

FIRST-QUARTER 2019 RESULTS

Brian Chambers | Chief Executive Officer
Michael C. McMurray | Chief Financial Officer



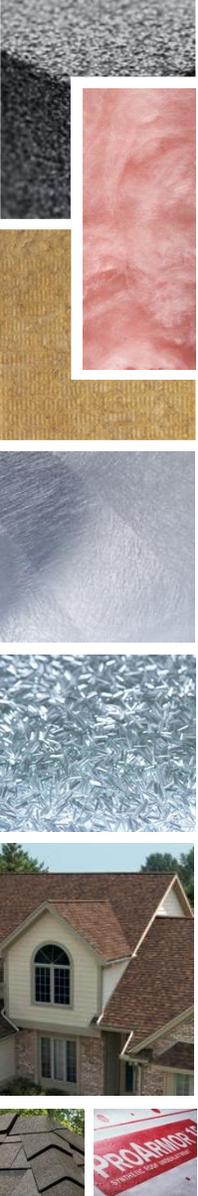
April 24, 2019 | Q1 2019

FORWARD-LOOKING STATEMENTS AND NON-GAAP MEASURES

This presentation and the associated remarks contain forward-looking statements. We caution you against relying on these statements as they involve risks and uncertainties that are difficult to predict and the Company's actual results may differ materially from those projected. Such risks and uncertainties include, without limitation: macroeconomic factors like levels of construction activity, global industrial production, and industry, economic and political conditions, including new legislation, policies or other governmental actions in the U.S. or elsewhere; relationships with key customers and demand for our products; competitive and pricing factors; changes to tariff, trade or investment policies or law; currency, commodity and interest rate fluctuations; our level of indebtedness and the availability and cost of credit; weather conditions; ability to protect our intellectual property and information technology systems; energy, transportation, raw material and other input availability, price volatility and cost issues; labor disputes, legal and regulatory proceedings; ability to utilize our net operating loss carry-forwards; uninsured losses; issues related to acquisitions, divestitures and joint ventures; achievement of expected synergies or productivity improvements; levels of goodwill or other indefinite-lived intangible assets; pension obligations; and factors detailed from time to time in the Company's SEC filings.

The terms "year to date" or last twelve months ("LTM") refer to the period ended on the last calendar day of the quarter preceding the date of the investor event referenced on the first page above. Otherwise the information in this presentation speaks as of the date of the investor event, and is subject to change. The Company assumes no obligation to update or revise forward-looking statements except as required by law. Any distribution of this presentation after the investor event is not intended and should not be construed as updating or confirming such information.

This presentation contains references to certain "non-GAAP financial measures" as defined by the SEC, which may be referenced in the Appendix or in the Tables of the Press Release filed on Form 8-K on the date of this presentation. Adjusted EBIT, adjusted EBITDA, adjusted earnings, adjusted EPS and adjusted pre-tax earnings exclude certain items that management does not allocate to its segment results because it believes they are not representative of the Company's ongoing operations. When the company provides forward-looking expectations for non-GAAP measures, the most comparable GAAP measures and a reconciliation between the non-GAAP expectations and the corresponding GAAP measures are generally not available without unreasonable effort due to the variability, complexity and limited visibility of the adjusting items that would be excluded from the non-GAAP measures in future periods. The variability in timing and amount of adjusting items could have significant and unpredictable effects on future GAAP results.





AGENDA

First-quarter review

Brian Chambers

Financial results

Michael McMurray

Questions and discussion

All

Closing remarks

Brian Chambers

**Company Delivered Net Sales of \$1.7 Billion,
Net Earnings of \$44 Million and Adjusted EBIT of \$116 Million**

HIGHLIGHTS

- Strong and resilient portfolio of market-leading businesses
- Sustained high level of safety performance
- Continued price improvement in a lower market demand environment
- Revenue down slightly, with adjusted EBIT of \$116mm

INSULATION

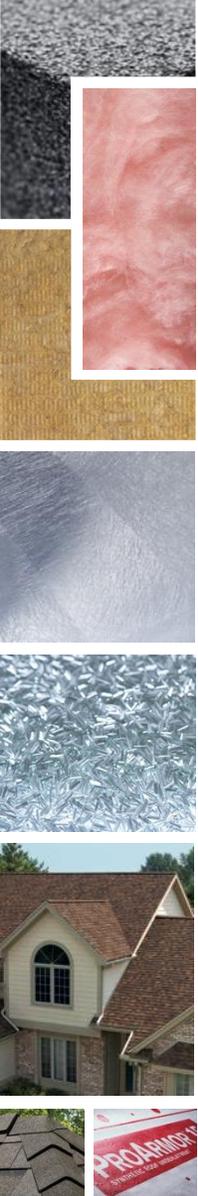
Delivered EBIT of \$15mm;
strong performance in
technical insulation

COMPOSITES

Generated \$57mm of EBIT;
good commercial and
operational execution

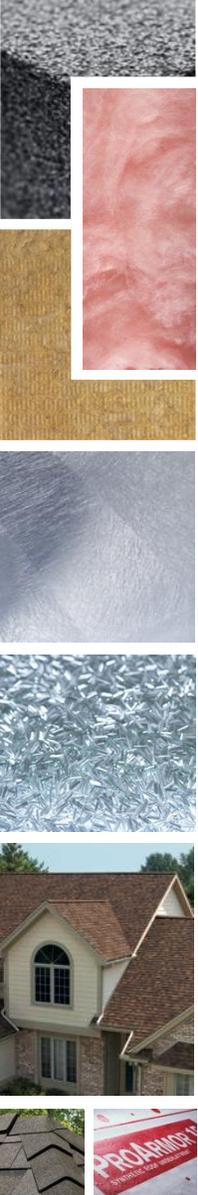
ROOFING

Produced EBIT of \$74mm;
lower market volumes

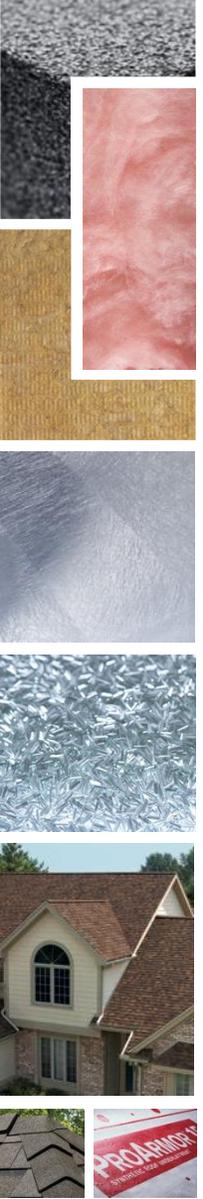
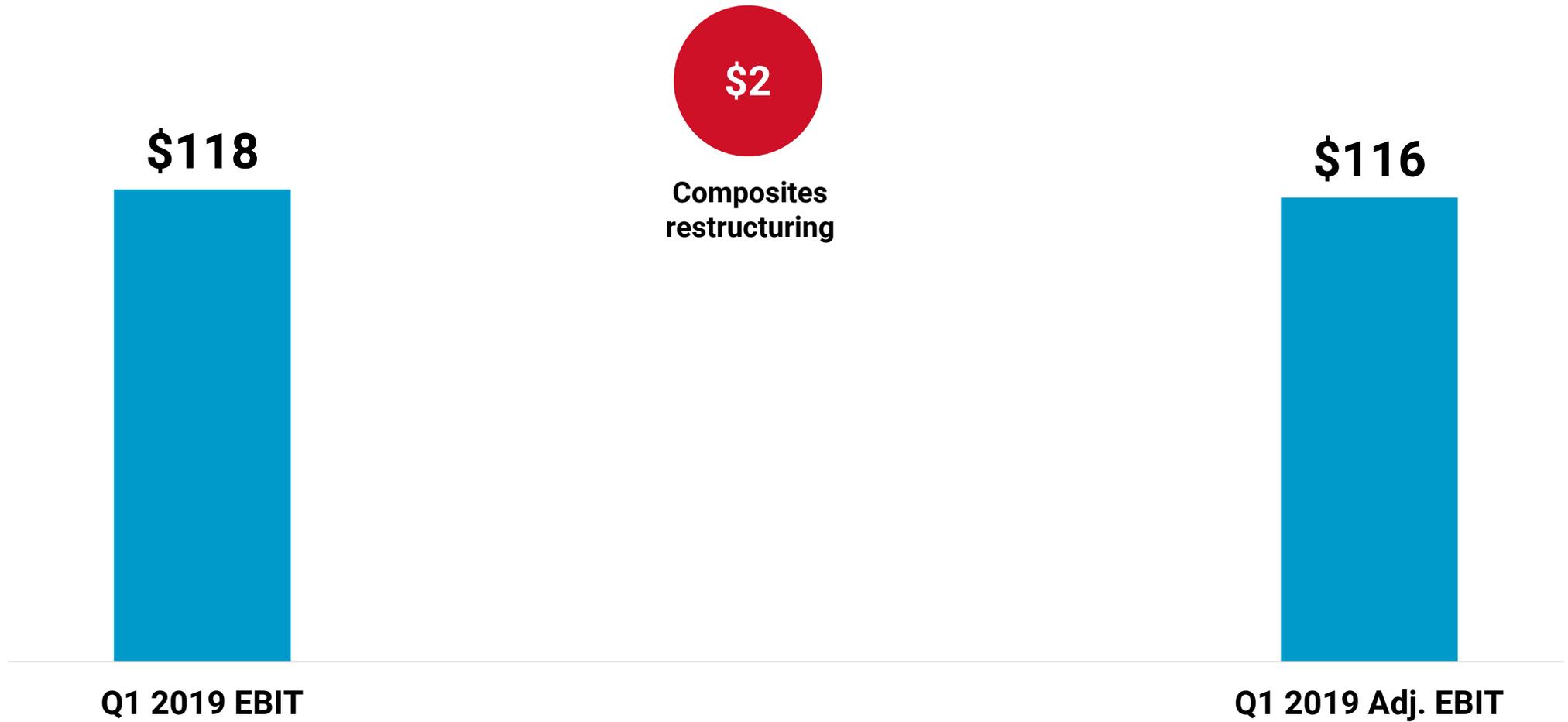


KEY FINANCIAL DATA

(\$ in millions, except per share data)	Q1 2019	Q1 2018
Net sales	1,667	1,691
Net earnings attributable to Owens Corning	44	92
Diluted earnings per share (EPS) attributable to Owens Corning common stockholders	\$0.40	\$0.82
Earnings before interest and taxes (EBIT)	118	131
Earnings before interest, taxes, depreciation and amortization (EBITDA)	231	240
Adjusted EBIT	116	152
Adjusted EBITDA	229	256
Adjusted earnings	60	92
Adjusted EPS (diluted)	\$0.54	\$0.82
Adjusted EBIT as a % of net sales	7%	9%
Adjusted EBITDA as a % of net sales	14%	15%
Depreciation and amortization (D&A)	113	109
Net cash flow used by operating activities	(150)	(90)
Free cash flow	(248)	(191)
Net debt	3,651	3,621

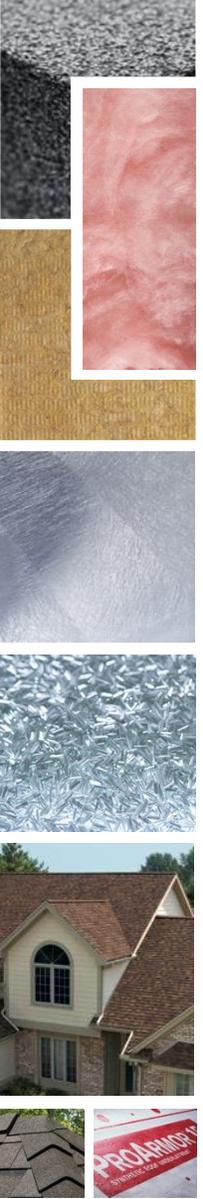
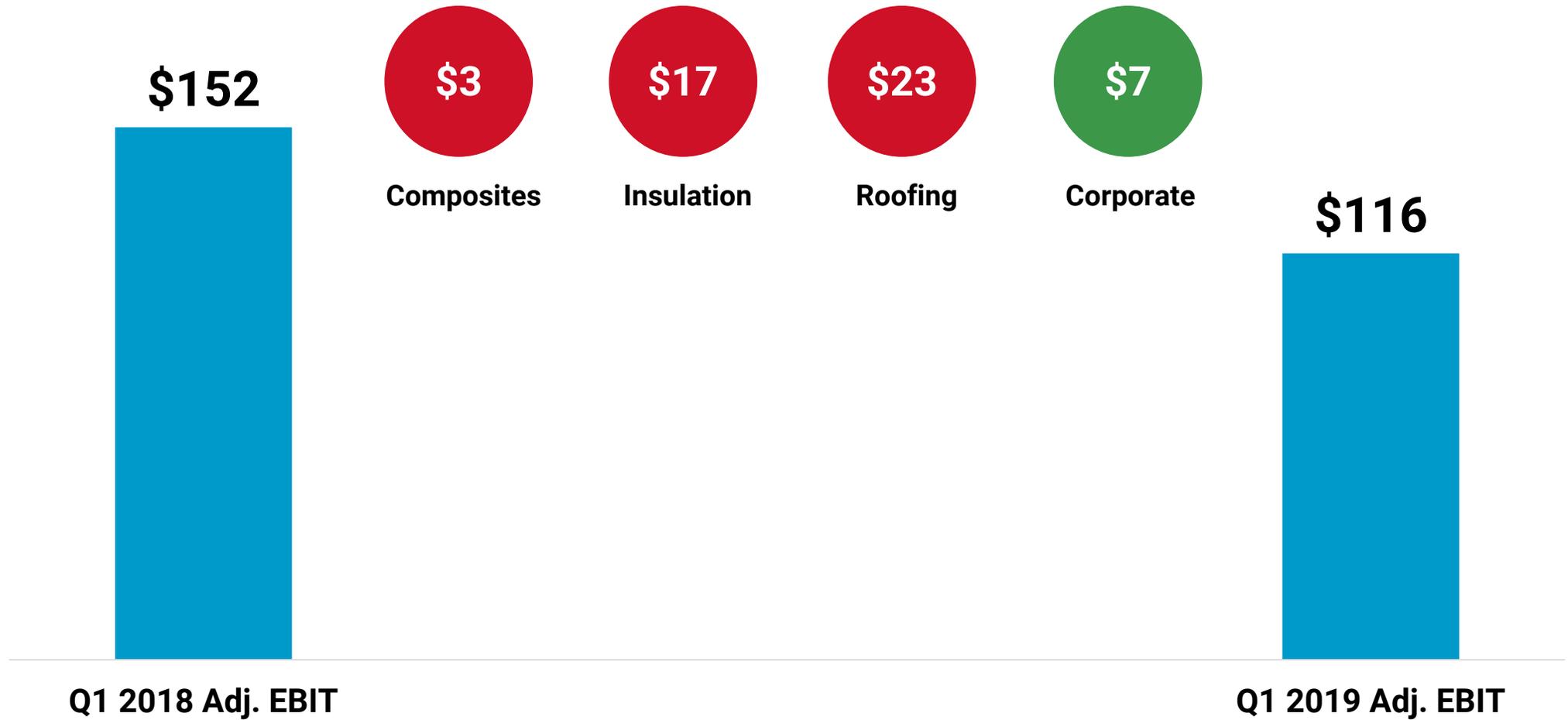


ADJUSTED EBIT RECONCILIATION



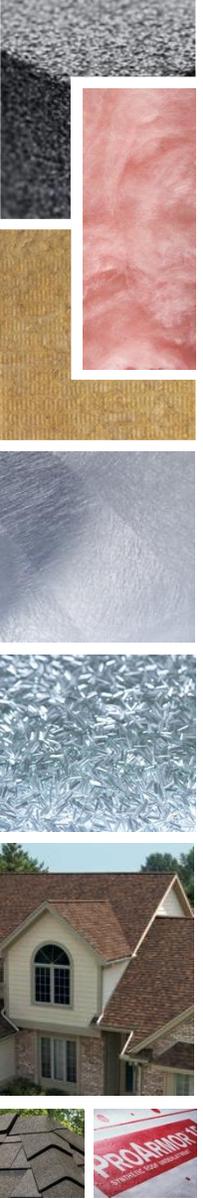
Numbers in millions. From left to right, green denotes increase; red denotes decrease.

ADJUSTED EBIT RECONCILIATION



Numbers in millions. From left to right, green denotes increase; red denotes decrease.

INSULATION BUSINESS



Delivered \$15mm in EBIT, with strong performance in the technical insulation business

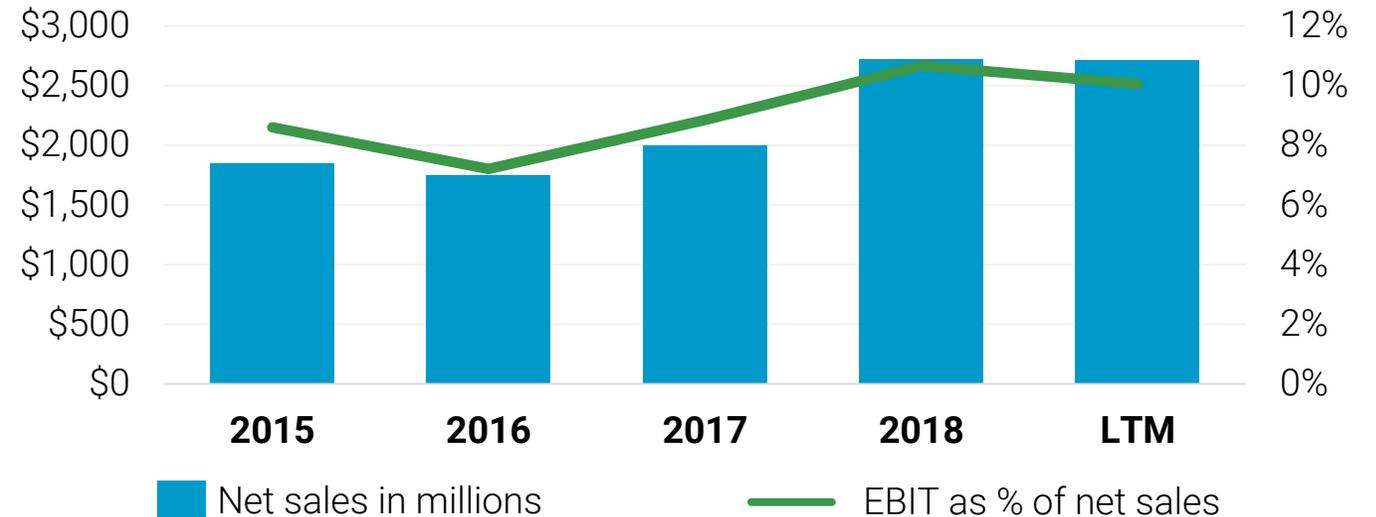
Expect technical & other building insulation businesses to grow earnings in 2019

In the North American residential fiberglass insulation business, positive price to be more than offset by lower volumes and production curtailments in 2019

Current year financial performance

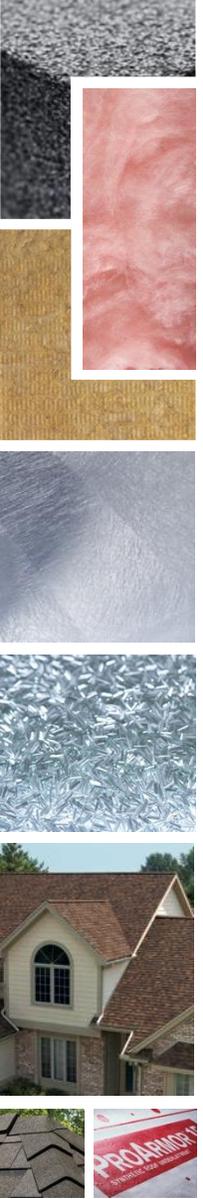
(\$ in millions)	Q1 2019	Q1 2018
Net sales	591	596
EBIT	15	32
EBIT as % of net sales	3%	5%
D&A	49	45

Five-year financial performance



Technical and other building insulation includes pipe and flexible duct media insulation, cellular glass insulation, foam, mineral fiber, and all building material products sold to Europe, Latin America and Asia. Source: Owens Corning management estimates and Owens Corning SEC filings; comparability may differ over time. Revenue before inter-segment eliminations.

COMPOSITES BUSINESS



Generated \$57mm in EBIT on strong commercial and operational execution

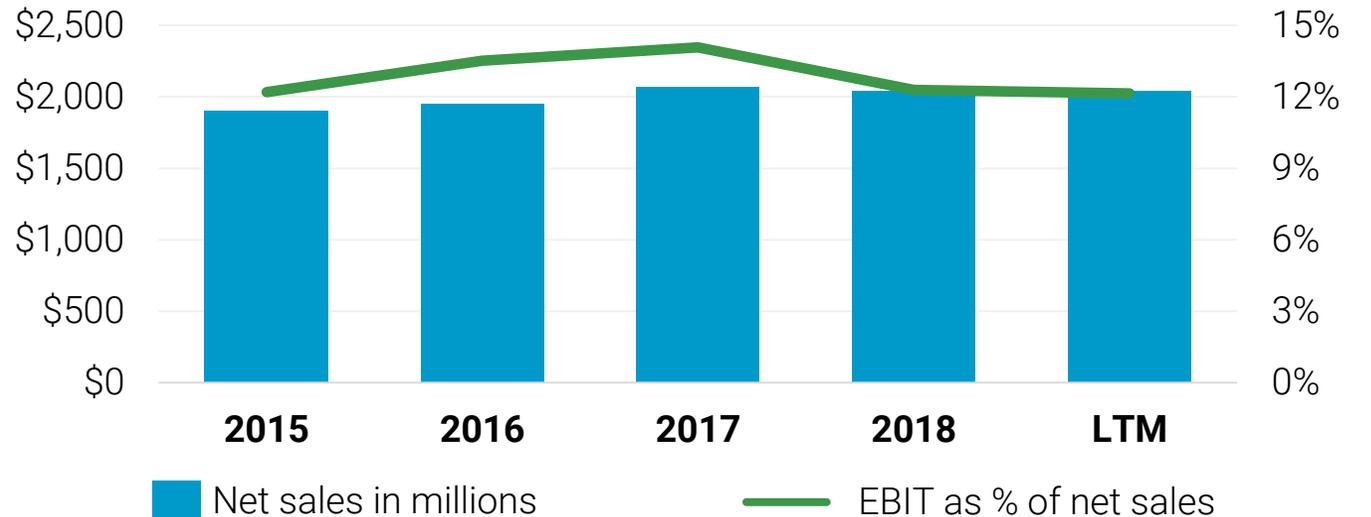
Produced 11% EBIT margins, comparable to last year

Expect volume growth and operating performance improvement to be offset by inflation in 2019

Current year financial performance

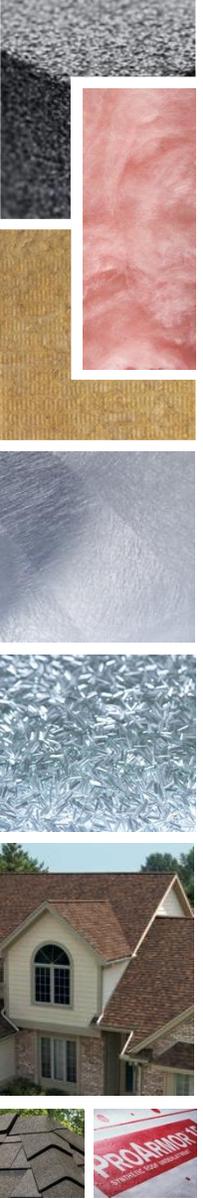
(\$ in millions)	Q1 2019	Q1 2018
Net sales	513	511
EBIT	57	60
EBIT as % of net sales	11%	12%
D&A	39	37

Five-year financial performance



Source: Owens Corning management estimates and Owens Corning SEC filings; comparability may differ over time. Revenue before inter-segment eliminations.

ROOFING BUSINESS



Produced EBIT of \$74mm on lower market volumes

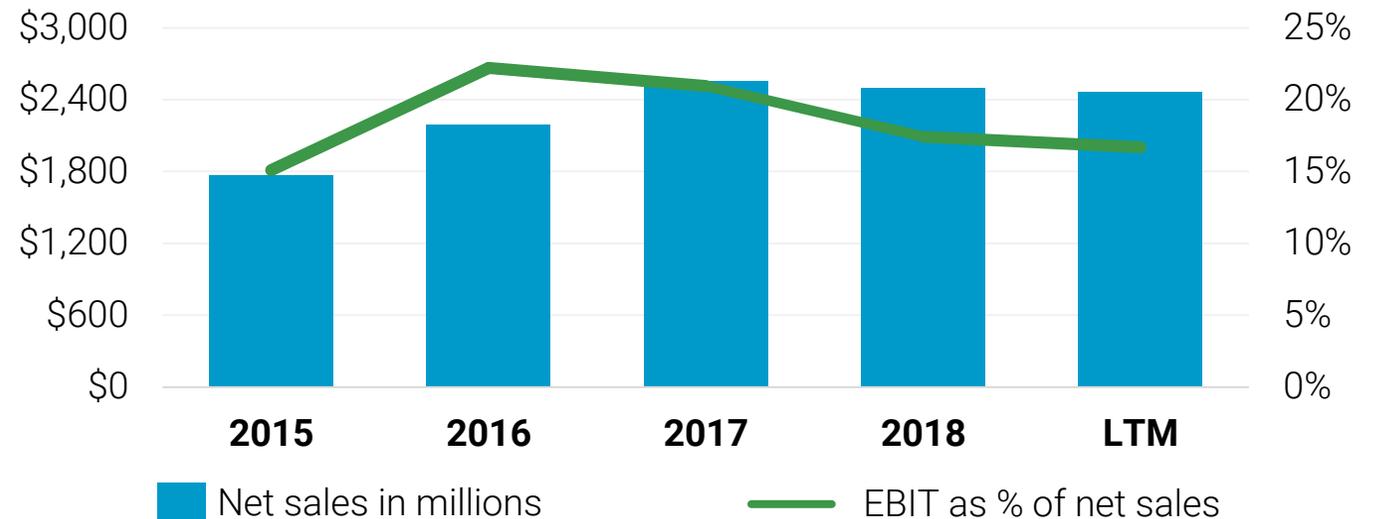
Delivered price improvement exceeding input cost inflation

Contribution margins through Q1 2019 position business for strong performance

Current year financial performance

(\$ in millions)	Q1 2019	Q1 2018
Net sales	614	642
EBIT	74	97
EBIT as % of net sales	12%	15%
D&A	13	12

Five-year financial performance



Source: Owens Corning management estimates and Owens Corning SEC filings; comparability may differ over time. Revenue before inter-segment eliminations.

2019 BUSINESS OUTLOOK

Assume consensus global industrial production growth, U.S. housing starts, and global commercial and industrial construction growth

INSULATION

Earnings growth in the technical and other building insulation businesses driven by improved operating performance and growth in global construction and industrial insulation markets

In the North American residential fiberglass insulation business positive price to be more than offset by lower volumes and production curtailments as a result of softer macro outlook

COMPOSITES

Continued growth in the glass fiber market; softer global industrial production growth outlook, primarily in Europe

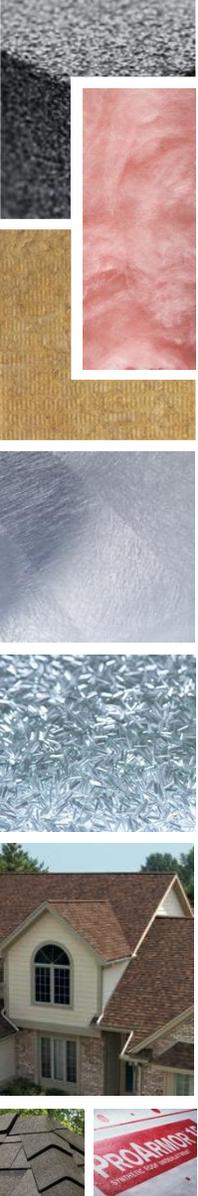
Volume growth and improved operating performance offset by inflation

ROOFING

Relatively flat U.S. shingle end-market demand with industry shipments slightly below last year, assuming average storm demand

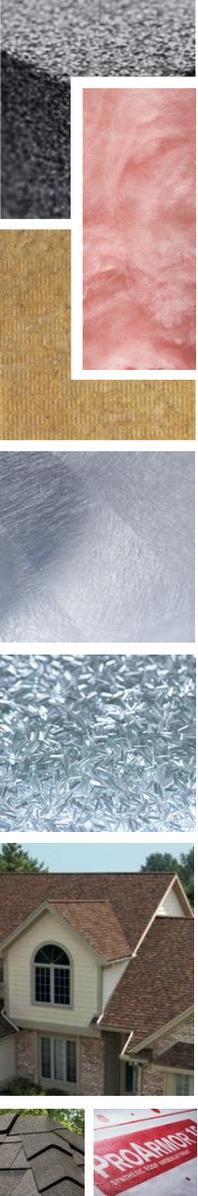
Favorable geographic mix comparison and higher share of industry shipments expected for Owens Corning

Contribution margins through Q1 2019 position the business for continued strong performance



OTHER 2019 OUTLOOK & SIGNIFICANT FINANCIAL MATTERS

- Outlook for strong cash flow generation
 - Repurchased 1.0mm shares in Q1 2019 for \$48mm; 3.6mm shares available for repurchase
 - Prioritize free cash flow to ongoing dividends and reduction of the term loan associated with the purchase of Paroc
 - Additional free cash flow could be deployed for share repurchases
- Corporate expense of \$140mm to \$150mm
- Capital additions of approximately \$500mm, with increased focus on productivity improvements
- Depreciation and amortization of approximately \$460mm
- Interest expense of approximately \$130mm
- Cash taxes of approximately 10% to 12% and effective tax rate of 26% to 28%



Note: tax rates on adjusted pre-tax earnings, and excluding significant tax items and reserve reversals

QUESTIONS AND DISCUSSION

APPENDIX A: NON-GAAP RECONCILIATIONS – TABLE 1

Net debt (a non-GAAP financial measure) is defined by the Company as total borrowings, less cash and cash equivalents and less the impact of derivatives used to hedge the borrowings. The reconciliation from total debt to net debt is shown in the table below (in millions):

	March 31,	
	2019	2018
Short-term debt	\$ 3	\$ 1
Long-term debt - current portion	25	4
Long-term debt, net of current portion	3,711	3,762
Total debt	\$ 3,739	\$ 3,767
Less: Cash and cash equivalents	(82)	(140)
Less: Unamortized interest rate swap basis adjustment	(5)	(6)
Net debt	\$ 3,652	\$ 3,621

APPENDIX A: NON-GAAP RECONCILIATIONS – TABLE 2

The reconciliations of EBITDA and adjusted EBITDA are shown in the table below (in millions):

	Three Months Ended March 31,	
	2019	2018
EBIT (a)	\$ 118	\$ 131
Depreciation and amortization	113	109
EBITDA	231	240
Adjusting expense (income) items to EBIT (a)	(2)	21
Accelerated depreciation included in restructuring	—	(5)
ADJUSTED EBITDA	\$ 229	\$ 256
Net Sales	\$ 1,667	\$ 1,691
Adjusted EBITDA as a % of Net Sales	14%	15%

(a) Please refer to Table 2 "EBIT Reconciliation Schedules" of our 8-K press release for the reconciliation from net earnings attributable to Owens Corning to EBIT and adjusted EBIT, and for detail of adjusting expense (income) items to EBIT.

APPENDIX A: NON-GAAP RECONCILIATIONS – TABLE 3

The reconciliation of North American residential fiberglass insulation EBITDA as a percentage of Owens Corning adjusted EBITDA is shown in the table below (in millions):

	Predecessor	Successor	Combined	
	Ten Months Ended, October 31, 2006	Two Months Ended December 31, 2006	Twelve Months Ended December 31, 2006	Twelve Months Ended December 31, 2018
Net earnings (loss) attributable to Owens Corning (a)	\$ 8,140	\$ (65)	\$ 8,075	\$ 545
(Earnings) loss from discontinued operations	(127)	11	(116)	—
Noncontrolling interest and equity in net loss of affiliates	—	4	4	\$ 3
Income tax expense (benefit)	980	(23)	957	\$ 156
Interest expense, net	241	29	270	\$ 117
Gain on settlement of liabilities subject to compromise	(5,864)	—	(5,864)	\$ —
Fresh-start accounting adjustments	(2,919)	—	(2,919)	\$ —
Owens Corning EBIT	\$ 451	\$ (44)	\$ 407	\$ 821
Adjusting items to EBIT: (a)				
Chapter 11 related reorganization	45	10	55	—
(Gains) on sales of assets and other	(45)	—	(45)	—
Asbestos litigation recoveries	(13)	—	(13)	—
Restructuring and other costs	11	32	43	22
Acquisition-related costs	7	6	13	16
Net precious metal lease income	(1)	—	(1)	—
Recognition of acquisition inventory fair value step-up	—	—	—	2
Employee emergence equity program	—	6	6	—
Fresh-start accounting impact	—	63	63	—
Owens Corning Adjusted EBIT	455	73	528	861
Owens Corning Depreciation & amortization expense (a)	209	69	278	433
Accelerated depreciation included in restructuring (a)	—	—	—	(10)
Owens Corning Adjusted EBITDA	664	142	806	1,284
Insulation Segment EBIT (a)			467	290
Insulation Depreciation & amortization expense (a)			85	186
Insulation Segment EBITDA			552	476
All other Insulation EBITDA (b)			209	305
North American residential fiberglass insulation EBITDA (b)			343	171
North American residential fiberglass insulation EBITDA as a percentage of Owens Corning Adjusted EBITDA			43%	13%

(a) 2006 data represents Insulation segment results for two months of predecessor and ten months of successor company. Please refer to 2008 Form 10-K and 2018 Form 10-K filing for Owens Corning and Insulation segment results. Comparability of terminology of financial information may differ over time.

(b) Historical data based on Owens Corning management estimates. Comparability may differ over time. Margin of error on intra-segment EBITDA estimated to be below \$15MM.

APPENDIX A: NON-GAAP RECONCILIATIONS – TABLE 4

The reconciliation of EBITDA for the Company's segments is shown in the table below (in millions):

	Three Months Ended March 31, 2019			Three Months Ended March 31, 2018		
	Composites	Insulation	Roofing	Composites	Insulation	Roofing
Segment Net Sales	\$ 513	\$ 591	\$ 614	\$ 511	\$ 596	\$ 642
Segment EBIT	\$ 57	\$ 15	\$ 74	\$ 60	\$ 32	\$ 97
Segment Depreciation and amortization expense	39	49	13	37	45	12
Segment EBITDA	\$ 96	\$ 64	\$ 87	\$ 97	\$ 77	\$ 109
Segment EBITDA as a % of Net Sales	19%	11%	14%	19%	13%	17%

APPENDIX A: NON-GAAP RECONCILIATIONS – TABLE 5

The reconciliation from net cash flow provided by operating activities to free cash flow, net earnings attributable to Owens Corning to adjusted earnings, and the calculation of free cash flow conversion of adjusted earnings ("free cash flow conversion") are shown in the table below (in millions):

	Twelve Months Ended December 31,					Last Four Fiscal Years
	2018	2017	2016	2015		
NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES	\$ 803	\$ 1,016	\$ 943	\$ 742	\$ 3,504	
Less: Cash paid for property, plant, and equipment	(537)	(337)	(373)	(401)	(1,648)	
FREE CASH FLOW	\$ 266	\$ 679	\$ 570	\$ 341	\$ 1,856	
Net earnings attributable to Owens Corning	\$ 545	\$ 289	\$ 393	\$ 330	\$ 1,557	
Adjustment to remove adjusting items (a)	40	189	47	2	278	
Adjustment to remove tax benefit on adjusting items (b)	(12)	(62)	(11)	(1)	(86)	
Adjustment to remove significant tax items and reverse reversals (c)	(23)	82	(10)	(27)	22	
ADJUSTED EARNINGS	\$ 550	\$ 498	\$ 419	\$ 304	\$ 1,771	
Free cash flow conversion (free cash flow/adjusted earnings)	48%	136%	136%	112%	105%	

(a) For 2018, 2017, and 2016, please refer to the "Adjusted Earnings Before Interest and Taxes ("Adjusted EBIT")" paragraph of Management's Discussion and Analysis in the 2018 10-K Filing. For 2015, please refer to the "Adjusted Earnings Before Interest and Taxes ("Adjusted EBIT")" paragraph of Management's Discussion and Analysis in the 2017 10-K filing.

(b) The tax impact of adjusting items is based on our expected tax accounting treatment and rate for the jurisdiction of each adjusting item.

(c) 2018 includes the impact of our net charge related to the U.S. Tax Cuts and Jobs Act of 2017 and a \$32 million gain related to the settlement of an uncertain tax position in Finland, 2017 includes the impact of our net charge related to the U.S. Tax Cuts and Jobs Act of 2017, 2016 includes the reversal of valuation allowances against certain European net deferred tax assets, and 2015 includes the reversal of a valuation allowance recorded in prior years against certain Canadian net deferred tax assets.