



Armstrong World Industries Investor Presentation

August 2024



Safe Harbor Statement



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, expected savings from cost management initiatives, the performance of our WAVE¹ joint venture, 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. This includes 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 report for the quarterly period ended June 30, 2024. 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, we will be referring 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.armstrongceilings.com.

The guidance in this presentation is only effective as of the date given, July 30, 2024, and will not be updated or affirmed unless and until we publicly announce updated or affirmed guidance.

1. Worthington Armstrong Joint Venture (“WAVE”).

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, contingent third-party professional fees, changes in the fair value of contingent consideration and deferred compensation accruals¹ for acquisitions). The Company also excludes all acquisition-related 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, 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 2024.

Our tax rate may be adjusted for certain discrete items, which are identified in the footnotes.

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

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.

1. The deferred compensation accruals were for cash and stock awards that are recorded over each awards' respective vesting period, as such payments were subject to the sellers' and employees' continued employment with the Company.



Armstrong World Industries, Inc.

NYSE
AWI

Leader in the design and manufacturing
of innovative ceiling and wall solutions in the Americas

FULL YEAR 2023 CONSOLIDATED RESULTS

NET SALES	ADJUSTED EBITDA*	ADJUSTED DILUTED EPS*	ADJUSTED FREE CASH FLOW*
\$1,295M	\$430M	\$5.32	\$263M

SEGMENT 1: Mineral Fiber

NET SALES	ADJ. EBITDA*
\$932M	\$364M

JOINT VENTURE



SEGMENT 2: Architectural Specialties

NET SALES	ADJ. EBITDA*
\$363M	\$66M

Key Verticals and contribution to AWI Net Sales**



EDUCATION
30%



OFFICE
30%



HEALTHCARE
20%



RETAIL
10%



TRANSPORTATION
10%

For more than 160 years,
we have built our business
on trust and integrity

19
Operating
Facilities¹

~3,500
Employees



Headquartered in
Lancaster, PA

*Non-GAAP measure. See appendix for reconciliation to nearest GAAP measure. | **Based on internal company estimates. | 1. Excluding 7 WAVE facilities in this list.



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 specific goals and targets. 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:

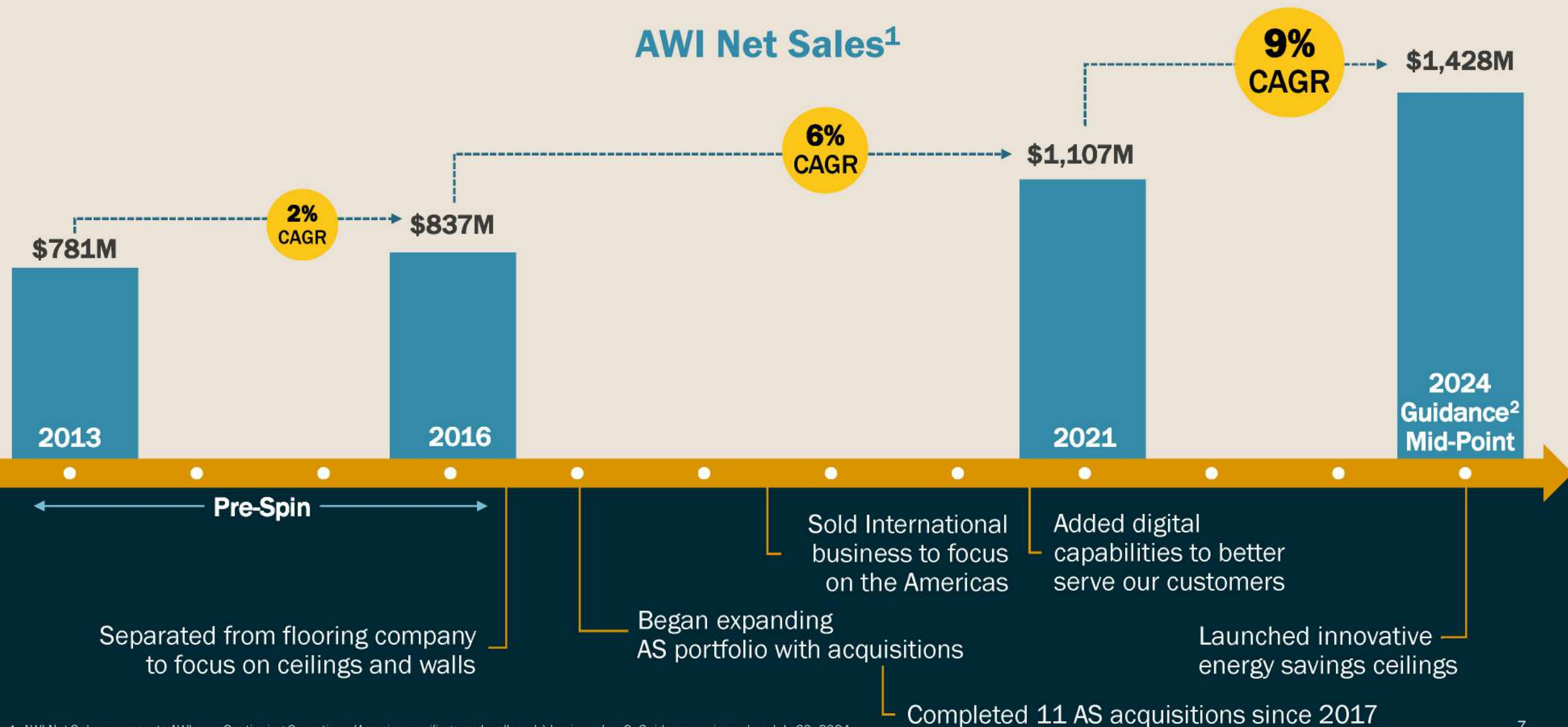


[AWI Sustainability Website](#)



[2024 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. | 2. Guidance as issued on July 30, 2024.

Why Invest in AWI?



**Unique company
in an attractive
industry**

**Complementary,
high performing
segments**

**Consistent &
focused growth
strategy**

**Strong financial
returns**

Value Creation for Shareholders

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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 ~39 Billion ft²)* 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



Diverse End Markets Drive Stability Throughout Cycles



End Market Vertical Outlook*

% AWI Sales by Vertical**	Outlook*	Market Insights
<p>10% Retail</p>	Slightly Negative	Lingering headwinds from online shopping balanced by population shifts to suburbs and multi-use in urban areas.
<p>10% Transportation</p>	Positive	Funding infusion from Infrastructure Investment and Jobs Act totaling \$15 billion ¹ for airports through 2026.
<p>20% Healthcare</p>	Slightly Positive	Continued growth in hospitals and urgent care centers driven by demographic shifts
<p>30% Office</p>	Slightly Negative	Vacancy rates in certain large metros and lingering economic uncertainty limiting discretionary spend; data center growth providing partial offset.
<p>30% Education</p>	Positive	Healthy state government budgets, supported by recent ESSER ² funding, offset by demographic trends. R&D laboratory growth continues.

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Value Creation for Shareholders

Complementary Segments With Strong Profitability



Mineral Fiber (MF) Segment

3%

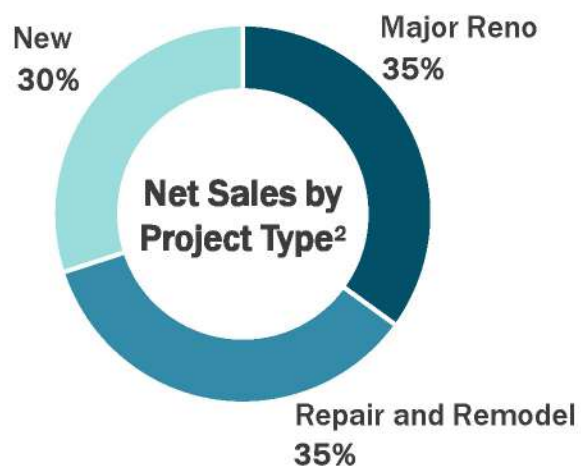
5-Year Net Sales CAGR¹

\$932M

2023 Net Sales

39%

2023 Adj. EBITDA Margin*



Key Attributes

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

Architectural Specialties (AS) Segment

16%

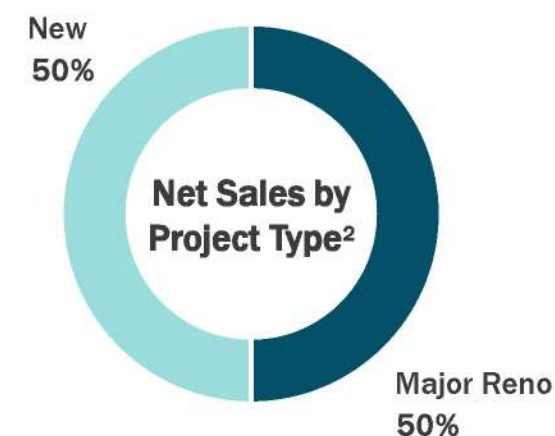
5-Year Net Sales CAGR¹

\$363M

2023 Net Sales

18%

2023 Adj. EBITDA Margin*



Key Attributes

- Leveraged to major renovation and new construction
- High design, custom projects for statement spaces
- Lower capital requirements
- Strong growth and margin expansion opportunities

Successful Joint Venture Creates Important Competitive Advantage

WAVE leverages the strengths and expertise of both parent companies



Armstrong®

World Industries

Go to market expertise



W WORTHINGTON
ENTERPRISES

Steel procurement and supply
chain management expertise



- Established in **1992 – 50/50** joint venture
- **North American market leader** in ceiling suspension system (grid) and integrated solutions
- **Innovation** mindset
- **\$450 million** in sales in 2023
- Over **\$700 million** of cash dividends to AWI since 2017
- **7 U.S. plants**
- **~450** employees



Recent 3form Acquisition Expands AS Product Portfolio¹



3form[®]
At-a-Glance

A design-driven category leader
in translucent finishings

 **~390**
employees

 **3**
production facilities

 **~\$96M**
sales in 2023



1. Armstrong completed the acquisition of 3form, LLC in April 2024.

Together Our Segments Enable the AWI Total Customer Experience



Mineral Fiber

Architectural Specialties

Broadest Portfolio
of Products

Specification
Leadership

**Total
Customer
Experience**

Operational
Excellence

Best-in-Class
Distribution

Brand Strength

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



2023 CISCA Award Winner



[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®

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Value Creation for Shareholders

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

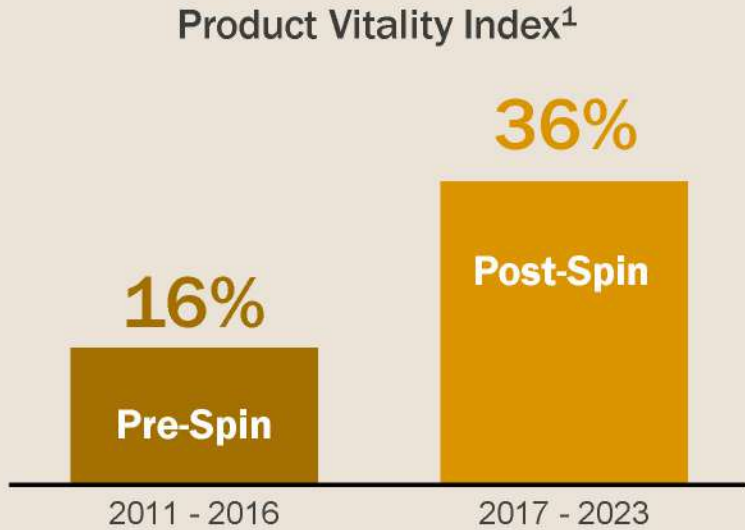
Strengthens our financial returns

Creates shareholder value

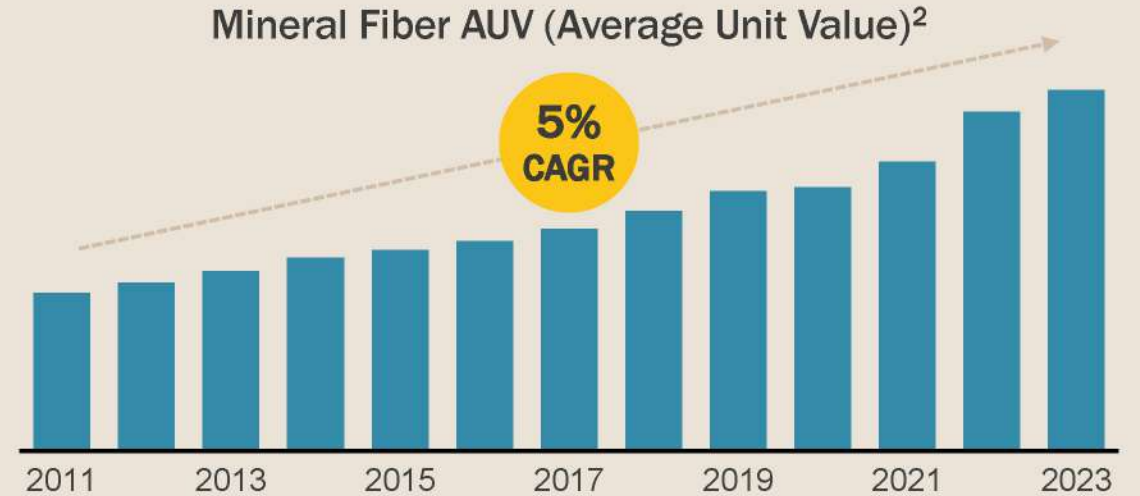
New Products and Features Consistently Rewarded by the Market



Demonstrated Innovation Focus



Proven Ability to Consistently Deliver AUV Growth



Key Innovation Attributes

Innovation focused on emerging market needs through collaboration and efficient processes



Sustainable Materials



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.

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



Carbon Impact Case Studies

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



Ultima® Templok® 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.



Ultima® Low Embodied Carbon (LEC) Ceiling Panels

Offers 43% reduction² in embodied carbon using sustainably sourced, wood-generated biochar that sequesters carbon resulting in a lower global warming potential.



University of Maryland Medical Center

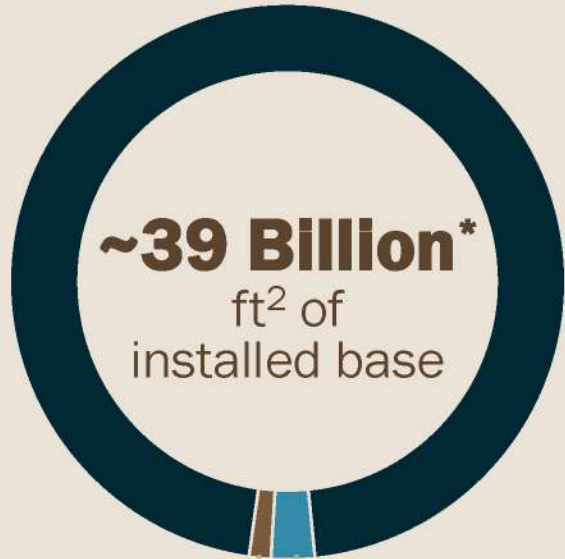


New Hampshire High School

Strategic Initiatives Support Volume and AUV Growth



Large Installed Base Provides Sizable Opportunity to Influence Demand



Annual Market New Construction*

Annual Market Major Reno and Repair and Remodel Volume*

STRATEGIC GROWTH INITIATIVES



Healthy, Sustainable Spaces

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	Focused on sustainable solutions for better indoor environmental quality (“IEQ”), energy and construction efficiencies... a secular tailwind for renovation
Key stakeholders	Facility managers, small business owners, DIY	Designers, architects, contractors, owners	Building owners and occupants, designers, architects, energy service companies



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



Steel Ceilings Inc.
Manufacturer of Metal Ceilings and Specialty Systems



PLASTERFORM™
Architectural Castings



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

EBITDA multiples:

~9x

pre-synergy

~7x

post-synergy²

1. Reflects AS segment Net Sales midpoint as shown in the additional assumptions in the appendix of this presentation. As issued on July 30, 2024.

2. 2022 to 2024 acquisition post-synergies are based on future expected results.

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**Strong financial
returns**

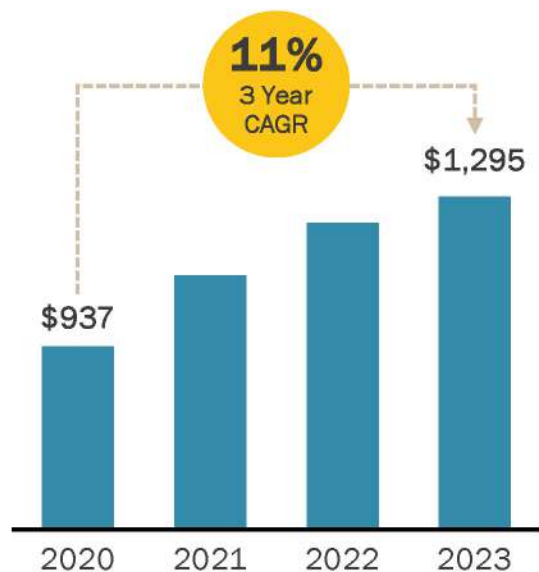
Value Creation for Shareholders

Resilient Business Model Creates Value for Shareholders



Delivering exceptional results despite a tough macro environment

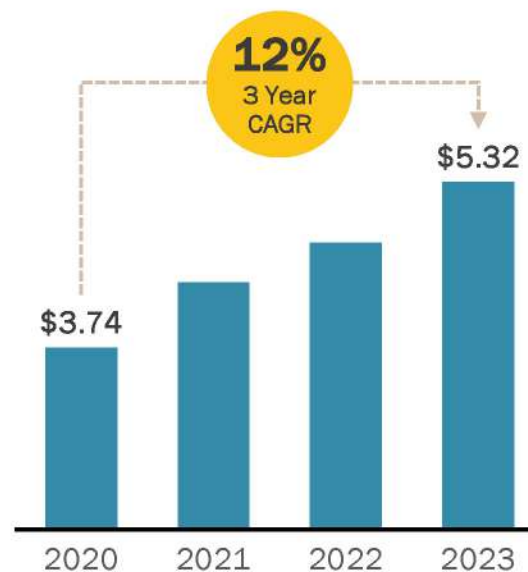
Net Sales (\$M)



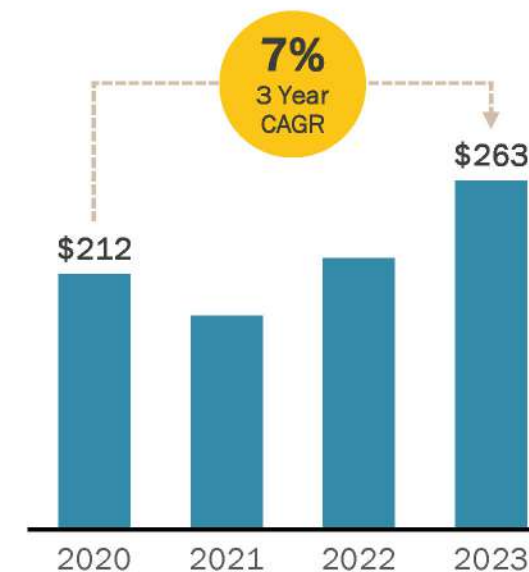
Adjusted EBITDA* (\$M)



Adjusted Diluted EPS*



Adj Free Cash Flow* (\$M)

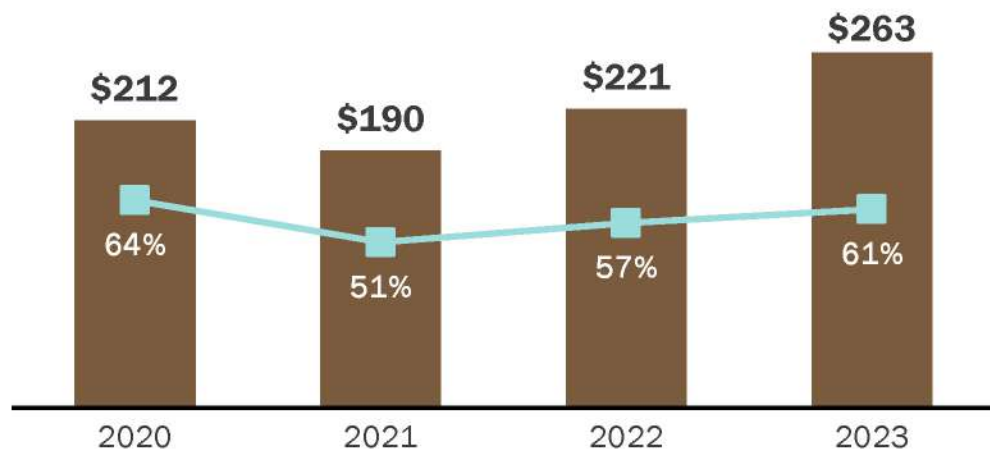


Strong Cash Flow Profile Supports All Capital Allocation Priorities



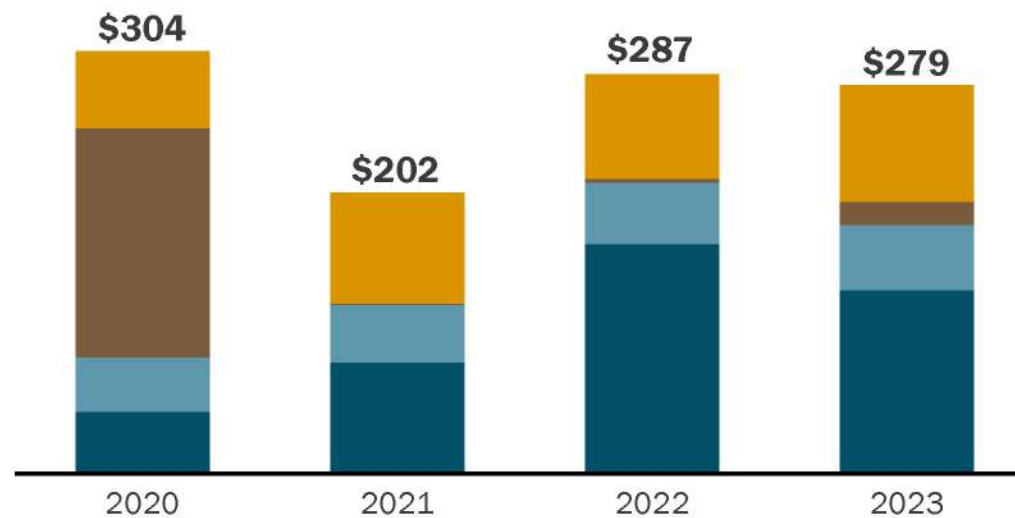
~\$900M of Adj. Free Cash Flow*
generated since 2020

■ Adj. Free Cash Flow* —■— Adj. Free Cash Flow Conversion*¹



**Balanced Approach
To Capital Allocation**

■ CapEx ■ Acquisitions² ■ Cash Dividends ■ Share Repurchases



(\$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 cash acquired, 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

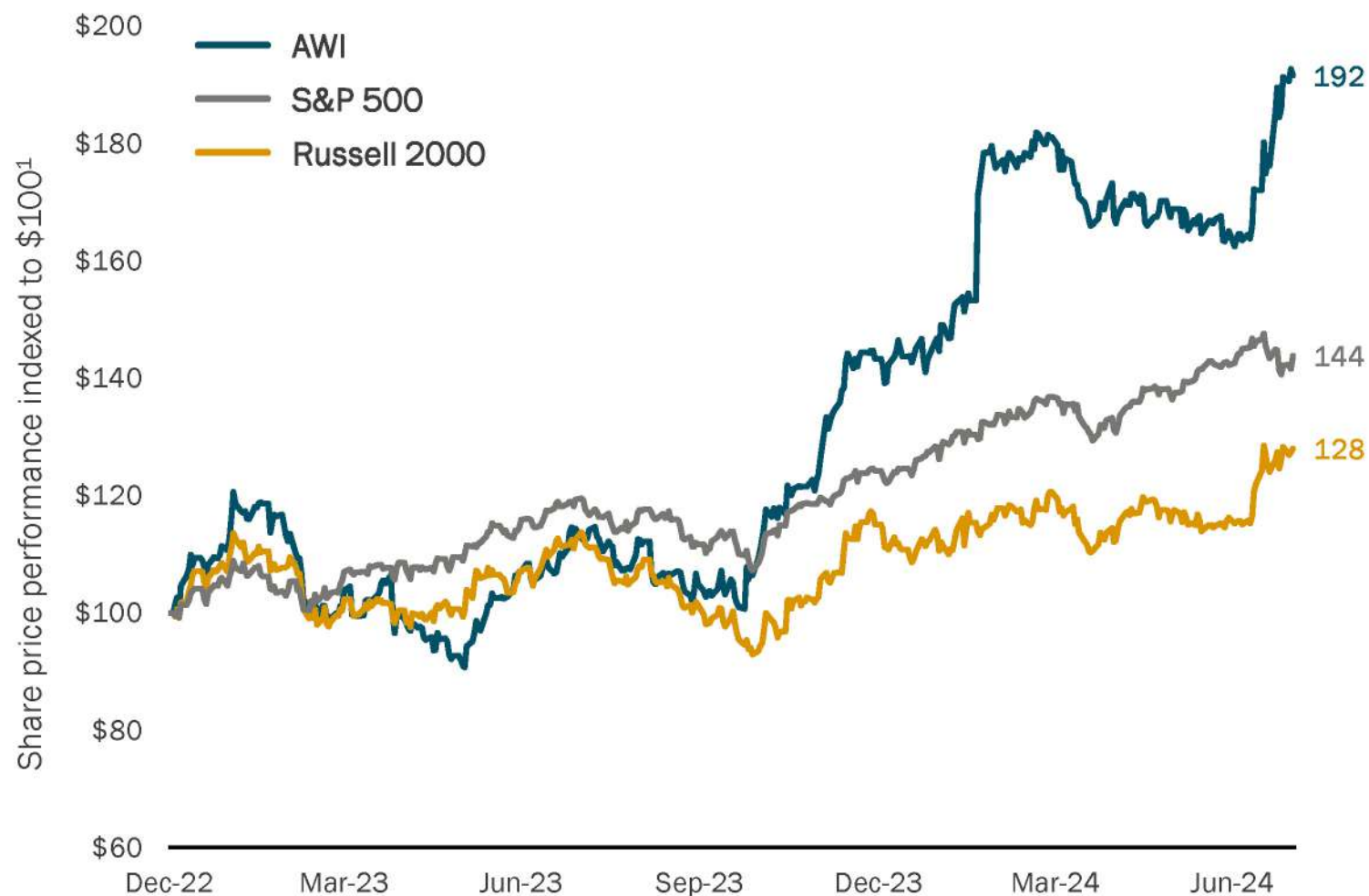
Unique company
in an attractive industry

Complementary,
high performing segments

Consistent & focused growth
strategy

Strong financial returns

AWI vs S&P 500 and Russell 2000







1. The performance shown in the chart assumes \$100 invested on December 31, 2022 through July 31, 2024, with dividends reinvested, and it should not be considered indicative of future performance.

Raising Full Year 2024 Guidance¹

Solid execution driving growth and margin expansion



	Updated	Prior
 Net Sales Growth	\$1,415M to \$1,440M 9% to 11% YoY	\$1,395M to \$1,435M 8% to 11% YoY
 Adj. EBITDA*	\$474M to \$486M 10% to 13% YoY	\$465M to \$485M 8% to 13% YoY
 Adj. Diluted EPS*	\$6.00 to \$6.15 13% to 16% YoY	\$5.80 to \$6.05 9% to 14% YoY
 Adj. Free Cash Flow*	\$288M to \$300M 10% to 14% YoY	\$285M to \$300M 8% to 14% YoY

Commentary²

Macro uncertainty continues

Better-than-expected market conditions in 2H

Expect full year MF volume down ~1%

Expect full year MF AUV above historic average

Expect accelerating AS organic sales and recent acquisitions to drive robust full year segment growth

Recent acquisition of 3form performing as expected

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

1. As issued on July 30, 2024. | 2. Additional assumptions available in the appendix of this presentation.