



MASCO

Second Quarter 2025
Earnings Presentation

July 31, 2025

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 and diverse 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



Q2 2025 Product Recognitions



Delta Clarifi™
Reverse Osmosis System



MASCO




hansgrohe
Raindance Alive
Showerhead






red dot





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Q2 2025 Review

- ✓ Top line decreased 2%, but in line with prior year excluding the impacts of our divestiture and currency
- ✓ Improved adjusted gross margin 10 basis points to 37.7%
- ✓ Expanded adjusted operating profit margin 100 bps to 20.1%
- ✓ Delivered adjusted EPS growth of 8% to \$1.30 per share
- ✓ Repurchased 1.6 million shares for \$101 million
- ✓ Anticipate full year adjusted EPS to be in the range of \$3.90 - \$4.10 per share



For adjusted numbers, see Appendix for GAAP reconciliation.



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Financial / Operations Review

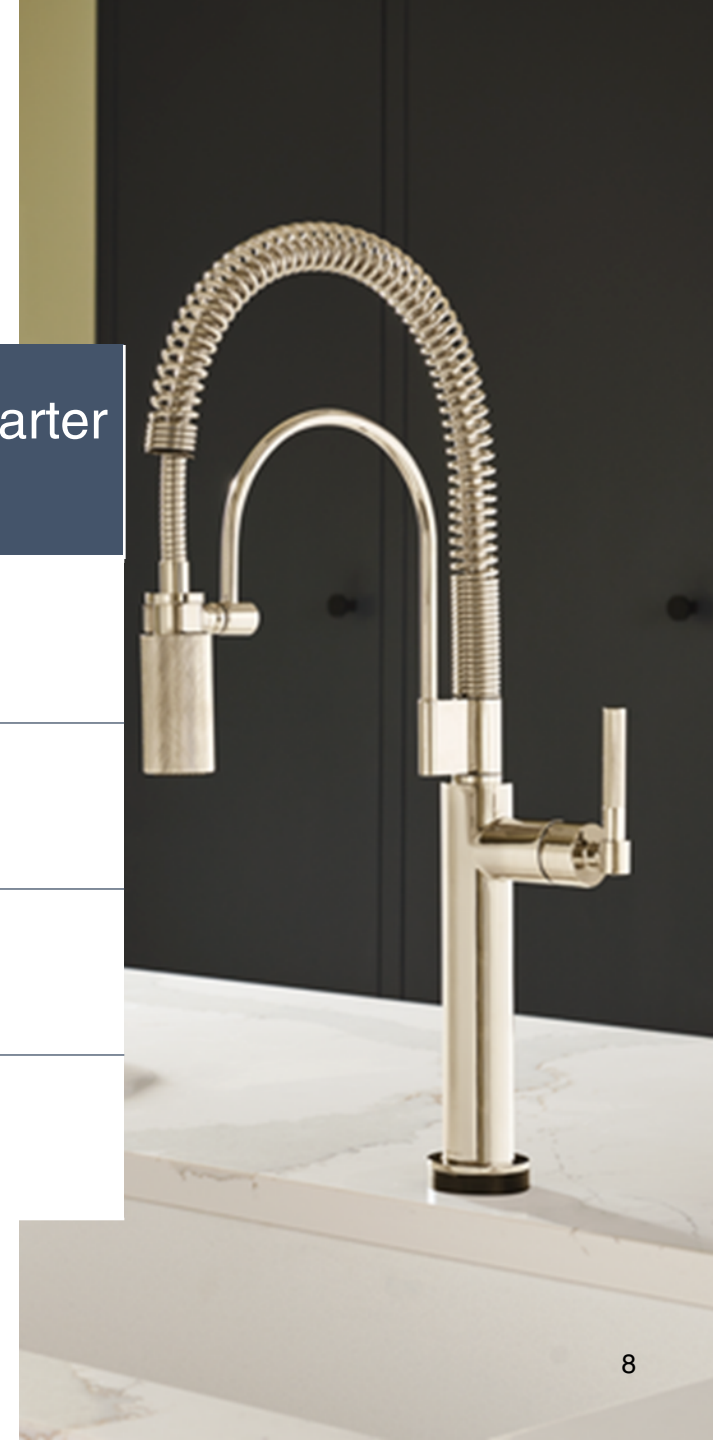
Rick Westenberg

Masco Corporation

Quarter Highlights

- Total company sales decreased 2%, but were in line with prior year excluding the impacts of our divestiture and currency
- In local currency, North American sales decreased 3%, but were in line with prior year excluding the impact of our divestiture
- In local currency, International sales increased 1%
- Operating profit driven by cost savings initiatives, favorable SG&A, and a positive price/cost relationship, partially offset by lower volume

(\$ in Millions)	Second Quarter 2025
Revenue Y-O-Y Change	\$2,051 (2)%
Operating Profit* Y-O-Y Change	\$413 \$14
Operating Margin* Y-O-Y Change	20.1% 100 bps
EPS* Y-O-Y Change	\$1.30 8%

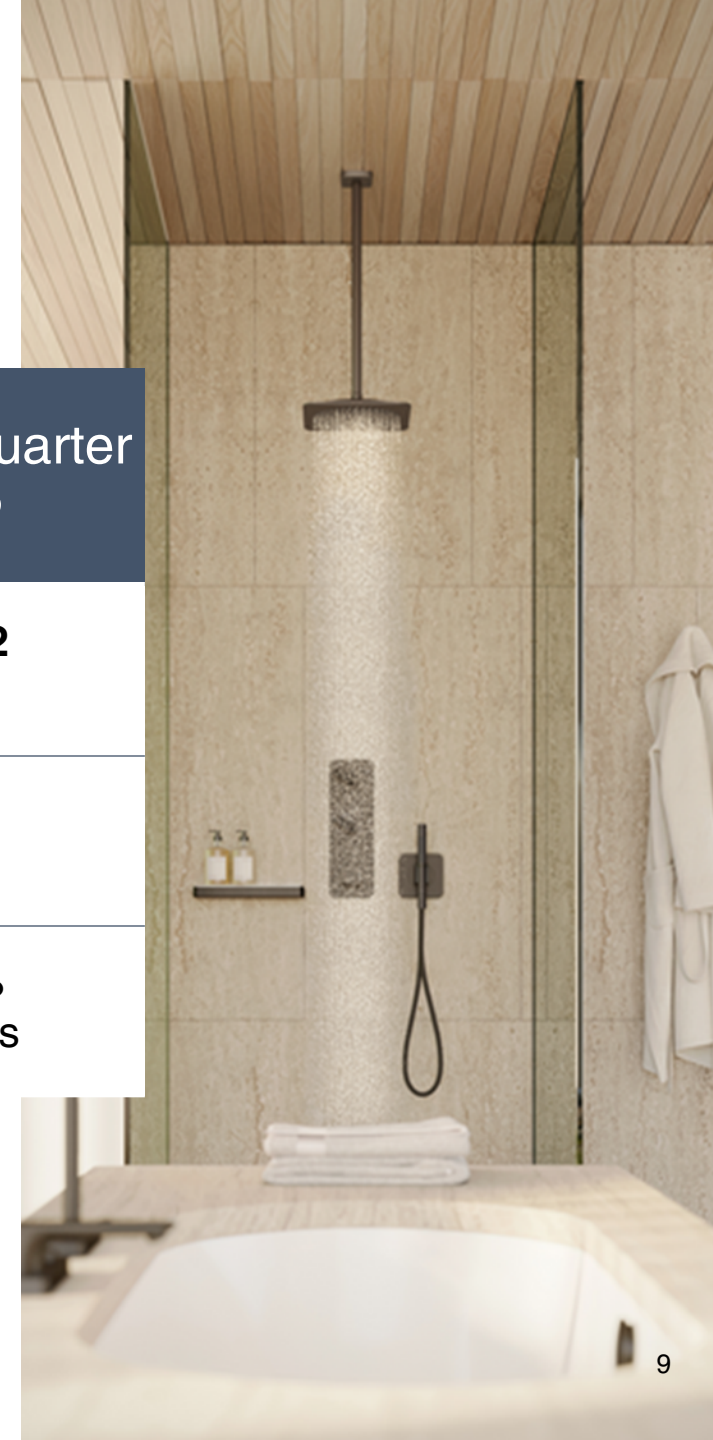


Plumbing Products Segment

Quarter Highlights

- Total segment sales increased 5%, or increased 4% excluding currency
- In local currency, North American sales increased 5%
- In local currency, International sales increased 1%
- Operating profit driven by cost savings initiatives and a favorable price/cost relationship

(\$ in Millions)	Second Quarter 2025
Revenue Y-O-Y Change	\$1,312 5%
Operating Profit* Y-O-Y Change	\$276 \$27
Operating Margin* Y-O-Y Change	21.0% 110 bps



Decorative Architectural Products Segment

Quarter Highlights

- Total segment sales decreased 12%, or 4% excluding our divestiture
- Paints & other coating products sales decreased mid-single digits
- PRO paint increased mid-single digits
- DIY paint decreased high single digits
- Operating profit impacted by lower volume and an unfavorable price/cost relationship, partially offset by cost savings initiatives

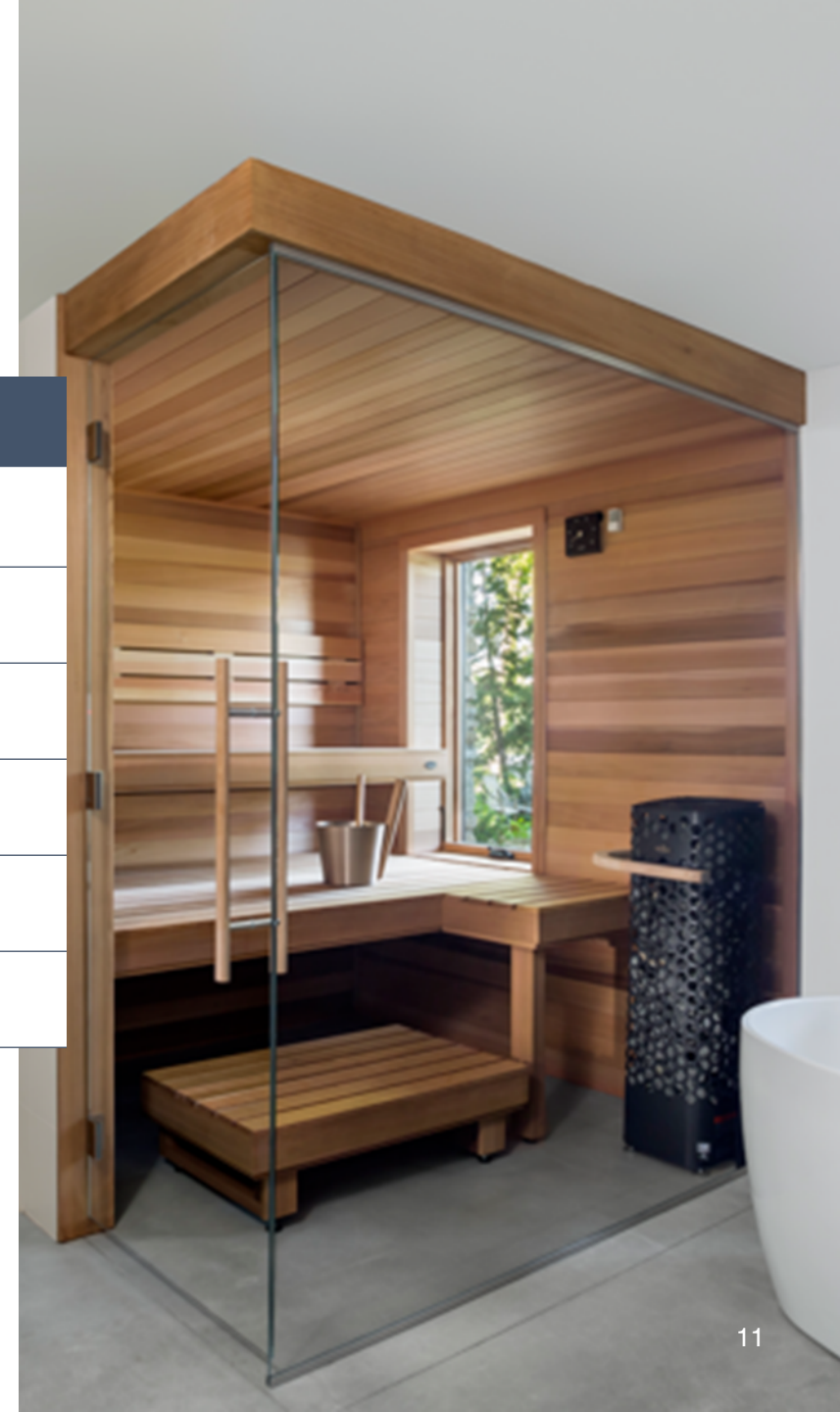
(\$ in Millions)	Second Quarter 2025
Revenue Y-O-Y Change	\$738 (12)%
Operating Profit Y-O-Y Change	\$157 \$(17)
Operating Margin Y-O-Y Change	21.3% 50 bps

Strong Balance Sheet

Masco Corporation

Balance Sheet Metrics as of 6/30/2025

Cash and cash investments	\$390M
Revolver availability	<u>\$954M</u>
Total liquidity	\$1,344M
Gross debt to EBITDA ¹	2.0x
Working capital as a % of sales ¹	20.1%



Full Year 2025 Outlook

2025 Forecasted Adjusted EPS \$3.90 - \$4.10

Business Segment	2025 Forecasted Sales Change	2025 Forecasted Adjusted Operating Profit Margin
Plumbing Products	Up Low Single Digits	~18.5%
Decorative Architectural Products	Down Low Double Digits (down mid-single digits ex divestiture)	~18%
Total Masco	Down Low Single Digits (roughly flat ex divestiture & FX)	~17%

Assumptions:

- 2025 guidance includes all enacted tariffs in effect in July, net of mitigation actions, but does not include potential future tariffs or changes to existing tariffs
- Global repair and remodel market (including price): down low single digits
 - North American repair and remodel market: down low single digits
 - Masco International markets in aggregate: down low single digits
- Year over year sales impacts:
 - Divestiture (unfavorable): Masco ~(2)%; Decorative Architectural Products ~(6)%
 - Foreign Currency (favorable): Masco ~1%; Plumbing Products ~1%



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Q&A

Jon Nudi

Rick Westenberg

MASCO



Appendix



2025 Assumptions

Item	Assumption
Tax rate	24.5%
General corporate expense	~\$95m
Interest and other expense	~\$110m
Capital expenditures (includes maintenance capex of ~\$75m)	~\$175m
Depreciation and amortization ¹	~\$150m
Favorable foreign currency translation impact to sales ²	~\$50m
Share repurchase or acquisitions	at least \$450m
Average diluted share count for 2025	~211m
Working capital as a % of net sales	~17.5%
Free cash flow conversion	~80%

Capital Allocation Strategy

Balanced Approach to Continue to Drive Shareholder Value

- | | |
|---|--|
| 1 Reinvest in the Business | <ul style="list-style-type: none">• Capex: 2-2.5% of sales• Target working capital: ~16% of sales |
| 2 Maintain investment grade credit rating | <ul style="list-style-type: none">• Target gross debt to EBITDA below 2.5x |
| 3 Maintain relevant dividend | <ul style="list-style-type: none">• Current expected annual dividend of \$1.24 <i>(subject to future Board declaration)</i>• Target dividend payout ratio of ~30% |
| 4 Deploy excess free cash flow to share repurchase or acquisitions | <ul style="list-style-type: none">• Consistently in the market for share repurchase, but opportunistic• Expect to deploy at least \$450 million for share repurchases or acquisitions in 2025• 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

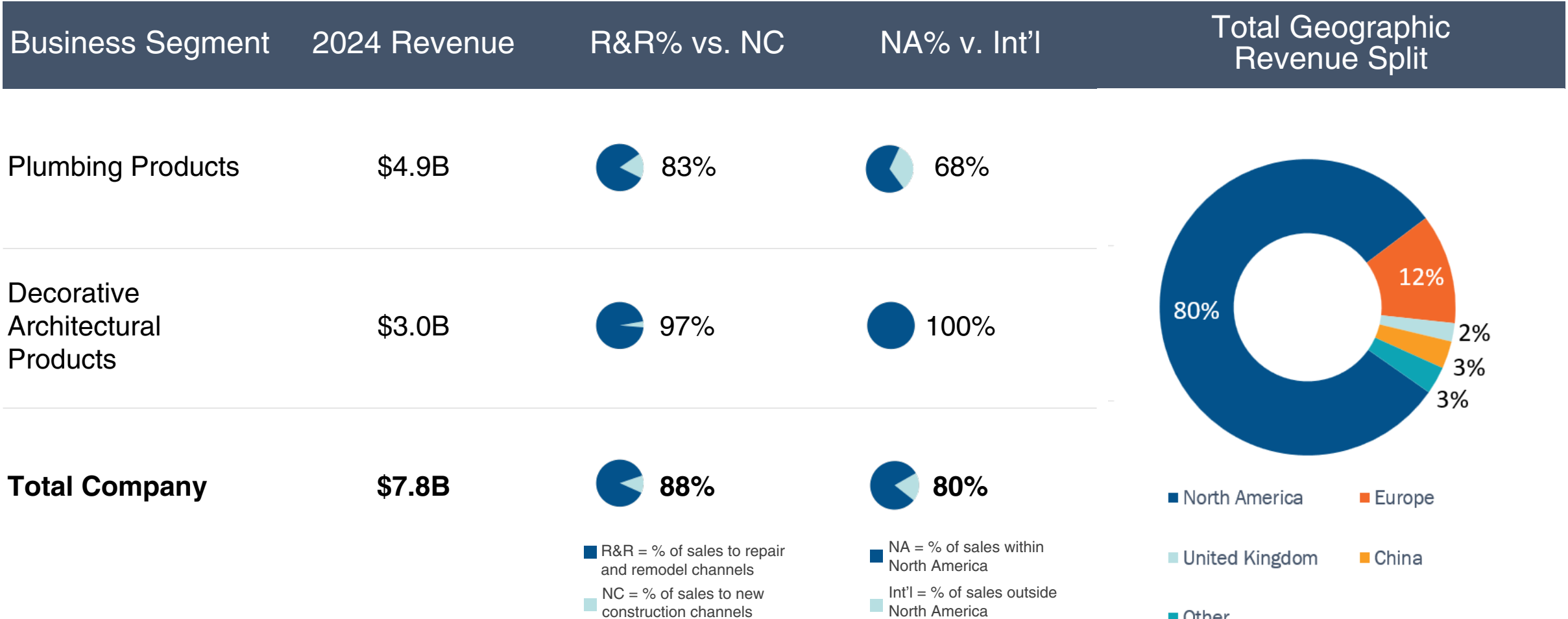
Capital deployment

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

Average annual EPS growth

- ~10%

2024 Segment Mix*



2024 Channel Mix*

2024 Channel Mix as a Percentage of Sales			
Channel	Plumbing Products	Decorative Architectural Products	Total Masco
Retail	19%	88%	46%
Wholesale/trade/dealer	52%	8%	35%
E-commerce	18%	4%	12%
Specialty Dealer/Other	11%	0%	7%

Profit Reconciliations – Second Quarter

(\$ in Millions)	Q2 2025	Q2 2024
Net sales	\$ 2,051	\$ 2,091
Gross profit, as reported	\$ 772	\$ 785
Rationalization charges	1	1
Gross profit, as adjusted	\$ 774	\$ 786
<i>Gross margin, as reported</i>	37.6 %	37.5 %
<i>Gross margin, as adjusted</i>	37.7 %	37.6 %
Selling, general and administrative expenses, as reported	\$ 361	\$ 388
Rationalization charges	1	1
Selling, general and administrative expenses, as adjusted	\$ 360	\$ 387
<i>Selling, general and administrative expenses as a percent of net sales, as reported</i>	17.6 %	18.6 %
<i>Selling, general and administrative expenses as a percent of net sales, as adjusted</i>	17.6 %	18.5 %
Operating profit, as reported	\$ 412	\$ 397
Rationalization charges	2	2
Operating profit, as adjusted	\$ 413	\$ 399
<i>Operating margin, as reported</i>	20.1 %	19.0 %
<i>Operating margin, as adjusted</i>	20.1 %	19.1 %

Amounts may not add due to rounding.

EPS Reconciliation – Second Quarter

<i>(\$ in Millions, Except per Common Share Data)</i>	Q2 2025	Q2 2024
Income before income taxes, as reported	\$ 378	\$ 366
Rationalization charges	2	2
Income before income taxes, as adjusted	\$ 380	\$ 368
Tax at 24.5% rate	(93)	(90)
Less: Net income attributable to noncontrolling interest	13	14
Net income, as adjusted	\$ 274	\$ 264
 Net income per common share, as adjusted	 \$ 1.30	 \$ 1.20
 Average diluted common shares outstanding	 211	 220

EPS Outlook Reconciliation

	2025	
	Low End	High End
Net income per common share	\$ 3.87	\$ 4.07
Rationalization charges	0.01	0.01
Realized losses from private equity funds, net	0.02	0.02
Net income per common share, as adjusted	<u>\$ 3.90</u>	<u>\$ 4.10</u>

Gross Debt to EBITDA Reconciliation

(\$ in Millions)		June 30, 2025
Debt	\$	2,993

(\$ in Millions)		TTM June 30, 2025
Operating profit, as reported	\$	1,345
Rationalization charges		8
Operating profit, as adjusted	\$	1,352
Depreciation and amortization		145
EBITDA, as adjusted	\$	1,497
Debt to EBITDA		2.0 x

Working Capital as a % of Sales

(\$ in Millions)		As Reported June 30, 2025
Receivables	\$	1,318
Inventories		1,097
Less: Accounts payable		(871)
Working capital	\$	1,544
Net sales (last 12 months)	\$	7,663
Working capital as a % of sales		20.1 %