

A photograph of a two-story house with light-colored siding and dark shutters, set against a sunset sky. A semi-transparent white rectangular box is overlaid on the upper half of the image, containing the company name and date. The house has a chimney, a front porch with a railing, and a two-car garage. The sun is low on the horizon to the right, creating a warm glow and lens flare.

# **SAINT-GOBAIN TO ACQUIRE GCP APPLIED TECHNOLOGIES**

December 6, 2021

**GCP acquisition fully aligned with Saint-Gobain vision and strategy**

**Establish a leading position worldwide in construction chemicals**

**Strengthen Group presence in North America and Asia Pacific**

**A growth-driven and highly value-creating acquisition  
for Saint-Gobain shareholders and customers**

# GCP ACQUISITION WILL ACCELERATE EXECUTION OF SAINT-GOBAIN STRATEGY

WORLDWIDE LEADER  
IN LIGHT & SUSTAINABLE  
CONSTRUCTION



**Sustainability**



**Performance**



Combined, Saint-Gobain and GCP offer a highly comprehensive portfolio of solutions available to decarbonize construction



Concrete admixtures  
Cement additives

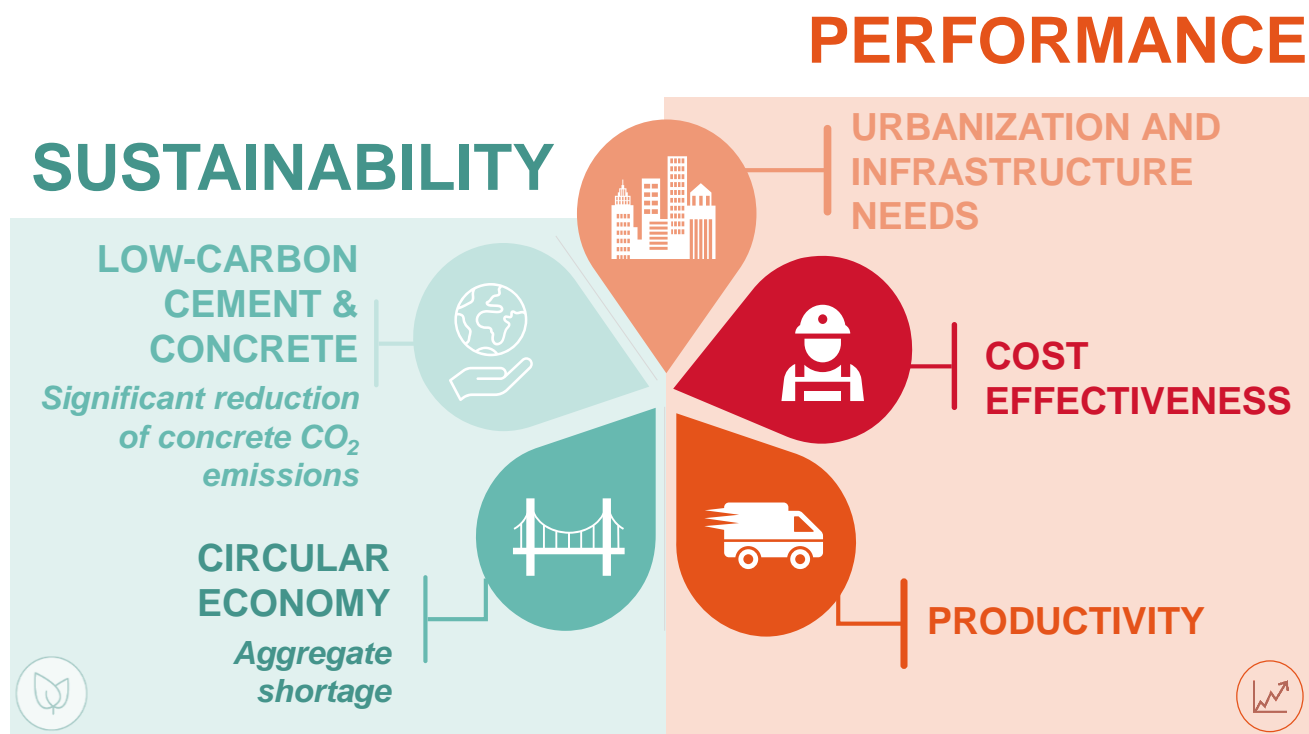


Building envelope  
from foundation to roof

# THE CONSTRUCTION CHEMICALS SECTOR IS DRIVEN BY SUSTAINED GROWTH

AN ATTRACTIVE SECTOR...

...WITH STRONG PERSPECTIVES IN ALL GEOGRAPHIES



**Sustainability**  
in mature markets  
Carbon reduction

**x3-5**  
in additives

Up to 90% low  
carbon concrete  
by 2030

**Performance**  
in emerging markets  
Ready-mix penetration

**x3**  
in additives

From 0 to 70%  
penetration of  
ready-mix concrete

# CONSTRUCTION CHEMICALS ARE A KEY PILLAR OF SAINT-GOBAIN STRATEGY

1 **CHRYSO**  
SAINT-GOBAIN

Enrich our growth platform in construction chemicals, notably in Europe and Middle-East Africa

2 **gcp**  
applied technologies

Strengthen our presence in North America, Latin America, and Asia-Pacific

TWO-STEP LOGICAL STRATEGIC INITIATIVES TO BUILD  
A LEADING POSITION WORLDWIDE IN CONSTRUCTION CHEMICALS



# GCP IS A LEADING SPECIALTY CONSTRUCTION CHEMICALS PLAYER WITH STRONG ATTRIBUTES

**>\$1bn**  
2022E  
Sales<sup>(1)</sup>

**\$170m**  
2022E  
EBITDA<sup>(1)</sup>

**17%**  
2022E  
EBITDA margin<sup>(1)</sup>

**38**  
Countries

**50**  
Manufacturing Plants

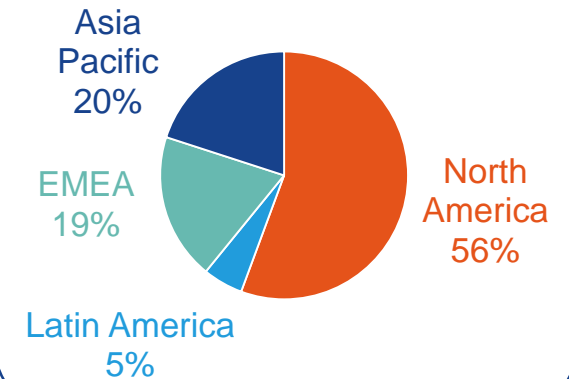
**~1,800**  
Employees



## A GLOBAL PLATFORM WITH LEADING SOLUTIONS IN:

- Concrete admixtures
- Cement additives
- Building envelope and roofing membranes
- Infrastructure and foundation waterproofing

### SALES BY REGION



Concrete admixtures



Cement additives



Roofing membranes



Waterproofing membranes

# SAINT-GOBAIN HAS THE LEVERS TO IMPROVE GCP PERFORMANCE

## GCP legacy issues

**Lack of stability in top leadership** (corporate)

**Lower top line growth** vs. industry peers

**Margin erosion** due to unprecedented inflation and high level of SG&A

## Changes in progress

**Turnaround plan** in motion with refreshed leadership

**Customer experience improvement**

On-going **cost rationalization plan** incl. shift of HQ

## What Saint-Gobain brings

- **Experienced and stable management team** with deep expertise
- Strong track-record of **profitable growth in North America**
- Successful **M&A integration** in the last three years

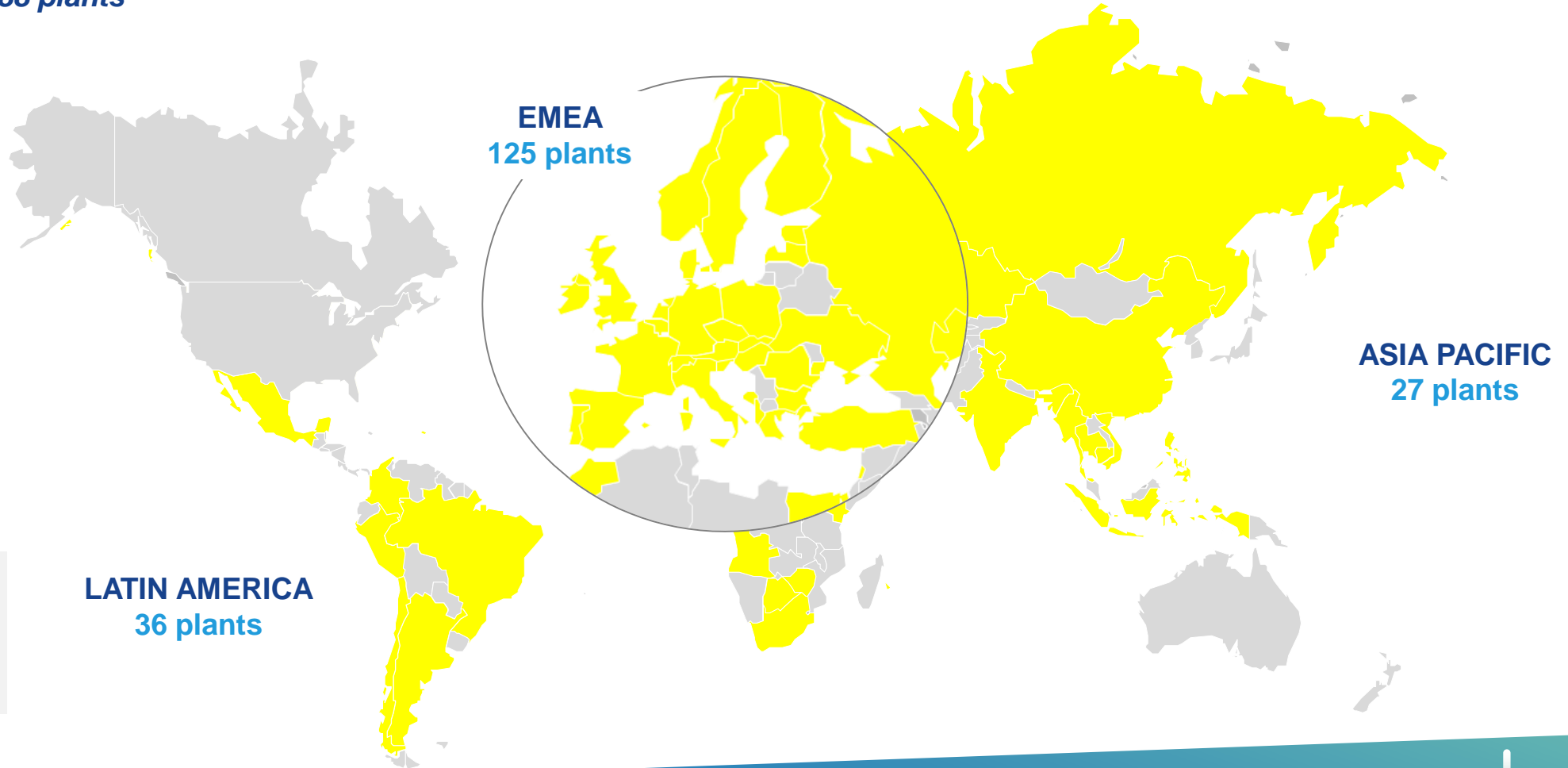
- Well-identified **areas of improvement in R&D, operations, and value-added offerings**
- Various **cross-selling opportunities**
- **Talent attraction and retention**

- **Robust sales processes and rigorous price-cost management**
- **Solid cost synergies** with Chryso (incl. **vertical integration**) and CertainTeed

# A WORLD-CLASS GLOBAL PLATFORM IN CONSTRUCTION CHEMICALS



>€2.7bn  
188 plants



LATIN AMERICA  
36 plants



# A WORLD-CLASS GLOBAL PLATFORM IN CONSTRUCTION CHEMICALS



>€2.7bn  
188 plants

+



~€0.4bn  
34 plants

NORTH AMERICA  
4 plants  
(+4)

LATIN AMERICA  
36 plants

EMEA  
148 plants  
(+23)

ASIA PACIFIC  
34 plants  
(+7)



# A WORLD-CLASS GLOBAL PLATFORM IN CONSTRUCTION CHEMICALS

GROW &  
IMPACT



>€2.7bn  
188 plants

+



~€0.4bn  
34 plants

+



~€0.9bn  
50 plants



Combined

>€4bn  
272 plants

NORTH AMERICA

>€0.5bn  
20 plants  
(+16)

LATIN AMERICA

>€0.6bn  
43 plants  
(+7)

EMEA  
~€2.4bn  
157 plants  
(+9)

ASIA PACIFIC

~€0.5bn  
52 plants  
(+18)



# SAINT-GOBAIN ORGANIZATION IS READY TO UNLOCK GCP FULL POTENTIAL AND EXECUTE INTEGRATION PLAN



## HIGH PERFORMANCE SOLUTIONS



Concrete admixtures



Cement additives



## NORTH AMERICAN REGION



Roofing membranes



Waterproofing membranes

## GLOBAL TECHNOLOGY AND OPERATIONS

Revenue ~\$750m 14% EBITDA margin<sup>(1)</sup>



## LOCAL CUSTOMERS AND SALES CHANNELS

Revenue ~\$250m 24% EBITDA margin<sup>(1)</sup>



# GCP IS A MAJOR GLOBAL PLAYER IN CONCRETE ADMIXTURES AND CEMENT ADDITIVES

~3/4 of sales in CONCRETE

~1/4 of sales in CEMENT



**A leader in concrete admixtures in North America**



**#1 in cement additives worldwide**



**Strong profitable positions in Asia and Latin America**



**Worldwide footprint with 44 plants and regional development labs<sup>(1)</sup>**



**Very broad product offering & strong IP portfolio**



**Verifi: advanced IoT concrete management solution**

(1) Including 41 plants and 3 development labs



# VERIFI IS AN ADVANCED IOT SOLUTION FOR IN-TRANSIT CONCRETE MANAGEMENT

## Value proposition

- **UNIQUE** on the market
  - Concrete performance monitoring within truck
  - Complete solution including consulting services
  - First mover on IoT offering in building materials
- **Multiple PATENTS**
- **On-going deployment** in Europe and Asia-Pacific
- **REDUCE concrete CO<sub>2</sub> emissions** by optimizing raw materials used and avoiding waste
- **LARGEST DATABASE** of fresh concrete properties

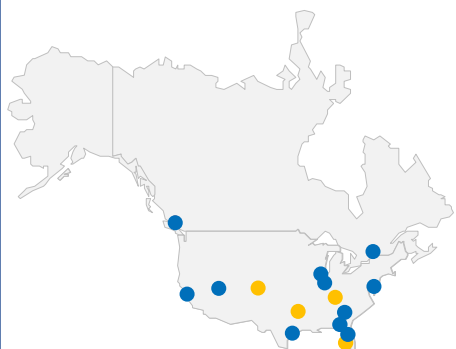


VERIFI unit installed on a customer truck

# COMBINATION WILL BRING A STEP CHANGE IN OUR REACH TO THE GLOBAL MARKET

Complementary footprint will increase presence in North America, Latin America, and Asia-Pacific

## NORTH AMERICA

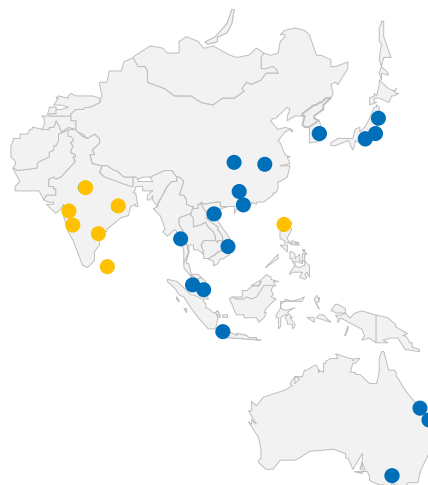


## LATIN AMERICA



+ 36 Weber plants

## ASIA-PACIFIC

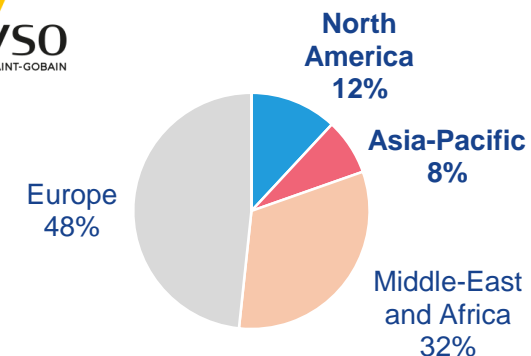


+ 27 Weber plants

● Chryso industrial sites ● GCP additives and admixtures industrial sites

## Chryso standalone

CHRYSO  
SAINT-GOBAIN



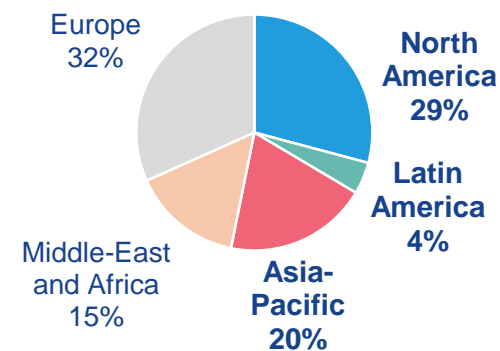
19  
Countries

34  
Production sites

## Combined Platform

CHRYSO  
SAINT-GOBAIN

+  
gcp  
applied technologies  
Additives & admixtures



38  
countries

75<sup>(1)</sup>  
Production sites

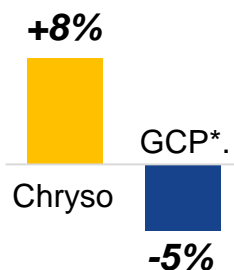
(1) Including 6 in EMEA



# CHRYSO WILL APPLY ITS SUCCESSFUL BUSINESS MODEL TO REALIZE GCP'S GROWTH POTENTIAL

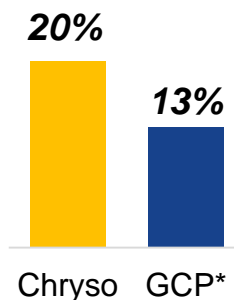
Chryso has an outstanding track-record of profitable growth

Sales CAGR  
2018-2021



**Outstanding growth trajectory**  
in both mature and emerging markets

Average EBITDA margin  
2018-2021



**>10pts EBITDA margin difference in several countries incl. 3 major**, thanks to leaner SG&A, vertical integration and premium value proposition

Chryso has well-identified levers to improve GCP performance and profitability

**Vertically integrate polymers production** to drive cost competitiveness

**Benefit from Chryso stable and highly experienced management team**



**Benefit from Chryso polymer know-how and R&D capabilities** to rejuvenate product offering and accelerate innovation

**Leverage Chryso sales processes, customer loyalty, and value-added positioning of the offer**

# GCP BRINGS STRONG AND RECOGNIZED PRODUCTS AND SOLUTIONS TO COMPLEMENT SAINT-GOBAIN PORTFOLIO IN NORTH AMERICA

~1/4 of sales  
in RESIDENTIAL

← ~3/4 of sales in COMMERCIAL and INFRASTRUCTURE →



A leader in roofing  
underlayment



A leader in  
waterproofing



Leading fire-proofing  
product with best ease  
of application



Strong profitability in  
North America  
24% EBITDA margin



Highly  
specification-driven  
with top-of-mind  
brands



Products renowned  
for superior ease of  
application

**CertainTeed**  
SAINT-GOBAIN

#1 in building materials in the US

**\$5.1bn**  
sales<sup>(1)</sup>

**>10%**  
CAGR 18-21E

**20%**  
EBITDA<sup>(1)</sup>

Leverage **CertainTeed** scale to bring cross-selling opportunities

Same route-to-market

## Strong top-line synergies with CertainTeed residential offer

- Develop **CertainTeed Roofing** systems
- Offer **CertainTeed Façade** systems



## Leverage GCP for CertainTeed growth in commercial and infrastructure

- **Top-to-bottom water protection** (commercial roofing / foundation and façade)
- Leverage strong **basis of design & technical sales** organization



## Leverage CertainTeed architectural organization

- Leverage **material synergies** with gypsum
- Unlock **Monokote fire-proofing expansion** across all regions of North America



# GCP ACQUISITION IS ALIGNED WITH OUR CAPITAL MARKETS DAY<sup>(1)</sup> COMMITMENTS



## Clear investment criteria



1

### Strengthening leadership positions

*Notably North America and Asia*



2

### Offer enrichment & value chain enhancement

*Light & sustainable construction, technology solutions for the industry*



## Value creation by Year 3 following the closing of the transaction

*ROCE > WACC*

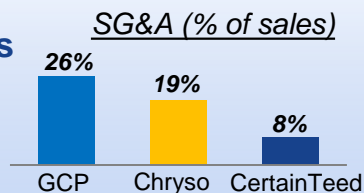
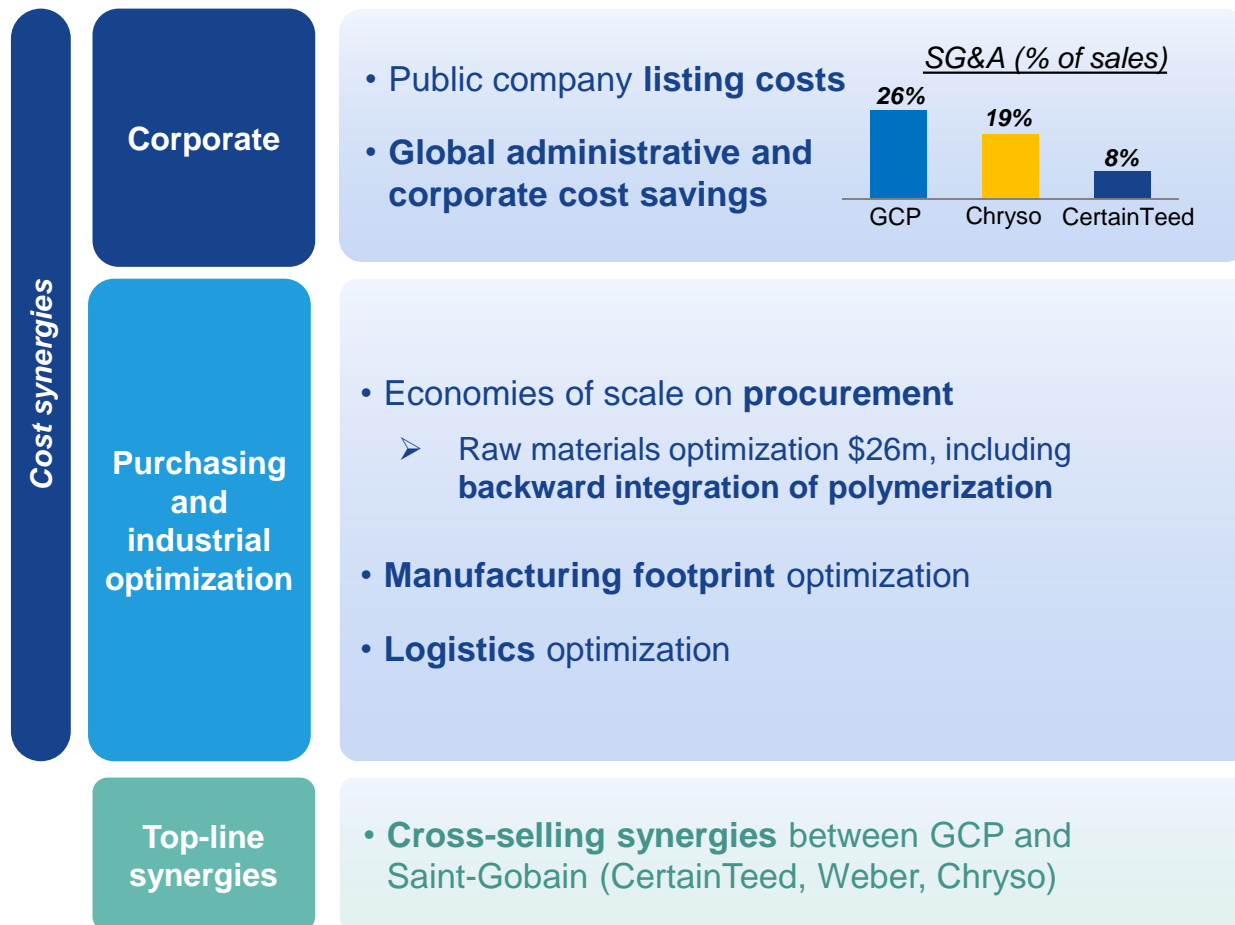


## Strong balance sheet and solid credit rating

*1.5-2.0x net debt / EBITDA*

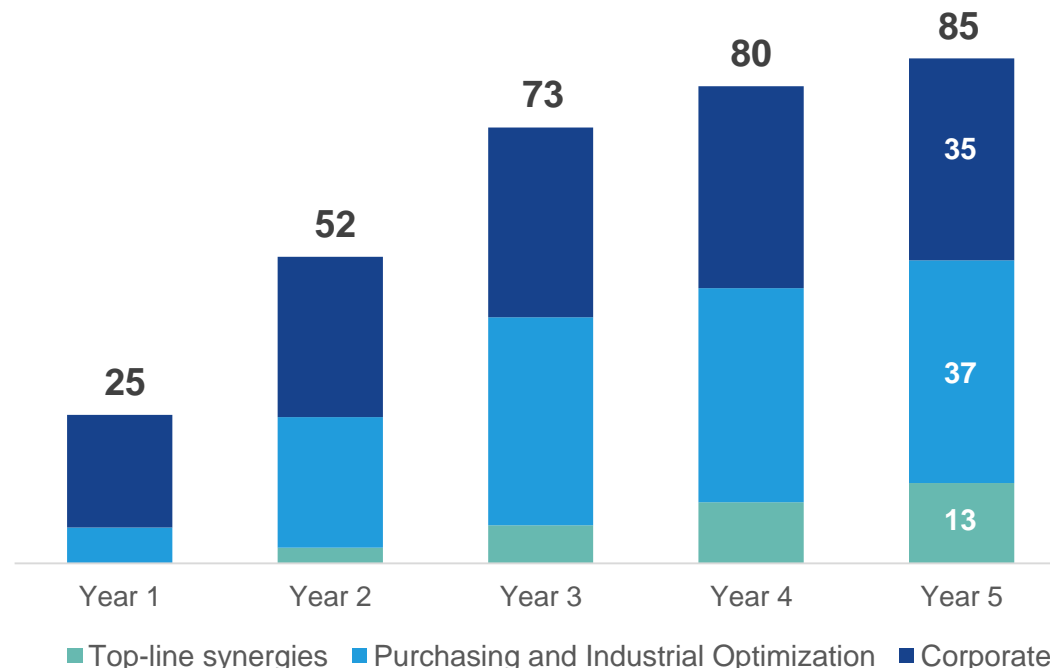
(1) Saint-Gobain Capital Markets Day held on 6 October 2021

# STRONG VALUE CREATION IS SUPPORTED BY SIGNIFICANT COST SYNERGY POTENTIAL



## Total synergies (excl. Implementation costs) – *EBITDA impact*

In \$m



# FURTHER UPSIDE POTENTIAL EXISTS ON TOP-LINE SYNERGIES

Cross-sell synergies in residential exterior products (roofing, siding)

Combined GCP / CertainTeed offer for commercial and infrastructure projects

Cross-sell GCP offer to large contractors in EMEA, APAC, LATAM

Leverage CertainTeed gypsum and Weber footprint to expand Monokote sales

Leverage Chryso R&D and cross-sell innovations in GCP regions

Screed\* development in North America

**ADDITIONAL POTENTIAL OF SYNERGIES: \$100m additional sales**

\*Screed: smooth and level under-flooring surface



## FINANCIAL TERMS

- \$32 per share in cash, i.e. premium of 39% over the 30-day VWAP<sup>(1)</sup>
- **Enterprise value of \$2.3bn, i.e. 13.2x 2022E<sup>(2)</sup> EBITDA multiple, 8.8x including full synergies (\$85m)**
- **Value creation by Year 3**
- **EPS accretive by Year 1 before synergies**

## FINANCING

- Acquisition financed fully in cash
- **Limited impact on net debt to EBITDA ratio (+0.3x)**
- Expecting no change in current S&P BBB and Moody's Baa2 credit ratings

## TRANSACTION PROCESS

- Cash merger agreement signed
- Undertakings obtained from Starboard and Standard Investments (formerly known as 40 North) / Standard Industries to vote their respective stakes of 8.9% and 24.2% in favor of the transaction.
- **Closing expected by year-end 2022**, subject to GCP Applied Technologies shareholders' approval and regulatory approvals

(1) As of 30 November 2021, on Bloomberg (last trading day before market rumor)

(2) 2022E EBITDA of \$170m based on Saint-Gobain estimates

# A DECISIVE STEP FOR SAINT-GOBAIN WORLDWIDE LEADERSHIP IN LIGHT & SUSTAINABLE CONSTRUCTION



Establish a leading position  
worldwide in construction  
chemicals



Strengthen Group presence  
in North America and  
emerging markets



A growth-driven and  
value-creating acquisition for  
Saint-Gobain's shareholders  
and customers

Very solid team ready & committed to deliver strong value creation



# **SAINT-GOBAIN TO ACQUIRE GCP APPLIED TECHNOLOGIES**

December 6, 2021

This document contains forward-looking statements with respect to the financial condition, results, business, strategy, plans and outlook of Saint-Gobain, GCP Applied Technologies Inc. ("GCP") and the combined company that will result from the completion of the pending acquisition of GCP by Saint-Gobain (the "Merger"), the agreement providing for the Merger (the "Merger Agreement"), and the Merger transaction. Forward-looking statements are generally identified by the use of the words "expect", "anticipate", "believe", "intend", "estimate", "plan" and similar expressions.

Although Saint-Gobain believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions as at the time of publishing this document, investors are cautioned that these statements are not guarantees of future performance, results or occurrences. Actual performance, results and occurrences may differ materially from the forward-looking statements as a result of a number of known and unknown risks, uncertainties and other factors, many of which are difficult to predict and are generally beyond the control of Saint-Gobain, including but not limited to the risks described in the "Risk Factors" section of Saint-Gobain's Universal Registration Document available on its website ([www.saint-gobain.com](http://www.saint-gobain.com)) and the following factors:

- the occurrence of any event, change or other circumstances that could give rise to the termination of the Merger Agreement;
- the inability to complete the Merger due to the failure of GCP to obtain stockholder approval for the Merger or the failure to satisfy other conditions to completion of the Merger;
- risks related to disruption of GCP's and our management's attention to ongoing business operations due to the Merger;
- the effect of the announcement of the Merger on our or GCP's relationships with customers, operating results and business generally;
- the risk that the Merger will not be consummated in a timely manner;
- the risk that, in order to obtain regulatory clearances, there are material adverse remedies imposed on the combined company by regulatory authorities, including conduct remedies and divestitures;
- the inability of the combined company to realize synergies, to retain employees and to successfully integrate following the Merger;
- and the risks of adverse developments relating to GCP, its business or operations as more fully disclosed in GCP's filings with the US Securities and Exchange Commission (and available at [www.sec.gov](http://www.sec.gov)), including in the risk factors in GCP's last annual report on Form 10-K.

Accordingly, readers of this document are cautioned against relying on these forward-looking statements. These forward-looking statements are made as of the date of this document. Saint-Gobain disclaims any intention or obligation to complete, update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. This document does not constitute any offer to purchase or exchange, nor any solicitation of an offer to sell or exchange securities of Saint-Gobain or GCP.