

# SAINT-GOBAIN STRATEGY

FRANCE SITE VISITS

NOVEMBER 13-14, 2023



**Benoit BAZIN**

Chief Executive Officer



# WE HAVE STRONGLY REBALANCED OUR FOOTPRINT TOWARDS HIGH GROWTH MARKETS

Now 2/3 of Group operating income

## North America, Asia & Emerging Countries



September 2023 – Site visit in the United States



**KAYCAN**



## Construction Chemicals



Focus on Construction Chemicals in today's program



€7.3bn spent in acquisitions in North America, Asia & Emerging Countries and Construction Chemicals since 2019

# THE WORLDWIDE LEADER IN LIGHT & SUSTAINABLE CONSTRUCTION

OUR  
**GROW &  
IMPACT**  
STRATEGY

*DELIVERING CONSISTENTLY  
STRONG PERFORMANCE*

01

**We have delivered a successful strategic transformation**

02

We have positioned ourselves on growing global trends

03

We are building a growth platform in Construction Chemicals



# WE HAVE A POWERFUL COUNTRY ORGANIZATION TO DRIVE OUTPERFORMANCE

## A lean organization with local empowerment



**Rapid-decision making**



**Value-creation driven decisions aligned  
with local performance**

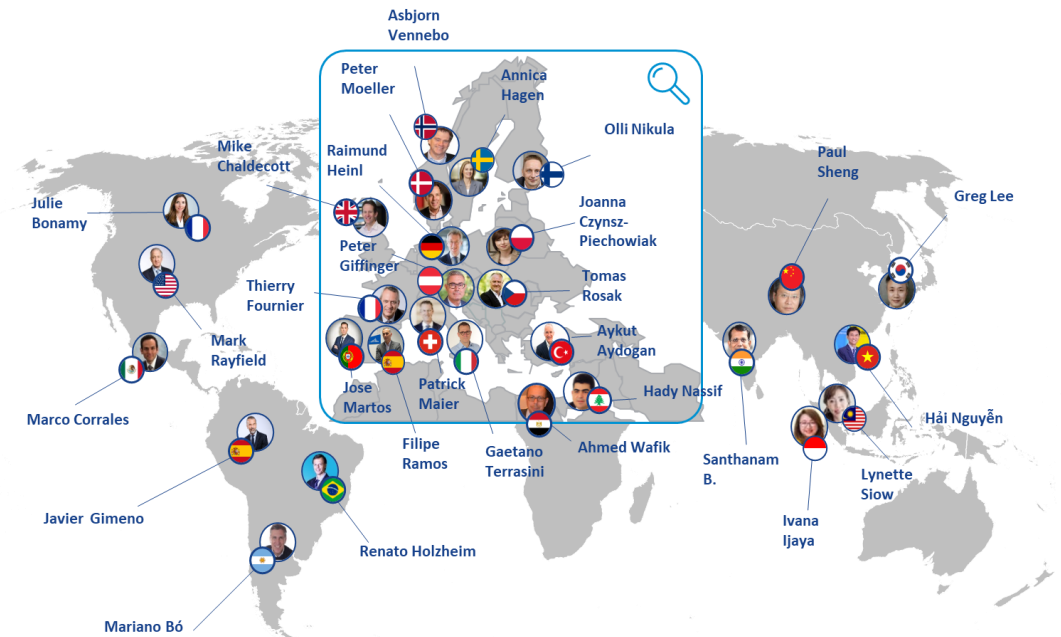


**Solutions-based approach with the  
development of a full range offer in each  
country**

## 90% of CEOs native to their country



**In-depth understanding of local markets**



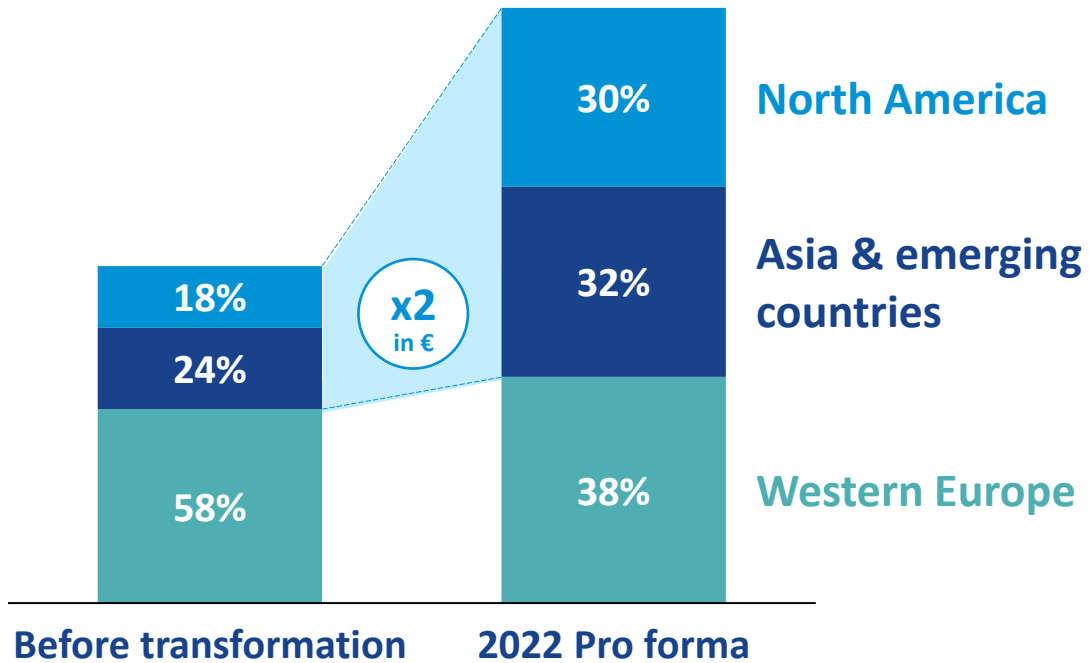
**Consistent delivery of strong results and outperformance**

# OUR WELL-BALANCED GEOGRAPHIC MIX SUPPORTS HIGHER PROFITABLE GROWTH AND RESILIENCE

Since transformation

## A balanced geographical exposure

### Share of Group operating income



>60% of operating income from higher growth regions

Last 12 months<sup>1</sup>

## Continued dynamic investment

2/3

of growth capex allocated in North America, Asia & emerging countries

+20

New lines and plants in North America, Asia & emerging countries



1. H2 2022 – H1 2023

# WE ARE CONTINUOUSLY OPTIMIZING OUR PROFILE FOR STRONGER GROWTH AND PROFITABILITY

Since transformation

1/3 of sales rotated<sup>1</sup>

€4.2bn

Sales from value-creative acquisitions

~20%  
EBITDA / Sales

€9.2bn

Sales of underperforming assets divested

<5%  
EBITDA / Sales

Last 12 months<sup>2</sup>

Dynamic optimization of Group profile

€2.0bn



KAYCAN



DALSAN  
(JV in Turkey)

MATCHEM  
PAIXÃO PELO SERVIÇO

DRYMiX®

TWIGA  
insulating today for  
a better tomorrow

€3.4bn

JEWSON

DISTRIBUTION IN  
POLAND AND  
DENMARK

CRYSTALS

STEEL  
CERAMICS

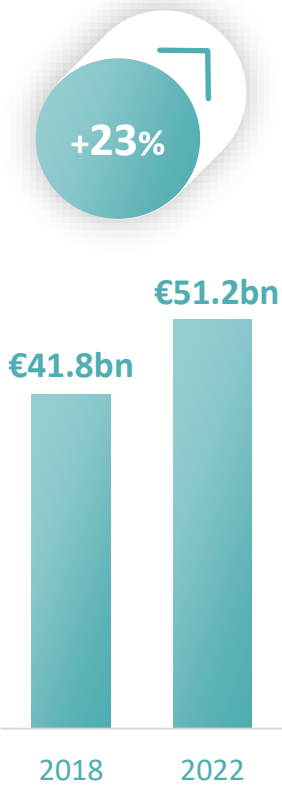
glassolutions  
SAINT-GOBAIN  
(France, Portugal, Switzerland,  
Slovakia)

1. Transactions completed or signed since the launch of "Transform & Grow" (end of 2018)

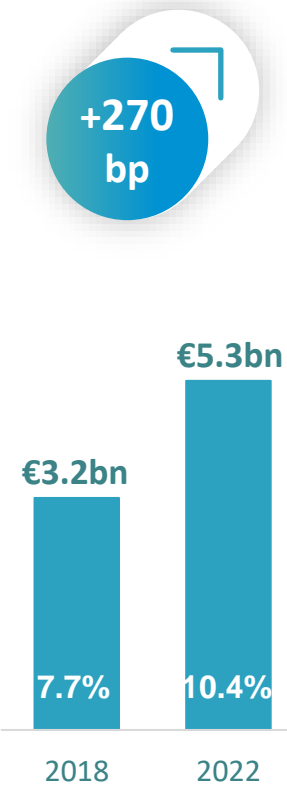
2. H2 2022 – H1 2023

# OUR NEW PROFILE HAS DELIVERED A STRONGLY IMPROVED GROWTH AND PROFITABILITY PERFORMANCE

## DYNAMIC SALES GROWTH



## EXCELLENT OPERATING INCOME MARGIN



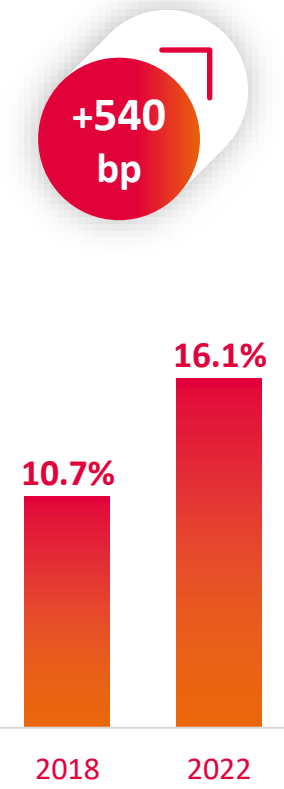
## RECURRING NET INCOME DOUBLED



## FREE CASH FLOW GENERATION TRIPLED



## VALUE CREATION (ROCE) UP 50%



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# OUR MARKETS ARE AT THE HEART OF GLOBAL CHALLENGES

**40%**

of global CO<sub>2</sub> emissions  
linked to construction

**x3**

increase in natural resource consumption  
in the last 50 years

**+2 billion**

urban population in emerging markets  
in the next 30 years

## SAINT-GOBAIN SOLUTIONS



**Energy-efficient renovation**



**Light construction**



**Industry & Construction  
decarbonization**

Sources: World Green Building Council, UNEP, CDP, Material Economics, ADEME

# WE LEVERAGE STRONG TAILWINDS ON THE RENOVATION MARKET IN EUROPE

## Strong structural drivers for renovation in Europe



Awareness of the need for energy renovation across EU households



Need to renovate **72% of buildings** in the EU



Energy cost will remain structurally higher than in the past

## Strong regulatory support for renovation with increased subsidies

### RESIDENTIAL RENOVATION



**MaPrimeRénov'** – x2 in 2024 vs. 2023 to €5bn/year

### NON-RESIDENTIAL RENOVATION



**Energy-Efficiency Directive** – Directive for member states to renovate **3% of public buildings** per year

## A demonstrated resilience



European residential renovation market mostly financed with household savings



Increasing share of energy efficiency within renovation works (e.g., in France, energy renovation growing 4x faster than overall renovation market<sup>1</sup>)

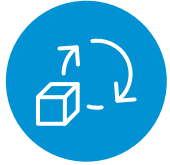
**>60% of our sales in Europe are in renovation**

# WE ARE IDEALLY PLACED TO BENEFIT FROM ACCELERATIONS IN THE UNDERSUPPLIED NEW CONSTRUCTION MARKETS

Increased adoption of light construction in all geographies



**-50%**  
embedded carbon<sup>1</sup>



**-50%**  
raw materials<sup>1</sup>

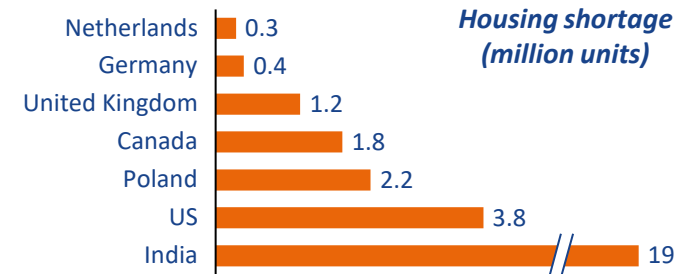


**>20%**  
gain in productivity<sup>1</sup>

**3-5pts faster growth than traditional construction<sup>2</sup>**

Structural needs for new build are well documented

Documented **structural housing shortages** in many countries



Recent stabilization in US residential construction

**Heterogeneous housing cycles** across 75 Saint-Gobain countries providing resilience

**12%**  
of Group sales

**Western Europe**  
residential new build

**5%**  
of Group sales

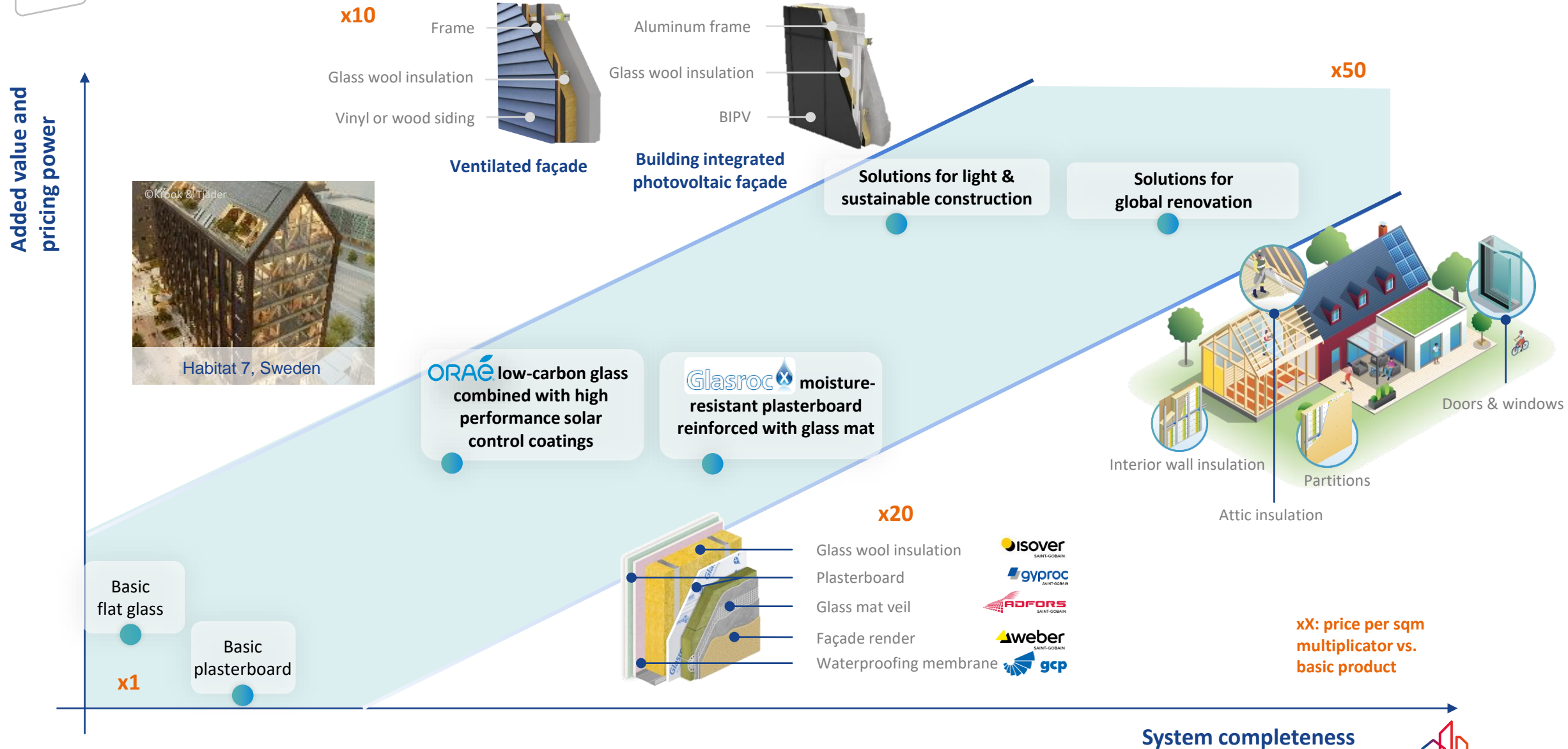
**North America**  
residential new build

**5%**  
of Group sales

**Asia & emerging countries**  
residential new build

1. Compared to traditional construction  
2. Ducker Research and Consulting market study

# WE OUTPERFORM OUR MARKETS BY PROVIDING HIGH VALUE-ADDED SYSTEMS



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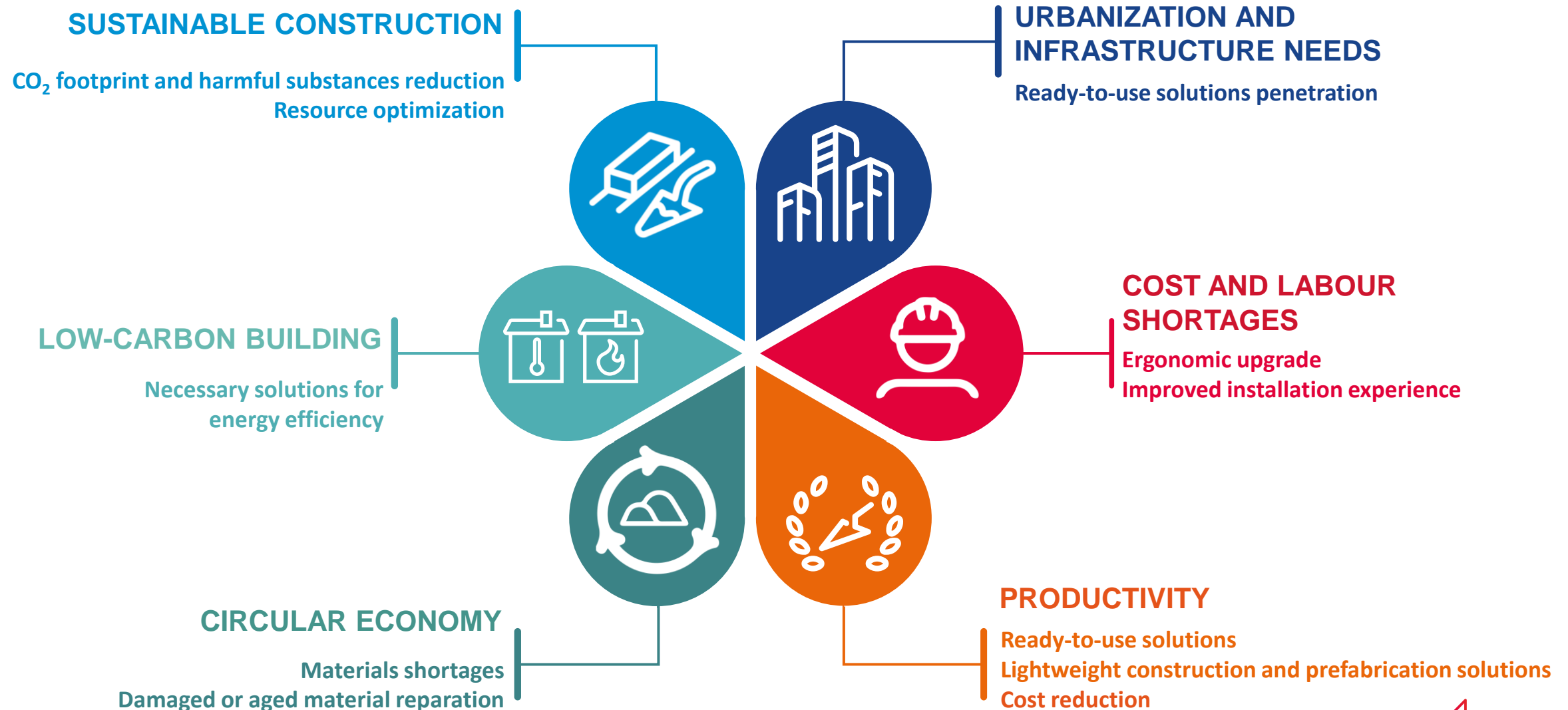
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# CONSTRUCTION CHEMICALS IS PERFECTLY ALIGNED WITH OUR STRATEGY TO DELIVER SUSTAINABILITY & PERFORMANCE ADDED VALUE

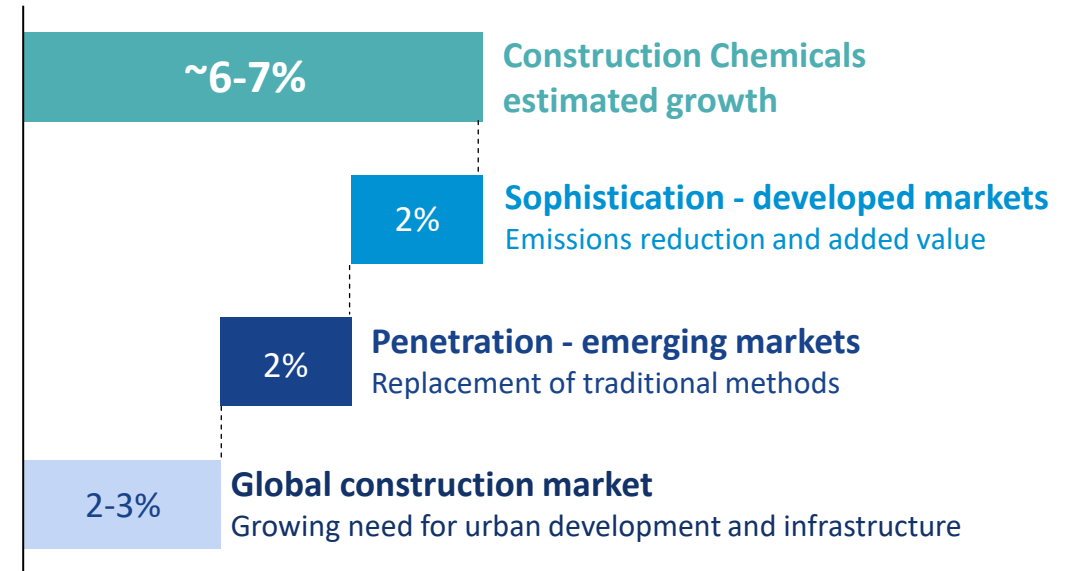


# CONSTRUCTION CHEMICALS IS A LARGE AND ATTRACTIVE GROWTH MARKET

## Construction Chemicals markets



## A market driven by powerful trends



# SAINT-GOBAIN HAS A STRONG HISTORICAL PRESENCE IN CONSTRUCTION CHEMICALS...

## Construction Chemicals markets



## Saint-Gobain's historical presence

### A worldwide footprint

>60 countries

### A global leader in mortars

*Flooring & tiling, Façade and ETICS, Concrete works*



### A proven expertise in roofing waterproofing



### A growing player in adhesives



# ... FURTHER BROADENED BY OUR RECENT TWO-STEP STRATEGY TO BUILD A GLOBAL LEADER

## Construction Chemicals markets



## A €5.6bn<sup>1</sup> sales platform with global coverage



Enrich our growth platform in admixtures & additives, notably in Europe and Middle-East Africa



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



# SAINT-GOBAIN IS BUILDING A FULL SET OF SOLUTIONS IN CONSTRUCTION CHEMICALS

Formulations and finished chemical products for bonding, grouting, sealing, protecting, reinforcing and finishing various construction materials, for buildings and infrastructure

