PPG Industries (PPG)

Updated November 4th, 2025 by Nathan Parsh

Key Metrics

Current Price:	$95	**5 Year Annual Expected Total Return:**	18.4%	**Market Cap:**	$21 B
Fair Value Price:	$145	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date:**	11/10/25
% Fair Value:	65%	**5 Year Valuation Multiple Estimate:**	8.9%	**Dividend Payment Date:**	12/12/25
Dividend Yield:	3.0%	**5 Year Price Target**	$204	**Years Of Dividend Growth:**	54
Dividend Risk Score:	A	**Sector:**	Materials	**Rating:**	Buy

Overview & Current Events

PPG Industries is the world's largest paints and coatings company. Its only competitors of similar size are Sherwin-Williams and Dutch paint company Akzo Nobel. PPG Industries was founded in 1883 as a manufacturer and distributor of glass (its name stands for Pittsburgh Plate Glass) and today has approximately 3,500 technical employees located in more than 70 countries at 100 locations. With more than five decades of consecutive dividend increases, PPG Industries is a member of the Dividend Kings and trades on the New York Stock Exchange. The company generates annual revenues of nearly $16 billion.

On December 2nd, 2024, PPG Industries announced that it had completed its previously announced sale of its U.S. and Canada architectural and coatings business to American Industrial Partners for $550 million.

On July 17th, 2025, PPG Industries raised its quarterly dividend 4.4% to $0.71, extending the company's dividend growth streak to 54 consecutive years.

On October 28th, 2025, PPG Industries reported third quarter results for the period ending September 30th, 2025. For the quarter, revenue declined 10.7% to $4.1 billion, but this was $50 million above estimates. Adjusted earnings-per-share of $2.13 matched the prior year's result, but this was $0.05 better than expected.

Organic growth was 2% for the quarter due to higher prices and improved product volume. Revenue for Global Architectural Coatings, which was formerly part of Performance Coatings, grew 1% to $1.01 billion as higher prices and a benefit from foreign currency translation was offset by weaker volume and divestitures. Latin America and Asia Pacific performed well during the period. Performance Coatings grew 3% to $1.41 billion due to higher prices that were offset by weaker volume. Aerospace, protective and marine coatings, and traffic solutions all were higher for the quarter. Revenue for Industrial Coatings was unchanged at $1.66 billion. Volume grew 4%, but was offset by slightly weaker pricing and divestitures. Automotive OEMs returned to growth during the quarter, with volume growth seen in all regions. This business outpaced the global automotive industry by ~300 basis points. PPG Industries repurchased ~$150 million worth of shares during Q3 and has retired ~$690 million worth of shares year-to-date.

For 2025, the company now expects adjusted earnings-per-share in a range of $7.60 to $7.70, down from $7.75 to $8.05 previously. This would mark a 3% decline from the prior year.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$5.14	$3.28	$6.31	$5.89	$6.22	$5.70	$6.77	$6.05	$7.67	$7.87	***$7.65***	***$10.73***
DPS	$1.42	$1.56	$1.70	$1.87	$2.04	$2.10	$2.26	$2.42	$2.54	$2.66	***$2.84***	***$3.98***
Shares[1]	274	267	258	245	237	237	237	237	237	232	***227***	***220***

PPG Industries' earnings-per-share have a growth rate of 4.8% over the last decade, but the growth rate accelerates to 6.1% when looking at the last five years. We continue to expect earnings-per-share to grow at a rate of 7% through 2030, down from 8% previously. PPG Industries' demand dropped significantly due to the impact of COVID-19 in 2020,

[1] Share count in millions

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but has established new highs for adjusted earnings-per-share in each of the last two years. We expect dividends to grow at a rate matching earnings-per-share going forward.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2025	Now	2030
Avg. P/E	20.9	31.1	17.1	19.8	22.2	25.3	21.3	20.8	19.5	15.2	***12.4***	***19.0***
Avg. Yld.	1.3%	1.5%	1.6%	1.9%	1.5%	1.5%	1.6%	1.9%	1.7%	2.2%	***3.0%***	***2.0%***

Shares of PPG Industries have decreased $9, or 8.7%, since our August 3rd, 2025 update. The stock has traded with an average price-to-earnings ratio of 21.3 over the last decade. We reaffirm our target price-to-earnings ratio of 19 for 2030. Shares are currently priced at 12.4 times expected 2025 earnings-per-share. If the stock's multiple were to revert to our target over the next five years, then valuation would be an 8.9% tailwind to annual returns during this period.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	28%	48%	27%	32%	33%	37%	33%	40%	33%	34%	***37%***	***37%***

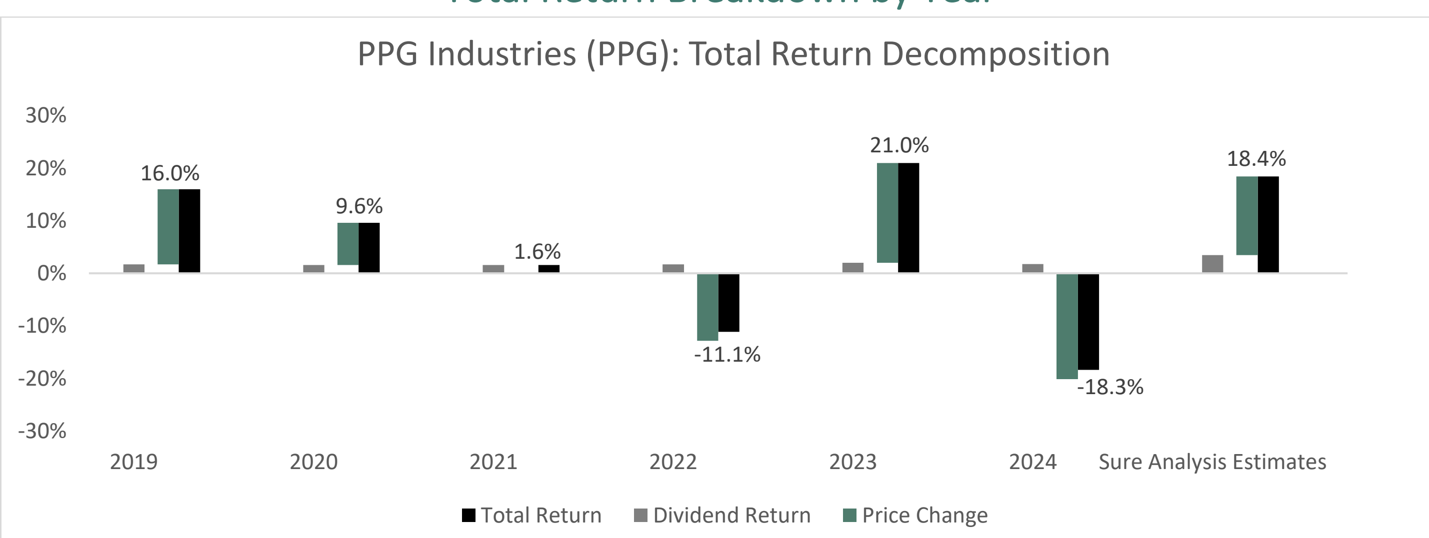
Even after more than five decades of dividend growth, PPG Industries has a very low payout ratio. The only time the company's dividend payout ratio was above 50% for the year in the relatively recent past was 2009. The average payout ratio since then is just 34%, demonstrating how conservative the company has been with regards to its dividend.

PPG Industries' key advantage is that it is one of the most well-known and respected companies in the paints and coatings space. The company is also one of just three similarly-sized companies in this industry, which limits PPG Industries' competitors. This gives PPG Industries size and scale and the ability to increase prices.

Final Thoughts & Recommendation

Following third quarter results, PPG Industries is expected to offer a total annual return 18.4% through 2030, up from our prior estimate of 17.0%. Our forecast stems from an expected earnings growth rate of 7%, a starting yield of 3.0%, and a high single-digit contribution from multiple expansion. PPG Industries saw growth in several previously weaker areas during the quarter. Shares continue to trade well below their long-term average valuation. We have lowered our 2030 price target $7 to $204 due to EPS estimates, but we continue to rate shares of PPG Industries as a buy due to projected returns and a strong dividend risk score.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	14,241	14,270	14,748	15,374	15,146	13,834	16,802	17,652	18,246	15,845
Gross Profit	6,455	6,605	6,539	6,373	6,493	6,057	6,516	6,556	7,501	6,593
Gross Margin	45.3%	46.3%	44.3%	41.5%	42.9%	43.8%	38.8%	37.1%	41.1%	41.6%
SG&A Exp.	3,584	4,523	3,614	3,573	3,604	3,389	3,815	3,832	4,451	3,391
D&A Exp.	446	440	460	497	511	509	561	554	558	492
Operating Profit	1,974	1,201	2,025	1,872	1,954	1,787	1,701	1,722	2,059	2,287
Op. Margin	13.9%	8.4%	13.7%	12.2%	12.9%	12.9%	10.1%	9.8%	11.3%	14.4%
Net Profit	1,406	873	1,594	1,341	1,243	1,059	1,439	1,026	1,270	1,116
Net Margin	9.9%	6.1%	10.8%	8.7%	8.2%	7.7%	8.6%	5.8%	7.0%	7.0%
Free Cash Flow	1,465	971	1,208	1,056	1,667	1,826	1,191	445	1,862	699
Income Tax	413	214	615	353	392	291	374	325	439	475

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	17,076	15,771	16,538	16,015	17,708	19,556	21,351	20,744	21,647	19,433
Cash & Equivalents	1,311	1,820	1,436	902	1,216	1,826	1,005	1,099	1,514	1,270
Acc. Receivable	2,343	2,288	2,559	2,505	2,479	2,412	2,687	2,824	2,881	2,477
Inventories	1,659	1,514	1,730	1,783	1,710	1,735	2,171	2,272	2,127	1,846
Goodwill & Int.	5,847	5,555	5,987	6,042	6,601	7,453	9,031	8,492	8,624	7,612
Total Liabilities	12,007	10,856	10,866	11,283	12,305	13,741	14,940	14,035	13,624	12,471
Accounts Payable	2,716	2,799	3,162	3,007	2,910	3,156	3,735	3,472	3,569	3,035
Long-Term Debt	4,307	4,416	4,146	5,016	5,052	5,749	6,581	6,816	6,054	5,815
Total Equity	4,983	4,828	5,557	4,630	5,284	5,689	6,286	6,592	7,832	6,785
LTD/E Ratio	0.86	0.91	0.75	1.08	0.96	1.01	1.05	1.03	0.77	0.86

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	8.1%	5.3%	9.9%	8.2%	7.4%	5.7%	7.0%	4.9%	6.0%	5.43%
Return on Equity	27.2%	17.5%	30.1%	25.8%	24.5%	18.9%	23.5%	15.6%	17.2%	14.9%
ROIC	15.1%	9.3%	16.6%	13.7%	12.3%	9.6%	11.7%	7.7%	9.2%	8.3%
Shares Out.	274	267	258	245	237	237	237	237	237	235
Revenue/Share	52.05	53.37	57.21	62.65	63.59	58.15	70.18	74.39	76.92	67.45
FCF/Share	5.35	3.63	4.69	4.30	7.00	7.68	4.97	1.88	7.85	2.98

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.