



FOURTH-QUARTER AND FULL-YEAR 2020 RESULTS

Brian Chambers | Chairman & Chief Executive Officer

Ken Parks | Chief Financial Officer

February 17, 2021 | Q4 & FY 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; issues related to acquisitions, divestitures, joint ventures or expansions; industry, economic and political conditions, including new legislation, policies or other governmental actions in the U.S. or elsewhere; climate change, weather and storm activity; changes to tariff, trade or investment policies or law; uninsured losses, including those from natural disasters, pandemics, catastrophe, theft or sabotage; 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; achievement of expected synergies or productivity improvements; the level of fixed costs required to run our business; currency, commodity and interest rate fluctuations; our level of indebtedness, liquidity, and the availability and cost of credit; levels of goodwill or other indefinite-lived intangible assets; ability to utilize our net operating loss carry-forwards; 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

Ken Parks

Business outlook

Brian Chambers

Questions and discussion

All

**Company Delivered Net Sales of \$7.1 Billion;
Generated Record Operating Cash Flow of \$1.1 Billion in 2020**



HIGHLIGHTS

- Sustained high level of safety performance
- Revenue down 1% over prior year
- Delivered record adjusted EBIT of \$878mm, up 6% from the same period last year
- Generated record operating and free cash flow of \$1.1b and \$828mm for the year

INSULATION

Delivered \$250mm of EBIT with 10% EBIT margins

COMPOSITES

Reported \$165mm of EBIT with 8% EBIT margins

ROOFING

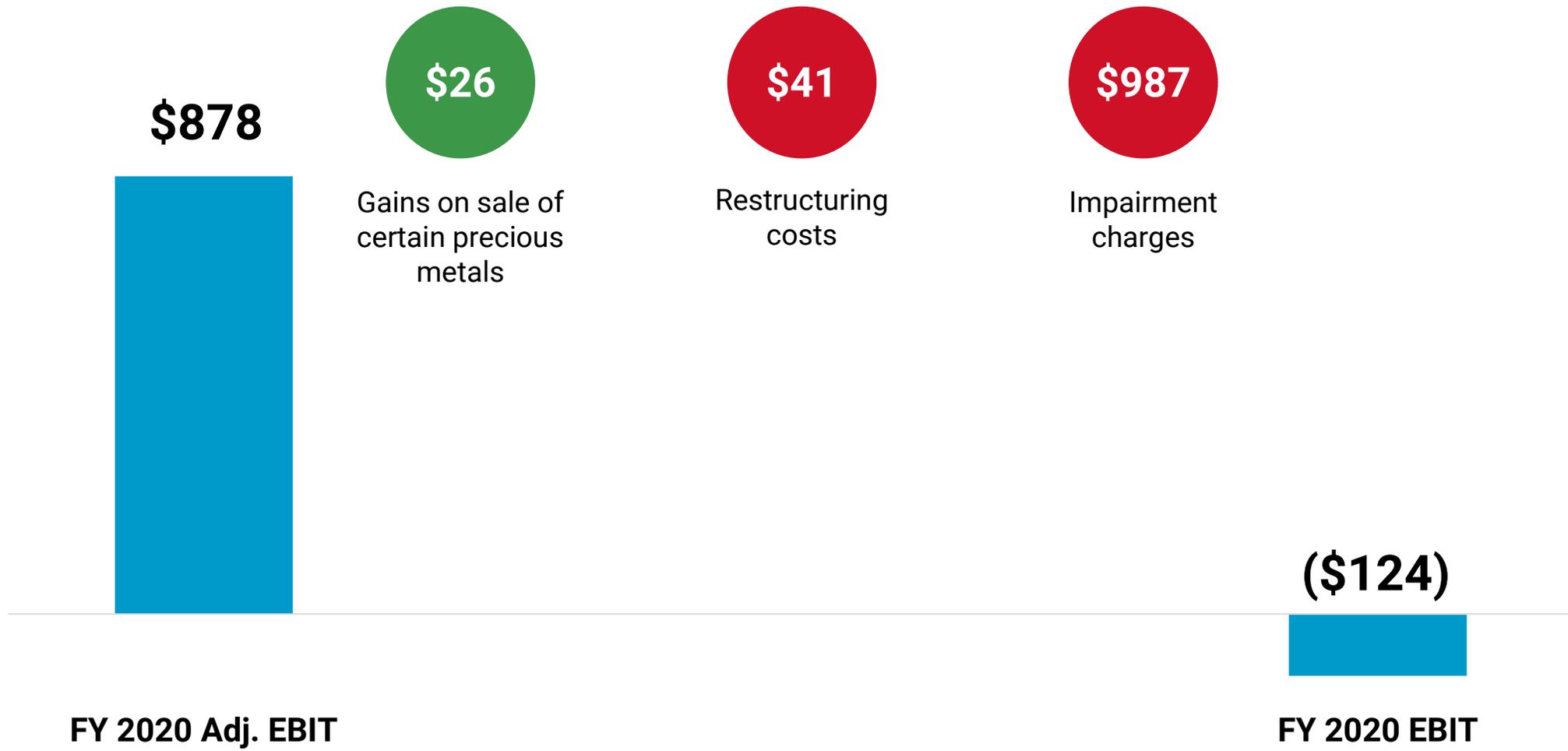
Produced \$591mm of EBIT with 22% EBIT margins

KEY FINANCIAL DATA

(\$ in millions, except per share data)	Q4 2020	Q4 2019	FY 2020	FY 2019
Net sales	1,925	1,692	7,055	7,160
Net earnings (loss) attributable to Owens Corning	232	73	(383)	405
Diluted earnings (loss) per common share (EPS) attributable to Owens Corning common stockholders	\$2.13	\$0.66	(\$3.53)	\$3.68
Earnings (loss) before interest and taxes (EBIT)	275	128	(124)	753
Earnings (loss) before interest, taxes, depreciation and amortization (EBITDA)	416	248	369	1,210
Adjusted EBIT	306	204	878	828
Adjusted EBITDA	428	315	1,351	1,276
Adjusted earnings	207	125	566	500
Adjusted EPS (diluted)	\$1.90	\$1.13	\$5.21	\$4.54
Adjusted EBIT as a % of net sales	16%	12%	12%	12%
Adjusted EBITDA as a % of net sales	22%	19%	19%	18%
Depreciation and amortization (D&A)	141	120	493	457
Net cash flow provided by operating activities	418	441	1,135	1,037
Free cash flow	314	308	828	590
Net debt	2,429	2,841	2,429	2,841

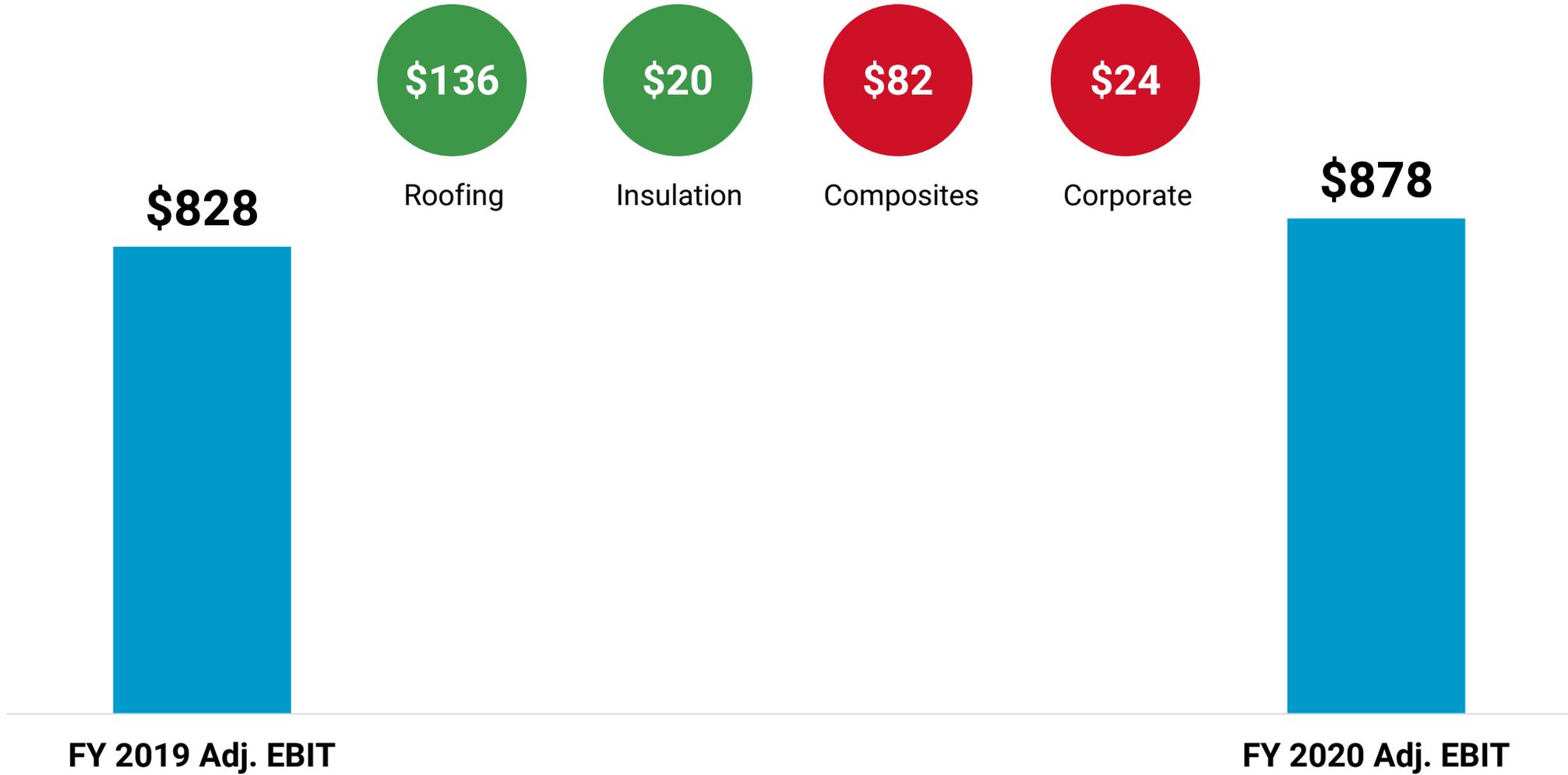


ADJUSTED ITEMS TO EBIT



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 \$250mm of EBIT with 10% EBIT margins

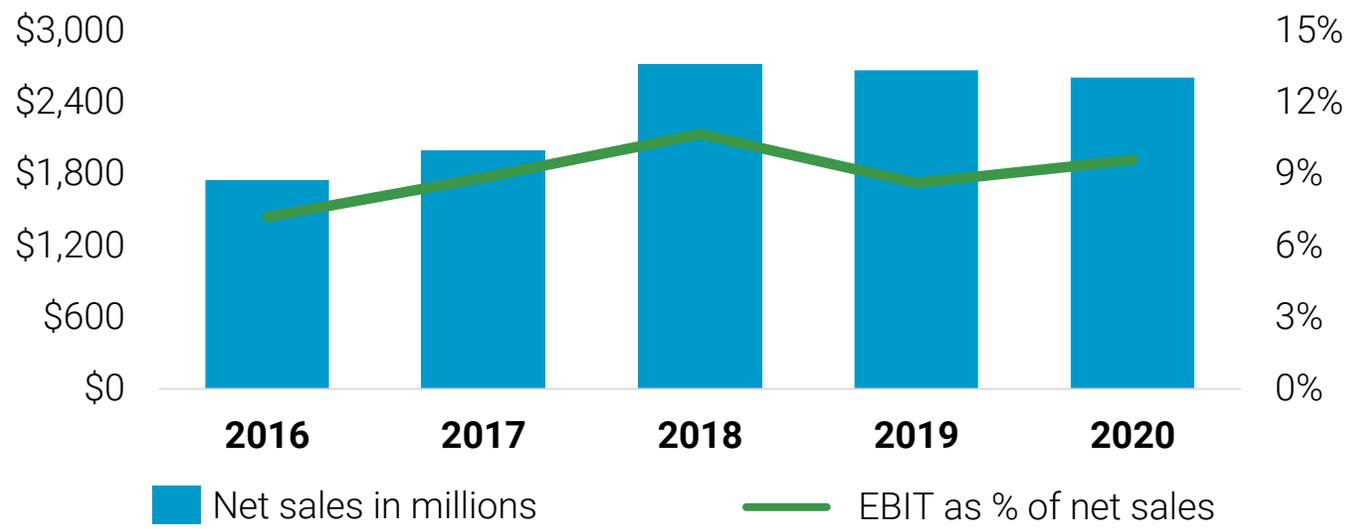
Generated earnings growth in the North American residential fiberglass insulation business

Manufacturing performance and strong cost controls drove improved margin performance

Current year financial performance

(\$ in millions)	Q4 2020	Q4 2019	2020	2019
Net sales	728	723	2,607	2,668
EBIT	106	89	250	230
EBIT as % of net sales	15%	12%	10%	9%
D&A	52	48	201	194

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



Reported \$165mm of EBIT with 8% EBIT margins

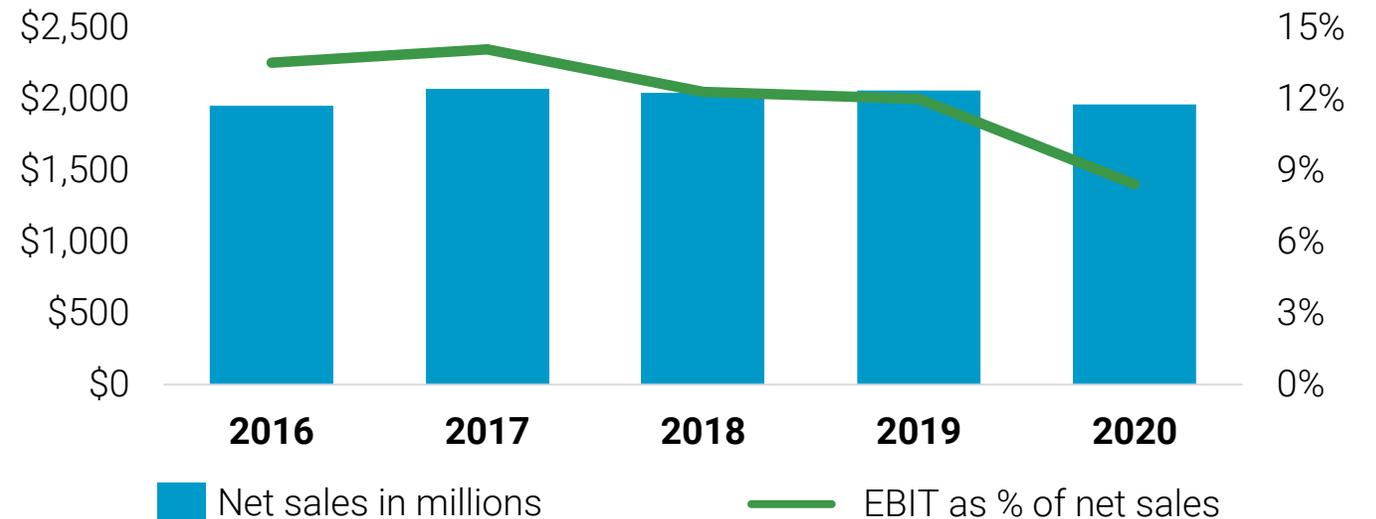
Strong volume improvements resulted in double-digit EBIT margins for the second half of the year

Full-year performance benefited from favorable manufacturing performance and cost controls

Current year financial performance

(\$ in millions)	Q4 2020	Q4 2019	2020	2019
Net sales	547	480	1,960	2,059
EBIT	60	56	165	247
EBIT as % of net sales	11%	12%	8%	12%
D&A	42	40	159	154

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 \$591 of EBIT with 22% EBIT margins

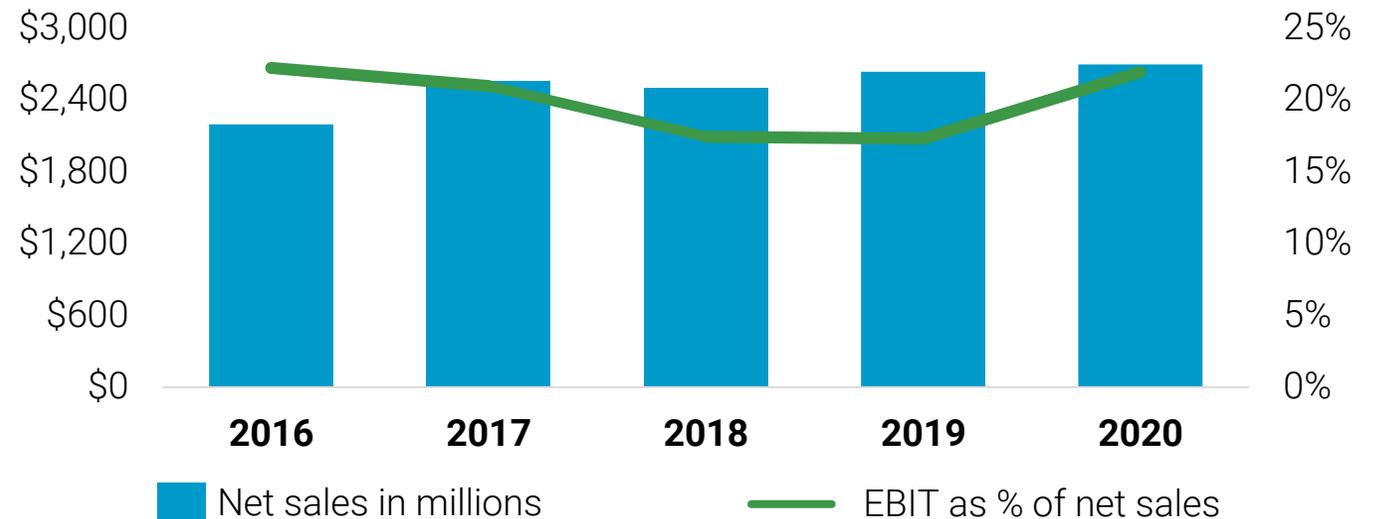
Grew revenue on higher sales volumes in both shingles and roofing components

Asphalt cost deflation and improved operating leverage drove strong cash contribution margins

Current year financial performance

(\$ in millions)	Q4 2020	Q4 2019	FY 2020	FY 2019
Net sales	702	529	2,695	2,634
EBIT	183	87	591	455
EBIT as % of net sales	26%	16%	22%	17%
D&A	15	14	59	54

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

- Delivered record operating and free cash flow in 2020
- Free cash flow of \$828mm, an increase of \$238mm, resulting in free cash flow conversion of 146%
- Returned \$396mm of cash to shareholders through share repurchases and dividends
- As of the end of 2020, 9.5mm shares were available for repurchase under the current authorization
- Deleveraged the balance sheet including repaying the term loan, repaying the mid-2020 revolver borrowing, and global pension contributions of \$122mm
- Completed the year with \$1.8b of available liquidity, inclusive of \$717mm in cash and cash equivalents and nearly \$1.1b of combined availability on our bank debt facilities



BUSINESS OUTLOOK

- The key economic factors that impact the company's businesses are residential repair and remodeling activity, U.S. housing starts, global commercial construction activity, and global industrial production
- The company expects the COVID-19 pandemic will continue to create market uncertainty
- In the near term, the company expects continued strength in the U.S. residential housing market with commercial and industrial markets recovering at a slower pace
- General corporate expenses are estimated to be between \$135mm and \$145mm
- Capital additions are expected to be approximately \$460mm, below depreciation and amortization of approximately \$480mm
- Interest expense is estimated to be between \$120mm and \$130mm
- The company estimates an effective tax rate of 26% to 28% on adjusted pre-tax earnings. The cash tax rate is estimated to be 18% to 20% on adjusted pre-tax earnings, up from guidance in prior years as available income tax credit carryforwards were substantially utilized by the end of 2020



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. The reconciliation from total debt to net debt is shown in the table below (in millions):

	December 31,	
	2020	2019
Short-term debt	\$ 1	\$ 20
Long-term debt - current portion	19	7
Long-term debt, net of current portion	3,126	2,986
Total debt	\$ 3,146	\$ 3,013
Less: Cash and cash equivalents	(717)	(172)
Net debt	\$ 2,429	\$ 2,841

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,		
	2020	2019	2020	2019	2018	2017
EBIT (a)	\$ 275	\$ 128	\$ (124)	\$ 753	\$ 821	\$ 737
Depreciation and amortization	141	120	493	457	433	371
EBITDA	416	248	369	1,210	1,254	1,108
Adjusting expense items to EBIT (a)	31	76	1,002	75	40	118
Accelerated depreciation included in restructuring	(19)	(9)	(20)	(9)	(10)	(17)
ADJUSTED EBITDA	\$ 428	\$ 315	\$ 1,351	\$ 1,276	\$ 1,284	\$ 1,209
Net Sales	\$ 1,925	\$ 1,692	\$ 7,055	\$ 7,160	\$ 7,057	\$ 6,384
Adjusted EBITDA as a % of Net Sales	22 %	19 %	19 %	18 %	18 %	19 %

(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 items to EBIT.