







J.P. Morgan's 11th Annual Homebuilding and Building Products Conference

John Sznewajs, Chief Financial Officer

May 2018

Safe Harbor Statement

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

The Business Today

Strategy for Profitable Growth

Future Outlook









2017 Segment Mix*

MASCO

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

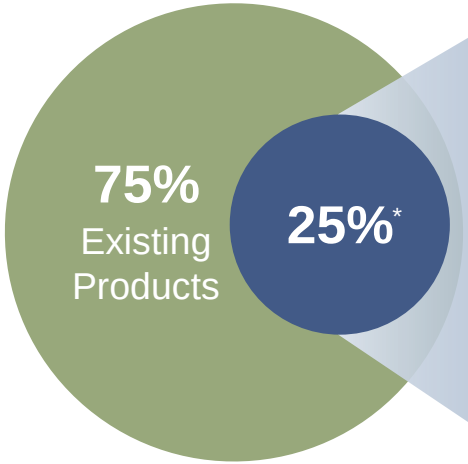


Innovation Leadership Sustains Growth

MASCO

Examples of New Products / Technologies – 2014-2017

2017 Revenues





Delta® Temp2O® Showerhead



Delta Zura® Pendant Shower



Hansgrohe Select™ Collection



Behr Marquee® Coating



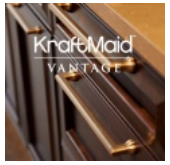
Brizo® Litze™ Collection



Behr Granite Grip™ Coating



Behr DeckOver® Coating



KraftMaid Vantage® Cabinetry



Behr® Textured DeckOver® Coating



Liberty® Shower Doors



KraftMaid® Design Studio



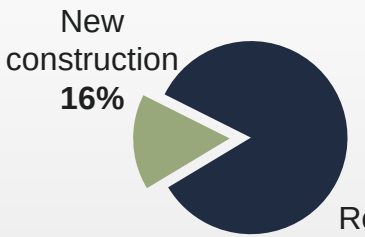
Axor® Starck V Collection

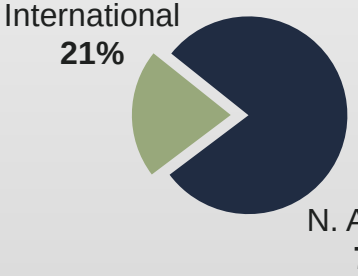
* Based on company estimates.

Diversified Business Mix Results in More Stable Revenues

MASCO

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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The Business Today

Strategy for Profitable Growth

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Clear Strategic Focus

MASCO

1 Drive full potential of our businesses

2 Leverage opportunities across our portfolio

3 Actively manage portfolio



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The Business Today

Strategy for Profitable Growth

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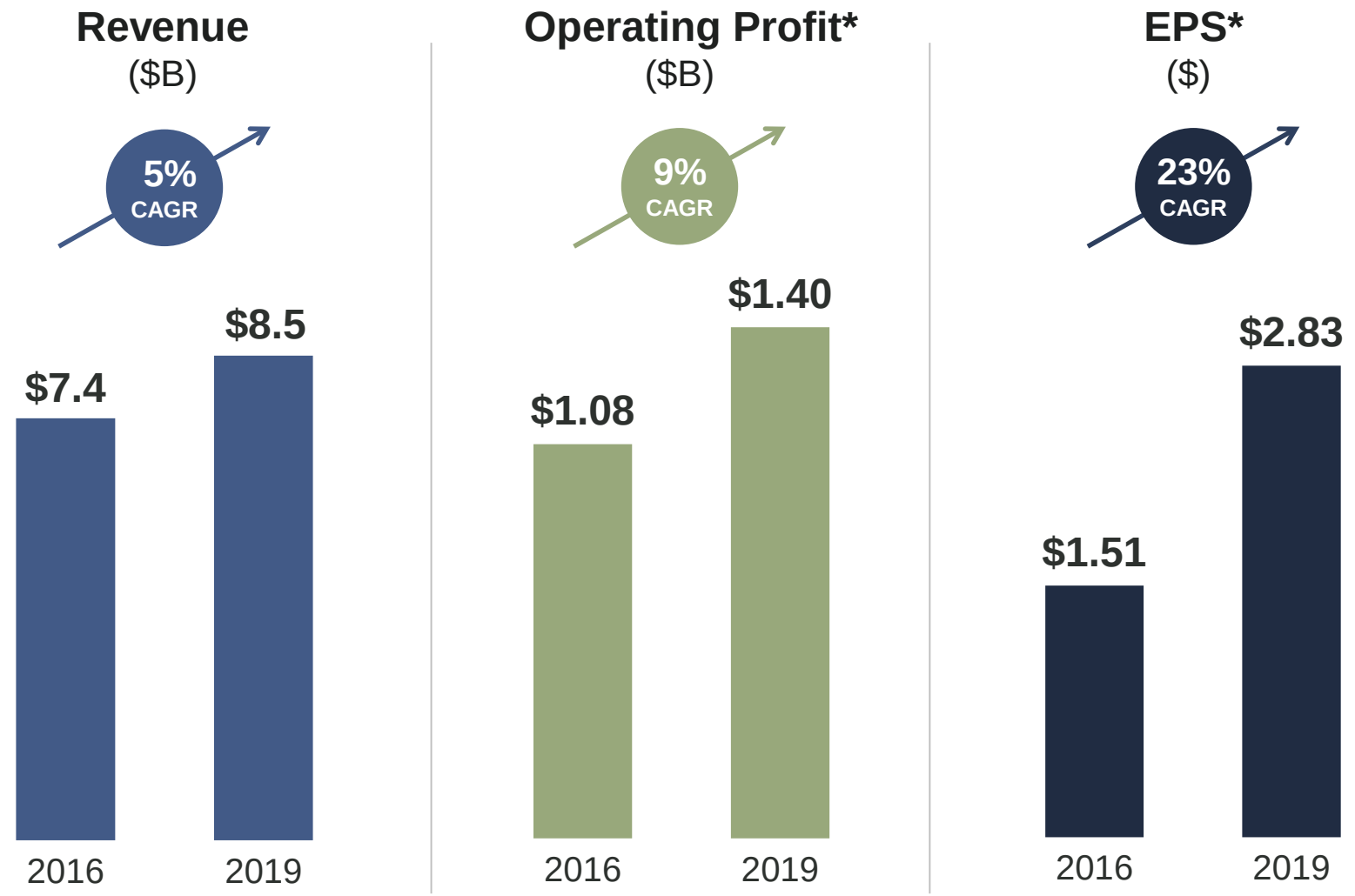
Leverage Revenue Growth with Cost Improvements and Capital Allocation to Drive 23% EPS CAGR

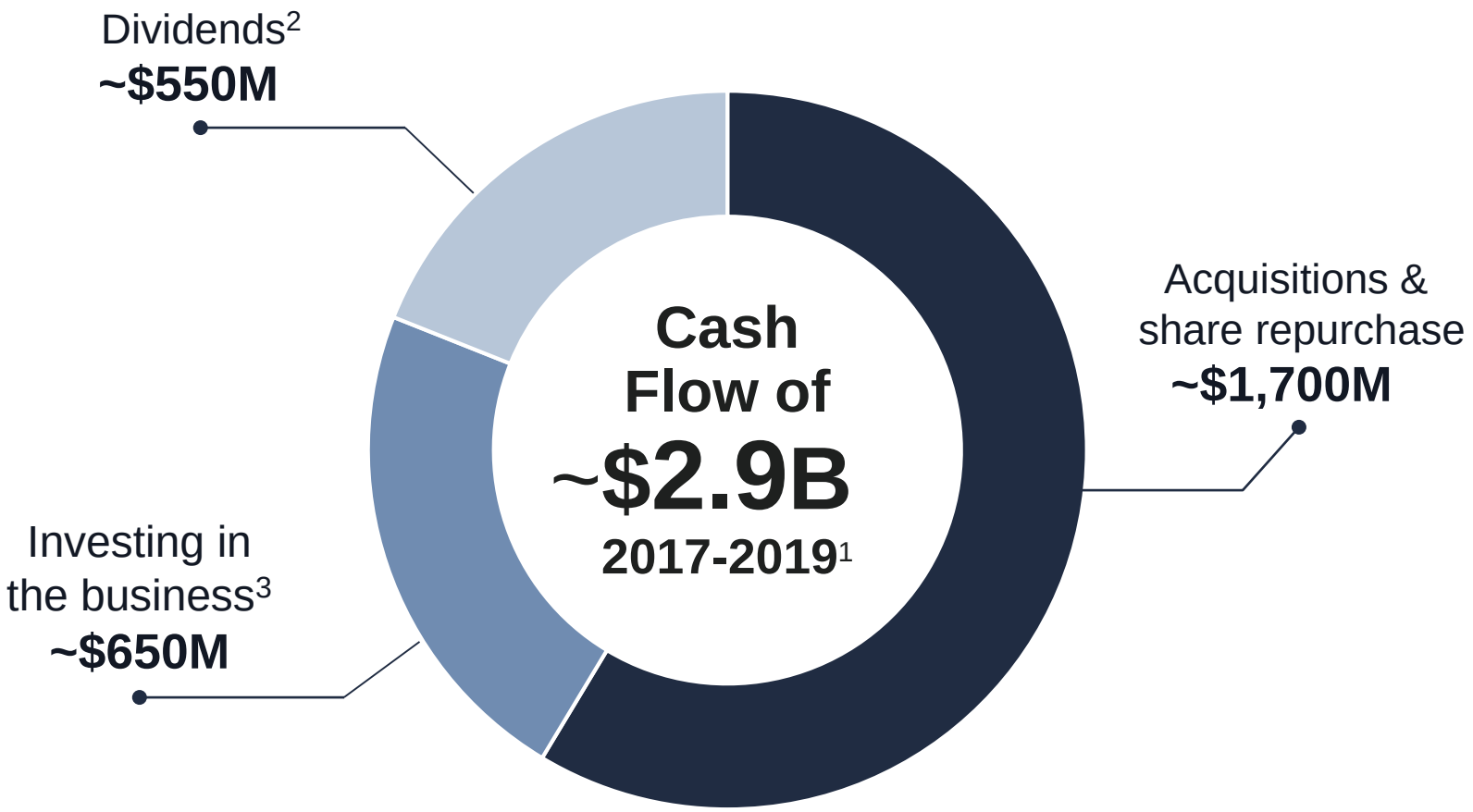
MASCO



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



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



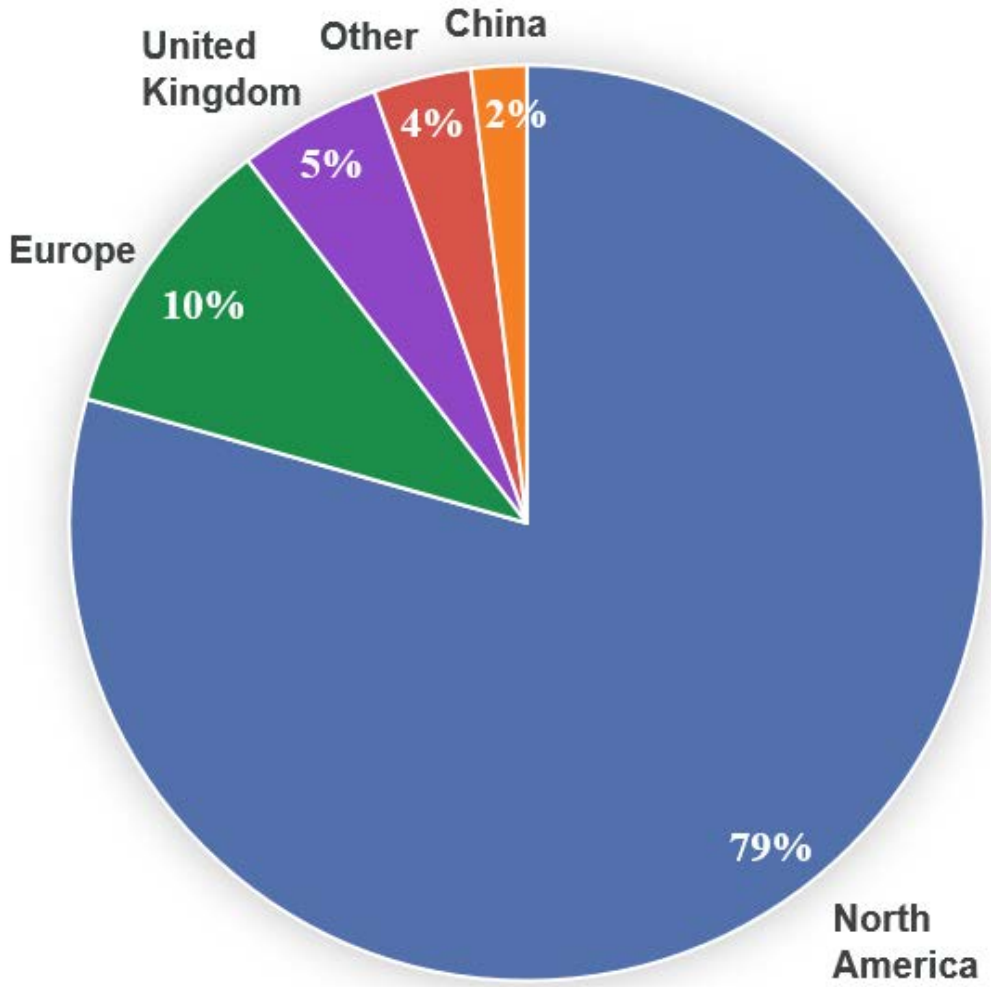
Appendix

2018 Guidance Estimates

($ in Millions)	2018 Estimate
Rationalization Charges	~ $5
Tax Rate	~ 26%
General Corporate Expense	~ $85
Interest Expense	~ $157
Increased ‘Other expense’ Due to Change in Pension Expense Accounting	~ $17
Capital Expenditures	~ $220
Depreciation & Amortization[1]	~ $160
Favorable Foreign Currency Translation Impact to Sales[2]	~ $135
Shares Repurchased	$200-300

1. Includes the impact of Kichler acquisition.
2. Based on rates as of March 31, 2018.

2017 Geographic Revenue Split*



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

(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