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Owens Corning
Form 10-Q
October 24, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2018

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 1-33100

Owens Corning

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

43-2109021

(I.R.S. Employer Identification No.)

One Owens Corning Parkway, Toledo, OH

(Address of principal executive offices)

(419) 248-8000

(Registrant's telephone number, including area code)

43659

(Zip Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of October 16, 2018, 109,319,759 shares of registrant's common stock, par value \$0.01 per share, were outstanding.

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PART I

ITEM 1. FINANCIAL STATEMENTS

OWENS CORNING AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

(unaudited)

(in millions, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
NET SALES	\$1,818	\$1,703	\$5,333	\$4,778
COST OF SALES	1,370	1,280	4,112	3,605
Gross margin	448	423	1,221	1,173
OPERATING EXPENSES				
Marketing and administrative expenses	159	159	531	456
Science and technology expenses	21	22	66	64
Other expenses, net	13	19	39	43
Total operating expenses	193	200	636	563
OPERATING INCOME	255	223	585	610
Non-operating (income) expense	(4)	(4)	(11)	23
EARNINGS BEFORE INTEREST AND TAXES	259	227	596	587
Interest expense, net	31	28	92	81
Loss on extinguishment of debt	—	71	—	71
EARNINGS BEFORE TAXES	228	128	504	435
Income tax expense	67	32	127	142
Equity in net earnings / (loss) of affiliates	1	—	(1)	—
NET EARNINGS	162	96	376	293
Net earnings attributable to noncontrolling interests	1	—	2	—
NET EARNINGS ATTRIBUTABLE TO OWENS CORNING	\$161	\$96	\$374	\$293
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO OWENS CORNING COMMON STOCKHOLDERS				
Basic	\$1.46	\$0.86	\$3.38	\$2.63
Diluted	\$1.45	\$0.85	\$3.35	\$2.59
Dividend	\$0.21	\$0.20	\$0.63	\$0.60
WEIGHTED AVERAGE COMMON SHARES				
Basic	110.0	111.0	110.8	111.6
Diluted	110.9	112.7	111.7	113.2

The accompanying Notes to the Consolidated Financial Statements are an integral part of this Statement.

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OWENS CORNING AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS
(unaudited)
(in millions)