



MASONITE.

2018 INVESTOR DAY

March 2, 2018



Open to extraordinary.™

NYSE: DOOR

Safe Harbor / Non-GAAP Financial Measures

SAFE HARBOR / FORWARD LOOKING STATEMENT

This investor presentation contains forward-looking information and other forward-looking statements within the meaning of applicable Canadian and/or U.S. securities laws, including our discussion of our 2018 outlook and long term growth framework, housing and other markets, and the effects of our strategic initiatives. When used in this investor presentation, such forward-looking statements may be identified by the use of such words as “may,” “might,” “could,” “will,” “would,” “should,” “expect,” “believes,” “outlook,” “predict,” “forecast,” “objective,” “remain,” “anticipate,” “estimate,” “potential,” “continue,” “plan,” “project,” “targeting,” or the negative of these terms or other similar terminology. Forward-looking statements involve significant known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Masonite, or industry results, to be materially different from any future plans, goals, targets, objectives, results, performance or achievements expressed or implied by such forward-looking statements. As a result, such forward-looking statements should not be read as guarantees of future performance or results, should not be unduly relied upon, and will not necessarily be accurate indications of whether or not such results will be achieved. Factors that could cause actual results to differ materially from the results discussed in the forward-looking statements include, but are not limited to, our ability to successfully implement our business strategy; general economic, market and business conditions; levels of residential new construction; residential repair, renovation and remodeling; and non-residential building construction activity; the United Kingdom's formal trigger of the two year process for its exit from the European Union and related negotiations; competition; our ability to manage our operations including integrating our recent acquisitions and companies or assets we acquire in the future; our ability to generate sufficient cash flows to fund our capital expenditure requirements, to meet our pension obligations, and to meet our debt service obligations, including our obligations under our senior notes and our ABL Facility; labor relations (i.e., disruptions, strikes or work stoppages), labor costs and availability of labor; increases in the costs of raw materials or any shortage in supplies; our ability to keep pace with technological developments; cyber security threats and attacks; the actions taken by, and the continued success of, certain key customers; our ability to maintain relationships with certain customers; the ability to generate the benefits of our restructuring activities; retention of key management personnel; environmental and other government regulations; and limitations on operating our business as a result of covenant restrictions under our existing and future indebtedness, including our senior notes and our ABL Facility.

NON-GAAP FINANCIAL MEASURES

Our management reviews net sales and Adjusted EBITDA (as defined below) to evaluate segment performance and allocate resources. Net assets are not allocated to the reportable segments. Adjusted EBITDA is a non-GAAP financial measure which does not have a standardized meaning under GAAP and is unlikely to be comparable to similar measures used by other companies. Adjusted EBITDA should not be considered as an alternative to either net income or operating cash flows determined in accordance with GAAP. Additionally, Adjusted EBITDA is not intended to be a measure of free cash flow for management's discretionary use, as it does not include certain cash requirements such as interest payments, tax payments and debt service requirements. Beginning with the fourth quarter of 2015, we revised our calculation of Adjusted EBITDA to separately exclude loss (gain) on disposal of subsidiaries. This definition of Adjusted EBITDA differs from the definitions of EBITDA contained in the indenture governing the 2023 Notes and the credit agreement governing the ABL Facility. Adjusted EBITDA, as calculated under our ABL Facility or senior notes would also include, among other things, additional add-backs for amounts related to: cost savings projected by us in good faith to be realized as a result of actions taken or expected to be taken prior to or during the relevant period; fees and expenses in connection with certain plant closures and layoffs; and the amount of any restructuring charges, integration costs or other business optimization expenses or reserve deducted in the relevant period in computing consolidated net income, including any one-time costs incurred in connection with acquisitions. The tables in the appendix to this presentation reconcile Adjusted EBITDA to net income (loss) attributable to Masonite for the periods indicated. We are not providing a quantitative reconciliation of our Adjusted EBITDA or diluted Adjusted EPS outlook to the corresponding GAAP information because the GAAP measures that we exclude from our Adjusted EBITDA outlook are difficult to predict and are primarily dependent on future uncertainties.

Adjusted EBITDA margin is defined as Adjusted EBITDA divided by Net Sales. Management believes this measure provides supplemental information on how successfully we operate our business.

Adjusted EPS is diluted earnings per common share attributable to Masonite (EPS) less asset impairment charges, loss (gain) on disposal of subsidiaries, and other items, if any, that do not relate to Masonite's underlying business performance (each net of related tax expense (benefit)). Beginning in the fourth quarter of 2017, we revised our calculation of Adjusted EPS to exclude the beneficial impact of the deferred tax revaluation recognized as a result of The Tax Cuts and Jobs Act of 2017 and the release of a valuation allowance in Canada as such tax assets are likely to be realized in future periods. The revision to this definition had no impact on our reported Adjusted EPS for the three months or year ended January 1, 2017. Management uses this measure to evaluate the overall performance of the Company and believes this measure provides investors with helpful supplemental information regarding the underlying performance of the Company from period to period. This measure may be inconsistent with similar measures presented by other companies.

Return on Invested Capital (ROIC) is defined as net operating profit after tax (NOPAT) divided by average invested capital.

Free cash flow is defined as Cash Flow from Operations less capital expenditures.

Agenda

1 Opening Remarks & Purpose

2 North American Residential

3 Architectural

4 Europe

5 Break / Coffee

6 Operations

7 Financial Review

8 Summary / Q&A



Masonite's Management Team



Fred Lynch
President & CEO



Russell Tiejema
EVP & CFO



Tony Hair
President,
Global Residential



Graham Thayer
SVP, Architectural



Clare Doyle
SVP, Components



Randy White
SVP, Operations



Steve Swartzmiller
SVP, Chief Technology
Officer



Bob Lewis
SVP, General Counsel

COMPANY OVERVIEW





Fred Lynch
President & Chief Executive Officer

1

OUR FOOTPRINT

2

PURPOSE



Our Footprint



1925

8
MANUFACTURING
COUNTRIES

10K
EMPLOYEES

\$2B
NET
SALES

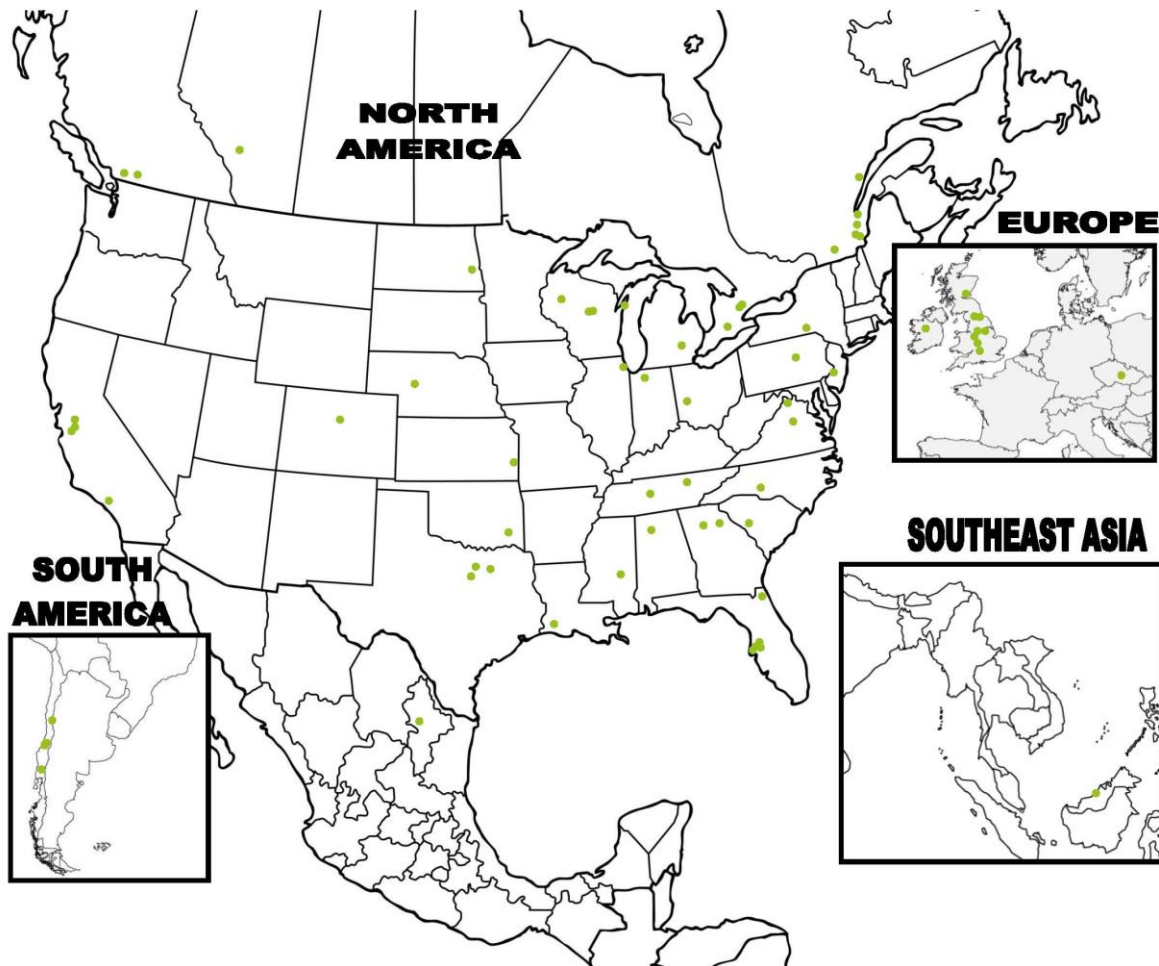
DOOR
NYSE
LISTED
2013


MASONITE.
Open to extraordinary.

2018

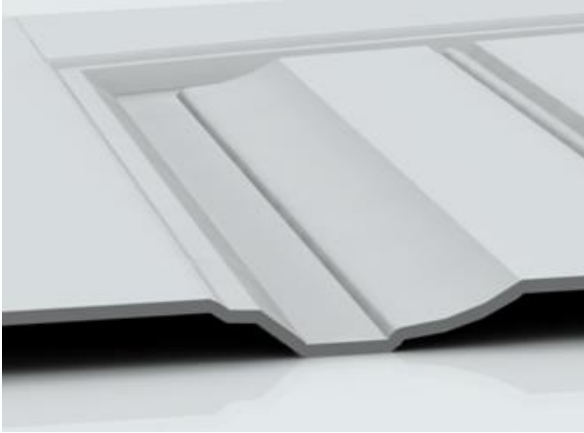


Our Footprint

Masonite is a global manufacturer of doors and components with operations in 8 countries



Our Footprint

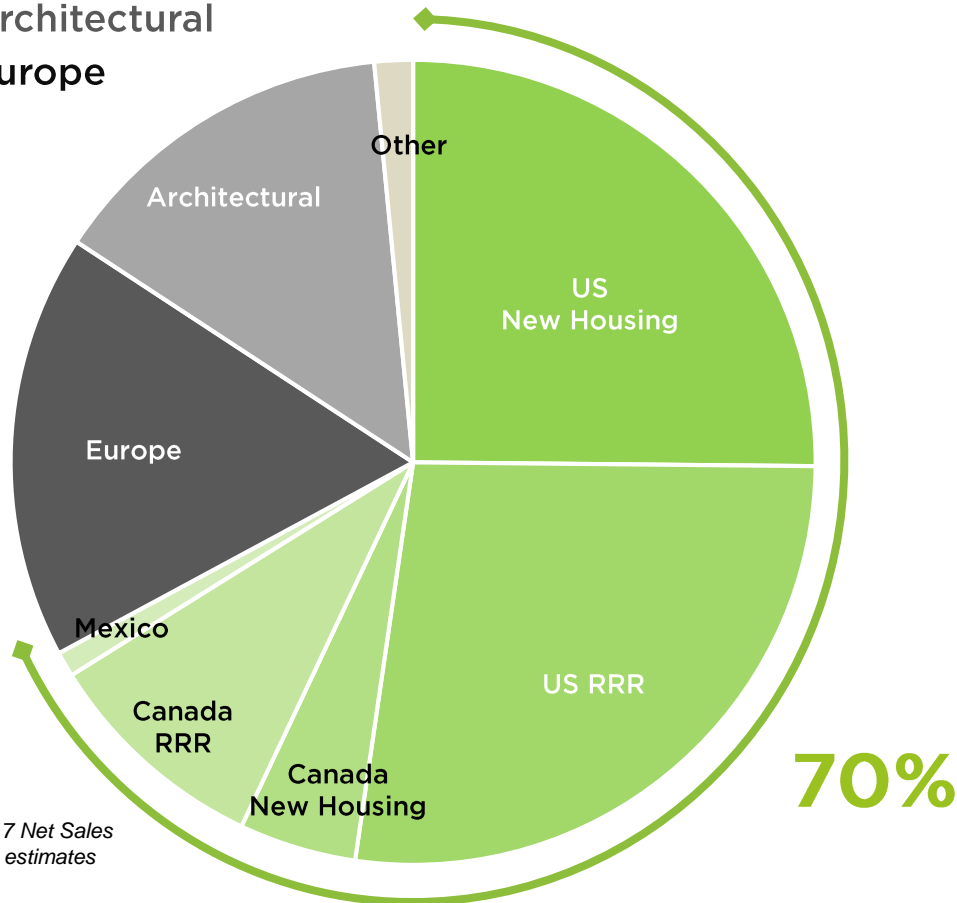
Masonite has an integrated supply chain

Step #1	Step #2	Step #3
Door Facings Production	Slab Assembly	Dorfab
		
<ul style="list-style-type: none">• 5 molded facilities globally• 8 press lines• Insured replacement value of >\$1 billion	<ul style="list-style-type: none">• 9 interior facilities• 5 exterior steel facilities• 3 exterior fiberglass facilities	<ul style="list-style-type: none">• 10 Dorfab facilities• Services retail customers• Pre-hanging and pre-finishing are value added services

Our Footprint

Diversified end markets and multiple growth opportunities

- ▶ **NA Residential**
- ▶ Architectural
- ▶ Europe



Based on 2017 Net Sales and company estimates



NA Residential

(70% of net sales) includes:

- ▶ United States
- ▶ Canada
- ▶ Mexico

What We'll Talk About

1

**Growth with
Purpose**

2

**Demonstrated
Success**

3

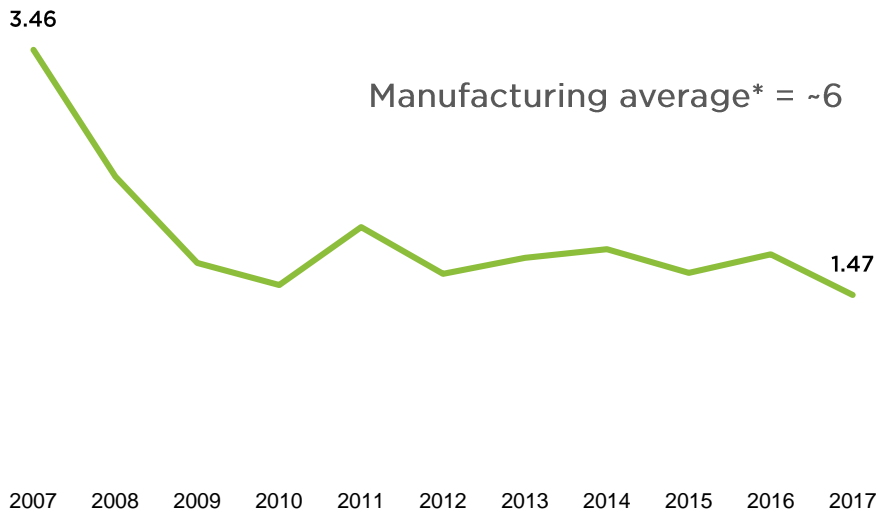
**Cash Flow
Opportunity**

4

**Driving
Shareholder
Value**

Safety Is Our Top Priority

Masonite Safety Performance (reported injuries per 100 employees)



* Source: Bureau of Labor Statistics (NAICS category)



Environmental Stewardship

Environmental Excellence Awards

Established in 2005 to encourage environmental stewardship

Programs include:

- New equipment designs
- Process changes
- Work practices that reduce environmental risk
- Facility protocols that reduce environmental impact



WHAT IS PURPOSE?



“ Where your talents and the needs of the world intersect, therein lies your vocation.”

Aristotle



WE HELP PEOPLE
WALK THROUGH **WALLS**

AT MASONITE...

WE HELP
IMMIGRANTS WALK
THROUGH **WALLS**



AT MASONITE...

WE HELP **HIGH**
SCHOOL STUDENTS
WALK THROUGH **WALLS**



OUR PURPOSE

WE HELP PEOPLE WALK THROUGH WALLS



MASONITE.

Open to extraordinary.

OUR CULTURE

- ▶ Integrity Under Pressure
- ▶ People are Key
- ▶ Hold the Door Open
- ▶ Flexibility in Every Fiber
- ▶ On the Threshold of What's Next

OUR VISION

To be the best provider of building products in the eyes of our customers, employees, shareholders, suppliers and communities.



2018 BLUEPRINT



MASONITE®

Open to extraordinary™

NORTH AMERICA RESIDENTIAL





Tony Hair

President, Global Residential

1 BUSINESS OPPORTUNITY

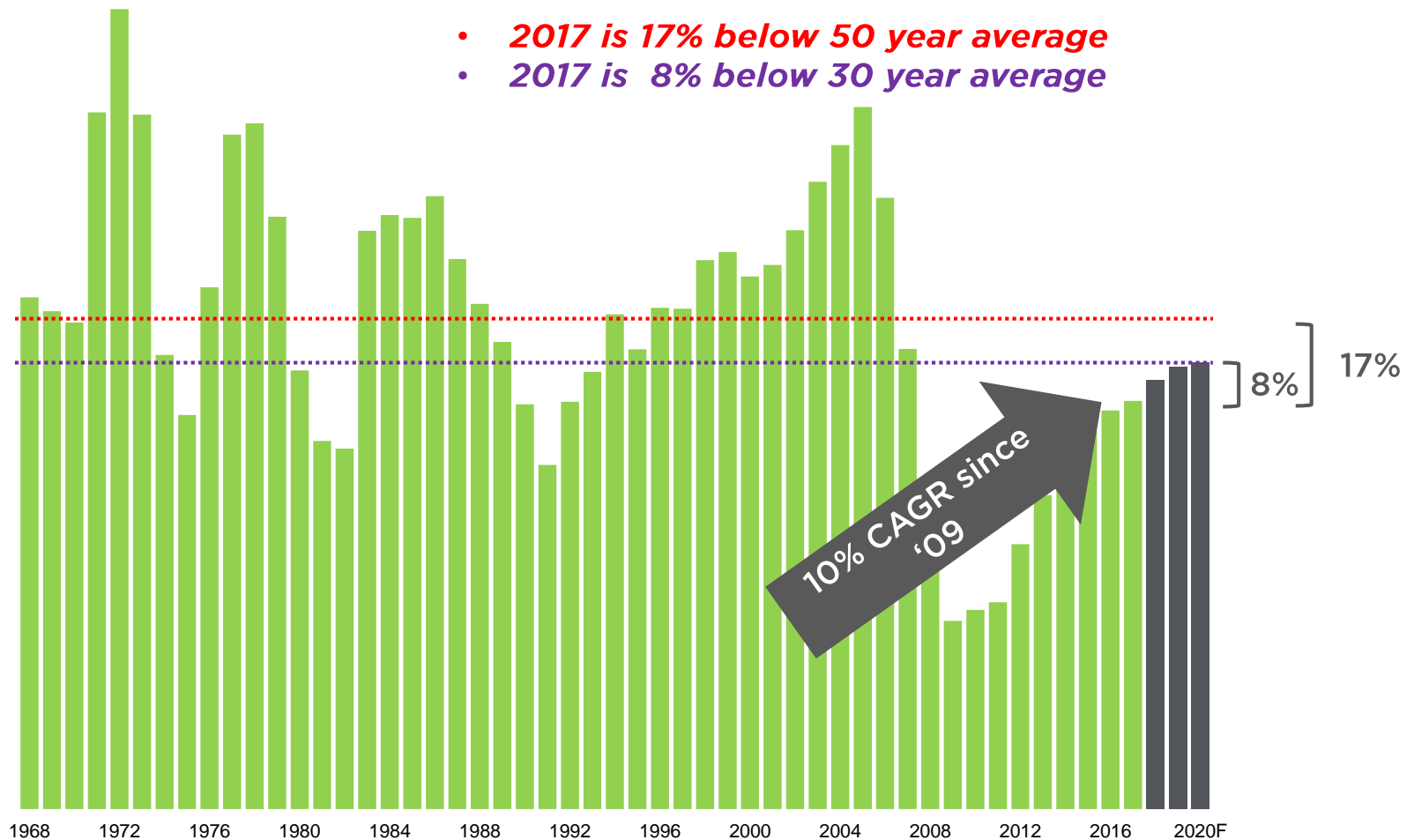
2 STRATEGY FOR WINNING

3 LOOKING FORWARD



Business Opportunity

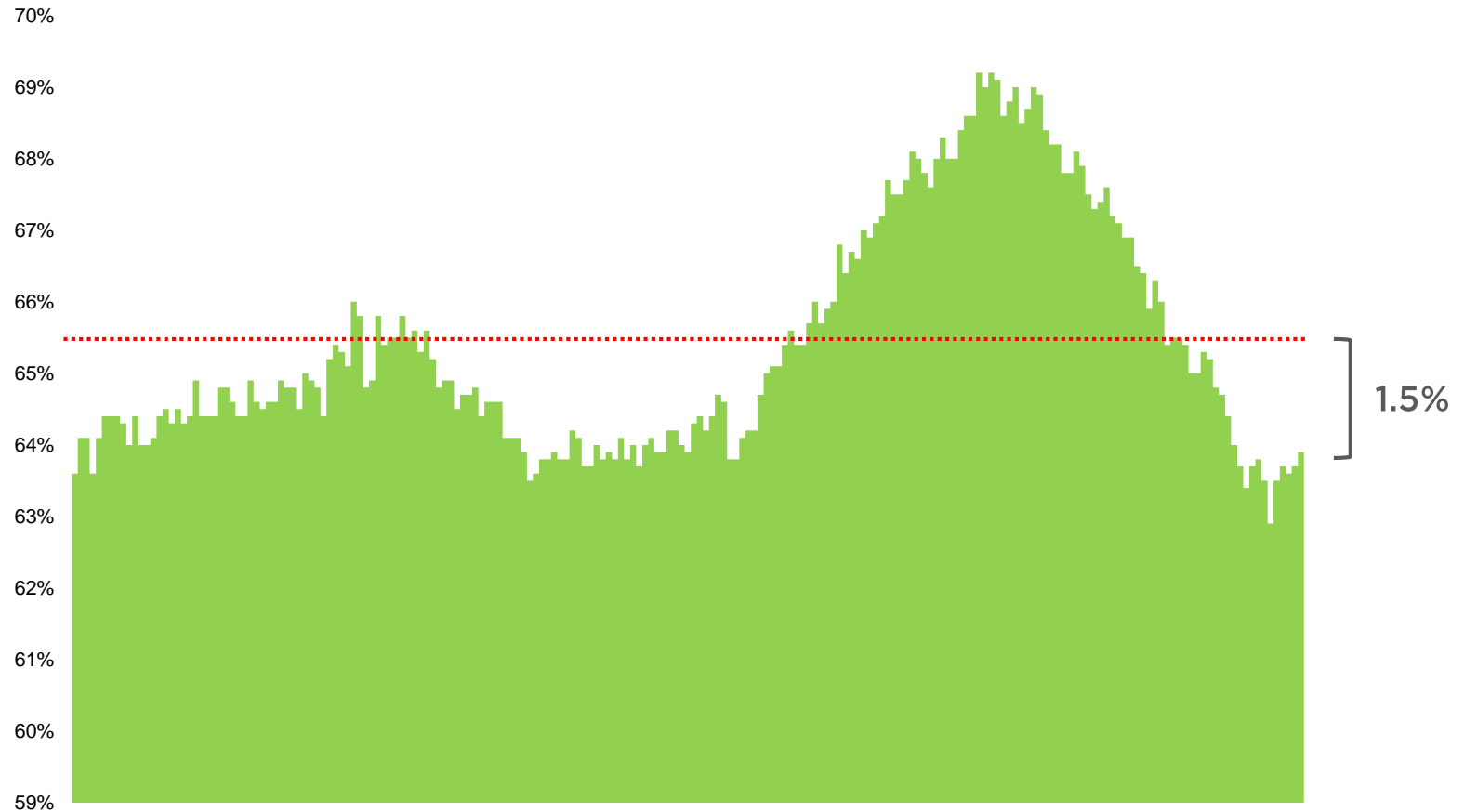
US New Housing Starts (1968 – present)



Source: US Census Bureau
2018-2020 forecasts from NAHB, ITR, Fannie Mae

Business Opportunity

US Homeownership Rates (1968 – present)

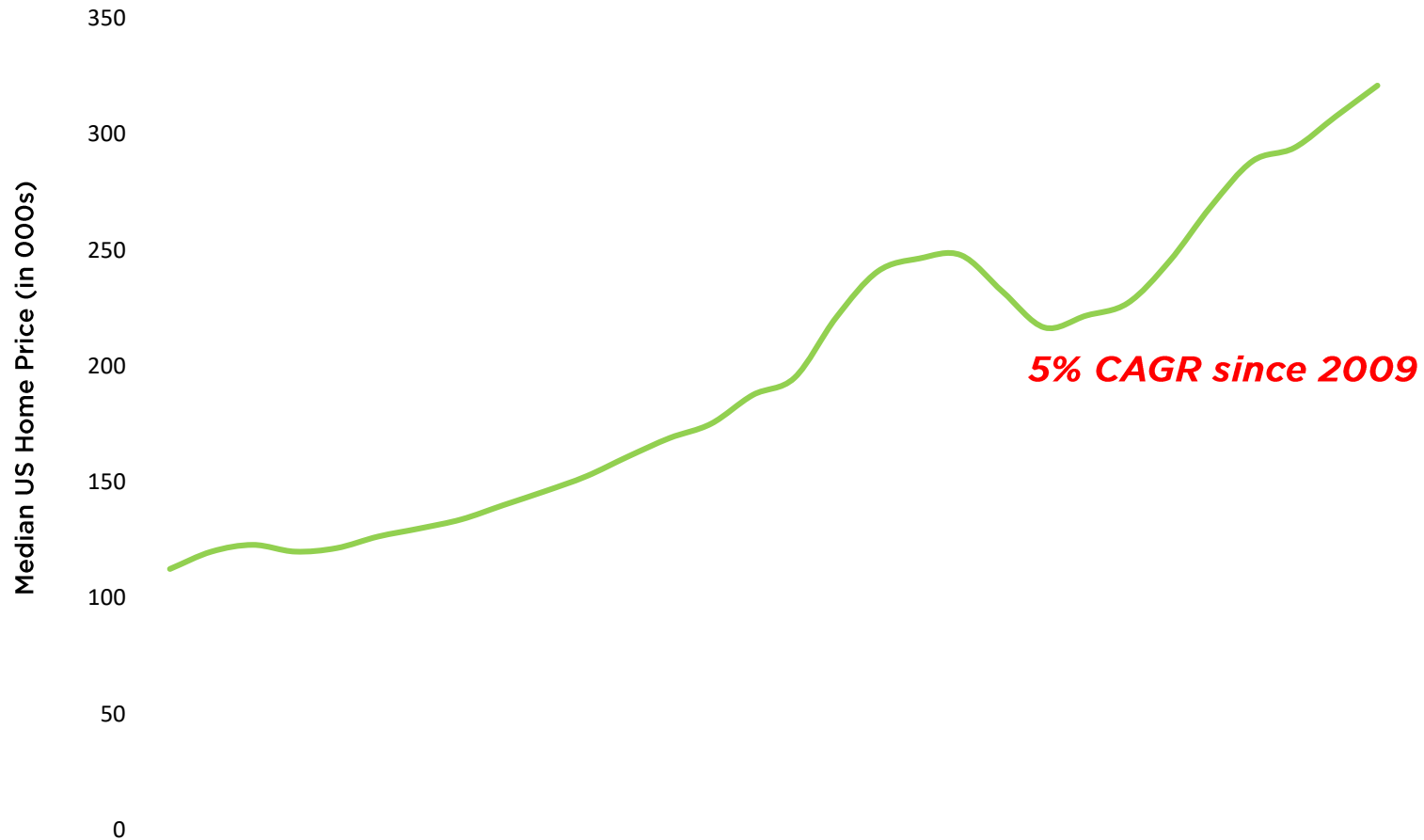


Source: US Census Bureau

Business Opportunity

US Home Prices

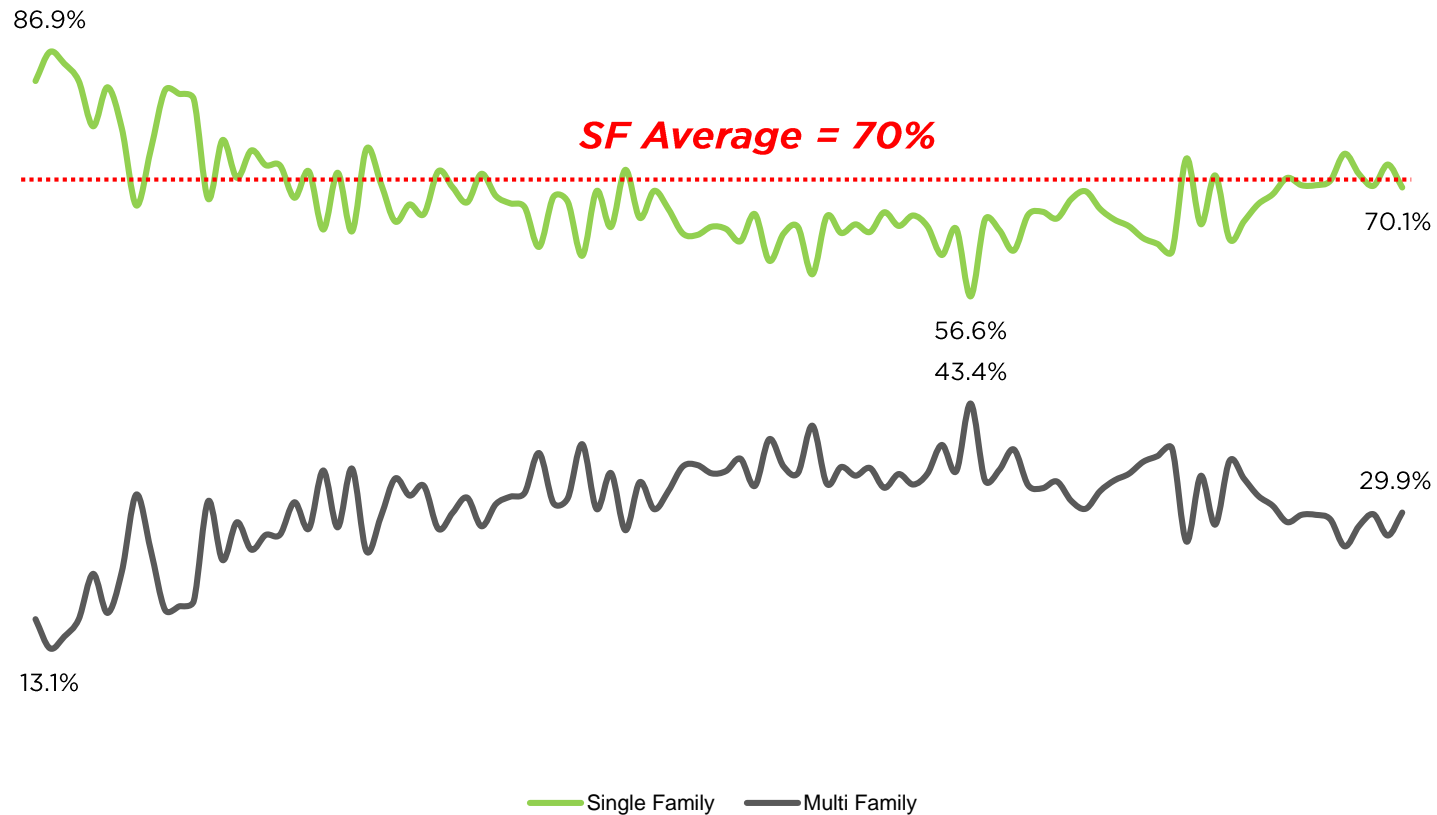
(1988 – present)



Source: US Census Bureau

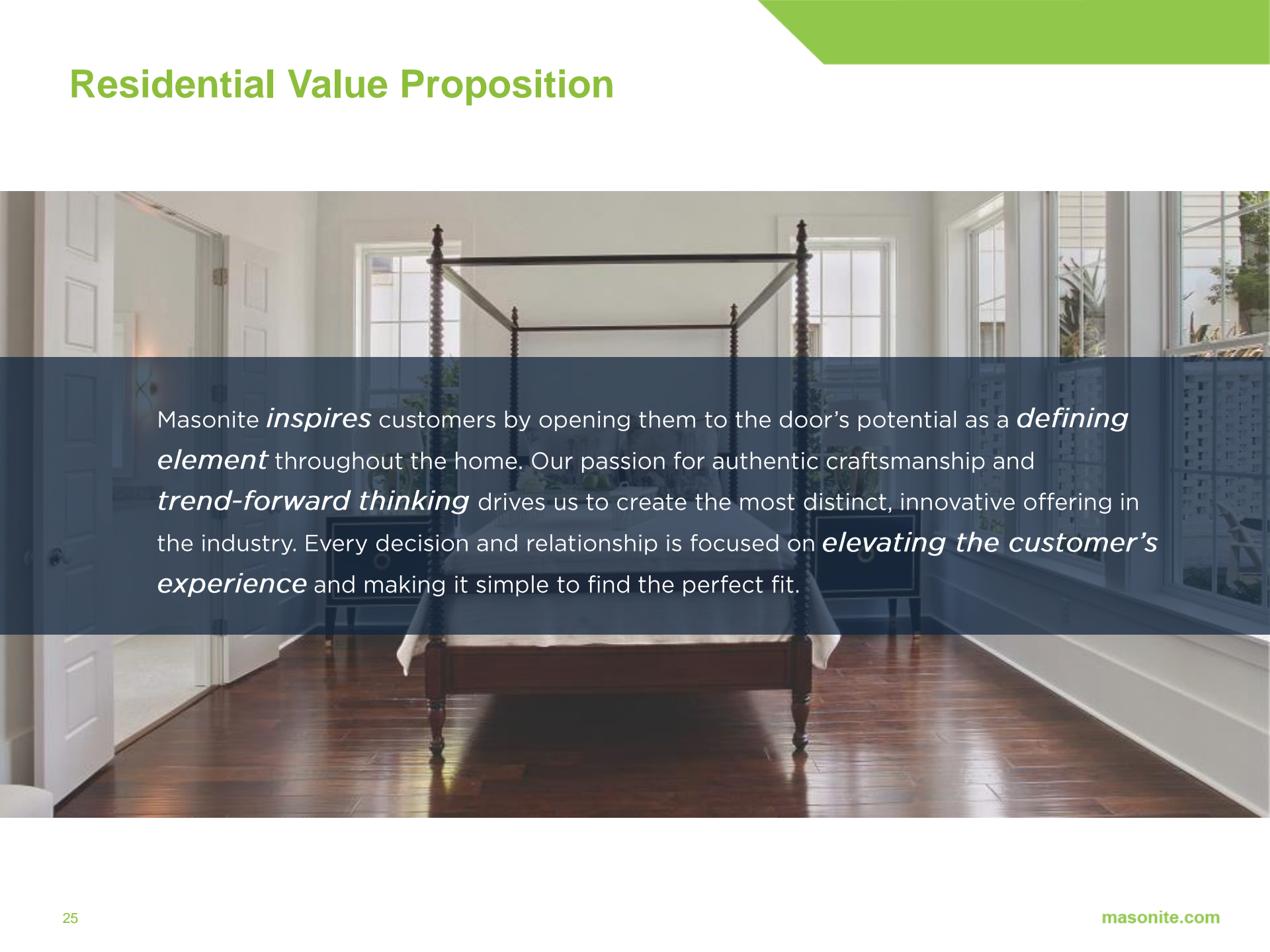
Business Opportunity

Single Family vs. Multi Family (2010 – present)



Source: US Census Bureau

Residential Value Proposition



Masonite *inspires* customers by opening them to the door's potential as a *defining element* throughout the home. Our passion for authentic craftsmanship and *trend-forward thinking* drives us to create the most distinct, innovative offering in the industry. Every decision and relationship is focused on *elevating the customer's experience* and making it simple to find the perfect fit.

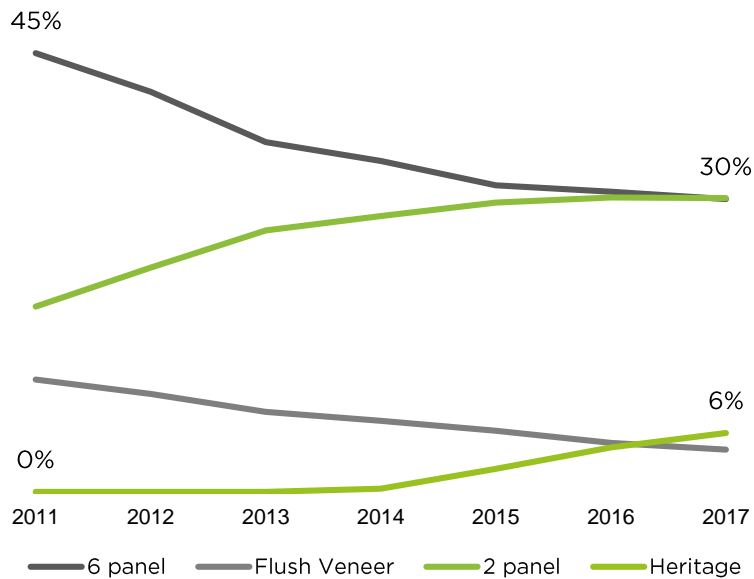
Trend Leading Products



Changing Design Trends

Interior Doors

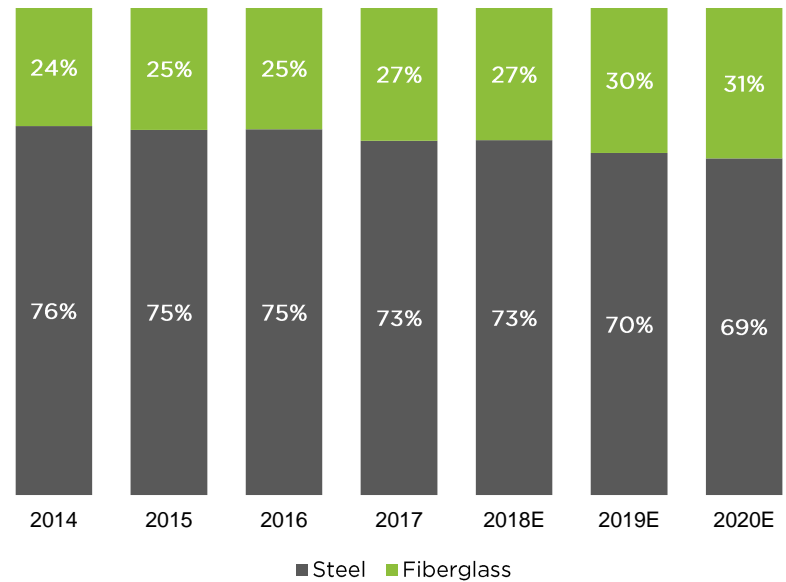
(Heritage and 2 panel are growing)



Note: Masonite percentages

Exterior Doors

(Steel vs. Fiberglass)



Note: Masonite percentages & estimates

Changing the Conversation in Doors

Being the Thought, Trend and Content Leader

Integrated Marketing Plans with Key Partners

Next Generation Merchandising



800 SQ FT
OF
VISUAL IMPACT



Driving Increased Sales

Investing in products, brand and customer experience

Portfolio Mix



Trade up opportunity

Trend Leading Products



New products and designs
at higher price points

Brand Investment



New website, logo and
marketing materials

Digital Initiatives

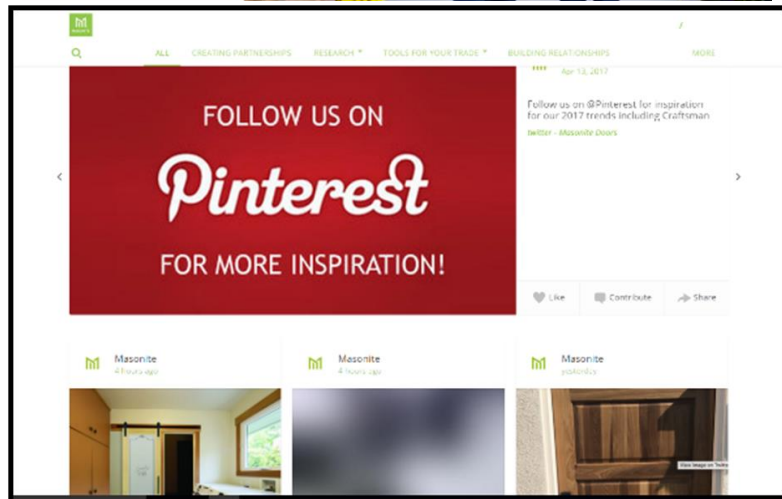
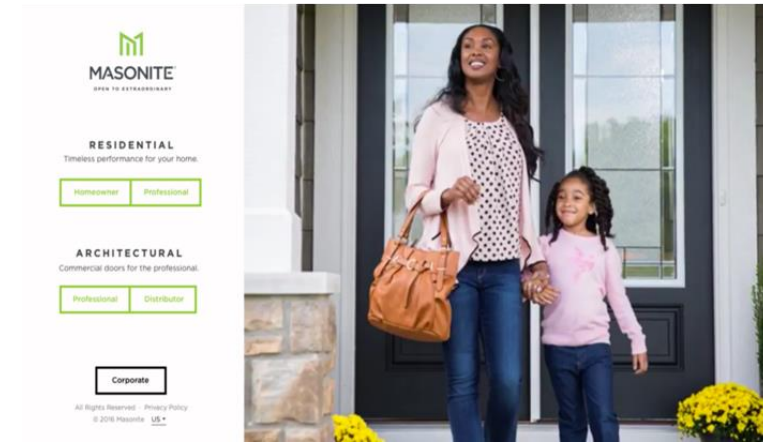
Digital Strategy

- ✓ *Journey of Enablement*
- ✓ *Digital Strategy is a direction and agenda of decisions, rather than a simple plan*
- ✓ *Sum of decisions we effectively make and execute over time*
- ✓ *Digital is a product*

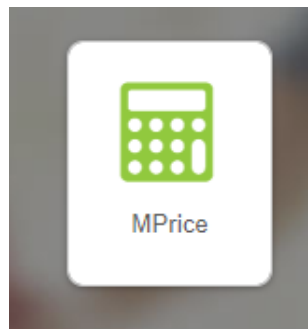
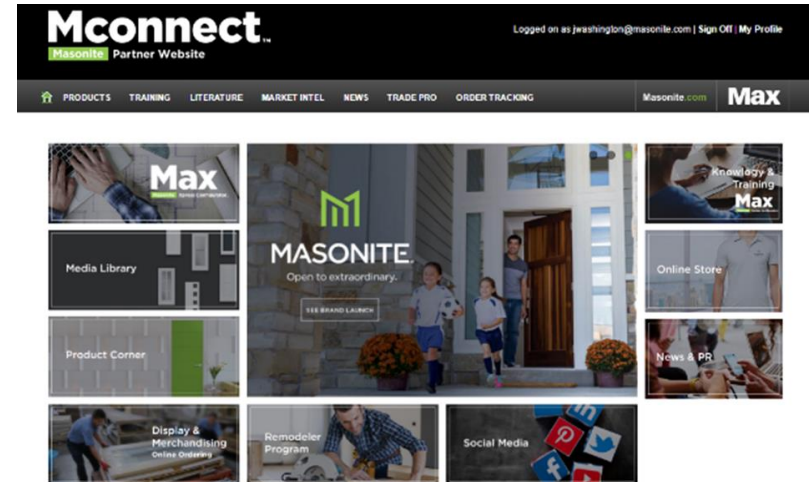
Digital Initiatives

User/Influencer Oriented Solutions

Masonite.com



Commercial Partner Oriented Solutions



Digital Initiatives

Test and Learn Update

- **Positive** customer experience
- **Opportunity** for door centric contractors
- **Samples/displays** an advantage
- **Substantial** technical training required



The Door Experience, Simplified.™



Segment Long Term Growth Framework[^]

Take advantage of a growing market

Drive AUP with new, innovative products

Change the conversation around doors

2017 – 2020 Net sales (CAGR): 5-7%
2020 Adj. EBITDA* margin: 17-19%

^(^) - Company long term growth framework is a forward-looking statement and subject to risks and uncertainties. See "Safe Harbor/Forward Looking Statement"

^(*) – See definition of Adjusted EBITDA on page 2. We are not providing a quantitative reconciliation of our Adjusted EBITDA or Adjusted EPS outlook to the corresponding GAAP information because the GAAP measures that we exclude from our Adjusted EBITDA and Adjusted EPS outlook are difficult to predict and are primarily dependent on future uncertainties.

ARCHITECTURAL





Graham Thayer
SVP, Architectural

1 BUSINESS OPPORTUNITY

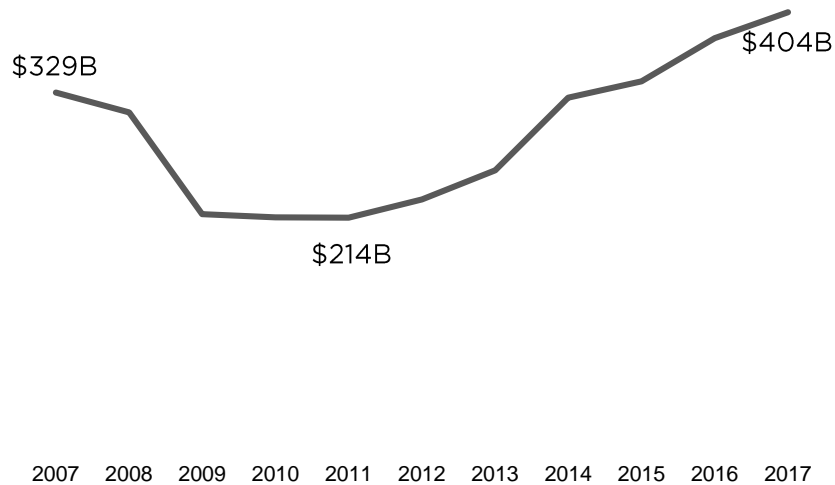
2 STRATEGY FOR WINNING

3 LOOKING FORWARD



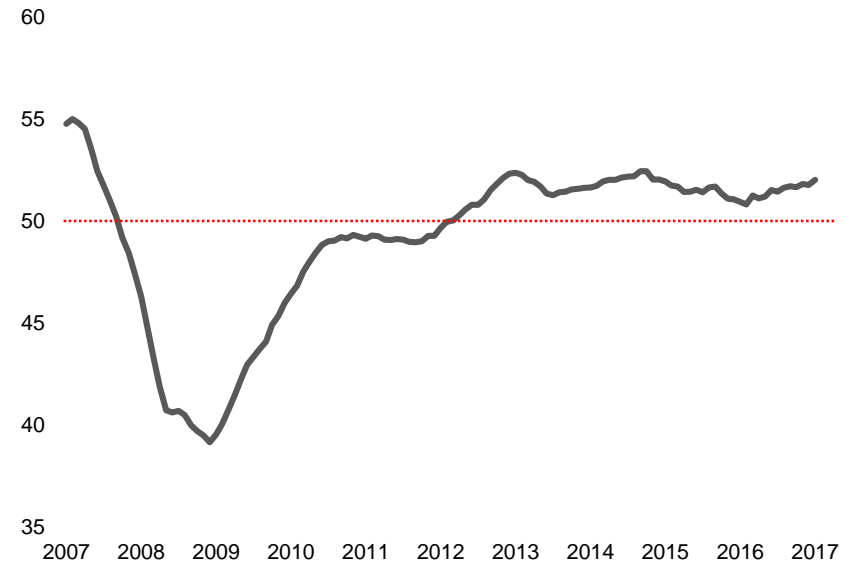
Business Opportunity

US Non-residential Construction Spending



Source: Dodge Analytics

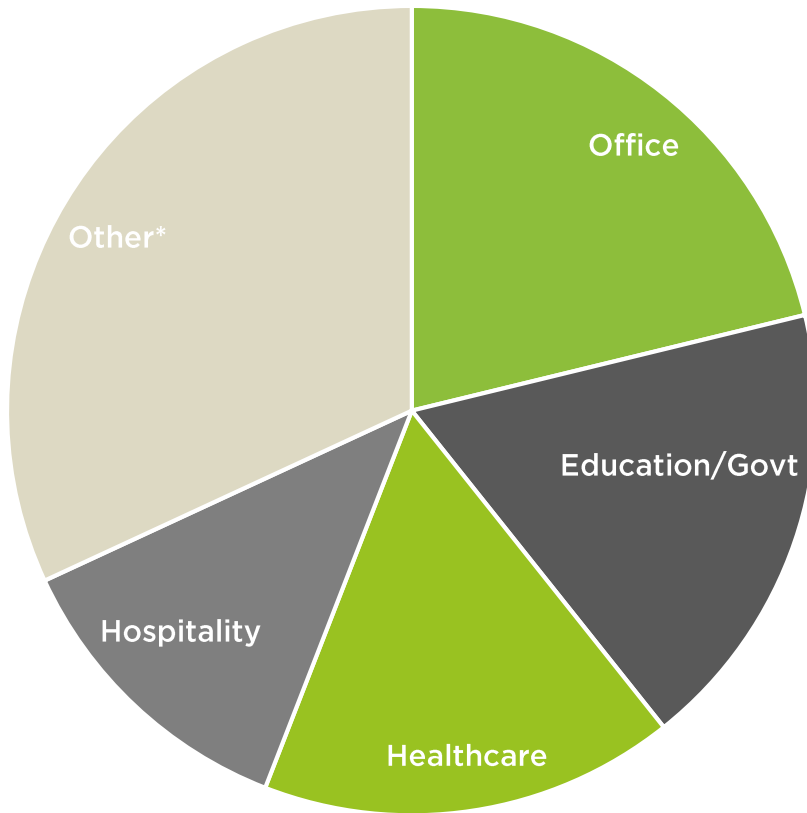
US Non-residential Building Index



Source: Architectural Billings Index (Rolling 12 month average)
Score above 50 indicates a positive outlook for spending

Business Opportunity

Masonite's Architectural Vertical Splits (2017 estimates)



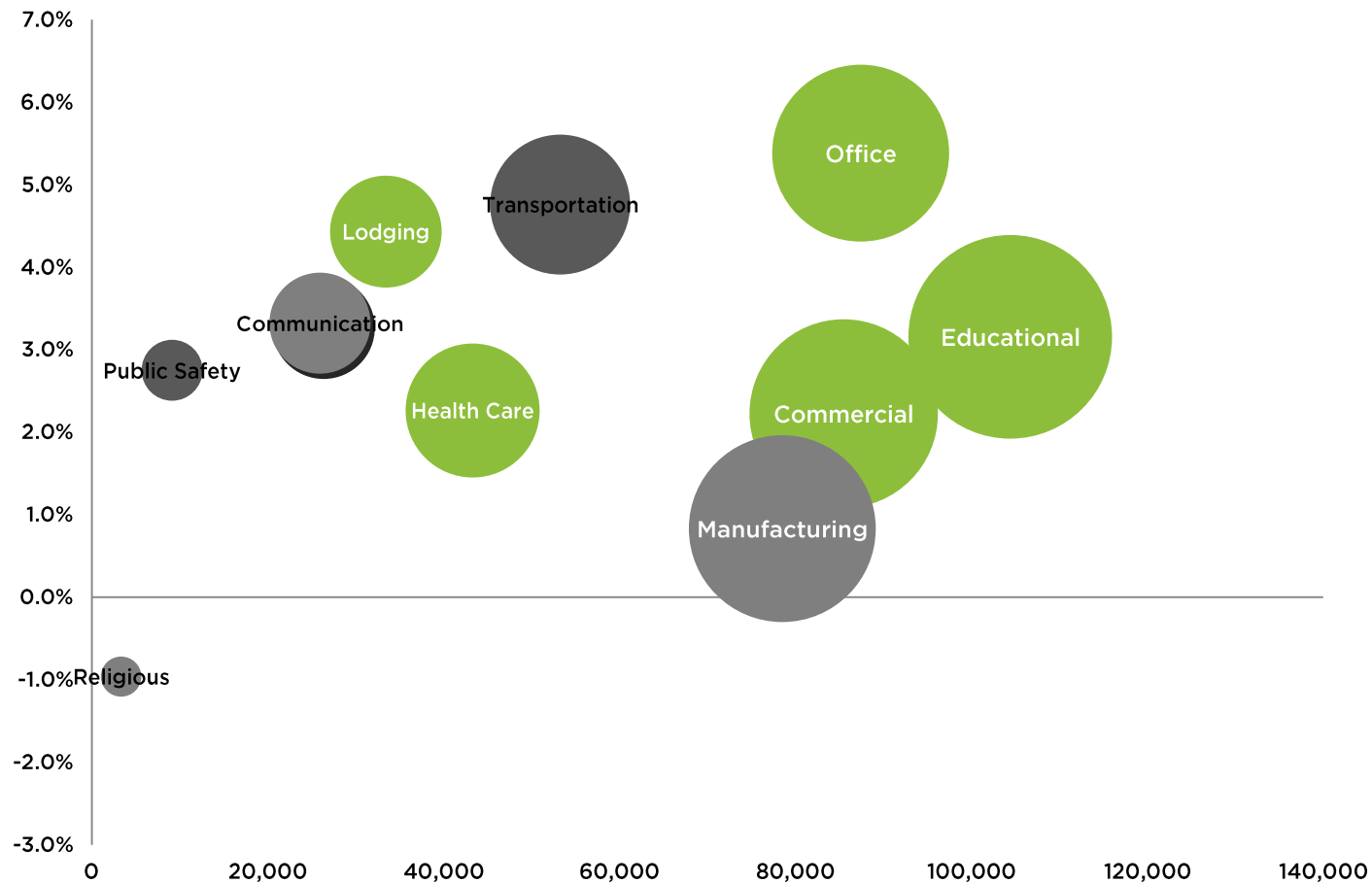
* Other consists of stock doors, multifamily and retail

Notes on Verticals

- ▶ Healthcare, education and government verticals carry higher AUP
 - ▶ More technical specs
 - ▶ Highly engineered/specified doors
- ▶ Aging population supports demand in healthcare facilities
- ▶ Trend towards increased safety and security in non-residential doors

Business Opportunity

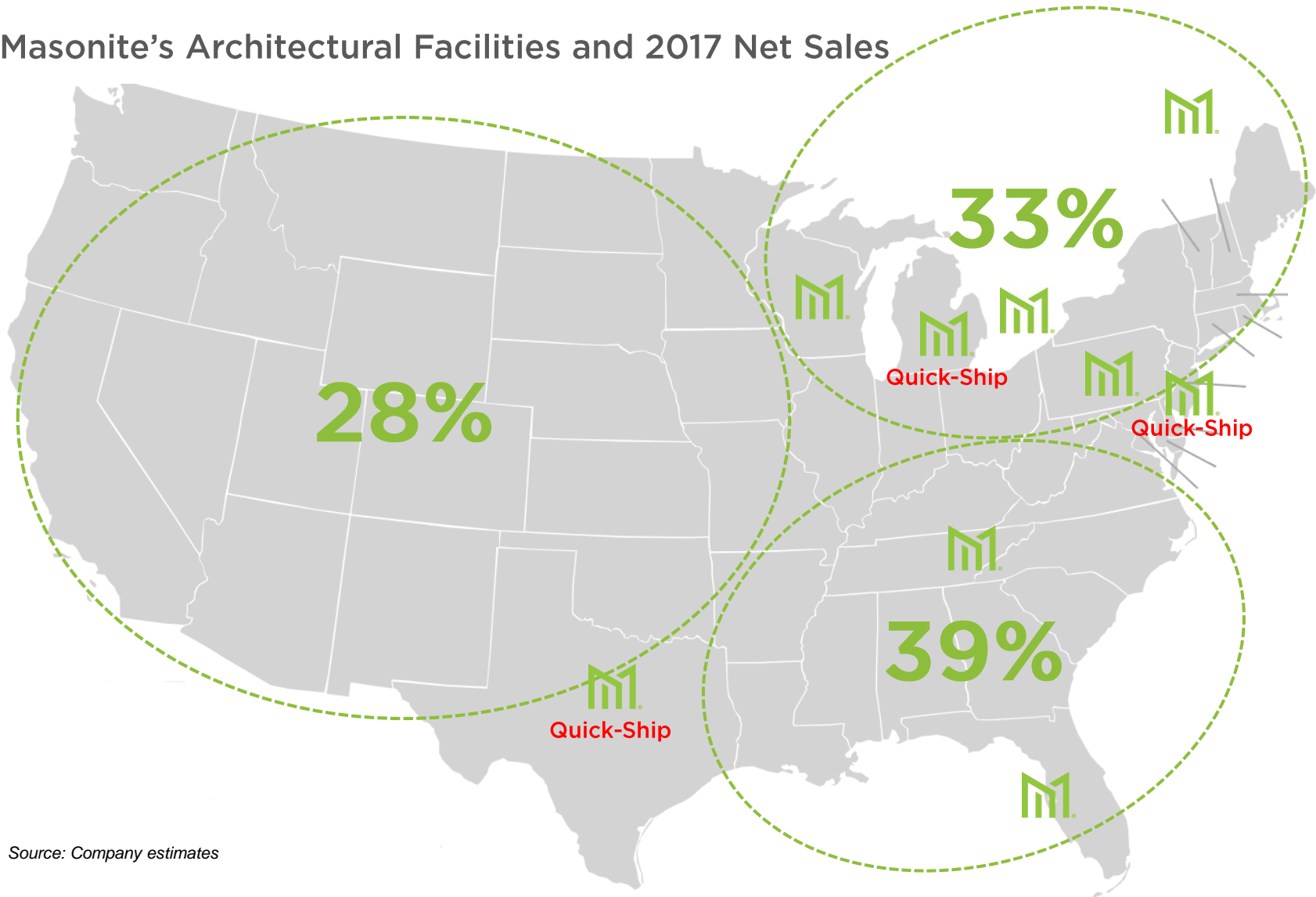
US Non Residential Construction Spending (Growth rates and \$ spend* estimated through 2021)



* \$ spend in billions
Source: FMI Global

Business Opportunity

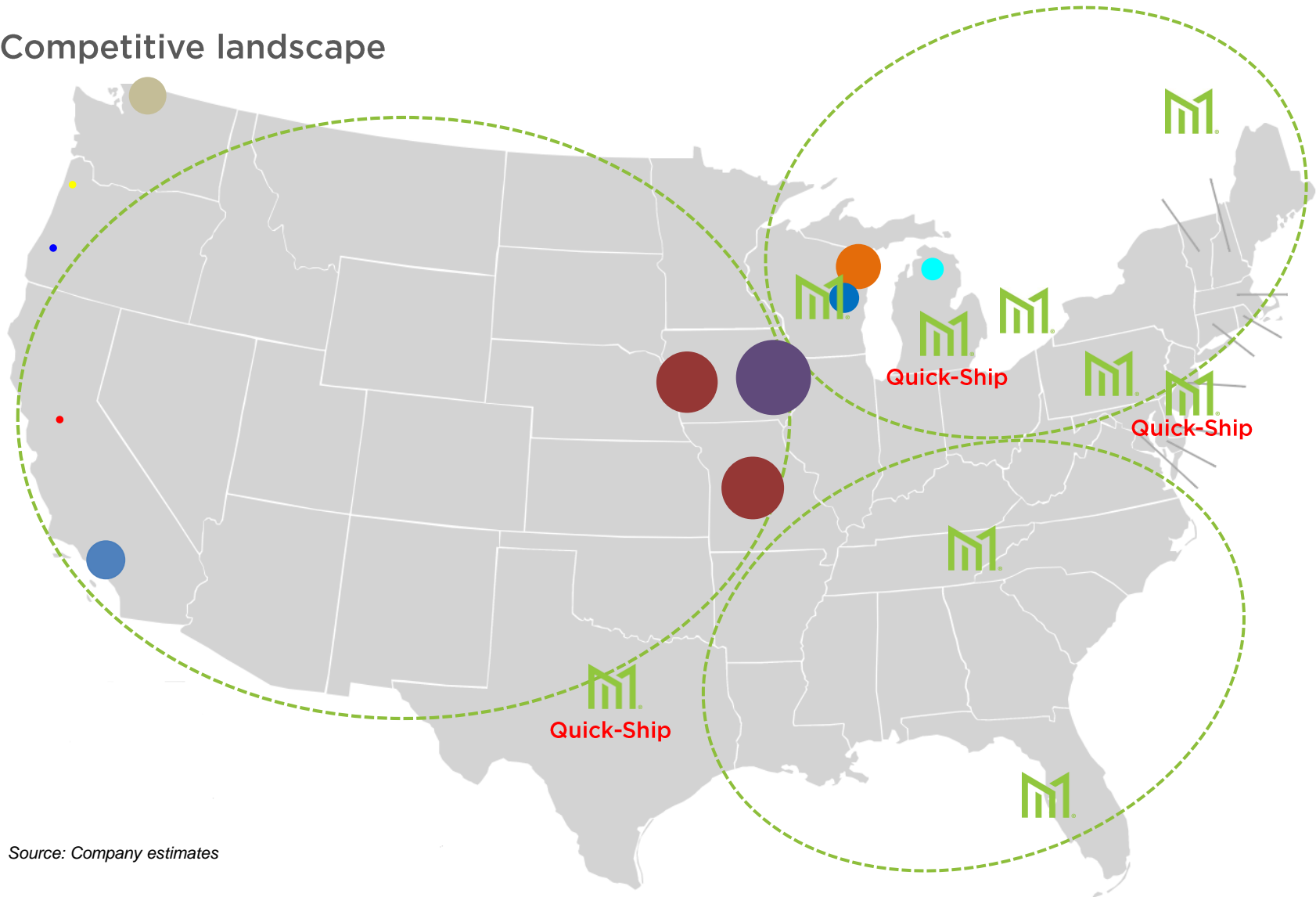
Masonite's Architectural Facilities and 2017 Net Sales



Source: Company estimates

Business Opportunity

Competitive landscape



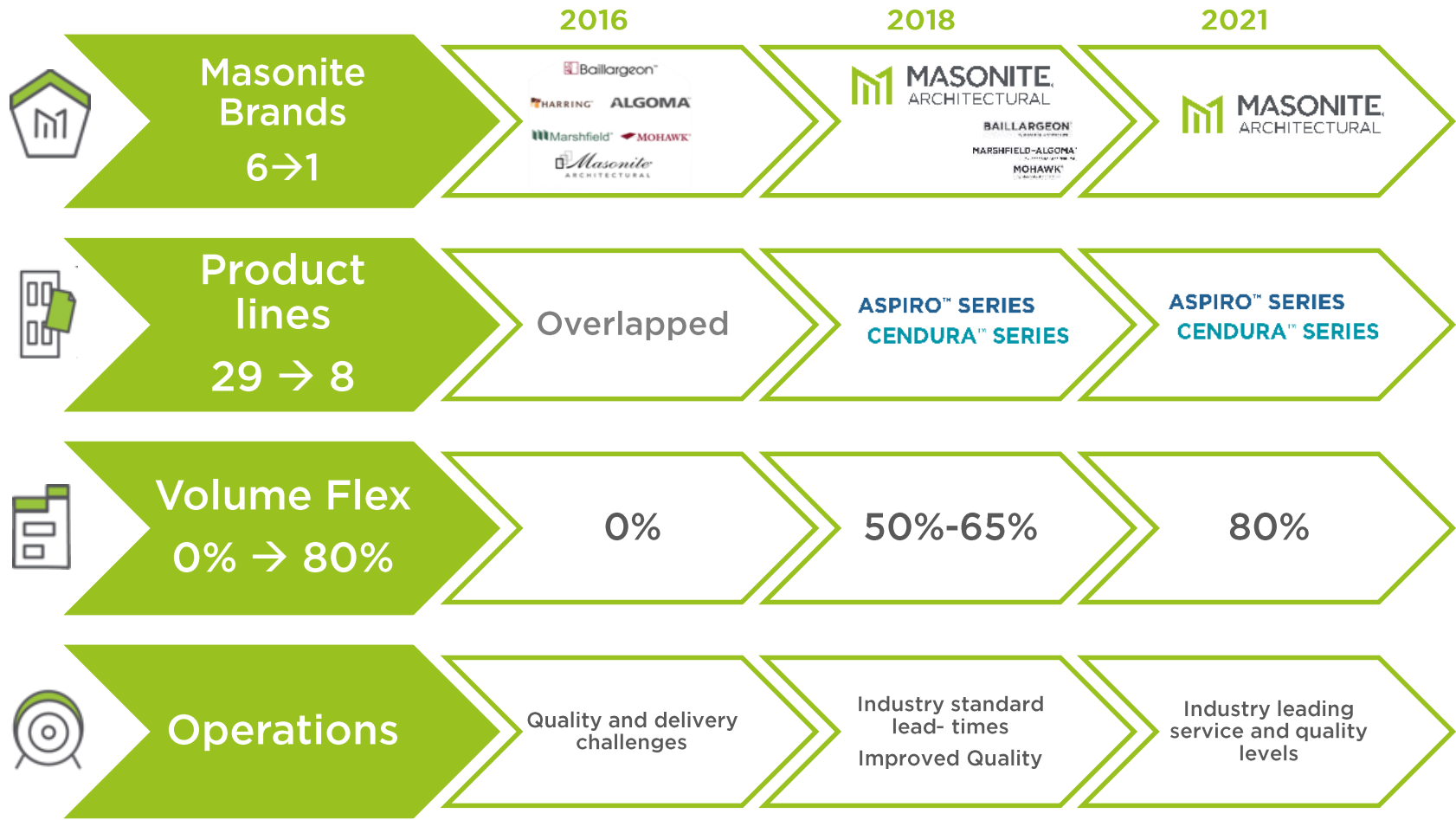
Source: Company estimates

ARCHITECTURAL VALUE PROPOSITION



A door is more than just a door, and we are more than just a manufacturer. We strive to be our customers' indispensable partner for creating successful buildings and shaping better environments — so they can always specify with confidence.

ARCHITECTURAL BUSINESS TRANSFORMATION



WHO WE ARE (BECOMING): BRAND PILLARS



Extraordinary Customer Service

We exhibit flexibility in every fiber in responding to our customer's needs, providing effective door solutions and services at each stage of the construction lifecycle.



Compelling Product & Services Portfolio

From stock to custom opening solutions, we hold the door open to new ideas that address key market trends with guaranteed field performance.



Expertise That Empowers

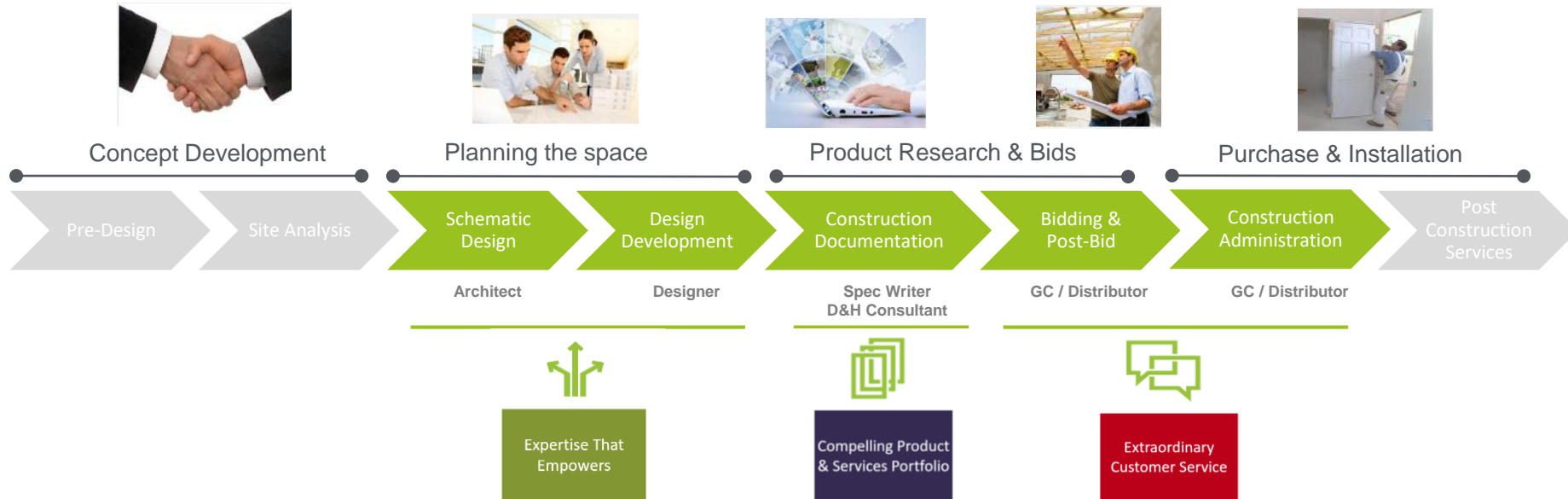
We empower our customers with the knowledge to help them select the right door for the right application. Easy. Simple. Fast. We help to create spaces where people can learn, heal, work and live better.

COMMERCIAL CONSTRUCTION LIFE CYCLE

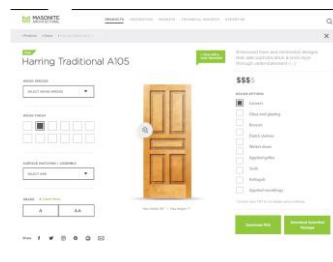


Masonite captures an estimated:
<20% of the value of an opening
<0.5% of construction materials

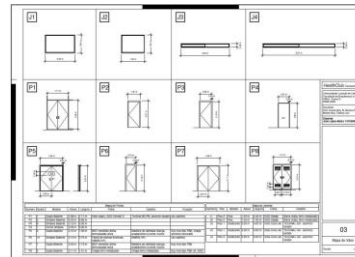
DIGITAL ENABLEMENT



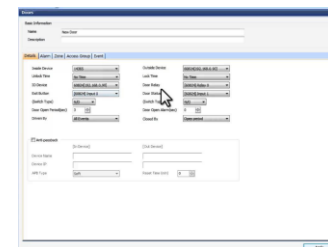
DoorSelector™



DoorSpecifier™



DoorBuilder™



Segment Long Term Growth Framework[^]

Extraordinary Customer Service

Compelling Product Portfolio

Expertise That Empowers

2017 - 2020 Net sales (CAGR): 7-9%
2020 Adj. EBITDA* margin: 17-19%

^(^) - Company long term growth framework is a forward-looking statement and subject to risks and uncertainties. See "Safe Harbor/Forward Looking Statement"

^(*) – See definition of Adjusted EBITDA on page 2. We are not providing a quantitative reconciliation of our Adjusted EBITDA or Adjusted EPS outlook to the corresponding GAAP information because the GAAP measures that we exclude from our Adjusted EBITDA and Adjusted EPS outlook are difficult to predict and are primarily dependent on future uncertainties.

EUROPE





Tony Hair

President, Global Residential

1 BUSINESS OPPORTUNITY

2 STRATEGY FOR WINNING

3 LOOKING FORWARD



UK Business



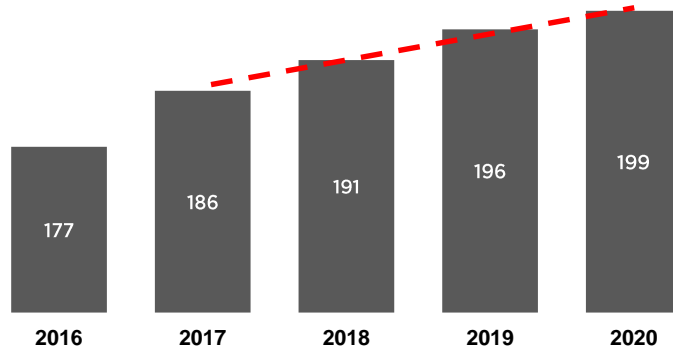
- ▶ UK is ~90% of Europe segment net sales (pro forma for DW3)
- ▶ 11 brands across 8 facilities
- ▶ Approximately 1,500 employees
- ▶ Wider product offering across value chain

Business Opportunity

UK Housing Starts

(in 000s)

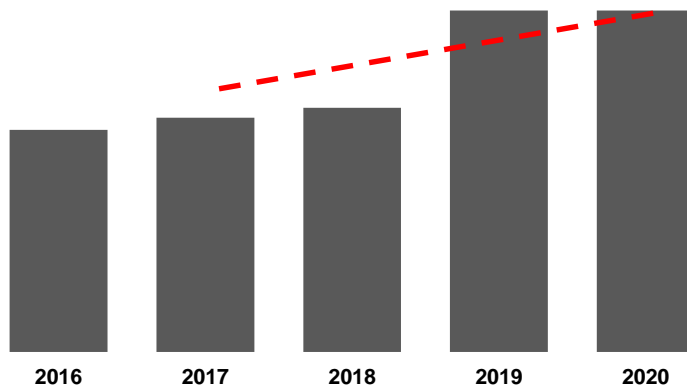
2.3% CAGR



Source: NHBC Housing Tracker

UK Remodeling Market

0.4% CAGR



Source: ONS and Experian Construction Forecast 2017

Positives

- ▶ Extension of the “help to buy” program by the UK Government until 2021
- ▶ UK property transactions remain high
- ▶ Interest rates remain low

Negatives

- ▶ Brexit uncertainty continues to lower business and investor confidence
- ▶ Wages are not forecast to rise as quickly as inflation
- ▶ Interest rates are expected to rise slowly

Product Portfolio

Masonite pre-2014:

Net Sales = \$93M
Adj. EBITDA = \$5.6M

Interior Door Slabs



Door Kits



Door Sets



uPVC Exterior



GRP Exterior



Exterior Solid & Fire



Bespoke Doors & Windows



Added Value (\$ per product)

PREMDOR

**NATIONAL
HICKMAN**

DORFAB

Nicedor.

door-stop
INTERNATIONAL

Solidor.

PDS

fibercill
ARCHITECTURAL INSULATION

Residor.

door-stop
INTERNATIONAL

R9

Pro forma UK Net Sales & Adjusted EBITDA ('17) = \$314 million & \$39 million

Strategy for Winning

Historic focus on brand-selling to dedicated channels































Current State Brand Focused

	E-commerce	Retail	Builders	Merchants	Contractors	Architects
PREMDOR		✓		✓		
NATIONAL HICKMAN			✓			
door-stop	✓				✓	
fibercill			✓	✓		
PDS				✓	✓	
engineered timber floor system			✓			
Solidor	✓				✓	
Nicedor	✓				✓	
R9	✓				✓	

Strategy for Winning

Revised focus on channel-selling applicable parts of the portfolio

Future State Channel Focused

E-commerce						PREMDOR[®]		
Retail	PREMDOR[®]							
Builders								
Merchants	PREMDOR[®]							
Contractors								
Architects		PREMDOR[®]						

Digital Initiatives

Enhancing our digital offering to “make it easy to buy a door”



- ▶ Improved materials flow
- ▶ Simplifies the whole supply chain for the customer
- ▶ Saves customer time
- ▶ Saves back office functions
- ▶ Increases amount of customer data captured
- ▶ Enhances marketing opportunities
- ▶ Drives USP “making it easier to buy doors”
- ▶ Increased social media and end user awareness of the Masonite UK brands
- ▶ Increased capacity
- ▶ Higher productivity

“We need a Masonite door”

Segment Long Term Growth Framework[^]

Penetrate new channels

Expand product offering

Capture Higher Value & Margin

2017 – 2020 Net sales (CAGR): 6-8%
2020 Adj. EBITDA* margin: 14-16%

^(^) - Company long term growth framework is a forward-looking statement and subject to risks and uncertainties. See "Safe Harbor/Forward Looking Statement"

^(*) – See definition of Adjusted EBITDA on page 2. We are not providing a quantitative reconciliation of our Adjusted EBITDA or Adjusted EPS outlook to the corresponding GAAP information because the GAAP measures that we exclude from our Adjusted EBITDA and Adjusted EPS outlook are difficult to predict and are primarily dependent on future uncertainties.



MASONITE®

Open to extraordinary™

OPERATIONS





Randy White
*SVP, Global Operations &
Supply Chain*

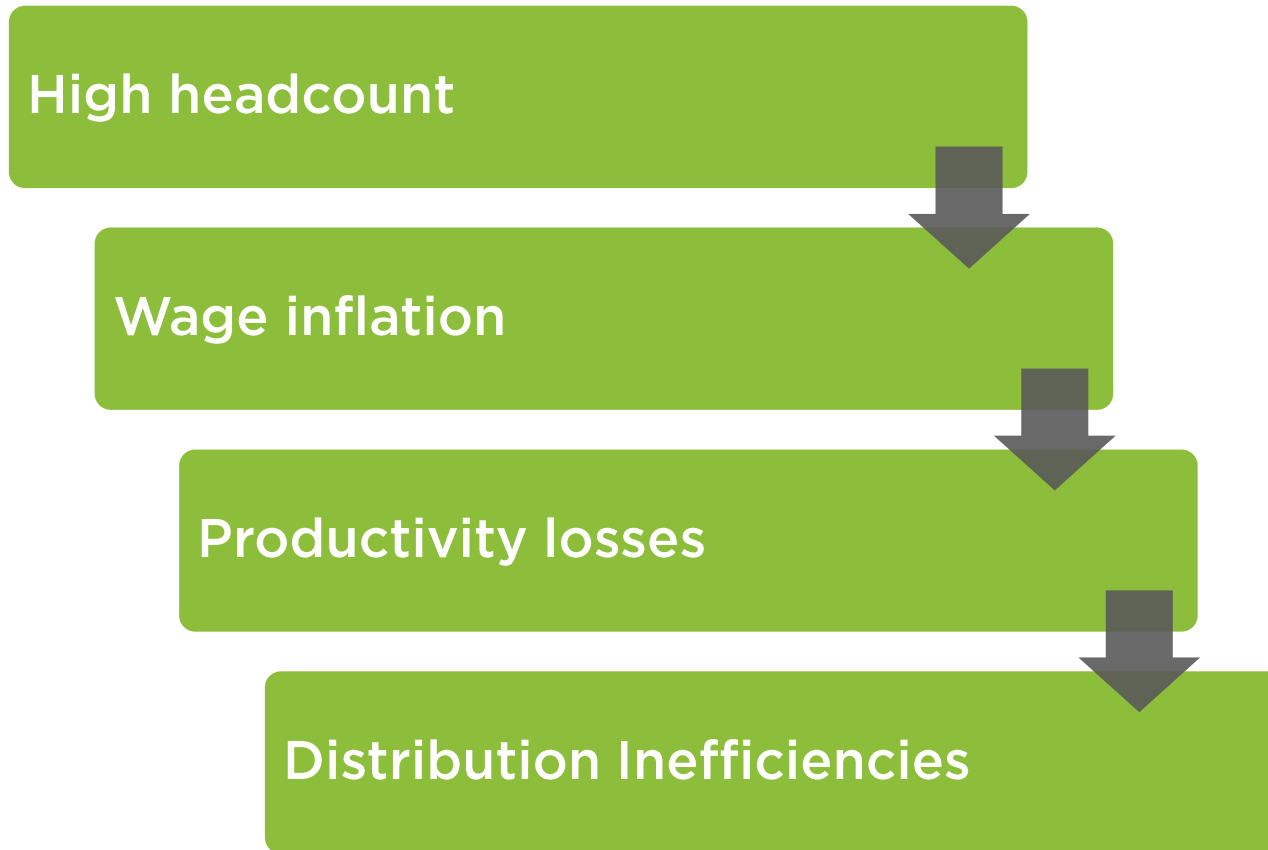
1 LEVERAGE MVANTAGE PLATFORM

2 SERVICE, QUALITY, DELIVERY

3 TARGETED AUTOMATION



2017 Headwinds



3 Pillars of a Lean Enterprise

LEAN CULTURE
(Organizational
Development)



LEAN TOOLS

 **vantage**
OPERATING SYSTEM

LEAN MANAGEMENT
OPERATING SYSTEM
(LMOS)

2018 Continuous Improvement Focus



Reset to drive operational improvement



Service, Quality and
Delivery Excellence

Best-in-class Operating Efficiency

OEE improvements to increase productivity

Process standardization

Drive supply chain improvements in order aggregation, material flow and inventory optimization

Capacity Planning

Technology focus to improve manual processes

Expand residential assembly capacity

Deliver fiberglass skin and door capacity

Managing for Daily Improvement

Scorecard standardization

Mvantage scorecard to drive continuous improvement actions

Develop standard work for leaders & operators

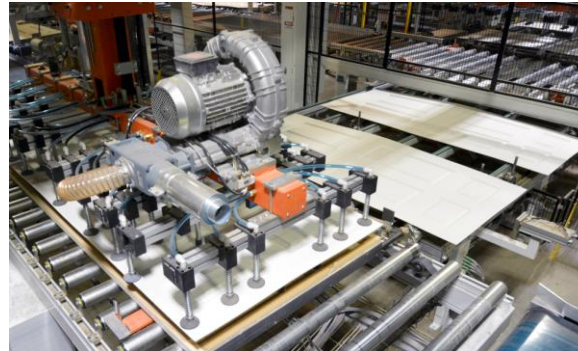
Operations Strategic Direction

Efficiency



Global standardization

Capacity



Expand capacity with automation

Improvement

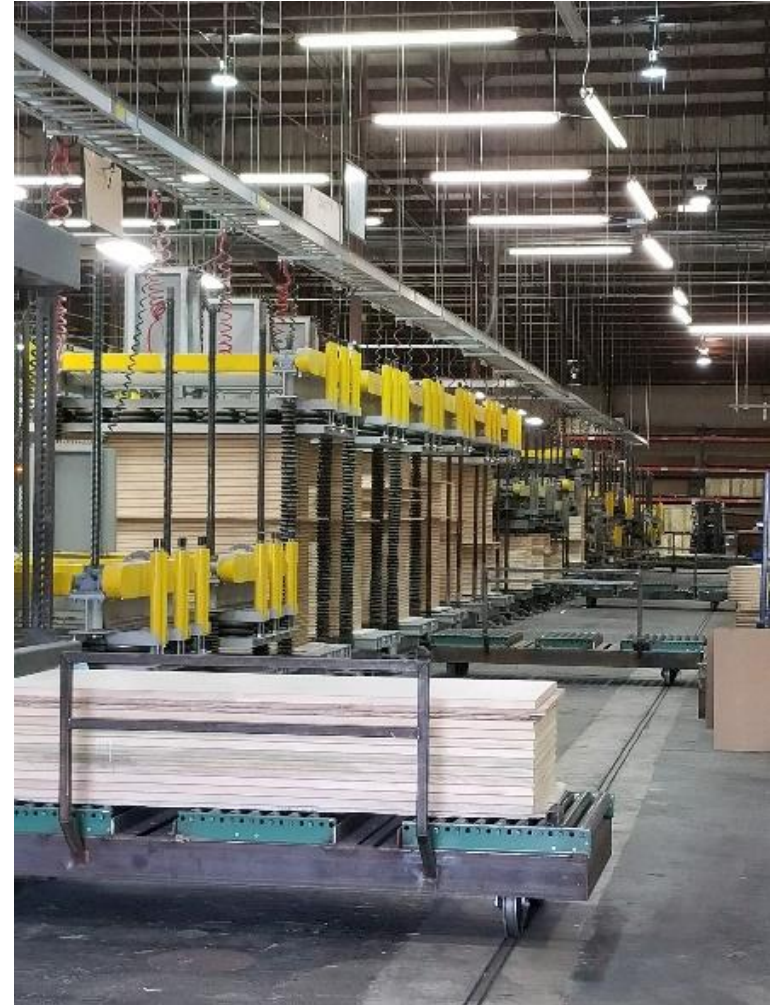
Key Indicator	8	8	8	6	9
Divisional Site Record Count (Selected Period)	815	879	1348	979	654
Site population (excludes temps) EOP	776	728	1330	910	585
Employees w/Completed CI overview YTD	95%	83%	99%	93%	89%
% of Population that has Completed CI overviews	100%	88%	88%	83%	78%
CI Communication covered in Town Hall Meeting	63%	88%	100%	100%	89%
CI Certification Plan on Target	100%	100%	100%	100%	78%
Monthly CI Project Review Complete	456	387	615	306	266
Certified White Belt Employees EOP	50%	44%	46%	31%	41%
% of White Belts Employees vs population	71	87	128	85	42
CI-Trained Employees (Yellow + & Active)	51	59	90	25	35
% CI-Trained Employees Leading an Active Proj. YTD	72%	68%	70%	29%	83%
% CI-Trained Employees Leading an Active Project	62	74	89	42	21
CI-Certified Employees (Yellow + & Active)	87%	85%	70%	49%	50%
Current % Employees Certified vs Trained (Yellow +)	32	32	32	24	36
Target Kaizen Events YTD	34	26	39	24	12
Executed Kaizen Events YTD (Considering Executed Only)	100%	81%	122%	100%	33%
% Kaizen Events Guideline	60	60	147	130	64
Mprove employees YTD	39	35	73	24	19
Mprove employees certified (Yellow +) YTD	65%	58%	50%	18%	30%
Current % of Mprove employees certified (Yellow +)	75%	100%	75%	50%	67%
Site Leader certified (Yellow +)					

Daily measurement

Operations Strategic Direction

Greenville, TX

- ▶ Improved materials flow
- ▶ Increased capacity
- ▶ Higher productivity



Operations Strategic Direction

Yulee, FL

- ▶ Visual management
- ▶ Process improvement
- ▶ Material replenishment



Before

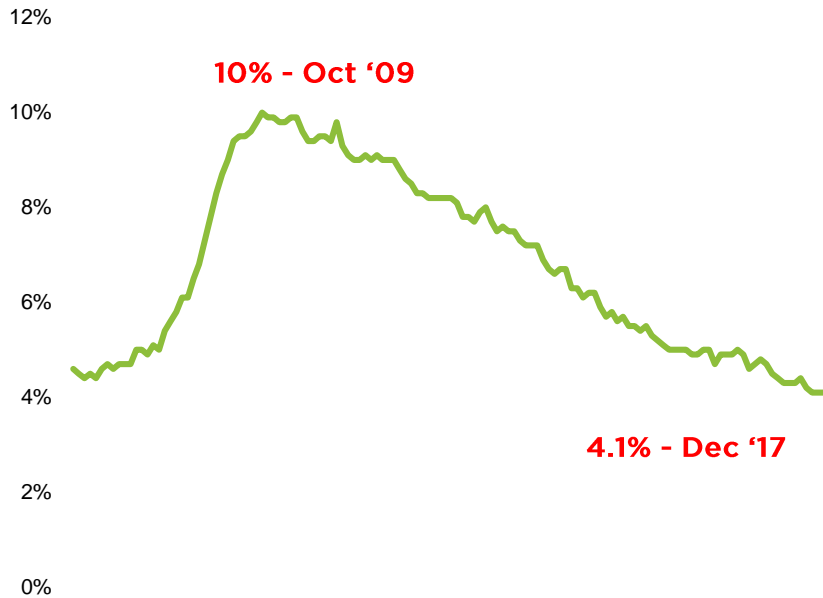


After



Tightening Labor Market

US Unemployment Rate (2007 - 2017)



Source: Bureau of Labor Statistics

US Employment Cost Index* (2005 - 2017)



Source: Bureau of Labor Statistics
* Indexed to 2005 dollars

Automation

Manual Processes

- ▶ Higher risk of injury
- ▶ Operating bottlenecks
- ▶ Production inefficiencies
- ▶ Expensive



Automated Processes

- ▶ Minimal injury risk
- ▶ Efficient production
- ▶ Lower cost of quality
- ▶ Less variability





MASONITE®

Open to extraordinary™

Long Term Growth Framework[^]

Leverage the MVantage Platform

Service, Quality and Delivery Excellence

Targeted Automation

Productivity to offset wage inflation
Build capacity to support growth
98% on time and complete

([^]) - Company long term growth framework is a forward-looking statement and subject to risks and uncertainties. See "Safe Harbor/Forward Looking Statement"

FINANCIAL REVIEW





Russ Tiejema
Chief Financial Officer

1 FINANCIAL OVERVIEW

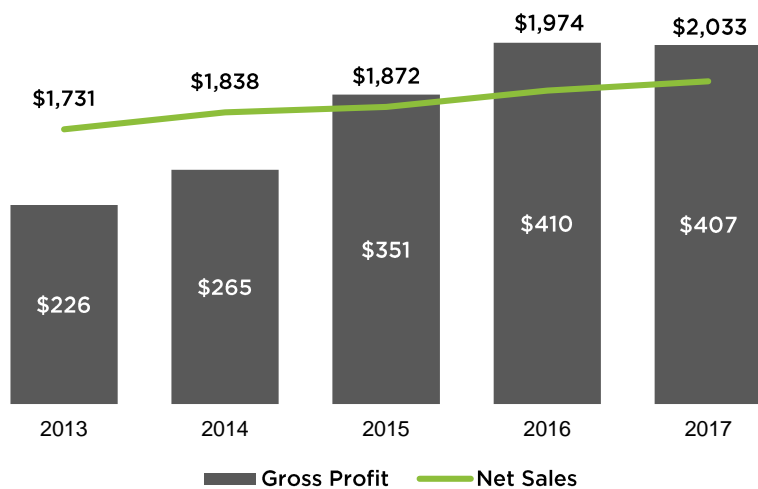
2 LONG TERM GROWTH FRAMEWORK

3 CASH FLOW & CAPITAL DEPLOYMENT

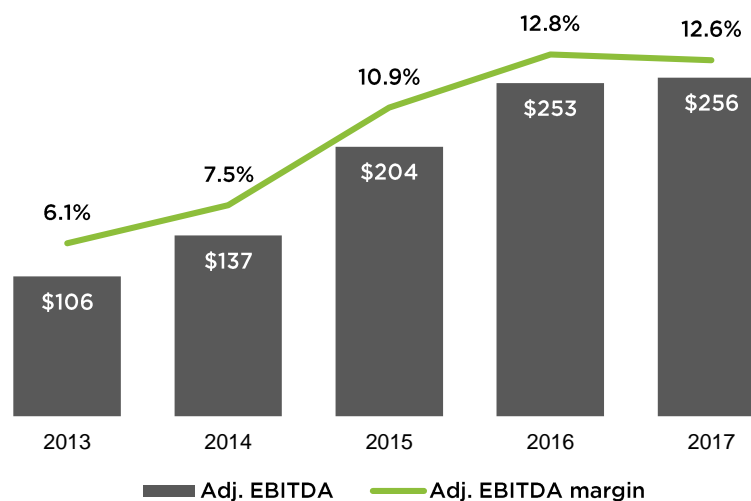


Historical Performance & Growth

Net Sales & Gross Profit



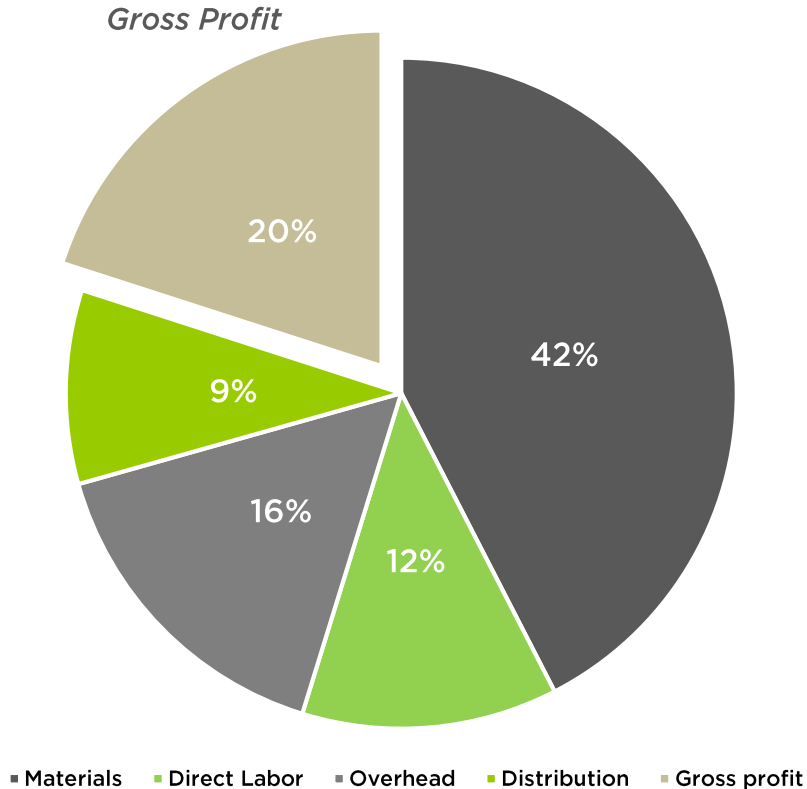
Adj. EBITDA* & Margin



Demonstrated operational leverage and margin expansion

(*) – See safe harbor/non-GAAP financial measures on page 2 for definitions and other information and appendix for non-GAAP reconciliations

Key Cost Elements



Based on 2017 results

- ▶ Materials basket includes:
 - ▶ Wood products
 - ▶ Chemicals
 - ▶ Metals
 - ▶ Glass
- ▶ 60-65% of total employee headcount is in direct labor
- ▶ Approximately 80% of total headcount is hourly wage earners
- ▶ Total plant wages in 2017 were ~\$400 million

2018 Outlook*

2018 P&L Metrics *(includes recent acquisitions)*

Net Sales

+6% - 8% / +5% - 7% (ex Fx)

Adjusted EBITDA[^]

\$280 - \$300M

Adjusted EPS[^]

\$3.70 - \$4.20

Other Key Items

Tax Rate

23% - 27%

Cash Taxes

\$9 - \$12M

Capital Expenditures

\$75 - \$80M

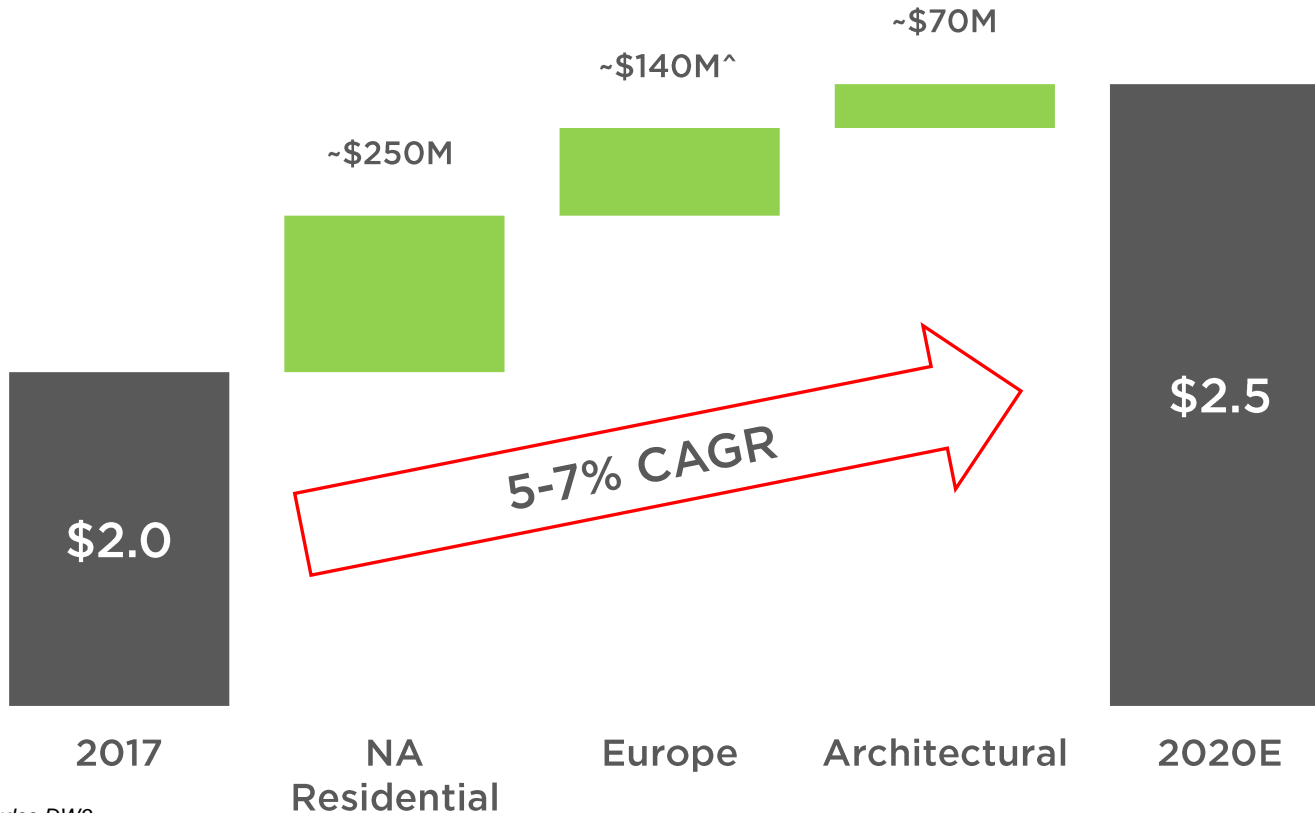
(*) –Our 2018 outlook is a forward-looking statement and subject to risks and uncertainties. See "Safe Harbor/Forward Looking Statement"

(^*) – See definition of non-GAAP financial measures on page 2. We are not providing a quantitative reconciliation of our Adjusted EBITDA or Adjusted EPS outlook to the corresponding GAAP information because the GAAP measures that we exclude from our Adjusted EBITDA and Adjusted EPS outlook are difficult to predict and are primarily dependent on future uncertainties.

Long Term Growth Framework^

Net Sales Trajectory

2017 and 2020 \$ in billions



^ Europe increase includes DW3

Expected growth in all three reportable segments

(^) - Company long term growth framework is a forward-looking statement and subject to risks and uncertainties. See "Safe Harbor/Forward Looking Statement"

Long Term Growth Framework^

Adj. EBITDA* Margin Trajectory

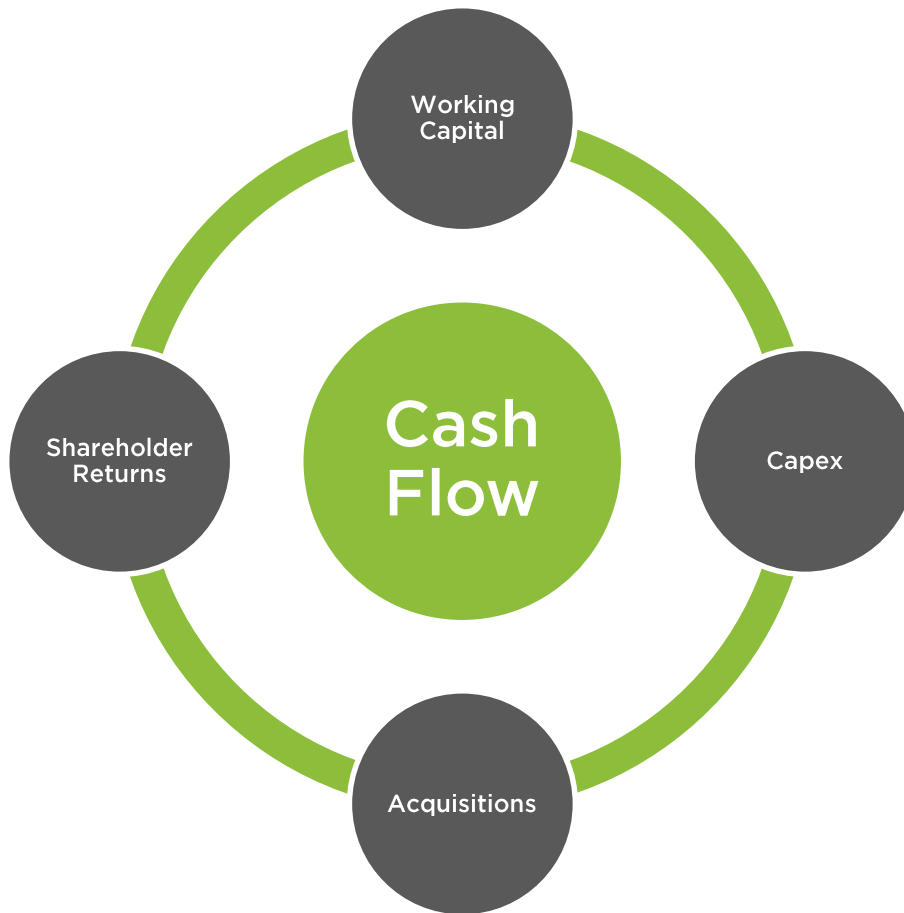


Strong incremental margin performance

(^) - Company long term growth framework is a forward-looking statement and subject to risks and uncertainties. See "Safe Harbor/Forward Looking Statement"

(*) - See definition of Adjusted EBITDA on page 2. We are not providing a quantitative reconciliation of our Adjusted EBITDA or Adjusted EPS outlook to the corresponding GAAP information because the GAAP measures that we exclude from our Adjusted EBITDA and Adjusted EPS outlook are difficult to predict and are primarily dependent on future uncertainties.

Cash Flow Priorities



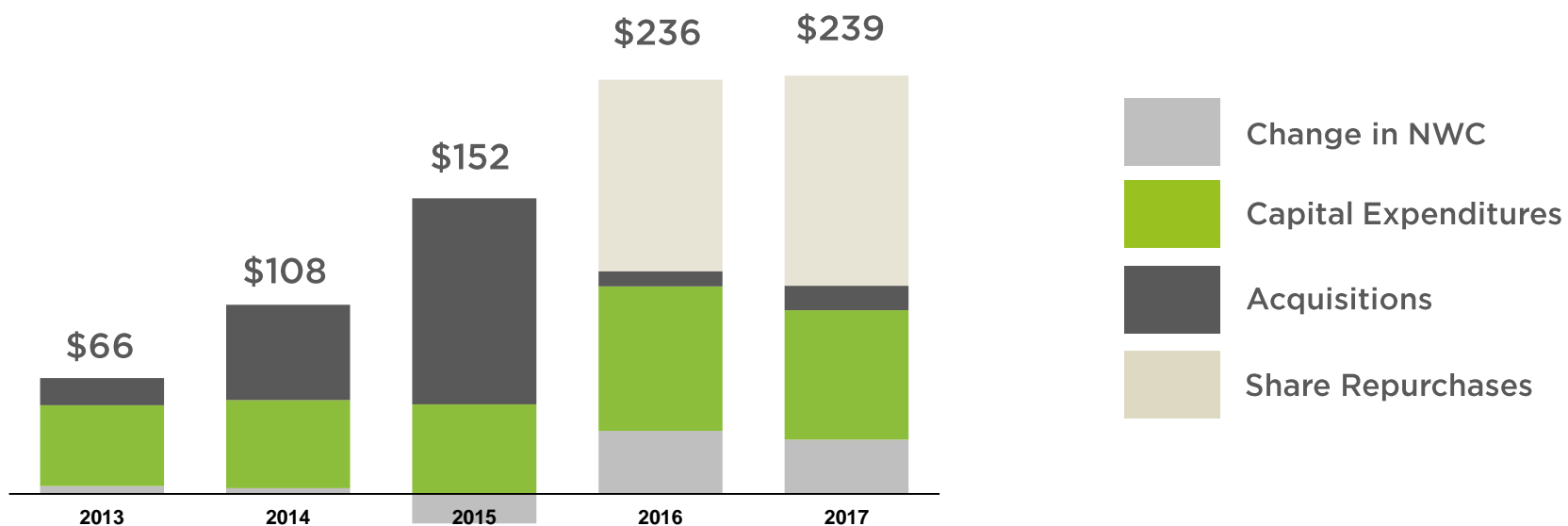
Priorities

- ▶ Fund working capital needs
- ▶ Invest in organic growth initiatives
- ▶ Pursue value-added acquisitions
- ▶ Return excess cash to shareholders

Growth in Cash Flow & Cash Spend

Masonite's uses of cash

\$ in millions



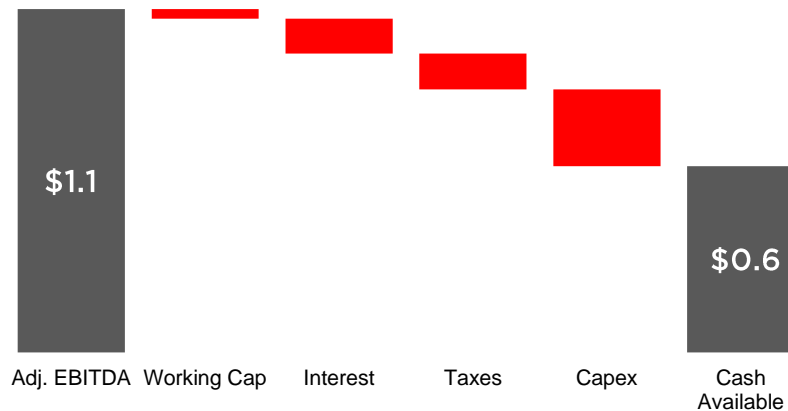
Generated >\$300 million of free cash flow* since 2013

77 (*) – See safe harbor/non-GAAP financial measures on page 2 for definitions and other information and appendix for non-GAAP reconciliations

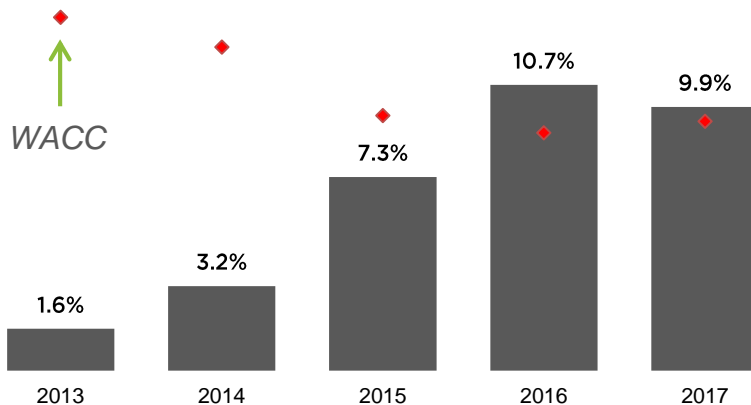
Cash Deployment & Returns

Cash Flow Deployment*

Cumulative estimates through 2020 (\$ in billions)



Return on Invested Capital* (ROIC)



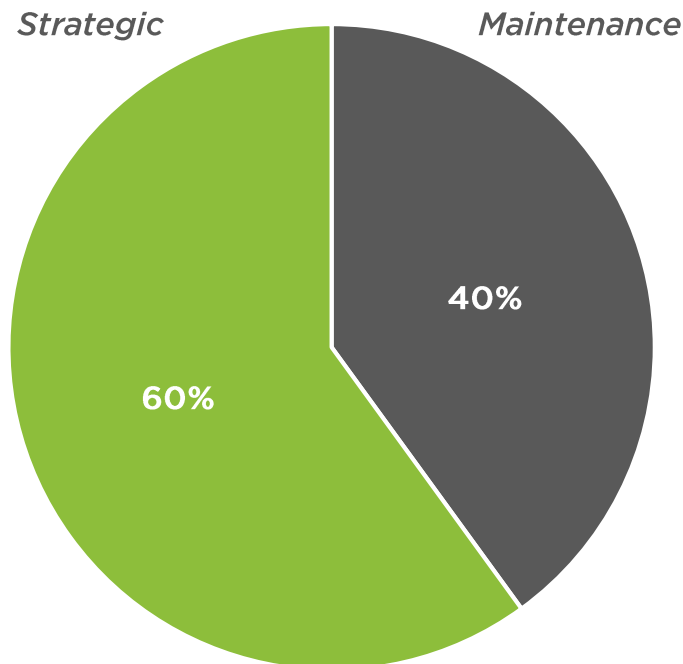
Cash Flows & Returns*

- ▶ Cash flows expected to increase with a fixed asset base, leveraging higher returns
- ▶ Approximately \$600 million available for acquisitions or return to shareholders
- ▶ Cost of capital has decreased significantly since 2013
- ▶ 2017 WACC estimated to be <9.5%
- ▶ Focus on increasing ROIC and exceeding WACC

Organic Investment - Capital Expenditures

Capex Spending

Based on ~\$80 million per year



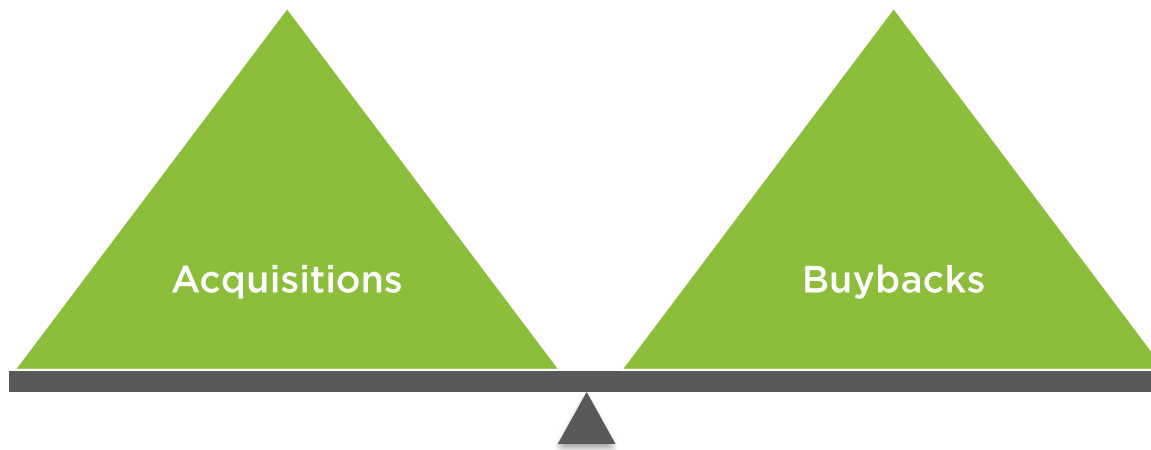
Strategic Priorities

- ▶ Cost reduction/Quality improvement
- ▶ Capacity expansion
- ▶ New product development
- ▶ Digital tools

Examples

- ▶ Automating paint lines, core routing and board stacking
- ▶ Increasing fiberglass capacity
- ▶ Optimizing plant layout
- ▶ Equipment upgrades to enhance trimming throughput and packaging efficiency

Maximize Shareholder Returns



1. Prioritize Door Applications
2. Capture more of value chain
3. Pursue accretive margins and synergies

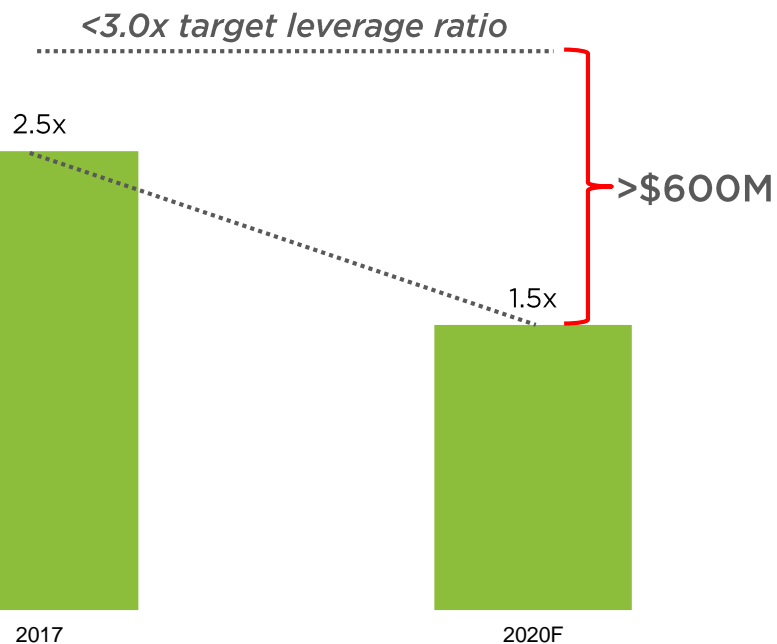
1. Opportunistic
2. Strong return potential
3. Attractive risk profile

Leverage

Leverage Ratios*



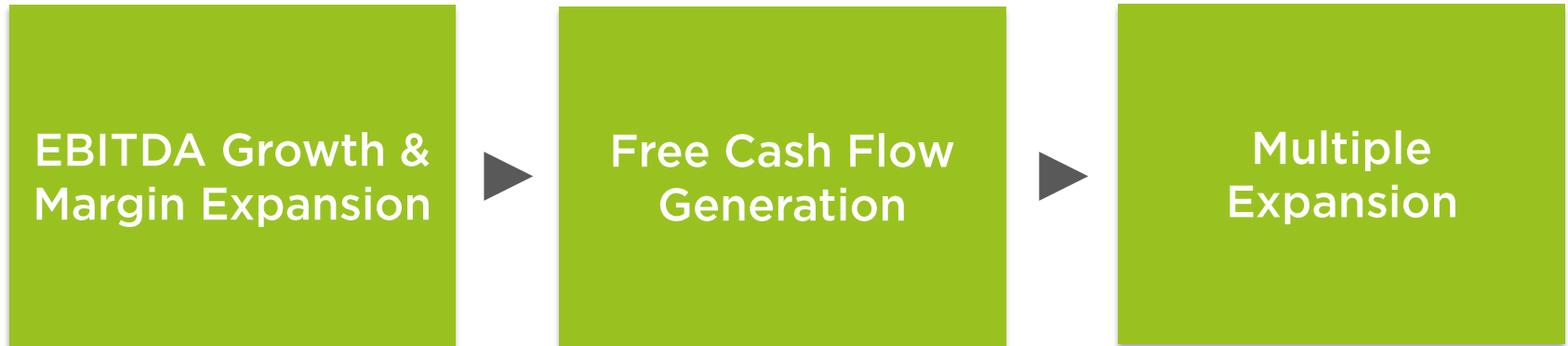
Debt Capacity*



Organic cash flow and borrowing capacity affords ample flexibility

Shareholder Value

BUILDING BLOCKS TO INCREASING SHAREHOLDER VALUE





Fred Lynch
President & Chief Executive Officer

1

SUMMARY

2

Q&A



Summary

1. Growth with Purpose

- ▶ We Help People Walk Through Walls
- ▶ Purpose driven companies have better margins, higher sales per employee, and higher returns to investors

2. Demonstrated Success

- ▶ Taking advantage of growth opportunities
- ▶ Driving higher average unit prices
- ▶ Using Lean principles to improve operations

3. Cash Flow Opportunity

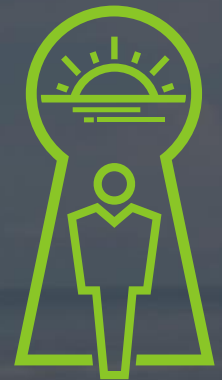
- ▶ Generated over \$300 million in free cash flow since 2013
- ▶ 50% incremental margin since 2013
- ▶ Successfully returning cash to shareholders

4. Driving Shareholder Value

- ▶ Expand margins
- ▶ Generate outsize free cash flow
- ▶ Disciplined capital allocation



ON THE THRESHOLD OF WHATS NEXT



Ever since a lucky experiment created Masonite hardboard, we've been leading the industry with innovative design, services and products across the board. From increasing customer interactions to enhancing the beauty and functionality of our doors, we continuously strive to improve both our products and our customers' experiences. It's that drive that leads us to revolutionize the door industry, again and again.

NON-GAAP RECONCILIATIONS



Reconciliation of Adj. EBITDA to net income (loss) attributable to Masonite

	Twelve months ended,				
	December 31, 2017	January 1, 2017	January 3, 2016	December 28, 2014	December 29, 2013
<i>(In thousands)</i>					
Adjusted EBITDA	\$ 255,568	\$ 252,513	\$ 204,197	\$ 137,087	\$ 105,877
Less (plus):					
Depreciation	57,528	57,604	59,160	60,622	62,080
Amortization	24,375	24,727	23,725	21,722	17,058
Share based compensation expense	11,644	18,790	13,236	9,605	7,752
Loss (gain) on disposal of property, plant and equipment	1,893	2,111	1,371	3,816	(1,775)
Registration and listing fees	—	—	—	—	2,421
Restructuring costs	850	1,445	5,678	11,137	10,630
Asset impairment	—	1,511	9,439	18,202	1,904
Loss (gain) on disposal of subsidiaries	212	(6,575)	59,984	—	—
Interest expense (income), net	30,153	28,178	32,884	41,525	33,230
Loss on extinguishment of debt	(1,091)	—	28,046	—	—
Other expense (income), net	—	(1,959)	(1,757)	(587)	2,316
Income tax expense (benefit)	(27,560)	21,787	14,172	4,533	(21,377)
Loss (income) from discontinued operations, net of tax	583	752	908	630	598
Net income (loss) attributable to non-controlling interest	5,242	5,520	4,462	3,222	2,050
Net income (loss) attributable to Masonite	151,739	98,622	(47,111)	(37,340)	(11,010)

Reconciliation Tables

Uses of Cash

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Net working capital	\$1.6	-\$5.7	-\$27.7	\$37.3	\$43.9
Capital Expenditures	\$46.0	\$50.1	\$51.1	\$82.3	\$73.8
Acquisitions	\$15.4	\$54.3	\$117.4	\$8.6	\$13.8
Share repurchase	\$0.0	\$0.0	\$0.0	\$109.2	\$119.9
Total Cash Deployment	\$62.9	\$98.7	\$140.8	\$237.4	\$251.4

Free Cash Flow

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Cash flow from operations	\$47.5	\$77.4	\$161.0	\$174.0	\$173.5
Capital expenditures	-46.0	-50.1	-51.1	-82.3	-73.8
Free Cash Flow	\$1.5	\$27.3	\$109.9	\$91.7	\$99.7

Leverage Ratios

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total Debt	\$503.8	\$468.9	\$470.7	\$625.8
Cash	\$192.0	\$89.2	\$71.7	\$176.7
Net Debt	\$311.7	\$379.7	\$399.0	\$449.1
Adj. EBITDA	\$137.1	\$204.2	\$252.5	\$255.6
Capex	\$50.1	\$51.1	\$82.3	\$73.8
Interest Expense	\$41.5	\$32.9	\$28.2	\$30.2
Total Debt	3.7x	2.3x	1.9x	2.4x
Net Debt	2.3x	1.9x	1.6x	1.8x

Reconciliation Tables

	2013	2014	2015	2016	2017
Adj. EBITDA	\$105.9	\$137.1	\$204.2	\$252.5	255.6
Less: D&A	\$79.1	\$82.3	\$82.9	\$82.3	81.9
EBIT	\$26.8	\$54.8	\$121.3	\$170.2	\$173.7
Tax Rate	29.0%	29.0%	29.0%	29.0%	29.0%
Taxes	\$7.8	\$15.9	\$35.2	\$49.4	\$50.4
NOPAT	\$19.0	\$38.9	\$86.1	\$120.8	\$123.3
Debt	\$377.9	\$511.9	\$468.9	\$470.7	\$625.7
Equity	\$825.6	\$735.5	\$655.6	\$659.8	\$736.4
Inv. Capital	1,203.4	1,247.4	1,124.4	1,130.5	1,362.1
Total Assets	1,566.3	1,616.1	1,499.1	1,475.9	1,680.3
ROIC	1.6%	3.2%	7.3%	10.7%	9.9%
ROA	1.2%	2.4%	5.5%	8.1%	7.8%