

FOURTH-QUARTER AND FULL-YEAR 2019 RESULTS

Brian Chambers | Chief Executive Officer
Prith Gandhi | Vice President, Chief Financial Officer (interim)



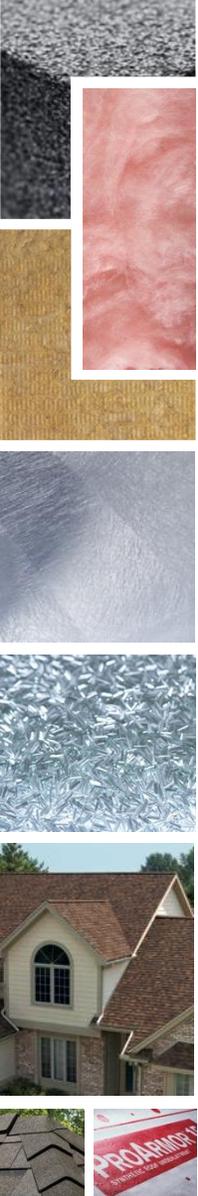
February 19, 2020 | Q4 & FY 2019

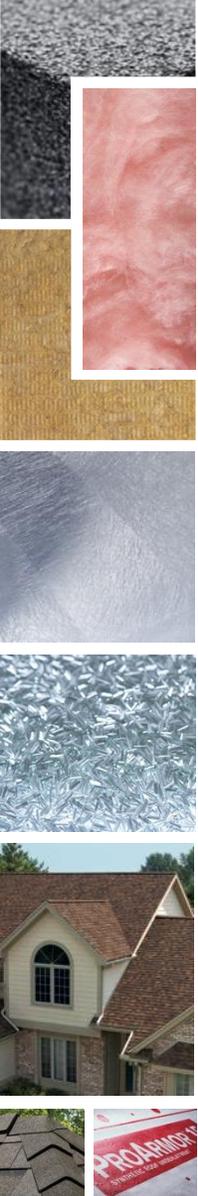
FORWARD-LOOKING STATEMENTS AND NON-GAAP MEASURES

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: levels of residential, commercial and industrial construction activity; global industrial production; competitive and pricing factors; demand for our products and relationships with key customers; industry, economic and political conditions, including new legislation, policies or other governmental actions in the U.S. or elsewhere; changes to tariff, trade or investment policies or law; uninsured losses; climate change, weather and storm activity; energy, transportation, raw material and other input availability, price volatility and cost issues; legal and regulatory, including environmental, disputes or proceedings; ability to protect our intellectual property and information technology systems; our level of indebtedness and the availability and cost of credit; levels of goodwill or other indefinite-lived intangible assets; achievement of expected synergies or productivity improvements; ability to utilize our net operating loss carry-forwards or foreign tax credits; issues related to acquisitions, divestitures, joint ventures or expansions; currency, commodity and interest rate fluctuations; price volatility in U.S. wind energy markets; labor disputes or shortages, or loss of key employees; 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 our earnings press release. Adjusted EBIT, adjusted EBITDA, adjusted earnings, adjusted EPS and return on capital 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 reconciliations to those 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

Fourth-quarter and full-year review

Brian Chambers

Financial results

Prith Gandhi

Questions and discussion

All

Closing remarks

Brian Chambers

**Company Delivered Net Sales of \$7.2 Billion,
Generated Record Operating Cash Flow of \$1 Billion in 2019**

2019 HIGHLIGHTS

- Sustained high level of safety performance
- Grew revenue to \$7.2b; 3% growth on a constant currency basis
- Delivered adjusted EBIT of \$828mm
- Produced strong operating cash flow of \$1b and free cash flow of \$590mm for the year

INSULATION

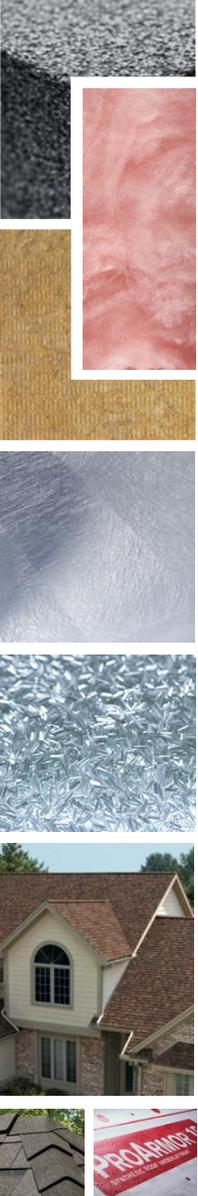
Delivered \$230mm of EBIT with strong performance in the technical and other building insulation businesses

COMPOSITES

Generated \$247mm of EBIT and 12% EBIT margins on good commercial and operational execution

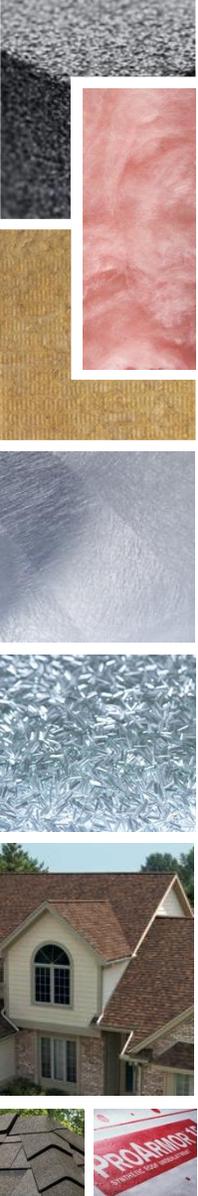
ROOFING

Improved EBIT by \$21mm to \$455mm on above-market volume growth

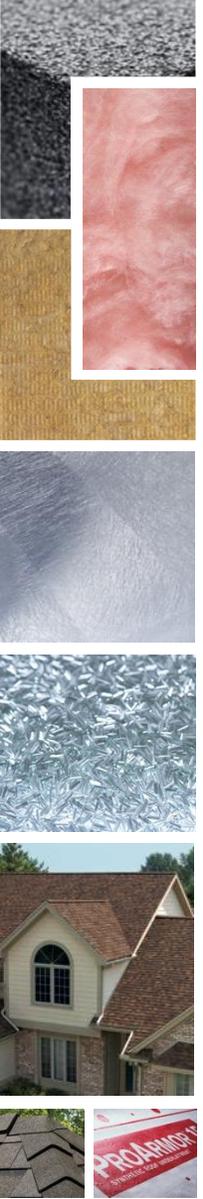
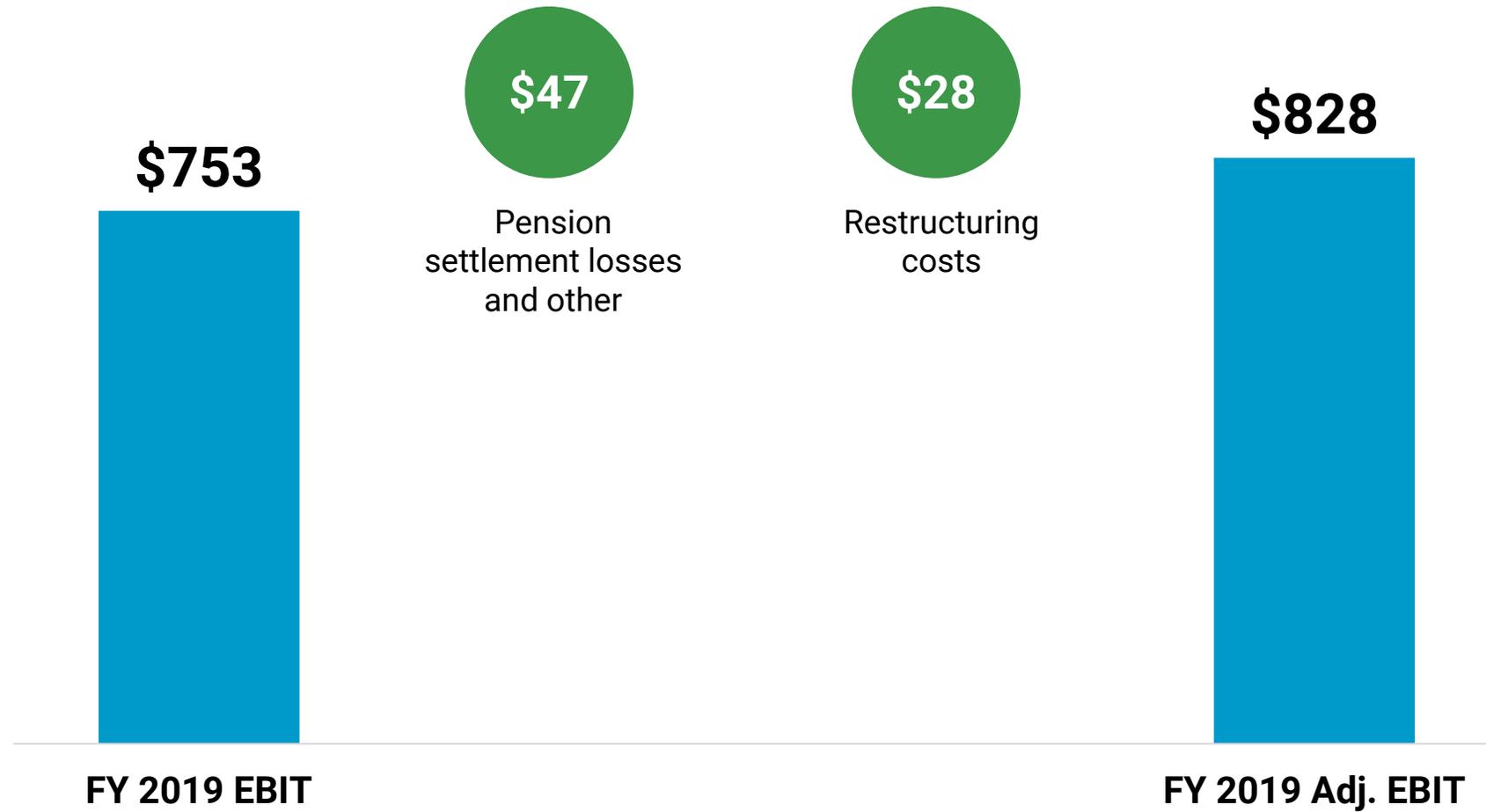


KEY FINANCIAL DATA

(\$ in millions, except per share data)	Q4 2019	Q4 2018	FY 2019	FY 2018
Net sales	1,692	1,724	7,160	7,057
Net earnings attributable to Owens Corning	73	171	405	545
Diluted earnings per share (EPS) attributable to Owens Corning common stockholders	\$0.66	\$1.55	\$3.68	\$4.89
Earnings before interest and taxes (EBIT)	128	225	753	821
Earnings before interest, taxes, depreciation and amortization (EBITDA)	248	335	1,210	1,254
Adjusted EBIT	204	228	828	861
Adjusted EBITDA	315	337	1,276	1,284
Adjusted earnings	125	152	500	550
Adjusted EPS (diluted)	\$1.13	\$1.38	\$4.54	\$4.94
Adjusted EBIT as a % of net sales	12%	13%	12%	12%
Adjusted EBITDA as a % of net sales	19%	20%	18%	18%
Depreciation and amortization (D&A)	120	110	457	433
Net cash flow provided by operating activities	441	297	1,037	803
Free cash flow	308	185	590	266
Net debt	2,841	3,304	2,841	3,304

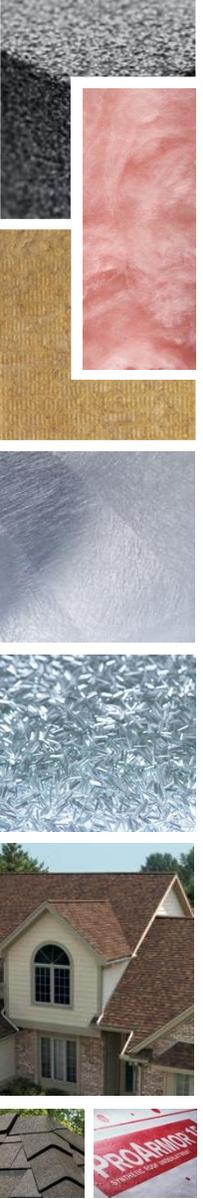
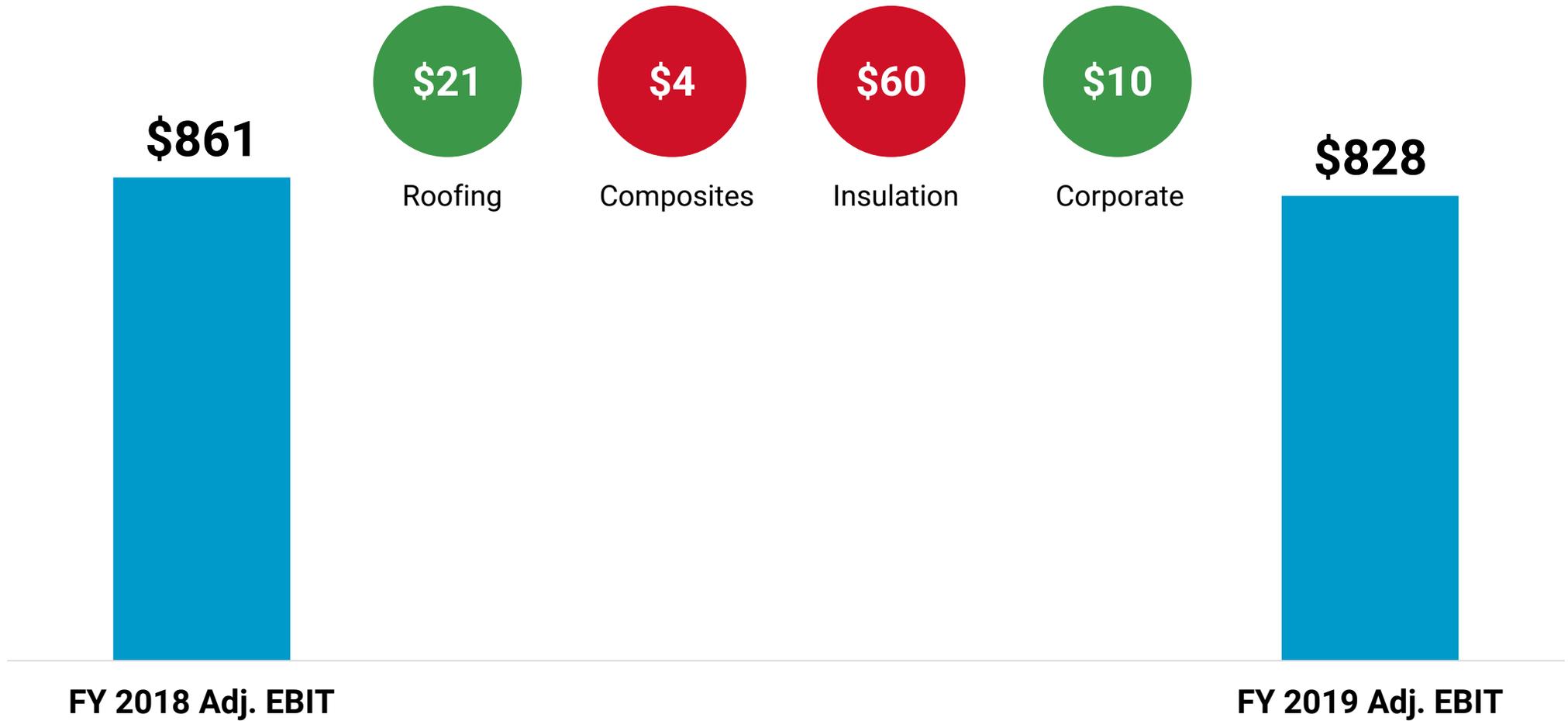


ADJUSTED EBIT RECONCILIATION



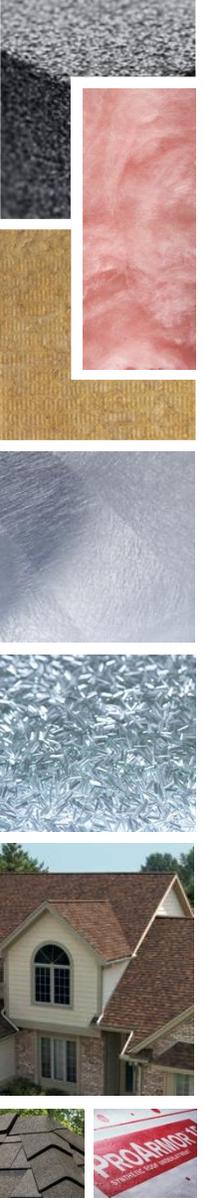
Numbers in millions. From left to right, green denotes increase.

ADJUSTED EBIT RECONCILIATION



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

INSULATION BUSINESS



Delivered \$230mm of EBIT

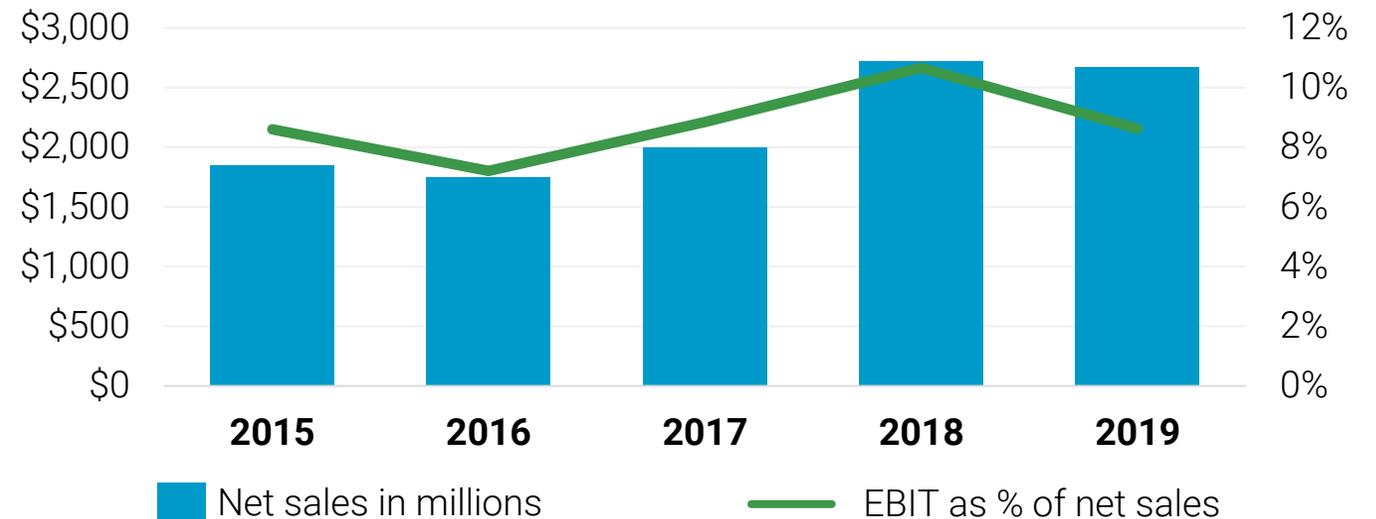
Generated earnings growth in the technical and other building insulation businesses

Lower volumes and production curtailments in the North American residential fiberglass insulation business resulted in year-over-year EBIT decline

Current year financial performance

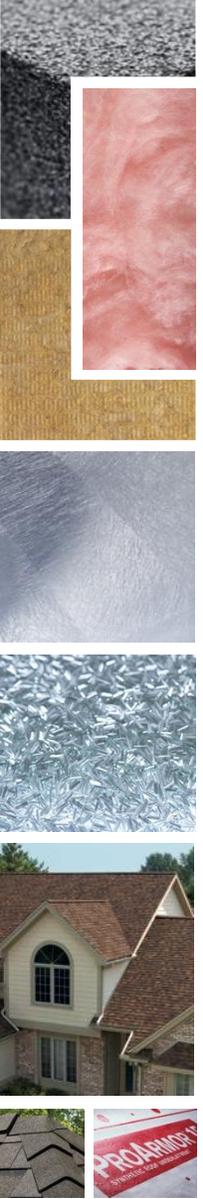
(\$ in millions)	Q4 2019	Q4 2018	2019	2018
Net sales	723	732	2,668	2,720
EBIT	89	115	230	290
EBIT as % of net sales	12%	16%	9%	11%
D&A	48	48	194	186

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



2019 revenue growth at constant currency of 3% in a relatively flat market

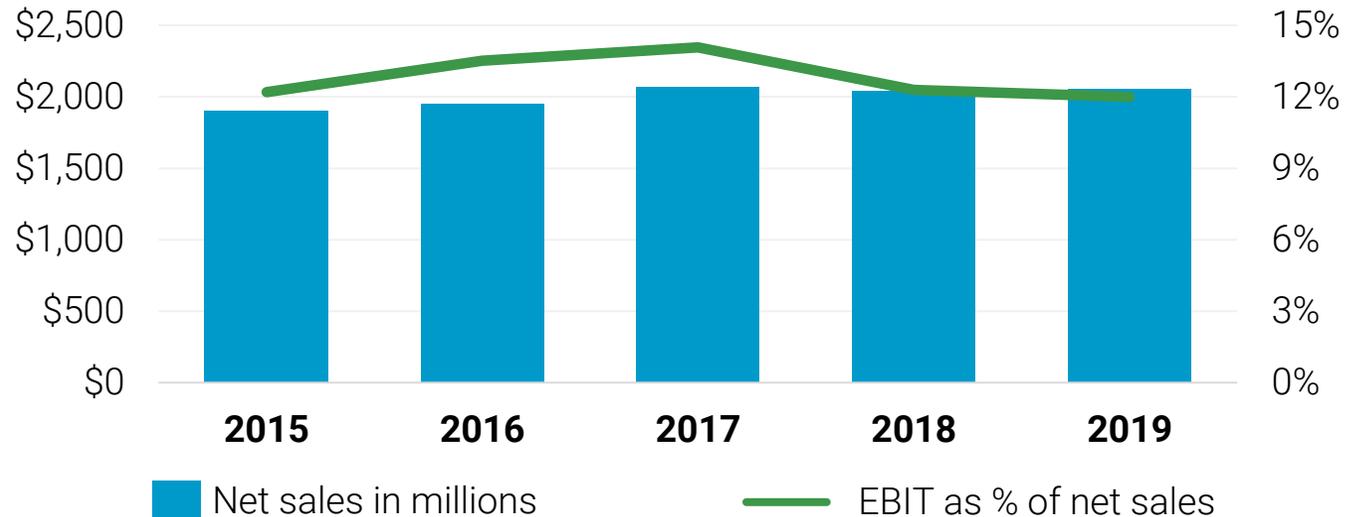
Produced 12% EBIT margins, in line with prior year

Improved manufacturing performance and volume growth was more than offset by input cost inflation and lower selling prices

Current year financial performance

(\$ in millions)	Q4 2019	Q4 2018	2019	2018
Net sales	480	481	2,059	2,041
EBIT	56	56	247	251
EBIT as % of net sales	12%	12%	12%	12%
D&A	40	38	154	147

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



Grew revenue by 6% on above-market volume growth

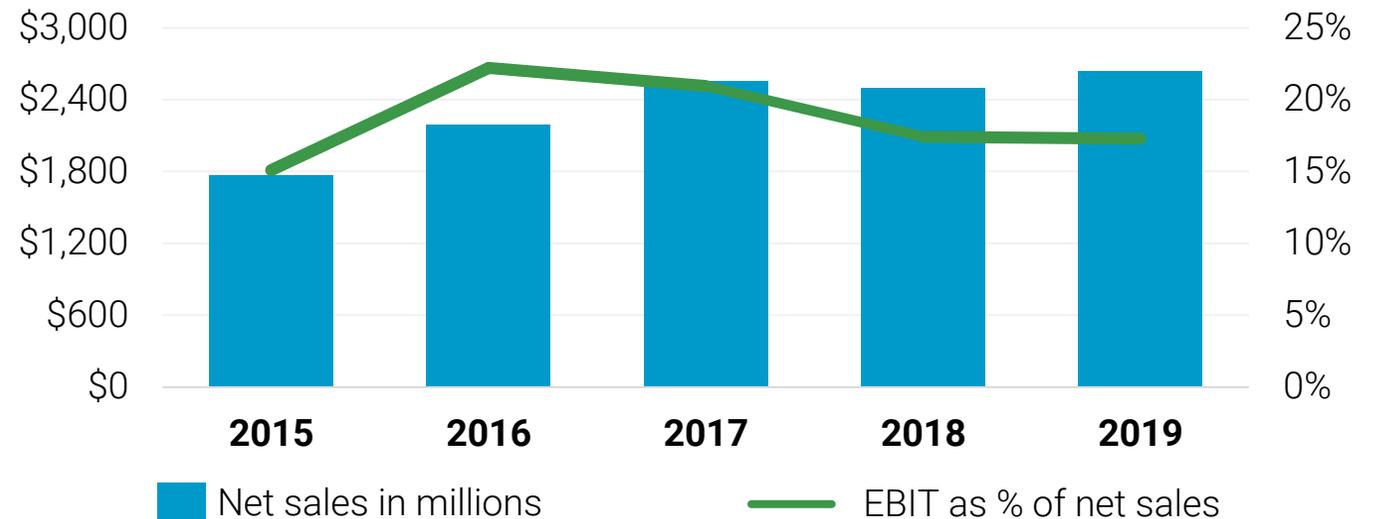
Improved EBIT by \$21mm, to \$455mm

Ended the year with strong cash contribution margins

Current year financial performance

(\$ in millions)	Q4 2019	Q4 2018	2019	2018
Net sales	529	546	2,634	2,492
EBIT	87	83	455	434
EBIT as % of net sales	16%	15%	17%	17%
D&A	14	13	54	51

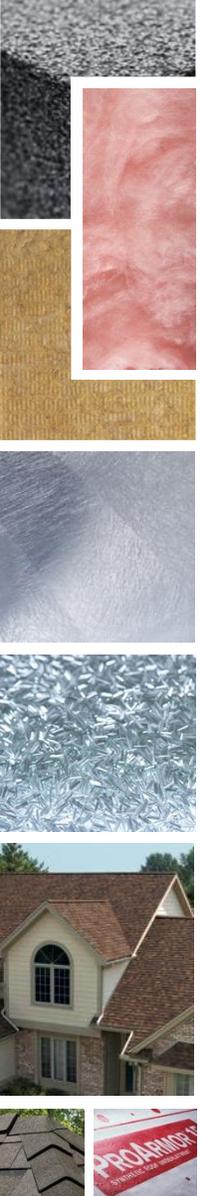
Five-year financial performance



Source: Owens Corning management estimates, Asphalt Roofing Manufacturers Association (ARMA), and Owens Corning SEC filings; comparability may differ over time. Revenue before inter-segment eliminations.

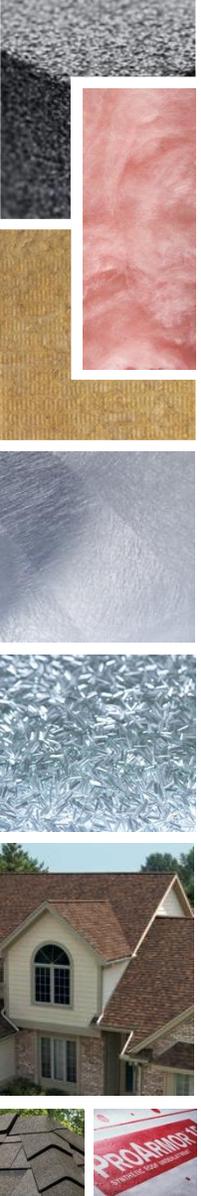
2019 HIGHLIGHTS

- Generated free cash flow of \$590 million, an increase of \$324 million from 2018, resulting in free cash flow conversion of 118%
- Returned \$95 million of cash to shareholders through dividends
- Repurchased 1.0 million shares of common stock for \$48 million; as of the end of 2019, 3.6 million shares were available for repurchase under the current authorization
- Completed the issuance of \$450 million green bond, payable over ten years at a coupon rate of 3.95%
- In December, Owens Corning received an investment grade rating from Moody's; Owens Corning is now rated investment grade by all three major rating agencies

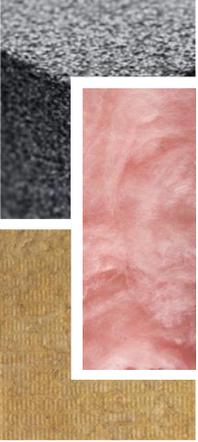


2020 CORPORATE OUTLOOK

- First-quarter 2020 cash dividend of \$0.24 per share
- Corporate expense of \$125mm to \$135mm
- Capital additions in line with depreciation and amortization of approximately \$460mm
- Interest expense of approximately \$115mm
- Cash taxes of approximately 10% to 12% and effective tax rate of 26% to 28%

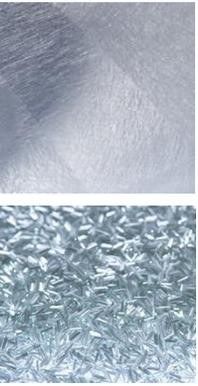


Note: tax rates on adjusted pre-tax earnings, and excluding significant tax items and reserve reversals



2020 BUSINESS OUTLOOK

Outlook based on consensus global industrial production, U.S. housing starts, and global commercial and industrial construction indices



INSULATION

Favorable market outlook for U.S. new residential construction and modest growth in global construction and industrial markets



Strong earnings growth in Insulation primarily driven by volume growth and operating leverage in the North American residential fiberglass insulation business



Continued earnings growth in the technical and other building insulation businesses

COMPOSITES

Weaker first-half glass fiber market expected to strengthen in the second-half consistent with global industrial production

Continued focus on growing higher-value downstream applications and driving strong operating performance

Expect difficult comparison in the first half driven by weaker macro conditions entering the year, impacting price and volumes

ROOFING

Relatively flat U.S. shingle industry shipments, assuming average storm demand

IMO 2020 not currently expected to have significant impact on our asphalt costs

Cash contribution margins entering 2020 position the business for continued strong performance

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):

	December 31,	
	2019	2018
Short-term debt	\$ 20	\$ 16
Long-term debt - current portion	7	9
Long-term debt, net of current portion	2,986	3,362
Total debt	\$ 3,013	\$ 3,387
Less: Cash and cash equivalents	(172)	(78)
Less: Unamortized interest rate swap basis adjustment	—	(5)
Net debt	\$ 2,841	\$ 3,304

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 December 31,		Twelve Months Ended December 31,			
	2019	2018	2019	2018	2017	2016
EBIT (a)	\$ 128	\$ 225	\$ 753	\$ 821	\$ 737	\$ 699
Depreciation and amortization	120	110	457	433	371	343
EBITDA	248	335	1,210	1,254	1,108	1,042
Adjusting expense items to EBIT (a)	76	3	75	40	118	47
Accelerated depreciation included in restructuring	(9)	(1)	(9)	(10)	(17)	(19)
ADJUSTED EBITDA	\$ 315	\$ 337	\$ 1,276	\$ 1,284	\$ 1,209	\$ 1,070
Net Sales	\$ 1,692	\$ 1,724	\$ 7,160	\$ 7,057	\$ 6,384	\$ 5,677
Adjusted EBITDA as a % of Net Sales	19 %	20 %	18 %	18 %	19 %	19 %

(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 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 Five Fiscal Years
	2019	2018	2017	2016	2015		
NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES	\$ 1,037	\$ 803	\$ 1,016	\$ 943	\$ 742	\$ 4,541	
Less: Cash paid for property, plant, and equipment	(447)	(537)	(337)	(373)	(401)	(2,095)	
FREE CASH FLOW	\$ 590	\$ 266	\$ 679	\$ 570	\$ 341	\$ 2,446	
Net earnings attributable to Owens Corning	\$ 405	\$ 545	\$ 289	\$ 393	\$ 330	\$ 1,962	
Adjustment to remove adjusting items (a)	107	40	189	47	2	385	
Adjustment to remove tax benefit on adjusting items (b)	(24)	(12)	(62)	(11)	(1)	(110)	
Adjustment to remove significant tax items and reverse reversals (c)	12	(23)	82	(10)	(27)	34	
ADJUSTED EARNINGS	\$ 500	\$ 550	\$ 498	\$ 419	\$ 304	\$ 2,271	
Free cash flow conversion (free cash flow/adjusted earnings)	118 %	48 %	136 %	136 %	112 %	108 %	

(a) For 2019, 2018, and 2017, please refer to the "Adjusted Earnings Before Interest and Taxes ("Adjusted EBIT")" paragraph of Management's Discussion and Analysis in the 2019 10-K Filing. For 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.

(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) 2019 includes the impact of a change in estimate related to proposed regulations on global intangible low-taxed income (GILTI), part of the U.S. Tax Cuts and Jobs Act of 2017, 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, and 2016 includes the reversal of valuation allowances against certain European net deferred tax assets.

APPENDIX A: NON-GAAP RECONCILIATIONS – TABLE 4

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

	Composites	Insulation	Total Owens Corning
Net Sales - Twelve Months Ended December 31, 2019	\$2,059	\$2,668	\$7,160
Net Sales - Twelve Months Ended December 31, 2018	2,041	2,720	7,057
Net Sales Growth	18	(52)	103
Foreign Exchange Sales Impact	(50)	(45)	(95)
Net Sales Growth On a Constant Currency Basis (a)	\$68	\$(7)	\$198
Net Sales Growth % On a Constant Currency Basis	3%	—%	3%

(a) Net sales growth on a constant currency basis is defined as net sales growth less any foreign exchange sales impact.