



SECOND-QUARTER 2020 RESULTS

Brian Chambers | Chairman & Chief Executive Officer
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July 29, 2020 | Q2 2020

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: the severity and duration of the current COVID-19 pandemic on our operations, customers and suppliers, as well as related governmental actions; 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, including those from natural disasters, pandemics, catastrophe, theft or sabotage; 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, liquidity, 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

Business updates

Brian Chambers

Financial results

Prith Gandhi

Business outlook

Brian Chambers

Questions and discussion

All

Company Delivered Net Sales of \$1.6 Billion



HIGHLIGHTS

- Delivered solid quarterly results in a challenging environment
- Revenue down 15%, 14% on a constant currency basis
- Adjusted EBIT of \$167mm, down \$64mm from the same period last year
- Continued strong operating cash flow of \$281mm; total liquidity increased to about \$1.5b
- Sustained high level of safety performance

INSULATION

Delivered EBIT of \$32mm on recovering new residential construction

COMPOSITES

Generated \$6mm of EBIT on disciplined cost control

ROOFING

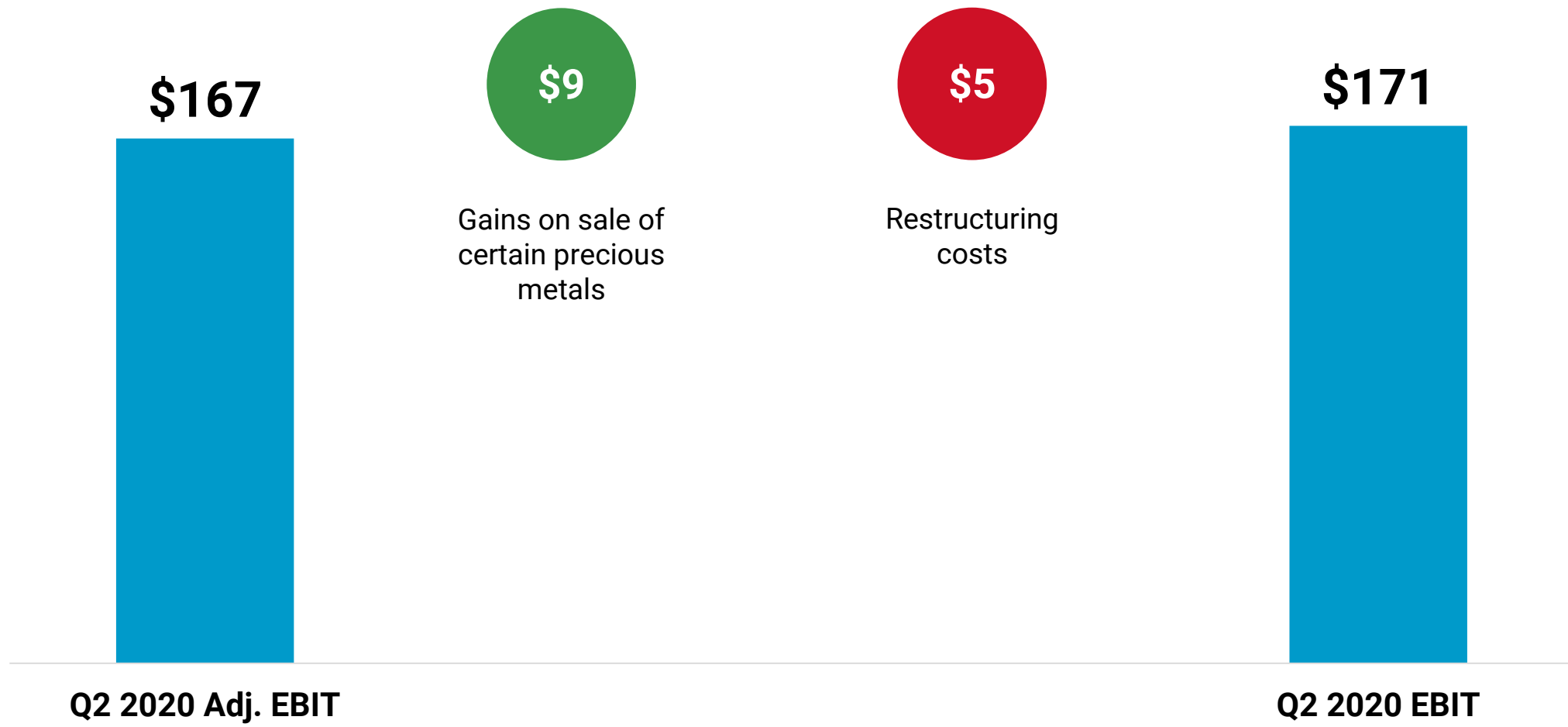
Produced EBIT of \$148mm on strong shingle demand

KEY FINANCIAL DATA

(\$ in millions, except per share data)	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Net sales	1,625	1,918	3,226	3,585
Net earnings (loss) attributable to Owens Corning	96	138	(821)	182
Diluted earnings (loss) per common share (EPS) attributable to Owens Corning common stockholders	\$0.88	\$1.26	(\$7.55)	\$1.66
Earnings (loss) before interest and taxes (EBIT)	171	230	(695)	348
Earnings (loss) before interest, taxes, depreciation and amortization (EBITDA)	287	342	(463)	573
Adjusted EBIT	167	231	283	347
Adjusted EBITDA	283	343	514	572
Adjusted earnings	96	141	161	199
Adjusted EPS (diluted)	\$0.88	\$1.29	\$1.48	\$1.81
Adjusted EBIT as a % of net sales	10%	12%	9%	10%
Adjusted EBITDA as a % of net sales	17%	18%	16%	16%
Depreciation and amortization (D&A)	116	112	232	225
Net cash flow provided by operating activities	281	438	229	287
Free cash flow	233	323	89	74
Net debt	2,901	3,320	2,901	3,320

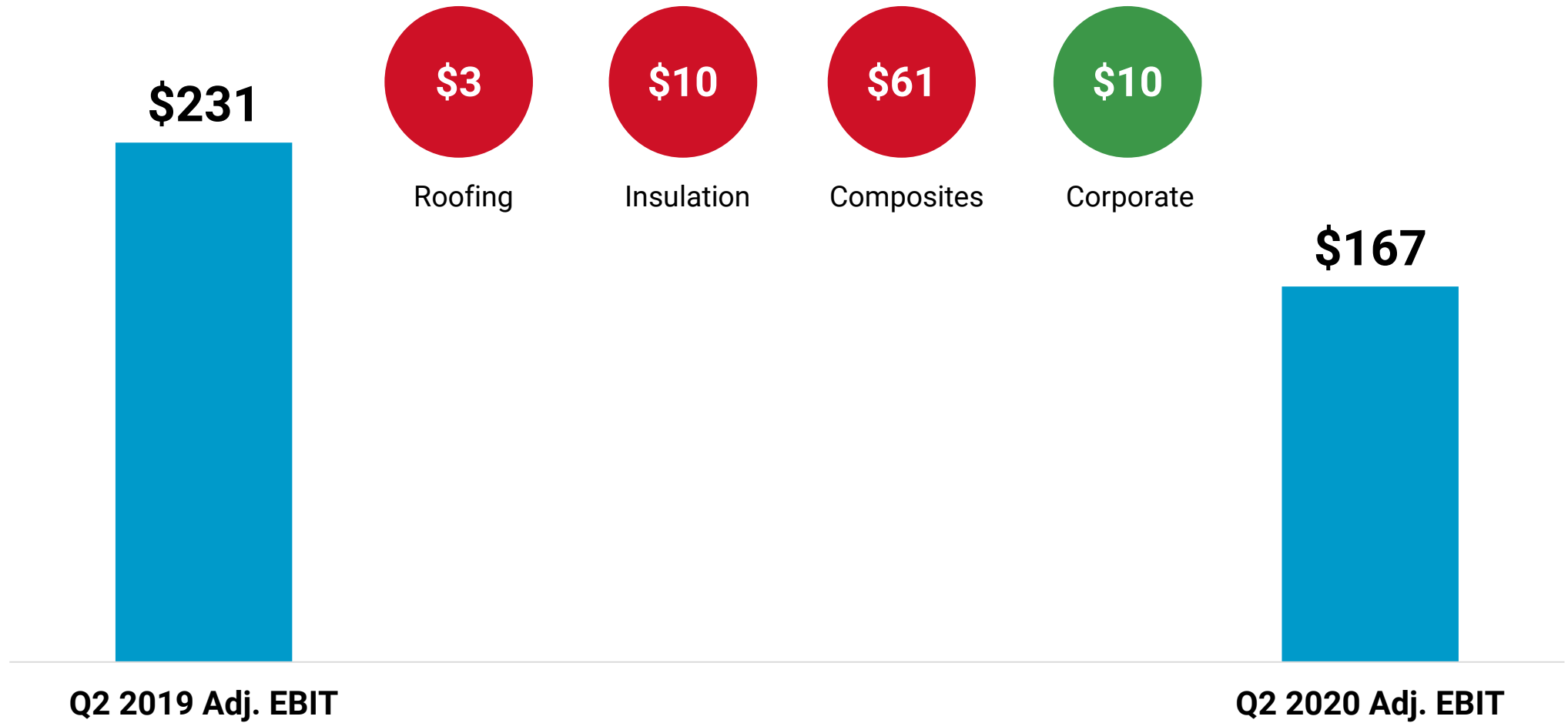


ADJUSTED ITEMS TO EBIT



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 \$32mm in EBIT

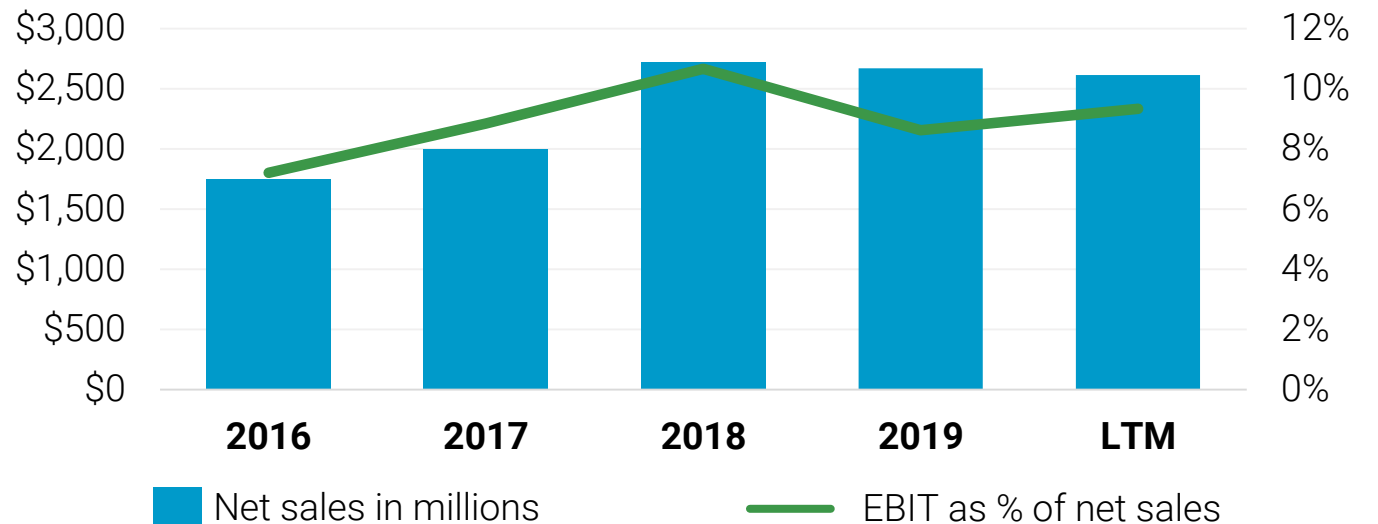
Generated earnings growth in the North American residential fiberglass insulation business on improved operating leverage

Volumes declined in the technical and other building insulation businesses on slower recovery of commercial and industrial end markets

Current year financial performance

(\$ in millions)	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Net sales	595	661	1,198	1,252
EBIT	32	42	71	57
EBIT as % of net sales	5%	6%	6%	5%
D&A	49	49	98	98

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 \$6mm in EBIT

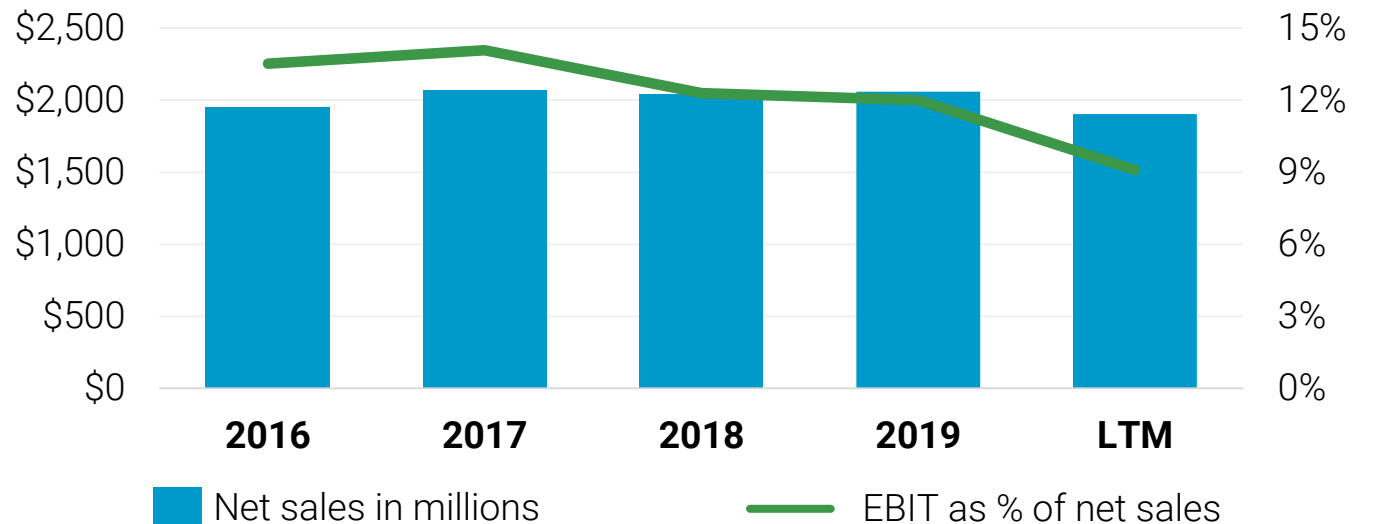
Volumes in downstream specialty applications outperformed other glass fiber applications

Continued strong manufacturing performance more than offset by the impact of production curtailments

Current year financial performance

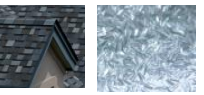
(\$ in millions)	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Net sales	398	535	892	1,048
EBIT	6	67	50	124
EBIT as % of net sales	2%	13%	6%	12%
D&A	39	38	77	77

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 \$148mm

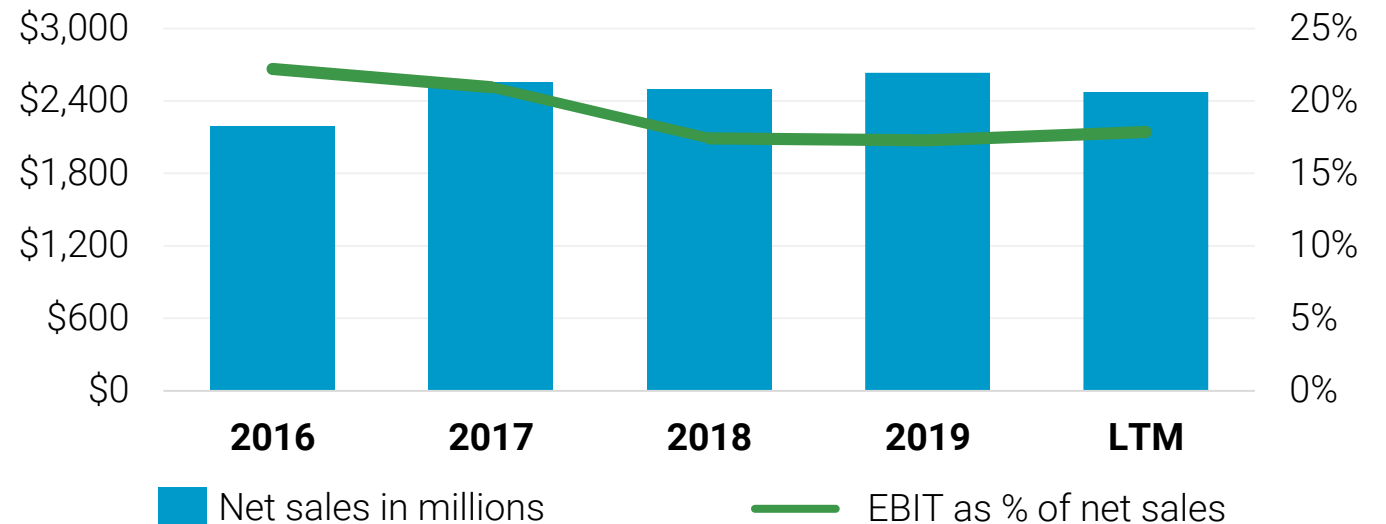
Resilient shingle market recovery leads to improving demand through the quarter

Input cost deflation and lower transportation costs more than offset lower selling prices driving strong contribution margins

Current year financial performance

(\$ in millions)	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Net sales	677	778	1,232	1,392
EBIT	148	151	212	225
EBIT as % of net sales	22%	19%	17%	16%
D&A	15	13	29	26

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

- First-half free cash flow improved by \$15mm compared to 1H 2019 on lower year-over-year earnings
- Completed the issuance of \$300mm 10-year bond with a yield of 3.875%
- Paid down \$210mm of the \$400mm revolver balance drawn at the end of Q1 2020
- Through June, returned \$133mm to shareholders in the form of share repurchases and dividends
- As of the end of Q2 2020, 2.3mm shares were available for repurchase under the current authorization

BUSINESS OUTLOOK

- Key economic factors that continue to impact the company's businesses are global industrial production, U.S. housing starts, and global commercial and industrial construction activity
- The COVID-19 pandemic will continue to create uncertainty in the company's end markets. The magnitude of the impact will depend on the depth and duration of the crisis, as well as the timing of the recovery in the markets served by the company
- Expect to capitalize on near-term market demand, control costs, and sustain strong conversion of adjusted earnings into free cash flow as residential, commercial, and industrial markets continue to recover
- Corporate expense range of \$105mm to \$115mm, broadly in line with prior outlook
- Capital additions between \$250mm and \$300mm, broadly in line with prior outlook
- Depreciation and amortization of approximately \$460mm, in line with prior outlook
- Interest expense currently estimated to be between \$125mm to \$130mm, compared with its previous estimate of \$120mm to \$125mm
- Cash tax rate of 10% to 12% and effective tax rate of 26% to 28%



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):

	June 30, 2020	June 30, 2019
Short-term debt	\$ 3	\$ 6
Long-term debt - current portion	166	6
Long-term debt, net of current portion	3,314	3,404
Total debt	\$ 3,483	\$ 3,416
Less: Cash and cash equivalents	(582)	(92)
Less: Unamortized interest rate swap basis adjustment	—	(4)
Net debt	\$ 2,901	\$ 3,320

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 June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
EBIT (a)	\$ 171	\$ 230	\$ (695)	\$ 348
Depreciation and amortization	116	112	232	225
EBITDA	287	342	(463)	573
Adjusting expense (income) items to EBIT (a)	(4)	1	978	(1)
Accelerated depreciation included in restructuring	—	—	(1)	—
ADJUSTED EBITDA	\$ 283	\$ 343	\$ 514	\$ 572

(a) Please refer to Table 2 "EBIT Reconciliation Schedules" of our 8-K press release for the reconciliation from net earnings (loss) 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 reported net sales growth on a constant currency basis is as follows:

	Composites	Insulation	Total Owens Corning
Net Sales - Three Months Ended June 30, 2020	\$398	\$595	\$1,625
Net Sales - Three Months Ended June 30, 2019	535	661	1,918
Net Sales Growth	(137)	(66)	(293)
Foreign Exchange Sales Impact	(14)	(7)	(21)
Net Sales Growth On a Constant Currency Basis (a)	\$(123)	\$(59)	\$(272)
Net Sales Growth % On a Constant Currency Basis	(23)%	(9)%	(14)%

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