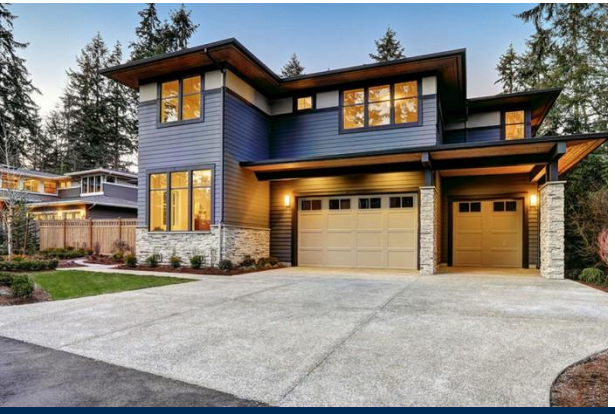




2Q 2019 Investor Presentation

August 7, 2019

CORNERSTONE™ BUILDING BRANDS





Forward-looking Statements

Certain statements and information in this presentation may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words “believe,” “anticipate,” “plan,” “intend,” “foresee,” “guidance,” “potential,” “expect,” “should,” “will” “continue,” “could,” “estimate,” “forecast,” “goal,” “may,” “objective,” “predict,” “projection,” or similar expressions are intended to identify forward-looking statements (including those contained in certain visual depictions) in this presentation. These forward-looking statements reflect Cornerstone Building Brands, Inc. (the “Company”) current expectations and/or beliefs concerning future events. The Company believes the information, estimates, forecasts and assumptions on which these statements are based are current, reasonable and complete. Our expectations with respect to growth and estimated financial and operating performance, including cost savings and synergies, that are contained in this presentation are forward-looking statements based on management’s best estimates as of the date of this presentation. However, the forward-looking statements in this presentation are subject to a number of risks and uncertainties that may cause the Company's actual performance to differ materially from that projected in such statements. 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See also the “Risk Factors” in the Company's Annual Report on Form 10-K for the fiscal year ended October 28, 2018, our Transition Report on Form 10-QT for the transition period from October 29, 2018 to December 31, 2018 and other risks described in documents subsequently filed by the Company from time to time with the Securities and Exchange Commission, which identify other important factors, though not necessarily all such factors, that could cause future outcomes to differ materially from those set forth in the forward-looking statements. The Company expressly disclaims any obligation to release publicly any updates or revisions to these forward-looking statements, whether as a result of new information, future events, or otherwise.

2Q Key Highlights

STRENGTHEN THE CORE

- Driven by pricing discipline, synergies and cost initiatives, the Company's consolidated gross margin improved and Adjusted EBITDA margin expanded in all three business segments on lower volumes
- Synergies and cost initiatives remain on track for the full year, including the key actions necessary to complete the integrations of Atrium and Silver Line
- Ongoing focus on working capital improvements throughout the business

EXTEND OUR REACH

- Focused R&D initiatives to extend product portfolio in both commercial and residential businesses
- Leveraging combined manufacturing and market knowledge by utilizing Siding and Insulated Metal Panels expertise

GROW STRATEGICALLY

- Environmental StoneWorks acquisition contributed meaningfully to net sales in the quarter, with cross selling opportunities with the Commercial segment in progress

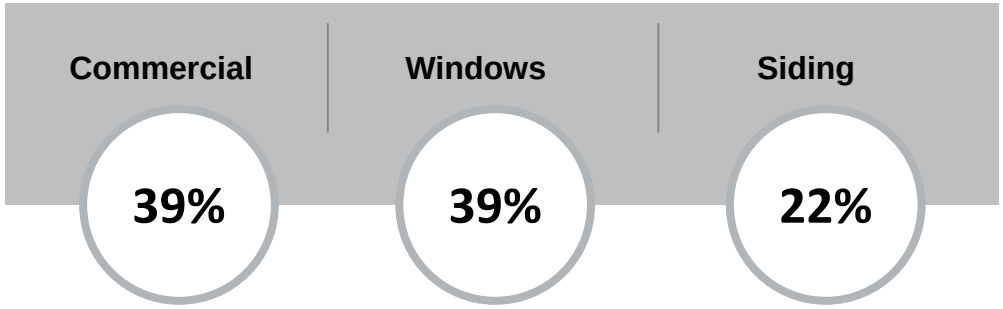


2Q 2019 Consolidated Highlights

($ in millions)

	2Q PF 2018	2Q 2019	% Chg.	1H PF 2018	1H PF 2019	% Chg.
Net Sales	$1,369	$1,296	(5.3%)	$2,444	$2,377	(2.7%)
Gross Profit	$319	$305	(4.6%)	$522	$509	(2.6%)
Gross Profit Margin	23.3%	23.5%	20 bps	21.4%	21.4%	-
Adjusted EBITDA	$174	$172	(0.9%)	$246	$242	(1.5%)
Adjusted EBITDA Margin	12.7%	13.3%	60 bps	10.1%	10.2%	10 bps

Business Segment Revenues LTM (1)

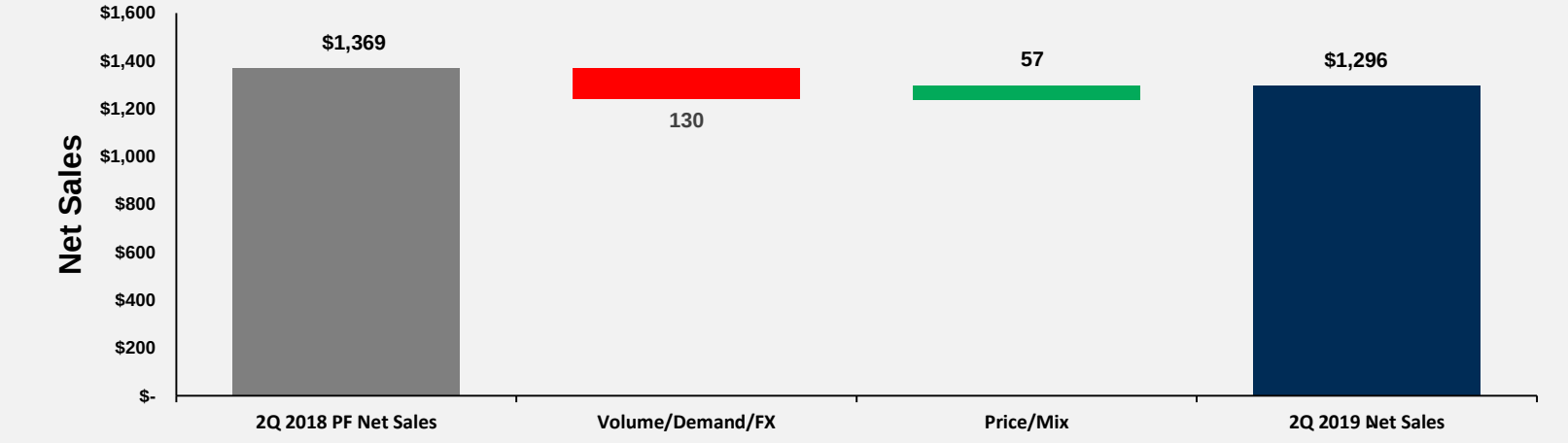


Note: The pro forma 2Q 2018 results reflects the estimated impact moving from a 52/53 week fiscal year-end to a four-four-five week calendar year and reflects the estimated impact of the Ply Gem, Atrium, Silver Line and Environmental StoneWorks acquisitions. Certain amounts in this presentation have been subject to rounding adjustments. Accordingly, amounts shown as total may not be the arithmetic aggregation of the individual amounts that comprise or precede them.

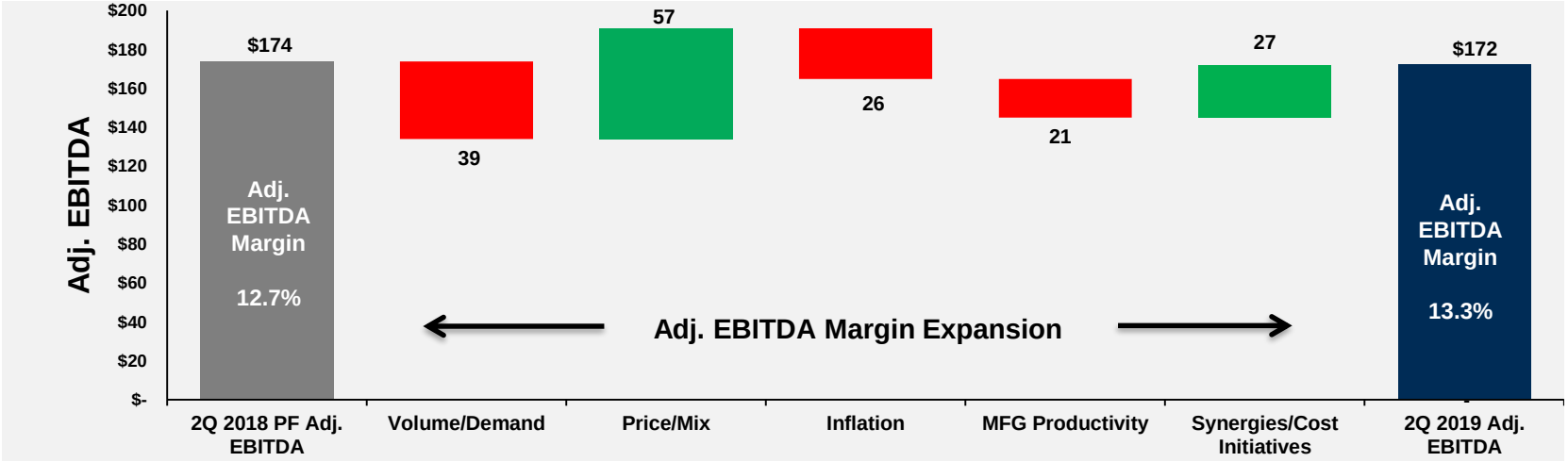
(1) Percentages represent the LTM PF 2Q19 net sales of the consolidated business segments.

2Q 2019 Consolidated Highlights

Second Quarter Net Sales Performance Bridge ($ in Millions)



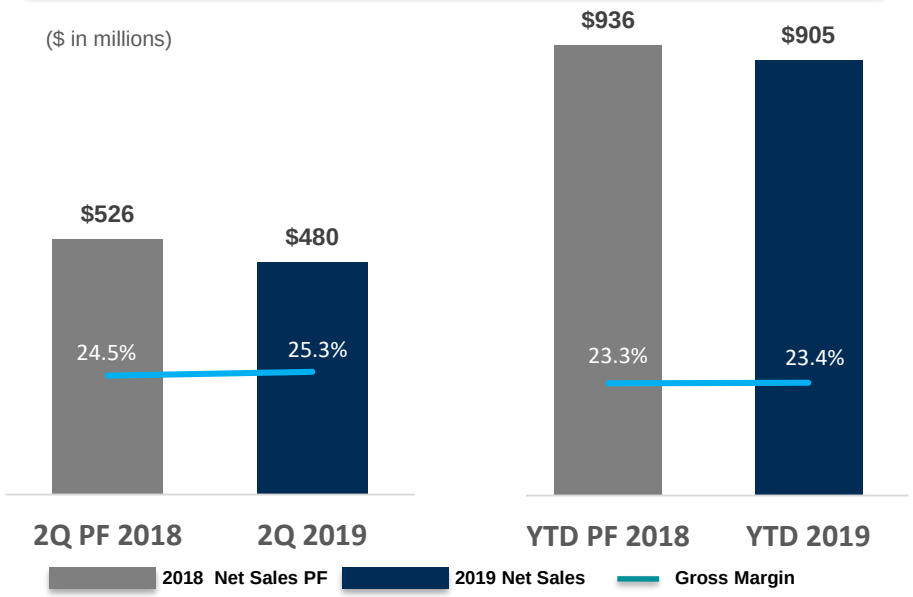
Second Quarter Adjusted EBITDA Performance Bridge ($ in Millions)



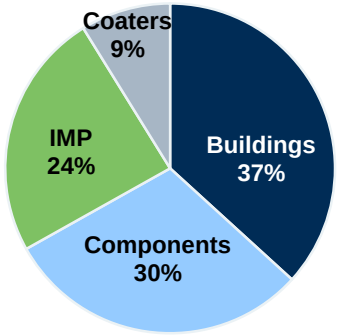
Note: 2Q18 pro forma results reflect combined NCI, Ply Gem, Atrium, Silver Line & Environmental StoneWorks. Figures for the Commercial segment have been recast from fiscal 2Q 2018 to a calendar 2Q 2018 period.

Commercial Segment – 2Q 2019

Second Quarter, YTD Results and Gross Margin



Product Mix



2Q 2019 Key Highlights

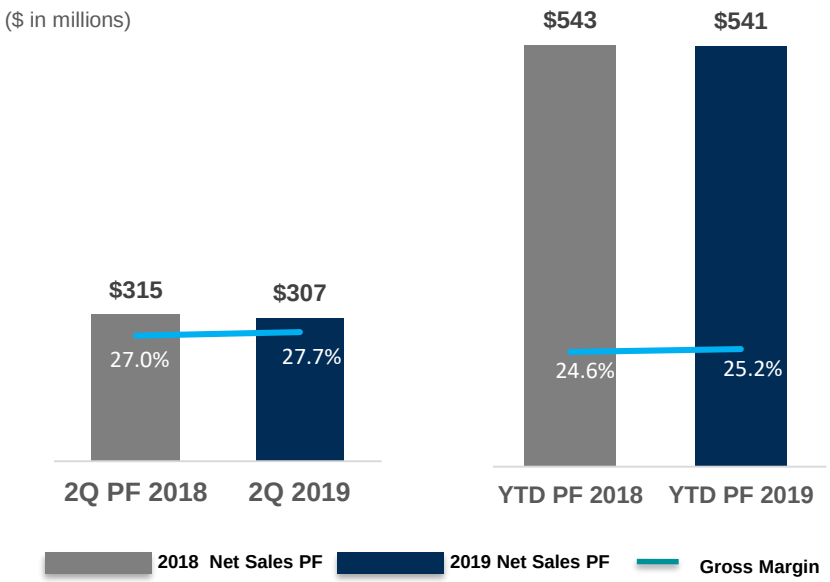
- Net sales were lower year-over-year by $46 million or 8.7% primarily driven by lower volumes for the segment and product mix in Insulated Metal Panels, partially offset by higher pricing and the pass through of higher material input costs.
- Gross margins expanded by 80 basis points primarily driven by pricing discipline and synergy initiatives, partially offset by lower leverage of fixed cost structure from decreased tonnage volumes.



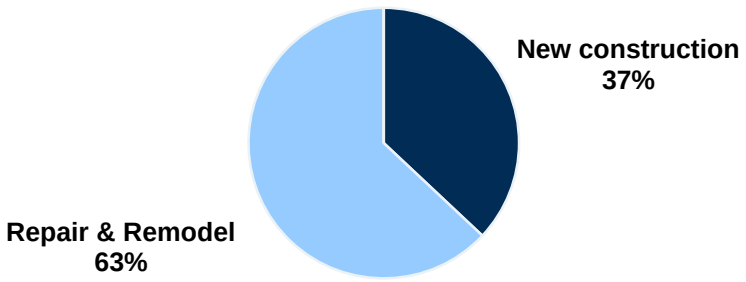
Note: 2Q 2018 pro forma results for the Commercial segment have been recast from fiscal 2Q 2018 to a 2Q calendar 2018 period.

Siding Segment – 2Q 2019

Second Quarter, YTD Results and Gross Margin



End Market Exposure



2Q 2019 Key Highlights

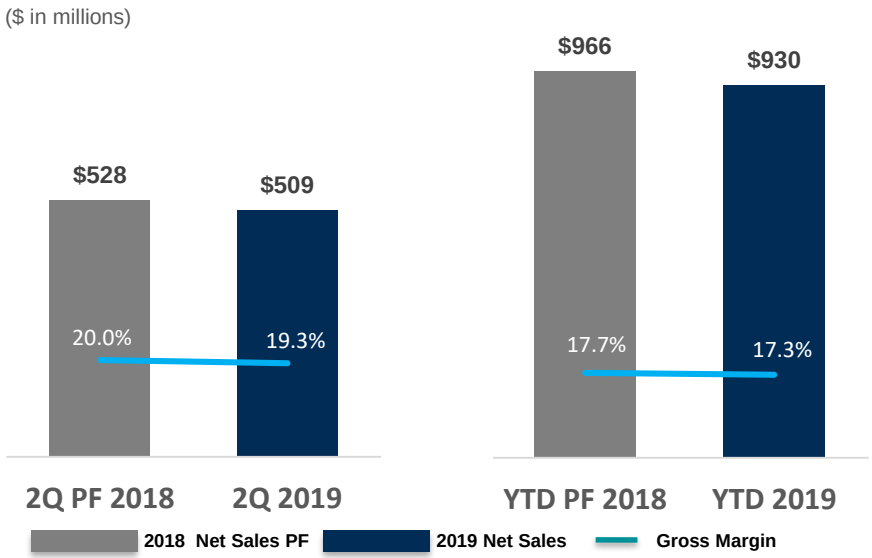
- Net sales were lower year-over-year by $9 million or 2.7% primarily driven by lower volumes partially offset by the favorable impact of the inclusion of $43 million for the Environmental StoneWorks acquisition.
- Gross margins expanded by 70 points, driven primarily by pricing discipline and cost initiatives partially offset by FX. Average selling prices increased 3.1% for the quarter.



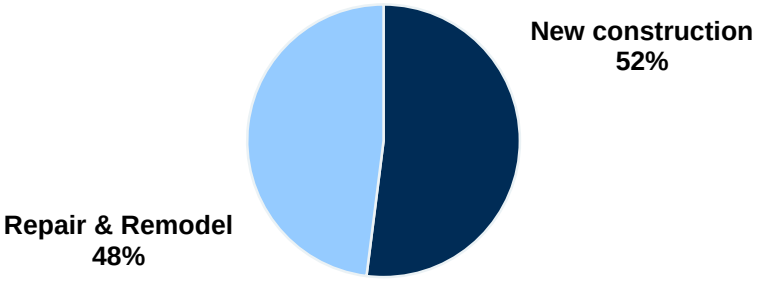
Note: 2Q18 pro forma results reflect financial results of Ply Gem and Environmental StoneWorks prior to their acquisition. Such results may not reflect the actual performance had such business been acquired prior to the dates presented.

Windows Segment – 2Q 2019

Second Quarter, YTD Results and Gross Margin



End Market Exposure



2Q 2019 Key Highlights

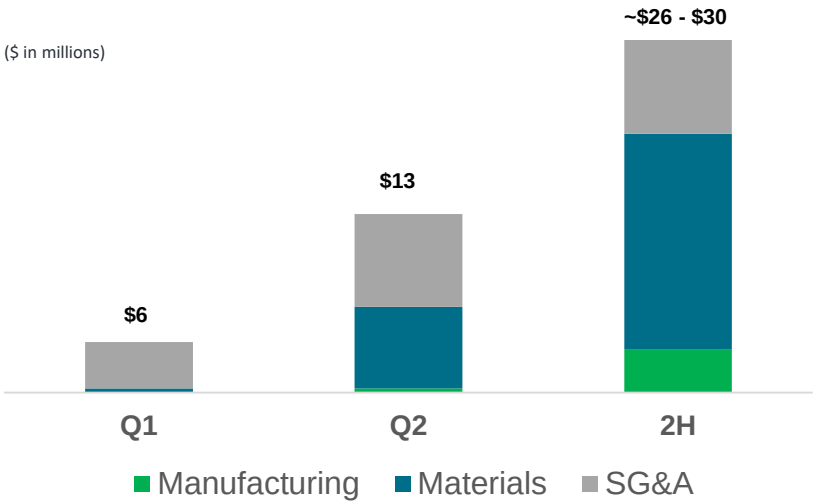
- Net sales were lower year-over-year by $19 million or 3.6% primarily driven by lower volumes partially offset by higher pricing.
- Gross margins contracted by 70 basis points as a result of lower volumes and FX partially offset by pricing discipline. Excluding $21 million of the Canadian Windows' gross margin and the segment's restructuring and integration costs, the U.S. Windows' gross margins expanded 60 basis points year over year.
- The key milestones necessary to complete the Atrium and Silver Line integrations have been completed, including a Ply Gem/Atrium plant consolidation in Dallas and will be realized in earnings over the coming quarters.



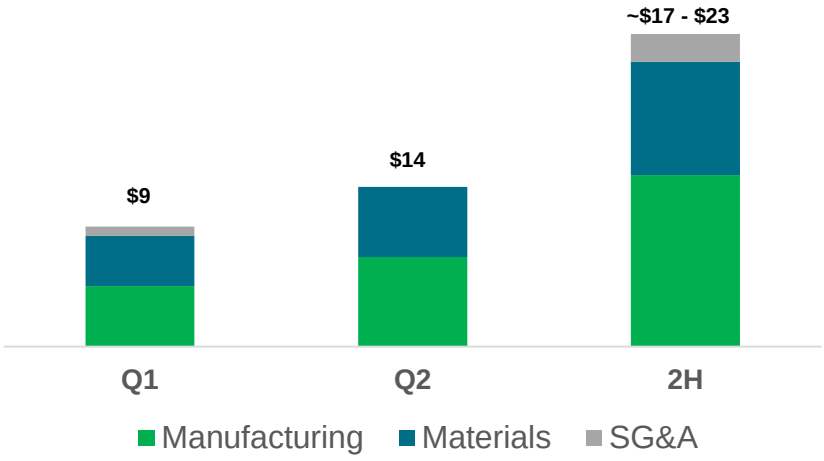
Note: 2Q18 pro forma results reflect financial results of the combined Ply Gem, Atrium and Silver Line windows businesses prior to their acquisition. Such results may not reflect the actual performance had such business been acquired prior to the dates presented.

Value Creation Through Ongoing Cost Initiatives And Projected Synergies

Merger Synergies (1)



Cost Initiatives (2)



Merger Synergies

- Plant Consolidations – Dallas, TX, Fairbluff, NC and Youngsville, NC
- Procurement savings on larger buying power
- Back office consolidation primarily in Windows and Corporate

Cost Initiatives

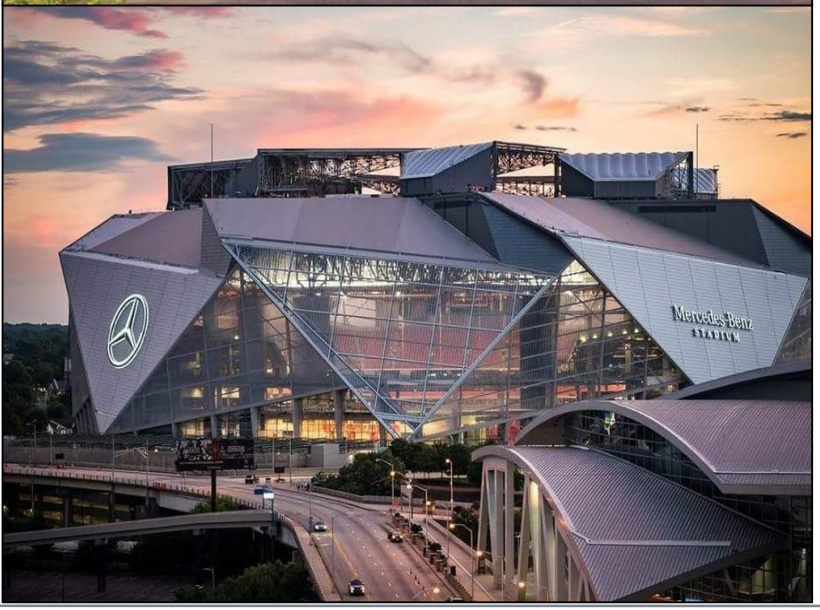
- Engineering & Drafting offshoring
- Process and labor efficiencies
- Continuous improvement with Six Sigma training across Commercial and Residential
- Transportation and logistics efficiencies

Savings of $85 - $95 million expected by the end of 2019

Note: The cost initiative and synergy figures are management's estimates as of the date hereof and subject to risks, see "Forward Looking Statements".
(1) Merger synergies include the NCI/Ply Gem merger and the acquisitions of Atrium, Silver Line and Environmental StoneWorks.
(2) Cost initiatives include the 2x20 Ply Gem initiative and the Commercial segments $40 - $50 million cost savings initiative started in 2018.

2H 2019 End Market Outlook and 3Q 2019 Guidance





End Market Outlook

Commercial	Mid- single digit contraction
New Single Family Residential	Low single digit growth
Repair & Remodel	Low single digit growth

Guidance for 3Q 2019

Adjusted EBITDA	$170 - $185 million

Cash Flow and Balance Sheet

- Cost-efficient and flexible capital structure
- $686M in aggregate revolving facilities (3)
- Ample liquidity
- No near-term leverage covenants or significant maturities
  - Asset Based Lending facility (“ABL”) due 2023
  - Term Loan due 2025
  - Senior Notes due 2026

($ in millions)

Cash Flow

	1Q PF 2019	2Q 2019	YTD PF 2019
Adjusted EBITDA	$70	$172	$242
Capital Expenditures (1)	($27)	($30)	($57)
Free Cash Flow	$43	$142	$185

Balance Sheet and Liquidity

	1Q 2019	2Q 2019
Total Debt	$3,408	$3,401
Cash	$100	$88
Total Net Debt	$3,308	$3,314
Net Debt/ LTM Adjusted EBITDA	6.2x	6.2x
Liquidity(2)	$566	$553

(1) Includes purchase of property and equipment
(2) Liquidity includes cash and availability under revolving credit facilities
(3) $611 million Facility, $115 million Cash Flow Facility less $40 million in Letters of Credit and priority payables

Appendix

Second Quarter Pro Forma Adjusted EBITDA Reconciliation

($ in millions)	For the three months ended March 30, 2019	For the three months ended June 29, 2019	For the six months ended June 29, 2019
Operating income (loss), GAAP	**($27.4)**	**$80.9**	**$53.6**
Restructuring and impairment	3.4	7.1	10.5
Strategic development and acquisition related costs	14.1	12.1	26.2
Non cash charge of purchase price allocated to inventories	16.3	-	16.3
Customer inventory buybacks	0.2	0.2	0.4
Other, net	0.7	1.4	2.1
Adjusted operating income	**7.4**	**101.7**	**109.1**
Other income and expense, net	0.4	(0.4)	(0.1)
Depreciation and amortization	60.0	67.5	127.5
Share-based compensation expense	4.0	3.5	7.5
Adjusted EBITDA	**$71.7**	**$172.3**	**$244.0**
Pro forma Adj. EBITDA impact for Environmental StoneWorks (1)	(1.7)	-	(1.7)
Pro forma Adjusted EBITDA	**$70.0**	**$172.3**	**$242.3**

(1) Reflects the Adjusted EBITDA of Environment StoneWorks for the period January 1, 2019 to the acquisition date of February 20, 2019.

2018 Quarterly Adjusted EBITDA Reconciliation

($ in millions)	Fiscal Three Months Ended			
	March 31, 2018	June 30, 2018	September 29, 2018	December 31, 2018
Operating income, GAAP	**$ 12.9**	**$ 19.0**	**$ 54.5**	**$ 39.6**
Restructuring and impairment	1.1	0.5	(0.4)	0.8
Strategic development and acquisition related costs	0.7	1.1	3.6	11.7
Loss (gain) on disposition of business	-	6.7	(1.0)	-
Acceleration of CEO retirement benefits	4.6	-	-	-
Gain on insurance recovery	-	-	(4.7)	-
Adjusted operating income	**$ 19.3**	**$27.3**	**$ 52.0**	**$ 52.0**
Other income and expense	0.9	-	0.1	(0.3)
Depreciation and amortization	10.4	10.4	10.2	11.4
Share-based compensation expense	2.3	2.0	1.0	2.7
Adjusted EBITDA – prior fiscal calendar	**$ 32.9**	**$ 39.7**	**$ 63.3**	**$ 65.8**
Change in fiscal period	(1.8)	18.1	(10.9)	(16.0)
Impact of acquisitions	41.1	116.1	113.1	78.8
Pro forma Adj. EBITDA – new fiscal calendar	**$ 72.2**	**$ 173.9**	**$ 165.5**	**$ 128.6**

Note: The change in fiscal period reflects the estimated impact from moving from a 52/53 week fiscal year-end to a four-four-five week calendar year.
The impact of acquisitions reflects the estimated impact of combining Ply Gem, Atrium, Silver Line and Environmental StoneWorks for each period presented.





CORNERSTONE™
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K. DARCEY MATTHEWS
Vice President, Investor Relations
E: darcey.matthews@ncigroup.com
281.897.7785
Cornerstonebuildingbrands.com





