



# RPM Intl. Inc. (RPM)

Updated April 13<sup>th</sup>, 2026, by Nathan Parsh

## Key Metrics

<b>Current Price:</b>	\$107	<b>5 Year Annual Expected Total Return:</b>	11.3%	<b>Market Cap:</b>	\$13.7 B
<b>Fair Value Price:</b>	\$121	<b>5 Year Growth Estimate:</b>	7.0%	<b>Ex-Dividend Date:</b>	04/16/26
<b>% Fair Value:</b>	89%	<b>5 Year Valuation Multiple Estimate:</b>	2.5%	<b>Dividend Payment Date:</b>	04/30/26
<b>Dividend Yield:</b>	2.0%	<b>5 Year Price Target</b>	\$169	<b>Years Of Dividend Growth:</b>	52
<b>Dividend Risk Score:</b>	A	<b>Sector:</b>	Materials	<b>Rating:</b>	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 1<sup>st</sup>, 2025, RPM distributed the former Specialty Product Group businesses among its other three segments.

On October 2<sup>nd</sup>, 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 April 8<sup>th</sup>, 2026, RPM reported earnings results for the third quarter of fiscal year 2026, which ended February 28<sup>th</sup>, 2026. For the quarter, revenue grew 8.9% to a quarterly record \$1.61 billion and was \$60 million more than expected. Adjusted earnings-per-share of \$0.57 was also record, compared favorably to \$0.35 in the prior year, and topped estimates by \$0.22.

For the quarter, the company had an organic revenue growth of 3.0%, acquisitions net of divestitures added 3.5% to results, and currency exchange was a 2.4% benefit. Organic revenue for the Construction Products Group increased 6.9% as continued strength in roofing solutions and growth in wall systems and concrete admixtures in North America drove results. Performance Coatings Group was up 5.1% due to increased demand across the segment's businesses. Protective coatings and passive fire protection were among the highlights for the segment. The Consumer Group had a 2.4% organic sales decline due to ongoing weakness in DIY markets. However, acquisitions and higher prices helped this segment reach record net sales.

We now forecast that RPM will earn \$5.49 per share in fiscal year 2026, compared to \$5.27, \$5.75, and \$5.77 previously. This would mark a 3.6% increase from fiscal year 2025.

## Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
<b>EPS</b>	\$2.63	\$2.47	\$2.73	\$2.66	\$3.07	\$4.16	\$3.66	\$4.30	\$4.94	\$5.30	<b>\$5.49</b>	<b>\$7.70</b>
<b>DPS</b>	\$1.09	\$1.18	\$1.31	\$1.40	\$1.44	\$1.52	\$1.58	\$1.66	\$1.84	\$1.99	<b>\$2.16</b>	<b>\$3.03</b>
<b>Shares<sup>1</sup></b>	133	134	134	130	128	128	128	128	128	128	<b>128</b>	<b>125</b>

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, though acquisitions will also likely add to results.

<sup>1</sup> Share count in millions

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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.

## 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	19.5	22.0
Avg. Yld.	2.4%	2.2%	2.6%	2.6%	1.9%	1.6%	1.8%	2.1%	1.6%	1.7%	2.0%	1.8%

Shares of RPM have decreased \$4, or 3.6%, since our January 12<sup>th</sup>, 2026 update. Using expected earnings-per-share for fiscal year 2026, the price-to-earnings ratio is 19.5. 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 2.5% 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%	39%	39%

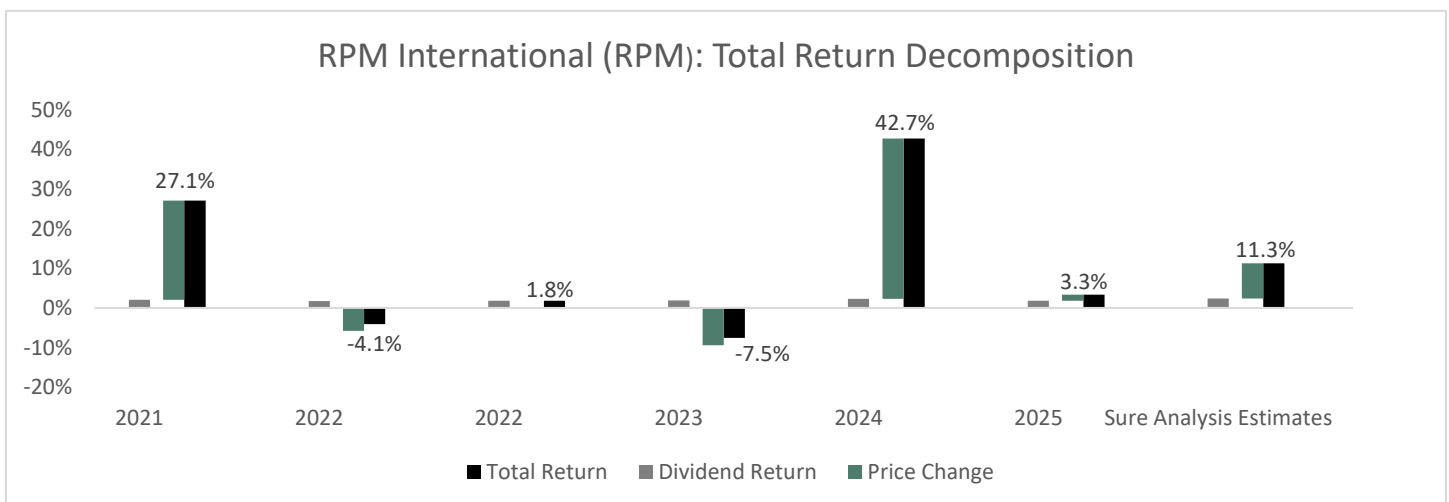
RPM is not recession proof, as shown by the company's decline in earnings, and in the time that it took for earnings growth to return to the company following the last recession. The company also has a high level of debt that could make acquisitions or high dividend growth difficult if earnings were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

After third quarter results, RPM International is now expected to return 11.3% per year through fiscal year 2031, up from our previous estimate of 9.6%. Our forecast stems from a 7% earnings growth rate, a starting yield of 2.0%, and a low single-digit tailwind from multiple expansion. RPM International is facing difficult comparable periods but is still producing strong results. Additionally, the company operates in a very cyclical sector, making its dividend growth history even more impressive. We have raised our five-year price target \$6 to \$169 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
<b>Revenue</b>	4,814	4,958	5,322	5,565	5,507	6,106	6,708	7,256	7,335	7,373
<b>Gross Profit</b>	2,087	2,166	2,181	2,262	2,109	2,407	2,433	2,748	3,015	3,050
<b>Gross Margin</b>	43.4%	43.7%	41.0%	40.6%	38.3%	39.4%	36.3%	37.9%	41.1%	41.4%
<b>SG&amp;A Exp.</b>	1,521	1,644	1,663	1,770	1,549	1,664	1,788	1,956	2,114	2,151
<b>D&amp;A Exp.</b>	111	117	128	142	157	147	153	155	171	194
<b>Operating Profit</b>	566	526	528	496	554	728	630	782	883	906
<b>Operating Margin</b>	11.8%	10.6%	9.9%	8.9%	10.1%	11.9%	9.4%	10.8%	12.0%	12.3%
<b>Net Profit</b>	352	182	335	266	303	499	489	478	587	688
<b>Net Margin</b>	7.3%	3.7%	6.3%	4.8%	5.5%	8.2%	7.3%	6.6%	8.0%	9.3%
<b>Free Cash Flow</b>	358	260	276	156	402	609	(44)	323	908	538
<b>Income Tax</b>	126	60	78	72	103	165	114	170	198	102

## Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total Assets</b>	4,765	5,090	5,272	5,441	5,631	6,253	6,708	6,782	6,587	7,776
<b>Cash &amp; Equivalents</b>	339	440	342	232	233	247	202	216	237	302
<b>Accounts Receivable</b>	963	995	1,114	1,254	1,163	1,314	1,490	1,552	1,477	1,582
<b>Inventories</b>	686	788	834	842	810	938	1,213	1,135	956	1,036
<b>Goodwill &amp; Int. Ass.</b>	1,795	1,717	1,776	1,847	1,834	1,974	1,930	1,849	1,822	2,398
<b>Total Liabilities</b>	3,390	3,652	3,638	4,033	4,366	4,510	4,724	4,639	4,074	4,889
<b>Accounts Payable</b>	501	535	592	557	535	717	800	681	650	756
<b>Long-Term Debt</b>	1,640	2,090	2,174	2,526	2,784	2,637	2,952	2,969	2,408	2,964
<b>Shareholder's Equity</b>	1,372	1,436	1,631	1,406	1,262	1,741	1,982	2,141	2,511	2,885
<b>LTD/E Ratio</b>	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
<b>Return on Assets</b>	7.4%	3.7%	6.5%	5.0%	5.5%	8.4%	7.5%	7.1%	8.8%	9.6%
<b>Return on Equity</b>	26.4%	12.9%	21.8%	17.5%	22.7%	33.2%	26.2%	23.1%	25.2%	25.5%
<b>ROIC</b>	11.8%	5.6%	9.1%	6.9%	7.5%	11.7%	10.4%	9.4%	11.6%	12.6%
<b>Shares Out.</b>	133	134	134	130	128	128	128	128	128	128
<b>Revenue/Share</b>	35.21	36.68	38.80	41.42	42.37	47.36	51.77	56.33	57.16	57.51
<b>FCF/Share</b>	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.

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