### MASCO CORPORATION

# Condensed Consolidated Statements of Operations - Unaudited For the Three and Six Months Ended June 30, 2019 and 2018

(in millions, except per common share data)

	Three Months Ended June 30,					Six Months Ended June 30,					
	2019			2018		2019		2018			
Net sales	\$	2,275	\$	2,297	\$	4,183	\$	4,217			
Cost of sales		1,493		1,547		2,802		2,848			
Gross profit		782		750		1,381		1,369			
Selling, general and administrative expenses		390		392		762		767			
Impairment charges for goodwill and other intangible assets						16		——————————————————————————————————————			
Operating profit		392		358		603		602			
Other income (expense), net:											
Interest expense		(41)		(38)		(80)		(79)			
Other, net		(4)		(8)		(8)		(11)			
		(45)		(46)		(88)		(90)			
Income before income taxes		347		312		515		512			
Income tax expense		95		88		136		127			
Net income		252		224	_	379	_	385			
Less: Net income attributable to noncontrolling interest		12		13		23		25			
Net income attributable to Masco Corporation	\$	240	\$	211	\$	356	\$	360			
Income per common share attributable to Masco Corporation (diluted):											
Net income	\$	0.82	\$	0.68	\$	1.21	\$	1.15			
Average diluted common shares outstanding		290		309		292		311			

	Thi	ree Months I	Ende	d June 30,	_ 5	June 30,		
		2019		2018		2019		2018
Gross Profit, Selling, General and Administrative Expenses, and Operating Profit Reconciliations								
Expenses, and Operating Front Reconcinutions								
Net sales	\$	2,275	\$	2,297	\$	4,183	\$	4,217
Gross profit, as reported	\$	782	\$	750	\$	1,381	\$	1,369
Rationalization charges	Ψ	2	•	2	•	2	•	3
Kichler inventory step up adjustment		_		20		_		25
Gross profit, as adjusted	\$	784	\$	772	\$	1,383	\$	1,397
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Gross margin, as reported		34.4%		32.7%		33.0%		32.5%
Gross margin, as adjusted		34.5%		33.6%		33.1%		33.1%
Selling, general and administrative expenses, as reported	\$	390	\$	392	\$	762	\$	767
Professional fees related to potential divestitures		5		_		8		_
Selling, general and administrative expenses, as adjusted	\$	385	\$	392	\$	754	\$	767
Selling, general and administrative expenses as percent of net sales, as reported		17.1%		17.1%		18.2%		18.2%
Selling, general and administrative expenses as percent of net sales, as adjusted		16.9%		17.1%		18.0%		18.2%
Operating profit, as reported	\$	392	\$	358	\$	603	\$	602
Rationalization charges		2		2		2		3
Kichler inventory step up adjustment		_		20		_		25
Impairment charges for goodwill and other intangible assets		_		_		16		_
Professional fees related to potential divestitures		5		_		8		_
Operating profit, as adjusted	\$	399	\$	380	\$	629	\$	630
Operating margin, as reported		17.2%		15.6%		14.4%		14.3%
Operating margin, as adjusted		17.5%		16.5%		15.0%		14.9%

(in millions, except per common share data)

	Thr	ee Months	Ende	d June 30,	Six Months Ended June 30,					
		2019		2018		2019		2018		
Income Per Common Share Reconciliations										
Income before income taxes, as reported	\$	347	\$	312	\$	515	\$	512		
Rationalization charges		2		2		2		3		
Kichler inventory step up adjustment		_		20		_		25		
Impairment charges for goodwill and other intangible assets		_		_		16		_		
Professional fees related to potential divestitures		5		_		8		_		
(Earnings) from equity investments, net		_		(2)		_		(2)		
Income before income taxes, as adjusted		354		332		541		538		
Tax at 25% rate		(88)		(83)		(135)		(135)		
Less: Net income attributable to noncontrolling interest		12		13		23		25		
Net income, as adjusted	\$	254	\$	236	\$	383	\$	378		
	-									
Net income per common share, as adjusted	\$	0.88	\$	0.76	\$	1.31	\$	1.22		
Average diluted common shares outstanding		290		309		292		311		

### Outlook for the Twelve Months Ended December 31, 2019

Twelve Months Ended December 31, 2019							
Lo	w End	Hi	gh End				
\$	2.51	\$	2.61				
	0.02		0.02				
	0.04		0.04				
	0.03		0.03				
	0.02		0.02				
\$	2.62	\$	2.72				
	Lo	\$ 2.51 0.02 0.04 0.03 0.02	\$ 2.51 \$ 0.02 0.04 0.03 0.02				

<sup>(1)</sup> Represents the impact of distributed dividends and undistributed earnings to unvested restricted stock awards in accordance with the two-class method of calculating earnings per share.

72

16.5%

\$

1,375

\$

72

17.1%

1,368

	Jur	June 30, 2019		nber 31, 2018	
Balance Sheet					
Assets					
Current Assets:					
Cash and cash investments	\$	325	\$	559	
Receivables		1,423		1,153	
Inventories		975		946	
Prepaid expenses and other		120		108	
Total Current Assets		2,843		2,766	
Property and equipment, net		1,212		1,223	
Operating lease right-of-use assets		228		_	
Goodwill		891		898	
Other intangible assets, net		387		406	
Other assets		92		100	
Total Assets	\$	5,653	\$	5,393	
Liabilities					
Current Liabilities:					
Accounts payable	\$	1,023	\$	926	
Notes payable		231		8	
Accrued liabilities		699		750	
Total Current Liabilities		1,953		1,684	
Long-term debt		2,771		2,971	
Other liabilities		858		669	
Total Liabilities		5,582		5,324	
Equity		71		60	
Equity  Total Liabilities and Equity	<u> </u>		•	69 5 303	
Total Liabilities and Equity	<u>\$</u>	5,653	\$	5,39	
		As of J			
Other Financial Data		2019		2018	
Working Capital Days					
Receivable days		54		56	
Inventory days		67		70	

Historical information is available on our website.

Working capital as a % of sales (LTM)

Payable days

Working capital

### **MASCO CORPORATION**

## Condensed Consolidated Statements of Cash Flows and Other Financial Data - Unaudited For the Six Months Ended June 30, 2019 and 2018

(dollars in millions)

	:	Six Months Ended	d June 30,
		2019	2018
Cash Flows From (For) Operating Activities:			
Cash provided by operating activities	\$	510 \$	499
Working capital changes		(297)	(206)
Net cash from operating activities		213	293
Cash Flows From (For) Financing Activities:			
Retirement of notes		<del>_</del>	(114
Purchase of Company common stock		(289)	(265
Cash dividends paid		(70)	(65
Dividends paid to noncontrolling interest		(42)	(89
Proceeds from the exercise of stock options		13	_
Employee withholding taxes paid on stock-based compensation		(16)	(33
Increase (decrease) in debt, net		20	(1
Credit Agreement and other financing costs		(2)	_
Net cash for financing activities		(386)	(567
Cash Flows From (For) Investing Activities:			
Capital expenditures		(71)	(103
Acquisition of business, net of cash acquired		_	(548
Other, net		8	107
Net cash for investing activities		(63)	(544
Effect of exchange rate changes on cash and cash investments		2	8
Cash and Cash Investments:			
Decrease for the period		(234)	(810
At January 1		559	1,194
At June 30	\$	325 \$	384
		As of lune	20
		As of June 2019	2018
Liquidity			==
Cash and cash investments	\$	325 \$	384

Plumbing Products   Net sales   \$ 1,012   \$ 1,032   (2)%   \$ 1,952   \$ 2,003   (3)%		Three Months Ended June 30,			Si	x Months E	nded	d June 30,			
Net sales			2019		2018	Change		2019		2018	Change
Operating profit, as reported         \$ 198         \$ 194         \$ 351         \$ 357           Operating margin, as reported         19.6%         18.8%         18.0%         17.8%           Rationalization charges         2         1         2         2           Accelerated depreciation related to rationalization activity         —         1         —         1           Operating margin, as adjusted         200         196         353         360           Operating margin, as adjusted         19.8%         19.0%         18.1%         18.0%           Depreciation and amortization         20         18         39         36           EBITDA, as adjusted         \$ 220         \$ 214         \$ 392         \$ 396           Decorative Architectural Products           Net sales         \$ 827         \$ 806         3 %         \$ 1,400         \$ 1,351         4 %           Decorative Architectural Products           Net sales         \$ 827         \$ 806         3 %         \$ 1,400         \$ 1,351         4 %           Operating profit, as reported         \$ 173         \$ 145         \$ 246         \$ 234           Operating profit, as adjusted         173         165         225	Plumbing Products										
Rationalization charges   2	Net sales	\$	1,012	\$	1,032	(2)%	\$	1,952	\$	2,003	(3)%
Rationalization charges   2	Operating profit as reported	\$	108	\$	104		\$	351	\$	357	
Rationalization charges         2         1         2         2           Accelerated depreciation related to rationalization activity         —         1         —         1           Operating profit, as adjusted         200         196         353         360           Operating margin, as adjusted         19.8%         19.0%         18.1%         18.0%           Depreciation and amortization         20         18         39         36           EBITDA, as adjusted         \$ 220         \$ 214         \$ 392         \$ 396           Decorative Architectural Products           Net sales         \$ 827         \$ 806         3 %         \$ 1,400         \$ 1,351         4 %           Operating profit, as reported         \$ 173         \$ 145         \$ 246         \$ 234           Operating margin, as reported         \$ 20.9%         18.0%         17.6%         17.3%           Kichler inventory step up adjustment Impairment charge for other intangible assets         —         —         9         —           Operating margin, as adjusted         173         165         255         259           Operating margin, as adjusted         20.9%         20.5%         18.2%         19.2%           Cabinetry Pro		Ψ		Ψ			Ψ		Ψ		
Accelerated depreciation related to rationalization activity	Operating margin, as reported		19.076		10.076			10.076		17.076	
rationalization activity — 1 — 1 Operating profit, as adjusted 200 196 353 360  Operating margin, as adjusted 19.8% 19.0% 18.1% 18.0%  Depreciation and amortization 20 18 39 36  EBITDA, as adjusted \$ 220 \$ 214 \$ 392 \$ 396   Decorative Architectural Products  Net sales \$ 827 \$ 806 3 % \$ 1,400 \$ 1,351 4 %  Operating profit, as reported \$ 173 \$ 145 \$ 246 \$ 234  Operating margin, as reported 20.9% 18.0% 17.6% 17.3%  Kichler inventory step up adjustment Impairment charge for other intangible assets — 9 — 9 — Operating margin, as adjusted 173 165 255 259  Operating margin, as adjusted 20.9% 20.5% 18.2% 19.2%  Depreciation and amortization 10 10 20 15  EBITDA, as adjusted \$ 183 \$ 175 \$ 275 \$ 274   Cabinetry Products  Net sales \$ 251 \$ 268 (6)% 488 \$ 485 1 %  Operating profit, as reported 33 \$ 33 \$ 53 \$ 39  Operating margin, as reported 13.1% 12.3% 10.9% 8.0%  Professional fees related to potential divestitures 1 — 3 — 3 — Operating margin, as adjusted 34 33 56 39  Operating margin, as adjusted 34 4 7 7 7	Rationalization charges		2		1			2		2	
Operating margin, as adjusted         19.8%         19.0%         18.1%         18.0%           Depreciation and amortization         20         18         39         36           EBITDA, as adjusted         \$ 220         \$ 214         \$ 392         \$ 396           Decorative Architectural Products           Net sales         \$ 827         \$ 806         3 %         \$ 1,400         \$ 1,351         4 %           Operating profit, as reported         \$ 173         \$ 145         \$ 246         \$ 234           Operating margin, as reported         20.9%         18.0%         17.6%         17.3%           Kichler inventory step up adjustment         —         20         —         25           Impairment charge for other intangible assets         —         —         9         —           Operating profit, as adjusted         173         165         255         259           Operating margin, as adjusted         20.9%         20.5%         18.2%         19.2%           Depreciation and amortization         10         10         20         15           EBITDA, as adjusted         \$ 183         \$ 175         \$ 275         \$ 274           Cabinetry Products           Net sales </td <td></td> <td></td> <td>_</td> <td></td> <td>1</td> <td></td> <td></td> <td>_</td> <td></td> <td>1</td> <td></td>			_		1			_		1	
Depreciation and amortization   20	Operating profit, as adjusted		200		196			353		360	
Decorative Architectural Products         \$ 220         \$ 214         \$ 392         \$ 396           Net sales         \$ 827         \$ 806         3 %         \$ 1,400         \$ 1,351         4 %           Operating profit, as reported         \$ 173         \$ 145         \$ 246         \$ 234           Operating margin, as reported         20.9%         18.0%         17.6%         17.3%           Kichler inventory step up adjustment         —         20         —         25           Impairment charge for other intangible assets         —         —         9         —           Operating profit, as adjusted         173         165         255         259           Operating margin, as adjusted         20.9%         20.5%         18.2%         19.2%           Depreciation and amortization         10         10         20         15           EBITDA, as adjusted         \$ 183         \$ 175         \$ 275         \$ 274           Cabinetry Products         Net sales         \$ 251         \$ 268         (6)%         \$ 488         \$ 485         1 %           Operating profit, as reported         \$ 33         \$ 33         \$ 53         \$ 39           Operating margin, as reported         13.1%         12.3% <td>Operating margin, as adjusted</td> <td></td> <td>19.8%</td> <td></td> <td>19.0%</td> <td></td> <td></td> <td>18.1%</td> <td></td> <td>18.0%</td> <td></td>	Operating margin, as adjusted		19.8%		19.0%			18.1%		18.0%	
Decorative Architectural Products         \$ 220         \$ 214         \$ 392         \$ 396           Net sales         \$ 827         \$ 806         3 %         \$ 1,400         \$ 1,351         4 %           Operating profit, as reported         \$ 173         \$ 145         \$ 246         \$ 234           Operating margin, as reported         \$ 20.9%         18.0%         17.6%         17.3%           Kichler inventory step up adjustment         —         20         —         25           Impairment charge for other intangible assets         —         —         9         —           Operating profit, as adjusted         173         165         255         259           Operating margin, as adjusted         20.9%         20.5%         18.2%         19.2%           Depreciation and amortization         10         10         20         15           EBITDA, as adjusted         \$ 183         \$ 175         \$ 275         \$ 274           Cabinetry Products           Net sales         \$ 251         \$ 268         (6)%         \$ 488         \$ 485         1 %           Operating profit, as reported         \$ 33         \$ 33         \$ 53         \$ 39           Operating margin, as reported <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>											
Decorative Architectural Products           Net sales         \$ 827         \$ 806         3 %         \$ 1,400         \$ 1,351         4 %           Operating profit, as reported         \$ 173         \$ 145         \$ 246         \$ 234           Operating margin, as reported         20.9%         18.0%         17.6%         17.3%           Kichler inventory step up adjustment charge for other intangible assets         —         20         —         25           Impairment charge for other intangible assets         —         —         9         —           Operating profit, as adjusted         173         165         255         259           Operating margin, as adjusted         20.9%         20.5%         18.2%         19.2%           Depreciation and amortization         10         10         20         15           EBITDA, as adjusted         \$ 183         \$ 175         \$ 275         \$ 274           Cabinetry Products           Net sales         \$ 251         \$ 268         (6)%         \$ 488         \$ 485         1 %           Operating profit, as reported         \$ 33         \$ 33         \$ 33         \$ 39           Operating margin, as reported         13.1%         12.3%	Depreciation and amortization		20		18			39		36	
Net sales	EBITDA, as adjusted	\$	220	\$	214		\$	392	\$	396	
Net sales	Decemative Aughitectural Duadwate										
Operating profit, as reported         \$ 173         \$ 145         \$ 246         \$ 234           Operating margin, as reported         20.9%         18.0%         17.6%         17.3%           Kichler inventory step up adjustment Impairment charge for other intangible assets         —         20         —         25           Impairment charge for other intangible assets         —         —         9         —           Operating profit, as adjusted         173         165         255         259           Operating margin, as adjusted         20.9%         20.5%         18.2%         19.2%           Depreciation and amortization         10         10         20         15           EBITDA, as adjusted         \$ 183         \$ 175         \$ 275         \$ 274           Cabinetry Products           Net sales         \$ 251         \$ 268         (6)%         \$ 488         \$ 485         1 %           Operating profit, as reported         \$ 33         \$ 33         \$ 33         \$ 33         \$ 39           Operating margin, as reported         13.1%         12.3%         10.9%         8.0%           Professional fees related to potential divestitures         1         —         3         —           Opera		•	007	Φ.	000	0.0/	Φ.	4 400	•	4.054	4.0/
Operating margin, as reported         20.9%         18.0%         17.6%         17.3%           Kichler inventory step up adjustment Impairment charge for other intangible assets         —         20         —         25           Impairment charge for other intangible assets         —         —         9         —           Operating profit, as adjusted         173         165         255         259           Operating margin, as adjusted         20.9%         20.5%         18.2%         19.2%           Depreciation and amortization         10         10         20         15           EBITDA, as adjusted         \$ 183         \$ 175         \$ 275         \$ 274           Cabinetry Products           Net sales         \$ 251         \$ 268         (6)%         \$ 488         \$ 485         1 %           Operating profit, as reported         \$ 33         \$ 33         \$ 53         \$ 39           Operating margin, as reported         13.1%         12.3%         10.9%         8.0%           Professional fees related to potential divestitures         1         —         3         —           Operating margin, as adjusted         34         33         56         39           Operating margin, as adjusted	Net sales	\$	827	<del>\$</del>	806	3 %	\$	1,400	<del>\$</del>	1,351	4 %
Operating margin, as reported         20.9%         18.0%         17.6%         17.3%           Kichler inventory step up adjustment Impairment charge for other intangible assets         —         20         —         25           Impairment charge for other intangible assets         —         —         9         —           Operating profit, as adjusted         173         165         255         259           Operating margin, as adjusted         20.9%         20.5%         18.2%         19.2%           Depreciation and amortization         10         10         20         15           EBITDA, as adjusted         \$ 183         \$ 175         \$ 275         \$ 274           Cabinetry Products           Net sales         \$ 251         \$ 268         (6)%         \$ 488         \$ 485         1 %           Operating profit, as reported         \$ 33         \$ 33         \$ 53         \$ 39           Operating margin, as reported         13.1%         12.3%         10.9%         8.0%           Professional fees related to potential divestitures         1         —         3         —           Operating margin, as adjusted         34         33         56         39           Operating margin, as adjusted	Operating profit, as reported	\$	173	\$	145		\$	246	\$	234	
Kichler inventory step up adjustment         —         20         —         25           Impairment charge for other intangible assets         —         —         9         —           Operating profit, as adjusted         173         165         255         259           Operating margin, as adjusted         20.9%         20.5%         18.2%         19.2%           Depreciation and amortization         10         10         20         15           EBITDA, as adjusted         \$ 183         \$ 175         \$ 275         \$ 274           Cabinetry Products           Net sales         \$ 251         \$ 268         (6)%         \$ 488         \$ 485         1 %           Operating profit, as reported         \$ 33         \$ 33         \$ 53         \$ 39           Operating margin, as reported         13.1%         12.3%         10.9%         8.0%           Professional fees related to potential divestitures         1         —         3         —           Operating margin, as adjusted         34         33         56         39           Operating margin, as adjusted         13.5%         12.3%         11.5%         8.0%		<b>.</b>					_		_		
Impairment charge for other intangible assets											
Operating profit, as adjusted   173	Kichler inventory step up adjustment		_		20			_		25	
Operating margin, as adjusted         20.9%         20.5%         18.2%         19.2%           Depreciation and amortization         10         10         20         15           EBITDA, as adjusted         \$ 183         \$ 175         \$ 275         \$ 274           Cabinetry Products           Net sales         \$ 251         \$ 268         (6)%         \$ 488         \$ 485         1 %           Operating profit, as reported         \$ 33         \$ 33         \$ 53         \$ 39           Operating margin, as reported         13.1%         12.3%         10.9%         8.0%           Professional fees related to potential divestitures         1         —         3         —           Operating profit, as adjusted         34         33         56         39           Operating margin, as adjusted         13.5%         12.3%         11.5%         8.0%           Depreciation and amortization         4         4         7         7			_		_			9		_	
Depreciation and amortization         10         10         20         15           EBITDA, as adjusted         \$ 183         \$ 175         \$ 275         \$ 274           Cabinetry Products           Net sales         \$ 251         \$ 268         (6)%         \$ 488         \$ 485         1 %           Operating profit, as reported         \$ 33         \$ 33         \$ 53         \$ 39           Operating margin, as reported         \$ 13.1%         \$ 12.3%         \$ 10.9%         \$ 8.0%           Professional fees related to potential divestitures         \$ 1         —         \$ 3         —           Operating profit, as adjusted         \$ 34         \$ 33         \$ 56         \$ 39           Operating margin, as adjusted         \$ 13.5%         \$ 12.3%         \$ 11.5%         \$ 8.0%           Depreciation and amortization         \$ 4         \$ 4         \$ 7         \$ 7	Operating profit, as adjusted		173		165			255		259	
EBITDA, as adjusted         \$ 183         \$ 175         \$ 275         \$ 274           Cabinetry Products           Net sales         \$ 251         \$ 268         (6)%         \$ 488         \$ 485         1 %           Operating profit, as reported         \$ 33         \$ 33         \$ 53         \$ 39           Operating margin, as reported         \$ 13.1%         \$ 12.3%         \$ 10.9%         \$ 8.0%           Professional fees related to potential divestitures         \$ 1         —         3         —           Operating profit, as adjusted         34         33         56         39           Operating margin, as adjusted         \$ 13.5%         \$ 12.3%         \$ 11.5%         \$ 8.0%           Depreciation and amortization         4         4         7         7	Operating margin, as adjusted		20.9%		20.5%			18.2%		19.2%	
EBITDA, as adjusted         \$ 183         \$ 175         \$ 275         \$ 274           Cabinetry Products           Net sales         \$ 251         \$ 268         (6)%         \$ 488         \$ 485         1 %           Operating profit, as reported         \$ 33         \$ 33         \$ 53         \$ 39           Operating margin, as reported         \$ 13.1%         \$ 12.3%         \$ 10.9%         \$ 8.0%           Professional fees related to potential divestitures         \$ 1         —         3         —           Operating profit, as adjusted         34         33         56         39           Operating margin, as adjusted         \$ 13.5%         \$ 12.3%         \$ 11.5%         \$ 8.0%           Depreciation and amortization         4         4         7         7											
Cabinetry Products           Net sales         \$ 251   \$ 268   (6)%   \$ 488   \$ 485   1 %           Operating profit, as reported         \$ 33   \$ 33   \$ 53   \$ 39           Operating margin, as reported         13.1%   12.3%   10.9%   8.0%           Professional fees related to potential divestitures         1   3   30   30   30   30   30	Depreciation and amortization		10		10			20		15	
Net sales         \$ 251	EBITDA, as adjusted	\$	183	\$	175		\$	275	\$	274	
Net sales         \$ 251											
Operating profit, as reported         \$ 33 \$ 33 \$ 53 \$ 39           Operating margin, as reported         13.1% 12.3% 10.9% 8.0%           Professional fees related to potential divestitures         1 — 3 —           Operating profit, as adjusted         34 33 56 39           Operating margin, as adjusted         13.5% 12.3% 11.5% 8.0%           Depreciation and amortization         4 4 7 7						(=).0(					
Operating margin, as reported13.1%12.3%10.9%8.0%Professional fees related to potential divestitures1—3—Operating profit, as adjusted34335639Operating margin, as adjusted13.5%12.3%11.5%8.0%Depreciation and amortization4477	Net sales	\$	251	<u>\$</u>	268	(6)%	\$	488	<u>\$</u>	485	1 %
Operating margin, as reported13.1%12.3%10.9%8.0%Professional fees related to potential divestitures1—3—Operating profit, as adjusted34335639Operating margin, as adjusted13.5%12.3%11.5%8.0%Depreciation and amortization4477	Operating profit as reported	\$	33	¢	33		Φ.	53	Φ.	30	
Professional fees related to potential divestitures 1 — 3 — Operating profit, as adjusted 34 33 56 39 Operating margin, as adjusted 13.5% 12.3% 11.5% 8.0%  Depreciation and amortization 4 4 7 7		Ψ		Ψ			Ψ		Ψ		
divestitures         1         —         3         —           Operating profit, as adjusted         34         33         56         39           Operating margin, as adjusted         13.5%         12.3%         11.5%         8.0%           Depreciation and amortization         4         4         7         7	operating margin, as reported		13.176		12.576			10.976		0.078	
Operating margin, as adjusted 13.5% 12.3% 11.5% 8.0%  Depreciation and amortization 4 4 7 7	Professional fees related to potential divestitures		1		_			3		_	
Depreciation and amortization 4 4 7 7	Operating profit, as adjusted		34		33			56		39	
·	Operating margin, as adjusted		13.5%		12.3%			11.5%		8.0%	
·											
EBITDA, as adjusted         \$ 38         \$ 37         \$ 63         \$ 46	Depreciation and amortization	_	4	_	4		_	7		7	
	EBITDA, as adjusted	\$	38	\$	37		\$	63	\$	46	

Net sales   S   185   S   191   (3)%   S   343   S   378   (9)%		Three Months Ended June 30,			Six Months E				l June 30,		
Products         \$ 185         \$ 191         (3)%         \$ 343         \$ 378         (9)%           Operating profit (loss), as reported         \$ 7         \$ 8         \$ (4)         \$ 12           Operating margin, as reported         3.8%         4.2%         (1.2)%         3.2%           Impairment charge for goodwill Professional fees related to potential divestitures         4         —         7         —           Operating profit, as adjusted         11         8         8         12           Operating margin, as adjusted         5.9%         4.2%         2.3 %         3.2%           Depreciation and amortization         5         5         11         12         23         23         12         23         23         4.217 </th <th></th> <th></th> <th>2019</th> <th></th> <th>2018</th> <th>Change</th> <th></th> <th>2019</th> <th></th> <th>2018</th> <th>Change</th>			2019		2018	Change		2019		2018	Change
Operating profit (loss), as reported         \$ 7         \$ 8         \$ (4)         \$ 12           Operating margin, as reported         3.8%         4.2%         (1.2)%         3.2%           Impairment charge for goodwill         —         —         7         —           Professional fees related to potential divestitures         4         —         5         —           Operating profit, as adjusted         11         8         8         12           Operating margin, as adjusted         5.9%         4.2%         2.3%         3.2%           Depreciation and amortization         5         5         11         11         11         EBITDA, as adjusted         \$ 16         \$ 13         \$ 19         \$ 23           Total           Net sales         \$ 2,275         \$ 2,297         (1)%         \$ 4,183         \$ 4,217         (1)%           Operating profit, as reported - segment         \$ 411         \$ 380         \$ 646         \$ 642           General corporate expense, net         (19)         (22)         (43)         (40)           Operating profit, as reported         392         358         603         602           Operating margin, as reported         17.2%         15.6%	Windows and Other Specialty Products										
Impairment charge for goodwill	Net sales	\$	185	\$	191	(3)%	\$	343	\$	378	(9)%
Impairment charge for goodwill											
Impairment charge for goodwill	Operating profit (loss), as reported	\$	7	\$	8		\$	(4)	\$	12	
Professional fees related to potential divestitures	Operating margin, as reported		3.8%		4.2%			(1.2)%		3.2%	
Professional fees related to potential divestitures											
divestitures         4         —         5         —           Operating profit, as adjusted         11         8         8         12           Operating margin, as adjusted         5.9%         4.2%         2.3%         3.2%           Depreciation and amortization         5         5         11         11           EBITDA, as adjusted         \$ 16         \$ 13         \$ 19         \$ 23           Total           Net sales         \$ 2,275         \$ 2,297         (1)%         \$ 4,183         \$ 4,217         (1)%           Operating profit, as reported - segment         \$ 411         \$ 380         \$ 646         \$ 642           General corporate expense, net         (19)         (22)         (43)         (40)           Operating profit, as reported         392         358         603         602           Operating margin, as reported         17.2%         15.6%         14.4%         14.3%           Rationalization charges - segment         2         1         2         2           Accelerated depreciation related to rationalization activity - segment         —         1         —         1           Kichler inventory step up adjustment other intangible assets         — <td< td=""><td></td><td></td><td>_</td><td></td><td>_</td><td></td><td></td><td>7</td><td></td><td>_</td><td></td></td<>			_		_			7		_	
Operating margin, as adjusted         5.9%         4.2%         2.3 %         3.2%           Depreciation and amortization an			4		_			5		_	
Depreciation and amortization   EBITDA, as adjusted   S   16   S   13   S   19   S   23	Operating profit, as adjusted		11		8			8		12	
Total         \$ 16         \$ 13         \$ 19         \$ 23           Net sales         \$ 2,275         \$ 2,297         (1)%         \$ 4,183         \$ 4,217         (1)%           Operating profit, as reported - segment         \$ 411         \$ 380         \$ 646         \$ 642         General corporate expense, net         (19)         (22)         (43)         (40)         Operating profit, as reported         392         358         603         602         602         Operating margin, as reported         17.2%         15.6%         14.4 %         14.3% <td< td=""><td>Operating margin, as adjusted</td><td></td><td>5.9%</td><td></td><td>4.2%</td><td></td><td></td><td>2.3 %</td><td></td><td>3.2%</td><td></td></td<>	Operating margin, as adjusted		5.9%		4.2%			2.3 %		3.2%	
Total         \$ 16         \$ 13         \$ 19         \$ 23           Net sales         \$ 2,275         \$ 2,297         (1)%         \$ 4,183         \$ 4,217         (1)%           Operating profit, as reported - segment         \$ 411         \$ 380         \$ 646         \$ 642         General corporate expense, net         (19)         (22)         (43)         (40)         Operating profit, as reported         392         358         603         602         602         Operating margin, as reported         17.2%         15.6%         14.4 %         14.3% <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>											
Total         Net sales         \$ 2,275         \$ 2,297         (1)%         \$ 4,183         \$ 4,217         (1)%           Operating profit, as reported - segment General corporate expense, net         (19)         (22)         (43)         (40)           Operating profit, as reported         392         358         603         602           Operating margin, as reported         17.2%         15.6%         14.4%         14.3%           Rationalization charges - segment rationalization activity - segment rationalization activity - segment rationalization activity - segment related to rationalization activity - segment rationalization activity - segment rational generation related to other intangible assets         1         2         2           Professional fees related to potential divestitures         5         -         8         -           Operating profit, as adjusted         399         380         629         630           Operating margin, as adjusted         17.5%         16.5%         15.0%         14.9%	Depreciation and amortization		5		5			11		11	
Net sales         \$ 2,275         \$ 2,297         (1)%         \$ 4,183         \$ 4,217         (1)%           Operating profit, as reported - segment General corporate expense, net General corporate expense expen	EBITDA, as adjusted	\$	16	\$	13		\$	19	\$	23	
Net sales         \$ 2,275         \$ 2,297         (1)%         \$ 4,183         \$ 4,217         (1)%           Operating profit, as reported - segment General corporate expense, net General corporate expense expen											
Operating profit, as reported - segment         \$ 411         \$ 380         \$ 646         \$ 642           General corporate expense, net         (19)         (22)         (43)         (40)           Operating profit, as reported         392         358         603         602           Operating margin, as reported         17.2%         15.6%         14.4%         14.3%           Rationalization charges - segment         2         1         2         2           Accelerated depreciation related to rationalization activity - segment         —         1         —         1           Kichler inventory step up adjustment other intangible assets         —         20         —         25           Impairment charges for goodwill and other intangible assets         —         —         16         —           Professional fees related to potential divestitures         5         —         8         —           Operating profit, as adjusted         399         380         629         630           Operating margin, as adjusted         17.5%         16.5%         15.0%         14.9%           Depreciation and amortization - segment         39         37         77         69           Depreciation and amortization - non-operating         3         2 <td>Total</td> <td></td>	Total										
General corporate expense, net         (19)         (22)         (43)         (40)           Operating profit, as reported         392         358         603         602           Operating margin, as reported         17.2%         15.6%         14.4 %         14.3%           Rationalization charges - segment         2         1         2         2           Accelerated depreciation related to rationalization activity - segment         —         1         —         1           Kichler inventory step up adjustment         —         20         —         25           Impairment charges for goodwill and other intangible assets         —         —         16         —           Professional fees related to potential divestitures         5         —         8         —           Operating profit, as adjusted         399         380         629         630           Operating margin, as adjusted         17.5%         16.5%         15.0 %         14.9%           Depreciation and amortization - segment         39         37         77         69           Depreciation and amortization - non-operating         3         2         5         4	Net sales	\$	2,275	\$	2,297	(1)%	\$	4,183	\$	4,217	(1)%
General corporate expense, net         (19)         (22)         (43)         (40)           Operating profit, as reported         392         358         603         602           Operating margin, as reported         17.2%         15.6%         14.4 %         14.3%           Rationalization charges - segment         2         1         2         2           Accelerated depreciation related to rationalization activity - segment         —         1         —         1           Kichler inventory step up adjustment         —         20         —         25           Impairment charges for goodwill and other intangible assets         —         —         16         —           Professional fees related to potential divestitures         5         —         8         —           Operating profit, as adjusted         399         380         629         630           Operating margin, as adjusted         17.5%         16.5%         15.0 %         14.9%           Depreciation and amortization - segment         39         37         77         69           Depreciation and amortization - non-operating         3         2         5         4		_		_			_		_		
Operating profit, as reported         392         358         603         602           Operating margin, as reported         17.2%         15.6%         14.4 %         14.3%           Rationalization charges - segment         2         1         2         2           Accelerated depreciation related to rationalization activity - segment         —         1         —         1           Kichler inventory step up adjustment         —         20         —         25           Impairment charges for goodwill and other intangible assets         —         —         16         —           Professional fees related to potential divestitures         5         —         8         —           Operating profit, as adjusted         399         380         629         630           Operating margin, as adjusted         17.5%         16.5%         15.0 %         14.9%           Depreciation and amortization - segment         39         37         77         69           Depreciation and amortization - non-operating         3         2         5         4		\$		\$			\$		\$		
Operating margin, as reported17.2%15.6%14.4 %14.3%Rationalization charges - segment2122Accelerated depreciation related to rationalization activity - segment—1—1Kichler inventory step up adjustment—20—25Impairment charges for goodwill and other intangible assets——16—Professional fees related to potential divestitures5—8—Operating profit, as adjusted399380629630Operating margin, as adjusted17.5%16.5%15.0 %14.9%Depreciation and amortization - segment39377769Depreciation and amortization - non-operating3254								, ,			
Rationalization charges - segment         2         1         2         2           Accelerated depreciation related to rationalization activity - segment         —         1         —         1           Kichler inventory step up adjustment         —         20         —         25           Impairment charges for goodwill and other intangible assets         —         —         16         —           Professional fees related to potential divestitures         5         —         8         —           Operating profit, as adjusted         399         380         629         630           Operating margin, as adjusted         17.5%         16.5%         15.0 %         14.9%           Depreciation and amortization - segment         39         37         77         69           Depreciation and amortization - non-operating         3         2         5         4											
Accelerated depreciation related to rationalization activity - segment — 1 — 1  Kichler inventory step up adjustment — 20 — 25  Impairment charges for goodwill and other intangible assets — — 16 —  Professional fees related to potential divestitures 5 — 8 —  Operating profit, as adjusted 399 380 629 630  Operating margin, as adjusted 17.5% 16.5% 15.0 % 14.9%  Depreciation and amortization - segment 39 37 77 69  Depreciation and amortization - non-operating 3 2 5 4	Operating margin, as reported		17.2%		15.6%			14.4 %		14.3%	
Accelerated depreciation related to rationalization activity - segment — 1 — 1  Kichler inventory step up adjustment — 20 — 25  Impairment charges for goodwill and other intangible assets — — 16 —  Professional fees related to potential divestitures 5 — 8 —  Operating profit, as adjusted 399 380 629 630  Operating margin, as adjusted 17.5% 16.5% 15.0 % 14.9%  Depreciation and amortization - segment 39 37 77 69  Depreciation and amortization - non-operating 3 2 5 4			•		_					•	
rationalization activity - segment — 1 — 1  Kichler inventory step up adjustment — 20 — 25  Impairment charges for goodwill and other intangible assets — — — 16 — Professional fees related to potential divestitures — 5 — 8 — — Operating profit, as adjusted — 399 — 380 — 629 — 630  Operating margin, as adjusted — 17.5% — 16.5% — 15.0 % — 14.9%  Depreciation and amortization - segment — 39 — 37 — 77 — 69  Depreciation and amortization - non-operating — 3 — 2 — 5 — 4			2		1			2		2	
Impairment charges for goodwill and other intangible assets — — — — — — — — — — — — — — — — — — —					1					1	
other intangible assets — — — — — — — — — — — — — — — — — — —	Kichler inventory step up adjustment		_		20			_		25	
divestitures         5         —         8         —           Operating profit, as adjusted         399         380         629         630           Operating margin, as adjusted         17.5%         16.5%         15.0 %         14.9%           Depreciation and amortization - segment         39         37         77         69           Depreciation and amortization - non-operating         3         2         5         4	Impairment charges for goodwill and other intangible assets		_		_			16		_	
Operating margin, as adjusted 17.5% 16.5% 15.0 % 14.9%  Depreciation and amortization - segment 39 37 77 69  Depreciation and amortization - non-operating 3 2 5 4	Professional fees related to potential divestitures		5		_			8		_	
Depreciation and amortization - segment 39 37 77 69  Depreciation and amortization - non-operating 3 2 5 4	Operating profit, as adjusted		399		380			629		630	
segment 39 37 77 69  Depreciation and amortization - non- operating 3 2 5 4	Operating margin, as adjusted		17.5%		16.5%			15.0 %		14.9%	
segment 39 37 77 69  Depreciation and amortization - non- operating 3 2 5 4											
operating 3 2 5 4			39		37			77		69	
EBITDA, as adjusted \$ 441 \$ 419 \$ 711 \$ 703			3		2			5		4	
	EBITDA, as adjusted	\$	441	\$	419		\$	711	\$	703	

### MASCO CORPORATION North American and International Data - Unaudited For the Three and Six Months Ended June 30, 2019 and 2018

(dollars in millions)

	Three Months Ended June 30,			Six Months En				l June 30,		
		2019		2018	Change		2019		2018	Change
North American						_				
Net sales	\$	1,891	\$	1,872	1 %	\$	3,426	\$	3,388	1 %
	-									
Operating profit, as reported	\$	364	\$	323		\$	566	\$	541	
Operating margin, as reported		19.2%		17.3%			16.5%		16.0%	
Rationalization charges		2		1			2		2	
Accelerated depreciation related to rationalization activity		_		1			_		1	
Kichler inventory step up adjustment		_		20			_		25	
Impairment charge for other intangible assets		_		_			9		_	
Professional fees related to potential divestitures		3		_			6		_	
Operating profit, as adjusted		369		345			583		569	
Operating margin, as adjusted		19.5%		18.4%			17.0%		16.8%	
Depreciation and amortization		29		27			56		48	
EBITDA, as adjusted	\$	398	\$	372		\$	639	\$	617	
International										
Net sales	\$	384	\$	425	(10)%	\$	757	\$	829	(9)%
Operating profit, as reported	\$	47	\$	57		\$	80	\$	101	
Operating margin, as reported		12.2%		13.4%			10.6%		12.2%	
Impairment charge for goodwill		_		_			7		_	
Professional fees related to potential divestitures		2					2			
Operating profit, as adjusted		49		57			89		101	
Operating margin, as adjusted		12.8%		13.4%			11.8%		12.2%	
Depreciation and amortization		10		10			21		21	
EBITDA, as adjusted	\$	59	\$	67		\$	110	\$	122	

### MASCO CORPORATION North American and International Data - Unaudited For the Three and Six Months Ended June 30, 2019 and 2018

(dollars in millions)

	Three Months Ended June 30,					Si				
		2019		2018	Change	2019		2018		Change
Total										
Net sales	\$	2,275	\$	2,297	(1)%	\$	4,183	\$	4,217	(1)%
Operating profit, as reported - segment	\$	411	\$	380		\$	646	\$	642	
General corporate expense, net		(19)		(22)			(43)		(40)	
Operating profit, as reported		392		358			603		602	
Operating margin, as reported		17.2%		15.6%			14.4%		14.3%	
Rationalization charges - segment		2		1			2		2	
Accelerated depreciation related to rationalization activity		_		1			_		1	
Kichler inventory step up adjustment		_		20			_		25	
Impairment charges for goodwill and other intangible assets		_		_			16		_	
Professional fees related to potential divestitures		5		_			8		_	
Operating profit, as adjusted		399		380			629		630	
Operating margin, as adjusted		17.5%		16.5%			15.0%		14.9%	
Depreciation and amortization - segment		39		37			77		69	
Depreciation and amortization - non- operating		3		2			5		4	
EBITDA, as adjusted	\$	441	\$	419		\$	711	\$	703	