## Condensed Consolidated Statements of Operations - Unaudited For the Three Months and Years Ended December 31, 2018 and 2017

(in millions, except per common share data)

	Three Months Ended December 31,					Year Ended December 31,						
		2018		2017		2018		2017				
Net sales	\$	2,041	\$	1,853	\$	8,359	\$	7,642				
Cost of sales		1,388		1,249		5,670		5,030				
Gross profit		653		604		2,689		2,612				
Selling, general and administrative expenses		344		348		1,478		1,418				
Operating profit		309		256		1,211		1,194				
Other income (expense), net:												
Interest expense		(39)		(39)		(156)		(278)				
Other, net		(2)		(69)		(13)		(32)				
		(41)		(108)		(169)		(310)				
Income before income taxes		268		148		1,042		884				
Income tax expense		60		56		258		304				
Net income		208		92		784		580				
Less: Net income attributable to noncontrolling interest		14		12		50		47				
Net income attributable to Masco Corporation	\$	194	\$	80	\$	734	\$	533				
Income per common share attributable to Masco Corporation (diluted):												
Net income	\$	0.64	\$	0.25	\$	2.37	\$	1.66				
Average diluted common shares outstanding		299		314		307		318				

**Exhibit A: Reconciliations - Unaudited** 

For the Three Months and Years Ended December 31, 2018 and 2017

(dollars in millions)

102%

						(doll	ars ii	n millions)
	Three Months Ended December 31,					Year Decen		
		2018		2017		2018		2017
Gross Profit, Selling, General and Administrative Expenses, and Operating Profit Reconciliations								
Net sales	\$	2,041	\$	1,853	\$	8,359	\$	7,642
Gross profit, as reported	\$	653	\$	604	\$	2,689	\$	2,612
Rationalization charges	Ψ	6	Ψ	1	Ψ	14	Ψ	4
Kichler inventory step up adjustment						40		_
Gross profit, as adjusted	\$	659	\$	605	\$	2,743	\$	2,616
Gross margin, as reported		32.0%		32.6%		32.2%		34.2%
Gross margin, as adjusted		32.3%		32.6%		32.8%		34.2%
Selling, general and administrative expenses, as reported	\$	344	\$	348	\$	1,478	\$	1,418
Selling, general and administrative expenses as percent of net sales, as reported		16.9%		18.8%		17.7%		18.6%
Operating profit, as reported	\$	309	\$	256	\$	1,211	\$	1,194
Rationalization charges		6		1		14		4
Kichler inventory step up adjustment		_		_		40		_
Operating profit, as adjusted	\$	315	\$	257	\$	1,265	\$	1,198
Operating margin, as reported		15.1%		13.8%		14.5%		15.6%
Operating margin, as adjusted		15.4%		13.9%		15.1%		15.7%
							Year E ember	Ended 31, 2018
Free Cash Flow Reconciliation and Free Cash Flow Conver	sion F	<u>Rate</u>						
Net cash from operating activities						\$		1,032
Capital expenditures								(219)
Displays								(10)
Free Cash Flow						\$		803
Net income						\$		784

Historical information is available on our website.

Free cash flow conversion rate

**Exhibit A: Reconciliations - Unaudited** 

For the Three Months and Years Ended December 31, 2018 and 2017

(in millions, except per common share data)

	 Three Mor Decem		Year Ended December 31,						
	 2018		2017		2018		2017		
<b>Income Per Common Share Reconciliation</b>									
Income before income taxes, as reported	\$ 268	\$	148	\$	1,042	\$	884		
Rationalization charges	6		1		14		4		
Kichler inventory step up adjustment	_		_		40		_		
(Gains) from private equity funds, net	(1)		(1)		(1)		(3)		
(Earnings) from equity investments, net	(1)		_		(3)		(1)		
Impairment of private equity funds	_		_				2		
Loss on extinguishment of debt	_		_		_		107		
Loss on sales of businesses, net	_		64				13		
Income before income taxes, as adjusted	272		212		1,092		1,006		
Tax at 25% rate (34% for 2017)	(68)		(72)		(273)		(342)		
Less: Net income attributable to noncontrolling interest	14		12		50		47		
Net income, as adjusted	\$ 190	\$	128	\$	769	\$	617		
Net income per common share, as adjusted	\$ 0.64	\$	0.41	\$	2.50	\$	1.94		
Average diluted common shares outstanding	299		314		307		318		

#### Outlook for the Year Ended December 31, 2019

		Year Ended   December 31, 2019			
	Lo	December 31, 2019  .ow End H  2.56 \$ 0.01	gh End		
Income Per Common Share Reconciliation					
Net income per common share	\$	2.56	\$	2.76	
Rationalization charges		0.01		0.01	
Allocation to participating securities per share (1)		0.03		0.03	
Net income per common share, as adjusted	\$	2.60	\$	2.80	

<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.

# Condensed Consolidated Balance Sheets and Other Financial Data - Unaudited December 31, 2018 and 2017

(dollars in millions)

	December 31, 2018	December 31, 2017
Balance Sheet		
Assets		
Current Assets:		
Cash and cash investments	\$ 559	\$ 1,194
Short-term bank deposits	<del>-</del>	108
Receivables	1,153	1,066
Inventories	946	784
Prepaid expenses and other	108	111
Total Current Assets	2,766	3,263
Property and equipment, net	1,223	1,129
Goodwill	898	841
Other intangible assets, net	406	187
Other assets	100	114
Total Assets	\$ 5,393	\$ 5,534
Liabilities		
Current Liabilities:		
Accounts payable	\$ 926	\$ 824
Notes payable	8	116
Accrued liabilities	750	727
Total Current Liabilities	1,684	1,667
Long-term debt	2,971	2,969
Other liabilities	669	715
Total Liabilities	5,324	5,351
Equity	69	183
Total Liabilities and Equity	\$ 5,393	\$ 5,534

	As of			
	ember 31, 2018	D	ecember 31, 2017	
Other Financial Data				
Working Capital Days				
Receivable days	53		51	
Inventory days	64		59	
Payable days	71		72	
Working capital	\$ 1,173	\$	1,026	
Working capital as a % of sales (LTM)	14.0%		13.4%	

# Condensed Consolidated Statements of Cash Flows and Other Financial Data - Unaudited For the Years Ended December 31, 2018 and 2017

(dollars in millions)

		Ended nber 31,
	2018	2017
Cash Flows From (For) Operating Activities:		
Cash provided by operating activities	\$ 981	\$ 902
Working capital changes	51	(151)
Net cash from operating activities	1,032	751
Cash Flows From (For) Financing Activities:		
Retirement of notes	(114)	(535)
Purchase of Company common stock	(654)	•
Cash dividends paid	(134)	•
Dividends paid to noncontrolling interest	(89)	,
Issuance of notes, net of issuance costs	(0 <i>)</i>	593
Decrease in debt, net	(1)	
Debt extinguishment costs	(1)	(104
Proceeds from the exercise of stock options		(104
Employee withholding taxes paid on stock-based compensation	(42)	(33
Net cash for financing activities	(1,020)	
Net cash for financing activities	(1,020)	(311)
Cash Flows From (For) Investing Activities:		
Capital expenditures	(219)	(173)
Acquisition of businesses, net of cash acquired	(549)	(89)
Proceeds from disposition of businesses, net of cash disposed	_	128
Other, net	117	109
Net cash for investing activities	(651)	(25
Effect of exchange rate changes on cash and cash investments	4	55
Cash and Cash Investments:		
(Decrease) increase for the period	(635)	204
At January 1	1,194	990
At December 31	\$ 559	\$ 1,194
	December 31,	December 31,
** ***	2018	2017
Liquidity Cash and cash investments	\$ 559	\$ 1,194
Short-term bank deposits	φ 339	1,194
•	Φ 550	
Total Liquidity	\$ 559	\$ 1,302

(dollars in millions)

	Three Months Ended December 31,							
	2018		2017	Change		2018	2017	Change
<b>Plumbing Products</b>								
Net sales	\$ 1,003	\$	961	4%	\$	3,998	\$ 3,732	7%
Operating profit, as reported	\$ 181	\$	165		\$	715	\$ 702	
Operating margin, as reported	18.0%		17.2%			17.9%	18.8%	
Rationalization charges	3		1			7	1	
Accelerated depreciation related to rationalization activity	1		_			2	1	
Operating profit, as adjusted	185		166	,		724	704	
Operating margin, as adjusted	18.4%		17.3%			18.1%	18.9%	
Depreciation and amortization	19		17			75	62	
EBITDA, as adjusted	\$ 204	\$	183		\$	799	\$ 766	
<b>Decorative Architectural Products</b>								
Net sales	\$ 632	\$	487	30%	\$	2,656	\$ 2,206	20%
Operating profit, as reported	\$ 118	\$	83		\$	456	\$ 438	
Operating margin, as reported	18.7%		17.0%			17.2%	19.9%	
Kichler inventory step up adjustment	_		_			40		
Operating profit, as adjusted	118		83	•		496	438	
Operating margin, as adjusted	18.7%		17.0%			18.7%	19.9%	
Depreciation and amortization	10		4			35	16	
EBITDA, as adjusted	\$ 128	\$	87		\$	531	\$ 454	
Cabinetry Products								
Net sales	\$ 226	\$	223	1%	\$	950	\$ 934	2%
Operating profit, as reported	\$ 24	\$	25		\$	86	\$ 92	
Operating margin, as reported	10.6%		11.2%			9.1%	9.9%	
Rationalization charges							2	
Operating profit, as adjusted	24		25			86	94	
Operating margin, as adjusted	10.6%		11.2%			9.1%	10.1%	
Depreciation and amortization	 3		3			13	14	
EBITDA, as adjusted	\$ 27	\$	28		\$	99	\$ 108	

(dollars in millions)

					Year Ended December 31,					
	2018		2017	Change		2018		2017	Change	
\$	180	\$	182	(1)%	\$	755	\$	770	(2)%	
\$	6	\$			\$					
	3.3%		2.2%			4.5%		7.0%		
	2		_			5		_		
	8		4			39		54		
	4.4%		2.2%			5.2%		7.0%		
	6		5			23		21		
\$	14	\$	9		\$	62	\$	75		
\$	2,041	\$	1,853	10 %	\$	8,359	\$	7,642	9 %	
\$	329	\$	277		\$	1 291	\$	1 286		
Ψ		Ψ			Ψ	1	Ψ	· · · · · · · · · · · · · · · · · · ·		
_						. /		` /		
	15.1%		13.8%			14.5%		15.6%		
	_		1			12		2		
			1							
	1		—			_		l		
	15.4%		13.9%			15.1%		15.7%		
	38		29			146		113		
5	2		3			8		13		
	\$	\$ 180 \$ 6 \$ 3.3%  2 8 4.4%  \$ 2,041  \$ 329 (20) 309 15.1%  5 1 — 315 15.4%	\$ 180 \$ \$ \$ 180 \$ \$ \$ 6 \$ \$ 3.3% \$ \$ \$ 4.4% \$ \$ \$ \$ \$ 2,041 \$ \$ \$ \$ 329 \$ \$ (20) \$ 309 \$ 15.1% \$ \$ 5 \$ 1 \$ — 315 \$ 15.4% \$ 38	\$ 180 \$ 182  \$ 6 \$ 4  3.3% 2.2%  \[ \frac{2}{8} \] \[ \frac{-}{4} \]  \[ \frac{4}{4.4\%} \]  \[ \frac{2}{8} \] \[ \frac{6}{4} \] \[ \frac{5}{8} \]  \[ \frac{14}{4} \] \[ \frac{9}{8} \]  \[ \frac{329}{13.8\%} \]  \$ 329 \$ 277  (20) (21)  \[ \frac{309}{309} \] \[ \frac{256}{15.1\%} \]  \[ \frac{1}{13.8\%} \]  \[ \frac{-}{15.4\%} \] \[ \frac{315}{13.9\%} \]  38 29	December 31,	December 31,           2018         2017         Change           \$ 180         \$ 182         (1)%         \$           \$ 6         \$ 4         \$         \$           3.3%         2.2%         2.2%	December 31,         December 2018           2018         2017         Change         2018           \$ 180         \$ 182         (1)%         \$ 755           \$ 6         \$ 4         \$ 34           \$ 3.3%         \$ 2.2%         \$ 4.5%           \$ 2         —         5           \$ 8         \$ 4         39           \$ 4.4%         \$ 2.2%         5.2%           \$ 14         \$ 9         \$ 62           \$ 20         \$ 23         \$ 62           \$ 2,041         \$ 1,853         10 %         \$ 8,359           \$ 329         \$ 277         \$ 1,291           (20)         (21)         (80)           309         256         1,211           15.1%         13.8%         14.5%           5         1         12           1         —         2           —         —         40           315         257         1,265           15.4%         13.9%         15.1%           38         29         146	December 31,   December 3   2018     2018     2018	December 31,         Change         December 31,           2018         2017         Change         2018         2017           \$ 180         \$ 182         (1)%         \$ 755         \$ 770           \$ 6         \$ 4         \$ 34         \$ 54           3.3%         2.2%         4.5%         7.0%           2         —         5         —           8         4         39         54           4.4%         2.2%         5.2%         7.0%           6         5         23         21           \$ 14         \$ 9         \$ 62         \$ 75           \$ 2,041         \$ 1,853         10 %         \$ 8,359         \$ 7,642           \$ 329         \$ 277         \$ 1,291         \$ 1,286           (20)         (21)         (80)         (92)           309         256         1,211         1,194           15.1%         13.8%         14.5%         15.6%           5         1         12         3           1         —         —         40         —           —         —         40         —           315         257         1,265	

## North American and International Data - Unaudited

For the Three Months and Years Ended December 31, 2018 and 2017

(dollars in millions)

Operating profit, as reported         \$ 281         \$ 226         \$ 1,094         \$ 1,080           Operating margin, as reported         17.0%         15.6%         16.2%         17.8%           Rationalization charges         3         1         7         3           Accelerated depreciation related to rationalization activity         1         —         2         1           Kichler inventory step up adjustment         —         —         40         —           Operating profit, as adjusted         285         227         1,143         1,084           Operating margin, as adjusted         17.3%         15.7%         16.9%         17.9%           Depreciation and amortization         28         18         104         74           EBITDA, as adjusted         \$ 313         \$ 245         \$ 1,247         \$ 1,158           International           Net sales         \$ 390         \$ 404         (3)%         \$ 1,596         \$ 1,575         1%           Operating profit, as reported         \$ 48         \$ 51         \$ 197         \$ 206         20         2         —         5         —         0         0         13.1%         13.1%         13.1%         12.6%         12.3%         1			Three Mor Decem				Year Ended December 31,				
Net sales			2018		2017	Change		2018		2017	Change
Deprating profit, as reported											
Rationalization charges   3	Net sales	\$	1,651	\$	1,449	14 %	\$	6,763	\$	6,067	11%
Rationalization charges         3         1         7         3           Accelerated depreciation related to rationalization activity         1         —         2         1           Kichler inventory step up adjustment         —         —         40         —           Operating profit, as adjusted         285         227         1,143         1,084           Operating margin, as adjusted         17.3%         15.7%         16.9%         17.9%           Depreciation and amortization         28         18         104         74           EBITDA, as adjusted         \$ 313         \$ 245         \$ 1,247         \$ 1,158           International           Net sales         \$ 390         \$ 404         (3)%         \$ 1,596         \$ 1,575         17%           Operating profit, as reported         \$ 48         \$ 51         \$ 197         \$ 206         \$ 202         206         12.3%         13.1%         12.2%         12.3%         13.1%         12.3%         13.1%         12.3%         13.1%         12.2%         12.2%         12.2%         12.2%         12.2%         12.2%         12.2%         12.2%         12.2%         12.2%         13.1%         12.2%         13.1%	Operating profit, as reported	\$	281	\$	226		\$	1,094	\$	1,080	
Accelerated depreciation related to rationalization activity   1	Operating margin, as reported		17.0%		15.6%			16.2%		17.8%	
Tractionalization activity	Rationalization charges		3		1			7		3	
Operating profit, as adjusted         285         227         1,143         1,084           Operating margin, as adjusted         17.3%         15.7%         16.9%         17.9%           Depreciation and amortization         28         18         104         74           EBITDA, as adjusted         \$ 313         \$ 245         \$ 1,247         \$ 1,158           International           Net sales         \$ 390         \$ 404         (3)%         \$ 1,596         \$ 1,575         1%           Operating profit, as reported         \$ 48         \$ 51         \$ 197         \$ 206         \$ 206         \$ 209         \$ 206         \$ 200         \$ 200         \$ 206         \$ 200         \$ 200         \$ 206         \$ 200			1		_			2		1	
Depreciation and amortization   28	Kichler inventory step up adjustment		_		_			40		_	
Depreciation and amortization   28   18   104   74   74   74   74   74   74   74	Operating profit, as adjusted		285		227			1,143		1,084	
Net sales	Operating margin, as adjusted		17.3%		15.7%			16.9%		17.9%	
Net sales	Depreciation and amortization		28		18			104		74	
Net sales	EBITDA, as adjusted	\$	313	\$	245		\$	1,247	\$	1,158	
Net sales	International										
Operating profit, as reported         \$ 48         \$ 51         \$ 197         \$ 206           Operating margin, as reported         12.3%         12.6%         12.3%         13.1%           Rationalization charges         2         —         5         —           Operating profit, as adjusted         50         51         202         206           Operating margin, as adjusted         12.8%         12.6%         12.7%         13.1%           Depreciation and amortization         10         11         42         39           EBITDA, as adjusted         \$ 60         \$ 62         \$ 244         \$ 245           Total           Net sales         \$ 2,041         \$ 1,853         10 %         \$ 8,359         \$ 7,642         9%           Operating profit, as reported - segment         \$ 329         \$ 277         \$ 1,291         \$ 1,286         9           General corporate expense, net (GCE)         (20)         (21)         (80)         (92)           Operating profit, as reported         309         256         1,211         1,194           Operating margin, as reported         15.1%         13.8%         14.5%         15.6%           Rationalization charges - segment         5 <td< td=""><td></td><td>¢</td><td>300</td><td>¢</td><td>404</td><td>(2)0/</td><td>•</td><td>1 506</td><td>Ф</td><td>1 575</td><td>10/-</td></td<>		¢	300	¢	404	(2)0/	•	1 506	Ф	1 575	10/-
Operating margin, as reported         12.3%         12.6%         12.3%         13.1%           Rationalization charges         2         —         5         —           Operating profit, as adjusted         50         51         202         206           Operating margin, as adjusted         12.8%         12.6%         12.7%         13.1%           Depreciation and amortization         10         11         42         39           EBITDA, as adjusted         \$ 60         \$ 62         \$ 244         \$ 245           Total           Net sales         \$ 2,041         \$ 1,853         10 %         \$ 8,359         \$ 7,642         9%           Operating profit, as reported - segment         \$ 329         \$ 277         \$ 1,291         \$ 1,286         9%           General corporate expense, net (GCE)         (20)         (21)         (80)         (92)           Operating profit, as reported         309         256         1,211         1,194           Operating margin, as reported         15.1%         13.8%         14.5%         15.6%           Rationalization charges - segment         5         1         12         3           Accelerated depreciation related to rationalization activity - segment	Net sales	<b>—</b>	390	<u> </u>	404	(3)%	<b>D</b>	1,390	<b>—</b>	1,373	1 70
Rationalization charges         2         —         5         —           Operating profit, as adjusted         50         51         202         206           Operating margin, as adjusted         12.8%         12.6%         12.7%         13.1%           Depreciation and amortization         10         11         42         39           EBITDA, as adjusted         \$ 60         \$ 62         \$ 244         \$ 245           Total           Net sales         \$ 2,041         \$ 1,853         10 %         \$ 8,359         \$ 7,642         9%           Operating profit, as reported - segment         \$ 329         \$ 277         \$ 1,291         \$ 1,286         General corporate expense, net (GCE)         (20)         (21)         (80)         (92)           Operating profit, as reported         309         256         1,211         1,194           Operating margin, as reported         15.1%         13.8%         14.5%         15.6%           Rationalization charges - segment         5         1         12         3           Accelerated depreciation related to rationalization activity - segment         1         —         2         1           Kichler inventory step up adjustment         —         — <td< td=""><td>Operating profit, as reported</td><td>\$</td><td>48</td><td>\$</td><td>51</td><td></td><td>\$</td><td>197</td><td>\$</td><td>206</td><td></td></td<>	Operating profit, as reported	\$	48	\$	51		\$	197	\$	206	
Operating profit, as adjusted         50         51         202         206           Operating margin, as adjusted         12.8%         12.6%         12.7%         13.1%           Depreciation and amortization         10         11         42         39           EBITDA, as adjusted         \$ 60         \$ 62         \$ 244         \$ 245           Total           Net sales         \$ 2,041         \$ 1,853         10 %         \$ 8,359         \$ 7,642         9%           Operating profit, as reported - segment         \$ 329         \$ 277         \$ 1,291         \$ 1,286         General corporate expense, net (GCE)         (20)         (21)         (80)         (92)         Operating profit, as reported         309         256         1,211         1,194         Operating margin, as reported         15.1%         13.8%         14.5%         15.6%           Rationalization charges - segment         5         1         12         3         3         Accelerated depreciation related to rationalization activity - segment         1         —         2         1         Kichler inventory step up adjustment         —         —         40         —           Operating profit, as adjusted         315         257         1,265         1,198	Operating margin, as reported		12.3%		12.6%			12.3%		13.1%	
Operating margin, as adjusted         12.8%         12.6%         12.7%         13.1%           Depreciation and amortization         10         11         42         39           EBITDA, as adjusted         \$ 60         \$ 62         \$ 244         \$ 245           Total           Net sales         \$ 2,041         \$ 1,853         10 %         \$ 8,359         \$ 7,642         9%           Operating profit, as reported - segment         \$ 329         \$ 277         \$ 1,291         \$ 1,286         9%           General corporate expense, net (GCE)         (20)         (21)         (80)         (92)         9%           Operating profit, as reported         309         256         1,211         1,194         1,194           Operating margin, as reported         15.1%         13.8%         14.5%         15.6%         15.6%           Rationalization charges - segment         5         1         12         3         3         Accelerated depreciation related to rationalization activity - segment         1         —         2         1         1         —         2         1         Kichler inventory step up adjustment         —         —         40         —         —         Operating profit, as adjusted         315	Rationalization charges		2		_			5		<u>—</u>	
Depreciation and amortization   10	Operating profit, as adjusted		50		51			202		206	
Net sales   \$ 2,041   \$ 1,853   10 %   \$ 8,359   \$ 7,642   9%	Operating margin, as adjusted		12.8%		12.6%			12.7%		13.1%	
Net sales   \$ 2,041   \$ 1,853   10 %   \$ 8,359   \$ 7,642   9%	Depreciation and amortization		10		11			42		39	
Net sales         \$ 2,041         \$ 1,853         10 %         \$ 8,359         \$ 7,642         9%           Operating profit, as reported - segment         \$ 329         \$ 277         \$ 1,291         \$ 1,286           General corporate expense, net (GCE)         (20)         (21)         (80)         (92)           Operating profit, as reported         309         256         1,211         1,194           Operating margin, as reported         15.1%         13.8%         14.5%         15.6%           Rationalization charges - segment         5         1         12         3           Accelerated depreciation related to rationalization activity - segment         1         —         2         1           Kichler inventory step up adjustment         —         —         40         —           Operating profit, as adjusted         315         257         1,265         1,198           Operating margin, as adjusted         15.4%         13.9%         15.1%         15.7%           Depreciation and amortization - segment         38         29         146         113           Depreciation and amortization - non-operating         2         3         8         13	EBITDA, as adjusted	\$	60	\$	62		\$	244	\$	245	
Net sales         \$ 2,041         \$ 1,853         10 %         \$ 8,359         \$ 7,642         9%           Operating profit, as reported - segment         \$ 329         \$ 277         \$ 1,291         \$ 1,286           General corporate expense, net (GCE)         (20)         (21)         (80)         (92)           Operating profit, as reported         309         256         1,211         1,194           Operating margin, as reported         15.1%         13.8%         14.5%         15.6%           Rationalization charges - segment         5         1         12         3           Accelerated depreciation related to rationalization activity - segment         1         —         2         1           Kichler inventory step up adjustment         —         —         40         —           Operating profit, as adjusted         315         257         1,265         1,198           Operating margin, as adjusted         15.4%         13.9%         15.1%         15.7%           Depreciation and amortization - segment         38         29         146         113           Depreciation and amortization - non-operating         2         3         8         13	Total										
Operating profit, as reported - segment         \$ 329         \$ 277         \$ 1,291         \$ 1,286           General corporate expense, net (GCE)         (20)         (21)         (80)         (92)           Operating profit, as reported         309         256         1,211         1,194           Operating margin, as reported         15.1%         13.8%         14.5%         15.6%           Rationalization charges - segment         5         1         12         3           Accelerated depreciation related to rationalization activity - segment         1         -         2         1           Kichler inventory step up adjustment         -         -         40         -           Operating profit, as adjusted         315         257         1,265         1,198           Operating margin, as adjusted         15.4%         13.9%         15.1%         15.7%           Depreciation and amortization - segment         38         29         146         113           Depreciation and amortization - non-operating         2         3         8         13		\$	2.041	\$	1.853	10 %	\$	8.359	\$	7,642	9%
General corporate expense, net (GCE)         (20)         (21)         (80)         (92)           Operating profit, as reported         309         256         1,211         1,194           Operating margin, as reported         15.1%         13.8%         14.5%         15.6%           Rationalization charges - segment         5         1         12         3           Accelerated depreciation related to rationalization activity - segment         1         —         2         1           Kichler inventory step up adjustment         —         —         40         —           Operating profit, as adjusted         315         257         1,265         1,198           Operating margin, as adjusted         15.4%         13.9%         15.1%         15.7%           Depreciation and amortization - segment         38         29         146         113           Depreciation and amortization - non-operating         2         3         8         13											,,,
Operating profit, as reported 309 256 1,211 1,194  Operating margin, as reported 15.1% 13.8% 14.5% 15.6%  Rationalization charges - segment 5 1 12 3  Accelerated depreciation related to rationalization activity - segment 1 — 2 1  Kichler inventory step up adjustment — 40 —  Operating profit, as adjusted 315 257 1,265 1,198  Operating margin, as adjusted 15.4% 13.9% 15.1% 15.7%  Depreciation and amortization - segment 38 29 146 113  Depreciation and amortization - non-operating 2 3 8 13		\$		\$			\$		\$		
Operating margin, as reported15.1%13.8%14.5%15.6%Rationalization charges - segment51123Accelerated depreciation related to rationalization activity - segment1—21Kichler inventory step up adjustment——40—Operating profit, as adjusted3152571,2651,198Operating margin, as adjusted15.4%13.9%15.1%15.7%Depreciation and amortization - segment3829146113Depreciation and amortization - non-operating23813	* * * * * * * * * * * * * * * * * * *								_		
Rationalization charges - segment 5 1 12 3  Accelerated depreciation related to rationalization activity - segment 1 — 2 1  Kichler inventory step up adjustment — — 40 —  Operating profit, as adjusted 315 257 1,265 1,198  Operating margin, as adjusted 15.4% 13.9% 15.1% 15.7%  Depreciation and amortization - segment 38 29 146 113  Depreciation and amortization - non-operating 2 3 8 13	1 01 / 1										
Accelerated depreciation related to rationalization activity - segment 1 — 2 1  Kichler inventory step up adjustment — — 40 —  Operating profit, as adjusted 315 257 1,265 1,198  Operating margin, as adjusted 15.4% 13.9% 15.1% 15.7%  Depreciation and amortization - segment 38 29 146 113  Depreciation and amortization - non-operating 2 3 8 13	Operating margin, as reported		15.1%		13.8%			14.5%		15.6%	
rationalization activity - segment 1 — 2 1  Kichler inventory step up adjustment — 40 —  Operating profit, as adjusted 315 257 1,265 1,198  Operating margin, as adjusted 15.4% 13.9% 15.1% 15.7%  Depreciation and amortization - segment 38 29 146 113  Depreciation and amortization - non-operating 2 3 8 13			5		1			12		3	
Operating profit, as adjusted3152571,2651,198Operating margin, as adjusted15.4%13.9%15.1%15.7%Depreciation and amortization - segment3829146113Depreciation and amortization - non-operating23813	Accelerated depreciation related to rationalization activity - segment		1		_			2		1	
Operating margin, as adjusted15.4%13.9%15.1%15.7%Depreciation and amortization - segment3829146113Depreciation and amortization - non-operating23813	Kichler inventory step up adjustment							40			
Depreciation and amortization - segment 38 29 146 113  Depreciation and amortization - non-operating 2 3 8 13	Operating profit, as adjusted		315		257			1,265		1,198	
Depreciation and amortization - non-operating 2 3 8 13	Operating margin, as adjusted		15.4%		13.9%			15.1%		15.7%	
	Depreciation and amortization - segment		38		29			146		113	
EBITDA, as adjusted \$ 355 \$ 289 \$ 1,419 \$ 1,324	Depreciation and amortization - non-operating		2		3			8		13	
	EBITDA, as adjusted	\$	355	\$	289		\$	1,419	\$	1,324	