or other third parties but do reflect anticipated allocations among potentially responsible parties at federal superfund sites or similar state-managed sites, third-party indemnity obligations, and an assessment of the likelihood that such parties will fulfill their obligations at such sites.

Other Contingencies

One of our former subsidiaries in our SPG reportable segment has been the subject of a proceeding in which one of its former distributors brought suit against the subsidiary for breach of contract. Following a June 2017 trial, a jury determined that the distributor was not entitled to any damages on the distributor's claims. On appeal, the Ninth Circuit Court of Appeals ordered a new trial with respect to certain issues. On December 10, 2021, a new jury awarded $6.0 million in damages to the distributor. Per the parties' contracts, the distributor may also be entitled to recover

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

some portion of its attorneys' fees. The distributor timely filed an appeal of the new jury's verdict, and we timely filed a cross-appeal. The appeal action remains pending before On July 3, 2023, the Ninth Circuit Court of Appeals. Appeals issued its decision rejecting the distributor's arguments and denying all appellate relief to the distributor, which also rendered our cross-appeal moot. As a result of the jury's award and in consideration of this decision, we increased our appeal, we accrued accrual to $2.6 6.0 million for this matter in the second quarter of fiscal 2022, year ended May 31, 2023, and have since further increased our accrual to $6.4 million, which we currently believe to be the low end of the range of loss. While an ultimate loss in excess of the accrued amount is reasonably possible, we believe that the high end of the range of loss would not be materially more than the $6.0 6.4 million noted above. This contingency remains a retained liability of the Company.

Gain on Business Interruption Insurance

In April 2021, there was a significant plant explosion at a key alkyd resin supplier which caused severe supply chain disruptions. As a result of this disruption, the Consumer segment incurred incremental costs and lost sales during fiscal 2021 and 2022. A claim for these losses was submitted under our business interruption insurance policy. During the third first quarter of fiscal 2023 2024 the Consumer segment recovered $20.0 10.3 million from insurance. These proceeds were recorded as a gain in the three- and nine-month periods three-month period ended February 28, 2023 August 31, 2023. The insurance gain is recorded as a reduction to SG&A expenses in our Consolidated Statements of Income, and the proceeds are included within cash flows from operating activities in our Consolidated Statement of Cash Flows.

NOTE 16 14 — REVENUE

We operate a portfolio of businesses that manufacture and sell a variety of product lines that include specialty paints, protective coatings, roofing systems, sealants and adhesives, among other things. We disaggregate revenues from the sales of our products and services based upon geographical location by each of our reportable segments, which are aligned by similar economic factors, trends and customers, which best depict the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. See Note 17, 15, "Segment Information," to the Consolidated Financial Statements for further details regarding our disaggregated revenues, as well as a description of each of the unique revenue streams related to each of our four reportable segments.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. The majority of our revenue is recognized at a point in time. However, we also record revenues generated under construction contracts, mainly in connection with the installation of specialized roofing and flooring systems and related services. For certain polymer flooring installation projects, we account for our revenue using the output method, as we consider square footage of completed flooring to be the best measure of progress toward the complete satisfaction of the performance obligation. In contrast, for certain of our roofing installation projects, we account for our revenue using the input method, as that method was is the best measure of performance as it considers costs incurred in relation to total

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

expected project costs, which essentially represents the transfer of control for roofing systems to the customer. In general, for our construction contracts, we record contract revenues and related costs as our contracts progress on an over-time model.

We have elected to apply the practical expedient to recognize revenue net of allowances for returns and any taxes collected from customers, which are subsequently remitted to governmental authorities. Payment terms and conditions vary by contract type, although our customers' payment terms generally include a requirement to pay within 30 to 60 days of fulfilling our performance obligations. In instances where the timing of revenue recognition differs from the timing of invoicing, we have determined that our contracts generally do not include a significant financing component. We have elected to apply the practical expedient to treat all shipping and handling costs as fulfillment costs, as a significant portion of these costs are incurred prior to control transfer.

Significant Judgments

Our contracts with customers may include promises to transfer multiple products and/or services to a customer. Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment. For example, judgment is required to determine whether products sold in connection with the sale of installation services are considered distinct and accounted for separately, or not distinct and accounted for together with installation services and recognized over time.

We provide customer rebate programs and incentive offerings, including special pricing and co-operative advertising arrangements, promotions and other volume-based incentives. These customer programs and incentives are considered variable consideration and recognized as a reduction of net sales. Up-front consideration provided to customers is capitalized as a component of other assets and amortized over the estimated life of the contractual arrangement. We include in revenue variable consideration only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the variable consideration is resolved. In general, this determination is made based upon known customer program and incentive offerings at the time of sale and expected sales volume forecasts as it relates to our volume-based incentives. This determination is updated each reporting period.

Certain of our contracts include contingent consideration that is receivable only upon the final inspection and acceptance of a project. We include estimates of such variable consideration in our transaction price. Based on historical experience, we consider the probability-based expected value method appropriate to estimate the amount of such variable consideration.

Our products are generally sold with a right of return, and we may provide other credits or incentives, which are accounted for as variable consideration when estimating the amount of revenue to recognize. Returns and credits are estimated at contract inception and updated at the end of each reporting period as additional information becomes

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

available. We record a right of return liability 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.

We offer assurance type warranties on our products as well as separately sold warranty contracts. Revenue related to warranty contracts that are sold separately is recognized over the life of the warranty term. Warranty liabilities for our assurance type warranties are discussed further in Note 15, 13, “Contingencies and Accrued Losses,” to the Consolidated Financial Statements.

Contract Balances

Timing of revenue recognition may differ from the timing of invoicing customers. Our contract assets are recorded for products and services that have been provided to our customer but have not yet been billed and are included in prepaid expenses and other current assets in our consolidated balance sheets. Consolidated Balance Sheets. Our short-term contract liabilities consist of advance payments, or deferred revenue, and are included in other accrued liabilities in our consolidated balance sheets. Consolidated Balance Sheets.

Trade accounts receivable, net of allowances, and net contract assets consisted of the following:

(In thousands, except percentages)	**February 28, 2023**	**May 31, 2022**	**$ Change**	**% Change**	**August 31, 2023**	**May 31, 2023**	**$ Change**	**% Change**
Trade accounts receivable, less allowances	$ 1,203,212	$ 1,432,632	$ (229,420)	-16.0 %	$ 1,418,886	$ 1,503,040	$ (84,154)	(5.6 %)
Contract assets	$ 66,100	$ 57,234	$ 8,866	15.5 %	$ 71,939	$ 49,188	$ 22,751	46.3 %
Contract liabilities - short-term	(53,481)	(44,938)	(8,543)	19.0 %	(41,477)	(42,396)	919	(2.2 %)
Net Contract Assets	$ 12,619	$ 12,296	$ 323		$ 30,462	$ 6,792	$ 23,670	

The $0.3 23.7 million increase in our net contract assets from May 31, 2022 May 31, 2023 to February 28, 2023 August 31, 2023, resulted primarily due to the timing of construction jobs in progress at February 28, 2023 August 31, 2023 versus May 31, 2022 May 31, 2023. During the three-month periods ending August 31, 2023 and 2022 we recognized $21.3 million and $12.8 million of revenue, which is included in contract liabilities as of May 31, 2023 and 2022, respectively.

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

We also record long-term deferred revenue, which amounted to $60.8 77.3 million and $62.5 76.6 million as of February 28, 2023 August 31, 2023 and May 31, 2022 May 31, 2023, respectively. The long-term portion of deferred revenue is related to warranty contracts and is included in other long-term liabilities in our consolidated balance sheets. Consolidated Balance Sheets.

We have elected to adopt the practical expedient to not disclose the aggregate amount of transaction price allocated to performance obligations that are unsatisfied as of the end of the reporting period for performance obligations that are part of a contract with an original expected duration of one year or less.

We recognize an asset for the incremental costs of obtaining a contract with a customer if we expect the benefit of those costs to be longer than one year. As our contract terms are primarily one year or less in duration, we have elected to apply a practical expedient to expense costs as incurred for costs to obtain a contract with a customer when the amortization period would have been one year or less. These costs include our internal sales force compensation program and certain incentive programs as we have determined annual compensation is commensurate with annual sales activities.

Allowance for Credit Losses

Our primary allowance for credit losses is the allowance for doubtful accounts. The allowance for doubtful accounts reduces the trade accounts receivable balance to the estimated net realizable value equal to the amount that is expected to be collected. The allowance was based on assessments of current creditworthiness of customers, historical collection experience, the aging of receivables and other currently available evidence. Trade accounts receivable balances are written-off against the allowance if a final determination of uncollectibility is made. All provisions for allowances for doubtful collection of accounts are included in selling, general and administrative SG&A expenses.

The following tables summarize the activity for the allowance for credit losses for the three and nine months ended February 28, 2023 August 31, 2023 and 2022:

	Three Months Ended		Nine Months Ended		Three Months Ended	
(In thousands)	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022	August 31, 2023	August 31, 2022
Beginning Balance	$ 48,041	$ 50,932	$ 46,669	$ 55,922	$ 49,482	$ 46,669
Bad debt provision	1,950	571	9,473	2,645	7,696	2,407
Uncollectible accounts written off, net of recoveries	(2,667)	(2,436)	(7,573)	(7,335)	(782)	(667)
Translation adjustments	(2)	727	(1,247)	(1,438)	188	(1,634)

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Ending Balance	$ 47,322	$ 49,794	$ 47,322	$ 49,794	$ 56,584	$ 46,775

20 17

NOTE 17 15 — SEGMENT INFORMATION

We operate a portfolio of businesses and product lines that manufacture and sell a variety of specialty paints, protective coatings, roofing systems, flooring solutions, sealants, cleaners and adhesives. We manage our portfolio by organizing our businesses and product lines into four reportable segments as outlined below, which also represent our operating segments. Within each operating segment, we manage product lines and businesses which generally address common markets, share similar economic characteristics, utilize similar technologies and can share manufacturing or distribution capabilities. Our four operating segments represent components of our business for which separate financial information is available that is utilized on a regular basis by our chief operating decision maker in determining how to allocate the assets of the company and evaluate performance. These four operating segments are each managed by an operating segment manager, who is responsible for the day-to-day operating decisions and performance evaluation of the operating segment's underlying businesses. We evaluate the profit performance of our segments primarily based on income before income taxes, but also look to earnings (loss) before interest and taxes ("EBIT"), as a performance evaluation measure because interest (income) expense, net is essentially related to corporate functions, as opposed to segment operations.

Effective June 1, 2023, certain Asia Pacific businesses and management structure, formerly of our CPG segment, were transferred to our PCG segment to create operating efficiencies and a more unified go-to-market strategy in Asia Pacific. As a result of this business realignment, $11.4 million of goodwill was transferred from the CPG segment to the PCG segment. Additionally, this realignment is reflected in our reportable segments beginning with our first quarter of fiscal 2024. As such, historical segment results have been recast to reflect the impact of this change.

Our CPG reportable segment products are sold throughout North America and also account for the majority a significant portion of our international sales. Our construction product lines are sold directly to contractors, distributors and end-users, such as industrial manufacturing facilities, public institutions and other commercial customers. Products and services within this reportable segment include construction sealants and adhesives, coatings and chemicals, roofing systems, concrete admixture and repair products, building envelope solutions, insulated cladding, flooring systems, and weatherproofing solutions.

Our PCG reportable segment products are sold throughout North America, as well as internationally, and are sold directly to contractors, distributors and end-users, such as industrial manufacturing facilities, public institutions and other commercial customers. Products and services within this reportable segment include high-performance flooring

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

solutions, corrosion control and fireproofing coatings, infrastructure repair systems and fiberglass reinforced plastic gratings and drainage systems.gratings.

Our Consumer reportable segment manufactures and markets professional use and do-it-yourself ("DIY") products for a variety of mainly consumer applications, including home improvement and personal leisure activities. Our Consumer reportable segment's major manufacturing and distribution operations are located primarily in North America, along with a few locations in Europe, Australia and other parts of the world. South America. Our Consumer reportable segment products are primarily sold directly to mass merchandisers, home improvement centers, hardware stores, paint stores, craft shops and through distributors. The Consumer reportable segment offers products that include specialty, hobby and professional paints; caulks; adhesives; cleaners; sandpaper and other abrasives; silicone sealants and wood stains.

Our SPG reportable segment products are sold throughout North America and a few international locations, internationally, primarily in Europe. Our specialty product lines are sold directly to contractors, distributors and end-users, such as industrial manufacturing facilities, public institutions and other commercial customers. The SPG reportable segment offers products that include industrial cleaners, restoration services equipment, colorants, nail enamels, exterior finishes, edible coatings and specialty glazes for pharmaceutical and food industries, and other specialty original equipment manufacturer ("OEM") coatings.

In addition to our four reportable segments, there is a category of certain business activities and expenses, referred to as corporate/other, that does not constitute an operating segment. This category includes our corporate headquarters and related administrative expenses, results of our captive insurance companies, gains or losses on the sales of certain assets and other expenses not directly associated with any reportable segment. Assets related to the corporate/other category consist primarily of investments, prepaid expenses and headquarters' property and equipment. These corporate and other assets and expenses reconcile reportable segment data to total consolidated income before income taxes and identifiable assets.

We reflect income from our joint ventures on the equity method and receive royalties from our licensees.

The following tables present a disaggregation of revenues by geography, and the results of our reportable segments consistent with our management philosophy, by representing the information we utilize, in conjunction with various strategic, operational and other financial performance criteria, in evaluating the performance of our portfolio of businesses.

Three Months Ended August 31, 2023	CPG Segment	PCG Segment	Consumer Segment	SPG Segment	Consolidated
(In thousands)					

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Net Sales (based on shipping location)					
United States	$ 509,331	$ 226,327	$ 550,753	$ 153,764	$ 1,440,175
Foreign					
Canada	79,161	24,246	46,340	1,129	150,876
Europe	127,957	63,671	60,866	20,476	272,970
Latin America	66,340	9,141	7,015	614	83,110
Asia Pacific	-	29,333	4,630	4,968	38,931
Other Foreign	-	25,795	-	-	25,795
Total Foreign	273,458	152,186	118,851	27,187	571,682
Total	$ 782,789	$ 378,513	$ 669,604	$ 180,951	$ 2,011,857

Three Months Ended August 31, 2022	CPG Segment	PCG Segment	Consumer Segment	SPG Segment	Consolidated
(In thousands)					
Net Sales (based on shipping location)					
United States	$ 463,408	$ 223,669	$ 550,619	$ 172,863	$ 1,410,559
Foreign					
Canada	70,138	22,663	44,250	986	138,037
Europe	117,195	56,708	53,618	22,125	249,646
Latin America	55,672	9,482	6,186	406	71,746
Asia Pacific	-	29,053	4,819	6,317	40,189
Other Foreign	-	22,143	-	-	22,143
Total Foreign	243,005	140,049	108,873	29,834	521,761
Total	$ 706,413	$ 363,718	$ 659,492	$ 202,697	$ 1,932,320

Three Months Ended February 28, 2023	CPG Segment	PCG Segment	Consumer Segment	SPG Segment	Consolidated
(In thousands)					
Net Sales (based on shipping location)					
United States	$ 280,916	$ 189,913	$ 431,829	$ 163,056	$ 1,065,714
Foreign					

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Canada	34,934	18,662	37,957	898	92,451
Europe	107,609	56,192	47,613	19,084	230,498
Latin America	51,728	9,047	6,666	455	67,896
Asia Pacific	21,827	5,784	4,466	7,511	39,588
Other Foreign	-	20,029	-	-	20,029
Total Foreign	216,098	109,714	96,702	27,948	450,462
Total	$ 497,014	$ 299,627	$ 528,531	$ 191,004	$ 1,516,176

Three Months Ended February 28, 2022	**CPG Segment**	**PCG Segment**	**Consumer Segment**	**SPG Segment**	**Consolidated**
(In thousands)					
Net Sales (based on shipping location)					
United States	$ 259,606	$ 167,623	$ 403,524	$ 154,516	$ 985,269
Foreign					
Canada	39,479	17,220	29,432	1,378	87,509
Europe	114,226	54,057	46,695	24,121	239,099
Latin America	47,459	7,720	7,707	368	63,254
Asia Pacific	21,256	5,431	4,259	8,988	39,934
Other Foreign	-	18,814	-	-	18,814
Total Foreign	222,420	103,242	88,093	34,855	448,610
Total	$ 482,026	$ 270,865	$ 491,617	$ 189,371	$ 1,433,879

Nine Months Ended February 28, 2023	**CPG Segment**	**PCG Segment**	**Consumer Segment**	**SPG Segment**	**Consolidated**
(In thousands)					
Net Sales (based on shipping location)					
United States	$ 1,124,047	$ 628,320	$ 1,486,556	$ 515,078	$ 3,754,001
Foreign					
Canada	170,415	63,636	127,039	2,946	364,036
Europe	340,589	169,912	150,738	61,242	722,481
Latin America	158,992	29,168	20,217	1,195	209,572
Asia Pacific	66,782	17,941	13,832	25,324	123,879

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

	CPG Segment	PCG Segment	Consumer Segment	SPG Segment	Consolidated
Other Foreign	-	66,235	-	-	66,235
Total Foreign	736,778	346,892	311,826	90,707	1,486,203
Total	$ 1,860,825	$ 975,212	$ 1,798,382	$ 605,785	$ 5,240,204

Nine Months Ended February 28, 2022	**CPG Segment**	**PCG Segment**	**Consumer Segment**	**SPG Segment**	**Consolidated**
(In thousands)					
Net Sales (based on shipping location)					
United States	$ 974,201	$ 531,655	$ 1,267,373	$ 457,115	$ 3,230,344
Foreign					
Canada	184,940	54,355	93,714	5,609	338,618
Europe	377,220	172,850	162,032	74,446	786,548
Latin America	144,366	20,958	22,935	1,407	189,666
Asia Pacific	59,811	17,579	13,169	26,473	117,032
Other Foreign	40	61,590	-	-	61,630
Total Foreign	766,377	327,332	291,850	107,935	1,493,494
Total	$ 1,740,578	$ 858,987	$ 1,559,223	$ 565,050	$ 4,723,838

	Three Months Ended	
(In thousands)	**August 31, 2023**	**August 31, 2022**
Income (Loss) Before Income Taxes		
CPG Segment	$ 140,452	$ 106,755
PCG Segment	44,821	49,401
Consumer Segment	131,829	116,689
SPG Segment	16,397	27,885
Corporate/Other	(64,345)	(75,609)
Consolidated	$ 269,154	$ 225,121

(In thousands)	**August 31,**	**May 31,**

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Identifiable Assets	2023	2023
CPG Segment	$ 2,155,506	$ 2,206,403
PCG Segment	1,212,640	1,209,819
Consumer Segment	2,332,040	2,384,782
SPG Segment	784,722	804,762
Corporate/Other	230,369	176,238
Consolidated	$ 6,715,277	$ 6,782,004

	Three Months Ended		Nine Months Ended	
(In thousands)	February 28,	February 28,	February 28,	February 28,
Income (Loss) Before Income Taxes	2023	2022	2023	2022
CPG Segment	$ 8,181	$ 31,498	$ 192,836	$ 276,223
PCG Segment	(8,352)	24,917	83,896	97,849
Consumer Segment	68,146	16,893	278,708	95,912
SPG Segment	39,482	25,881	94,798	71,028
Corporate/Other	(64,970)	(58,692)	(207,495)	(155,890)
Consolidated	$ 42,487	$ 40,497	$ 442,743	$ 385,122

NOTE 16 — SUBSEQUENT EVENT

Subsequent to August 31, 2023, we repurchased
131,858 shares of RPM common stock at a cost of approximately $12.5 million, or an average of $94.80 per share, under the stock repurchase program described further in Note 9, "Stock Repurchase Program," to the Consolidated Financial Statements.

(In thousands)	February 28,	May 31,
Identifiable Assets	2023	2022
CPG Segment	$ 2,163,171	$ 2,160,071
PCG Segment	1,102,585	1,115,780
Consumer Segment	2,360,032	2,405,764
SPG Segment	822,343	839,419
Corporate/Other	161,292	186,672
Consolidated	$ 6,609,423	$ 6,707,706

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

ITEM 2. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our financial statements include all of our majority-owned and controlled subsidiaries. Investments in less-than-majority-owned joint ventures over which we have the ability to exercise significant influence are accounted for under the equity method. Preparation of our financial statements requires the use of estimates and assumptions that affect the reported amounts of our assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We continually evaluate these estimates, including those related to our allowances for doubtful accounts; reserves for excess and obsolete inventories; allowances for recoverable sales and/or value-added taxes; uncertain tax positions; useful lives of property, plant and equipment; goodwill and other intangible assets; environmental, warranties and other contingent liabilities; income tax valuation allowances; pension plans; and the fair value of financial instruments. We base our estimates on historical experience, our most recent facts, and other assumptions that we believe to be reasonable under the circumstances. These estimates form the basis for making judgments about the carrying values of our assets and liabilities. Actual results, which are shaped by actual market conditions, may differ materially from our estimates.

Goodwill

Our annual goodwill impairment analysis for fiscal 2022 did not result in any indicators of impairment.

As previously reported, we announced In connection with our MAP 2025 operational operating improvement initiative. Due to the challenged macroeconomic environment, program, we evaluated realigned certain business restructuring actions, specifically businesses and management structures within our go to market strategy for operating CPG, PCG and SPG segments. As outlined in Europe. During the third quarter ended February 28, 2023, due to declining profitability Note 15, "Segment Information," our CPG APAC and regulatory headwinds, management decided to restructure the USL CPG India businesses, formerly of our Sealants reporting unit within our CPG segment, were transferred to our Platform component within our PCG segment, and is correspondingly exploring strategic alternatives for our infrastructure services business within segment. As a result of this change, we designated the U.K. which represents approximately 30%of annual revenues of the reporting unit.

Due to this decision, we determined that an interim goodwill impairment assessment was required, Platform component as well as an impairment assessment for our other long-lived assets. Accordingly, for the three and nine months ended, February 28, 2023, we recorded an impairment loss totaling $36.7 million for the impairment of goodwill and $2.5 million for the impairment of an indefinite-lived tradename in our USL a separate reporting unit within our PCG segment. Additionally, within our PCG segment, certain businesses of our USL reporting unit were transferred to our Fibergrate, Carboline and Stonhard reporting units. As a result of this change, USL was no longer designated as a separate reporting unit. Within our SPG segment, two new reporting units were formed as our former

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

DayGlo and Kirker reporting units were combined into one reporting unit: The Color Group, and our former Wood Finishes, Kop-Coat Protection Products, TCI and Modern Recreational Technologies reporting units were combined into one reporting unit: The Industrial Coatings Group.

We did not record any impairments performed a goodwill impairment test for our definite-lived long-lived assets the reporting units affected by the business realignment and change in management structure using either a qualitative or a quantitative assessment. We concluded that the estimated fair values exceeded the carrying values for these reporting units, and accordingly, no indications of impairment were identified as a result of this assessment. Refer to Note 4, "Goodwill and Other Intangible Assets," for further discussion.

Should future earnings and cash flows at our reporting units decline, discount rates increase, and/or other relevant events and circumstances change that affect these changes during the fair value first quarter of our reporting units, future impairment charges to goodwill and other intangible assets may be required. fiscal 2024.

A comprehensive discussion of the accounting policies and estimates that are the most critical to our financial statements are set forth in our Annual Report on Form 10-K for the year ended May 31, 2022 May 31, 2023.

24 20

BUSINESS SEGMENT INFORMATION

Effective June 1, 2023, certain Asia Pacific businesses and management structure, formerly of our CPG segment, were transferred to our PCG segment to create operating efficiencies and a more unified go-to-market strategy in Asia Pacific. This realignment is reflected in our reportable segments beginning with our first quarter of fiscal 2024. As such, historical segment results have been recast to reflect the impact of this realignment.

The following tables reflect the results of our reportable segments consistent with our management philosophy, and represent the information we utilize, in conjunction with various strategic, operational and other financial performance criteria, in evaluating the performance of our portfolio of businesses.

	Three Months Ended		Nine Months Ended		Three Months Ended	
(In thousands)	February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022	August 31, 2023	August 31, 2022
Net Sales						
CPG Segment	$ 497,014	$ 482,026	$ 1,860,825	$ 1,740,578	$ 782,789	$ 706,413

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

PCG Segment	299,627	270,865	975,212	858,987	378,513	363,718
Consumer Segment	528,531	491,617	1,798,382	1,559,223	669,604	659,492
SPG Segment	191,004	189,371	605,785	565,050	180,951	202,697
Consolidated	$ 1,516,176	$ 1,433,879	$ 5,240,204	$ 4,723,838	$ 2,011,857	$ 1,932,320
Income Before Income Taxes (a)						
CPG Segment						
Income Before Income Taxes (a)	$ 8,181	$ 31,498	$ 192,836	$ 276,223	$ 140,452	$ 106,755
Interest (Expense), Net (b)	(3,456)	(1,735)	(7,979)	(5,254)	(3,396)	(780)
EBIT (c)	$ 11,637	$ 33,233	$ 200,815	$ 281,477	$ 143,848	$ 107,535
PCG Segment						
(Loss) Income Before Income Taxes (a)	$ (8,352)	$ 24,917	$ 83,896	$ 97,849		
Income Before Income Taxes (a)					$ 44,821	$ 49,401
Interest Income, Net (b)	474	76	947	407	1,124	194

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

EBIT (c)	$ (8,826)	$ 24,841	$ 82,949	$ 97,442	$ 43,697	$ 49,207
Consumer Segment						
Income Before Income Taxes (a)	$ 68,146	$ 16,893	$ 278,708	$ 95,912	$ 131,829	$ 116,689
Interest Income, Net (b)	18	62	45	211	750	26
EBIT (c)	$ 68,128	$ 16,831	$ 278,663	$ 95,701	$ 131,079	$ 116,663
SPG Segment						
Income Before Income Taxes (a)	$ 39,482	$ 25,881	$ 94,798	$ 71,028	$ 16,397	$ 27,885
Interest Income (Expense), Net (b)	28	(18)	23	(82)		
Interest Income, Net (b)					99	2
EBIT (c)	$ 39,454	$ 25,899	$ 94,775	$ 71,110	$ 16,298	$ 27,883
Corporate/Other						
(Loss) Before Income Taxes (a)	$ (64,970)	$ (58,692)	$ (207,495)	$ (155,890)	$ (64,345)	$ (75,609)
Interest (Expense), Net (b)	(25,097)	(24,756)	(72,511)	(60,830)	(17,956)	(29,817)

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

EBIT (c)	$ (39,873)	$ (33,936)	$ (134,984)	$ (95,060)	$ (46,389)	$ (45,792)
Consolidated						
Net Income	$ 27,239	$ 33,249	$ 328,060	$ 293,160	$ 201,313	$ 169,279
Add:						
Provision for Income Taxes	15,248	7,248	114,683	91,962	67,841	55,842
Income Before Income Taxes (a)	42,487	40,497	442,743	385,122	269,154	225,121
Interest (Expense)	(30,756)	(22,016)	(85,385)	(64,127)	(31,818)	(26,711)
Investment Income (Expense), Net	2,723	(4,355)	5,910	(1,421)	12,439	(3,664)
EBIT (c)	$ 70,520	$ 66,868	$ 522,218	$ 450,670	$ 288,533	$ 255,496

(a) The presentation includes a reconciliation of Income (Loss) Before Income Taxes, a measure defined by GAAP, to EBIT.

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

(c) EBIT is a non-GAAP measure and is defined as Earnings (Loss) Before Interest and Taxes. We evaluate the profit performance of our segments based on income before income taxes, but also look to EBIT, as a performance evaluation measure because Interest (Income) Expense, Income (Expense), Net is essentially related to corporate functions, as opposed to segment operations. We believe EBIT is useful to investors for this purpose as well, using EBIT 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 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

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

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.

RESULTS OF OPERATIONS

Three Months Ended February 28, 2023 August 31, 2023

Net Sales

	Three months ended						Three months ended					
(in millions, except percentages)	February 28, 2023	February 28, 2022	Total Growth	Organic Growth [1]	Acquisition & Divestiture Impact	Foreign Currency Exchange Impact	August 31, 2023	August 31, 2022	Total Growth (Decline)	Organic Growth (Decline)[1]	Acquisition & Divestiture Impact	Foreign Currency Exchange Impact
CPG Segment	$ 497.0	$ 482.0	3.1%	4.3%	1.4%	-2.6%	$ 782.8	$ 706.4	10.8%	9.5%	0.6%	0.7%
PCG Segment	299.6	270.9	10.6%	13.2%	0.8%	-3.4%	378.5	363.7	4.1%	4.0%	0.8%	(0.7%)
Consumer Segment	528.5	491.6	7.5%	8.9%	0.3%	-1.7%	669.6	659.5	1.5%	1.7%	0.0%	(0.2%)

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

SPG Segment	191.1	189.4	0.9%	2.2%	-0.2%	-1.1%	181.0	202.7	(10.7%)	(9.0%)	(2.2%)	0.5%
Consolidated	$ 1,516.2	$ 1,433.9	5.7%	7.3%	0.7%	-2.3%	$ 2,011.9	$ 1,932.3	4.1%	3.9%	0.1%	0.1%

(1) Organic growth includes the impact of price and volume.

(1) Organic growth (decline) includes the impact of price and volume.

(1) Organic growth (decline) includes the impact of price and volume.

Our CPG segment generated significant organic sales growth during the third first quarter of fiscal 2023 2024 in nearly all the major business units in the segment when compared to the same quarter in the prior year driven by strength in its concrete admixtures and repair business, which continued to benefit from market share gains along with infrastructure and reshoring-related projects. Improved pricing in response to continued cost inflation and strength in year. Performing particularly well were providers of restoration systems for roofing, facades, and parking structures, which benefited from a strategic focus on repair and maintenance and its differentiated service model. Concrete admixtures and repair businesses also contributed to sales generated growth during the quarter. This growth was partially offset by unfavorable foreign exchange translation and deteriorated economic conditions in Europe, along with reduced from increased demand for businesses that serve residential engineered solutions serving infrastructure and certain commercial construction markets. reshoring-related projects. This increase was also facilitated by growth in Europe.

Our PCG segment generated significant organic sales growth during the third first quarter of fiscal 2023 2024 in nearly all the major business units in the segment when compared to the same quarter in the prior year. Performing particularly well were businesses that provide fiberglass reinforced plastic grating, protective coatings and flooring systems, all of which were strategically well-positioned to benefit benefited from growing vertical markets such as pharmaceuticals, energy increased demand for infrastructure and industries reshoring their manufacturing, which

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

includes semiconductor chip and electric vehicle assembly and battery manufacturing. reshoring-related projects. This increase was also facilitated by improved pricing in response to continued cost inflation. and strong demand internationally.

Our Consumer segment generated significant organic sales growth in comparison to the prior year due to improved pricing to catch up with continued cost inflation. This growth was in addition to a strong prior year comparison, when sales grew significantly as the segment began restocking retailers after raw material supply improved. Despite market share gains, this growth was partially offset by volume declines as customers were cautious on increasing inventory levels and consumer takeaway at retail slowed. The prior year comparison was negatively impacted by supply chain disruptions as a result of reduced raw material supply, particularly of alkyd-based resins. slowed and customers held inventory below historical levels.

Our SPG segment generated experienced organic sales growth declines during the first quarter of fiscal 2024, driven by lower volumes at businesses supplying OEM markets which have been negatively impacted by a slowdown in the broader housing market. Additionally, customers holding inventories below historical levels and the divestiture of the non-core furniture warranty business in the third quarter of fiscal year 2023 particularly in its disaster restoration business as operational improvement investments allowed reduced sales versus the business to quickly respond to restoration efforts following inclement weather. The segment's businesses serving the food coatings and additives market also generated strong growth as a result of strategically refocusing sales management and selling efforts. Decreased demand at businesses serving OEM markets prior period. Improved pricing partially offset this growth. these volume declines.

Gross Profit Margin Our consolidated gross profit margin of 35.5% 41.2% of net sales for the third first quarter of fiscal 2023 2024 compares to a consolidated gross profit margin of 34.8% 38.5% for the comparable period a year ago. The current quarter gross profit margin increase of approximately 0.7% 2.7%, or 70 270 basis points ("bps"), resulted primarily from higher selling prices in response to continued cost inflation price increases and our MAP 2025 initiatives, which resulted in incremental savings in procurement and manufacturing that favorably impacted our gross margin. Partially offsetting these improvements were continued inflation margin, in raw materials and wages, along conjunction with reduced fixed-cost leverage due to lower overall demand and internal initiatives to normalize inventories. benefits generated from the commodity cycle.

We expect that these headwinds will gross margins to continue to be reflected improving in our results throughout the remainder second quarter of fiscal 2023. In addition, rising interest rates have negatively impacted construction activity, existing home sales, and overall economic activity, resulting in reduced customer demand which we expect 2024 due to continue into MAP 2025 initiatives, including benefits generated from the fourth quarter. commodity cycle.

SG&A Our consolidated SG&A expense during the period was $16.5 million $45.8 million higher versus the same period last year but decreased and increased to 29.7% 26.4% of net sales from 30.2% 25.1% of net sales for the prior year quarter. Pay inflation Variable costs associated with improved results, such as commission expense and bonuses, were

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

primary drivers, along with merit increases, investments in growth initiatives, insurance costs and a $6.7 million $5.3 million increase in professional fees associated with our MAP 2025 initiatives contributed to this increase, bad debt expense, which was were partially offset by the $20.0 million $10.3 million gain on business interruption insurance proceeds received during the quarter as described above in Note 15, 13, "Contingencies and Other Accrued Losses," to the Consolidated Financial Statements. Additional SG&A expense recognized by companies we recently acquired approximated $3.2 million during the third quarter of fiscal 2023.

Our CPG segment SG&A was approximately $9.7 million $30.4 million higher for the third first quarter of fiscal 2023 2024 versus the comparable prior year period and increased as a percentage of net sales. The increase in expense was mainly due to pay inflation, restoration of travel expenses compared to the prior year, increased professional fees variable costs associated with improved results such as commissions and investments in growth initiatives, partially offset by reduced incentives. Additionally, companies recently acquired generated approximately $1.4 million of additional SG&A expense.

26

---

bonuses, along with merit increases.

Our PCG segment SG&A was approximately $7.8 million $20.0 million higher for the third first quarter of fiscal 2023 2024 versus the comparable prior year period but decreased slightly and increased as a percentage of net sales. The increase in expense as compared to the prior year period is mainly due to increased commissions as a result of higher volume improved results as well as pay inflation and merit increases, increased bad debt expense. expense and the $4.5 million loss on the sale of USL's Bridgecare services division during the quarter as described above in Note 3, "Restructuring," to the Consolidated Financial Statements.

22

Our Consumer segment SG&A decreased by approximately $7.0 million $4.3 million during the third first quarter of fiscal 2023 2024 versus the same period last year and decreased as a percentage of net sales. The quarter-over-quarter decrease in SG&A was primarily attributable to the $20.0 million $10.3 million gain on business interruption insurance primarily and a reduction in variable distribution costs, partially offset by pay inflation, as well as increases in advertising, promotional expense, travel expense and distribution costs. Additionally, companies recently acquired generated approximately $0.9 million of additional SG&A expense. merit increases.

Our SPG segment SG&A was decreased approximately $4.5 million higher $0.3 million during the third first quarter of fiscal 2023 2024 versus the comparable prior year period and but increased as a percentage of net sales. The increase decrease in SG&A expense is attributable to pay inflation and the divestiture of the non-core furniture warranty business in the third quarter of fiscal 2023, along with a reduction in bonuses, partially offset by investments in growth initiatives across each of its business units.strategic initiatives.

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

SG&A expenses in our corporate/other category increased by $1.5 million during the third first quarter of fiscal 2023 as compared to 2024 were consistent with last year's third first quarter. This increase was mainly due to higher reduced professional fees related to our MAP 2025 operational improvement initiatives, offset by reduced healthcare increased insurance costs and reduced stock compensation. IT expenses.

The following table summarizes the retirement-related benefit plans' impact on income before income taxes for the three months ended February 28, 2023 August 31, 2023 and 2022, as the service cost component has a significant impact on our SG&A expense:

(in millions)	Three months ended February 28, 2023	Three months ended February 28, 2022	Change	Three months ended August 31, 2023	Three months ended August 31, 2022	Change
Service cost	$ 12.2	$ 13.7	$ (1.5)	$ 12.4	$ 12.2	$ 0.2
Interest cost	9.3	5.4	3.9	11.3	9.3	2.0
Expected return on plan assets	(11.3)	(12.4)	1.1	(12.9)	(11.3)	(1.6)
Amortization of:						
Prior service (credit)	(0.1)	(0.1)	-	-	(0.1)	0.1
Net actuarial losses recognized	4.6	4.4	0.2	4.4	4.6	(0.2)
Total Net Periodic Pension & Postretirement Benefit Costs	$ 14.7	$ 11.0	$ 3.7	$ 15.2	$ 14.7	$ 0.5

We expect that pension expense will fluctuate on a year-to-year basis, depending upon the investment performance of plan assets and potential changes in interest rates, both of which are difficult to predict, but which may have a material impact on our consolidated financial results in the future.

Restructuring Charges

We recorded $4.2 million $6.5 million of restructuring charges during the three months ended February 28, 2023, of which $3.4 million August 31, 2023 related to our MAP 2025 initiative, which is a multi-year restructuring plan to build on the achievements of MAP to Growth and designed to improve margins by streamlining business processes, reducing working capital, implementing commercial initiatives to drive improved mix and salesforce effectiveness and improving operating efficiency. Initial phases of the plan have focused on commercial initiatives, operational efficiencies, and procurement. For the three months ended February 28, 2023 August 31, 2023, we incurred $0.9 million $1.9 million related to severance and benefit costs associated with MAP 2025 and $2.5 million $4.6 related to other restructuring costs associated with the impairment of an indefinite-lived tradename as described above in Note 4, "Goodwill and Other Intangible Assets," of the Consolidated Financial Statements. MAP 2025. Most activities under

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

MAP 2025 are anticipated to be completed by the end of fiscal year 2025. For the three months ended August 31, 2022, we incurred $1.4 million of restructuring costs associated with MAP to Growth. We did not incur any restructuring costs associated with MAP to Growth for the three months ended August 31, 2023, and we do not expect to incur any further costs associated with this restructuring plan.

We currently expect to incur approximately $14.7 million $16.6 million of future additional charges related to the implementation of MAP 2025.

For further information and details about MAP 2025, see Note 3, "Restructuring," to the Consolidated Financial Statements.

Interest Expense

(in millions, except percentages)	**Three months ended**				**Three months ended**			
	February 28, 2023		**February 28, 2022**		**August 31, 2023**		**August 31, 2022**	
Interest expense	$	30.8	$	22.0	$	31.8	$	26.7
Average interest rate (a)		4.34 %		3.20 %		4.71 %		3.50 %

(a) The interest rate increase was a result of higher market rates on the variable cost borrowings.

(in millions)	**Change in interest expense**	
Acquisition-related borrowings	$	0.9
Non-acquisition-related average borrowings		0.1
Change in average interest rate		7.8
Total Change in Interest Expense	$	8.8

27

(in millions)	**Change in interest expense**	
Acquisition-related borrowings	$	0.4
Non-acquisition-related average borrowings		(3.3)
Change in average interest rate		8.0
Total Change in Interest Expense	$	5.1

Investment (Income) Expense, Net

See Note 6, 5, "Investment (Income) Expense, Net," to the Consolidated Financial Statements for details.

(Gain) on Sales of Assets and Business, Other Expense, Net

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

See Note 7, "(Gain) on Sales of Assets and Business, 6, “Other Expense, Net,"” to the Consolidated Financial Statements for details.

Other Expense (Income), Net 23

See Note 8, “Other Expense (Income), Net,” to the Consolidated Financial Statements for details.

Income (Loss) Before Income Taxes (“IBT”)

(in millions, except percentages)	**Three months ended**				**Three months ended**			
	February 28, 2023	**% of net sales**	**February 28, 2022**	**% of net sales**	**August 31, 2023**	**% of net sales**	**August 31, 2022**	**% of net sales**
CPG Segment	$ 8.2	1.6 %	$ 31.5	6.5 %	$ 140.5	17.9 %	$ 106.8	15.1 %
PCG Segment	(8.3)	-2.8 %	24.9	9.2 %	44.8	11.8 %	49.3	13.6 %
Consumer Segment	68.1	12.9 %	16.9	3.4 %	131.8	19.7 %	116.7	17.7 %
SPG Segment	39.5	20.7 %	25.9	13.7 %	16.4	9.1 %	27.9	13.8 %
Non-Op Segment	(65.0)	—	(58.7)	—	(64.3)	—	(75.6)	—
Consolidated	$ 42.5		$ 40.5		$ 269.2		$ 225.1	

Our CPG segment the most internationally concentrated segment, results reflect volume growth, which resulted in improved fixed-cost utilization, and MAP 2025 benefits, including benefits generated from the negative impact of deteriorated macroeconomic conditions in Europe, unfavorable foreign currency exchange, along with reduced demand for businesses that serve residential and certain commercial construction markets. commodity cycle. Our PCG segment results reflect the $39.2 million goodwill and $4.5 million loss on the sale of USL's Bridgecare services division during the quarter, the impairment of an indefinite-lived intangible asset, impairment charges as described above in Note 4, "Goodwill and Other Intangible Assets," to the Consolidated Financial Statements, which was increased bad debt expense, partially offset by MAP 2025 benefits, particularly, commercial excellence programs in Europe, improved pricing in response to continued cost inflation, volume growth, and MAP 2025 benefits. benefits generated from the commodity cycle. Our Consumer segment results reflect improved pricing, to catch up to continued cost inflation, improved operating efficiencies related to MAP 2025 and the $20.0 million $10.3 million gain on business interruption insurance proceeds received during the quarter. quarter, partially offset by raw material inflation. Our SPG segment results reflect the $24.7 million gain on divestiture of the sale non-core furniture warranty business in the third quarter

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

of its Guardian business, offset by fiscal 2023, unfavorable sales mix, incremental costs from investments in growth initiatives, and reduced fixed cost leverage at plants as a result of customer destocking and inventory normalization initiatives that resulted in reduced production. volumes. Our Non-Op segment results reflect increased the favorable swing in investment returns and decreased professional fees, and interest expense, partially offset by favorable swings in investment returns.increased interest expense.

Income Tax Rate The effective income tax rate of 35.9% 25.2% for the three months ended February 28, 2023 August 31, 2023 compares to the effective income tax rate of 17.9% 24.8% for the three months ended February 28, 2022 August 31, 2022. The effective income tax rates for the presented periods reflect variances from the 21% statutory rate due primarily to the impact of state and local income taxes, non-deductible business expenses and the net tax on foreign subsidiary income resulting from the global intangible low-taxed income provisions, partially offset by tax benefits related to equity compensation. Further, Additionally, the effective tax rate for the three-month current period ended February 28, 2023, reflects the unfavorable impact of incremental tax expense related to increases to our net deferred tax liability for unremitted foreign earnings and our liability for uncertain tax positions, partially offset by a noncash impairment charge for goodwill that is nondeductible for tax purposes. The effective tax rate impact of the nondeductible impairment charge is magnified by the seasonally lower level of pre-tax income for the period. Additionally, the effective tax rate for the three-month period ended February 28, 2022 reflects net favorable changes in adjustment related to U.S. foreign tax credit valuation allowances. credits.

Net Income

	Three months ended			
(in millions, except percentages and per share amounts)	**February 28, 2023**	**% of net sales**	**February 28, 2022**	**% of net sales**
Net income	$ 27.2	1.8 %	$ 33.2	2.3 %
Net income attributable to RPM International Inc. stockholders	27.0	1.8 %	33.0	2.3 %
Diluted earnings per share	0.21		0.25	

28

Nine Months Ended February 28, 2023

Net Sales

	Nine Months Ended					
(in millions, except percentages)	**February 28, 2023**	**February 28, 2022**	**Total Growth**	**Organic Growth(1)**	**Acquisition & Divestiture Impact**	**Foreign Currency Exchange Impact**
CPG Segment	$ 1,860.8	$ 1,740.6	6.9 %	9.4 %	1.7 %	-4.2 %

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

PCG Segment	975.2	859.0	13.5 %	17.4 %	0.5 %	-4.4 %
Consumer Segment	1,798.4	1,559.2	15.3 %	17.1 %	0.3 %	-2.1 %
SPG Segment	605.8	565.0	7.2 %	8.8 %	0.5 %	-2.1 %
Consolidated	$ 5,240.2	$ 4,723.8	10.9 %	13.3 %	0.9 %	-3.3 %

(1) Organic growth includes the impact of price and volume.

Our CPG segment generated significant organic sales growth during the first nine months of fiscal 2023 when compared to the same prior year period driven by strength in restoration systems for roofing, facades and parking structures. Additionally, the segment's concrete admixtures and repair business benefited from market share gains. Improved pricing in response to continued cost inflation also contributed to sales growth during the first nine months of the year. This growth was partially offset by deteriorating economic conditions and unfavorable foreign exchange translation in Europe, along with reduced demand for businesses that serve residential and certain commercial construction markets.

Our PCG segment generated significant sales growth during the first nine months of fiscal 2023 in nearly all the major business units in the segment when compared to the same period in the prior year. Performing particularly well were businesses that provide flooring systems, protective coatings, and fiberglass reinforced plastic grating, all of which were strategically well-positioned to benefit from growing vertical markets such as pharmaceuticals, energy and industries reshoring their manufacturing, which includes semiconductor chip and electric vehicle assembly and battery manufacturing. This increase was also facilitated by strong demand in energy markets and price increases in response to continued cost inflation. Internationally, unfavorable foreign exchange translation was a headwind, but growth in emerging markets was strong in local currency.

Our Consumer segment generated significant organic growth during the first nine months of fiscal 2023 in comparison to the prior year period due to improved raw material supply, particularly of alkyd-based resins secured through strategic investment in its supply chain, insourcing, and qualifying new suppliers. In addition, sales growth benefitted from price increases to catch up with continued cost inflation and the prior year comparison when supply chain disruptions impacted raw material supply. This growth was partially offset by volume declines as customers were cautious on increasing inventory levels, consumer takeaway at retail slowed and by unfavorable foreign exchange translation, particularly in Europe.

Our SPG segment generated significant sales growth during the first nine months of fiscal 2023, particularly those businesses serving the food coatings and additives market, as a result of strategically refocusing sales management and selling efforts. The segment's disaster restoration business also benefited from the response to Hurricane Ian and other inclement winter weather. This was partially offset by unfavorable foreign exchange translation.

Gross Profit Margin Our consolidated gross profit margin of 37.6% of net sales for the first nine months of fiscal 2023 compares to a consolidated gross profit margin of 35.9% for the comparable period a year ago. The current period gross profit margin increase of approximately 1.7%, or 170 bps, resulted primarily from higher selling prices catching up with continued cost inflation as well as the realization of production efficiencies due to improved raw material supply,

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

savings from MAP initiatives, and improved sales. Partially offsetting these improvements were continued inflation in raw materials and wages, along with reduced fixed-cost leverage due to lower overall demand and internal initiatives to normalize inventories.

We expect that these headwinds will continue to be reflected in our results throughout the remainder of fiscal 2023. In addition, rising interest rates have negatively impacted construction activity, existing home sales, and overall economic activity, resulting in reduced customer demand which we expect to continue into the fourth quarter.

SG&A Our consolidated SG&A expense during the period was $135.7 million higher versus the same period last year but decreased slightly to 27.2% of net sales from 27.3% of net sales for the prior year period. Variable costs associated with improved results such as commission expense and bonuses were contributing factors. In addition, a $28.6 million increase in professional fees associated with our MAP 2025 initiatives and pay inflation contributed to this increase, which was partially offset by the $20.0 million gain on business interruption insurance proceeds received during the quarter as described above in Note 15, "Contingencies and Other Accrued Losses," to the Consolidated Financial Statements. Additional SG&A expense recognized by companies we recently acquired approximated $10.7 million during the first nine months of fiscal 2023.

Our CPG segment SG&A was approximately $37.5 million higher for the first nine months of fiscal 2023 versus the comparable prior year period and increased slightly as a percentage of net sales. The increase in expense was mainly due to higher distribution costs, higher commission expense associated with higher sales, pay inflation, professional fees, as well as restoration of travel expenses compared to the prior year and investments in growth initiatives. Additionally, companies recently acquired generated approximately $6.0 million of additional SG&A expense.

Our PCG segment SG&A was approximately $31.4 million higher for the first nine months of fiscal 2023 versus the comparable prior year period but decreased slightly as a percentage of net sales. The increase in expense as compared to the prior year period is mainly due to increased commissions, higher distribution costs, pay inflation, increased bad debt expense, along with increased travel expenses and investments in growth initiatives for diversification of its protective coatings business.

Our Consumer segment SG&A increased by approximately $26.0 million during the first nine months of fiscal 2023 versus the same period last year but decreased as a percentage of net sales. The period over period increase in SG&A was attributable to increases in advertising and promotional expense, increased distribution costs, pay inflation, and the restoration of travel expenses, partially offset by the $20.0 million gain on business interruption insurance included in SG&A as described above in Note 15, "Contingencies and Other Accrued Losses," to the Consolidated Financial Statements. Additionally, companies recently acquired generated approximately $2.7 million of additional SG&A expense.

Our SPG segment SG&A was approximately $12.6 million higher during the first nine months of fiscal 2023 versus the comparable prior year period and increased slightly as a percentage of net sales. The increase in SG&A expense is

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

attributable to pay inflation and investments in growth initiatives across each of its business units, partially offset by a charge recorded during the prior year period related to the legal matter that did not recur, as described above in Note 15, "Contingencies and Other Accrued Losses," to the Consolidated Financial Statements.

SG&A expenses in our corporate/other category increased by $28.2 million during the first nine months of fiscal 2023 as compared to last year's first nine months mainly due to higher professional fees related to MAP 2025 initiatives.

The following table summarizes the retirement-related benefit plans' impact on income before income taxes for the nine months ended February 28, 2023 and 2022, as the service cost component has a significant impact on our SG&A expense:

	Nine Months Ended		
(in millions)	**February 28, 2023**	**February 28, 2022**	**Change**
Service cost	$ 36.4	$ 41.1	$ (4.7)
Interest cost	27.9	16.3	11.6
Expected return on plan assets	(33.8)	(37.4)	3.6
Amortization of:			
Prior service (credit)	(0.2)	(0.2)	-
Net actuarial losses recognized	13.8	13.1	0.7
Total Net Periodic Pension & Postretirement Benefit Costs	$ 44.1	$ 32.9	$ 11.2

We expect that pension expense will fluctuate on a year-to-year basis, depending upon the investment performance of plan assets and potential changes in interest rates, both of which are difficult to predict, but which may have a material impact on our consolidated financial results in the future.

Restructuring Charges

We recorded $6.8 million of restructuring charges during the nine months ended February 28, 2023, of which $3.4 million relates to our MAP 2025 initiative. These restructuring charges included $0.9 million related to severance and benefit costs related to MAP 2025 and $2.5 million related to other restructuring costs associated with the impairment of an indefinite-lived tradename as described above in Note 4, "Goodwill and Other Intangible Assets," of the Consolidated Financial Statements.

For further information and details about MAP 2025, see "Restructuring Charges" in Results of Operations -Three Months Ended February 28, 2023, and Note 3, "Restructuring," to the Consolidated Financial Statements.

Interest Expense

	Nine Months Ended	
(in millions, except percentages)	**February 28, 2023**	**February 28, 2022**

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Interest expense	$ 85.4	$ 64.1
Average interest rate (a)	3.91 %	3.14 %

(a) The interest rate increase was a result of higher market rates on the variable cost borrowings.

(in millions)	Change in interest expense
Acquisition-related borrowings	$ 3.2
Non-acquisition-related average borrowings	2.2
Change in average interest rate	15.9
Total Change in Interest Expense	$ 21.3

Investment (Income) Expense, Net

See Note 6, “Investment (Income) Expense, Net,” to the Consolidated Financial Statements for details.

(Gain) on Sales of Assets and Business, Net

See Note 7, "(Gain) on Sales of Assets and Business, Net," to the Consolidated Financial Statements for details.

Other Expense (Income), Net

See Note 8, “Other Expense (Income), Net,” to the Consolidated Financial Statements for details.

Income (Loss) Before Income Taxes (“IBT”)

	Nine Months Ended			
(in millions, except percentages)	**February 28, 2023**	**% of net sales**	**February 28, 2022**	**% of net sales**
CPG Segment	$ 192.8	10.4 %	$ 276.2	15.9 %
PCG Segment	83.9	8.6 %	97.8	11.4 %
Consumer Segment	278.7	15.5 %	95.9	6.2 %
SPG Segment	94.8	15.6 %	71.0	12.6 %
Non-Op Segment	(207.5)	—	(155.8)	—
Consolidated	$ 442.7		$ 385.1	

On a consolidated basis, our results reflect the unfavorable impact of foreign exchange translation in Europe. Our CPG segment results reflect deteriorated macroeconomic conditions in Europe and reduced demand for businesses that serve residential and certain commercial construction markets. In addition, our prior year CPG segment results include a $41.9 million gain on the sale of certain real property assets. Our PCG segment results reflect improved pricing, volume growth and improved product mix, resulting from digital sales management tools, offset by the $39.2 million

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

goodwill and intangible asset impairment charges. Our Consumer segment results reflect improved material supply which allowed for previously developed operating efficiencies to be realized, improved pricing to catch up with continued cost inflation and the $20.0 million gain on business interruption insurance. Our SPG segment results reflect decreased demand at businesses serving OEM markets, offset by improved pricing, increased operating efficiencies and the $24.7 million gain on the sale of its Guardian business. Our Non-Op segment results reflect the unfavorable swing in pension non-service costs, along with increased interest expense and professional fees.

Income Tax Rate The effective income tax rate of 25.9% for the nine months ended February 28, 2023 compares to the effective income tax rate of 23.9% for the nine months ended February 28, 2022. The effective income tax rates for the presented periods reflect variances from the 21% statutory rate due primarily to the impact of state and local income taxes, non-deductible business expenses and the net tax on foreign subsidiary income resulting from the global intangible low-taxed income provisions, partially offset by tax benefits related to equity compensation. Further, the effective tax rate for the nine-month period ended February 28, 2023, reflects the unfavorable impact of a noncash impairment charge for goodwill that is nondeductible for tax purposes. Additionally, the effective tax rate for the nine-month period ended February 28, 2022 reflects net favorable changes in foreign tax credit valuation allowances.

Net Income

	Nine Months Ended			
(in millions, except percentages and per share amounts)	**February 28, 2023**	**% of net sales**	**February 28, 2022**	**% of net sales**
Net income	$ 328.1	6.2 %	$ 293.2	6.2 %
Net income attributable to RPM International Inc. stockholders	327.3	6.2 %	292.5	6.2 %
Diluted earnings per share	2.54		2.26	

	Three months ended			
(in millions, except percentages and per share amounts)	**August 31, 2023**	**% of net sales**	**August 31, 2022**	**% of net sales**
Net income	$ 201.3	10.0 %	$ 169.3	8.8 %
Net income attributable to RPM International Inc. stockholders	201.1	10.0 %	169.0	8.8 %
Diluted earnings per share	1.56		1.31	

LIQUIDITY AND CAPITAL RESOURCES

Fiscal 2023 2024 Compared with Fiscal 2022 2023

Operating Activities

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Approximately $263.0 million $359.2 million of cash was provided by operating activities during the first nine three months of fiscal 2023, 2024, compared with $156.0 million $23.6 million of cash provided by operating activities during the same period last year. The net change in cash from operations includes the change in net income, which increased by $34.9 million $32.0 million during the first nine three months of fiscal 2023 2024 versus the same period during fiscal 2022. 2023.

During the first nine three months of fiscal 2023, 2024, the change in accounts receivable provided approximately $32.2 million $88.0 million more cash than the first nine three months of fiscal 2022. 2023. This resulted from was primarily due to the timing of sales in our CPG Consumer segment, which saw lower generated stronger sales growth in the fourth quarter of fiscal 2023, compared to the first quarter of fiscal 2024, resulting in strong collections in the current quarter due to deteriorated macroeconomic conditions in Europe and reduced demand for businesses that serve residential and certain commercial construction markets. period. Average days sales outstanding ("DSO") at February 28, 2023 August 31, 2023, increased slightly to 65.9 64.3 days from 64.4 64.0 days at February 28, 2022 August 31, 2022.

During the first nine three months of fiscal 2023, 2024, the change in inventory used approximately $131.5 million $170.5 million less cash compared to our spending during the same period a year ago as a result of our operating segments beginning continuing to reduce inventory purchases and use safety stock built up in the prior period periods in response to supply chain outages and raw material inflation. Average days of inventory outstanding ("DIO") was approximately 109.8 and 92.7 at August 31, 2023 decreased to 85.1 days from 96.5 days at February 28, 2023 and 2022, respectively. August 31, 2022.

The change in accounts payable during the first nine three months of fiscal 2023 2024 used approximately $185.2 million more $3.7 million less cash than during the first nine three months of fiscal 2022. Accounts payable balances have declined throughout the year as raw material purchases have declined due to supply chain improvement and internal initiatives to normalize inventory levels. 2023. Average days payables outstanding ("DPO") increased slightly, however, decreased by approximately 0.4 6.6 days to 83.3 79.7 days at February 28, 2023 August 31, 2023 from 82.9 86.3 days at February 28, 2022 August 31, 2022.

The change in other accrued liabilities during the first nine months of fiscal 2023 used approximately $28.2 million less cash than during the first nine months of fiscal 2022 due principally to changes in pension and advertising accruals.24

Additionally, certain government entities located where we have operations enacted various pieces of legislation designed to help businesses weather the economic impact of Covid and ultimately preserve jobs. Some of this legislation, such as the Coronavirus Aid, Relief, and Economic Relief Security Act in the United States, enabled employers to postpone the payment of various types of taxes over varying time horizons. As of May 31, 2021, we had deferred $27.1 million of such government payments, $13.5 million of which we paid during fiscal 2022. As of May 31, 2022, we had a total of $13.6 million accrued for such government payments which we paid during the third quarter of fiscal 2023.

Investing Activities

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

For the first nine three months of fiscal 2023, 2024, cash used for investing activities decreased by $46.3 million $34.9 million to $175.4 million $61.5 million as compared to $221.7 million $96.4 million in the prior year period. This year-over-year decrease in cash used for investing activities was mainly driven by a $68.9 million $32.3 million decrease in cash used for business acquisitions.

We paid for capital expenditures of $179.7 million $52.2 million and $152.4 million $57.8 million during the first nine three months of fiscal 2023 2024 and fiscal 2022, 2023, respectively. Our capital expenditures facilitate our continued growth, allow us to achieve production and distribution efficiencies, expand capacity, introduce new technology, improve environmental health and safety capabilities, improve information systems, and enhance our administration capabilities. We continue to increase invest capital spending in growth initiatives in fiscal 2023 2024 to expand capacity to continue our growth initiatives.and improve operational efficiencies.

Our captive insurance companies invest their excess cash in marketable securities in the ordinary course of conducting their operations, and this activity will continue. Differences in the amounts related to these activities on a year-over-year basis are primarily attributable to differences in the timing and performance of their investments balanced against amounts required to satisfy claims. At February 28, 2023 August 31, 2023 and May 31, 2022 May 31, 2023, the fair value of our investments in available-for-sale debt securities and marketable equity securities, which includes captive insurance-related assets, totaled $143.6 million $160.2 million and $144.4 million $148.3 million, respectively. The fair value of our portfolio of marketable securities is based on quoted market prices for identical, or similar, instruments in active or non-active markets or model-derived-valuations with observable inputs. We have no marketable securities whose fair value is subject to unobservable inputs.

As of February 28, 2023 August 31, 2023, approximately $176.3 million $222.8 million of our consolidated cash and cash equivalents were held at various foreign subsidiaries, compared with $187.1 million $196.8 million at May 31, 2022 May 31, 2023. Undistributed earnings held at our foreign subsidiaries that are considered permanently reinvested will be used, for instance, to expand operations organically or for acquisitions in foreign jurisdictions. Further, our operations in the U.S. generate sufficient cash flow to satisfy U.S. operating requirements. Refer to Note 9, 7, "Income Taxes," to the Consolidated Financial Statements for additional information regarding unremitted foreign earnings.

32

Financing Activities

For the first nine three months of fiscal 2023, 2024, financing activities used $83.3 million $274.3 million of cash, which compares to cash provided by financing activities of $27.9 million $79.7 million during the first nine three months of fiscal 2022. 2023. The overall increase in cash used for financing activities was driven principally by debt-related activities. During the first nine three months of fiscal 2023, 2024, we paid our $300 million 3.45% Notes due 2022 which was partially offset by additional borrowings of $225.0 million for repaid the $175.0 million outstanding on our accounts receivable securitization program ("AR Program"). , compared to borrowings of $250.0 million in the prior year period. See below for further details on the significant components of our debt.

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Our available liquidity, including our cash and cash equivalents and amounts available under our committed credit facilities, stood at $843.5 million $1.23 billion and $1.31 billion $1.03 billion as of February 28, 2023 August 31, 2023 and May 31, 2022 May 31, 2023, respectively.

Revolving Credit Agreement

During the quarter ended August 31, 2022, we amended our $1.3 billion unsecured syndicated revolving credit facility (the "Revolving Credit Facility"), which was set to expire on October 31, 2023. The amendment extended the expiration date to August 1, 2027 and increased the borrowing capacity to $1.35 billion. The Revolving Credit Facility bears interest at either the base rate or benchmark interest rate (i.e. the adjusted Secured Overnight Financing Rate (SOFR) for USD denominated debt), as defined, at our option, plus a spread determined by our debt rating. The Revolving Credit Facility includes sublimits for the issuance of swingline loans, which are comparatively short-term loans used for working capital purposes and letters of credit. The Revolving Credit Facility is available to refinance existing indebtedness, to finance working capital and capital expenditures, and for general corporate purposes.

The Revolving Credit Facility requires us to comply with various customary affirmative and negative covenants, including a leverage covenant (i.e. Net Leverage Ratio) and interest coverage ratio, which are calculated in accordance with the terms as defined by the Revolving Credit Facility. Under the terms of the leverage covenant, we may not permit our leverage ratio for total indebtedness to consolidated EBITDA for the four most recent fiscal quarters to exceed 3.75 to 1.00. During certain periods and per the terms of the Revolving Credit Facility, this ratio may be increased to 4.25 to 1.00 upon delivery of a notice to our lender requesting an increase to our maximum leverage or in connection with certain “material acquisitions.” The minimum required consolidated interest coverage ratio for EBITDA to interest expense is 3.50 to 1.00. The interest coverage ratio is calculated at the end of each fiscal quarter for the four fiscal quarters then ended using EBITDA as defined in the Revolving Credit Facility.

As of February 28, 2023 August 31, 2023, we were in compliance with all financial covenants contained in our Revolving Credit Facility, including the Net Leverage Ratio and Interest Coverage Ratio covenants. At that date, our Net Leverage Ratio was 2.54 2.05 to 1.00, while our Interest Coverage Ratio was 9.79 9.09 to 1.00. As of February 28, 2023 August 31, 2023, we had $645.6 million $743.8 million of borrowing availability on our Revolving Credit Facility.

Our access to funds under our Revolving Credit Facility is dependent on the ability of the financial institutions that are parties to the Revolving Credit Facility to meet their funding commitments. Those financial institutions may not be able to meet their funding commitments if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests within a short period of time. Moreover, the obligations of the financial institutions under our Revolving Credit Facility are several and not joint and, as a result, a funding default by one or more institutions does not need to be made up by the others.

25

Accounts Receivable Securitization Program

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

As of February 28, 2023 August 31, 2023, we had did not have an outstanding balance under our AR Program, of $225.0 million, which compares with compared to the maximum availability of $228.9 million $250.0 million. The maximum availability under the AR Program is $250.0 million, but availability is further subject to changes in the credit ratings of our customers, customer concentration levels or certain characteristics of the accounts receivable being transferred and, therefore, at certain times, we may not be able to fully access the $250.0 million of funding available under the AR Program.

The AR Program contains various customary affirmative and negative covenants, as well as customary default and termination provisions. Our failure to comply with the covenants described above and other covenants contained in the Revolving Credit Facility could result in an event of default under that agreement, entitling the lenders to, among other things, declare the entire amount outstanding under the Revolving Credit Facility to be due and payable immediately. The instruments governing our other outstanding indebtedness generally include cross-default provisions that provide that, under certain circumstances, an event of default that results in acceleration of our indebtedness under the Revolving Credit Facility will entitle the holders of such other indebtedness to declare amounts outstanding immediately due and payable. See “Revolving Credit Agreement” above for details on our compliance with all significant financial covenants at February 28, 2023 August 31, 2023.

33

Term Loan Facility Credit Agreement

On August 1, 2022, we amended the term loan credit facility, which was set to expire on February 21, 2023, to extend the maturity date to August 1, 2025, and paid down the borrowings outstanding on the term loan to $250 million. The term loan bears interest at either the base rate or the adjusted SOFR, as defined, at our option, plus a spread determined by our debt rating. The term loan contains customary covenants, including but not limited to, limitations on our ability, and in certain instances, our subsidiaries’ ability, to incur liens, make certain investments, or sell or transfer assets. Additionally, we may not permit (i) our consolidated interest coverage ratio to be less than 3.50 to 1.00, or (ii) our leverage ratio (defined as the ratio of total indebtedness to consolidated EBITDA for the four most recent fiscal quarters) to exceed 3.75 to 1.00. During certain periods this ratio may be increased to 4.25 to 1.0 upon delivery of a notice to our lender requesting an increase to our maximum leverage or in connection with certain “material acquisitions.” See “Revolving Credit Agreement” above for details on our compliance with all significant financial covenants at February 28, 2023 August 31, 2023.

Refer to Note G, "Borrowings," to the Consolidated Financial Statements, in our Annual Report on Form 10-K for the fiscal year ended May 31, 2022 May 31, 2023 for more comprehensive details on the significant components of our debt.

Stock Repurchase Program

See Note 12, 9, “Stock Repurchase Program” Program,” to the Consolidated Financial Statements, for further detail surrounding our stock repurchase program.

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet financings. We have no subsidiaries that are not included in our financial statements, nor do we have any interests in, or relationships with, any special purpose entities that are not reflected in our financial statements.

OTHER MATTERS

Environmental Matters

Environmental obligations continue to be appropriately addressed and based upon the latest available information, it is not anticipated that the outcome of such matters will materially affect our results of operations or financial condition. Our critical accounting policies and estimates set forth above describe our method of establishing and adjusting environmental-related accruals and should be read in conjunction with this disclosure. For additional information, refer to "Part II, Item 1. Legal Proceedings."

34 26

FORWARD-LOOKING STATEMENTS

The foregoing discussion includes forward-looking statements relating to our business. These forward-looking statements, or other statements made by us, are made based on our expectations and beliefs concerning future events impacting us and are subject to uncertainties and factors (including those specified below), which are difficult to predict and, in many instances, are beyond our control. As a result, our actual results could differ materially from those expressed in or implied by any such forward-looking statements. These uncertainties and factors include (a) global markets and general economic conditions, including uncertainties surrounding the volatility in financial markets, the availability of capital, and the viability of banks and other financial institutions; (b) the prices, supply and capacity availability of raw materials, including assorted pigments, resins, solvents, and other natural gas- and oil-based materials; packaging, including plastic and metal containers; and transportation services, including fuel surcharges; (c) continued growth in demand for our products; (d) legal, environmental and litigation risks inherent in our construction and chemicals businesses and risks related to the adequacy of our insurance coverage for such matters; (e) the effect of changes in interest rates; (f) the effect of fluctuations in currency exchange rates upon our foreign operations; (g) the effect of non-currency risks of investing in and conducting operations in foreign countries, including those relating to domestic and international political, social, economic and regulatory factors; (h) risks and uncertainties associated with our ongoing acquisition and divestiture activities; (i) the timing of and the realization of anticipated cost savings from restructuring initiatives and the ability to identify additional cost savings opportunities; (j) risks related to the adequacy of our contingent liability reserves; (k) risks relating to a public health crisis similar to the Covid pandemic; (l) risks related to adverse weather conditions acts of war similar to the Russian invasion of Ukraine; (m) risks related to the transition or the physical impacts of climate change and other natural disasters; (m) disasters or meeting

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

sustainability-related voluntary goals or regulatory requirements; (n) risks related to the Russian invasion our use of Ukraine and other wars; (n) risks related to technology, artificial intelligence, data breaches and data privacy violations; and (o) other risks detailed in our filings with the Securities and Exchange Commission, including the risk factors set forth in our Annual Report on Form 10-K for the year ended May 31, 2022 May 31, 2023, as the same may be updated from time to time. We do not undertake any obligation to publicly update or revise any forward-looking statements to reflect future events, information or circumstances that arise after the filing date of this document.

ITEM 3. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

We are exposed to market risk from changes in raw materials costs, interest rates and foreign exchange rates since we fund our operations through long- and short-term borrowings and conduct our business in a variety of foreign currencies. There were no material potential changes in our exposure to these market risks since May 31, 2022 May 31, 2023.

ITEM 4. *CONTROLS AND PROCEDURES*

(a) EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES.

Our Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of February 28, 2023 August 31, 2023 (the “Evaluation Date”), have concluded that as of the Evaluation Date, our disclosure controls and procedures were effective in ensuring that information required to be disclosed by us in the reports we file or submit under the Exchange Act (1) is recorded, processed, summarized and reported, within the time periods specified in the Commission’s rules and forms, and (2) is accumulated and communicated to our management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow for timely decisions regarding required disclosure.

(b) CHANGES IN INTERNAL CONTROL.

There were no changes in our internal control over financial reporting that occurred during the fiscal quarter ended February 28, 2023 August 31, 2023 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*

Environmental Proceedings

Like other companies participating in similar lines of business, some of our subsidiaries are identified as a “potentially responsible party” under the federal Comprehensive Environmental Response, Compensation and Liability Act and similar local environmental statutes or are participating in the cost of certain clean-up efforts or other remedial actions

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

relating to environmental matters. Our share of such costs to date, however, has not been material and management believes that these environmental proceedings will not have a material adverse effect on our consolidated financial condition or results of operations. See “Item 1 — Business — Environmental Matters,” in our Annual Report on Form 10-K for the year ended May 31, 2022 May 31, 2023.

As permitted by SEC rules, and given the size of our operations, we have elected to adopt a quantitative threshold for environmental proceedings of $1 million. As of the date of this filing, we are not aware of any matters that exceed this threshold and meet the definition for disclosure.

ITEM 1A. *RISK FACTORS*

In addition to the other information set forth in this report, you should carefully consider the other risk factors disclosed in Item 1A of our Annual Report on Form 10-K for the fiscal year ended May 31, 2022 May 31, 2023.

ITEM 2. *UNREGISTERED SALE OF EQUITY SECURITIES AND USE OF PROCEEDS*

The following table presents information about repurchases of RPM International Inc. common stock made by us during the third first quarter of fiscal 2023: 2024:

Period	Total Number of Shares Purchased(1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Amount that May Yet be Purchased Under the Plans or Programs(2)
December 1, 2022 through December 31, 2022	-	$ -	-	
January 1, 2023 through January 31, 2023	143,405	$ 87.35	143,096	
February 1, 2023 through February 28, 2023	4,094	$ 97.73	-	
Total - Third Quarter	147,499	$ 87.64	143,096	

Maximum

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Period	Total Number of Shares Purchased(1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Dollar Amount that May Yet be Purchased Under the Plans or Programs(2)
June 1, 2023 through June 30, 2023	3,301	$ 80.05	-	
July 1, 2023 through July 31, 2023	103,224	$ 93.38	-	
August 1, 2023 through August 31, 2023	170,322	$ 102.33	122,425	
Total - First Quarter	276,847	$ 98.73	122,425	

(1) All of the 4,403 154,422 shares of common stock that were disposed of back to us during the three-month period ended February 28, 2023 August 31, 2023 were in satisfaction of tax obligations related to the vesting of restricted stock, which was granted under RPM International Inc.'s equity and incentive plans.

(2) The maximum dollar amount that may yet be repurchased under our program was approximately $329.8 million $304.8 million at February 28, 2023 August 31, 2023. Refer to Note 12 9, "Stock Repurchase Program" Program," to the Consolidated Financial Statements for further information regarding our stock repurchase program.

ITEM 6. *EXHIBITS*

Exhibit Number	Description
10.1	Fifth Amendment to Credit Agreement among RPM International Inc., the Borrowers party thereto, the Lenders party thereto and PNC Bank, National Association, as Administrative Agent, dated December 19, 2022 (x)

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

31.1	Rule 13a-14(a) Certification of the Company's Chief Executive Officer.(x)
31.2	Rule 13a-14(a) Certification of the Company's Chief Financial Officer.(x)
32.1	Section 1350 Certification of the Company's Chief Executive Officer.(x)
32.2	Section 1350 Certification of the Company's Chief Financial Officer.(x)
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.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 2023 August 31, 2023, has been formatted in Inline XBRL

(x) Filed herewith.

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.

RPM International Inc.

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

By: /s/ Frank C. Sullivan

Frank C. Sullivan

Chairman and Chief Executive Officer

By: /s/ Russell L. Gordon

Russell L. Gordon

Vice President and

Chief Financial Officer

Dated: April 6, 2023 October 4, 2023

FIFTH AMENDMENT TO CREDIT AGREEMENT

THIS FIFTH AMENDMENT TO CREDIT AGREEMENT (this "**Amendment**"), dated as of December 19, 2022, to be effective as of August 1, 2022, is made by and among RPM INTERNATIONAL INC., a Delaware corporation (the "**Company**"), RPM ENTERPRISES, INC., a Delaware corporation ("**Enterprises**"), RPOW UK LIMITED, a limited company incorporated under the laws of England and Wales ("**RPOW-UK**"), RPM EUROPE HOLDCO B.V., a private company with limited liability formed under the laws of the Netherlands ("**RPM-Europe**"), RPM CANADA, a general partnership registered under the laws of the Province of Ontario ("**RPM Canada**"), RPM CANADA COMPANY FINANCE ULC, an unlimited liability company organized under the laws of the Province of British Columbia, ("**RPM Canada Company**"), TREMCO ASIA PACIFIC PTY. LIMITED, a corporation incorporated under the laws of the Commonwealth of Australia ("**Tremco**"), RPM EUROPE FINANCE DESIGNATED ACTIVITY COMPANY, an Irish Designated Activity Company Limited by Shares ("**RPM Europe Finance**") (each of the foregoing referred to herein as a "**Borrower**" and collectively referred to as the "**Borrowers**"), the other LENDERS party hereto (the "**Lenders**") and PNC BANK, NATIONAL ASSOCIATION, in its capacity as administrative agent for the Lenders (hereinafter referred to in such capacity as the "**Administrative Agent**").

W I T N E S S E T H:

WHEREAS, the Borrowers, the Lenders and the Administrative Agent are parties to that certain Credit Agreement, dated as of October 31, 2018, as amended by that certain First

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Amendment to Credit Agreement, dated as of April 30, 2020, as amended by that certain Second Amendment to Credit Agreement, dated as of December 16, 2021, as amended by that certain Third Amendment to Credit Agreement, dated as of December 30, 2021, and as further as amended by that certain Fourth Amendment to Credit Agreement (the "**Fourth Amendment**"), dated as of August 1, 2022 (as amended, the "**Credit Agreement**");

WHEREAS, the parties hereto have agreed to make certain amendments and grant certain other accommodations all as hereinafter provided, and, subject to the terms and conditions hereof, the Administrative Agent and Lenders are willing to do so.

NOW, THEREFORE, the parties hereto, in consideration of their mutual covenants and agreements hereinafter set forth and intending to be legally bound hereby, covenant and agree as follows:

1. Definitions. Except as set forth in this Amendment, defined terms used herein shall have the meanings given to them in the Credit Agreement and the rules of construction set forth in Section 1.2 [Construction] of the Credit Agreement shall apply to this Amendment.

2. Amendments to the Credit Agreement.

(a)The following defined term in Section 1.1 of the Credit Agreement is hereby amended and restated as follows:

"Applicable Margin shall mean, as applicable:

4856-8425-0714, v.3

(A) the percentage spread to be added to the Base Rate applicable to Revolving Credit Loans under the Base Rate Option based on the Debt Rating then in effect according to the pricing grid on Schedule 1.1(A) below the heading "Base Rate Loan Spread",

(B) the percentage spread to be added to Daily Simple RFR applicable to Revolving Credit Loans under the Daily Simple RFR Option based on the Debt Rating then in effect according to the pricing grid on Schedule 1.1(A) below the heading "Daily Simple RFR Loan Spread", or

(C) the percentage spread to be added to the Term SOFR Rate or Term RFR applicable to Revolving Credit Loans under the Term Rate Loan Option based on the

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Debt Rating then in effect according to the pricing grid on Schedule 1.1(A) below the heading "Term Rate Loan Spread".

Any change to the Debt Rating of the Company will immediately change the Applicable Margin as set forth above, effective on the date of such change in the Debt Rating."

(b)Section 2.1.2(i)(c) of the Credit Agreement is hereby amended and restated in its entirety as follows:

"(c) Aggregate Revolving Credit Commitments. After giving effect to such increase, the total Revolving Credit Commitments shall not exceed the lesser of (i) $1,550,000,000 or (ii) the sum of (A) the total Revolving Credit Commitments as in effect on the date of such request prior to giving effect to any requested increase, plus (B) $200,000,000 minus the amount of any prior increase to the Revolving Credit Commitments under this Section 2.1.2;"

(c)Schedule 1.1(A) of the Credit Agreement is hereby amended and restated in its entirety as attached hereto as Exhibit A.

3. Conditions Precedent. The Borrowers, the Administrative Agent and the Lenders acknowledge and agree that the amendments set forth herein shall only be effective upon the occurrence of all the following conditions precedent:

(a)Amendment. The Borrowers, the Administrative Agent and the Required Lenders shall have executed and delivered to the Administrative Agent this Amendment.

(b)Fees. The Borrowers shall have paid to the Administrative Agent all fees due and owing the Administrative Agent and all reasonable, documented costs and expenses of the Administrative Agent, including without limitation, reasonable, documented fees of the Administrative Agent's counsel in connection with this Amendment.

(c)Miscellaneous. Such other documents, agreements, instruments, deliverables and items deemed reasonably necessary by the Administrative Agent.

4. Representations and Warranties. Each Borrower covenants and agrees with and represents and warrants to the Administrative Agent and the Lenders as follows:

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

(a)each Borrower possesses all of the powers requisite for it to enter into and carry out the transactions referred to herein and to execute, enter into and perform the terms and conditions of this Amendment, the Credit Agreement and the other Loan Documents and any other documents contemplated herein that are to be performed by such Borrower; and that any and all actions required or necessary pursuant to such Borrower's organizational documents or otherwise have been taken to authorize the due execution, delivery and performance by such Borrower of the terms and conditions of this Amendment; the officer of such Borrower executing this Amendment are the duly elected, qualified, acting and incumbent officers of such Borrower and hold the title set forth below his/her name on the signature lines of this Amendment; and such execution, delivery and performance will not conflict with, constitute a default under or result in a breach of any applicable law or any material agreement or instrument, order, writ, judgment, injunction or decree to which such Borrower is a party or by which such Borrower or any of its properties are bound, and that all consents, authorizations and/or approvals required or necessary from any third parties in connection with the entry into, delivery and performance by such Borrower of the terms and conditions of this Amendment, the Credit Agreement, the other Loan Documents and the transactions contemplated hereby have been obtained by such Borrower and are full force and effect;

(b)this Amendment, the Credit Agreement and the other Loan Documents constitute the valid and legally binding obligations of each Borrower, enforceable against such Borrower in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws and by general equitable principles, whether enforcement is sought by proceedings at law or in equity;

(c)all representations and warranties made by each Borrower in the Credit Agreement and the other Loan Documents are true and correct in all respects (in the case of any representation or warranty containing a materiality modification) or in all material respects (in the case of any representation or warranty not containing a materiality modification) (except representations and warranties which expressly relate to an earlier date or time, which representations or warranties are true and correct on and as of the specific dates or times referred to therein);

(d)this Amendment is not a substitution, novation, discharge or release of any Borrower's obligations under the Credit Agreement or any of the other Loan Documents, all of which shall and are intended to remain in full force and effect; and

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

(e)no Event of Default or Potential Default has occurred and is continuing under the Credit Agreement or the other Loan Documents.

5. Ratification. Except as expressly modified herein and hereby, the Credit Agreement and the other Loan Documents are hereby ratified and confirmed and shall be and remain in full force and effect in accordance with their respective terms, and this Amendment shall not be construed to waive or impair any rights, powers or remedies of Administrative Agent or any Lender under the Credit Agreement or the other Loan Documents. In the event of any inconsistency between the terms of this Amendment and the Credit Agreement or the other Loan Documents, this

Amendment shall govern. This Amendment shall be construed without regard to any presumption or rule requiring that it be construed against the party causing this Amendment or any part hereof to be drafted.

6. Governing Law, etc.. This Amendment shall be deemed to be a contract under the Laws of the State of Ohio without regard to its conflict of laws principles. The terms of the Credit Agreement relating to submission to jurisdiction, waiver of venue and waiver of jury trial are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

7. Counterparts; Effective Date; Electronic Signatures. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment shall be effective as of the date first set forth above. The Borrowers, the Administrative Agent and Lenders hereby (i) agree that, for all purposes of this Amendment, electronic images of this Amendment or any other Loan Documents (in each case, including with respect to any signature pages thereto) shall have the same legal effect, validity and enforceability as any paper original, and (ii) waive any argument, defense or right to contest the validity or enforceability of the Amendment or any other Loan Documents based solely on the lack of paper original copies of such Amendment and Loan Documents, including with respect to any signature pages thereto.

8. Severability. The provisions of this Amendment are intended to be severable. If any provision of this Amendment shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

invalidity or enforceability without in any manner affecting the validity or enforceability of such provision in any other jurisdiction or the remaining provisions of this Amendment in any jurisdiction.

9. Notices. Any notices with respect to this Amendment shall be given in the manner provided for in Section 12.5 [Notices; Effectiveness; Electronic Communication] of the Credit Agreement.

10. Survival. All representations and warranties contained herein shall survive Payment In Full. All covenants, agreements, undertakings, waivers and releases of the Borrowers contained herein shall continue in full force and effect from and after the date hereof and until Payment In Full.

11. Amendment. No amendment, modification, rescission, waiver or release of any provision of this Amendment shall be effective unless the same shall be in writing and signed by the parties hereto.

12. Entire Agreement. THIS AMENDMENT, THE CREDIT AGREEMENT AND THE LOAN DOCUMENTS EMBODY THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR

SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO ORAL AGREEMENTS AMONG THE PARTIES HERETO.

13. Amendment as Loan Document; Incorporation into Loan Documents. The parties hereto acknowledge and agree that this Amendment constitutes a Loan Document. This Amendment shall be incorporated into the Credit Agreement by this reference and each reference to the Credit Agreement that is made in the Credit Agreement or any other document executed or to be executed in connection therewith shall hereafter be construed as a reference to the Credit Agreement as amended hereby.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
[SIGNATURE PAGES FOLLOW]

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

[SIGNATURE PAGE TO FIFTH AMENDMENT TO
CREDIT AGREEMENT]

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed this Amendment as of the day and year first above written.

BORROWERS:

RPM INTERNATIONAL INC.

By: /s/ Tracy D. Crandall
Name: Tracy D. Crandall
Title: Vice President – Compliance and Sustainability, Associate General Counsel and Assistant Secretary

RPM ENTERPRISES, INC.

By: /s/ Tracy D. Crandall
Name: Tracy D. Crandall
Title: Assistant Secretary

[SIGNATURE PAGE TO FIFTH AMENDMENT TO
CREDIT AGREEMENT]

RPOW UK LIMITED

By: /s/ Hilde De Backer
Name: Hilde De Backer

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Title: Director

RPM EUROPE HOLDCO B.V.

By: /s/ Hilde De Backer
Name: Hilde De Backer
Title: Director

RPM CANADA

By: /s/ Tracy D. Crandall
Name: Tracy D. Crandall
Title: Assistant Secretary

RPM CANADA COMPANYFINANCE ULC

By: /s/ Tracy D. Crandall
Name: Tracy D. Crandall
Title: Assistant Secretary

TREMCO ASIA PACIFIC PTY. LIMITED

By: /s/ Paul G. P. Hoogenboom
Name: Paul G. P. Hoogenboom
Title: Director

4856-8425-0714, v.3

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

[SIGNATURE PAGE TO FIFTH AMENDMENT TO CREDIT AGREEMENT]

RPM EUROPE FINANCE DESIGNATED ACTIVITY COMPANY

By: /s/ Hilde De Backer
Name: Hilde De Backer
Title: Director

4856-8425-0714, v.3

[SIGNATURE PAGE TO FIFTH AMENDMENT TO CREDIT AGREEMENT]

PNC BANK, NATIONAL ASSOCIATION, individually and as Administrative Agent

By: /s/ Scott A. Nolan

Name: Scott A. Nolan

Title: Senior Vice President

4856-8425-0714, v.3

[SIGNATURE PAGE TO FIFTH AMENDMENT TO CREDIT AGREEMENT]

KEYBANK NATIONAL ASSOCIATION

By: /s/ John R. Macks

Name: John R. Macks

Title: Vice President

4856-8425-0714, v.3

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

[SIGNATURE PAGE TO FIFTH AMENDMENT TO CREDIT AGREEMENT]

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ Nathan R. Rantala

Name: Nathan R. Rantala

Title: Managing Director

4856-8425-0714, v.3

[SIGNATURE PAGE TO FIFTH AMENDMENT TO CREDIT AGREEMENT]

CITIZENS BANK, N.A.

By: /s/ Izabela Algave

Name: Izabela Algave

Title: Vice President

4856-8425-0714, v.3

[SIGNATURE PAGE TO FIFTH AMENDMENT TO CREDIT AGREEMENT]

BANK OF AMERICA, N.A.

By: /s/ Bettina Buss

Name: Bettina Buss

Title: Director

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

4856-8425-0714, v.3

[SIGNATURE PAGE TO FIFTH AMENDMENT TO CREDIT AGREEMENT]

MUFG BANK, LTD.

By: /s/ Jorge Georgalos

Name: Jorge Georgalos

Title: Director

4856-8425-0714, v.3

[SIGNATURE PAGE TO FIFTH AMENDMENT TO CREDIT AGREEMENT]

BMO HARRIS BANK N.A.

By: /s/ Doug Steen

Name: Doug Steen

Title: Director

4856-8425-0714, v.3

[SIGNATURE PAGE TO FIFTH AMENDMENT TO CREDIT AGREEMENT]

KBC BANK, NV

By: /s/ Nicholas Fiore

Name: Nicholas Fiore

Title: Managing Director

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

By: /s/ Susan Silver

Name: Susan Silver

Title: Managing Director

4856-8425-0714, v.3

[SIGNATURE PAGE TO FIFTH AMENDMENT TO
CREDIT AGREEMENT]

GOLDMAN SACHS LENDING PARTNERS LLC

By: /s/ Keshia Leday

Name: Keshia Leday

Title: Authorized Signatory

GOLDMAN SACHS BANK USA

By: /s/ Keshia Leday

Name: Keshia Leday

Title: Authorized Signatory

4856-8425-0714, v.3

[SIGNATURE PAGE TO FIFTH AMENDMENT TO
CREDIT AGREEMENT]

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Kenneth R. Fieler

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Name: Kenneth R. Fieler

Title: Vice President

4856-8425-0714, v.3

[SIGNATURE PAGE TO FIFTH AMENDMENT TO CREDIT AGREEMENT]

FIRST NATIONAL BANK OF PENNSYLVANIA

By: /s/ Jerome Sidley

Name: Jerome Sidley

Title: Commercial Manager

4856-8425-0714, v.3

Exhibit No. 31.1

RULE 13a-14(a) CERTIFICATION

I, Frank C. Sullivan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of RPM International Inc. (the “registrant”);

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

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

(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.

/s/ Frank C. Sullivan

Frank C. Sullivan

Chairman and Chief Executive Officer

Dated: April 6, 2023 October 4, 2023

Exhibit No. 31.2

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

RULE 13a-14(a) CERTIFICATION

I, Russell L. Gordon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of RPM International Inc. (the "registrant");

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

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

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.

/s/ Russell L. Gordon

Russell L. Gordon

Vice President and Chief Financial Officer

Dated: April 6, 2023 October 4, 2023

Exhibit No. 32.1

CERTIFICATION

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of RPM International Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 2023 August 31, 2023 (the "Form 10-Q") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Form 10-Q.

/s/ Frank C. Sullivan

Frank C. Sullivan

Chairman and Chief Executive Officer

Dated: April 6, 2023 October 4, 2023

The foregoing Certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Form 10-Q or as a separate disclosure document.

Exhibit No. 32.2

CERTIFICATION

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of RPM International Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 2023 August 31, 2023 (the "Form 10-Q") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Form 10-Q.

/s/ Russell L. Gordon

Russell L. Gordon

Vice President and Chief Financial Officer

Dated: April 6, 2023 October 4, 2023

The foregoing Certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Form 10-Q or as a separate disclosure document.

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2023, Refinitiv. All rights reserved. Patents Pending.

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV