



MASCO

Fourth Quarter and Full Year 2025 Earnings Presentation



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, to develop innovative products and respond to changing consumer purchasing practices and preferences, our ability to maintain our public image and 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, the impact on demand, pricing and product costs resulting from tariffs, 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 workforce, risks associated with cybersecurity vulnerabilities, threats and attacks and risks associated with our reliance on information systems and 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. 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

Jon Nudi

2 Financial / Operations Review

Rick Westenberg

3 Q&A

Jon Nudi

Rick Westenberg

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Summary of Results

Jon Nudi

MASCO





2025 Significant Achievements



Introduced innovative products and expanded into new categories



Recognized by a key customer for our strong partnerships

Gained share through the strength of our brands, exceptional customer service, and innovative products

Q4 2025 Review



Top line decreased 2%, or 3% excluding the favorable impact of currency



Achieved adjusted gross margin of 33.7%



Adjusted operating profit margin was 14.4%



Delivered adjusted EPS of \$0.82 per share

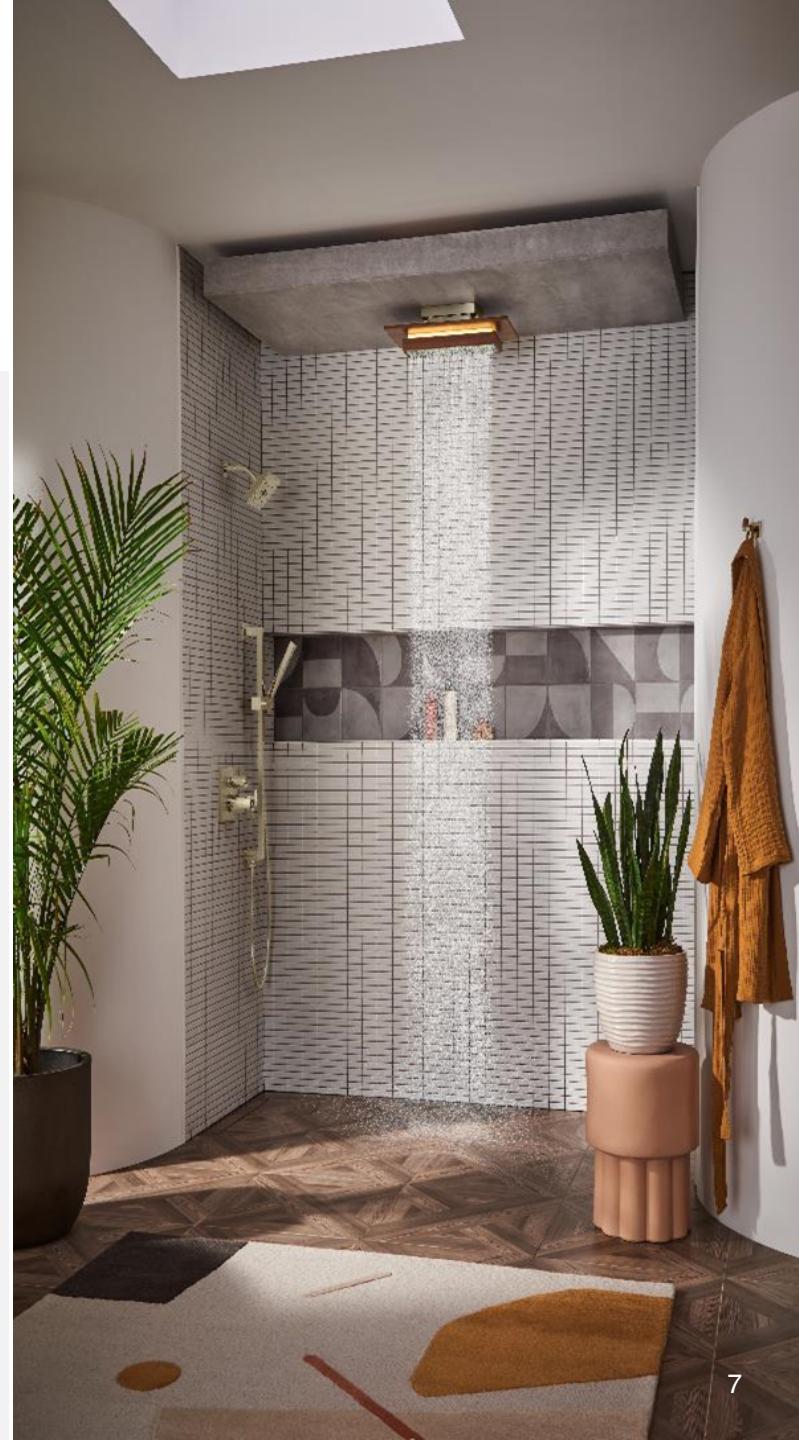


Repurchased 3.4 million shares for \$217 million



Full Year 2025 Review

- Top line decreased 3%, or 2% excluding the impacts of our divestiture and favorable currency
- Adjusted gross margin was 35.5%
- Adjusted operating profit margin was 16.8%
- Delivered adjusted EPS of \$3.96 per share
- Drove return on invested capital of ~41%
- Repurchased 8.5 million shares for \$571 million



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Financial / Operations Review

Rick Westenberg

MASCO



Masco Corporation

Quarter Highlights

- Total company sales decreased 2%, or 3% excluding the favorable impact of currency
- In local currency, North American sales decreased 5%
- In local currency, International sales increased 1%
- Operating profit impacted by lower volume and higher tariffs and commodity costs, partially offset by pricing actions and cost savings initiatives

<i>(\$ in Millions, except EPS)</i>	Fourth Quarter 2025	Full Year 2025
Revenue	\$1,793	\$7,562
Y-O-Y Change	(2)%	(3)%
Operating Profit*	\$259	\$1,272
Y-O-Y Change	\$(32)	\$(100)
Operating Margin*	14.4%	16.8%
Y-O-Y Change	(150) bps	(70) bps
EPS*	\$0.82	\$3.96
Y-O-Y Change	(8)%	(3)%



Plumbing Products Segment

Quarter Highlights

- Total segment sales increased 5%, or increased 3% excluding favorable currency
- In local currency, North American sales increased 4%
- In local currency, International sales increased 1%
- Operating profit driven by cost savings initiatives and pricing actions, partially offset by higher tariffs and commodity costs and lower volume

<i>(\$ in Millions)</i>	Fourth Quarter 2025	Full Year 2025
Revenue	\$1,248	\$4,992
Y-O-Y Change	5%	3%
Operating Profit*	\$204	\$904
Y-O-Y Change	\$4	\$(16)
Operating Margin*	16.3%	18.1%
Y-O-Y Change	(50) bps	(90) bps

* As adjusted and excludes business rationalization (income) for the fourth quarter of 2025 of \$3 million and rationalization charges of \$1 million in the fourth quarter of 2024. The full year excludes business rationalization charges of \$9 million each in 2025 and 2024.

Decorative Architectural Products Segment

Quarter Highlights

- Total segment sales decreased 15%
- Paints and other coating products sales decreased double digits, including the impacts of inventory timing and the customer transition of our primer and applicator businesses.
Excluding these impacts:
 - Total paints and other coating products sales decreased mid-single digits
 - PRO paint increased low single digits
 - DIY paint decreased high single digits
- Operating profit impacted by lower volume and higher tariff and duty costs, partially offset by cost savings initiatives

<i>(\$ in Millions)</i>	Fourth Quarter 2025	Full Year 2025
Revenue Y-O-Y Change	\$545 (15)%	\$2,570 (14)%
Operating Profit* Y-O-Y Change	\$76 (\$37)	\$457 (\$93)
Operating Margin* Y-O-Y Change	13.9% (380) bps	17.8% (70) bps

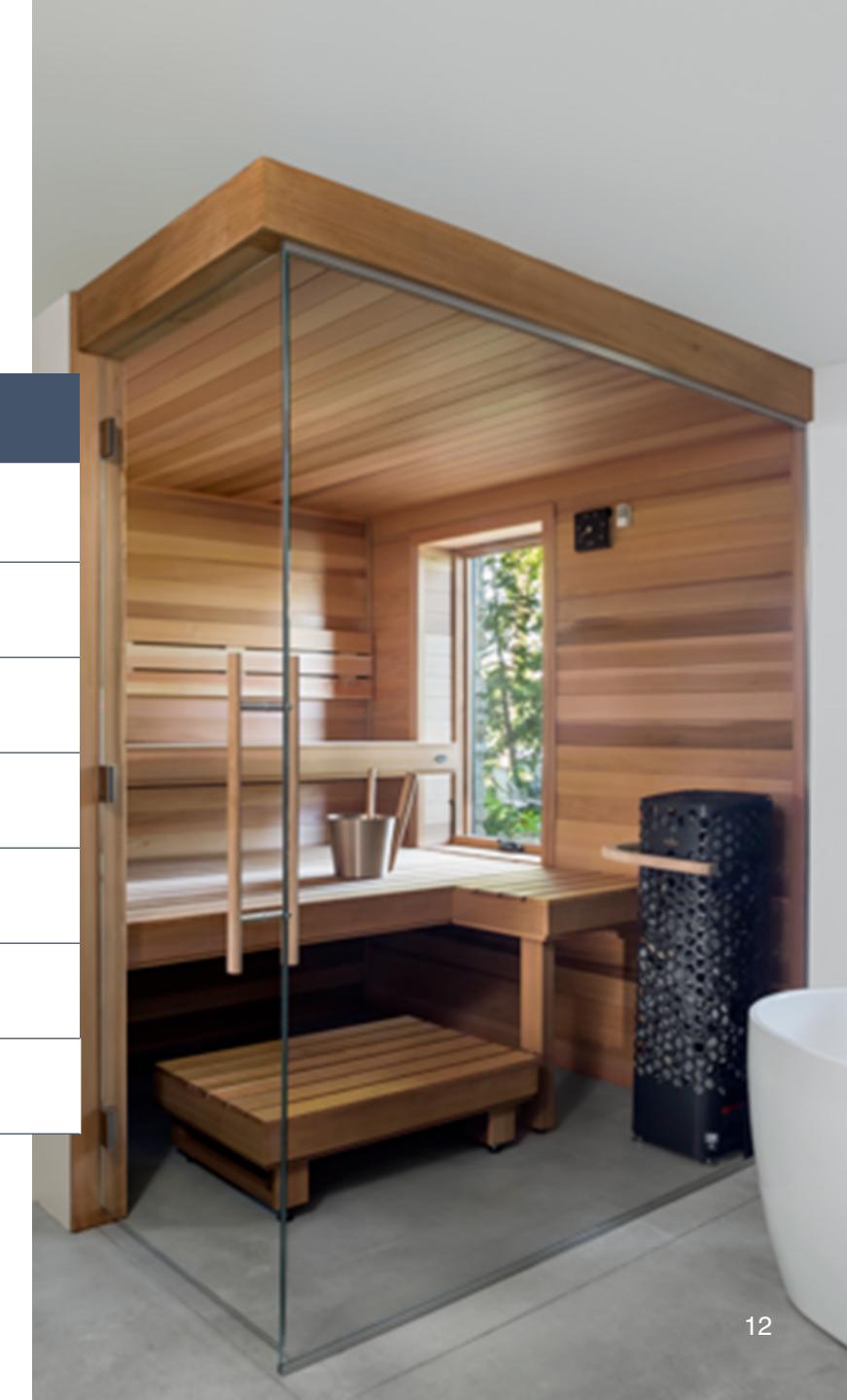


Strong Balance Sheet

Masco Corporation

Balance Sheet Metrics as of 12/31/2025

Cash and cash investments	\$647M
Revolver availability	<u>\$1,000M</u>
Total liquidity	\$1,647M
Gross debt to EBITDA ¹	2.1x
Working capital as a % of sales ¹	16.7%
Free cash flow conversion rate ¹	99%



Full Year 2026 Outlook

2026 Forecasted Adjusted EPS \$4.10 - \$4.30

Business Segment	2026 Forecasted Sales Change	2026 Forecasted Adjusted Operating Profit Margin
Plumbing Products	Up Low Single Digits	~18%
Decorative Architectural Products	Roughly Flat	~19%
Total Masco	Flat to Up Low Single Digits	~17%

Assumptions:

- Reflects the integration of Liberty Hardware into Delta Faucet Company, with Liberty's results to be reported in the Plumbing Products Segment (previously reported in the Decorative Architectural Products Segment)
- Global repair and remodel market (including price) - roughly flat



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Q&A

Jon Nudi

Rick Westenberg

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Appendix



2026 Assumptions

Item	Assumption
Tax rate	24.5%
Rationalization charges	~\$50m
General corporate expense	~\$105m
Interest and other expense	~\$105m
Capital expenditures (includes maintenance capex of ~\$75m)	~\$190m
Depreciation and amortization ¹	~\$160m
Favorable foreign currency translation impact to sales ²	~\$50m
Share repurchase or acquisitions	~\$600m
Average diluted share count for 2026	~202m
Working capital as a % of net sales	~16.5%
Free cash flow conversion	~95%

¹ Plumbing Products segment ~\$125m; Decorative Architectural Products segment ~\$30m; Non-operating ~\$5m.

² Based on rates as of January 31, 2026.

Capital Allocation Strategy

Balanced Approach to Continue to Drive Shareholder Value

1 Reinvest in the Business

- Capex: 2-2.5% of sales
- Target working capital: ~16.5% of sales

2 Maintain investment grade credit rating

- Target gross debt to EBITDA below 2.5x

3 Maintain relevant dividend

- Target dividend payout ratio of ~30%
- Board declared a quarterly dividend of \$0.32, a 3% increase, payable on March 9, 2026, to shareholders of record on February 20, 2026
- Current expected annual dividend of \$1.28 (*subject to future Board declarations*)

4 Deploy excess free cash flow to share repurchase or acquisitions

- Consistently in the market for share repurchase, but opportunistic
- Expect to deploy ~\$600 million for share repurchases or acquisitions in 2026
- Actively cultivating our M&A pipeline



Market-leading brands,
history of innovation,
customer focus



MASCO

Low ticket, repair and
remodel products provide
growth and stability through
an economic cycle



Strong free cash flow and value
creating capital allocation

LONG-TERM OUTLOOK

Average annual sales growth

- Organic: ~3-5%
- Acquisition: ~1-3%

Operating profit margin

- Expand margins through cost productivity and volume leverage

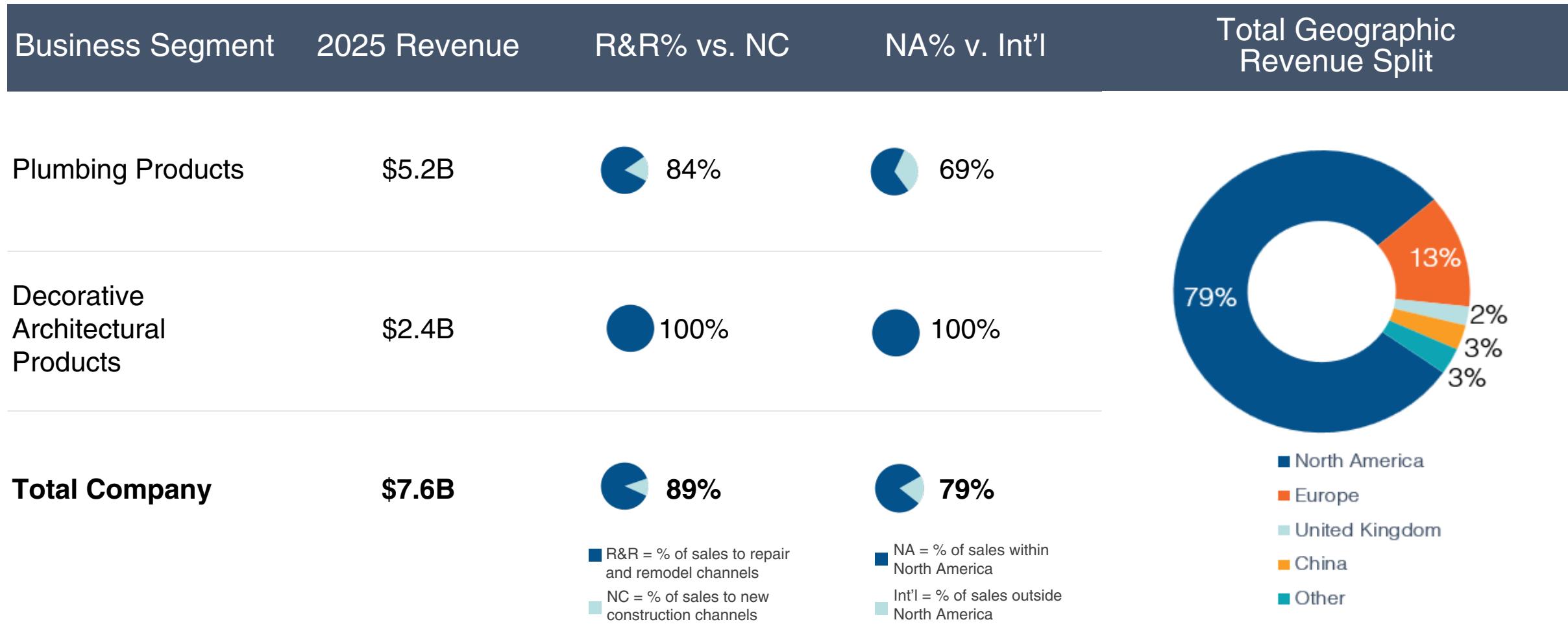
Capital deployment

- Share buybacks: ~2-4% EPS growth
- Dividends: ~1-2% return on top of EPS growth

Average annual EPS growth

- ~10%

2025 Segment Mix*



2025 Channel Mix*

2025 Channel Mix as a Percentage of Sales			
Channel	Plumbing Products	Decorative Architectural Products	Total Masco
Retail	20%	96%	45%
Wholesale/Trade/Dealer	49%	3%	34%
E-commerce	20%	1%	13%
Specialty Dealer/Other	11%	0%	8%

Profit Reconciliations – Fourth Quarter

(\$ in Millions)	Q4 2025	Q4 2024
Net sales	\$ 1,793	\$ 1,828
Gross profit, as reported	\$ 607	\$ 635
Rationalization (income) charges (1)	(2)	1
Gross profit, as adjusted	\$ 605	\$ 636
<i>Gross margin, as reported</i>	<i>33.9 %</i>	<i>34.7 %</i>
<i>Gross margin, as adjusted</i>	<i>33.7 %</i>	<i>34.8 %</i>
Selling, general and administrative expenses, as reported	\$ 354	\$ 346
Rationalization charges	8	—
Selling, general and administrative expenses, as adjusted	\$ 346	\$ 345
<i>Selling, general and administrative expenses as a percent of net sales, as reported</i>	<i>19.7 %</i>	<i>18.9 %</i>
<i>Selling, general and administrative expenses as a percent of net sales, as adjusted</i>	<i>19.3 %</i>	<i>18.9 %</i>
Operating profit, as reported	\$ 248	\$ 290
Rationalization charges	6	1
Impairment charge for other intangible assets	5	—
Operating profit, as adjusted	\$ 259	\$ 291
<i>Operating margin, as reported</i>	<i>13.8 %</i>	<i>15.9 %</i>
<i>Operating margin, as adjusted</i>	<i>14.4 %</i>	<i>15.9 %</i>

(1) Represents income for the three months ended December 31, 2025 due to the \$12 million gain on the sale of a building that was related to a previous rationalization activity, partially offset by rationalization charges.

Amounts may not add due to rounding.

Profit Reconciliations – Full Year

(\$ in Millions)	2025	2024
Net sales	\$ 7,562	\$ 7,828
Gross profit, as reported	\$ 2,679	\$ 2,831
Rationalization charges	8	7
Gross profit, as adjusted	\$ 2,688	\$ 2,838
<i>Gross margin, as reported</i>	35.4 %	36.2 %
<i>Gross margin, as adjusted</i>	35.5 %	36.3 %
Selling, general and administrative expenses, as reported	\$ 1,426	\$ 1,468
Rationalization charges	11	2
Selling, general and administrative expenses, as adjusted	\$ 1,416	\$ 1,466
<i>Selling, general and administrative expenses as a percent of net sales, as reported</i>	18.9 %	18.8 %
<i>Selling, general and administrative expenses as a percent of net sales, as adjusted</i>	18.7 %	18.7 %
Operating profit, as reported	\$ 1,248	\$ 1,363
Rationalization charges	19	9
Impairment charge for other intangible assets	5	—
Operating profit, as adjusted	\$ 1,272	\$ 1,372
<i>Operating margin, as reported</i>	16.5 %	17.4 %
<i>Operating margin, as adjusted</i>	16.8 %	17.5 %

EPS Reconciliation – Fourth Quarter

<i>(\$ in Millions, Except per Common Share Data)</i>	Q4 2025	Q4 2024
Income before income taxes, as reported	\$ 227	\$ 258
Rationalization charges	6	1
Impairment charge for other intangible assets	5	—
Loss on sale of business (1)	—	8
Income before income taxes, as adjusted	\$ 238	\$ 267
Tax at 24.5% rate	(58)	(65)
Less: Net income attributable to noncontrolling interest	11	11
Net income, as adjusted	\$ 169	\$ 191
 Net income per common share, as adjusted	 \$ 0.82	 \$ 0.89
Average diluted common shares outstanding	207	215

(1) Represents the loss for the three months ended December 31, 2024 from the sale of our Kichler Lighting business.

EPS Reconciliation – Full Year

(\$ in Millions, Except per Common Share Data)	2025	2024
Income before income taxes, as reported	\$ 1,135	\$ 1,161
Rationalization charges	19	9
Impairment charge for other intangible assets	5	—
Loss on sale of business (1)	—	88
Realized losses (gains) from private equity funds, net	4	(1)
Income before income taxes, as adjusted	\$ 1,163	\$ 1,257
Tax at 24.5% rate	(285)	(308)
Less: Net income attributable to noncontrolling interest	48	52
Net income, as adjusted	\$ 830	\$ 897
Net income per common share, as adjusted	\$ 3.96	\$ 4.10
Average diluted common shares outstanding	<u>210</u>	<u>219</u>

(1) Represents the loss for the year ended December 31, 2024 from the sale of our Kichler Lighting business.

Return on Invested Capital Reconciliation

<i>Return on Invested Capital Reconciliation (\$ in Millions)</i>	December 31, 2025
Operating profit, as adjusted	\$ 1,272
Tax at 24.5% rate	(312)
Operating profit after income taxes, as adjusted	\$ 960
Average invested capital	
Average shareholders' equity	12
Average debt	2,948
Less: Average cash and cash investments	(641)
	<hr/>
	\$ 2,319
Return on invested capital	41 %

Free Cash Flow Reconciliation

<i>Free Cash Flow Reconciliation (\$ in Millions)</i>	Year Ended December 31, 2025
Net cash from operating activities	\$ 1,022
Less: Capital expenditures	(156)
Free cash flow	\$ 866
Income before income taxes, as adjusted	\$ 1,163
Tax at 24.5% rate	(285)
Net income, as adjusted (including noncontrolling interest)	\$ 878
Free cash flow conversion rate	99 %

Amounts may not add due to rounding.

EPS Outlook Reconciliation

	2026	
	Low End	High End
Net income per common share	\$ 3.91	\$ 4.11
Rationalization charges	0.19	0.19
Net income per common share, as adjusted	\$ 4.10	\$ 4.30

Gross Debt to EBITDA Reconciliation

(\$ in Millions)	December 31, 2025	
Debt	\$	2,947
(\$ in Millions)	TTM December 31, 2025	
Operating profit, as reported	\$	1,248
Rationalization charges		19
Impairment charge for other intangible assets		5
Operating profit, as adjusted	\$	1,272
Depreciation and amortization		148
EBITDA, as adjusted	\$	1,420
 Debt to EBITDA		2.1 x

Amounts may not add due to rounding.

Working Capital as a % of Sales

(\$ in Millions)	As Reported	
	December 31, 2025	
Receivables	\$	1,028
Inventories		1,046
Less: Accounts payable		(810)
Working capital	\$	1,264
Net sales	\$	7,562
Working capital as a % of sales		16.7 %

Amounts may not add due to rounding.

Recasted Segment Data – Full Year

(\$ in Millions)	Year Ended December 31, 2025			Year Ended December 31, 2024		
	Reported	Adjustment (1)	Recasted	Reported	Adjustment (1)	Recasted
Plumbing Products						
Net sales	\$ 4,992	\$ 218	\$ 5,209	\$ 4,853	\$ 260	\$ 5,113
Operating profit, as reported	\$ 895	\$ 12	\$ 906	\$ 911	\$ 43	\$ 954
<i>Operating margin, as reported</i>	17.9 %		17.4 %	18.8 %		18.7 %
Rationalization charges	9	1	10	9	—	9
Accelerated depreciation related to rationalization activity	1	—	1	—	—	—
Operating profit, as adjusted	\$ 904	\$ 13	\$ 917	\$ 920	\$ 43	\$ 962
<i>Operating margin, as adjusted</i>	18.1 %		17.6 %	19.0 %		18.8 %
Decorative Architectural Products						
Net sales	\$ 2,570	\$ (218)	\$ 2,353	\$ 2,975	\$ (260)	\$ 2,715
Operating profit, as reported	\$ 443	\$ (12)	\$ 431	\$ 549	\$ (43)	\$ 507
<i>Operating margin, as reported</i>	17.2 %		18.3 %	18.5 %		18.7 %
Rationalization charges	9	(1)	8	1	—	1
Impairment charge for other intangible assets	5	—	5	—	—	—
Operating profit, as adjusted	\$ 457	\$ (13)	\$ 444	\$ 550	\$ (43)	\$ 507
<i>Operating margin, as adjusted</i>	17.8 %		18.9 %	18.5 %		18.7 %

(1) Represents the impact of the internal reorganization resulting in the integration of our Liberty Hardware business into our Delta Faucet business.

Recasted Segment Data – First & Second Quarter 2025

(\$ in Millions)	Three Months Ended March 31, 2025			Three Months Ended June 30, 2025		
	Reported	Adjustment (1)	Recasted	Reported	Adjustment (1)	Recasted
Plumbing Products						
Net sales	\$ 1,185	\$ 61	\$ 1,246	\$ 1,312	\$ 60	\$ 1,372
Operating profit, as reported	\$ 217	\$ 7	\$ 225	\$ 275	\$ 10	\$ 285
<i>Operating margin, as reported</i>	18.3 %		18.1 %	21.0 %		20.8 %
Rationalization charges	2	—	2	2	—	2
Operating profit, as adjusted	\$ 219	\$ 7	\$ 227	\$ 276	\$ 10	\$ 286
<i>Operating margin, as adjusted</i>	18.5 %		18.2 %	21.0 %		20.8 %
Decorative Architectural Products						
Net sales	\$ 617	\$ (61)	\$ 556	\$ 738	\$ (60)	\$ 679
Operating profit, as reported	\$ 96	\$ (7)	\$ 88	\$ 157	\$ (10)	\$ 147
<i>Operating margin, as reported</i>	15.6 %		15.8 %	21.3 %		21.6 %

(1) Represents the impact of the internal reorganization resulting in the integration of our Liberty Hardware business into our Delta Faucet business.

Recasted Segment Data – Third & Fourth Quarter 2025

(\$ in Millions)	Three Months Ended September 30, 2025			Three Months Ended December 31, 2025		
	Reported	Adjustment (1)	Recasted	Reported	Adjustment (1)	Recasted
Plumbing Products						
Net sales	\$ 1,247	\$ 43	\$ 1,290	\$ 1,248	\$ 54	\$ 1,302
Operating profit, as reported	\$ 196	\$ —	\$ 196	\$ 207	\$ (6)	\$ 201
<i>Operating margin, as reported</i>	15.7 %		15.2 %	16.6 %		15.4 %
Rationalization charges (income)	8	1	8	(3)	—	(2)
Operating profit, as adjusted	\$ 204	\$ 1	\$ 205	\$ 204	\$ (5)	\$ 199
<i>Operating margin, as adjusted</i>	16.4 %		15.9 %	16.3 %		15.3 %
Decorative Architectural Products						
Net sales	\$ 670	\$ (43)	\$ 627	\$ 545	\$ (54)	\$ 491
Operating profit, as reported	\$ 128	\$ —	\$ 127	\$ 62	\$ 6	\$ 68
<i>Operating margin, as reported</i>	19.1 %		20.3 %	11.4 %		13.8 %
Rationalization charges	1	(1)	—	8	—	8
Impairment charge for other intangible assets	—	—	—	5	—	5
Operating profit, as adjusted	\$ 128	\$ (1)	\$ 127	\$ 76	\$ 5	\$ 81
<i>Operating margin, as adjusted</i>	19.1 %		20.3 %	13.9 %		16.5 %

(1) Represents the impact of the internal reorganization resulting in the integration of our Liberty Hardware business into our Delta Faucet business.