

PPG – Fourth Quarter and Full Year 2016 Financial Results

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Forward Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by or on behalf of the Company. This presentation contains forward-looking statements that reflect the Company's current views with respect to future events and financial performance. You can identify forward-looking statements by the fact that they do not relate strictly to current or historic facts. Forward-looking statements are identified by the use of the words "aim," "believe," "expect," "anticipate," "intend," "estimate," "project," "outlook," "forecast" and other expressions that indicate future events and trends. Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update any forward looking statement, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosures we make on related subjects in our reports to the Securities and Exchange Commission. Also, note the following cautionary statements:

Many factors could cause actual results to differ materially from the Company's forward-looking statements. Such factors include global economic conditions, increasing price and product competition by foreign and domestic competitors, fluctuations in cost and availability of raw materials, the ability to maintain favorable supplier relationships and arrangements, the timing of and the realization of anticipated cost savings from restructuring initiatives, difficulties in integrating acquired businesses and achieving expected synergies therefrom, economic and political conditions in international markets, the ability to penetrate existing, developing and emerging foreign and domestic markets, foreign exchange rates and fluctuations in such rates, fluctuations in tax rates, the impact of future legislation, the impact of environmental regulations, unexpected business disruptions and the unpredictability of existing and possible future litigation. However, it is not possible to predict or identify all such factors. Consequently, while the list of factors presented here and under Item 1A of PPG's 2015 Form 10-K is considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Consequences of material differences in the results compared with those anticipated in the forward-looking statements could include, among other things, lower sales or earnings, business disruption, operational problems, financial loss, legal liability to third parties, other factors set forth in Item 1A of PPG's 2015 Form 10-K and similar risks, any of which could have a material adverse effect on the Company's consolidated financial condition, results of operations or liquidity.

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Fourth Quarter 2016 Financial Highlights

Reported sales down more than one percent, local currency sales increased one percent

- Aggregate sales volumes increased 1.5 percent year-over-year, led by growth in emerging markets and aggregate coatings segment growth of 1.7 percent
- Acquisition-related sales increased by more than one percent, or about \$50 million, but were partly offset by sales of the divested European fiber glass business of approximately \$40 million
- Unfavorable foreign currency translation reduced sales nearly 3 percent, or about \$100 million

Growth in adjusted earnings per diluted share from continuing operations*

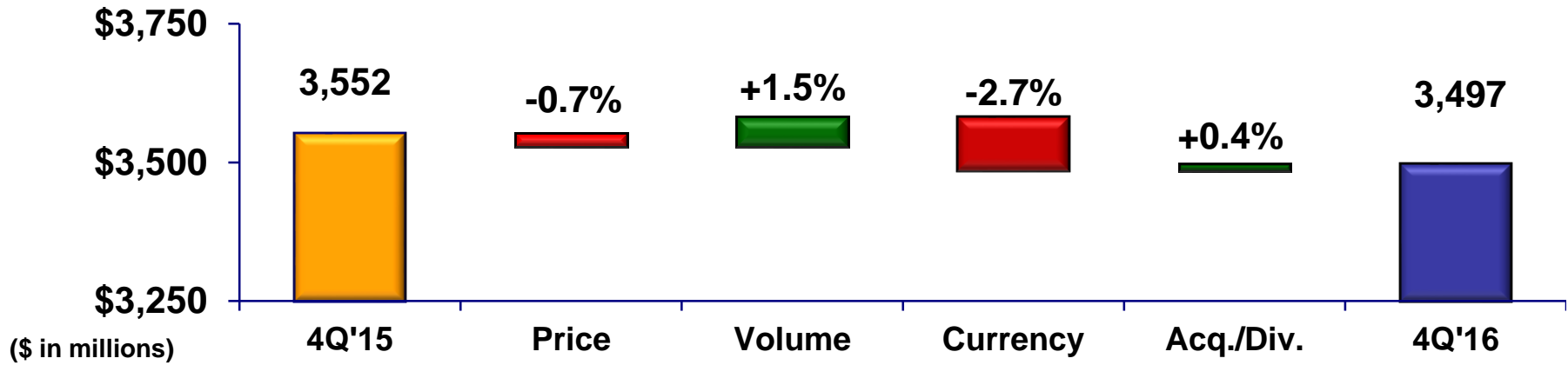
- Adjusted earnings per diluted share of \$1.19; up about 3 percent, including unfavorable foreign currency, primarily due to weakening Mexican peso, British pound, and Chinese yuan
- Strong Industrial Coating segment volume growth and aggressive cost management contributed to the improved results
- Initiated business restructuring program targeting \$125 million in annual savings, \$40 -to- \$50 million of savings targeted in 2017

Cash deployment accelerates, business portfolio optimization continues

- Stock repurchases of \$650 million in the quarter
- Divested flat glass, European fiber glass and ownership interests in 2 Asian fiber glass ventures
- Acquired Univer and Deutek (Jan. 2017)
- Cash and short-term investments of approximately \$1.9 billion at year-end

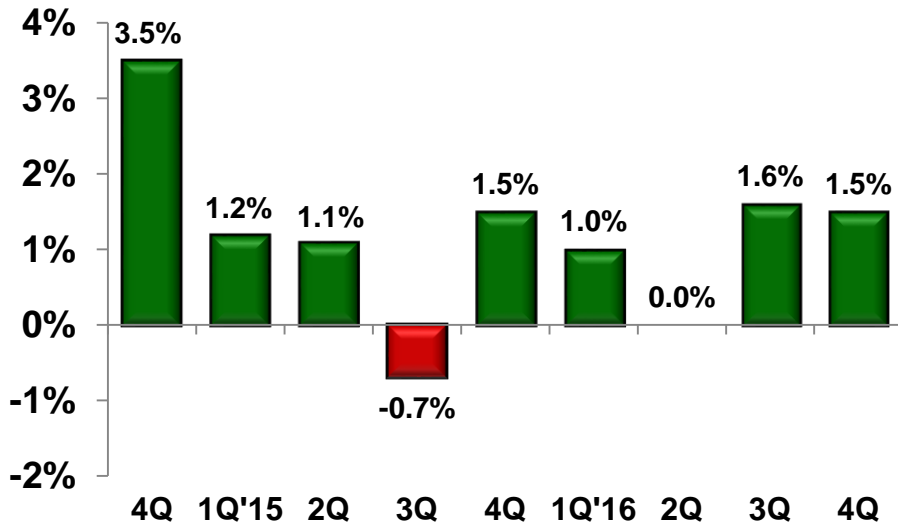


PPG Fourth Quarter Net Sales (continuing operations)*

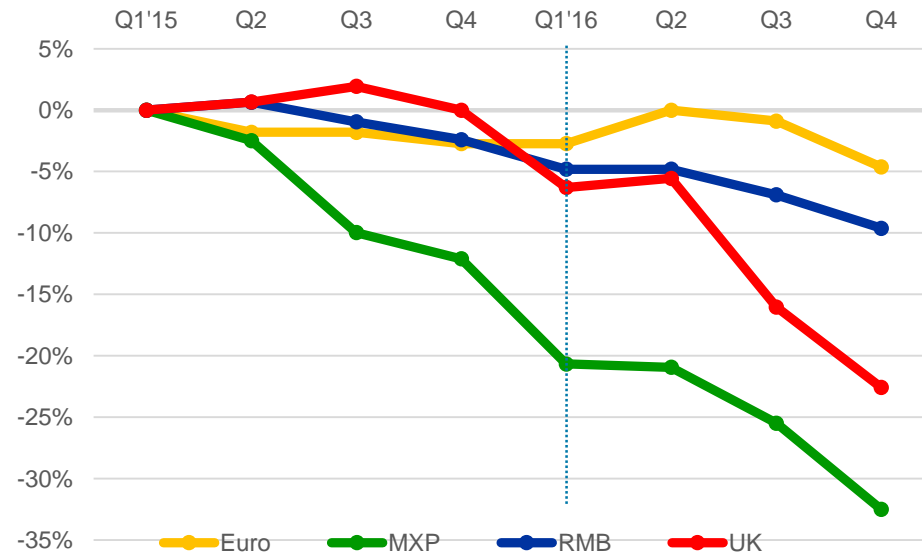


PPG Y-O-Y Volume Trends**

(excl. price, currency and acquisition/divestiture impacts)



Foreign Currency Rate Trends vs. U.S. Dollar (indexed to Q1'15)



4Q'16: Coatings segments volumes up 1.7 percent

Currency volatility increased post U.S. election



* Sales from continuing operations

** As originally reported, including the former flat glass business

Fourth Quarter Coatings Net Sales Volumes

PPG volume performance by major coatings vertical vs. prior year and end-use market demand

	U.S. & Canada	Europe / Middle East / Africa	Asia-Pacific		Latin America	
Aerospace	At Market	At Market	At Market		At Market	
Automotive Refinish	At Market	At Market	Above Market		Below Market	
Architectural	Below Market	At Market	AUS Above Market	CHN Above Mkt	Mexico Above Market	BRZ Above Mkt
Protective	Above Market	At Market	Below Market		At Market	
Marine	At Market	At Market	At Market		N/A	
Automotive OEM	Below Market	Above Market	Above Market		Above Market	
General Industrial	At Market	At Market	Above Market		Above Market	
Packaging	Above Market	At Market	Above Market		Above Market	

1) PPG compared to industry end-use market demand legend:

- Above Market
- At Market
- Below Market

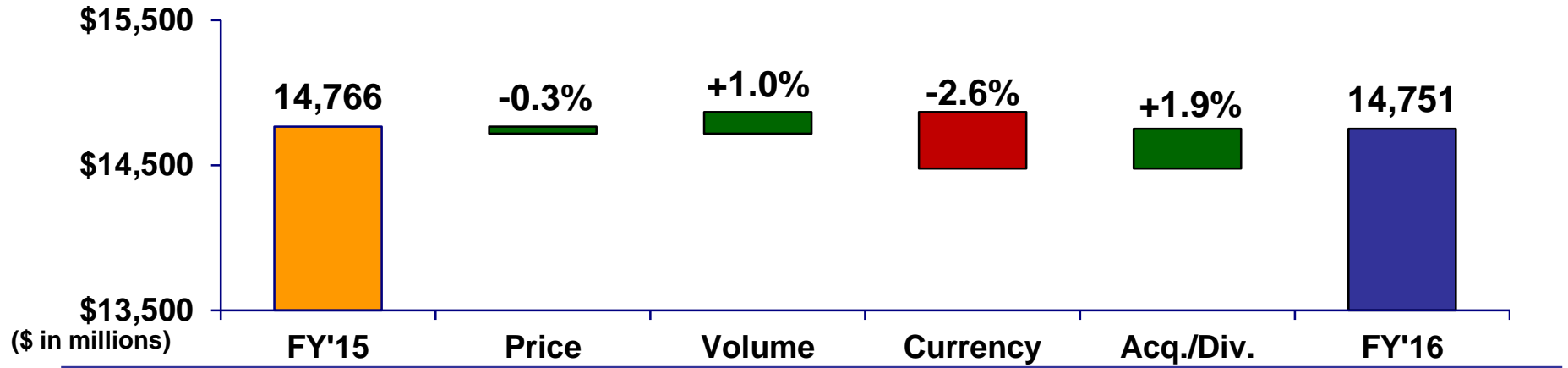
2) Year-over-year PPG volume legend:



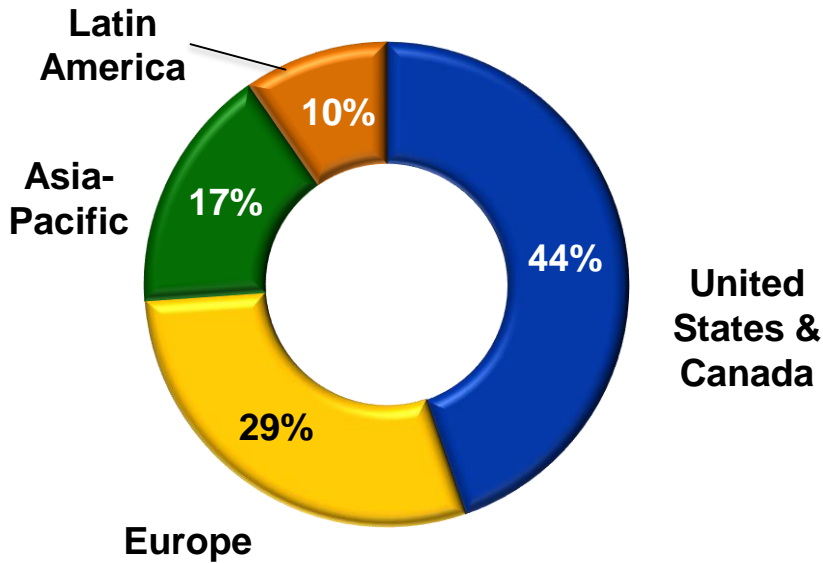
Based on PPG estimates



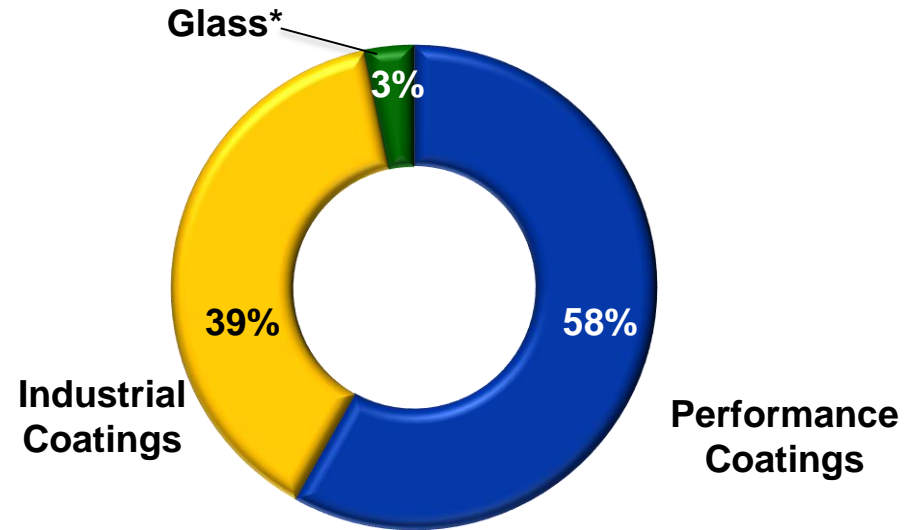
PPG Full Year Net Sales (continuing operations)



2016 Net Sales by Major Region



2016 Net Sales by Business Segment



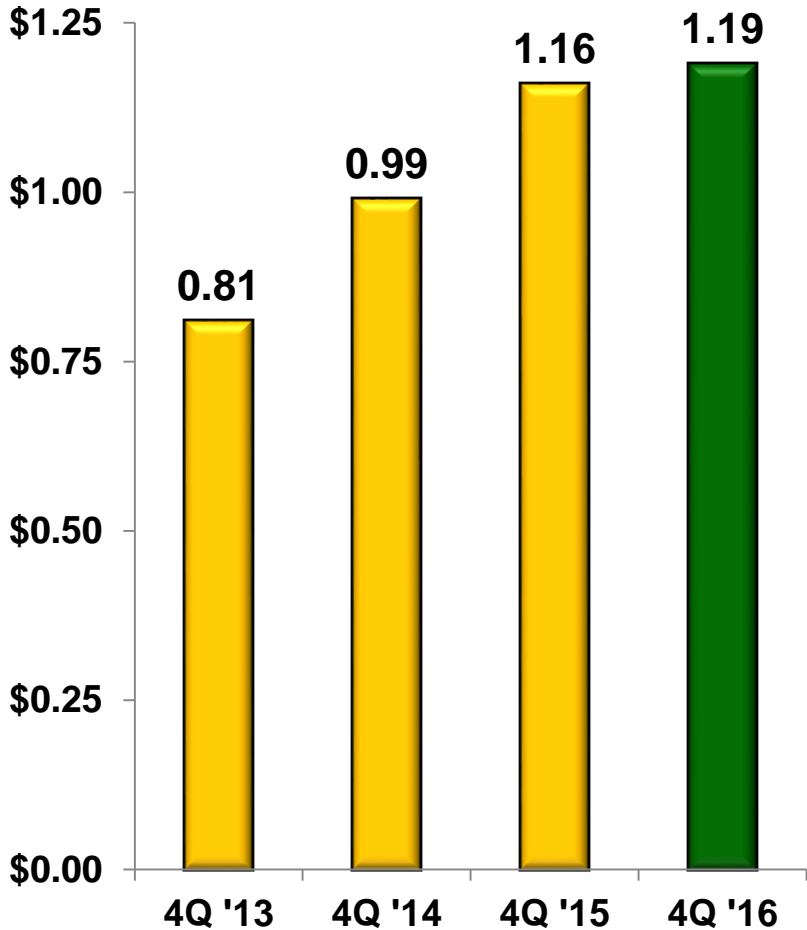
* Includes 9 months of European fiber glass sales (sold Oct. 1, 2016)

Sales growth in local currencies offset by foreign currency translation



PPG Earnings Per Diluted Share (continuing operations)*

Fourth Quarter



Full Year



* Adjusted EPS – see presentation appendix for reconciliation to reported EPS



Performance Coatings

\$MM (USD)	4Q15	4Q16	Chg	%		Year 2015	Year 2016	Chg	%
Net Sales	2,060	1,980	-80	-4%		8,765	8,580	-185	-2%
Income	250	239	-11	-4%		1,302	1,314	12	+1%
Margin %	12.1%	12.1%	--	--		14.9%	15.3%	--	--

Select Net Sales Detail	Total	Volume	Currency
4Q Y-O-Y Change	-4%	-1%	-3%

Select Net Sales Detail	Total	Volume	Currency
2016 Y-O-Y Change	-2%	0%	-3%

Fourth Quarter (YOY):

- ✓ Continued automotive refinish organic growth led by Europe
- ✓ Aerospace local currency sales consistent with prior year
- ✓ Architectural coatings EMEA sales volumes in line with prior year; growth in Western Europe offset by declines in Africa
- ✓ Low single-digit percentage sales volume growth in architectural coatings Americas & Asia Pacific:
 - Higher volumes in U.S. and Canada company-owned stores channel offset by declines in the independent dealer channel and national retail accounts
 - Continued Mexican organic sales growth despite strong prior year growth
- ✓ Further weakness in Asia-Pacific marine demand more than offsetting protective coatings volume growth in U.S. & Canada and Latin America
- ✓ Unfavorable foreign currency translation primarily due to weakening Mexican peso, euro and British pound; segment sales (~\$70MM) and income (~\$15MM)
- ✓ Acquisition-related sales of ~\$10MM

First Quarter 2017 Outlook:

- ✓ Modest improvement in industry demand trends in automotive refinish and aerospace
- ✓ Marine weakness continues; more than offsets protective coatings growth
- ✓ Modest improvement in YOY architectural coatings EMEA demand
- ✓ Architectural coatings U.S. and Canada end-use market demand remains modest; business trends consistent with prior quarter sequentially
- ✓ Architectural Mexico local currency sales growth continues to outpace Mexican GDP percentage growth
- ✓ Increased pricing in architectural company stores in various geographies
- ✓ Unfavorable YOY foreign currency translation impact on segment income; similar to Q4'16 at current rates
- ✓ Acquisition-related sales ~10MM



Industrial Coatings

\$MM (USD)	4Q15	4Q16	Chg	%		Year 2015	Year 2016	Chg	%
Net Sales	1,371	1,437	66	+5%		5,476	5,690	214	+4%
Income	240	236	-4	-2%		985	1,042	57	+6%
Margin %	17.5%	16.4%	--	--		18.0%	18.3%	--	--

Select Net Sales Detail	Total	Volume	Currency
4Q Y-O-Y Change	+5%	+5%	-2%

Select Net Sales Detail	Total	Volume	Currency
2016 Y-O-Y Change	+4%	+3%	-2%

Fourth Quarter (YOY):

- ✓ Auto OEM sales volume gains consistent with global industry growth rates
 - ✓ Strong Asia-Pacific growth versus robust prior year
 - ✓ Above-market Latin America and Europe growth
- ✓ Above-market mid-single-digit percentage sales volume growth in general industrial; all regions positive YOY led by Asia-Pacific
- ✓ Mid-to-high single-digit percentage packaging coatings sales volume growth from continued adoption of PPG's BPA-NI can coatings technologies
- ✓ Increased transportation and logistics costs to meet increasing customer demand in Asia Pacific
- ✓ Unfavorable foreign currency translation on segment sales (~\$30MM) and income (~\$10MM)
- ✓ Acquisition-related sales of ~\$40MM, currently below segment average margins

First Quarter 2017 Outlook:

- ✓ Lower auto OEM industry build growth rate versus prior sequential quarter mainly due to China and U.S.
- ✓ Moderate global general industrial demand growth remains; expected to vary by sub-sector and geography
- ✓ Packaging coatings YOY growth rate moderates due to strong prior year comparisons
 - ✓ Industry conversions to new PPG can coatings continue
- ✓ Continued higher transportation and logistics costs in Asia-Pacific (partial quarter)
- ✓ Unfavorable YOY foreign currency translation impact similar to Q4'16 at current rates
- ✓ Acquisition-related sales growth of approximately \$50MM



Glass

\$MM (USD)	4Q15	4Q16	Chg	%		Year 2015	Year 2016	Chg	%
Net Sales	121	80	-41	-34%		525	481	-44	-8%
Income	11	12	1	9%		38	53	15	+39%
Margin %	9.1%	15.0%	--	--		7.2%	11.0%	--	--

Select Net Sales Detail	Total	Volume	Currency
4Q Y-O-Y Change	-34%	-3%	0%

Select Net Sales Detail	Total	Volume	Currency
2016 Y-O-Y Change	-9%	0%	-1%

Fourth Quarter (YOY):

- ✓ Segment sales results include only North America fiber glass due to recent business divestitures
 - ✓ Sale of European fiber glass business completed - annual sales of ~\$150 million
- ✓ Sale completed of ownership interests in two Asian fiber glass joint ventures in November 2016
- ✓ Lower sales volumes versus prior year due to declines in wind energy demand partially offset by construction-related growth
- ✓ Significant margin improvement YOY due to structural cost reductions
- ✓ Minimal foreign currency translation on sales and income
- ✓ Divestiture sales of ~\$35 million in 4Q'16

First Quarter 2017 Outlook:

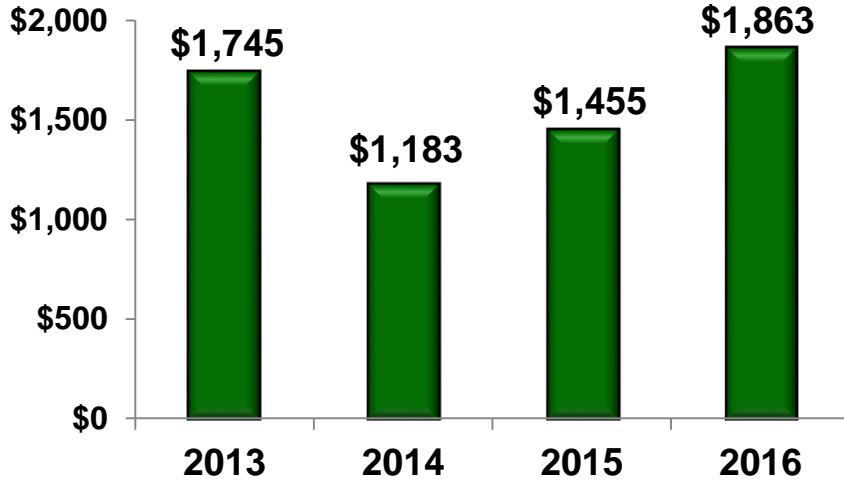
- ✓ Consistent sequential sales due to normal business seasonality
- ✓ Similar fiber glass industry demand trends in aggregate and by major sub-market
- ✓ Minimal YOY foreign currency translation impact
- ✓ Prior year (Q1'16) divested European fiber glass sales of ~\$45 million



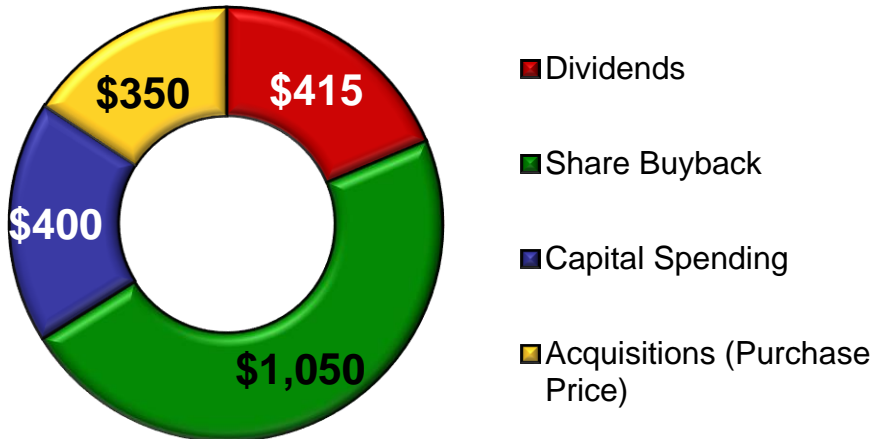
Cash

(\$ in millions)

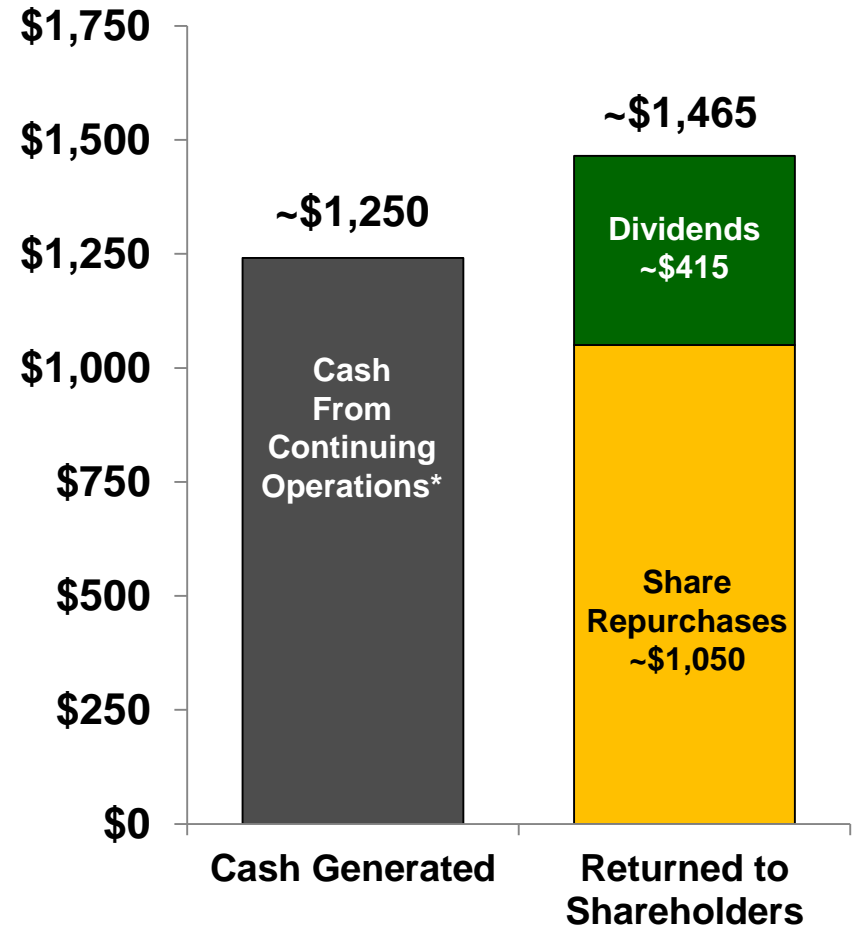
Cash and Short Term Investments



Approximate 2016 Cash Uses



2016 Cash Returned to Shareholders



* Includes Asbestos Trust funding

Nearly \$1.5 billion returned to shareholders via dividends and share repurchases



2017 Financial Assumptions

Category	Full Year Sales	Full Year Pre-Tax Income	Comments:
<i>(\$ in millions unless stated otherwise)</i>			
2017 Acquisition/Divestiture Impact	Acquisition: ~\$180 Divestiture: ~\$140 (incremental vs. 2016)	At or below segment average earnings margins	Phasing of incremental sales follows 2016 acquisition and divestiture closure timeline; full year impact from Jan. 2017 acquisition
Unfavorable Foreign Currency Translation	\$375- \$425 (Lower Sales) Memo: 2016 ~\$400MM	\$70 - \$90 (Lower Income) Memo: 2016 ~\$70MM	Based on recent exchange rates. Impact more prevalent in Q1 and Q2 due to prior year exchange rate trends
Restructuring Savings	N/A	\$40 - \$50 (Higher Income)	Initiated program in Dec. 2016, targeting \$125 million in annual savings once fully implemented
Lower OPEB & Pension Expense	N/A	\$15 - \$20 (Higher Income)	Carryover of prior year benefits related to U.S. OPEB plan design changes
Higher Net Interest Expense	N/A	~\$5 (Lower Income)	Increased debt balance, lower interest rates on overall debt portfolio
Full Year Adjusted Effective Tax Rate	Expected range of 24.5% -to- 25.5%. Adjusted effective tax rate is higher vs. 2016 comparable rate of 24.5% primarily due to a shift in the mix of earnings toward higher tax rate jurisdictions.		
Cash Deployment	Cash deployment pace accelerates to \$2.5 -to- \$3.5 billion for years 2017 and 2018 (combined) on acquisitions and share repurchases.		



2016 Full Year Summary

Financial and operational performance

- Sales up about 3 percent in local currencies; sales volume growth of 1 percent and acquisition-related growth of approximately 2 percent
- Adjusted earnings per diluted share of \$5.82*, up 7 percent versus prior year, including unfavorable foreign currency translation
- Operating working capital reduced by 120 basis points versus prior year
- Continued, aggressive cost management aided current year performance; Initiated new business restructuring plan with \$125 million targeted savings annually

Significant cash deployment, continued portfolio optimization

- Deployed \$1.4 billion of cash on acquisitions and share repurchases in 2016 to reach the top-end of 2 year deployment range of \$2.5 billion
- Quarterly per share dividend increased 11 percent (in April); 45th consecutive year of annual increases
- Fully funded Pittsburgh Corning asbestos trust; Annuitized sizable portion of pension obligations
- Completed 3 acquisitions, increased geographic reach and product scope
- Completed sale of non-core businesses; Gross proceeds of over \$1 billion

Financial flexibility remains

- Cash and short term investment totaling \$1.9 billion at year-end
- Announced cash deployment range of \$2.5 billion -to- \$3.5 billion for 2017/18 combined



Additional Materials and Appendix

Thank you for your interest in PPG

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Adjusted EPS Reconciliation

4th Quarter Reporting Period

	Continued Operations		Discontinued Operations		Total PPG	
	Net Income	EPS	Net Income	EPS	Net Income	EPS
Fourth Quarter 2016						
Net Income Attributable to PPG as Reported	\$ 77	\$ 0.29	\$ 267	\$ 1.01	\$ 344	\$ 1.30
Business restructuring charge	146	0.55	-	-	146	0.55
Environmental remediation charge	51	0.20	-	-	51	0.20
Loss on divestiture of European fiber glass business	44	0.17	-	-	44	0.17
Net gain on disposals of ownership interests in business affiliates	(33)	(0.13)	-	-	(33)	(0.13)
Net tax effect of asbestos settlement trust funding	23	0.09	-	-	23	0.09
Premium on early retirement of debt	5	0.02	-	-	5	0.02
Adjusted Net Income Attributable to PPG	\$ 313	\$ 1.19	\$ 267	\$ 1.01	\$ 570	\$ 2.20
Fourth Quarter 2015						
Net Income Attributable to PPG as Reported	\$ 295	\$ 1.09	\$ 19	\$ 0.07	\$ 314	\$ 1.16
Transaction-related costs	11	0.04	-	-	11	0.04
Equity affiliate debt refinancing charge	7	0.03	-	-	7	0.03
Adjusted Net Income Attributable to PPG	\$ 313	\$ 1.16	\$ 19	\$ 0.07	\$ 332	\$ 1.23
Fourth Quarter 2014						
Net Income Attributable to PPG as Reported	\$ 73	\$ 0.26	\$ 10	\$ 0.04	\$ 83	\$ 0.30
Debt refinancing charge	200	0.72	-	-	200	0.72
Transaction-related costs	35	0.12	1	0.01	36	0.13
Favorable foreign tax ruling	(29)	(0.11)	-	-	(29)	(0.11)
Adjusted Net Income Attributable to PPG	\$ 279	\$ 0.99	\$ 11	\$ 0.05	\$ 290	\$ 1.04
Fourth Quarter 2013						
Net Income Attributable to PPG as Reported	\$ 230	\$ 0.80	\$ 24	\$ 0.08	\$ 254	\$ 0.88
Transaction-related costs	3	0.01	1	0.01	4	0.02
Adjusted Net Income Attributable to PPG	\$ 233	\$ 0.81	\$ 25	\$ 0.09	\$ 258	\$ 0.90

Amounts in Millions of USD except EPS



PPG Adjusted Earnings Per Share Trend Reconciliation

Period	Adjusted EPS from Continuing Operations					YOY Change in Adjusted EPS from Continuing Operations			
	2012	2013	2014	2015	2016	2013 vs. 2012	2014 vs. 2013	2015 vs. 2014	2016 vs. 2015
1Q	\$ 0.64	\$ 0.69	\$ 1.00	\$ 1.13	\$ 1.27	\$ 0.05	\$ 0.31	\$ 0.13	\$ 0.14
2Q	0.84	1.14	1.40	1.60	1.78	0.30	0.26	0.20	0.18
3Q	0.83	1.11	1.35	1.54	1.56	0.28	0.27	0.16	0.02
4Q	0.57	0.82	0.99	1.16	1.19	0.25	0.17	0.17	0.03
Full Year*	\$ 2.88	\$ 3.78	\$ 4.75	\$ 5.43	5.82	\$ 0.90	\$ 0.97	\$ 0.68	\$ 0.39
Year over year percentage increase in EPS						+31%	+26%	+14%	+7%

*Full year diluted EPS was calculated using the full year weighted average shares outstanding. As such, the sum of the quarters may not equal the total EPS for the year.

Amounts in Millions of USD except EPS



Regulation G Reconciliation

Three Months Ended December 31, 2016	Income Before Income Taxes	Tax (Benefit) Expense	Effective Tax Rate
Effective tax rate, continuing operations	\$140	\$59	42.1%
Business restructuring charge	197	51	25.8%
Environmental remediation charge	82	31	37.6%
Loss on divestiture of European fiber glass business	42	(2)	(4.8)%
Net gain on disposals of ownership interests in business affiliates	(49)	(16)	33.4%
Net tax effect of asbestos settlement trust funding	N/A	(23)	N/A
Premium on early retirement of debt	8	3	37.6%
Adjusted effective tax rate, continuing operations	\$420	\$103	24.5%

Three Months Ended December 31, 2015	Income Before Income Taxes	Tax Expense	Effective Tax Rate
Effective tax rate, continuing operations	\$390	\$91	23.3%
Transaction-related costs	17	6	35.3%
Equity affiliate debt-refinancing charge	11	4	37.6%
Adjusted effective tax rate, continuing operations	\$418	\$101	24.2%

Year Ended December 31, 2016	Income Before Income Taxes	Tax (Benefit) Expense	Effective Tax Rate
Effective tax rate, continuing operations	\$827	\$241	29.2%
Transaction-related costs	9	3	37.6%
Pension settlement charges	968	352	36.4%
Business restructuring charge	197	51	25.8%
Environmental remediation charge	82	31	37.6%
Loss on divestiture of European fiber glass business	42	(2)	(4.8)%
Net gain on disposals of ownership interests in business affiliates	(69)	(23)	33.3%
Net tax effect of asbestos settlement trust funding	N/A	(151)	N/A
Premium on early retirement of debt	8	3	37.6%
Asset write-down	14	4	28.6%
Adjusted effective tax rate, continuing operations	\$2,078	\$509	24.5%

Amounts in Millions of USD

