



Investor Day 2022

 MASTERBRAND®



Forward Looking Statements

Please note that the information included in this presentation contains statements relating to, among other things, future results, which are “forward-looking statements” as that term is defined in the Private Securities Litigation Reform Act of 1995, including estimates and information about our anticipated future performance. We caution you that these forward-looking statements speak only as of the date hereof, and we have no obligation to update them. While we believe these statements are based on reasonable assumptions and accurate as of the date they are made, they are not guarantees of future performance, and our actual results may differ materially from those estimated or projected as a result of, among other things, certain risks and uncertainties, including the risks described in our Registration Statement on Form 10, as amended.



Building Great Experiences Together

[Play Video](#)



Today's Agenda

01 Introducing MasterBrand

Dave Banyard, President and Chief Executive Officer

02 Fireside Chat: The MasterBrand Way

Kurt Wanninger, EVP, Business Unit Leader

Gay McMichael, EVP, Business Unit Leader

03 Digital & Technology Overview

Navi Grewal, EVP, Digital & Technology

04 Financial Overview & Outlook

Andi Simon, EVP and Chief Financial Officer

05 Q&A Session

A kitchen scene featuring white cabinetry with gold handles, a blue backsplash, and a window with white shutters. The kitchen is well-lit, and a chandelier is visible in the upper right corner. A countertop with a copper faucet and a fruit basket is also visible.

01

Introducing MasterBrand

 MASTERBRAND®

Introducing MasterBrand

#1 North American residential cabinet manufacturer

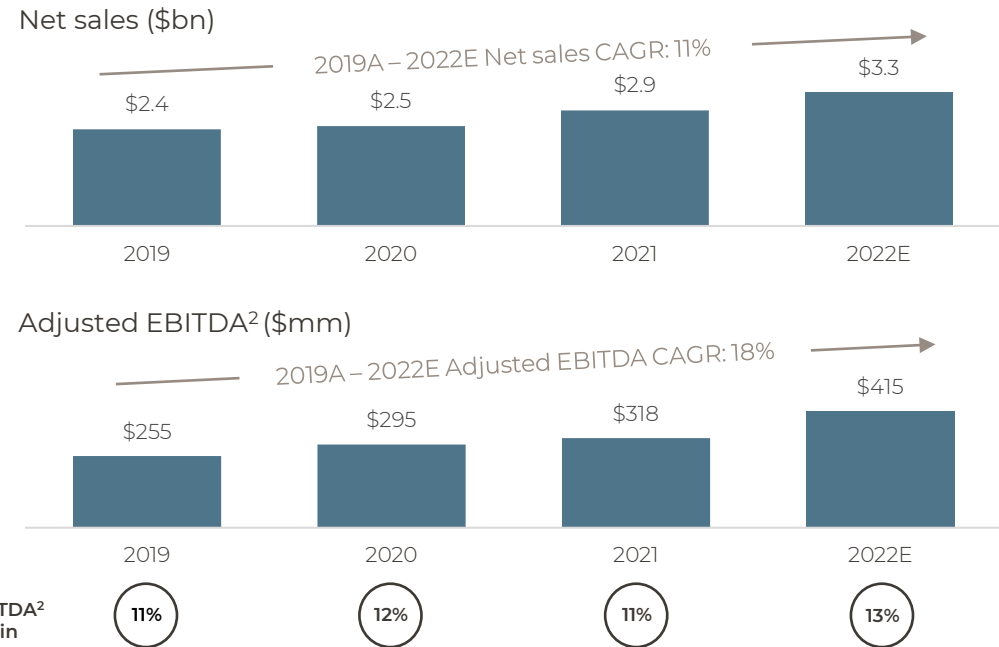
MasterBrand at a glance

\$3.3 billion Net sales ¹	\$415 million Adjusted EBITDA ^{1,2}
~65% Net sales to R&R	4,500+ Dealer network
14,000+ Employees	20+ Manufacturing facilities

Key brands



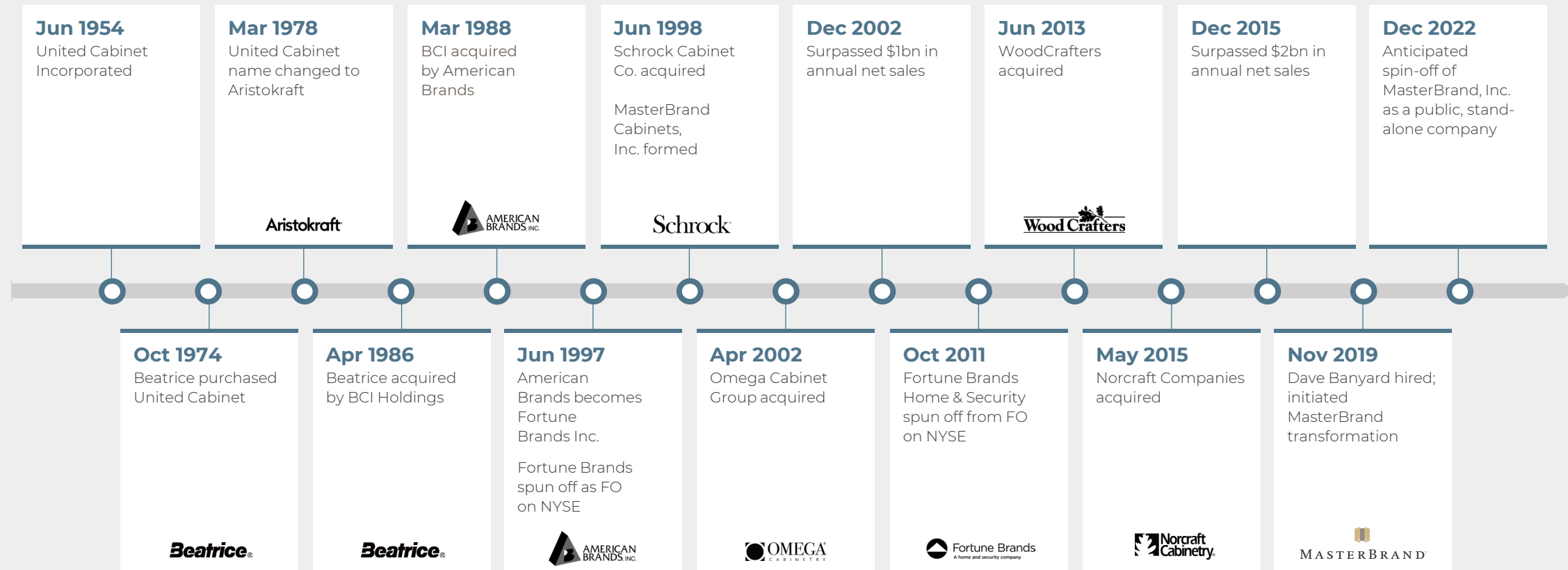
MasterBrand key financial metrics



¹ Reflects Net Sales and Adjusted EBITDA estimate for fiscal year 2022

² Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP metrics. Please see appendix for a reconciliation of Adjusted EBITDA to Income before taxes, the calculation of Adjusted EBITDA margin and definitions.

~70-year History as the Market Leader in Cabinets



Integration Across Complicated Product Set

Face construction

Face construction can be “framed” or “frameless / full access”



Doors and drawers have different overlay styles



Partial overlay

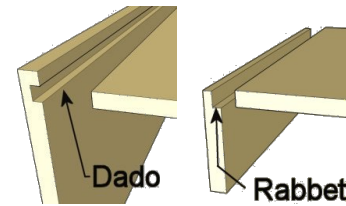
Full overlay

Inset

Cabinet box construction

Cabinets are made of particleboard, plywood, or MDF and can have variability in several areas

Joinery types



Drawer box construction



Stapled particleboard

Dovetailed solid wood

Finishes

Cabinet finishes consist of laminates, foils, stains, and paints

Laminates and foils



Paper laminated board

Decorative laminate veneer

Thermally fused laminate (melamine)

Thermoplastics/thermofoils

Paints and Stains



Stain

Paint / opaque

Clean glaze

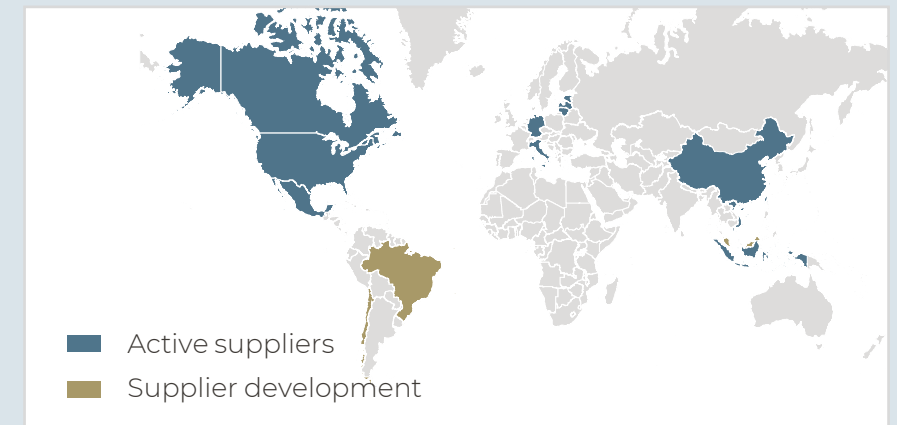
Flooded glaze

Number of SKUs and modification options vary by product platform



Diverse and Agile Manufacturing Network

- 20+ manufacturing facilities, supported by our distribution and service centers, give MasterBrand full regional and cross-country coverage
- Strategically positioned network allows faster speed to market and better service and support
- Global supply chain network with ~27% of spend sourced in low-cost countries¹
- Diversifying sourcing into Malaysia, Mexico, Brazil and Chile



The MasterBrand Commitment

Our Cultural Foundation for Doing the Right Thing for People and our Planet

Environmental

- Leader in sustainable wood sourcing practices
 - Comprehensive supplier audit process
 - 80% of 2021 hardwood spend derived from supply originating in North America
- National Forest Foundation partner, Yellowstone Forever supporter
- Well established and efficient use of natural and recycled components

Social

- Leader in associate safety
 - Sustained OSHA recordable rate close to 1, less than 1/3 industry average
 - Always Aware safety program
- Building an inclusive and diverse workforce
 - 50% female management team, >30% female board, >28% POC associates
 - Employee resource groups, flexible work environments, targeted DE&I training, robust wellness benefits

Governance

- Comprehensive oversight
 - >80% of our diverse board has prior board experience
 - Separate Chairman and CEO structure
 - Dedicated Nominating, Environmental, Social, and Governance Committee
- Robust Code of Business Conduct and Ethics and Supply Chain Code of Conduct
- Fulsome risk management system

← CONTINUOUS EXPLORATION OF ADDITIONAL OPPORTUNITIES TO DELIVER ON OUR COMMITMENT →

The MasterBrand Story

OUR PURPOSE

Building great experiences together

OUR VISION

Build on our rich history by innovating how we work and what we offer to delight our customers

OUR CULTURE

TEaM : **T**rust the tools,
Empower the team,
and **M**ove forward

How?

Tools that enable us to:

TODAY



Industry Leader

Largest distribution network



Product & Brand Portfolio

Unmatched by peers



Operational Excellence

At scale

DELIVERED THROUGH THE MASTERBRAND WAY

TOMORROW



Align-to-Grow

Deliver on the unique needs of each customer



Lead Through Lean

Engage teams and foster problem-solving



Tech Enabled

Drive profitable growth and transform the way we work through digital, data, and analytics

Seasoned Management Team Experienced in Business Transformation



Dave Banyard

President and Chief Executive Officer



Gay McMichael

EVP, Business Unit Leader



Kurt Wanninger

EVP, Business Unit Leader



Navi Grewal

EVP, Digital & Technology



Andi Simon

EVP and Chief Financial Officer



Andrean Horton

EVP and Chief Legal Officer



Marty Van Doren

EVP, Sales & Marketing



Bruce Kendrick

EVP and Chief Human Resources Officer



- Strong manufacturing background
- Advantaged mix of industry veterans and experienced executives from adjacent industries
- Women comprise 50% of executive team

Diverse and Winning Culture

Achievable Long-Term Financial Targets



STRONG FOCUS ON MARGIN EXPANSION

¹Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP metrics. Please see appendix for the definitions for Adjusted EBITDA and Adjusted EBITDA margin and the corresponding reconciliations to historical GAAP measures.



Why MasterBrand Wins Today



Industry leader with largest distribution network



Unmatched product and brand portfolio

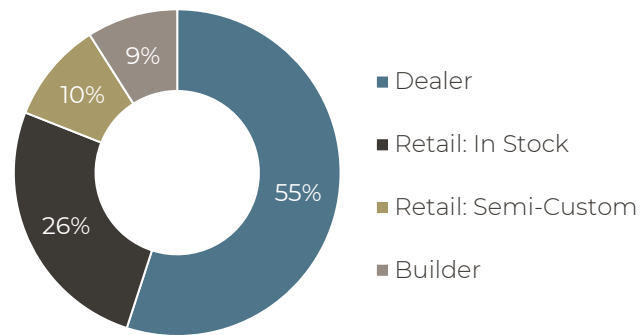


Operational excellence at scale

Industry Leading Customer Base



MasterBrand channel mix



- 55%** **Dealer:** provide customer education, service and design consultation
- 26%** **In-stock retail:** standard products with little customization
- 10%** **Semi-custom retail:** common box but offer some customization
- 9%** **Builder:** sold directly and highly levered to single-family housing starts

MasterBrand has leadership in dealer channel...

Overview of primary sales channels

	Dealer Channel	Retailers / Home Center Channel	Builder Channel
2021 Channel Size <i>% of total</i>	\$6.3bn ~57%	\$3.7bn ~34%	\$1.0bn ~9%
Primary End Market Exposure	R&R / New Home Construction	R&R	New Home Construction
Customer Concentration	Low (25,000+ Nationally)	High (Top 3 represent ~60%)	Medium (Growing trend of National Homebuilder Consolidation)

...and why it matters

Fragmented network:

Requires scale to address and allows a variety of consumer touch points

Multi-brand strategy:

Dealers offer multiple brands, enabling trade up and down to drive sales

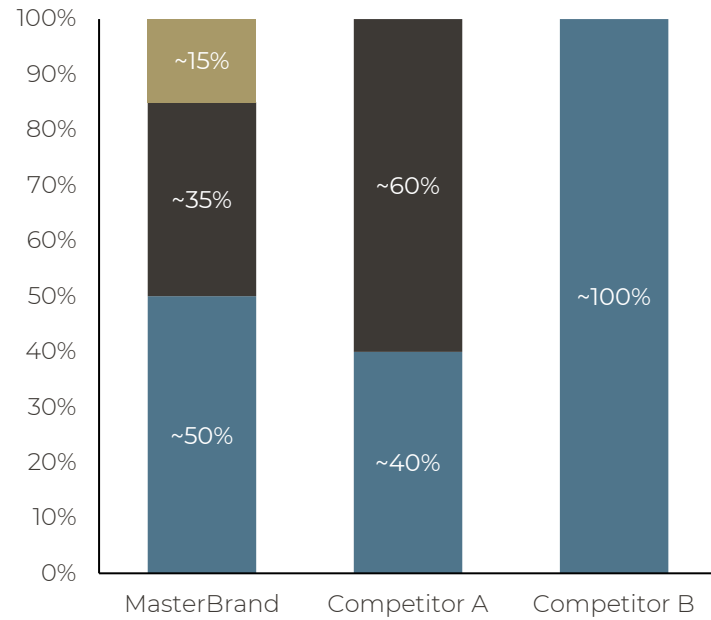
High switching costs:

Physical showroom investments and sales training drive retention

Multi-Branded Strategy Across Price Points and Products

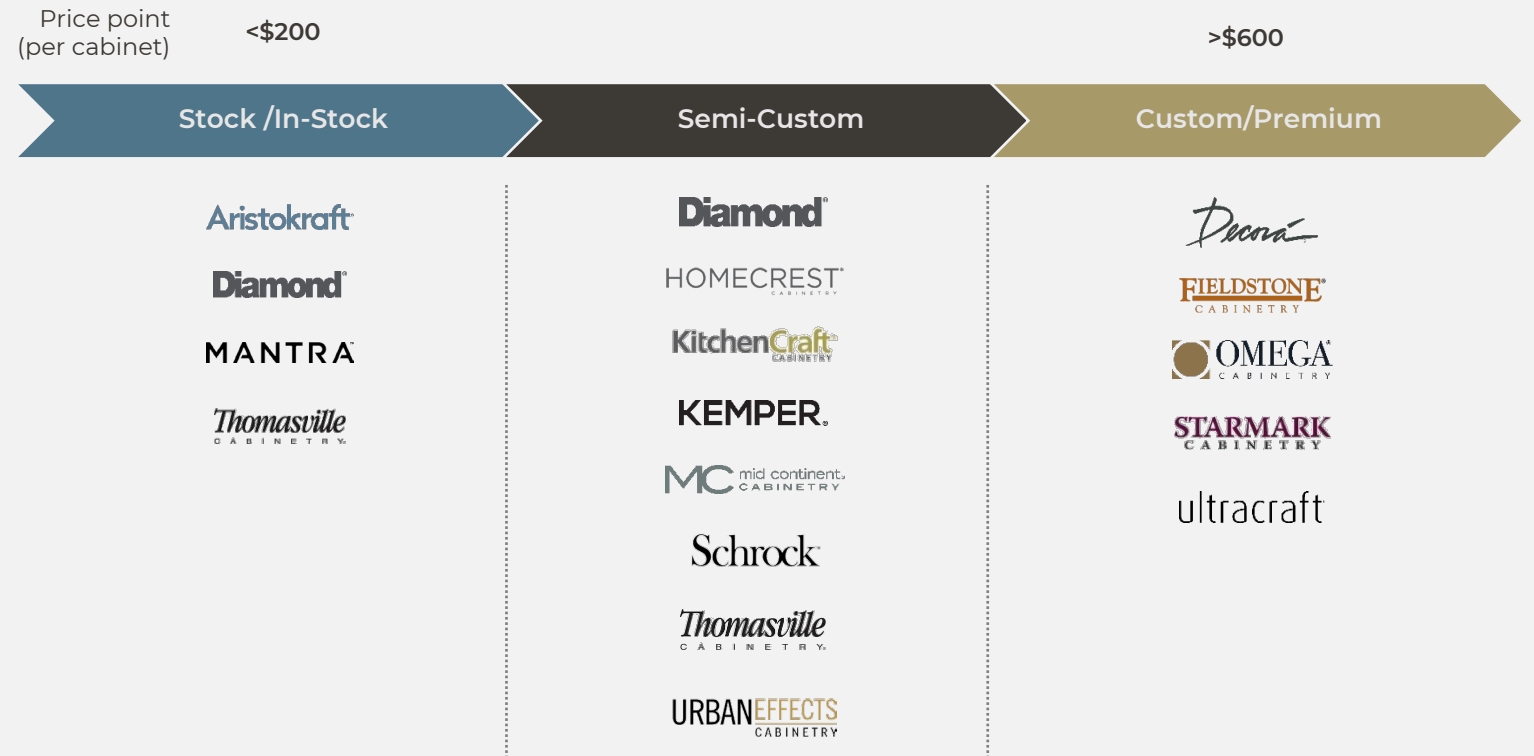


MasterBrand offers the most diverse product portfolio and covers the price spectrum



■ Stock / In-Stock ■ Semi-Custom ■ Custom / Premium

MasterBrand portfolio by type and brand

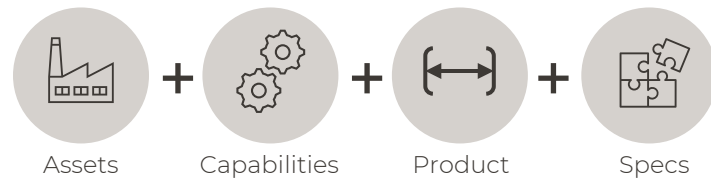


Integrated Manufacturing Network & Strong Track Record of Continuous Improvement



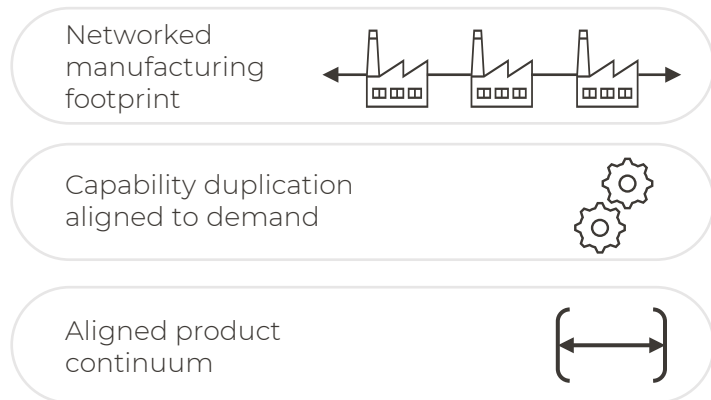
OLD MODEL:

10+ product platform / plant silos



NEW MODEL:

4 construction-specific product platforms



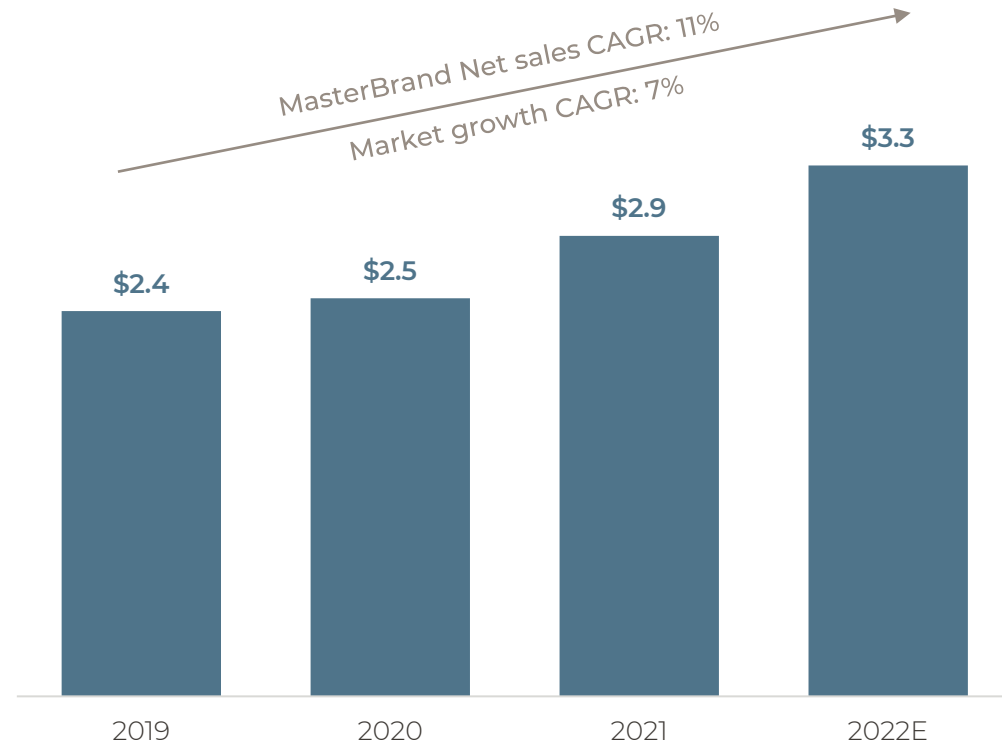
- ✓ **Footprint optimization**
- ✓ **Process improvement tools to simplify product portfolio**
MANTRA brand sales grew 140% CAGR from 2019 to 2021
- ✓ **Continuous improvement culture**
Facility improvements significantly reduced labor required to produce the same volume of cabinets
- ✓ **Efficient capital spending profile**
Streamlined number of door styles and finishes offered, while retaining customization



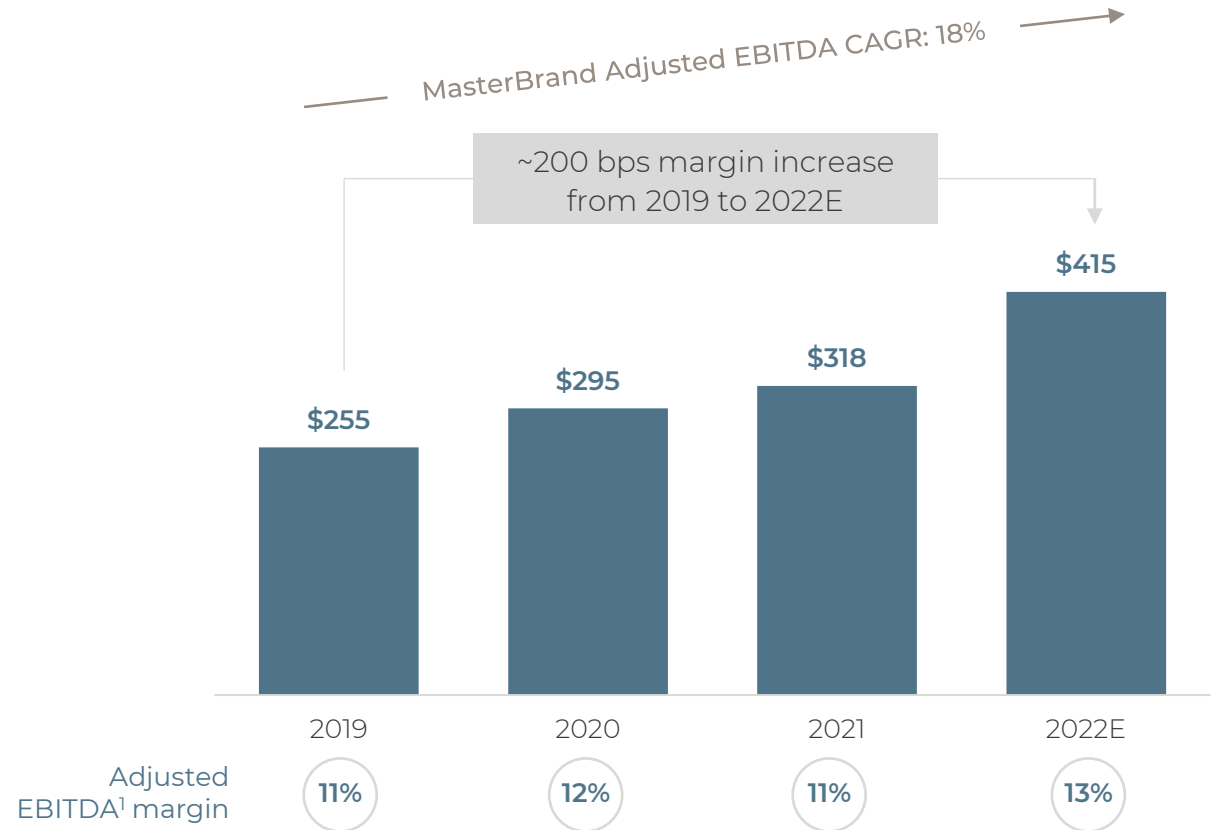
MasterBrand's strategic transformation initiatives have created **>\$40 million** of cumulative annual savings to date

Proven Ability to Drive Profitable Growth

Net sales (\$bn)



Adjusted EBITDA¹ (\$mm)



¹Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP metrics. Please see appendix for a reconciliation of Adjusted EBITDA to Income before taxes, the calculation of Adjusted EBITDA margin and definitions.



**Industry
Opportunity**

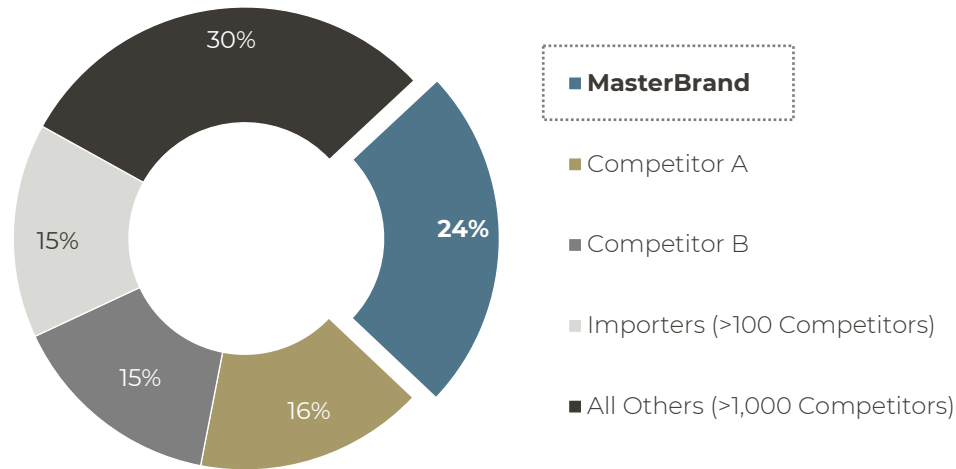
Industry Landscape

- Manufacturers have consolidated
- Few large domestic competitors
- Import playing field is level
- Scale matters and few have it
- Dealer network remains fragmented
- eComm is an emerging channel



Leading Market Position with More Room to Grow

2021 US residential cabinet market share overview

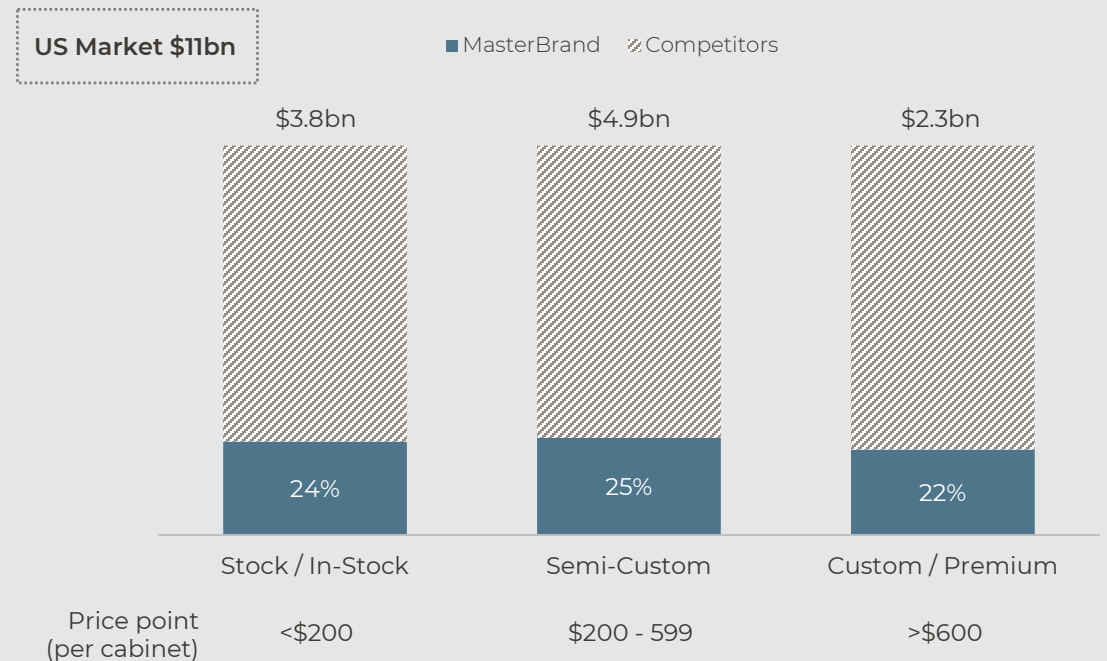


- MasterBrand is the largest residential cabinet producer in the industry with **24% market share**
- MasterBrand has significantly expanded its near shore supply chain to **increase advantage over Asian imports**
- **45% of market remains highly fragmented**, presenting MasterBrand with a compelling opportunity

Source: Company estimates

MasterBrand has a leading position across products and remains focused on winning profitable business across the price spectrum

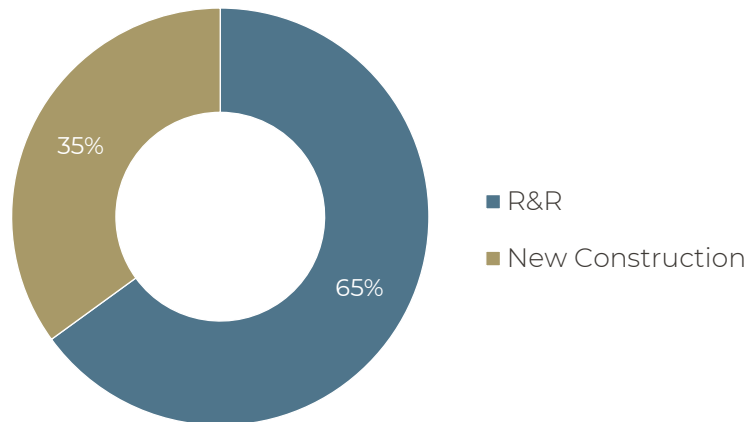
2021 U.S. Cabinet Market (\$bn)



Favorable and Resilient Long-Term Housing Market Dynamics

STABILITY + GROWTH

MasterBrand benefits from R&R stability while capturing upside from new construction activity.



2/3 of sales are tied to R&R

We expect to grow at or above market through any cycle



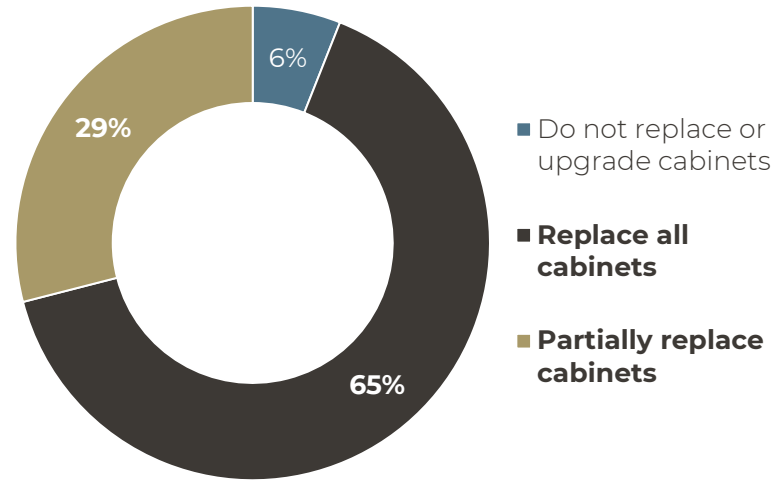
Cumulative under-build of **3M homes**

Median home age increased to **39 years**

Home equity has **more than tripled** since 2010

Kitchen is the Heart of the Home

CABINET UPGRADES DURING KITCHEN RENOVATIONS



95% of homeowners upgrade cabinets during kitchen renovations



¹ NKBA Luxury Kitchen Study, June 29, 2021

A modern kitchen with white cabinetry, a central island, and a tufted sofa in the foreground. The kitchen features a white countertop, a sink with a faucet, and a window with a beige blind. The island has a white countertop and a dark base. The sofa is light-colored with patterned pillows. The text "Strategic Transformation Driving Growth & Profitability" is overlaid on the right side of the image.

Strategic Transformation Driving Growth & Profitability

Driving Strategic Transformation to Deliver Accelerated Growth



Where We Have Been

- Volume focused
- Fragmented, independent structure
- Higher cost supply chain
- Manual processes
- Siloed investments

THE MASTERBRAND WAY



Our Journey Forward

- Strategic pricing
- Diverse and agile manufacturing network
- Supply chain optimization
- Data and technology to simplify process and improve results
- Targeting highest return investments across business



Why MasterBrand Wins Tomorrow



Align-to-Grow to deliver on the unique needs of each customer



Lead through Lean to engage teams and foster problem-solving



Tech-enabled through digital, data and analytics

Aligning Products, Services and the Network to Enable Value Delivery and Growth



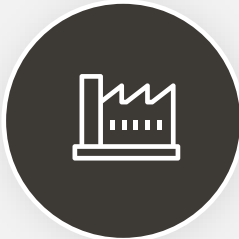
Segment



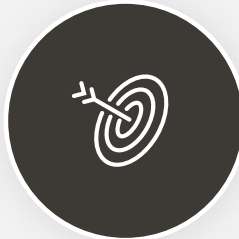
Standard Construction



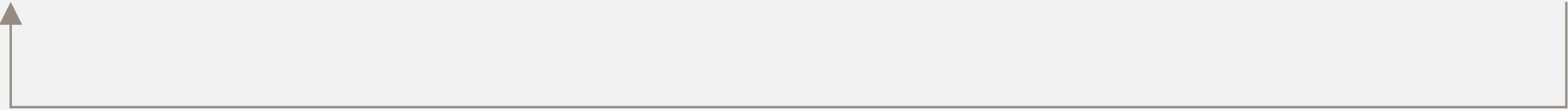
Product Continuum



Network



Targeted Value Proposition



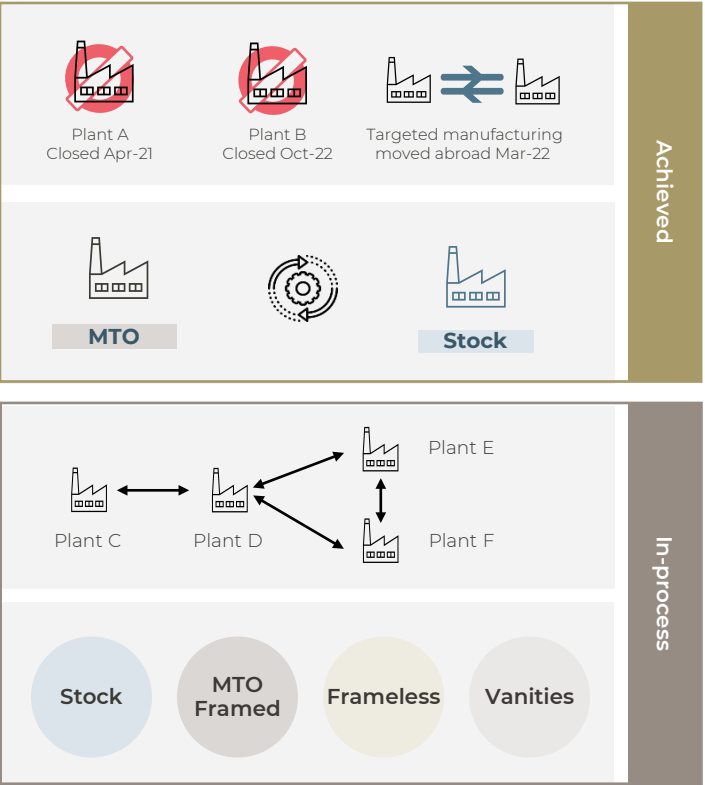
REDUCING COMPLEXITY AND DRIVING GROWTH

Aligning Business to Drive Growth



Simplified manufacturing to fulfill market needs

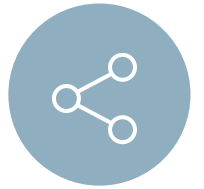
<p>FACILITY RATIONALIZATION</p> <p>2 Facilities closed in the last 18 months</p> <p>1 Facility moved in the last 18 months</p>
<p>MANUFACTURING FLEXIBILITY</p> <p>1 Quarter facility transition from MTO to stock</p>
<p>PLANT NETWORKS</p> <p>23 Independent Plants to 5 Networks</p>
<p>COMMON CONSTRUCTION</p> <p>9+ Platforms to 4 Platforms</p>



Reduced complexity enables improved services and quality

<p>57%</p> <p>Reduction in Doors</p>
<p>74%</p> <p>Reduction in Finishes</p>
<p>42%</p> <p>Reduction in Species</p>

Lead Through Lean



Two years into our journey, we're progressing toward our vision of being a best place to work

LEAN FOUNDATION TOOLS

Continuous improvement now part of the culture

ASSOCIATE ENGAGEMENT

Lead Through Lean helped improve engagement score by 7% in 2022 vs prior year

RECOGNITION & CELEBRATION

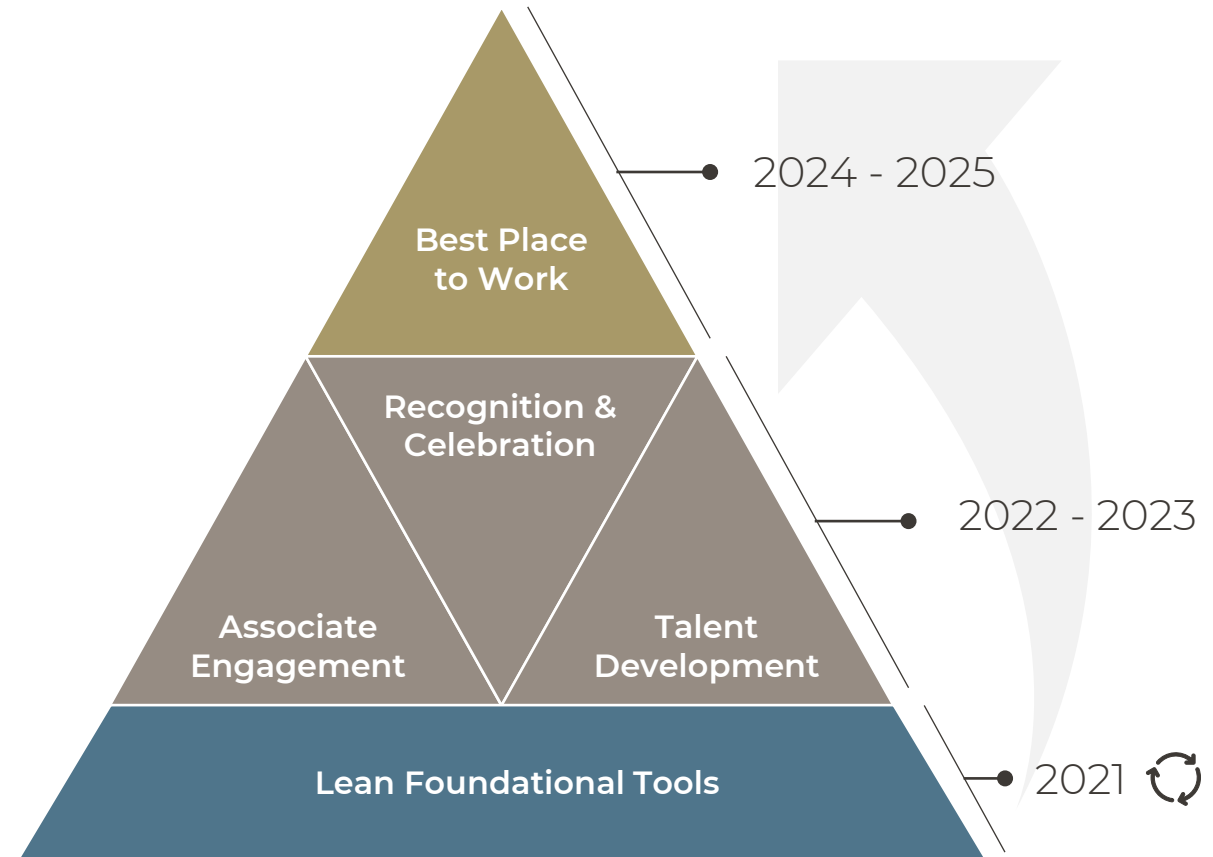
Since inception over 250K peer-to-peer recognition awards given

TALENT DEVELOPMENT

Opportunities to strengthen lean skills, with number of kaizen events roughly doubling each year since 2020

BEST PLACE TO WORK

Continued evolution of Best Place to Work, supported by three robust processes





MASTERBRAND®

— Ferdinand, IN Kaizen Event —

Ferdinand Kaizen Event

[Play Video](#)

Lead through Lean is Driving Significant Savings and Efficiency



Since 2021



375+
events



>\$40M
cumulative
recurring cost
savings



367
positions freed

TRUST THE TOOLS, EMPOWER THE TEAM, MOVE FORWARD

Leveraging Data and Analytics to Unlock Shareholder Value



Simplify and Automate Backoffice Processes



Digitize our Plants



Enhance Customer Experience

Why MasterBrand Wins

TODAY



Industry leader with largest distribution network



Unmatched product and brand portfolio



Operational excellence at scale

TOMORROW



Align-to-Grow to deliver on the unique needs of each customer



Lead through Lean to engage teams and foster problem-solving



Tech-enabled through digital, data and analytics



Break

 MASTERBRAND®

A modern, bright interior space featuring a grey sofa with patterned pillows in the foreground. The floor is made of light-colored wood. In the background, there is a dining area with a table and chairs, and a kitchen with white cabinets, a green island, and open shelving. Large windows on the left offer a view of a green outdoor area.

02

The MasterBrand Way Fireside Chat

Kurt Wanninger

EVP, Business Unit Leader

Gay McMichael

EVP, Business Unit Leader

The MasterBrand Story

OUR PURPOSE

Building great experiences together

OUR VISION

Build on our rich history by innovating how we work and what we offer to delight our customers

OUR CULTURE

TEaM : **T**rust the tools,
Empower the team,
and **M**ove forward

How?

Tools that enable us to...

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Operational Excellence

At scale

DELIVERED THROUGH THE MASTERBRAND WAY

TOMORROW



Align-to-Grow

Deliver on the unique needs of each customer



Lead Through Lean

Engage teams and foster problem-solving



Tech Enabled

Drive profitable growth and transform the way we work through digital, data, and analytics

A modern kitchen with dark grey cabinets, light wood island, and glass pendant lights. The kitchen features a mix of dark grey and light wood cabinetry. There are two glass pendant lights hanging over the island. The floor is dark wood. A white bowl of lemons sits on a counter to the left. A sink with a chrome faucet is visible on the right. A white text box is overlaid on the right side of the image.

03

Digital & Technology Overview

Navi Grewal

EVP, Digital & Technology

Leveraging Data and Analytics to Unlock Shareholder Value



Simplify and Automate Backoffice Processes



Digitize our Plants



Enhance Customer Experience

Simplifying and Automating Back Office Processes

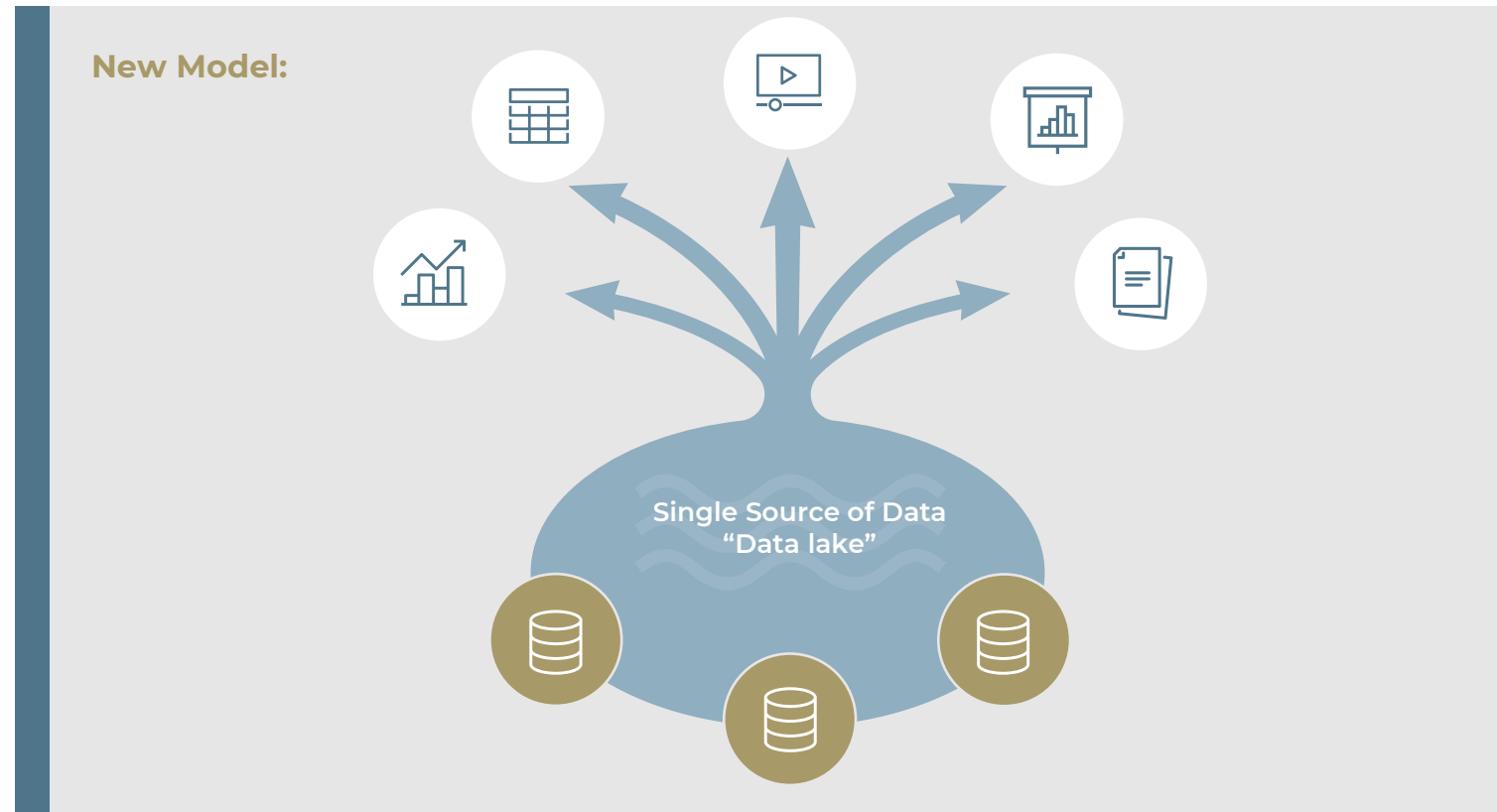


OLD MODEL:

Lack of network flexibility, automation and data consistency from many redundant systems

NEW MODEL STRENGTHENS OUR FOUNDATION:

- “Data lake” architecture
 - Data governance
 - Expanding our data domains
 - Near real-time business insights
- ERP standardization
 - Simplifying complex, labor-intensive business processes and system landscapes
- Simplified order management layer
- Robotic process automation (RPA)



Digitizing our Plants



OLD MODEL:

Dated technology with lower visibility into operational performance, paper-based systems

NEW MODEL WITH EFFICIENT DIGITIZED PLANTS:

- RFID
- Eliminate paper in plants
- Targeted automation
- Automated visual quality control systems
- Data visibility across plant floor

New Model:

Using RFID to track cabinet parts across the plant floor



Digital displays enabling assembly



Eliminate waste through analytics and targeted automation



Automated visual inspection to ensure exceptional quality

VISIBILITY ACROSS THE PROCESS IMPROVES OUTCOMES

Enhancing Customer Experience

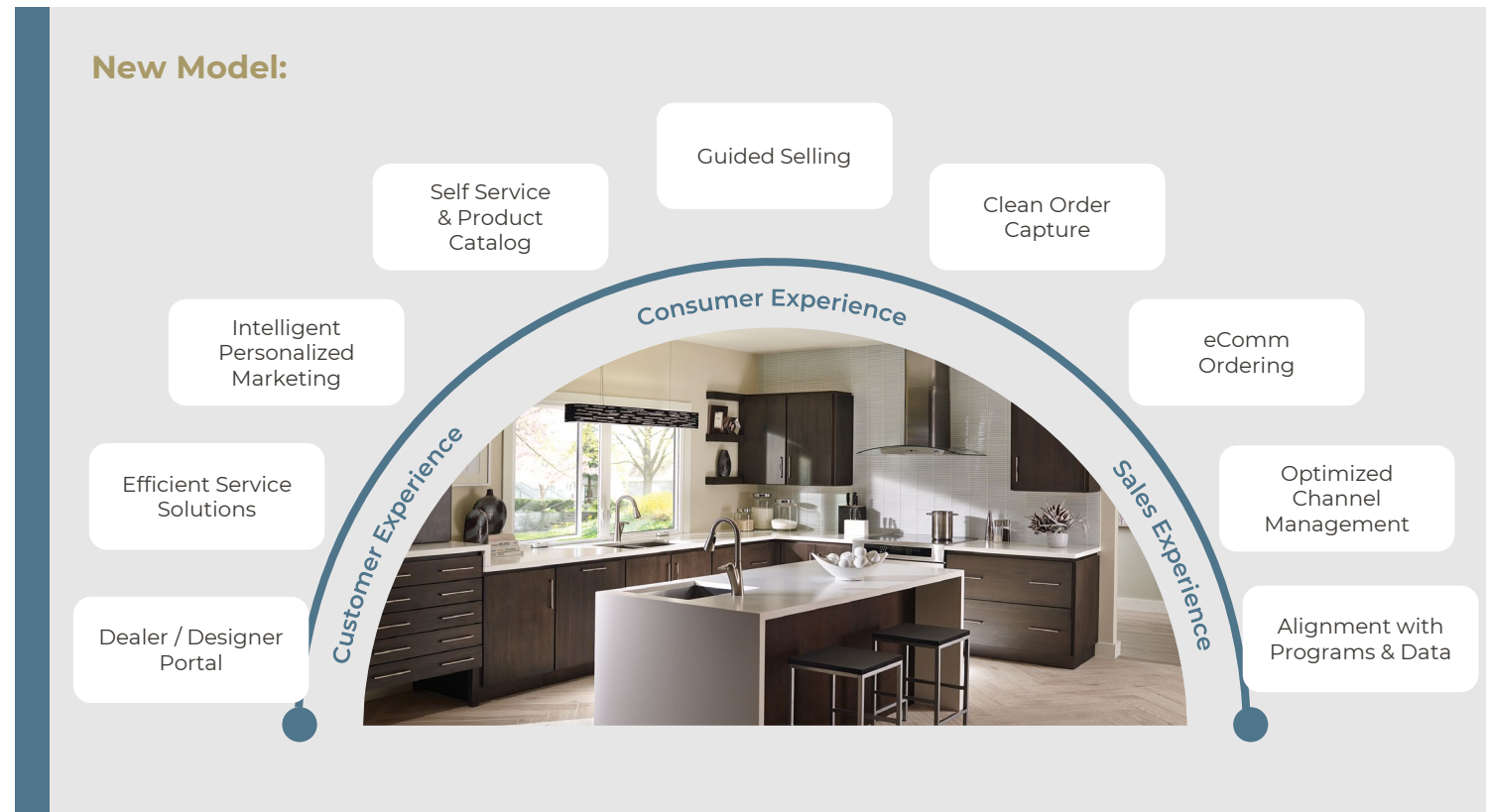


OLD MODEL:

Complex and inefficient, stereotypical customer service experience with limited crossband coordination

NEW MODEL DELIGHTING CUSTOMERS:

- Enhanced customer portal increasing access to information, engagement and ultimately customer experience
- Better visibility into order system
- Quote to order streamlined process
- Leveraging data and analytics to refine and differentiate customer experience over time



Leveraging Data and Analytics to Unlock Shareholder Value



Simplify and Automate Backoffice Processes



Digitize our Plants



Enhance Customer Experience



04

Financial Overview & Outlook

Andi Simon

EVP and Chief Financial Officer

The Evolution of The MasterBrand Story

Pre-2000

- Period defined by acquisitions and ownership changes
- Developed widespread footprint, channel network, and long-term customer relationships

2000-2018

- Focused acquisitions on industry leaders with specialized products and capabilities
- Harnessed the power of expanded scale to become an industry leader

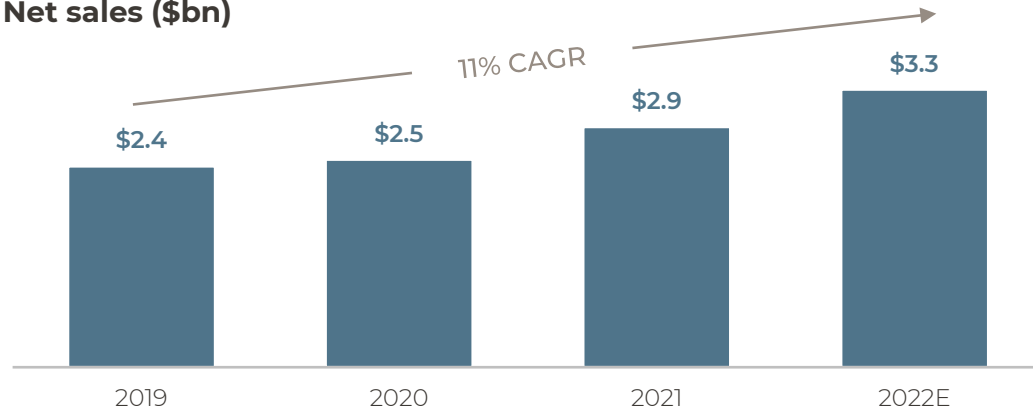
2019-Now

- Strategic transformation to unify acquired companies and simplify structure
- Applied Lean and 80/20 in both manufacturing and back office to improve profitability

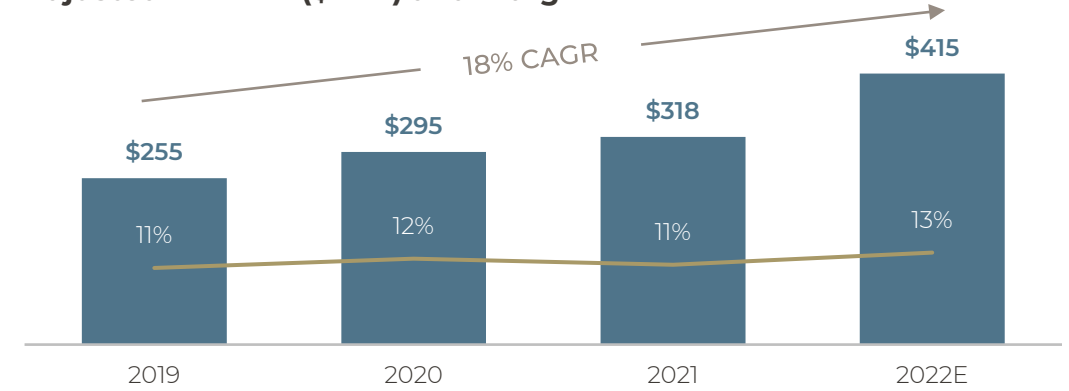
Strategic Transformation Focused on Profitable Growth

Strong Historical Financial Performance

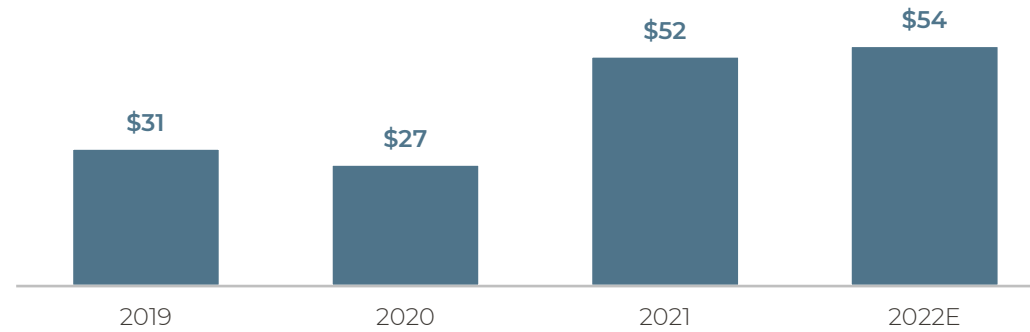
Net sales (\$bn)



Adjusted EBITDA¹ (\$mm) and margin



Capital expenditures (\$mm)



¹Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP metrics. Please see appendix for a reconciliation of Adjusted EBITDA to Income before taxes, the calculation of Adjusted EBITDA margin and definitions.



Positioned to Drive Profitable Growth Over the Long-Term

Drivers to outperform market growth

- Targeting most attractive areas for growth
- Continuous improvement focused on service and delivery
- Digital advances to enhance employee and customer experience

Operational Excellence accelerating margin

- Attractive margins across price points and channels
- Utilizing tools to improve quality and efficiency
- Improved data availability enabling better decisions

Resilient and Nimble Platform Positioned to Outperform in All Market Conditions



1. Foundation of Operational Excellence in Place

- 80/20 principle driving reduced costs across business and plant floor
- Achieved sustainable annual savings of \$40M; further savings expected

2. Well Invested Capital Base Positioned to Support Growth

- Footprint in place to support planned volume growth without significant capex investment

3. Highly Variable Cost Structure Allows Us to Adapt Quickly to Market Changes

- Variable costs expected to be ~75% of all operating costs in 2022 vs 70% in 2019

EXPECT OUR EFFICIENT PLATFORM TO GENERATE ROBUST CASH FLOW IN ALL MARKET CONDITIONS

Near-Term Expectations

2022E

Market Growth

12% - 14%
North American
Cabinets Market



MasterBrand

13-14%
Net Sales Growth

~12%
Adj. Operating Income¹
Margin

~13%
Adj. EBITDA¹
Margin

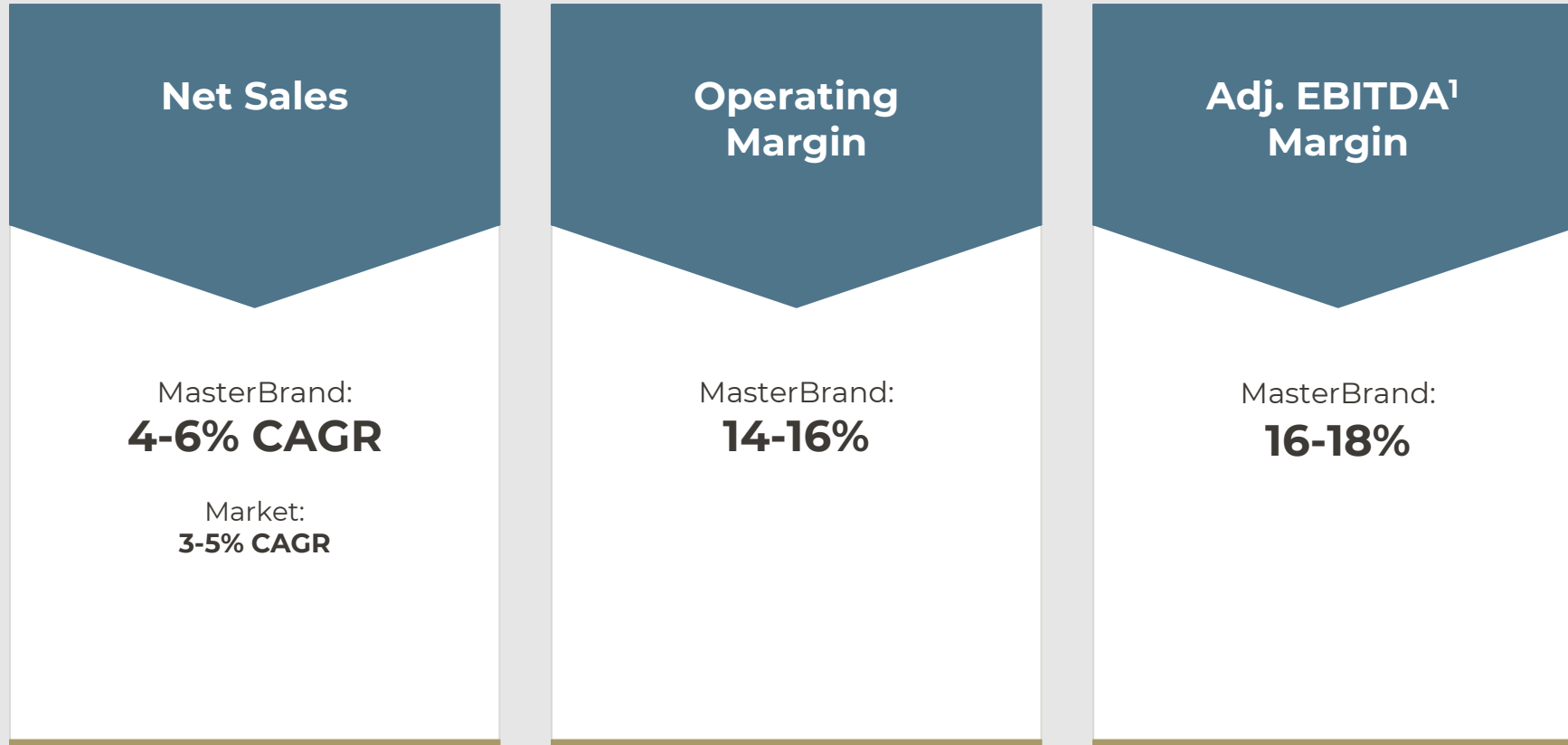
2023E

- Expect market to be down high single digits, more pronounced in 1H
- Full-year decremental margins to be ~25%
- Cash flow will be resilient from flex down in working capital
- Maintaining strategic investments

POSITIONED WITH STRONG BALANCE SHEET & CLEAR EYE ON DELEVERAGING

¹ Adjusted operating income, Adjusted operating income margin, Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP metrics. Please see appendix for a reconciliation of Adjusted operating income to Operating income, Adjusted EBITDA to Income before taxes, the calculation of Adjusted operating income margin and Adjusted EBITDA margin and definitions.

Achievable Long-Term Financial Targets



- Clear path to achieving results:**
1. Business and portfolio aligned with the customer
 2. Operational Excellence will fuel margin growth
 3. Flexible platform allows us to navigate any market condition

STRONG FOCUS ON MARGIN EXPANSION

¹ Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP metrics. Please see appendix for the definitions for Adjusted EBITDA and Adjusted EBITDA margin and the corresponding reconciliations to historical GAAP measures.

Capital Allocation Priorities

1

Re-Invest in Business

- Investments in high-return initiatives
- Priorities include customer experience, data and technology, safety and factory process automation

2

Maintain Healthy Balance Sheet

- Improve capital efficiency with robust SIOp processes and aligned vendor and customer terms
- Target investment grade balance sheet
- Operating leverage ~2.3 Net Debt-to-EBITDA ratio
- Liquidity ~\$300M

3

Longer-Term Considerations

- Seek opportunities to return capital to shareholders, including dividends
- Disciplined strategic M&A

The MasterBrand Story

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Deliver on the unique needs of each customer



Lead Through Lean

Engage teams and foster problem-solving



Tech Enabled

Drive profitable growth and transform the way we work through digital, data, and analytics



Q&A

MASTERBRAND®

A kitchen scene featuring white cabinetry with gold handles, a white tiled backsplash, and a window with white shutters. A blue overlay with the number '05' and a white overlay with the word 'Appendix' are positioned in the center. The kitchen also includes a marble countertop, a copper faucet, and a chandelier.

05

Appendix

Non-GAAP Reconciliations

	2019	2020	2021	2022E
Income before taxes (GAAP)	135.2	196.2	238.3	257.4
Interest income	(0.1)	(2.4)	(4.6)	(5.1)
Depreciation	44.3	48.0	44.4	46.8
Amortization	17.8	17.8	17.8	17.6
Restructuring and other charges ^(a)	10.7	11.4	7.9	17.2
Asset impairment charges ^(b)	41.5	9.5	0.0	26.0
Net cost savings as standalone company ^(c)	5.8	14.4	14.3	47.0
Separation costs ^(d)	0.0	0.0	0.0	8.6
Adjusted EBITDA (1)	255.2	294.9	318.1	415.5
Net Sales (GAAP) (2)	2,388.7	2,469.3	2,855.3	3,260.7
Adjusted EBITDA margin (1/2)	11%	12%	11%	13%

Non-GAAP Reconciliations

	<u>2022E</u>
Operating income (GAAP)	254.3
Restructuring and other charges ^(a)	17.2
Asset impairment charges ^(b)	26.0
Separation costs ^(d)	8.6
Parent company allocations ^(e)	<u>75.0</u>
Adjusted operating income (1)	<u><u>381.1</u></u>
Net Sales (GAAP) (2)	3,260.7
Adjusted operating income margin (1/2)	12%

Non-GAAP Definitions

Adjusted EBITDA, Adjusted EBITDA margin, Adjusted operating income and Adjusted operating income margin are non-GAAP measures. Management uses these measures to evaluate the returns generated by the Company. Management believes these measures provide investors with helpful supplemental information regarding the underlying performance of the Company from period to period. These measures may be inconsistent with similar measures presented by other companies.

Adjusted EBITDA

Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") is pre-tax earnings derived in accordance with U.S. generally accepted accounting principles ("GAAP") excluding restructuring and other charges, asset impairment charges, estimated net cost savings as a standalone company and separation costs.

Adjusted EBITDA margin

Adjusted EBITDA margin is derived by dividing Adjusted EBITDA into Net sales. Adjusted EBITDA and Adjusted EBITDA margin are measures not derived in accordance with GAAP.

Adjusted operating income

Adjusted operating income is operating income derived in accordance with GAAP, excluding restructuring and other charges, asset impairment charges, separation costs and parent company allocations.

Adjusted operating income margin

Adjusted operating income margin is derived by dividing Adjusted operating income into Net sales. Adjusted operating income and Adjusted operating income margin are measures not derived in accordance with GAAP.

(a) Restructuring charges are nonrecurring costs incurred to implement significant cost reduction initiatives and include workforce reduction costs. "Other charges" represent charges or gains directly related to restructuring initiatives that cannot be reported as restructuring under GAAP. Such costs may include losses on disposal of inventories, trade receivables allowances from exiting product lines, accelerated depreciation expense, write-off of displays from exiting a customer relationship and the losses on the sale of closed facilities.

(b) The thirty-nine weeks ended September 25, 2022 and the year ended December 25, 2022, include \$26.0 million of pre-tax impairment charges related to an indefinite-lived tradename. Asset impairment charges for the year ended December 26, 2020, represent pre-tax impairment charges of \$9.5 million related to an indefinite-lived tradename. Asset impairment charges for the year ended December 26, 2019, represent a pre-tax impairment charge of \$41.5 million related to indefinite-lived tradenames.

(c) Our historical consolidated financial statements include expense allocations for certain corporate functions performed on our behalf by Fortune Brands, including information technology, finance, executive, human resources and legal. As a standalone public company, we expect that the costs we incur on a standalone basis for such expenses previously allocated to us by Fortune Brands and new costs relating to our public company reporting and compliance obligations will be less than the expense allocations from Fortune Brands within our historical financial statements.

The costs of MasterBrand we plan to incur are based on our expected organizational structure and expected cost structure as a standalone company. In order to determine the impact of the synergies and dis-synergies, MasterBrand prepared a detailed assessment of personnel costs based on the estimated resources and associated costs required as a baseline to stand up MasterBrand as a standalone company.

In addition to personnel costs, estimated non-personnel third party support costs in each function were considered, which included business support functions and corporate overhead charges previously shared with Fortune Brands. Estimated non-personnel third party support costs were determined by estimating third party spend in each function, and include the costs associated with outside services supporting information technology, finance, executive, human resources and legal. This process was used by all functions resulting in expected net cost savings when compared to the corporate allocations included in the historical financial statements.

In total, the Company identified cost savings of \$14.3 million for the year ended December 26, 2021, \$14.4 million for the year ended December 27, 2020 and \$5.8 million for the year ended December 26, 2019 associated with the allocation of costs by Fortune Brands. For the year ended December 25, 2022, the Company estimates the cost savings will be \$47.0 million. The year ended December 25, 2022 includes \$21.0 million of costs related to the separation of MasterBrand from Fortune Brands.

(d) Separation costs represent costs incurred directly by MasterBrand related to the separation from Fortune Brands.

(e) Parent company allocations are costs allocated by Fortune Brands to MasterBrand for certain Fortune Brand functions, including information technology, finance, executive, human resources and legal. Allocated costs have not historically been included in the MasterBrand operating income as disclosed within the Fortune Brand segment reporting.