

2Q 2020 Earnings Presentation

August 11, 2020

Disclaimers

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. Words such as “believe,” “anticipate," “guidance,” “plan,” “potential,” “expect,” “should,” “will,” “forecast,” “target” and similar expressions are forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect our current expectations, assumptions and/or beliefs concerning future events. As a result, these forward-looking statements rely on a number of assumptions, forecasts, and estimates and, therefore, these forward-looking statements 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. Such forward-looking statements may include, but are not limited to, statements concerning our market commentary and expectations for residential and non-residential end markets and our financial outlook and guidance, including our third quarter 2020 forecasted net sales, gross profit, and Adjusted EBITDA, and our fiscal year 2020 forecasted capital spending, cash interest expense, cash tax expense, benefits from primary working capital and cash restructuring costs. Among the factors that could cause actual results to differ materially include, but are not limited to, industry cyclicality and seasonality and adverse weather conditions; challenging economic conditions affecting the nonresidential construction industry; downturns in the residential new construction and repair and remodeling end markets, or the economy or the availability of consumer credit; volatility in the United States (“U.S.”) economy and abroad, generally, and in the credit markets; the outbreak of a health epidemic or pandemic, including the coronavirus disease 2019 (“COVID-19”) pandemic; precautions taken due to the recent COVID-19 pandemic that could harm our business; impairment of goodwill and/or intangible assets; our ability to successfully develop new products or improve existing products; the effects of manufacturing or assembly realignments; seasonality of the business and other external factors beyond our control; commodity price volatility and/or limited availability of raw materials, including steel, PVC resin, glass and aluminum; our ability to identify and develop relationships with a sufficient number of qualified suppliers and to avoid a significant interruption in our supply chains; retention and replacement of key personnel; enforcement and obsolescence of our intellectual property rights; costs related to compliance with, violations of or liabilities
under environmental, health and safety laws; changes in building codes and standards; competitive activity and pricing pressure in our industry; our ability to make strategic acquisitions accretive to earnings; our ability to carry out our restructuring plans and to fully realize the expected cost savings; global climate change, including legal, regulatory or market responses thereto; breaches of our information system security measures; damage to our computer infrastructure and software systems; necessary maintenance or replacements to our enterprise resource planning technologies; potential personal injury, property damage or product liability claims or other types of litigation; compliance with certain laws related to our international business operations; increases in labor costs, potential labor disputes, union organizing activity and work stoppages at our facilities or the facilities of our suppliers; significant changes in factors and assumptions used to measure certain of our defined benefit plan
obligations and the effect of actual investment returns on pension assets; the cost and difficulty associated with integrating and combining acquired businesses; volatility of the Company’s stock price; substantial governance and other rights held by the Investors; the effect on our common stock price caused by transactions engaged in by the Investors, our directors or executives; our substantial indebtedness and our ability to incur substantially more indebtedness; limitations that our debt agreements place on our ability to engage in certain business and financial transactions; our ability to obtain financing on acceptable terms; downgrades of our credit ratings; and the effect of increased interest rates on our ability to service our debt. See also the “Risk Factors” in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019, Quarterly Report on Form 10-Q for the quarterly period ended April 4, 2020 and other risks described in documents subsequently filed by the Company from time to time with the SEC, 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.

Non-GAAP Financial Measures

This presentation includes certain "non-GAAP financial measures" as defined under the Securities Exchange Act of 1934 and in accordance with Regulation G. Management believes the use of such non-GAAP financial measures assists investors in understanding the ongoing operating performance of the Company by presenting the financial results between periods on a more comparable basis. Such non-GAAP financial measures should not be construed as an alternative to reported results determined in accordance with U.S. GAAP. We have included reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated and provided in accordance with U.S. GAAP in the Appendix to this presentation. A reconciliation of the forecasted range for Adjusted EBITDA for the third quarter of 2020 is not included in this presentation due to the number of variables in the projected range and because we are currently unable to quantify accurately certain amounts that would be required to be included in the GAAP measure or the individual adjustments for such reconciliation. In addition, we believe such reconciliation would imply a degree of precision that would be confusing or misleading to investors.

Performance Highlights – Financial and Operational Success

Performed well financially: Delivered fifth consecutive quarter of Adjusted EBITDA[1] margin expansion in each segment

- Achieved 130 basis points of Adjusted EBITDA[1] margin expansion over pro forma prior year
- Captured ~$50 million in cost savings from structural improvements and effective near-term expense management
- Reduced net debt[1] by $44 million and improved liquidity by $35 million; $483 million of cash and cash equivalents at July 4, 2020
- Delivered adjusted earnings[1] of $0.34 per diluted share, a 31 percent improvement over prior year

Performed well operationally: Maintained market and price leadership position

- Safety and well-being of key stakeholders remains highest priority
- Operating all manufacturing facilities, distribution centers, and installation services
- Record setting backlog levels in Windows and Siding Segments
- Commissioned automated glass line in Toledo, Ohio facility doubling capacity and improving productivity by 50 percent
- Resilient business model positioned to navigate through uncertainty



CORNERSTONE BUILDING BRANDS

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COVID-19 Response: Quick and Decisive Actions to Care for…

Employees

- Deployed policies and practices consistent with CDC and government guidelines
- Implemented rigorous facility cleaning procedures
- Reconfigured workspaces and direction to adhere to social distancing
- Instituted telecommuting/remote work, where possible

Customers

- Increased communications with all stakeholders – including customers – to maintain business continuity
- Currently operating all manufacturing and distribution facilities, and installation services
- Developed alternative sourcing and stocking options

Company

- Rationalizing facility and organizational structures
- Reducing discretionary and non-essential expenses
- Preserving ample liquidity and cash flow
- Accelerating strategic priorities

Safety and well-being of key stakeholders is highest priority

Advancing Our Strategy With Transformative Actions

Profitable Growth

Successfully Completed Strategic Acquisition of Kleary Masonry

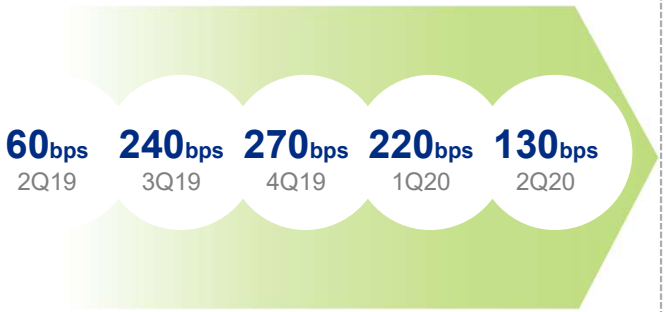


#1 in Vinyl Windows
#1 in Vinyl Siding
#1 in Metal Accessories
#1 in Metal Roofing and Wall Systems
#1 in Insulated Metal Panels
#2 in Stone Systems
#3 in Engineered Building Systems

- Expanding into new and existing markets by leveraging our customer relationships
- Investing in product line extensions and cross-selling
- Positioned to capture market share

Operational Excellence

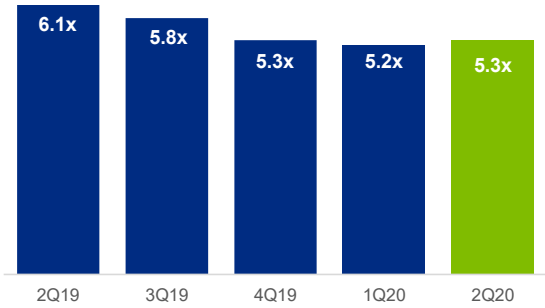
Fifth Consecutive Quarter of Adj. EBITDA Margin Expansion[1,2]



- Margin expansion is a guiding principle
- Operate with relentless drive for exceptional results
- Continuous improvement culture
- Investments in automation

Capital Deployment

Net Debt Leverage[1,3]



- Deploy capital that drives the greatest return for shareholders over the long-term
- Invest in core business
- Target long-term debt leverage of 2.0x to 2.5x

CORNERSTONE BUILDING BRANDS

Source: Cornerstone Building Brands as of August 11, 2020

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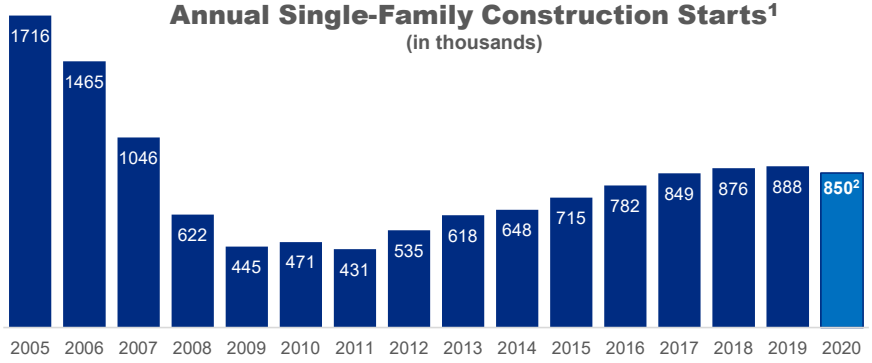
2 Margin expansion amounts represent improvements in adjusted EBITDA as a percentage of sales as compared to the same period in the prior year

3 Net debt leverage defined as net debt divided by LTM Pro Forma Adjusted EBITDA. See appendix for reconciliations of non-GAAP financial measures

Residential End-Market Fundamentals are Solid

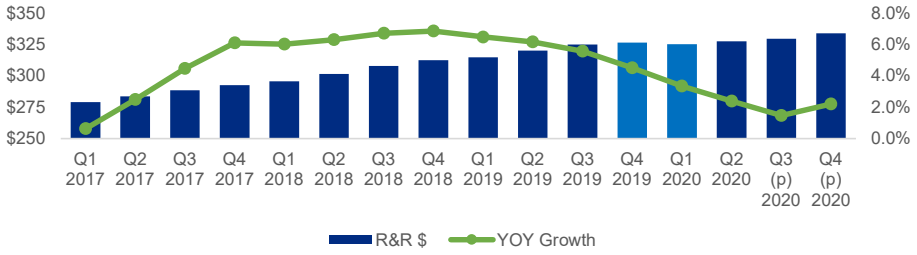
Annual Single-Family Construction Starts[1]
(in thousands)



New Home Construction

- ✚ Aging housing inventory
- ✚ Low interest rates
- ✚ Preference for single-family homes
- — Decreased consumer confidence
- — Rising unemployment

Leading Indicator of Remodeling Activity[3]
(in billions)



Repair and Remodel

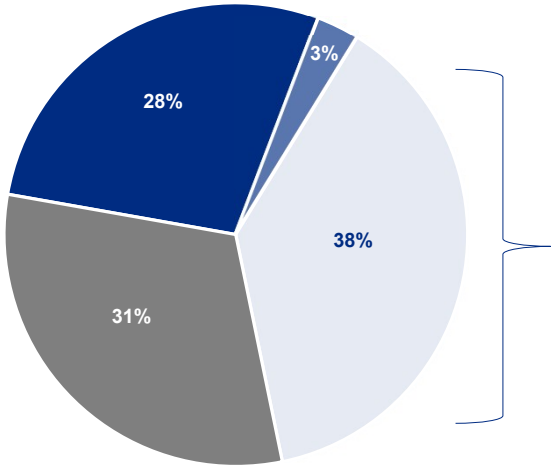
- ✚ Rising home equity, low interest rates
- ✚ Solid do-it-yourself demand
- ✚ Increase in work from home

1 Source: U.S. Census Bureau (historical data)
2 Source: Cornerstone Building Brands as of August 11, 2020
3 Source: Joint Center for Housing Studies of Harvard University

Commercial End Markets are Mixed, Yet Stable

Diverse End Markets

Pro Forma Net Sales[1,2] by End Markets



- Single-Family Residential New Construction
- Multi-Family Residential New Construction
- Non-Residential Commercial
- Residential Repair & Remodel

COMMERCIAL PRIMARY END MARKETS	MARKET SENTIMENT
 Warehouses	+ Increasing demand from strong e-commerce
 Manufacturing	- Reduced capital spending due to COVID-19
 Public Buildings	-State and local government budgetary pressures
 Office	-/+ Future office needs uncertain; steady spend for data centers
 Retail	- Reduced consumer spending and strong e-commerce
 Agriculture	- Reduced spend from lower agriculture income driving delays in capital spending

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2 Based on FY 2019 pro forma net sales

Cornerstone Building Brands: A Compelling Investment



Market leading North American exterior building products company with scale



Comprehensive product offering with enhanced growth opportunity



Proven platform for industry consolidation



Value creation through ongoing cost initiatives



Focused on building scale through organic investment and industry consolidation



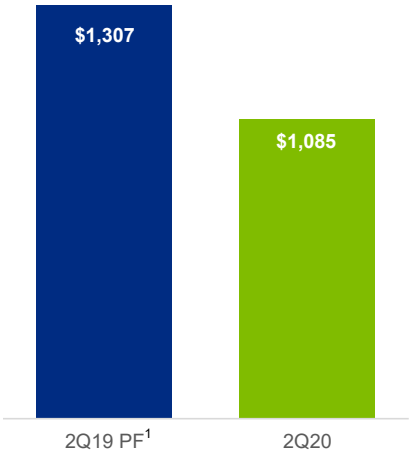
Strong projected earnings growth and free cash flow generation

Financial Performance

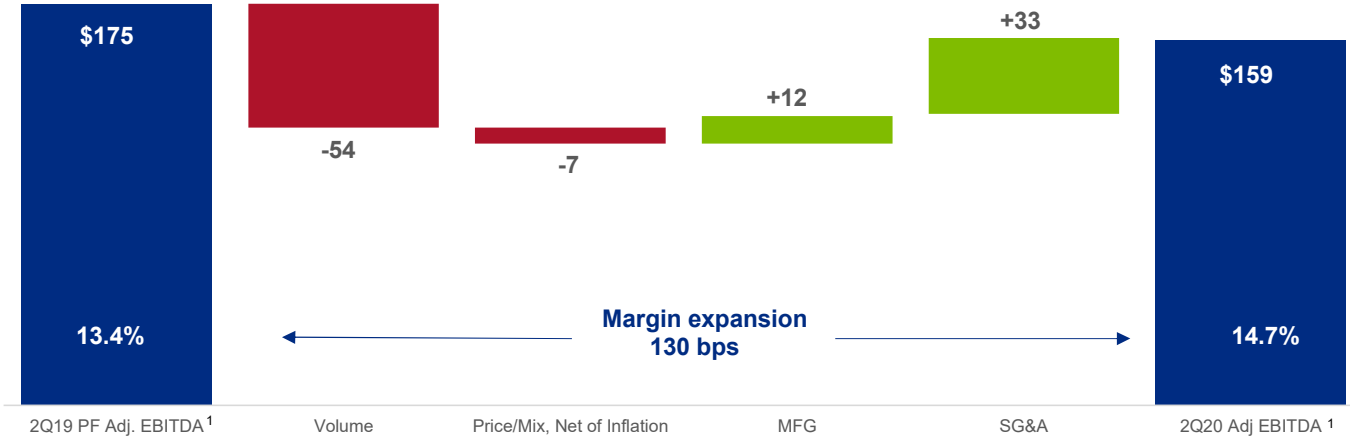


2Q 2020 Operating Performance

Quarterly Net Sales
(in millions)



Quarterly Adjusted EBITDA[1] (in millions) And Margin[1] %



- Meaningful Adjusted EBITDA[1] margin expansion for the fifth consecutive quarter
- Strong price, net of inflation was offset by shift in mix within the Commercial segment
- Excellent operational management of manufacturing costs and near-term expenses with volume
- Effective structural cost savings from disciplined cost improvement culture

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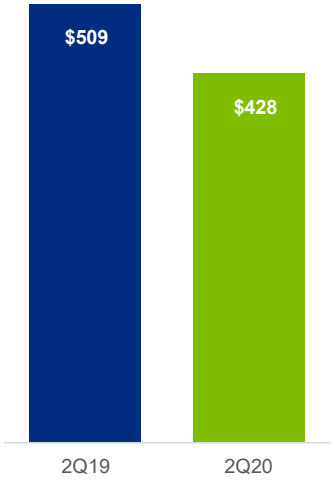
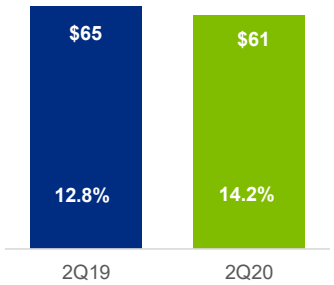
2Q 2020 Windows Segment Performance

Net Sales
(in millions)



Adjusted EBITDA[1]
($ in millions)
and Margin[1] %



Fifth Consecutive Quarter of Adj. EBITDA Margin Expansion[1,2]

90bps	210bps	350bps	340bps	140bps
2Q19	3Q19	4Q19	1Q20	2Q20

- Positive demand across all products and channels
- Backlog approximately 40% higher than last year – record level
- Launched automated glass line doubling capacity and improving productivity 50%



The automated glass line is a key investment as part of our operational excellence strategy.

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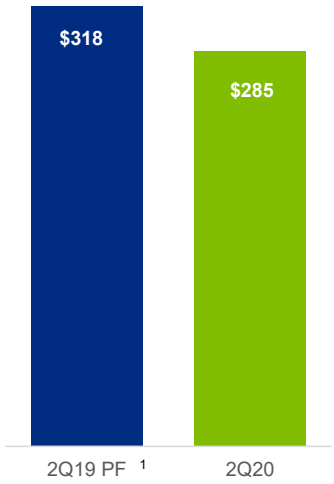
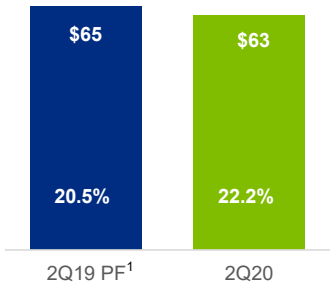
2 Margin expansion amounts represent improvements in adjusted EBITDA as a percentage of sales as compared to the same period in the prior year

2Q 2020 Siding Segment Performance

Net Sales
(in millions)



Adjusted EBITDA[1]
($ in millions)
and Margin[1] %



Fifth Consecutive Quarter of Adj. EBITDA Margin Expansion[1,2]

70bps	180bps	220bps	320bps	170bps
2Q19	3Q19	4Q19	1Q20	2Q20



- Strong order rates from retail and wholesale distribution
- Backlog approximately 55% higher than last year – record level
- Year-to-date, 220bps margin expansion on 4.6% lower net sales

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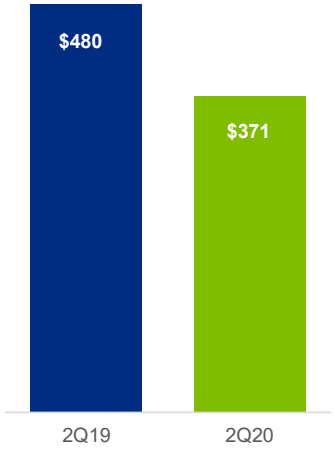
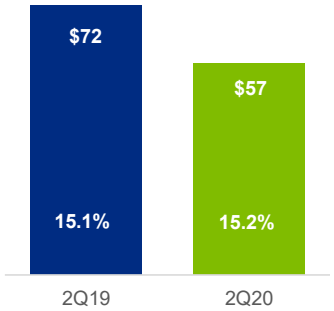
2Q 2020 Commercial Segment Performance

Net Sales
(in millions)



Adjusted EBITDA[1]
($ in millions)
and Margin[1] %



Fifth Consecutive Quarter of Adj. EBITDA Margin Expansion[1,2]

80bps	340bps	370bps	90bps	10bps
2Q19	3Q19	4Q19	1Q20	2Q20



- Shift in market mix towards smaller, less complex projects
- Maintained price and cost discipline
- Stable demand across all product lines

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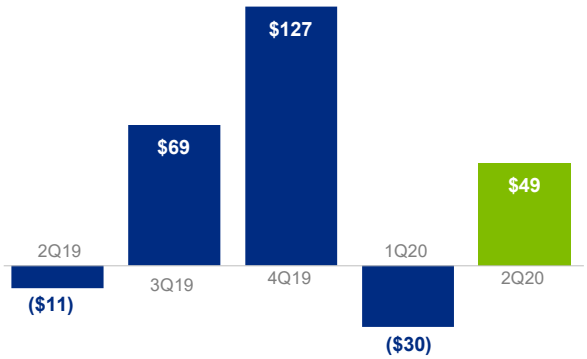
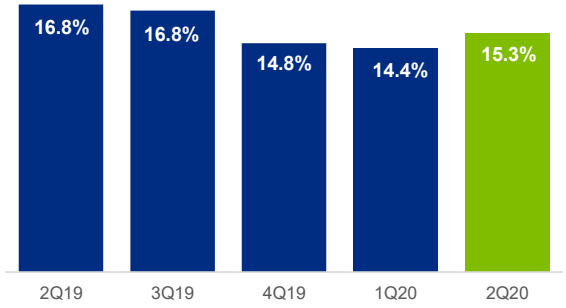
Liquidity Supported by Significant Cash Generating Actions

Free Cash Flow[1]
(in millions)



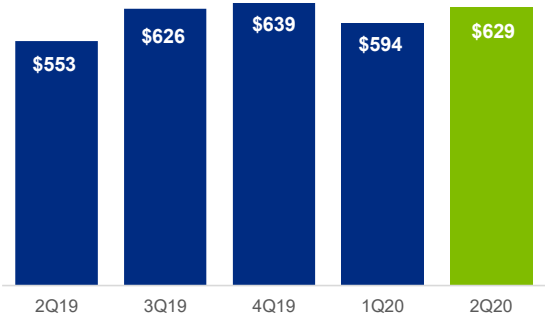
- Generated positive free cash flow in 2Q
- Cost initiatives to continue to meaningfully contribute
- Expect to generate strong free cash flow[1] over the rest of 2020

Primary Working Capital[2] as a Percent of Pro Forma Net Sales[3]



- Continue to manage primary working capital[2] with volume
- Structural primary working capital[2] improvement expected to generate $50 million of cash
  - Targeting 1% improvement in primary working capital[2] as a percent of pro forma net sales[3] from December 31, 2019.

Liquidity Position[4]



- Remain committed to capital allocation priorities
  - Fund maintenance and operational excellence programs from operating cash flows
  - Growth investments that enhance margin improvements
  - Debt pay down
- Ample liquidity with $483 million of cash and cash equivalents and $146 million of availability on asset-based revolving credit facility as of July 4, 2020
- Covenant-lite debt structure; no near-term maturities

- Reduced net debt by $44 million and increased liquidity $35 million
- $483 million of unrestricted cash and cash equivalents at the end of the quarter

1 Free cash flow defined as net cash from operating activities less capital expenditures
2 Primary working capital defined as accounts receivable, accounts payable, and inventory, net
3 Adjusted financial metrics used in the presentation are non-GAAP measures and refer to the results for 2020 and 2019. Pro forma financial metrics used in this release for results in 2020 and 2019 are also non-GAAP measures and adjust for other items affecting comparability. See reconciliations of GAAP results to adjusted results and pro forma results in the appendix
4 Total liquidity defined as available borrowings under the asset based lending facility and cash flow revolver plus cash and cash equivalents

Cautious Optimism in Challenging Business Environment[1]

3Q 2020 Net Sales

Expect net sales to be between $1,160 million and $1,240 million

- Positive residential end- market momentum
- Backlog at historic levels in Windows and Siding segments
- Stable non-residential end markets

3Q 2020 Gross Profit and Adjusted EBITDA[1]

Anticipate Gross Profit to be between $275 million and $300 million

Expect adjusted EBITDA[2] to be between $170 million and $195 million

- Lower run rate from achieved and continued execution of savings initiatives

Other

Expect FY 2020:

- Capital spending of ~$85 million
- Maintain focused discipline on targeted primary working capital[3] improvements; expect to generate ~$50 million cash benefit
- Cash interest expense of ~$200 million
- Cash tax benefit of approximately $10 million
- Cash restructuring costs of ~ $35 million to achieve between $80 million and $100 million of structural savings



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1 The information on this slide represents management's estimates of future performance and is subject to a number of risks and uncertainties. See "Forward-Looking Statements" on slide 2.
2 A reconciliation of the forecasted range for Adjusted EBTIDA for the third quarter of 2020 is not included in this presentation. See "Non-GAAP Financial Measures" on slide 2.
3 Primary working capital defined as accounts receivable, accounts payable and inventory, net.

Key Takeaways: Focused on Strength and Resiliency

Financial discipline and strong long-term fundamentals make us stronger

- Creating value through consecutive margin enhancement and strong cash flow
- Increasing liquidity preserves our strong financial position and provides capital for growth, innovation, and strategic investments
- Remaining committed to market and price leadership positions
- Continuing execution of near-term expense management and structural cost reduction initiatives

Operate with flexibility to serve our customers

- Safety and well-being of key stakeholders remains highest priority
- Operating all manufacturing and distribution facilities, and installation services
- Broad product portfolio servicing diverse end-markets through multiple channels
- National production footprint and distribution network

Cautiously optimistic about market recovery and positive momentum in residential end markets



Q&A



Appendix



Reconciliation of Pro Forma Net Sales and Adj. EBITDA 1Q 2018 – 2Q 2020

CORNERSTONE BUILDING BRANDS, INC.
NON-GAAP FINANCIAL MEASURES AND RECONCILIATIONS
RECONCILIATION OF PRO FORMA NET SALES AND ADJ. EBITDA
(In thousands)
(Unaudited)

	Three Months Ended March 31, 2018	Three Months Ended June 30, 2018	Three Months Ended September 29, 2018	Three Months Ended December, 31 2018	Three Months Ended March 30, 2019	Three Months Ended June 29, 2019	Three Months Ended September 28, 2019	Three Months Ended December 31, 2019	Three Months Ended April 4, 2020	Three Months Ended July, 4 2020
Reported net sales	$ 421,349	$ 457,069	$ 548,525	$ 573,634	$ 1,064,832	$ 1,295,457	$ 1,285,044	$ 1,244,414	$ 1,113,811	$ 1,084,936
Impact of acquisitions	671,597	850,373	866,640	748,034	23,909	11,730	13,264	10,561	8,358	-
Change in fiscal calendar	(11,622)	68,818	2,204	(45,024)	-	-	-	-	-	-
Pro forma net sales	$ 1,081,324	$ 1,376,260	$ 1,417,369	$ 1,276,644	$ 1,088,741	$ 1,307,187	$ 1,298,308	$ 1,254,975	$ 1,122,169	$ 1,084,936
Operating income (loss), GAAP	$ 12,898	$ 18,956	$ 54,501	$ 39,565	$ (27,365)	$ 80,931	$ 95,560	$ 65,610	$ (500,791)	$ 58,925
Restructuring and impairment	1,094	488	(439)	769	3,431	7,107	4,984	2,538	13,992	15,411
Strategic development and acquisition	727	1,134	3,642	11,661	14,082	12,086	10,500	13,517	4,857	784
Loss (gain) on disposition of business	-	6,686	(1,013)	-	-	-	-	-	-	-
Acceleration of CEO retirement benefits	4,600	-	-	-	-	-	-	-	-	-
Gain on insurance recovery	-	-	(4,741)	-	-	-	-	-	-	-
Non cash charge of purchase price allocated to inventories	-	-	-	-	16,249	-	-	-	-	-
Goodwill impairment	-	-	-	-	-	-	-	-	503,171	-
COVID-19	-	-	-	-	-	-	-	-	1,230	6,805
Customer inventory buybacks	-	-	-	-	242	175	159	-	120	193
Other, net	-	-	-	-	724	1,357	1,699	946	1,138	474
Adjusted operating income	$ 19,319	$ 27,264	$ 51,950	$ 51,995	$ 7,363	$ 101,656	$ 112,902	$ 82,611	$ 23,717	$ 82,592
Other income and expense, net	457	270	345	(110)	345	(397)	717	518	(662)	660
Depreciation and amortization	10,358	10,442	10,174	11,351	59,947	67,529	64,009	72,279	69,769	70,711
Share-based compensation expense	2,270	1,998	1,041	2,729	4,005	3,474	3,134	3,465	3,387	5,156
Adjusted EBITDA	$ 32,404	$ 39,974	$ 63,510	$ 65,965	$ 71,660	$ 172,262	$ 180,762	$ 158,873	$ 96,211	$ 159,119
Change in fiscal period [1]	(1,307)	17,822	(11,152)	(16,161)	-	-	-	-	-	-
Imapct of acquisitions	43,223	117,904	115,455	80,248	472	2,676	3,831	2,638	1,869	-
Pro Forma Adjusted EBITDA	$ 74,320	$ 175,700	$ 167,813	$ 130,052	$ 72,132	$ 174,938	$ 184,593	$ 161,511	$ 98,080	$ 159,119
Pro Forma Adjusted EBITDA margin	6.9%	12.8%	11.8%	10.2%	6.6%	13.4%	14.2%	12.9%	8.7%	14.7%

1 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.

Reconciliation of Pro Forma Net Sales and Adj. EBITDA – Windows Segment

CORNERSTONE BUILDING BRANDS, INC.
NON-GAAP FINANCIAL MEASURES AND RECONCILIATIONS
RECONCILIATION OF PRO FORMA NET SALES AND ADJ. EBITDA
(In thousands)
(Unaudited)
Windows

	Three Months Ended March 31, 2018	Three Months Ended June 30, 2018	Three Months Ended September 29, 2018	Three Months Ended December, 31 2018	Three Months Ended March 30, 2019	Three Months Ended June 29, 2019	Three Months Ended September 28, 2019	Three Months Ended December 31, 2019	Three Months Ended April 4, 2020	Three Months Ended July, 4 2020
Reported net sales	$ -	$ -	$ -	$ -	$ 421,594	$ 508,647	$ 504,338	$ 495,868	$ 448,450	$ 428,275
Impact of acquisitions	437,658	527,791	539,929	471,825	-	-	-	-	-	-
Pro forma net sales	$ 437,658	$ 527,791	$ 539,929	$ 471,825	$ 421,594	$ 508,647	$ 504,338	$ 495,868	$ 448,450	$ 428,275
Operating income (loss), GAAP	$ -	$ -	$ -	$ -	$ (4,319)	$ 31,912	$ 34,446	$ 30,499	$ (313,190)	$ 23,101
Restructuring and impairment	-	-	-	-	121	900	505	339	1,466	4,184
Strategic development and acquisition	-	-	-	-	4,009	8,052	4,993	2,893	16	-
Goodwill impairment	-	-	-	-	-	-	-	-	320,990	-
COVID-19	-	-	-	-	-	-	-	-	928	3,964
Other, net	-	-	-	-	384	(424)	577	1,774	785	(785)
Adjusted operating income	$ -	$ -	$ -	$ -	$ 195	$ 40,440	$ 40,521	$ 35,505	$ 10,995	$ 30,464
Other income and expense, net	-	-	-	-	(327)	(411)	285	(385)	-	-
Depreciation and amortization	-	-	-	-	23,977	24,848	23,778	23,265	29,853	30,182
Adjusted EBITDA	$ -	$ -	$ -	$ -	$ 23,845	$ 64,877	$ 64,584	$ 58,385	$ 40,848	$ 60,646
Imapact of acquisitions	22,294	62,830	57,755	39,160	-	-	-	-	-	-
Pro Forma Adjusted EBITDA	$ 22,294	$ 62,830	$ 57,755	$ 39,160	$ 23,845	$ 64,877	$ 64,584	$ 58,385	$ 40,848	$ 60,646
Pro Forma Adjusted EBITDA margin	5.1%	11.9%	10.7%	8.3%	5.7%	12.8%	12.8%	11.8%	9.1%	14.2%

Reconciliation of Pro Forma Net Sales and Adj. EBITDA – Siding Segment

CORNERSTONE BUILDING BRANDS, INC.
NON-GAAP FINANCIAL MEASURES AND RECONCILIATIONS
RECONCILIATION OF PRO FORMA NET SALES AND ADJ. EBITDA
(In thousands)
(Unaudited)
Siding

	Three Months Ended March 31, 2018	Three Months Ended June 30, 2018	Three Months Ended September 29, 2018	Three Months Ended December, 31 2018	Three Months Ended March 30, 2019	Three Months Ended June 29, 2019	Three Months Ended September 28, 2019	Three Months Ended December 31, 2019	Three Months Ended April 4, 2020	Three Months Ended July, 4 2020
Reported net sales	$ -	$ -	$ -	$ -	$ 218,277	$ 306,525	$ 315,800	$ 270,806	$ 241,043	$ 285,249
Impact of acquisitions	233,939	322,582	326,711	276,209	23,909	11,730	13,264	10,561	8,358	-
Pro forma net sales	$ 233,939	$ 322,582	$ 326,711	$ 276,209	$ 242,186	$ 318,255	$ 329,064	$ 281,367	$ 249,401	$ 285,249
Operating income (loss), GAAP	$ -	$ -	$ -	$ -	$ (11,654)	$ 25,937	$ 37,063	$ 14,927	$ (168,867)	$ 30,638
Restructuring and impairment	-	-	-	-	87	5,544	2,531	599	1,091	2,524
Strategic development and acquisition	-	-	-	-	-	-	-	-	21	955
Non cash charge of purchase price allocated to inventories	-	-	-	-	16,249	-	-	-	-	-
Goodwill impairment	-	-	-	-	-	-	-	-	176,774	-
COVID-19	-	-	-	-	-	-	-	-	-	43
Customer inventory buybacks	-	-	-	-	242	175	159	-	120	193
Other, net	-	-	-	-	233	1,202	(1,172)	(338)	(412)	412
Adjusted operating income	$ -	$ -	$ -	$ -	$ 5,157	$ 32,858	$ 38,581	$ 15,188	$ 8,727	$ 34,765
Other income and expense, net	-	-	-	-	(266)	(750)	700	264	-	(6)
Depreciation and amortization	-	-	-	-	24,350	30,415	28,804	36,315	28,007	28,514
Adjusted EBITDA	$ -	$ -	$ -	$ -	$ 29,241	$ 62,523	$ 68,085	$ 51,767	$ 36,734	$ 63,273
Imapact of acquisitions	28,204	63,757	65,590	47,242	481	2,676	3,831	2,638	1,869	-
Pro Forma Adjusted EBITDA	$ 28,204	$ 63,757	$ 65,590	$ 47,242	$ 29,722	$ 65,199	$ 71,916	$ 54,405	$ 38,603	$ 63,273
Pro Forma Adjusted EBITDA margin	12.1%	19.8%	20.1%	17.1%	12.3%	20.5%	21.9%	19.3%	15.5%	22.2%

Reconciliation of Pro Forma Net Sales and Adj. EBITDA – Commercial Segment

CORNERSTONE BUILDING BRANDS, INC.
NON-GAAP FINANCIAL MEASURES AND RECONCILIATIONS
RECONCILIATION OF PRO FORMA NET SALES AND ADJ. EBITDA
(In thousands)
(Unaudited)
Commercial

	Three Months Ended March 31, 2018	Three Months Ended June 30, 2018	Three Months Ended September 29, 2018	Three Months Ended December, 31 2018	Three Months Ended March 30, 2019	Three Months Ended June 29, 2019	Three Months Ended September 28, 2019	Three Months Ended December 31, 2019	Three Months Ended April 4, 2020	Three Months Ended July, 4 2020
Reported net sales	$ 421,349	$ 457,069	$ 548,525	$ 573,634	$ 424,961	$ 480,285	$ 464,906	$ 477,740	$ 424,318	$ 371,412
Change in fiscal calendar	(11,622)	68,818	2,204	(45,024)	-	-	-	-	-	-
Pro forma net sales	$ 409,727	$ 525,887	$ 550,729	$ 528,610	$ 424,961	$ 480,285	$ 464,906	$ 477,740	$ 424,318	$ 371,412
Operating income (loss), GAAP	$ 12,898	$ 18,956	$ 54,501	$ 39,565	$ 24,310	$ 58,809	$ 59,317	$ 58,636	$ 16,841	$ 36,664
Restructuring and impairment	1,094	488	(439)	769	1,033	132	802	822	11,705	7,364
Strategic development and acquisition	727	1,134	3,642	11,661	5,522	733	238	4,040	(105)	(149)
Loss (gain) on disposition of business	-	6,686	(1,013)	-	-	-	-	-	-	-
Acceleration of CEO retirement benefits	4,600	-	-	-	-	-	-	-	-	-
Gain on insurance recovery	-	-	(4,741)	-	-	-	-	-	-	-
Goodwill impairment	-	-	-	-	-	-	-	-	5,407	-
COVID-19	-	-	-	-	-	-	-	-	302	1,220
Other, net	-	-	-	-	-	1,082	1,210	345	811	289
Adjusted operating income	$ 19,319	$ 27,264	$ 51,950	$ 51,995	$ 30,865	$ 60,756	$ 61,567	$ 63,843	$ 34,961	$ 45,388
Other income and expense, net	457	270	345	(110)	495	213	146	(102)	114	123
Depreciation and amortization	10,358	10,442	10,174	11,351	10,775	11,399	10,785	11,590	10,901	11,020
Share-based compensation expense	2,270	1,998	1,041	2,729	-	-	-	-	-	-
Adjusted EBITDA	$ 32,404	$ 39,974	$ 63,510	$ 65,965	$ 42,135	$ 72,368	$ 72,498	$ 75,331	$ 45,976	$ 56,531
Change in fiscal period [1]	(1,307)	17,822	(11,152)	(16,161)	-	-	-	-	-	-
Imapact of unallocated operating earnings (losses)	12,523	17,085	15,063	14,157	-	-	-	-	-	-
Pro Forma Adjusted EBITDA	$ 43,620	$ 74,881	$ 67,421	$ 63,961	$ 42,135	$ 72,368	$ 72,498	$ 75,331	$ 45,976	$ 56,531
Pro Forma Adjusted EBITDA margin	10.6%	14.2%	12.2%	12.1%	9.9%	15.1%	15.6%	15.8%	10.8%	15.2%

1 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

Reconciliation of Pro Forma Segment Net Sales 1Q 2018 – 2Q 2020

CORNERSTONE BUILDING BRANDS, INC.

NON-GAAP FINANCIAL MEASURES AND RECONCILIATIONS

RECONCILIATION OF PRO FORMA SEGMENT NET SALES

(In thousands)

(Unaudited)

	Three Months Ended March 31, 2018	Three Months Ended June 30, 2018	Three Months Ended September 29, 2018	Three Months Ended December, 31 2018	Three Months Ended March 30, 2019	Three Months Ended June 29, 2019	Three Months Ended September 28, 2019	Three Months Ended December 31, 2019	Three Months Ended April 4, 2020	Three Months Ended July, 4 2020
Windows										
Reported	$ -	$ -	$ -	$ -	$ 421,594	$ 508,647	$ 504,338	$ 495,868	$ 448,450	$ 428,275
Impact of acquisitions	437,658	527,791	539,929	471,825	-	-	-	-	-	-
Pro forma	$ 437,658	$ 527,791	$ 539,929	$ 471,825	$ 421,594	$ 508,647	$ 504,338	$ 495,868	$ 448,450	$ 428,275
Siding										
Reported	$ -	$ -	$ -	$ -	$ 218,277	$ 306,525	$ 315,800	$ 270,806	$ 241,043	$ 285,249
Impact of acquisitions	233,939	322,582	326,711	276,209	23,909	11,730	13,264	10,561	8,358	-
Pro forma	$ 233,939	$ 322,582	$ 326,711	$ 276,209	$ 242,186	$ 318,255	$ 329,064	$ 281,367	$ 249,401	$ 285,249
Commercial										
Reported	$ 421,349	$ 457,069	$ 548,525	$ 573,634	$ 424,961	$ 480,285	$ 464,906	$ 477,740	$ 424,318	$ 371,412
Change in fiscal calendar	(11,622)	68,818	2,204	(45,024)		-			-	-
Pro forma	$ 409,727	$ 525,887	$ 550,729	$ 528,610	$ 424,961	$ 480,285	$ 464,906	$ 477,740	$ 424,318	$ 371,412
Consolidated										
Reported	$ 421,349	$ 457,069	$ 548,525	$ 573,634	$ 1,064,832	$ 1,295,457	$ 1,285,044	$ 1,244,414	$ 1,113,811	$ 1,084,936
Impact of acquisitions	671,597	850,373	866,640	748,034	23,909	11,730	13,264	10,561	8,358	-
Change in fiscal calendar	(11,622)	68,818	2,204	(45,024)	-	-	-	-	-	-
Pro forma	$ 1,081,324	$ 1,376,260	$ 1,417,369	$ 1,276,644	$ 1,088,741	$ 1,307,187	$ 1,298,308	$ 1,254,975	$ 1,122,169	$ 1,084,936

Net Debt Outstanding 2Q 2019 – 2Q 2020

CORNERSTONE BUILDING BRANDS, INC.
NET DEBT OUTSTANDING
(In thousands)

	Three Months Ended June 29, 2019	Three Months Ended September 28, 2019	Three Months Ended December 31, 2019	Three Months Ended April 4, 2020	Three Months Ended July 4, 2020
Asset-based credit facility	$ 220,000	$ 170,000	$ 70,000	$ 415,000	$ 385,000
Cash flow revolver	-	-	-	115000	115,000
Term loan	2,536,397	2,536,397	2,523,587	2,517,182	2,510,777
Senior notes	645,000	645,000	645,000	645,000	645,000
Total Debt	3,401,397	3,351,397	3,238,587	3,692,182	3,655,777
Less: Cash and cash equivalents (unrestricted)	87,496	105,244	98,386	475,701	483,497
Net Debt	$ 3,313,901	$ 3,246,153	$ 3,140,201	$ 3,216,481	$ 3,172,280
Change from prior quarter		(67,748)	(105,952)	76,280	(44,201)
Pro forma TTM Adj. EBITDA [1]	544,934	561,713	593,173	619,112	603,303
Pro forma Adj. EBITDA Leverage [1]	6.1x	5.8x	5.3x	5.2x	5.3x

1 Reflects the Adjusted EBITDA of Kleary Masonry, Inc. for the period of March 31, 2019 to the acquisition date of March 1, 2020.

Cornerstone Adjusted Net Income (Loss) Per Diluted Common Share

CORNERSTONE BUILDING BRANDS, INC.
NON-GAAP FINANCIAL MEASURES AND RECONCILIATIONS
ADJUSTED NET INCOME (LOSS) PER DILUTED COMMON SHARE
(In thousands, except per share data)
(Unaudited)

	Three Months Ended			Six Months Ended		
	July 4, 2020	June 29, 2019	% Change	July 4, 2020	June 29, 2019	% Change
Net income (loss) per diluted common share, GAAP basis	$ 0.21	$ 0.14	50%	$ (4.09)	$ (0.34)	-1103 %
Restructuring and impairment charges, net	0.12	0.06	100%	0.23	0.08	188 %
Strategic development and acquisition related costs	0.03	0.10	-70%	0.07	0.21	-67 %
Non cash loss (gain) on foreign currency transactions	(0.02)	—	—	0.02	(0.01)	300 %
Non cash charge of purchase price allocated to inventories	—	—	—	—	0.13	-100 %
Goodwill impairment	—	—	—	4.00	—	—
Customer inventory buybacks	—	—	—	—	—	—
COVID-19[3]	0.03	—	—	0.04	—	—
Other, net	—	0.01	-100%	0.01	0.02	-50 %
Tax effect of applicable non-GAAP adjustments [1]	(0.04)	(0.04)	—	(1.14)	(0.11)	-936 %
Adjusted net income (loss) per diluted common share [2]	$ 0.34	$ 0.26	31%	$ (0.86)	$ (0.02)	-4200 %

1 Reflects the Adjusted EBITDA of Kleary Masonry, Inc. for the period of March 31, 2019 to the acquisition date of March 1, 2020.
2 The Company discloses a tabular comparison of Adjusted net income (loss) per diluted common share and Adjusted net income (loss) applicable to common shares, which are non-GAAP measures, because they are referred to in the text of our press releases and are instrumental in comparing the results from period to period. Adjusted net income (loss) per diluted common share and Adjusted net income (loss) applicable to common shares should not be considered in isolation or as a substitute for net income (loss) per diluted common share and net income (loss) applicable to common shares as reported on the face of our consolidated statements of operations.
3 Costs included within the COVID-19 line item for the three and six months ended July 4, 2020 include incremental labor costs due to quarantine related absenteeism, incremental facility cleaning costs, pandemic related supplies and personal protective equipment for employees, among other costs.

Free Cash Flow 2Q 2019 – 2Q 2020

CORNERSTONE BUILDING BRANDS, INC.
QUARTERLY FREE CASH FLOW GENERATION
(In thousands)

	Three Months Ended March 31, 2019	Three Months Ended September 28, 2019	Three Months Ended December 31, 2019	Three Months Ended April 4, 2020	Three Months Ended July, 4 2020
Cash flow from operations	$ 18,808	$ 97,733	$ 161,789	$ (2,224)	$ 69,186
Less: Capital expenditures, net	30,030	29,144	34,721	27,567	20,042
Free cash flow	$ (11,222)	$ 68,589	$ 127,068	$ (29,791)	$ 49,144

1 Free cash flow defined as net cash from operating activities less capital expenditures

Primary Working Capital Schedule 2Q 2019 – 2Q 2020

CORNERSTONE BUILDING BRANDS, INC.
PRIMARY WORKING CAPITAL
(In thousands)
(Unaudited)

	June 29, 2019	September 28, 2019	December 31, 2019	April 4, 2020	July, 4 2020
Accounts receivable, net	$ 589,610	$ 594,681	$ 491,740	$ 476,779	$ 522,612
Inventories, net	502,125	467,916	439,194	460,405	402,994
Less: Accounts payable	241,808	235,247	205,629	219,300	198,936
Primary working capital [1]	$ 849,927	$ 827,350	$ 725,305	$ 717,884	$ 726,670
Impact of acquisition [2]	4,891	6,180	5,603	-	-
Pro forma primary working capital [1]	$ 854,818	$ 833,530	$ 730,908	$ 717,884	$ 726,670
Pro forma net sales TTM	$ 5,089,944	$ 4,970,883	$ 4,949,214	$ 4,982,642	$ 4,760,388
% of net sales ttm	16.8%	16.8%	14.8%	14.4%	15.3%

1 Primary working capital defined as accounts receivable, accounts payable, and inventory, net
2 Reflects the primary working capital of Kleary Masonry, Inc. for the period of March 31, 2019 to the acquisition date of March 1, 2020.