RPM Intl. Inc. (RPM)

Updated January 12th, 2026 by Nathan Parsh

Key Metrics

Current Price:	$111	**5 Year Annual Expected Total Return:**	9.6%	**Market Cap:**	$14.2 B
Fair Value Price:	$116	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date:**	01/16/26
% Fair Value:	96%	**5 Year Valuation Multiple Estimate:**	0.9%	**Dividend Payment Date:**	01/30/26
Dividend Yield:	1.9%	**5 Year Price Target**	$163	**Years Of Dividend Growth:**	52
Dividend Risk Score:	A	**Sector:**	Materials	**Rating:**	Buy

RPM International manufactures, markets and distributes chemical products to industrial, retail and specialty customers. The majority of sales are made to industrial customers. RPM was founded in 1947 and employs more than 17,000 people today.

Beginning June 1st, 2025, RPM distributed the former Specialty Product Group businesses among its other three segments.

On October 2nd, 2025, RPM announced that it was increasing its quarterly dividend 5.9% to $0.54, extending the company's dividend growth streak to 52 consecutive years.

On January 8th, 2026, RPM announced earnings results for the second quarter of fiscal year 2026, which ended November 30th, 2025. For the quarter, revenue improved 3.5% to $1.91 billion, but missed estimates by $20 million. Adjusted earnings-per-share of $1.20 compared unfavorably to $1.39 in the prior year and was $0.21 less than expected.

For the quarter, the company had an organic revenue decline of 0.5%, acquisitions net of divestitures added 3.4% to results, and currency exchange was a 0.6% benefit. Organic revenue for the Construction Products Group increased 2.4% as growth in roofing solutions were partially offset by weaker results in the disaster restoration business. Performance Coatings Group was up 4.4% as all areas of the segment once again had an improvement in demand. The Consumer Group grew 4.1% due to acquisitions as organic revenue fell 4.7% due to weaker results from DIY markets. Acquisitions added 8.7% to results.

We now forecast that RPM will earn $5.27 per share in fiscal year 2026, down from $5.75 and $5.77 previously. This would mark a small decrease from fiscal year 2025.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$2.63	$2.47	$2.73	$2.66	$3.07	$4.16	$3.66	$4.30	$4.94	$5.30	***$5.27***	***$7.39***
DPS	$1.09	$1.18	$1.31	$1.40	$1.44	$1.52	$1.58	$1.66	$1.84	$1.99	***$2.16***	***$3.03***
Shares[1]	133	134	134	130	128	128	128	128	128	128	***128***	***125***

The last recession had a severe impact on RPM's earnings, which saw a decline of 42% from 2008 to 2009. It was not until 2013 that RPM's earnings numbers recovered above 2008's total. In recent years, growth has been much steadier. From fiscal year 2016 to fiscal year 2025, earnings per share grew at a rate of 8.1% per year. Factoring in the strength of recent results with the likely declines in earnings during the next recession, we reaffirm our prior forecast of annual earnings growth of 7% through fiscal year 2031. Organic revenue growth is expected to be a primary contributor.

Growth slowed during the last recession, but RPM was able to maintain and increase its dividend payments to shareholders even in an adverse economic climate. RPM is a Dividend King due to its more than five decades of dividend growth.

[1] Share count in millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	17.3	21.2	15.9	20.1	24.4	22.5	24.1	18.5	22.7	21.5	***21.1***	***22.0***
Avg. Yld.	2.4%	2.2%	2.6%	2.6%	1.9%	1.6%	1.8%	2.1%	1.6%	1.7%	***1.9%***	***1.9%***

Shares of RPM have decreased $7, or 5.9%, since our October 1st, 2025 update. Using expected earnings-per-share for fiscal year 2026, the price-to-earnings ratio is 21.1. We reaffirm our target P/E of 22 from 20 as this is more in-line with the medium-term average valuation and reflects the quality of earnings results over the past few years. If the stock were to trade with this multiple by fiscal 2031, then valuation would add 0.9% to annual returns over this period.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	41%	48%	47%	53%	47%	37%	43%	39%	36%	38%	***41%***	***41%***

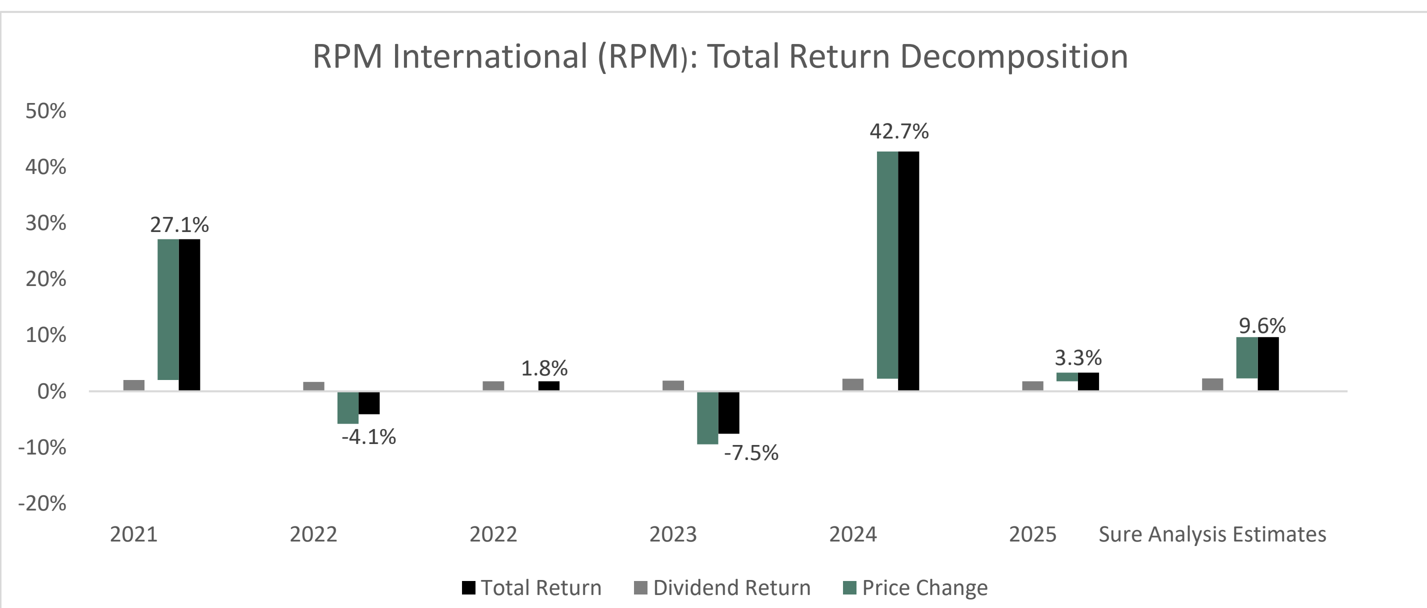
RPM is not recession proof, as shown by the company's decline in earnings, and in the time that it took for earnings growth to return to the company following the last recession. The company also has a high level of debt that could make acquisitions or high dividend growth difficult if earnings were to weaken.

RPM is a leading manufacturer and distributor of paints, coatings, construction chemicals, colorants and adhesives to consumers, contractors, and construction businesses. These businesses perform well when the economy is growing due to the increases in construction and home improvement spending. However, RPM is very susceptible to recessions.

Final Thoughts & Recommendation

Following second quarter results, RPM International is now expected to return 9.6% per year through fiscal year 2031, down slightly from our previous estimate of 10.0%. Our forecast stems from a 7% earnings growth rate, a starting yield of 1.9%, and a small tailwind from multiple expansion. RPM International is facing difficult comparable periods. Additionally, the company operates in a very cyclical sector, making its dividend growth history even more impressive. We have lowered our five-year price target $14 to $163 to reflect estimates for the fiscal year. We continue to rate shares of RPM International 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	4,814	4,958	5,322	5,565	5,507	6,106	6,708	7,256	7,335	7,373
Gross Profit	2,087	2,166	2,181	2,262	2,109	2,407	2,433	2,748	3,015	3,050
Gross Margin	43.4%	43.7%	41.0%	40.6%	38.3%	39.4%	36.3%	37.9%	41.1%	41.4%
SG&A Exp.	1,521	1,644	1,663	1,770	1,549	1,664	1,788	1,956	2,114	2,151
D&A Exp.	111	117	128	142	157	147	153	155	171	194
Operating Profit	566	526	528	496	554	728	630	782	883	906
Operating Margin	11.8%	10.6%	9.9%	8.9%	10.1%	11.9%	9.4%	10.8%	12.0%	12.3%
Net Profit	352	182	335	266	303	499	489	478	587	688
Net Margin	7.3%	3.7%	6.3%	4.8%	5.5%	8.2%	7.3%	6.6%	8.0%	9.3%
Free Cash Flow	358	260	276	156	402	609	(44)	323	908	538
Income Tax	126	60	78	72	103	165	114	170	198	102

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	4,765	5,090	5,272	5,441	5,631	6,253	6,708	6,782	6,587	7,776
Cash & Equivalents	339	440	342	232	233	247	202	216	237	302
Accounts Receivable	963	995	1,114	1,254	1,163	1,314	1,490	1,552	1,477	1,582
Inventories	686	788	834	842	810	938	1,213	1,135	956	1,036
Goodwill & Int. Ass.	1,795	1,717	1,776	1,847	1,834	1,974	1,930	1,849	1,822	2,398
Total Liabilities	3,390	3,652	3,638	4,033	4,366	4,510	4,724	4,639	4,074	4,889
Accounts Payable	501	535	592	557	535	717	800	681	650	756
Long-Term Debt	1,640	2,090	2,174	2,526	2,784	2,637	2,952	2,969	2,408	2,964
Shareholder's Equity	1,372	1,436	1,631	1,406	1,262	1,741	1,982	2,141	2,511	2,885
LTD/E Ratio	1.20	1.46	1.33	1.80	2.25	1.55	1.52	1.41	0.99	1.05

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	7.4%	3.7%	6.5%	5.0%	5.5%	8.4%	7.5%	7.1%	8.8%	9.6%
Return on Equity	26.4%	12.9%	21.8%	17.5%	22.7%	33.2%	26.2%	23.1%	25.2%	25.5%
ROIC	11.8%	5.6%	9.1%	6.9%	7.5%	11.7%	10.4%	9.4%	11.6%	12.6%
Shares Out.	133	134	134	130	128	128	128	128	128	128
Revenue/Share	35.21	36.68	38.80	41.42	42.37	47.36	51.77	56.33	57.16	57.51
FCF/Share	2.62	1.92	2.01	1.16	3.09	4.72	(0.34)	2.50	7.08	4.20

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