



Q4 2021

This presentation shared at the following event:

12/07/21	OC (Virtual) Roadshow Hosted by Jefferies	Brian Chambers, Chair & Chief Executive Officer
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# FOCUSED ON SHAREHOLDER VALUE



# 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; raw material and other input availability, 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, 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; 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

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1 Investment highlights

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2 Innovation supporting the strategy

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3 Sustainability is core to who we are and what we do

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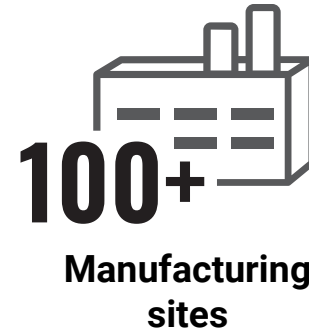
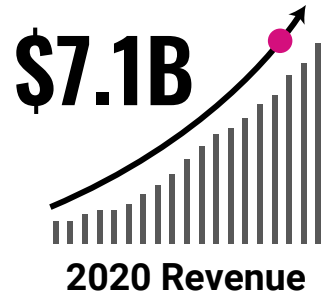
4 Integrated businesses

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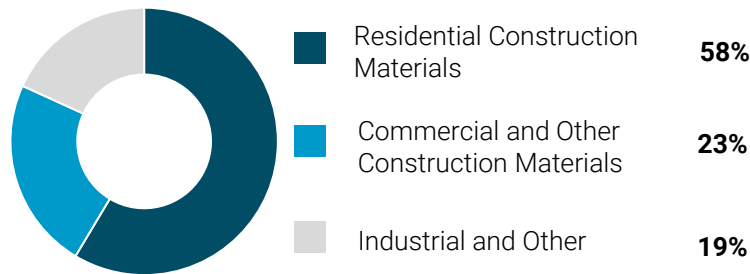
5 Additional financial information

# OWENS CORNING AT A GLANCE

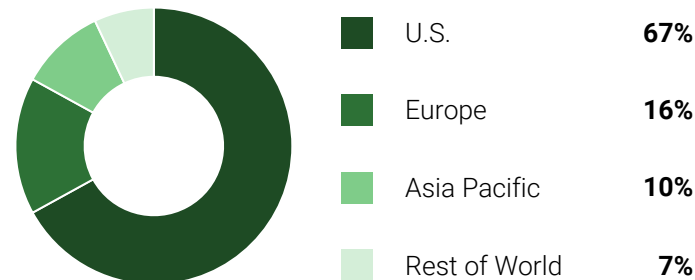
A GLOBAL BUILDING AND CONSTRUCTION MATERIALS LEADER



Revenue by end market



Revenue by geography



Note: Data as of 2020 Form 10-K; Consolidated figures eliminate intercompany net sales between reportable segments  
Source: 2020 Form 10-K and Owens Corning management estimates; estimated error margin +/- 5%..

## OUR MISSION

Building a sustainable future through material innovation

## OUR PURPOSE

Our people and products make the world a better place

## OUR VALUES

Global in scope,  
human in scale

**Caring**  
**Curious**  
**Collaborative**  
**Committed**

# A COMPELLING INVESTMENT THESIS

## INVESTING IN PROFITABLE GROWTH AND CREATING VALUE FOR SHAREHOLDERS

### Growing

revenues through core capabilities and expanding addressable markets

### Sustaining

operating margins at a higher level by making structural cost improvements and focused commercial initiatives

### Reducing

capital intensity through productivity and process innovations

### Generating

strong free cash flow conversion through disciplined capital management

### 2024 Financial Targets

#### Revenue

\$10b by 2024

#### Operating Margin

Sustained mid-teens

#### Capital Expenditures

Between 4-5% of sales

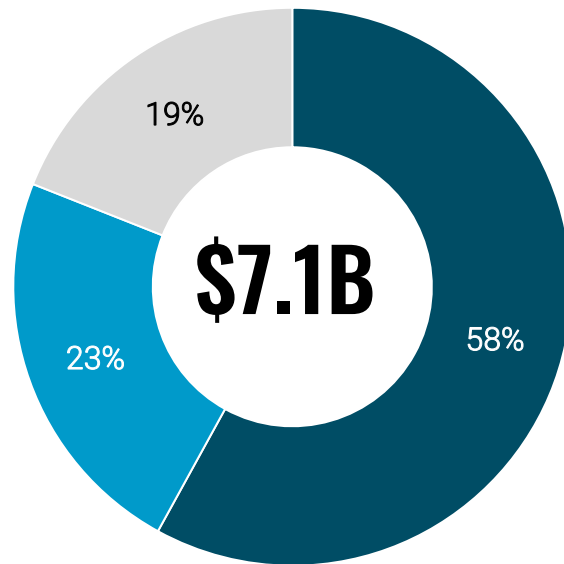
#### Free Cash Flow Conversion

≥100% over time

Return ~50% of FCF to shareholders over time

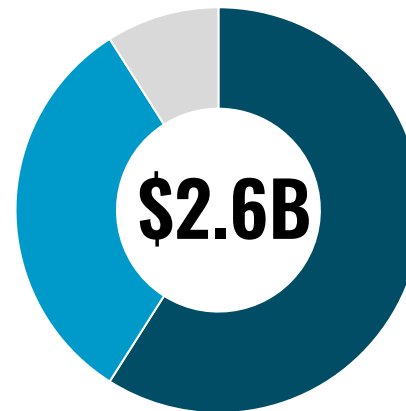
# GLOBAL BUSINESSES IN ATTRACTIVE END MARKETS

Owens Corning  
revenue by end market

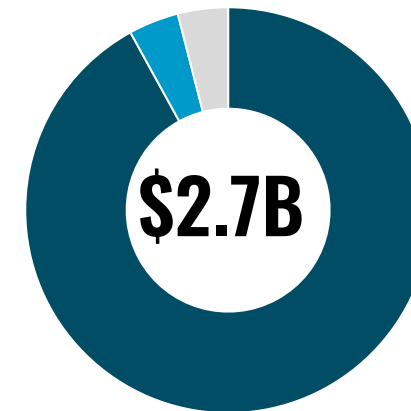


2020 revenue by end market

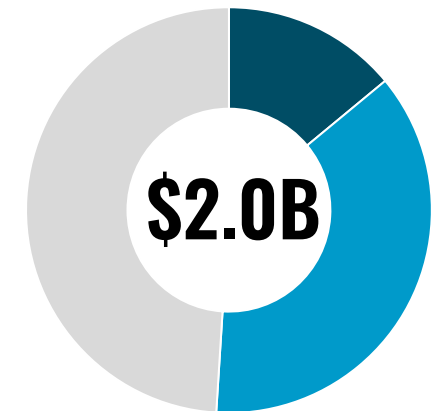
Insulation



Roofing



Composites



■ Residential Construction Materials

■ Commercial and Other Construction Materials

■ Industrial and Other



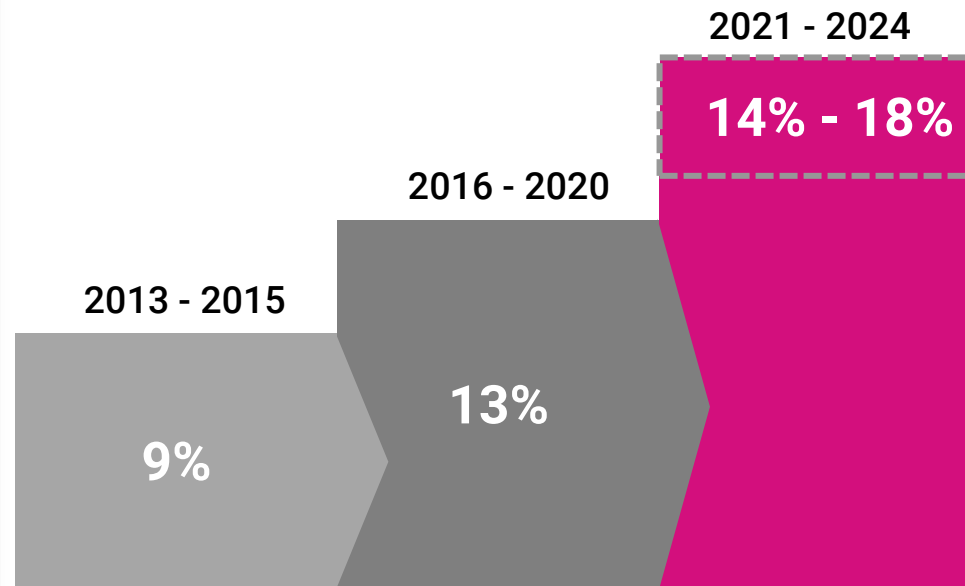
Consolidated figures eliminate intercompany net sales between reportable segments. Source: Owens Corning management estimates; estimated error margin +/- 5%. In the residential markets, certain products are used interchangeably in both new construction and repair and remodeling, and our customers typically sell into both markets. Due to these limitations, we have used management estimates and other assumptions to allocate residential market net sales

# IMPROVED AND SUSTAINABLE MARGIN PERFORMANCE

## Core Capabilities

- High Performing Teams
- Material Science Innovation
- Sustainability
- Commercial Strength
- Manufacturing Expertise

## Enterprise adj EBIT margin improvement



## Key Investment Choices

- Developing Talent
- Investing in Circular Economy
- Enhancing Material Science Expertise
- Innovating New Products
- Investing in New Capacity
- Resourcing High-Growth Opportunities
- Optimizing Production Networks
- Automating Manufacturing Processes



# SECULAR TRENDS CREATE ADDITIONAL OPPORTUNITIES

## UNIQUELY POSITIONED TO CAPTURE GROWTH

### Increased Premium on Living Spaces



### Changing Construction Practices



### Demand for Sustainable Solutions



### Investment in Infrastructure





# ENTERPRISE STRATEGY TO GROW OUR COMPANY

REDEFINING WHERE WE PLAY TO EXPAND OUR ADDRESSABLE MARKETS 5X

## Strategic Priorities

### STRENGTHEN

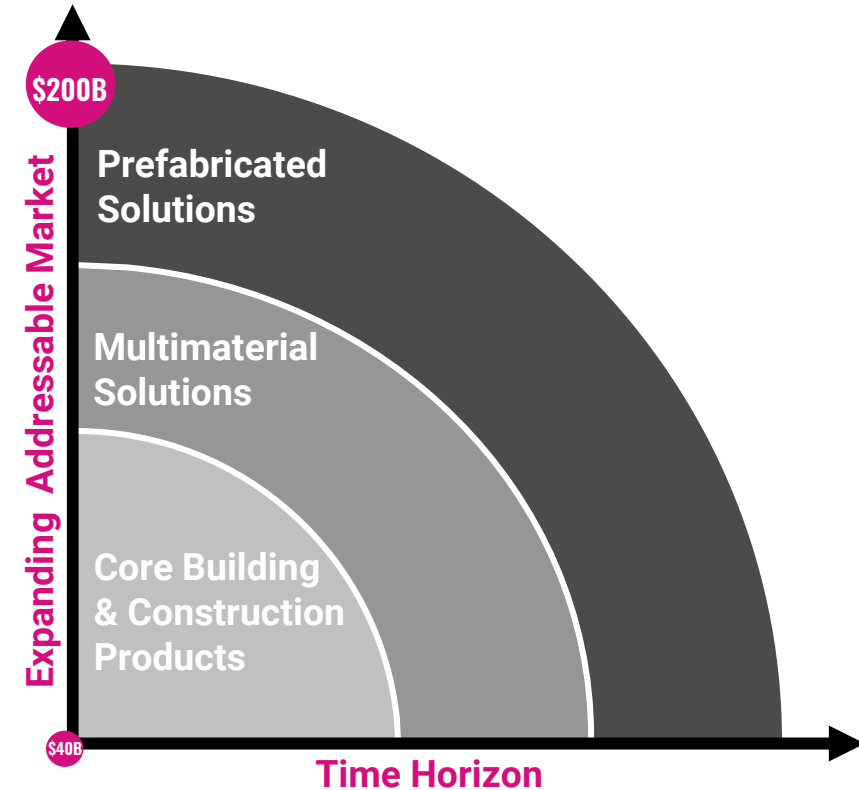
position in core building & construction products

### EXPAND

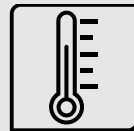
multimaterial solutions

### DEVELOP

prefabricated solutions



Integrated material solutions leveraging our functional design and material science expertise



Thermal



Fire



Acoustic



Structural



Moisture



Fastening



Air/Vapor



Aesthetics

# UNIQUELY POSITIONED TO CAPITALIZE ON SECULAR TRENDS

## BUILDING A SUSTAINABLE FUTURE THROUGH MATERIAL INNOVATION

Strengthen position in core building & construction products

Expand multimaterial solutions

Develop prefabricated solutions

### KEY SECULAR TRENDS

Increased Premium on Living Spaces

Changing Construction Practices

Demand for Sustainable Solutions

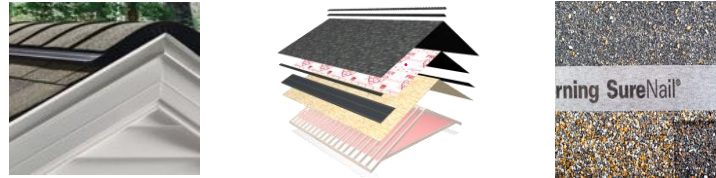
Investment in Infrastructure

### Insulation



- Broad range of insulating materials
- Integral part of pre-fabricated solutions

### Roofing



- Renovation focused
- Multimaterial system offering

### Composites



- Focused on building and construction, renewable energy, and infrastructure
- Glass fiber technology drives market conversion

Long-term growth

Higher, consistent operating margins

Lower capital intensity

# OUR HIGH-PERFORMING TEAMS ARE FUELING OUR SUCCESS

OUR PEOPLE MAKE US BETTER AT EVERYTHING WE DO

High-performing teams

**10** CONSECUTIVE QUARTERS

delivering on commitments

**OUR VALUES**

Global in scope, human in scale

Caring  
Curious  
Collaborative  
Committed

Commercial strength

**17%**

revenue growth since 2019



Manufacturing performance

**>\$200MM**

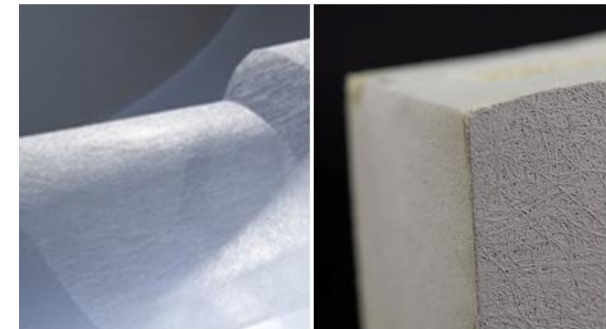
improvement since 2019



Integrated solutions

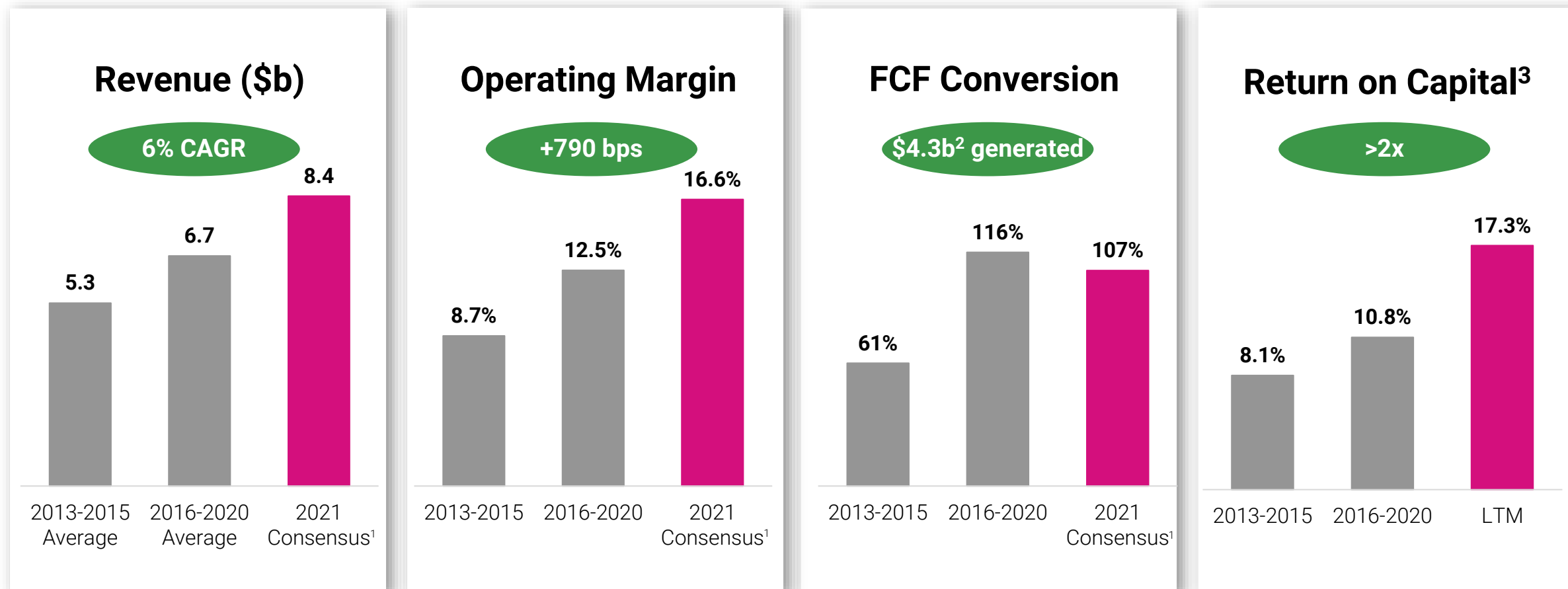
**CUSTOMER SOLUTIONS**

delivered through cross-business teams



# TRANSFORMED THE FINANCIAL PROFILE

FOCUSED ON KEY DRIVERS OF SHAREHOLDER VALUE CREATION



<sup>1</sup> 2021 Consensus Revenue, Operating Margins and Free Cash Flow Conversion reflect Bloomberg consensus estimates; 2021 Consensus Free Cash Flow conversion is based on Total Cash Flow from Operations less Capital Expenditures as a percent of adjusted earnings

<sup>2</sup> 2013 through Q3 2021

<sup>3</sup> Return on Capital: Average of annual ROC rates over the period. For LTM and Consensus, to ensure comparability with other periods and due to the lack of consensus information around capital components, the 2020 capital base was used.

Source: Bloomberg, Owens Corning SEC filings, and Owens Corning management estimates; please refer to Appendix for reconciliation to Owens Corning SEC filings



# CAPITAL ALLOCATION STRATEGY FOCUSES ON INCREASING TSR

2016-2020: RETURNED ~\$1.5B OF CASH AND OVER 50% OF FREE CASH FLOW TO SHAREHOLDERS

## Capital allocation strategy

### **Maintain investment grade balance sheet**

with flexibility to support growth and drive shareholder value

### **Maintain safe, sustainable, and productive operations**

in our existing business

### **Invest in targeted growth opportunities**

organic growth and acquisitions

### **Return free cash flow to shareholders**

through dividends and share repurchases

## Capital allocation targets over time

2-3X debt/EBITDA leverage

Deploy 4-5% of capital as a % of sales on productivity and organic growth investments

Return at least 50% of free cash flow to shareholders



**INNOVATION SUPPORTING  
THE STRATEGY**

# ACCELERATING INNOVATION TO HELP CUSTOMERS WIN IN THE MARKET

## TRACK RECORD OF MATERIAL INNOVATION AND CONVERSION

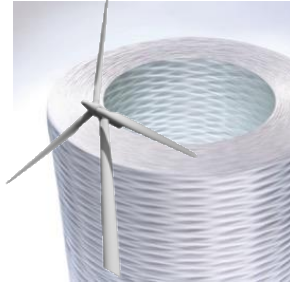
### Material Innovation



Duration® Flex



FOAMULAR® NGX™

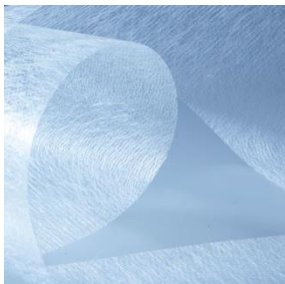


Windstrand®



Pink Next Gen™

### Material Conversion



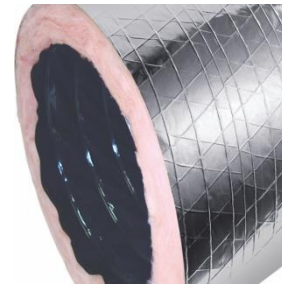
Nonwovens



Underlayment



Rebar



Flex Duct

### Investing for Growth

- Innovative product and process technologies delivering significant value
- Accelerated new product launches by 30% in 2021
- Continuing to build new material science expertise
- Increasing R&D investments by 15%

# INNOVATION BASED ON STRONG SCIENCE AND CUSTOMER INSIGHT

UNIQUE MATERIALS, PROCESS, AND PRODUCT CAPABILITIES CREATE DIFFERENTIATED VALUE

## Our Global Team

~450 researchers

11 technology centers

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## Our Focus

**Better materials**

for today,

**new functionality**

for tomorrow

## Materials and Process Innovation

Strong science fundamentals create meaningful, defensible positions on product platforms

### Industry-Leading Materials/Process

- Glass fibers
- Asphalt coating technology
- Formaldehyde-free binders
- Low-global warming potential blowing agents
- Furnace performance
- Advanced process control technology



## Customer-Centered Product and Systems Innovation

Human-centered design methodologies deliver winning product innovations with superior functionality and performance

### Market-Leading Functionality

- Thermal
- Fire
- Acoustics
- Moisture
- Structural



# TRANSFORMATIVE MATERIAL AND PROCESS INNOVATION

Our **fundamental understanding** of our materials, processes and products unleash **margin enhancement opportunities today** and capital-efficient **growth into the future**



## Asphalt Coating Technology

- **Innovative performance features and benefits** in shingles, underlayments, and specialty asphalt
- **Improved network cost and supply advantages** through vertical integration and blending capabilities

**Material science + vertical integration = cost and performance competitive advantage**



## PINK Next Gen™ Fiberglas™

- **23% faster installation**, less dust, improved indoor comfort and sound reduction.<sup>1</sup>
- Improved density efficiency for a **lower cost network**

**New binder + fiber technologies = capital-efficient capacity gains vs. competition**



## Furnace Life

- Consistent **double-digit gains** in throughput, asset life and energy efficiency over the last decade
- **Lowest energy intensity** per pound of insulation glass

**Innovative refractory materials + advanced modeling + process controls = increased furnace performance**

# CUSTOMER-CENTERED PRODUCT INNOVATION LEADER

Our material innovations start by leveraging **customer insights** in combination with our **distinctive technical capabilities** to deliver solutions **unique to Owens Corning** – 40+ product launches in 2021



## FOAMULAR® NGX

- Low Global Warming Potential blowing agent delivers **>80% reduction in embodied carbon of the product<sup>1</sup>**
- **Excellent market response** with strong momentum into 2022

**New materials + process change = 1st to market with a customer winning solution**



## Duration® Series Shingle

- **SureNail® technology** improves nail blow-through resistance up to 9x; popular TruDefinition® colors
- Cumulative **annual sales growth of 23%** over the past 3 years<sup>2</sup>

**Customer knowledge + innovative functionality = differentiated roofing solutions**



## FIBERGLAS™ Rebar

- **Up to 7X lighter than steel** – improves ease of handling, for labor (**50% faster installation**) and freight savings<sup>3</sup>
- **Exponential growth in annual sales** over past 3 years

**Human-centered design + material substitution = functionality that delivers labor savings**



1. The sustainability profile of FOAMULAR® NGX™ is validated by a third-party verified Environmental Product Declaration and Optimization Report. <https://dcpd6wotaa0mb.cloudfront.net/mdms/dms/Commercial%20Insulation/10024662/10024662-Foamular-NGX-Product-Announcement-Letter.pdf?v=1611132071000>  
2. Internal sales data estimates  
3. Based on average estimates of a conventional 6" thick rectangle slab, \$60 per hour labor rate. Pricing and labor rates can vary by region and fluctuations in the market.

**SUSTAINABILITY IS CORE TO  
WHO WE ARE AND WHAT WE DO**

# OWENS CORNING IS A GLOBAL LEADER IN SUSTAINABILITY

**MISSION: TO BUILD A SUSTAINABLE FUTURE THROUGH MATERIAL INNOVATION**

## Net-Positive Aspiration

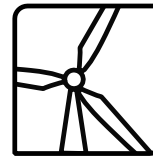
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Purpose: Our people and products make the world a better place.

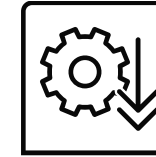


## 2030 Guiding Aspirations

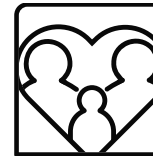
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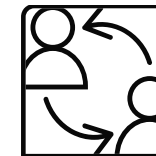
Double the positive impact of our **PRODUCTS**



Halve the negative impact of our **OPERATIONS**



Eliminate **INJURIES** and improve the **QUALITY OF LIFE** for our employees and their families



Advance our **INCLUSION AND DIVERSITY**



Have a positive impact on our **COMMUNITIES**

[View our 2020 Sustainability Report](#)



# TRACK RECORD OF IMPACT

## 20 YEARS OF SUBSTANTIAL GLOBAL PROGRESS

**GHG reduced by 60% since peak year (2007)**

**Fiberglass insulation contains 53-73% recycled content** - 1.3b lbs. of recycled glass used in 2020

**Significant progress in waste diversion** to beneficial uses

Fiberglass insulation **saves 12x as much energy in 1st year as it takes to produce it**

Composites WindStrand® enables larger scale turbines that deliver lower cost wind energy



**Approximately 60% 2020 revenue** from energy saving and renewable energy products



Fit-for-purpose **product transparency** – EPDs, HPDs, LCAs, and 3<sup>rd</sup> party certifications



Multiple product and process development initiatives to **improve shingle and insulation material efficiencies**



..... **Our Evolving Sustainability Journey: Building on a Strong Foundation** .....



### Footprint Reduction

- 29% primary energy intensity reduction
- 43% water use intensity reduction
- Operating at 51% renewable electricity consumption globally<sup>2</sup>

### Handprint Expansion

- FOAMULAR® NGX™ achieved an over 80% reduction in embodied carbon
- 13 products certified made with 100% wind powered electricity (for reduced embodied carbon)<sup>3</sup>
- Sustaina® composites certified 35-100% recycled content

### Social Impact

- 90% reduction in rate of OSHA recordable injuries globally since 2002
- Wellness programs and incentives for employees & families
- 89% of facilities engaged in Owens Corning sponsored community engagement

Source: Owens Corning's 2020 Sustainability Report<sup>1</sup> & Owens Corning management estimates

<sup>1</sup> The 2020 Sustainability Report is not incorporated in this presentation. Data on this slide includes date ranges found in our 2020 Sustainability Report.

<sup>2</sup> Metric is defined as the renewable energy sourced from the grid and the energy enabled by our PPAs, including onsite generation.

<sup>3</sup> The certifications, through SCS Global Services, are made possible by power purchase agreements Owens Corning signed in 2015, which enabled new wind capacity.



# RECEIVING SIGNIFICANT RECOGNITION FOR OUR LEADERSHIP



**Ranked Industry Leader 8 years consecutively** in the Building Products Group (top scores in environmental, social and economic for 4<sup>th</sup> year in a row)



Included in CDP's **"A List" for climate change and water** for 2020 – 5<sup>th</sup> year in a row for climate and 2<sup>nd</sup> straight for water



**Ranked 1<sup>st</sup>** among 100 Best Corporate Citizens for **three consecutive years**

**Sustainability Award**  
Gold Class 2021  
**S&P Global**

**Earned "Gold Class" score** in 2021 for the 8<sup>th</sup> consecutive year



Earned the following ISS scores in 2021:

- Environmental: 1**
- Social: 1**
- Governance: 2**



Obtained a **perfect score** on Corporate Equality Index for the 17<sup>th</sup> time



Recognized by Ethisphere as **1 of only 2 honorees** in the Construction and Building Materials Industry



Received **Noteworthy** recognition for second year



**National Top 100 List** of the largest green power users, and on the list of Green Power Partners from the Fortune 500®.



**#1 for the Building Materials Industry Group** and #15 overall on Corporate Knights 100 Most Sustainable Corporations



**Earned 2021 Better Project Award** for energy reduction; surpassed 2025 goal in 2021



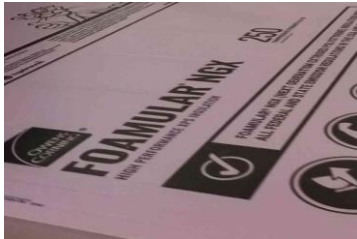
**2021 Manufacturing Leadership Award** from NAM for Environmental Sustainability Innovation, and Highest Achiever for the top score in Sustainability Leadership category



Note: Recognitions and rankings as of November 2021

# REDUCING OUR ENVIRONMENTAL FOOTPRINT & EXPANDING OUR PRODUCT HANDPRINT

**INDUSTRY-LEADING SUSTAINABILITY** INCREASING THE **POSITIVE IMPACTS** OUR PRODUCTS HAVE ON THE WORLD



## FOAMULAR® NGX™ INSULATION

~80% reduction in embodied carbon of the product compared to legacy FOAMULAR® insulation



## PAROC® NATURA™ INSULATION

Carbon neutral line of stone wool and first Owens Corning carbon-neutral product



## RESIDENTIAL FIBERGLASS INSULATION

Energy used to produce a typical unit of fiberglass insulation is saved 12x in its first year in place



## WINDSTRAND® COMPOSITES

Making renewable energy more affordable



## OWENS CORNING COOL ROOF COLLECTION™

Reducing energy use by keeping roofs cooler

# SUSTAINABILITY LEADERSHIP CREATES NEW GROWTH OPPORTUNITIES

Insulation customers seeking lower embodied carbon

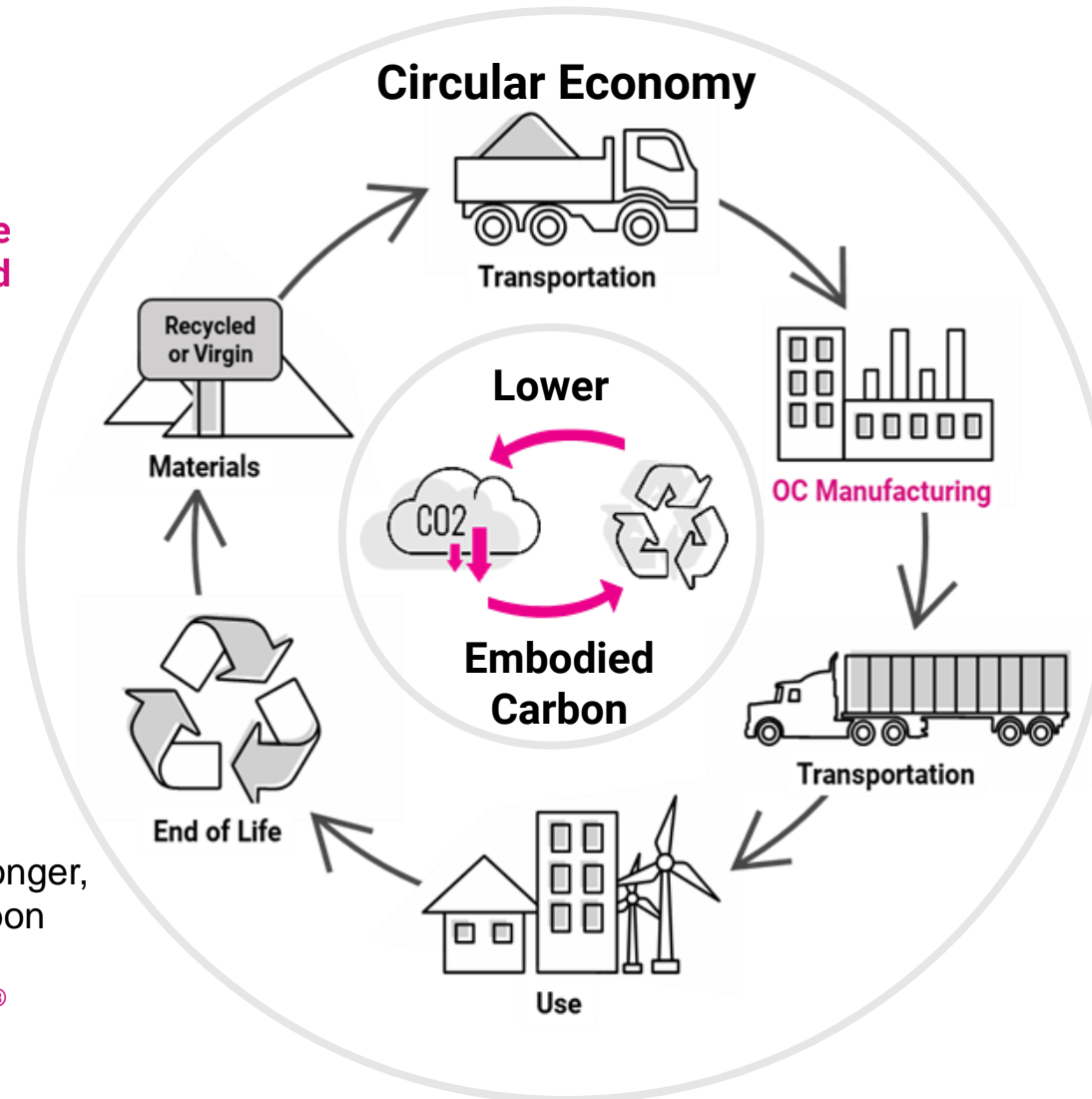
**OC first to market with Natura™ stone wool, PINK Next Gen™ Fiberglas™ and FOAMULAR® NGX™<sup>1</sup>**

Composite reinforcement customers seeking high recycled content and lower embodied carbon

**OC first to market with Sustaina®<sup>2</sup>**

Composite wind customers seeking longer, stronger blades, lower embodied carbon and total value-chain circularity

**Broad collaboration and WindStrand®**



Circular Economy start-ups seeking expertise and committed technical and business model partners

**OC is sought out for End-of-Life collaboration**

Customers seeking to win business with market-leading sustainability attributes

**OC is a high-knowledge, high-impact collaborator**

Customers seeking sustainability help to teach, market, and sell products to their customers

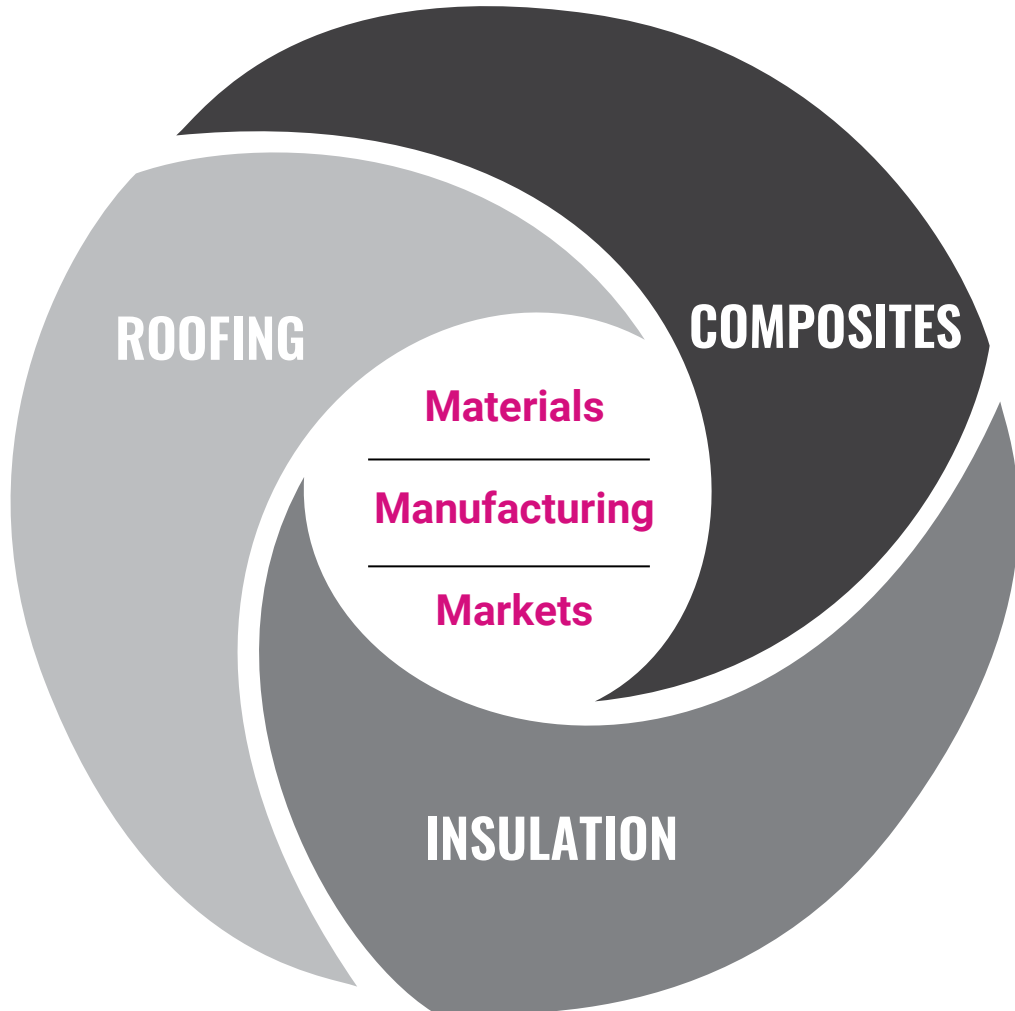
**OC is a sought-out place to learn and collaborate**



**INTEGRATED BUSINESSES DRIVING  
GROWTH & PERFORMANCE**

# LEVERAGING THE POWER OF THE ENTERPRISE

CREATING UNIQUE VALUE FOR OUR CUSTOMERS AND SHAREHOLDERS



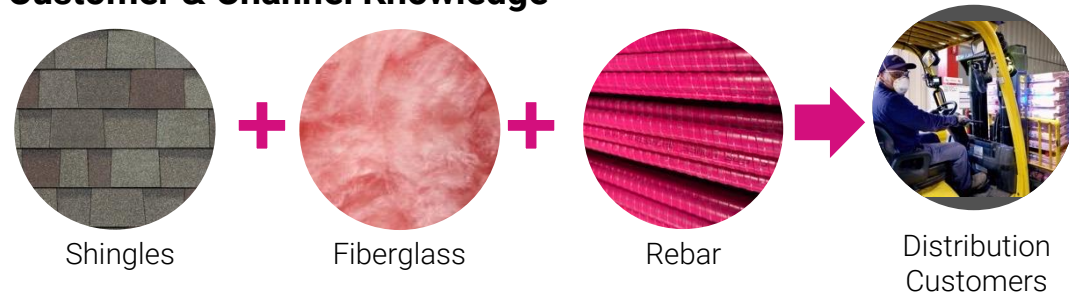
## Integrated Material Solutions



## Manufacturing & Technology Expertise



## Customer & Channel Knowledge



# INTEGRATED BUSINESSES DRIVING GROWTH AND PERFORMANCE

<b>OWENS CORNING</b>	<b>\$8,292</b>	<b>\$1,396</b>	<b>17%</b>
	LTM NET SALES	LTM ADJ EBIT / EBIT	LTM ADJ EBIT / EBIT AS % OF NET SALES
<b>Insulation</b>	<b>\$3,049</b>	<b>\$424</b>	<b>14%</b>
<b>Roofing</b>	<b>\$3,199</b>	<b>\$785</b>	<b>25%</b>
<b>Composites</b>	<b>\$2,280</b>	<b>\$338</b>	<b>15%</b>



Source: Owens Corning SEC filings. The Owens Corning row reflects total company Adjusted EBIT, which is reconciled to Owens Corning SEC filings in the Appendix.

# INSULATION BUSINESS

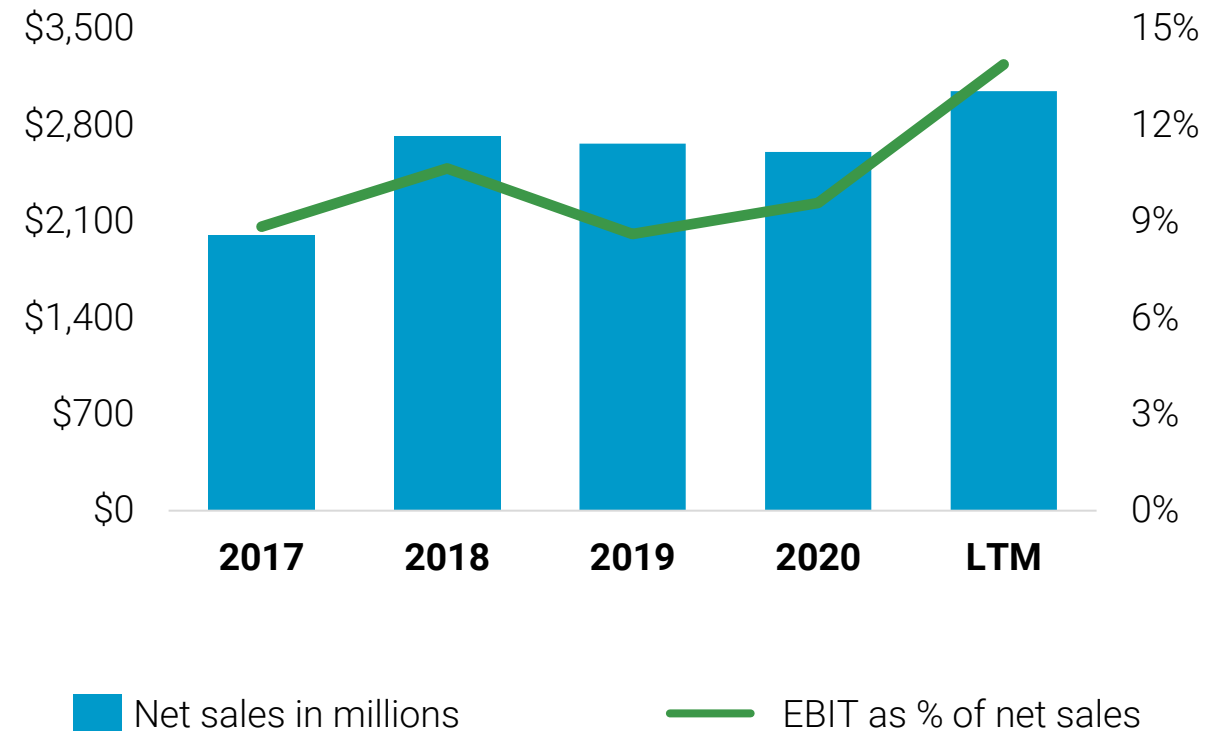
## Key Drivers for Business Growth

- OC Insulation growth 11% versus Building and Construction industry growth of 3%<sup>1</sup>
- Share capture in most markets served
- Product innovation
- Insulation growing in value as decarbonization becomes more important

## Key Drivers for Improved Performance

- Strong pricing/mix execution
- Flexible and optimized network
- Process innovations – increased furnace life 25%+, extending time between rebuilds
- Growth in attractive markets, channels and products

## Five-year financial performance

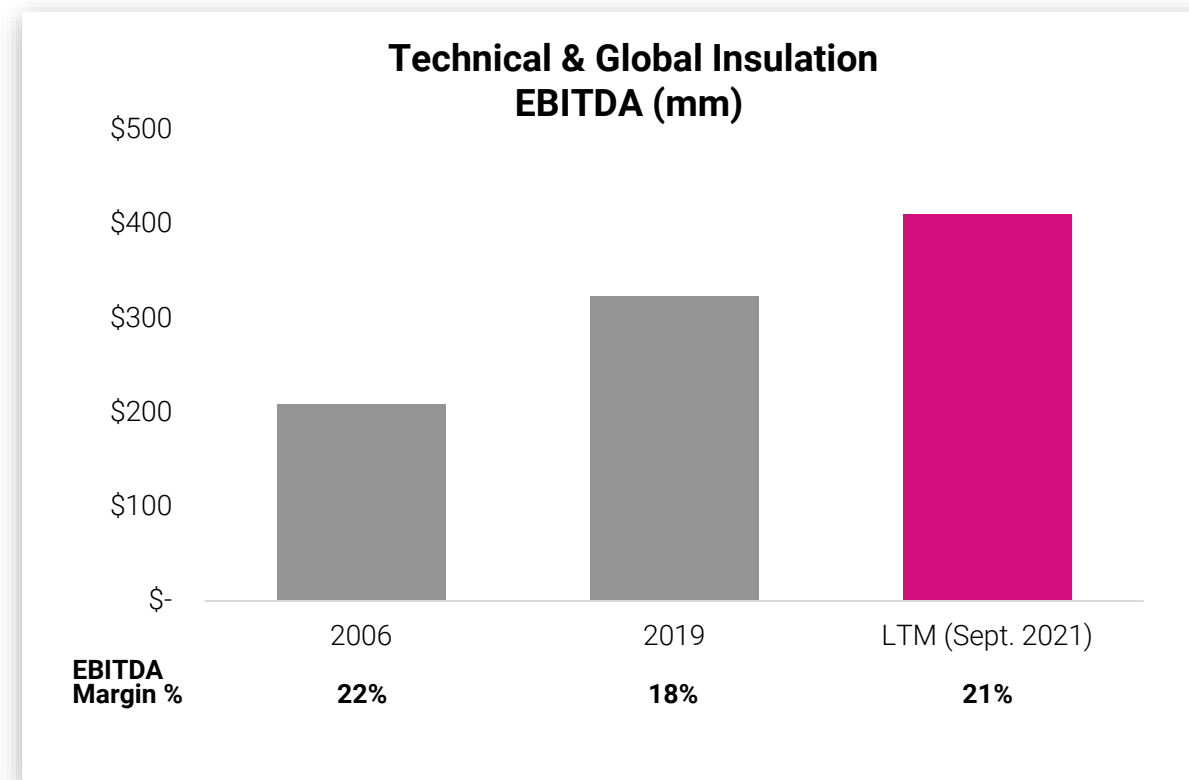
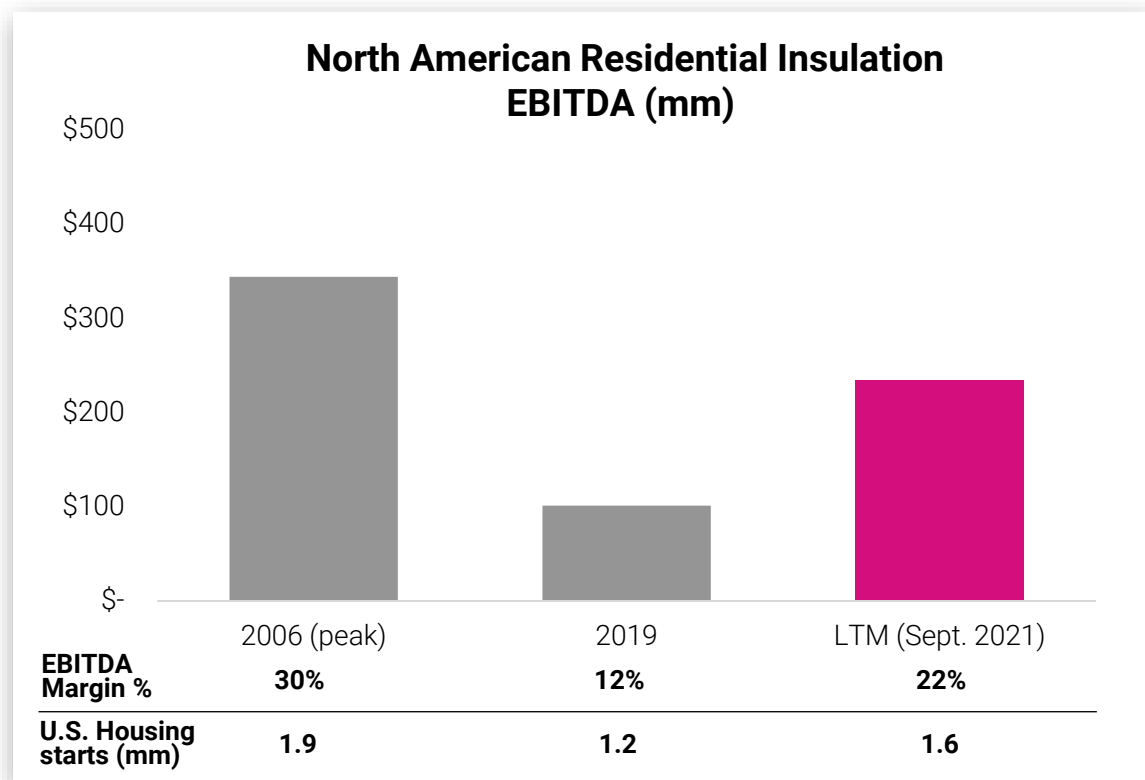


Sources: Owens Corning management

<sup>1</sup> IHSMarkit and Bluechip housing starts consensus – U.S. market

# INCREASED EARNINGS PERFORMANCE IN INSULATION

## A BALANCED PORTFOLIO WITH AN INDUSTRY-LEADING MARGIN STRUCTURE



### North American Residential Insulation

- Streamlined business through network optimization
- Price and productivity driving margin expansion

### Technical and Global Insulation

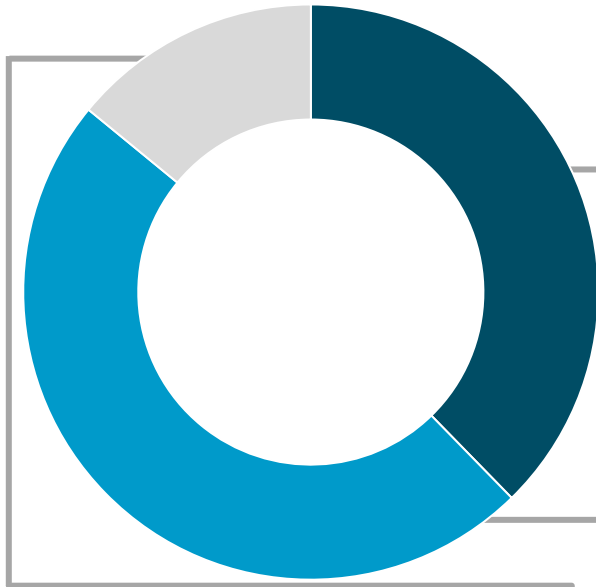
- Balanced focus on growth and margin
- 2X larger business versus 2006



North American residential insulation includes batts & rolls and loosefill sold to insulation contractors and distributors, home centers, and manufactured housing producers in the U.S. and Canada. Technical and Global 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. Comparability may differ over time. Margin of error on intra-segment EBITDA estimated to be below \$15mm. Source: Historical data based on Owens Corning management estimates and not seasonally adjusted (NSA) housing starts from the U.S. Census Bureau.

# TECHNICAL & GLOBAL INSULATION 2020 REVENUES BY END MARKET

## 2020 TECHNICAL AND GLOBAL INSULATION REVENUE

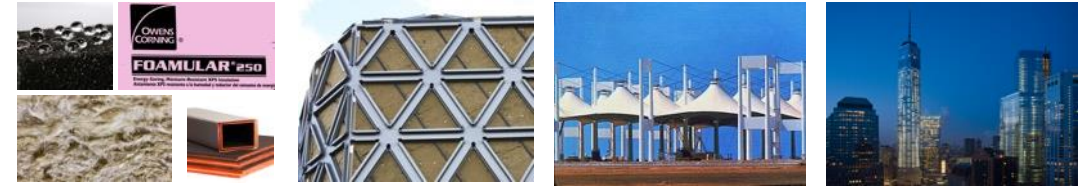


- Residential Construction Materials
- Commercial and Other Construction Materials
- Industrial and Other

### RESIDENTIAL



### COMMERCIAL



### INDUSTRIAL & OTHER



Source: Owens Corning management estimates; estimated error margin +/- 5%. Technical and other building insulation includes pipe and flexible duct media insulation, cellular glass insulation, foam, mineral fiber, and all other building material products sold to Europe, Latin America and Asia. The residential end market includes all global residential end uses except fiberglass building insulation in the U.S. and Canada. Comparability may differ over time. Certain products in the technical and other building insulation businesses are used interchangeably between end markets and some customers sell into more than one end market. Due to these limitations, we have used management estimates and other assumptions to allocate end market net sales.

# INSULATION CAN CONSISTENTLY GROW ABOVE OVERALL BUILDING & CONSTRUCTION INDUSTRY DRIVEN BY SECULAR TRENDS

## Higher Demand for Sustainable Solutions

- 90% of buildings in US and 75%+ of buildings in the EU are under insulated<sup>1,2</sup>
- Properly insulated homes payback in less than 90 days for energy saved<sup>3</sup>
- Saves 12X the energy used to make it (in one year)<sup>4</sup>

## Changes in Construction Practices

- Stricter codes for thermal, moisture, air/ vapor barrier, fire and acoustics; Trends toward integration and verification of functionalities in design and construction
- Additional 270mm lbs./year of insulation needed if all US states adopted the 2021 IECC<sup>5</sup>
- EU Commission estimates 35mm buildings renovated by 2030<sup>2</sup>

## Resulting in Higher Demand for Net-Zero & Low Carbon Buildings

- Reinsulating existing, and insulating and air sealing new buildings better is a key component to achieving decarbonization and net-zero goals
- Reinsulating provides highest ROI in remodel with a 100%+ return<sup>6</sup>

1. When compared to the minimum prescriptive wall and ceiling insulation R-values found in the 2006 International Energy Conservation Code (IECC), Boston University School of Public Health.

2. European Commission, Energy, Climate Change, Environment

3. Methodology used for the energy analysis is ASHRAE Standard 90.2 applied to a two-story 2400 square foot home located in Chicago, Illinois.

4. For PINK Next Gen™ Fiberglas: <https://insulationinstitute.org/wp-content/uploads/2016/02/NAIMA024.pdf>

5. Owens Corning management estimates. Estimates for fiberglass.

6. Times Herald October 3, 2015: <https://www.thetimesherald.com/story/life/2015/10/03/insulating-home-great-return-investment/73241112/> and Cost vs. Value 2017.

# POSITIONED TO WIN IN A MORE SUSTAINABLE FUTURE

## FIBERGLASS



- Highest recycled content<sup>1</sup>
- Made with 100% wind electricity<sup>2</sup>
- Saves 12X the energy used to make it (in one year)<sup>3</sup>

## MINERAL WOOL



- High recycled content in U.S.
- Long service life
- Our first carbon neutral insulation slab
- Applications in sustainable horticulture

## XPS



- Low GWP formulation (NGX™)
- Made with 100% wind electricity (NGX™)<sup>2</sup>
- Product guaranteed for building lifetime

## CELLULAR GLASS



- Long service life
- 80+ years of exceptional performance
- No VOC
- Recyclable
- Non-combustible and moisture impermeable

## NEW SOLUTIONS



- Aerogel – used in electric vehicle applications
- Multimaterial solutions
- Offsite construction



1. Total recycled content for unfaced fiberglass insulation products in North America based on current third-party certified recycled content certifications for Owens Corning, Knauf, CertainTeed, and Johns Manville  
2. Via Renewable Energy Credits in accordance with SCS Global Services' certification protocol. [www.scsglobalservices.com](http://www.scsglobalservices.com)  
3. For PINK Next Gen™ Fiberglas: <https://insulationinstitute.org/wp-content/uploads/2016/02/NAIMA024.pdf>



# GROWTH IN A NET ZERO FUTURE

## OWENS CORNING INSULATION IS A LONG-TERM SUSTAINABLE SOLUTIONS GROWTH PLAY

### Improved margin performance

- Productivity 2.0% - 2.5% annually
- Optimized and efficient network
- Strong price and mix execution

### Less cyclical with improved earnings potential

- Attractive and diverse global business with market-leading positions
- Proactively pricing over inflation
- Flexible optimized network
- Balanced and sustainable product portfolio

### Can grow above construction market and enable net zero

- Capitalize on homeowner re-insulation opportunities
- Execute innovation agenda
- New business generated by new & evolving standards
- Grow take per unit via drive to Net Zero buildings globally

# ROOFING BUSINESS

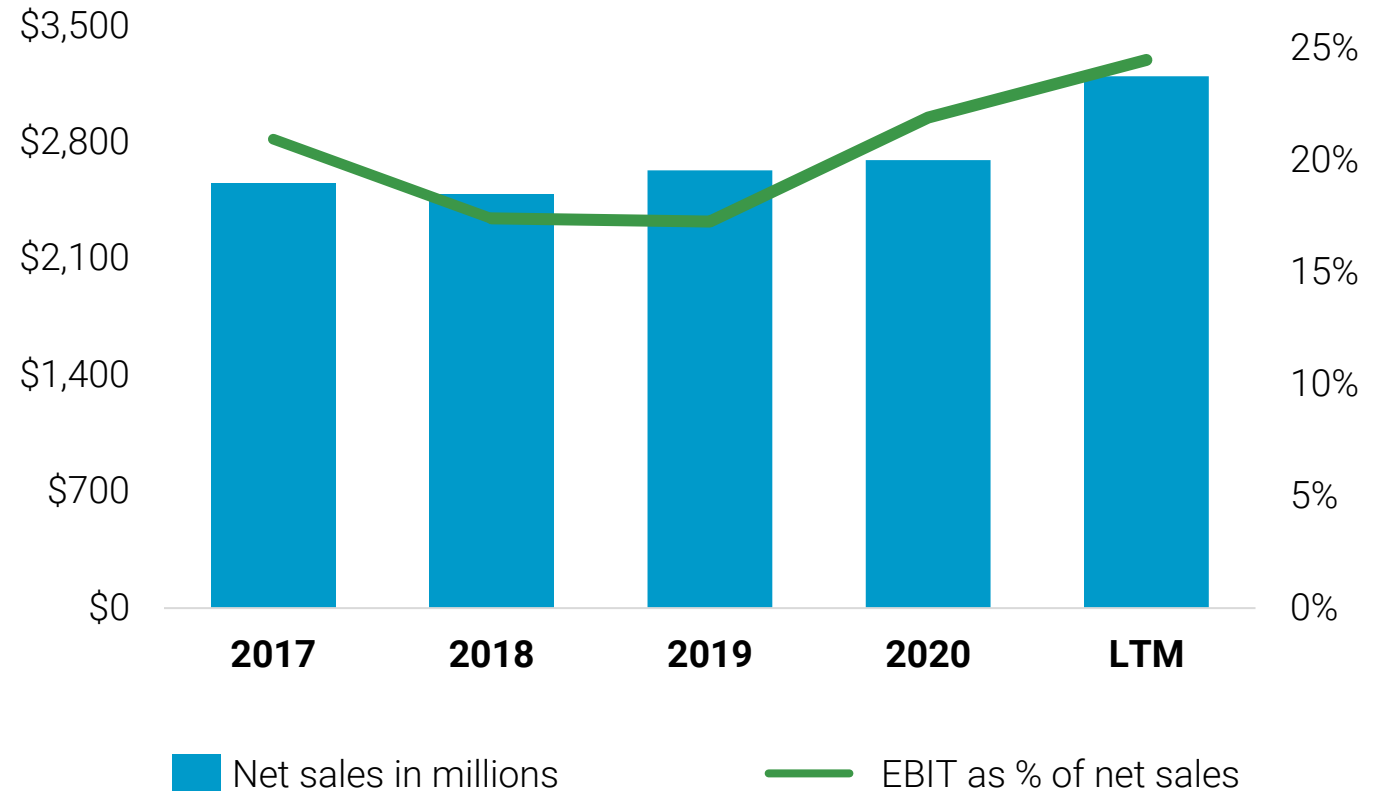
## Key Drivers for Business Growth

- Continue to enhance industry-leading Duration® shingles
- Invested in our Components business to accelerate our growth
- Best-in class commercial team

## Key Drivers for Improved Performance

- Vertical integration and asphalt capabilities create a leading cost position
- Focusing on efficiencies in our manufacturing process drive productivity and capacity gains
- Innovation will continue to deliver performance for our multimaterial roofing systems
- Industry-leading contractor network

## 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 MARKET DRIVEN BY REPAIR & REMODELING

## U.S. asphalt shingle market in mm squares



### Repair and Remodeling (R & R)

Aging housing stock

Economic factors: existing home sales, home equity, consumer income



### Major storms & weather events

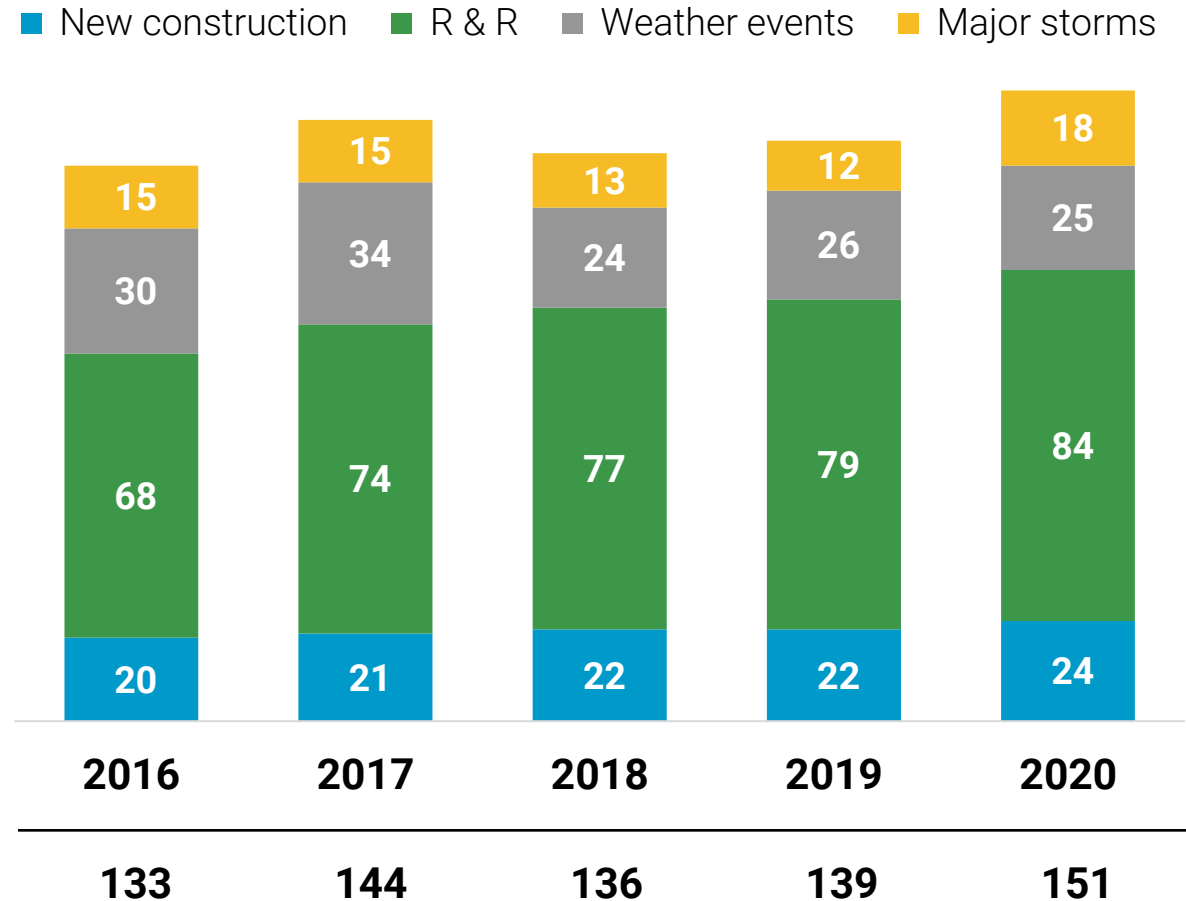
~40mm square average storm market in last 10 years

Weather events drive early replacement of roofs



### New construction

Housing activity provides growth opportunity



# INDUSTRY LEADING CONTRACTOR NETWORK IS A KEY TO OUR SUCCESS

## THE RIGHT PRODUCTS, TOOLS AND COMMERCIAL TEAM TO ACCELERATE CONTRACTOR CONVERSIONS

### What We Have Done

- ✓ **9 out of 10** professional roofing contractors **prefer** to install **Duration® Series Shingles with SureNail® Technology<sup>1</sup>**
- ✓ Increased local **marketing capabilities** with in-market leaders
- ✓ Built an extensive suite of **contractor services**
- ✓ **Accelerated system-selling** through a complete product portfolio and multi-material marketing support
- ✓ **Grown our contractor network to over 22,000 members**, from 14,000 over the past 5 years

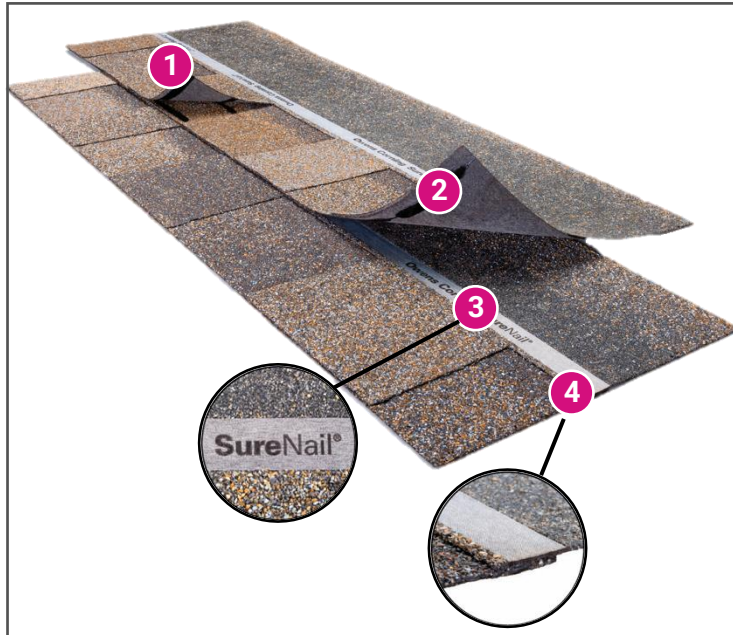
### What We are Doing

**Continuing to invest in contractors to help build their business through:**

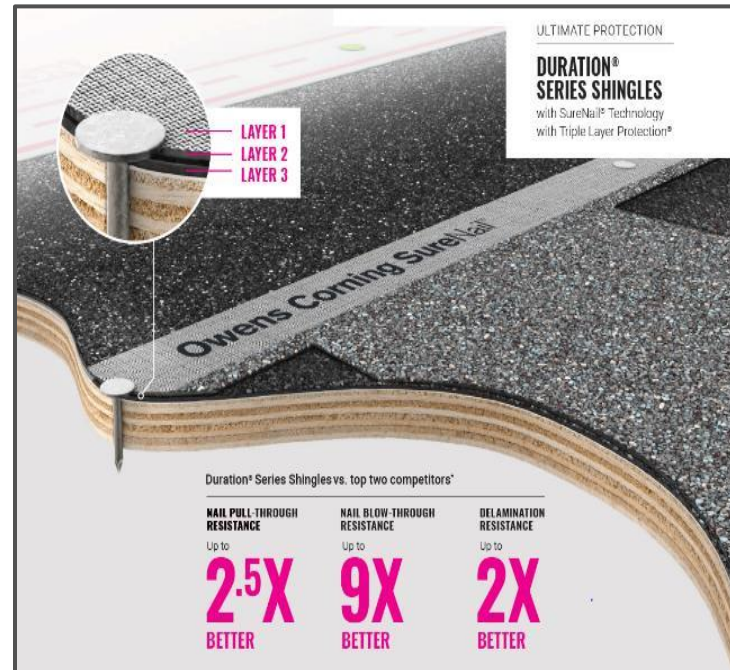
- ✓ **Innovative products and systems** that are easy to sell in the home
- ✓ **Enhanced marketing and digital tools**
- ✓ Additional training, webinars and analytics to **better support the network**
- ✓ A commitment to **enhancing existing plant network and increasing inventory levels**

# INNOVATION THAT CREATES VALUE

Our flagship product:  
Duration®



Offers the industry's  
Best Performance



And has been enhanced  
over time



# COMPONENTS ARE KEY TO ACCELERATING PERFORMANCE

OUR COMPONENTS PORTFOLIO HAS ACCELERATED GROWTH WITH MARGINS SIMILAR TO SHINGLES

## Where We Participate

Hip & Ridge

Starter  
shingles



Self adhered  
underlayment

Underlayment



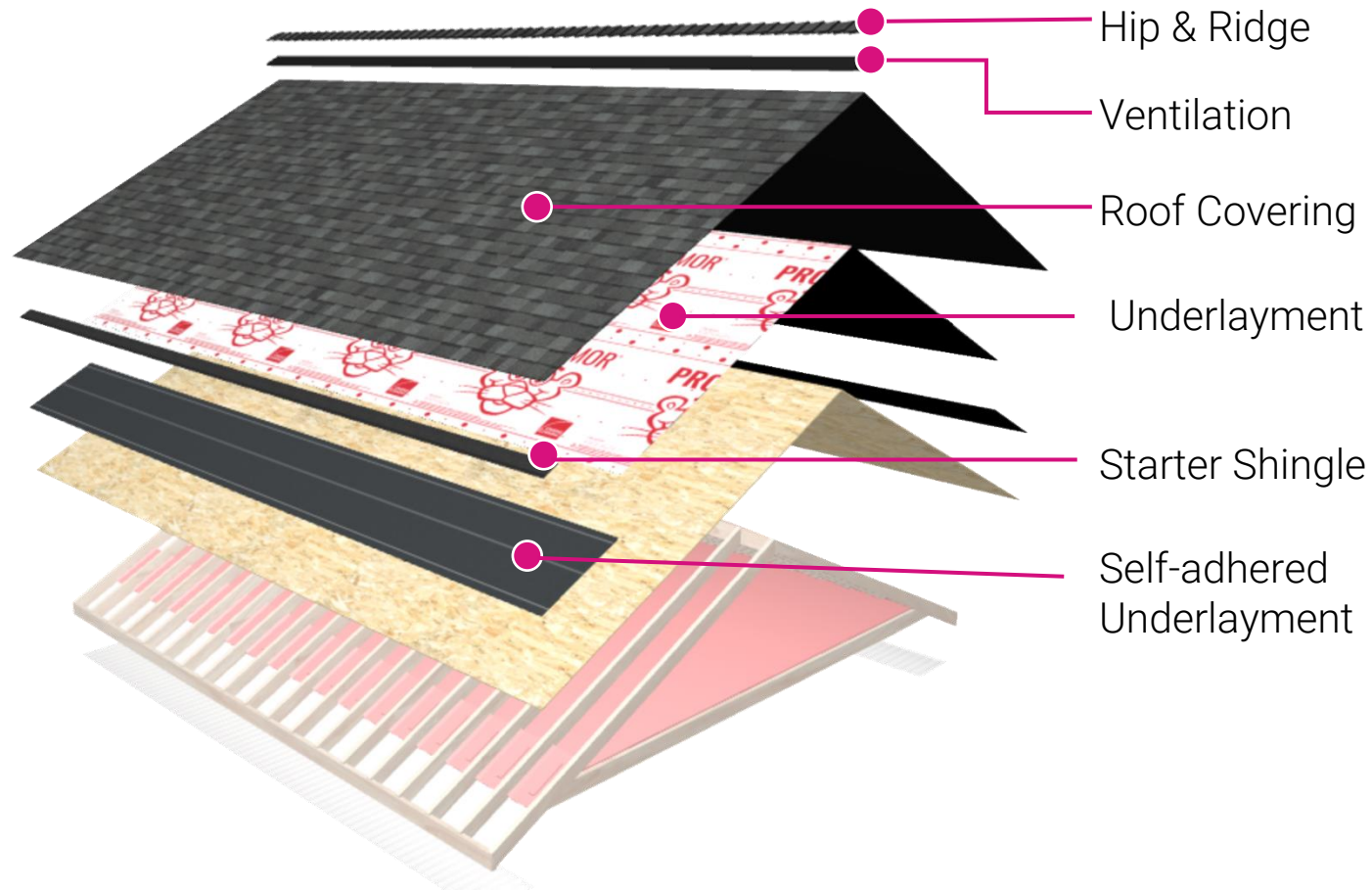
Ventilation

## Accelerating Growth

- Our Components business has grown faster than the market as a result of our investments
- We have increased our attachment rate by 40% over the past 5 years<sup>1</sup>
- There is room to grow in our offering as we create a better roofing system

# CONTINUING TO EXPAND OUR MULTIMATERIAL ROOFING SYSTEM

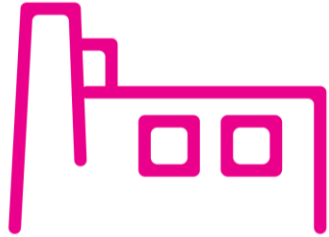
THE TOTAL PROTECTION ROOFING SYSTEM® IS A LEADING SELLING STORY FOR OUR CONTRACTORS



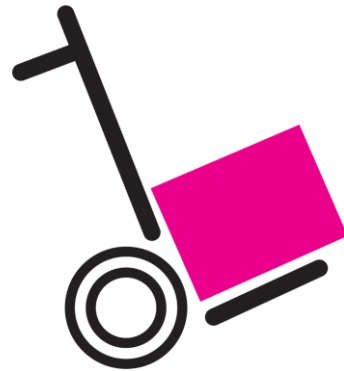
- Expanding our multimaterial system offering positions Roofing for future growth
- Functionality innovation creates winning opportunities
- Uniquely positioned to deliver value across customer channels

# INVESTING TO SUPPLY THE MARKET EFFECTIVELY

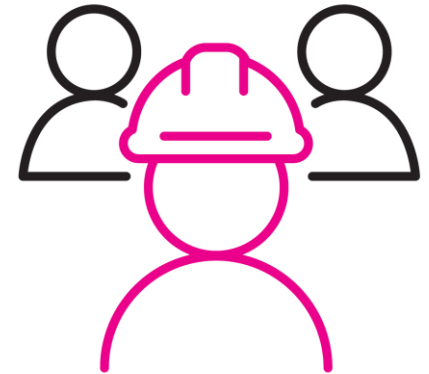
## INCREASING OUR ABILITY TO SUPPORT OUR GROWING CONTRACTOR NETWORK



Upgrading capacity at existing manufacturing facilities



Building and maintaining enhanced inventory levels to meet market demand surges



Focusing on workforce and TPM to minimize downtime and maximize throughput



# GROWING FROM A STRONG FOUNDATION

COMPETITIVE ADVANTAGES AND INVESTMENTS WILL SUPPORT ABOVE MARKET GROWTH

## Market-leading products with a cost advantage

- Vertical integration creating supply security and synergies
- Asphalt and manufacturing excellence producing a leading cost position
- Innovation capabilities providing industry-leading performance

## Growing through contractor conversions and Components

- Opportunity for expanding and enhancing our contractor program
- Multimaterial roofing system providing contractors the best roof to sell to their customers
- Growing Components business allowing expansion into new categories

## Advancing existing plant network and increasing inventory

- Continue investing in capacity and inventory to support our growing contractor network

# COMPOSITES BUSINESS

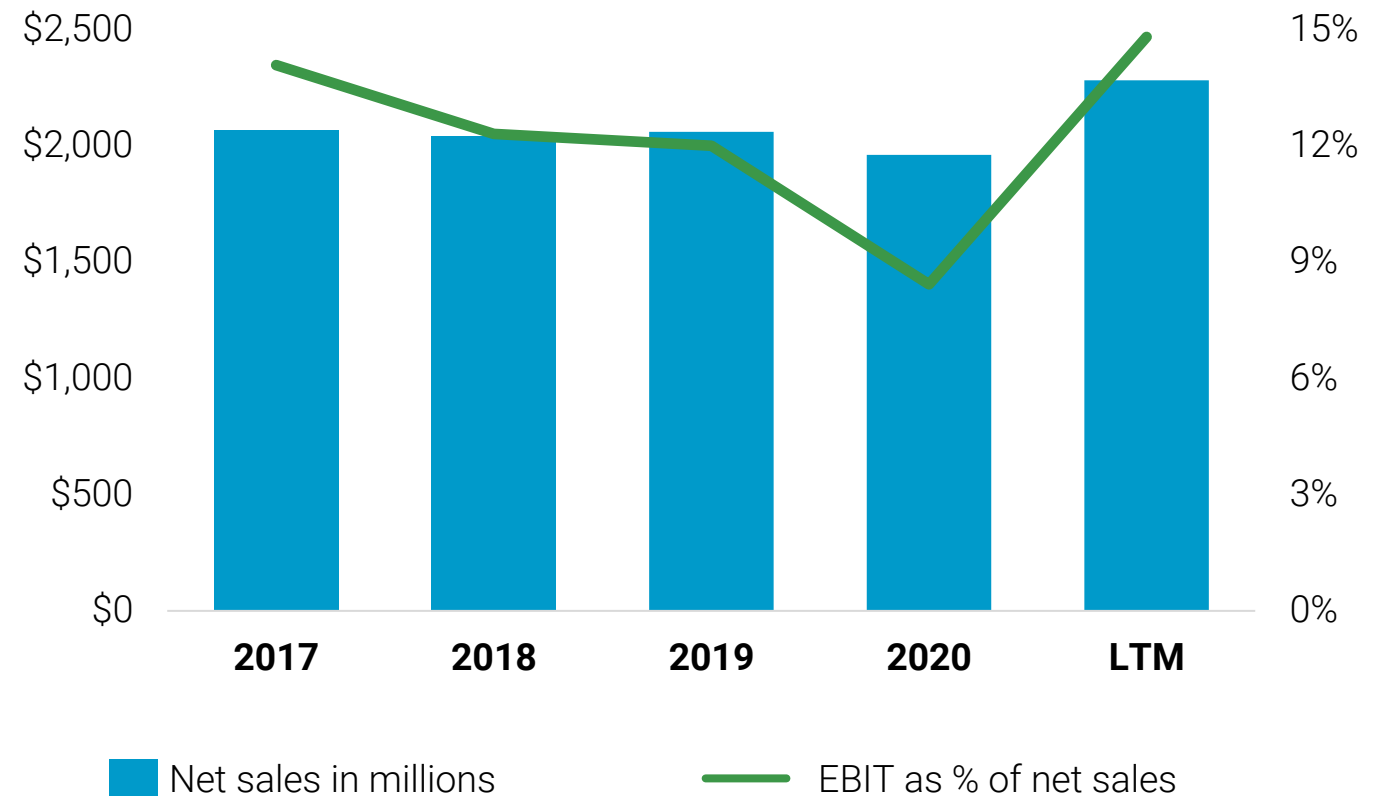
## Key Drivers for Business Growth

- Emphasis on high value applications and key geographies
- Focused on key growth accounts and valuable customer partnerships
- Local supply chain business model

## Key Drivers for Improved Performance

- Productivity and network optimization leading to low-delivered cost
- Commercial excellence delivering margin improvement
- Innovation and new product development driving higher margins

## Five-year financial performance



# KEY MARKETS FOR COMPOSITES

## Where We Play

### Building & Construction

38% Revenue



## How We Win

- Integrated scale production
- Coating and surfacing technologies
- Structural reinforcements

## Key Trends

- Light-weighting and prefabrication
- Sustainable construction

### Renewable Energy

18% Revenue



- Material engineering partner
- High-performance glass technology
- Global network with local support

- Decarbonization of energy production
- Electric and Hydrogen fueled vehicles

### Infrastructure

14% Revenue



- Leadership in product innovation
- Advanced modelling for value creation
- Productivity solutions for customers

- Renewal of infrastructure
- Shorter supply chain and sustainability

# PIVOTING TO HIGHER VALUE BUILDING & CONSTRUCTION MATERIAL APPLICATIONS

## OUR COMPOSITES SOLUTIONS OFFER ENHANCED PERFORMANCE AND PRODUCTIVITY

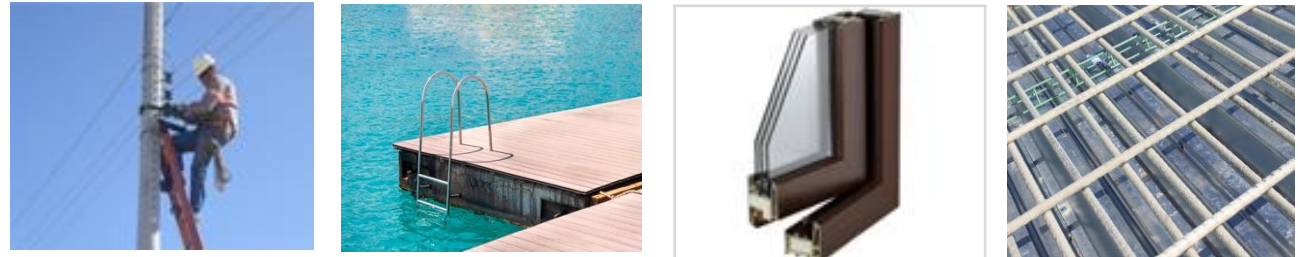
### Current Owens Corning Market Applications



**50-60%**

current glass conversion

### Emerging North American Building and Construction Applications



**<20%**

current glass conversion



# INCREASING VALUE THROUGH INTEGRATED MATERIAL SOLUTIONS



# EVALUATING STRATEGIC ALTERNATIVES FOR THERMOPLASTIC DUCS



Annual revenue of approximately

**\$270 MILLION**

## Why?

- OC is not the leader in the thermoplastic dry-use chopped strand (DUCS) market
- Would allow us to shift resources to higher growth opportunities
- Would be consistent with the company's enterprise strategy

# GROWTH BUILT ON SECULAR TRENDS AND ENTERPRISE CAPABILITIES

Increased  
Premium on  
Living Spaces

Changing  
Construction  
Practices

Demand for  
Sustainable  
Solutions

Investment in  
Infrastructure

Composites provide unique answers to these needs



## Building & Construction

- Leveraging Owens Corning Channels
- Power of the OC Brand and PINK™



## Renewable Energy

- Enterprise Capabilities for Circular Economy
- Essential Performance of Composites



## Infrastructure

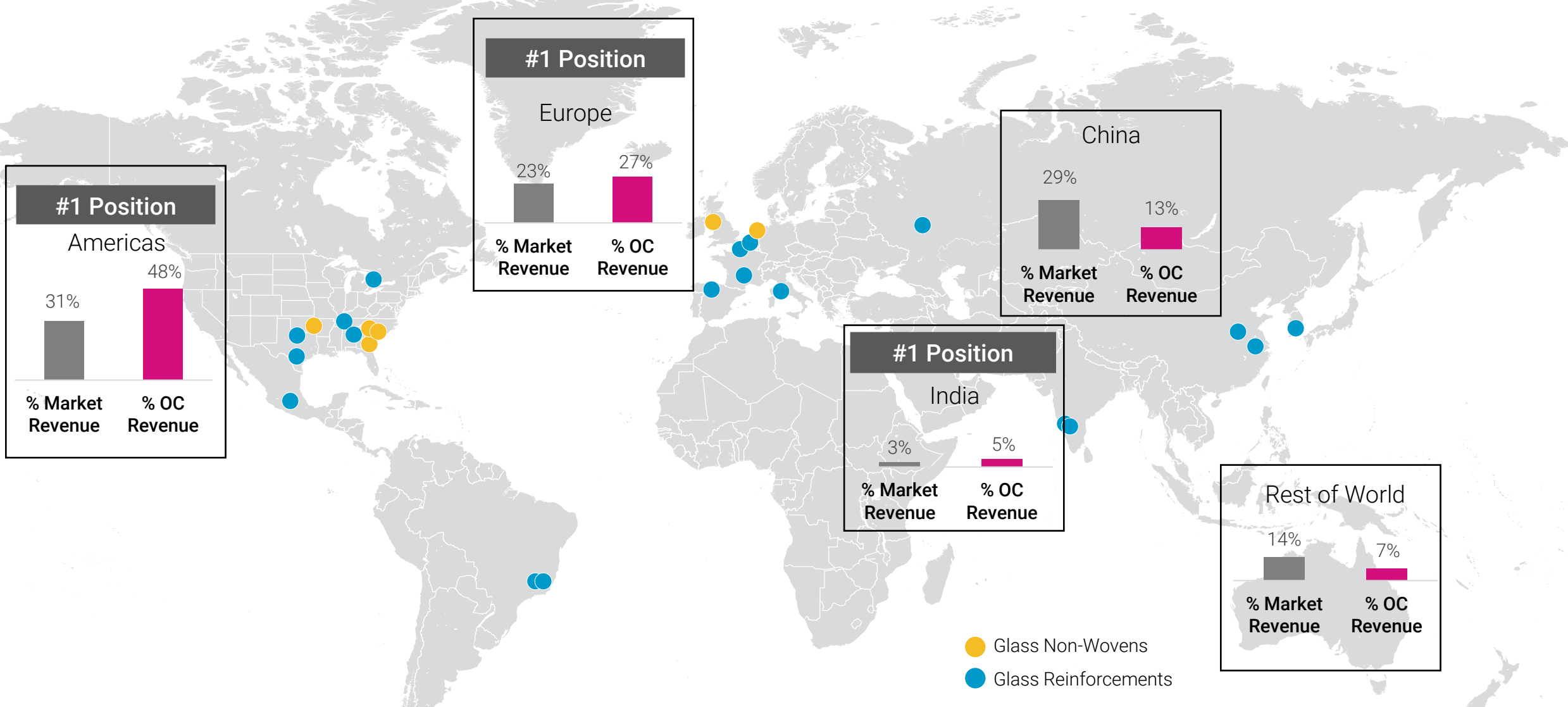
- Legacy of Material Conversions
- Product Innovation and Integration

Growth above  
market

Less capital  
intensity

Higher value  
solutions

# LOCAL SUPPLY CHAIN MODEL



% Market Revenue = market revenue in region as % of 2020 global market size; % OC Revenue = OC revenue in region as % of OC Composites global 2020 net sales; Glass reinforcements market defined as glass fiber reinforcements and direct conversion products as consumed, excluding yarns. Sources: American Composite Manufacturer's Association, GlassFibreEurope (APFE), Global Trade Information Services, Inc. and Owens Corning management estimates of 2020 global market.



# TARGETING PROFITABLE GROWTH THROUGH HIGHER VALUE SOLUTIONS

COMPOSITES IS A MID-TEEN MARGINS BUSINESS WITH SOLID GROWTH OPPORTUNITIES

## Demonstrated Resilience

- Maximized network performance
- Focused on key product lines, regions and accounts
- Less volatility through cycles

## Evolving Portfolio

- Focusing on higher value building and construction solutions
- Long term partnership and innovation with customers
- New integrated opportunities

## Growth Business

- Strong secular trends support positive market outlook and above market growth opportunities
- Aligning with enterprise strategy

# **ADDITIONAL FINANCIAL INFORMATION**

# APPENDIX A: KEY FINANCIAL DATA – CORPORATE

(\$ in millions, except per share data)	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Net sales	2,213	1,904	6,367	5,130
Net earnings (loss) attributable to Owens Corning	260	206	768	(615)
Diluted earnings (loss) per common share (EPS) attributable to Owens Corning common stockholders	\$2.50	\$1.88	\$7.30	(\$5.66)
Earnings (loss) before interest and taxes (EBIT)	394	296	1,123	(399)
Earnings (loss) before interest, taxes, depreciation and amortization (EBITDA)	523	416	1,493	(47)
Adjusted EBIT	400	289	1,090	572
Adjusted EBITDA	523	409	1,452	923
Adjusted earnings	262	193	719	359
Adjusted EPS (diluted)	\$2.52	\$1.76	\$6.83	\$3.30
Adjusted EBIT as a % of net sales	18%	15%	17%	11%
Adjusted EBITDA as a % of net sales	24%	21%	23%	18%
Depreciation and amortization (D&A)	129	120	370	352
Net cash flow provided by operating activities	466	488	1,168	717
Free cash flow	400	425	925	514
Net debt	2,064	2,497	2,064	2,497



Source: Owens Corning SEC filings; please refer to Appendix B for reconciliation to Owens Corning SEC filings.

# APPENDIX A: KEY FINANCIAL DATA – BUSINESS

(\$ in millions)	Owens Corning		Insulation		Roofing		Composites	
	Q3 2021	Q3 2020	Q3 2021	Q3 2020	Q3 2021	Q3 2020	Q3 2021	Q3 2020
Net sales	2,213	1,904	815	681	869	761	591	521
EBIT*	400	289	124	73	212	196	101	55
EBIT* as % of net sales	18%	15%	15%	11%	24%	26%	17%	11%
D&A	129	120	52	51	15	15	42	40
EBITDA* as % of net sales	24%	21%	22%	18%	26%	28%	24%	18%

(\$ in millions)	Owens Corning		Insulation		Roofing		Composites	
	YTD 2021	YTD 2020	YTD 2021	YTD 2020	YTD 2021	YTD 2020	YTD 2021	YTD 2020
Net sales	6,367	5,130	2,321	1,879	2,497	1,993	1,733	1,413
EBIT*	1,090	572	318	144	602	408	278	105
EBIT*as % of net sales	17%	11%	14%	8%	24%	20%	16%	7%
D&A	370	352	156	149	44	44	119	117
EBITDA* as % of net sales	23%	18%	20%	16%	26%	23%	23%	16%



Source: Owens Corning SEC filings; reportable segment totals are shown in SEC filings before intercompany eliminations

\*EBIT and EBITDA for Owens Corning reflect Adjusted EBIT and Adjusted EBITDA; please refer to Appendix B for reconciliation to Owens Corning SEC filings

# APPENDIX A: KEY FINANCIAL DATA – DISAGGREGATED REVENUE

Reportable Segments		Three Months Ended September 30, 2021						
Disaggregation Categories	(\$ in millions)							
	Composites	Insulation	Roofing	Eliminations	Consolidated			
U.S. residential	\$ 83	\$ 312	\$ 796	\$ (60)	\$ 1,131			
U.S. commercial and industrial	163	181	38	-	382			
Total United States	246	493	834	(60)	1,513			
Europe	161	179	5	(2)	343			
Asia-Pacific	136	48	1	-	185			
Rest of world	48	95	29	-	172			
<b>NET SALES</b>	<b>\$ 591</b>	<b>\$ 815</b>	<b>\$ 869</b>	<b>\$ (62)</b>	<b>\$ 2,213</b>			

Reportable Segments		Twelve Months Ended December 31, 2020						
Disaggregation Categories	(\$ in millions)							
	Composites	Insulation	Roofing	Eliminations	Consolidated			
U.S. residential	\$ 272	\$ 949	\$ 2,450	\$ (204)	\$ 3,467			
<i>New construction</i>	44	686	180		896			
<i>Repair and remodeling</i>	228	263	2,270		2,571			
U.S. commercial and industrial	538	603	133	-	1,274			
Total United States	810	1,552	2,583	(204)	4,741			
Europe	524	609	14	(1)	1,146			
Asia-Pacific	495	158	11	-	664			
Rest of world	131	288	87	(2)	504			
<b>NET SALES</b>	<b>\$ 1,960</b>	<b>\$ 2,607</b>	<b>\$ 2,695</b>	<b>\$ (207)</b>	<b>\$ 7,055</b>			



Source: Owens Corning SEC filings; 2020 Form 10-K

# APPENDIX B: NON-GAAP RECONCILIATION – TABLE 1

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,			Total of 2013 to 2015	2016	Twelve Months Ended December 31,				Total of 2016 to 2020	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2014	2015			2017	2018	2019	2020		2020	2021	2020	2021
Net earnings (loss) attributable to Owens Corning	\$ 204	\$ 226	\$ 330	\$ 760	\$ 393	\$ 289	\$ 545	\$ 405	\$ (383)	\$ 1,249	\$ 206	\$ 260	\$ (615)	\$ 768
Less: net earnings (loss) attributable to non-controlling interests	1	2	4	7	6	1	2	—	(2)	7	—	(1)	—	(1)
Net earnings (loss)	205	228	334	767	399	290	547	405	(385)	1,256	206	259	(615)	767
Earnings from and gain on sale of discontinued operations, net of tax	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Earnings (loss) from continuing operations	205	228	334	767	399	290	547	405	(385)	1,256	206	259	(615)	767
Equity in net earnings (loss) of affiliates	—	1	1	2	(3)	—	(1)	1	—	(3)	1	(1)	1	—
Income tax expense	68	5	120	193	188	269	156	186	129	928	56	94	119	250
Earnings (loss) from continuing operations before taxes	273	232	453	958	590	559	704	590	(256)	2,187	261	354	(497)	1,017
Interest expense, net	112	114	100	326	108	107	117	131	132	595	35	31	98	97
Loss (gain) on debt extinguishment	—	46	(5)	41	1	71	—	32	—	104	—	9	—	9
Earnings (loss) from continuing operations before interest and taxes	385	392	548	1,325	699	737	821	753	(124)	2,886	296	394	(399)	1,123
Adjusting items (a)	(31)	(20)	(2)	(53)	(47)	(118)	(40)	(75)	(1,002)	(1,282)	7	(6)	(971)	33
Adjusted EBIT	\$ 416	\$ 412	\$ 550	\$ 1,378	\$ 746	\$ 855	\$ 861	\$ 828	\$ 878	\$ 4,168	\$ 289	\$ 400	\$ 572	\$ 1,090
Net sales	\$ 5,295	\$ 5,260	\$ 5,350	\$ 15,905	\$ 5,677	\$ 6,384	\$ 7,057	\$ 7,160	\$ 7,055	\$ 33,333	\$ 1,904	\$ 2,213	\$ 5,130	\$ 6,367
Net sales growth %	2.4 %	(0.7)%	1.7 %	n/a	6.1 %	12.5 %	10.5 %	1.5 %	(1.5)%	n/a	n/a	n/a	n/a	n/a
Adjusted EBIT as a % of Net sales	7.9 %	7.8 %	10.3 %	8.7 %	13.1 %	13.4 %	12.2 %	11.6 %	12.4 %	12.5 %	15.2 %	18.1 %	11.2 %	17.1 %

(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 5 of Appendix B for explanation of adjusting items.

# APPENDIX B: NON-GAAP RECONCILIATION – TABLE 2

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

	Last Twelve Months (LTM) Ended September 30, 2021	LTM Ended September 30, 2020	Simple Average 2016 to 2020	Twelve Months Ended December 31,					Simple Average 2013 to 2015	Twelve Months Ended December 31,			
				2020	2019	2018	2017	2016		2015	2014	2013	2012
<b>Numerator</b>													
Adjusted EBIT (a)	\$ 1,396	n/a	n/a	\$ 878	\$ 828	\$ 861	\$ 855	\$ 746	n/a	\$ 550	\$ 412	\$ 416	\$ 293
Less: Taxes at pro forma tax rate (b)	(368)	n/a	n/a	(211)	(232)	(224)	(282)	(246)	n/a	(182)	(124)	(112)	(67)
Net operating profit after tax	\$ 1,028	n/a	n/a	\$ 667	\$ 596	\$ 637	\$ 573	\$ 500	n/a	\$ 368	\$ 288	\$ 304	\$ 226
<b>Denominator</b>													
Goodwill	\$ 995	\$ 976	n/a	\$ 989	\$1,932	\$1,949	\$1,507	\$1,336	n/a	\$1,167	\$1,168	\$1,166	\$ 1,143
Intangible assets, net	1,629	1,655	n/a	1,667	1,721	1,779	1,360	1,138	n/a	999	1,017	1,040	1,045
Less: Adjustment to exclude pre-emergence and fresh start goodwill and intangible assets, net and other non-acquisition intangibles (c)	(1,434)	(1,441)	n/a	(1,439)	(1,978)	(1,994)	(2,008)	(2,025)	n/a	(2,043)	(2,058)	(2,084)	(2,107)
Post-emergence goodwill and intangibles	1,190	1,190	n/a	1,217	1,675	1,734	859	449	n/a	123	127	122	81
Receivables, less allowances	1,141	1,016	n/a	919	770	794	806	678	n/a	709	674	683	600
Inventories	949	886	n/a	855	1,033	1,072	841	710	n/a	644	817	810	786
Less: Accounts payable	(1,139)	(839)	n/a	(875)	(815)	(851)	(834)	(615)	n/a	(535)	(542)	(547)	(498)
Property, plant and equipment, net	3,767	3,717	n/a	3,809	3,855	3,811	3,425	3,112	n/a	2,956	2,899	2,932	2,903
Total capital	\$ 5,908	\$ 5,970	n/a	\$5,925	\$6,518	\$6,560	\$5,097	\$4,334	n/a	\$3,897	\$3,975	\$4,000	\$ 3,872
Average of beginning and ending total capital (d)	\$ 5,939	n/a	n/a	\$6,222	\$6,539	\$6,251	\$4,716	\$4,188	n/a	\$3,936	\$3,988	\$3,936	n/a
Return on capital (NOPAT / Average total capital) (e)	17.3 %	n/a	10.8 %	10.7 %	9.1 %	10.2 %	12.2 %	11.9 %	8.1 %	9.3 %	7.2 %	7.7 %	n/a

(a) Please refer to Table 1 of Appendix B for the reconciliation of net earnings (loss) 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 tax rate is equal to each year's effective tax rate, less the impact of significant valuation allowance reversals and deferred tax adjustments described in Table 6 of Appendix B. The following pro forma tax rates were used above: 24% in 2020, 28% in 2019, 26% in 2018, 33% in 2017, 33% in 2016, 33% in 2015, 30% in 2014, and 27% in 2013.

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

(d) Includes Owens Corning management estimate to normalize the mid-year timing impact of the April 21, 2016 InterWrap acquisition on average total capital for 2016 and estimate to normalize early-year timing impact of the February 5, 2018 Paroc acquisition on average total capital for 2018. Accordingly, we added \$72 million to the average of beginning and ending total capital for 2016 and \$422 million to the average of beginning and ending total capital for 2018 to arrive at the figures above. No adjustment was applied to 2017 average total capital for the June 27, 2017 Pittsburgh Corning acquisition, due to the proximity of its acquisition date to mid-year.

(e) 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 B: NON-GAAP RECONCILIATION – TABLE 3

The reconciliation from net earnings (loss) attributable to Owens Corning to EBIT and Adjusted EBIT, and the calculation of net operating profit after tax (NOPAT) are shown in the table below (in millions):

	Twelve Months Ended December 31, 2020 (A)	Nine Months Ended September 30, 2020 (B)	Nine Months Ended September 30, 2021 (C)	Last Twelve Months (LTM) Ended September 30, 2021 (A) - (B) + (C)
Net earnings (loss) attributable to Owens Corning	\$ (383)	\$ (615)	\$ 768	\$ 1,000
Less: net loss attributable to non-controlling interests	(2)	—	(1)	(3)
Net earnings (loss)	(385)	(615)	767	997
Earnings from and gain on sale of discontinued operations, net of tax	—	—	—	—
Earnings (loss) from continuing operations	(385)	(615)	767	997
Equity in net earnings (loss) of affiliates	—	1	—	(1)
Income tax expense	129	119	250	260
Earnings (loss) from continuing operations before taxes	(256)	(497)	1,017	1,258
Interest expense, net	132	98	97	131
Loss on extinguishment of debt	—	—	9	9
Earnings (loss) from continuing operations before interest and taxes	(124)	(399)	1,123	1,398
Adjusting items (a)	(1,002)	(971)	33	2
Adjusted EBIT	\$ 878	\$ 572	\$ 1,090	\$ 1,396
Less: Taxes at pro forma tax rate (b)	\$ (211)	\$ (137)	\$ (294)	\$ (368)
Net operating profit after tax	\$ 667	\$ 435	\$ 796	\$ 1,028

(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 5 of Appendix B for explanation of adjusting items.

(b) To compute NOPAT, we apply a pro forma effective tax rate to Adjusted EBIT. The pro forma tax rate is equal to each year's effective tax rate, less the impact of significant valuation allowance reversals and deferred tax adjustments described in Table 6 of Appendix B. For 2020, we have used a full year pro forma effective tax rate of 24%, which was our 2020 effective tax rate. For 2021, we have used a full year pro forma effective tax rate of 27%, which is the mid-point of our 2021 effective tax rate guidance of 26% to 28%.



# APPENDIX B: NON-GAAP RECONCILIATION – TABLE 4

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):

	Twelve Months Ended December 31,			Total of 2013 to 2015	Twelve Months Ended December 31,					Total of 2016 to 2020	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2014	2015		2016	2017	2018	2019	2020		2020	2021	2020	2021
Net cash flow provided by operating activities	\$383	\$452	\$742	\$ 1,577	\$943	\$1,016	\$803	\$1,037	\$1,135	\$ 4,934	\$ 488	\$ 466	\$ 717	\$ 1,168
Less: Cash paid for property, plant and equipment	(329)	(402)	(401)	(1,132)	(373)	(337)	(537)	(447)	(307)	(2,001)	(63)	(66)	(203)	(243)
Free cash flow (a)	\$ 54	\$ 50	\$341	\$ 445	\$570	\$679	\$266	\$590	\$828	\$ 2,933	\$ 425	\$ 400	\$ 514	\$ 925
Adjusted earnings (b)	\$221	\$208	\$304	\$ 733	\$419	\$498	\$550	\$500	\$566	\$ 2,533	\$ 193	\$ 262	\$ 359	\$ 719
Free cash flow conversion (c)	24 %	24 %	112 %	61 %	136 %	136 %	48 %	118 %	146 %	116 %	n/a	n/a	n/a	n/a

(a) Free cash flow is a non-GAAP liquidity measure used by investors, financial analysts and management to help evaluate the Company's ability to generate cash to pursue opportunities that enhance shareholder value. Free cash flow is not a measure of residual cash flow available for discretionary expenditures due to the Company's mandatory debt service requirements.

(b) Please refer to Table 6 of Appendix B for the reconciliation from net earnings (loss) attributable to Owens Corning to adjusted earnings.

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

# APPENDIX B: NON-GAAP RECONCILIATION – TABLE 5

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

	Twelve Months Ended December 31,									Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2014	2015	2016	2017	2018	2019	2020	2020	2021	2020	2021	
Restructuring costs	\$ (26)	\$ (36)	\$ (2)	\$ (28)	\$ (48)	\$ (22)	\$ (28)	\$ (41)	\$ —	\$ (20)	\$ (10)	\$ (22)	
Gain on sale of land in India	—	—	—	—	—	—	—	—	—	15	—	15	
Acquisition-related costs	—	—	—	(9)	(15)	(16)	—	—	—	—	—	—	
Recognition of acquisition inventory fair value step-up	—	—	—	(10)	(5)	(2)	—	—	—	(1)	—	(1)	
Litigation settlement gain, net of legal fees	—	—	—	—	29	—	—	—	—	—	—	—	
Pension settlement losses	—	—	—	—	(64)	—	(43)	—	—	—	—	—	
Environmental liability charges	—	—	—	—	(15)	—	(4)	—	—	—	—	—	
(Losses) gains on asset sales, impairments, useful life changes and insurance activity	(5)	16	—	—	—	—	—	(961)	7	—	(961)	41	
<b>Total adjusting items (a)</b>	<b>\$ (31)</b>	<b>\$ (20)</b>	<b>\$ (2)</b>	<b>\$ (47)</b>	<b>\$ (118)</b>	<b>\$ (40)</b>	<b>\$ (75)</b>	<b>\$ (1,002)</b>	<b>\$ 7</b>	<b>\$ (6)</b>	<b>\$ (971)</b>	<b>\$ 33</b>	

(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. For the three and nine months ended September 30, 2020 and September 30, 2021, please refer to our Form 10-Q filing for the third quarter of 2021 in the "Adjusted Earnings Before Interest and Taxes" paragraph of Management's Discussion and Analysis for additional information on these items.

# APPENDIX B: NON-GAAP RECONCILIATION – TABLE 6

A reconciliation from net earnings (loss) attributable to Owens Corning to adjusted earnings and a reconciliation from diluted earnings (loss) per share to adjusted diluted earnings per share for selected periods are shown in the tables below (in millions, except per share data):

	Twelve Months Ended December 31,								Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2014	2015	2016	2017	2018	2019	2020	2020	2021	2020	2021
<b>RECONCILIATION TO ADJUSTED EARNINGS</b>												
Net earnings (loss) attributable to Owens Corning	\$ 204	\$ 226	\$ 330	\$ 393	\$ 289	\$ 545	\$ 405	\$ (383)	\$ 206	\$ 260	\$ (615)	\$ 768
Adjustment to remove adjusting items (a)	31	66	2	47	189	40	107	1,002	(7)	6	971	(33)
Adjustment to remove tax (benefit)/expense on adjusting items (b)	(14)	(18)	(1)	(11)	(62)	(12)	(24)	(20)	3	(2)	(13)	7
Adjustment to remove significant tax items (c)	—	(66)	(27)	(10)	82	(23)	12	(33)	(19)	—	(1)	—
Adjustment to tax expense to reflect pro forma tax rate (d)	—	—	—	—	—	—	—	—	10	(2)	17	(23)
<b>ADJUSTED EARNINGS</b>	<b>\$ 221</b>	<b>\$ 208</b>	<b>\$ 304</b>	<b>\$ 419</b>	<b>\$ 498</b>	<b>\$ 550</b>	<b>\$ 500</b>	<b>\$ 566</b>	<b>\$ 193</b>	<b>\$ 262</b>	<b>\$ 359</b>	<b>\$ 719</b>
<b>RECONCILIATION TO ADJUSTED DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO OWENS CORNING COMMON STOCKHOLDERS</b>												
DILUTED EARNINGS (LOSS) PER COMMON SHARE ATTRIBUTABLE TO OWENS CORNING COMMON STOCKHOLDERS	\$ 1.71	\$ 1.91	\$ 2.79	\$ 3.41	\$ 2.55	\$ 4.89	\$ 3.68	\$ (3.53)	\$ 1.88	\$ 2.50	\$ (5.66)	\$ 7.30
Adjustment to remove adjusting items (a)	0.26	0.56	0.02	0.41	1.67	0.36	0.97	9.23	(0.06)	0.06	8.93	(0.31)
Adjustment to remove tax (benefit)/expense on adjusting items (b)	(0.11)	(0.15)	(0.01)	(0.10)	(0.54)	(0.11)	(0.22)	(0.18)	0.03	(0.02)	(0.12)	0.07
Adjustment to remove significant tax items (c)	—	(0.56)	(0.23)	(0.09)	0.72	(0.20)	0.11	(0.31)	(0.17)	—	(0.01)	—
Adjustment to tax expense to reflect pro forma tax rate (d)	—	—	—	—	—	—	—	—	0.08	(0.02)	0.16	(0.23)
<b>ADJUSTED DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO OWENS CORNING COMMON STOCKHOLDERS</b>	<b>\$ 1.86</b>	<b>\$ 1.76</b>	<b>\$ 2.57</b>	<b>\$ 3.63</b>	<b>\$ 4.40</b>	<b>\$ 4.94</b>	<b>\$ 4.54</b>	<b>\$ 5.21</b>	<b>\$ 1.76</b>	<b>\$ 2.52</b>	<b>\$ 3.30</b>	<b>\$ 6.83</b>
<b>RECONCILIATION TO DILUTED SHARES OUTSTANDING</b>												
Weighted average shares outstanding used for basic earnings per share	118.2	117.5	117.2	114.4	111.5	110.4	109.2	108.6	108.8	103.1	108.7	104.4
Non-vested restricted shares and performance shares	0.4	0.4	0.6	0.8	1.5	0.8	0.7	—	0.6	0.7	—	0.7
Options to purchase common stock	0.5	0.4	0.4	0.2	0.2	0.2	0.2	—	0.1	0.1	—	0.1
Diluted shares outstanding	119.1	118.3	118.2	115.4	113.2	111.4	110.1	108.6	109.5	103.9	108.7	105.2

(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 5 of Appendix B for explanation of adjusting items. Adjusting items shown here also include loss on extinguishment of debt of \$32 million for 2019, \$71 million for 2017 and \$46 million for 2014.

(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) For 2021, there were no significant tax items. For 2020, significant tax items include the impact of a change in valuation allowances recorded against certain deferred tax assets, a change in estimate related to finalized regulations on global intangible low-taxes income (GILTI), part of the U.S. Tax Cuts and Jobs Act of 2017, and the recognition of a deferred tax asset resulting from the transfer of certain intellectual property rights held by wholly owned foreign subsidiaries to the U.S. For 2019, significant tax items include the impact of a change in estimate related to proposed regulations on GILTI, part of the U.S. Tax Cuts and Jobs Act of 2017. For 2018, significant tax items include the impact of our net charge related to the U.S. Tax Cuts and Jobs Act of 2017 and the \$32 million gain related to the settlement of an uncertain tax position in Finland. For 2017, significant tax items include the impact of our net charge related to the U.S. Tax Cuts and Jobs Act of 2017. For 2016, significant tax items include the reversal (recorded in the fourth quarter of 2016) of valuation allowances against certain European net deferred tax assets. For 2015, significant tax items include the reversal of a valuation allowance against certain Canadian net deferred assets. For 2014, significant tax items include the resolution a significant uncertain tax position and the reversal of a valuation allowance recorded in prior years against certain European net deferred tax assets. For 2013, there were no significant tax items.

(d) To compute adjusted earnings, we apply a full year pro forma effective tax rate to each quarter presented. For 2021, we have used a full year pro forma effective tax rate of 27%, which is the mid-point of our 2021 effective tax rate guidance of 26% to 28%, excluding the items referenced in (a), (b) and (c). For 2020, we have used a full year pro forma effective tax rate of 24%, which was our 2020 effective tax rate, excluding the adjusting items referenced in (a), (b) and (c). For 2019, we have used a full year pro forma effective tax rate of 28%, which was our 2019 effective tax rate, excluding the adjusting items referenced in (a), (b) and (c). For 2018, we have used an effective tax rate of 26%, which was our 2018 effective tax rate excluding the adjusting items referenced in (a), (b) and (c). For 2017, we have used an effective tax rate of 33%, which was our 2017 effective tax rate excluding the adjusting items referenced in (a), (b) and (c). For 2016, we have used an effective tax rate of 33%, which was our 2016 effective tax rate excluding the adjusting items referenced in (a), (b) and (c). For 2015, we have used an effective tax rate of 33%, which was our 2015 effective tax rate excluding the adjusting items referenced in (a), (b) and (c). For 2014, we have used an effective tax rate of 30%, which was our 2014 effective tax rate excluding the adjusting items referenced in (a), (b) and (c). For 2013, we have used an effective tax rate of 27%, which was our 2013 effective tax rate excluding the adjusting items referenced in (a), (b) and (c).

# APPENDIX B: NON-GAAP RECONCILIATION – TABLE 7

The reconciliation of Net earnings (loss) attributable to Owens Corning to Earnings (loss) before interest and taxes ("EBIT") and adjusted EBIT, and a reconciliation from EBIT to Earnings (loss) before interest, taxes, depreciation and amortization ("EBITDA") and adjusted EBITDA are shown in the table below (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2021	2020	2021
NET EARNINGS (LOSS) ATTRIBUTABLE TO OWENS CORNING	\$ 206	\$ 260	\$ (615)	\$ 768
Net loss attributable to noncontrolling interests	—	(1)	—	(1)
NET EARNINGS (LOSS)	206	259	(615)	767
Equity in net (loss) earnings of affiliates	1	(1)	1	—
Income tax expense	56	94	119	250
EARNINGS (LOSS) BEFORE TAXES	261	354	(497)	1,017
Interest expense, net	35	31	98	97
EARNINGS (LOSS) BEFORE INTEREST AND TAXES	296	394	(399)	1,123
Adjusting items (a)	7	(6)	(971)	33
ADJUSTED EBIT	\$ 289	\$ 400	\$ 572	\$ 1,090
EARNINGS (LOSS) BEFORE INTEREST AND TAXES	\$ 296	\$ 394	\$ (399)	\$ 1,123
Depreciation and amortization	120	129	352	370
EBITDA	416	523	(47)	1,493
Adjusting items (a)	(7)	6	971	(33)
Accelerated depreciation included in restructuring	—	(6)	(1)	(8)
ADJUSTED EBITDA	\$ 409	\$ 523	\$ 923	\$ 1,452
Net Sales	1,904	2,213	5,130	6,367
ADJUSTED EBITDA as a % of Net Sales	21 %	24 %	18 %	23 %

(a) Please refer to Table 5 of Appendix B for detail of adjusting items to EBIT.

# APPENDIX B: NON-GAAP RECONCILIATION – TABLE 8

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):

	September 30, 2021		September 30, 2020	
Short-term debt	\$	2	\$	—
Long-term debt - current portion		24		18
Long-term debt, net of current portion		2,958		3,126
Total debt	\$	2,984	\$	3,144
Less: Cash and cash equivalents		(920)		(647)
Net debt	\$	2,064	\$	2,497