



# **SAINT-GOBAIN TO ACQUIRE BUILDING PRODUCTS OF CANADA CORP.**

**JUNE 12, 2023**

# BUILDING PRODUCTS OF CANADA ACQUISITION HAS A COMPELLING STRATEGIC RATIONALE

Building Products of Canada acquisition fully aligned with Saint-Gobain strategy on light and sustainable construction

Strengthen Group presence in North America with a leading position in Canada

Enrich our product portfolio to offer complete solutions for the Canadian market

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



# ACQUISITION IS ALIGNED WITH SAINT-GOBAIN STRATEGY

WORLDWIDE LEADER  
IN LIGHT & SUSTAINABLE  
CONSTRUCTION



**Sustainability**



**Performance**



BUILDING PRODUCTS OF CANADA CORP.



Leading roofing position in  
Canada



Leading supplier of  
sustainable wood fiber  
insulation

Together, Saint-Gobain and Building Products of Canada  
offer a **comprehensive portfolio** of solutions  
for the **growing Canadian market**

# ACQUISITION WILL FURTHER REINFORCE A STRONG TRACK RECORD OF GROWTH IN NORTH AMERICAN REGION



**certainteed**  
SAINT-GOBAIN

Only North American manufacturer offering a full breadth of building materials for light construction

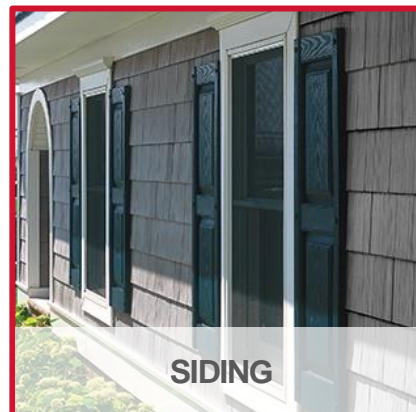
Preferred brand for contractors and homeowners, partnered with leading distribution channels

Powerful organization driving market outperformance

**US\$7.3bn**  
*Sales<sup>1</sup>*

**+16%**  
*Sales CAGR 18-22<sup>1</sup>*

**20%**  
*EBITDA margin<sup>1</sup>*



**#1 building materials manufacturer in North America**

— Interior  
— Exterior

1. 2022 pro forma with annualized sales of acquisitions (Kaycan and GCP)

# CANADA IS A KEY GROWTH MARKET FOR SAINT-GOBAIN

## Strong Market Perspectives

**5.8m<sup>1</sup>** units needed by 2030 in  
~4% CAGR<sup>2</sup> **Canada** to meet demand



## Population Growth Supports New Build

**>400k/year<sup>3</sup>** Population increase due to  
**high immigration** (~1% of  
2022 Canadian population)

**>10%** Canada population growth  
2022 – 2030<sup>4</sup>

**x3** Population CAGR 2022 – 2030  
Canada vs. OECD average<sup>4</sup>

## Aging Housing Stock Supports Renovation

**75%<sup>3</sup>** of Canada's single family  
housing stock >20 years old



**Growing need for solutions for light and sustainable construction**

1. Canada Mortgage and Housing Corporation
2. 2022 – 2030 CAGR
3. Ducker Primary Research and Analysis, Investor Reports
4. OECD Population Projections data set



# SAINT-GOBAIN CANADA IS A LEADER IN LIGHT CONSTRUCTION

Canada is a growing and profitable country for Saint-Gobain...

**C\$1.4bn**  
Sales<sup>1</sup>

**+25%**  
Sales CAGR 18-22<sup>1</sup>

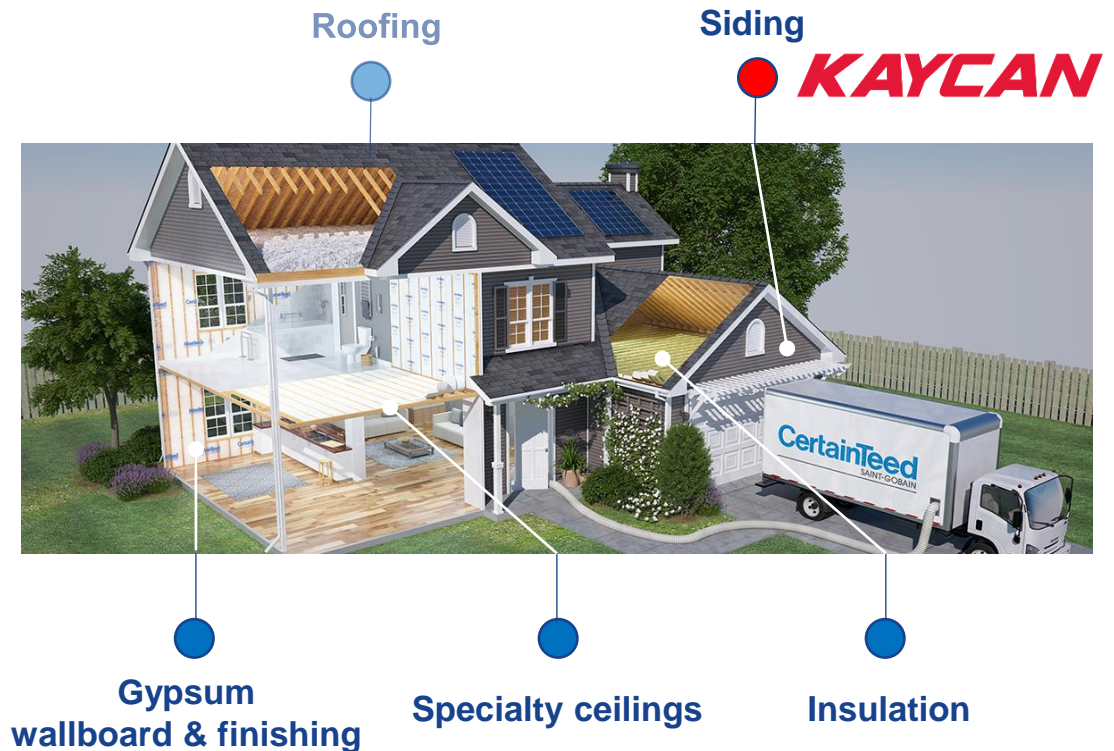
**18%**  
EBITDA margin<sup>1</sup>

...with strong channel partnerships with leading retail, lumberyards, and buying groups



Saint-Gobain has a leading position in interior solutions and siding in Canada

But a very limited presence in roofing with no manufacturing capability in Canada



# BUILDING PRODUCTS OF CANADA IS A LEADING ROOFING PLAYER IN CANADA



BUILDING PRODUCTS OF CANADA CORP.

**C\$435m**  
2022 Revenues

**C\$111m**  
2022 EBITDA

**25%**  
2022 EBITDA margin

**3**  
Manufacturing Plants

**460**  
Employees

A broad exterior solutions platform, complementary to CertainTeed's product portfolio



**STRONG POSITION** in shingles in Canada



One of only 2 roofing manufacturers established domestically with **NATIONAL REACH ACROSS CANADA**



Complementary offering in high growth **EXTERIOR WOOD FIBER INSULATION**



Strong customer relationships with **HOME CENTER RETAILERS** and **SPECIALTY DISTRIBUTION**



Roofing Shingles



Underlayment



Wood Fiber Insulating Panel



Wood Fiber Acoustic Panel

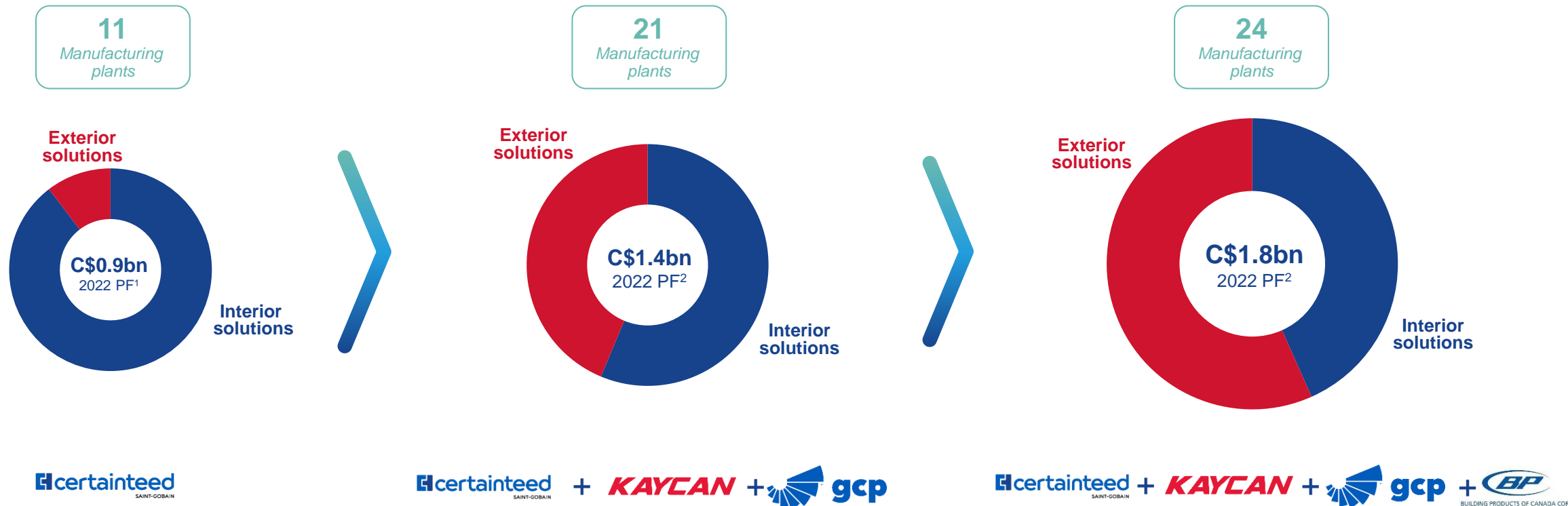
**80%**

**20%**

# BUILDING PRODUCTS OF CANADA ACQUISITION IS A LOGICAL STEP IN OUR PROFITABLE GROWTH TRAJECTORY IN CANADA



We have built a comprehensive offer in 18 months while doubling in size



Enriching our offer in each country to bring complete solutions for light and sustainable construction

1. Pro forma excluding acquisitions (Kaycan and GCP)
2. Pro forma with annualized sales of acquisitions (Kaycan and GCP)

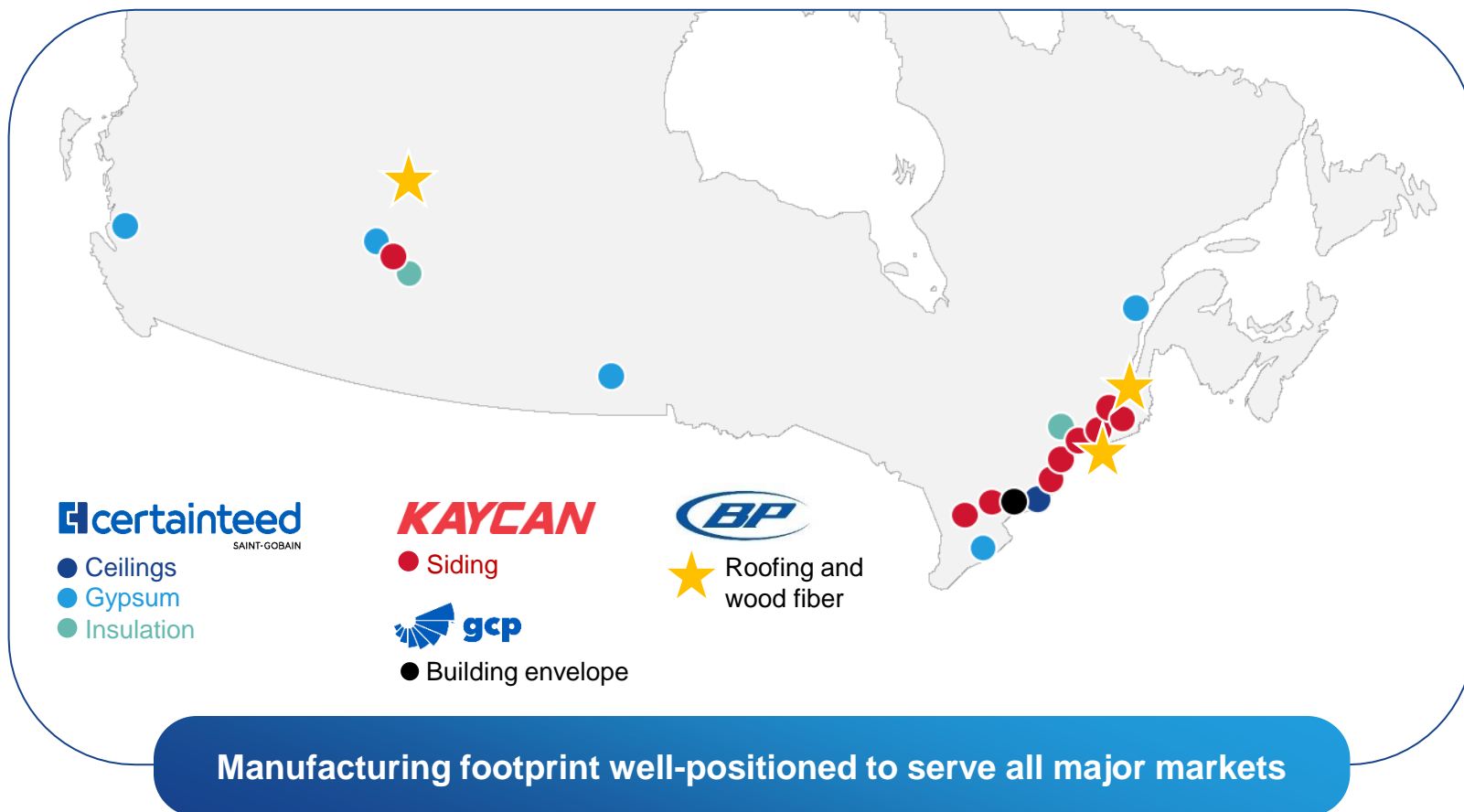




# ACQUISITION IS A PERFECT FIT FOR SAINT-GOBAIN IN CANADA



Building Products of Canada brings leadership position in roofing and completes Saint-Gobain's exterior solutions portfolio



Lightweight and sustainable



100% **recyclable** and made of **recycled** wood



Serves **growing demand** for sustainable insulation

Leader in the growing wood fiber industry

# BUILDING PRODUCTS OF CANADA FURTHER EXPANDS EXTERIOR SOLUTIONS IN CANADA



## EXTERIOR SOLUTIONS





# SAINT-GOBAIN HAS A LEADING POSITION IN US ROOFING



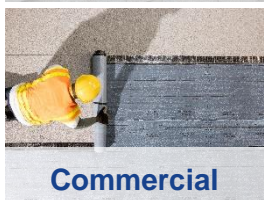
## ROOFING A KEY COMPONENT FOR LIGHT CONSTRUCTION



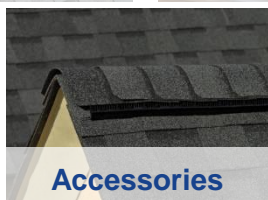
Shingles



Underlayment



Commercial



Accessories



Solar

## certainteed ROOFING SAINT-GOBAIN



US\$2.7bn in revenues and **LEADING PLAYER** in the US with **DOUBLE-DIGIT ANNUAL GROWTH**<sup>1</sup>



**85% SALES** in renovation and remodeling (non-discretionary repairs)



**PREFERRED BRAND** for contractors and homeowners driven by reputation for quality and service, and broadest solutions-based portfolio



Recognized for its **INNOVATION** capabilities and its commitment to **SUSTAINABILITY**

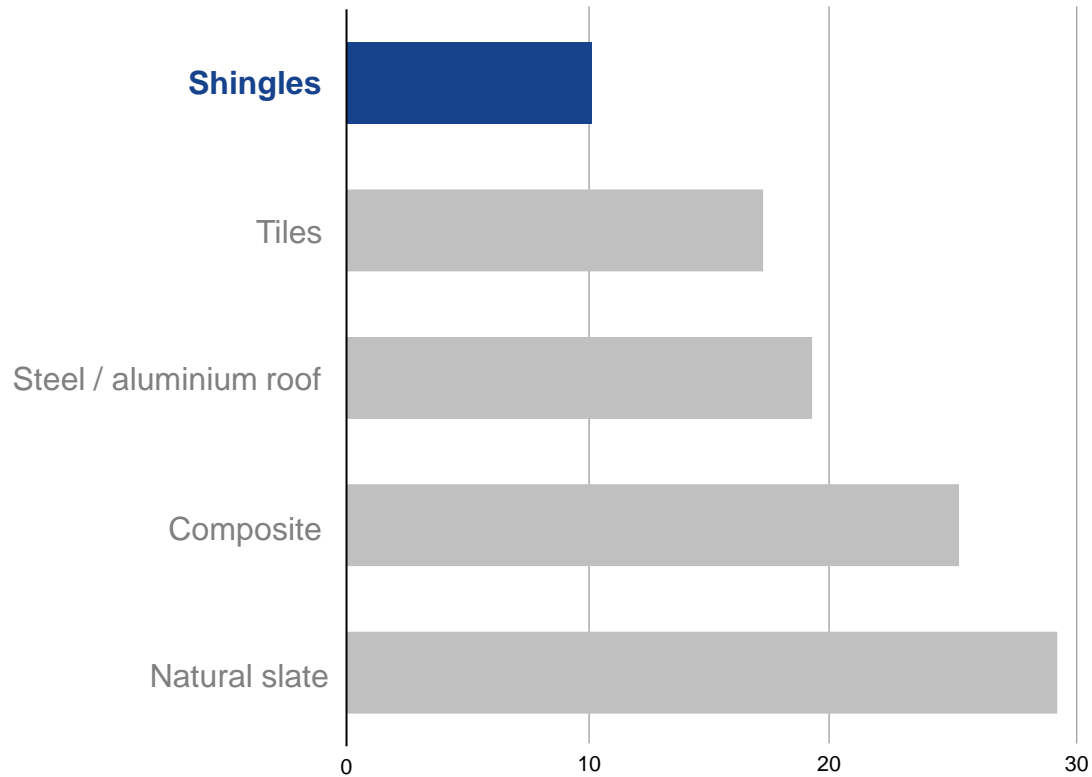




# SHINGLES ARE THE MATERIAL OF CHOICE FOR RESIDENTIAL ROOFING IN NORTH AMERICA

Shingles have the lowest installed cost of all roofing products

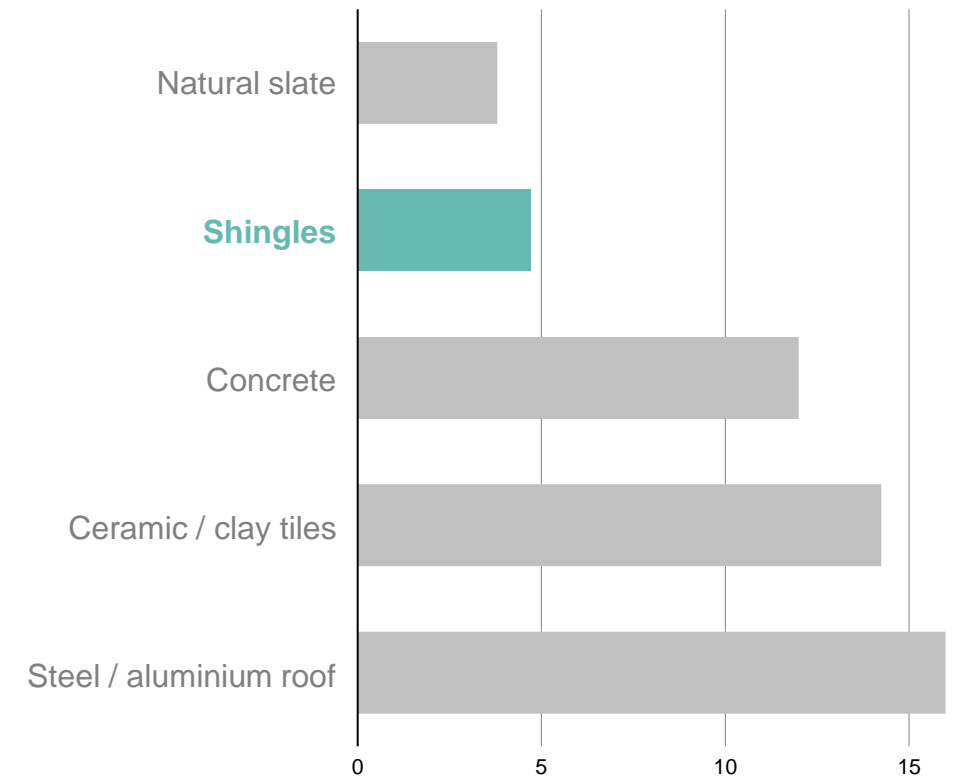
Installed cost of a typical roof<sup>1</sup>  
[US\$ in thousands]



Source: Management estimates

Shingles offer one of the lowest carbon footprint among common roofing products

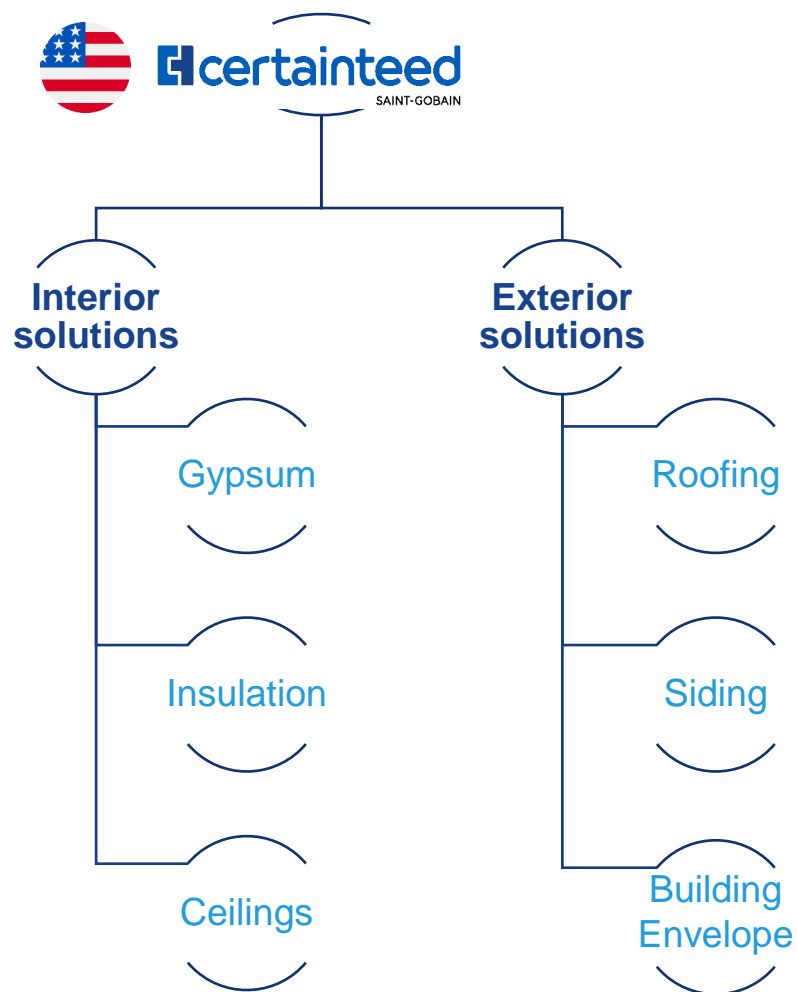
Carbon emission factor of roofing products  
[kg CO<sub>2</sub> equivalent per m<sup>2</sup> product]



Source: Industry-wide Environmental Product Declarations (EPD)

1. 3,000 square feet or 280 m<sup>2</sup>

# CANADA WILL FOLLOW SUCCESSFUL COMMERCIAL PATH OF USA



with Country Key Account Management

Since 2018, CertainTeed USA has leveraged **one commercial team for residential exterior solutions**

- Combined back office and ease-to-do business across all exterior solutions
- Much improved sales coverage and customer territory management
- Enhanced competitive positioning thanks to cross-selling opportunities

Strong organization driving **growth** and **market outperformance** in the United States

**+11%**

**Roofing and Siding growth**  
(sales CAGR 2018 - 2022)

**+4 pts**

**Gain in share in siding**  
(2022 vs. 2018)

# SAINT-GOBAIN IS CREATING A COMPELLING FULL-RANGE OFFER FOR ITS CUSTOMERS IN CANADA



A trusted player, recognized for the quality of its products

## Leverage our innovation for unique full-range solutions

- Enrich Building Products of Canada offer with CertainTeed roofing solutions (all-weather / solar reflective / premium shingles...) and GCP underlayments (Ice & Water Shield® membrane)

- Offer CertainTeed building integrated photovoltaic shingles



## Leverage Saint-Gobain technologies for roofing

- Lighter and stronger shingles
- Utilization of existing manufacturing capacities
- Codevelopment with Adfors on next-gen binder and glass fibers



## Drive sustainability

- Leverage CertainTeed circular economy know-how and partnership with Asphaltica



- Leverage Saint-Gobain experience in plant decarbonization



Creating more value for our customers





# SAINT-GOBAIN HAS A PROVEN TRACK RECORD OF INTEGRATION AND EXCEEDING SYNERGIES IN NORTH AMERICA

GROW &  
IMPACT



## Value creation in year 2

Successful integration and synergies exceeding plan



**KAYCAN**

## Synergies ahead of plan

Notably in purchasing savings



## Synergies ahead of plan

Notably in supply chain and manufacturing efficiencies

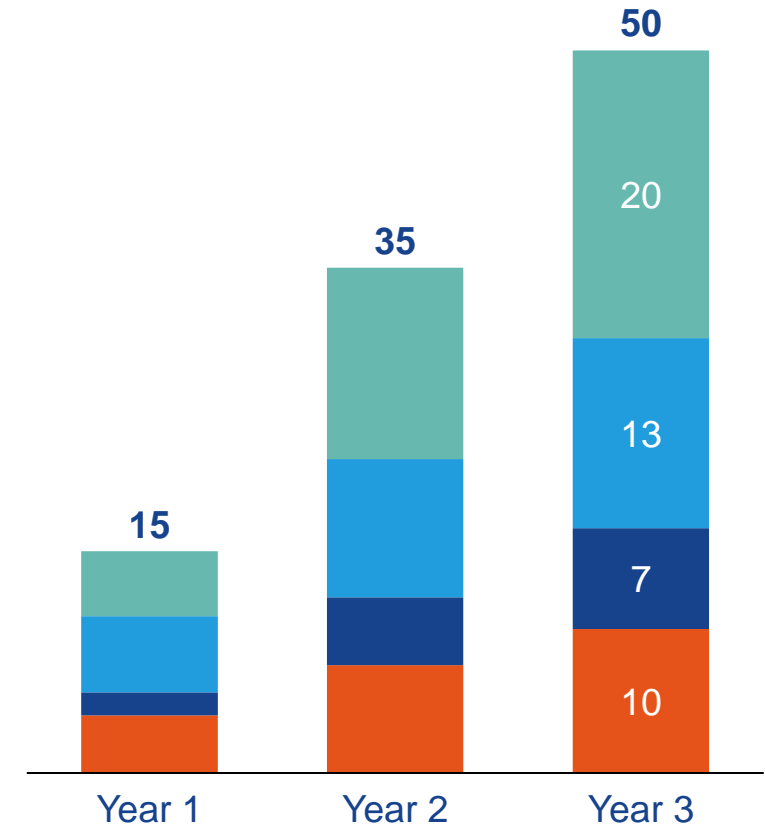
Highly experienced local teams committed to delivering on value creation

# STRONG VALUE CREATION IS SUPPORTED BY SIGNIFICANT SYNERGIES



Total synergies (excl. Implementation costs) – EBITDA impact

C\$ m



## FINANCIAL TERMS

- Enterprise Value of C\$1,325m, i.e. 11.9x 2022 EBITDA multiple, 8.2x including full synergies (C\$50m)
- Value creation by Year 3
- EPS accretive from Year 1

## FINANCING

- Acquisition financed **fully in cash**
- **Limited impact on net debt to EBITDA** ratio (+0.1x), leverage remaining below the target set (1.5x to 2.0x)

## TRANSACTION PROCESS

- Share purchase agreement signed
- **Closing expected by year end 2023**, subject to customary conditions



# A DECISIVE AND LOGICAL STEP TO STRENGTHEN SAINT-GOBAIN LEADERSHIP IN LIGHT & SUSTAINABLE CONSTRUCTION IN NORTH AMERICA



Enrich and reinforce Roofing  
and Exterior Solutions



Strengthen Group presence  
in North America



Very solid team to deliver  
strong value creation

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

# GROW & IMPACT