Masco Corporation (MAS)

Updated July 30th, 2026, by Nathan Parsh

Key Metrics

Current Price:	$73	**5 Year Annual Expected Total Return:**	12.0%	**Market Cap:**	$14.6 B
Fair Value Price:	$82	**5 Year Growth Estimate:**	8.0%	**Ex-Dividend Date:**	08/03/26[1]
% Fair Value:	89%	**5 Year Valuation Multiple Estimate:**	2.3%	**Dividend Payment Date:**	08/19/26[2]
Dividend Yield:	1.8%	**5 Year Price Target**	$120	**Years Of Dividend Growth:**	13
Dividend Risk Score:	B	**Sector:**	Industrial	**Rating:**	Buy

Overview & Current Events

Masco Corporation is a world leader in the design, manufacture, and distribution of a wide variety of home improvement and building products. The company's leading brands include Behr paint, Hotspring spas, Kichler decorative and outdoor lighting, and Delta faucets, bath, and shower fixtures. Masco also sells branded decorative and functional hardware and waterproofing products. The company has two reportable segments, including Plumbing Products and Decorative Architectural Products. Masco's customers include plumbing, heating, and hardware wholesalers as well as hardware stores, home centers, and online retailers.

On February 10th, 2026, Masco announced that it was raising its quarterly dividend 3.2% to $0.32.

On July 29th, 2026, Masco announced second quarter results for the period ending June 30th, 2026. For the quarter, revenue declined 2.9% to $1.99 billion, which missed estimates by $100 million. Adjusted earnings-per-share of $1.64 compared favorably to $1.30 in the prior year and was $0.33 ahead of expectations.

Plumbing products was lower by 3% to $1.34 billion and revenue for Decorative Architectural Products of $655 million was down 4% from the prior year. By regions, North America declined 5% while the international segment was up 4%. Gross margin expanded 600 basis points to 43.6% while the operating margin improved 350 basis points to 23.6%. The company returned $454 million to shareholders through dividends and stock buybacks during the quarter. Shares were down more than double-digits following the release of results.

Masco provided updated guidance for the year as well, with the company now excepting adjusted EPS in a range of $4.21 to $4.41 for 2026, up from $4.10 to $4.30 previously. We have updated our forecast accordingly.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.46	$1.75	$2.36	$2.22	$3.06	$1.86	$3.66	$3.86	$4.10	$3.96	***$4.31***	***$6.33***
DPS	$0.39	$0.41	$0.44	$0.50	$0.55	$0.85	$1.12	$1.14	$1.16	$1.24	***$1.28***	***$1.88***
Shares[3]	330	318	307	288	264	251	232	226	215	207	***199***	***190***

Masco's earnings-per-share have a compound annual growth rate of 11.7% since 2016, but growth has not always been linear. Earnings growth has been somewhat erratic over the last decade, but the company has experienced a sharp rise in its profitability over this period. We are comfortable projecting earnings-per-share growth of 8% annually through 2031.

The company has aggressively repurchased its own stock over the last decade, retiring 5% of its share count annually from 330 million in 2016 to the current share count of 199 million. Future repurchases should aid EPS growth as well.

Masco has increased its dividend for 13 consecutive years, a strong showing given the ups and downs of the company's historical performance. Dividend growth had been robust for much of this period, with the company growing its

[1] Estimated ex-dividend date.
[2] Estimated dividend payment date.
[3] In millions of shares.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

dividend by 13.7% and 8.5% annually since 2016 and 2021, respectively. However, dividend growth has slowed substantially in recent years.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	21.5	26	12.3	14.8	12.1	42.9	12.9	16.7	17.7	16.0	***16.9***	***19.0***
Avg. Yld.	1.2%	0.9%	1.5%	1.0%	1.0%	1.0%	1.2%	1.7%	1.6%	2.0%	***1.8%***	***1.6%***

Shares of Masco have declined $1, or 1.4%, since our April 26th, 2026 report. As a result, Masco trades at 16.9 times our expected earnings-per-share for 2026. This is below our target P/E of 19. Multiple expansion could add 2.3% to annual returns if the stock were to reach our target P/E by 2031.

Masco has never been a high yielding name, but the current yield is above the long-term average yield of 1.3%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	27%	23%	19%	23%	18%	46%	31%	28%	28%	31%	***30%***	***30%***

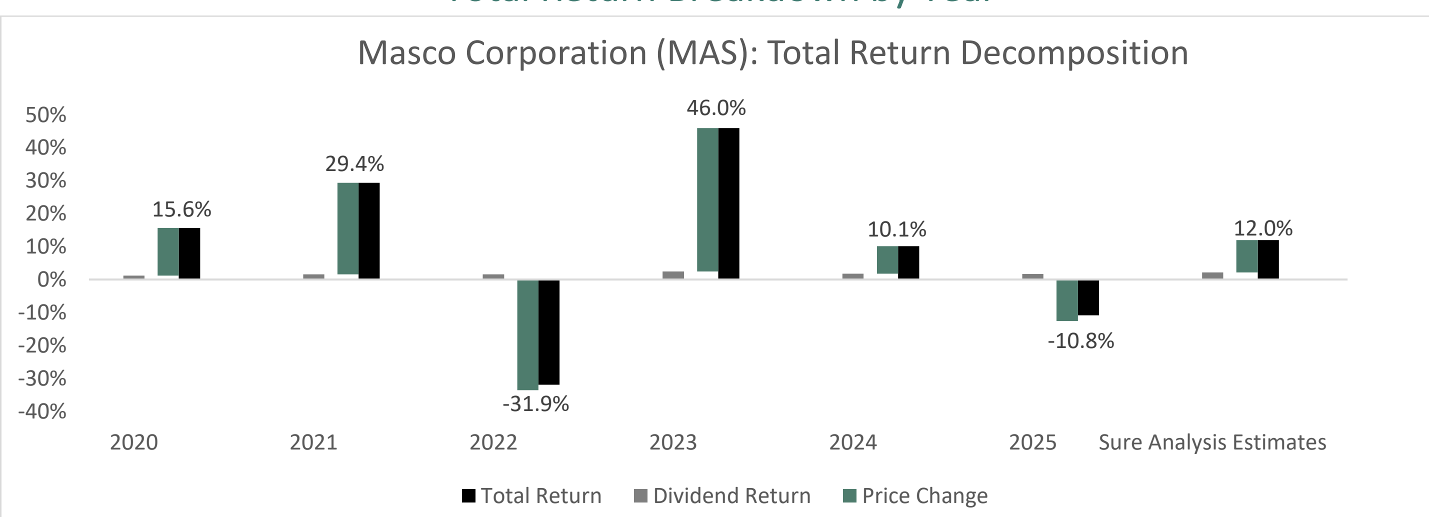
Masco performed poorly during the 2007 to 2009 period, with the company posting an earnings-per-share loss each year of the Great Recession. It also took the company several years to return to profitability. More recently, Masco performed much better under adverse economic conditions. The company's earnings-per-share grew 38% in 2020 even in the face of the global pandemic, though results did fall significantly the following year. The company benefits from market leading products that consumers trust. We expect that Masco would suffer declines during the next recession, though it's likely the weakness would not be as extreme as during the Great Recession given the turmoil of that period.

Masco's dividend can be considered safe, though the slowing growth rate is something to monitor. The company's payout ratio provides evidence that the dividend is well covered.

Final Thoughts & Recommendation

Following first quarter earnings results, Masco is expected to offer a total annual return of 12.0% through 2031, up from our prior estimate of 11.1%. Our projected return stems from an 8% earnings growth rate, a starting yield of 1.8%, and a low single-digit contribution from multiple expansion. The most recent quarter was mixed, but EPS guidance for the year was raised. We have raised our five-year price target $3 to $120 for Masco as a result of EPS estimates for the year. We continue to rate the stock as a buy due to projected returns and a solid dividend risk score.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	7,361	7,642	6,654	6,707	7,188	8,375	8,680	7,967	7,828	7,562
Gross Profit	2,432	2,587	2,306	2,359	2,585	2,863	2,713	2,805	2,838	2,687
Gross Margin	33.0%	33.9%	34.7%	35.2%	36.0%	34.2%	31.3%	35.2%	36.3%	35.5%
SG&A Exp.	1,375	1,418	1,250	1,274	1,292	1,413	1,390	1,473	1,468	1,426
D&A Exp.	159	152	177	171	135	151	145	149	150	148
Operating Profit	1,104	1,198	1,077	1,097	1,295	1,450	1,323	1,336	1,372	1,272
Operating Margin	15.0%	15.7%	16.2%	16.4%	18.0%	17.3%	15.2%	16.8%	17.5%	16.8%
Net Profit	530	575	680	680	856	476	901	960	874	858
Net Margin	7.2%	7.5%	10.2%	10.1%	11.9%	5.7%	10.4%	12.0%	11.2%	11.3%
Free Cash Flow	609	578	813	671	839	802	616	1,170	907	866
Income Tax	296	304	221	230	269	210	288	278	287	277

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	5,137	5,534	5,393	5,027	5,777	5,575	5,187	5,363	5,016	5,201
Cash & Equivalents	1,191	1,302	552	697	1,326	926	452	634	634	647
Acc. Receivable	917	1,066	992	999	1,140	1,172	1,150	1,093	1,037	1,028
Inventories	712	784	798	754	876	1,216	1,236	1,022	938	1,046
Goodwill & Int.	1,028	1,059	809	773	921	956	887	981	817	828
Total Liabilities	5,240	5,351	5,324	5,083	5,356	5,497	5,429	5,247	5,070	5,126
Accounts Payable	800	824	736	697	893	1,045	877	840	789	810
Long-Term Debt	2,997	3,085	2,979	2,935	2,944	3,131	3,406	3,206	3,171	3,168
Total Equity	(298)	(53)	(111)	(235)	195	(179)	(480)	(126)	(281)	(186)
LTD/E Ratio	(10.06)	(58.21)	(26.84)	(12.65)	15.30	(17.70)	(7.18)	(25.79)	(11.44)	(17.28)

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	9.8%	10.8%	12.4%	13.1%	15.8%	8.4%	16.7%	18.2%	16.8%	16.8%
Return on Equity		1438%	540%	---	469.0%	190.8%			2819.4%	8171.4%
ROIC	16.7%	18.7%	21.5%	22.8%	27.1%	14.3%	27.9%	29.2%	26.8%	26.6%
Shares Out.	330	318	307	288	264	251	232	226	215	207
Revenue/Share	22.31	24.03	21.67	23.29	27.23	33.37	37.41	35.25	35.74	36.01
FCF/Share	1.85	1.82	2.65	2.33	3.18	3.20	2.66	5.18	4.14	4.12

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.