



PPG Industries (PPG)

Updated January 29th, 2026, by Nathan Parsh

Key Metrics

Current Price:	\$115	5 Year Annual Expected Total Return:	14.7%	Market Cap:	\$26 B
Fair Value Price:	\$150	5 Year Growth Estimate:	7.0%	Ex-Dividend Date:	02/20/26
% Fair Value:	77%	5 Year Valuation Multiple Estimate:	5.5%	Dividend Payment Date:	03/12/26
Dividend Yield:	2.5%	5 Year Price Target	\$211	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 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 January 27th, 2026, PPG Industries announced fourth quarter and full year results for the period ending December 31st, 2025. For the quarter, revenue grew 4.8% to \$3.91 billion, which topped estimates by \$140 million. Adjusted earnings-per-share of \$1.51 compared unfavorably to \$1.61 in the prior year and was \$0.07 less than expected. For the year, revenue grew 0.6% to \$15.9 billion while adjusted earnings-per-share of \$7.58 was down from \$7.87 in 2024.

Organic growth was 3% for the quarter and 2% for the year. For the quarter, revenue for Global Architectural Coatings, which was formerly part of Performance Coatings, grew 8% to \$951 million. Growth was driven by higher prices and a benefit from foreign currency translation. Volume was unchanged and divestitures reduced results by 3%. Once again, Latin America and Asia Pacific performed well during the period as organic growth improved by a high single-digit figure. Performance Coatings grew 5% to \$1.32 billion as higher prices and favorable currency exchange was only partially offset by a 1% decline in volume. Aerospace had record fourth quarter sales and future gains should be supported by a \$315 million increase in the backlog. Automotive was weak, with sales decreasing by a high single-digit percentage. Revenue for Industrial Coatings improved 3% to \$1.64 billion. Volume grew 5%, but this was offset by slightly weaker pricing and divestitures. Automotive OEMs posted another quarter of growth as this segment outpaced the global automotive industry. PPG Industries repurchased ~\$100 million worth of shares during Q4 and retired ~\$790 million worth of stock during 2025.

For 2026, the company expects adjusted earnings-per-share in a range of \$7.70 to \$8.10. At the midpoint, this would mark a 4.2% improvement from the prior year

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$3.28	\$6.31	\$5.89	\$6.22	\$5.70	\$6.77	\$6.05	\$7.67	\$7.87	\$7.58	\$7.90	\$11.08
DPS	\$1.56	\$1.70	\$1.87	\$2.04	\$2.10	\$2.26	\$2.42	\$2.54	\$2.66	\$2.78	\$2.84	\$3.98
Shares¹	267	258	245	237	237	237	237	237	232	225	225	220

PPG Industries' earnings-per-share have a growth rate of 9.8% over the last decade, but the growth rate deaccelerates to 3.1% when looking at the last five years. We continue to expect earnings-per-share to grow at a rate of 7% through 2031, 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 both 2023 and 2024 before declining last year. Guidance calls for a return to growth in 2025. We expect dividends to grow at a rate matching earnings-per-share going forward.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	31.1	17.1	19.8	22.2	25.3	21.3	20.8	19.5	15.2	13.5	14.6	19.0
Avg. Yld.	1.5%	1.6%	1.9%	1.5%	1.5%	1.6%	1.9%	1.7%	2.2%	2.7%	2.5%	1.9%

Shares of PPG Industries have increased \$20, or 21.5%, since our November 4th, 2025 update. The stock has traded with an average price-to-earnings ratio of 20.6 over the last decade. We reaffirm our target price-to-earnings ratio of 19 for 2031. Shares are currently priced at 14.6 times expected 2026 earnings-per-share. If the stock's multiple were to revert to our target over the next five years, then valuation would be a 5.5% tailwind to annual returns during this period.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	48%	27%	32%	33%	37%	33%	40%	33%	34%	37%	36%	36%

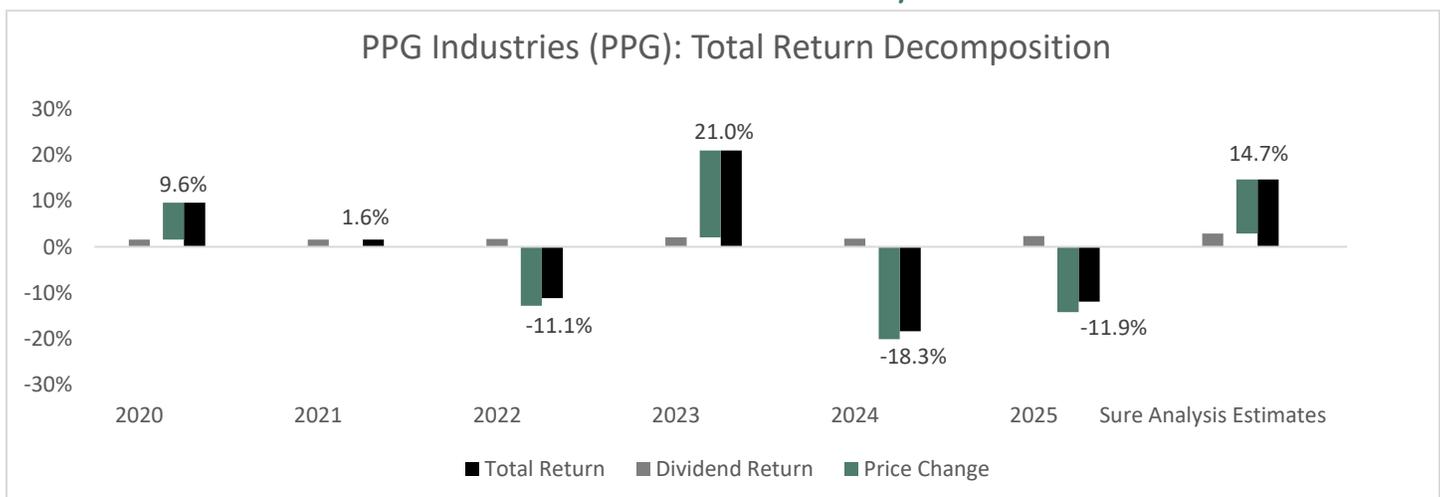
Even after more than five decades of dividend growth, PPG Industries has a very low payout ratio. The only time the company's dividend payout ratio was above 50% for the year in the relatively recent past was 2009. The average payout ratio since then is just 35%, demonstrating how conservative the company 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 14.7% through 2031, down from our prior estimate of 18.4%. Our forecast stems from an expected earnings growth rate of 7%, a starting yield of 2.5%, and a mid-single-digit contribution from multiple expansion. PPG Industries had a mixed quarter, but all segments showed growth. Shares continue to trade well below their long-term average valuation even after the recent rally. We have raised our 2031 price target \$7 to \$211 due to EPS estimates. 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	14,270	14,748	15,374	15,146	13,834	16,802	17,652	16,242	15,845	15,875
Gross Profit	6,055	6,075	5,814	5,905	5,510	5,911	5,989	6,015	6,071	6,031
Gross Margin	42.4%	41.2%	37.8%	39.0%	39.8%	35.2%	33.9%	37.0%	38.3%	38.0%
SG&A Exp.	3,588	3,554	3,573	3,604	3,389	3,780	3,842	4,222	3,391	3,439
D&A Exp.	440	464	559	511	509	561	554	514	492	
Operating Profit	1,923	1,977	1,693	1,810	1,709	1,773	1,699	2,190	2,257	2,169
Op. Margin	13.5%	13.4%	11.0%	12.0%	12.4%	10.6%	9.6%	13.5%	14.2%	13.7%
Net Profit	565	1,390	1,340	1,269	1,071	1,441	1,056	1,262	1,377	1,587
Net Margin	4.0%	9.4%	8.7%	8.4%	7.7%	8.6%	6.0%	7.8%	8.7%	10.0%
Free Cash Flow	971	1,208	1,056	1,667	1,826	1,191	445	1,895	699	
Income Tax	214	615	353	392	291	374	325	428	475	458

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	15,771	16,538	16,015	17,708	19,556	21,351	20,744	21,647	19,433	
Cash & Equivalents	1,867	1,495	967	1,278	1,928	1,078	1,154	1,568	1,358	2,219
Acc. Receivable	2,290	2,564	2,509	2,482	2,414	2,687	2,824	2,622	2,477	
Inventories	1,514	1,730	1,783	1,710	1,735	2,171	2,272	1,934	1,846	1,996
Goodwill & Int.	5,555	5,987	6,042	6,601	7,453	9,031	8,492	8,376	7,612	-
Total Liabilities	10,856	10,866	11,283	12,305	13,741	14,940	14,035	13,624	12,471	11,502
Accounts Payable	1,907	2,321	2,177	2,098	2,259	2,734	2,538	2,438	2,161	3,957
Long-Term Debt	4,317	4,138	5,012	5,664	6,023	7,268	7,442	6,467	6,262	6,602
Total Equity	4,828	5,557	4,630	5,284	5,689	6,286	6,592	7,832	6,785	
LTD/E Ratio	0.91	0.75	1.08	1.11	1.16	1.19	1.16	0.84	0.94	

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	3.4%	8.6%	8.2%	7.5%	5.7%	7.0%	5.0%	6.0%	6.7%	
Return on Equity	11.3%	26.3%	25.8%	25.0%	19.1%	23.6%	16.1%	17.1%	18.4%	
ROIC	6.0%	14.5%	13.7%	12.1%	9.1%	11.0%	7.5%	8.7%	9.8%	
Shares Out.	267	258	245	237	237	237	237	237	232	225
Revenue/Share	53.37	57.21	62.65	63.59	58.15	70.18	74.39	68.47	67.45	69.90
FCF/Share	3.63	4.69	4.30	7.00	7.68	4.97	1.88	7.99	2.98	

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

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