

# SAINT-GOBAIN TO ACQUIRE CSR LIMITED

February 26<sup>th</sup>, 2024



# CSR ACQUISITION HAS A COMPELLING STRATEGIC RATIONALE

Full alignment with Saint-Gobain vision as worldwide leader in light and sustainable construction

Strengthens Group presence in high-growth Asia-Pacific region, with strong prospects in Australia

Light building materials leader in Australia with premium & iconic brands and strong teams delivering solid and consistent financial performance

Established relationship with deep cultural fit and similar operating business model facilitating smooth combination and strong execution on synergies

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

# ACQUISITION IS A SIGNIFICANT MILESTONE IN THE SAINT-GOBAIN STRATEGY



**MAKING  
THE WORLD  
A BETTER  
HOME**

**WORLDWIDE LEADER  
IN LIGHT & SUSTAINABLE  
CONSTRUCTION**

**CSR**



**Leader in Australia with  
best & iconic brands**

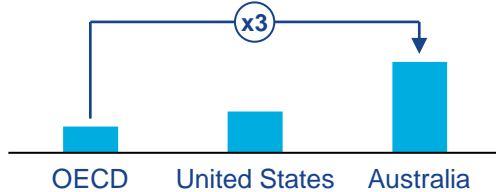
**Interior & exterior  
solutions and  
construction systems**

**By leveraging Saint-Gobain combination, CSR will further  
deepen and broaden its leadership in light & sustainable  
construction on the growing Australian market**

# AUSTRALIA IS AN ATTRACTIVE HIGH-GROWTH MARKET

## Strong demographic trends...

*Population growth (2023 – 2030 CAGR)*



**Highest population growth outlook in the OECD**

**>400k/year population increase with high immigration**

## ...and clear federal & state programs...

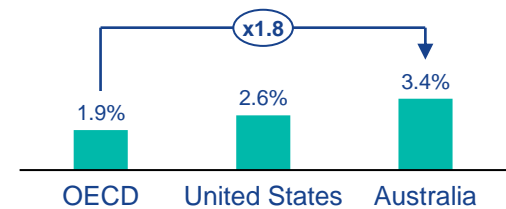
**>\$15bn funds at federal level investing in housing support**

**National Housing Accord targeting 1.2m dwellings over the next 5 years**

**Significant amendment to National Construction Code (2022) with strengthened energy efficiency, health & safety requirements for new homes**

## ...support the country's construction activity

*Construction output (2023 – 2030 CAGR)*



**Substantial additional housing required and already undersupplied**

Sources: OECD, Australian Bureau of Statistics, Oxford Economics

# OVERVIEW OF CSR ACTIVITIES

## BUILDING PRODUCTS

>80% of EBITDA

Comprehensive solutions for residential & non-residential construction



STRATEGIC INTEREST FOR SAINT-GOBAIN

## PROPERTY<sup>1</sup>



- Will be monetized in the short to mid-term for a value of at least A\$1.3bn

## ALUMINIUM



- Indirect minority participation (~25%)
- Saint-Gobain role & options to be explored moving forward

**A\$422m**

2024 GROUP EBITDA<sup>2</sup>

1. The Property segment does not generate any sales but generates operating income

2. Consensus expected EBITDA for fiscal year ending in March 2024

# CSR BUILDING PRODUCTS: AN AUSTRALIAN LEADER IN LIGHT & SUSTAINABLE CONSTRUCTION



**A\$2.0bn**  
2024 Revenues<sup>1</sup>  
(€1.2bn)

**A\$346m**  
2024 EBITDA<sup>1</sup>  
(€210m)

**17.7%**  
2024 EBITDA margin<sup>1</sup>

**30**  
Manufacturing Plants

**2,500**  
Employees

Iconic & trusted brands with leading market positions in both interior and exterior solutions



**#1** on gypsum



**#1** on insulation



**#1** on autoclaved  
aerated concrete



**#2** on acoustic ceilings



**#2** on interior  
solutions



**#1** on roofing



**#2** on brick façades



**#2** on cement board



**#1** on formwork wall  
systems

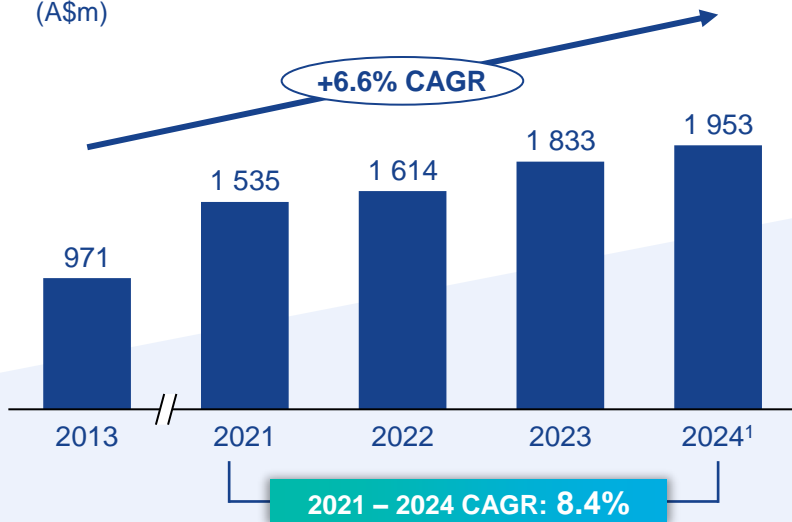
Source: CSR market presentations

1. Consensus expected sales and EBITDA for fiscal year ending in March 2024

# A TRACK RECORD OF STRONG PERFORMANCE

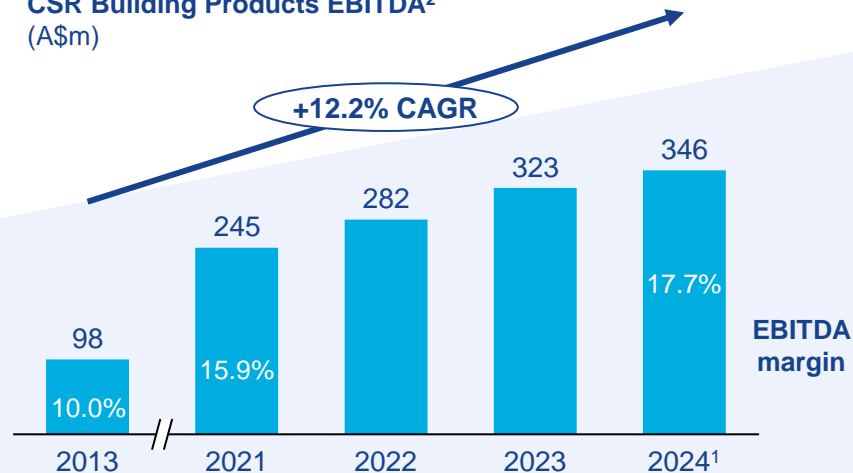
## Strong revenue growth

CSR Building Products sales  
(A\$m)



## Over-proportional EBITDA growth

CSR Building Products EBITDA<sup>2</sup>  
(A\$m)



## Consistent strong profitable growth

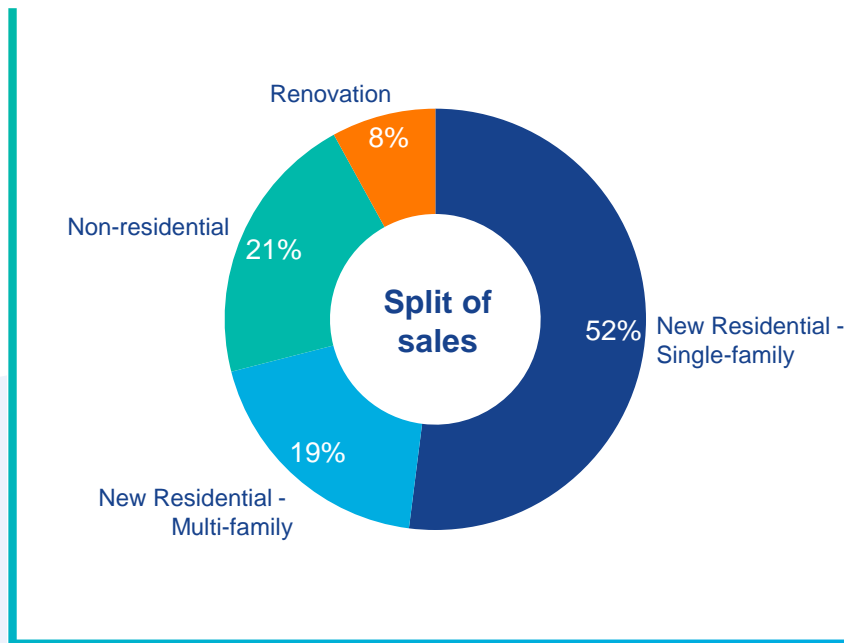
Note: Fiscal year ending in March

1. Consensus expected sales and EBITDA for fiscal year ending in March 2024
2. Building Products EBITDA inclusive of corporate costs



# AN ATTRACTIVE END-MARKET EXPOSURE

## A broad exposure across residential & non-residential



## A presence at every step of the build cycle



Structure

**Monier™**  
ROOFING

**PGH** BRICKS & PAVERS™

**afs**  
smarter permanent formwork.

Formwork  
solutions for walls



Façade

**Bradford™**  
Insulation

**hebel**  
The better way to build

Autoclaved  
aerated concrete

**CEMINTEL**  
Cement board



Interior finishing

**GYPROCK®**  
Plaster & plasterboard

**martini**  
Acoustic ceilings

**HIMMEL**  
**POTTER**  
INTERIOR SYSTEMS  
Interior solutions

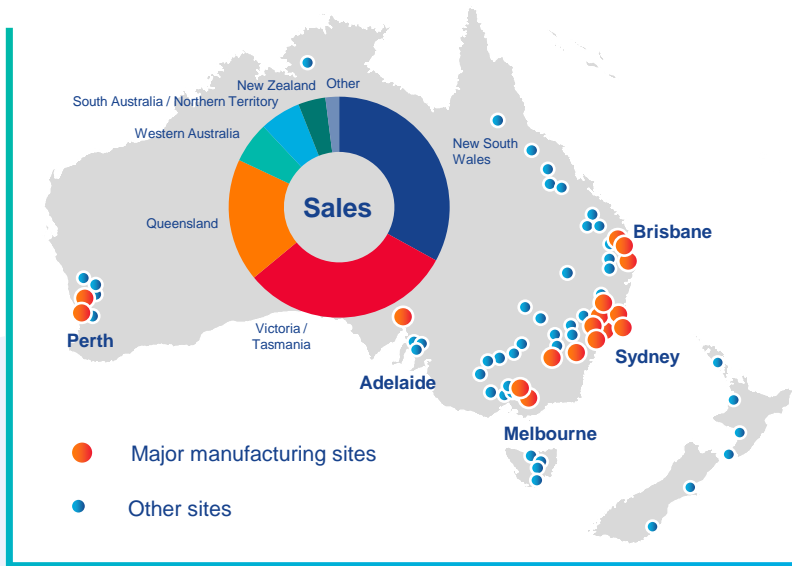
Note: split based on 2023 figures (fiscal year ending in March)



# CSR HAS A COMPELLING CUSTOMER OFFERING ACROSS AUSTRALIA

A strategic footprint covering all of Australia and New Zealand

Trusted relationships with all types of Australian customers and very strong routes-to-market



Close proximity to customers: **builders, resellers, trades, architects, specifiers and certifiers**  
**12,000 customers**



Best-in class logistics through **120 logistic hubs** throughout the country



Commercial & technical teams working together to **drive specification on project sales**

Note: split based on 2023 figures (fiscal year ending in March)

# CSR'S ONGOING TRANSFORMATION PROGRAM ALIGNED WITH SAINT-GOBAIN STRATEGY & PROMISING FURTHER PROFITABLE GROWTH

Launched in 2020  
Building solutions for a better future

## Safety & Sustainability

At the **forefront** of decisions and actions



## Customer-centricity

Customer-driven and innovative **integrated solutions** and experiences



## Streamlined Organization

Focused number of **business units** and improved efficiency & service with a **centralized logistics capability**



## Transformation & Growth

**Change & digitization** in the end-to-end value chain to unlock **long-term growth opportunities**



## High Performance Teams

Highly **engaged and empowered teams** delivering **better together**



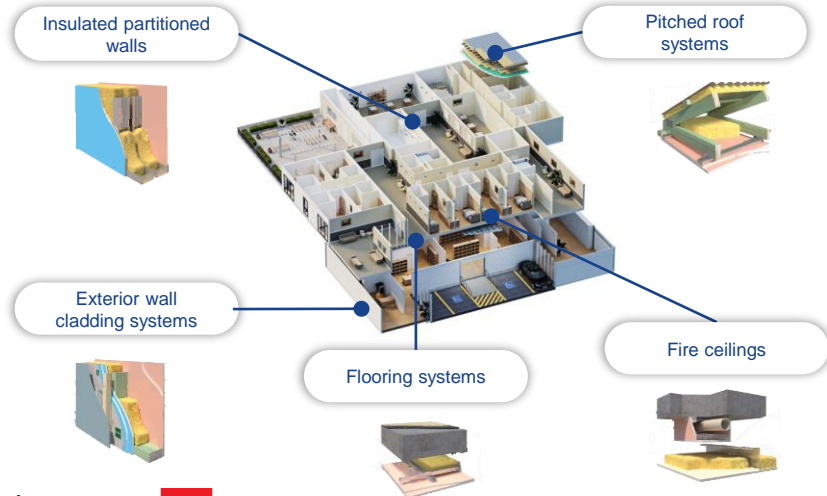
A strong management delivering consistent results year after year

# CSR'S OFFERING COMBINES A FULL RANGE OF SOLUTIONS WITH UNIQUE AND INNOVATIVE PRODUCTS

Complete & innovative solutions leveraging unique product offering

One **CSR** approach to the market

## Complete solutions with cross-brand innovative systems



Check out **CSR** online digital system selector

## Cross-selling with active tracking of large projects

	GYPROCK	Bradford	hebel	CEMINTEL	HIMMEL
Logan Hospital (QLD) John Holland	✓	✓		✓	✓
LIV ASTON – BTR (VIC) Mirvac	✓	✓	✓	✓	

Investment in one CRM across CSR supporting sales functions

Digital services to assist customers in selection of the right solutions

# CSR & SAINT-GOBAIN COOPERATION HAS STRONGLY ACCELERATED IN RECENT YEARS

## An established relationship



**Licensing** of Saint-Gobain insulation glass wool technology



**Some limited commercial relationship** allowing CSR to sell Saint-Gobain specialty gypsum products

## Acceleration in the collaboration since 2019



Multiple **contacts** and reciprocal **visits** between CSR and Saint-Gobain teams



Start best practice sharing in **manufacturing and supply chain**

Initial exchange on marketing and products & **systems development**



Within this cooperation, actions already ongoing to further develop operational excellence with strong confidence on execution

# CSR WILL BENEFIT FROM SAINT-GOBAIN'S OPERATIONAL EXPERTISE & UNIQUE LOW-CARBON OFFERING

## CSR will benefit from Saint-Gobain's global manufacturing best practices

- ✓ **World Class Manufacturing** program and benchmarking at global level for **improved operations**
- ✓ Best-in-class methodology to **improve energy & material efficiency**
- ✓ Proven track record on **capex project management** and **debottlenecking**
- ✓ **Excellent inventory** practices and **streamlined digitized supply chain** architecture

## CSR will have access to Saint-Gobain's experience in low-carbon solutions



First low-carbon plasterboard

**Zero-carbon** production<sup>1</sup>



First low-carbon glass

**-42%** carbon footprint<sup>2</sup>



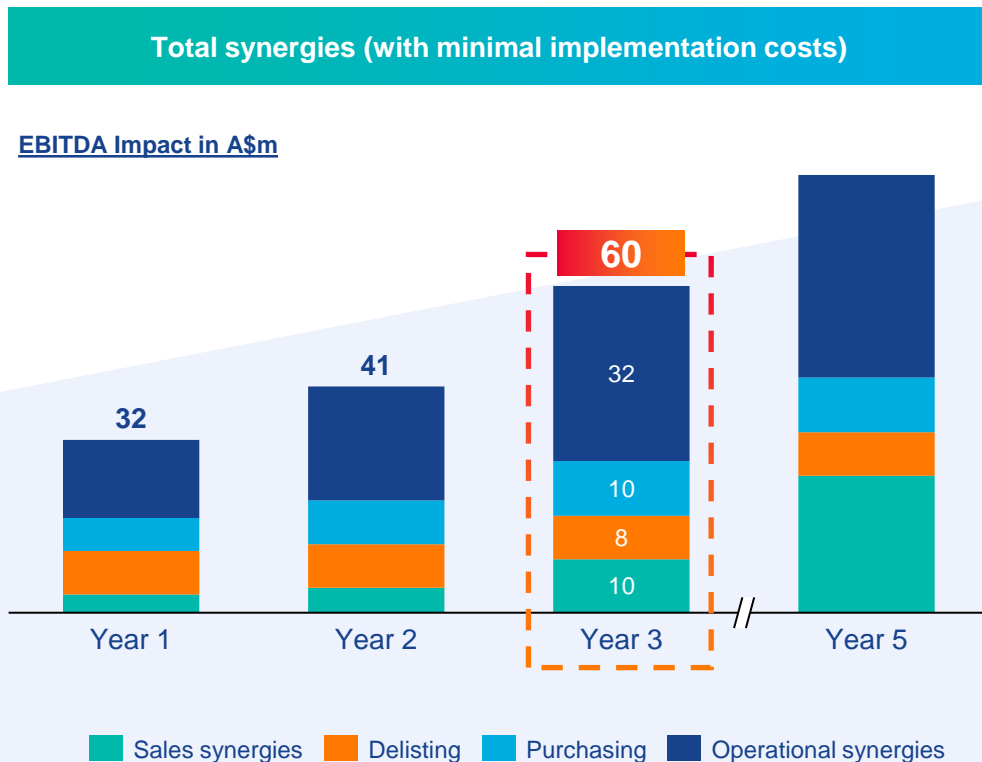
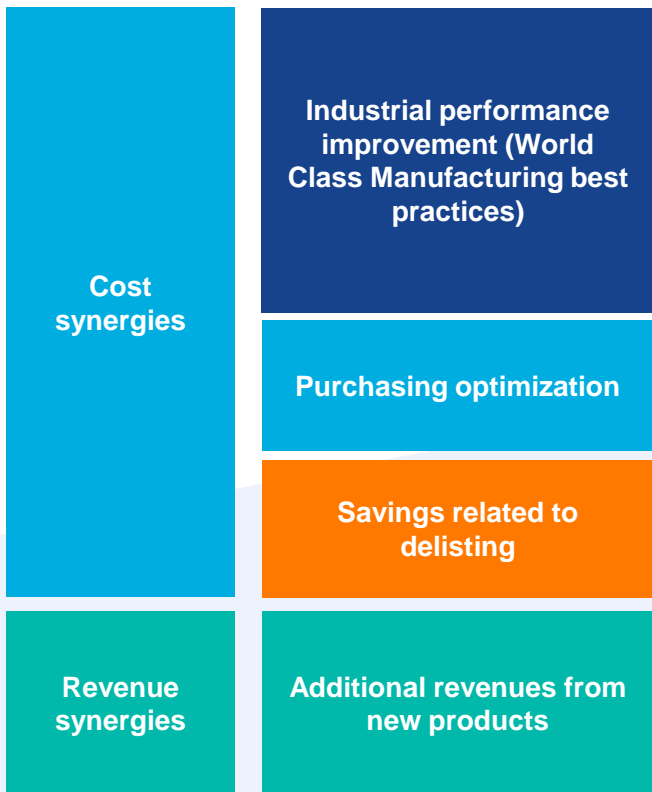
New technology for post-consumer glass wool recycling

**Up to 80%** recycled materials

**Proprietary technologies, innovative systems & marketing for unique value-added sustainable solutions**

**CSR and its customers will benefit from increased performance & sustainability**

# A ROBUST SYNERGY PLAN WITH POTENTIAL UPSIDE



# MULTIPLE ROUTES FOR ACCELERATED GROWTH ROADMAP



A strong & recognized local leader



Worldwide leader in light & sustainable construction



Generating additional revenues from new products and solutions



Access to all **customer segments** across the country



New product development leveraging Saint-Gobain global **innovation centers**, including from Asia



**Innovative & low-carbon façade solutions**



Present on **all sales channels**



Worldwide leader in **low-carbon offer & sustainability agenda**



**Technical insulation solutions**



Experienced in **system approach** with solid **cross-selling**



Small existing presence in High Performance Solutions, with significant growth opportunities in **construction chemicals (GCP)**



Saint-Gobain **acoustic ceilings**



Full-range of **construction chemicals**

CSR's customers will have access to a large and innovative offer



# A VALUE-CREATIVE & GROWTH-DRIVEN ACQUISITION

## FINANCIAL TERMS

- A\$9.00 per share in cash, i.e. premium of 33% over the 1-month VWAP<sup>1</sup>
- **10.7x on Group** 2024 EBITDA<sup>2</sup> (total EV<sup>3</sup> of A\$4.5bn)
- **7.9x on Building Products** 2024 EBITDA after A\$60m synergies (EV<sup>3</sup> of A\$3.2bn excluding property)
- **Value creation by Year 3 and EPS accretive from Year 1**

## FINANCING

- Acquisition financed **fully in cash**
- **Limited impact on net debt to EBITDA** ratio (~+0.3x), leverage remaining below the targeted range (1.5x to 2.0x)

## TRANSACTION PROCESS

- Scheme Implementation Deed signed
- Unanimous approval from CSR Board
- Closing expected in **H2 2024**, subject to customary conditions & regulatory approvals

1. Volume-Weighted Average Price as of February 20<sup>th</sup>, 2024 (last undisturbed date)
2. Consensus expected EBITDA of A\$422m for fiscal year **ending in March 2024**
3. Enterprise Value

# A DECISIVE & LOGICAL STEP TO STRENGTHEN SAINT-GOBAIN LIGHT & SUSTAINABLE CONSTRUCTION LEADERSHIP IN ASIA-PACIFIC



**Leading player for  
growth in building  
materials in Australia**



**Strategy fully aligned  
with comprehensive  
solutions approach**



**Very solid team to  
deliver strong value  
creation**

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