





Masco Corporation Investor Day

Keith Allman, President and Chief Executive Officer

Safe Harbor Statement

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This presentation contains statements that reflect our views about our future performance and constitute “forward-looking statements” under the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as “believe,” “anticipate,” “appear,” “may,” “will,” “should,” “intend,” “plan,” “estimate,” “expect,” “assume,” “seek,” “forecast,” and similar references to future periods. Our views about future performance involve risks and uncertainties that are difficult to predict and, accordingly, our actual results may differ materially from the results discussed in our forward-looking statements. We caution you against relying on any of these forward-looking statements.

Our future performance may be affected by the levels of home improvement activity and new home construction, our ability to maintain our strong brands and to develop and introduce new and improved products, our ability to maintain our competitive position in our industries, our reliance on key customers, our ability to achieve the anticipated benefits of our strategic initiatives, our ability to improve our under-performing U.S. window business, the cost and availability of raw materials, our dependence on third party suppliers, and risks associated with international operations and global strategies. These and other factors are discussed in detail in Item 1A, “Risk Factors” in our most recent Annual Report on Form 10-K, as well as in our Quarterly Reports on Form 10-Q and in other filings we make with the Securities and Exchange Commission. The forward-looking statements in this presentation speak only as of the date of this presentation. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. Unless required by law, we undertake no obligation to update publicly any forward-looking statements as a result of new information, future events or otherwise.

Agenda

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Performance Since 2015

The Business Today

Strategy for Profitable Growth

Future Outlook





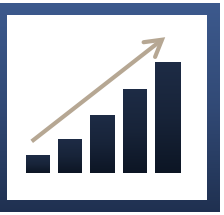




Strategic Focus: From 2015 Investor Day

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1 **Drive full potential of our core businesses**



2 **Leverage opportunities across our portfolio**



3 **Actively manage portfolio**



Accomplishments Since 2015 Investor Day

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1

Drive full potential of our core businesses

- ✓ Grew Plumbing core
- ✓ Gained share in PRO paint market
- ✓ Improved Cabinetry profitability

2

Leverage opportunities across our portfolio

- ✓ Talent movement
- ✓ Brand leverage
- ✓ Masco Operating System

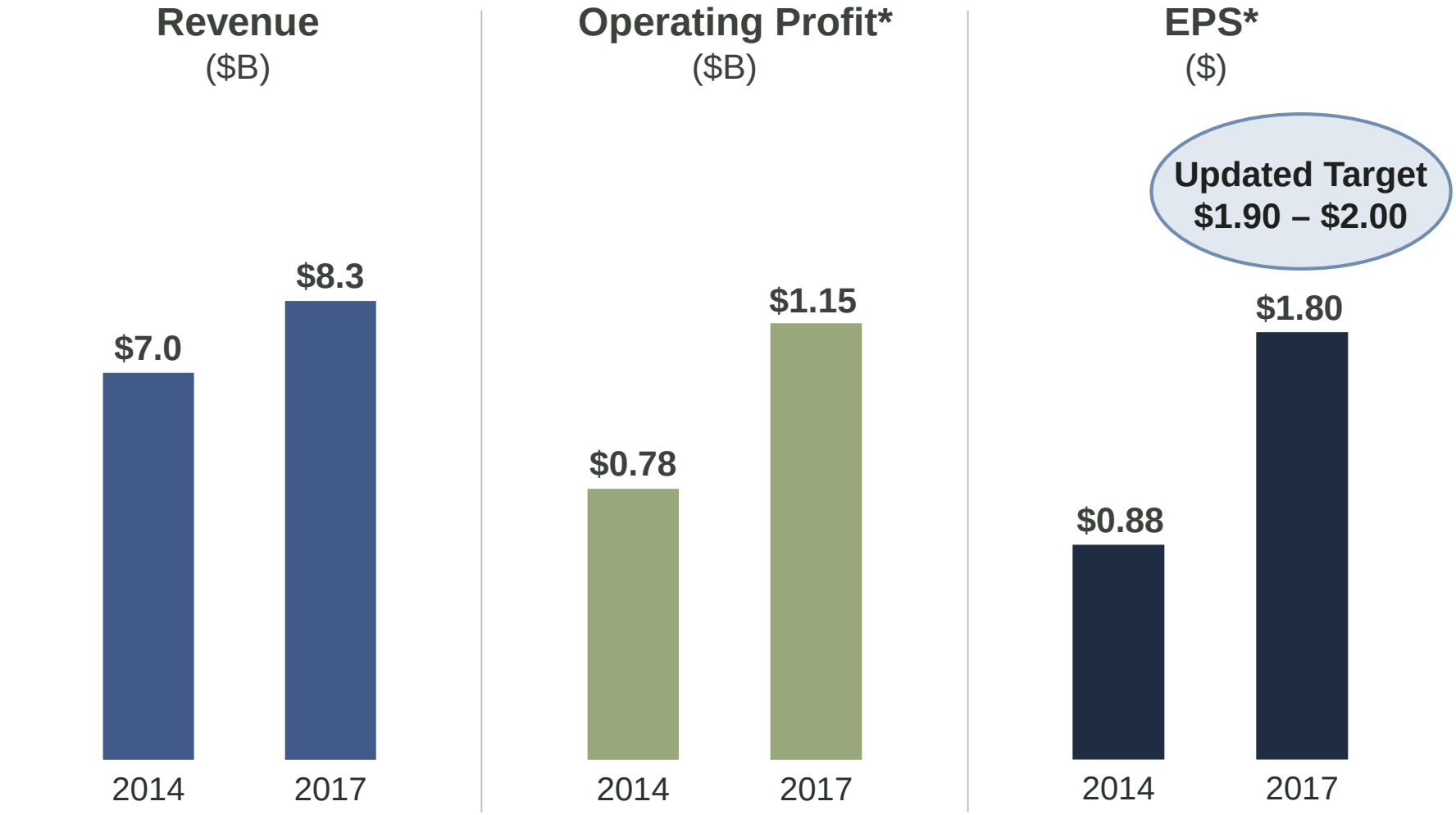
3

Actively manage portfolio

- ✓ Spun-off TopBuild
- ✓ Successful integration of 2015 bolt-on acquisitions
- ✓ Divesting non-core tools business

Exceeding Profit Targets Set in 2015

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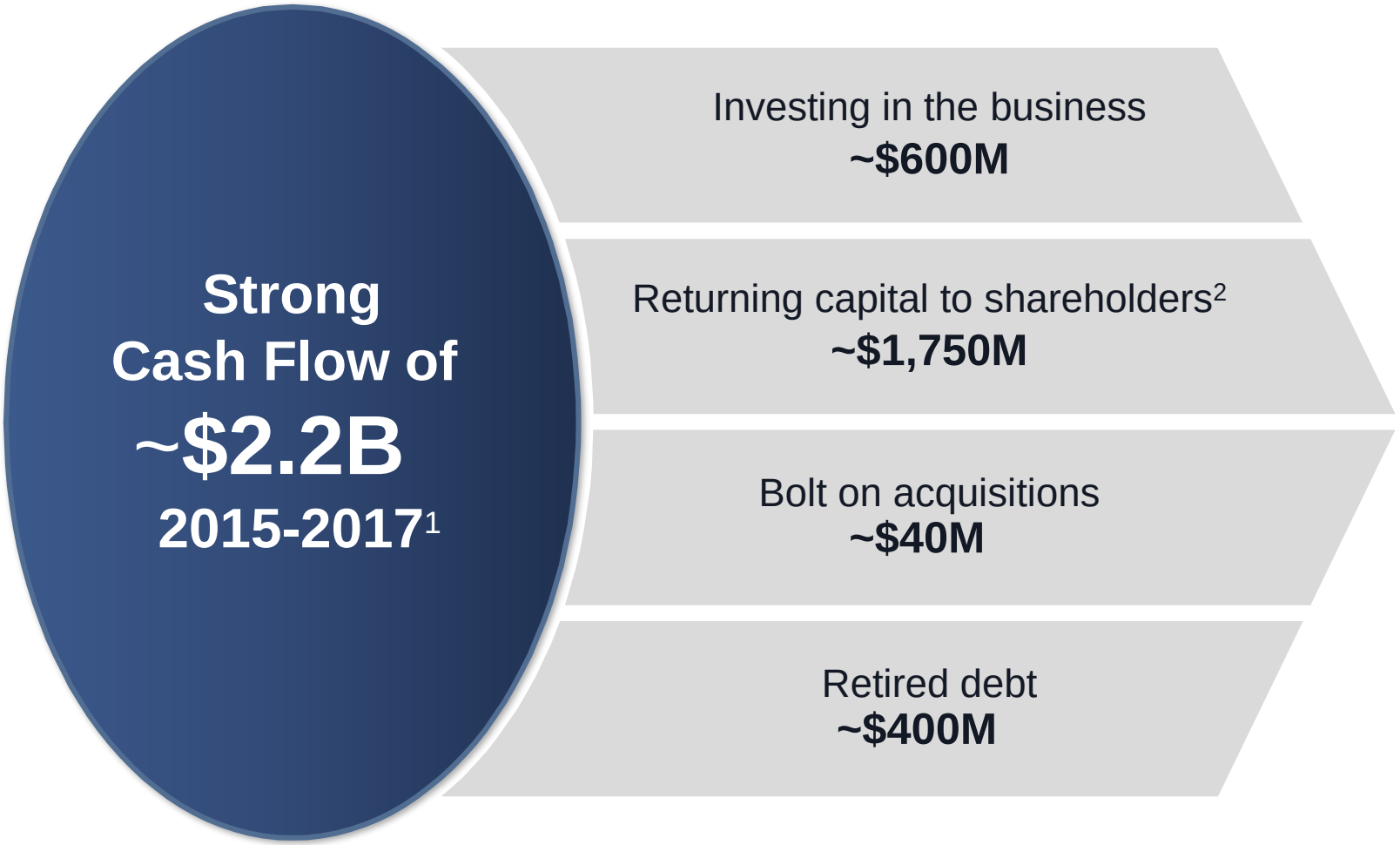


Note: 2017 amounts reflect company targets at our Investor Day in May 2015.

*See appendix for GAAP reconciliation. EPS as reported was $2.28 in 2014.

Allocating Substantial Cash Flow to Create Value

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1. Expected cash from operations to be generated from 2015 through 2017.
2. Includes utilization of portion of cash on hand at the beginning of 2015 of $1.4 billion, and net cash distributed from TopBuild.

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Market Leading Brands

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Innovation Leadership Sustains Growth

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2016 Revenues

75% Existing Products

25%*

Examples of New Products / Technologies – 2013-2016



Delta® Temp2O® Showerhead



Delta Zura® Pendant Shower



Hansgrohe Select™ Collection



Behr Marquee® Coating



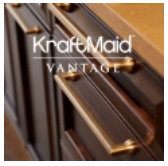
Brizo Litze™ Collection



Behr Granite Grip™ Coating



Behr DeckOver® Coating



KraftMaid Vantage® Cabinetry



Behr® Textured DeckOver® Coating



Liberty® Shower Doors



KraftMaid® Design Studio



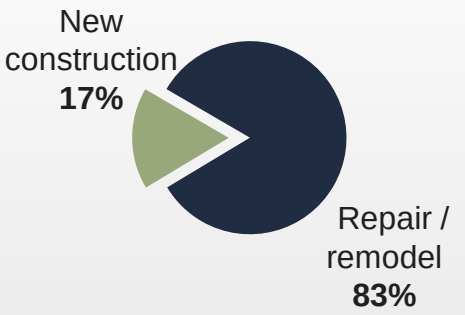
Axor® Starck V Collection

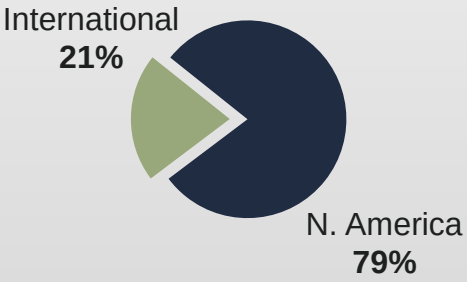
* Based on company estimates.

Diversified Business Mix Results in More Stable Revenues

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Segments





Price Points

Low ticket value ~$20



High ticket luxury ~$20K



Channels

- Big box retail
- Wholesale / trade
- Direct-to-builder
- E-commerce
- Specialty dealers

Fundamentals Support Continued Steady Growth

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1
Age of U.S. Housing Stock



2
Home Price Appreciation



3
Housing Turnover



4
Household Formation



5
International Growth



Market Growth ~1-2% Above GDP

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Clear Strategic Focus

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Drive Full Potential – Key Opportunites

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Further growth in global plumbing

Cabinetry growth in repair & remodel segment



Investing in market leading brands, innovation leadership, and operational excellence



Complete Milgard turnaround

Continued share gain with pro paint partner



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Masco Operating System (MOS) Drives Excellence and Leverage

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1. Better execution of strategic initiatives
2. Framework to operationalize our culture
3. Codify and leverage best practices

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Disciplined Approach to Acquistions to Drive Value Creation

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Market

- Fits with Masco competencies
- Exposure to new product category or geography

Company

- Good or great companies, not turnarounds
- Manufacturing, brand, or innovation makes a difference
- Accelerate organic growth, cost savings and/or expertise

Value

- Meets financial hurdles
  - Most important ROIC > WACC

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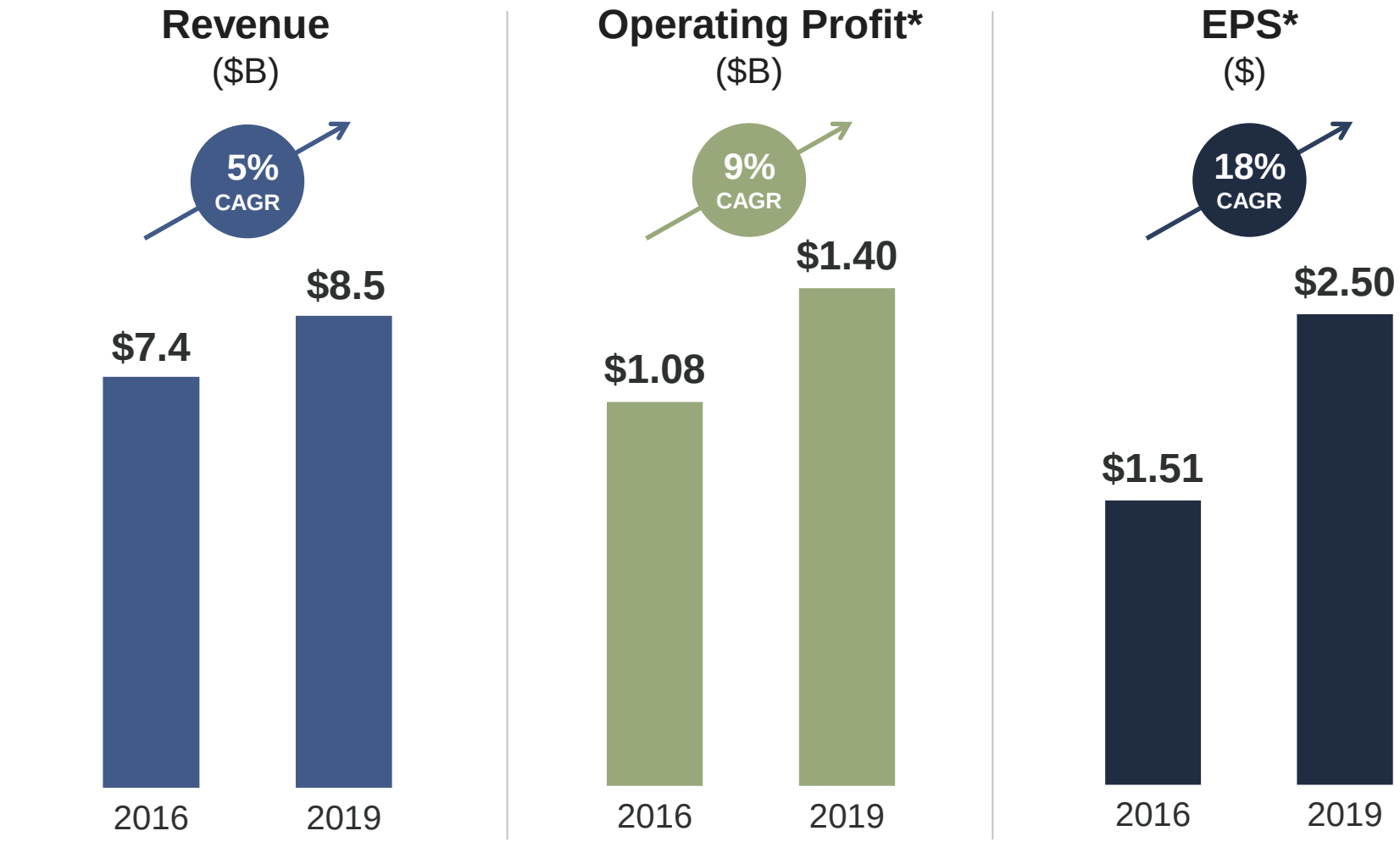






Leverage Revenue Growth with Cost Improvements and Capital Allocation to Drive 18% EPS CAGR

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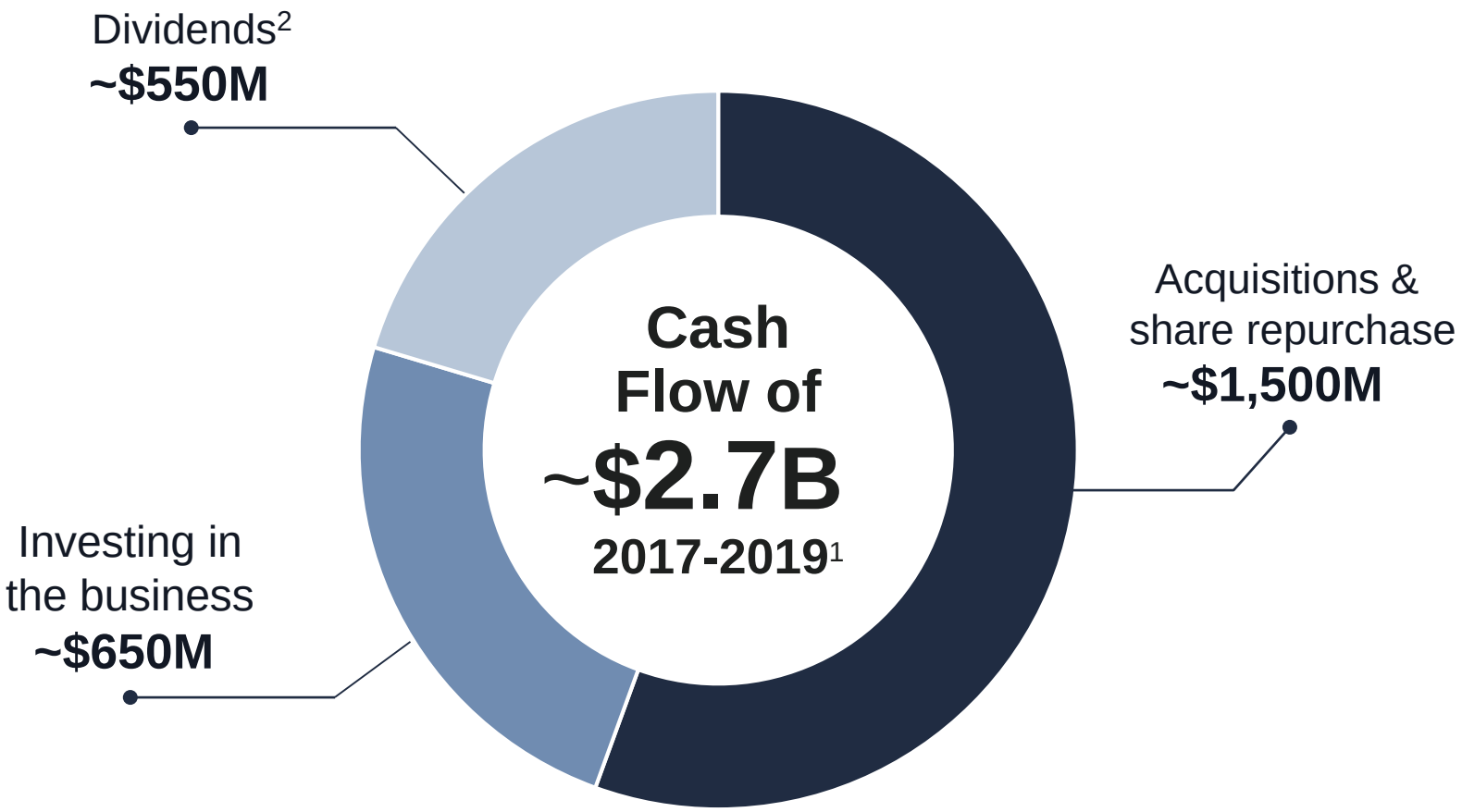


Note: Future performance reflects company estimates and excludes any potential inorganic growth.

* See Appendix for GAAP reconciliation. EPS as reported was $1.47 in 2016.

Strategy Generates Substantial Cash Flow

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Note: Masco Board of Directors approved a new $1.5 billion share repurchase authorization effective on May 15, 2017, and cancelled the existing share repurchase authorization.

1. Expected cash from operations from 2017-2019.
2. Includes dividends to non-controlling interest.

Positioned to Outperform

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Growing industry with great macro fundamentals

+



Strong foundation to sustain and improve performance

+



Credible, proven plan for profitable growth

+



Strong cash flow generation and capital management driving value to shareholders

2019 CAGR Targets

~5% Revenue

~9% Operating Profit

~18% EPS