Windows and Other Specialty Products

Joe Gross / Masco Group Vice President
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 “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 home improvement activity and new home construction, our ability to maintain our strong brands and to develop and introduce new and improved products, our ability to maintain our competitive position in our industries, our reliance on key customers, our ability to achieve the anticipated benefits of our strategic initiatives, our ability to improve our under-performing U.S. window business, the cost and availability of raw materials, our dependence on third party suppliers, and risks associated with international operations and global strategies. 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. The forward-looking statements in this presentation speak only as of the date of this presentation. 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

The Business Today

Milgard Turnaround Plan

Future Outlook
### Windows and Other Specialty Products Segment Overview

#### Masco Corp.
(Breakdown of 2016 Revenue)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rest of Masco</td>
<td>89%</td>
</tr>
<tr>
<td>Other Specialty Products</td>
<td>11%</td>
</tr>
</tbody>
</table>

#### Key Metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$0.8B</td>
</tr>
<tr>
<td>Margin as Adjusted*</td>
<td>(0.3%)</td>
</tr>
<tr>
<td>% Revenue outside North America</td>
<td>22%</td>
</tr>
<tr>
<td>% Repair &amp; Remodel Sales</td>
<td>71%</td>
</tr>
<tr>
<td>Currency Exposure</td>
<td>USD / GBP</td>
</tr>
<tr>
<td>Commodity Exposure</td>
<td>TiO2 / Resins / Glass</td>
</tr>
</tbody>
</table>

#### Notes

* Excludes $1M of rationalization charges.

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Our Businesses are Market Leaders
Milgard Market Leader in Western U.S., Gaining Share

Western U.S. Window & Patio Door Industry
$1.3B

Source: Bain Consulting and company estimates.

Strong Revenue Growth vs. Industry
(2011 – 2016 CAGR)

Milgard
#1

8.4%

10%

Industry

Milgard

Source: Bain Consulting and company estimates.
Agenda

The Business Today

Milgard Turnaround Plan

Future Outlook
The Turnaround Plan

- Management team in place
- Evaluate customer and product profitability
- Identify margin improvement opportunities in all functional areas
- Develop action plan
- Execute the plan
Defined Path to Double Digit Operating Margin by Year End 2018

**Complete**
- Org restructure
- Pricing actions
- Productivity improvements
- Cost controls
- ERP methodology

**Future**
- Further cost controls
- Capacity leverage
- Disciplined business processes

**In Process**
- Continued productivity improvements
- Customer & product profitability
Agenda

The Business Today

Milgard Turnaround Plan

Future Outlook
Three Key Strategies

1. Complete Milgard turnaround plan

2. Grow Milgard organically in core markets

3. Extend UK Window Group’s leadership position
Significant Opportunities in Current Geographies

**Milgard Addressable Units**

- **California**: 2.3 M
- **Texas**: 1.7 M
- **Pacific NW**: 1.4 M
- **Mountain Plains**: 1.1 M

**Source:** Dodge Data Market Data & Milgard unit sales.
Leverage Strength of the Brand

<table>
<thead>
<tr>
<th>Category</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Window &amp; door brand in Western United States</td>
<td>#1</td>
</tr>
<tr>
<td>Window brand online reputation (measured by net reputation score)</td>
<td>#1</td>
</tr>
<tr>
<td>Vinyl &amp; fiberglass windows in Western United States by BUILDER Magazine in 2016</td>
<td>#1</td>
</tr>
<tr>
<td>Winner of BUILDER Magazine “Best Quality Vinyl Window in the Nation”</td>
<td>8 times</td>
</tr>
<tr>
<td>Window industry online presence net reputation score 2016</td>
<td>#1</td>
</tr>
</tbody>
</table>
Growth Through Product Innovation

**Vitality Index Will Reach 43% by 2019**

(% of Revenue)

- 2016: 17%
- 2017F: 19%
- 2018F: 26%
- 2019F: 43%

**Premium Painted Vinyl Windows**

**Moving Glass Wall Systems**
Expanded Channel Presence

**Initiatives**

- Historically focused exclusively on dealer channel
- High double-digit growth in Home Center channel since 2014
- Ability to successfully sell into multiple channels
- Home Center channel now represents ~18% of sales

**Results**

- +42%*
- 565 retail locations
- +38%*
- 310 retail locations

*Sales growth since 2014.
Our Strategy at Work – Success in Texas

Western U.S.

Texas

1.7M Addressable Window Units

Source: Bain Consulting and company estimates.
Key Execution Initiatives

Leverage Milgard Brand strength

+ 

Innovation

+ 

Expanded channel presence

Estimated Sales Opportunity: ~$110M-$130M over the next three years
Three Key Strategies

1. Complete Milgard turnaround plan

2. Grow Milgard organically in core markets

3. Extend UK Window Group’s leadership position
Masco’s UK Window Group Holds a Leadership Position in the Most Attractive Segment of the UK Window Market

Leading Position in UK Vinyl / Composite

- All other competitors: 90%
- UK Window Group: 10%

5.5M Addressable Window Units & 1.1M Addressable Doors Units

Growing Share

- Last Year: 9%
- 2017: 10%

Key Execution Initiatives

- Grow the core
- Grow in new sales channels
- Leverage benefits of scale

Estimated Sales Opportunity: ~$30M-$50M over the next three years
The Segment is expected to generate 10-13% operating margins in 2019 with sales growing at 3-5% CAGR* during the next 3 years.

*Sales CAGR of 6-8% excluding Arrow divestiture.
Brand Strength and Market Position Drive Growth

• Milgard’s turnaround is on schedule

• Milgard strong brand and value proposition will outperform the market

• UK Window Group is the UK leader for vinyl and composite windows

2019 Targets:

Sales growing: 3-5%*  Margins: 10-13%

*Sales CAGR of 6-8% excluding Arrow divestiture.