

Masco Corporation (MAS)

\$64.77 (Stock Price as of 12/16/2025)

Price Target (6-12 Months): **\$68.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 10/20/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: C

Value: B

Growth: C

Momentum: F

Summary

Shares of Masco have underperformed the industry in the past six months. The company's prospects are hurt by a challenging macroeconomic environment and rising tariff-related risks, which continue to pressure its near-term outlook. Earnings estimates for 2026 have declined in the past 30 days, depicting analysts' concern regarding the stock's growth potential. Nonetheless, the company continues to benefit from its innovative and diversified product portfolio, ongoing cost-saving initiatives, and solid liquidity position. During the third quarter of 2025, management reaffirmed its focus on leveraging the Masco Operating System to reduce its cost base further and enhance productivity and efficiency across manufacturing, procurement, and supply chain operations.

Data Overview

52 Week High-Low	\$82.18 - \$56.96
20 Day Average Volume (sh)	2,558,347
Market Cap	\$13.5 B
YTD Price Change	-10.8%
Beta	1.27
Dividend / Div Yld	\$1.24 / 1.9%
Industry	Building Products - Miscellaneous
Zacks Industry Rank	Bottom 32% (163 out of 243)

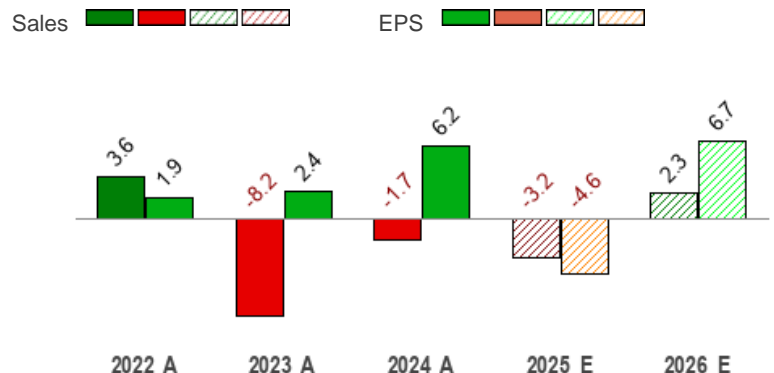
Last EPS Surprise	-4.9%
Last Sales Surprise	-1.1%
EPS F1 Est- 4 week change	-0.1%
Expected Report Date	02/10/2026
Earnings ESP	-1.4%

P/E TTM	16.1
P/E F1	16.6
PEG F1	19.5
P/S TTM	1.8

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	1,815 E	2,078 E	1,982 E	1,883 E	7,758 E
2025	1,801 A	2,051 A	1,917 A	1,812 E	7,581 E
2024	1,926 A	2,091 A	1,983 A	1,828 A	7,828 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	0.86 E	1.25 E	1.11 E	0.94 E	4.17 E
2025	0.87 A	1.30 A	0.97 A	0.77 E	3.91 E
2024	0.93 A	1.20 A	1.08 A	0.89 A	4.10 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/16/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/05/2025.

Overview

Headquartered in Taylor, MI, Masco Corporation manufactures, sells and installs home improvement and building products. Masco operates through the following two business segments:

Plumbing Products (accounting for 62% of 2024 net sales): The segment manufactures and markets an array of faucets, bathing and showering devices, valves, bathtubs, spas and toilets. This segment provides its products under the Delta, Brizo, Peerless, Hansgrohe, Axor, Ginger, Newport Brass, Brasstech, Waltec, Bristan, Heritage, Mirolin, Ha Ppe, Hot Spring, Caldera, Freeflow Spas, Fantasy Spas, Endless Pools, Brasscraft, Plumb Shop, Cobra, Cobra Pro, And Master Plumber brands.

Decorative Architectural Products (38%): The segment manufactures architectural coatings, including paints, primers, specialty paint products, stains and waterproofing products. These products are sold in the U.S., Canada, China, Mexico and South America. This segment provides its products under the Behr, Kilz, Liberty, Brainerd, Franklin Brass, Kichler, And A Lan brands.

During the third quarter of 2024, the company divested its Kichler Lighting business, which was operational under the Decorative Architectural Products segment, for a preliminary consideration of \$125 million.

As of June 30, 2025, Masco had a total liquidity of \$1.344 billion, down from \$1.63 billion 2024-end value. The company's cash & cash investments were \$390 million compared with \$634 million at 2024-end. As of June 30, 2025, its long-term debt was \$2.95 billion, in line with 2024-end.

As of Sept. 30, 2025, Masco had a total liquidity of \$1.56 billion, down from \$1.65 billion as of Sept. 30, 2024. The company's cash & cash investments were \$559 million compared with \$634 million at 2024-end. As of Sept. 30, 2025, its long-term debt was \$2.95 billion, in line with 2024-end.

During the third quarter of 2025, the company repurchased 1.8 million shares for about \$124 million. Masco's board of directors has announced a quarterly dividend of \$0.31 per share, scheduled to be paid on Nov. 24, 2025, to its shareholders of record as of Nov. 7.



As of 12/05/2025



As of 12/16/2025

Reasons To Buy:

▲ **Leading Brand Portfolio with Strong Competitive Positioning:** Masco operates through various divisions, offering a wide range of products. It holds one of the largest shares in the faucets market. The popular brands, under the Plumbing Products and Decorative Architectural Products segments, include Behr Paint, Delta and Hansgrohe faucets, bath and shower fixtures, and Hot Spring spas. The Behr brand is the number one brand in the do-it-yourself or DIY market for architectural coatings. These brands continue to gain share across key growth categories such as e-commerce, luxury faucets and showering, and PRO paint, reinforcing Masco's ability to outperform underlying markets even in softer demand periods.

Continuous investment in industry-leading technologies, strong long-term views and solid balance sheet position are encouraging.

During the third quarter of 2025 earnings call, Masco highlighted the strengths and market recognition of its diversified products across its brands. Delta Faucet continued to deliver solid results, particularly across e-commerce and trade channels, and relaunched its iconic Newport Brass brand to expand its luxury offering — targeting an addressable market of approximately \$1.8 billion. In its international Plumbing business, Delta's new water filtration category, with a market opportunity of roughly \$1.2 billion, continues to outperform initial expectations. Notably, its tankless reverse osmosis water filtration system was recently honored with the Good Housekeeping 2026 Kitchen Award. Within the Decorative Architectural segment, Masco introduced KILZ Original Water-Based Primer and BEHR PREMIUM PLUS ECOMIX, a plant-based interior paint, reinforcing the company's commitment to innovation and sustainability across its product lines. Masco aims to continue making strategic investments across its leading brands across its two reportable segments, given their incremental effect on its growth prospects. Our model expects revenues from the Plumbing Products segment to increase year over year 2% to \$4.96 billion for the fiscal year 2025.

▲ **Cost-Saving Initiatives:** Masco's cost-saving initiatives include business consolidations, system implementations, plant closures, branch closures, improvement in the global supply chain and headcount reductions. These initiatives target company-wide annual savings through the reduction of corporate expenses and simplification of Masco's organizational structure. The company expects to take pricing actions to mitigate the impact of raw material inflation. To reduce tariff-related woes, Masco continues to work with suppliers and internal teams on cost-reduction opportunities and has started moving limited production out of China as a longer-term solution.

Amid ongoing geopolitical and economic shifts, Masco remains sharply focused on navigating challenges related to newly enacted tariffs. In the third quarter of 2025, the company emphasized its strategy of leveraging the Masco Operating System to significantly lower the cost basis and drive productivity and efficiency across manufacturing, procurement and the supply chain. Furthermore, Masco is actively working to optimize cost efficiencies throughout its entire sourcing footprint, supplier negotiations, internal cost reductions and targeted pricing. These efforts are expected to largely offset the \$150 million in-year tariff impact for 2025.

▲ **Strong Long-Term Prospect:** Although headwinds, including foreign currency risks, higher China tariffs, and other macroeconomic risks, as well as unfavorable impacts from the Kichler divestiture, are concerning, Masco expects solid long-term growth, with improving metrics in the near term. It believes that strong long-term fundamentals in the repair and remodel markets will drive growth. Factors such as the aging housing stock, longer home ownership and higher home equity levels are expected to increase repair and remodel activity over time.

Masco expects to generate 3-5% average annual sales growth organically, with acquisitions likely to contribute 1-3% yearly in sales. Average annual EPS growth is expected to be about 10%. Apart from this, it plans to return shareholders about 1-2% above EPS growth via dividends and about 2-4% through repurchases.

▲ **Stable Balance Sheet Position:** Masco's balance sheet remains stable, with gross debt to EBITDA of 2x as of Sept. 30, 2025. It ended the third quarter of 2025 with a total liquidity of \$1.56 billion, down from the \$1.65 billion as of Sept. 30, 2024. The company's cash & cash investments were \$559 million compared with \$634 million at 2024-end. As of Sept. 30, 2025, its long-term debt was \$2.95 billion, in line with 2024-end. Although the company's cash balance is down from 2024-end, it is enough to meet the short-term obligations of \$2 million.

Masco's board authorized a \$2 billion share repurchase program effective Oct. 20, 2022, of which it bought back 10 million shares for about \$757 million in 2024. Also, it extended the maturity of its \$1 billion revolving credit facility by three years to April 26, 2027. During the third quarter, the company repurchased 1.8 million shares for about \$124 million. Masco's board of directors has announced a quarterly dividend of 31 cents per share. It returned \$188 million to its shareholders in the form of dividends, including the repurchase of \$124 million in stock in the reported quarter.

▲ **Acquisitions & Divestitures to Accelerate Growth:** Masco continues to leverage acquisitions and divestitures to expand its portfolio and support long-term growth. Although the company did not indulge in any reportable acquisition in 2024, management reiterated its intention to pursue value-enhancing opportunities as they arise. For 2025, Masco expects to deploy approximately \$500 million toward share repurchases or acquisitions — an increase from its prior expectation of at least \$450 million — supported in part by a favorable cash tax benefit.

In its third-quarter 2025 update, the company emphasized that it is actively cultivating a robust pipeline of potential M&A targets, reaffirming that disciplined, bolt-on acquisitions remain an important component of its broader growth strategy.

Apart from acquisitions, Masco also focuses on divesting its less profitable and underperforming businesses to effectively concentrate on its core areas to accelerate growth and improve shareholder value. During the third quarter of 2024, the company divested its Kichler Lighting business, which was operational under the Decorative Architectural Products segment, for a preliminary consideration of \$125 million. This divestiture, part of the Decorative Architectural Products segment, has already contributed to a more focused business mix and improved segment clarity, positioning Masco to better prioritize core categories and enhance long-term shareholder value.

Reasons To Sell:

- ▼ **Impact of Tariffs on Costs and Demand:** Masco has faced significant shifts in the geopolitical and macroeconomic environment, particularly with the implementation of new and broad-reaching tariffs. The tariffs imposed on imports from China are substantial and will notably increase the company's costs, especially within the plumbing segment.

The company estimates that the total annualized impact of the enacted tariffs is approximately \$270 million before any mitigation efforts, up from the prior estimate of \$210 million. This includes a \$140 million impact from the 30% tariff on Chinese imports, while the remaining \$130 million is driven by the global reciprocal tariffs and 50% tariff on steel and aluminum. For 2025, the company expects a total in-year impact of around \$150 million before mitigation (up from \$140 million), with the majority of the cost occurring in the second half of 2025. The 145% temporary tariff on certain China imports added an incremental \$15 million impact in the third quarter of 2025, directly depressing operating margins. Even though Masco expects mitigation to offset some costs, tariffs remain volatile, unpredictable and a structural headwind that limits margin expansion.

New tariff regulations, a weak volume trend, persisting inflation, global uncertainty and currency headwinds are pressing concerns.

Masco is responding swiftly to the shifting economic conditions. However, there remains a high level of uncertainty regarding how these changes, along with the resulting higher prices, will affect demand trends in the industry moving forward.

- ▼ **Volume Weakness Across Key Markets:** Masco has witnessed slow demand for many of its products since the second quarter of 2022. Furthermore, high mortgage/interest rates, continuing inflation and tighter consumer spending are expected to challenge the market behavior, besides uncertainties regarding upcoming trade regulations.

In the third quarter of 2025, Masco reported a low single-digit decline in total paint sales, driven by softer volumes. PRO paint sales increased by low single digits, while DIY paint sales declined by mid-single digits. For the full year, the company continues to expect mid-single-digit declines in total paint sales. The Decorative Architectural segment posted a 12% year-over-year sales decline in the third quarter, or 6% excluding the prior-year Kichler divestiture, reflecting lower volumes in both the paint business and the builders' hardware category, the latter of which was also affected by unfavorable shipment timing.

- ▼ **High Cost Persists:** Masco and the overall industry have been witnessing intense inflationary pressure over the last few quarters. The ongoing unfavorable price-cost perspective has been hitting the company's margins for some time now. Despite undertaking strategic cost-saving initiatives to tone down the negative impacts, commodity cost inflation persists and remains elevated compared to prior-year levels. Masco expects that higher interest rates and inflation to pressure sales growth in the near term.

Masco purchases several commodities like brass, resins, titanium dioxide, and zinc to manufacture products. Fluctuations in the availability and prices of these commodities might increase the cost of production. Higher energy costs could also increase production and transportation costs. Apart from raw material costs, the company bears expenses related to new product launches. If Masco is unable to offset these costs through price increases or supply chain initiatives, then that may adversely affect profits. Our model expects the adjusted EBITDA margin to contract by 90 basis points year over year to 18.5% for the fiscal year 2025.

- ▼ **Federal Government Actions:** As Masco's business prospects are highly correlated with U.S. housing market conditions and repair and remodeling activity, any slowdown in the U.S. housing market may prove detrimental. The housing industry is cyclical and is affected by consumer confidence levels, prevailing economic conditions and interest rates. The federal government's actions related to economic stimulus, taxation and borrowing limits could affect consumer confidence and spending levels, which in turn could hurt both the economy and the housing market.

Currently, the U.S. housing industry remains challenging owing to unfavorable interest rates, inflation and consumer sentiment. The Fed began to increase rates in early 2022 to counter the high ongoing inflation scenario in the market, and it started moving toward the 2% target. On Oct. 29, 2025, the Federal Reserve reduced interest rates by 0.25 percentage points for the second consecutive meeting, bringing the benchmark rate to a range of 3.75% to 4.00%. Earlier, the Fed had signaled two more rate cuts for the year, but recent remarks from Chair Jerome Powell reflected a more cautious tone.

Meanwhile, mortgage rates remained elevated compared to many homeowners' fixed rates. With higher interest/ mortgage rates, affordability continues to be a concern for homebuyers. Inflationary pressures have driven the traditional cost of living expenses higher over the past two years, which has made savings for a down payment increasingly difficult.

- ▼ **China Weakness and Global Macro Uncertainty:** During the third quarter of 2025, Hansgrohe's growth in European markets was offset by sharp deterioration in China, which management repeatedly described as increasingly difficult. Softness in global repair-and-remodel demand persists, with Masco expecting international markets to be down low single digits for the year. Combined with geopolitical volatility and rising reciprocal tariffs, the company faces an uncertain global environment that may continue to suppress volumes and increase costs.

Meanwhile, Masco is exposed to risks from unfavorable movement in foreign currencies like the euro, renminbi, the Canadian dollar and the British pound sterling. Also, any economic unrest in countries served by Masco, especially North America, Europe and China, will adversely impact the company's export business.

Last Earnings Report

Masco Misses Q3 Earnings & Sales Estimates, Slashes '25 EPS Outlook

Masco posted lackluster third-quarter 2025 results, wherein the adjusted earnings and net sales missed the Zacks Consensus Estimate and tumbled year over year.

The quarter's performance was hurt due to the weak contributions from the Decorative Architectural Products segment, which outweighed the improved performance of the Plumbing Products segment. The ongoing uncertainties in the global economy and tariff-related risks are restricting the company's near-term prospects.

However, its innovative product portfolio and focus on aligning execution per the market's trends are expected to boost long-term trends and enable it to maintain shareholder value.

Inside MAS' Headlines

The company reported adjusted earnings per share (EPS) of 97 cents, which missed the Zacks Consensus Estimate of \$1.02 by 4.9%. In the year-ago quarter, it reported an adjusted EPS of \$1.08.

Net sales of \$1.92 billion also missed the consensus mark of \$1.94 billion by 1.1% and declined 3% from the prior-year period. Excluding divestitures, net sales decreased 2% year over year.

Net sales in the North American region slipped 6% (in local currency) from the prior year, while International sales remained flat year over year in local currency.

Masco's Segmental Analysis

Plumbing Products: Net sales in the segment rose 2% year over year to \$1.25 billion (slightly down from our model's projection of \$1.26 billion). In local currency, net sales inched up 1% year over year.

The adjusted operating margin contracted 350 basis points (bps) year over year to 16.4%. Adjusted EBITDA during the quarter came in at \$232 million, down from \$269 million reported in the prior-year quarter.

Decorative Architectural Products: The segment reported sales of \$670 million (up from our projection of \$666.6 million), down 12% from the prior-year period. In local currency and after excluding divestitures, the segment's net sales decreased 6% year over year.

Adjusted operating margin expanded 100 bps from the prior-year level to 19.1%. Adjusted EBITDA came in at \$136 million, down from the prior-year figure of \$147 million.

Margin Performance of MAS

Adjusted gross margin during the quarter contracted 210 bps from the prior-year level to 34.6%. Adjusted selling, general and administrative expenses — as a percentage of net sales — were down 20 bps to 18.4% from the year-ago figure of 18.6%.

Adjusted operating margin decreased 190 bps on a year-over-year basis to 16.3% (up from our model's expected value of 15.7%). Adjusted EBITDA during the quarter came in at \$349 million (up from our expected value of \$342.8 million) compared with \$397 million reported in the prior-year quarter.

Financial Highlights of MAS

As of Sept. 30, 2025, Masco had a total liquidity of \$1.56 billion compared with \$1.65 billion as of Sept. 30, 2024. This includes cash and cash investments of \$559 million and revolver availability of \$1 billion. Long-term debt as of the third quarter was \$2.95 billion, in line with 2024-end.

During the reported quarter, the company repurchased 1.8 million shares for about \$124 million. Masco's board of directors has announced a quarterly dividend of \$0.31 per share, scheduled to be paid on Nov. 24, 2025, to shareholders of record as of Nov. 7.

Masco Updates 2025 Outlook

The company expects net sales to be down in low single digits year over year, with an adjusted operating margin of approximately 16.5% (compared with 17.5% in 2024).

Plumbing Products' net sales are expected to be up in low single digits and the adjusted operating margin is anticipated to be about 18% (compared with 19% in 2024). Decorative Architectural Products' net sales are expected to be down in low double digits (down mid-single digits excluding divestitures). This segment's adjusted operating margin is expected to be about 18% (compared with 18.5% in 2024).

Adjusted EPS is now expected to be between \$3.90 and \$3.95 compared with \$3.90-\$4.10 expected earlier. The revised range compares with the adjusted EPS of \$4.10 reported in 2024.

FY Quarter Ending 12/31/2024

Earnings Reporting Date	Oct 29, 2025
Sales Surprise	-1.10%
EPS Surprise	-4.90%
Quarterly EPS	0.97
Annual EPS (TTM)	4.03

Valuation

Masco's shares are up 1.9% in the past six months, but down 20.5% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 6.3% and up 10.1% in the Zacks Construction sector in the past six months. Over the past year, the Zacks sub-industry has been down 15.9% and the sector is down 6.6%.

The S&P 500 index is up 17.1% in the past six months and 15.2% in the past year.

The stock is currently trading at 15.39X forward 12-month earnings, which compares to 17.7X for the Zacks sub-industry, 19.44X for the Zacks sector, and 23.53X for the S&P 500 index.

Over the past five years, the stock has traded as high as 19.46X and as low as 10.43X, with a 5-year median of 15.77X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$68 price target reflects 16.25X forward 12-month earnings.

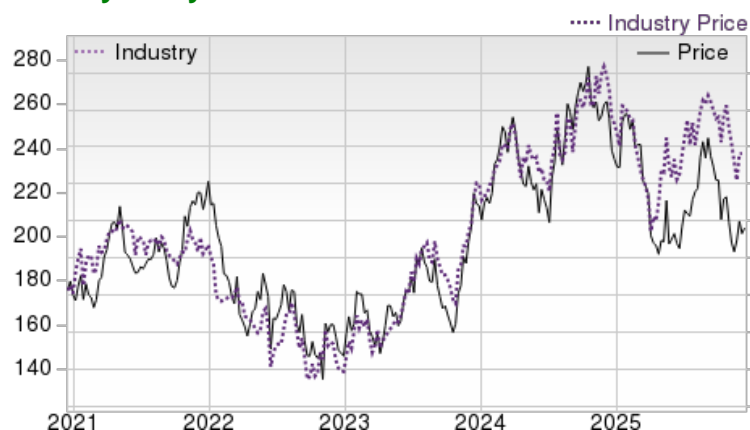
The table below shows the summary valuation data for MAS.

Valuation Multiples - MAS					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	15.39	17.7	19.44	23.53
	5-Year High	19.46	18.77	19.5	23.82
	5-Year Low	10.43	10.62	8.92	15.73
	5-Year Median	15.77	15.98	15.23	21.19
P/S F12M	Current	1.72	2.03	2.82	5.33
	5-Year High	2.32	2.26	3.11	5.5
	5-Year Low	1.15	1.21	1.55	3.83
	5-Year Median	1.79	1.72	2.26	5.04
EV/EBITDA TTM	Current	11.11	12.82	18.61	18.66
	5-Year High	14.7	29.3	24.81	22.41
	5-Year Low	7.32	9.33	10.38	13.87
	5-Year Median	10.7	18.81	17.08	17.96

As of 12/04/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Bottom 32% (163 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Installed Building P... (IBP)	Outperform	1
James Hardie Industr... (JHX)	Outperform	3
Arcosa, Inc. (ACA)	Neutral	2
TopBuild Corp. (BLD)	Neutral	3
Frontdoor Inc. (FTDR)	Neutral	3
Construction Partner... (ROAD)	Neutral	4
Gibraltar Industries... (ROCK)	Neutral	4
Owens Corning Inc (OC)	Underperform	5

Industry Comparison⁽¹⁾ Industry: Building Products - Miscellaneous

	MAS	X Industry	S&P 500	BLD	ROAD	ROCK
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	4	4
VGM Score	C	-	-	C	B	A
Market Cap	13.45 B	4.18 B	38.58 B	12.03 B	6.41 B	1.50 B
# of Analysts	7	3	22	7	3	3
Dividend Yield	1.91%	0.00%	1.42%	0.00%	0.00%	0.00%
Value Score	B	-	-	C	C	A
Cash/Price	0.04	0.09	0.04	0.09	0.03	0.06
EV/EBITDA	11.23	11.43	14.55	12.95	20.76	7.25
PEG Ratio	19.47	1.85	2.20	7.15	1.08	0.81
Price/Book (P/B)	80.07	2.29	3.33	5.41	6.96	1.58
Price/Cash Flow (P/CF)	13.35	14.02	15.10	16.03	23.15	9.77
P/E (F1)	16.55	18.99	19.71	21.81	40.90	12.13
Price/Sales (P/S)	1.77	1.37	3.09	2.30	2.28	1.24
Earnings Yield	6.05%	5.26%	5.06%	4.59%	2.44%	8.25%
Debt/Equity	17.53	0.47	0.57	1.26	1.73	0.00
Cash Flow (\$/share)	4.85	2.90	8.99	26.73	4.90	5.21
Growth Score	C	-	-	B	A	B
Hist. EPS Growth (3-5 yrs)	3.61%	14.21%	8.16%	24.89%	37.82%	11.47%
Proj. EPS Growth (F1/F0)	-4.63%	8.49%	8.57%	-6.51%	25.91%	-1.18%
Curr. Cash Flow Growth	2.45%	3.53%	6.75%	3.41%	67.78%	2.73%
Hist. Cash Flow Growth (3-5 yrs)	5.06%	10.10%	7.43%	26.53%	28.00%	9.19%
Current Ratio	1.88	1.78	1.18	2.90	1.61	1.79
Debt/Capital	94.60%	32.03%	38.01%	55.79%	63.31%	0.00%
Net Margin	10.89%	5.05%	12.78%	10.84%	3.62%	0.35%
Return on Equity	1,317.38%	16.25%	17.00%	27.10%	14.42%	12.58%
Sales/Assets	1.47	0.85	0.53	1.00	0.98	0.84
Proj. Sales Growth (F1/F0)	-3.20%	0.74%	5.79%	1.40%	22.50%	-12.10%
Momentum Score	F	-	-	C	D	B
Daily Price Chg	-0.23%	0.00%	-0.24%	0.00%	3.13%	0.18%
1 Week Price Chg	1.17%	1.60%	-0.59%	-0.26%	6.83%	3.63%
4 Week Price Chg	9.61%	7.71%	2.76%	4.07%	7.71%	7.75%
12 Week Price Chg	-9.51%	-2.90%	2.15%	7.65%	-14.66%	-16.78%
52 Week Price Chg	-15.42%	-4.24%	12.39%	26.69%	18.28%	-21.52%
20 Day Average Volume	2,558,347	290,560	2,743,646	267,778	553,726	334,151
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.64%
(F1) EPS Est 4 week change	-0.05%	0.00%	0.00%	-0.01%	-5.56%	0.64%
(F1) EPS Est 12 week change	-2.42%	-1.04%	0.69%	-1.49%	-8.07%	-2.85%
(Q1) EPS Est Mthly Chg	-1.44%	0.00%	0.00%	-0.05%	-41.14%	0.00%

Analyst Earnings Model⁽²⁾

Masco Corporation (MAS)

In \$MM, except per share data

	2022A	2023A	2024A	2025E				2026E				2027E		
	FY	FY	FY	1QA	2QA	3QA	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
FY Ends December 31st	Dec-22	Dec-23	Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25	Dec-25	31-Mar-26	30-Jun-26	30-Sep-26	31-Dec-26	Dec-26	Dec-27
Income Statement														
Net Sales	\$8,680.0	\$7,967.0	\$7,828.0	\$1,801.0	\$2,051.0	\$1,917.0	\$1,811.6	\$7,580.6	\$1,815.0	\$2,077.5	\$1,982.3	\$1,883.3	\$7,758.1	\$8,122.5
Volume and Mix	(3.0%)	(12.0%)				(4.0%)	(0.7%)		(0.8%)	(0.3%)	1.5%	1.9%	0.5%	2.8%
Pricing	9.0%	3.0%				2.0%	1.6%		1.6%	1.7%	1.9%	2.0%	1.8%	1.9%
Organic	6.0%	(9.0%)	(2.1%)	(5.6%)	(2.3%)	(2.0%)	0.9%	(2.3%)	0.7%	1.3%	3.4%	4.0%	2.3%	4.7%
FX	(2.5%)	(0.1%)	(0.4%)	(0.9%)	(0.7%)	1.0%	0.7%	(0.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Acquisition	0.1%	0.3%	0.7%	0.0%	1.1%	(2.3%)	(2.4%)	(0.9%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cost of Sales	\$5,967.0	\$5,131.0	\$4,997.0	\$1,157.0	\$1,278.0	\$1,261.0	\$1,220.8	\$4,916.8	\$1,191.2	\$1,308.8	\$1,267.6	\$1,233.4	\$5,000.9	\$5,179.7
Gross Profit, Adjusted	\$2,745.0	\$2,805.0	\$2,838.0	\$646.0	\$774.0	\$663.0	\$590.9	\$2,673.9	\$623.8	\$768.8	\$714.7	\$649.9	\$2,757.2	\$2,942.8
Rationalization Charges	\$32.0	\$9.0	\$7.0	\$2.0	\$1.0	\$7.0	\$0.0	\$10.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Insurance Settlement	(\$20.0)	(\$40.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Gross Profit, GAAP	\$2,713.0	\$2,836.0	\$2,831.0	\$644.0	\$772.0	\$656.0	\$590.9	\$2,662.9	\$623.8	\$768.8	\$714.7	\$649.9	\$2,757.2	\$2,942.8
Selling, General and Administrative, Adjusted	\$1,390.0	\$1,469.0	\$1,466.0	\$358.0	\$360.0	\$352.0	\$346.1	\$1,416.1	\$349.4	\$386.3	\$373.5	\$356.8	\$1,465.9	\$1,532.9
Rationalization Charges	\$0.0	\$4.0	\$2.0	\$1.0	\$1.0	\$2.0	\$0.0	\$4.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Selling, General and Administrative, GAAP	\$1,390.0	\$1,473.0	\$1,468.0	\$358.0	\$361.0	\$353.0	\$346.1	\$1,418.1	\$349.4	\$386.3	\$373.5	\$356.8	\$1,465.9	\$1,532.9
Impairment Charge for Goodwill	\$26.0	\$15.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Adjusted EBITDA	\$1,494.0	\$1,485.0	\$1,522.0	\$322.0	\$449.0	\$349.0	\$285.9	\$1,405.9	\$310.5	\$424.0	\$382.0	\$332.3	\$1,448.9	\$1,576.0
EBITDA	\$1,436.0	\$1,497.0	\$1,513.0	\$321.0	\$448.0	\$341.0	\$285.9	\$1,395.9	\$310.5	\$424.0	\$382.0	\$332.3	\$1,448.9	\$1,576.0
Depreciation & Amortization	\$139.0	\$149.0	\$150.0	\$35.0	\$36.0	\$38.0	\$41.2	\$150.2	\$36.1	\$41.5	\$40.8	\$39.2	\$157.7	\$166.2
Operating Income, Adjusted	\$1,355.0	\$1,336.0	\$1,372.0	\$288.0	\$413.0	\$312.0	\$244.7	\$1,257.7	\$274.4	\$382.5	\$341.2	\$293.1	\$1,291.2	\$1,409.9
Operating Income, GAAP	\$1,297.0	\$1,348.0	\$1,363.0	\$286.0	\$412.0	\$303.0	\$244.7	\$1,245.7	\$274.4	\$382.5	\$341.2	\$293.1	\$1,291.2	\$1,409.9
Interest Expense	\$108.0	\$106.0	\$99.0	\$26.0	\$26.0	\$25.0	\$16.0	\$93.0	\$20.4	\$20.7	\$20.3	\$20.5	\$81.9	\$80.4
Other, Net, Adjusted			\$16.0	\$1.0	\$7.0	\$3.0	\$2.5	\$13.5	\$2.2	\$2.3	\$2.6	\$2.4	\$9.5	\$10.0
Other, Net, GAAP	(\$4.0)	\$4.0	\$103.0	\$7.0	\$7.0	\$2.0	\$2.1	\$18.1	\$4.3	\$4.2	\$3.3	\$3.4	\$15.2	\$15.2
Other Income / Expense, Net, Adjusted			\$115.0	\$27.0	\$33.0	\$28.0	\$18.5	\$106.5	\$22.6	\$22.9	\$23.0	\$22.8	\$91.4	\$90.4
Other Income / Expense, Net, GAAP	\$104.0	\$110.0	\$202.0	\$32.0	\$33.0	\$27.0	\$18.1	\$110.1	\$24.7	\$24.8	\$23.6	\$23.9	\$97.0	\$95.6
Pre-Tax Income, Adjusted	\$1,231.0	\$1,226.0	\$1,257.0	\$261.0	\$380.0	\$284.0	\$226.3	\$1,151.3	\$251.8	\$359.5	\$318.2	\$270.3	\$1,199.8	\$1,319.4
Pre-Tax Income, GAAP	\$1,193.0	\$1,238.0	\$1,161.0	\$254.0	\$378.0	\$276.0	\$226.6	\$1,134.6	\$249.7	\$357.7	\$317.6	\$269.2	\$1,194.2	\$1,314.3
Income Tax, Adjusted	\$295.0	\$300.0	\$308.0	\$64.0	\$93.0	\$70.0	\$55.4	\$282.4	\$61.7	\$88.1	\$78.0	\$66.2	\$294.0	\$323.3
Income Tax, GAAP	\$288.0	\$278.0	\$287.0	\$56.0	\$95.0	\$76.0	\$52.1	\$279.1	\$57.4	\$82.3	\$73.0	\$61.9	\$274.7	\$302.3
Tax Rate, Adjusted	24.0%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%
Tax Rate, GAAP	24.0%	22.5%	25.0%	22.0%	25.0%	28.0%	23.0%	24.6%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%
Non-Controlling Interest	\$61.0	\$52.0	\$52.0	\$12.0	\$13.0	\$11.0	\$9.4	\$45.4	\$10.9	\$12.1	\$11.3	\$10.7	\$44.9	\$46.6
Net Income, Adjusted	\$875.0	\$873.0	\$897.0	\$184.0	\$274.0	\$204.0	\$161.4	\$823.4	\$179.3	\$259.4	\$229.0	\$193.4	\$861.0	\$949.5
Net Income, GAAP	\$844.0	\$908.0	\$822.0	\$186.0	\$270.0	\$189.0	\$165.1	\$810.1	\$181.4	\$263.3	\$233.3	\$196.6	\$874.7	\$965.4
Diluted Shares Outstanding	232.0	226.0	219.0	213.0	211.0	209.0	209.0	210.5	208.0	207.0	206.0	205.0	206.5	202.5
Diluted EPS, Adjusted	\$3.77	\$3.86	\$4.10	\$0.87	\$1.30	\$0.97	\$0.77	\$3.91	\$0.86	\$1.25	\$1.11	\$0.94	\$4.17	\$4.69
Diluted EPS, GAAP	\$3.63	\$4.02	\$3.76	\$0.87	\$1.28	\$0.90	\$0.79	\$3.84	\$0.87	\$1.27	\$1.13	\$0.96	\$4.24	\$4.77
Dividend per Share	\$1.12	\$1.14	\$1.16	\$0.31	\$0.31	\$0.31	\$0.31	\$1.24	\$0.32	\$0.32	\$0.32	\$0.32	\$1.26	\$1.28

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

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The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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Value Score	B
Growth Score	C
Momentum Score	F
VGM Score	C

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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