





Raymond James
39th Annual Institutional Investor Conference

John Sznewajs, Chief Financial Officer

March 2018

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 “outlook,” “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 residential repair and remodel activity and new home construction, our ability to maintain our strong brands and reputation and to develop new products, our ability to maintain our competitive position in our industries, our reliance on key customers, the cost and availability of raw materials, our dependence on third-party suppliers, risks associated with international operations and global strategies, our ability to achieve the anticipated benefits of our strategic initiatives, our ability to successfully execute our acquisition strategy and integrate businesses that we have and may acquire, our ability to attract, develop and retain talented personnel, our ability to achieve the anticipated benefits from our investments in new technology, risks associated with our reliance on information systems and technology, and our ability to sustain the improved results of our U.S. window business. 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. Any forward-looking statement made by us speaks only as of the date on which it was made. 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.

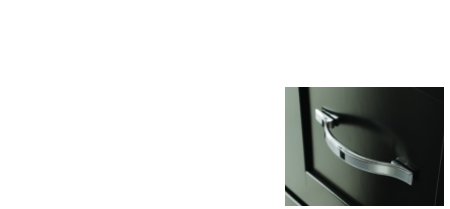
Agenda

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The Business Today

Strategy for Profitable Growth

Future Outlook







2017 Segment Mix*

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Business Segment	Revenue 2017	% of Total	R&R% vs. NC	NA% vs. Int'l
 Plumbing Products	$3.7B	49%	83%	63%
 Decorative Architectural Products	$2.2B	29%	99%	100%
 Cabinetry Products	$0.9B	12%	65%	95%
 Windows and Other Specialty Products	$0.8B	10%	71%	79%
Total Company	$ 7.6B	100%	84%	79%

R&R = % of sales to repair and remodel channels
NC = % of sales to new construction channels
NA = % of sales within North America
Int'l = % of sales outside North America

* Based on Company estimates

Market Leading Brands

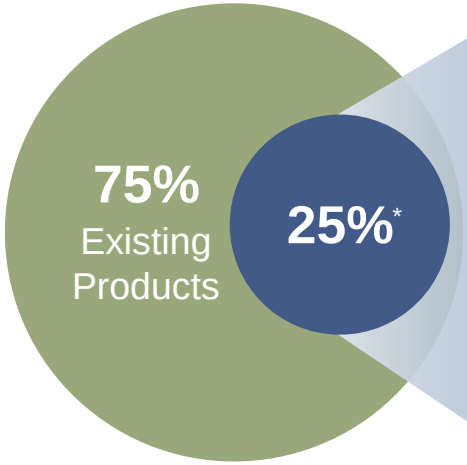
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Innovation Leadership Sustains Growth

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2017 Revenues



Examples of New Products / Technologies – 2014-2017



Delta® Temp2O® Showerhead



Delta Zura® Pendant Shower



Hansgrohe Select™ Collection



Behr Marquee® Coating



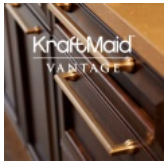
Brizo® Litze™ Collection



Behr Granite Grip™ Coating



Behr DeckOver® Coating



KraftMaid Vantage® Cabinetry



Behr® Textured DeckOver® Coating



Liberty® Shower Doors



KraftMaid® Design Studio



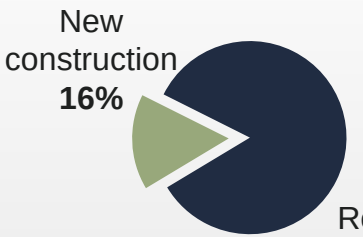
Axor® Starck V Collection

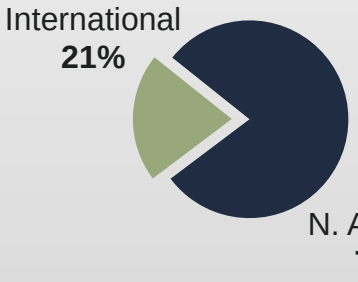
* Based on company estimates.

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

* Based on Company estimates

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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1 Drive full potential of our businesses

2 Leverage opportunities across our portfolio

3 Actively manage portfolio



Kichler Acquisition Expected to Close First Quarter

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Market

- Large $6 billion, fragmented industry
- Complementary products to existing portfolio
- Sold through similar channels

Company

- Strong, well-established brand
- Focus on design, innovation and customer service
- Similar distribution and customer base

Value

- Expect to pay $550 million with cash on hand
- Revenues of approximately $450 million in 2017
- Cost-out opportunities with Masco Operating System

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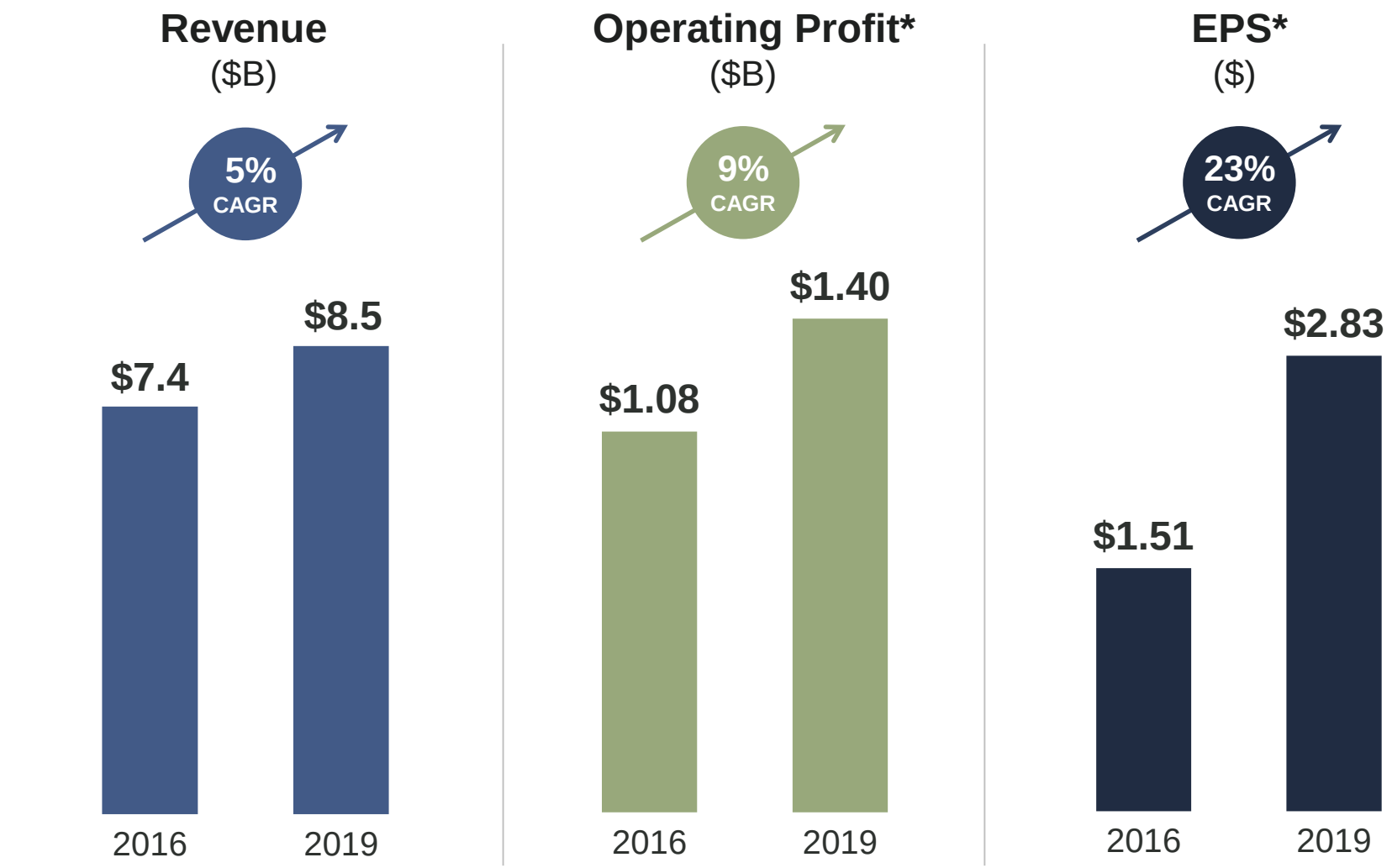






Leverage Revenue Growth with Cost Improvements and Capital Allocation to Drive 23% EPS CAGR

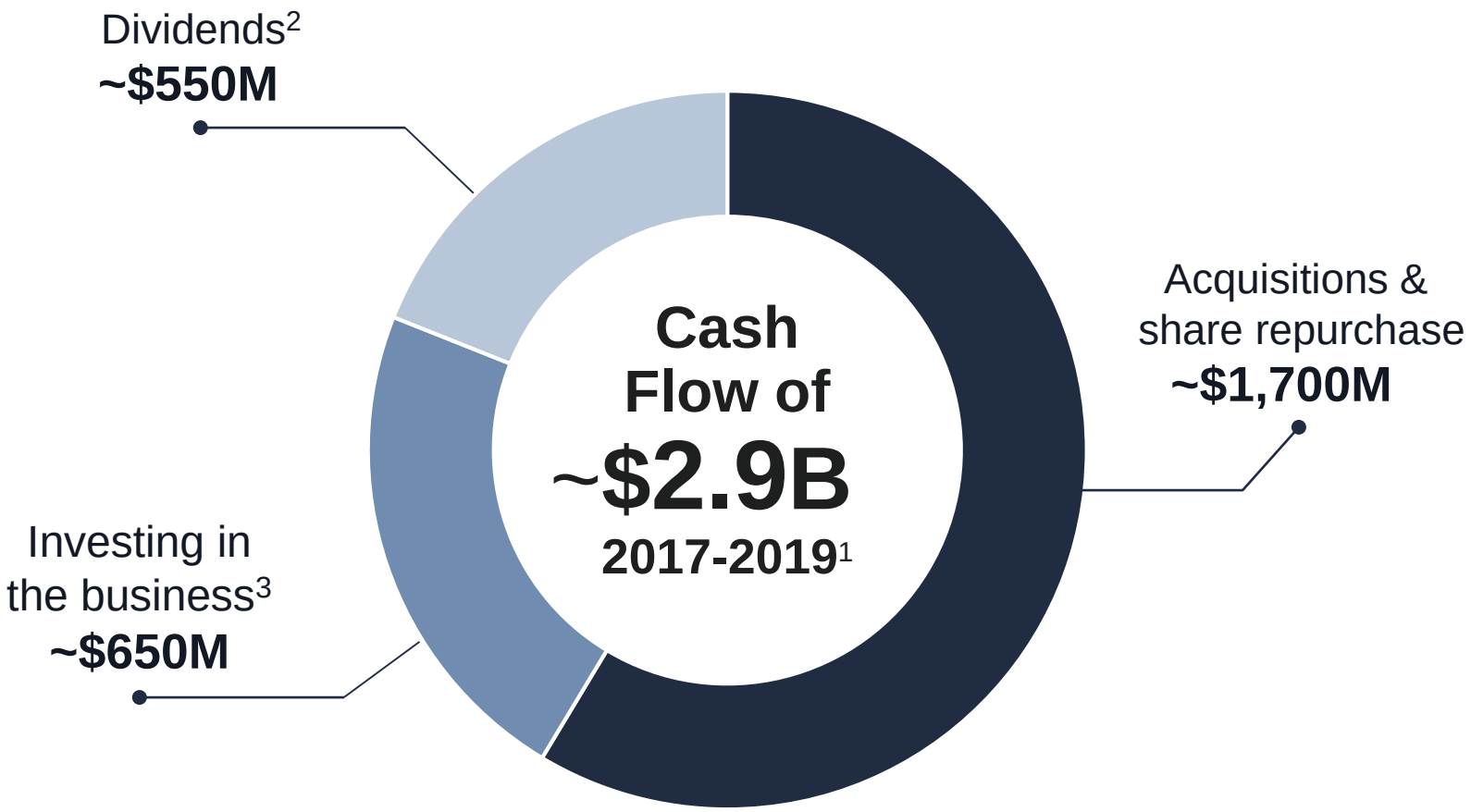
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Note: Future performance reflects company estimates and excludes any potential inorganic growth, including Kichler.

* See Appendix for GAAP reconciliation. EPS as reported was $1.47 in 2016. EPS in 2019 reflects the impact of US tax reform which is generally effective in 2018.

Strategy Generates Substantial Cash Flow



1. Expected cash from operations from 2017-2019; reflects the impact of US tax reform which is generally effective in 2018.
2. Includes dividends to non-controlling interest.
3. Includes capital expenditures and displays.

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

~23% EPS



Q&A



Appendix

2018 Guidance Estimates

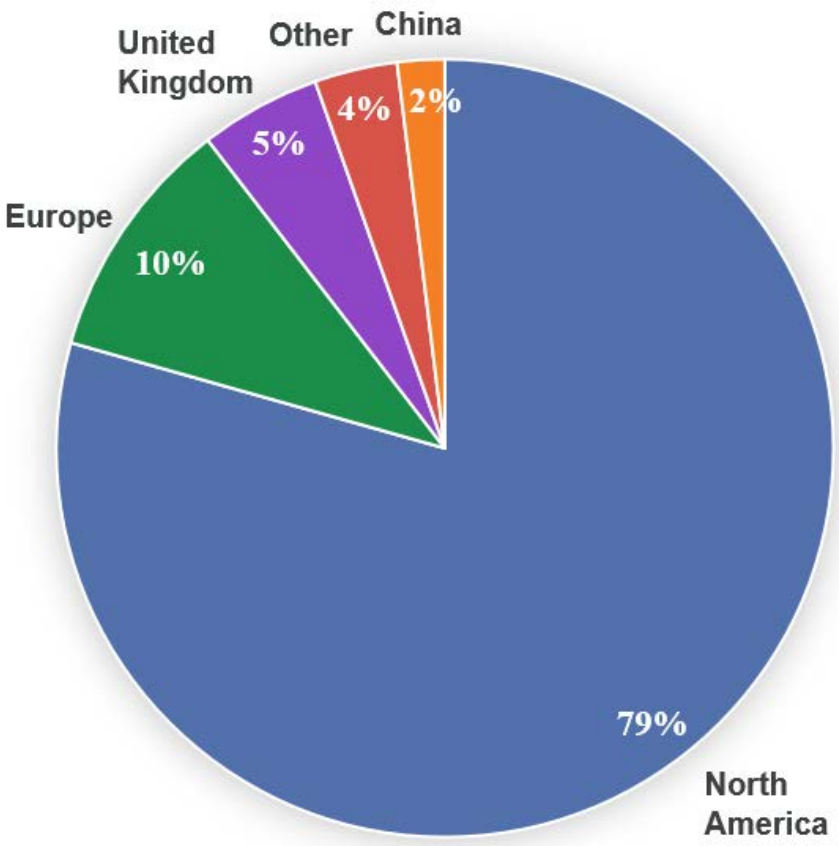
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($ in Millions)	2018 Estimate
Rationalization Charges	~ $5
Tax Rate[1]	~ 26%
General Corporate Expense	~ $85
Interest Expense	~ $157
Increased 'Other expense' Due to Change in Pension Expense Accounting	~ $17
Capital Expenditures[2]	~ $220
Depreciation & Amortization[2]	~ $135
Favorable Foreign Currency Translation Impact to Sales[3]	~ $90
Shares Repurchased	$200-300

1. Reduction in tax rate primarily due to the impact of tax reform, which is generally effective in 2018.
2. Does not include the impact of the potential acquisition of Kichler.
3. Based on rates as of December 31, 2017.

2017 Geographic Revenue Split*

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International Sales Accounted for ~21% of Total 2017 Masco Sales

*Based on Company estimates

Appendix – Operating Profit Reconciliation

($ in Millions)	Year Ended December 31, 2016
Operating Profit, as reported	**$ 1,053**
Rationalization charges	22
Operating Profit, as adjusted	**$ 1,075**

Appendix – EPS Reconciliation

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(in millions, except per common share data)	Year Ended December 31, 2016
Income before income taxes, as reported	**$ 830**
Rationalization charges	22
(Gain) from private equity funds, net	(5)
(Earnings) from equity investments, net	(2)
(Gain) from auction rate securities	(3)
Loss from other investments	3
Income before income taxes, as adjusted	**845**
Tax at 36% rate	(304)
Less: Net income attributable to noncontrolling interest	43
Net income, as adjusted	**$ 498**
Net income per common share, as adjusted	**$ 1.51**
Average diluted common shares outstanding	330