Armstrong World Industries

Investor Presentation

May 2026



Safe Harbor Statement

When we refer to “AWI,” the “Company,” “we,” “our” or “us,” we are referring to Armstrong World Industries, Inc. and its subsidiaries.

Disclosures in this presentation contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation, those relating to future financial and operational results, market and broader economic conditions and guidance. 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 or results, including annual guidance. 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 could cause our actual results to differ materially from those projected, anticipated or implied is included in the “Risk Factors” and “Management’s Discussion and Analysis” sections of our reports on Form 10-K and Form 10-Q filed with the U.S. Securities and Exchange Commission (“SEC”), including our quarterly report for the three months ended March 31, 2026. 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, this presentation includes references to non-Generally Accepted Accounting Principles in the United States (“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 is included within this presentation and available on the Investor Relations page of our website at www.armstrong.com.

The full year guidance in this presentation is effective only as of the date it was given, April 28, 2026, and will not be updated or affirmed unless and until we publicly announce updated or affirmed guidance.

Basis of Presentation Explanation

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 Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”), adjusted diluted earnings per share (“EPS”) and adjusted free cash flow. The Company excludes certain acquisition related expenses (i.e. – impact of adjustments related to the fair value of inventory, third-party professional fees and changes in the fair value of contingent consideration for acquisitions). The Company also excludes all acquisition-related intangible amortization from adjusted net earnings and in calculations of adjusted diluted EPS. Examples of other excluded items have included plant closures, restructuring charges and related costs, impairments, separation costs and other cost reduction initiatives, environmental site expenses and environmental insurance recoveries, endowment level charitable contributions, the impact of defined benefit plan settlements, gains and losses on sales or impairment of fixed assets, and certain other gains and losses. The Company also excludes income/expense from its U.S. Retirement Income Plan (“RIP”) in the non-GAAP results as it represents the actuarial net periodic benefit credit/cost recorded. For all periods presented, the Company was not required to and did not make cash contributions to the RIP based on guidelines established by the Pension Benefit Guaranty Corporation, nor does the Company expect to make cash contributions to the plan in 2026. Adjusted free cash flow is defined as cash from operating and investing activities, adjusted to remove the impact of cash used or proceeds received for acquisitions and divestitures, environmental site expenses and environmental insurance recoveries. Management's adjusted free cash flow measure includes returns of investment from WAVE and cash proceeds received from the settlement of company-owned life insurance policies, which are presented within investing activities on our consolidated statement of cash flows.

Investors should not consider non-GAAP measures as a substitute for GAAP measures.

Excluding adjusted diluted EPS, non-GAAP figures are rounded to the nearest million and corresponding percentages are based on unrounded figures.

Operating Segments: “MF”: Mineral Fiber, “AS”: Architectural Specialties, “UC”: Unallocated Corporate

We define “organic” as total company and/or AS results excluding the impact of the February 2026 acquisition of Event Scape Inc. and Eventscape U.S. Holdings Inc. (collectively, “Eventscape”), the December 2025 acquisition of FGM-Parallel LLC (“Parallel”) and the September 2025 acquisition of Geometrik Manufacturing, Inc. (“Geometrik”).

All dollar figures throughout the presentation are in $ millions, except per share data, and all comparisons are versus the applicable prior-year period unless otherwise noted. Figures may not sum due to rounding.

Armstrong World Industries, Inc.

NYSE
AWI

An Americas leader in the design and manufacture of innovative interior & exterior architectural applications including ceilings, specialty walls and exterior metal solutions

FULL YEAR 2025 CONSOLIDATED RESULTS[1]

NET SALES	ADJUSTED EBITDA*	ADJUSTED DILUTED EPS*	ADJUSTED FREE CASH FLOW*
$1,621M	$555M	$7.41	$346M

Mineral Fiber

NET SALES	ADJ. EBITDA*
$1,031M	$448M

JOINT VENTURE
WAVE
WORTHINGTON ARMSTRONG VENTURE

Architectural Specialties

NET SALES	ADJ. EBITDA*
$590M	$108M

Key Verticals and contribution to AWI Net Sales**

EDUCATION	OFFICE[3]	HEALTHCARE	RETAIL	TRANSPORTATION
30%	30%	20%	10%	10%

For more than 165 years,
we have built our business on trust and integrity

24
Operating Facilities[2]

~4,000
Employees



Headquartered in
Lancaster, PA

*Non-GAAP measure. See appendix for reconciliation to nearest GAAP measure. | **Based on internal company estimates. | 1. Includes impacts from Unallocated Corporate segment. | 2. Excluding 7 WAVE facilities. | 3. Includes data centers.

The Armstrong Purpose

Making a positive difference in the spaces where we…



LIVE



WORK



LEARN



HEAL



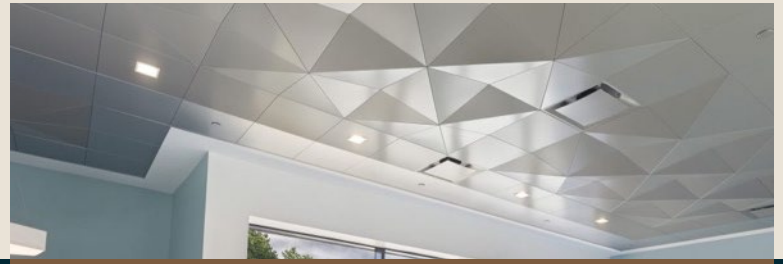
PLAY

It matters to us, and it matters to our stakeholders

Sustainability is Integral to Our Success

Our Approach

Three Pillars guide our sustainability program, each with their own ambitions.
We aim to lead a transformation in the design and building of spaces so that occupants, owners, operators and communities can thrive.



Healthy and Circular Products

We are committed to responsible sourcing and to providing transparency in our products. In addition, we will design our products to minimize waste and pollution, support circularity and contribute to the regeneration of natural systems.



Healthy Planet

Our electricity will be either directly or indirectly sourced through renewable energy, and we will reduce carbon, GHG waste and water impacts of our products and solutions.

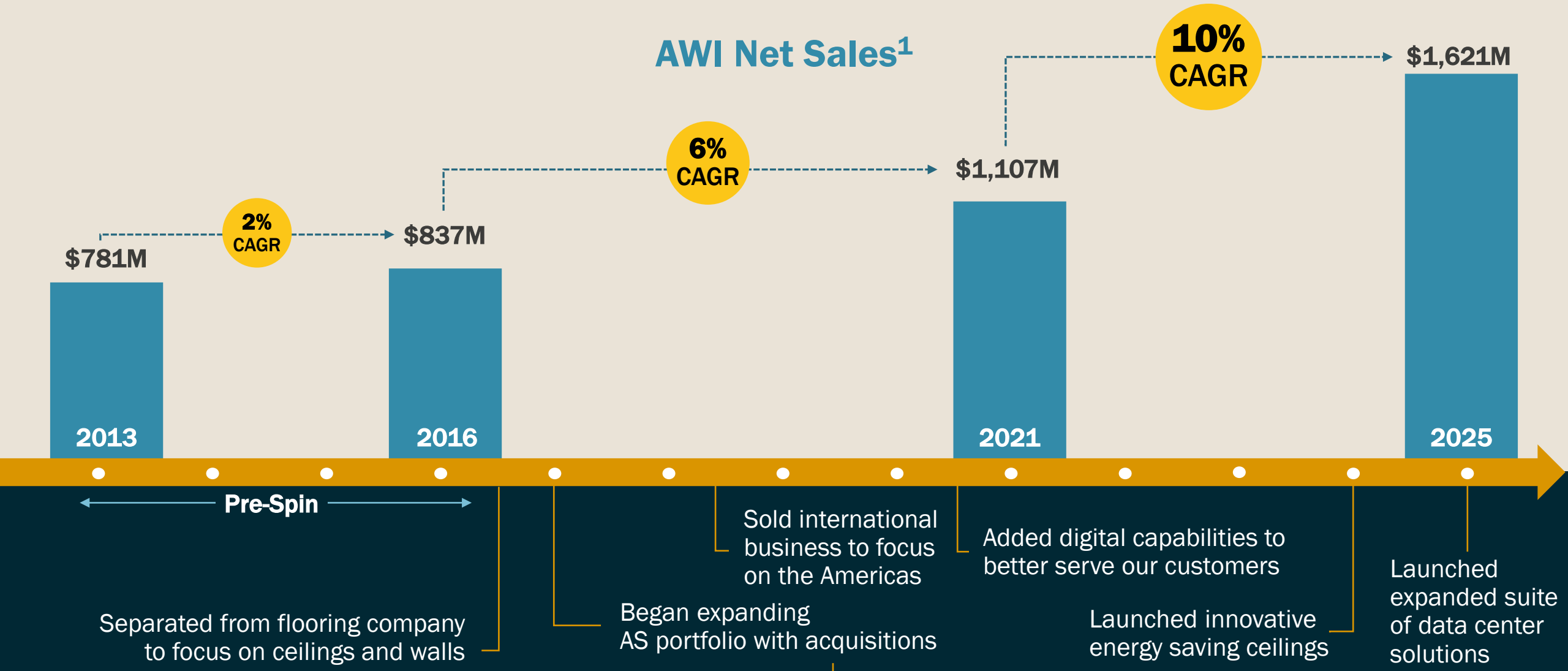


Thriving People and Communities

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

Additional Resources: AWI Sustainability Website | 2025 Sustainability Report

Creating a Differentiated and Focused Building Products Company

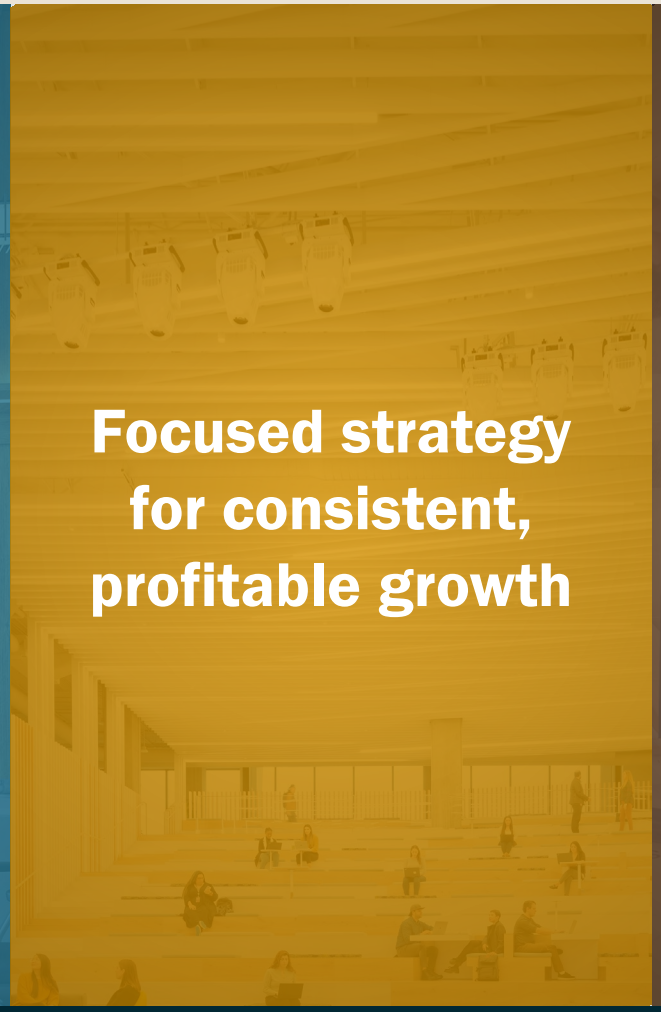


1. AWI Net Sales represents AWI on a Continuing Operations (Americas, ceilings and walls only) basis.

Why Invest in AWI?









Value Creation for Shareholders

Why Invest in AWI?



Unique company in an attractive industry

Complementary, high performing segments

Focused strategy for consistent, profitable growth

Strong financial returns

Value Creation for Shareholders

Uniquely Positioned to Win in an Attractive Category

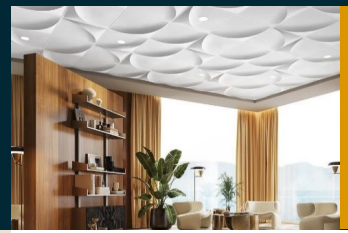
Ceiling and wall solutions matter in designing high-performing spaces



Attractive Category

Ceilings and wall category has distinctive attributes in the building products industry

- **Consolidated industry structure** with exposure to diverse end markets
- **Large Mineral Fiber installed base** (est. at ~40 Billion ft^2)* generates stable and repeating repair & remodel demand
- **Highly specified,** high-value products with few cost-effective substitutes
- Customers demonstrate brand loyalty; **rewarding performance, service and innovation**
- Ceilings are an integral part of evolving solutions to meet increasing demand for **total indoor environmental quality**



Why We Win

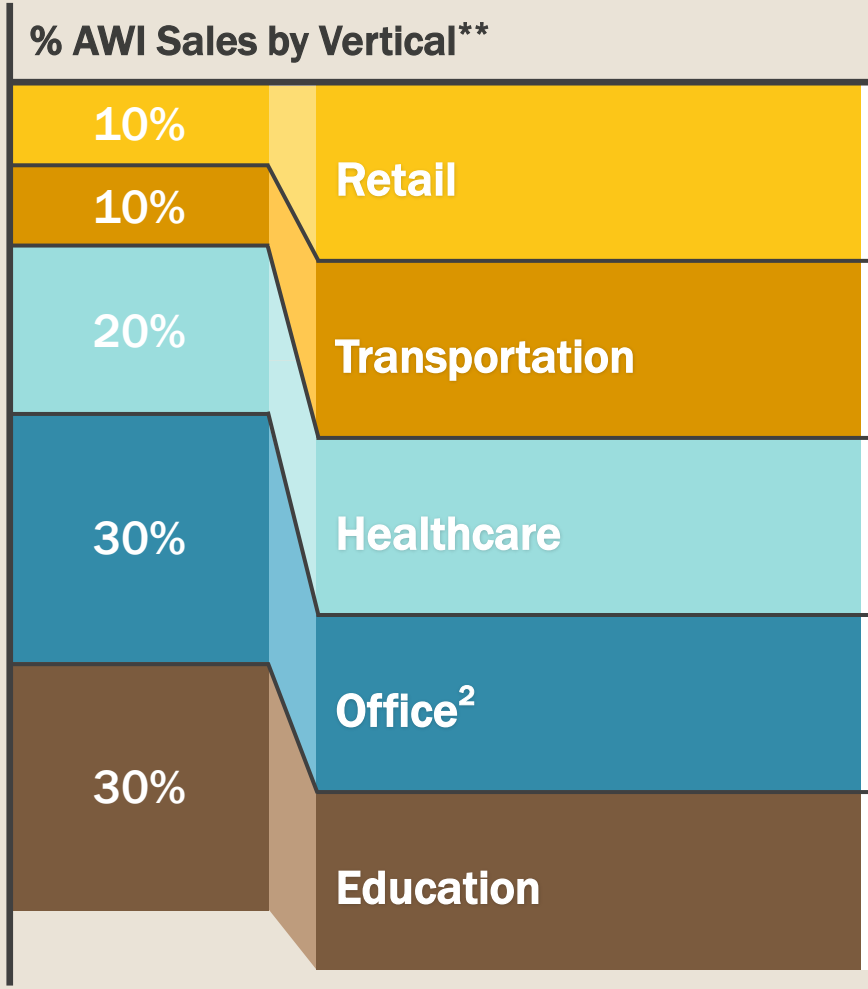
As the industry leader, AWI is advantageously positioned to win within this category

- **Strong and trusted brand**
- **Broadest, most innovative** product portfolio
- **Specification excellence** 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

*Based on internal company estimates.

Diverse End Markets Drive Stability Throughout Cycles

End Market Vertical Outlook*

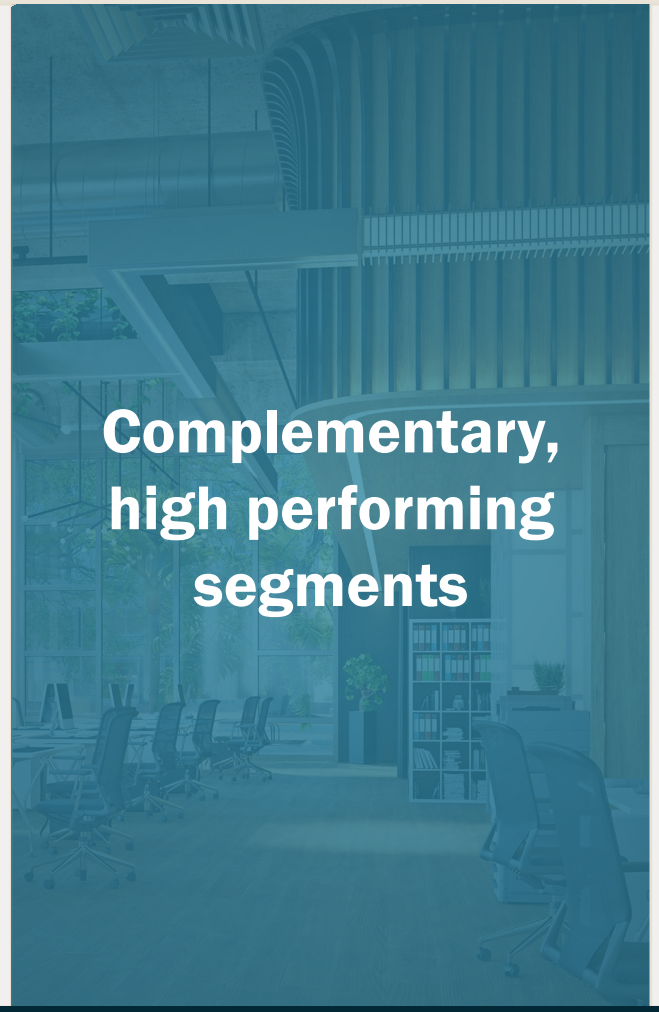


Outlook*	Market Insights
Slightly Negative	Lingering headwinds from online shopping balanced by population shifts to suburbs and multi-use in urban areas.
Positive	Funding infusion from Infrastructure Investment and Jobs Act totaling $15 billion[1] for airports through 2026.
Slightly Positive	Continued growth in hospitals and urgent care centers driven by demographic shifts.
Neutral-to-Improving	New construction starts from prior years, increasing back-to-office mandates and data center growth offsetting lingering economic uncertainty.
Neutral	Stable state & local government funding partially offset by demographic trends.

*12-to-24-month outlook based on internal company estimates and Dodge data and analytics, excluding indirect tariff-related impacts. | **Based on internal company estimates.
1. According to the Federal Aviation Administration. | 2. Includes data centers.

Why Invest in AWI?

Unique company in an attractive industry



Focused strategy for consistent, profitable growth

Strong financial returns

Value Creation for Shareholders

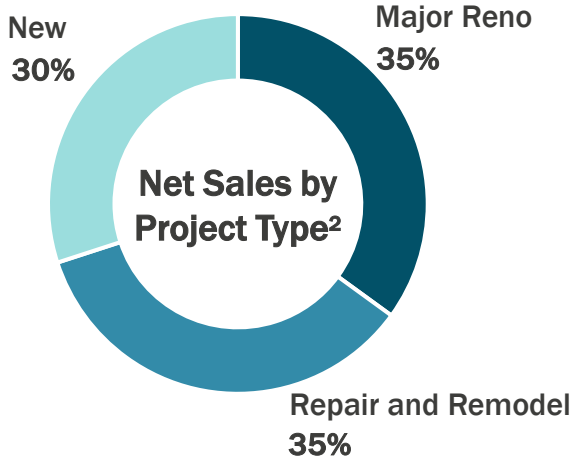
Complementary Segments With Strong Profitability

Mineral Fiber Segment

7%
5-Year Net Sales CAGR[1]

$1,031M
2025 Net Sales

44%
2025 Adj. EBITDA Margin*



Key Attributes

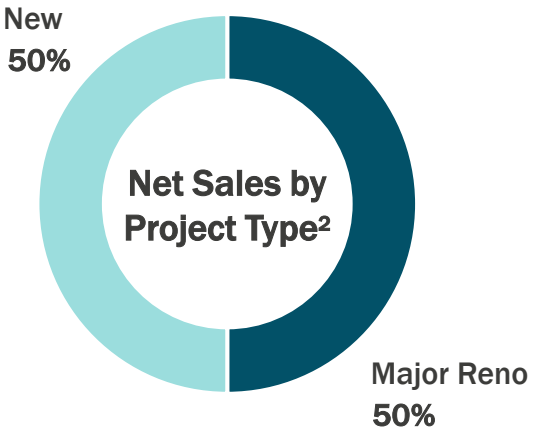
- Consistent AUV[3] growth supported by innovation
- Targeted manufacturing productivity of ~3% annually
- Diverse verticals and project types lessen cyclicality
- Equity earnings contribution from WAVE

Architectural Specialties Segment

23%
5-Year Net Sales CAGR[1]

$590M
2025 Net Sales

18%
2025 Adj. EBITDA Margin*



Key Attributes

- Focused on 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. CAGR represents 2020 to 2025 results. | 2. Based on internal company estimates. | 3. Average Unit Value.

Successful Joint Venture Creates Important Competitive Advantage

WAVE leverages the strengths and expertise of both parent companies

Armstrong® World Industries

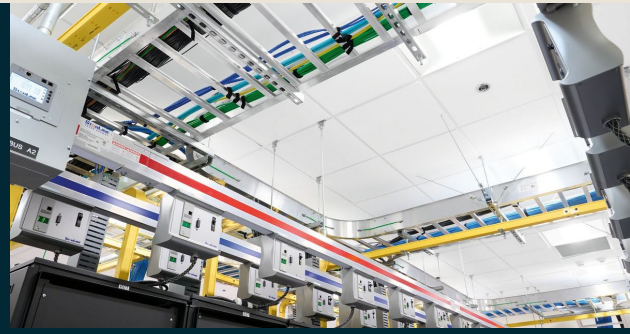
Go to market expertise

WORTHINGTON ENTERPRISES

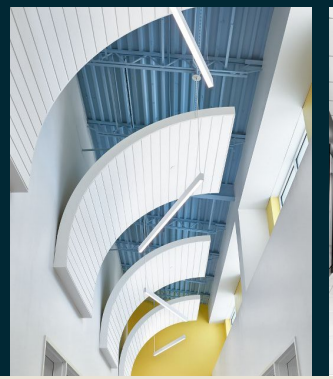
Steel procurement and supply chain management expertise

WAVE
WORTHINGTON ARMSTRONG VENTURE

- Established in **1992 — 50/50** joint venture
- **North American market leader** in ceiling suspension system (grid) and integrated solutions
- **Innovation** mindset
- **Over $500 million** in sales in 2025
- Over **$860 million** of cash dividends to AWI since 2017[1]
- **7** U.S. plants[2]
- **~480** employees[2]



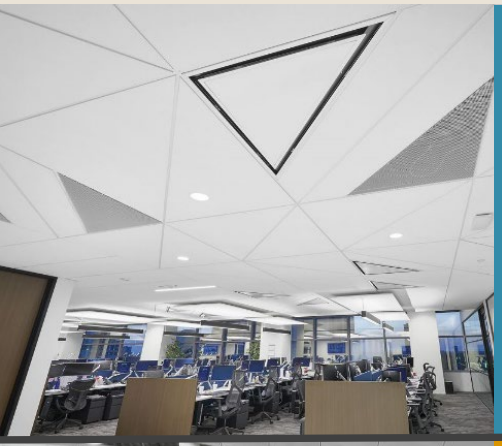






1. Through the year ended December 31, 2025. | 2. As of December 31, 2025.

Together Our Segments Enable the AWI Total Customer Experience



Mineral Fiber



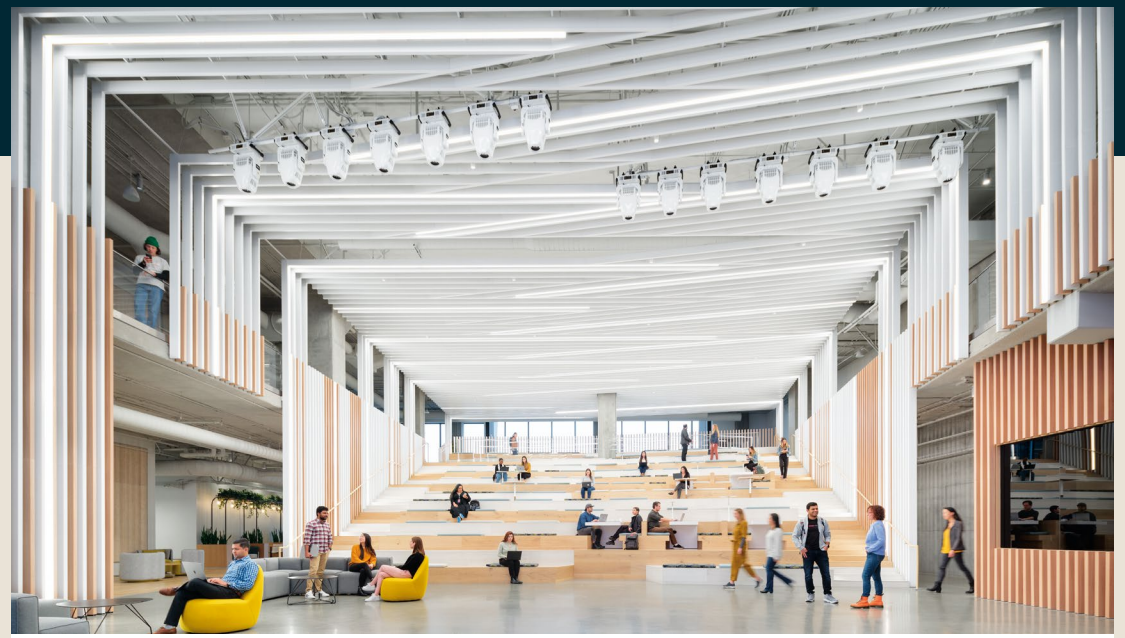
Architectural Specialties



AWI is uniquely positioned to efficiently deliver a broad range of innovative, highly-specified solutions to our customers

AWI is the Supplier of Choice for Large, Complex Projects

Adobe North Tower, San Jose, CA



CISCA Award Winner

ProjectWorks®

Check out the full project here!



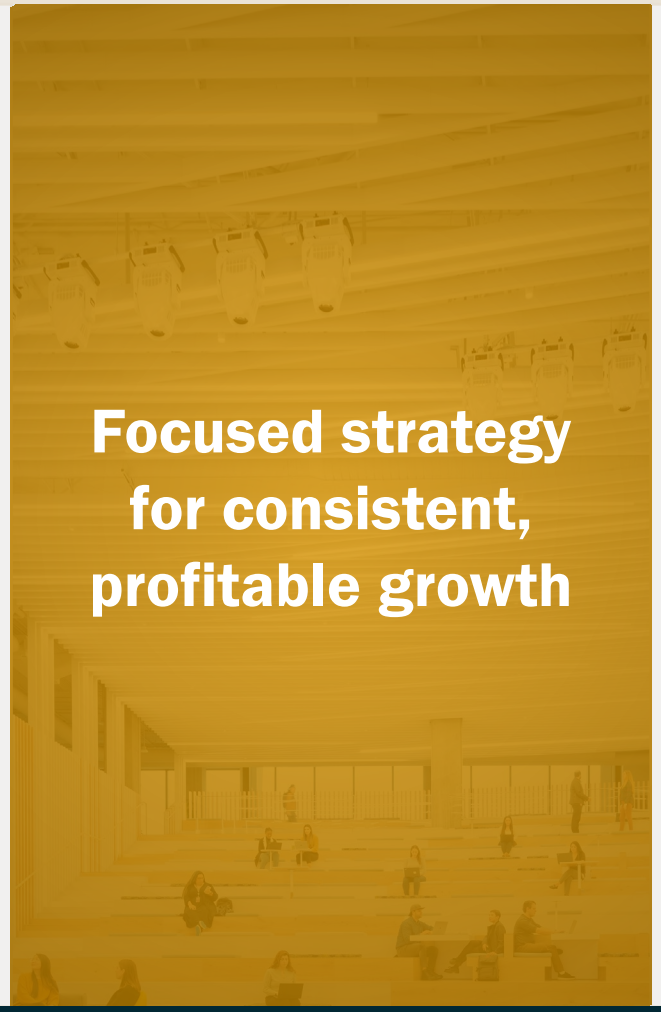
Products Specified

AS: MetalWorks™ Custom Blades	AS: Arktura® Vapor® Cluster
AS: Turf® Custom Grid	AS: Arktura® Vapor® Frequency
AS: Tectum®	AS: WoodWorks®
MF: DesignFlex®	WAVE: Axiom®
MF: AirAssure®	

Why Invest in AWI?

Unique company in an attractive industry

Complementary, high performing segments



Strong financial returns

Value Creation for Shareholders

Focused Strategy That Consistently Drives Value for Stakeholders

GROWTH STRATEGY

- Market-driven **product innovation**
- Customer-centric **growth initiatives**
- **Acquisitions** to build greater market opportunity

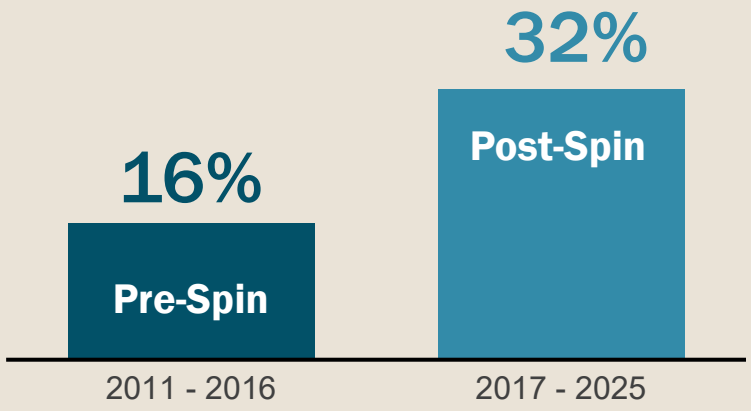
EXPECTED OUTCOMES

- Enhances our competitive advantage
- Expands volume and AUV growth potential
- Consistently strong financial performance
- Creates shareholder value

New Products and Features Consistently Rewarded by the Market

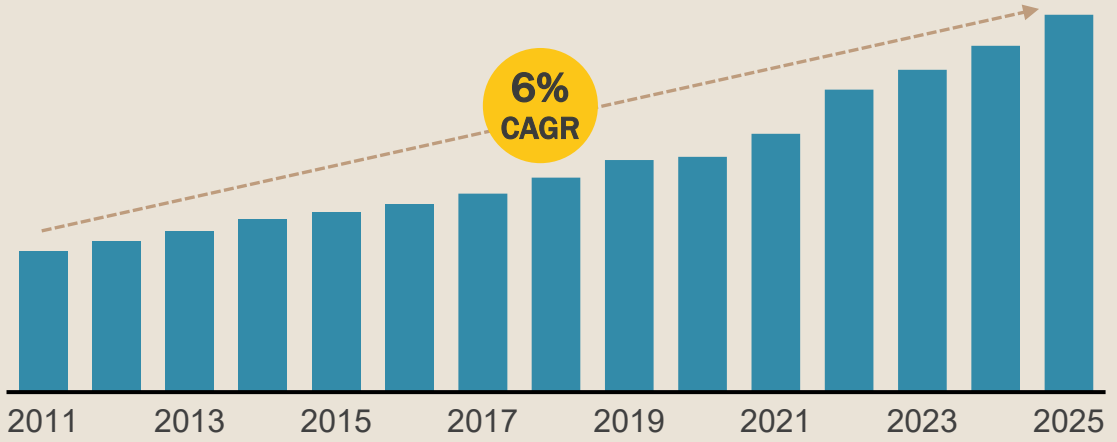
Demonstrated Innovation Focus

Product Vitality Index[1]



Proven Ability to Consistently Deliver AUV Growth

Mineral Fiber AUV (Average Unit Value)[2]



Innovation focused on emerging market needs

- Energy Efficiency
- Sustainability
- Labor Efficiency
- Fire Safety
- Acoustics
- Aesthetics

1. Product Vitality Index represents the percent of total sales from products introduced in the last 5 years. Pre-Spin and Post-Spin refers to the separation from Armstrong Flooring, Inc., completed on April 1, 2016.
2. US and Canada Mineral Fiber Commercial only.

Innovation Focus: Reducing Energy Use and Carbon in the Built Environment

Solutions Aligned With Market Needs

Deliver Energy Savings
Reduce building HVAC costs and energy consumption by as much as 15%[1]

Enable LEED® Credits
Contributes to decarbonization-focused credits in multiple areas

Achieve Sustainability Goals
Reduce embodied and operational carbon emissions for building owners and operators

Recent Product Launches



Templok® Energy Saving Ceiling Panels
Improves thermal comfort, reduces heating and cooling needs, and contributes to a more efficient HVAC operation, resulting in a more sustainable, resilient space. May qualify for 40% or 50% U.S. federal tax credit, improving project ROI.



Ultima® Low Embodied Carbon (LEC) Ceiling Panels
Offers 43% reduction[2] in embodied carbon using sustainably sourced, wood-generated biochar that sequesters carbon resulting in a lower global warming potential.

Energy Savings Case Studies



Los Angeles Office Energy Modeling



Palm Springs Classroom Case Study

1. Cooling energy savings according to research estimates measured in lab tests. Results may vary. | 2. Reduction in cradle-to-gate stages (A1-A3) impacts compared to standard Ultima® Panels.

Innovation Focus: Enabling High-Performance Data Centers

Solutions Aligned With Market Needs

Multi-Year, Macro-Driven Opportunity

Supports long-term growth driven by increasing demand for resilient digital infrastructure, underpinned by the continued expansion of cloud computing and AI.

Robust, Differentiated Portfolio

Builds on Armstrong's core strengths in manufacturing and execution of complex, systems-based solutions for mission-critical environments.

High-Performance, Scalable Data Center Design

Supports higher power and structural loads, improves airflow and cooling efficiency, and enables fast, repeatable deployment across high-density, multi-site data center programs.

Recent Product Launches



DataZone™ Ceiling Panels

Supports efficient airflow management and cooling performance in mission-critical data center environments, with scalable integration into containment and infrastructure systems.



DynaMax® & DynaMax® LT Structural Grid

High-load structural ceiling systems that support data center infrastructure requirements, including cable management and mechanical systems, while enabling flexible, future-ready design.

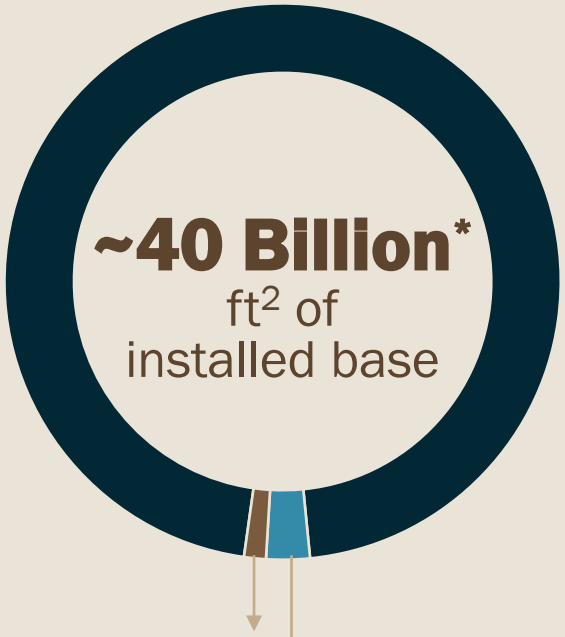


Containment Solutions

Optimize airflow and cooling efficiency through integrated hot and cold aisle designs for data center environments, supporting reliable performance and scalable expansion as power densities increase.

Strategic Initiatives Support Volume and AUV Growth

Large Installed Base Provides Sizable Opportunity to Influence Demand



STRATEGIC GROWTH INITIATIVES

	kanopi By Armstrong Ceilings	ProjectWorks	Sustainable, Energy Efficient Buildings
Description	Digital platform to deliver end-to-end ceiling solutions, accessing untouched demand	Automated design service to deepen customer relationships, strengthen specifications & lower construction costs	Focus on energy saving products, construction efficiency, circularity and IEQ (indoor environmental quality)… a secular tailwind for renovation … including data centers & mission critical buildings
Key stakeholders	Facility managers, small business owners, DIY	Designers, architects, contractors, owners	Building owners and occupants, designers, architects, energy service companies, data centers

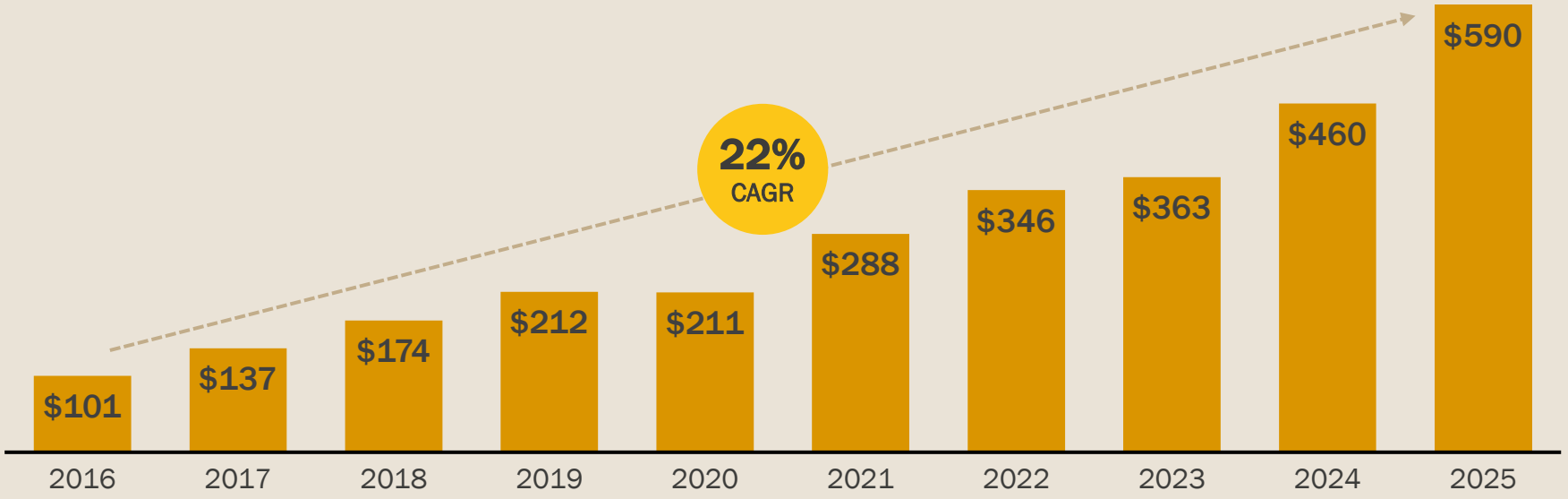
GROWTH IMPACT

Volume	**Repair and Remodel**	**New and Major Reno**	**New, Major Reno, Repair and Remodel**
AUV	**Medium**	**High**	**High**

*Based on internal company estimates.

Driving Profitable AS Topline Growth Through Both Acquisitions and Market Penetration

AS Segment Net Sales



Acquisitions

TECTUM INC. The Noise Control Solution
Steel Ceilings Inc. Manufacturer of Metal Ceilings and Specialty Systems
PLASTERFORM Architectural Castings
MRK INDUSTRIES
ACGI
TURF
MÓZ
ARKTURA
GC PRODUCTS
BŌK MODERN
3form
Geometrik
ZAHNER
PARALLEL ARCHITECTURAL PRODUCTS

AWI's scale and focus drive synergies to enhance profitability and create value

EBITDA multiples:

~9x
pre-synergy

~6x
post-synergy[1]

1. 2023, 2024 and 2025 acquisition post-synergies are based on future expected results.

Eventscape Acquisition[1] Expands Design and Fabrication Capabilities to More Applications in the Built Environment

EVENTSCAPE

At-a-Glance

Leader in the design, fabrication and installation of custom-built marquee architectural features that elevate how a space is experienced

~150
employees

2
production facilities (NYC and Toronto)

~$30M
sales in 2025







Clockwise from left: Royal Bank Plaza, Toronto, ON; Citibank HQ, New York, NY; Fly Condos, Toronto, ON.

1. Armstrong completed the acquisition of Event Scape, Inc. and Eventscape US Holdings, Inc. (collectively, "Eventscape") in February 2026.

Advancing External Metal Capabilities to Unlock an Additional $1B Architectural Specialties Market Opportunity

Prior...

~$1.5B TAM[1]

Interior Applications

Primarily interior metal, wood, felt, glass reinforced gypsum and translucents

BŌK® MODERN — July 2023

ZAHNER® — December 2024

PARALLEL ARCHITECTURAL PRODUCTS — December 2025

Looking forward...

$2.5B+ TAM[1]

Interior Applications

+

Exterior Metal

1. "TAM": Total Addressable Market. Based on internal company estimates.

Why Invest in AWI?

Unique company in an attractive industry

Complementary, high performing segments

Focused strategy for consistent, profitable growth

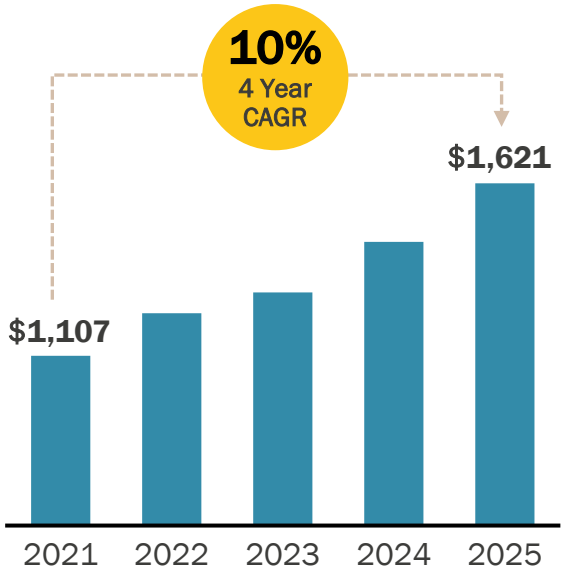


Value Creation for Shareholders

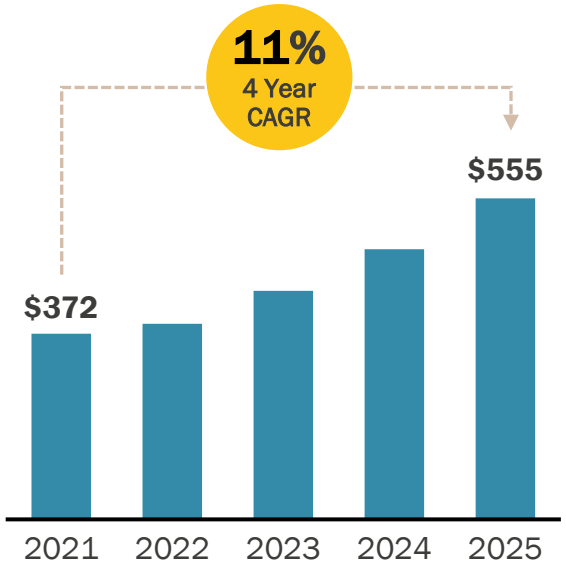
Resilient Business Model Creates Value for Shareholders

Delivering exceptional results despite a tough macro environment

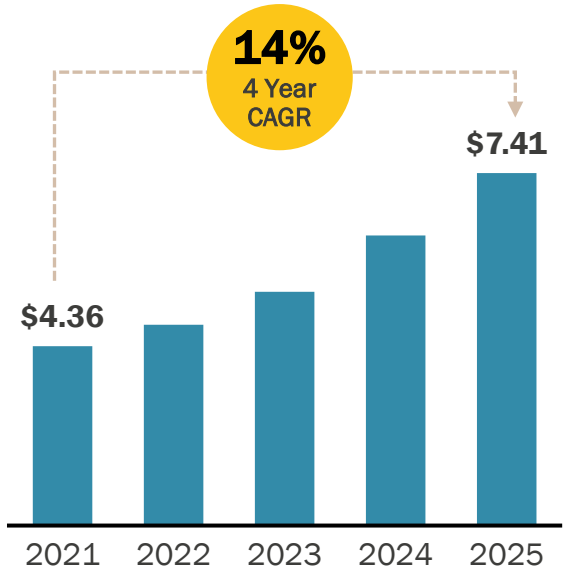
Net Sales ($M)



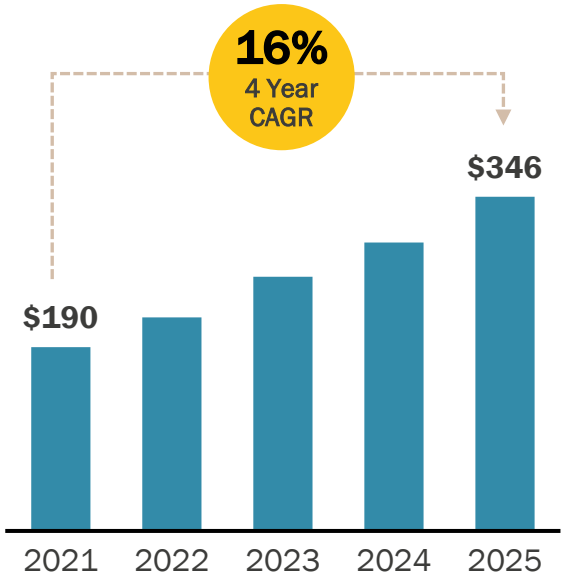
Adjusted EBITDA* ($M)



Adjusted Diluted EPS*



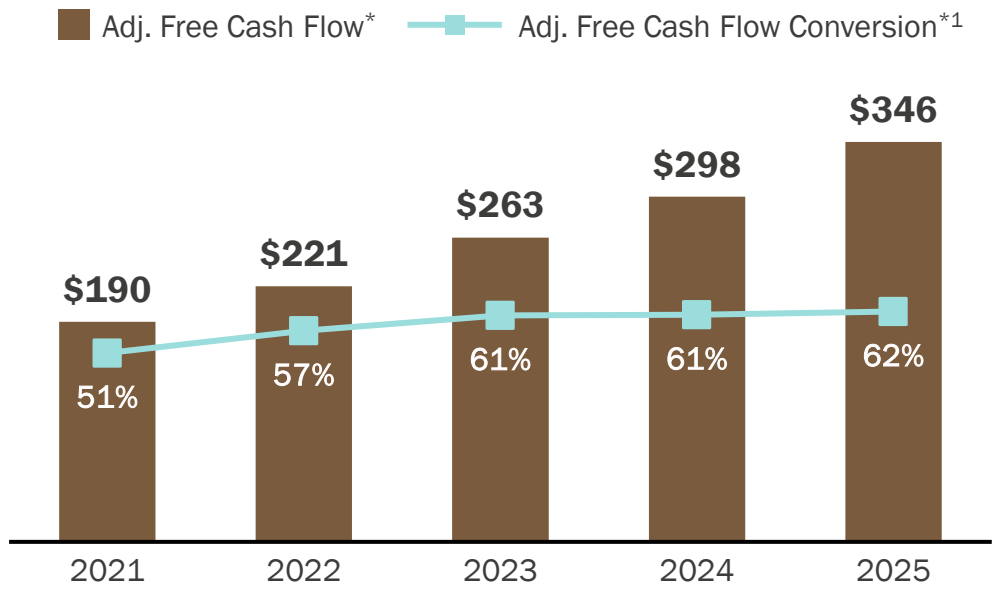
Adj Free Cash Flow* ($M)



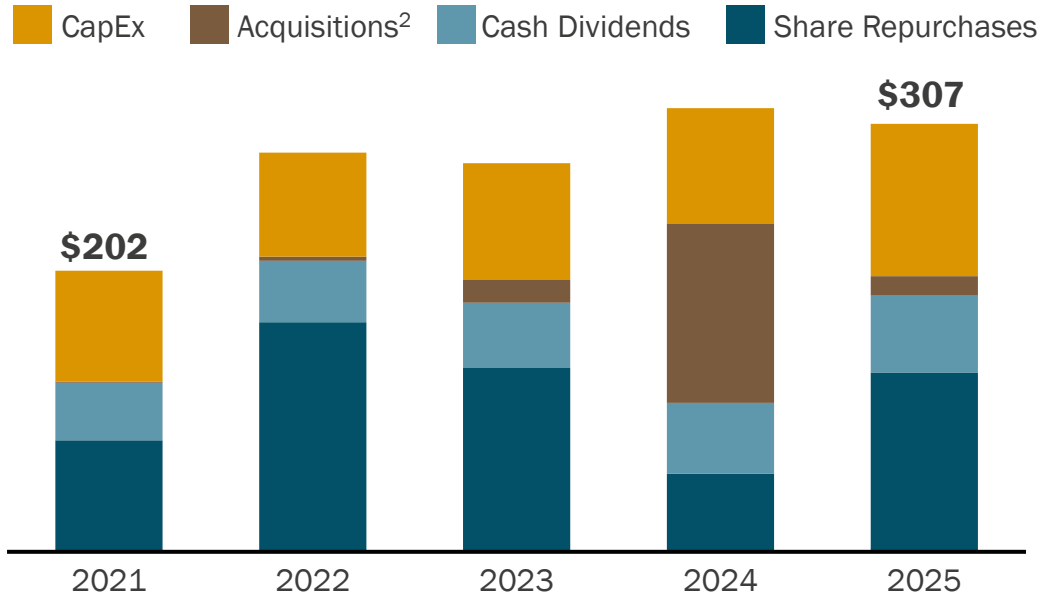
*Non-GAAP measure. See appendix for reconciliation to the nearest GAAP measure.

Strong Cash Flow Profile Supports All Capital Allocation Priorities

~$1.3B of Adj. Free Cash Flow* generated since 2021



Balanced Approach To Capital Allocation



($M)

Capital Allocation Priorities

1. **Reinvesting into the business**
2. **Strategic acquisitions & partnerships**
3. **Returning cash to shareholders**

*Non-GAAP measure. See appendix for reconciliation to the nearest GAAP measure. | 1. Adj. Free Cash Flow Conversion represents Adjusted Free Cash Flow as a percentage of Adjusted EBITDA.
2. Reflects cash paid for acquisitions, net of or inclusive of cash acquired, and equity investments recorded as a component of cash (used for) provided by investing activities. 2023 excludes the acquisition of software-related intellectual property.

Creating Value for Shareholders

AWI Investor Value Proposition

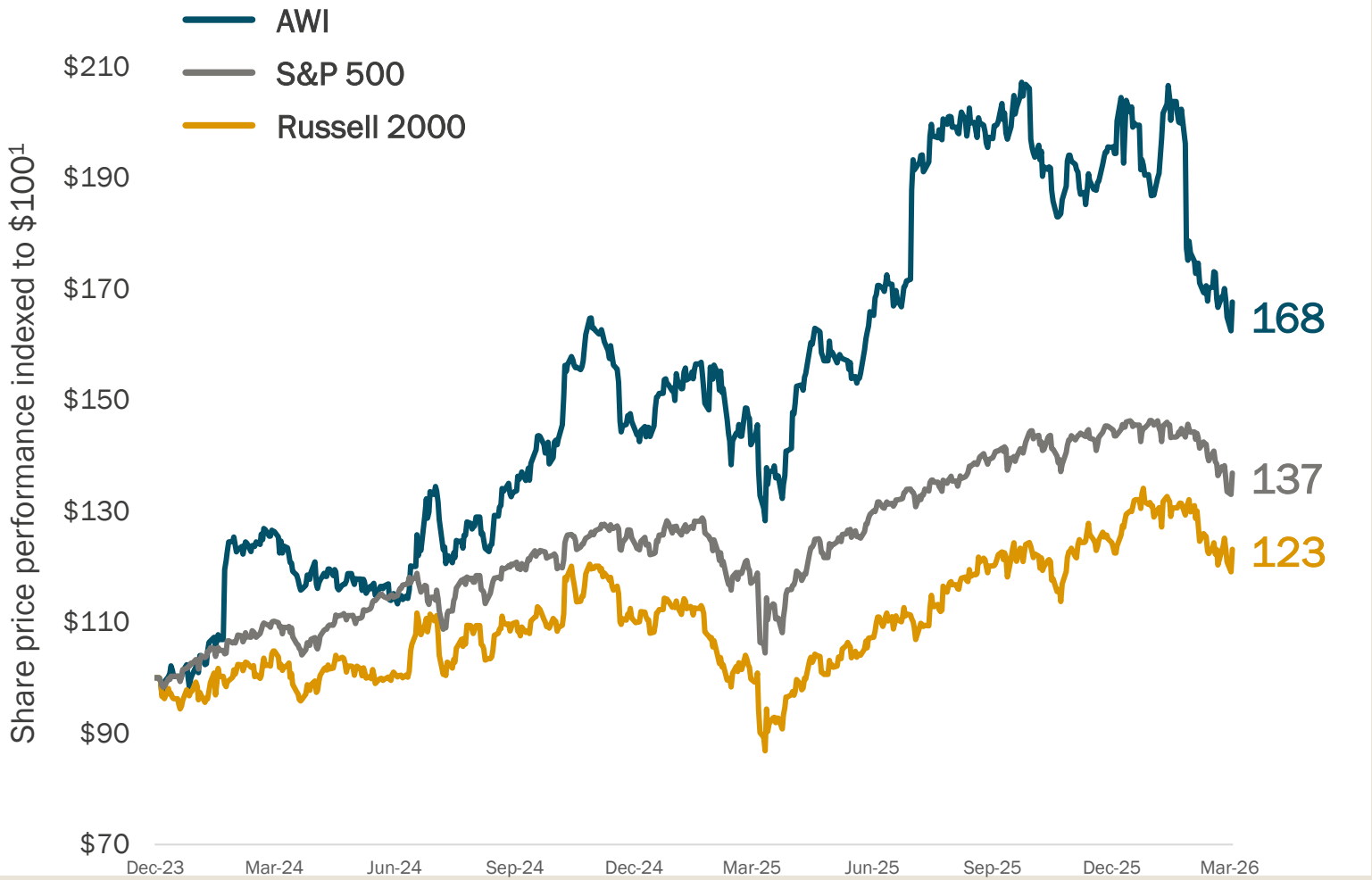
Unique company in an attractive industry

Complementary, high performing segments

Focused strategy for consistent, profitable growth

Strong financial returns

AWI vs S&P 500 and Russell 2000



1. The performance shown in the chart assumes $100 invested on December 31, 2023 through March 31, 2026, with dividends reinvested, and it should not be considered indicative of future performance.

Updated Full Year 2026 Guidance[1]

Expecting strong growth across all key metrics

Net Sales

$1,745M to $1,785M

8% to 10% YoY

Adjusted EBITDA*

$600M to $620M

8% to 12% YoY

Adjusted Diluted EPS*

$8.15 to $8.45

10% to 14% YoY

Prior: $8.05 to $8.35

9% to 13% YoY

Adjusted Free Cash Flow*

$375M to $395M

9% to 14% YoY

*Non-GAAP measure. See appendix for reconciliation to nearest GAAP measure.

1. As issued on April 28, 2026.
2. Additional assumptions available in the appendix of this presentation.

Commentary[2]

- Expect Mineral Fiber volume flat to up 1% on slightly improving market conditions and growth initiatives
- Expect Mineral Fiber AUV growth ~6% … delivering Adj. EBITDA Margin* expansion
- WAVE equity earnings expected to grow mid-single digits
- Organic AS high-single-digit top line growth … Adj. EBITDA Margin* of 19-20%
- Guidance includes recent acquisition of Eventscape … adds incremental Sales and Adj. EBITDA* growth to Architectural Specialties



Appendix

Full Year 2026 Assumptions[1]

Segment	Net Sales	Adjusted EBITDA Margin
Mineral Fiber	6% to 7% growth	~44% (prior: > 43.5%)
Architectural Specialties	Mid-teens % growth	~19% (prior: > 19%)

Consolidated Metrics	Full Year 2026
Capital expenditures	$100M to $110M
Depreciation and amortization	$119M to $124M
Interest expense	$27M to $29M (prior: $25M to $28M)
Book / cash tax rate	~25% / ~22%
Shares outstanding	~43M (prior ~43 to 43.5M)
Cash return of investment from joint venture	$114M to $122M

Shipping Days vs Prior Year	2025	2026
Q1	(1)	-
Q2	-	-
Q3	-	-
Q4	-	-
Full Year	(1)	-

*Non-GAAP measure.
1. As issued on April 28, 2026.

2021 – 2025 Adjusted EBITDA Reconciliation

	For the Twelve Months Ended December 31,				
	2021	2022	2023	2024	2025
Net Sales	**$1,107**	**$1,233**	**$1,295**	**$1,446**	**$1,621**
Net earnings	**$183**	**$203**	**$224**	**$265**	**$309**
Less: Net (loss) earnings from discontinued operations	(2)	3	-	-	-
Earnings from continuing operations	**$185**	**$200**	**$224**	**$265**	**$309**
Add: Income tax expense, as reported	57	58	75	82	92
Earnings from continuing operations before tax	**$243**	**$258**	**$298**	**$347**	**$400**
Add: Interest/other income and expense, net	17	21	25	27	31
Operating income	**$260**	**$279**	**$324**	**$374**	**$431**
Add: RIP expense[1]	5	4	3	2	2
Add: Cost reduction initiatives and other	-	-	3	-	-
Add: Net environmental expenses	-	-	-	2	-
Add: Acquisition-related impacts[2]	10	19	11	4	2
Add/(Less): Loss (gain) on sales of fixed assets, net[3]	-	-	-	1	(1)
Adjusted operating income	**$275**	**$301**	**$340**	**$383**	**$435**
Add: Depreciation and amortization	97	84	89	103	120
Adjusted EBITDA	**$372**	**$385**	**$430**	**$486**	**$555**
Operating income margin (Operating income % of net sales)	23.5%	22.6%	25.0%	25.9%	26.6%
Adjusted EBITDA margin (Adj. EBITDA % of net sales)	33.6%	31.2%	33.2%	33.6%	34.3%

1. 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.
2. Represents the impact of acquisition-related adjustments for the fair value of inventory, contingent third-party professional fees, changes in fair value of contingent consideration, deferred compensation and restricted stock expenses.
3. In 2025, we recorded a gain on sale of a parcel of land at a Mineral Fiber plant. In 2024, we recorded a loss on sale of an undeveloped parcel of land adjacent to our corporate headquarters, which was partially offset by a gain on sale of our idled Mineral Fiber plant in St. Helens, Oregon.

2021 – 2025 Adjusted Diluted Earnings per Share Reconciliation

	For the Twelve Months Ended December 31,				
	2021	2022	2023	2024	2025
Earnings from continuing operations	**$185**	**$200**	**$224**	**$265**	**$309**
Add: Income tax expense, as reported	57	58	75	82	92
Earnings from continuing operations before income taxes	**$243**	**$258**	**$298**	**$347**	**$400**
(Less)/Add: RIP (credit) cost[1]	-	(1)	(1)	(1)	1
Add: Net environmental expenses	-	-	-	2	-
Add: Cost reduction initiatives and other	-	-	3	-	-
Add: Acquisition-related impacts[2]	10	19	11	4	2
Add: Acquisition-related amortization[3]	21	8	6	11	16
Add/(Less): Loss (gain) on sales of fixed assets, net[4]	-	-	-	1	(1)
Adjusted earnings from continuing operations before income taxes	**$274**	**$283**	**$318**	**$364**	**$419**
(Less): Adjusted income tax expense[5]	(65)	(63)	(79)	(86)	(96)
Adjusted earnings from continuing operations	**$209**	**$220**	**$238**	**$277**	**$323**
Diluted Shares Outstanding	47.9	46.4	44.8	44.0	43.6
Tax Rate[6]	24%	22%	25%	24%	23%
Diluted earnings (loss) per share from continuing operations	**$3.86**	**$4.30**	**$4.99**	**$6.02**	**$7.08**
Adjusted Diluted Earnings per share from continuing operations	**$4.36**	**$4.74**	**$5.32**	**$6.31**	**$7.41**

1. RIP (credit) cost represents the entire actuarial net periodic pension (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 inventory, contingent third-party professional fees, changes in fair value of contingent consideration, deferred compensation and restricted stock expenses.
3. Represents acquisition-related intangible amortization, including customer relationships, developed technology, software, trademarks and brand names, non-compete agreements and other intangibles.
4. In 2025, we recorded a gain on sale of a parcel of land at a Mineral Fiber plant. In 2024, we recorded a loss on sale of an undeveloped parcel of land adjacent to our corporate headquarters, which was partially offset by a gain on sale of our idled Mineral Fiber plant in St. Helens, Oregon.
5. Adjusted income tax expense is calculated using the tax rate multiplied by the adjusted earnings from continuing operations before income taxes.
6. All years presented reflect the effective tax rate as reported.

2021 – 2025 Adjusted Free Cash Flow Reconciliation

	Year Ended December 31,				
	2021	2022	2023	2024	2025
Net cash provided by operating activities	**$187**	**$182**	**$234**	**$267**	**$356**
Net cash (used for) provided by investing activities	**($14)**	**$28**	**($10)**	**($79)**	**($4)**
Net cash provided by operating and investing activities	**$173**	**$211**	**$223**	**$188**	**$352**
Add: Acquisitions, net	1	3	27	129	15
Add: Payments related to the sale of international, net[1]	12	-	-	-	-
(Less)/Add: Net environmental (recoveries) expenses	(1)	1	1	-	-
Add: Arktura deferred compensation[2]	5	5	8	6	1
Add: Contingent consideration in excess of acquisition-date fair value[2]	-	2	5	-	-
(Less): Proceeds from sales of facilities[3]	-	-	-	(24)	(1)
(Less): Non-recurring cash tax benefit due to 2025 federal tax reform[4]					(20)
Adjusted Free Cash Flow	**$190**	**$221**	**$263**	**$298**	**$346**
Net cash provided by operating & investing activities as a % of net sales	15.7%	17.1%	17.2%	13.0%	21.7%
Adjusted Free Cash Flow as a % of net sales	17.2%	17.9%	20.3%	20.6%	21.3%
Net cash provided by operating & investing activities as a % of operating income	67%	76%	69%	50%	82%
Adjusted Free Cash Flow as a % of Adjusted EBITDA	51%	57%	61%	61%	62%

1. Includes related income tax payments.
2. Deferred compensation and contingent consideration payments related to acquisitions that were recorded as components of net cash provided by operating activities.
3. Proceeds related to the 2025 sale of a parcel of land at a Mineral Fiber plant and the 2024 sales of Architectural Specialties design center, our idled Mineral Fiber plant in St. Helens, Oregon and undeveloped land adjacent to our corporate headquarters.
4. Represents the cash tax benefit from retroactive application of domestic research and development expense deductions for prior years, realized in 2025 as a one-time reduction in cash taxes paid resulting from 2025 federal tax reform.

2025 Segment Adjusted EBITDA Reconciliation

	Year Ended December 31, 2025		
	MF	AS	UC
Net sales	**$1,031**	**$590**	**-**
Operating income (loss)	**$362**	**$72**	**($3)**
Add: RIP expense[1]	-	-	2
Add: Acquisition-related impacts[2]	1	2	-
(Less): Gain on sales of fixed assets, net[3]	(1)	-	-
Adjusted operating income (loss)	**$362**	**$74**	**($1)**
Add: Depreciation and amortization	87	34	-
Adjusted EBITDA	**$448**	**$108**	**($1)**
Operating income margin (Operating income % of net sales)	35.1%	12.2%	NM
Adjusted EBITDA margin (Adj. EBITDA % of net sales)	43.5%	18.3%	NM

1. RIP expense represents only the plan service cost related to the RIP that is recorded within Operating Income. 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 inventory, contingent third-party professional fees and changes in fair value of contingent consideration.
3. In 2025, we recorded a gain on sale of a parcel of land at a Mineral Fiber plant. In 2024, we recorded a loss on sale of an undeveloped parcel of land adjacent to our corporate headquarters, which was partially offset by a gain on sale of our idled Mineral Fiber plant in St. Helens, Oregon.

2026 Adj. EBITDA Guidance Reconciliation

	Full Year 2026	
	Low	High
Net earnings	**$339**	**$348**
Add: Income tax expense	113	116
Earnings before income taxes	**$452**	**$464**
Add: Interest expense	27	29
Add: Other non-operating (income), net	(5)	(4)
Operating income	**$474**	**$489**
Add: RIP expense[1]	2	2
Add: Acquisition-related impacts[2]	3	3
Add: Severance and cost reduction actions	3	3
Adjusted operating income	**$481**	**$496**
Add: Depreciation and amortization	119	124
Adjusted EBITDA	**$600**	**$620**

2026 Adj. Free Cash Flow Guidance Reconciliation

	Full Year 2026	
	Low	High
Net cash provided by operating activities	**$295**	**$317**
Add: Return of investment from joint venture	114	122
(Less): Capital expenditures	(100)	(110)
Add: Acquisitions, net of cash acquired	65	65
Add: Contingent consideration in excess of acquisition-date fair value[3]	2	2
Adjusted Free Cash Flow	**$375**	**$395**

2026 Adj. Diluted EPS Guidance Reconciliation

	Full Year 2026	
	Low	High
Net earnings	**$339**	**$348**
Add: Income tax expense	113	116
Earnings before income taxes	**$452**	**$464**
(Less): RIP (credit)[4]	(1)	(1)
Add: Acquisition-related amortization[5]	14	16
Add: Acquisition-related impacts[2]	3	3
Add: Severance and cost reduction actions	3	3
Adjusted earnings before income taxes	**$470**	**$484**
(Less): Adjusted income tax expense[6]	(117)	(121)
Adjusted net earnings	**$352**	**$363**
Diluted net earnings per share	$7.84	$8.11
Adjusted diluted net earnings per share[7]	**$8.15**	**$8.45**

1. RIP expense represents only the plan service cost that is recorded within Operating income. We do not expect to make cash contributions to our RIP.
2. Represents the impact of third-party professional fees and changes in fair value of contingent consideration.
3. Contingent consideration payments related to acquisitions that were recorded as components of net cash provided by operating activities.
4. RIP (credit) represents the entire actuarial net periodic pension (credit) recorded as a component of net earnings. We do not expect to make any cash contributions to our RIP.
5. Represents acquisition-related intangible amortization, including customer relationships, developed technology, software, trademarks and brand names, non-compete agreements and other intangibles.
6. Adjusted income tax expense is based on an adjusted effective tax rate of approximately 25%, multiplied by adjusted earnings before income taxes.
7. Adjusted diluted EPS guidance for 2026 is calculated based on approximately 43 million of diluted shares outstanding.