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Masco Corp. (MAS)

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MANAGEMENT DISCUSSION SECTION

Collin Verron
Analyst, Deutsche Bank Securities, Inc.

Good morning. Thank you for attending the 2026 Deutsche Bank Industrials Conference. This morning, I'm excited to have Rick Westenberg, the CFO of Masco with us, and we're going to be hosting a fireside chat.

So I'll just start off with some questions. If anyone in the room has any questions, just raise your hand and we'll try to pivot to that.

QUESTION AND ANSWER SECTION

Collin Verron
Analyst, Deutsche Bank Securities, Inc.

Q

So I guess I just want to start at some of the bigger picture questions. You guys laid out some targets at the Investor Day, 3% to 4% average annual organic growth, at least 18% adjusted operating margin by 2028. And a CAGR of 10% on the EPS growth. I guess just starting beneath those financial targets, what are the most important indicators investors should really be watching over the next 12 to 24 months and make sure that you guys are gaining traction on your strategy here?

Richard Westenberg
Vice President, Chief Financial Officer & Treasurer, Masco Corp.

A

Yeah, well, good morning, everybody, and thanks for joining. It's good to be here at the Deutsche Bank Industrial Conference here in Chicago. Yeah, Collin, as you mentioned, we laid out some pretty specific goals for our 2028 expectations in terms of growth and margin expansion. And it's really underpinned by our focus on driving both top line and bottom line growth, driven by a consumer-driven strategy, leveraging our industry-leading brands, expanded commercial capabilities, enhanced operational excellence.

And as you articulated, we laid out some specific objectives. What I would say is, in terms of how we're approaching that, it's really investing in growth and looking at areas that we can expand our top line, even despite a tough environment as we've all been faced with, as well as driving operational efficiencies in terms of our bottom line. And that includes leveraging our Masco Operating System, as well as some of the restructuring activities that we announced earlier this year in terms of driving that.

And although those are objectives that we've laid out for a couple years from now, I think in terms of seeing progress towards those, is really what we're focused on doing. So seeing some growth this year low single digits is our expectation in terms of top line growth, as well as some margin expansion in our underlying performance, putting aside the tariff refunds for a moment, seeing margin expansion there as well. So making that incremental progress this year and particularly as we move into 2027.

Collin Verron
Analyst, Deutsche Bank Securities, Inc.

Q

Helpful. And I guess as you think about, after you laid out those targets to the investor base, I guess where do you think people are sort of underappreciating the story here? And sort of your internal confidence at Masco versus some of the external expectations that you're hearing?

Richard Westenberg
Vice President, Chief Financial Officer & Treasurer, Masco Corp.

A

Yeah, I would say we've got a pretty strong track record with regards to delivering operational performance in terms of bottom line, both in terms of EPS as well as margin and margin expansion. And, and that's been through a cyclical environment. I mean, challenges in terms of commodity, commodity inflation, tariffs, and a number of kind of challenges in the industry, we've been able to deliver growth. And we've got- we've continued to deliver really strong cash flows as well.

So I think those are appreciated by the [ph] Street (00:18:32) in terms of how we've been able to manage through and deliver performance through those challenging environments. I think in terms of opportunities would be growth. I think that's been one of the challenges, particularly in this environment where we've been faced with a down R&R market for really the fourth year in a row. We continue to drive market share performance, but really pivoting to growth. And I think that's something that you'll see more of us in terms of not only the narrative, but also delivering in terms of investments and reaping the benefits of those investments in growth.

Collin Verron
Analyst, Deutsche Bank Securities, Inc.
Q

That's a great pivot into my next question. Switching into more detail around the plumbing strategy. I mean, you just referenced the weakness in the residential repair and remodel activity over the past several years, and plumbing volumes have been part of that, facing that pressure. And you talked about the share gains that you've been seeing with the strong execution across channels. I guess, where do you think the plumbing category sits today relative to a normalized demand environment? And as the market returns to growth, what gives you confidence that you can maintain your share or even compound those share gains as things begin to recover?

Richard Westenberg
Vice President, Chief Financial Officer & Treasurer, Masco Corp.
A

Yeah, so as I already mentioned, and I think it's pretty well appreciated, that the overall R&R industry, including the plumbing subsegment of that has been under pressure from an overall growth perspective. It's been down really from a volume standpoint. Really, I think this will be our fourth year in a row in terms of the sector being down. That said, we're disciplined on cost, but we're also continuing to focus on continuing to make investments where we see opportunities for growth, both in terms of categories as well as in terms of market share.

And we'll continue to do that and I think we're really well-positioned to capitalize on the market as it comes back. There's some calculations that indicate there's over $20 billion of pent-up demand in terms of the R&R space, and we don't expect there to be a hockey stick. Obviously, the continued macroeconomic and geopolitical environment remains dynamic, and so we're not expecting an inflection in the immediate future.

But as the long-term fundamentals of the industry improve, including leveraging the continued strength in the housing market as it pertains to equity values as well as aging of the housing stock. I think as we get some turn in some of the other metrics, we'll be well-positioned to leverage our growth not only to continue to drive market share performance but also ride the benefit of the industry recovery as well.

Collin Verron
Analyst, Deutsche Bank Securities, Inc.
Q

That's helpful. And I guess Just following up on that, what leading indicators would give you more confidence that the category and Masco's share trajectory are beginning to reaccelerate? I know no one has a crystal ball, but I guess what would be the indicators that you would suggest people watch more closely that would probably lead into better top line performance?

Richard Westenberg
Vice President, Chief Financial Officer & Treasurer, Masco Corp.
A

Yeah, I think it's been humbling the last few years in terms of the crystal ball analogy because I think the expectation has been a recovery here each of the last number of years. And we're continuing to invest. I think, as it pertains to the metrics, I think it's probably not particularly unique. The fundamentals, I would say, Collin, the fundamentals of the industry, of the R&R market, are strong. So, as I mentioned, strong home equity values, near-record levels, aging housing stock. So, the fundamentals are there. I think what will be catalysts for change are things such as existing home sales. I know existing home sales came out this morning and they remained tepid. So that's still something that is we keep a close eye on, as well as consumer confidence. And so I think there's the equity value out there, but in terms of the confidence of consumers to invest in their homes and to make that move is still something that we're waiting to see. Again, we're not predicting a hockey stick type of recovery, but as those other type of leading indicators manifest themselves over time, we see a gradual improvement towards a longer-term range of R&R growth, which is more in the kind of the 2% to 4% range.

Collin Verron
Analyst, Deutsche Bank Securities, Inc.

Q

Well, and I guess just in terms of investments in order to sort of drive growth in the near term, I know on the 2Q call you guys discussed using a portion of that IEEPA tariff refund benefit to make some strategic investments, I think particularly in plumbing. Can you just frame the strategic rationale and sort of the mix of drivers behind those investments? How much of this reflects [ph] lean (00:07:24) share opportunities versus maybe supporting category growth and then customer channel initiatives?

Richard Westenberg
Vice President, Chief Financial Officer & Treasurer, Masco Corp.

A

Yeah, sure. So, I mean, just as you'll hear me and Jon Nudi, our CEO, talk often about our focus on investing in growth, and that takes a number of forms in terms of programs, marketing capabilities. We've stood up a couple of centers of excellence, or COEs, in terms of digital marketing, commercial excellence, revenue growth management. We hired a CMO, Brad Hiranaga, just recently, a couple weeks ago as well. So we're investing in attributes and capabilities to drive that growth. And so that's something that we're going to continue to focus on.

Collin Verron
Analyst, Deutsche Bank Securities, Inc.

Q

And I guess on the IEEPA tariff refund specifically, I mean, any sort of color you can provide as sort of like what the investments are going towards, top of the funnel versus bottom of the funnel? I mean, any sort of, would be helpful.

Richard Westenberg
Vice President, Chief Financial Officer & Treasurer, Masco Corp.

A

Yeah, sure. So in terms of the IEEPA tariff refunds in particular, so the refunds are really a recoupment of expenditures that we incurred over the last 12 to 18 months, primarily in 2025, where we had to be lean and implement austerity measures. And so the recovery of some of those IEEPA tariffs gives us a unique opportunity to really double down on some of the growth initiatives. So it's not that we aren't doing those investments. It's an enhancement or pull-ahead or acceleration of those investments.

And it's the types of things that I referenced before customer programs in terms of displays and merchandising, marketing expenses, capability builds, and things of that nature. And these are anticipated investments. These are things that we accrued for in Q2 to be alongside the tariff refund benefit so that we could publicize a net number. But these are investments that we're going to make that you would expect us to make in normal course. But this is an ability to enhance and accelerate some of those investments.

Collin Verron
Analyst, Deutsche Bank Securities, Inc.

Q

And since you're, it's characterized as an acceleration but something you would do in normal course of business, I guess on an annual basis, like when we're thinking about sort of the underlying OpEx of the business, does this sort of indicate that you're going to be continuing to operate maybe with the higher OpEx than normal, or is this more transitory just because you get a pull forward from it? I guess, like how should we think about the other investments as we look out to maybe 2027 and kind of rolling off for 2028.

Richard Westenberg
Vice President, Chief Financial Officer & Treasurer, Masco Corp.
A

Yeah. One thing we looked to do in Q2 was to capture and accrue for those investments in the quarter to line up with the timing of when the tariff refunds were recognized, to really make it as one-time in nature as possible from a P&L standpoint, to isolate it in Q2. The expenditures will be over time, kind of later this year and potentially into next year as well, but ultimately those types of P&L impacts are largely going to be captured in Q2.

Collin Verron
Analyst, Deutsche Bank Securities, Inc.
Q

That's helpful. And then I guess just some bigger picture questions or more exciting areas in plumbing that you guys talked about at your Investor Day was the wellness area and the global projects. I guess wellness appears to be pretty underpenetrated from a TAM perspective, while global projects are more directly tied to Masco's core, it feels like, and your premium brands. I guess from a capital allocation standpoint, how do you compare those two opportunities in terms of growth potential, sort of execution risk, margin profile, and sort of the required investments in order to kind of capture that above-market growth?

Richard Westenberg
Vice President, Chief Financial Officer & Treasurer, Masco Corp.
A

Yeah, they're both opportunities that we're very excited about and have a track record of performing in. And maybe just to take one at a time, in terms of the wellness business, our Watkins Wellness business, which really sells hot tubs and spas and saunas and is getting into cold plunges, there's really a couple of things at play there. First of all, there's a secular trend in terms of wellness, and we feel really good about the secular trend, as I'm sure many of you could appreciate the increased focus on health and wellbeing.

And in addition to just the secular trend, in the particular categories in which we play, spas and saunas are underpenetrated from a household perspective. Spas are about 6% household penetration, saunas are about 1%. So much less than some of the other wellness products that you find in the house, like pools, et cetera. And so we feel really good about the space we're playing. And then our position within that space is really strong. We're the number one or number two player in each of those areas. We've got strong brands like Hot Springs and Caldera. And so we feel really good about that positioning in terms of our industry-leading brands and our market share position, but also very, very good as well about our strong independent dealer network.

So we've got the largest dealer network, independent dealer network in the US at over 700 dealers, of which over 70% are exclusive to the Watkins brands. And so we feel good about the sector, the secular trends, and our positioning within the sector to really continue to deliver on the wellness space. And that really translates into what I would say is, we gave, as you mentioned before, Collin, the 3% to 4% growth expectations. I expect that we'd be on the upper end of that or greater than that as it pertains to wellness. In terms of the global projects, and that, for those that aren't aware, is in the plumbing space, primarily our Hansgrohe and AXOR brands. And it's really in the hospitality, hotels, resorts space. And that's, we disclosed in our Investor Day about a $400 million business.

And I'll call it another mid-single-digit type of growth opportunity. We're really well-positioned. We've got a good program, good customer relationships. And this is really with architects and designers, which serves us well. And so those are a couple of really strong opportunities, coupled with our real optimism in terms of the luxury and premium plumbing business, so our Brizo and Newport Brass, as well as Hansgrohe and AXOR brands, as well as our pro paint positioning as well. So I think what you'll see is a common theme of where we're investing in areas where there's strong secular or category opportunities and growth, as well as we are well-positioned to be successful and to compete effectively in those particular sectors or categories.

Collin Verron
Analyst, Deutsche Bank Securities, Inc.

Q

That's helpful. I guess following up on that, how do you drive further penetration within wellness? It sounds like that's a big part of the strategy. So I guess, like, how do you continue to expand that TAM? And what does the pace of that really look like?

Richard Westenberg
Vice President, Chief Financial Officer & Treasurer, Masco Corp.

A

Yeah, I think it's really leveraging our independent dealer network that I mentioned before. We've continued to grow that. The exclusivity dynamic is very helpful in terms of making sure that we've got heavy focus in terms of our products as the category expands and continue to make sure that we've got really the commercial capabilities to leverage that as well as the operational excellence to be able to execute and deliver and keep up with that growth. Those are the areas in terms of execution that we're focused on in terms of meeting what we feel pretty – it's not linear, but pretty confident in terms of the structural trends and secular trends of that particular sector.

Collin Verron
Analyst, Deutsche Bank Securities, Inc.

Q

Got you. Okay. And then I guess a follow-up on the global projects. How should investors think about sort of the visibility there? It sounds like that should be like a longer lead time kind of thing you've got going on with your architects and your designers. So like any colors just [indiscernible] (00:14:51) the conversion of the pipeline, just given that dynamic with the lead times?

Richard Westenberg
Vice President, Chief Financial Officer & Treasurer, Masco Corp.

A

Yeah, I mean, that's certainly something that we track, both the relationships with the architects and designers that are specking those particular projects, as well as you mentioned, it's a longer lead time than residential plumbing. But that's something that we have really operational excellence and focus on. And those are metrics that we track very specifically internally in terms of really at Hansgrohe, at Masco overall, in terms of making sure that we're delivering on that and leveraging those opportunities going forward, making sure that we've got not only the brands, but also the products and the service and the relationships.

Collin Verron
Analyst, Deutsche Bank Securities, Inc.

Q

That's helpful. Any questions in the room around plumbing before we move on maybe to the decorative architectural? No? All right, awesome. Keep going then. So I mean, Behr remains obviously very strong in DIY, but it feels like the incremental growth opportunity here is really around the PRO. I guess, how should investors be thinking about key milestones? I mean, you guys have already seen very strong growth relative to your peers in PRO. So I guess as we look forward, how should we be thinking about that level of growth and the key milestones investors should be looking for?

Richard Westenberg
Vice President, Chief Financial Officer & Treasurer, Masco Corp.

A

Yeah, we feel really good about our paint business overall. We've got a really established strong position in DIY and a really strong growing position in PRO. And what I would say is in terms of our track record of growing the PRO, and absolutely there's a secular trend happening there, in terms of the growth in PRO, and that's exactly why we're focused there with our partner, The Home Depot.

In terms of some of the metrics, we've been growing really at a mid-single-digit clip, which we believe is at or better than the industry. And really since 2019, we've, in the PRO segment, PRO category, we've grown share by 200 basis points. And where that leaves us is in a PRO paint industry of about $10 billion here in the US, we've got a business that's about $950 million, so it's just under 10% of the market share of that particular subsegment of paint. Contrast that with our DIY position, which is about 30% penetration or market share with regards to the DIY paint sector. And so that gives us confidence that we've got, certainly from a comparison perspective, opportunities for further expansion and growth. And we're continuing to invest along with The Home Depot to try to capture and grow that share as well as benefit from that secular trend as well.

Collin Verron
Analyst, Deutsche Bank Securities, Inc.

Q

And on the market size of $10 billion, I guess, how much of that do you think Masco can address? Because you're looking at maybe the PRO differently from maybe like a Sherwin-Williams who has their PRO stores. So I guess maybe dive into the differentiation there?

Richard Westenberg
Vice President, Chief Financial Officer & Treasurer, Masco Corp.

A

Yeah. So as you pointed out, Collin, there's sub- $10 billion is a big sector. There's subcategories to that. And historically, where Masco or Behr has been more successful, particularly with The Home Depot, is doing the PRO who also paints. So, it allows the format of The Home Depot store allows for one stop shopping for a PRO to come in and lumber and other products and windows and lighting, as well as the paint for their particular project.

And so, it's well situated for that. Where we continue to focus is develop those relationships and expand that, as well as really focus on making sure, we're competing successfully for the professional painters that are singularly focused on painting. And so those represent subcategories. I would say in terms of the addressable market, it's well over $5 billion of the $10 billion that we're able to be meaningful players. And I think that the overall growth of that sector continues to expand. And so it's in that vicinity, but it's an area that we feel really good about our momentum and the projects and initiatives that we have in place.

Collin Verron
Analyst, Deutsche Bank Securities, Inc.

Q

Got it. And you touched on this in my prior question, but I guess diving into the DIY shift away, or the shift away from DIY towards PRO most recently, how much of that do you feel is like cyclical versus structural, or I guess a combination of both, and kind of your view of what the paint market could look like from a DIY versus PRO in the next three to five years?

Richard Westenberg
Vice President, Chief Financial Officer & Treasurer, Masco Corp.

A

Yeah, it's a crystal ball question, Collin, but what I would say is the move from DIY to do-it-for-me has been a secular trend that predates COVID. And so we expect that secular trend to continue. There is some embedded cyclicality and largely a pull-forward effect from COVID because we did have a spike – the industry had a spike in paint sales and DIY during the 2020, 2021 period of time. And so there's a little bit of an implication of that in terms of a hangover from the COVID pull-ahead. So there's some- I don't know if you call it cyclicality, but certainly an implication.

But that's something that we feel that there's some opportunity for stabilization in the DIY space. We're going to continue to focus and invest, and make sure that we're really well-positioned to continue to be the leader in DIY paint. We've got a really strong brand. We've got a really strong product in terms of quality and value. So we feel really good about our position there, while continuing to focus on growth initiatives on the PRO side of the business. They are not mutually exclusive. We can continue to be successful and competitive in DIY and be the leader while continuing to invest in the PRO paint side.

Collin Verron Q

Analyst, Deutsche Bank Securities, Inc.

That's helpful. I have a [ph] football (00:20:35) question for you.

Richard Westenberg A

Vice President, Chief Financial Officer & Treasurer, Masco Corp.

Sure.

Collin Verron Q

Analyst, Deutsche Bank Securities, Inc.

When you look across at this plumbing, you think about your margin profile, where are you most optimistic and where are you [indiscernible] (00:20:46).

Richard Westenberg A

Vice President, Chief Financial Officer & Treasurer, Masco Corp.

Yeah, so for those online, the question is really between plumbing, paint, and wellness in our margin profile and where we're most optimistic. I would say that for our guidance, our margin performance has been pretty robust. And our margin guidance for this year, for example, is for 20% margins in plumbing. And that includes the tariff refund benefit, excluding that would be about 18%. 19% for Decorative Architectural, which is really our paint business. And really 18% overall, 17% excluding the tariff refunds. And so kind of in that 17%, 18%, 19%, 20% range. And so really strong and consistent across the board.

And I think from margin perspective, we talk about expanding margins as one of our key tenants, growing the top line and expanding margins. And we have opportunity to expand margins in all of our business lines. And so that's something, some maybe more than others. And there's other growth initiatives that we're focused on in terms of the wellness space, as we talked about the global project space, the upper and premium luxury plumbing space, pro paint, et cetera, in terms of growth. But with growth, we also expect margin expansion. And part of that is hinged by the fact that as you would anticipate, our incremental margins really run about 30%, 25% to 35%. And so incremental sales drops down at an accretive margin to our baseline margins of 18% 19%.

Collin Verron Q

Analyst, Deutsche Bank Securities, Inc.

[indiscernible] (00:22:30)

Richard Westenberg
Vice President, Chief Financial Officer & Treasurer, Masco Corp.

A

Sure.

Collin Verron
Analyst, Deutsche Bank Securities, Inc.

Q

[ph] Seems Sherwin-Williams (00:22:33) has shifted away from market share gains towards being more aggressive on price taking [indiscernible] (00:22:38). Have you seen that in marketplace? That change your behavior at all?

Richard Westenberg
Vice President, Chief Financial Officer & Treasurer, Masco Corp.

A

So the question is really one of the competitors maybe shifting their focus from market share growth to more pricing. And we've seen some pricing in the market. We've got an arrangement just because we've got a partnership with our biggest customer, The Home Depot, which is in principle price-cost neutral. So effectively, as commodity costs increase, there's an agreement to increase price, and the inverse is true if commodities deflate. And so for us, it's more about driving growth and value and driving market share gains in terms of performance. Pricing is really the decision in terms of consumer pricing is really the decision of our partner.

Collin Verron
Analyst, Deutsche Bank Securities, Inc.

Q

The marketplace getting less competitive in a sense, [ph] able to win more portion of our business.(00:23:42)

Richard Westenberg
Vice President, Chief Financial Officer & Treasurer, Masco Corp.

A

Yeah, well, one of the benefits, and this is for paint as well as plumbing and some other areas in which we compete, we're in really good spaces where there's rational players in place. And so we're able to, and need to be disciplined on pricing and being able to focus on driving growth with strong margins as well.

Collin Verron
Analyst, Deutsche Bank Securities, Inc.

Q

I guess on margin expansion, you talked about sort of the flow-through from better volumes. I guess I'm curious as to getting to your 2028 targets of at least 18%, any color just on how much like the margin recovery is cyclical, like the cycle-driven in terms of volumes getting better versus how much of it's in Masco's control?

Richard Westenberg
Vice President, Chief Financial Officer & Treasurer, Masco Corp.

A

Yeah, so in terms of and we laid this out in Investor Day. There are really three buckets or drivers that are going to translate into margin expansion for Masco over the next couple of years. And they're unchanged really in terms of what have underpinned our margin performance in the last X number of years. And that is first and foremost volume. And as we articulate, or as I articulated, incremental volume, both in terms of growth of the industry, but also growth idiosyncratic for Masco in terms of market share performance drops down at an accretive margin level relative to our operating profit margins. And so that's a contributing factor.

But the second contributing factor is really cost performance and operational excellence, as I mentioned, leveraging the Masco operating system, which is really a continuous improvement mechanism that we use internally here at Masco, as well as taking incremental actions like we announced earlier this year in terms of restructuring that we've communicated about $50 million of restructuring actions this year. And that you'd expect us to continue to look at opportunities going forward.

And then third is pricing and pricing above commodities. Now that is a volatile situation just given commodities are volatile in and of themselves. But over an extended period of time, particularly on our plumbing side of the business, having price exceed our input costs is another contributing factor. So it's really volume and the margin accretiveness of that cost performance, as well as the price-cost performance in our plumbing business. Okay.

Collin Verron
Analyst, Deutsche Bank Securities, Inc.
Q

That's helpful. And I guess pivoting over to maybe capital allocation and cash flow, I mean, you guys generate a lot of cash. You have a long track record of returning that to shareholders. I guess, how do you think about sort of the priorities here? I know you lay them out as reinvestment, dividends, buybacks, M&A, but I guess acquisitions. Are there enough attractive bolt-on acquisitions out there, or should we be thinking about maybe a larger deal if the right asset emerges? And then if that doesn't happen, like how willing you are to spend on share repurchases, which I think history would tell you very willing, but this would be helpful for you to frame it.

Richard Westenberg
Vice President, Chief Financial Officer & Treasurer, Masco Corp.
A

Yeah. So I appreciate it, Collin. I mean, our capital allocation framework is unchanged. It's been very consistent over the years. And that's really- you mentioned, you referenced it, but effectively, it's probably worth reiterating for the group that, first and foremost, our number one priority is reinvesting in the business. And we do that generally at about 2% to 2.5% CapEx as a percent of sales.

Second is a really strong investment-grade balance sheet. measured by [ph] software (00:27:14) credit rating, which is roughly BBB or Baa1, as well as a leverage ratio that is gross debt-to-EBITDA of 2.5 times or less. And the third is the dividend, and we target a 30% payout ratio. And then we have effectively all available cash after one, two, and three available for share buybacks or M&A. And the reason we do the or is because M&A is episodic. And so it's really driven off of the opportunities and the right opportunities for M&A.

To your question, specifically, in terms of bolt-ons, that is really our focus in terms of – we are actively cultivating our pipeline at any given point in time, and we're focused on opportunities that are really in our plumbing, paint, or wellness categories. We're not looking further afield. We're going to stay disciplined in one of those areas. And bolt-ons has been really our area of focus because we feel that's the best value proposition from a risk-return perspective. We're not averse to doing something bigger, but I would say that it would have to certainly meet our kind of a strategic rationale, fall within one of those areas, and make sure that it makes sense from a shareholder return standpoint.

Collin Verron
Analyst, Deutsche Bank Securities, Inc.
Q

Got you. I guess following up on a larger opportunity, like any more color as to like what those characteristics that matter most from Masco's perspective, if we were looking at maybe like a third business or something like that?

Richard Westenberg
Vice President, Chief Financial Officer & Treasurer, Masco Corp.
A

Yeah, we would – the focus really, Collin, is to stay disciplined in terms of the opportunity, whether it's large or medium or small, quite frankly fits the same attributes, which is it has to be a category fit for us, a strategic fit, and that would drive shareholder returns. And so those are from an economics and pricing perspective. And so those are the things that we're going to remain disciplined on, and we're not going to do anything that we don't feel very confident that we can deliver value on.

Collin Verron
Analyst, Deutsche Bank Securities, Inc.

Q

Okay. Any more questions in the room here?

Collin Verron

Analyst, Deutsche Bank Securities, Inc.

Great. Well, we're running up on time anyway, so it's perfectly, perfectly fitting there. But thank you so much. We really appreciate the time.

Richard Westenberg

Vice President, Chief Financial Officer & Treasurer, Masco Corp.

Perfect. Appreciate it, Collin. Appreciate it being able to participate in the conferences today. Good to see all of you.