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Second Quarter 2023
Earnings Presentation

July 27, 2023

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 to develop innovative products, our ability to maintain our public reputation, our ability to maintain our competitive position in our industries, our reliance on key customers, the cost and availability of materials, our dependence on 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 acquired and may in the future acquire, our ability to attract, develop and retain a talented and diverse workforce, risks associated with cybersecurity vulnerabilities, threats and attacks, risks associated with our reliance on information systems and technology and the impact of the ongoing COVID-19 pandemic on our business and operations. 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.

Agenda

1	**Summary of Results**	Keith Allman
2	**Financial/Operations Review**	David Chaika
3	**Q&A**	Keith Allman David Chaika

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Summary of Results

Keith Allman

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Q2 2023 Review

- Top line decreased 10% with lower volumes partially offset by pricing actions
- Grew adjusted gross margin 320 bps to 36.2%
- Expanded adjusted operating profit margin 140 bps to 19.0%
- Achieved adjusted EPS growth of 3% to $1.19 per share
- Repurchased 0.5 million shares for $25 million
- Entered into an agreement to acquire Sauna360 Group Oy
- Raising anticipated full year adjusted EPS guidance to $3.50 - $3.65 per share from $3.10 - $3.40 per share

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Financial / Operations Review

David Chaika

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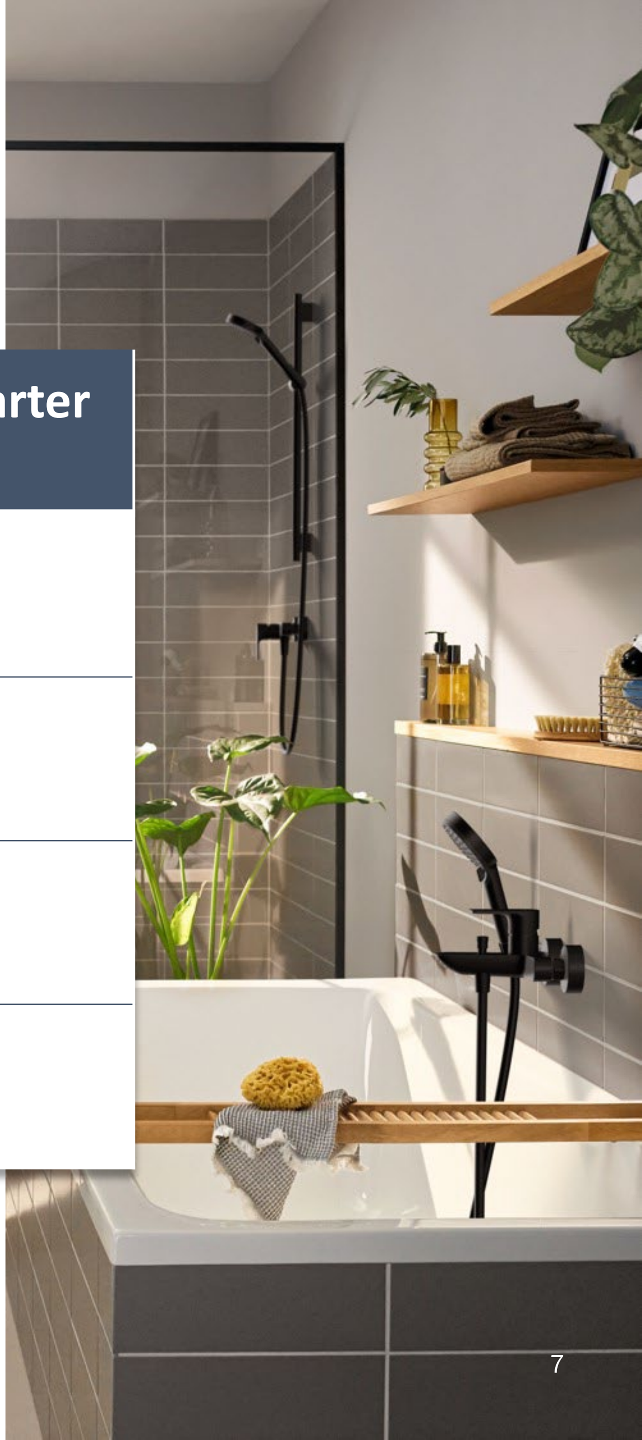
Quarter Highlights

- Total company sales decreased 10%, or 9% excluding the impact of currency
- In local currency, North American sales decreased 10%
- In local currency, international sales decreased 8%
- Operating profit impacted by lower volumes, mostly offset by higher net selling prices

($ in Millions)	Second Quarter 2023
Revenue Y-O-Y Change	**$2,127** (10%)
Operating Profit* Y-O-Y Change	**$404** ($10)
Operating Margin* Y-O-Y Change	**19.0%** 140 bps
Adjusted EPS* Y-O-Y Change	**$1.19** 3%



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*See Appendix for GAAP reconciliation.

Plumbing Products Segment

Quarter Highlights

- Total segment sales decreased 11%, or 10% excluding the impact of currency
- In local currency, North American sales decreased 12%
- In local currency, international sales decreased 8%
- Operating profit driven by higher net selling prices, partially offset by lower volumes

($ in Millions)	Second Quarter 2023
Revenue Y-O-Y Change	**$1,225** (11%)
Operating Profit* Y-O-Y Change	**$245** $7
Operating Margin* Y-O-Y Change	**20.0%** 270 bps

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* Excludes business rationalization charges for the second quarter of 2023 of $1 million.

Decorative Architectural Products Segment

Quarter Highlights

- Total segment sales decreased 8% against a 15% comp
- Revenue of paints and other coating products decreased mid-single digits
- PRO paint sales declined mid-single digits against an ~40% comp
- DIY paint sales declined low single digits
- Operating profit impacted by lower volumes, higher input costs and growth investments, partially offset by higher net selling prices

($ in Millions)	Second Quarter 2023
Revenue Y-O-Y Change	**$902** (8%)
Operating Profit* Y-O-Y Change	**$180** ($18)
Operating Margin* Y-O-Y Change	**20.0%** (20) bps

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* Excludes business rationalization charges for the second quarter of 2022 of $6 million.

Strong Balance Sheet

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Balance Sheet Metrics as of 6/30/2023	
Cash and cash investments	$380M
Revolver availability	$1,000M
Total liquidity	$1,380M
Net leverage[1]	1.8x
Working capital as a % of sales[1]	18.9%

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1. See Appendix for reconciliation.

Full Year 2023 Outlook

2023 Adjusted EPS $3.50 – $3.65

Business Segment	2023 Forecasted Sales Change	2023 Forecasted Adjusted Operating Profit Margin
Plumbing Products	(10-12%)	~17%
Decorative Architectural Products	(8-10%)	~17%
Total Masco	(~10%)	~16%

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Q&A

Keith Allman

David Chaika

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Appendix

2023 Estimates

Item	Assumption
Rationalization charges	~$5m
Tax rate	24%
General corporate expense	~$90m
Interest and other expense	~$115m
Capital expenditures (includes maintenance capex of ~$75m)	~$250m
Depreciation and amortization[1]	~$150m
Favorable foreign currency translation impact to sales[2]	~$10m
Share repurchase or acquisitions	~$500m
Average diluted share count for 2023	~226m
Working capital as a % of net sales	~16.5%
Free cash flow conversion	~110%

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1. Plumbing Products segment ~$105m; Decorative Architectural Products segment ~$40m; Non-operating ~$5m.
2. Based on rates as of June 30, 2023.

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**	• Target gross debt to EBITDA below 2.5x
3	**Maintain relevant dividend**	• Current annual dividend of $1.14 per share • Target 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 • Expect to deploy approximately $500 million for share repurchase or acquisitions in 2023 • Select bolt-on acquisitions

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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

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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%

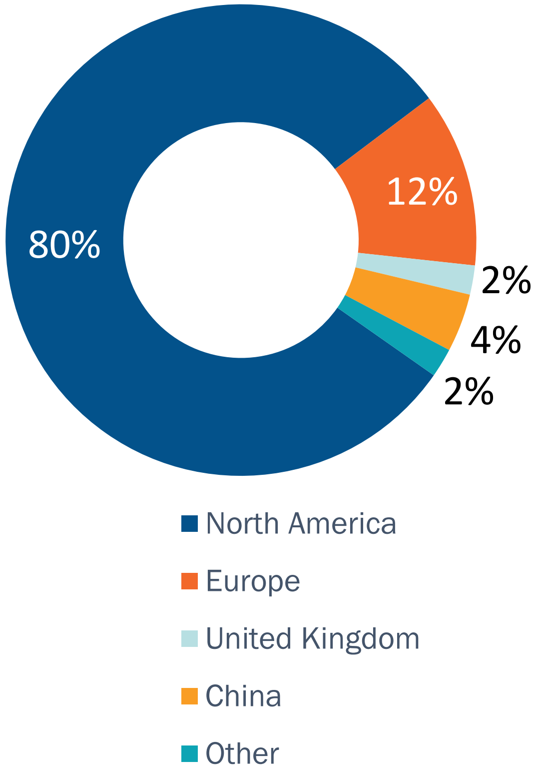
2022 Segment Mix*

Business Segment	2022 Revenue	R&R% vs. NC	NA% v. Int'l
Plumbing Products	$5.3B	83%	68%
Decorative Architectural Products	$3.4B	97%	100%
Total Company	**$8.7B**	**89%**	**80%**

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

2022 Channel Mix*

2022 Channel Mix as a Percentage of Sales			
Channel	**Plumbing Products**	**Decorative Architectural Products**	**Total Masco**
Retail	21%	85%	47%
Wholesale/trade/dealer	51%	11%	34%
E-commerce	16%	4%	11%
Specialty Dealer/Other	12%	0%	8%

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*Based on Company estimates

Profit Reconciliations – Second Quarter

($ in Millions)	Q2 2023	Q2 2022
Net sales	**$ 2,127**	**$ 2,352**
Gross profit, as reported	**$ 769**	**$ 769**
Rationalization charges	1	6
Gross profit, as adjusted	**$ 770**	**$ 775**
Gross margin, as reported	*36.2%*	*32.7%*
Gross margin, as adjusted	*36.2%*	*33.0%*
Selling, general and administrative expenses, as reported	**$ 366**	**$ 361**
Selling, general and administrative expenses as percent of net sales, as reported	*17.2%*	*15.3%*
Operating profit, as reported	**$ 403**	**$ 408**
Rationalization charges	1	6
Operating profit, as adjusted	**$ 404**	**$ 414**
Operating margin, as reported	*18.9%*	*17.3%*
Operating margin, as adjusted	*19.0%*	*17.6%*

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EPS Reconciliation – Second Quarter

(in Millions, Except per Common Share Data)	Q2 2023	Q2 2022
Income before income taxes, as reported	**$ 374**	**$ 397**
Rationalization charges	1	6
Fair value adjustment to contingent earnout obligation **(1)**	-	(28)
Income before income taxes, as adjusted	**$ 375**	**$ 375**
Tax at 24% rate	(90)	(90)
Less: Net income attributable to noncontrolling interest	15	16
Net income, as adjusted	**$ 270**	**$ 269**
Net income per common share, as adjusted	**$ 1.19**	**$ 1.15**
Average diluted common shares outstanding	226	233

(1) Represents income for the three months ended June 30, 2022 from the revaluation of contingent consideration related to a prior acquisition.

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EPS Outlook Reconciliation

	2023	
	Low End	High End
Net income per common share	**$ 3.48**	**$ 3.63**
Rationalization charges	0.02	0.02
Net income per common share, as adjusted	**$ 3.50**	**$ 3.65**

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Net Leverage Reconciliation

($ in Millions)		June 30, 2023
Debt	**$**	**3,025**
Less: Cash and cash investments		(380)
Net Debt	**$**	**2,645**

($ in Millions)		TTM June 30, 2023
Operating profit, as reported	**$**	**1,254**
Rationalization charges		21
Impairment charges for goodwill and other intangible assets		26
Operating profit, as adjusted	**$**	**1,301**
Depreciation and amortization		139
EBITDA, as adjusted	**$**	**1,440**
Net Debt to EBITDA		1.8X

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Working Capital as a % of Sales

(in Millions)		As Reported June 30, 2023
Receivables	$	1,371
Inventories		1,144
Less: Accounts payable		(958)
Working Capital	$	1,557
Working capital as a % of sales (last 12 months)		**18.9%**

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