





Raymond James
40th Annual Institutional Investor Conference

John Sznewajs, Chief Financial Officer

March 2019

Safe Harbor Statement

MASCO

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 and increasing tariffs, 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, risks associated with our reliance on information systems and technology, and our ability to achieve the anticipated benefits from our investments in new technology. 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.

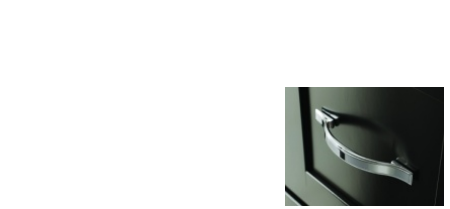
Agenda

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The Business Today

Strategy for Profitable Growth

Future Outlook







2018 Segment Mix*

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Business Segment	Revenue 2018	% of Total	R&R% vs. NC	NA% vs. Int'l
 Plumbing Products	$4.0B	48%	84%	64%
 Decorative Architectural Products	$2.7B	32%	96%	100%
 Cabinetry Products	$0.9B	11%	69%	100%
 Windows and Other Specialty Products	$0.8B	9%	69%	80%
Total Company	$ 8.4B	100%	85%	81%

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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BEHR

Milgard WINDOWS & DOORS
Clearly the best.™

DELTA
see what Delta can do™

KICHLER

hansgrohe®

KraftMaid Cabinetry

Innovation Leadership Sustains Growth

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Examples of New Products / Technologies – 2015-2018

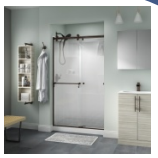
2018 Revenues

75% Existing Products

25%*



Delta® Zura® Pendant Shower



Liberty® Shower Doors



Hansgrohe® Metris® Select Faucet



Behr® Marquee® Coating



Brizo® Litze® Collection



Behr Granite Grip® Coating



Behr Premium® Quick Dry™ Oil Base Wood Finish



Cardell® Cabinetry



Milgard® Trinsic™ Series



Delta® Emerge™ Shower Column



KraftMaid® Design Studio



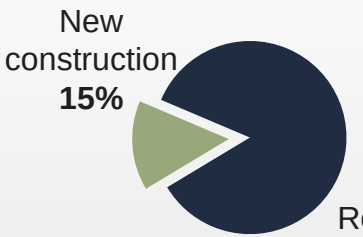
Hansgrohe Kitchen Sinks

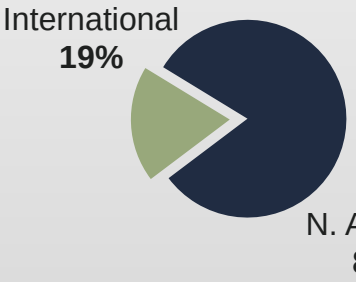
* Based on company estimates.

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



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Positioned to Outperform

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Growing industry with strong 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 Outlook

Revenue:

3-5% growth

(ex currency)

Operating Margin:

Similar to 2018 margin of 15.1%

Adjusted EPS:

$2.60 - $2.80



Q&A



Appendix

2018 Profit and 2019 EPS Outlook Reconciliations

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($ in Millions)	2018
Net sales	**$ 8,359**
Operating profit, as reported	**$ 1,211**
Rationalization charges	14
Kichler inventory step up adjustment	40
Operating profit, as adjusted	**$ 1,265**
Operating margin, as reported	*14.5%*
Operating margin, as adjusted	*15.1%*

	2019	
	Low End	High End
Net income per common share	**$ 2.56**	**$ 2.76**
Rationalization charges	0.01	0.01
Allocation to participating securities per share (1)	0.03	0.03
Net income per common share, as adjusted	**$ 2.60**	**$ 2.80**

(1) Represents the impact of distributed dividends and undistributed earnings to unvested restricted stock awards in accordance with the two-class method of calculating earnings per share.

2019 Estimates

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($ in Millions)	2019 Estimate
Rationalization Charges	~ $4
Tax Rate	~ 25%
General Corporate Expense	~ $90
Interest Expense	~ $157
Pension Expense Included in 'Other expense'	~ $20
Capital Expenditures	~ $200
Depreciation & Amortization	~ $175
Unfavorable Foreign Currency Translation Impact to Sales[1]	~ $75
Share Repurchases	~$600

1. Based on rates as of December 31, 2018.

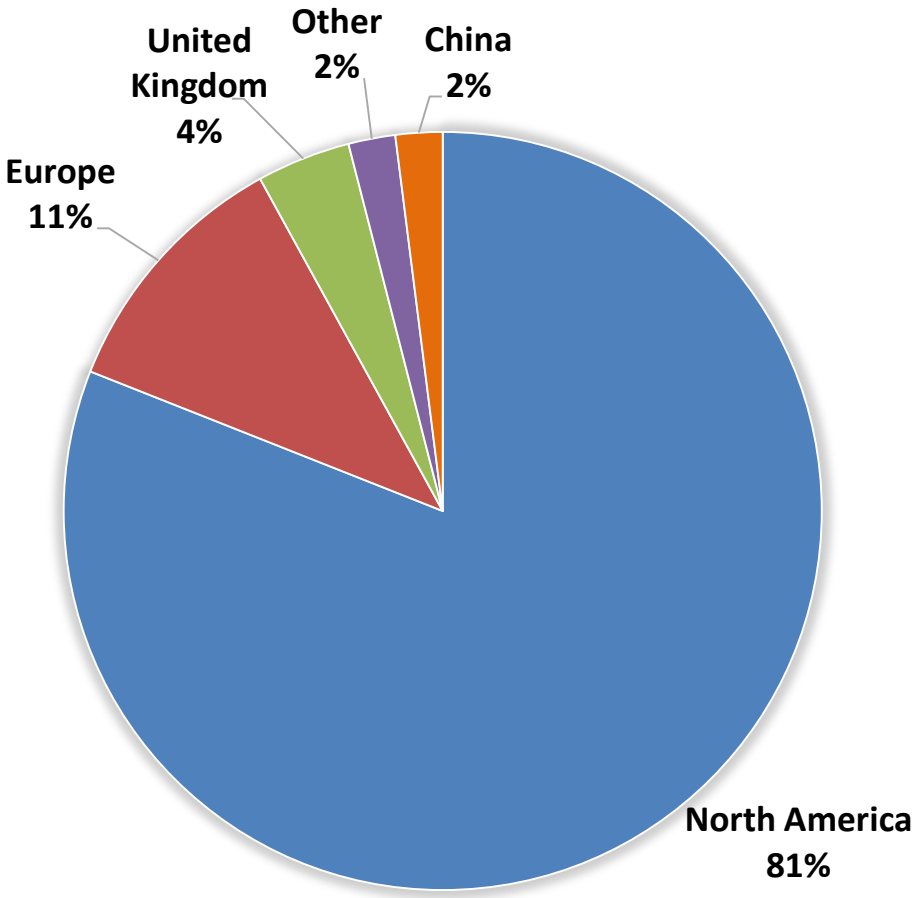
2019 Outlook

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Business Segment	2019 Sales Growth	2019 Adjusted Operating Profit Margin	Other
Plumbing Products	3 – 5% *(ex currency)*	Similar to 2018 margin of 18.1%	• ~$65m unfavorable FX impact on 2019 sales • D&A ~$20m per quarter
Decorative Architectural Products	4 – 6%	17.0% - 18.0%	• D&A ~$12m per quarter
Cabinetry Products	0% – 3%	Similar to 2018 margin of 9.1%	
Windows and Other Specialty Products	1 – 3% *(ex currency)*	Modest expansion to 2018 margin of 5.2%	• ~$10m unfavorable FX impact on 2019 sales
Total Masco	**3 – 5% *(ex currency)***	**Similar to 2018 margin of 15.1%**	• **Adjusted EPS $2.60 – $2.80** • **Includes ~$0.01 unfavorable FX impact in both Q1 & Q2**

2018 Geographic Revenue Split*

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International Sales Accounted for ~19% of Total 2018 Masco Sales

*Based on Company estimates