



# PPG Industries (PPG)

Updated April 30<sup>th</sup>, 2026, by Nathan Parsh

## Key Metrics

<b>Current Price:</b>	\$105	<b>5 Year Annual Expected Total Return:</b>	16.8%	<b>Market Cap:</b>	\$23 B
<b>Fair Value Price:</b>	\$150	<b>5 Year Growth Estimate:</b>	7.0%	<b>Ex-Dividend Date:</b>	05/11/26
<b>% Fair Value:</b>	70%	<b>5 Year Valuation Multiple Estimate:</b>	7.4%	<b>Dividend Payment Date:</b>	06/12/26
<b>Dividend Yield:</b>	2.7%	<b>5 Year Price Target</b>	\$211	<b>Years Of Dividend Growth:</b>	54
<b>Dividend Risk Score:</b>	A	<b>Sector:</b>	Materials	<b>Rating:</b>	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 43,000 employees worldwide. 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 \$17 billion.

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

On April 28<sup>th</sup>, 2026, PPG Industries reported first quarter results for the period ending March 31<sup>st</sup>, 2026. For the quarter, revenue grew 6.0% to \$3.9 billion, which was \$50 million more than expected. Adjusted earnings-per-share of \$1.83 compared favorably to \$1.72 in the prior year and beat estimates by \$0.06.

Organic growth was 1% for the quarter. Revenue for Global Architectural Coatings, which was formerly part of Performance Coatings, increased 13% to \$965 million. Growth was driven primarily by a 12% benefit from foreign currency translation. Pricing added 2% while volume was flat. Latin America and Asia Pacific once again performed well during the period as organic growth grew by a mid-single-digit percentage. Performance Coatings grew 5% to \$1.33 billion as higher prices and favorable currency exchange was only partially offset by a 2% decline in volume. Aerospace organic sales were up a double-digit percentage. Automotive struggled again as sales fell double-digits, but protective and marine coatings had its 12<sup>th</sup> consecutive quarter of sales volume growth. Revenue for Industrial Coatings increased 4% to \$1.63 billion. Volume grew 1%, currency exchange added 4%, and pricing was lower by 1%. Automotive OEMs were down slightly, but packaging coatings were higher. PPG Industries repurchased ~\$100 million worth of shares during Q1.

For 2026, the company continues to expect 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
<b>EPS</b>	\$3.28	\$6.31	\$5.89	\$6.22	\$5.70	\$6.77	\$6.05	\$7.67	\$7.87	\$7.58	<b>\$7.90</b>	<b>\$11.08</b>
<b>DPS</b>	\$1.56	\$1.70	\$1.87	\$2.04	\$2.10	\$2.26	\$2.42	\$2.54	\$2.66	\$2.78	<b>\$2.84</b>	<b>\$3.98</b>
<b>Shares<sup>1</sup></b>	267	258	245	237	237	237	237	237	232	225	<b>224</b>	<b>220</b>

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, 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 2026. We expect dividends to grow at a rate matching earnings-per-share going forward.

<sup>1</sup> 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	31.1	17.1	19.8	22.2	25.3	21.3	20.8	19.5	15.2	13.5	<b>13.3</b>	<b>19.0</b>
Avg. Yld.	1.5%	1.6%	1.9%	1.5%	1.5%	1.6%	1.9%	1.7%	2.2%	2.7%	<b>2.7%</b>	<b>1.9%</b>

Shares of PPG Industries have declined \$10, or 8.7%, since our January 29<sup>th</sup>, 2026 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 13.3 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 7.4% 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%	<b>36%</b>	<b>36%</b>

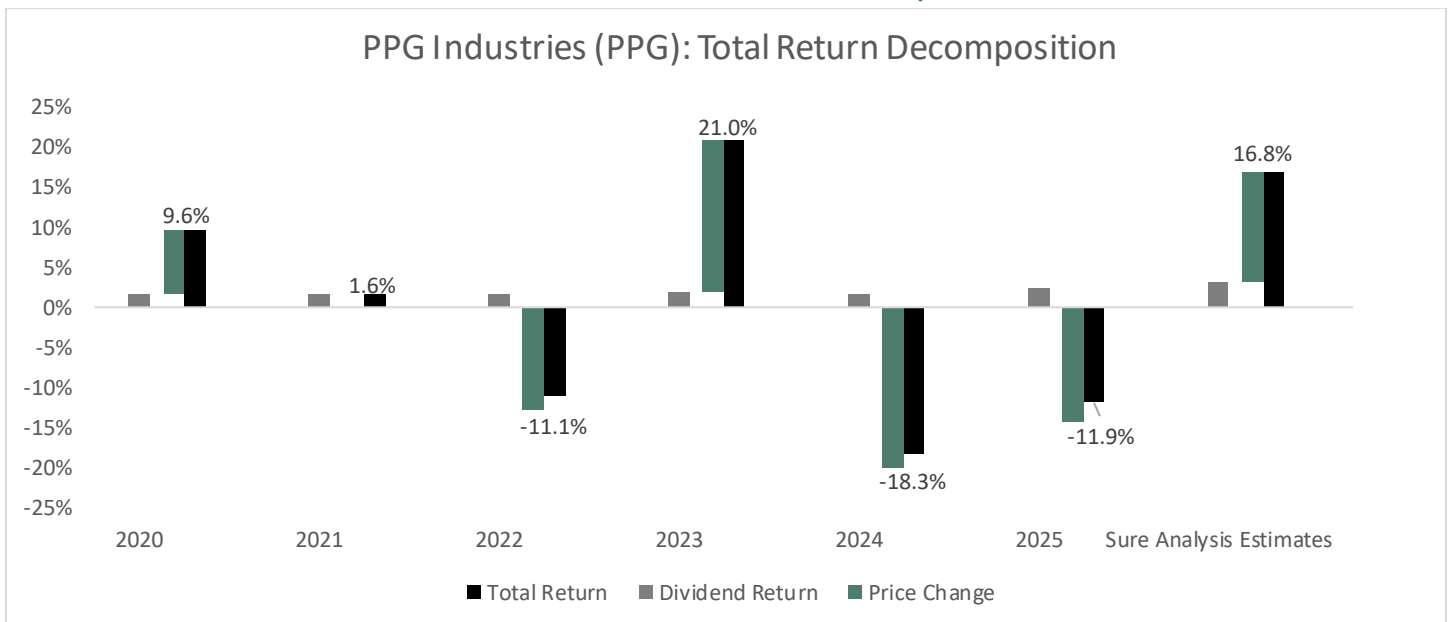
Even after more than five decades of dividend growth, PPG Industries has a very low payout ratio. The only time the company's dividend payout ratio was above 50% for the year in the relatively recent past was 2009. The average payout ratio since then is just 35%, demonstrating how conservative the company 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

After first quarter results, PPG Industries is expected to offer a total annual 16.8% through 2031, up from our prior estimate of 14.7%. Our forecast stems from an expected earnings growth rate of 7%, a starting yield of 2.7%, and a high single-digit contribution from multiple expansion. All of PPG Industries' segments showed growth during the period. Shares trade well below their long-term average valuation. We reaffirm our 2031 price target of \$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
<b>Revenue</b>	14,270	14,748	15,374	15,146	13,834	16,802	17,652	16,242	15,845	15,875
<b>Gross Profit</b>	6,055	6,075	5,814	5,905	5,510	5,911	5,989	6,015	6,071	6,031
<b>Gross Margin</b>	42.4%	41.2%	37.8%	39.0%	39.8%	35.2%	33.9%	37.0%	38.3%	38.0%
<b>SG&amp;A Exp.</b>	3,588	3,554	3,573	3,604	3,389	3,780	3,842	4,222	3,391	3,439
<b>D&amp;A Exp.</b>	440	464	559	511	509	561	554	514	492	
<b>Operating Profit</b>	1,923	1,977	1,693	1,810	1,709	1,773	1,699	2,190	2,257	2,169
<b>Op. Margin</b>	13.5%	13.4%	11.0%	12.0%	12.4%	10.6%	9.6%	13.5%	14.2%	13.7%
<b>Net Profit</b>	565	1,390	1,340	1,269	1,071	1,441	1,056	1,262	1,377	1,587
<b>Net Margin</b>	4.0%	9.4%	8.7%	8.4%	7.7%	8.6%	6.0%	7.8%	8.7%	10.0%
<b>Free Cash Flow</b>	971	1,208	1,056	1,667	1,826	1,191	445	1,895	699	
<b>Income Tax</b>	214	615	353	392	291	374	325	428	475	458

## Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total Assets</b>	15,771	16,538	16,015	17,708	19,556	21,351	20,744	21,647	19,433	
<b>Cash &amp; Equivalents</b>	1,867	1,495	967	1,278	1,928	1,078	1,154	1,568	1,358	2,219
<b>Acc. Receivable</b>	2,290	2,564	2,509	2,482	2,414	2,687	2,824	2,622	2,477	
<b>Inventories</b>	1,514	1,730	1,783	1,710	1,735	2,171	2,272	1,934	1,846	1,996
<b>Goodwill &amp; Int.</b>	5,555	5,987	6,042	6,601	7,453	9,031	8,492	8,376	7,612	-
<b>Total Liabilities</b>	10,856	10,866	11,283	12,305	13,741	14,940	14,035	13,624	12,471	11,502
<b>Accounts Payable</b>	1,907	2,321	2,177	2,098	2,259	2,734	2,538	2,438	2,161	3,957
<b>Long-Term Debt</b>	4,317	4,138	5,012	5,664	6,023	7,268	7,442	6,467	6,262	6,602
<b>Total Equity</b>	4,828	5,557	4,630	5,284	5,689	6,286	6,592	7,832	6,785	
<b>LTD/E Ratio</b>	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
<b>Return on Assets</b>	3.4%	8.6%	8.2%	7.5%	5.7%	7.0%	5.0%	6.0%	6.7%	
<b>Return on Equity</b>	11.3%	26.3%	25.8%	25.0%	19.1%	23.6%	16.1%	17.1%	18.4%	
<b>ROIC</b>	6.0%	14.5%	13.7%	12.1%	9.1%	11.0%	7.5%	8.7%	9.8%	
<b>Shares Out.</b>	267	258	245	237	237	237	237	237	232	225
<b>Revenue/Share</b>	53.37	57.21	62.65	63.59	58.15	70.18	74.39	68.47	67.45	69.90
<b>FCF/Share</b>	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.

### Disclaimer

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