

THIRD-QUARTER 2019 RESULTS

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



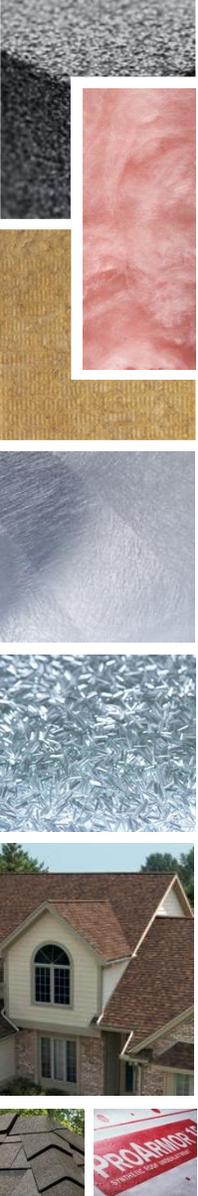
October 23, 2019 | Q3 2019

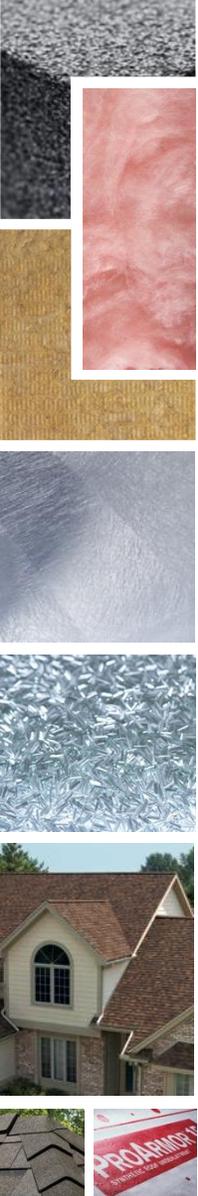
FORWARD-LOOKING STATEMENTS AND NON-GAAP MEASURES

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

Third-quarter review

Brian Chambers

Financial results

Michael McMurray

Questions and discussion

All

Closing remarks

Brian Chambers

**Company Delivered Net Sales of \$1.9 Billion,
Net Earnings of \$150 Million and Adjusted EBIT of \$277 Million**

HIGHLIGHTS

- Sustained high level of safety performance
- Grew revenue organically by 4%; 5% on a constant currency basis
- Delivered adjusted EBIT of \$277mm
- Produced strong free cash flow of \$282mm year-to-date

INSULATION

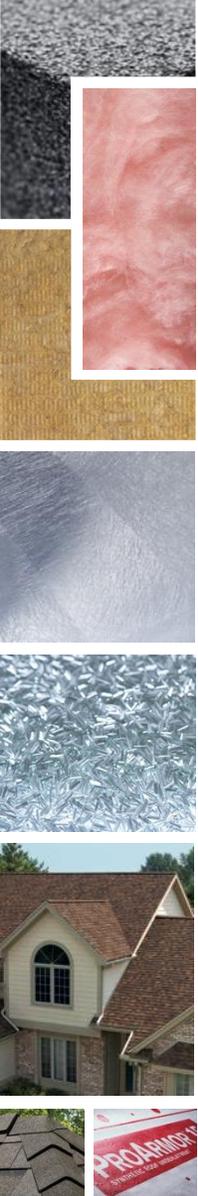
Delivered \$84mm of EBIT; strong performance in the technical and other building insulation businesses

COMPOSITES

Generated \$67mm of EBIT; good commercial and operational execution

ROOFING

Improved EBIT by \$16mm, to \$143mm on volume strength

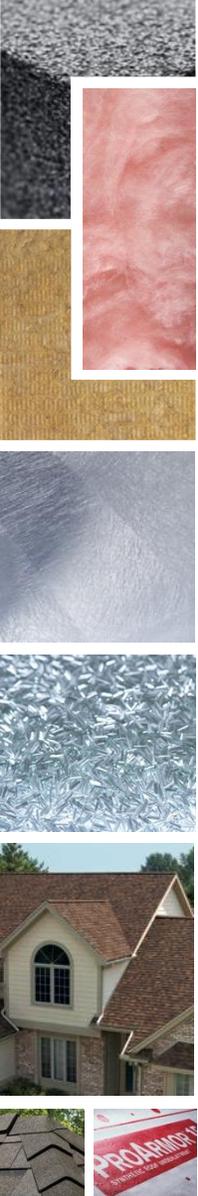
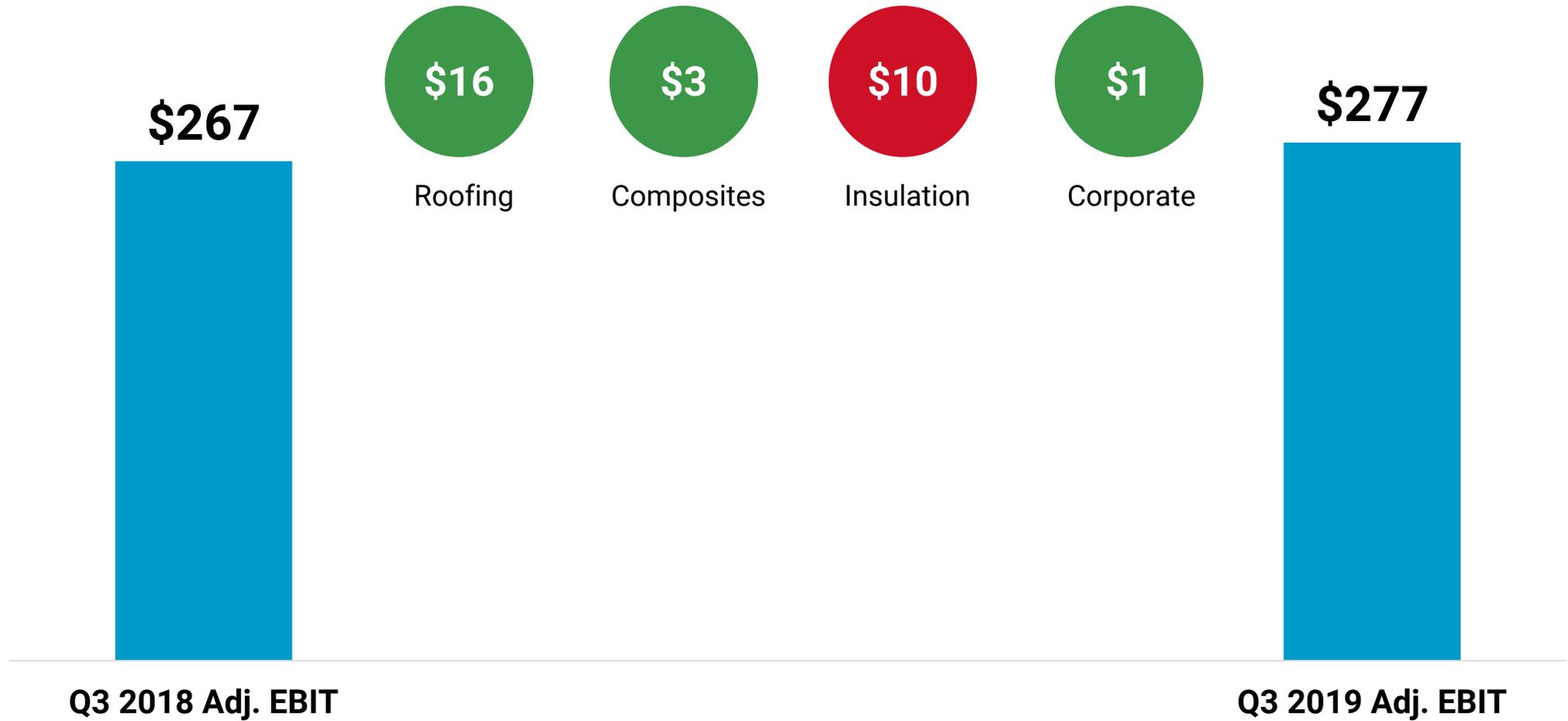


KEY FINANCIAL DATA

(\$ in millions, except per share data)	Q3 2019	Q3 2018	YTD 2019	YTD 2018
Net sales	1,883	1,818	5,468	5,333
Net earnings attributable to Owens Corning	150	161	332	374
Diluted earnings per share (EPS) attributable to Owens Corning common stockholders	\$1.36	\$1.45	\$3.02	\$3.35
Earnings before interest and taxes (EBIT)	277	259	625	596
Earnings before interest, taxes, depreciation and amortization (EBITDA)	389	366	962	919
Adjusted EBIT	277	267	624	633
Adjusted EBITDA	389	373	961	947
Adjusted earnings	179	174	382	398
Adjusted EPS (diluted)	\$1.63	\$1.57	\$3.47	\$3.56
Adjusted EBIT as a % of net sales	15%	15%	11%	12%
Adjusted EBITDA as a % of net sales	21%	21%	18%	18%
Depreciation and amortization (D&A)	112	107	337	323
Net cash flow provided by operating activities	309	200	596	506
Free cash flow	208	79	282	81
Net debt	3,155	3,533	3,155	3,533

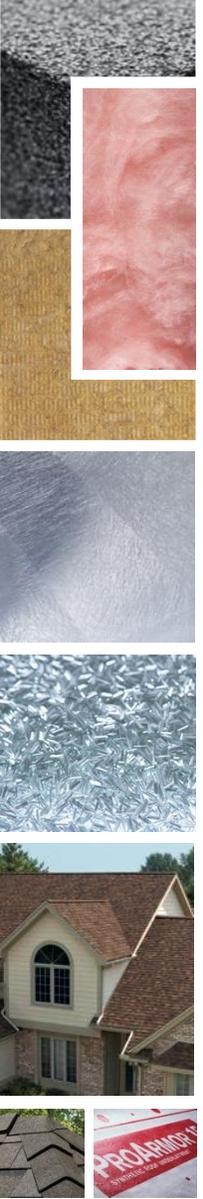


ADJUSTED EBIT RECONCILIATION



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

INSULATION BUSINESS



Delivered \$84mm of EBIT

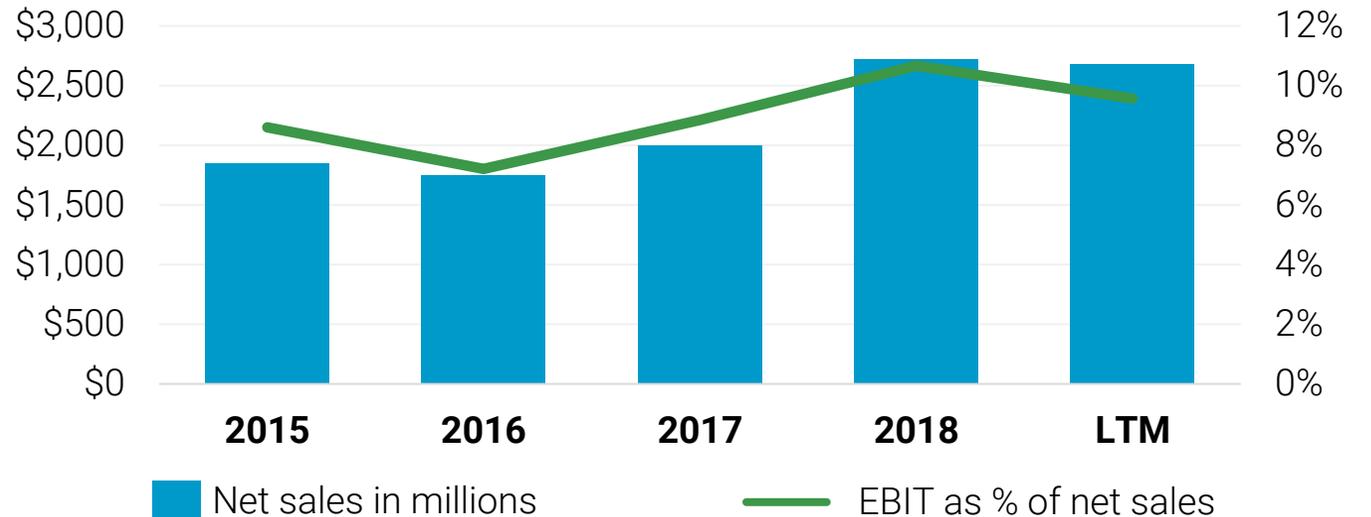
Continued strong performance in the technical and other building insulation businesses

Investments in productivity and process technologies enable network optimization and cost improvement

Current year financial performance

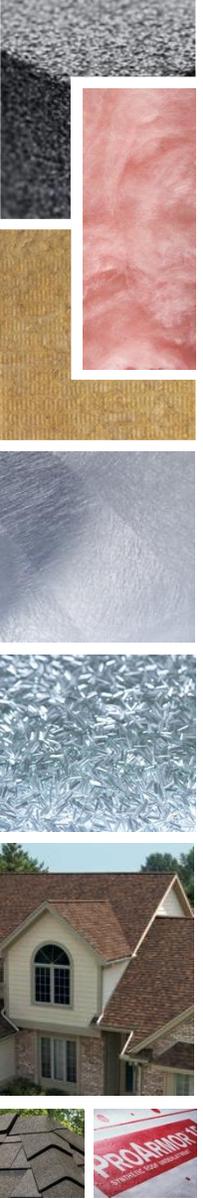
(\$ in millions)	Q3 2019	Q3 2018	YTD 2019	YTD 2018
Net sales	693	710	1,945	1,988
EBIT	84	94	141	175
EBIT as % of net sales	12%	13%	7%	9%
D&A	48	47	146	138

Five-year financial performance



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

COMPOSITES BUSINESS



Generated \$67mm of EBIT on strong commercial and operational execution

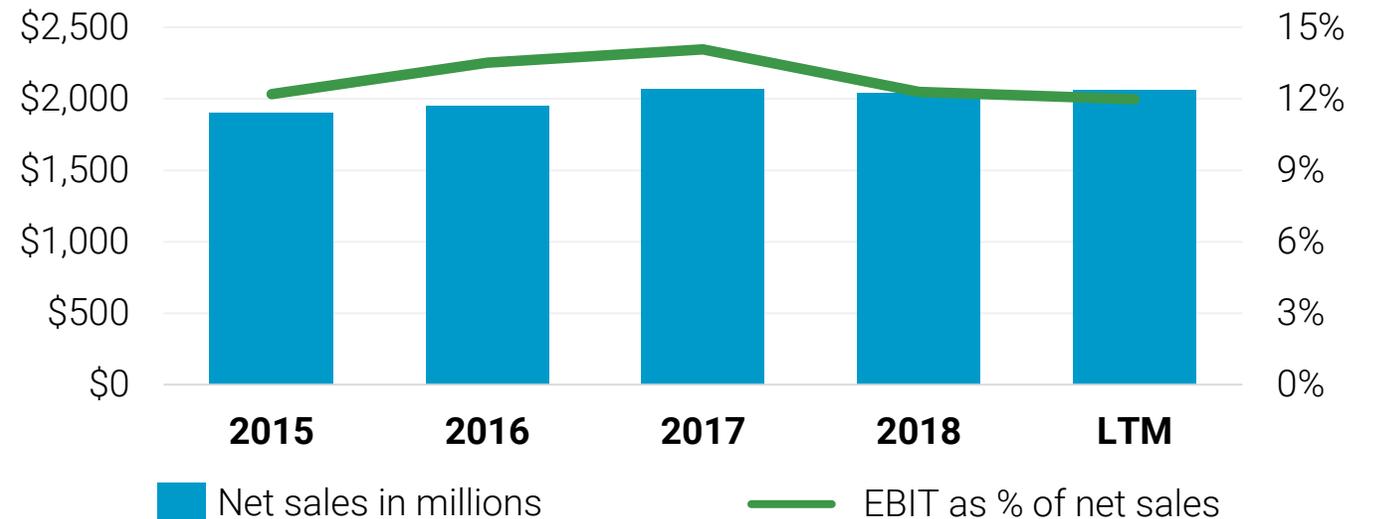
Produced 13% EBIT margins, in line with prior year

Volume growth and improved operating performance largely offsetting inflation in 2019

Current year financial performance

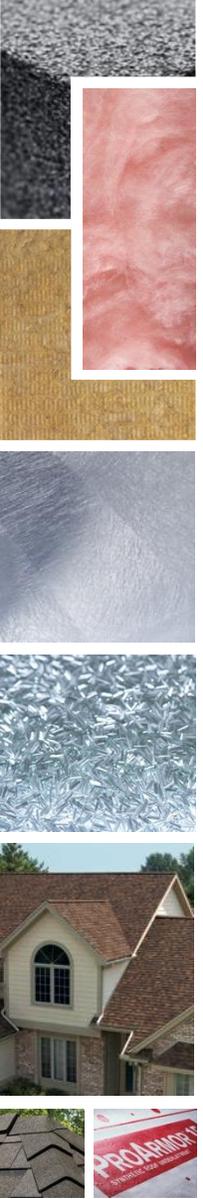
(\$ in millions)	Q3 2019	Q3 2018	YTD 2019	YTD 2018
Net sales	531	508	1,579	1,560
EBIT	67	64	191	195
EBIT as % of net sales	13%	13%	12%	13%
D&A	37	36	114	109

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



Improved EBIT by \$16mm,
to \$143mm

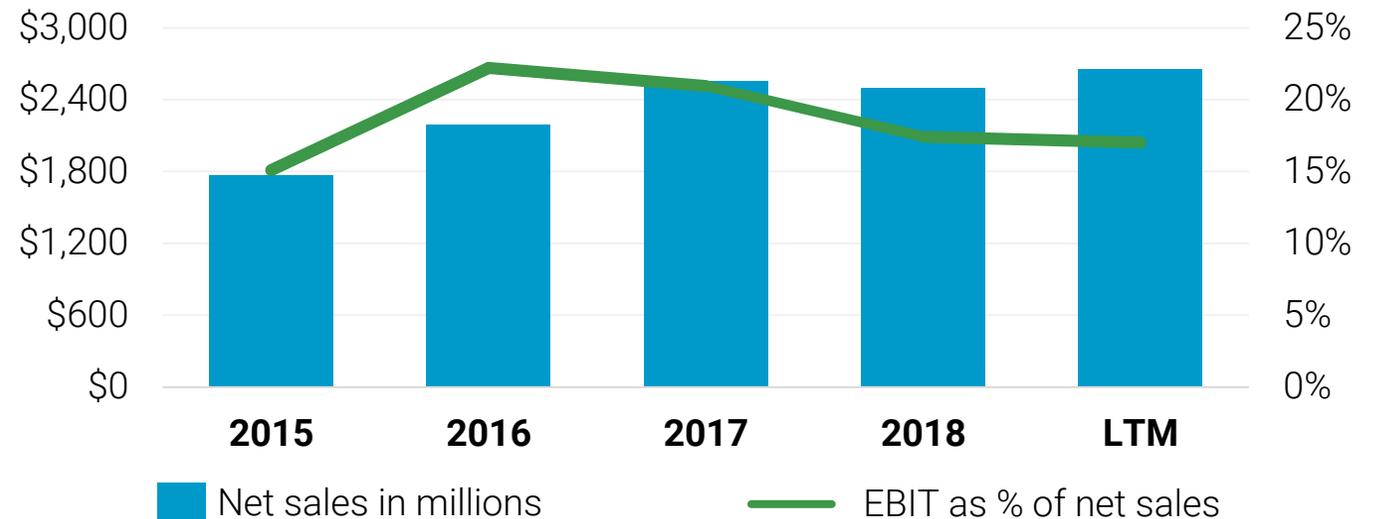
Grew revenue by 11% on
strong market volumes

Contribution margins year-to-
date 2019 position business for
continued strong performance

Current year financial performance

(\$ in millions)	Q3 2019	Q3 2018	YTD 2019	YTD 2018
Net sales	713	645	2,105	1,946
EBIT	143	127	368	351
EBIT as % of net sales	20%	20%	17%	18%
D&A	14	13	40	38

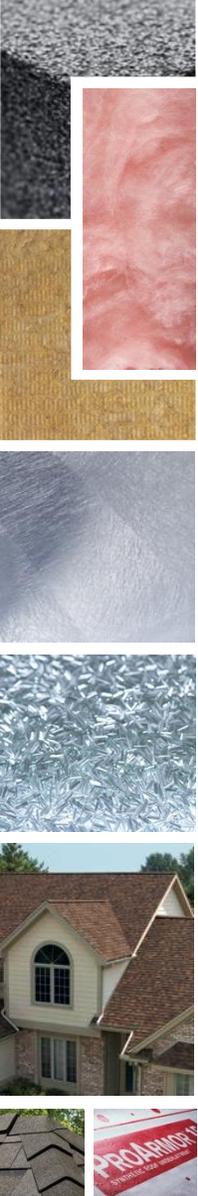
Five-year financial performance



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

SIGNIFICANT FINANCIAL MATTERS

- Completed the issuance of \$450mm green bond, payable over 10 years at a coupon rate of 3.95%
- Third-quarter cash dividend of \$0.22 per share
- Entered into agreement to transfer \$89mm of outstanding U.S. pension obligations for \$83mm of pension plan assets; expect Q4 pre-tax charge of approximately \$45mm
- Announced plans to optimize network and implement other cost saving actions in the North American residential fiberglass insulation business
 - Expected annual savings of approximately \$25mm by 2021; including about \$20mm in 2020
 - Charges of approximately \$30mm; about \$15mm non-cash



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

Growth in the technical and other building insulation businesses to be more than offset by lower volumes and production curtailments in the North American residential fiberglass insulation business

COMPOSITES

Continued growth in the glass fiber market at a lower rate than previous outlook

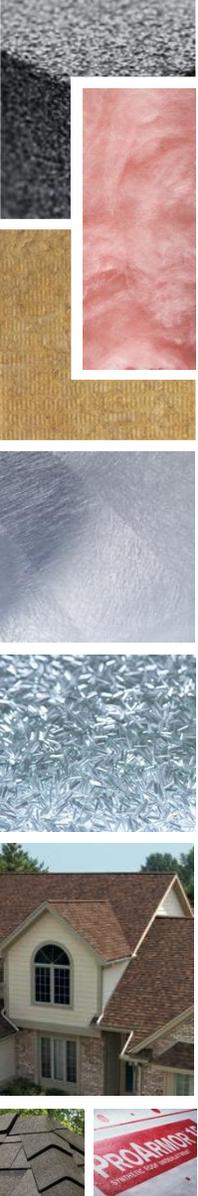
Volume growth and improved operating performance largely offsetting inflation

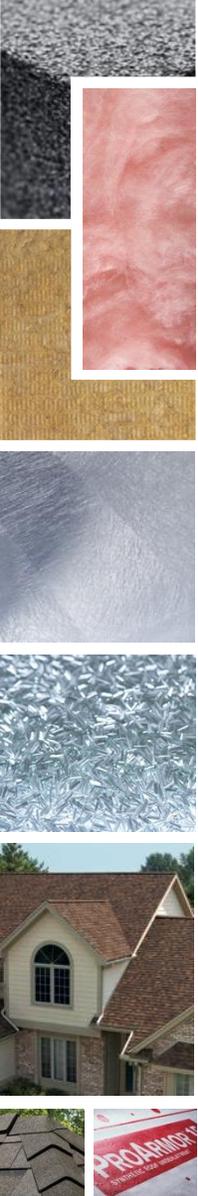
ROOFING

Relatively flat U.S. shingle industry shipments

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

Contribution margins year to date 2019 position the business for continued strong performance





OTHER 2019 OUTLOOK

- Outlook for strong cash flow generation
 - Paid down an additional \$100mm on the term loan associated with the purchase of Paroc
 - Prioritize free cash flow to ongoing dividends and reduction of the Paroc loan
 - Additionally, free cash flow could be deployed for share repurchases
 - Going forward, target returning at least 50% of free cash flow to shareholders over time
- Corporate expense range of \$110mm to \$115mm, \$15mm to \$20mm below prior outlook
- Depreciation and amortization of approximately \$460mm
- Capital additions of approximately \$460mm, from \$475mm previously
 - Going forward, target capital expenditures in line with D&A over time
- Interest expense of approximately \$130mm
- Cash taxes of approximately 9% to 11% 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):

	September 30, 2019	September 30, 2018
Short-term debt	\$ 3	\$ 1
Long-term debt - current portion	7	4
Long-term debt, net of current portion	3,180	3,669
Total debt	\$ 3,190	\$ 3,674
Less: Cash and cash equivalents	(35)	(136)
Less: Unamortized interest rate swap basis adjustment	—	(5)
Net debt	\$ 3,155	\$ 3,533

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 September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
EBIT (a)	\$ 277	\$ 259	\$ 625	\$ 596
Depreciation and amortization	112	107	337	323
EBITDA	389	366	962	919
Adjusting expense (income) items to EBIT (a)	—	8	(1)	37
Accelerated depreciation included in restructuring	—	(1)	—	(9)
ADJUSTED EBITDA	\$ 389	\$ 373	\$ 961	\$ 947

(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 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.

APPENDIX A: NON-GAAP RECONCILIATIONS – TABLE 4

The reconciliation of reported net sales growth to organic net sales growth and net sales growth on a constant currency basis is as follows:

	Composites	Total Owens Corning
Net Sales - 3 Months Ended September 30, 2019	\$531	\$1,883
Net Sales - 3 Months Ended September 30, 2018	508	1,818
Net Sales Growth	23	65
Acquisition/Divestiture Sales Impact	—	—
Organic Net Sales Growth (a)	23	65
Foreign Exchange Sales Impact	(9)	(19)
Net Sales Growth On a Constant Currency Basis (a)	\$32	\$84
<i>Net Sales Growth % On a Constant Currency Basis</i>	6%	5%

(a) Organic net sales growth is defined as net sales growth less the net sales of companies acquired and divested in the past twelve months. Net sales growth on a constant currency basis is defined as organic net sales growth (as computed above) less any foreign exchange impact.