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Fourth Quarter 2021 Earnings Presentation

February 8, 2022

Safe Harbor Statement

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 duration of the ongoing COVID-19 pandemic, including its impact on domestic and international economic activity, consumer discretionary spending, our employees and our supply chain, the cost and availability of materials, our dependence on third-party suppliers and service providers, extreme weather events and changes in climate, 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 risks associated with cybersecurity vulnerabilities, threats and attacks. These and other factors are discussed in detail in Item 1A. "Risk Factors" of this 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

1 **Summary of Results** — Keith Allman

2 **Financial/Operations Review** — John Sznewajs

3 **Q&A** — Keith Allman, John Sznewajs

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Summary of Results

Keith Allman

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Q4 2021 Review

Long-Term Shareholder Value Creation

- Delivered strong top line growth of 9%
- Contained costs as SG&A as a percentage of sales declined 140 basis points
- Achieved adjusted EPS of $0.67 per share
- Repurchased 2.3 million shares for $148 million

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Full Year 2021 Review

Demonstrated Executional Excellence

- Drove top line growth of 17%
- Grew adjusted operating profit 11%
- Increased adjusted EPS by 19% to $3.70 per share
- Delivered adjusted free cash flow of ~$900 million with a conversion rate of ~90%
- Achieved a return on invested capital from continuing operations of ~47%
- Anticipate full year 2022 adjusted EPS in the range of $4.10 - $4.30 per share

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Financial / Operations Review

John Sznewajs

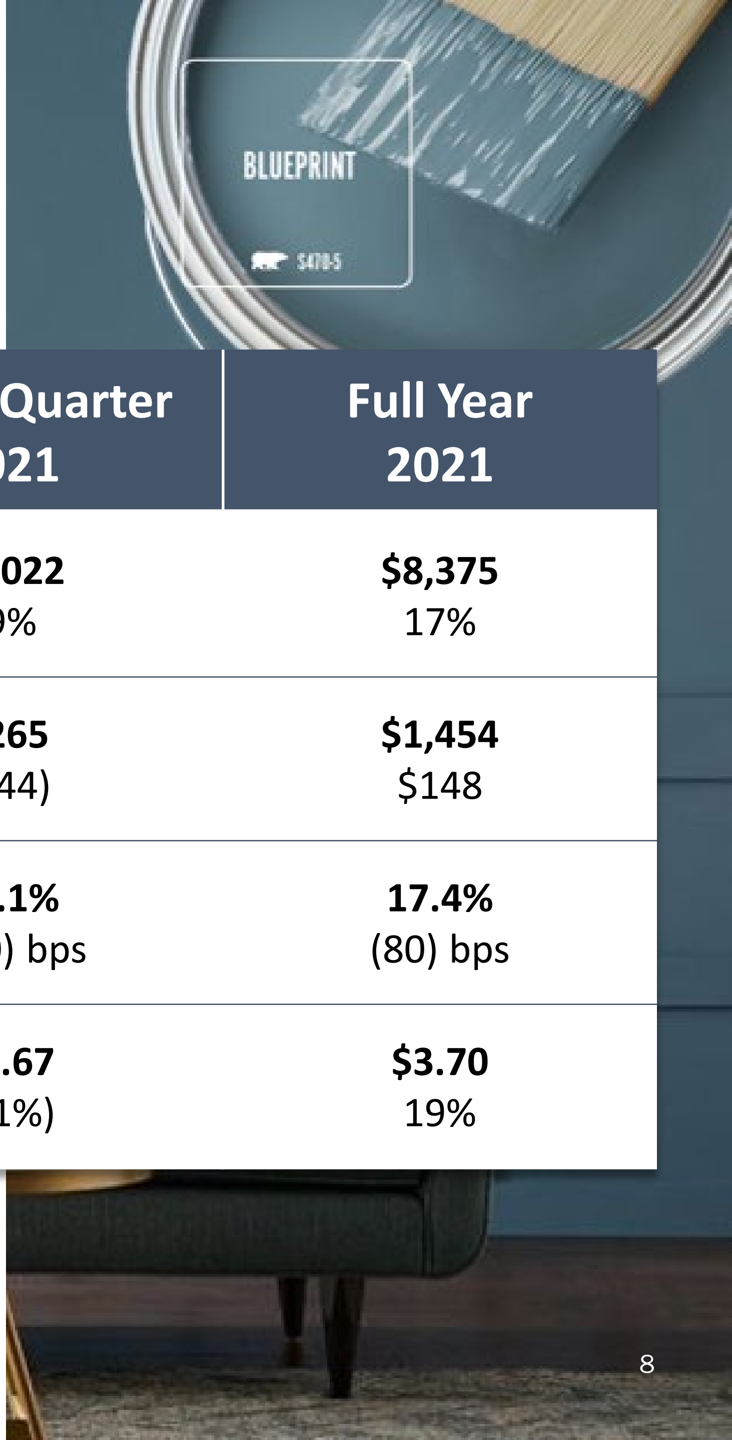
Finished Year With Strong Top Line Growth

Masco Corporation

Quarter Highlights

- Total company sales increased 9%
- Net acquisitions/divestitures increased sales by 2% and FX impact was minimal
- In local currency, North American sales increased 11%, or 7% excluding acquisitions
- In local currency, international sales increased 3%, or 5% excluding net acquisitions/divestitures
- Operating profit impacted by rising inflation and an unfavorable price/cost relationship, partially offset by incremental volume

($ in Millions)	Fourth Quarter 2021	Full Year 2021
Revenue Y-O-Y Change	**$2,022** 9%	**$8,375** 17%
Operating Profit* Y-O-Y Change	**$265** ($44)	**$1,454** $148
Operating Margin* Y-O-Y Change	**13.1%** (350) bps	**17.4%** (80) bps
Adjusted EPS* Y-O-Y Change	**$0.67** (11%)	**$3.70** 19%



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*See Appendix for GAAP reconciliation.

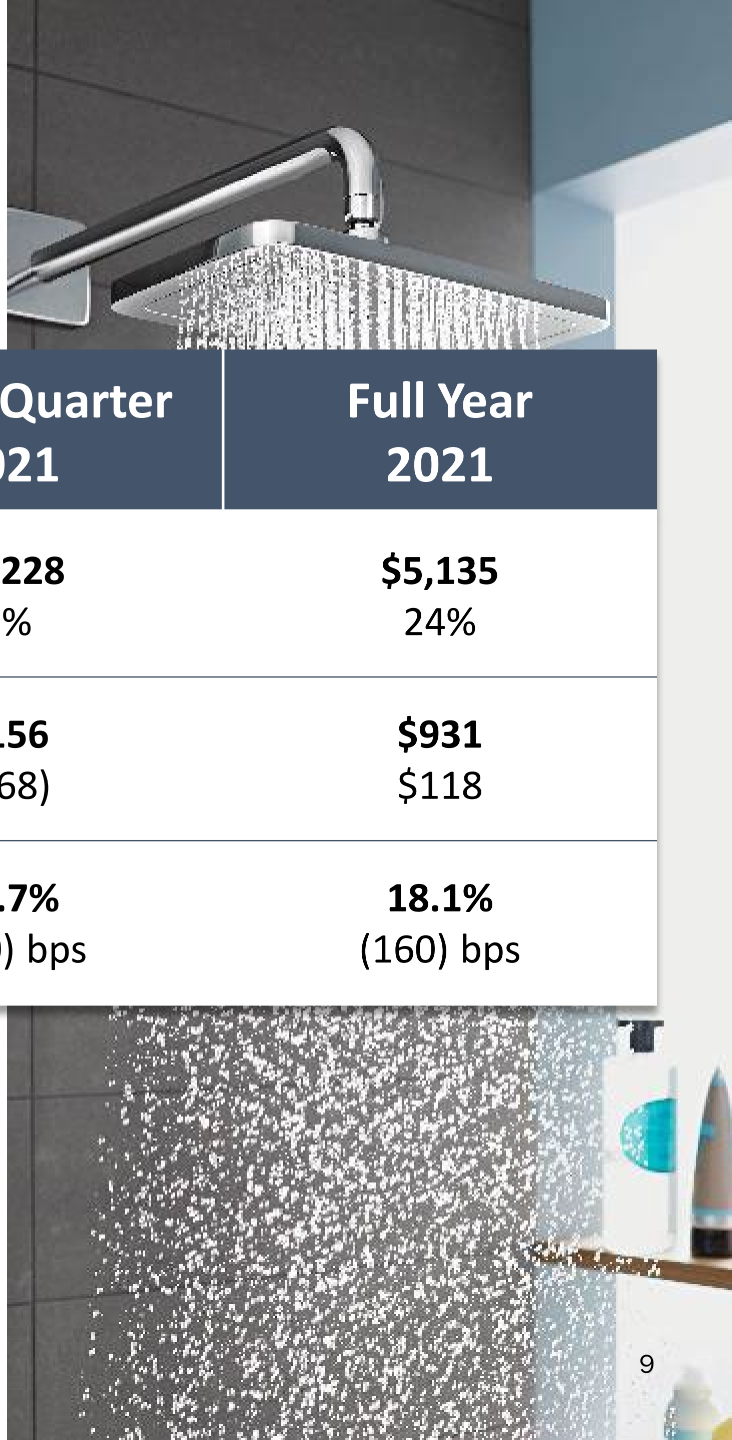
Delivered Solid Top Line Growth

Plumbing Products

Quarter Highlights

- Total segment sales increased 5%
- Net acquisitions/divestitures increased sales by 3% and FX impact was minimal
- In local currency, North American sales increased 6%, or 1% excluding acquisitions
- In local currency, international sales increased 3%, or 5% excluding net acquisitions/divestitures
- Operating profit impacted by higher variable expenses and an unfavorable price/cost relationship

($ in Millions)	Fourth Quarter 2021	Full Year 2021
Revenue Y-O-Y Change	**$1,228** 5%	**$5,135** 24%
Operating Profit* Y-O-Y Change	**$156** ($68)	**$931** $118
Operating Margin* Y-O-Y Change	**12.7%** (640) bps	**18.1%** (160) bps



* Excludes business rationalization charges for the full year 2021 of $2 million, and for the fourth quarter and the full year 2020 of $1 million and $7 million, respectively.

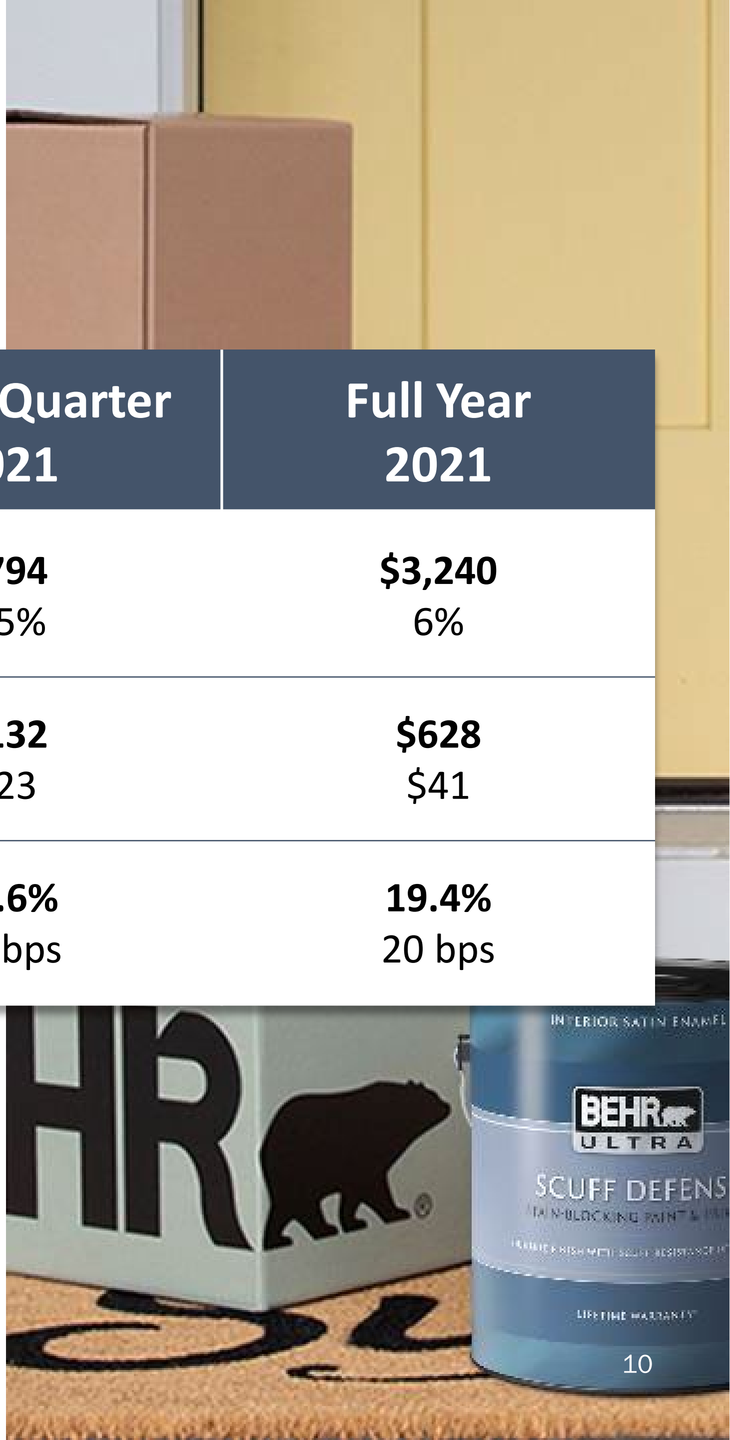
Exceptional Top and Bottom-Line Growth

Decorative Architectural Products

Quarter Highlights

- Total segment sales increased 15%
- Acquisitions increased sales by 1%
- Revenue of paints and other coating products increased high teens against a mid teens comp
- DIY paint sales grew mid-single digits
- PRO paint sales grew over 50%
- Operating profit impacted by higher net selling prices, incremental volume and cost productivity initiatives, partially offset by higher commodity costs

($ in Millions)	Fourth Quarter 2021	Full Year 2021
Revenue Y-O-Y Change	**$794** 15%	**$3,240** 6%
Operating Profit* Y-O-Y Change	**$132** $23	**$628** $41
Operating Margin* Y-O-Y Change	**16.6%** 80 bps	**19.4%** 20 bps



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* Excludes business rationalization charges for the fourth quarter and the full year 2021 of $2 million each, and for the fourth quarter and the full year 2020 of $1 million and $4 million, respectively. The fourth quarter and full year of 2021 also excludes a goodwill impairment charge of $45 million.

Strong Balance Sheet

Masco Corporation

Balance Sheet Metrics as of 12/31/2021	
Cash and cash investments	$926M
Revolver availability	$1,000M
Total liquidity	$1,926M
Net leverage[1]	1.3x
Working capital as a % of sales[1]	16.0%
Adjusted free cash flow[1]	$896M

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1. See Appendix for reconciliation.

Full Year 2022 Outlook

2022 Adjusted EPS $4.10 – $4.30

Business Segment	2022 Forecasted Sales Growth		2022 Forecasted Adjusted Operating Profit Margin
Plumbing Products	Organic:	~3-7%	~19.0%
	FX:	~(2%)	
	TOTAL:	**~1-5%**	
Decorative Architectural Products	Organic:	~6-10%	~18.0%
	TOTAL:	**~6-10%**	
Total Masco	Organic:	~4-8%	~17.5%
	FX:	~(1%)	
	TOTAL:	**~3-7%**	

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Q&A

Keith Allman

John Sznewajs

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Appendix

2022 Estimates

Item	Assumption
Rationalization charges	$7m
Tax rate	25%
General corporate expense	~$100m
Interest and other expense	~$105m
Capital expenditures (includes maintenance capex of ~$100m)	~$250m
Depreciation and amortization[1]	~$150m
Unfavorable foreign currency translation impact to sales[2]	~$90m
Share repurchases/acquisitions	~$600m
Average diluted share count for 2022	~240m
Working capital as a % of net sales	~16.5%
Free cash flow conversion	~85-90%

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1. Plumbing Products segment ~$100m; Decorative Architectural Products segment ~$40m; Non-operating ~$10m.
2. Based on rates as of December 31, 2021.

Capital Allocation Strategy

Balanced Approach to Continue to Drive Shareholder Value

1	**Reinvest in the Business**	• Capex: 2-2.5% of sales • Working capital: ~16.5% of sales
2	**Maintain investment grade credit rating**	• Gross debt to EBITDA below 2.5x
3	**Maintain relevant dividend**	• Board declared first quarter dividend of $0.28 per share, a 19% increase • Dividend payout ratio of ~30%
4	**Deploy excess free cash flow to share repurchase or acquisitions**	• Consistently in the market for share repurchase, but opportunistic • $1.1B remaining on share repurchase authorization of $2.0 billion • Select bolt-on acquisitions • Expect to deploy at least $600 million for share repurchases or acquisitions in 2022

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%

Expected Dividend Schedule

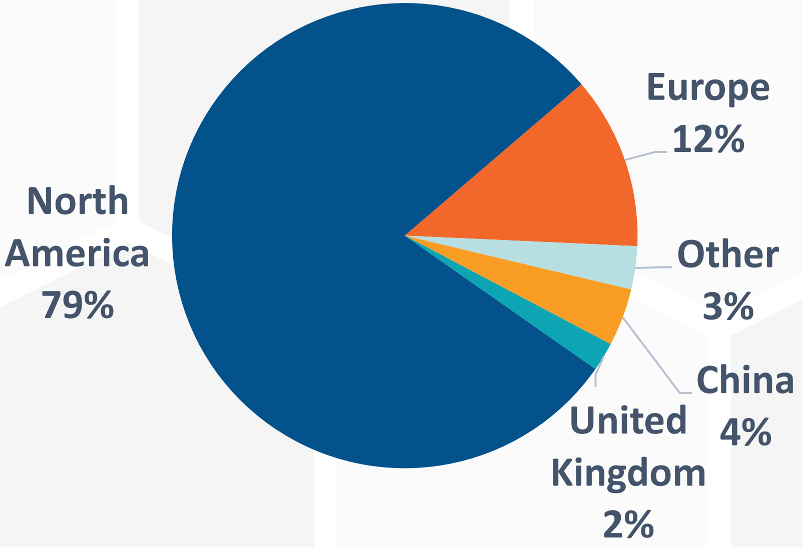
Declaration Date	Record Date	Payable Date
Week of February 7, 2022	Week of February 21, 2022	Week of March 14, 2022
Week of May 9, 2022	Week of May 23, 2022	Week of June 13, 2022
Week of July 25, 2022	Week of August 8, 2022	Week of August 29, 2022
Week of October 24, 2022	Week of November 7, 2022	Week of November 28, 2022

The table reflects our expected dividend schedule through November 2022. Dividend payments are subject to declaration by our Board of Directors, and the dates noted do not constitute a notice of a dividend record date or imply that the Company will declare and pay a dividend for the quarter indicated.

2021 Segment Mix*

Business Segment	2021 Revenue	R&R% vs. NC	NA% v. Int'l
Plumbing Products	$5.1B	83%	66%
Decorative Architectural Products	$3.3B	97%	100%
Total Company	**$8.4B**	**88%**	**79%**

Total Geographic Revenue Split



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

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*Based on Company estimates

2021 Channel Mix*

2021 Channel Mix as a Percentage of Sales			
Channel	Plumbing Products	Decorative Architectural Products	Total Masco
Retail	20%	84%	45%
Wholesale/trade	55%	11%	38%
E-commerce	16%	5%	12%
Specialty dealers/other	9%	0%	5%

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*Based on Company estimates

Profit Reconciliations – Fourth Quarter

($ in Millions)	Q4 2021	Q4 2020
Net sales	**$ 2,022**	**$ 1,860**
Gross profit, as reported	**$ 619**	**$ 660**
Rationalization charges	2	2
Gross profit, as adjusted	**$ 621**	**$ 662**
Gross margin, as reported	*30.6%*	*35.5%*
Gross margin, as adjusted	*30.7%*	*35.6%*
Selling, general and administrative expenses, as reported	**$ 356**	**$ 353**
Selling, general and administrative expenses as percent of net sales, as reported	*17.6%*	*19.0%*
Operating profit, as reported	**$ 218**	**$ 307**
Rationalization charges	2	2
Impairment charge for goodwill	45	-
Operating profit, as adjusted	**$ 265**	**$ 309**
Operating margin, as reported	*10.8%*	*16.5%*
Operating margin, as adjusted	*13.1%*	*16.6%*

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Profit Reconciliations – Full Year

($ in Millions)	2021	2020
Net sales	**$ 8,375**	**$ 7,188**
Gross profit, as reported	**$ 2,863**	**$ 2,587**
Rationalization charges	4	9
Gross profit, as adjusted	**$ 2,867**	**$ 2,596**
Gross margin, as reported	*34.2%*	*36.0%*
Gross margin, as adjusted	*34.2%*	*36.1%*
Selling, general and administrative expenses, as reported	**$ 1,413**	**$ 1,292**
Rationalization charges	-	2
Selling, general and administrative expenses, as adjusted	**$ 1,413**	**$ 1,290**
Selling, general and administrative expenses as percent of net sales, as reported	*16.9%*	*18.0%*
Selling, general and administrative expenses as percent of net sales, as adjusted	*16.9%*	*17.9%*
Operating profit, as reported	**$ 1,405**	**$ 1,295**
Rationalization charges	4	11
Impairment charge for goodwill	45	-
Operating profit, as adjusted	**$ 1,454**	**$ 1,306**
Operating margin, as reported	*16.8%*	*18.0%*
Operating margin, as adjusted	*17.4%*	*18.2%*

EPS Reconciliation – Fourth Quarter

(in Millions, Except per Common Share Data)	Q4 2021	Q4 2020
Income from continuing operations before income taxes, as reported	**$ 192**	**$ 275**
Rationalization charges	2	2
Impairment charge for goodwill	45	-
Pension (reversion) charges associated with terminated plans	(7)	6
Fair value adjustment to contingent earnout obligation	2	-
Income related to an escrow settlement	-	(9)
Currency translation loss on liquidation of dormant entities	-	9
(Earnings) from equity investments, net	(4)	(2)
Income from continuing operations before income taxes, as adjusted	**$ 230**	**$ 281**
Tax at 25% rate	(57)	(70)
Less: Net income attributable to noncontrolling interest	8	16
Income from continuing operations, as adjusted	**$ 165**	**$ 195**
Income from continuing operations per common share, as adjusted	**$ 0.67**	**$ 0.75**
Average diluted common shared outstanding	245	261

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EPS Reconciliation – Full Year

(in Millions, Except per Common Share Data)	2021	2020
Income from continuing operations before income taxes, as reported	**$ 688**	**$ 1,131**
Rationalization charges	4	11
Impairment charge for goodwill	45	-
Pension (reversion) charges associated with terminated plans	415	23
Fair value adjustment to contingent earnout obligation	16	-
Loss on sale of business	18	-
(Gain) on preferred stock redemption	(14)	-
Income related to an escrow settlement	-	(9)
Currency translation loss on liquidation of dormant entities	-	9
(Earnings) from equity investments, net	(11)	(3)
Loss on extinguishment of debt	168	6
Income from continuing operations before income taxes, as adjusted	**$ 1,329**	**$ 1,168**
Tax at 25% rate	(332)	(292)
Less: Net income attributable to noncontrolling interest	68	52
Income from continuing operations, as adjusted	**$ 929**	**$ 824**
Income from continuing operations per common share, as adjusted	**$ 3.70**	**$ 3.12**
Average diluted common shared outstanding	251	264

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Return on Invested Capital and Free Cash Flow Reconciliation

Return on Invested Capital Reconciliation ($ in Millions)		December 31, 2021	
Income from continuing operations, as adjusted		**$**	**929**
Average invested capital			
Average shareholders' equity	$ 239		
Average debt	2,877		
Less: Average cash and cash investments	(1,126)		
		$	**1,990**
Return on invested capital			**47%**

Free Cash Flow Reconciliation ($ in Millions)	Year Ended December 31, 2021	
Net cash from operating activities	**$**	**930**
Pension contributions associated with terminated plans		94
Net cash from operating activities, adjusted	**$**	**1,024**
Less: Capital expenditures		(128)
Free cash flow	**$**	**896**
Income from continuing operations before income taxes, as adjusted	**$**	**1,329**
Tax at 25% rate		(332)
Income from continuing operations, as adjusted (including noncontrolling interest)	**$**	**997**
Free cash flow conversion rate		**90%**

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EPS Outlook Reconciliation

	2022	
	Low End	High End
Income from continuing operations per common share	**$ 4.06**	**$ 4.26**
Rationalization charges	0.02	0.02
Allocation to participating securities per share **(1)**	0.02	0.02
Income from continuing operations per common share, as adjusted	**$ 4.10**	**$ 4.30**

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

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Net Leverage Reconciliation

($ in Millions)		December 31, 2021
Debt	**$**	**2,959**
Less: Cash and cash investments		(926)
Net Debt	**$**	**2,033**

($ in Millions)		Year Ended December 31, 2021
Operating profit, as reported	**$**	**1,405**
Rationalization charges		4
Impairment charge for goodwill		45
Operating profit, as adjusted	**$**	**1,454**
Depreciation and amortization		150
EBITDA, as adjusted	**$**	**1,604**
Net Debt to EBITDA		1.3X

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Working Capital as a % of Sales

(in Millions)		As Reported December 31, 2021
Receivables	$	1,171
Inventories		1,216
Less: Accounts payable		(1,045)
Working Capital	$	1,342
Working capital as a % of sales (last 12 months)		**16.0%**

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