

MASCO CORP /DE/

FORM 10-Q (Quarterly Report)

Filed 04/23/25 for the Period Ending 03/31/25

| | |
|-------------|--|
| Address | 17450 COLLEGE PARKWAY LIVONIA, MI, 48152 |
| Telephone | 3132747400 |
| CIK | 0000062996 |
| Symbol | MAS |
| SIC Code | 3430 - Heating Equipment, Except Electric and Warm Air and Plumbing Fixtures |
| Industry | Construction Supplies & Fixtures |
| Sector | Consumer Cyclical |
| Fiscal Year | 12/31 |

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

- ☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2025
or
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____

Commission file number: 1-5794

Masco Corporation
(Exact name of Registrant as Specified in its Charter)

Delaware **38-1794485**
(State or Other Jurisdiction of (I.R.S. Employer Identification No.)
Incorporation or Organization)
17450 College Parkway, Livonia, Michigan **48152**
(Address of Principal Executive Offices) (Zip Code)

(313) 274-7400
(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act:

| Title of Each Class | Trading Symbol | Name of Each Exchange On Which Registered |
|--------------------------------|----------------|--|
| Common Stock, \$1.00 par value | MAS | New York Stock Exchange |

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|-------------------------|-------------------------------------|---------------------------|--------------------------|
| Large accelerated filer | <input checked="" type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input type="checkbox"/> | Smaller reporting company | <input type="checkbox"/> |
| | | Emerging growth company | <input type="checkbox"/> |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

| Class | Shares Outstanding at March 31, 2025 |
|--|--------------------------------------|
| Common stock, par value \$1.00 per share | 210,942,022 |

MASCO CORPORATION

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MASCO CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

March 31, 2025 and December 31, 2024
(In Millions, Except Share Data)

| | March 31, 2025 | December 31, 2024 |
|--|----------------|-------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash investments | \$ 377 | \$ 634 |
| Receivables | 1,258 | 1,035 |
| Inventories | 1,047 | 938 |
| Prepaid expenses and other | 116 | 123 |
| Total current assets | 2,798 | 2,730 |
| Property and equipment, net | 1,133 | 1,116 |
| Goodwill | 605 | 597 |
| Other intangible assets, net | 218 | 220 |
| Operating lease right-of-use assets | 237 | 231 |
| Other assets | 115 | 123 |
| Total assets | \$ 5,107 | \$ 5,016 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | \$ 868 | \$ 789 |
| Notes payable | 133 | 3 |
| Accrued liabilities | 602 | 767 |
| Total current liabilities | 1,603 | 1,560 |
| Long-term debt | 2,945 | 2,945 |
| Noncurrent operating lease liabilities | 228 | 223 |
| Other liabilities | 337 | 342 |
| Total liabilities | \$ 5,113 | \$ 5,069 |
| Commitments and contingencies (Note L) | | |
| EQUITY | | |
| Masco Corporation's shareholders' equity: | | |
| Common shares, par value \$1 per share | | |
| Authorized shares: 1,400,000,000; | | |
| Issued and outstanding: 2025 – 210,900,000; 2024 – 212,500,000 | 211 | 212 |
| Preferred shares authorized: 1,000,000; | | |
| Issued and outstanding: 2025 and 2024 – None | — | — |
| Paid-in capital | — | — |
| Retained deficit | (693) | (693) |
| Accumulated other comprehensive income | 228 | 201 |
| Total Masco Corporation's shareholders' deficit | (254) | (279) |
| Noncontrolling interest | 248 | 227 |
| Total equity | (6) | (53) |
| Total liabilities and equity | \$ 5,107 | \$ 5,016 |

See notes to condensed consolidated financial statements.
Amounts may not add due to rounding.

MASCO CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

For the Three Months Ended March 31, 2025 and 2024
(In Millions, Except Per Common Share Data)

| | Three Months Ended March 31, | |
|---|------------------------------|----------|
| | 2025 | 2024 |
| Net sales | \$ 1,801 | \$ 1,926 |
| Cost of sales | 1,157 | 1,241 |
| Gross profit | 644 | 685 |
| Selling, general and administrative expenses | 358 | 367 |
| Operating profit | 286 | 318 |
| Other income (expense), net: | | |
| Interest expense | (26) | (25) |
| Other, net | (7) | (5) |
| | (32) | (30) |
| Income before income taxes | 254 | 289 |
| Income tax expense | 56 | 60 |
| Net income | 198 | 229 |
| Less: Net income attributable to noncontrolling interest | 12 | 14 |
| Net income attributable to Masco Corporation | \$ 186 | \$ 215 |
| Income per common share attributable to Masco Corporation: | | |
| Basic: | | |
| Net income | \$ 0.87 | \$ 0.97 |
| Diluted: | | |
| Net income | \$ 0.87 | \$ 0.97 |

See notes to condensed consolidated financial statements.
Amounts may not add due to rounding.

MASCO CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)

For the Three Months Ended March 31, 2025 and 2024
(In Millions)

| | Three Months Ended March 31, | |
|---|------------------------------|----------------|
| | 2025 | 2024 |
| Net income | \$ 198 | \$ 229 |
| Less: Net income attributable to noncontrolling interest | 12 | 14 |
| Net income attributable to Masco Corporation | <u>\$ 186</u> | <u>\$ 215</u> |
| Other comprehensive income (loss), net of tax: | | |
| Currency translation adjustment | \$ 35 | \$ (24) |
| Other comprehensive income (loss), net of tax | 35 | (24) |
| Less: Other comprehensive income (loss) attributable to noncontrolling interest | 9 | (6) |
| Other comprehensive income (loss) attributable to Masco Corporation | <u>\$ 27</u> | <u>\$ (18)</u> |
| Total comprehensive income | <u>\$ 234</u> | <u>\$ 205</u> |
| Less: Total comprehensive income attributable to noncontrolling interest | 21 | 8 |
| Total comprehensive income attributable to Masco Corporation | <u>\$ 212</u> | <u>\$ 197</u> |

See notes to condensed consolidated financial statements.
Amounts may not add due to rounding.

MASCO CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

For the Three Months Ended March 31, 2025 and 2024
(In Millions)

| | Three Months Ended March 31, | |
|--|------------------------------|---------------|
| | 2025 | 2024 |
| CASH FLOWS FROM (FOR) OPERATING ACTIVITIES: | | |
| Cash provided by operations | \$ 262 | \$ 314 |
| Increase in receivables | (225) | (258) |
| Increase in inventories | (102) | (44) |
| Decrease in accounts payable and accrued liabilities, net | (92) | (107) |
| Net cash for operating activities | (158) | (94) |
| CASH FLOWS FROM (FOR) FINANCING ACTIVITIES: | | |
| Purchase of Company common stock | (130) | (145) |
| Cash dividends paid | (66) | (64) |
| Purchase of redeemable noncontrolling interest | — | (15) |
| Proceeds from revolving credit borrowings, net | 131 | 49 |
| Proceeds from the exercise of stock options | 2 | 75 |
| Employee withholding taxes paid on stock-based compensation | (8) | (33) |
| Decrease in debt, net | — | (1) |
| Net cash for financing activities | (72) | (134) |
| CASH FLOWS FROM (FOR) INVESTING ACTIVITIES: | | |
| Capital expenditures | (32) | (31) |
| Other, net | — | (2) |
| Net cash for investing activities | (33) | (33) |
| Effect of exchange rate changes on cash and cash investments | 6 | (6) |
| CASH AND CASH INVESTMENTS: | | |
| Decrease for the period | (257) | (266) |
| At January 1 | 634 | 634 |
| At March 31 | <u>\$ 377</u> | <u>\$ 368</u> |

See notes to condensed consolidated financial statements.
Amounts may not add due to rounding.

MASCO CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Unaudited)

For the Three Months Ended March 31, 2025 and 2024
(In Millions, Except Per Common Share Data)

| | Total | Common Shares (\$1 par value) | Paid-In Capital | Retained (Deficit) Earnings | Accumulated Other Comprehensive Income (Loss) | Noncontrolling Interest |
|--|---------------|-------------------------------------|--------------------|--------------------------------|---|----------------------------|
| Balance, January 1, 2024 | \$ 98 | \$ 221 | \$ — | \$ (596) | \$ 249 | \$ 224 |
| Total comprehensive income (loss) | 205 | — | — | 215 | (18) | 8 |
| Shares issued | 56 | 2 | 54 | — | — | — |
| Shares retired: | | | | | | |
| Repurchased | (148) | (2) | (77) | (68) | — | — |
| Surrendered (non-cash) | (14) | — | — | (13) | — | — |
| Cash dividends declared | (64) | — | — | (64) | — | — |
| Redemption of redeemable noncontrolling interest | 4 | — | 4 | — | — | — |
| Stock-based compensation | 20 | — | 20 | — | — | — |
| Balance, March 31, 2024 | <u>\$ 157</u> | <u>\$ 220</u> | <u>\$ —</u> | <u>\$ (527)</u> | <u>\$ 231</u> | <u>\$ 232</u> |
| Balance, January 1, 2025 | \$ (53) | \$ 212 | \$ — | \$ (693) | \$ 201 | \$ 227 |
| Total comprehensive income | 234 | — | — | 186 | 27 | 21 |
| Shares issued | 2 | — | 1 | — | — | — |
| Shares retired: | | | | | | |
| Repurchased | (131) | (2) | (18) | (111) | — | — |
| Surrendered (non-cash) | (8) | — | — | (8) | — | — |
| Cash dividends declared | (66) | — | — | (66) | — | — |
| Stock-based compensation | 17 | — | 17 | — | — | — |
| Balance, March 31, 2025 | <u>\$ (6)</u> | <u>\$ 211</u> | <u>\$ —</u> | <u>\$ (693)</u> | <u>\$ 228</u> | <u>\$ 248</u> |

See notes to condensed consolidated financial statements.

Amounts may not add due to rounding.

MASCO CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

A. ACCOUNTING POLICIES

In our opinion, the accompanying unaudited condensed consolidated financial statements contain all adjustments, of a normal recurring nature, necessary to fairly state our financial position at March 31, 2025, and our results of operations, comprehensive income (loss), cash flows and changes in shareholders' equity for the three months ended March 31, 2025 and 2024. The condensed consolidated balance sheet at December 31, 2024 was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted ("GAAP") in the United States of America. Within the financial statements and tables presented, certain columns and rows may not add due to the use of rounded numbers for disclosure purposes.

Recently Adopted Accounting Pronouncements. In December 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," which requires additional income tax disclosures, particularly regarding the effective tax rate reconciliation and income taxes paid. We adopted this standard for annual periods beginning January 1, 2025. The adoption of this guidance will modify our annual disclosures, but will not have an impact on our financial position and results of operations.

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures," which requires additional disclosures regarding an entity's reportable segments, particularly regarding significant segment expenses, as well as information relating to the chief operating decision maker. We adopted this standard on a retrospective basis for annual periods beginning January 1, 2024, and for interim periods beginning in 2025. The adoption of this guidance modified our disclosures, but did not have an impact on our financial position and results of operations.

Recently Issued Accounting Pronouncements. In November 2024, the FASB issued ASU 2024-03, "Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses," which requires additional disclosure of the nature of expenses included in the income statement. ASU 2024-03 is effective on a prospective or retrospective basis for annual periods beginning January 1, 2027, and interim periods within those annual periods beginning January 1, 2028. Early adoption is permitted. The adoption of this guidance will modify our disclosures, but will not have an impact on our financial position and results of operations.

B. ACQUISITIONS

In the first quarter of 2021, our Hansgrohe SE subsidiary acquired a 75.1 percent equity interest in Easy Sanitary Solutions B.V. ("ESS"). The remaining 24.9 percent equity interest in ESS was subject to a call and put option that was exercisable by Hansgrohe SE or the sellers, respectively, any time after December 31, 2023. The redemption value of the call and put option was the same and based on a floating EBITDA value. The call and put options were determined to be embedded within the redeemable noncontrolling interest and were recorded as temporary equity in the condensed consolidated balance sheets. We elected to adjust the redeemable noncontrolling interest to its full redemption amount directly into retained deficit.

In the first quarter of 2024, the sellers exercised their put option to sell the remaining 24.9 percent equity interest in ESS for €13 million (\$15 million). The transaction was accounted for as an equity purchase transaction.

C. DIVESTITURES

In the third quarter of 2024, we sold our Kichler Lighting ("Kichler") business, a provider of decorative residential and light commercial lighting products, ceiling fans, and LED lighting system. The sale of Kichler did not represent a strategic shift that will have a major effect on our operations and financial results and therefore was not presented as discontinued operations. Prior to the divestiture, the results of the business were included in our Decorative Architectural Products segment.

MASCO CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

D. REVENUE

Our revenues are derived from sales to customers in the following geographic areas: North America and International, which are particularly in Europe. Net sales from these geographic areas, by segment, were as follows, in millions:

| | Three Months Ended March 31, 2025 | | |
|---------------------------|-----------------------------------|-----------------------------------|----------|
| | Plumbing Products | Decorative Architectural Products | Total |
| Primary geographic areas: | | | |
| North America | \$ 795 | \$ 617 | \$ 1,412 |
| International | 389 | — | 389 |
| Total | \$ 1,185 | \$ 617 | \$ 1,801 |

| | Three Months Ended March 31, 2024 | | |
|---------------------------|-----------------------------------|-----------------------------------|----------|
| | Plumbing Products | Decorative Architectural Products | Total |
| Primary geographic areas: | | | |
| North America | \$ 792 | \$ 734 | \$ 1,526 |
| International | 400 | — | 400 |
| Total | \$ 1,192 | \$ 734 | \$ 1,926 |

We reversed \$1 million of revenue for the three months ended March 31, 2025 related to performance obligations settled in previous years.

Our contract asset balance was \$2 million at both March 31, 2025 and December 31, 2024. Our contract liability balance was \$17 million and \$45 million at March 31, 2025 and December 31, 2024, respectively.

Changes in the allowance for credit losses deducted from accounts receivable were as follows, in millions:

| | Three Months Ended March 31, 2025 | Twelve Months Ended December 31, 2024 |
|--|-----------------------------------|---------------------------------------|
| Balance at January 1 | \$ 10 | \$ 11 |
| Provision for expected credit losses during the period | 1 | 4 |
| Write-offs charged against the allowance | (1) | (6) |
| Recoveries of amounts previously written off | 1 | 2 |
| Balance at end of period | \$ 11 | \$ 10 |

E. INVENTORIES

The components of inventory were as follows, in millions:

| | At March 31, 2025 | At December 31, 2024 |
|-----------------|-------------------|----------------------|
| Finished goods | \$ 626 | \$ 541 |
| Raw materials | 320 | 300 |
| Work in process | 101 | 97 |
| Total | \$ 1,047 | \$ 938 |

MASCO CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

F. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill at March 31, 2025, by segment, was as follows, in millions:

| | Gross Goodwill At March 31, 2025 | Accumulated Impairment Losses | Net Goodwill At March 31, 2025 |
|-----------------------------------|-------------------------------------|----------------------------------|-----------------------------------|
| Plumbing Products | \$ 675 | \$ (301) | \$ 375 |
| Decorative Architectural Products | 305 | (75) | 230 |
| Total | \$ 981 | \$ (376) | \$ 605 |

The changes in the carrying amount of goodwill for the three months ended March 31, 2025, by segment, were as follows, in millions:

| | Gross Goodwill At December 31, 2024 | Accumulated Impairment Losses | Net Goodwill At December 31, 2024 | Foreign Currency Translation | Net Goodwill At March 31, 2025 |
|-----------------------------------|--|----------------------------------|--------------------------------------|---------------------------------|-----------------------------------|
| Plumbing Products | \$ 667 | \$ (301) | \$ 367 | \$ 8 | \$ 375 |
| Decorative Architectural Products | 305 | (75) | 230 | — | 230 |
| Total | \$ 973 | \$ (376) | \$ 597 | \$ 8 | \$ 605 |

The carrying value of our other indefinite-lived intangible assets was \$80 million and \$79 million at March 31, 2025 and December 31, 2024, respectively, and principally included registered trademarks. The carrying value of our definite-lived intangible assets was \$138 million (net of accumulated amortization of \$106 million) at March 31, 2025 and \$140 million (net of accumulated amortization of \$102 million) at December 31, 2024, and principally included customer relationships.

G. SUPPLIER FINANCE PROGRAM

We facilitate a voluntary supply chain finance program (the "program") to provide certain of our suppliers with the opportunity to sell receivables due from us to participating financial institutions at the sole discretion of both the suppliers and the financial institutions. The amounts confirmed as valid under the program were \$46 million and \$36 million at March 31, 2025 and December 31, 2024, respectively. Of the amounts confirmed as valid under the program, the amounts owed to participating financial institutions were \$24 million and \$23 million at March 31, 2025 and December 31, 2024, respectively.

H. DEBT

On April 26, 2022, we entered into a revolving credit agreement (the "2022 Credit Agreement") with an aggregate commitment of \$1.0 billion and a maturity date of April 26, 2027. Under the 2022 Credit Agreement, at our request and subject to certain conditions, we can increase the aggregate commitment up to an additional \$500 million with the current lenders or new lenders.

The 2022 Credit Agreement provides for an unsecured revolving credit facility available to us and one of our foreign subsidiaries in U.S. dollars, European euros, British pounds sterling and certain other currencies for revolving credit loans, swingline loans and letters of credit. Borrowings under the revolving credit loans denominated in any agreed upon currency other than U.S. dollars are limited to the equivalent of \$500 million. We can also borrow swingline loans up to \$125 million and obtain letters of credit of up to \$25 million. Outstanding letters of credit under the 2022 Credit Agreement reduce our borrowing capacity and we had no outstanding letters of credit under the 2022 Credit Agreement at March 31, 2025.

The 2022 Credit Agreement contains financial covenants requiring us to maintain (A) a net leverage ratio, as adjusted for certain items, not exceeding 4.0 to 1.0, and (B) an interest coverage ratio, as adjusted for certain items, not less than 2.5 to 1.0.

MASCO CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

H. DEBT (Concluded)

In order for us to borrow under the 2022 Credit Agreement, there must not be any default in our covenants in the 2022 Credit Agreement (i.e., in addition to the two financial covenants described above, principally limitations on subsidiary debt, negative pledge restrictions, and requirements relating to legal compliance, maintenance of our properties and insurance) and our representations and warranties in the 2022 Credit Agreement must be true in all material respects on the date of borrowing (i.e., principally no material adverse change or litigation likely to result in a material adverse change, since December 31, 2021, no material ERISA or environmental non-compliance, and no material tax deficiency). We were in compliance with all covenants and \$131 million was borrowed and outstanding at a weighted average interest rate of 5.554% at March 31, 2025.

Fair Value of Debt. The fair value of our short-term and long-term fixed-rate debt instruments is based principally upon modeled market prices for the same or similar issues, which are Level 1 inputs. The aggregate estimated market value of our short-term and long-term debt at March 31, 2025 was approximately \$2.8 billion, compared with the aggregate carrying value of \$3.1 billion. The aggregate estimated market value of our short-term and long-term debt at December 31, 2024 was approximately \$2.6 billion, compared with the aggregate carrying value of \$3.0 billion.

I. SEGMENT INFORMATION

Information by segment was as follows, in millions:

| | Three Months Ended March 31, 2025 | | |
|------------------------------------|-----------------------------------|-----------------------------------|----------|
| | Plumbing Products | Decorative Architectural Products | Total |
| Net sales (A) | \$ 1,185 | \$ 617 | \$ 1,801 |
| Operating expenses (B) | 957 | 514 | |
| Corporate expenses (C) | 10 | 6 | |
| Segment operating profit | \$ 217 | \$ 96 | \$ 313 |
| General corporate expense, net (C) | | | (27) |
| Operating profit | | | 286 |
| Other income (expense), net | | | (32) |
| Income before income taxes | | | \$ 254 |

| | Three Months Ended March 31, 2024 | | |
|------------------------------------|-----------------------------------|-----------------------------------|----------|
| | Plumbing Products | Decorative Architectural Products | Total |
| Net sales (A) | \$ 1,192 | \$ 734 | \$ 1,926 |
| Operating expenses (B) | 954 | 601 | |
| Corporate expenses (C) | 12 | 9 | |
| Segment operating profit | \$ 226 | \$ 124 | \$ 350 |
| General corporate expense, net (C) | | | (31) |
| Operating profit | | | 318 |
| Other income (expense), net | | | (30) |
| Income before income taxes | | | \$ 289 |

MASCO CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

I. SEGMENT INFORMATION (Concluded)

| | Property Additions | | Depreciation and Amortization | |
|-----------------------------------|------------------------------|-------|-------------------------------|-------|
| | Three Months Ended March 31, | | Three Months Ended March 31, | |
| | 2025 | 2024 | 2025 | 2024 |
| Plumbing Products | \$ 26 | \$ 18 | \$ 26 | \$ 27 |
| Decorative Architectural Products | 6 | 12 | 7 | 10 |
| Corporate | — | — | 2 | 2 |
| Total | \$ 32 | \$ 31 | \$ 35 | \$ 38 |

| | Assets | |
|-----------------------------------|-------------------|----------------------|
| | At March 31, 2025 | At December 31, 2024 |
| Plumbing Products | \$ 3,333 | \$ 3,131 |
| Decorative Architectural Products | 1,548 | 1,435 |
| Corporate | 226 | 450 |
| Total | \$ 5,107 | \$ 5,016 |

- (A) Intra-company sales between segments were not material and have been excluded from net sales.
- (B) Operating expenses included cost of sales and selling, general and administrative expenses.
- (C) Corporate expenses included specific corporate overhead allocated to each segment. General corporate expense, net included those expenses not specifically attributable to our segments.

J. INCOME TAXES

Our effective tax rate was 22 percent and 21 percent for the three months ended March 31, 2025 and 2024, respectively. Our effective tax rate for the three months ended March 31, 2025 and 2024 was impacted by \$9 million and \$16 million of income tax benefits, respectively. For both periods, the income tax benefits primarily resulted from a reduction in the liability for uncertain tax positions resulting from the expiration of statutes of limitations and stock-based compensation.

MASCO CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

K. INCOME PER COMMON SHARE

Reconciliations of the numerators and denominators used in the computations of basic and diluted income per common share were as follows, in millions:

| | Three Months Ended March 31, | |
|--|------------------------------|---------------|
| | 2025 | 2024 |
| Numerator (basic and diluted): | | |
| Net income | \$ 186 | \$ 215 |
| Less: Allocation to unvested restricted stock awards | — | — |
| Net income attributable to common shareholders | <u>\$ 186</u> | <u>\$ 215</u> |
| Denominator: | | |
| Basic common shares (based upon weighted average) | 212 | 221 |
| Add: Dilutive effect of stock options and other stock-based incentives | — | 1 |
| Diluted common shares | <u>213</u> | <u>221</u> |

For the three months ended March 31, 2025, basic and diluted income per common share were calculated using the treasury stock method. For the three months ended March 31, 2024, we allocated dividends and undistributed earnings to the unvested restricted stock awards.

The following stock options, restricted stock units and performance restricted stock units were excluded from the computation of weighted-average diluted common shares outstanding due to their anti-dilutive effect, in thousands:

| | Three Months Ended March 31, | |
|--|------------------------------|------|
| | 2025 | 2024 |
| Number of stock options | 159 | 109 |
| Number of restricted stock units | 82 | — |
| Number of performance restricted stock units | 47 | — |

Effective October 20, 2022, our Board of Directors authorized the repurchase, for retirement, of up to \$2.0 billion of shares of our common stock, exclusive of excise tax, in open-market transactions or otherwise. During the three months ended March 31, 2025, we repurchased and retired approximately 1.8 million shares of our common stock (including 0.3 million shares to offset the dilutive impact of restricted stock units granted in the three months ended March 31, 2025) for approximately \$131 million, inclusive of excise tax of \$1 million. At March 31, 2025, we had approximately \$766 million remaining under the 2022 authorization.

We have declared and paid cash dividends per common share of \$0.31 and \$0.29 for the three months ended March 31, 2025 and 2024, respectively.

MASCO CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Concluded)

L. OTHER COMMITMENTS AND CONTINGENCIES

Litigation. We are involved in claims and litigation, including class actions, mass torts and regulatory proceedings, which arise in the ordinary course of our business. The types of matters may include, among others: advertising, competition, contract, data privacy, employment, environmental, insurance coverage, intellectual property, personal injury, product compliance, product liability, securities and warranty. We are also subject to product safety regulations, product recalls and direct claims for product liabilities. We believe the likelihood that the outcome of these claims, litigation and product safety matters would have a material adverse effect on us is remote. However, there is no assurance that we will prevail in these matters, and we could, in the future, incur judgments or penalties, enter into settlements of claims or revise our expectations regarding the outcome of these matters, which could materially impact our results of operations.

Warranty. Changes in our warranty liability were as follows, in millions:

| | Three Months Ended March 31, 2025 | Twelve Months Ended December 31, 2024 |
|--|--------------------------------------|--|
| Balance at January 1 | \$ 81 | \$ 83 |
| Accruals for warranties issued during the period | 9 | 38 |
| Accruals related to pre-existing warranties | 1 | 8 |
| Settlements made (in cash or kind) during the period | (10) | (43) |
| Other, net (including currency translation and divestitures) | 1 | (4) |
| Balance at end of period | <u>\$ 82</u> | <u>\$ 81</u> |

MASCO CORPORATION

Item 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Due to changing market conditions, we are experiencing, and may continue to experience, lower market demand for our products. We have been experiencing, and may continue to experience, elevated commodity and other input costs, as well as employee-related cost inflation. Additionally, we expect the recently-announced tariffs, particularly those related to China, to result in significantly higher costs to us, principally in our Plumbing Products segment. We seek to mitigate the impact of higher tariffs and other unfavorable impact to our costs over time with pricing, cost savings initiatives, sourcing changes, and other activities. Consumer demand for our products, however, could further diminish if consumer confidence erodes and the cost of our products and other consumer goods increases.

We continue to execute our strategies of leveraging our strong brand portfolio, our industry-leading positions and the Masco Operating System, our methodology to drive growth and productivity, to create long-term shareholder value. We remain confident in the fundamentals of our business and long-term strategy. We believe that our strong financial position and cash flow generation, together with our investments in our industry-leading branded building products, our continued focus on innovation and customer service and disciplined capital allocation, will allow us to drive long-term growth and create value for our shareholders.

FIRST QUARTER 2025 VERSUS FIRST QUARTER 2024

Consolidated Results of Operations

We report our financial results in accordance with accounting principles generally accepted in the United States of America ("GAAP"). However, we believe that certain non-GAAP performance measures and ratios used in managing the business may provide users of this financial information with additional meaningful comparisons between current results and results in prior periods. Non-GAAP performance measures and ratios should be viewed in addition to, and not as an alternative for, our reported results under GAAP. Within the tables presented, certain columns and rows may not add due to the use of rounded numbers for disclosure purposes.

The following discussion of consolidated results of operations refers to the three months ended March 31, 2025 compared to the same period of 2024.

NET SALES

Below is a summary of our net sales, in millions, for the three months ended March 31, 2025 and 2024:

| | Three Months Ended March 31, | | |
|--|------------------------------|----------|--------|
| | 2025 | 2024 | Change |
| Net sales, as reported | \$ 1,801 | \$ 1,926 | (6)% |
| Divestitures | — | (59) | |
| Net sales, excluding divestitures | 1,801 | 1,867 | (4)% |
| Currency translation | 18 | — | |
| Net sales, excluding divestitures and the effect of currency translation | \$ 1,819 | \$ 1,867 | (3)% |

Our net sales for the three months ended March 31, 2025 were \$1,801 million, which decreased six percent compared to the three months ended March 31, 2024. Excluding divestitures and the effect of currency translation, net sales decreased three percent. Our net sales for three months ended March 31, 2025 decreased primarily due to lower sales volume mostly driven by paints and other coating products which decreased sales by three percent and unfavorable sales mix of plumbing products which decreased sales by one percent, partially offset by higher net selling prices of plumbing products which increased sales by one percent.

RESULTS OF OPERATIONS

Below is a summary of our results of operations for the three months ended March 31, 2025 and 2024:

| | Three Months Ended March 31, | | |
|---|------------------------------|----------|------------------------------|
| | 2025 | 2024 | Favorable / (Unfavorable) |
| Net sales | \$ 1,801 | \$ 1,926 | (6)% |
| Cost of sales | (1,157) | (1,241) | 7 % |
| Gross profit | \$ 644 | \$ 685 | (6)% |
| <i>Gross margin</i> | 35.8 % | 35.6 % | 20 bps |
| Selling, general and administrative expenses | \$ (358) | \$ (367) | 2 % |
| <i>Selling, general and administrative expenses as a percent of net sales</i> | (19.9)% | (19.1)% | (80) bps |
| Operating profit | \$ 286 | \$ 318 | (10)% |
| <i>Operating profit margin</i> | 15.9 % | 16.5 % | (60) bps |

Our gross profit for the three months ended March 31, 2025 was \$644 million, which decreased six percent, and was negatively impacted by three percent due to lower sales volume, three percent due to the divestiture of our Kichler Lighting ("Kichler") business, as well as higher commodity costs, partially offset by cost savings initiatives and two percent due to higher net selling prices.

Our selling, general and administrative expenses for the three months ended March 31, 2025 were \$358 million, which decreased two percent, and were positively impacted by five percent due to the divestiture of Kichler and one percent due to favorable foreign currency, partially offset by two percent due to higher marketing costs.

Our operating profit for the three months ended March 31, 2025 was \$286 million, which decreased 10 percent, and was negatively impacted by decreased gross profit, partially offset by lower selling, general and administrative expenses.

OTHER INCOME (EXPENSE), NET

Below is a summary of our other income (expense), net, in millions, for the three months ended March 31, 2025 and 2024:

| | Three Months Ended March 31, | | |
|-----------------------------|------------------------------|---------|------------------------------|
| | 2025 | 2024 | Favorable / (Unfavorable) |
| Interest expense | \$ (26) | \$ (25) | (4)% |
| Other, net | (7) | (5) | (40)% |
| Other income (expense), net | \$ (32) | \$ (30) | (7)% |

INCOME TAXES

Below is a summary of our income tax expense, in millions, and our effective tax rate for the three months ended March 31, 2025 and 2024:

| | Three Months Ended March 31, | | |
|--------------------|------------------------------|---------|------------------------------|
| | 2025 | 2024 | Favorable / (Unfavorable) |
| Income tax expense | \$ (56) | \$ (60) | 7% |
| Effective tax rate | (22)% | (21)% | (100) bps |

Our effective tax rate for the three months ended March 31, 2025 and 2024 was impacted by \$9 million and \$16 million of income tax benefits, respectively. For both periods, the income tax benefits primarily resulted from a reduction in the liability for uncertain tax positions resulting from the expiration of statutes of limitations and stock-based compensation.

NET INCOME AND INCOME PER COMMON SHARE - ATTRIBUTABLE TO MASCO CORPORATION

Below is a summary of our net income, in millions, and diluted income per common share for the three months ended March 31, 2025 and 2024:

| | Three Months Ended March 31, | | |
|---------------------------------|------------------------------|---------|------------------------------|
| | 2025 | 2024 | Favorable / (Unfavorable) |
| Net income | \$ 186 | \$ 215 | (13)% |
| Diluted income per common share | \$ 0.87 | \$ 0.97 | (10)% |

Business Segment Results

The following tables set forth our net sales and operating profit information by business segment, dollars in millions.

| | Three Months Ended March 31, | | Percent Change |
|-----------------------------------|------------------------------|-----------------|----------------|
| | 2025 | 2024 | 2025 vs. 2024 |
| Net Sales: | | | |
| Plumbing Products | \$ 1,185 | \$ 1,192 | (1)% |
| Decorative Architectural Products | 617 | 734 | (16)% |
| Total | \$ 1,801 | \$ 1,926 | (6)% |
| | Three Months Ended March 31, | | Percent Change |
| | 2025 | 2024 | 2025 vs. 2024 |
| Operating Profit: | | | |
| Plumbing Products | \$ 217 | \$ 226 | (4)% |
| Decorative Architectural Products | 96 | 124 | (23)% |
| Total | \$ 313 | \$ 350 | (11)% |
| General corporate expense, net | (27) | (31) | (13)% |
| Total operating profit | \$ 286 | \$ 318 | (10)% |

The following discussion of business segment results refers to the three months ended March 31, 2025 compared to the same period of 2024. Changes in operating profit in the following business segment results discussion exclude general corporate expense, net.

BUSINESS SEGMENT RESULTS DISCUSSION

Plumbing Products

Sales

Net sales in the Plumbing Products segment decreased one percent for the three months ended March 31, 2025. In local currencies (including sales in currencies outside their respective functional currencies), net sales increased one percent. Higher net selling prices increased sales by one percent, partially offset by unfavorable sales mix which decreased sales by one percent.

Operating Results

Operating profit in the Plumbing Products segment for the three months ended March 31, 2025 was negatively impacted by higher commodity costs, higher marketing costs and unfavorable sales mix, partially offset by higher net selling prices and cost savings initiatives.

Decorative Architectural Products

Sales

Net sales in the Decorative Architectural Products segment decreased 16 percent for the three months ended March 31, 2025. The divestiture of our Kichler business decreased sales by eight percent and lower sales volume decreased sales by seven percent.

Operating Results

Operating profit in the Decorative Architectural Products segment for the three months ended March 31, 2025 was primarily negatively impacted by lower sales volume.

Liquidity and Capital Resources

Overview of Capital Structure

We had cash and cash investments of approximately \$377 million and \$634 million at March 31, 2025 and December 31, 2024, respectively. Our cash and cash investments consist of overnight interest bearing money market demand accounts, time deposit accounts, and money market mutual funds containing government securities and treasury obligations. While we attempt to diversify these investments in a prudent manner to minimize risk, it is possible that future changes in the financial markets could affect the security or availability of these investments. Of the cash and cash investments we held at March 31, 2025 and December 31, 2024, \$265 million and \$321 million, respectively, was held in our foreign subsidiaries. If these funds were needed for our operations in the U.S., their repatriation into the U.S. would not result in significant additional U.S. income tax or foreign withholding tax, as we have recorded such taxes on substantially all undistributed foreign earnings, except for those that are legally restricted.

We believe that our present cash balance and cash flows from operations, and borrowing availability under our revolving credit agreement, are sufficient to fund our near-term working capital and other investment needs. We believe that our longer-term working capital and other general corporate requirements will be satisfied through cash flows from operations and, to the extent necessary, from bank borrowings and future financial market activities. However, due to the changing market conditions and its impact on our customers and suppliers, we are unable to fully estimate the extent of the impact that the changing market conditions may have on our future financial condition.

Credit Agreement

On April 26, 2022, we entered into a revolving credit agreement (the "2022 Credit Agreement") with an aggregate commitment of \$1.0 billion and a maturity date of April 26, 2027.

Under the 2022 Credit Agreement, at our request and subject to certain conditions, we can increase the aggregate commitment up to an additional \$500 million with the current lenders or new lenders. See Note H to the condensed consolidated financial statements for additional information.

The 2022 Credit Agreement contains financial covenants requiring us to maintain (A) a net leverage ratio, as adjusted for certain items, not exceeding 4.0 to 1.0, and (B) an interest coverage ratio, as adjusted for certain items, not less than 2.5 to 1.0. We were in compliance with all covenants and \$131 million was borrowed and outstanding at a weighted average interest rate of 5.554% at March 31, 2025.

Other Liquidity and Capital Resource Activities

As part of our ongoing efforts to improve our cash flow and related liquidity, we work with suppliers to optimize our terms and conditions, including extending payment terms. We also facilitate a voluntary supply chain finance program (the "program") to provide certain of our suppliers with the opportunity to sell receivables due from us to participating financial institutions at the sole discretion of both the suppliers and the financial institutions. The amounts confirmed as valid under the program and included in accounts payable were \$46 million and \$36 million at March 31, 2025 and December 31, 2024, respectively. Of the amounts confirmed as valid under the program, the amounts owed to participating financial institutions were \$24 million and \$23 million at March 31, 2025 and December 31, 2024, respectively. All payments made under the program are recorded as a decrease in accounts payable and accrued liabilities, net, in our condensed consolidated statements of cash flows. A downgrade in our credit rating or changes in the financial markets could limit the financial institutions' willingness to commit funds to, and participate in, the program. We do not believe such risk would have a material impact on our working capital or cash flows, as substantially all of our payments are made outside of the program.

Share Repurchases

Effective October 20, 2022, our Board of Directors authorized the repurchase, for retirement, of up to \$2.0 billion of shares of our common stock, exclusive of excise tax, in open-market transactions or otherwise. During the three months ended March 31, 2025, we repurchased and retired approximately 1.8 million shares of our common stock (including 0.3 million shares to offset the dilutive impact of restricted stock units granted in the three months ended March 31, 2025) for approximately \$131 million, inclusive of excise tax of \$1 million. At March 31, 2025, we had approximately \$766 million remaining under the 2022 authorization.

Cash Flows

For the three months ended March 31, 2025, net cash used for operations was \$158 million, primarily driven by changes in working capital, partially offset by operating profit.

For the three months ended March 31, 2025, net cash used for financing activities was \$72 million, primarily due to \$130 million for the repurchase and retirement of our common stock and \$66 million for the payment of cash dividends, partially offset by \$131 million of net proceeds from revolving credit loan borrowings.

For the three months ended March 31, 2025, net cash used for investing activities was \$33 million, primarily driven by \$32 million of capital expenditures.

Cautionary Statement Concerning Forward-Looking Statements

This Report 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 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.

MASCO CORPORATION

Item 4.

CONTROLS AND PROCEDURES

a. Evaluation of Disclosure Controls and Procedures.

The Company's Principal Executive Officer and Principal Financial Officer have concluded, based on an evaluation of the Company's disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) or 15d-15(e)) as required by paragraph (b) of Exchange Act Rules 13a-15 or 15d-15 that, as of March 31, 2025, the Company's disclosure controls and procedures were effective.

b. Changes in Internal Control over Financial Reporting.

In connection with the evaluation of the Company's internal control over financial reporting that occurred during the quarter ended March 31, 2025, which is required under the Securities Exchange Act of 1934 by paragraph (d) of Exchange Rules 13a-15 or 15d-15 (as defined in paragraph (f) of Rule 13a-15), management determined that there was no change that materially affected or is reasonably likely to materially affect internal control over financial reporting.

During the second quarter of 2025, we plan to upgrade the enterprise resource planning system in one of our operating units within our Plumbing Products segment. The current system will be upgraded to a newer version and is not in response to any identified deficiency or weakness in the Company's internal control over financial reporting. However, this upgrade may involve complexities that could result in modification to certain internal controls at the operating unit.

MASCO CORPORATION

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Information regarding legal proceedings involving us is set forth in Note L to our condensed consolidated financial statements included in Part I, Item 1 of this Report and is incorporated herein by reference.

Item 1A. Risk Factors

There have been no material changes to the risk factors of the Company set forth in Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information regarding the repurchase of our common stock for the three months ended March 31, 2025 under the 2022 share repurchase authorization:

| Period | Total Number Of Shares Purchased | Average Price Paid Per Common Share | Total Number Of Shares Purchased As Part Of Publicly Announced Plans or Programs | Maximum Value Of Shares That May Yet Be Purchased Under The Plans Or Programs |
|-----------------------|-------------------------------------|---|---|--|
| 1/1/25 - 1/31/25 | 467,144 | \$ 77.05 | 467,144 | \$ 860,357,022 |
| 2/1/25 - 2/28/25 | 180,116 | \$ 77.73 | 180,116 | \$ 846,356,045 |
| 3/1/25 - 3/31/25 | 1,125,861 | \$ 71.07 | 1,125,861 | \$ 766,345,395 |
| Total for the quarter | 1,773,121 | \$ 73.32 | 1,773,121 | \$ 766,345,395 |

Item 5. Other Information

Rule 10b5-1 and Non-Rule 10b5-1 Trading Arrangements

During the three months ended March 31, 2025, none of our officers or directors adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement.

MASCO CORPORATION

PART II. OTHER INFORMATION, Continued

Item 6. Exhibits

| | |
|-----------------------------|---|
| <u>10.a</u> | Employment Offer Letter dated March 3, 2025 between Jonathan J. Nudi and Masco Corporation. |
| <u>10.b</u> | Retention Agreement dated March 5, 2025 between Jai Shah and Masco Corporation. |
| <u>31.a</u> | Certification by Chief Executive Officer required by Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934. |
| <u>31.b</u> | Certification by Chief Financial Officer required by Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934. |
| <u>32</u> | Certifications required by Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code. |
| 101 | The following financial information from Masco Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, formatted in Inline XBRL: (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations, (iii) the Condensed Consolidated Statements of Comprehensive Income (Loss), (iv) the Condensed Consolidated Statements of Cash Flows, (v) the Condensed Consolidated Statements of Shareholders' Equity, and (vi) Notes to Condensed Consolidated Financial Statements. |
| 104 | Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101) |

MASCO CORPORATION

PART II. OTHER INFORMATION, Concluded

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

MASCO CORPORATION

By: /s/ Richard J. Westenberg

Richard J. Westenberg

Vice President, Chief Financial Officer and Treasurer

April 23, 2025



Masco Corporation
17450 College Parkway
Livonia, MI 48152
www.masco.com

March 3, 2025

RE: Employment Offer

Jonathon J. Nudi
[Home Address]

Dear Jon:

I am pleased to confirm our offer to you for the position of President and Chief Executive Officer, Masco Corporation (the “Company” or “Masco”), starting July 7, 2025.

The elements of your compensation arrangement are described below and are subject to approval by the Compensation and Talent Committee of Masco’s Board of Directors (the “Compensation Committee”), and your election as President and Chief Executive Officer by Masco’s Board of Directors.

Annual Base Salary

Your annualized base salary will be \$1,100,000 million (less deductions required by law), payable bi-weekly in accordance with the Company’s standard payroll procedures. Your first salary review will be in February 2026, and adjustments to your base salary will be considered by the Compensation Committee based on your job performance and consideration of competitive market data.

Annual Restricted Stock Unit Award

You will be eligible to receive an annual Restricted Stock Unit (“RSU”) award equal in value to 159% of your annual base salary. RSUs, which are typically granted in February, are subject to approval by the Compensation Committee and vest over three years. Your first annual RSU award will be in February 2026 and will be calculated on a pro-rata basis for the six months of your service during 2025.

Performance-Based Incentive Compensation

You are eligible to participate in the Company’s performance-based incentive compensation programs in which you will be eligible to receive an annual cash bonus and a Performance Restricted Stock Unit (PRSU) award, as follows:

Annual Cash Bonus

Your annual cash bonus opportunity is 150% of your annual base salary. The achievement of the cash bonus will be dependent upon Company and individual performance and can range from 0% to 200% of target. Bonuses are determined after year-end, subject to approval by the Compensation Committee, and are typically paid in February. Your first eligible cash bonus opportunity will be for fiscal year 2025, which, if performance is achieved, will be paid in February 2026 on a pro-rata basis for the six months of your service during 2025.

Long-Term Incentive Program

Masco believes a long-term incentive program provides a meaningful incentive for our executives to achieve long-term growth and profitability. Accordingly, you are eligible to participate in our Long-Term Incentive Program ("LTIP"). Your LTIP grant value target is 318% of your annual base salary. The LTIP has a three-year performance period, and awards under the program are issued in the form of Performance Restricted Stock Units ("PRSUs"). A grant of PRSUs entitles you to receive shares of our stock if threshold Company performance goals are met over the three-year period. If the threshold goals are not achieved, no award will be made. If the maximum goals are exceeded, the award percentage is capped at 200% of the PRSUs granted. You will be eligible to participate in the 2025-2027 LTIP on a pro-rata basis for the thirty (30) months of your service during the 2025-2027 performance period. PRSU grants under the LTIP are subject to the discretion of and approval by the Compensation Committee.

Stock Options

Masco considers the granting of stock options annually to motivate our executives to improve our share price and to align their long-term interests with those of shareholders. You are eligible to receive an annual stock option grant equal in value to 159% of your annual base salary, subject to approval by the Compensation Committee.

Your first option grant will be valued at \$1,120,000 and will be made on your start date. This grant will vest ratably in three equal installments beginning on February 25, 2026.

Partial Make-Whole RSU Award

You will receive an RSU award valued at \$1,120,000 on your start date, which represents a partial make-whole to you and which will vest ratably in three equal installments beginning on February 25, 2026.

Stock Ownership Requirements

The Company believes that stock ownership by our executives aligns the interest of our executives with that of our shareholders. In support of this belief, and given the nature of your role, you are required to own Masco stock with a value of six (6) times your base salary, and you will have three (3) years in which to achieve this ownership level.

The above information concerning annual RSU awards, performance-based incentive compensation, and stock options provides only a summary of certain terms of our equity compensation program. All of the terms and conditions of our program, and of any grant of RSUs, PRSUs and stock options made under the program, are contained in Masco's 2024 Long Term Stock Incentive Plan (the "Plan") and in the terms and conditions ("Terms and Conditions") provided to recipients at the time of a grant (the Plan and Terms and Condition are referred to as the "Plan Documents"). A copy of the Plan is available at [NetBenefits.com](https://www.netbenefits.com). In the case of any conflict between this communication and the Plan Documents, the Plan Documents will control. The Company reserves the right to amend or terminate the equity compensation program at any time.

All awards of RSUs, PRSUs, and stock options require your acceptance of the terms and conditions contained in the Plan Documents. With respect to any RSUs, PRSUs and stock options that you receive from the Company, the definition of "Retirement Eligible" that will apply to you will be "attaining age 60 and having at least 5 years of continuous employment with the Company and/or any of its subsidiaries."

Health and Welfare Benefits

You will be eligible to participate in the Company's health and welfare benefit programs as a full-time regular employee. Your health insurance coverage will begin on the first day of the month commencing after you have been employed with the Company for thirty (30) days.

Retirement Benefits**401(k) Plan**

You will be eligible to participate in the Company's 401(k) plan beginning on your first day of employment. The Company matches 100% of the first 4% of your compensation deferred to the plan, subject to IRS 401(k) plan contribution limits. Company matching contributions are immediately 100% vested.

Profit Sharing

You will also be a participant in Masco's discretionary profit-sharing plan as part of your Masco 401(k) Plan benefit. After the end of each year, the Compensation Committee approves the contribution percentage for executives based on the Company's achievement of performance during the preceding year. You will be eligible for profit-sharing beginning January 1, 2026, and the initial contribution, if any, will be made in February 2027 based on 2026 results. You will become 100% vested in this benefit after completing three years of service.

Benefits Restoration Plan

Based on your target cash compensation (your base salary plus your cash bonus incentive), you may also be eligible for the Masco Corporation Retirement Benefits Restoration Plan (BRP). This is a non-qualified plan used to restore and maintain the level of retirement benefits for employees affected by the IRS compensation limits. Masco makes an annual contribution to this plan on your behalf to equalize any lost contributions due to IRS 401(k) plan contribution limits for both the company match and profit-sharing contribution.

Vacation

You will be eligible for paid time off in accordance with the Company's Discretionary Time Off (DTO) program in addition to the normal holiday schedule for Masco's Corporate Headquarters location.

These benefits, along with additional health, welfare, and other Company-sponsored benefits, will be explained in detail to you following the commencement of your service with the Company.

Relocation Assistance

You will be required to relocate within 3 months of your start date in order to work at our headquarters in Michigan. You will receive a one-time relocation bonus in a lump sum of \$350,000 (net of taxes and other deductions), which will be paid within thirty (30) days of your start date. In the event you (i) voluntarily terminate your employment with the Company or (ii) are terminated with cause, as determined by the Company in good faith (each, a "Termination of Employment"), in each case within twelve (12) months of your start date, you agree to reimburse the Company for the full amount of the relocation assistance within 45 days after your employment with the Company concludes. In the event you have a Termination of Employment between twelve (12) and twenty-four (24) months of your start date, you agree to reimburse the Company 50% of the relocation assistance within 45 days after the date your employment concludes. As a result of this relocation

bonus, you will not be eligible for any relocation assistance as described in the Masco Corporation Relocation Assistance Guidelines.

You will have access to the Company's corporate aircraft for your personal use as provided in the Company's corporate aircraft policy. In addition, for three (3) months following your start date and subject to corporate aircraft availability, you will be permitted to use the Company's corporate aircraft for travel to and from your current residential location and Michigan, up to one round trip per week. If the imputed income attributable to these benefits is taxable to you, then the taxes associated with this taxable income will not be reimbursed or paid by the Company.

Pre-employment Screening

Your employment is contingent on the successful completion of a pre-employment background investigation and drug screen. This must be completed prior to your first day of employment.

Start Date and At-Will Employment

Your start date in this new role will be subject to your election by the Board of Directors.

This letter is intended to answer many of the questions that you may have concerning your employment. At all times during your employment you will be an "at will" employee.

This offer is contingent upon you signing our confidentiality and dispute resolution agreements prior to your start date.

To confirm your acceptance of this offer, please sign a copy of this letter and return it to Renee Straber.

Jon, I am confident that you will make a significant contribution in this leadership role for Masco. Please let me know if you have any questions regarding this offer.

Sincerely,

/s/ Lisa A. Payne

Lisa A. Payne
Chair of the Board, Masco Corporation

Offer Accepted:

/s/ Jonathon J. Nudi

Jonathon J. Nudi

Cc: Renee Straber



Masco Corporation
17450 College Parkway
Livonia, MI 48152
www.masco.com

Via Hand Delivery

March 5, 2025

Dear Jai:

We are pleased to offer you the following Retention Incentive, which has been approved by the Compensation and Talent Committee of Masco Corporation's Board of Directors.

Retention Incentive. Subject to the terms and conditions below, you will be entitled to the following Retention Incentive:

- Masco will grant you Restricted Stock Units ("RSUs") with a value of \$1,500,000 under the 2024 Masco Corporation Long Term Stock Incentive Plan (the "Plan") and pursuant to an award agreement thereunder (together with the Plan, the "Plan Documents"). The grant date of the RSU award will be March 6, 2025 (the "Grant Date"). The number of RSUs shall be calculated based on the closing price of the Company's common stock on the Grant Date, rounded to the nearest ten units. Subject to the satisfaction of the conditions described below, these RSUs will vest in two equal installments, with one-half vesting one year after the Grant Date ("Initial Vesting Date") and the remaining half vesting two years after the Grant Date ("Final Vesting Date"). Notwithstanding anything to the contrary in the Plan Documents, you will not be Retirement Eligible with respect to these RSUs.

Conditions to Retention Incentive. Masco's obligation to provide the Retention Incentive specified herein is conditioned on you:

- i. Remaining employed by Masco through the Initial Vesting Date and Final Vesting Date, respectively; *provided, however*, if you are terminated by Masco without Cause (as that term is defined in the Plan Documents) or you terminate your employment for Good Reason (as that term is defined in the Plan Documents), the terms and conditions of the RSU awards comprising the Retention Incentive that remain outstanding immediately prior to the termination of your employment will be amended to accelerate the vesting of such RSU awards so that the awards will vest immediately prior to the termination of your employment with the Company. If you resign, retire, give notice to terminate employment other than for Good Reason, or your employment is terminated by Masco for Cause, prior to the Initial Vesting Date or Final Vesting Date, you will not be eligible to receive any of the unvested portion of the Retention Incentive. For the avoidance of doubt, if your employment is terminated by reason of death or Disability, then the Plan Documents will control;

- ii. Continuing to perform in a satisfactory manner your job duties and responsibilities and such other duties and responsibilities as may be assigned to you by Masco; and
- iii. Complying with the Masco Corporation Proprietary Confidential Information and Invention Assignment Agreement, the Plan Documents, and any other agreement between you and Masco, in addition to all Masco policies, rules and procedures and the terms set forth herein.

The above information concerning the Retention Incentive provides only a summary of certain terms of our equity compensation program. All of the terms and conditions of our program, and of the Retention Incentive, are contained in the Plan Documents. A copy of the Plan is available at NetBenefits.com. Except as expressly provided herein, in the case of any conflict between this communication and the Plan Documents (including the terms and conditions), the Plan Documents will control.

Entire Agreement. The terms herein constitute the entire agreement between you and Masco with respect to the subject matter hereof and supersede any and all prior or contemporaneous oral or written representations, understandings, agreements or communications between you and Masco concerning such subject matter.

Amendment. The terms herein may be amended only by a written agreement signed by both you and by an authorized officer of Masco.

At-Will Employment and Applicable Law. Nothing herein alters the at-will nature of your employment relationship with Masco or creates a contract for employment for a specified period of time. Either you or Masco may terminate the employment relationship at any time, with or without cause and with or without notice. The terms herein shall be governed and interpreted under the laws of the State of Michigan, and Masco's Dispute Resolution Policy further governs any potential disputes hereunder.

Please confirm your acceptance of the terms and conditions herein by signing below.

Sincerely,

Masco Corporation

By: /s/ Renee Straber
Renee Straber

Its: Vice President, Chief Human Resources Officer

Agreed:

/s/ Jai Shah
Jai Shah

MASCO CORPORATION
Certification Required by Rule 13a-14(a) or 15d-14(a)
of the Securities Exchange Act of 1934

I, Keith J. Allman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Masco Corporation ("the registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 23, 2025

By: /s/ Keith J. Allman
Keith J. Allman
President and Chief Executive Officer

MASCO CORPORATION
Certification Required by Rule 13a-14(a) or 15d-14(a)
of the Securities Exchange Act of 1934

I, Richard J. Westenberg, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Masco Corporation ("the registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 23, 2025

By: /s/ Richard J. Westenberg

Richard J. Westenberg

Vice President, Chief Financial Officer and Treasurer

MASCO CORPORATION
Certification Required by Rule 13a-14(b) or 15d-14(b)
of the Securities Exchange Act of 1934 and
Section 1350 of Chapter 63 of Title 18 of the
United States Code

The certification set forth below is being submitted in connection with the Masco Corporation Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2025 (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Keith J. Allman, the President and Chief Executive Officer, and Richard J. Westenberg, the Vice President, Chief Financial Officer and Treasurer, of Masco Corporation, each certifies that, to the best of his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the consolidated financial condition and results of operations of Masco Corporation.

Date: April 23, 2025

/s/ Keith J. Allman

Name: Keith J. Allman

Title: President and Chief Executive Officer

Date: April 23, 2025

/s/ Richard J. Westenberg

Name: Richard J. Westenberg

Title: Vice President, Chief Financial Officer and Treasurer