Masco Corporation
Second Quarter 2018 Earnings Presentation

July 31, 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.

Masco Q2 2018 Results

Topic	
• Summary of Results	Keith Allman
• Financial/Operations Review	John Sznewajs
• Q&A	

Continued Momentum Drives Growth

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Driving Shareholder Value

- Strong top-line growth in Decorative Architectural, Plumbing and Cabinetry Segments
- Offsetting inflation with pricing actions, expect to be approximately price/cost neutral in the second half of the year
- Demonstrated cost discipline with 100 bps of SG&A leverage as a % of sales
- Repurchased 3.0 million shares for $115 million
- Board announced intention to increase annual dividend by $0.06 or 14% beginning in the fourth quarter
- Anticipated adjusted annual earnings range updated to $2.48 to $2.55 from $2.48 to $2.63 per share

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Double Digit Sales and Earnings Per Share Growth

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($ in Millions)	Second Quarter 2018
Revenue Y-O-Y Change	$2,297 11%
Operating Profit* Y-O-Y Change	$380 $8
Operating Margin* Y-O-Y Change	16.5% (150) bps
Adjusted EPS* Y-O-Y Change	$0.75 21%

See Appendix for GAAP reconciliation.

Quarter Highlights

- Total company sales increased 6% excluding the impacts of FX, acquisitions and divestitures
- In local currency, North American sales increased 12% or increased 6% excluding acquisitions and divestitures
- In local currency, International sales matched prior year or increased 4% excluding divestiture
- FX favorably impacted sales by $29 million; unfavorably impacted Other Income (Expense) by $5 million
- Operating profit impacted by $30 million in strategic investments ($10m), lag in price/cost ($10m) and Windows' costs ($10m)

Solid Demand Fuels Sales Growth

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($ in Millions)	Second Quarter 2018
Revenue Y-O-Y Change	$1,032 9%
Operating Profit* Y-O-Y Change	$196 ($4)
Operating Margin* Y-O-Y Change	19.0% (210) bps

**Excludes business rationalization charges for the second quarter of 2018 of $2 million.*

Quarter Highlights

- Total segment sales increased by 6% excluding the impacts of FX
- In local currency, North American sales increased 6% and international sales increased 5%
- FX favorably impacted sales by $25 million
- Operating profit impacted by approximately $15 million due to a lag in price/cost and strategic investments (displays, ERP)

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Strong Performance Across the Segment

($ in Millions)	Second Quarter 2018
Revenue Y-O-Y Change	$806 22%
Operating Profit* Y-O-Y Change	$165 $16
Operating Margin* Y-O-Y Change	20.5% (200) bps

**Excludes Kichler inventory step up adjustment for the second quarter of 2018 of $20 million.*

Quarter Highlights

- Segment sales increased 6% excluding the acquisition of Kichler
- Behr's pro initiative and DIY business each grew mid-single digits
- Operating profit margins impacted by lower Kichler margins and an unfavorable price/cost relationship

Robust Top-Line Growth

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($ in Millions)	Second Quarter 2018
Revenue Y-O-Y Change	$268 7%
Operating Profit Y-O-Y Change	$33 $2
Operating Margin Y-O-Y Change	12.3% (10) bps

Quarter Highlights

- Segment sales increased 13% excluding the divestiture of Moores
- Repair and remodel business grew double digits and new home construction grew single digits
- Operating profit impacted by display investment and ramp up costs for Menards' win

Modest Growth in North American Windows

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($ in Millions)	Second Quarter 2018
Revenue Y-O-Y Change	$191 (7%)
Operating Profit Y-O-Y Change	$8 ($10)
Operating Margin Y-O-Y Change	4.2% (460) bps

Quarter Highlights

- Segment sales increased 2% excluding the divestiture of Arrow Fastener
- Milgard Windows achieved single digit sales growth
- Operating profit impacted by Arrow divestiture and approximately $10 million of increased costs and inefficiencies

Strong Balance Sheet

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Liquidity as of 6/30/2018	
Cash and cash investments	$0.4B
Short-term bank deposits	$0.0B
Total	**$0.4B**

Disciplined Capital Allocation

- Repurchased approximately 3.0 million shares in Q2 for $115 million
- Retired $114 million of debt in April
- Anticipate deploying approximately $200 million in the second half of 2018 in either acquisitions or share buybacks

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Q&A

Appendix

Appendix – Profit Reconciliations – Second Quarter

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($ in Millions)	Q2 2018	Q2 2017
Net sales	**$ 2,297**	**$ 2,066**
Gross profit, as reported	**$ 750**	**$ 746**
Rationalization charges	2	-
Kichler inventory step up adjustment	20	-
Gross profit, as adjusted	**$ 772**	**$ 746**
Gross margin, as reported	*32.7%*	*36.1%*
Gross margin, as adjusted	*33.6%*	*36.1%*
Selling, general and administrative expenses, as reported	**$ 392**	**$ 374**
Selling, general and administrative expenses as percent of net sales, as reported	*17.1%*	*18.1%*
Operating profit, as reported	**$ 358**	**$ 372**
Rationalization charges	2	-
Kichler inventory step up adjustment	20	-
Operating profit, as adjusted	**$ 380**	**$ 372**
Operating margin, as reported	*15.6%*	*18.0%*
Operating margin, as adjusted	*16.5%*	*18.0%*

Appendix – EPS Reconciliation – Second Quarter

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(in Millions, Except per Common Share Data)	Q2 2018	Q2 2017
Income before income taxes, as reported	**$ 312**	**$ 262**
Rationalization charges	2	-
Kichler inventory step up adjustment	20	-
(Gains) from private equity funds, net	-	(1)
(Earnings) from equity investments, net	(2)	(1)
Loss on extinguishment of debt	-	107
(Gain) on sale of business	-	(49)
Income before income taxes, as adjusted	**$ 332**	**$ 318**
Tax at 26% rate (34% for 2017)	(86)	(108)
Less: Net income attributable to noncontrolling interest	13	13
Net income, as adjusted	**$ 233**	**$ 197**
Net income per common share, as adjusted	**$ 0.75**	**$ 0.62**
Average diluted common shares outstanding	309	319

Appendix – EPS Reconciliation – Remaining 2017 Periods

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(in Millions, Except per Common Share Data)	Q3 2017	Q4 2017	Full Year 2017
Income before income taxes, as recasted	**$ 264**	**$ 148**	**$ 884**
Rationalization charges	1	1	4
(Gains) from private equity funds, net	-	(1)	(3)
(Earnings) from equity investments, net	-	-	(1)
Impairment of private equity funds	2	-	2
Loss on extinguishment of debt	-	-	107
(Gain) loss on sales of businesses, net	(2)	64	13
Income before income taxes, as adjusted	**$ 265**	**$ 212**	**$ 1,006**
Tax at 34% rate	(90)	(72)	(342)
Less: Net income attributable to noncontrolling interest	12	12	47
Net income, as adjusted	**$ 163**	**$ 128**	**$ 617**
Net income per common share, as recasted and adjusted	**$ 0.52**	**$ 0.41**	**$ 1.94**
Average diluted common shares outstanding	316	314	318

Appendix – 2018 EPS Outlook Reconciliation

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	Twelve Months Ended December 31, 2018 Low End	High End
Net income per common share	**$ 2.34**	**$ 2.41**
Rationalization charges	0.02	0.02
Kichler inventory step up adjustment	0.10	0.10
Allocation to participating securities per share (1)	0.02	0.02
Net income per common share, as adjusted	**$ 2.48**	**$ 2.55**

(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.

2017 RESTATEMENTS
Reflecting impact of revenue recognition and pension accounting changes

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($ in Millions, except EPS)

2017 NET SALES, as recasted	Q1	Q2	Q3	Q4	Full Year
Plumbing Products	$872	$949	$950	$961	$3,732
Decorative Architectural Products	496	661	562	487	2,206
Cabinetry Products	231	251	229	223	934
Windows & Other Specialty Products	179	205	204	182	770
Total Net Sales	$1,778	$2,066	$1,945	$1,853	$7,642

2017 OPERATING PROFIT, as recasted	Q1	Q2	Q3	Q4	Full Year
Plumbing Products	$162	$200	$175	$165	$702
Decorative Architectural Products	94	149	112	83	438
Cabinetry Products	16	31	20	25	92
Windows & Other Specialty Products	8	18	24	4	54
General Corporate Expense, Net	(23)	(26)	(22)	(21)	(92)
Total Operating Profit	$257	$372	$309	$256	$1,194

2017 EPS, as recasted and adjusted	Q1	Q2	Q3	Q4	Full Year
Net income per common share	$0.40	$0.62	$0.52	$0.41	$1.94

2018 Guidance Estimates

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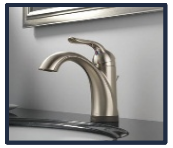
($ in Millions)	2018 Estimate
Rationalization Charges	~ $7
Tax Rate	~ 26%
General Corporate Expense	~ $85
Interest Expense	~ $157
Increased 'Other expense' Due to Change in Pension Expense Accounting	~ $17
Capital Expenditures	~ $220
Depreciation & Amortization[1]	~ $160
Favorable Foreign Currency Translation Impact to Sales[2]	~ $60
Shares Repurchased	$450-500

1. Includes the impact of Kichler acquisition.
2. Based on rates as of June 30, 2018.

2017 Segment Mix*

	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

2017 Geographic Revenue Split*

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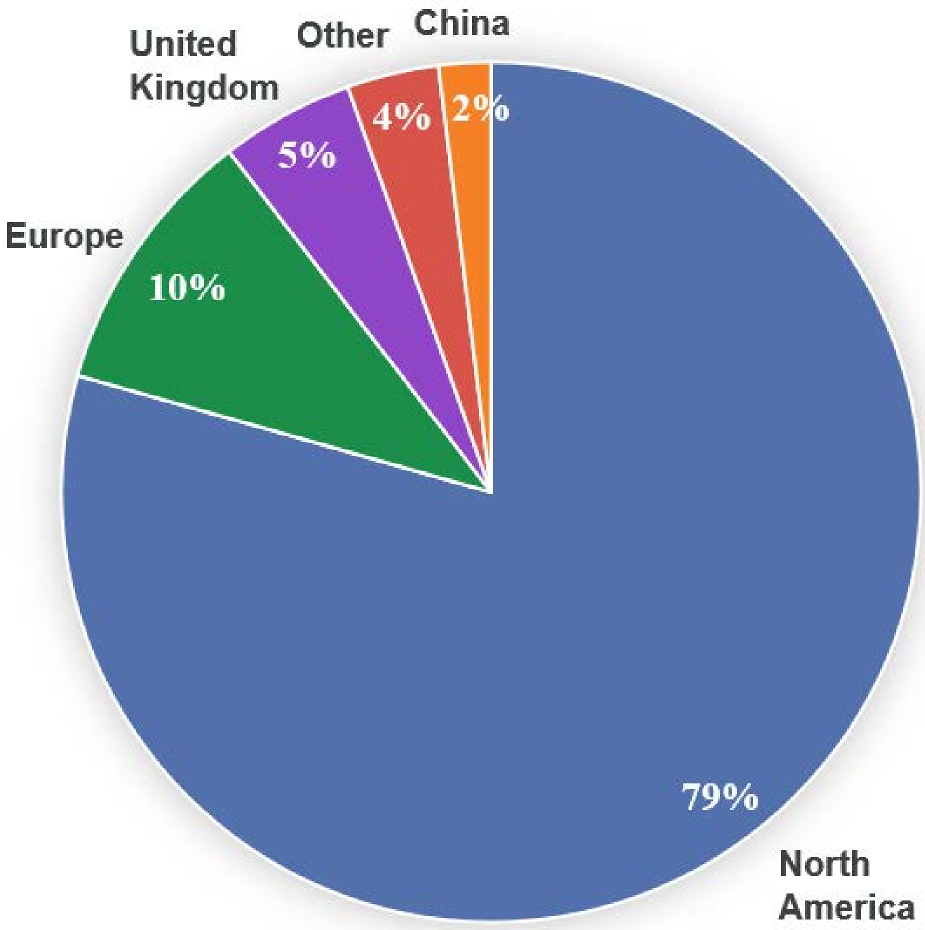

International Sales Accounted for ~21% of Total 2017 Masco Sales

*Based on Company estimates