Owens Corning (OC)

Updated August 16th, 2025, by Yiannis Zourmpanos

Key Metrics

Current Price:	$150	**5 Year CAGR Estimate:**	7.7%	**Market Cap:**	$12.7 B
Fair Value Price:	$124	**5 Year Growth Estimate:**	10.0%	**Ex-Dividend Date:**	10/17/25[1]
% Fair Value:	121%	**5 Year Valuation Multiple Estimate:**	-3.7%	**Dividend Payment Date:**	11/04/25[2]
Dividend Yield:	1.8%	**5 Year Price Target**	$200	**Years Of Dividend Growth:**	10
Dividend Risk Score:	B	**Sector:**	Industrial	**Rating:**	Hold

Overview & Current Events

Owens Corning (OC), a global company, produces and sells insulation, roofing, and fiberglass materials across diverse markets. Operating in Composites, Insulation, and Roofing segments, it manufactures and sells glass reinforcements, fiber products, thermal insulation, foam sheathing, roofing shingles, and components used in construction and various industries. Its wide distribution network directly supplies manufacturers, installers, retailers, and distributors.

On August 6th, 2025 the company announced results for the second quarter of 2025. Owens Corning reported Q2 non-GAAP EPS of $4.21, beating market estimates by $0.39, and revenue of $2.75 billion, which was up 10% year-over-year.

Owens Corning delivered stronger-than-expected second-quarter results, fueled by resilience in its roofing segment and a timely acquisition. Adjusted earnings topped analyst forecasts of $3.82, while revenue were slightly ahead of expectations. The May 2024 addition of its door-making unit proved to be an immediate growth driver, contributing $554 million in revenue. Net income from continuing operations climbed 30% to $334 million, and operating cash flow reached $327 million. Importantly, adjusted EBITDA margin stood at 26%, extending a streak of 20 straight quarters above 20%. Roofing was again the standout performer with $1.3 billion in sales and a steady 35% margin, while insulation saw modest declines.

Management acknowledged persistent headwinds in U.S. housing, including high mortgage rates, labor shortages, and rising material costs. Even so, executives struck an optimistic tone about the months ahead. For Q3, the company projects flat year-over-year revenue of $2.7–$2.8 billion with EBITDA margins in the 23–25% range, noting that tariff impacts have been pared down to just $10 million after mitigation efforts. Owens Corning also returned $279 million to shareholders in the quarter through buybacks and dividends, keeping pace with its $2 billion return target through 2026. CFO Todd Fister reinforced the message of resilience, emphasizing a focus on steady margins, shareholder value, and long-term cash generation despite a challenging construction backdrop.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$2.79	$3.41	$2.55	$4.89	$3.68	-$3.53	$9.54	$12.70	$13.27	$7.37	***$13.79***	***$22.21***
DPS	$0.68	$0.74	$0.81	$0.85	$0.90	$0.98	$1.13	$1.57	$2.16	$2.49	***$2.76***	***$4.06***
Shares[3]	118.2	115.4	113.2	111.4	110.1	108.6	104.3	97.7	91.0	87.8	***85.0***	***72.1***

For the company's EPS estimate for 2025, we used the midpoint of analysts' estimates at $13.79, and with a 10.0% annual growth through 2030, it leads to our estimated EPS of $22.21. Moreover, the company has a solid record of paying dividends despite operating in an industrial sector, as Owens Corning has paid increasing dividends for the past 10 years. We expect the company to maintain its dividend growth and have forecasted a dividend CAGR of 8.0%, leading to a dividend of $4.06 in 2030.

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[1] Estimated ex-dividend date.

[2] Estimated ex-dividend date.

[3] In millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	15.4	14.6	27.7	13.0	15.4	-17.0	9.6	6.9	9.1	23.5	***10.9***	***9.0***
Avg. Yld.	1.6%	1.5%	1.1%	1.3%	1.6%	1.6%	1.2%	1.8%	1.8%	1.4%	***1.8%***	***2.0%***

Shares of the building products manufacturer trades at a forward P/E of 10.9, lower than the long-term average P/E of 11.8, but well above the five-year average P/E of 6.4. Even though the stable volumes and demand will benefit the company in the near term, we assign a P/E of 9.0 to the stock, which is a fair reflection of its value, in our opinion. Accordingly, with an EPS of $22.21 and P/E of 9.0, our target price for the stock stands at $200 by 2030.

Safety, Quality, Competitive Advantage, & Recession Resiliency

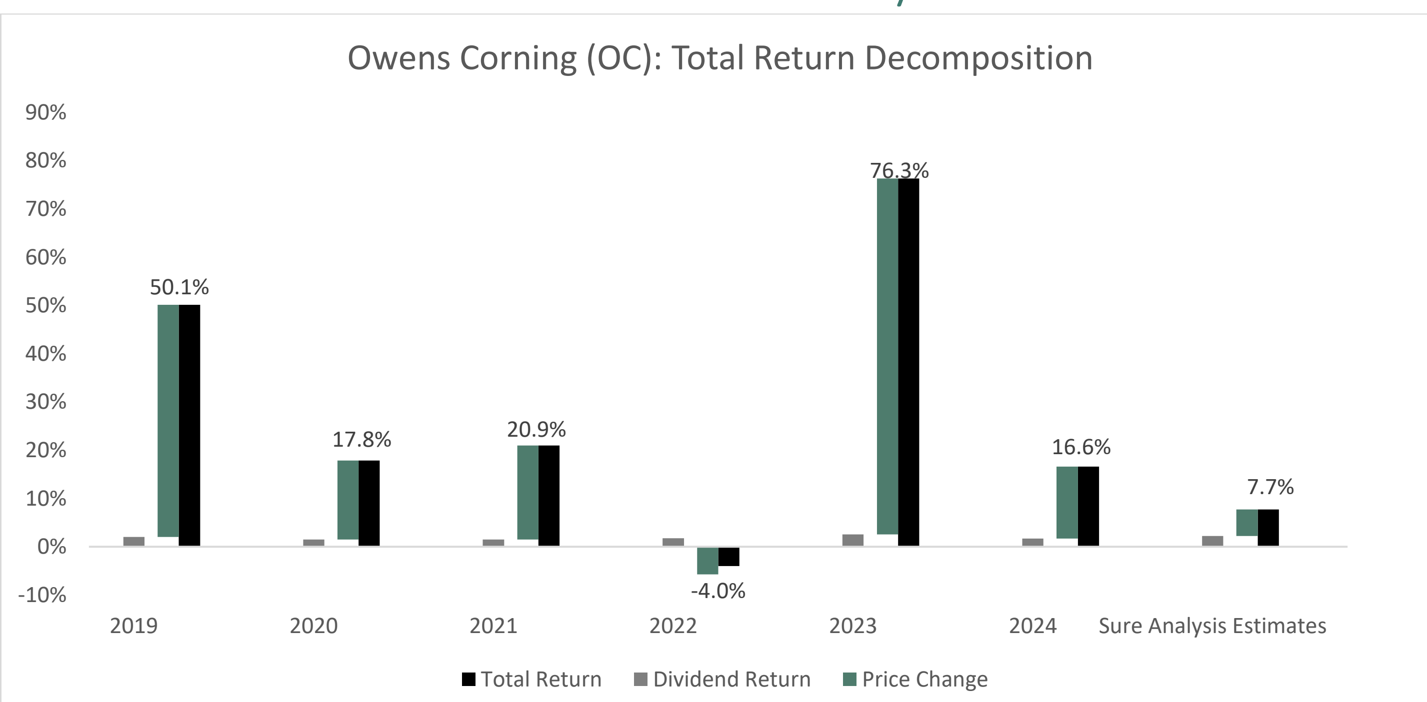
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	24%	22%	32%	17%	24%	-28%	12%	12%	16%	34%	***20%***	***18%***

The company has paid a consistent dividend to its shareholders with a 10-year payout ratio averaging just 17%, and we expect the company to maintain its payout around these levels in the future. The demand for the company's product has been stable in recent quarters, and we expect the company to be in a much better position in the future than it is today. The company aims to balance long-term shareholder value through dividends, share repurchases, strategic investments, and financial discipline. In Q2, Owens Corning repurchased $220 million worth of its shares underscoring its commitment to returning capital to investors.

Final Thoughts & Recommendation

With elevated rates and geopolitical risks, Owens Corning faces potential revenue headwinds despite strong margins and capital discipline. While its realignment supports long-term stability, valuation concerns persist. We maintain our hold rating premised upon 7.7% annualized total returns for the medium-term, derived from the forecasted earnings-per-share growth of 10.0%, the 1.8% dividend yield, and a valuation headwind.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	5,350	5,677	6,384	7,057	7,160	7,055	8,498	9,761	9,677	10,980
Gross Profit	1,153	1,377	1,569	1,632	1,609	1,610	2,217	2,616	2,683	3,254
Gross Margin	21.6%	24.3%	24.6%	23.1%	22.5%	22.8%	26.1%	26.8%	27.7%	29.6%
SG&A Exp.	525	584	620	700	698	664	757	803	831	1,044
D&A Exp.	300	343	371	433	457	493	502	531	609	677
Operating Profit	548	697	797	807	787	806	1,438	1,584	1,623	1,701
Op. Margin	10.2%	12.3%	12.5%	11.4%	11.0%	11.4%	16.9%	16.2%	16.8%	15.5%
Net Profit	330	393	289	545	405	(383)	995	1,241	1,196	647
Net Margin	6.2%	6.9%	4.5%	7.7%	5.7%	-5.4%	11.7%	12.7%	12.4%	5.9%
Free Cash Flow	341	570	679	266	590	828	1,087	1,314	1,193	1,245
Income Tax	120	188	269	156	186	129	319	373	401	275

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	7,326	7,741	8,632	9,771	10,006	9,481	10,015	10,752	11,240	14,080
Cash & Equivalents	96	112	246	78	172	717	959	1,099	1,615	361
Accounts Receivable	709	678	806	794	770	919	939	961	987	1,244
Inventories	644	710	841	1,072	1,033	855	1,078	1,334	1,198	1,587
Goodwill & Int. Ass.	2,166	2,474	2,867	3,728	3,653	2,656	2,607	2,985	2,920	5,531
Total Liab.	3,547	3,852	4,428	5,447	5,335	5,540	5,680	6,131	6,027	8,955
Accounts Payable	535	615	834	851	815	875	1,095	1,345	1,216	1,430
Long-Term Debt	1,871	2,102	2,405	3,362	2,986	3,126	2,960	2,992	3,046	5,154
Total Equity	3,739	3,849	4,162	4,283	4,631	3,901	4,296	4,575	5,166	5,077
LTD/E Ratio	0.50	0.55	0.58	0.79	0.64	0.80	0.69	0.65	0.59	1,015

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	4.4%	5.2%	3.5%	5.9%	4.1%	-3.9%	10.2%	12.0%	10.9%	5.1%
Return on Equity	8.9%	10.4%	7.2%	12.9%	9.1%	-9.0%	24.3%	28.0%	24.3%	12.5%
ROIC	5.8%	6.8%	4.6%	7.6%	5.3%	-5.2%	13.9%	16.6%	15.1%	7.0%
Shares Out.	118.2	115.4	113.2	111.4	110.1	108.6	104.3	97.7	91.0	87.8
Revenue/Share	45.26	49.19	56.40	63.35	65.03	64.96	81.48	99.91	106.34	125.00
FCF/Share	2.88	4.94	6.00	2.39	5.36	7.62	10.42	13.45	13.11	14.18

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.