MASCO CORPORATION
Second Quarter 2020 Earnings Presentation

July 30, 2020

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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 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 demand for our products, 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 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 Report. 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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Summary of Results	Keith Allman
Financial / Operations Review	John Sznewajs
Q&A	Keith Allman John Sznewajs

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Long-Term Shareholder Value Creation

Driving Shareholder Value

- Delivered strong top and bottom-line growth in Decorative Architectural Products
- Focused execution on cost control
- Expanded adjusted operating profit margin by 50 bps
- Achieved adjusted EPS growth of 14%
- Board of Directors announced intention to increase annual dividend by $0.02, to $0.56, beginning in the fourth quarter

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Delivered Strong Margin Expansion and EPS Growth

($ in Millions)	Second Quarter 2020
Revenue Y-O-Y Change	$1,764 (4%)
Operating Profit* Y-O-Y Change	$344 ($5)
Operating Margin* Y-O-Y Change	19.5% 50 bps
Adjusted EPS* Y-O-Y Change	$0.84 14%

**See Appendix for GAAP reconciliation.*

Quarter Highlights

- Total company sales decreased 3% excluding the impact of FX
- In local currency, North American sales matched prior year
- In local currency, international sales decreased 17%
- FX unfavorably impacted sales by $13 million
- Operating margin expansion due to strong paint volume and cost control

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North American Plumbing Exceeded Expectations

($ in Millions)	Second Quarter 2020
Revenue Y-O-Y Change	$868 (14%)
Operating Profit* Y-O-Y Change	$159 ($41)
Operating Margin* Y-O-Y Change	18.3% (150) bps

**Excludes business rationalization charges for the second quarter 2020 and 2019 of $4 million and $2 million respectively.*

Quarter Highlights

- Total segment sales decreased 13% excluding the impact of FX
- In local currency, North American sales decreased 11% and international sales decreased 17%
- Decremental margin of ~-28% despite sudden nature of shutdowns
- FX unfavorably impacted sales by $10 million
- Operating profit decreased due to lower volume, partially offset by cost control

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DIY Paint Continued to Outperform

($ in Millions)	Second Quarter 2020
Revenue Y-O-Y Change	$896 8%
Operating Profit* Y-O-Y Change	$202 $29
Operating Margin* Y-O-Y Change	22.5% 160 bps

** Excludes business rationalization charges for the second quarter 2020 of $1 million.*

Quarter Highlights

- Revenue of paints and other coating products grew low double digits
- DIY paint sales grew high teens
- PRO paint sales declined low double digits
- Operating profit increased due to favorable volume and cost control

Strong Balance Sheet

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Balance Sheet Metrics as of 6/30/2020	
Cash and cash investments	$1,089M
Revolver availability	$1,000M
Total liquidity	$2,089M
Net leverage	1.3x
Working capital as a % of sales	18.1%

Highlights

- Working capital as a percentage of sales improved 50 bps compared to prior year
- Received 2.3 million shares at no additional cost to complete our accelerated share repurchase agreement at an average share price of $36.63

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Q&A

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Appendix

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Profit Reconciliations – Second Quarter

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($ in Millions)	Q2 2020	Q2 2019
Net sales	**$1,764**	**$1,839**
Gross profit, as reported	**$628**	**$673**
Rationalization charges	3	2
Gross profit, as adjusted	**$631**	**$675**
Gross margin, as reported	*35.6%*	*36.6%*
Gross margin, as adjusted	*35.8%*	*36.7%*
Selling, general and administrative expenses, as reported	**$289**	**$326**
Rationalization charges	2	-
Selling, general and administrative expenses, as adjusted	**$287**	**$326**
Selling, general and administrative expenses as percent of net sales, as reported	*16.4%*	*17.7%*
Selling, general and administrative expenses as percent of net sales, as adjusted	*16.3%*	*17.7%*
Operating profit, as reported	**$339**	**$347**
Rationalization charges	5	2
Operating profit, as adjusted	**$344**	**$349**
Operating margin, as reported	*19.2%*	*18.9%*
Operating margin, as adjusted	*19.5%*	*19.0%*

EPS Reconciliation – Second Quarter

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(in Millions, Except per Common Share Data)	Q2 2020	Q2 2019
Income from continuing operations before income taxes, as reported	**$302**	**$303**
Rationalization charges	5	2
Pension costs associated with expected terminated plans	5	—
Income from continuing operations before income taxes, as adjusted	**$312**	**$305**
Tax at 26% rate	(81)	(79)
Less: Net income attributable to noncontrolling interest	10	12
Income from continuing operations, as adjusted	**$221**	**$214**
Income from continuing operations per common share, as adjusted	**$0.84**	**$0.74**
Average diluted common shares outstanding	263	290

Net Leverage Reconciliation

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($ in Millions)	June 30, 2020
Debt	**$2,779**
Less: Cash and cash investments	(1,089)
Net Debt	**$1,690**

($ in Millions)	TTM as of 6/30/2020
Operating profit, as reported	**$1,108**
Rationalization charges	19
Operating profit, as adjusted	**$1,127**
Depreciation and amortization	131
EBITDA, as adjusted	**$1,258**
Net Debt to EBITDA	1.3X

Working Capital as a % of Sales

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(in Millions)	**As of June 30, 2020**
Receivables	$1,308
Inventories	750
Less: Accounts payable	(845)
Working Capital	$1,213
Working capital as a % of sales (last 12 months)	18.1%

2019 Segment Mix*

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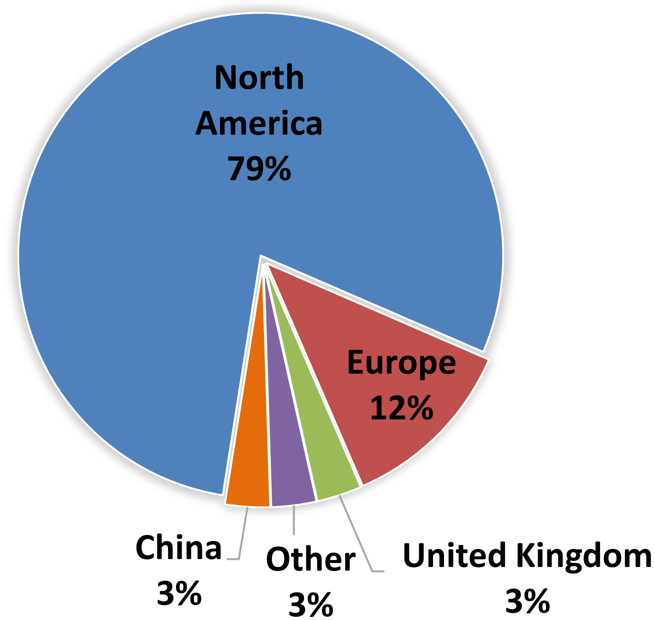
Business Segment	2019 Revenue	R&R% vs. NC	NA% vs. Int'l
Plumbing Products	$4.0B	84%	65%
Decorative Architectural Products	$2.7B	96%	100%
Total Company	$ 6.7B	89%	79%

R&R = % of sales to repair and remodel channels
NA = % of sales within North America
NC = % of sales to new construction channels
Int'l = % of sales outside North America

Total Geographic Revenue Split



37% of Total Net Sales were to our largest customer, The Home Depot

* Based on Company estimates

Q3 2020 Outlook

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Business Segment	Q3 2020 Sales Change	Q3 2020 Adjusted Operating Profit Margin
Plumbing Products	Down 5% to Up 5% *(ex currency)*	Similar to Q3 2019 margin of 18.7%
Decorative Architectural Products	Up 7 – 17%	Similar to Q3 2019 margin of 18.9%
Total Masco	**Flat to Up 10%** ***(ex currency)***	**Similar to Q3 2019 margin of 17.4%**

2020 Estimates

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Item	Assumption
Rationalization charges	~$10m
Tax rate	26%
General corporate expense	~$85m
Interest expense	~$140m
Capital expenditures (includes maintenance capex of ~$75m)	~$100m
Depreciation and amortization	~$135m
Unfavorable foreign currency translation impact to sales[1]	~$25m
Share repurchases	~$600m
Average diluted share count for 2020	~266 million
Working capital as a % of net sales	16.0 – 17.0%
Free cash flow conversion	~100%

1. Based on rates as of June 30, 2020.

Note: Formal guidance for 2020 and 2021 has been withdrawn.