Owens Corning (OC)

Updated December 20th, 2025, by Yiannis Zourmpanos

Key Metrics

Current Price:	$115	**5 Year Annual Expected Total Return:**	10.9%	**Market Cap:**	$9.58 B
Fair Value Price:	$107	**5 Year Growth Estimate:**	10.0%	**Ex-Dividend Date:**	01/05/26
% Fair Value:	107%	**5 Year Valuation Multiple Estimate:**	-1.4%	**Dividend Payment Date:**	01/21/26
Dividend Yield:	2.7%	**5 Year Price Target**	$173	**Years Of Dividend Growth:**	11
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 November 5th, 2025 the company announced results for the third-quarter of 2025. Owens Corning reported Q3 non-GAAP EPS of $3.67, missing market estimates by $0.05, and revenue of $2.68 billion, which was down 2.9% year-over-year.

Owens Corning reported third-quarter 2025 results that highlighted strong cash generation and resilient operating performance despite a challenging demand backdrop. Net sales from continuing operations declined 3% year over year to $2.7 billion, reflecting weakening U.S. residential repair, remodel, and new construction activity. The quarter included a $780 million non-cash, pre-tax impairment charge related to the Doors business, which drove a net loss margin of (18%) and diluted EPS of $(5.93). Excluding this item, performance remained solid, with adjusted diluted EPS of $3.67 and adjusted EBITDA margin of 24%, underscoring the company's structural margin improvements and disciplined cost management.

Cash flow was a clear standout. Owens Corning generated $918 million in operating cash flow and $752 million in free cash flow, allowing the company to return $278 million to shareholders through dividends and share repurchases during the quarter. Roofing delivered stable results with a 34% EBITDA margin, while Insulation and Doors were pressured by softer volumes and market conditions. Management emphasized that the "new Owens Corning" is operating more efficiently than in prior cycles, supported by footprint optimization, cost synergies, and targeted investments, including a new shingle plant in Alabama. While near-term market conditions remain soft, the company reaffirmed confidence in its long-term strategy, strong balance sheet, and ability to generate meaningful cash flow through the cycle.

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	***$11.91***	***$19.17***
DPS	$0.68	$0.74	$0.81	$0.85	$0.90	$0.98	$1.13	$1.57	$2.16	$2.49	***$3.16***	***$4.64***
Shares[1]	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 have used the midpoint of analysts' estimates at $11.91, and with a 10.0% annual growth through 2030, it leads to our estimated EPS of $19.17. 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 11 years. We expect the company to maintain its dividend growth and have forecasted a dividend CAGR of 8.0%, leading to a dividend of $4.64 in 2030.

[1] 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	***9.7***	***9.0***
Avg. Yld.	1.6%	1.5%	1.1%	1.3%	1.6%	1.6%	1.2%	1.8%	1.8%	1.4%	***2.7%***	***2.7%***

Shares of the building products manufacturer trades at a forward P/E of 9.7, 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 $19.17 and P/E of 9.0, our target price for the stock stands at $173 by 2030.

Safety, Quality, Competitive Advantage, & Recession Resiliency

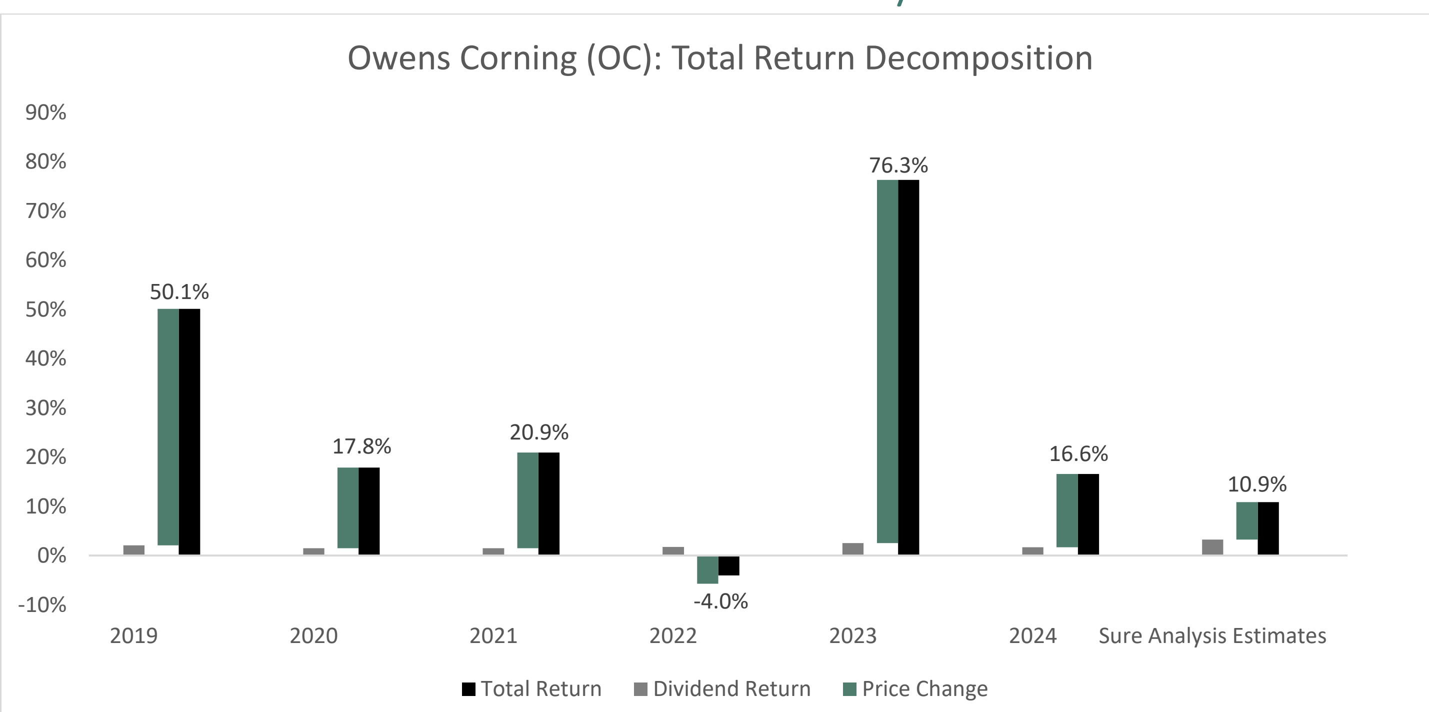
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	24%	22%	32%	17%	24%	-28%	12%	12%	16%	34%	***27%***	***24%***

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 Q3, 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 10.9% annualized total returns for the medium-term, derived from the forecasted earnings-per-share growth of 10.0%, the 2.7% 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.