

REFINITIV

DELTA REPORT

10-Q

MAS WI - MASCO CORP /DE/

10-Q - SEPTEMBER 30, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS 618

█ CHANGES 158

█ DELETIONS 295

█ ADDITIONS 165

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 **June 30, 2024** **September 30, 2024**

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
Incorporation or Organization)

(I.R.S. Employer Identification No.)

17450 College Parkway, Livonia, Michigan
(Address of Principal Executive Offices)

48152

(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"/>

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. o

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 June 30, 2024 September 30, 2024
Common stock, par value \$1.00 per share	218,248,839 215,748,893

MASCO CORPORATION

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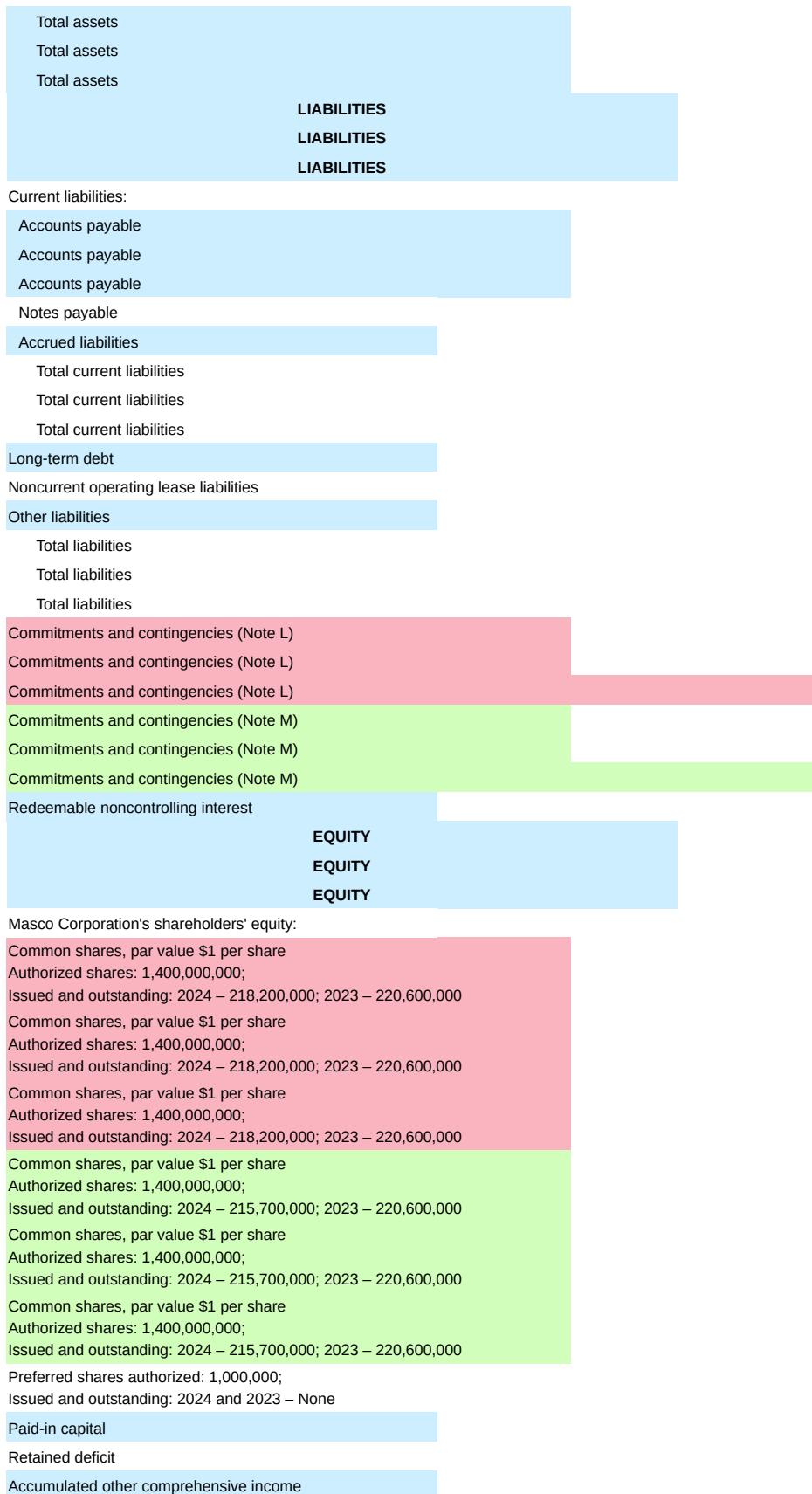
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MASCO CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

June September 30, 2024 and December 31, 2023
(In Millions, Except Share Data)

	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
ASSETS				
Current assets:	Current assets:		Current assets:	
Cash and cash investments				
Receivables				
Receivables				
Receivables				
Inventories				
Prepaid expenses and other				
Total current assets				
Total current assets				
Total current assets				
Property and equipment, net				
Goodwill				
Other intangible assets, net				
Operating lease right-of-use assets				
Other assets				



Total Masco Corporation's shareholders' deficit	
Noncontrolling interest	
Total equity	
Total liabilities and equity	

See notes to condensed consolidated financial statements.

Amounts may not add due to rounding.

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MASCO CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

For the Three and Six Months Ended June 30, 2024 September 30, 2024 and 2023
(In Millions, Except Per Common Share Data)

	Three Months Ended June 30, 2024		Six Months Ended June 30, 2024		Three Months Ended September 30, 2023		Nine Months Ended September 30, 2023		2023		2024	
Net sales		2024		2023		2024		2023	2023	2024	2024	2023
Cost of sales												
Gross profit												
Selling, general and administrative expenses												
Operating profit												
Operating profit												
Operating profit												
Other income (expense), net:	Other income (expense), net:									Other income (expense), net:		
Interest expense												
Other, net			(31)									
			(109)									
Income before income taxes												
Income tax expense												
Net income												
Less: Net income attributable to noncontrolling interest												
Less: Net income attributable to noncontrolling interest												
Less: Net income attributable to noncontrolling interest												
Net income attributable to Masco Corporation:												
Income per common share attributable to Masco Corporation:												
Income per common share attributable to Masco Corporation:												
Income per common share attributable to Masco Corporation:												
Basic:	Basic:								Basic:			
Net income												
Net income												
Net income												
Diluted:	Diluted:								Diluted:			
Net income												
Net income												
Net income												

See notes to condensed consolidated financial statements.

Amounts may not add due to rounding.

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MASCO CORPORATION

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

For the Three and Six Nine Months Ended June 30, 2024 September 30, 2024 and 2023
(In Millions)

	Three Months Ended June 30,		Six Months Ended June 30,		
	Three Months Ended September 30,		Nine Months Ended September 30,		
	2024	2023	2024	2023	2023
Net income					
Less: Net income attributable to noncontrolling interest					
Net income attributable to Masco Corporation					
Other comprehensive (loss) income, net of tax:					
Other comprehensive income (loss), net of tax:					
Cumulative translation adjustment					
Pension and other post-retirement benefits					
Pension and other post-retirement benefits					
Pension and other post-retirement benefits					
Other comprehensive (loss) income, net of tax					
Other comprehensive (loss) income, net of tax					
Other comprehensive (loss) income, net of tax					
Less: Other comprehensive loss attributable to noncontrolling interest					
Other comprehensive (loss) income attributable to Masco Corporation					
Other comprehensive income (loss), net of tax					
Other comprehensive income (loss), net of tax					
Other comprehensive income (loss), net of tax					
Less: Other comprehensive income (loss) attributable to noncontrolling interest					
Other comprehensive income (loss) attributable to Masco Corporation					
Total comprehensive income					
Less: Total comprehensive income attributable to noncontrolling interest					
Total comprehensive income attributable to Masco Corporation					

See notes to condensed consolidated financial statements.

Amounts may not add due to rounding.

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MASCO CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

For the Six Nine Months Ended June 30, 2024 September 30, 2024 and 2023
(In Millions)

	Six Months Ended		Nine Months Ended	
	June 30,	2024	September 30,	2024
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES:				
Cash provided by operations				
Increase in receivables				
(Increase) decrease in inventories				
Decrease in accounts payable and accrued liabilities, net				

Net cash from operating activities

CASH FLOWS FROM (FOR) FINANCING ACTIVITIES:

CASH FLOWS FROM (FOR) FINANCING ACTIVITIES:

CASH FLOWS FROM (FOR) FINANCING ACTIVITIES:

Purchase of Company common stock

Purchase of Company common stock

Purchase of Company common stock

Cash dividends paid

Purchase of redeemable noncontrolling interest

Dividends paid to noncontrolling interest

Proceeds from short-term borrowings

Proceeds from short-term borrowings

Proceeds from short-term borrowings

Payment of short-term borrowings

Payment of term loan

Payment of term loan

Payment of term loan

Proceeds from the exercise of stock options

Proceeds from the exercise of stock options

Proceeds from the exercise of stock options

Employee withholding taxes paid on stock-based compensation

Decrease in debt, net

Decrease in debt, net

Decrease in debt, net

Net cash for financing activities

Net cash for financing activities

Net cash for financing activities

CASH FLOWS FROM (FOR) INVESTING ACTIVITIES:

CASH FLOWS FROM (FOR) INVESTING ACTIVITIES:

CASH FLOWS FROM (FOR) INVESTING ACTIVITIES:

Capital expenditures

Capital expenditures

Capital expenditures

Acquisition of business

Acquisition of business, net of cash acquired

Proceeds from disposition of business, net of cash disposed

Other, net

Other, net

Other, net

Net cash for investing activities

Net cash from (for) investing activities

Effect of exchange rate changes on cash and cash investments

Effect of exchange rate changes on cash and cash investments

Effect of exchange rate changes on cash and cash investments

CASH AND CASH INVESTMENTS:

CASH AND CASH INVESTMENTS:

CASH AND CASH INVESTMENTS:

Decrease for the period

Decrease for the period

Decrease for the period
Increase for the period
Increase for the period
Increase for the period
At January 1
At June 30
At September 30

See notes to condensed consolidated financial statements.

Amounts may not add due to rounding.

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MASCO CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Unaudited)

For the Three and ~~Six~~ Nine Months Ended **June 30, 2024 **September 30, 2024** and 2023**
(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, 2023						
Balance, January 1, 2023						
Balance, January 1, 2023						
Total comprehensive income						
Total comprehensive income						
Total comprehensive income						
Shares issued						
Shares issued						
Shares issued						
Shares retired:						
Shares retired:						
Shares retired:						
Repurchased						
Repurchased						
Repurchased						
Surrendered (non-cash)						
Surrendered (non-cash)						
Surrendered (non-cash)						
Cash dividends declared						
Cash dividends declared						
Cash dividends declared						
Stock-based compensation						
Stock-based compensation						
Stock-based compensation						
Balance, March 31, 2023						
Balance, March 31, 2023						
Balance, March 31, 2023						
Total comprehensive income (loss)						
Total comprehensive income (loss)						
Total comprehensive income (loss)						
Shares issued						
Shares issued						
Shares issued						

Shares retired:
Shares retired:
Shares retired:
Repurchased
Repurchased
Repurchased
Cash dividends declared
Cash dividends declared
Cash dividends declared
Dividends declared to noncontrolling interest
Dividends declared to noncontrolling interest
Dividends declared to noncontrolling interest
Stock-based compensation
Stock-based compensation
Stock-based compensation
Balance, March 31, 2023
Balance, June 30, 2023
Balance, June 30, 2023
Balance, June 30, 2023
Total comprehensive income (loss)
Total comprehensive income (loss)
Total comprehensive income (loss)
Shares issued
Shares issued
Shares issued
Shares retired:
Shares retired:
Shares retired:
Repurchased
Repurchased
Repurchased
Cash dividends declared
Cash dividends declared
Cash dividends declared
Dividends declared to noncontrolling interest
Stock-based compensation
Stock-based compensation
Stock-based compensation
Balance, June 30, 2023
Balance, September 30, 2023
Balance, September 30, 2023
Balance, September 30, 2023

MASCO CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Unaudited) (Concluded)

For the Three and **Six Nine** Months Ended **June 30, 2024 September 30, 2024** and **2023**
(In Millions, Except Per Common Share Data)

	Common Shares (\$1 par value) Total	Paid-In Capital	Retained (Deficit) Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Common Shares (\$1 par value) Total	Paid-In Capital	Retained (Deficit) Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest
Balance, January 1, 2024										

Total comprehensive income (loss)

Shares issued

Shares retired:

Repurchased

Repurchased

Repurchased

Surrendered (non-cash)

Cash dividends declared

Redemption of redeemable

noncontrolling interest

Redemption of redeemable

noncontrolling interest

Redemption of redeemable

noncontrolling interest

Stock-based compensation

Balance, March 31, 2024

Total comprehensive income (loss)

Shares retired:

Shares retired:

Shares retired:

Repurchased

Repurchased

Repurchased

Cash dividends declared

Cash dividends declared

Cash dividends declared

Dividends declared to
noncontrolling interest

Stock-based compensation

Stock-based compensation

Stock-based compensation

Balance, June 30, 2024

Total comprehensive income

Shares retired:

Shares retired:

Shares retired:

Repurchased

Repurchased

Repurchased

Cash dividends declared

Cash dividends declared

Cash dividends declared

Stock-based compensation

Balance, September 30, 2024

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 **June 30, 2024** **September 30, 2024**, our results of operations and comprehensive income (loss) for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023, cash flows for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023 and changes in shareholders' equity for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023. The condensed consolidated balance sheet at December 31, 2023 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 November 2023, the Financial Accounting Standards Board ("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 will adopt this standard for interim periods beginning in 2025. The adoption of this guidance will modify our annual disclosures in 2024, but will not have an impact on our financial position and results of operations.

In March 2023, the FASB issued ASU 2023-02, "Investments – Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method," which permits an entity to elect to account for their tax equity investments using the proportional amortization method if certain conditions are met, regardless of the tax credit program from which the income tax credits are received. We adopted this standard beginning January 1, 2024. The adoption of this new standard did not have an impact on our financial position or results of operations.

In September 2022, the FASB issued ASU 2022-04, "Liabilities – Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations," which requires that an entity that uses a supplier finance program in connection with the purchase of goods or services disclose information about the program's nature, activity during the period, changes from period to period, and potential magnitude. We adopted this standard for annual periods on a retrospective basis, including interim periods within those annual periods, beginning January 1, 2023. We also adopted the amendment on rollforward information, which became effective prospectively for annual periods beginning January 1, 2024. The adoption of this guidance modified our disclosures and will modify our annual disclosures for the rollforward information in 2024, but did not have an impact on our financial position and results of operations.

Recently Issued Accounting Pronouncements. In December 2023, the 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. ASU 2023-09 is effective on a prospective basis for annual periods beginning January 1, 2025, with early adoption permitted. The adoption of this guidance will modify our disclosures, but will not have an impact on our financial position and results of operations.

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

B. ACQUISITIONS

In the third quarter of 2023, we acquired all of the share capital of Sauna360 Group Oy ("Sauna360") for approximately €124 million (\$136 million), net of cash acquired. Sauna360 has a portfolio of products that includes traditional, infrared, and wood-burning saunas as well as steam showers. The business is included within the Plumbing Products segment. In connection with this acquisition, we recognized \$22 million of indefinite-lived intangible assets, which is related to trademarks, and \$45 million of definite-lived intangible assets, primarily related to customer relationships. The definite-lived intangible assets are being amortized on a straight-line basis over a weighted average amortization period of 16 years. We also recognized \$60 million of goodwill, which is not tax deductible, and is related primarily to the expected synergies from combining the operations into our business. During the fourth quarter of 2023 **and third quarter of 2024**, we updated the allocation of the purchase price to certain identifiable assets and liabilities based on analysis of information as of the acquisition date, which resulted in a \$1 million decrease **and a \$2 million increase** to **goodwill**. The purchase price allocation for this acquisition is based on **analysis of information as of the acquisition date that was available through June 30, 2024, and will be updated through the measurement period, if necessary**. **goodwill, respectively**.

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 systems, for preliminary consideration of \$125 million, net of cash disposed, and subject to final closing adjustments. In connection with the divestiture, we recognized a preliminary loss of \$81 million for the three and nine months ended September 30, 2024, which is included in other, net in our condensed consolidated statements of operations. 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:

MASCO CORPORATION

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

C. REVENUE (Concluded)

We recognized \$4 million \$1 million and \$3 million \$8 million of revenue for the three months ended June 30, 2024 September 30, 2024 and 2023, respectively, related to performance obligations settled in previous quarters of the same year. We recognized \$2 million of revenue for both the three \$7 million and six months ended June 30, 2024, and \$4 million and \$5 million \$8 million of revenue for the three and six nine months ended June 30, 2023 September 30, 2024, respectively, and \$6 million and \$11 million of revenue for the three and nine months ended September 30, 2023, respectively, related to performance obligations settled in previous years.

Our contract asset balance was \$2 million and \$3 million at June 30, 2024 September 30, 2024 and December 31, 2023, respectively. Our contract liability balance was \$18 million \$15 million and \$45 million at June 30, 2024 September 30, 2024 and December 31, 2023, respectively.

MASCO CORPORATION

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

D. REVENUE (Concluded)

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

	Six Months Ended June 30, 2024	Twelve Months Ended December 31, 2023
	Nine Months Ended September 30, 2024	Twelve Months Ended December 31, 2023
Balance at January 1		
Provision for expected credit losses during the period		
Write-offs charged against the allowance		
Recoveries of amounts previously written off		
Balance at end of period		
Balance at end of period		
Balance at end of period		

D. E. DEPRECIATION AND AMORTIZATION

Depreciation and amortization expense was \$76 million \$113 million and \$70 million \$107 million for the six nine months ended June 30, 2024 September 30, 2024 and 2023, respectively.

E. F. INVENTORIES

The components of inventory were as follows, in millions:

	At June 30, 2024	At December 31, 2023	At September 30, 2024	At December 31, 2023
Finished goods				
Raw materials				
Work in process				
Total				

G. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill at September 30, 2024, by segment, was as follows, in millions:

	Gross Goodwill At September 30,		Net Goodwill At September 30, 2024
	2024	Accumulated Impairment Losses	
Plumbing Products	\$ 680	\$ (301)	\$ 380
Decorative Architectural Products (A)	305	(75)	230
Total	<u>986</u>	<u>(376)</u>	<u>610</u>

(A) As a result of the divestiture of Kichler in the third quarter of 2024, both gross goodwill and accumulated impairment losses for the Decorative Architectural Products segment were reduced by \$64 million as the goodwill had been fully impaired prior to the divestiture.

MASCO CORPORATION

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

F. G. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill at June 30, 2024, by segment, was as follows, in millions:

	Gross Goodwill At June 30, 2024	Accumulated Impairment Losses	Net Goodwill At June 30, 2024
Plumbing Products	\$ 670	\$ (301)	\$ 370
Decorative Architectural Products	370	(139)	230
Total	\$ 1,040	\$ (440)	\$ 601

(Concluded)

The changes in the carrying amount of goodwill for the **six** **nine** months ended **June 30, 2024** **September 30, 2024**, by segment, were as follows, in millions:

	Gross Goodwill At December 31, 2023	Accumulated Impairment Losses	Net Goodwill At December 31, 2023	Acquisitions (A)	Foreign Currency Translation	Net Goodwill At June 30, 2024	Gross Goodwill At December 31, 2023	Accumulated Impairment Losses	Net Goodwill At December 31, 2023	Acquisitions (B)	Foreign Currency Translation	Net Goodwill At September 30, 2024
Plumbing Products												
Decorative Architectural Products												
Total												

(A) (B) In the third quarter of 2024, we recognized \$2 million of goodwill in our Plumbing Products segment related to our acquisition of Sauna360 (refer to Note B for additional information). In the second quarter of 2024, we recognized \$4 million of goodwill in our Decorative Architectural Products segment related to an immaterial acquisition.

The carrying value of our other indefinite-lived intangible assets **were \$107 million** **was \$81 million** and \$108 million at **June 30, 2024** **September 30, 2024** and December 31, 2023, respectively, and principally included registered trademarks. The carrying value of our definite-lived intangible assets was **\$252 million** **\$149 million** (net of accumulated amortization of **\$136 million** **\$97 million**) at **June 30, 2024** **September 30, 2024** and \$269 million (net of accumulated amortization of \$120 million) at December 31, 2023, and principally included customer relationships. The decrease in our indefinite-lived intangible assets and definite-lived intangible assets is primarily a result of the divestiture of Kichler.

G. H. 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. A third party administers the program; our responsibility is limited to making payment on the terms originally negotiated with our supplier, regardless of whether the supplier sells its receivable to a financial institution. We do not enter into agreements with any of the participating financial institutions in connection with the program. Our current payment terms with a majority of our suppliers generally range from 45 to 90 days. The range of payment terms we negotiate with our suppliers is consistent, irrespective of whether a supplier participates in the program.

All outstanding payments owed under the program are recorded within accounts payable in our condensed consolidated balance sheets. The amounts confirmed as valid under the program and included in accounts payable were **\$53** **\$52 million** and **\$53 million** at **both June 30, 2024** **September 30, 2024** and December 31, 2023, respectively. Of the amounts confirmed as valid under the program, the amounts owed to participating financial institutions were **\$21 million** and **\$28 million** at **June 30, 2024** **both September 30, 2024** and December 31, 2023, 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.

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

H. I. 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 **June 30, 2024** **September 30, 2024**.

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.

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 no borrowings were outstanding at **June 30, 2024** **September 30, 2024**.

On April 26, 2022, we entered into a 364-day \$500 million senior unsecured delayed draw term loan (the "term loan") due April 26, 2023 with a syndicate of lenders. The term loan and commitments thereunder were subject to prepayment or termination at our option and the loans bore interest at SOFR plus a spread adjustment and 0.70%. The covenants, including the financial covenants, were substantially the same as those in the 2022 Credit Agreement. We repaid \$300 million during 2022 and the remaining \$200 million upon the maturity of the term loan on April 26, 2023.

On May 9, 2023, our Hansgrohe SE subsidiary entered into €70 million (\$77 million) of short-term borrowings to support working capital needs. The loans contained no financial covenants and **the full amount** €60 million (\$63 million) remained borrowed and outstanding at a weighted average interest rate of **4.173%** **4.807%** at **June 30, 2023** **September 30, 2023**, and was fully repaid at December 31, 2023.

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. **At both June 30, 2024 and December 31, 2023, the** The aggregate estimated market value of our short-term and long-term debt at **September 30, 2024** was approximately \$2.7 billion, compared with the aggregate carrying value of \$3.0 billion. The aggregate estimated market value of our short-term and long-term debt at **December 31, 2023** was approximately \$2.6 billion, compared with the aggregate carrying value of \$3.0 billion.

MASCO CORPORATION

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

J. SEGMENT INFORMATION

Information by segment and geographic area was as follows, in millions:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2024		2023		2024		2023	
	Net Sales (A)		Operating Profit		Net Sales (A)		Operating Profit	
Our operations by segment were:								
Plumbing Products	\$ 1,219	\$ 1,191	\$ 240	\$ 223	\$ 3,665	\$ 3,638	\$ 713	\$ 673
Decorative Architectural Products	764	788	138	181	2,336	2,447	436	493
Total	<u>\$ 1,983</u>	<u>\$ 1,979</u>	<u>\$ 378</u>	<u>\$ 404</u>	<u>\$ 6,000</u>	<u>\$ 6,085</u>	<u>\$ 1,149</u>	<u>\$ 1,166</u>
Our operations by geographic area were:								
North America	\$ 1,595	\$ 1,602	\$ 322	\$ 348	\$ 4,815	\$ 4,875	\$ 967	\$ 972
International	388	377	56	56	1,185	1,210	182	194
Total, as above	<u>\$ 1,983</u>	<u>\$ 1,979</u>	<u>\$ 378</u>	<u>\$ 404</u>	<u>\$ 6,000</u>	<u>\$ 6,085</u>	<u>\$ 1,149</u>	<u>\$ 1,166</u>
General corporate expense, net			(21)	(21)			(76)	(65)
Operating profit			357	383			1,073	1,101
Other income (expense), net			(109)	(37)			(170)	(96)
Income before income taxes			<u>\$ 248</u>	<u>\$ 346</u>			<u>\$ 903</u>	<u>\$ 1,005</u>

(A) Inter-segment sales were not material.

K. INCOME TAXES

Our effective tax rate was 27 percent and 25 percent for the three and nine months ended September 30, 2024, respectively, and was 25 percent and 24 percent for the three and nine months ended September 30, 2023, respectively. Our effective tax rate for the three months ended September 30, 2024 was unfavorably impacted primarily by \$4 million of income tax expense resulting from adjustments to reflect filed tax returns and an increase in the liability for uncertain tax positions.

MASCO CORPORATION

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

I. SEGMENT INFORMATION

Information by segment and geographic area was as follows, in millions:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024		2023		2024		2023	
	Net Sales (A)		Operating Profit		Net Sales (A)		Operating Profit	
Our operations by segment were:								
Plumbing Products	\$ 1,219	\$ 1,191	\$ 240	\$ 223	\$ 3,665	\$ 3,638	\$ 713	\$ 673
Decorative Architectural Products	764	788	138	181	2,336	2,447	436	493
Total	<u>\$ 1,983</u>	<u>\$ 1,979</u>	<u>\$ 378</u>	<u>\$ 404</u>	<u>\$ 6,000</u>	<u>\$ 6,085</u>	<u>\$ 1,149</u>	<u>\$ 1,166</u>
General corporate expense, net			(21)	(21)			(76)	(65)
Operating profit			357	383			1,073	1,101
Other income (expense), net			(109)	(37)			(170)	(96)
Income before income taxes			<u>\$ 248</u>	<u>\$ 346</u>			<u>\$ 903</u>	<u>\$ 1,005</u>

Our operations by segment were:											
Plumbing Products	\$ 1,253	\$ 1,225	\$ 247	\$ 244	\$ 2,445	\$ 2,447	\$ 472	\$ 450			
Decorative Architectural Products	838	902	174	180	1,572	1,659	299	312			
Total	<u>\$ 2,091</u>	<u>\$ 2,127</u>	<u>\$ 421</u>	<u>\$ 424</u>	<u>\$ 4,017</u>	<u>\$ 4,106</u>	<u>\$ 771</u>	<u>\$ 762</u>			
Our operations by geographic area were:											
North America	\$ 1,695	\$ 1,718	\$ 360	\$ 358	\$ 3,220	\$ 3,273	\$ 645	\$ 624			
International	397	409	61	66	797	833	126	138			
Total, as above	<u>\$ 2,091</u>	<u>\$ 2,127</u>	<u>421</u>	<u>424</u>	<u>\$ 4,017</u>	<u>\$ 4,106</u>	<u>771</u>	<u>762</u>			
General corporate expense, net			(24)	(21)			(55)	(44)			
Operating profit			397	403			715	718			
Other income (expense), net			(31)	(29)			(61)	(59)			
Income before income taxes			<u>\$ 366</u>	<u>\$ 374</u>			<u>\$ 655</u>	<u>\$ 659</u>			

(A) Inter-segment sales were not material.

J. INCOME TAXES

Our effective tax rate was 26 percent for the three months ended June 30, 2024 and 2023, and 24 percent for the six months ended June 30, 2024 and 2023. Our effective tax rate for the six months ended June 30, 2024 and 2023 was favorably impacted by \$16 million and \$12 million of income tax benefits, respectively. For both periods, the income tax benefits primarily resulted from stock-based compensation and a reduction in the liability for uncertain tax positions resulting from the expiration of statutes of limitation.

MASCO CORPORATION

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

K. L. 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 June 30,		Six Months Ended June 30,			
	Three Months Ended September 30,		Nine Months Ended September 30,			
	2024	2023	2024	2023		
Numerator (basic and diluted):						
Net income						
Net income						
Net income						
Less: Allocation to unvested restricted stock awards						
Less: Allocation to unvested restricted stock awards						
Less: Allocation to unvested restricted stock awards						
Net income attributable to common shareholders						
Denominator:						
Denominator:						
Denominator:						
Basic common shares (based upon weighted average)						
Basic common shares (based upon weighted average)						
Basic common shares (based upon weighted average)						
Add: Dilutive effect of stock options and other stock-based incentives						
Diluted common shares						

For the three and ~~six~~ nine months ended ~~June 30, 2024~~ September 30, 2024 and 2023, 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 June 30,	Six Months Ended June 30,

	Three Months Ended September 30,		Nine Months Ended September 30,			
	2024	2023	2024	2023	2023	2024
Number of stock options						
Number of restricted stock units						
Number of performance restricted stock units						

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 **six** **nine** months ended **June 30, 2024** **September 30, 2024**, we repurchased and retired approximately **4.1** **6.6** million shares of our common stock (including **0.4** **0.5** million shares to offset the dilutive impact of restricted stock units granted in the **six** **nine** months ended **June 30, 2024** **September 30, 2024**) for approximately **\$292** **\$486** million, inclusive of excise tax of **\$2** **\$3** million. At **June 30, 2024** **September 30, 2024**, we had approximately **\$1.4** **\$1.2** billion remaining under the 2022 authorization.

We have declared and paid cash dividends per common share of \$0.290 and **\$0.580** **\$0.870** for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024**, respectively, and \$0.285 and **\$0.570** **\$0.855** for the three and **six** **nine** months ended **June 30, 2023** **September 30, 2023**, respectively.

MASCO CORPORATION

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

L. M. 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 believe we have adequate defenses in these matters. 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:

	Six Months Ended June 30, 2024	Twelve Months Ended December 31, 2023	Nine Months Ended September 30, 2024	Twelve Months Ended December 31, 2023
Balance at January 1				
Accruals for warranties issued during the period				
Accruals related to pre-existing warranties				
Settlements made (in cash or kind) during the period				
Other, net (including currency translation and acquisitions)				
Other, net (including currency translation, acquisitions, and divestitures)				
Balance at end of period				

N. INSURANCE SETTLEMENT

During the three months ended September 30, 2023, we received an insurance settlement payment in our Decorative Architectural Products segment related to lost sales resulting from a weather event that occurred in Texas in 2021 which impacted the operations of a resin supplier and interrupted our ability to manufacture certain paints and other coating products. The insurance settlement payment increased gross profit and operating profit by \$40 million for the three and nine months ended September 30, 2023.

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. We aim to offset the potential unfavorable impact of our costs and lower demand for our products with productivity improvements, pricing, and other initiatives.

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.

**SECOND THIRD QUARTER 2024 AND THE FIRST SIX NINE MONTHS 2024 VERSUS
SECOND THIRD QUARTER 2023 AND THE FIRST SIX NINE MONTHS 2023**

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 and **six nine** months ended **June 30, 2024** **September 30, 2024** compared to the same periods of 2023.

NET SALES

Below is a summary of our net sales, in millions, for the three and **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023:

	Three Months Ended			Six Months Ended			Three Months Ended September			Nine Months Ended September		
	June 30,		Change	June 30,		Change	September 30,		Change	September 30,		Change
	2024	2023	Change	2024	2023	Change	2024	2023	Change	2024	2023	Change
Net sales, as reported	\$2,091	\$2,127	(2) %	\$4,017	\$4,106	(2) %	\$1,983	\$1,979	— %	\$6,000	\$6,085	(1) %
Acquisitions												
Net sales, excluding acquisitions												
Net sales, excluding acquisitions												
Net sales, excluding acquisitions	2,068	2,127	(3) %	3,973	4,106	(3) %						
Divestitures												
Divestitures												
Divestitures												
Net sales, excluding acquisitions and divestitures												
Net sales, excluding acquisitions and divestitures												
Net sales, excluding acquisitions and divestitures	1,970	1,969	— %	5,942	6,076	(2) %						
Currency translation												
Net sales, excluding acquisitions and the effect of currency translation												
Net sales, excluding acquisitions and the effect of currency translation												
Net sales, excluding acquisitions and the effect of currency translation	\$2,082	\$2,127	(2) %	\$3,991	\$4,106	(3) %						

Net sales, excluding acquisitions, divestitures and the effect of currency translation					
Net sales, excluding acquisitions, divestitures and the effect of currency translation					
Net sales, excluding acquisitions, divestitures and the effect of currency translation					
Net sales, excluding acquisitions, divestitures and the effect of currency translation	\$1,976	\$1,969	— %	\$5,966	\$6,076

Our net sales for the three months ended **June 30, 2024** **September 30, 2024** were **\$2,091 million** **\$1,983 million**, which **decreased two percent** **remained flat** compared to the three months ended **June 30, 2023** **September 30, 2023**. Excluding acquisitions, divestitures and the effect of currency translation, net sales **decreased two percent**. Our net sales for the three months ended **June 30, 2024** **September 30, 2024** **decreased remained flat** primarily due to **lower higher** sales volume driven by paints and other coating of plumbing products which **decreased increased** sales by **two one** percent, and mostly offset by unfavorable sales mix of plumbing products which **decreased** sales by one percent.

Our net sales for the **six nine** months ended **June 30, 2024** **September 30, 2024** were **\$4,017 million** **\$6,000 million**, which **decreased two one** percent compared to the **six nine** months ended **June 30, 2023** **September 30, 2023**. Excluding acquisitions, divestitures and the effect of currency translation, net sales **decreased three two** percent. Our net sales for the **six nine** months ended **June 30, 2024** **September 30, 2024** decreased primarily due to lower sales volume across the entire company which **decreased** sales by **three two** percent, **lower net selling** prices of decorative architectural products which **decreased** sales by one percent and unfavorable sales mix of plumbing products which **decreased** sales by one percent. These amounts were partially offset by higher net selling prices of plumbing products which **increased** sales by one percent, driven by plumbing products **percent**.

RESULTS OF OPERATIONS

Below is a summary of our results of operations for the three and **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023:

		Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		
		2024		2023		Favorable / (Unfavorable)		
		Net sales	\$ 2,091	Net sales	\$ 2,127	(2)	(2) %	Net sales
Net sales	Net sales	\$ 2,091	\$ 2,127	(2)	(2) %	\$ 4,017	\$ 4,106	(2)
Cost of sales	Cost of sales	(1,306)	(1,358)	(1,358)	4	4 %	(2,547)	(2,668)
Gross profit	Gross profit	\$ 785	\$ 769	2	2 %	\$ 1,470	\$ 1,438	2
Gross margin	Gross margin	37.5 %	36.2 %	130 bps	36.6 %	35.0 %	35.0 %	160 bps
Selling, general and administrative expenses								
Selling, general and administrative expenses								
Selling, general and administrative expenses		\$ (388)	\$ (366)	(6)	(6) %	\$ (755)	\$ (720)	(5)
Selling, general and administrative expenses as a percent of net sales	Selling, general and administrative expenses as a percent of net sales	(18.6) %	(17.2) %	(140) bps	(18.8) %	(17.5) %	(130) bps	(18.6) %
Operating profit								
Operating profit								
Operating profit		\$ 397	\$ 403	(1)	(1) %	\$ 715	\$ 718	—
Operating profit margin	Operating profit margin	19.0 %	18.9 %	10 bps	17.8 %	17.5 %	30 bps	18.0 %

Three Months Ended June 30, 2024 September 30, 2024

Our gross profit for the three months ended **June 30, 2024** **September 30, 2024** was **\$785 million** **\$725 million**, which increased two decreased three percent, and was positively impacted by five percent due to the non-recurrence of the receipt of an insurance settlement payment in 2023, as well as higher commodity costs and unfavorable sales mix, partially offset by cost savings initiatives and lower commodity costs, partially offset by unfavorable sales mix and two percent due to lower sales volume. initiatives.

Our selling, general and administrative expenses for the three months ended **June 30, 2024** **September 30, 2024** were **\$388 million** **\$368 million**, which increased six two percent, and were primarily impacted by higher marketing costs.

Our operating profit for the three months ended September 30, 2024 was \$357 million, which decreased seven percent, and was negatively impacted by decreased gross profit and higher selling, general and administrative expenses.

Nine Months Ended September 30, 2024

Our gross profit for the nine months ended September 30, 2024 was \$2,195 million, which increased one percent, and was positively impacted by cost savings initiatives and one percent due to higher net selling prices. These amounts were partially offset by two percent due to the non-recurrence of the receipt of an insurance settlement payment in 2023, two percent due to lower sales volume, as well as unfavorable sales mix and one percent due to unfavorable foreign currency translation.

Our selling, general and administrative expenses for the nine months ended September 30, 2024 were \$1,123 million, which increased four percent, and were primarily impacted by higher employee-related costs.

Our operating profit for the **three** **nine** months ended **June 30, 2024** **September 30, 2024** was **\$397 million** **\$1,073 million**, which decreased **one** **three** percent, and was negatively impacted by higher selling, general and administrative expenses, partially offset by increased gross profit.

Six Months Ended June 30, 2024

Our gross profit for the six months ended June 30, 2024 was \$1,470 million, which increased two percent, was positively impacted by cost savings initiatives, two percent due to higher net selling prices, as well as lower commodity costs. These amounts were partially offset by three percent due to lower sales volume, as well as unfavorable sales mix.

Our selling, general and administrative expenses for the six months ended June 30, 2024 were \$755 million, which increased five percent, primarily impacted by higher employee-related costs.

Our operating profit for the six months ended June 30, 2024 was \$715 million, which remained relatively flat, was negatively impacted by higher selling, general and administrative expenses, mostly offset by increased gross profit.

OTHER INCOME (EXPENSE), NET

Below is a summary of our other income (expense), net, in millions, for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023:

		Three Months Ended		Six Months Ended		Three Months Ended September 30,		Nine Months Ended September 30,		
		June 30,		June 30,		2024		2023		
		2024	2023	Favorable / (Unfavorable)	2024	2023	Favorable / (Unfavorable)	2024	2023	Favorable / (Unfavorable)
Interest expense	Interest expense	\$(26)	\$ (28)	7	7	%	\$ (50)	\$ (56)	11	Interest expense
Other, net	Other, net	(5)	(1)	(1)	(400)	(400)	(10)	(3)	(3)	Other, net
Other income (expense), net	Other income (expense), net	\$(31)	\$ (29)	(7)	(7)	%	\$ (61)	\$ (59)	(3)	Other income (expense), net

Other, net included a preliminary loss on the sale of Kichler Lighting ("Kichler") of \$81 million for the three and nine months ended September 30, 2024.

INCOME TAXES

Below is a summary of our income tax expense, in millions, and our effective tax rate for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023:

		Three Months Ended		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,		
		June 30,		Ended June 30,		September 30,		September 30,		
		2024	2023	Favorable / (Unfavorable)	2024	2023	Favorable / (Unfavorable)	2024	2023	Favorable / (Unfavorable)
Income tax expense	Income tax expense	\$ (94)	\$ (96)	2%	\$ (154)	\$ (160)	4%	Income tax expense	\$ (68)	\$ (86)
Effective tax rate	Effective tax rate	(26)	% (26)	%	(24)	% (24)	%	Effective tax rate	(27)	% (25)

Our effective tax rate for the ~~six~~ three months ended June 30, 2024 and 2023 September 30, 2024 was ~~favorably~~ unfavorably impacted primarily by \$16 million and \$12 million \$4 million of income tax benefits, respectively. For both periods, the income expense resulting from adjustments to reflect filed tax benefits primarily resulted from stock-based compensation returns and a reduction an increase in the liability for uncertain tax positions resulting from the expiration of statutes of limitation, positions.

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 and ~~six~~ nine months ended June 30, 2024 September 30, 2024 and 2023:

	Three Months Ended			Six Months Ended June 30,			Three Months Ended September 30,			Nine Months Ended September 30,			Favorable / (Unfavorable)	
	June 30,		Favorable / (Unfavorable)	2024		Favorable / (Unfavorable)	2024		2024		2024			
	2024	2023		2024	2023		2024	2023	2024	2023	2024	2023		
Net income	Net income	\$ 258	\$ 263	(2)	(2)%	\$ 473	\$ 468	1	1 %	\$ 167	\$ 249	(33)	(33)%	
Diluted income per common share	Diluted income per common share	\$ 1.17	\$ 1.16	1	1 %	\$ 2.14	\$ 2.07	3	3 %	\$ 0.77	\$ 1.10	(30)	(30)%	

Business Segment and Geographic Area Results

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

	Three Months Ended June 30,			Six Months Ended June 30,			Three Months Ended September 30,			Nine Months Ended September 30,			Percent Change
	2024		2023	2024		2023	2024		2023	2024		2023	
	2024	2023	vs. 2023	2024	2023	vs. 2023	2024	2023	vs. 2023	2024	2023	vs. 2023	
Net Sales:	Net Sales:												
Plumbing Products	Plumbing Products	\$ 1,253	\$ 1,225	2	2 %	\$ 2,445	\$ 2,447	—	— %	Plumbing Products	\$ 1,219	\$ 1,191	—
Decorative Architectural Products	Decorative Architectural Products	838	902	902	(7)%	1,572	1,659	1,659	(5)%	Decorative Architectural Products	764	788	788
Total	Total	\$ 2,091	\$ 2,127	(2)	(2) %	\$ 4,017	\$ 4,106	(2)	(2) %	Total	\$ 1,983	\$ 1,979	—
North America	North America												
North America	North America	\$ 1,695	\$ 1,718	(1)	(1) %	\$ 3,220	\$ 3,273	(2)	(2) %	\$ 1,595	\$ 1,602	\$ 1,602	—
International	International	397	409	409	(3)%	797	833	833	(4)%	International	388	377	377
Total	Total	\$ 2,091	\$ 2,127	(2)	(2) %	\$ 4,017	\$ 4,106	(2)	(2) %	Total	\$ 1,983	\$ 1,979	—
Operating Profit:	Operating Profit:												
Plumbing Products	Plumbing Products												
Plumbing Products	Plumbing Products												



The following discussion of business segment and geographic area results refers to the three and **six nine** months ended **June 30, 2024 September 30, 2024** compared to the same periods of 2023. Changes in operating profit in the following business segment and geographic area results discussion exclude general corporate expense, net.

BUSINESS SEGMENT RESULTS DISCUSSION

Plumbing Products

Sales

Net sales in the Plumbing Products segment increased two percent and one percent for the three and **nine** months ended **June 30, 2024 September 30, 2024**, and remained flat for the six months ended June 30, 2024, respectively. In local currencies (including sales in currencies outside their respective functional currencies), net sales increased **three** two percent and one percent for the three and **six nine** months ended **June 30, 2024 September 30, 2024**, respectively. Higher net selling prices For the three months ended September 30, 2024, higher sales volume increased sales by two percent and the acquisition of Sauna360 Group Oy ("Sauna360") increased sales by two percent for both the three and six months ended June 30, 2024. For the three months ended June 30, 2024, these amounts one percent. These increases were partially offset by unfavorable sales mix which decreased sales by one percent. For the **six nine** months ended **June 30, 2024 September 30, 2024**, these amounts higher net selling prices and the acquisition of Sauna360 each increased sales by two percent. These increases were mostly partially offset by lower sales volume which decreased sales by three percent and an unfavorable sales mix which each decreased sales by one percent.

Operating Results

Operating profit in the Plumbing Products segment for the three and **six** months ended **June 30, 2024 September 30, 2024** was positively impacted by cost savings initiatives and higher sales volume, partially offset by higher commodity and transportation costs and unfavorable sales mix. Operating profit for the **nine** months ended September 30, 2024 was positively impacted by cost savings initiatives and higher net selling prices, and cost savings initiatives. These amounts were partially offset by lower sales volume for the six months ended June 30, 2024 and unfavorable sales mix and increased employee-related costs for the three and six months ended June 30, 2024, costs.

Decorative Architectural Products

Sales

Net sales in the Decorative Architectural Products segment decreased **seven** three percent and five percent for the three and **six nine** months ended **June 30, 2024 September 30, 2024**, respectively. These decreases were For the three months ended September 30, 2024, the decrease was due primarily to the divestiture of our Kichler business and lower sales volume of builders' hardware and lighting products. For the nine months ended September 30, 2024, the decrease was due primarily to lower sales volume for paints and other coating products and builders' hardware products and lower net selling prices for paints and other coating products for both periods, across the segment.

Operating Results

Operating profit in the Decorative Architectural Products segment for the three and **six** months ended **June 30, 2024 September 30, 2024** was negatively impacted by the non-recurrence of the receipt of an insurance settlement payment in 2023, higher marketing costs, and lower sales volume, partially offset by cost savings initiatives. Operating profit for the **nine** months ended September 30, 2024 was negatively impacted by the non-recurrence of the receipt of an insurance settlement payment in 2023, lower net selling prices, and lower sales volume, partially offset by lower commodity costs and cost savings initiatives. For the three months ended June 30, 2024, operating profit was also positively impacted by lower marketing costs.

GEOGRAPHIC AREA RESULTS DISCUSSION

North America

Sales

North America net sales were flat for the three months ended September 30, 2024 and decreased one percent and two percent for the three and **six nine** months ended **June 30, 2024 September 30, 2024**. For the three months ended September 30, 2024, respectively. Lower sales increased one percent due to the acquisition of Sauna360, mostly offset

by one percent due to the divestiture of Kichler. For the nine months ended September 30, 2024, lower sales volume decreased sales by two percent and three percent for the three and six months ended June 30, 2024, respectively, and unfavorable sales mix lower net selling prices of decorative architectural products decreased sales by one percent, for both periods. This was partially offset by the acquisition of Sauna360 and higher net selling prices of plumbing products which each increased sales by one percent for both periods. percent.

Operating Results

North America operating profit for the three and six months ended June 30, 2024 September 30, 2024 was positively impacted by cost saving initiatives the non-recurrence of the receipt of an insurance settlement payment in 2023 and lower commodity costs. For the three and six months ended June 30, 2024, these amounts were higher marketing costs, partially offset by cost savings initiatives. For the nine months ended September 30, 2024, operating profit was negatively impacted by the non-recurrence of the receipt of an insurance settlement payment in 2023, lower sales volume, increased unfavorable sales mix and higher employee-related costs, partially offset by cost savings initiatives and unfavorable sales mix.

higher net selling prices.

International

Sales

International net sales decreased increased three percent and four percent for the three and six months ended June 30, 2024 September 30, 2024, respectively. In and in local currencies (including sales in currencies outside their respective functional currencies), net sales decreased increased three percent. Higher sales volume increased sales by five percent and higher net selling prices increased sales by one percent, and three percent for the three and six months ended June 30, 2024, respectively. Lower partially offset by unfavorable sales volume mix which decreased sales by three percent. International net sales decreased two percent for the six months ended June 30, 2024 September 30, 2024, and unfavorable in local currencies, net sales decreased one percent. Unfavorable sales mix decreased sales by two percent, and one percent for the three and six months ended June 30, 2024, respectively. These amounts were partially offset by higher net selling prices which increased sales by one percent for both periods. percent.

Operating Results

International operating profit for the three and six months ended June 30, 2024 September 30, 2024 increased primarily due to higher sales volume, mostly offset by unfavorable sales mix. For the nine months ended September 30, 2024, operating profit was negatively impacted by unfavorable sales mix, higher employee-related costs and unfavorable foreign currency translation. For the six months ended June 30, 2024, operating profit was also negatively impacted by lower sales volume. For the three and six months ended June 30, 2024, these amounts were translation, partially offset by cost saving savings initiatives and increased higher net selling prices.

Liquidity and Capital Resources

Overview of Capital Structure

We had cash and cash investments of approximately \$398 million \$646 million and \$634 million at June 30, 2024 September 30, 2024 and December 31, 2023, 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 June 30, 2024 September 30, 2024 and December 31, 2023, \$284 \$332 million and \$323 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.

Our current ratio was 1.8 to 1 and 1.7 to 1 at June 30, 2024 and December 31, 2023, respectively.

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 no borrowings were outstanding at June 30, 2024 September 30, 2024.

364-day Term Loan

On April 26, 2022, we entered into a 364-day \$500 million senior unsecured delayed draw term loan (the "term loan") due April 26, 2023 with a syndicate of lenders. The term loan and commitments thereunder were subject to prepayment or termination at our option and the loans bore interest at SOFR plus a spread adjustment and 0.70%. The

covenants, including the financial covenants, were substantially the same as those in the 2022 Credit Agreement. We repaid \$300 million during 2022 and the remaining \$200 million upon the maturity of the term loan on April 26, 2023.

Other Liquidity and Capital Resource Activities

On May 9, 2023, our Hansgrohe SE subsidiary entered into **€70 million** (\$77 million) of short-term borrowings to support working capital needs. The loans contained no financial covenants and the full amount **€60 million** (\$63 million) remained borrowed and outstanding at a weighted average interest rate of **4.173%** **4.807%** at **June 30, 2023** **September 30, 2023**, and was fully repaid at December 31, 2023.

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 **\$53** **\$52** million and **\$53** million at both **June 30, 2024** **September 30, 2024** and **December 31, 2023**, respectively. Of the amounts confirmed as valid under the program, the amounts owed to participating financial institutions were **\$21** million and **\$28** million at **June 30, 2024** both **September 30, 2024** and **December 31, 2023**, 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.

Acquisitions

In the third quarter of 2023, we acquired all of the share capital of Sauna360 for approximately **€124 million** (\$136 million), net of cash acquired. Sauna360 has a portfolio of products that includes traditional, infrared, and wood-burning saunas as well as steam showers.

Divestitures

In the third quarter of 2024, we sold our Kichler business, a provider of decorative residential and light commercial lighting products, ceiling fans, and LED lighting systems, for preliminary consideration of **\$125 million**, net of cash disposed, and subject to final closing adjustments.

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 **six** **nine** months ended **June 30, 2024** **September 30, 2024**, we repurchased and retired approximately **4.1** **6.6** million shares of our common stock (including **0.4** **0.5** million shares to offset the dilutive impact of restricted stock units granted in the **six** **nine** months ended **June 30, 2024** **September 30, 2024**) for approximately **\$292** **\$486** million, inclusive of excise tax of **\$2** **\$3** million. At **June 30, 2024** **September 30, 2024**, we had approximately **\$1.4** **\$1.2** billion remaining under the 2022 authorization. Consistent with our past practice and as part of our long-term capital allocation strategy, outside of any potential acquisitions, we anticipate using approximately **\$750** million of cash for share repurchases in 2024.

Cash Flows

For the **six** **nine** months ended **June 30, 2024** **September 30, 2024**, net cash provided by operations was **\$252 million** **\$668 million**, primarily driven by operating profit, partially offset by changes in working capital.

For the **six** **nine** months ended **June 30, 2024** **September 30, 2024**, net cash used for financing activities was **\$404 million** **\$673 million**, primarily due to **\$290 million** **\$482 million** for the repurchase and retirement of our common stock, **\$128 million** **\$191 million** for the payment of cash dividends, **\$33 million** **\$34 million** for employee withholding taxes paid on stock-based compensation, **\$25 million** for dividends paid to noncontrolling interest, and **\$15 million** for the purchase of the remaining equity interest in Easy Sanitary Solutions B.V., and **\$12 million** for dividends paid to noncontrolling interest. These uses of cash were partially offset by **\$75 million** **\$76 million** of proceeds from the exercise of stock options.

For the **six** **nine** months ended **June 30, 2024** **September 30, 2024**, net cash used for provided by investing activities was **\$80 million** **\$12 million**, primarily driven by **\$74 million** **\$131 million** of proceeds from the sale of Kichler, net of cash disposed, partially offset by **\$112 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, 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 **June 30, 2024** **September 30, 2024**, 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 **June 30, 2024** **September 30, 2024**, 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.

MASCO CORPORATION

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Information regarding legal proceedings involving us is set forth in Note **L** **M** 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, 2023.

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 **June 30, 2024** **September 30, 2024** 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
4/1/24 - 4/30/24	776,908	\$ 73.38	776,908	\$ 1,442,487,966
5/1/24 - 5/31/24	776,946	\$ 70.03	776,946	\$ 1,388,081,164
6/1/24 - 6/30/24	463,613	\$ 67.74	463,613	\$ 1,356,677,192
Total for the quarter	2,017,467	\$ 70.79	2,017,467	\$ 1,356,677,192

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
7/1/24 - 7/31/24	763,419	\$ 70.74	763,419	\$ 1,302,670,493
8/1/24 - 8/31/24	866,003	\$ 76.22	866,003	\$ 1,236,663,318
9/1/24 - 9/30/24	893,300	\$ 80.61	893,300	\$ 1,164,655,516
Total for the quarter	2,522,722	\$ 76.12	2,522,722	\$ 1,164,655,516

Item 5. Other Information

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

During the three months ended **June 30, 2024** **September 30, 2024**, 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

10.a	Non-Employee Directors Equity Program under Masco Corporation's 2024 Long Term Stock Incentive Plan.
10.b	Form of Restricted Stock Unit Award Agreement for Non-Employee Directors (for awards on or after May 10, 2024).
31.a	Certification by Chief Executive Officer required by Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
31.b	Certification by Chief Financial Officer required by Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
32	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 June 30, 2024 September 30, 2024 , 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

[July 25, 2024](#) [October 29, 2024](#)

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Exhibit 10.a

**MASCO CORPORATION
NON-EMPLOYEE DIRECTORS EQUITY PROGRAM
UNDER THE 2024 LONG TERM STOCK INCENTIVE PLAN**

Non-employee directors of Masco Corporation (the "Company") are eligible to receive an annual retainer, of which a portion is paid in cash and the remainder is paid in the form of a Restricted Stock Unit ("RSU") Award granted pursuant to this Masco Corporation Non-Employee Directors Equity Program (the "Program"). Under this Program, an "Eligible Director" is any director of the Company who is not an employee of the Company and who receives a fee for services as a director. RSUs are bookkeeping entries that give the Eligible Director the right to receive shares of Company common stock ("Shares") upon vesting. Terms not defined herein have the meaning given to them in the Company's 2024 Long Term Stock Incentive Plan, as amended from time to time (the "Plan").

Section 1. Restricted Stock Unit (RSU) Award

(a) **Eligibility for Award.** On the date of each of the Company's annual stockholders' meetings (the "Annual Meeting"), each person who is or becomes an Eligible Director at such meeting and whose service on the Board is expected to continue following such meeting shall be granted an

RSU Award. The grant entitles an Eligible Director to receive Shares on a one-to-one RSU-to-Share basis upon vesting as set forth in the vesting schedule in the Award Agreement, subject to the terms and conditions set forth herein and in the Award Agreement.

(b) (i) Amount of Award. The number of RSUs awarded shall be determined by the Board of Directors from time to time (the "Equity Retainer"). If an Eligible Director begins serving as a director other than as of the date of an Annual Meeting, the RSU Award granted hereunder shall be granted at the meeting of the Board of Directors that takes place on or after the date such Eligible Director is first elected or appointed to the Board, and such Award shall be pro-rated to reflect the partial service provided by such Eligible Director in the period between Annual Meetings.

(ii) Adjustment to Amount or Terms of Award. The Board shall have sole discretion to adjust the amount of the Equity Retainer to be paid in the form of RSUs and the terms of any such RSU Award. Except as the Board may otherwise determine, any increase or decrease in an Eligible Director's Annual Retainer during a period with respect to which such Eligible Director has already been granted an RSU Award shall be implemented by increasing or decreasing the cash portion of such Eligible Director's annual retainer.

(iii) Limitation on Equity Retainer. Notwithstanding the foregoing or anything to the contrary herein, the maximum Equity Retainer granted to an Eligible

Director during the annual director compensation period (as defined in the Plan) shall not exceed the limit set forth in Section 4(b)(ii) of the Plan.

(c) Vesting. Subject to the provisions of Section 2 below, each RSU Award granted hereunder shall vest with respect to one-third of the RSUs (disregarding fractional RSUs) on May 15 of each of the three consecutive calendar years following the year in which such Award is granted; provided, however, that if an Award is granted between the Annual Meeting and December 31 pursuant to Section 1(b)(i), the first vesting shall occur on May 15 of the second calendar year following the year in which such Award is granted. Shares issued upon vesting will be registered in the Eligible Director's name in book-entry form. RSUs that do not vest into Shares will be forfeited.

(d) Effective Grant Date. The price of the Shares used in determining the number of RSUs granted hereunder shall be the fair market value of the Shares as determined by the Board on the effective grant date of such Award (the "Grant Date"); provided that if an Award granted in accordance with Section 1(a) of this Program falls within seven days prior to the release of the Company's quarterly or annual financial results, then the effective grant date for such Award will be the first trading day after the date on which such financial results are released.

(e) Dividend Equivalents. Promptly after each date on which the RSUs vest, the Company will pay to the Eligible Director an amount in cash (subject to any applicable taxes or charges) equal to the sum of the regular quarterly per share cash dividends, if any, paid by the Company to holders of record on or after the Grant Date (the "Dividend Equivalent") multiplied by the number of RSUs then vesting in Shares. If, prior to the final vesting date of an Award hereunder (the "Final Vesting Date"), there is a record date for the Company's regularly quarterly cash dividend that will be payable after the Final Vesting Date, then as soon as practicable after the later of the date the RSUs are settled in Shares or the date the declared dividend is paid to shareholders generally, the Company shall pay the Eligible Director the Dividend Equivalent on the RSUs that were held by such Eligible Director on such record date, calculated as provided above. Except for the payment of Dividend Equivalents, an Eligible Director shall have no right to receive any payment on account of any dividend or other distribution on the underlying Shares.

(f) No Voting or Other Rights. Until the RSUs vest and are settled as Shares, an Eligible Director shall not have voting rights with respect to the RSUs or the underlying Shares, and an Eligible Director will not be able to sell, encumber or otherwise transfer the RSUs or the underlying Shares except in accordance with the terms of the Plan.

Section 2. Termination of Services as a Director

(a) Retirement. If an Eligible Director's term of service as a director is terminated by reason of retirement on or after normal retirement age for a director as

set forth in the Company's Corporate Governance Guidelines ("Retirement"), any RSU Award held by such Eligible Director shall continue to vest in the same manner as if such Eligible Director's term of service had not terminated.

(b) **Death or Disability.** If an Eligible Director's term of service as a director is terminated by reason of death or permanent and total disability or, if following termination or Retirement as a director, a former director dies while continuing to have rights under any RSU Awards, upon such death or termination by reason of permanent and total disability, any such RSUs shall immediately vest and be settled in Shares.

(c) **Forfeiture.**

(i) If an Eligible Director's term of service as a director terminates for any reason other than as a result of death, permanent and total disability or Retirement, all RSUs held by such Eligible Director that remain subject to restrictions shall be forfeited and transferred back to the Company on the date of such termination; *provided, however,* that any RSUs that remain subject to restrictions but that would have vested on May 15 following such Eligible Director's termination shall vest pro rata on the date of termination based upon that portion of the year between annual vesting dates in which the termination occurred during which such Eligible Director served as a director.

(ii) Notwithstanding anything to the contrary herein, if, following termination of service as a director for any reason other than death (including due to Retirement), a former director continues to hold RSUs, the Board, in its sole judgment, may cause all RSUs to be forfeited and transferred back to the Company concurrently with, or at any time following, such termination if the Board determines that such former director has engaged in any activity detrimental to the interests of the Company, a subsidiary or an affiliated company. In such circumstances, the Board may also determine not to pay any Dividend Equivalent that has accrued and has not been paid with respect to any RSUs.

(d) **No Acceleration.** The provisions of Section 6(d)(v) of the Plan shall not apply to RSU Awards granted to Eligible Directors.

Section 3. Section 409 of the Internal Revenue Code

This Program and any Award Agreement hereunder are intended to comply with or be exempt from the requirements of Section 409A of the Internal Revenue Code ("Section 409A of the Code"), and the provisions of this Award Agreement and the Program shall be interpreted in a manner that satisfies the requirements of Section 409A of the Code. If any term or condition of this Award Agreement or any provision of the Program would otherwise frustrate or conflict with this intent, the term or condition or provision shall be interpreted and deemed amended so as to avoid this conflict. Notwithstanding anything in the Program to the contrary, if the Board considers an Eligible Director to be a "specified employee" under Section 409A of the Code at the

time of such Eligible Director's "separation from service" (as defined in Section 409A of the Code), and any amount hereunder is "deferred compensation" subject to Section 409A of the Code, any distribution of such amount that otherwise would be made to such Eligible Director with respect to an Award as a result of such "separation from service" shall not be made until the date that is six months after such "separation from service," except to the extent that earlier distribution would not result in such Eligible Director incurring interest or additional tax under Section 409A of the Code. The right to any "dividend equivalents" (within the meaning of Section 1.409A-3(e) of the Treasury Regulations) shall be treated separately from the right to other amounts under the Award. To the extent an Award includes a "series of installment payments" (within the meaning of Section 1.409A-2(b)(2)(iii) of the Treasury Regulations), such Eligible Director's right to such series of installment payments shall be treated as a right to a series of separate payments and not as a right to a single payment. Notwithstanding the foregoing, the tax treatment of the benefits provided under this Program or any Award Agreement hereunder is not warranted or guaranteed, and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by an Eligible Director on account of noncompliance with Section 409A of the Code.

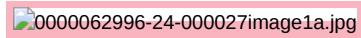
Section 4. Termination, Modification or Suspension

The Board may terminate, modify or suspend the Program at any time as it may deem advisable.

Section 5. Governing Law

The Program shall be governed by and interpreted in accordance with Michigan law.

Exhibit 10.b



Restricted Stock Unit Award Agreement For Non-Employee Directors

Dear (Participant Name):

This letter is to inform you that the Board of Directors of Masco Corporation (the "Company") has granted you the following award (the "Award") of Restricted Stock Units ("RSUs") pursuant to the Non-Employee Directors Equity Program (the "Program") under the Masco Corporation 2024 Long Term Stock Incentive Plan (the "Plan").

Grant Date	Shares Awarded	Vesting Schedule
(Grant Date)	(# of RSUs Granted)	(Vesting Schedule Dates & Quantities)

This Award entitles you to receive shares of Company common stock ("Shares") upon vesting of the RSUs, subject to the terms and conditions of the Program and this Award Agreement. You must accept this Award within 30 days of this notification, or it will be canceled without consideration and will be of no further force and effect. By accepting this Award, you voluntarily agree to the Terms and Conditions attached to this letter as Annex A (the "Terms and Conditions") and to the provisions of the Program and Plan, and acknowledge that:

- You have read and understand the Terms and Conditions, the Program and the Plan, and agree that all of your rights to this Award are embodied therein.
- You have received or have access to all of the documents referred to in the Terms and Conditions and the Plan prospectus. Copies of the Company's latest annual report to stockholders and proxy statement are available in the "Plan & Grant Document" section of NetBenefits.com.
- There are no other commitments or understandings currently outstanding with respect to any other grants of restricted stock units, restricted stock, options, phantom stock or stock appreciation rights, except as may be evidenced by a written agreement between you and the Company.

Please contact Stock Plan Services at (313) 792-6667 or at StockPlanServices@mascohq.com if you have any questions or concerns regarding this information.

Sincerely,

Masco Corporation

Annex A

Masco Corporation
Terms and Conditions of
Restricted Stock Units for Non-Employee Directors
under the
Masco Corporation 2024 Long Term Stock Incentive Plan

Restricted Stock Units ("RSUs") are bookkeeping entries that give you the right to receive Shares on a one-for-one RSU-to-Share basis upon vesting. Shares issued upon vesting will be registered in your name in book-entry form. RSUs that do not vest into Shares will be forfeited. Until the RSUs vest and are settled in Shares, you will not have voting rights with respect to the RSUs or the underlying Shares, and you will not be able to sell, encumber or otherwise transfer the RSUs or the underlying Shares except in accordance with the Company's 2024 Long Term Stock Incentive Plan (the "Plan"). Terms not defined herein have the meaning given to them in the Non-Employee Directors Equity Program (the "Program") or the Plan.

Provided that, since the date that this Award is granted you have continuously served as an Eligible Director, the restrictions on the RSUs will lapse in installments as provided in the vesting schedule in the Award Agreement until all the RSUs have vested into Shares free of restrictions, based on the initial number of RSUs granted.

The Company will pay a Dividend Equivalent on the RSUs that vest as provided in the Program.

You agree not to engage in certain activities.

Notwithstanding the foregoing, if at any time you engage in an activity following your termination of service which in the sole judgment of the Board is detrimental to the interests of the Company, a subsidiary or Affiliate, all RSUs that have not vested into Shares will be forfeited to the Company. You acknowledge that such activity includes, but is not limited to, "Business Activities" (as defined below).

You agree, in consideration for this Award, and regardless of whether any RSUs have vested, while you are a holder of the RSUs and for a period of one year thereafter (the "Restricted Period"), not to directly or indirectly, own any interest in (other than an indirect interest that arises from your ownership of or investments in mutual funds or similar collective investment equity vehicles available to the general public), manage, control, participate in (whether as a manager, officer, employee, partner, agent, representative or otherwise), consult with, render services for, or any other manner engage in, or assist in any manner any other person or entity to engage in, any Business Activities within the Restricted Territory. For purposes hereof, (i) "Business Activities" shall mean the design, development,

manufacture, sale, marketing or servicing of any product or service that is competitive with any products or services offered by the Company or any subsidiary or Affiliate of the Company at any time while this Award is outstanding; and (ii) "Restricted Territory" means any state in which the Company or its subsidiary or Affiliate offers services or products.

Without limiting the generality of the foregoing, you agree that during the Restricted Period, you will not, directly or indirectly, (i) solicit business from any person or entity that is or was a client or customer of the Company or any of its subsidiaries or Affiliates during the time in which this Award is outstanding for the purpose of securing business or contracts related to the Business Activities or in any way interfere with the relationship between the Company and its subsidiaries or Affiliates and any such client or customer; or (ii) employ, solicit, engage, or in any way interfere in the Company's relationship with any person who is (or was at any time during the 12 months preceding such action) employed or engaged by the Company or its subsidiaries or Affiliates.

Should you breach any of the restrictions contained in this section, by accepting this Award you agree, independent of any equitable or legal remedies that the Company may have and without limiting the Company's right to any other equitable or legal remedies, to pay to the Company in cash immediately upon the demand of the Company (1) the amount of income realized for income tax purposes from this Award, net of all federal, state and other taxes payable on the amount of such income, but only to the extent such income is realized from the vesting of RSUs on or after the termination of your service as a Director of the Company or within the two year period prior to the date of such termination, plus (2) all costs and expenses of the Company in any effort to enforce its rights under this section. To the extent permitted under applicable law, the Company shall have the right to set off or withhold any amount owed to you by the Company or any of its subsidiaries or Affiliates for any amount owed to the Company by you under this Award Agreement.

You agree to resolve any disputes through mediation and, if necessary, binding arbitration.

Section 3 of the Plan provides, in part, that the Committee appointed by the Board to administer the Plan shall have the authority to interpret the Plan, the Award Agreements, this Award and any related document and decide all questions and settle all controversies and disputes relating thereto. It further provides that the determinations, interpretations and decisions of the Committee are within its sole discretion and are final, conclusive and binding on all persons. In addition, you and the Company agree that if for any reason a claim is asserted against the Company or any of its subsidiaries or Affiliates or any officer, employee or agent of the foregoing (other than a claim involving non-competition restrictions or the Company's, a subsidiary's or an Affiliate's trade secrets, confidential information or intellectual property rights) which (1) subverts the provisions of Section 3 of the Plan; or (2) involves any of the provisions of the Award Agreement or the Plan or the provisions of any equity award or other agreements relating to Company Common Stock or the claims of yourself or any persons to the benefits thereof, in order to provide a more speedy and economical resolution, you and the Company will resolve any dispute through mediation, and, if necessary, final and binding arbitration before a neutral arbitrator instead of in a court by a judge or jury. The mediation and arbitration will be administered by the American Arbitration Association ("AAA")

under its Commercial Arbitration Rules. The decision of the arbitrator will be final and binding. The award rendered by the arbitrator may be confirmed and enforced in any court having jurisdiction thereof. The parties shall bear their own legal fees in any arbitration and shall split the fees of the AAA and the arbitrator. Notwithstanding the provisions contained herein, however, the parties specifically agree that any mediation or arbitration required by this paragraph shall take place at the offices of the American Arbitration Association located in the metropolitan Detroit area or such other location in the metropolitan Detroit area as the parties might agree. Except as otherwise required under applicable law, you and the Company agree that class action, collective action and representative action procedures shall not be asserted, nor will they apply in any proceeding governed by the Program. Neither the Company nor you will assert any class action or representative claims; each shall only submit their own individual claims and will not seek to represent the interests of any other person or entity. The provisions of this paragraph: (a) shall survive the termination or expiration of the Award Agreement, (b) shall be binding upon the Company's and your respective successors, heirs, personal representatives, designated beneficiaries and any other person asserting a claim based upon the Award Agreement, (c) shall supersede the provisions of any prior agreement between you and the Company with respect to any of the Company's restricted stock unit, restricted stock or other stock-based incentive plans to the extent the provisions of such other agreement requires arbitration between you and the Company, and (d) may not be modified without the consent of the Company. Subject to the exception set forth above, you and the Company acknowledge that neither of us nor any other person asserting a claim described above has the right to resort to any federal, state or local court or administrative agency concerning any such claim and the decision of the arbitrator shall be a complete defense to any action or proceeding instituted in any tribunal or agency with respect to any dispute.

You agree to comply with applicable tax requirements and to provide information as requested.

You agree to comply with the requirements of applicable federal and other laws with respect to withholding or providing for the payment of required taxes. You also agree to promptly provide such information with respect to RSUs or the underlying Shares acquired pursuant to this Award, as may be requested by the Company or any of its subsidiaries or Affiliates.

This Award is, in all respects, subject to the documents referenced in this Award Agreement and is intended to comply with, or be exempt from, as the case may be, the provisions of Internal Revenue Code Section 409A.

The Award Agreement shall be governed by and interpreted in accordance with Michigan law.

The headings set forth herein are for informational purposes only and are not a substantive part of these Terms and Conditions.

These Terms and Conditions are effective for grants made on or after the date hereof.

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: **July 25, 2024** October 29, 2024

By: /s/ Keith J. Allman

Keith J. Allman
President and Chief Executive Officer

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Exhibit 31.b

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: **July 25, 2024** October 29, 2024

By: /s/ Richard J. Westenberg

Richard J. Westenberg

Vice President, Chief Financial Officer and Treasurer

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Exhibit 32

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 **June 30, 2024** **September 30, 2024** (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: **July 25, 2024** October 29, 2024

/s/ Keith J. Allman

Name: Keith J. Allman

Title: President and Chief Executive Officer

Date: **July 25, 2024** October 29, 2024

/s/ Richard J. Westenberg

Name: Richard J. Westenberg

Title: Vice President, Chief Financial Officer and Treasurer

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