



FOURTH-QUARTER AND FULL-YEAR 2023 RESULTS



Brian Chambers | Chair & Chief Executive Officer
Todd Fister | Chief Financial Officer

February 14, 2024 | Q4 & FY 2023



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 are subject to risks, uncertainties and other factors and actual results may differ materially from any results projected in the statements. These risks, uncertainties and other factors include, without limitation: levels of residential and commercial or industrial construction activity; demand for our products; industry and economic conditions including, but not limited to, supply chain disruptions, recessionary conditions, inflationary pressures, interest rate and financial markets volatility, and the viability of banks and other financial institutions; availability and cost of energy and raw materials; levels of global industrial production; competitive and pricing factors; relationships with key customers and customer concentration in certain areas; issues related to acquisitions, divestitures and joint ventures or expansions, including the planned acquisition of Masonite; climate change, weather conditions and storm activity; legislation and related regulations or interpretations, in the United States or elsewhere; domestic and international economic and political conditions, policies or other governmental actions, as well as war and civil disturbance; changes to tariff, trade or investment policies or laws; uninsured losses, including those from natural disasters, catastrophes, pandemics, theft or sabotage; environmental, product-related or other legal and regulatory liabilities, proceedings or actions; research and development activities and intellectual property protection; issues involving implementation and protection of information technology systems; foreign exchange and commodity price fluctuations; our level of indebtedness, including the planned acquisition of Masonite; our liquidity and the availability and cost of credit; our ability to achieve expected synergies, cost reductions and/or productivity improvements; the level of fixed costs required to run our business; levels of goodwill or other indefinite-lived intangible assets; price volatility in certain wind energy markets in the U.S.; loss of key employees and labor disputes or shortages; our ability to complete and successfully integrate the Masonite acquisition; any material adverse changes in the business of Masonite; the ability to obtain required regulatory, shareholder or other third-party approvals and consents and otherwise complete the Masonite acquisition; our ability to achieve the strategic and other objectives relating to the Masonite acquisition, including any expected synergies, and the strategic review of our GR business; and defined benefit plan funding obligations; and factors detailed from time to time in the company's Securities and Exchange Commission filings. The information in this presentation speaks as of February 14, 2024, and is subject to change. The company does not undertake any duty to update or revise forward-looking statements except as required by federal securities laws.

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

Company highlights

Brian Chambers

Financial results

Todd Fister

Business outlook

Brian Chambers

Questions and discussion

All

**Owens Corning Delivers Full-Year Net Sales of \$9.7 Billion;
Generates Earnings of \$1.2 Billion and Adjusted EBIT of \$1.8 Billion**

OWENS CORNING HIGHLIGHTS

Finished the year with our best quarterly safety performance in over a decade

Delivered full-year revenue of \$9.7b and adjusted EBIT of \$1.8b

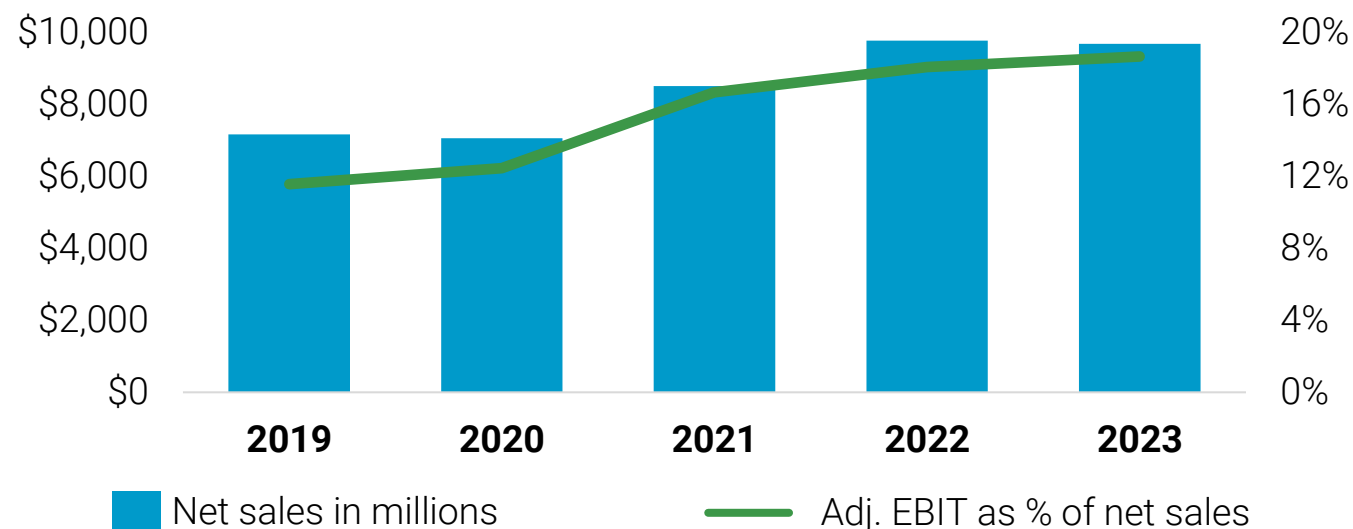
Strengthening position in building and construction materials

Launched 39 new or refreshed products across our global businesses

Earned a place on the Dow Jones Sustainability Index for the 14th consecutive year

(\$ in millions)	Q4 2023	Q4 2022	FY 2023	FY 2022
Net sales	2,304	2,285	9,677	9,761
Adjusted EBIT	392	333	1,805	1,762
Adjusted EBIT as % of net sales	17%	15%	19%	18%
Adjusted EBITDA	518	460	2,313	2,267
Adjusted EBITDA as % of net sales	22%	20%	24%	23%

Five-year financial performance

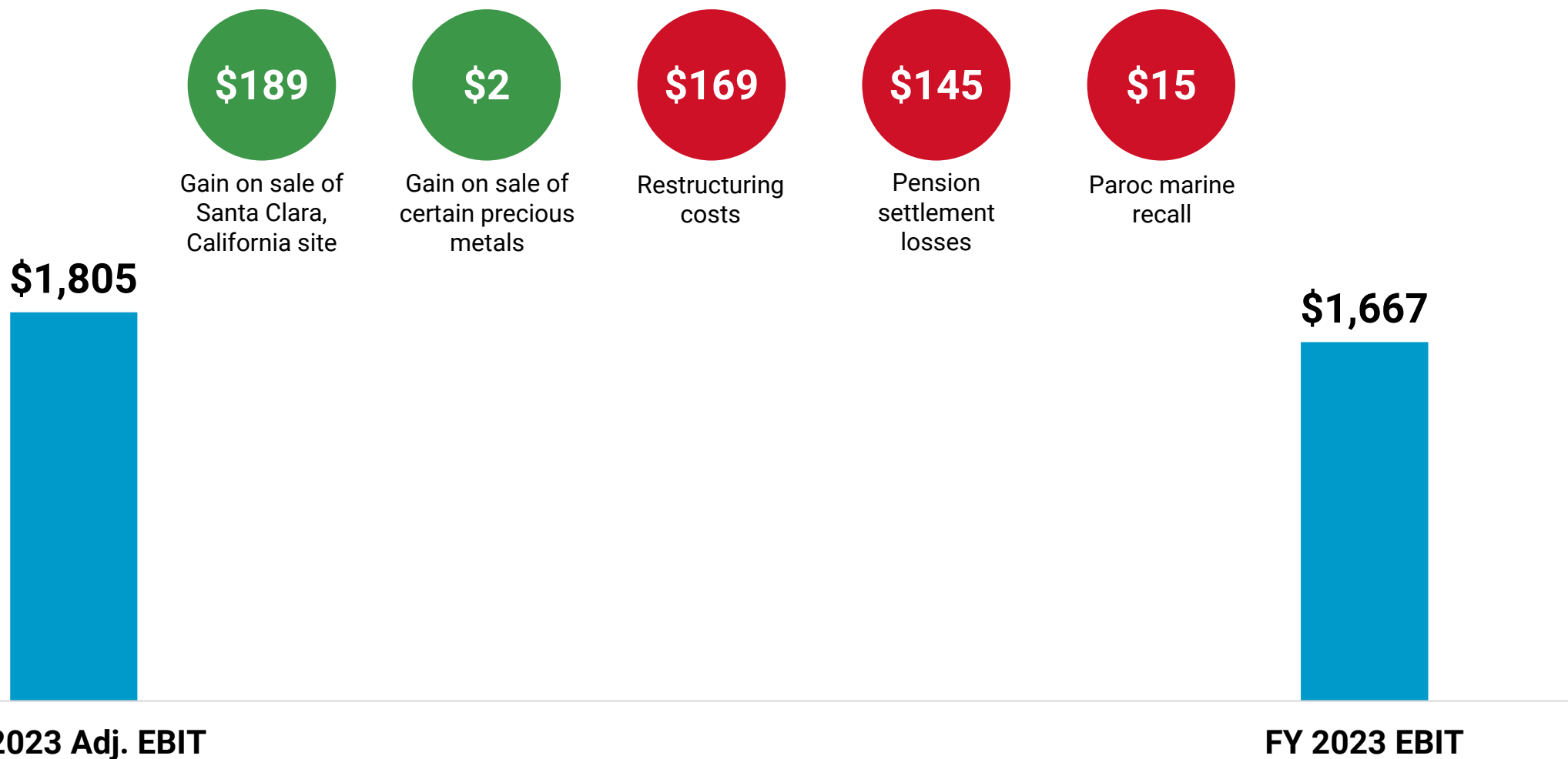


FINANCIAL SUMMARY

(\$ in millions, except per share data)	Q4 2023	Q4 2022	FY 2023	FY 2022
Net sales	2,304	2,285	9,677	9,761
<i>Net sales growth</i>	1%	7%	(1%)	15%
Adjusted EBIT	392	333	1,805	1,762
Adjusted EBIT as % of net sales	17%	15%	19%	18%
Adjusted EBITDA	518	460	2,313	2,267
Adjusted EBITDA as % of net sales	22%	20%	24%	23%
Net earnings attributable to OC	131	124	1,196	1,241
EPS (diluted)	\$1.46	\$1.32	\$13.14	\$12.70
Adjusted earnings	287	235	1,312	1,258
Adjusted EPS (diluted)	\$3.21	\$2.49	\$14.42	\$12.88



ADJUSTED ITEMS TO EBIT



FY 2023 Adj. EBIT

FY 2023 EBIT



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



CAPITAL DEPLOYMENT

- Full-year 2023:
 - Generated \$1.2b of free cash flow
 - Capital additions of \$526mm, 5% of revenue
 - Return on capital was 22% for the last twelve months
 - Maintained ample liquidity of approximately \$2.7b, consisting of \$1.6b of cash and nearly \$1.1b of combined availability on bank debt facilities
 - Returned \$812mm, approximately 68%, of free cash flow to shareholders through share repurchases and dividends
 - Declared a cash dividend of \$0.60 per common share, an increase of approximately 15%
 - At the end of the year, 8.9mm shares were available for repurchase under the current authorization
- Capital allocation strategy remains focused on consistently generating strong free cash flow, returning approximately 50% to investors over time, and maintaining an investment grade balance sheet, while executing on business strategies to grow

ROOFING BUSINESS

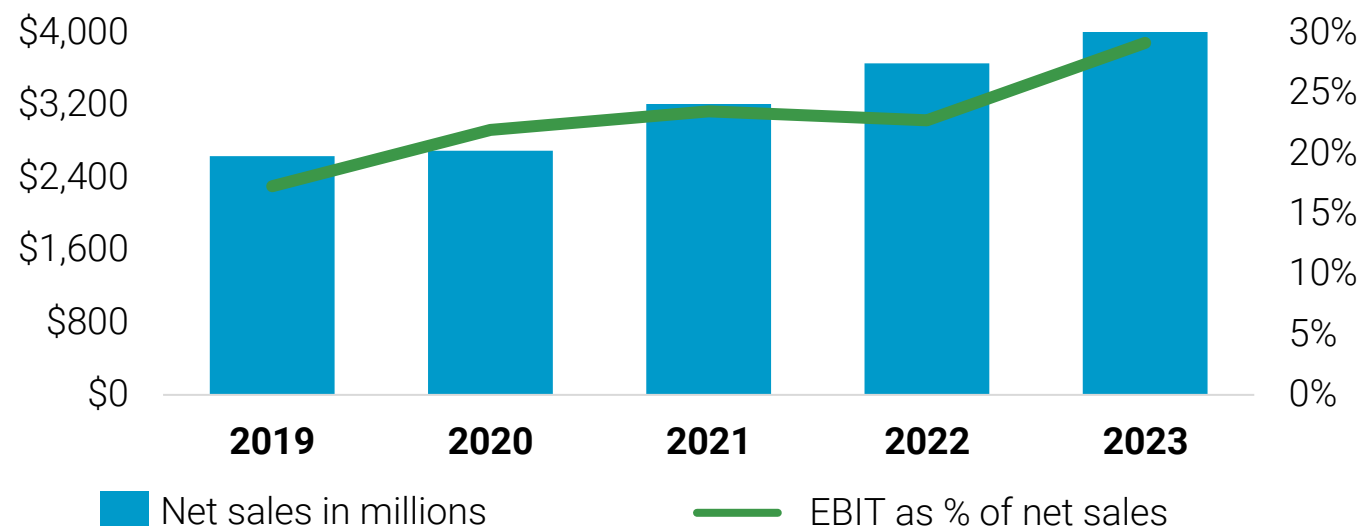
Delivered full-year revenue of \$4.0b, up 10% from prior year

Produced full-year EBIT of \$1.2b with 29% EBIT margins and 31% EBITDA margins

Updating long-term EBIT margin guide from approximately 20% to mid-20% on average

(\$ in millions)	Q4 2023	Q4 2022	FY 2023	FY 2022
Net sales	928	799	4,030	3,658
EBIT	284	168	1,174	831
EBIT as % of net sales	31%	21%	29%	23%
EBITDA	300	184	1,238	893
EBITDA as % of net sales	32%	23%	31%	24%

Five-year financial performance



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

INSULATION BUSINESS



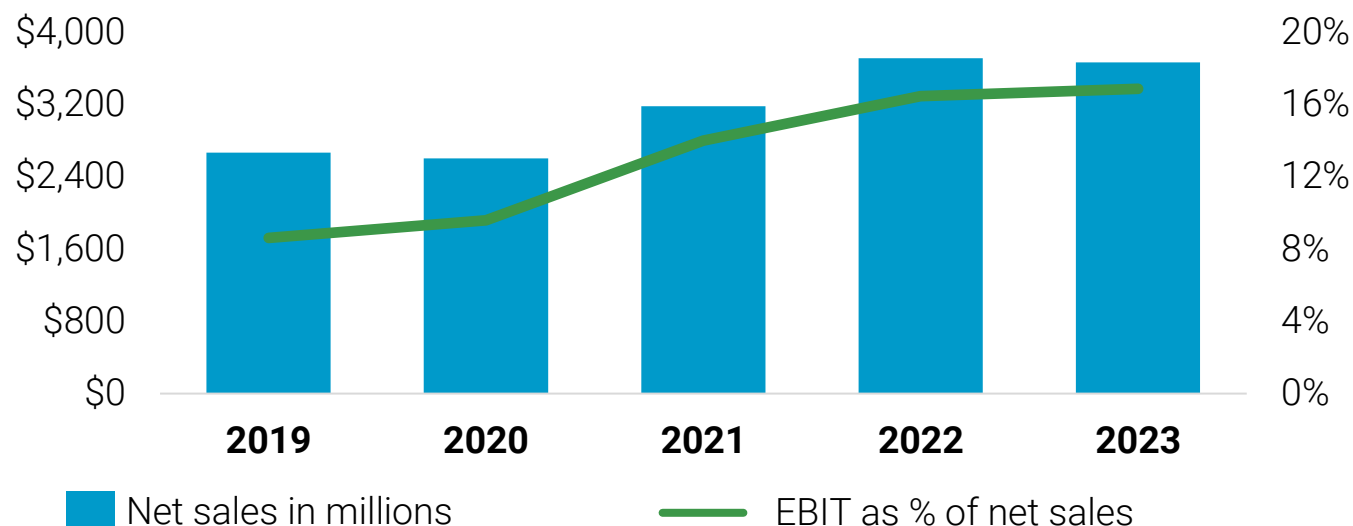
Delivered full-year revenue of \$3.7b, down 1% from prior year

Generated full-year EBIT of \$619mm with 17% EBIT margins and 23% EBITDA margins

Sustained mid-teen EBIT margins every quarter due to structural margin improvements

(\$ in millions)	Q4 2023	Q4 2022	FY 2023	FY 2022
Net sales	931	956	3,668	3,714
EBIT	150	153	619	612
EBIT as % of net sales	16%	16%	17%	16%
EBITDA	201	203	829	818
EBITDA as % of net sales	22%	21%	23%	22%

Five-year financial performance



Technical and global 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

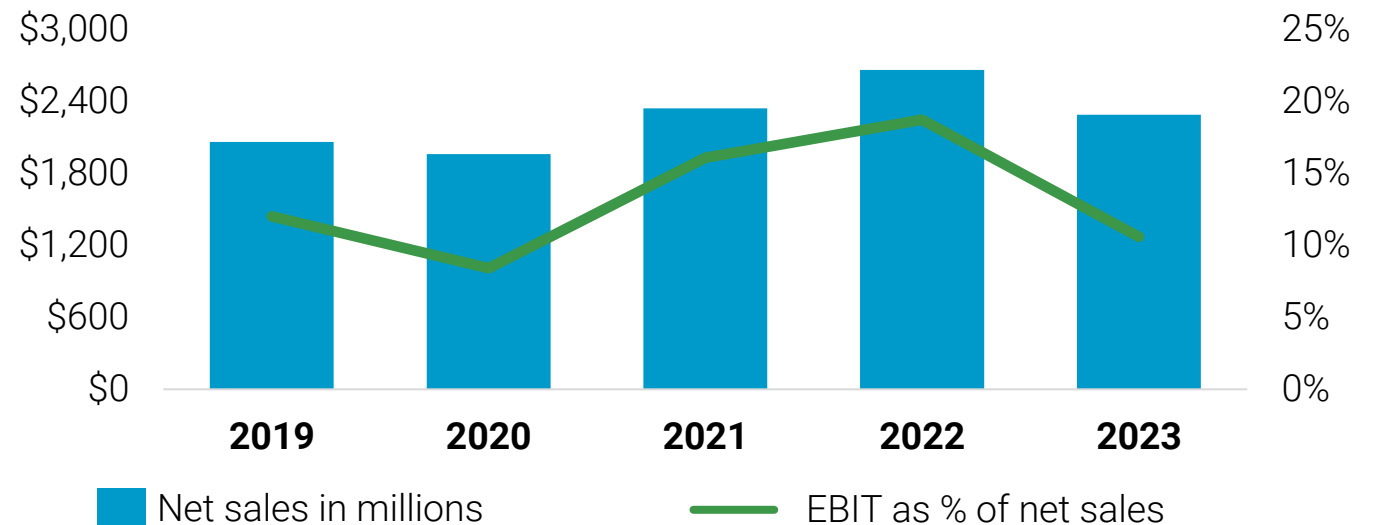
Delivered full-year revenue of \$2.3b, down 14% from prior year

Reported full-year EBIT of \$242mm with 11% EBIT margins and 18% EBITDA margins

Announcing strategic review for glass reinforcements business

(\$ in millions)	Q4 2023	Q4 2022	FY 2023	FY 2022
Net sales	514	589	2,286	2,660
EBIT	26	64	242	498
EBIT as % of net sales	5%	11%	11%	19%
EBITDA	68	108	414	673
EBITDA as % of net sales	13%	18%	18%	25%

Five-year financial performance



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





FULL-YEAR 2024 KEY FINANCIAL OUTLOOK¹

- General corporate expenses are expected to range between \$240mm and \$250mm
- Interest expense estimated to range between \$70mm and \$80mm
- Full-year effective tax rate is expected to be 24% to 26% on adjusted pre-tax earnings
- Capital additions are expected to be approximately \$550mm
- Depreciation and amortization is expected to be approximately \$550mm



Q1 2024 BUSINESS OUTLOOK

ENTERPRISE

- Entering into 2024 with a market fairly stable to Q4 2023
- Expect U.S. single family new construction to improve through the year, based on pent up demand and lower interest rates
- Anticipate macro environment in Europe to continue to be challenging and global IP to grow modestly in the year
- Overall, net sales slightly below prior year with mid-teen EBIT margins

ROOFING

Revenue up low single-digits versus prior year

Industry shipments for U.S. shingle end-market demand up ~20% with OC volumes trailing the market due to strong performance in Q1 2023

Overall volume flat to down slightly as shingle and components growth is offset by exit of protective packaging

Carryover price and slightly favorable mix with modest inflation and favorable manufacturing costs

EBIT margins of high-twenty percent

INSULATION

Revenue down slightly versus prior year

In technical and global insulation, revenue down slightly with favorable mix and price realization more than offset by lower volumes

In North American residential insulation, volumes relatively flat

Price/cost expected to remain positive, but narrowing year-over-year with inflation partially offset by favorable delivery costs

Mid-teen EBIT margins, similar to Q1 2023

COMPOSITES

Revenue down low to mid-teens versus prior year

Volumes down versus prior year

Overall price down with glass reinforcements contracts resetting and lower spot price

Anticipate mix to be a headwind

Favorable manufacturing costs

Mid single-digit EBIT margins, similar to Q4 2023



The above outlook reflects a year-over-year comparison to Q1 2023, unless noted otherwise; excludes the impact of any acquisitions or divestitures not yet completed.

QUESTIONS AND DISCUSSION

APPENDIX A: NON-GAAP RECONCILIATIONS – TABLE 1

The adjusting (expense) income items to EBIT are shown in the table below (in millions):

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
Restructuring costs	\$ (63)	\$ (19)	\$ (169)	\$ (48)
Gains on sale of certain precious metals	—	—	2	18
Intangible assets impairment charge	—	(96)	—	(96)
Pension settlement losses	(145)	—	(145)	—
Acquisition and divestiture-related costs	—	(2)	—	(7)
Gain on sale of Santa Clara, California site	—	—	189	—
Gain on sale of Shanghai, China facility	—	—	—	27
Gain on remeasurement of Fiberteq equity investment	—	—	—	130
Paroc marine recall	(1)	—	(15)	—
Loss on sale of Chambéry, France DUCS business	—	(1)	—	(30)
Loss on sale of Russian operations	—	(33)	—	(33)
Total adjusting items (a)	\$ (209)	\$ (151)	\$ (138)	\$ (39)

(a) Please refer to each year's respective Form 10-K filing in the "Adjusted Earnings Before Interest and Taxes ("Adjusted EBIT")" paragraph of Management's Discussion and Analysis for additional information on these adjusting items.

APPENDIX A: NON-GAAP RECONCILIATIONS – TABLE 2

The reconciliation from net earnings attributable to Owens Corning to EBIT and Adjusted EBIT and the reconciliation from EBIT to EBITDA and adjusted EBITDA are shown in the table below (in millions):

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
NET EARNINGS ATTRIBUTABLE TO OWENS CORNING	\$ 131	\$ 124	\$ 1,196	\$ 1,241
Net loss attributable to non-redeemable and redeemable noncontrolling interests	(1)	(2)	(3)	—
NET EARNINGS	130	122	1,193	1,241
Equity in net earnings of affiliates	1	—	3	—
Income tax expense	40	33	401	373
EARNINGS BEFORE TAXES	169	155	1,591	1,614
Interest expense, net	14	27	76	109
EARNINGS BEFORE INTEREST AND TAXES	183	182	1,667	1,723
Less: Adjusting items (a)	(209)	(151)	(138)	(39)
ADJUSTED EBIT	\$ 392	\$ 333	\$ 1,805	\$ 1,762
Net Sales	2,304	2,285	9,677	9,761
ADJUSTED EBIT as a % of Net Sales	17 %	15 %	19 %	18 %
EARNINGS BEFORE INTEREST AND TAXES	\$ 183	\$ 182	\$ 1,667	\$ 1,723
Depreciation and amortization	163	131	609	531
EBITDA	346	313	2,276	2,254
Less: Adjusting items (a)	(209)	(151)	(138)	(39)
Accelerated depreciation included in restructuring	(37)	(4)	(101)	(26)
ADJUSTED EBITDA	\$ 518	\$ 460	\$ 2,313	\$ 2,267
Net Sales	2,304	2,285	9,677	9,761
ADJUSTED EBITDA as a % of Net Sales	22 %	20 %	24 %	23 %

(a) Please refer to Table 1 of Appendix A for detail of adjusting items to EBIT.

APPENDIX A: NON-GAAP RECONCILIATIONS – TABLE 3

The reconciliation from net earnings (loss) attributable to Owens Corning to EBIT and Adjusted EBIT is shown in the table below (in millions):

	Twelve Months Ended December 31,				
	2019	2020	2021	2022	2023
Net earnings (loss) attributable to Owens Corning	\$ 405	\$ (383)	\$ 995	\$ 1,241	\$ 1,196
Net loss attributable to non-redeemable and redeemable noncontrolling interests	—	(2)	—	—	(3)
Net earnings (loss)	405	(385)	995	1,241	1,193
Equity in net earnings of affiliates	1	—	1	—	3
Income tax expense	186	129	319	373	401
Earnings (loss) before taxes	590	(256)	1,313	1,614	1,591
Interest expense, net	131	132	126	109	76
Loss on debt extinguishment	32	—	9	—	—
Earnings (loss) before interest and taxes	753	(124)	1,448	1,723	1,667
Less: Adjusting items (a)	(75)	(1,002)	33	(39)	(138)
Adjusted EBIT	\$ 828	\$ 878	\$ 1,415	\$ 1,762	\$ 1,805
Net sales	\$ 7,160	\$ 7,055	\$ 8,498	\$ 9,761	\$ 9,677
Adjusted EBIT as a % of Net sales	12 %	12 %	17 %	18 %	19 %

(a) Management excludes from Net earnings (loss) attributable to Owens Corning certain items it believes are not representative of ongoing operations. Please refer to Table 8 of Appendix A for explanation of adjusting items.

APPENDIX A: NON-GAAP RECONCILIATIONS – TABLE 4

A reconciliation from net earnings attributable to Owens Corning to adjusted earnings and a reconciliation from diluted earnings per share to adjusted diluted earnings per share are shown in the tables below:

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
RECONCILIATION TO ADJUSTED EARNINGS				
NET EARNINGS ATTRIBUTABLE TO OWENS CORNING	\$ 131	\$ 124	\$ 1,196	\$ 1,241
Adjustment to remove adjusting items (a)	209	151	138	39
Adjustment to remove tax benefit on adjusting items (b)	(46)	(26)	(22)	(22)
Adjustment to remove significant tax items and reserve reversals (c)	—	—	—	—
Adjustment to tax expense/(benefit) to reflect pro forma tax rate (d)	(7)	(14)	—	—
ADJUSTED EARNINGS	\$ 287	\$ 235	\$ 1,312	\$ 1,258
RECONCILIATION TO ADJUSTED DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO OWENS CORNING COMMON STOCKHOLDERS				
DILUTED EARNINGS PER COMMON SHARE ATTRIBUTABLE TO OWENS CORNING COMMON STOCKHOLDERS	\$ 1.46	\$ 1.32	\$ 13.14	\$ 12.70
Adjustment to remove adjusting items (a)	2.34	1.60	1.52	0.40
Adjustment to remove tax benefit on adjusting items (b)	(0.51)	(0.28)	(0.24)	(0.22)
Adjustment to remove significant tax items and reserve reversals (c)	—	—	—	—
Adjustment to tax benefit to reflect pro forma tax rate (d)	(0.08)	(0.15)	—	—
ADJUSTED DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO OWENS CORNING COMMON STOCKHOLDERS	\$ 3.21	\$ 2.49	\$ 14.42	\$ 12.88
RECONCILIATION TO DILUTED SHARES OUTSTANDING				
Weighted average shares outstanding used for basic earnings per share	88.5	93.1	90.1	96.6
Non-vested restricted shares and performance shares	1.0	1.1	0.9	1.1
Options to purchase common stock	—	—	—	—
Diluted shares outstanding	89.5	94.2	91.0	97.7

(a) Management excludes from net earnings attributable to Owens Corning certain items it believes are not representative of ongoing operations. Please refer to Table 1 of Appendix A for explanation of adjusting items.

(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) There were no significant tax items in 2023 or 2022.

(d) To compute adjusted earnings, we apply a full year pro forma effective tax rate to each quarter presented. For 2023, we have used an effective tax rate of 24%, which was our 2023 effective tax rate excluding the adjusting items referenced in (a), (b) and (c). For comparability, in 2022, we have used an effective tax rate of 24%, which was our 2022 effective tax rate excluding the adjusting items referenced in (a), (b) and (c).

APPENDIX A: NON-GAAP RECONCILIATIONS – TABLE 5

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES	\$ 698	\$ 675	\$ 1,719	\$ 1,760
Less: Cash paid for property, plant, and equipment	(136)	(140)	(526)	(446)
FREE CASH FLOW	\$ 562	\$ 535	\$ 1,193	\$ 1,314
ADJUSTED EARNINGS (a)	\$ 287	\$ 235	\$ 1,312	\$ 1,258
FREE CASH FLOW CONVERSION (b)	N/A	N/A	91 %	104 %

(a) Please refer to Table 4 of Appendix A for the reconciliation from Net earnings attributable to Owens Corning to Adjusted earnings.

(b) We compute free cash flow conversion on an annual basis only due to the seasonality of our businesses.

APPENDIX A: NON-GAAP RECONCILIATIONS – TABLE 6

The calculations of net operating profit after tax (NOPAT), total capital, and return on capital (ROC) are shown in the table below (in millions):

	Twelve Months Ended December 31,		
	2023	2022	2021
<u>Numerator</u>			
Adjusted EBIT (a)	\$ 1,805	\$ 1,762	N/A
Less: Taxes at pro forma tax rate (b)	(433)	(423)	N/A
Net operating profit after tax	\$ 1,372	\$ 1,339	N/A
<u>Denominator</u>			
Goodwill	\$ 1,392	\$ 1,383	\$ 990
Intangible assets, net	1,528	1,602	1,617
Less: Adjustment to exclude pre-emergence and fresh start goodwill and intangible assets, net and other non-acquisition intangibles (c)	(1,433)	(1,438)	(1,440)
Post-emergence goodwill and intangibles	1,487	1,547	1,167
Receivables, less allowances	987	961	939
Inventories	1,198	1,334	1,078
Less: Accounts payable	(1,216)	(1,345)	(1,095)
Property, plant and equipment, net	3,841	3,729	3,873
Total capital	\$ 6,297	\$ 6,226	\$ 5,962
Average of beginning and ending total capital (d)	\$ 6,262	\$ 6,094	N/A
Return on capital (NOPAT / Average total capital)	22 %	22 %	N/A

(a) Please refer to Table 2 of Appendix A for the reconciliation of net earnings attributable to Owens Corning to Adjusted EBIT.

(b) To compute NOPAT, we apply a pro forma effective tax rate to Adjusted EBIT. The pro forma effective tax rate is equal to each year's effective tax rate, excluding the tax impact of adjusting items (see Table 1 of Appendix A) and excluding the impact of significant tax items. There were no significant tax items for 2023 and 2022. For 2023, we have used an effective tax rate of 24%, which was our 2023 effective tax rate excluding the adjusting items. For 2022, we have used an effective tax rate of 24%, which was our 2022 effective tax rate excluding the adjusting items.

(c) Based on Owens Corning internal management reports for the remaining net book value of these respective assets.

(d) When used to discuss segment ROC, the measure differs from the total company ROC formula. Segment return on capital uses a business-specific tax rate and excludes fresh-start accounting adjustments from the numerator and the denominator.

APPENDIX A: NON-GAAP RECONCILIATIONS – TABLE 7

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

	Three Months Ended December 31, 2023			Twelve Months Ended December 31, 2023		
	Roofing	Insulation	Composites	Roofing	Insulation	Composites
Segment Net Sales	\$ 928	\$ 931	\$ 514	\$ 4,030	\$ 3,668	\$ 2,286
Segment EBIT	\$ 284	\$ 150	\$ 26	\$ 1,174	\$ 619	\$ 242
Segment EBIT as a % of Net Sales	31 %	16 %	5 %	29 %	17 %	11 %
Segment Depreciation and amortization expense	16	51	42	64	210	172
Segment EBITDA	\$ 300	\$ 201	\$ 68	\$ 1,238	\$ 829	\$ 414
Segment EBITDA as a % of Net Sales	32 %	22 %	13 %	31 %	23 %	18 %

	Three Months Ended December 31, 2022			Twelve Months Ended December 31, 2022		
	Roofing	Insulation	Composites	Roofing	Insulation	Composites
Segment Net Sales	\$ 799	\$ 956	\$ 589	\$ 3,658	\$ 3,714	\$ 2,660
Segment EBIT	\$ 168	\$ 153	\$ 64	\$ 831	\$ 612	\$ 498
Segment EBIT as a % of Net Sales	21 %	16 %	11 %	23 %	16 %	19 %
Segment Depreciation and amortization expense	16	50	44	62	206	175
Segment EBITDA	\$ 184	\$ 203	\$ 108	\$ 893	\$ 818	\$ 673
Segment EBITDA as a % of Net Sales	23 %	21 %	18 %	24 %	22 %	25 %

APPENDIX A: NON-GAAP RECONCILIATIONS – TABLE 8

The adjusting (expense) income items to EBIT are shown in the table below (in millions):

	Twelve Months Ended December 31,				
	2019	2020	2021	2022	2023
Restructuring costs	\$ (28)	\$ (41)	\$ (34)	\$ (48)	\$ (169)
Pension settlement losses	(43)	—	—	—	(145)
Environmental liability charges	(4)	—	—	—	—
Gains on sale of certain precious metals	—	26	53	18	2
Gain on sale of land in India	—	—	15	—	—
Goodwill impairment charge	—	(944)	—	—	—
Intangible assets impairment charge	—	(43)	—	(96)	—
Paroc marine recall	—	—	—	—	(15)
Acquisition and divestiture-related costs	—	—	—	(7)	—
Recognition of acquisition inventory fair value step-up	—	—	(1)	—	—
Gain on sale of Shanghai, China facility	—	—	—	27	—
Gain on remeasurement of Fiberteq equity investment	—	—	—	130	—
Impairment loss on Chambery, France assets held for sale	—	—	—	(30)	—
Loss on sale of Russian operations	—	—	—	(33)	—
Gain on sale of Santa Clara, California site	—	—	—	—	189
Total adjusting items (a)	\$ (75)	\$ (1,002)	\$ 33	\$ (39)	\$ (138)

(a) Please refer to each year's respective Form 10-K filing in the "Adjusted Earnings Before Interest and Taxes ("Adjusted EBIT")" paragraph of Management's Discussion and Analysis for additional information on these adjusting items.