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Fourth Quarter and Full Year 2022 Earnings Presentation

February 9, 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.

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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 2022 Review

- Top line decreased 5% with lower volumes partially offset by pricing actions
- International Plumbing grew 7% in local currency
- PRO paint business grew mid-single digits against an over 50% comp in Q4 2021
- Reduced SG&A $22 million to 17.4% of sales
- Achieved adjusted EPS of $0.65 per share

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Full Year 2022 Review

- Drove top line growth of 4% for two-year growth of 21%
- Grew adjusted EPS to $3.77 per share
- Behr Paint earned second consecutive Partner of the Year Award from The Home Depot
- Repurchased 16.6 million shares for $914 million, ~7% of outstanding shares
- Achieved a return on invested capital of ~39%
- Established aspirational target to reduce emissions by 50%* by 2030
- Anticipate full year 2023 adjusted EPS in the range of $3.10-$3.40 per share

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*The aspirational target reflects reductions to our Scope 1 and Scope 2 absolute greenhouse gas emissions based on our 2020 baseline.

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Financial / Operations Review

John Sznewajs

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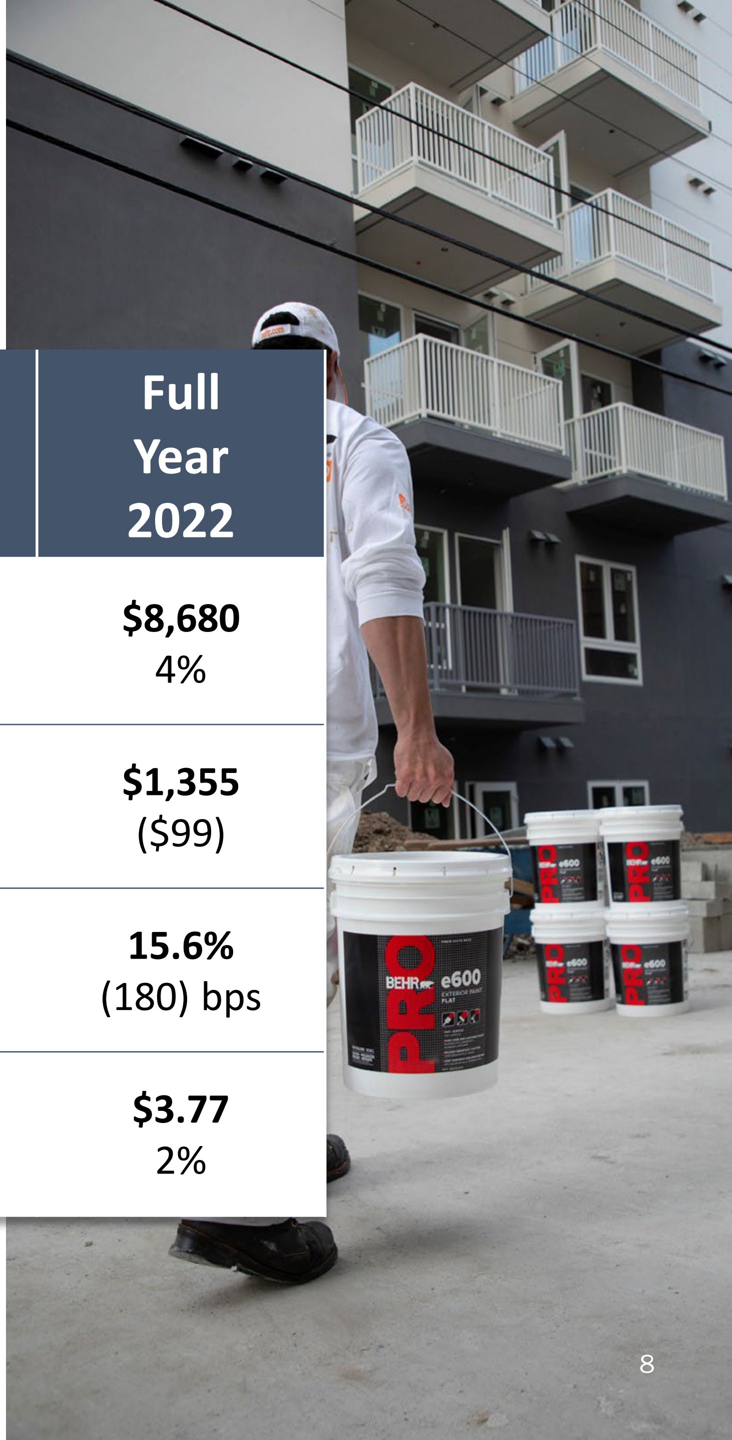
Masco Corporation

Quarter Highlights

- Total company sales decreased 5%
- Sales decreased 2%, excluding the impact of currency
- In local currency, North American sales decreased 5%
- In local currency, international sales increased 7%
- Operating profit impacted by lower volumes, higher operational costs and currency, partially offset by higher net selling prices

($ in Millions)	Fourth Quarter 2022	Full Year 2022
Revenue Y-O-Y Change	**$1,923** (5%)	**$8,680** 4%
Operating Profit* Y-O-Y Change	**$234** ($31)	**$1,355** ($99)
Operating Margin* Y-O-Y Change	**12.2%** (90) bps	**15.6%** (180) bps
Adjusted EPS* Y-O-Y Change	**$0.65** (3%)	**$3.77** 2%



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*See Appendix for GAAP reconciliation.

Plumbing Products Segment

Quarter Highlights

- Total segment sales decreased 3%
- Sales increased 2%, excluding the impact of currency
- In local currency, North American sales decreased 1%
- In local currency, international sales increased 7%
- Operating profit impacted by lower volumes, higher operational costs and currency, partially offset by higher net selling prices

($ in Millions)	Fourth Quarter 2022	Full Year 2022
Revenue Y-O-Y Change	**$1,196** (3%)	**$5,252** 2%
Operating Profit* Y-O-Y Change	**$148** ($8)	**$834** ($97)
Operating Margin* Y-O-Y Change	**12.4%** (30) bps	**15.9%** (220) bps

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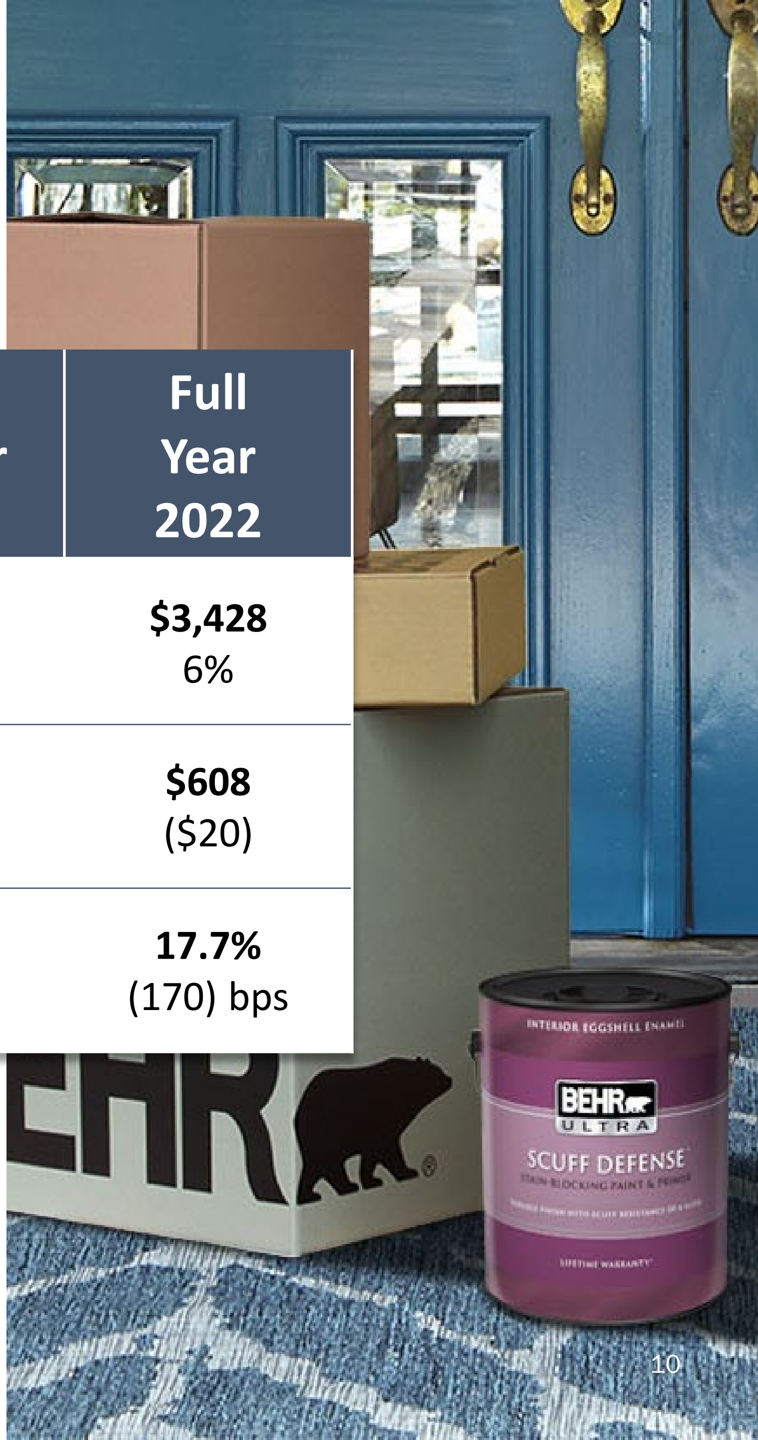
* Excludes business rationalization charges for the fourth quarter and full year 2022 of $15 million each, and for the full year 2021 of $2 million.

Decorative Architectural Products Segment

Quarter Highlights

- Total segment sales decreased 8%
- Revenue of paints and other coating products decreased mid-single digits
- PRO paint sales grew mid-single digits
- DIY paint sales declined low-double digits
- Operating profit impacted by lower volumes and higher material costs, partially offset by higher net selling prices

($ in Millions)	Fourth Quarter 2022	Full Year 2022
Revenue	**$727**	**$3,428**
Y-O-Y Change	(8%)	6%
Operating Profit*	**$101**	**$608**
Y-O-Y Change	($31)	($20)
Operating Margin*	**13.9%**	**17.7%**
Y-O-Y Change	(270) bps	(170) bps



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* Excludes business rationalization charges for the fourth quarter and the full year 2022 of $8 million and $17 million, respectively, and for the fourth quarter and the full year 2021 of $2 million each. The fourth quarter and full year of 2022 also excludes impairment charges for goodwill and other intangible assets of $26 million, and the fourth quarter and full year of 2021 excludes a goodwill impairment charge of $45 million each.

Strong Balance Sheet

Masco Corporation

Balance Sheet Metrics as of 12/31/2022	
Cash and cash investments	$452M
Revolver availability	$1,000M
Total liquidity	$1,452M
Net leverage[1]	1.8x
Working capital as a % of sales[1]	17.4%

1. See Appendix for reconciliation.

Full Year 2023 Outlook

2023 Adjusted EPS $3.10 – $3.40

Business Segment	2023 Forecasted Sales Change	2023 Forecasted Adjusted Operating Profit Margin
Plumbing Products	(10-14%)	~16%
Decorative Architectural Products	(5-10%)	~16%
Total Masco	(~10%)	~15%

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Q&A

Keith Allman

John Sznewajs

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Appendix


BEHR
RAPID DRY
BC20 WHITE
FOR TRIM, BASEBOARDS, MOLDING & DOORS
INTERIOR/EXTERIOR SILICONIZED ACRYLIC CAULK
LIFETIME LIMITED WARRANTY*
BS30
10.1 FL OZ (298 mL)
Excellent Flexibility
BEHR
WEATHERSTRO
BS40 WHITE
FOR MULTIPLE SURFACES
INTERIOR/EXTERIOR ADVANCED HYBRID SEALANT
LIFETIME LIMITED WARRANTY*
BEHR
WINDO
& TRIM
LIFETIME LIMITED WARRANTY*
3.2 FL OZ (94.6 mL)

2023 Estimates

Item	Assumption
Rationalization charges	~$10m
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%

1. Plumbing Products segment ~$105m; Decorative Architectural Products segment ~$40m; Non-operating ~$5m.
2. Based on rates as of December 31, 2022.

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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**	• Board declared a quarterly dividend of $0.285 per share, a 2% increase, payable on March 13, 2023, to shareholders of record on February 23, 2023 ○ Current annual dividend of $1.14 • 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

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%

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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%**

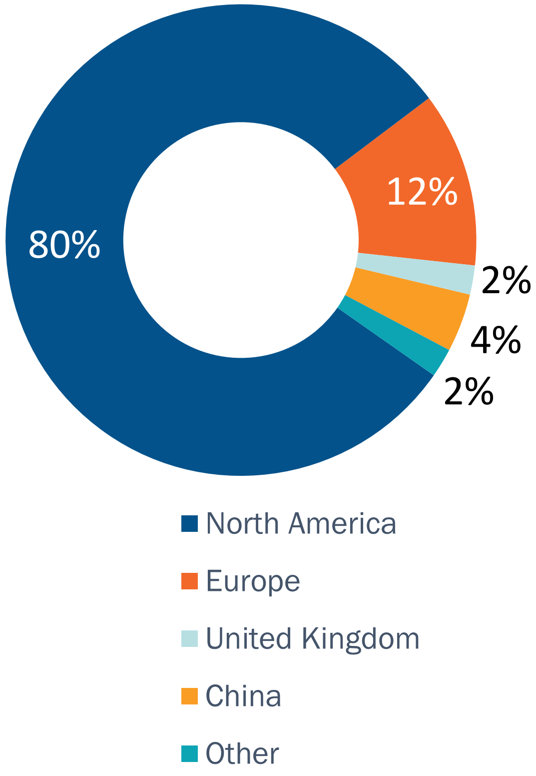
R&R = % of sales to repair and remodel channels

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 – Fourth Quarter

($ in Millions)	Q4 2022	Q4 2021
Net sales	**$ 1,923**	**$ 2,022**
Gross profit, as reported	**$ 545**	**$ 619**
Rationalization charges	23	2
Gross profit, as adjusted	**$ 568**	**$ 621**
Gross margin, as reported	*28.3%*	*30.6%*
Gross margin, as adjusted	*29.5%*	*30.7%*
Selling, general and administrative expenses, as reported	**$ 334**	**$ 356**
Selling, general and administrative expenses as percent of net sales, as reported	*17.4%*	*17.6%*
Operating profit, as reported	**$ 185**	**$ 218**
Rationalization charges	23	2
Impairment charges for goodwill and other intangible assets	26	45
Operating profit, as adjusted	**$ 234**	**$ 265**
Operating margin, as reported	*9.6%*	*10.8%*
Operating margin, as adjusted	*12.2%*	*13.1%*

Profit Reconciliations – Full Year

($ in Millions)	2022	2021
Net sales	**$ 8,680**	**$ 8,375**
Gross profit, as reported	**$ 2,713**	**$ 2,863**
Rationalization charges	32	4
Gross profit, as adjusted	**$ 2,745**	**$ 2,867**
Gross margin, as reported	*31.3%*	*34.2%*
Gross margin, as adjusted	*31.6%*	*34.2%*
Selling, general and administrative expenses, as reported	**$ 1,390**	**$ 1,413**
Selling, general and administrative expenses as percent of net sales, as reported	*16.0%*	*16.9%*
Operating profit, as reported	**$ 1,297**	**$ 1,405**
Rationalization charges	32	4
Impairment charges for goodwill and other intangible assets	26	45
Operating profit, as adjusted	**$ 1,355**	**$ 1,454**
Operating margin, as reported	*14.9%*	*16.8%*
Operating margin, as adjusted	*15.6%*	*17.4%*

EPS Reconciliation – Fourth Quarter

(in Millions, Except per Common Share Data)	Q4 2022	Q4 2021
Income before income taxes, as reported	**$ 159**	**$ 192**
Rationalization charges	23	2
Impairment charges for goodwill and other intangible assets	26	45
Pension (reversion) charges associated with terminated plans	-	(7)
Fair value adjustment to contingent earnout obligation **(1)**	-	2
(Earnings) from equity investments, net	-	(4)
Income before income taxes, as adjusted	**$ 208**	**$ 230**
Tax at 24% rate (25% for 2021)	(49)	(57)
Less: Net income attributable to noncontrolling interest	11	8
Net income, as adjusted	**$ 148**	**$ 165**
Net income per common share, as adjusted	**$ 0.65**	**$ 0.67**
Average diluted common shares outstanding	227	245

(1) Represents expense from the revaluation of contingent consideration related to a prior acquisition.

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EPS Reconciliation – Full Year

(in Millions, Except per Common Share Data)	2022	2021
Income before income taxes, as reported	**$ 1,193**	**$ 688**
Rationalization charges	32	4
Impairment charges for goodwill and other intangible assets	26	45
Pension (reversion) charges associated with terminated plans	-	415
Fair value adjustment to contingent earnout obligation **(1)**	(24)	16
(Gain) loss on sale of business **(2)**	(2)	18
(Gain) on preferred stock redemption	-	(14)
Loss (earnings) from equity investments, net	6	(11)
Loss on extinguishment of debt	-	168
Income before income taxes, as adjusted	**$ 1,231**	**$ 1,329**
Tax at 24% rate (25% rate for 2021)	(295)	(332)
Less: Net income attributable to noncontrolling interest	61	68
Net income, as adjusted	**$ 875**	**$ 929**
Net income per common share, as adjusted	**$ 3.77**	**$ 3.70**
Average diluted common shares outstanding	232	251

(1) Represents income for the year ended December 31, 2022 and expense for the year ended December 31, 2021 from the revaluation of contingent consideration related to a prior acquisition.

(2) Represents a pre-tax post-closing gain related to the finalization of working capital items related to the divestiture of Hüppe GmbH (“Hüppe”) for the year ended December 31, 2022. Represents a loss related to the divestiture of Hüppe for the year ended December 31, 2021.

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Return on Invested Capital Reconciliation

Return on Invested Capital Reconciliation ($ in Millions)			**December 31, 2022**	
Net income, as adjusted			**$**	**875**
Average invested capital				
Average shareholders' equity	$	(103)		
Average debt		3,055		
Less: Average cash and cash investments		(689)		
			$	**2,263**
Return on invested capital				**39%**

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EPS Outlook Reconciliation

	2023	
	Low End	High End
Net income per common share	**$ 3.06**	**$ 3.36**
Rationalization charges	0.04	0.04
Net income per common share, as adjusted	**$ 3.10**	**$ 3.40**

Net Leverage Reconciliation

($ in Millions)		December 31, 2022
Debt	**$**	**3,151**
Less: Cash and cash investments		(452)
Net Debt	**$**	**2,699**

($ in Millions)		TTM December 31, 2022
Operating profit, as reported	**$**	**1,297**
Rationalization charges		32
Impairment charges for goodwill and other intangible assets		26
Operating profit, as adjusted	**$**	**1,355**
Depreciation and amortization		139
EBITDA, as adjusted	**$**	**1,494**
Net Debt to EBITDA		1.8X

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Working Capital as a % of Sales

(in Millions)		As Reported December 31, 2022
Receivables	$	1,149
Inventories		1,236
Less: Accounts payable		(877)
Working Capital	$	1,508
Working capital as a % of sales (last 12 months)		**17.4%**

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EPS Reconciliation by Quarter - 2022

(in Millions, Except per Common Share Data)	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Income before income taxes, as reported	**$ 159**	**$ 310**	**$ 397**	**$ 327**
Rationalization charges	23	-	6	3
Impairment charges for goodwill and other intangible assets	26	-	-	-
Fair value adjustment to contingent earnout obligation **(1)**	-	-	(28)	4
(Gain) on sale of business **(2)**	-	-	-	(2)
Loss from equity investments, net	-	6	-	-
Income before income taxes, as adjusted	**$ 208**	**$ 316**	**$ 375**	**$ 332**
Tax at 24% rate	(49)	(76)	(90)	(80)
Less: Net income attributable to noncontrolling interest	11	15	16	19
Net income, as adjusted	**$ 148**	**$ 225**	**$ 269**	**$ 233**
Net income per common share, as adjusted	**$ 0.65**	**$ 0.99**	**$ 1.15**	**$ 0.97**
Average diluted common shares outstanding	227	227	233	241

(1) Represents income for the three months ended June 30, 2022 and expense for the three months ended March 31, 2022 from the revaluation of contingent consideration related to a prior acquisition.

(2) Represents a pre-tax post-closing gain related to the finalization of working capital items related to the divestiture of Hüppe.

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