




Raymond James
42nd Annual Institutional Investor Conference

Masco Corporation

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March 2021

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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 to a lesser extent, new home construction, our ability to maintain our strong brands and reputation and to develop innovative products, our ability to maintain our competitive position in our industries, our reliance on key customers, the length and severity of the ongoing COVID-19 pandemic, including its impact on domestic and international economic activity, consumer confidence, our production capabilities, our employees and our supply chain, the cost and availability of materials and the imposition of tariffs, our dependence on third-party suppliers, risks associated with our 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 and diverse 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.

Masco's Transformation

Significant actions taken in the past six years

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2014	MASCO	2020
5	Segments	2
71%	Repair & Remodel[1]	89%
10.0%	Adjusted Operating Margin[2]	18.2%
352 million	Share Count	264 million
3.4x	Gross Debt/EBITDA[2]	1.9x

[1]Based on Company estimates.
[2]See Appendix for GAAP reconciliations.

Masco Today

Resilient portfolio with lower ticket repair and remodel focused products

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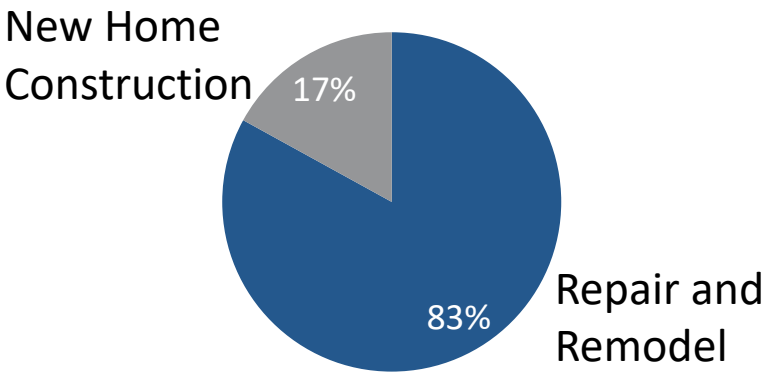
PLUMBING PRODUCTS[1]

2020 Sales: **$4.1B**

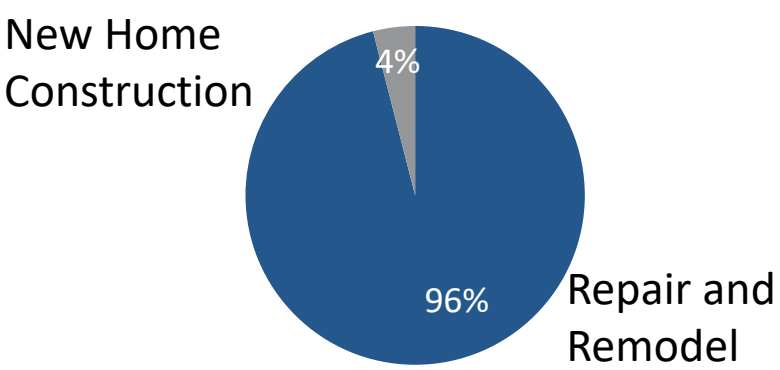
2020 OP Margin: **19.7%**[2]



DECORATIVE ARCHITECTURAL PRODUCTS[1]

2020 Sales: **$3.1B**

2020 OP Margin **19.2%**[2]



Low ticket and less cyclical	Leading brands and innovation	Customer and channel relationships

Masco Operating System

1. Revenue breakdown based on 2020 revenue and company estimates.
2. Excludes net general corporate expense. Plumbing Products excludes rationalization charges of $7 million. Decorative Architectural Products excludes rationalization charges of $4 million.

Financial Performance

Delivering strong EPS growth over past four years

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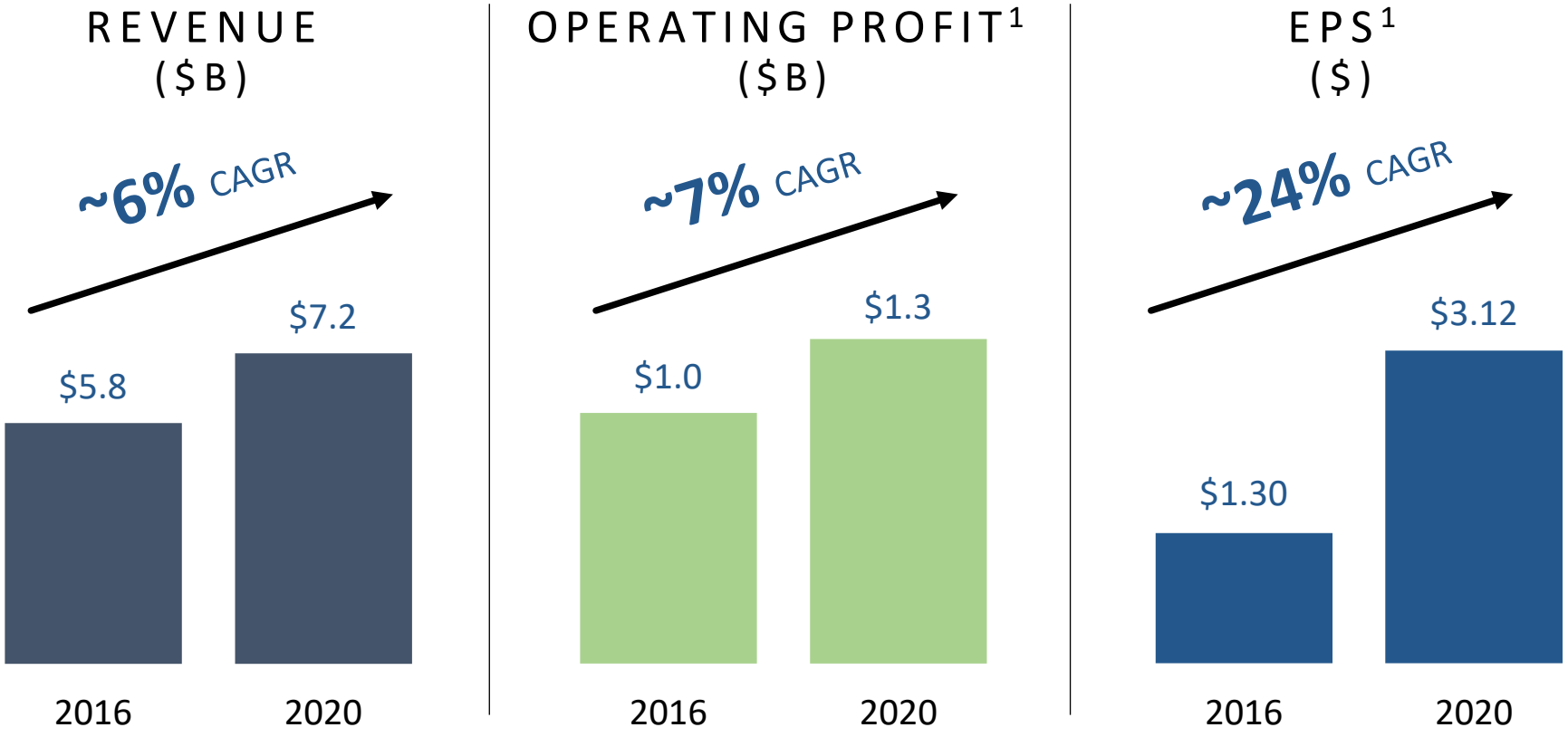

Consistent top line, income, and EPS growth

1. Reflects operating profit and EPS, as adjusted. Amounts exclude discontinued operations for all periods presented. See Appendix for GAAP reconciliations.

Market Leading Brands

High share position in many categories

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BEHR

AXOR®

DELTA
see what Delta can do™

KICHLER

hansgrohe®

KILZ®

Innovation Leadership

Fuels future growth and customer advocacy

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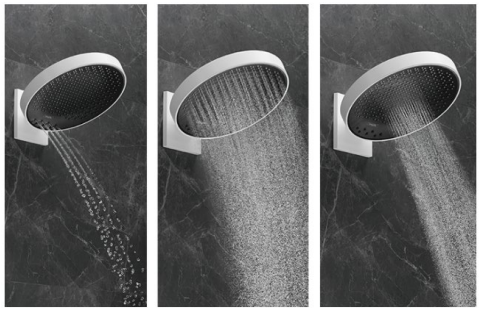
Delta®
Glass Rinser



Delta®
VoiceIQ™ Technology



Hansgrohe®
Rainfinity™ Technology



Hansgrohe®
Aquno™ Select Faucets



Liberty Adjusta-Pull™
Cabinet Hardware



Behr Marquee®
Coating with Simple Pour Lid



Behr® Spray Paint



Behr® Water Based
Interior Stains

Approximately 30% of revenues are from products introduced in the last three years[1]

1. Based on company estimates.

Broad Distribution

Diversified geographies, products, channels

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PRICE POINTS

GOOD



PEERLESS



BEHR

BETTER

DELTA
see what Delta can do





hansgrohe



BEHR

BEST

BRIZO





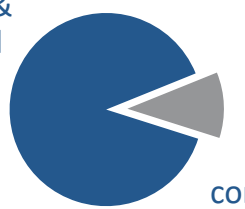
AXOR



BEHR

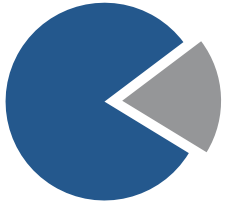
CHANNELS[1]

Repair & remodel **89%**



New construction **11%**

North America **81%**



International **19%**

Retail	50%
Wholesale/trade	36%
E-commerce	9%
Specialty dealers/ other	5%

1. Segmentation figures based on company estimates and 2020 revenue.

Fundamentals of Repair and Remodel Market

Market growth approximately 1-2% above GDP on average

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HOME PRICE APPRECIATION

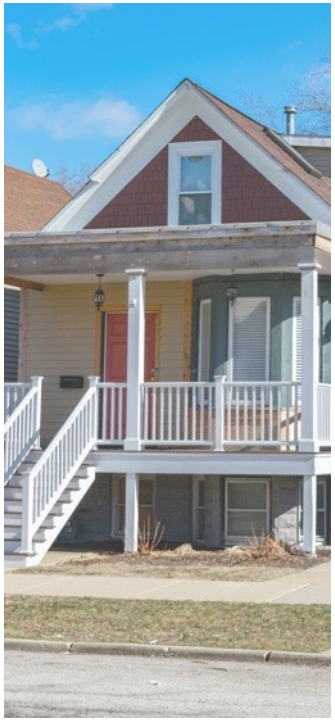
AGE OF U.S. HOUSING STOCK

HOUSEHOLD FORMATION

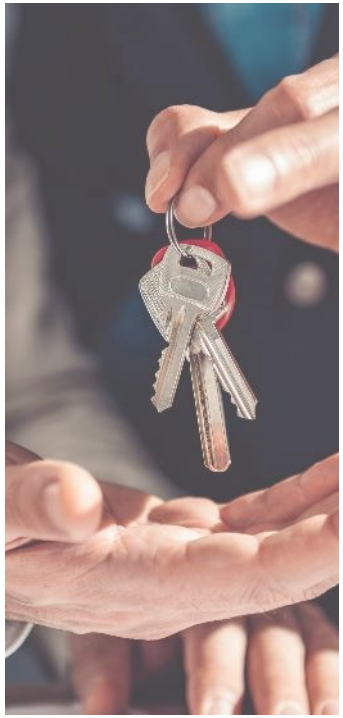
HOUSING TURNOVER

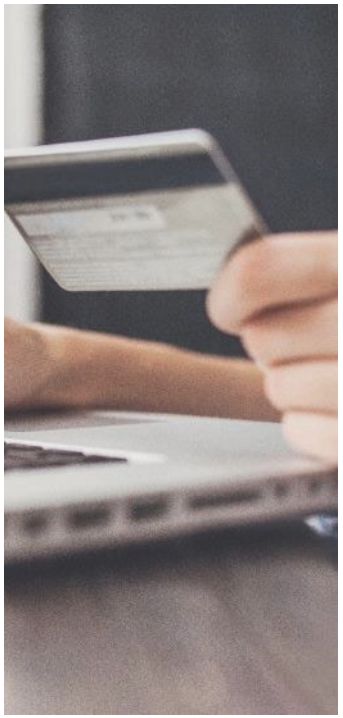
CONSUMER CONFIDENCE











Full Year 2021 Outlook

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Business Segment	2021 Forecasted Sales Growth	2021 Forecasted Adjusted Operating Profit Margin
Plumbing Products	Organic: ~4-7% Acquisition: ~4% FX: ~3% **TOTAL: ~11-14%**	~18.0%
Decorative Architectural Products	Organic: ~0-5% Acquisition: ~1.5% **TOTAL: ~2-7%**	~19.0%
Total Masco	Organic: ~2-6% Acquisition: ~3% FX: ~2% **TOTAL: ~7-11%**	**~17.0%**

2021 Adjusted EPS $3.25 - $3.45

Capital Allocation Strategy

Balanced Approach to Continue to Drive Shareholder Value

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1

Reinvest in the business

- Capex: 2-2.25% of sales
- Working capital: ~16.0% of sales

2

Maintain investment grade credit rating

- Gross debt to EBITDA below 2.5x

3

Maintain relevant dividend

- Dividend payout ratio of ~30%
- Board intends to increase annual dividend to $0.94 per share beginning 2Q 2021

4

Deploy excess free cash flow to share repurchase or acquisitions

- Consistently in the market for share repurchase, but opportunistic
- New share repurchase authorization of $2.0 billion effective February 10, 2021
- Expect to deploy ~$800 million for share repurchases in 2021
- Select bolt-on acquisitions

Long-term Outlook
Growth Above Market

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Low ticket, repair and remodel products provide growth and stability through an economic cycle

Market leading brands, history of innovation, customer focus

Strong free cash flow and value creating capital allocation

LONG-TERM OUTLOOK:

Average annual sales growth:	Organic: ~3-5% Acquisition: ~1-3%
Operating margin:	Expand margins through cost productivity and volume leverage
Capital deployment:	Share buybacks: ~2-4% EPS growth Dividends: ~1-2% return on top of EPS growth
Average annual EPS growth:	~10%



Q&A

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Appendix

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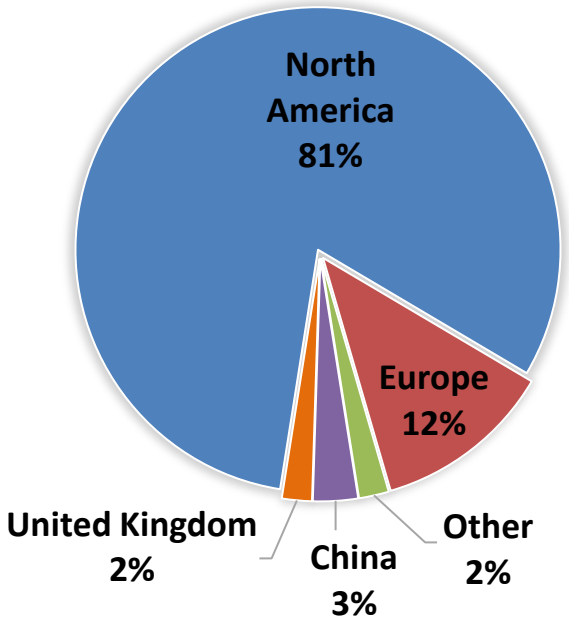
2020 Segment Mix*

Business Segment	2020 Revenue	R&R% vs. NC	NA% vs. Int'l
Plumbing Products	$4.1B	83%	67%
Decorative Architectural Products	$3.1B	96%	100%
Total Company	$7.2B	89%	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

Total Geographic Revenue Split



* Based on Company estimates

Profit Reconciliation – Full Year

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($ in Millions)	2020	2016	2014 *
Net sales	**$ 7,188**	**$ 5,754**	**$ 8,521**
Operating profit, as reported	**$ 1,295**	**$ 986**	**$ 788**
Rationalization charges	11	14	66
(Income) charge for litigation settlements	-	-	(9)
Costs related to spin-off of Services Business	-	-	6
Operating profit, as adjusted	**$ 1,306**	**$ 1,000**	**$ 851**
Operating margin, as reported	*18.0%*	*17.1%*	*9.2%*
Operating margin, as adjusted	*18.2%*	*17.4%*	*10.0%*

* Note: 2014 amounts were reported in our December 31, 2014 Form 10-K and include amounts related to the Services business, Milgard, Masco Cabinetry, and UK Window Group.

EPS Reconciliation – Full Year

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(in Millions, Except per Common Share Data)	2020	2016
Income from continuing operations before income taxes, as reported	**$ 1,131**	**$ 729**
Rationalization charges	11	14
Loss from other investments	-	3
Pension costs associated with expected terminated plans	23	-
Income related to an escrow settlement	(9)	-
Currency translation loss on liquidation of dormant entities	9	-
(Gains) from private equity funds, net	-	(5)
(Gain) from auction rate securities	-	(3)
(Earnings) from equity investments, net	(3)	(2)
Loss on debt extinguishment	6	-
Income from continuing operations before income taxes, as adjusted	**$ 1,168**	**$ 736**
Tax at 25% rate - 2020; 36% rate - 2016	(292)	(265)
Less: Net income attributable to noncontrolling interest	52	43
Income from continuing operations, as adjusted	**$ 824**	**$ 428**
Income from continuing operations per common share, as adjusted	**$ 3.12**	**$ 1.30**
Average diluted common shares outstanding	264	330

Gross Debt to EBITDA Reconciliation

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($ in Millions)		December 31, 2020
Debt	**$**	**2,795**

($ in Millions)		Year End December 31, 2020
Operating profit, as reported	**$**	**1,295**
Rationalization charges		11
Operating profit, as adjusted	**$**	**1,306**
Depreciation and amortization		132
EBITDA, as adjusted	**$**	**1,438**
Gross Debt to EBITDA		1.9X

($ in Millions)		December 31, 2014
Debt	**$**	**3,424**

($ in Millions)		Year End December 31, 2014 *
Operating profit, as reported	**$**	**788**
Rationalization charges		66
(Income) charge for litigation settlements		(9)
Costs related to spin-off of Services Business		6
Operating profit, as adjusted	**$**	**851**
Depreciation and amortization		166
EBITDA, as adjusted	**$**	**1,017**
Gross Debt to EBITDA		3.4X

* Note: 2014 amounts were reported in our December 31, 2014 Form 10-K and include amounts related to the Services business, Milgard, Masco Cabinetry, and UK Window Group.

EPS Outlook Reconciliation

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	2021	
	Low End	High End
Income from continuing operations per common share	**$ 1.80**	**$ 2.00**
Rationalization charges	0.01	0.01
Pension costs associated with expected terminated plans (1)	1.42	1.42
Allocation to participating securities per share (2)	0.02	0.02
Income from continuing operations per common share, as adjusted	**$ 3.25**	**$ 3.45**

(1) Represents costs associated with our qualified defined-benefit domestic pension plans that are expected to be terminated in 2021.

(2) 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.