THE SHERWIN-WILLIAMS CO.
GEORGE A. MARTIN
PRESIDENT

To The Stockholders:—

We present the Annual Report for the fiscal year ending August 31, 1929, consisting of a Certified Balance Sheet, Statement of Consolidated Income, and an Analysis of the Consolidated Surplus Account.

From the Balance Sheet you will note that the Company had on hand $6,493,080.34 in cash and United States Government Securities, and no indebtedness to banks. This is the strongest cash position the Company has ever enjoyed. Its cash resources alone exceeded by a million and a half dollars all its liabilities.

Total Sales exceeded those of any previous year, amounting to $75,778,071.70, an increase of $13,361,313.49 over $62,416,758.21 reported last year.

Net Profits for the year, $6,019,475.17, are the largest in the history of the business. The amount earned on the outstanding Common Stock as of August 31, 1929, was $8.25 per share. This Net Profit compares with $4,901,840.83 for the previous year, or $6.99 per share on the Common Stock.

Inventories have been priced, as usual, on the basis of cost or market, whichever was the lower, and in our opinion are in a very healthy and clean condition.

The properties of the Company have been kept up to the standard of the highest operating efficiency, and new additions were made where they would prove profitable to the business.

During May of this year the Company acquired The Lowe Brothers Company, Dayton, Ohio, an old established institution with an excellent organization and splendid earning record extending over a period of many years. Its success has been based on the manufacturing and merchandising of the highest quality products, and so fits in perfectly with our organization. In addition to yielding a satisfactory profit from its own operations, it will also contribute substantially to the earnings of the Institution through the auxiliary units, whose products of raw materials and intermediates will be used wherever practical in its factories.

We are very fortunate in the wide diversification of our business, covering, as it does, not only Paint, Varnishes and Lacquers, but also Insecticides, Coal Tar Products, White Lead, Leaded Zinc Pigments, Lithopone, Acetic Acid, Linseed Oil, Dyes, Intermediates, Chemicals and Tin Cans. It is due largely to this diversification, together with the large volume as indicated by the sales figures, that the showing this year was made possible, rather than to any increased profit from the Paint and Varnish business. The prices of Paints and Varnishes sold to dealers were lower this year, whereas raw material costs were slightly higher.

Again it is a joy to report to the Stockholders that the organization in all sections has proved faithful and loyal and given its best, and the writer takes advantage of this opportunity to again express to each and every employee of the Institution his appreciation for the whole-hearted support and interest which has been so liberally rendered during the year.

The results shown for the first month of our new fiscal year, and the conditions which govern our business are such as cause us to look forward to another prosperous year.

Yours very truly,

G. A. Martin

President

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CONDENSED CONSOLIDATED BALANCE SHEET

THE SHERWIN-WILLIAMS COMPANY — CLEVELAND, AND SUBSIDIARIES

As of the close of business August 31, 1929.

ASSETS

CURRENT		
Cash	$ 3,866,100.34	
U. S. Government Securities	2,626,980.00	
Notes and Acceptances Receivable	263,696.17	
Accounts Receivable	10,506,079.86	
Inventory- Raw Materials and Supplies, In Process and Finished Merchandise	14,510,773.31	
		$31,773,629.68
INVESTMENTS IN ASSOCIATED COMPANIES, ETC.		685,538.97
OTHER ASSETS		
Miscellaneous Notes and Accounts Receivable, Claims, Advances, Etc.		297,271.82
PLANTS AND EQUIPMENT		
(Book Value)	$19,874,370.96	
Less: Reserve for Depreciation, not previously directly applied, and Plant Contingencies	2,377,774.80	
		17,496,596.16
PATENTS AND TRADE MARKS		
Valued at $1.00 each on books		246.00
DEFERRED		
Advertising Stock, Stationery, etc.	$663,789.01	
Prepaid Insurance, Taxes, etc.	341,910.42	
		1,005,699.43
		$51,258,982.06

NOTE—The Companies were reported as being contingently liable at August 31, 1929 on letters of credit and discounted items in the amount of $12,949.09.

LIABILITIES

CURRENT			
Accounts Payable		$ 2,416,975.19	
Preferred Dividend—Payable September 1, 1929		230,734.50	
Accrued Federal Income, State and County Taxes, etc.		1,239,520.14	
Deposits—Officers and Employees		1,099,470.06	
			$ 4,986,699.89
RESERVES FOR CONTINGENCIES, ETC.			307,484.12
MINORITY INTERESTS			74,336.38
CAPITAL STOCK OUTSTANDING			
Series "AA" 6% Cumulative Preferred (154,260 shares—par value $100.00 each)	$15,426,000.00		
Less: In Treasury—437 shares	43,700.00		
		$15,382,300.00	
Common (635,079 shares—par value $25.00 each)		15,876,975.00	
		$31,259,275.00	
CONSOLIDATED SURPLUS			
Balance August 31, 1929		14,631,186.67	
			45,890,461.67
			$51,258,982.06

WE HEREBY CERTIFY, that we have examined the general books of account and record pertaining to the Assets and Liabilities of THE SHERWIN-WILLIAMS COMPANY—CLEVELAND, AND SUBSIDIARIES, as of the close of business August 31, 1929, and that, in our opinion, subject to the inclusion of Permanent Assets at book value without independent appraisal, the above Consolidated Balance Sheet sets forth the financial position of the Companies at the date named.

ERNST & ERNST,
Certified Public Accountants.

0007-SWP-000005542

CONSOLIDATED INCOME STATEMENT

For the Fiscal Year Ended August 31, 1929.

Trading Profit (See Note A) - - - - - -		$7,988,033.03
Interest and Dividends from Investments and Other Miscellaneous Income (See Note B) - - - - - - - - - - - - -		349,589.67
		$8,337,622.70
Deductions:		
Plant Depreciation and Maintenance - - - -	1,561,066.00	
Federal Taxes - - - - -	757,081.53	2,318,147.53
Final Net Profit - - - - - - - - - -		$6,019,475.17

NOTE A—For comparative purposes, earnings of the Lowe Bros. Co., acquired May 28, 1929, have been included for the full fiscal year.

NOTE B—Included in this amount is $143,845.21 refund of Federal Income Tax together with $116,076.78 accrued interest.

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ANALYSIS OF CONSOLIDATED SURPLUS ACCOUNT

For the Fiscal Year Ended August 31, 1929.

Surplus—August 31, 1928 - - - - -		$12,524,746.32
Add—Net Profit for year ended August 31, 1929 - - - - - - - - - - -		6,019,475.17
		$18,544,221.49
Deduct:		
Dividends paid on Preferred Stock - - -	$ 777,015.00	
Dividends paid on Common Stock - - - -	2,418,414.00	
	$3,195,429.00	
Premium in redemption of Preferred Stock	18,750.00	
Account Lowe Bros. Co. purchase — writing off all good will, thereby setting up net book value of assets, with adjustment for portion fiscal year profit prior to acquisition included under Consolidated Income - - - - - - -	698,855.82	3,913,034.82
Surplus—August 31, 1929 - - - - -		$14,631,186.67

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THE SHERWIN-WILLIAMS CO.

601 Canal Road, N. W. Founded in 1866 Cleveland, Ohio

Manufacturers of

Paints, Varnishes, Colors, Stains, Enamels, Lacquers, Lead Products, Dyes, Chemicals, Lithopone, Litharge, Dry Colors, Insecticides, Coal Tar Products, Disinfectants, Cleaners, Polishes.

Main Plants

Cleveland - Chicago - Dayton - Detroit - Newark
Oakland - Bound Brook - Lincoln - Dallas
Los Angeles - Boston
Sales Offices and Warehouses in Principal Cities

Directors

C. G. BULL	H. J. HAIN	E. M. RICHARDSON
W. H. COTTINGHAM	C. P. JARDEN	L. H. SCHROEDER
HARRIS CREECH	GEO. A. MARTIN	H. D. WHITTLESEY
CYRUS EATON	Z. E. MARTIN	E. M. WILLIAMS
	L. W. WOLCOTT	

Officers

WALTER H. COTTINGHAM, Chairman of the Board
GEO. A. MARTIN, President
H. D. WHITTLESEY, Vice Pres. L. H. SCHROEDER, Treas.
H. J. DOUGLAS, Sec'y

Transfer Agents

CLEVELAND TRUST COMPANY, Cleveland, Ohio
BANKERS TRUST COMPANY, New York, N. Y.

Registrars

UNION TRUST COMPANY, Cleveland, Ohio
GUARANTY TRUST COMPANY, New York, N. Y.