

Armstrong World Industries Investor Presentation

Armstrong WORLD INDUSTRIES

Safe Harbor Statement

Our disclosures in this presentation, including without limitation, those relating to future financial results market conditions and guidance, the impacts of COVID on our business, and in our other public documents and comments contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Those statements provide our future expectations or forecasts and can be identified by our use of words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “outlook,” “target,” “predict,” “may,” “will,” “would,” “could,” “should,” “seek,” and other words or phrases of similar meaning in connection with any discussion of future operating or financial performance. This includes both annual guidance and five-year growth targets which represent internal company estimates at a five-year compounded annual growth rate. References to 2026 targets throughout the presentation specifically reflect company estimates as of March 3, 2022. Forward-looking statements, by their nature, address matters that are uncertain and involve risks because they relate to events and depend on circumstances that may or may not occur in the future. As a result, our actual results may differ materially from our expected results and from those expressed in our forward-looking statements. A more detailed discussion of the risks and uncertainties that may affect our ability to achieve the projected performance is included in the “Risk Factors” and “Management’s Discussion and Analysis” sections of our reports on Form 10-K and 10-Q filed with the U.S. Securities and Exchange Commission (“SEC”). Forward-looking statements speak only as of the date they are made. We undertake no obligation to update any forward-looking statements beyond what is required under applicable securities law.

In addition, we will be referring to non-Generally Accepted Accounting Principles (“GAAP”) financial measures within the meaning of SEC Regulation G.

A reconciliation of the differences between these measures with the most directly comparable financial measures calculated in accordance with GAAP are included within this presentation and available on the Investor Relations page of our website at www.armstrongceilings.com.

Basis of Presentation Explanation

- References to “AWI”, “Armstrong”, “the Company”, “we”, “us”, “our” are to Armstrong World Industries, Inc.
- A glossary of terms is included in the appendix which may help the reader understand terms that are specific to AWI or the building products industry.
- Results throughout this presentation are presented on a normalized basis.
- We remove the impact of certain discrete expenses and income in certain measures including adjusted net sales, adjusted EBITDA, diluted adjusted earnings per share (“EPS”) and adjusted free cash flow (“FCF”). The Company excludes certain acquisition related expenses (i.e. – changes in the fair value of earn-outs, deferred compensation accruals(1), impact of adjustments related to the fair value of inventory and deferred revenue) for recent acquisitions. The Company excludes all acquisition-related amortization from adjusted earnings from continuing operations and in calculations of adjusted diluted earnings per share. Examples of other excluded items include plant closures, restructuring actions and related costs, impairments, separation costs, environmental site expenses and related insurance recoveries, endowment level charitable contributions, and certain other gains and losses. The Company also adjusts for our U.S. Retirement Income Plan (“RIP”) (credit) expense(2).
- Our tax rate may be adjusted for certain discrete items which are identified in the footnotes.
- Investors should not consider non-GAAP measures as a substitute for GAAP measures.

All figures throughout the presentation are in $ millions, except per share data. Average Unit Value (AUV) figures are shown as actuals. Some totals may not foot due to rounding.

1. The deferred compensation accruals are for cash and stock awards that will be recorded over the vesting period, as such payments are subject to the sellers’ and employees’ continued employment with the Company.
2. U.S. pension (credit) expense represents the actuarial net periodic benefit cost expected to be recorded as a component of earnings from continuing operations. For all periods presented, we were not required to and did not make cash contributions to our U.S. Retirement Income Plan based on guidelines established by the Pension Benefit Guaranty Corporation.

The Power of Focus



Armstrong WORLD INDUSTRIES

Poised to Accelerate Value Creation for All Stakeholders



We've created a **uniquely focused building products** company built on **strong fundamentals** with an improving competitive position.



Our enhanced ability to compete **sustains and strengthens** the existing value drivers of **AUV growth, Architectural Specialties growth and manufacturing productivity.**



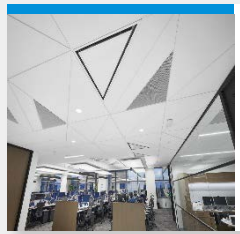
Secular tailwinds plus **growth initiatives** add a new growth dimension of **Mineral Fiber Volume growth**.

Armstrong World Industries Overview

- Leader in the design & manufacture of innovative **ceiling and wall** solutions
- For more than **160 years,** we have built our business on trust and integrity

Q2 2022 Trailing 12 Months (TTM) Consolidated Results

Net Sales	Adj. Diluted EPS*	Adj. EBITDA*	Adj. Free Cash Flow*	Market Cap(1)
$1,178M	$4.57	$376M	$168M	$3.5B



Segment 1:
Mineral Fiber

Net Sales: **$859M**
Adj. EBITDA*: **$326M**

Joint Venture(2)

WAVE
WORTHINGTON ARMSTRONG VENTURE

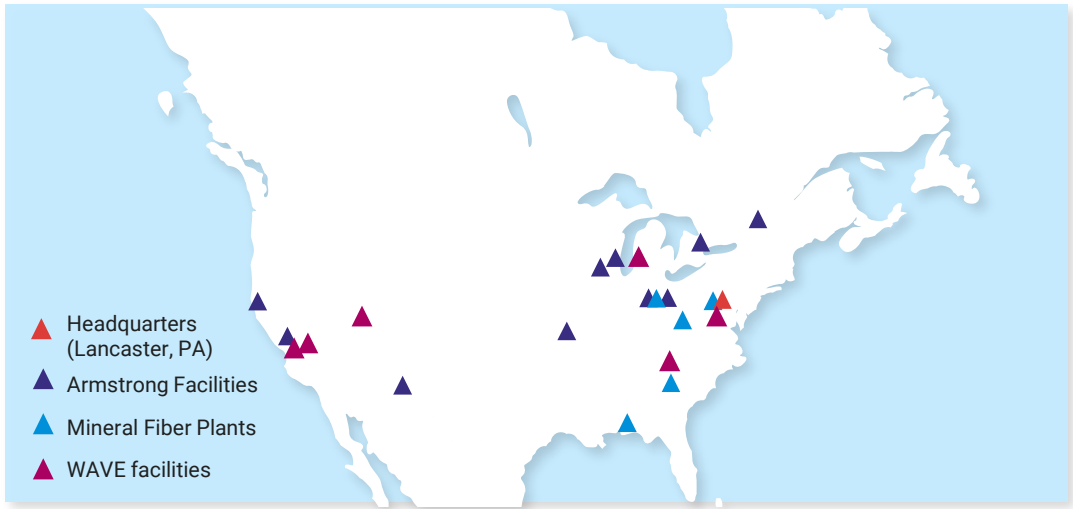


Segment 2:
Architectural Specialties

Net Sales: **$319M**
Adj. EBITDA*: **$50M**

~3,000 Employees

15 Operating Facilities



M&A Activity 2017- 2021

TECTUM INC. The Noise Control Solution
PLASTERFORM Architectural Castings
ACGI
ARKTURA
Steel Ceilings Inc. Manufacturer of Metal Ceilings and Specialty Systems
MóZ
MRK INDUSTRIES
TURF

* Non-GAAP measure. Reconciliations provided in the appendix of this presentation.
1) As of 6/30/2022, rounded.
2) Worthington Armstrong 50/50 Joint Venture ("WAVE")

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Armstrong World Industries – Our Why

Making a positive *difference* in the spaces where we…



live



work



learn



heal



play

It matters to us, and it matters to our customers

Sustainability at the Heart of Our Why and Our Strategy

Our Approach

Three Pillars guide our sustainability program, with specific goals and 2030 targets. Delivering on these aspirations drives value for our customers, our employees, our communities and our shareholders(1).

Our Sustainability Goals



Thriving People and Communities

Our workforce will be safe, diverse, inclusive and fulfilled, and we will actively contribute to our local communities.



Healthy Planet

All our electricity sources will be renewable, and we will dramatically reduce carbon, waste and water impacts of our products and solutions.



Healthy and Circular Products

We are committed to responsible sourcing & providing transparency in our products. In addition, we will design our products to minimize waste & pollution; support recycling, repurposing or reuse; & contribute to the regeneration of natural systems.

1) See AWI Sustainability Report

Uniquely Positioned to Win in an Attractive Category



Attractive Category

Ceilings & specialty walls is unique within the building products industry.

Consolidated industry structure with exposure to diverse end markets

Large installed base (est. at ~38B ft^2) generates stable and repeating repair and remodel demand(1)

Highly specified, high-value products with few cost-effective substitutes

Customers demonstrate brand loyalty; **reward performance, service and innovation**

Ceilings are an integral part of evolving solutions to meet increasing demand for **healthy indoor spaces**



Why We Win

AWI is advantageously positioned to win in this category.

Strongest and most trusted brand

Broadest, **most innovative** product portfolio

Specification leadership through deep and long-standing relationships with architects and designers

Large manufacturing **scale** with **strong exclusive distribution partners**

Operational excellence supporting **best-in-class** service and quality

A culture that fosters **empowerment, innovation, teamwork and execution** across functional areas

1) Based on internal company estimates.

Creating a Uniquely Focused Building Products Company

2016

- Separated from Armstrong Flooring to focus on ceilings and specialty walls
- Launched Sustain™ product line

2017

- Embarked on Architectural Specialties ("AS") expansion with Tectum acquisition
- Announced sale of non-Americas business to become Americas focused

2018

- Initiated quarterly cash dividend
- Initiated comprehensive digitalization effort
- Completed 2 Architectural Specialties ("AS") acquisitions

2019

- $150M accelerated share repurchase with proceeds from non-Americas business sale
- Completed 2 AS acquisitions

2020

- Launched new Healthy Spaces portfolio
- Expanded sustainability efforts
- Completed 3 AS acquisitions

2021

- Launched kanopi™ digital platform
- Issued inaugural sustainability report
- Completed Living Lab



Today, we are an Americas-focused ceilings & specialty walls company with a growing portfolio serving an expanding addressable market

Delivering on 2018 Strategic Imperatives

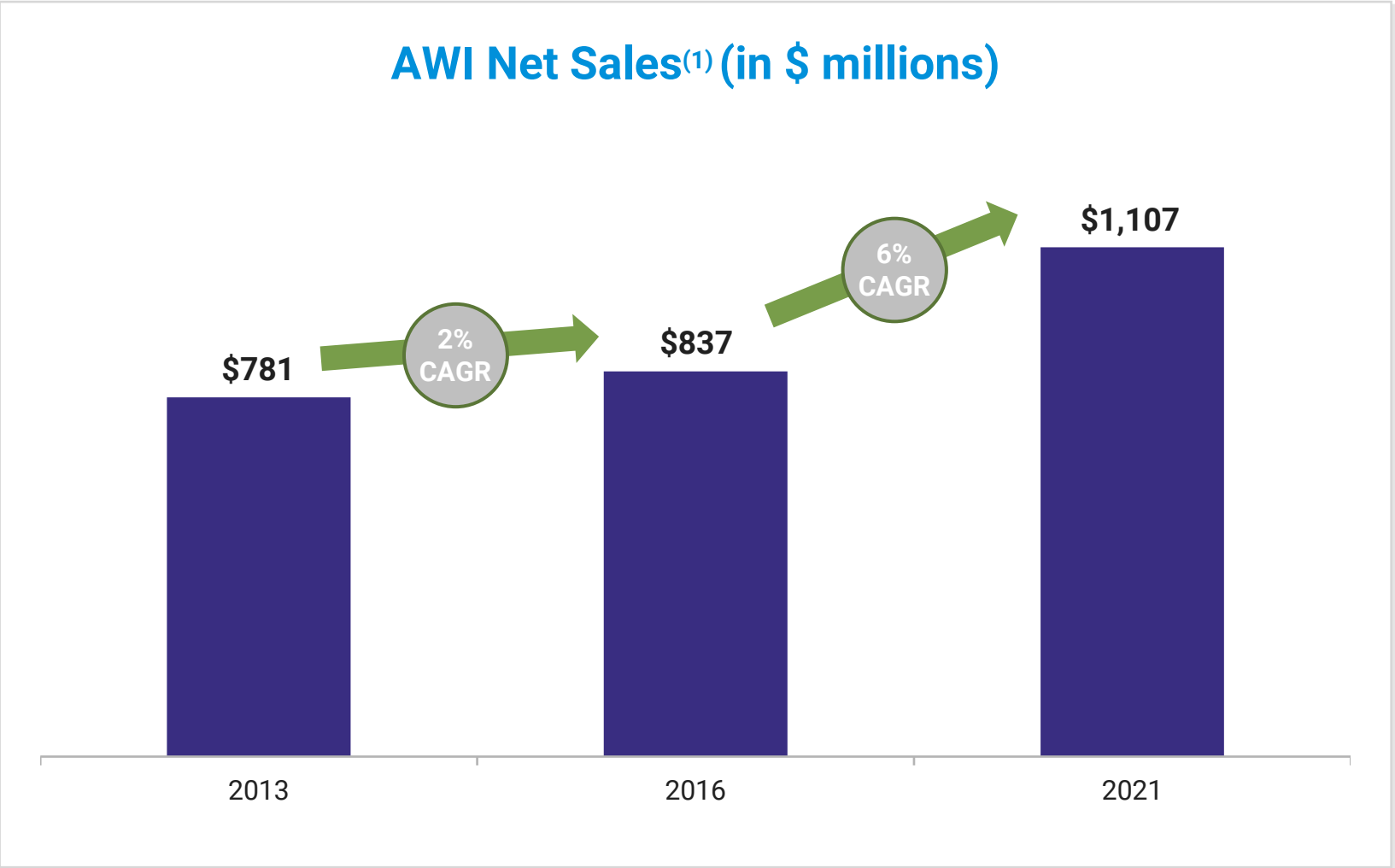
Strong execution across all imperatives despite COVID challenges

Strategic Imperative	Outcomes Since 2018(1)	
Revitalize Mineral Fiber (MF) category through innovation and new paths to market	Product Vitality index up from 28% to ~40%	Multiple new product lines introduced
Accelerate Architectural Specialties (AS) through acquisitions & organic growth	5 Acquisitions	66% increase in AS Net Sales
Embark on digital transformation	Launched kanopi by Armstrong and ProjectWorks®	Invested in plant automation to enhance reliability & productivity
Generate strong cash flow & pursue balanced capital allocation program	Avg. FCF margin* of 22%	Approx. $250M in acquisitions and over $650M of dividends & share repurchases

*Non-GAAP measure. Reconciliations provided in the appendix of this presentation.
1) All figures through 12/31/2021.

Doing What We Said We Would Do: Changing our Top-Line Trajectory

Strong execution on key value drivers



Results Driven by

- Like-for-like pricing above inflation
- Mix up to higher value products
- Double-digit growth in Architectural Specialties

1) AWI Net Sales represents AWI on a Continuing Operations (Americas, ceilings only) basis.

Macro Trends Provide Additional Opportunity for AWI

Economic recovery from pandemic recession



Focus on safety and indoor environmental quality



Increased government funding for education / infrastructure



Demand for sustainable solutions



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Investing in Industry Leading Growth Initiatives

Initiatives



INNOVATION



HEALTHY SPACES



DIGITAL

Driving

- New Products and applications
- Solutions to meet secular shift to healthy sustainable spaces
- New channels to access new demand

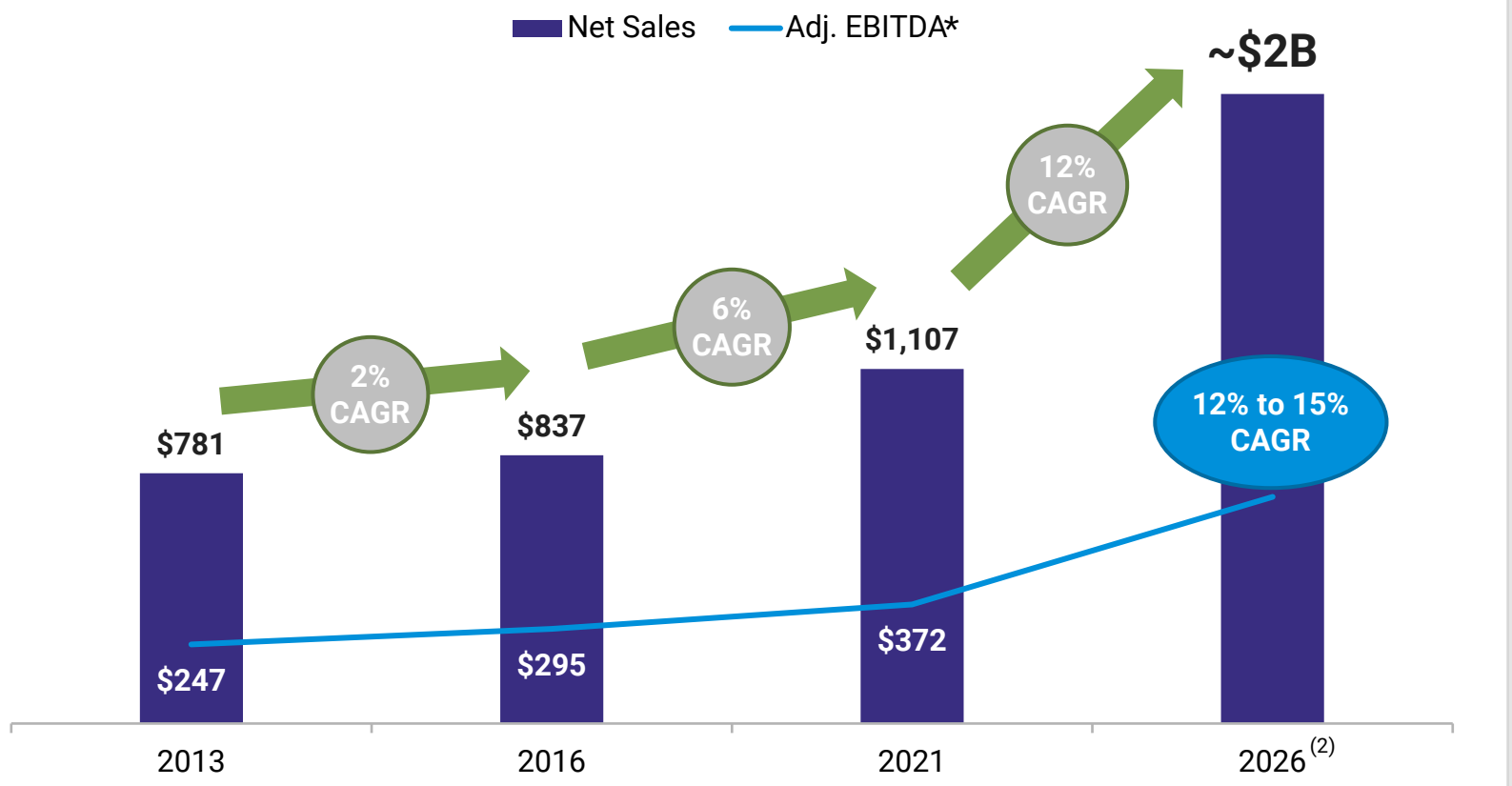
Outcomes

- Improved competitive advantage
- Enhanced Mineral Fiber AUV growth
- Mineral Fiber volume growth
- Sustained double-digit AS growth

Tailwinds and Growth Initiatives Accelerating Top Line Growth

Expecting strong sales growth at attractive margins

AWI Net Sales(1) and Adjusted EBITDA* ($ millions)



Results Accelerated by

- Mineral Fiber volume growth

Ongoing benefits

- Like-for-like pricing above inflation
- High-value product mix
- Double-digit Architectural Specialties growth
- Manufacturing scale and productivity

* Non-GAAP measure. Reconciliations provided in the appendix of this presentation.
1) AWI Net Sales represents AWI on a Continuing Operations (Americas, ceilings only) basis.
2) Based on internal company estimates as presented at the company's March 3, 2022 Investor Day.

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Segments Overview



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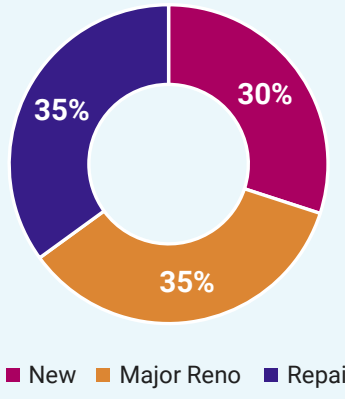
Segments Serve Diverse Projects and End Markets

Mineral Fiber

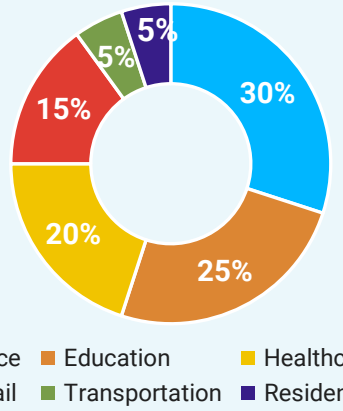
$859M
Q2 2022 TTM Net Sales

38%
Q2 2022 TTM Adj. EBITDA* Margin

Net Sales by Project Type(1)



Net Sales by Vertical(1)



Key Attributes

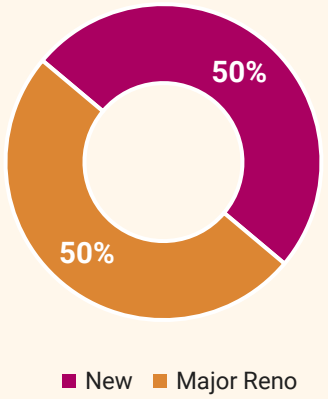
- Consistent AUV improvement
- Consistent manufacturing productivity ~3% annually
- Diverse verticals and project types lessens cyclicality
- Equity Earnings contribution from WAVE JV

Architectural Specialties

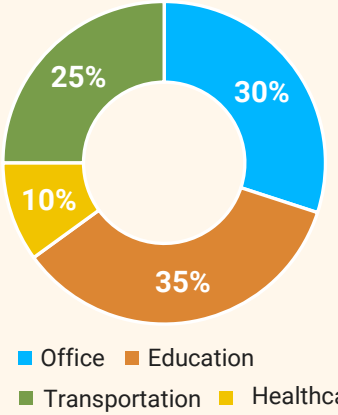
$319M
Q2 2022 TTM Net Sales

16%
Q2 2022 TTM Adj. EBITDA* Margin

Net Sales by Project Type(1)



Net Sales by Vertical(1)



Key Attributes

- Leveraged to major renovation and new construction
- High design, custom projects for statement spaces
- Lower capital requirements
- Strong growth and margin expansion opportunities

* Non-GAAP Measure. Reconciliations provided in the appendix of this presentation.
1) Based on internal company estimates.

Successful Joint Venture Provides Important Competitive Advantage

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Go to market expertise

WORTHINGTON INDUSTRIES

Steel procurement and supply chain management expertise

WAVE
WORTHINGTON ARMSTRONG VENTURE

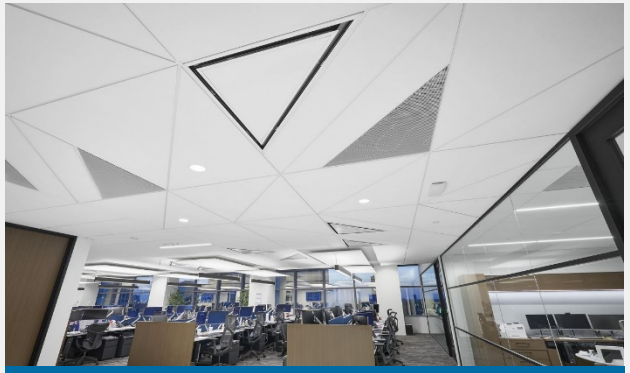
- Established in **1992…50/50** joint venture leveraging expertise of both partners
- **North American market leader** in ceiling suspension system[1] & integrated solutions
- Innovation mindset from parents
- **$431** million in sales in 2021
- Over **$800 million** of dividends to parents since 2012
- **6 U.S. plants**
- ~500 employees



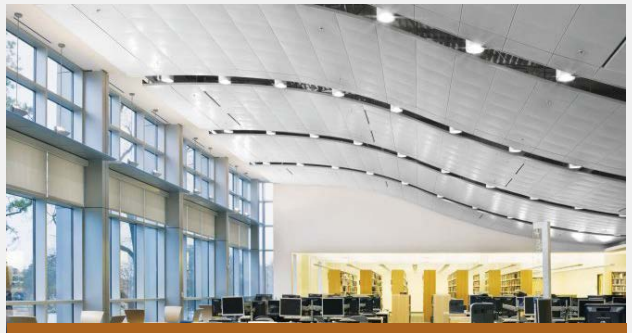
1) Ceiling suspension system: (“grid”).

Complementary Segments Support Our Winning Formula

A unique value proposition for our customers differentiates AWI in the industry



Mineral Fiber



Architectural Specialties



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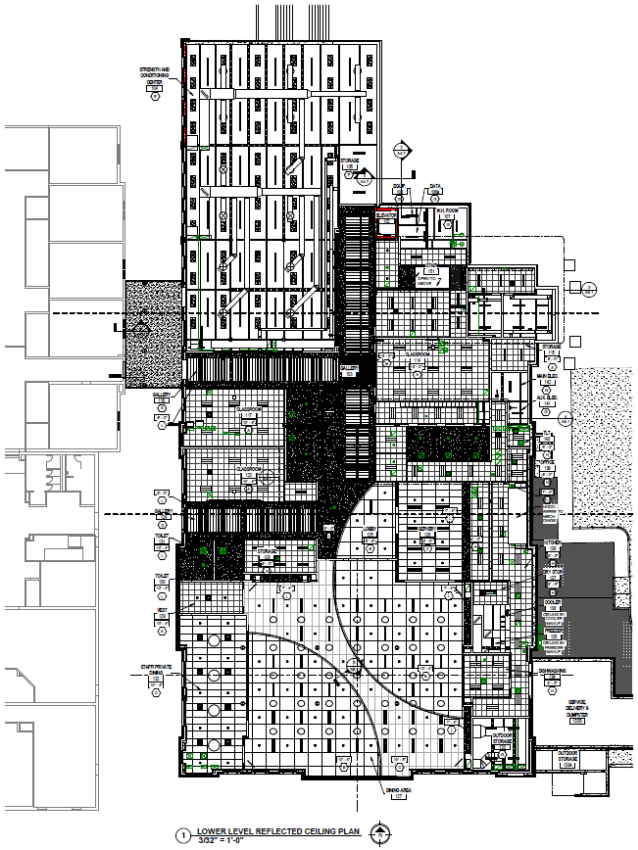
Complementary Segments Provide Total Solutions

Selling more products into more spaces

Selling innovative solutions to solve for complexity

Project: St. Mary's Episcopal School – Windland Smith Rice Building
Location: Memphis, TN
Architect: Fleming Architects





AS	WOODWORKS®
MF	OPTIMA® Lay-In and Tegular
GRID	PRELUDE XL® 15/16" Exposed Tee



GRID	AXIOM® Classic – Curved Trim
MF	OPTIMA® Lay-In and Tegular
GRID	PRELUDE XL® 15/16" Exposed Tee

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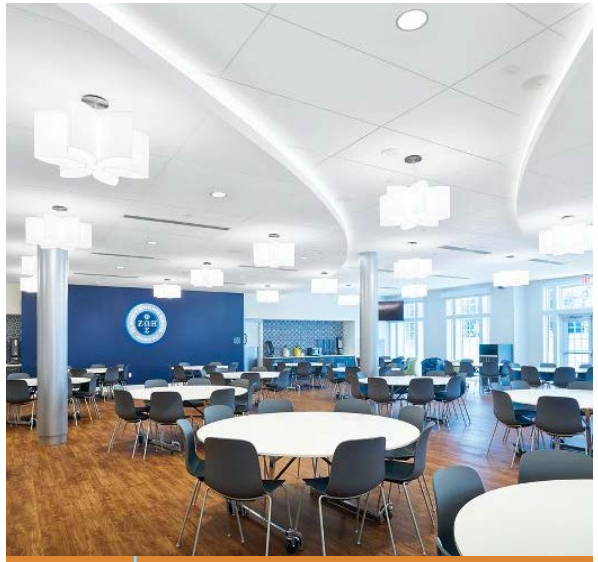
Complementary Segments Strengthen Customer Relationships

Capabilities and loyal customer relationships provide repeat opportunities

Project: St. Mary's Episcopal School **Location:** Memphis, TN **Architect:** Fleming Architects



AS	ALTITUDES® Torsion Spring
GRID	AXIOM® Classic
MF	LYRA® Plant Based



MF	INVISACOUSTICS™



GRID	SERPENTINA® Waves



AS	SOUNDSCAPES® Blades

Same campus, same architect, completely new project

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Our Segments Share Key Growth Initiatives to Accelerate Value Drivers

Reinforcing and strengthening our winning formula

Initiatives	Key Objectives	Expected Outcomes
INNOVATION	• Provide new products to **address emerging, market-driven needs** through efficient process and collaborations	• **Enhanced Mineral Fiber AUV growth** • **Mineral Fiber volume growth** • **Profitable Architectural Specialties growth**
HEALTHY SPACES	• Lead in developing solutions for **healthier indoor environmental quality**…a secular tailwind for renovation	
DIGITAL	• Efficiently access and **serve latent demand** through differentiated channels & tools	

Innovation at the Core of AWI

R&D capabilities & competencies provide a strong foundation for our value drivers

Organization - Structure

80 FTEs
Scientists, PHDs,
Engineers, Project Mgrs.

Testing & Analytics
Compliance, Speed,
Insights and learnings

Technical Expertise
Fire, Acoustics, Seismic,
Sustainability, Installation, etc.

~6,000 tests
Certified Testing Facility
(UL, NavLab)(1)

Key Competencies

- **Codes & Standards**
- **Testing & Analytics**
- **Material Science**
- **Project Execution**

ARKTURA · MóZ · TURF

New Structures: Innovation Labs & Ventures

Outcomes

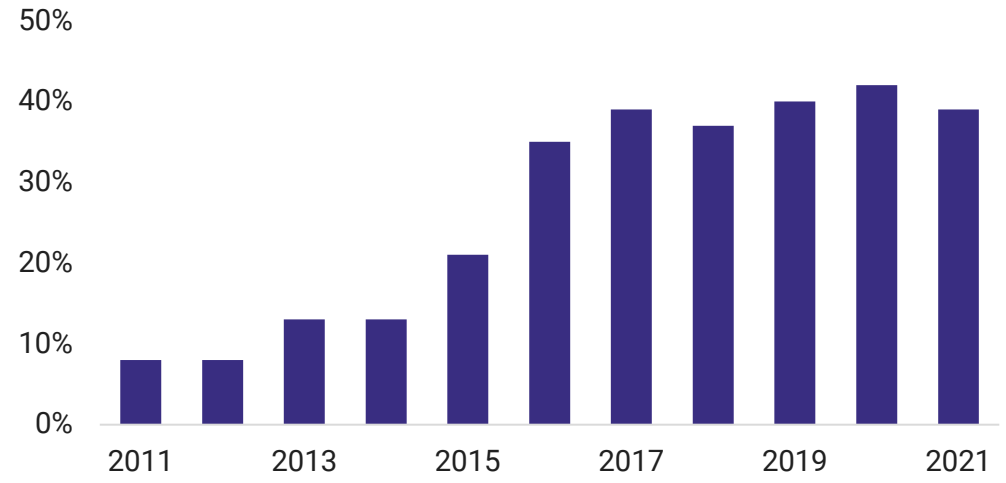
- Broad Product Portfolio
- Specification Strength
- New Product Launches
- Design Solutions
- Intellectual Property

1) "UL": Underwriters' Laboratories – a 3rd party testing and listing service for safety and quality. "NavLab": National Voluntary Laboratory Accreditation Program.

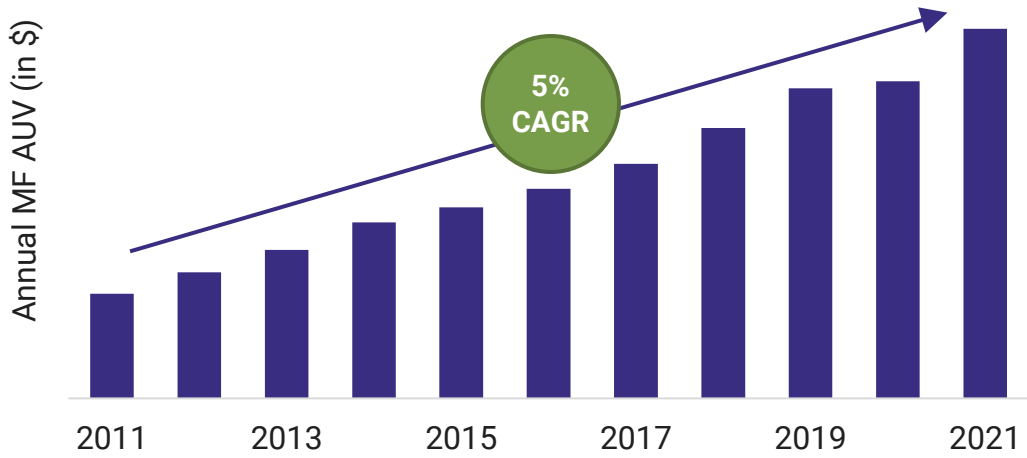
Innovation Supports Consistent Mineral Fiber AUV Growth

New products and features rewarded in the market

Product Vitality Index[1]



Robust & Consistent AUV[2] Performance



2x

Product launch rate during pandemic

Market-driven innovation

Robust processes with agile mindset

Creating highly specified high-value products

1) Product Vitality Index represents the percent of total sales from products introduced in the last 5 years.
2) US and Canada Mineral Fiber Commercial only.

Comprehensive Range of Innovation Further Differentiates AWI

Unrivaled product development to meet customer needs with higher value products

History of Market Driven Innovation

- Aesthetics
- Fire Safety
- Acoustics

Avg. MF AUV

up to 2x — TOTAL ACOUSTICS® Sound Absorption (NRC) + Sound Blocking (CAC) — 2015

up to 4x — SUSTAIN® High Performance Sustainable Ceiling Systems — 2016

up to 6x —  AcoustiBuilt™ — 2019

up to 7x — DesignFlex® — 2018

Intensified Focus Areas

- Healthy & Sustainable
- Installation Efficiencies
- Design Trends

24/7 DEFEND™ Solutions for Healthier, Safer Spaces

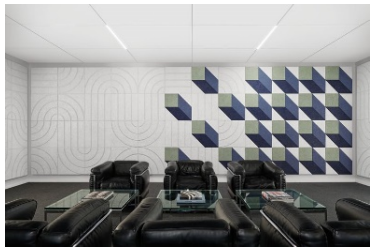
Healthy Spaces



Grid - SimpleSoffits™



AS - Metal



AS - Tectum®

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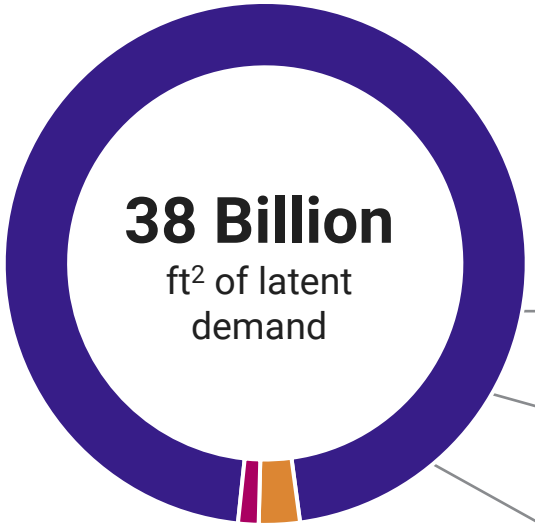
Initiatives to Benefit Mineral Fiber AUV Performance and Volume Growth

Large Installed Base Provides Sizable Opportunity to Influence[1]



	New Construction	Major Reno	Repair	
Leading Indicators	ABI[2] >50 Bidding Activity	Tenant Improvement	Improving GDP	
	Key Initiatives Focus on MF Volume Growth			**AUV Impact**
Innovation	✓	✓	✓	High
Healthy Spaces	✓	✓	-	High
Digital	✓	✓	✓	Medium

Leading Indicators provide momentum for growth through our key initiatives

1) Data based on internal company estimates.
2) Architectural Billings Index ("ABI"). A figure above 50 indicates increasing construction activity.

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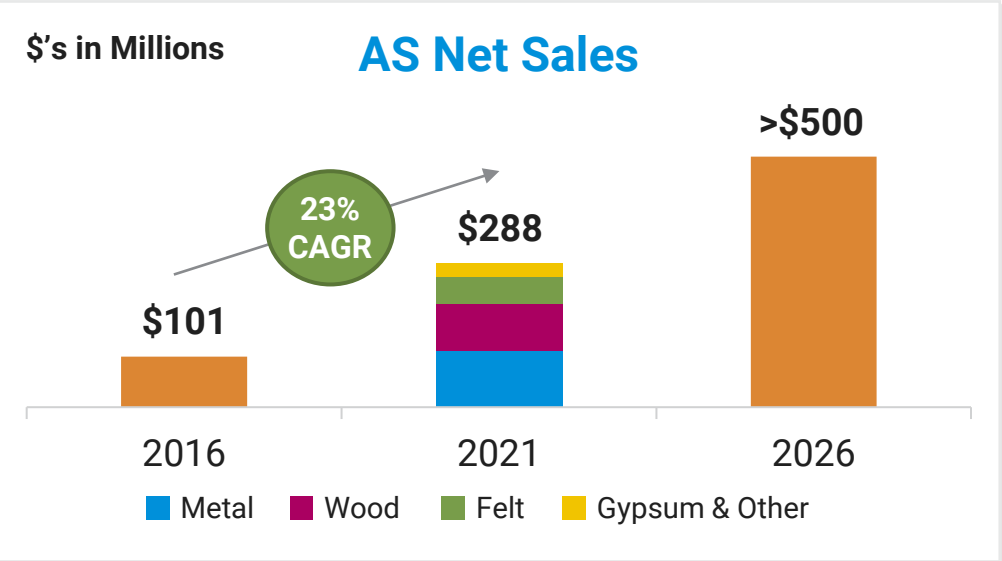
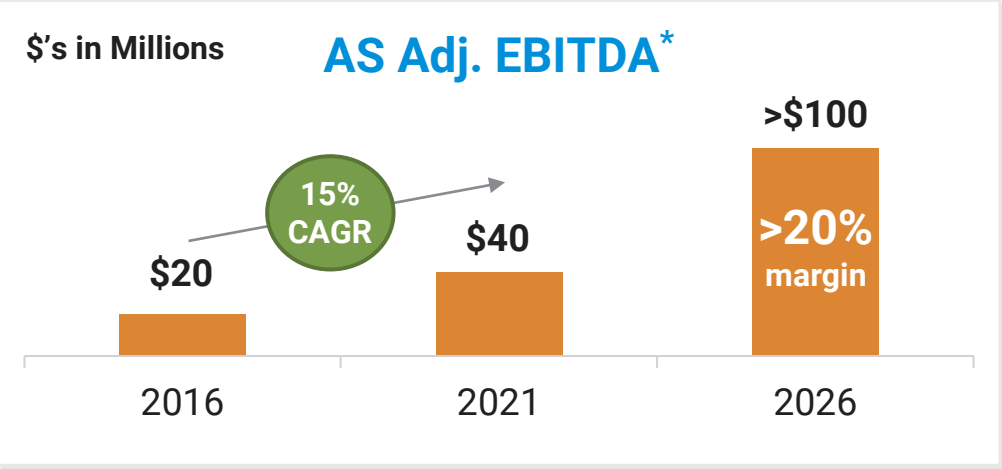
Architectural Specialties: Driving Profitable Growth

Building and scaling a broad portfolio of specialty ceiling and wall products and design capabilities



Primary Sales Drivers

- Deeper market penetration
- Leverage channel partners
- Improve project speed and design through digital tools and innovation
- Inorganic growth through both future M&A and partnerships



Primary EBITDA Growth Drivers

- Scaling and leveraging the full AS network
- Manufacturing optimization and efficiency through LEAN principles
- Targeting >20% EBITDA margin

*Non-GAAP Measure. Reconciliations provided in the appendix of this presentation.
2026 targets represent internal company estimates as presented at the company's March 3, 2022 Investor Day.

Acquisition Synergies in Action

Maximizing category value from recent acquisitions

AS - Metal Category

Five complementary acquisitions to add capabilities and obtain scale to meet growing demand for these performance attributes and aesthetics

>20%

3 Year Net Sales CAGR for AS Metal

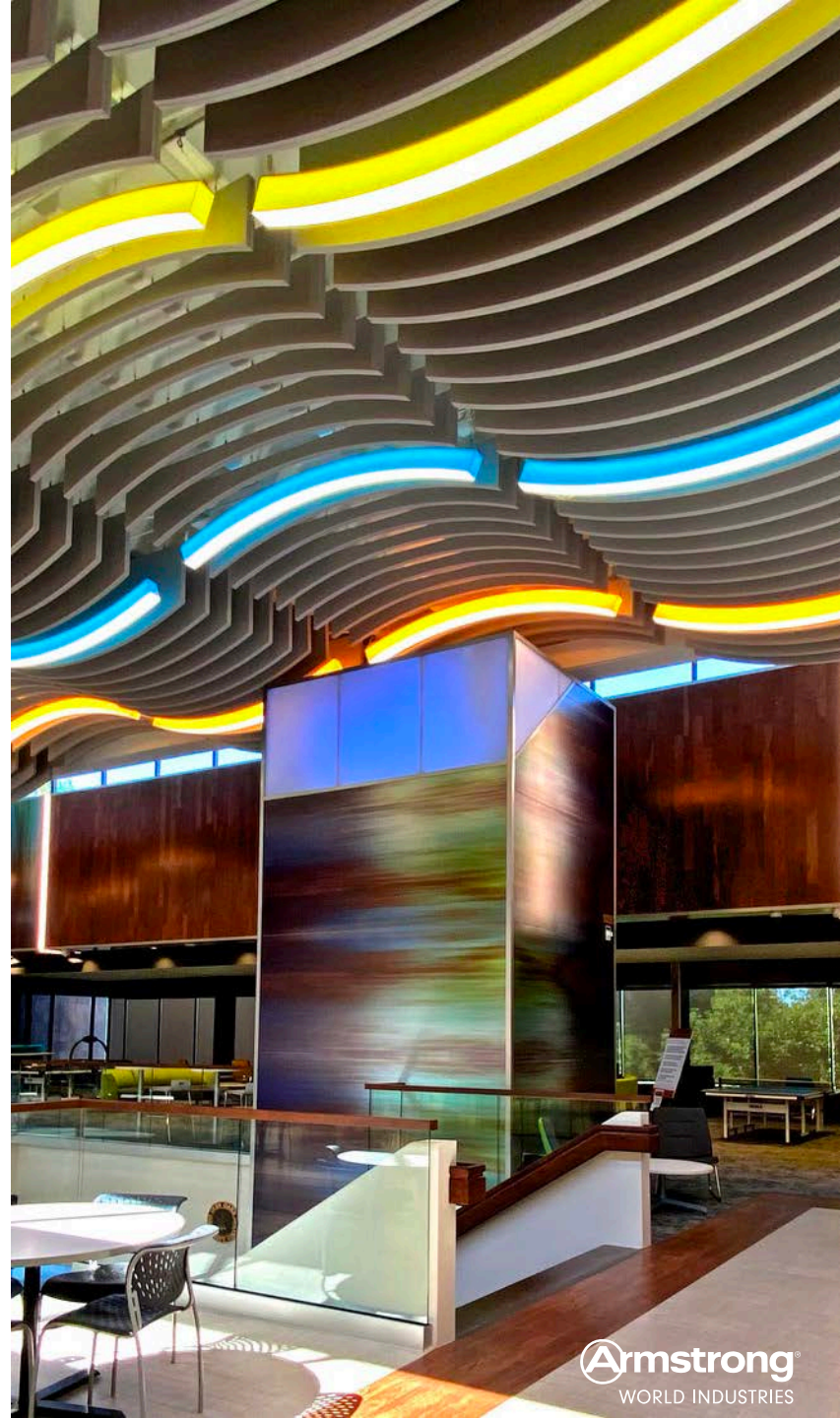
Leveraging AWI scale & channels to **grow product category**

>20%

2021 EBITDA* Margin for Total AS Metal

Enabling network efficiencies, adding design capabilities and broadening the portfolio **for growth**

Using a disciplined **business development** approach to pursue differentiated & specifiable solutions that further product breadth and expand margins



*Non-GAAP Measure.

Healthy Spaces



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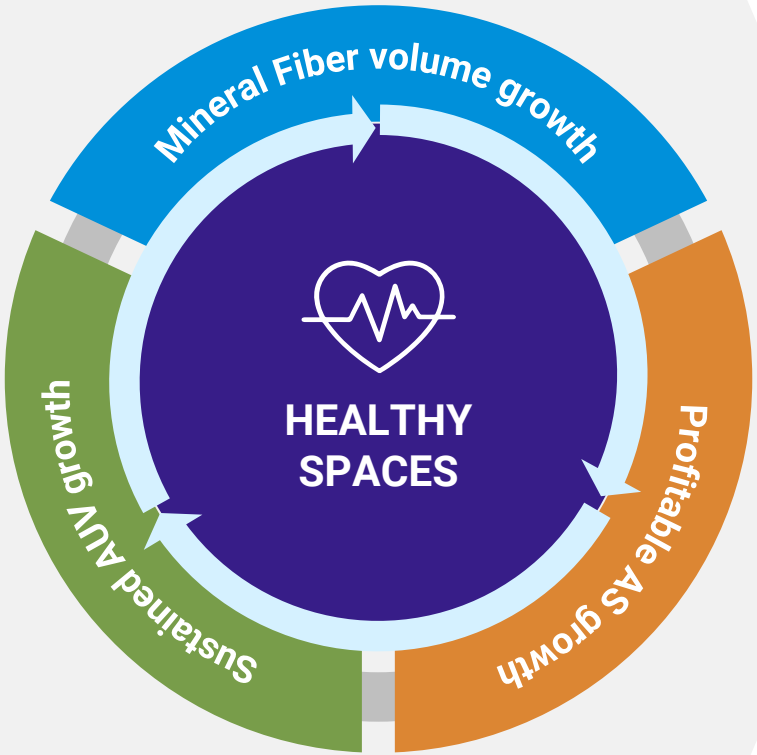
Healthy Spaces: A Catalyst for Growth

Healthy spaces is a long-term secular shift accelerated by COVID & sustainability awareness.

Ceilings are an essential, integral part of the solution for healthy indoor spaces.

AWI is uniquely positioned to lead in developing the ceiling solutions necessary to meet this step-change opportunity.



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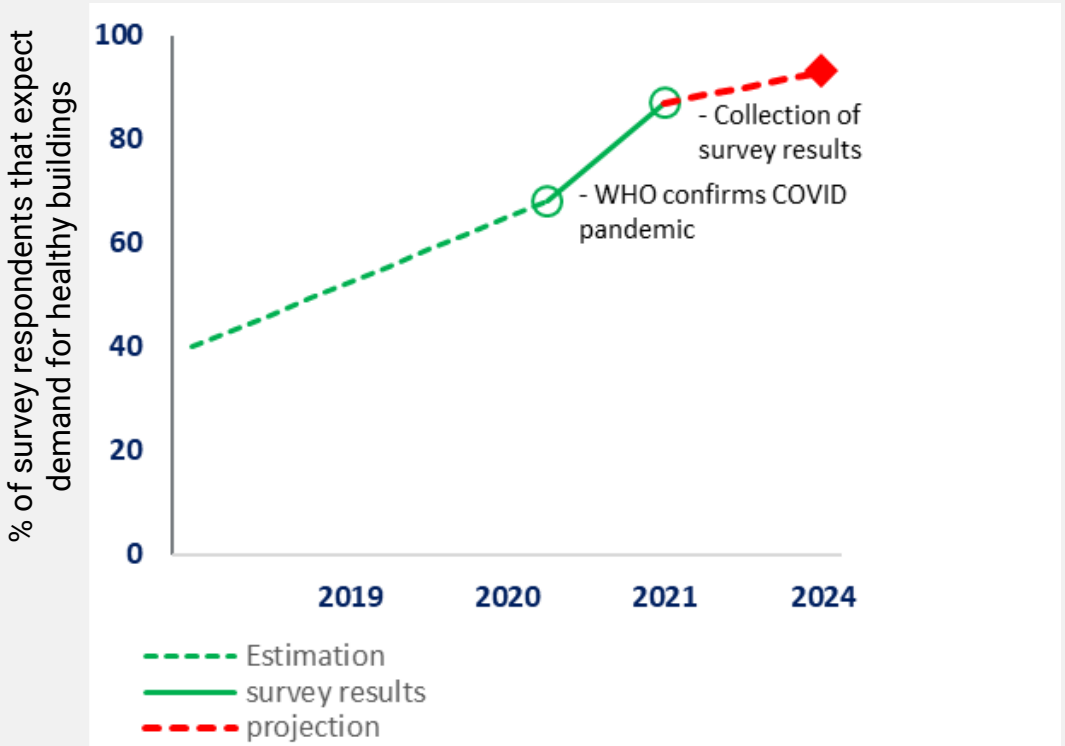
Healthy Space Environment Increasingly In Demand

Macro trends and COVID accelerating the advancement

Demand for Healthy Buildings Expected to be Above 90%



A March 2021 joint report conducted by the Center for Active Design, United Nations Environment Program Finance Initiative and BentallGreenOak, surveying leading real estate investors.(1)

Macro Trends

Building Health & Wellness	**3B ft²...** WELL registered space increase in 2021, up 200% from 2020(2)
Work From Home	**3 days** in the office per week based on hybrid model(3)
Building Design/ Space Plan	**25%** increase in ft² per employee expected(4)
Federal Stimulus	**$190B** in Education funding (ESSER[5]) to be used before Sept. 2024(6)

1) The Rising Demand for Healthy Buildings
2) International Well Building Institute
3) Harvard Business Review
4) Zippia estimates
5) "ESSER": Elementary Secondary School Emergency Relief Fund
6) Comprised of recently passed US legislation: CARES Act, Consolidated Appropriations Act and the American Rescue Plan

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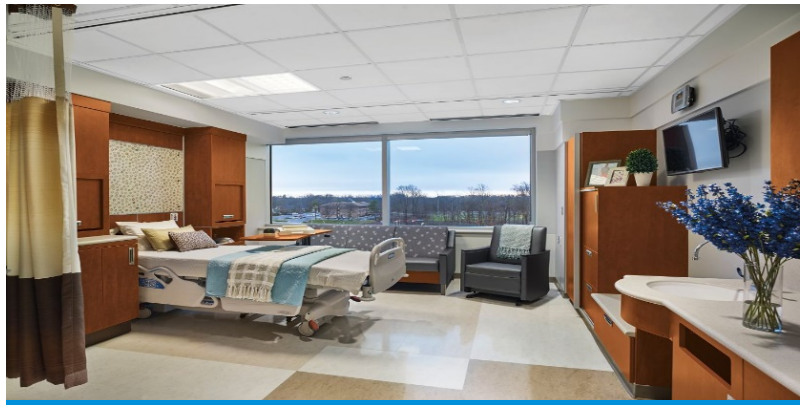
Drivers of Healthy Spaces Demand by Key Verticals

Opportunities across multiple verticals for increasing renovation rates



HEALTHCARE

Inova Women's and Children's Hospital

- Emerging needs for **additional containment spaces** with optionality
- Different acuity levels **require diverse attributes**
- **Acoustical privacy** to support HIPPA requirements



OFFICE

Subaru Corporate Headquarters

- Hybrid schedules drive **need for flexibility**
- Need to attract workers with increased **office amenities escalating**
- Facility managers rank **healthy buildings as top priority**(1)



EDUCATION

St. Francis Xavier Cafeteria

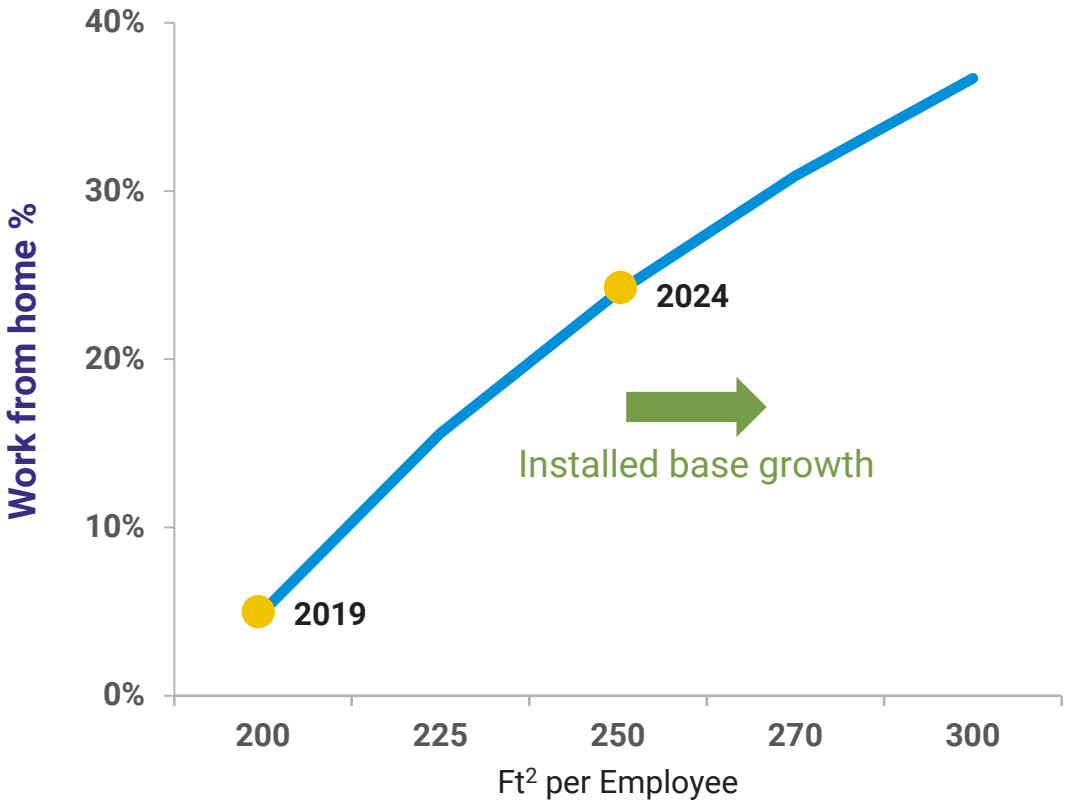
- **Increased awareness** of health and safety for students and teachers by parents & school officials
- Approx. **$190B** in ESSER funding through 2024 with **54%** of K-12 schools needing replacement or repair of HVAC systems(2)
- Cleaner air essential

1) Honeywell 2021 Building Trends Series – "Rethinking Buildings Post-Covid-19"
2) U.S. Government Accountability Office, 2020

Need for Space per Employee Offsets Work from Home Increase

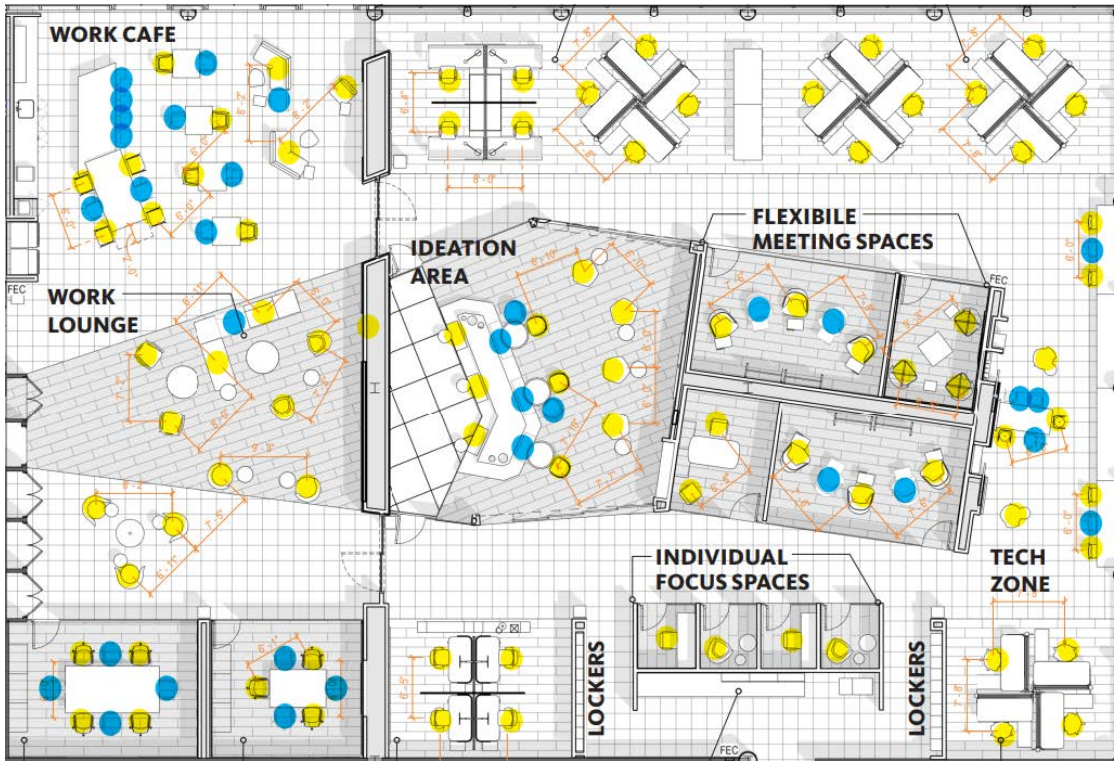
Space per worker increases drive renovation

Work from Home % vs Office Square Feet per Employee



Blue line maintains ~13B ft² of office space(1) in the U.S

Gensler Office Design – Social Distancing is Intentional



Note: Ft² per worker at 315 ft² vs traditional 235 ft² a 34% increase

1) Dodge Data and Analytics.

Armstrong WORLD INDUSTRIES

Why Ceilings Matter

Ceilings support a holistic approach to Indoor Environmental Quality (IEQ)

Healthy Buildings Thought Leaders

World Health Organization

Defines a **healthy building** as a space that supports the physical, psychological, and social health and well-being of people[1]

HARVARD T.H. CHAN SCHOOL OF PUBLIC HEALTH

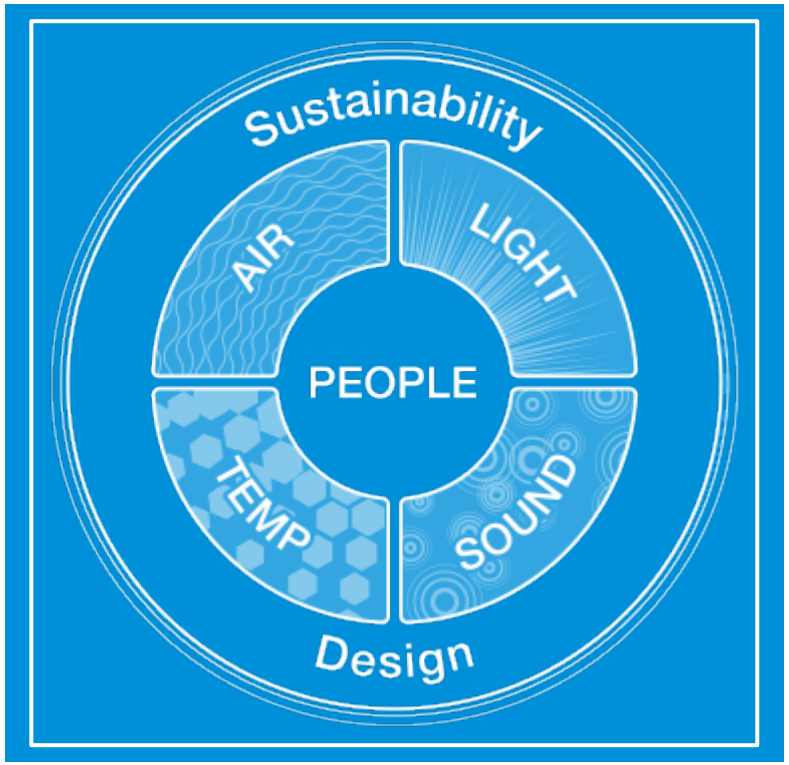
Good ventilation and air quality, a comfortable temperature, low noise levels, and natural light are all components of a "**healthy**" **building**[2]

IWBI[3] WELL Building Standard

- Air
- Water
- Nourishment
- Light
- Movement
- Thermal Comfort
- Sound
- Materials
- Mind
- Community

● **Influenced by Ceilings**

AWI redefining the role of the ceiling for future state of IEQ



1) WHO Healthy Buildings
2) The 9 Foundations of a Healthy Building
3) International WELL Building Institute ("IWBI")

Ceilings an Essential Part of the Healthy Spaces Solution

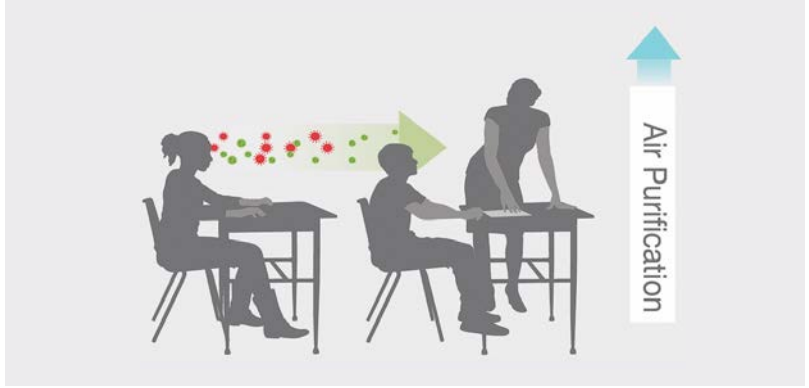
Recently Completed Study(1)

Two VidaShield UV24™ units in the ceiling **reduced exposure to airborne viruses and bacteria by 22%***

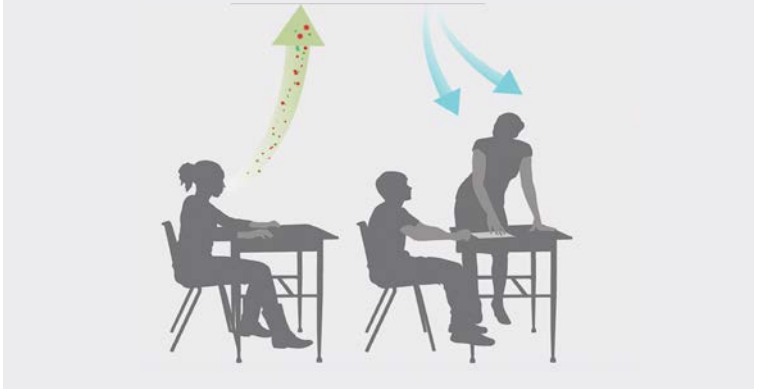
In-ceiling placement **delivered approximately 14% lower exposure** than floor placement with equivalent airflow measures

Air Flow Examples

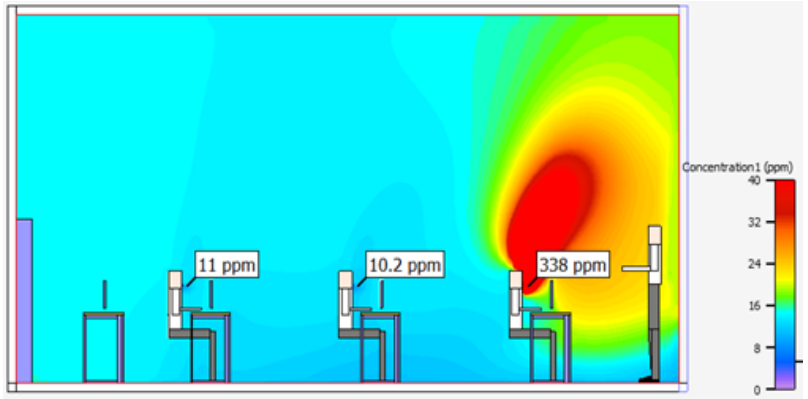
Stand Alone Floor Unit



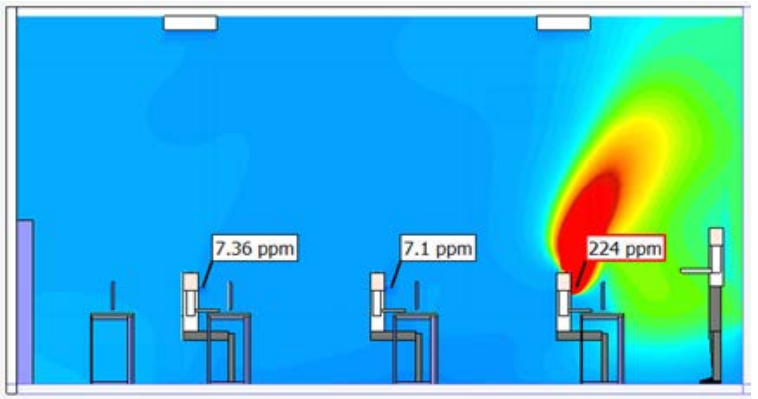
VidaShield UV24™



No supplemental Air Cleaning



Two VidaShield UV24™ Units



*A simulation study performed by JB&B showed that VidaShield UV24 reduced inhaled particle concentration by 22% versus no in room air filtration; Simulation based on 8600CF room with 3 ACH from natural ventilation and 2 VidaShield units. Results of real-world applications will vary and are dependent upon a wide range of factors, conditions and assumptions

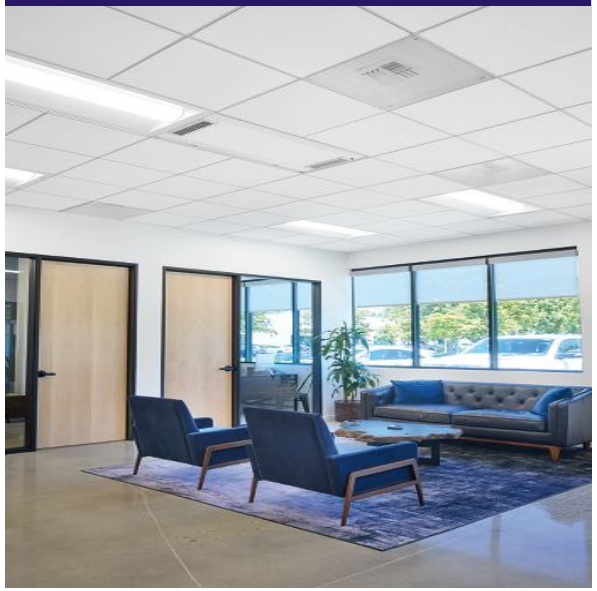
1) 2021 study designed and conducted by **JB&B**, an independent NYC-based engineering firm with extensive experience in delivering engineering and sustainability solutions to facilitate high performance building designs. Study titled "Classroom Contaminant CFD Analysis for VidaShield, performed by JB&B".

Recent Wins Demonstrate Healthy Spaces Demand Across Verticals

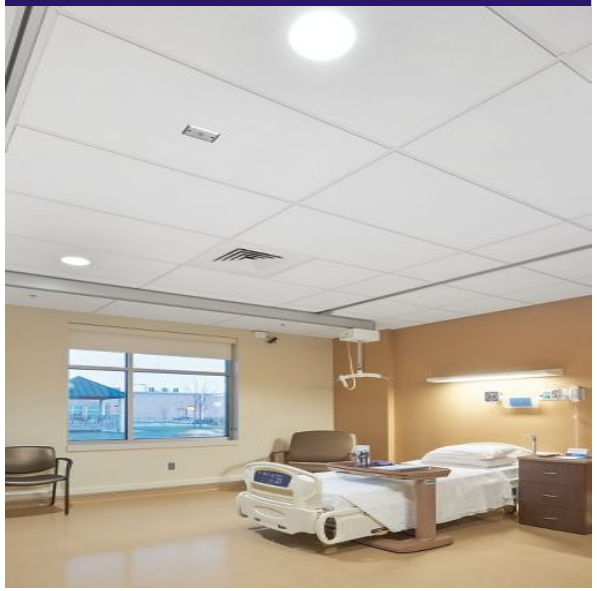
Florida Charter Schools
BridgePrep Academy Miami, FL



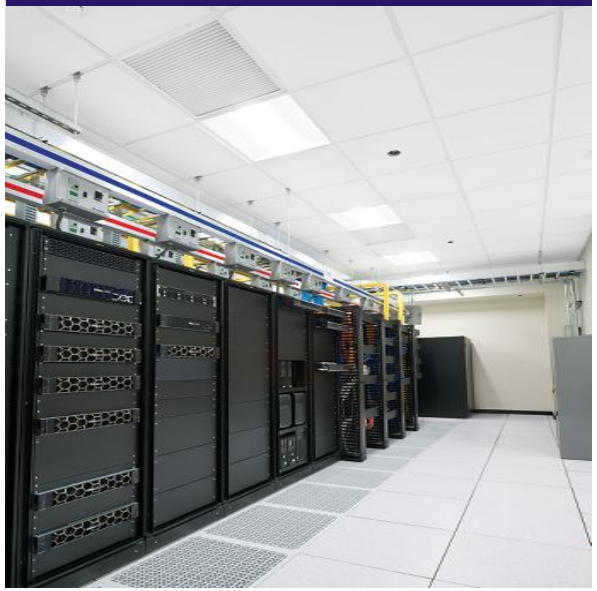
CMD Construction Office
Irvine, CA



Encompass Health
Middletown, DE



CT-Dot Data Center
Newington, CT



Did VidaShield help parents feel more secure about sending kids back to school?

Absolutely, yes. It's one thing for me to tell you that there's a new unit (helping to filter the air), but with these new VidaShield systems, you can see something in place. It's a sense of comfort.

- A Facilities Manager

Healthy Spaces Potential to Unleash Volume Growth at Higher AUV

Secular Shift Drives Sizable Volume Opportunities(1)



Healthy Spaces drives $200M to $350M market opportunity

Meaningful AUV Upside from Healthy Spaces Solutions



Keys to Building the Market Opportunity

- Ceilings integrated in IEQ
- Government Stimulus
- Innovation Skills – Building out the team
- Influential Partnership
- Selling Skills in HVAC
- Codes and Standards

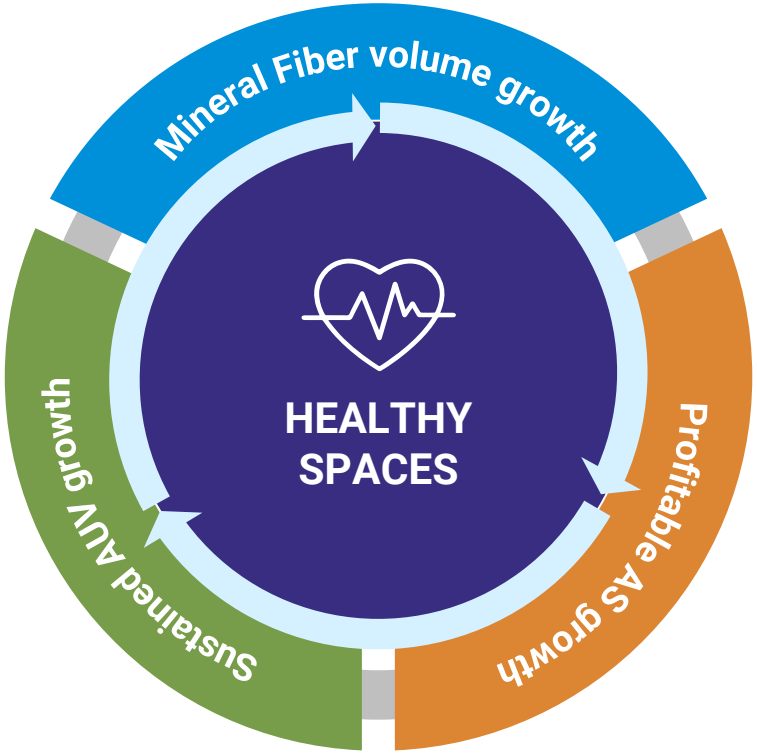
1) Rates and incremental opportunities based on internal company estimates as presented at the company's March 3, 2022 Investor Day.

AWI Uniquely Positioned to Lead Healthy Spaces Solution

Using the Power of Focus to extend leadership

Poised to win and lead this catalyst for growth

- The **Healthy Buildings renovation renaissance** has started
- **Ceilings are a critical piece** of a Healthy building design
- Our trusted **brand, experience and innovation** in key verticals and our **financial strength** to invest for growth will allow us to win



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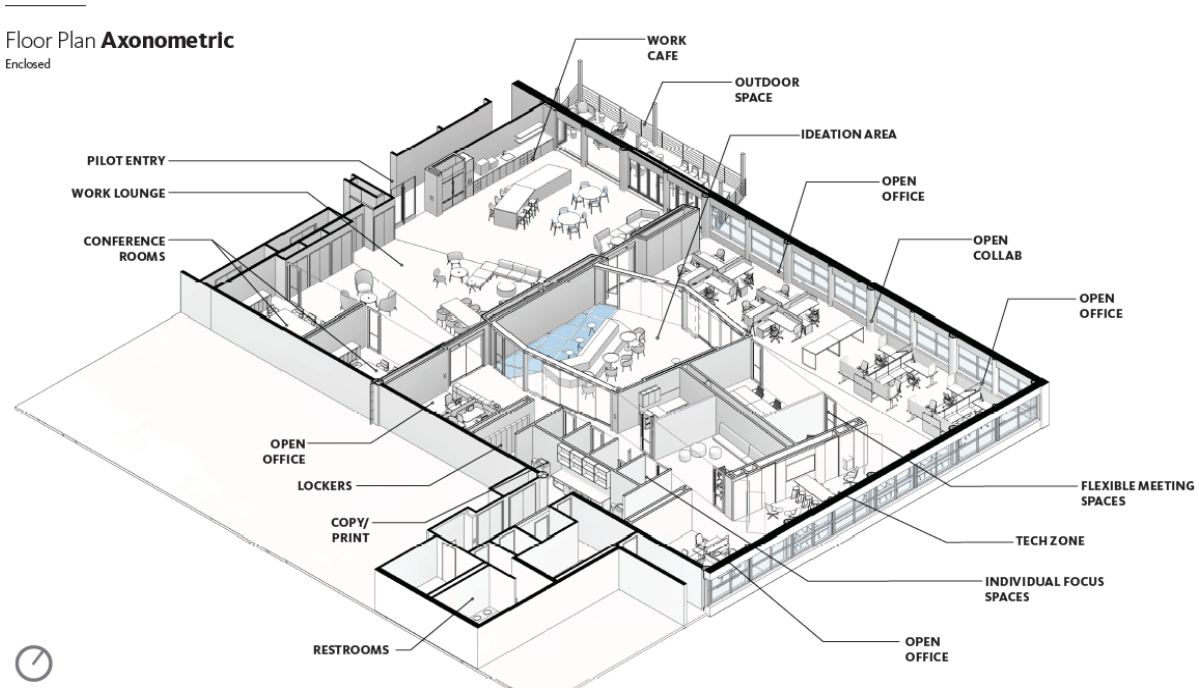
AWI Invests in 1st Healthy Space Living Lab of the Future

Building 402 Living Lab Space

Location: Armstrong headquarters, Lancaster, PA



Living Lab Partners

TRANE · CBRE · AIRCUITY (Creating Measurably Better Environments) · HIGH CONSTRUCTION COMPANY · BALA · Gensler · price · DOCS HEALTH

WELL Health-Safety Approved - Credits from AWI Solutions

Innovation Credit: New interventions that address health and wellbeing in novel ways

Partnering to build the healthy spaces of the future

Armstrong WORLD INDUSTRIES

Digital Initiatives



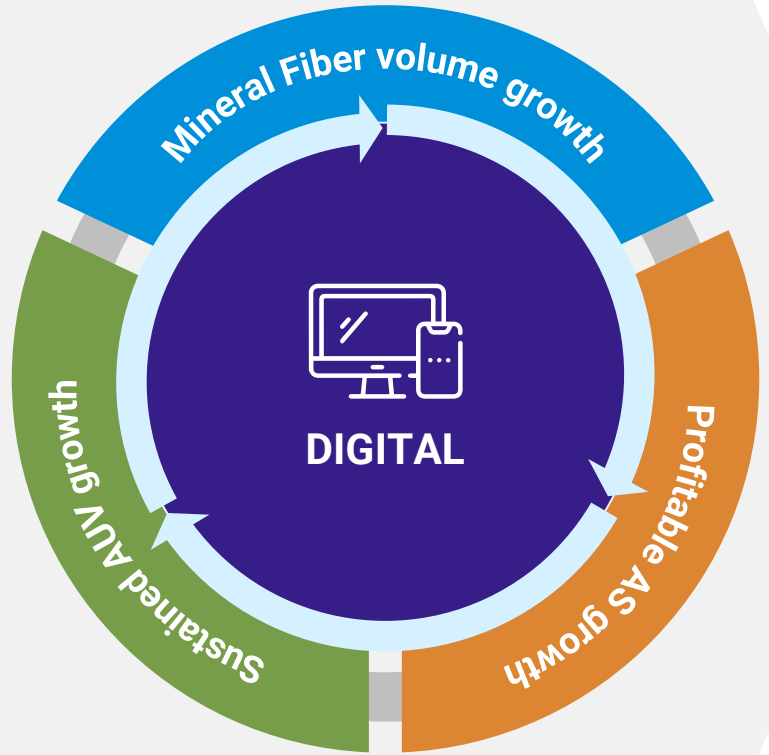
Armstrong WORLD INDUSTRIES

AWI Investing in Digitalization to Enable Further Growth

We seek to reach new untapped and underserved markets and create demand.

We are developing differentiated solutions to support specification win rate and AUV growth.

We are deploying digital tools to efficiently and effectively scale both MF and AS segments.



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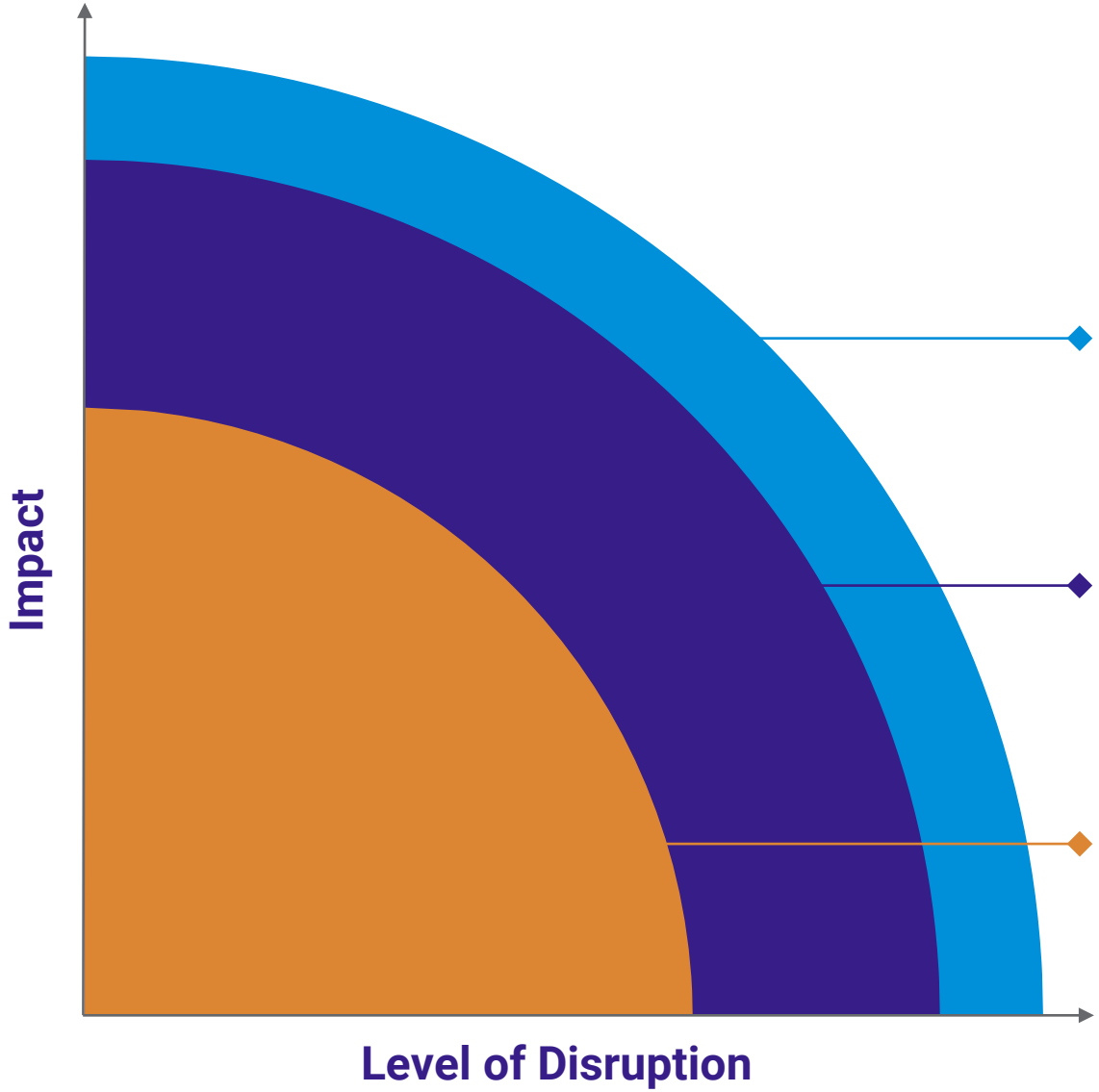
Balanced Spectrum of Digital Opportunities



Focus of Digital Strategy

Industry Disruption

Future Opportunity

Step Change Outcomes

Kanopi | Lead optimization engine | ProjectWorks

Optimization Opportunities

Customer Focus | Manufacturing | Supply Chain | Back Office

Digital Investments Supporting Volume Growth and AUV

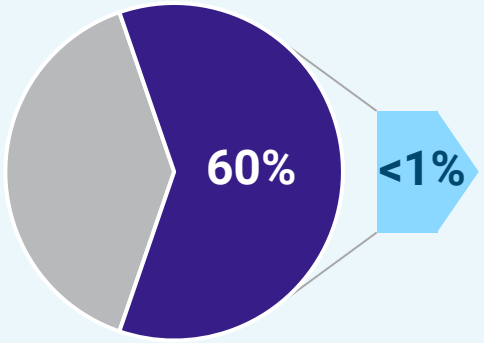
Step-change projects strengthen Mineral Fiber and Architectural Specialties segments

	Overview	Strategic Rationale	Investment Intensity	Growth Impact		Key stakeholders
				Volume	AUV	
kanopi By Armstrong Ceilings	Digital platform to deliver end-to-end ceiling solutions	Access largely untouched demand from small to medium sized businesses and residential	High	Repair and Remodel	Medium	Facility managers, small business owners, DIY
Lead Optimization Engine	Tools to improve lead generation and closure rates	Leverage new technologies to increase sales efficiency	High	Major Reno and New	Medium	Internal sales, distribution
ProjectWorks™	Automated design service to provide fast, accurate and complete designs with full bill of materials	Deepen customer relationships, strengthen AWI specification, lowers construction costs	Low	New and Major Reno	High	Designers, architects, contractors, owners

Kanopi: Sparking Demand in a Hidden Market

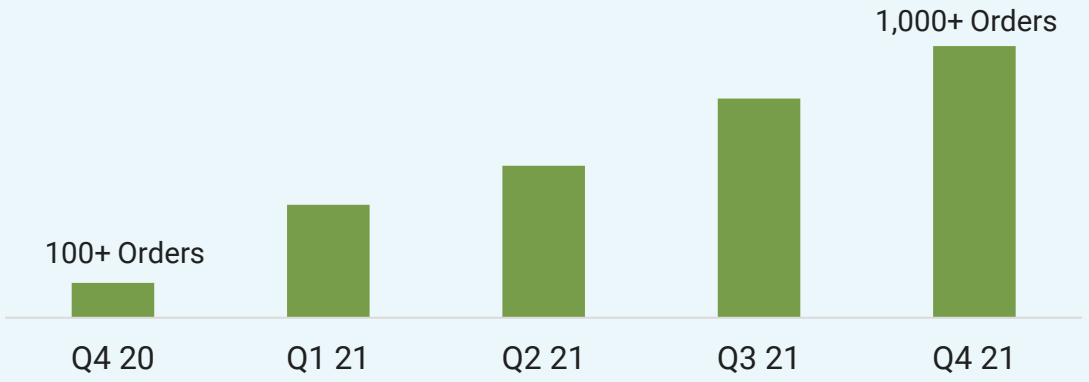
Sizing the kanopi opportunity(1)

Installed base of 38 Billion ft²



Accessing 50 to 75 bps of underserved market volume drives $150M to $200M of opportunity

kanopi Orders Show Strong Ramp



Existing Friction

- Underserved market doesn't know: **What to buy, where to buy, how much to buy, how to install…think it's expensive**
- Facility Manager Survey Results: "Buying Ceiling tiles is hard, **so I deprioritize"**

AWI's Differentiated Solution

- **End-to-end solution** from demand generation to installation
- Reinventing the customer journey – **making it "easy"** for the potential customer
- kanopi is the **cost-efficient way to serve and scale the underserved market**

Target Market

- Facility managers, small business owners, DIY community
- Repair & remodel

Current Status: Ramping monthly

- Sales into 50 states
- Repeat customer growth of 108% vs prior year
- Order value increased 95% vs prior year
- Installation services expanding

1) Rates and incremental opportunities are based on internal company estimates as presented at the company's March 3, 2022 Investor Day.

Kanopi Personas and Sample Verticals



The Coordinator

Job Title: General Contractor

Needs a **direct way to access a variety of SKUs** & source orders from AWI.

Sales vertical examples:

- Small general contractor
- Developer
- Acoustical drywall contractor



The Peacekeeper

Job Title: Owner

Seeking to **decrease noise levels** in his space.

Sales vertical examples:

- Tech/engineering
- Corporate office
- Law office
- Restaurant
- Bowling alley



The Refresher

Job Title: Office Manager

Looking for a **variety of options** for a new / updated ceiling.

Sales vertical examples:

- Car dealer
- Hotel
- Churches
- Dental office
- Fitness facility
- Manufacturing



The Community Builder

Job Title: Business Owner/ Facility Manager

Wants to keep her **facility safe and help create a healthier space.**

Sales vertical examples:

- Assisted living
- Medi-spa
- Wedding venue
- Laboratory
- Medical center



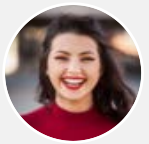
The Optimizer

Job Title: School Administrator/ Facility Manager

Needs a **quick and efficient way to place** and **receive orders directly.**

Sales vertical examples:

- High school cafeteria
- Elementary classroom
- College/university
- Private school
- Pre-school



The Bootstrapper

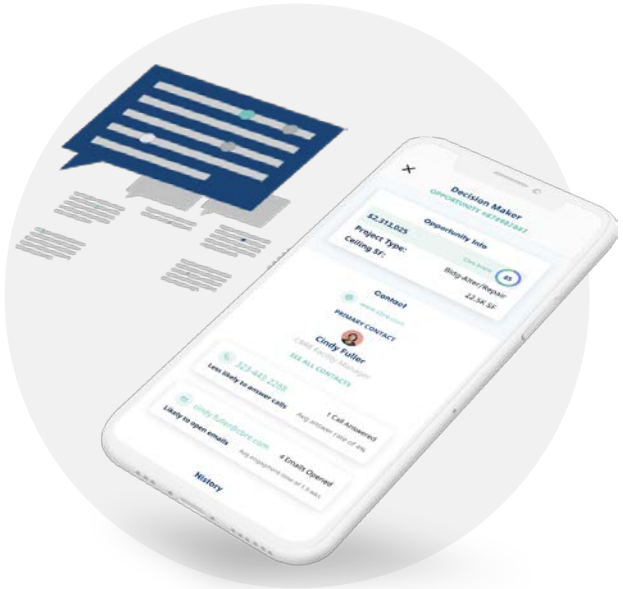
Job Title: Small Business Owner

Seeking a **simple and affordable** way to **upgrade/refresh.**

Sales vertical examples:

- Jewelry store
- Home goods store
- Insurance office
- Salon
- Golf/country club

Lead Optimization Engine Tool Driving Sales Efficiencies



Drives productivity of sales team allowing them to focus on more opportunities

Solving For

- Time spent on qualifying leads
- Sales team scope and coverage – missing untracked market

AWI's Differentiated Solution

- Aggregates multiple data sources to analyze and score leads
- Expanding reach from **TOP** opportunities to **ALL** opportunities
- **Drives sales productivity** on smaller jobs making entire salesforce more productive
- Delivering more sales from existing demand

Target Market

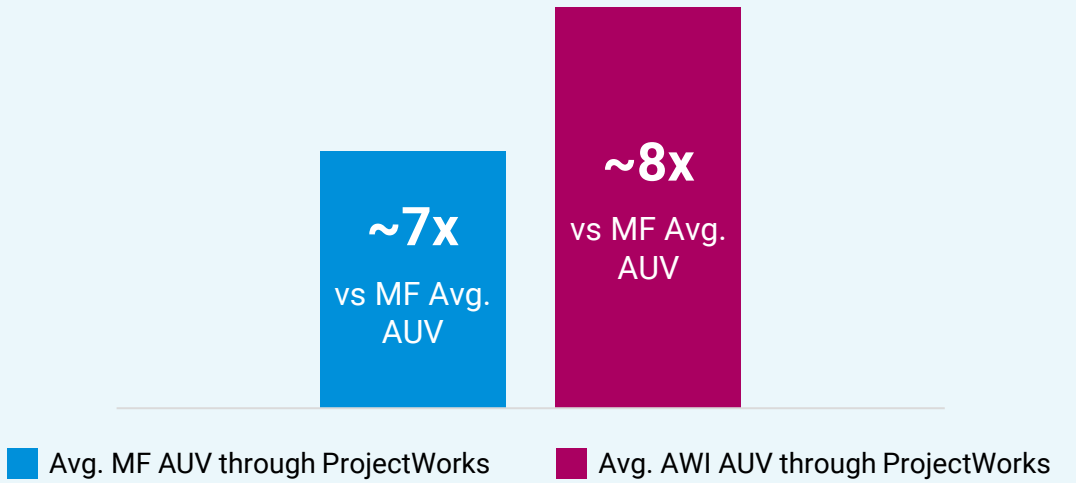
- New Construction, Major Renovation
- Smaller jobs that sales team would not typically capture

Current Status: Enabling Growth

- Volume growth from untracked market
- 50% sales productivity increase
- Tool-generated leads typically have AUV increase of 20% per project vs non-tool-generated leads

ProjectWorks®: Rapid and Efficient Designs for AWI & Customers

ProjectWorks Lifts AUV Across the Business[1]



Serving Diverse End Markets

10 most recent ProjectWorks jobs:

5	3	1	1
Office	Healthcare	Worship Facility	Data Center

Existing Friction

- Ceiling **layouts are increasingly complex** and understanding all of the components takes significant time, expertise and energy to figure out

AWI's Differentiated Solution

- Automated Bill-of-Materials for **clear and accurate scope** of products, quantities, and pricing across product portfolio
- Speed and Accuracy to **reduce waste throughout the project timeline-** from design to bidding to installation

Key Stakeholders

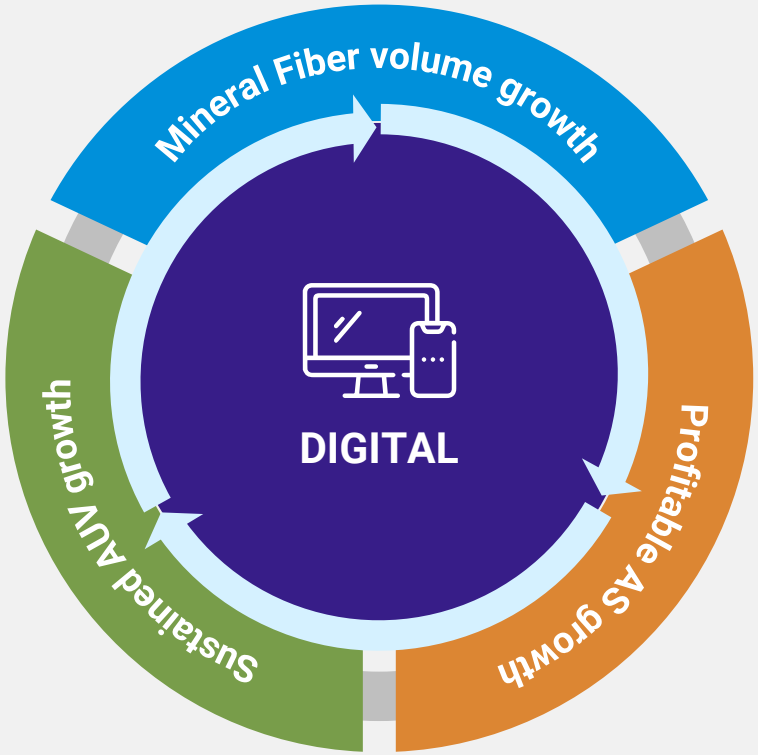
- Design Service – Architects & Designers
- PreConstruction – Distributors & Contractors

Current Status: Increasing Adoption

- **Expanding capabilities** for project sizes, complexities and product breadth for all segments, including WAVE
- **1,000+ projects scoped**
- 2x projects processed with service in 2021 vs 2020

1) Internal company data based on the full year 2021.

Digital Initiatives Ramping Up Value for AWI



Business Impacts

- kanopi increases the renovation rate with facility managers, small business owners and DIY community, **creating new demand**
- Lead optimization engine **drives productivity and supports AUV** by converting, tracking and closing more opportunities
- ProjectWorks **supports increasing specification win rates** and creating **speed and efficiency** for customers

Financial Overview



Armstrong WORLD INDUSTRIES

Sound Investment Thesis



We're continuing to **focus on AUV** to sustain our strong margin profile, while investing in key initiatives to drive **mineral fiber volume growth.**



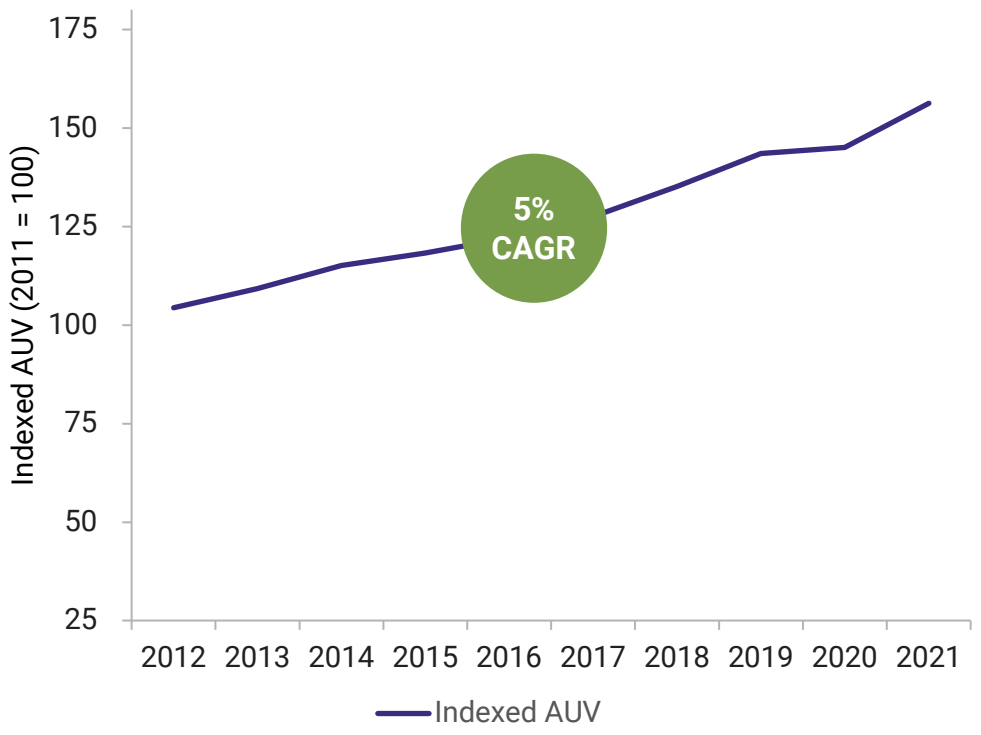
The AS segment is growing through strategic acquisitions and investments in capabilities to consolidate a fragmented market and **solidify leadership in** specialty ceilings and walls.



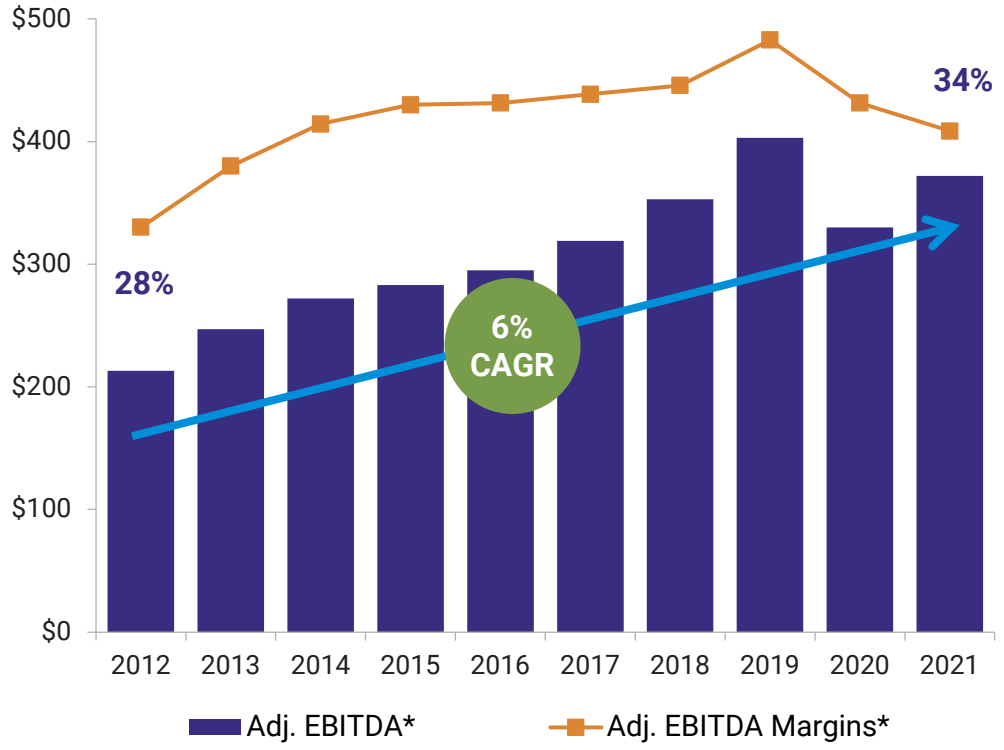
Clear capital allocation priorities are supported by a healthy, flexible balance sheet and strong cash flow generation to **create sustainable value for all stakeholders.**

Consistent Ability to Grow AUV & Expand Margins

Increases in MF AUV(1) Over Time ...



…Yielding Significant AWI Adjusted EBITDA* Growth and Margin Expansion



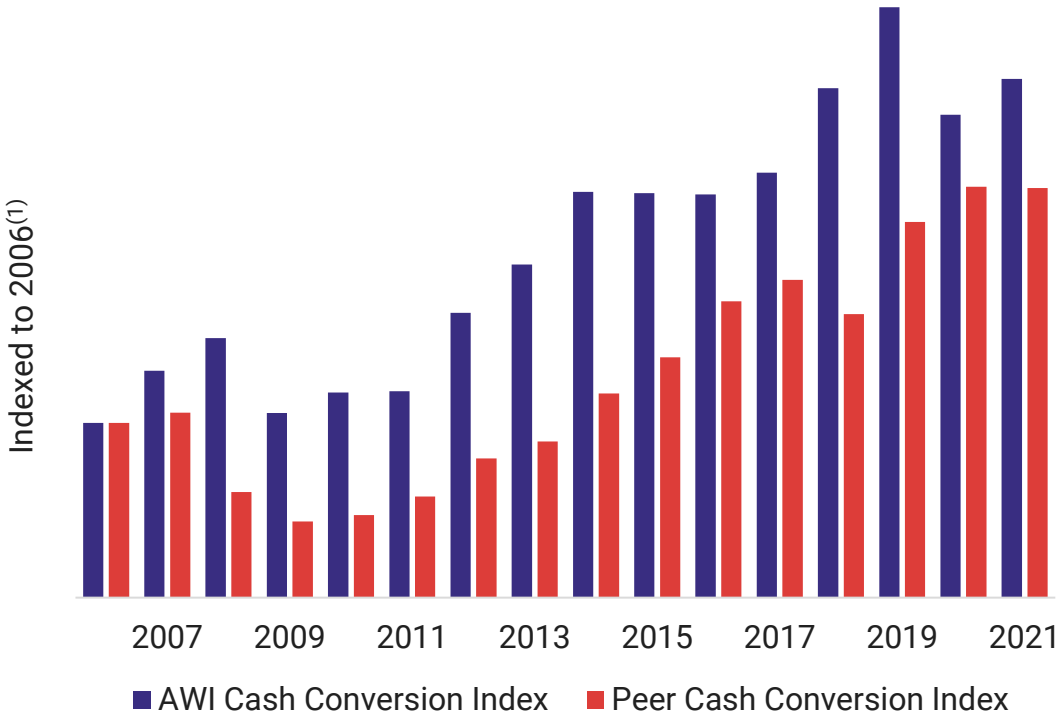
Continuous price/mix & productivity supports EBITDA margin expansion

* Non-GAAP Measure. See reconciliations in the appendix of this presentation.

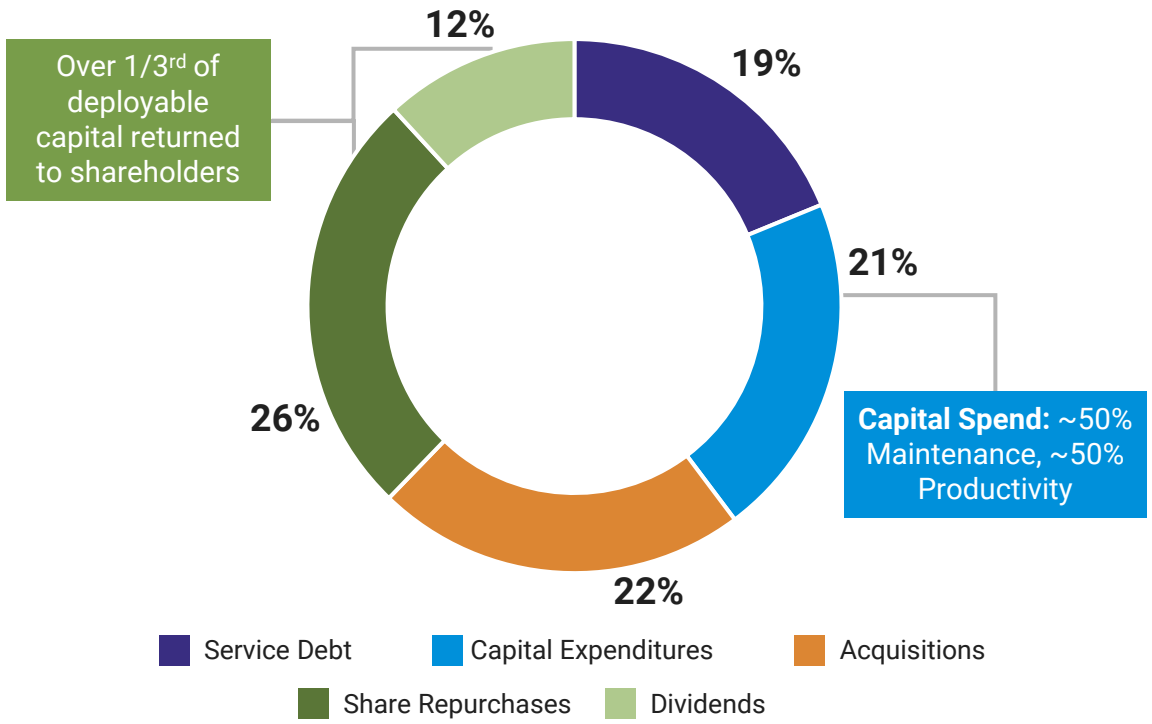
1) Mineral Fiber US and Canada commercial only. 2) Adjusted EBITDA and Adj. EBITDA Margin data is for total AWI.

Peer-Leading Free Cash Flow Enables Value Creating Capital Allocation

Strong FCF* Generation & Stability throughout Cycles



3 Year Average Capital Deployment History 2019 - 2021



FCF* growth accelerates to 15-20% and funds all capital allocation priorities

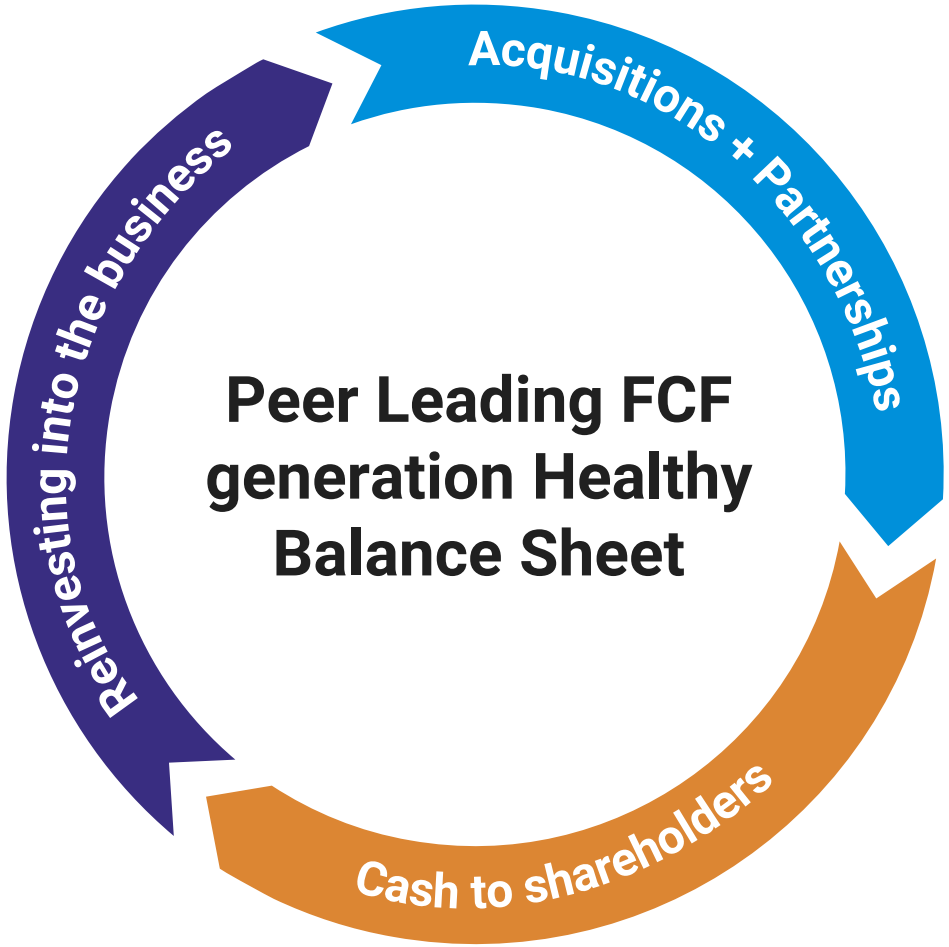
* Non-GAAP measure. Reconciliations provided in the appendix of this presentation.

1) Peer Set: AYI, AZEK, CSTE, HAYW, JHX, JELD, MLM, DOOR, MHK, OC, POOL, SHW, SWK, TREX, VMC, WSO. Data sourced via Bloomberg.

Balanced and Disciplined Capital Allocation Strategy

Strong, consistent cash flow generation allows commitment to all three priorities

1 Targeting our highest returning investments. Plenty of opportunity to grow in the Americas.



2 Consolidating AS market via new partners and avenues of growth.

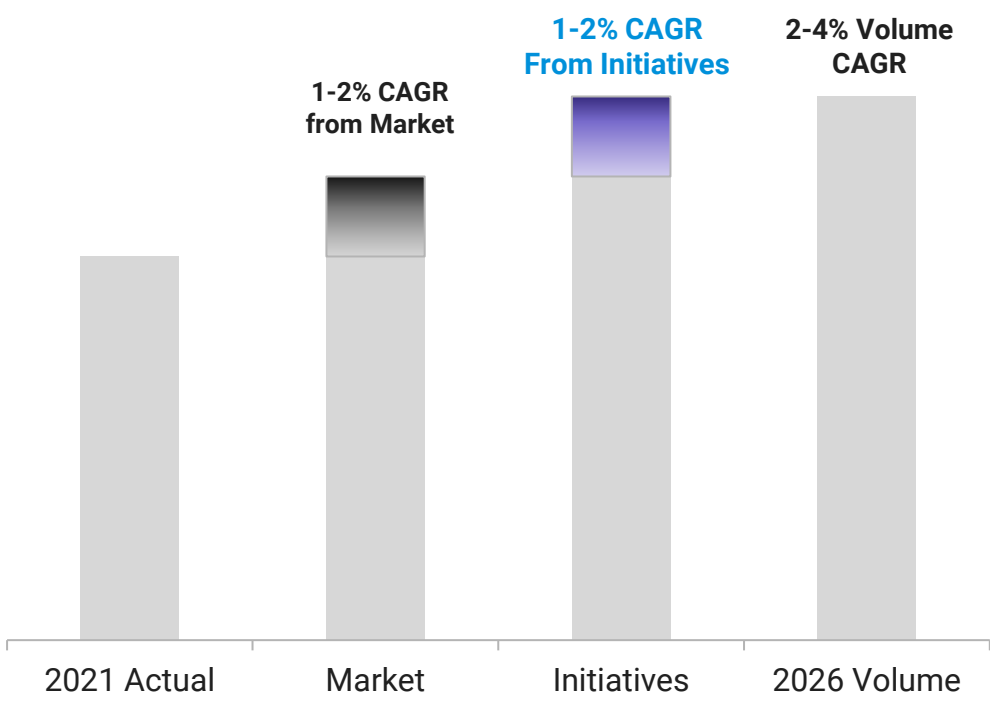
3 Rewarding shareholders with both a stable, increasing dividend and share repurchases(1).

1) Future dividend payments and share repurchase authorizations are subject to approval from the Board of Directors.

Investments in Initiatives Drive Mineral Fiber Volume Growth

Mineral Fiber Volume Growth to Strengthen Value Creators

MF Volume (MFt²)(1)



Mineral Fiber Volume Growth Drivers

Innovation
New products and applications

Healthy Spaces
Solutions to meet secular shift to healthy sustainable spaces

Digital
New channels to access new demand

Market volume continues to recover and strategic initiatives accelerate volume growth

1) Based on internal company estimates as presented at the company's March 3, 2022 Investor Day.

Architectural Specialties - Growing Through Acquisitions

Targeting companies with unique capabilities or competitive advantages

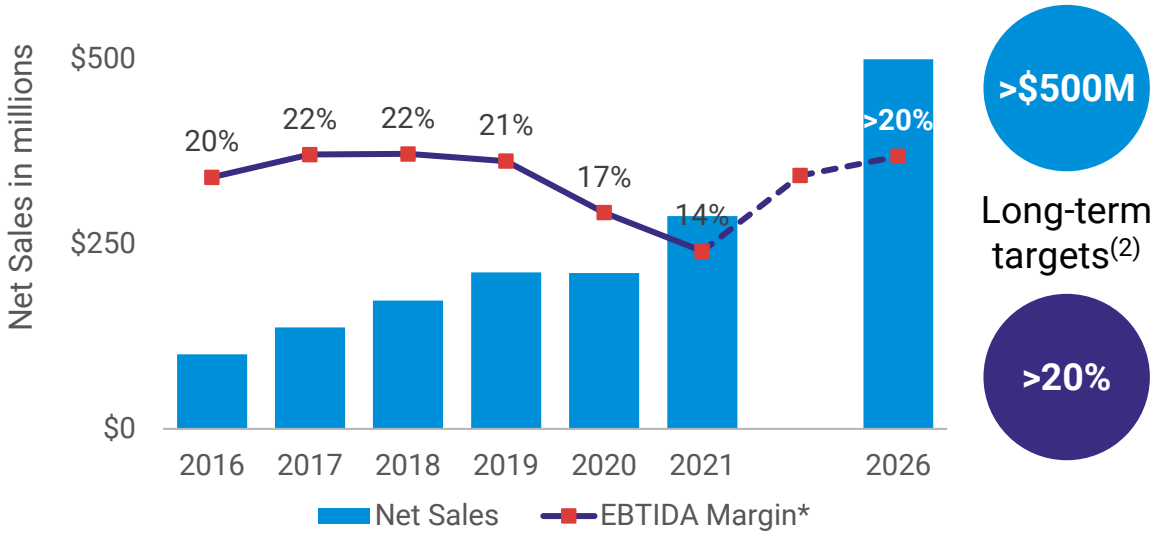


Business Impacts

- Broadens Portfolio
- Allows one supplier for entire project (MF & AS)
- Provides design and technology leadership
- Incremental sales & EBITDA and strong returns
- Complements Mineral Fiber segment

	Pre-Synergies	Post-Synergies
2020 Acquisitions(1)	9.6x	6.5x
All Acquisitions	**9.1x**	**7.1x**

Expand leadership in specialty ceilings and walls



>$500M

Long-term targets(2)

>20%

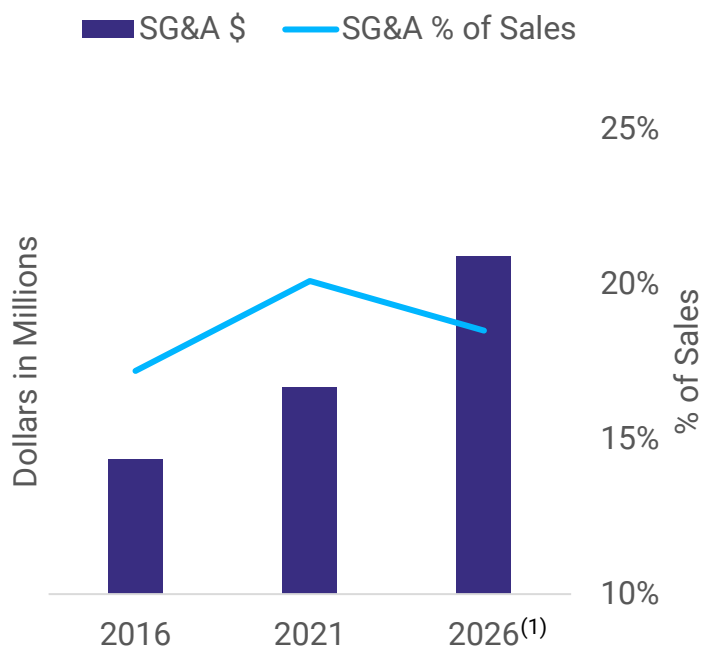
* Non-GAAP Measure. Reconciliations provided in the appendix of this presentation.

1) Due to date of acquisition and COVID Impacts, the 2020 Acquisition post-synergies are based on future expected results.

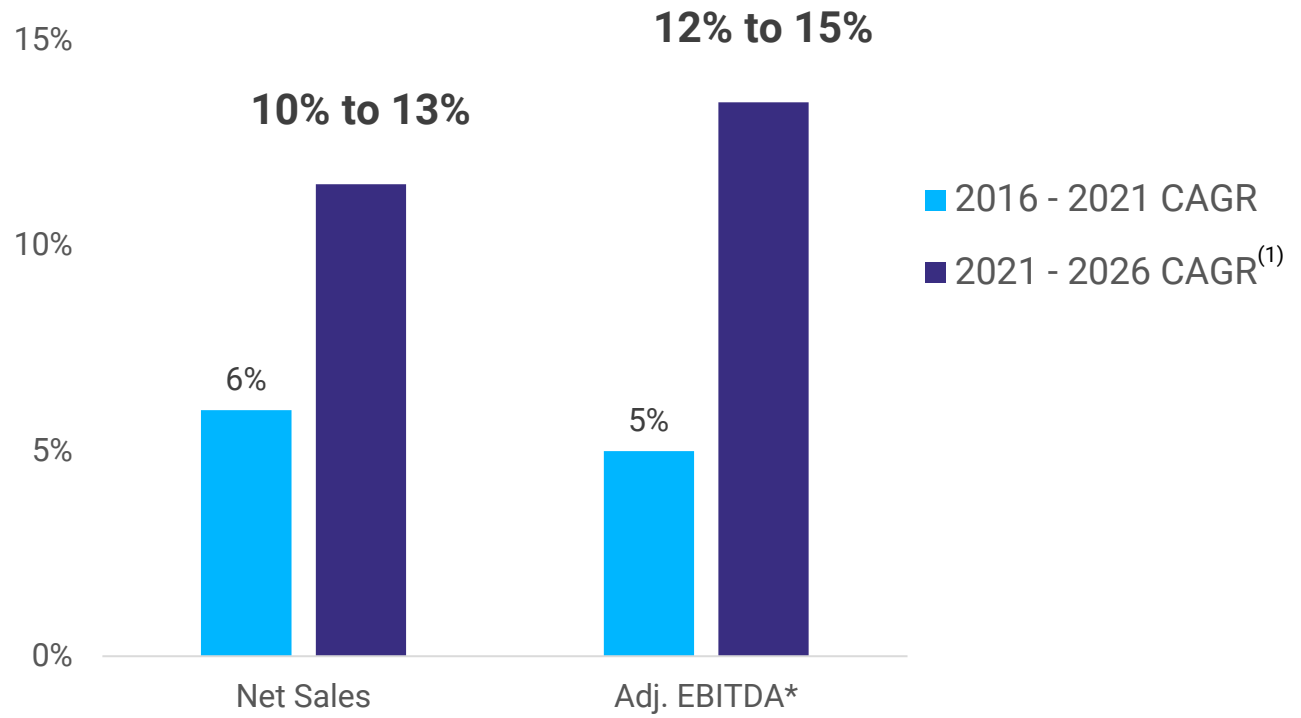
2) Based on internal company estimates as presented at the company's March 3, 2022 Investor Day.

Near-Term Investments Drive Long-Term Results

Investments in SG&A Support Growth Initiatives



Step Change Growth Expectations Fueled by Growth Initiatives and Market Tailwinds



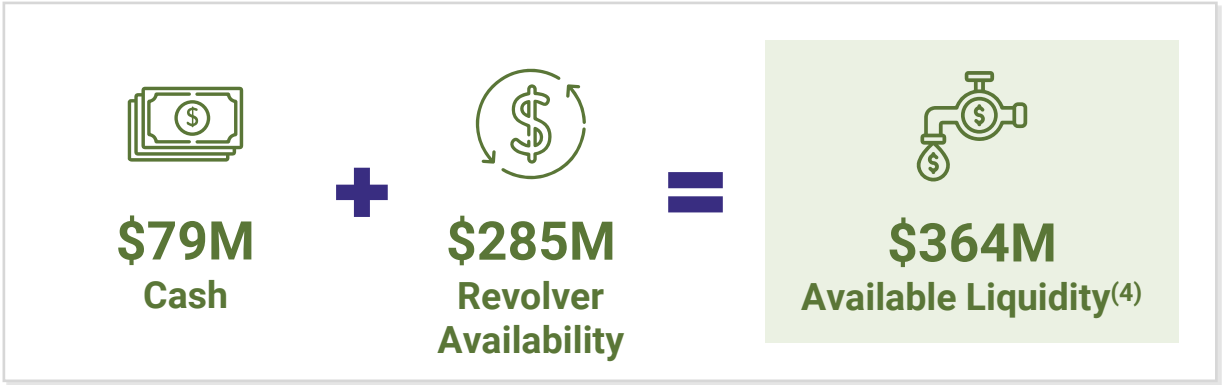
Leveraging investments to drive double-digit sales and EBITDA growth

* Non-GAAP Measure. Reconciliations provided in the appendix of this presentation.
1) Based on internal company estimates as presented at the company's March 3, 2022 Investor Day.

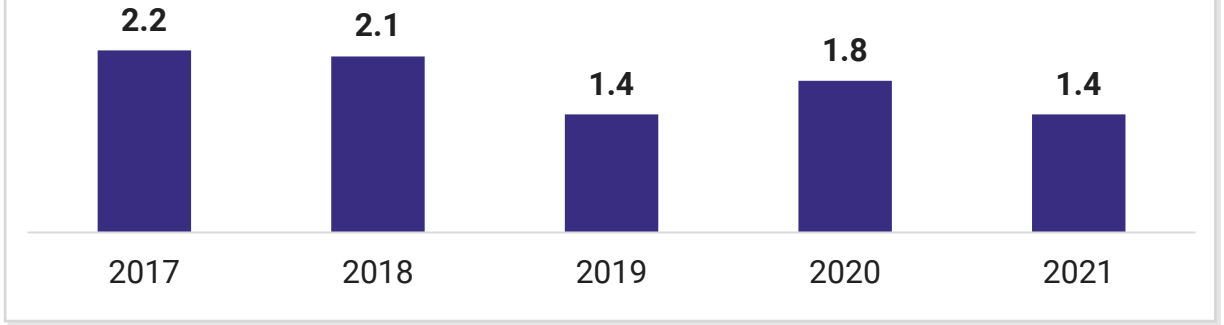
Strong Balance Sheet and Liquidity Position Supporting Growth and Capital Allocation Priorities

AWI Capital Structure[1]

$'s in Millions	Amount
Cash & equivalents	$79
Revolver Availability	$285
Term Loan A	$456
Principal Debt Outstanding	$671
Net Debt[2]	$590
Net Leverage[3]	1.5X



Net Leverage[3] Ratio 2017 - 2021



Health of balance sheet provides flexibility to support growth investments

1) As of 6/30/2022.
2) Net Debt is comprised of current and long term debt less cash and cash equivalents.
3) As defined by the terms of our credit agreement.
4) Liquidity is comprised of cash and cash equivalents and availability on our revolving credit facility.

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Consistent Strategic Priorities Enabling Shareholder Value Creation

Value Creation Model[1]

10% - 13% Net Sales Growth	12% - 15% Adjusted EBITDA* Growth	15% – 20% Adjusted Diluted EPS* Growth	15% - 20% Adjusted FCF* Growth
5% - 10% prior	>10% prior	15 - 20% prior	10% - 15% prior

Key Assumptions

- Mineral Fiber volume growth of 2% to 4% and AUV growth of 5% to 8%
- Architectural Specialties Growth of >10% organically
- Acquisitions incremental to growth
- Target 1-3 Acquisitions annually

- 3% annual MF mfg productivity
- 60% incremental margins from Mineral Fiber volume growth
- SG&A percent of sales below 20%
- 20%+ AS EBITDA Margins
- 40%+ MF EBITDA Margins
- 50/50 WAVE equity earnings grows double digit

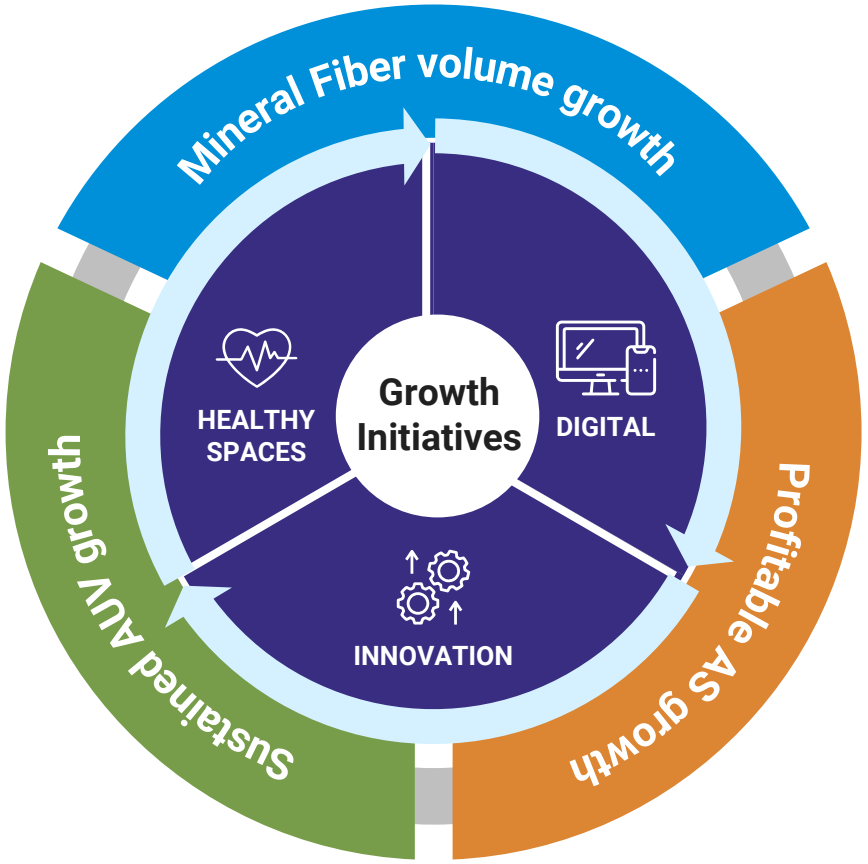
- Decreasing debt levels
- Share repurchases continue[2]…at a minimum offsetting dilution
- Stable tax rate

- Stable levels of CapEx: $90 to 100M split ~50/50% between maintenance and return-seeking
- Stable cash tax rate of ~25%
- Balanced Capital allocation: 95% to 100% of net income
- ROIC expands from ~20% to >25%

* Non-GAAP measure.

1) Represents internal company estimates of a 5-year CAGR as presented at the company's March 3, 2022 Investor Day.
2) Future dividend payments and share repurchase authorizations are subject to approval from the Board of Directors.

AWI Moving Forward



Building on our strengths to elevate our growth potential

Leveraging secular tailwinds to drive mineral fiber volume growth beyond COVID recovery

Accelerating Value Creation



Appendix

Armstrong® WORLD INDUSTRIES

AWI Leadership

Proven leadership and experience supporting a winning culture – combined 100 years with AWI

Executive Leadership



Vic Grizzle
President & CEO
Joined in 2011



Chris Calzaretta
SVP & CFO
Joined in 2018



Mark Hershey
SVP, Americas
Joined in 2011



Jill Crager
SVP, Sales Operations
Joined in 1998



Austin So
SVP, General Counsel & Secretary
Joined in 2022



Ellen Romano
SVP, HR
Joined in 1983



Dawn Kirchner-King
VP & CIO
Joined in 2015

Glossary and Acronyms

The following words and phrases are defined here for use throughout the presentation:

Architects and Designers (“A&D”): These people are heavily involved in the design and planning of commercial construction.

Architectural Billings Index (“ABI”): An economic indicator for nonresidential construction activity. A number greater than 50 indicates improving levels of activity.

Architectural Specialties (“AS”): One of two operating segments of AWI.

Average Unit Value (“AUV”): The sales dollars per square foot of material. Comprised of like-for-like pricing and mix benefits.

Generally Accepted Accounting Principles (“GAAP”): A common set of accounting principles, standards and procedures issued by the Financial Accounting Standards Board (“FASB”).

“Grid”: Ceiling suspension system manufactured by WAVE joint venture.

Installed Base: A measure of square feet of ceilings that have been sold and are in use in the U.S. The company estimates the installed base for ceilings at approximately 38 billion square feet.

Major Renovation: Major renovation is construction activity wherein an existing structure is being restored, repaired or remodeled.

Mineral Fiber manufacturing Productivity: Armstrong’s ability to lower its Cost of Goods Sold through efficiency, reliability and process change. Expressed as a percent improvement versus the prior year’s cost base.

Mineral Fiber (“MF”): One of two operating segments of AWI.

New Construction: New construction is considered constructing a new building or structure from the ground up.

Product Vitality Index: Percent of total sales from products introduced in the last 5 years.

Repair & Remodel: Restoring or repairing and existing structure, replacing the old with the new.

Specification: Architects and designers detailing the specific features and benefits of a product to be used in construction. For the ceilings market our sales reps work with architects and designers 6 to 18 months prior to installation of the ceiling.

Synergies: A synergy is created when the combined value of the two firms is higher than the pre-acquisition value of both firms combined. Armstrong creates synergies both through top-line sales growth and bottom-line cost efficiencies.

“TTM”: Trailing 12 months.

“WAVE”: Worthington Armstrong Joint Venture, a 50/50 joint venture between Worthington Industries, Inc. and Armstrong World Industries, inc. formed in 1992.

2021 Adjusted Diluted Earnings per Share Reconciliation

CONSOLIDATED	For the Twelve Months Ended December 31, 2021	Per Diluted Share
Earnings from continuing operations before income taxes, As Reported	**$185**	**$3.86**
Add/(Less): Income tax expense (benefit), as reported	57	
Earnings (Loss) from continuing operations before income taxes, As Reported	**$243**	
(Less)/Add: RIP (credit) expense (1)	-	
Add: Acquisition-related impacts (2)	10	
Add: Acquisition-related amortization (3)	21	
(Less): Net environmental (recoveries)	-	
(Less): Gain on sale of idled China plant facility	-	
Add: Accelerated depreciation from closed facility	-	
Add: Charitable contribution - AWI Foundation (4)	-	
Adjusted earnings from continuing operations before income taxes	**$274**	
(Less): Adjusted income tax expense (5)	(65)	
Adjusted net income from continuing operations	**$209**	**$4.36**
Diluted Shares Outstanding (6)	47.9	
Adjusted Tax Rate (7)	24%	

(1) RIP (credit) expense represents the entire actuarial net periodic pension expense (credit) recorded as a component of earnings from continuing operations. For all periods presented, we were not required to and did not make cash contributions to our RIP.
(2) Represents the impact of acquisition-related adjustments for the fair value of acquired inventory and deferred revenue, changes in fair value of contingent consideration and deferred compensation & restricted stock expenses.
(3) Represents the intangible amortization related to acquired entities, including customer relationships, developed technology, software, trademarks and brand names, non-compete agreements and other intangibles.
(4) Donation to the AWI Foundation.
(5) Adjusted income tax expense is calculated using the adjusted tax rate multiplied by the adjusted earnings from continuing operations before income taxes.
(6) Shares are as-reported. 2020 shares outstanding for the twelve months ended December 31, 2020 include anti-dilutive common stock equivalents which are excluded from U.S. GAAP.
(7) The tax rate for the three and twelve months ended December 31, 2020 excludes the first quarter pension annuitization and the gain on the sale of our idled China facility.

2018 – 2021 Adjusted Free Cash Flow Reconciliation

	For the Year Ending			
Consolidated	**2018**	**2019**	**2020**	**2021**
As Reported net cash provided by operating activities	**$203**	**$183**	**$219**	**$187**
Net cash (used for) provided by investing activities	**$310**	**($89)**	**($141)**	**($14)**
Net cash provided by (used for) operating and investing activities	**$513**	**$94**	**$78**	**$173**
Add: Acquisitions, net	22	56	165	1
(Less)/Add: Payments (proceeds) related to sale of international, net(1)	(272)	66	(20)	12
(Less)/Add: Net environmental (recoveries) expenses	(27)	5	(12)	(1)
Add: Litigation, net	-	23	-	-
Add: Net Payments to WAVE for portion of proceeds from sale of international business	-	-	13	-
(Less): Proceeds from sale of idled China plant facility	-	-	(22)	-
Add: Charitable contribution - AWI Foundation (2)	-	-	10	-
Add: Arktura deferred compensation (3)	-	-	-	5
Adjusted Free Cash Flow	**$236**	**$244**	**$212**	**$190**

1) Includes related income tax payments
2) Donation to the AWI Foundation.
3) Contingent compensation payments related to the acquisition

2016 – 2021 AS Adjusted EBITDA Reconciliation

	For the Year Ending					
Architectural Specialties Segment	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Operating Income, Reported	**$19**	**$28**	**$34**	**$36**	**$22**	**$4**
Add: Acquisition-related impacts(1)	-	-	-	-	3	10
Add: Depreciation & Amortization	1	2	4	9	11	27
Adjusted EBITDA from Continuing Operations	**$20**	**$30**	**$38**	**$45**	**$36**	**$40**

1) Represents the impact of acquisition-related adjustments for the fair value of acquired inventory and deferred revenue, changes in fair value of contingent consideration and deferred compensation & restricted stock expenses.

2021 Mineral Fiber Adjusted EBITDA Reconciliation

	For the Year Ending
Mineral Fiber Segment	**2021**
Operating Income, Reported	**$261**
Add: Depreciation & Amortization	70
Adjusted EBITDA	**$331**

AWI Adjusted EBITDA Reconciliation 2012 - 2021

	For the Year Ending									
Consolidated	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Earnings (Loss) from continuing operations, reported	**$159**	**$127**	**$79**	**$58**	**$99**	**$221**	**$190**	**$242**	**($84)**	**$185**
Add/(Less) Income tax expense (benefit), as reported	$76	$71	$69	$37	$51	$2	$53	$57	($43)	$57
Earnings (Loss) before tax, reported(1)	**$235**	**$199**	**$148**	**$95**	**$151**	**$222**	**$243**	**$299**	**($127)**	**$243**
Add: Interest/Other income and expense, net(1)	$50	$67	$50	$62	$38	$33	$7	$18	$382	$17
Less: Historical AFP and non-Americas impact (2)	($104)	($79)	$5	-	-	-	-	-	-	-
Operating Income, Reported (3)	**$181**	**$186**	**$203**	**$157**	**$189**	**$255**	**$249**	**$317**	**$255**	**$260**
Add: Armstrong Flooring, Inc. separation expenses	-	-	-	34	34	-	-	-	-	-
Add: Non-cash impact of U.S. Pension	-	-	-	15	13	(3)	6	5	6	5
Add: WAVE Pension Settlement	-	-	-	-	-	-	-	1	-	-
Add: Litigation Expense	-	-	-	-	-	-	7	20	-	-
Add: Cost Reduction Initiatives	-	-	-	-	-	7	8	-	-	-
Add: Unallocated Corporate costs, pre-Armstrong Flooring, Inc. and net Proforma International Allocations, other (4)	(16)	11	12	20	4	8	6	-	-	-
Add: Acquisition-related impacts (5)	-	-	-	-	-	-	-	-	3	10
(Less)/Add: Environmental (recoveries)	-	-	-	-	-	(15)	(1)	1	(6)	-
Add: WAVE FSA (6)	-	-	-	-	-	-	-	4	-	-
(Less): AWI Portion of WAVE's (gain)loss on AWI's sale of its non-Americas International Businesses	-	-	-	-	-	-	-	(21)	-	-
Add: Foreign Exchange Movements	-	-	-	1	-	-	-	-	-	-
(Less): Gain on sale of idled China plant facility	-	-	-	-	-	-	-	-	(21)	-
Add: Charitable contribution - AWI Foundation (7)	-	-	-	-	-	-	-	-	10	-
Operating Income, Adjusted	**$165**	**$197**	**$215**	**$227**	**$240**	**$252**	**$275**	**$328**	**$246**	**$275**
Add: Depreciation & Amortization	48	50	57	56	55	67	78	75	84	97
Adjusted EBITDA from Continuing Operations	**$213**	**$247**	**$272**	**$283**	**$295**	**$319**	**$353**	**$403**	**$330**	**$372**

1) 2012 as reported figures include results of our former Resilient Flooring, Wood Flooring reportable segments ("Armstrong Flooring, Inc.") which were excluded from our results of continuing operations effective April 1, 2016. 2013-2014 as reported figures include results from Armstrong Flooring, Inc. and the results of our former EMEA and Pacific Rim reportable segments ("non-Americas International Businesses"), which were excluded from continuing operations effective December 31, 2017.
2) Includes discontinued operations adjustments related to Armstrong Flooring, Inc and our non-Americas International Businesses.
3) 2012 as reported figures include results of our non-Americas international businesses.
4) Includes adjustments to corporate costs and geographic allocations of corporate support functions due to the separation of Armstrong Flooring, Inc and the sale of our non-Americas International businesses.
5) Represents the impact of acquisition-related adjustments for the fair value of acquired inventory and deferred revenue, changes in fair value of contingent consideration and deferred compensation & restricted stock expenses.
6) WAVE Fresh Start Accounting asset impairment charge due to sale of our non-Americas International Businesses
7) Donation to the AWI Foundation

Trailing 12 Months Net Sales Reconciliation

	For the Period Ending				
Segment	Q3 2021	Q4 2021	Q1 2022	Q2 2022	TTM
Mineral Fiber Net Sales	$215	$207	$203	$235	$859
Architectural Specialties Net Sales	$78	$75	$79	$87	$319
AWI Net Sales	$292	$283	$283	$321	$1,178

Trailing 12 Months Adjusted EBITDA Reconciliation

	For the Period Ending				
Mineral Fiber	Q3 2021	Q4 2021	Q1 2022	Q2 2022	TTM
Operating Income, Reported	$69	$60	$58	$71	$258
Add: D&A	$18	$17	$17	$17	$69
Adjusted EBITDA	$86	$77	$74	$89	$326

	For the Period Ending				
Architectural Specialties	Q3 2021	Q4 2021	Q1 2022	Q2 2022	TTM
Operating Income/(Loss), Reported	$5	($3)	$7	$1	$9
Add: Acquisition-related impacts (1)	$3	$9	$2	$8	$22
Add: D&A	$5	$6	$4	$4	$19
Adjusted EBITDA	$13	$11	$13	$13	$50

	For the Period Ending				
Unallocated Corporate	Q3 2021	Q4 2021	Q1 2022	Q2 2022	TTM
Operating (Loss), Reported	($1)	($1)	($1)	($1)	($4)
Add: RIP expense (2)	$1	$1	$1	$1	$4
Adjusted EBITDA	-	-	-	-	-

(1) Represents the impact of acquisition-related adjustments for the fair value of acquired inventory and deferred revenue, changes in fair value of contingent consideration, deferred compensation and restricted stock expenses.
(2) RIP expense represents only the plan service cost that is recorded within Operating Income. For all periods presented, we were not required to and did not make cash contributions to our RIP.

Trailing 12 Months Adjusted Free Cash Flow Reconciliation

	For the Period Ending				
Adjusted Free Cash Flow	Q3 2021	Q4 2021	Q1 2022	Q2 2022	TTM
Net cash provided by operating activities	$56	$49	$17	$46	$168
Net cash provided by (used for) investing activities	$1	($9)	$0	($2)	($9)
Net cash provided by operating and investing activities	$57	$41	$17	$45	$160
Add: Acquisitions, net	$1	-	-	-	$1
(Less)/Add: Net environmental expenses (recoveries)	-	($1)	$1	-	$0
Add: Contingent consideration in excess of acquisition-rate fair value (1)	-	-	$2	-	$2
Add: Arktura deferred compensation (2)	-	$5	-	-	$5
Adjusted Free Cash Flow	$58	$45	$20	$45	$168

(1) Contingent compensation payments related to 2020 acquisitions recorded as a component of net cash provided by operating activities.
(2) Contingent compensation payments related to the acquisition.

Trailing 12 Months Adjusted Diluted Earnings Per Share Reconciliation

	For the Period Ending				
Adjusted Diluted Earnings Per Share	**Q3 2021**	**Q4 2021**	**Q1 2022**	**Q2 2022**	**TTM**
Earnings from continuing operations, Reported	$51	$42	$44	$52	$189
Add: Income tax expense, reported	$17	$9	$15	$15	$56
Net cash provided by operating and investing activities	$67	$51	$59	$67	$245
Add: Acquisition-related impacts (1)	$3	$9	$2	$8	$22
Add: Acquisition-related amortization (2)	$4	$4	$3	$2	$12
Adjusted earnings from continuing operations before income taxes	$74	$64	$64	$77	$280
(Less): Adjusted income tax expense (3)	($18)	($12)	($16)	($17)	($64)
Adjusted net income from continuing operations	$56	$52	$48	$60	$216
Adjusted Diluted Earnings Per Share	$ 1.17	$ 1.09	$ 1.02	$ 1.29	$ 4.57
Diluted Shares Outstanding, as reported	47.8	47.7	47.2	46.7	
Effective Tax Rate, as reported	25%	18%	25%	22%	

(1) Represents the impact of acquisition-related adjustments for the fair value of acquired inventory and deferred revenue, changes in fair value of contingent consideration, deferred compensation and restricted stock expenses.
(2) Represents the intangible amortization related to acquired entities, including customer relationships, developed technology, software, trademarks and brand names, non-compete agreements and other intangibles.
(3) Adjusted income tax expense is calculated using the effective tax rate multiplied by the adjusted earnings from continuing operations before income taxes