



# RECENT RESULTS AND OUTLOOK

OCTOBER 2023

RECENT RESULTS AND OUTLOOK

# 9-MONTH SALES

## SOLID PERFORMANCE IN Q3 2023

### NEW RECORD MARGIN EXPECTED IN 2023



Sequential price stability in Q3 2023, generating a positive price-cost spread

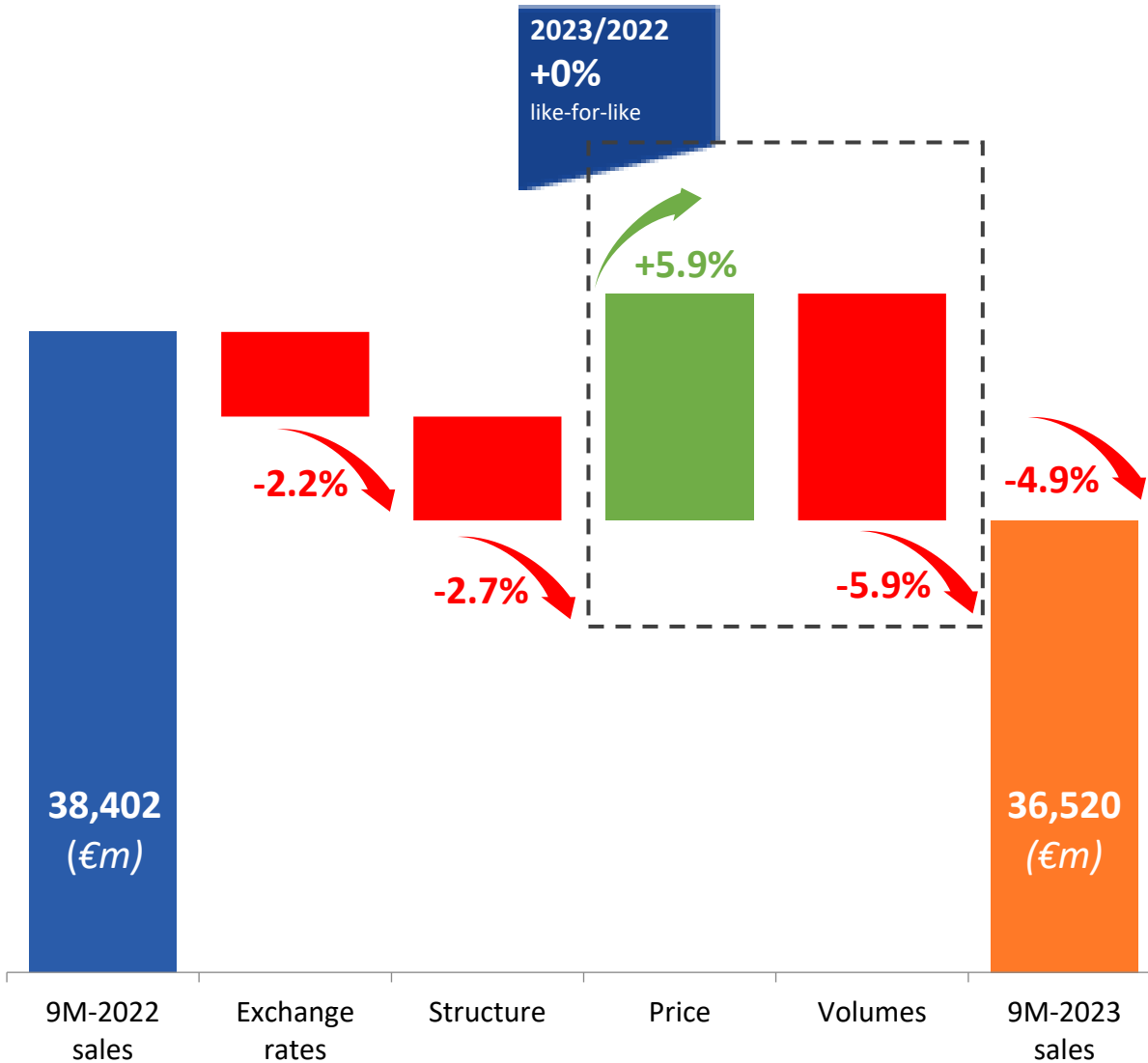
Volumes in Q3 2023 in line with expectations for the year

Further proof of the Group's resilience in a difficult environment

Share buyback of €540m so far this year, ahead of target

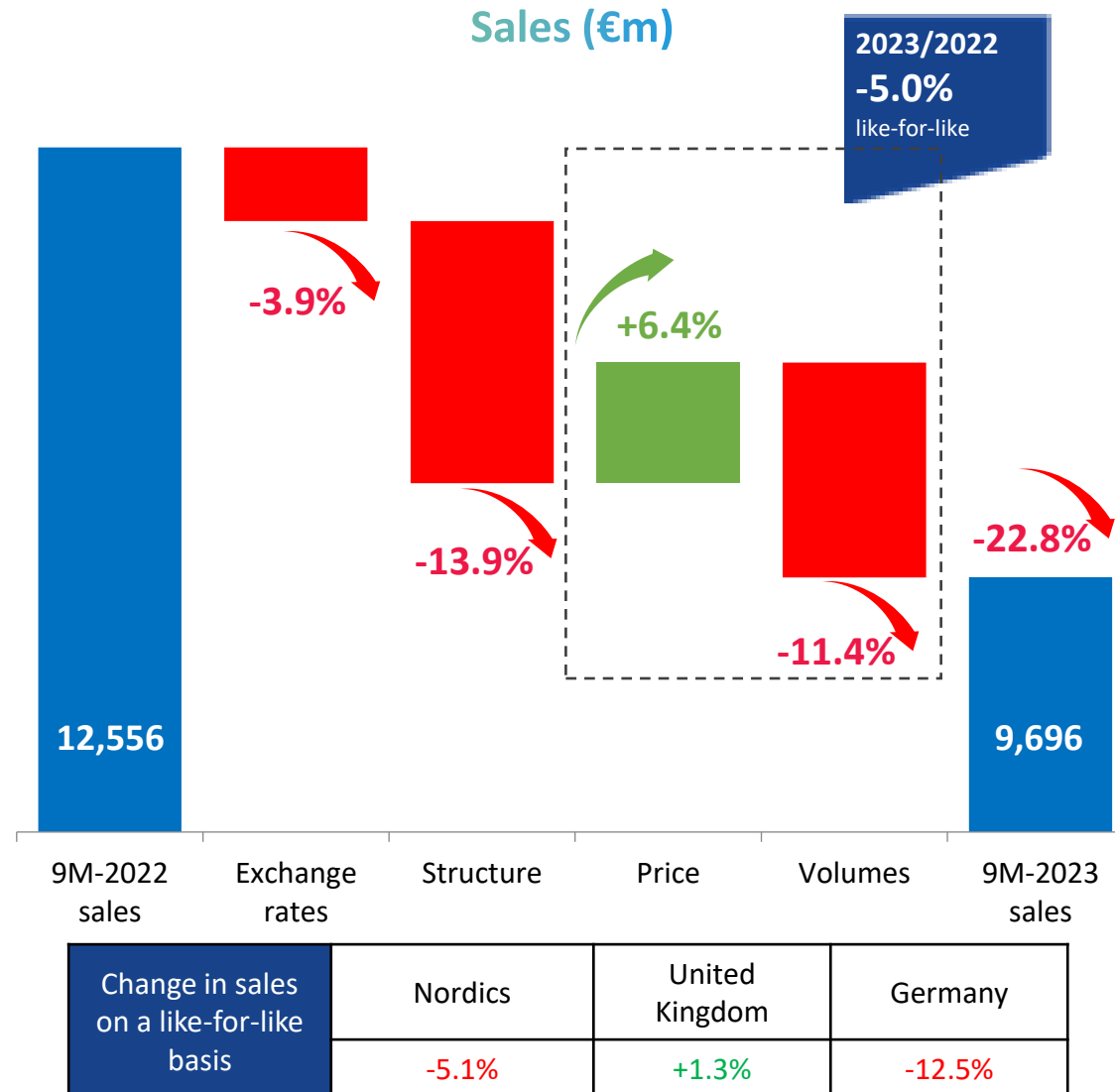
2023 outlook: new record operating margin expected in 2023, double-digit for the third consecutive year

## 9-MONTH SALES STABLE IN A DIFFICULT ENVIRONMENT

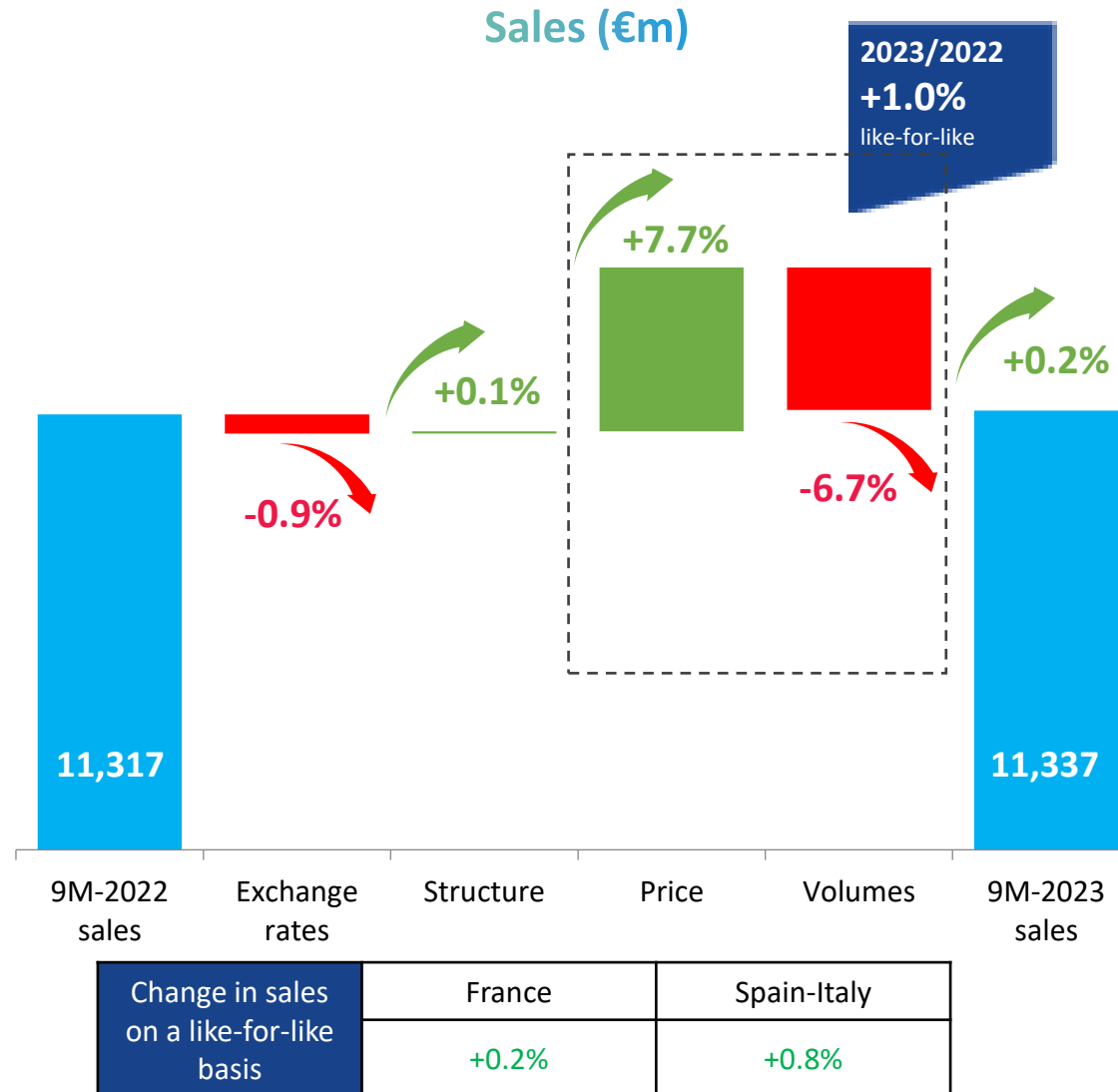


- Outperformance on our main markets
- **Structure:** continued **optimization of Group profile** (divestments and acquisitions)
- **Exchange rates:** -3.9% in Q3 2023, -1.4% in H1 2023

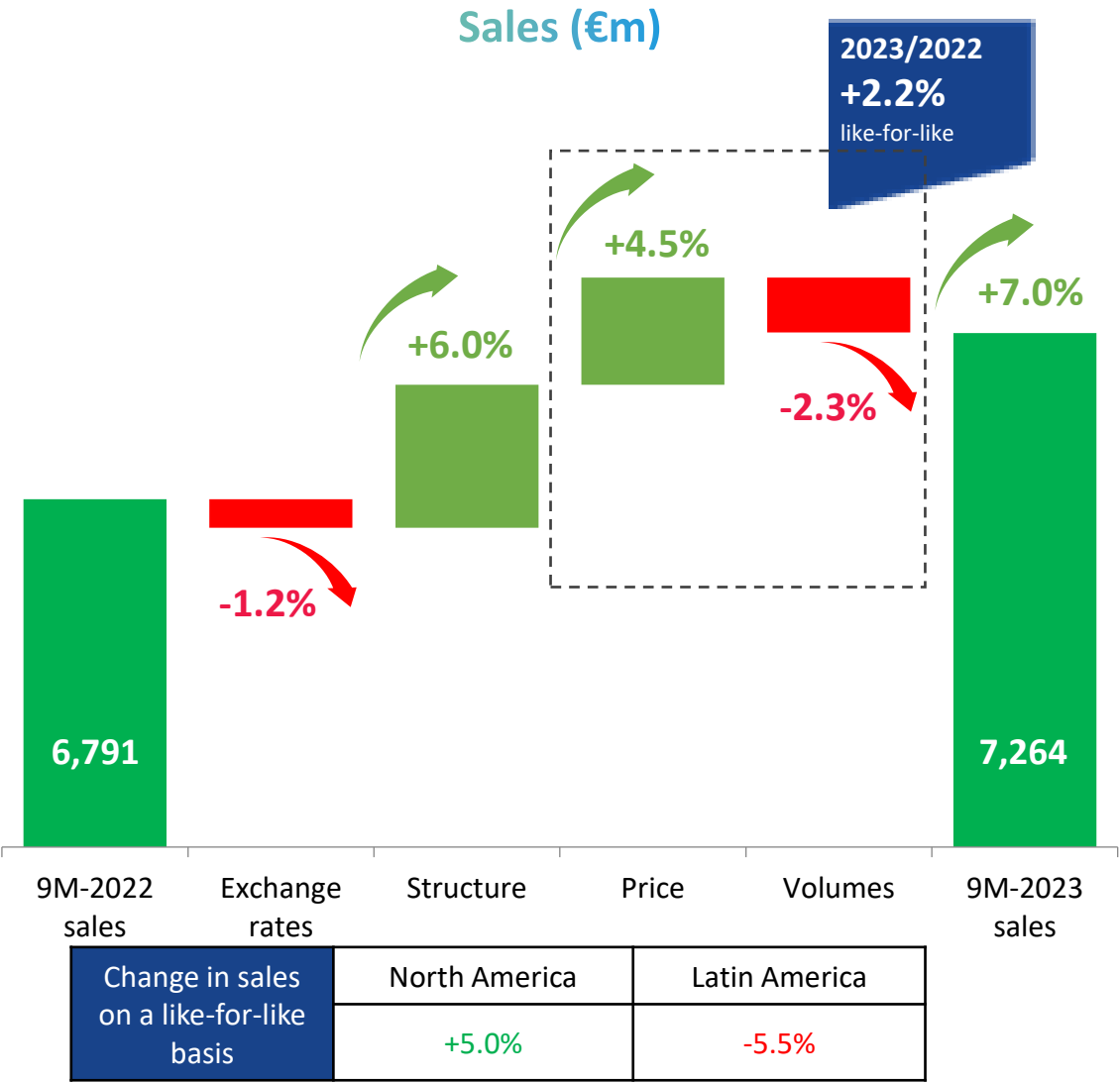
# NORTHERN EUROPE: LIMITED DECLINE IN SALES THANKS TO BETTER RESILIENCE IN RENOVATION



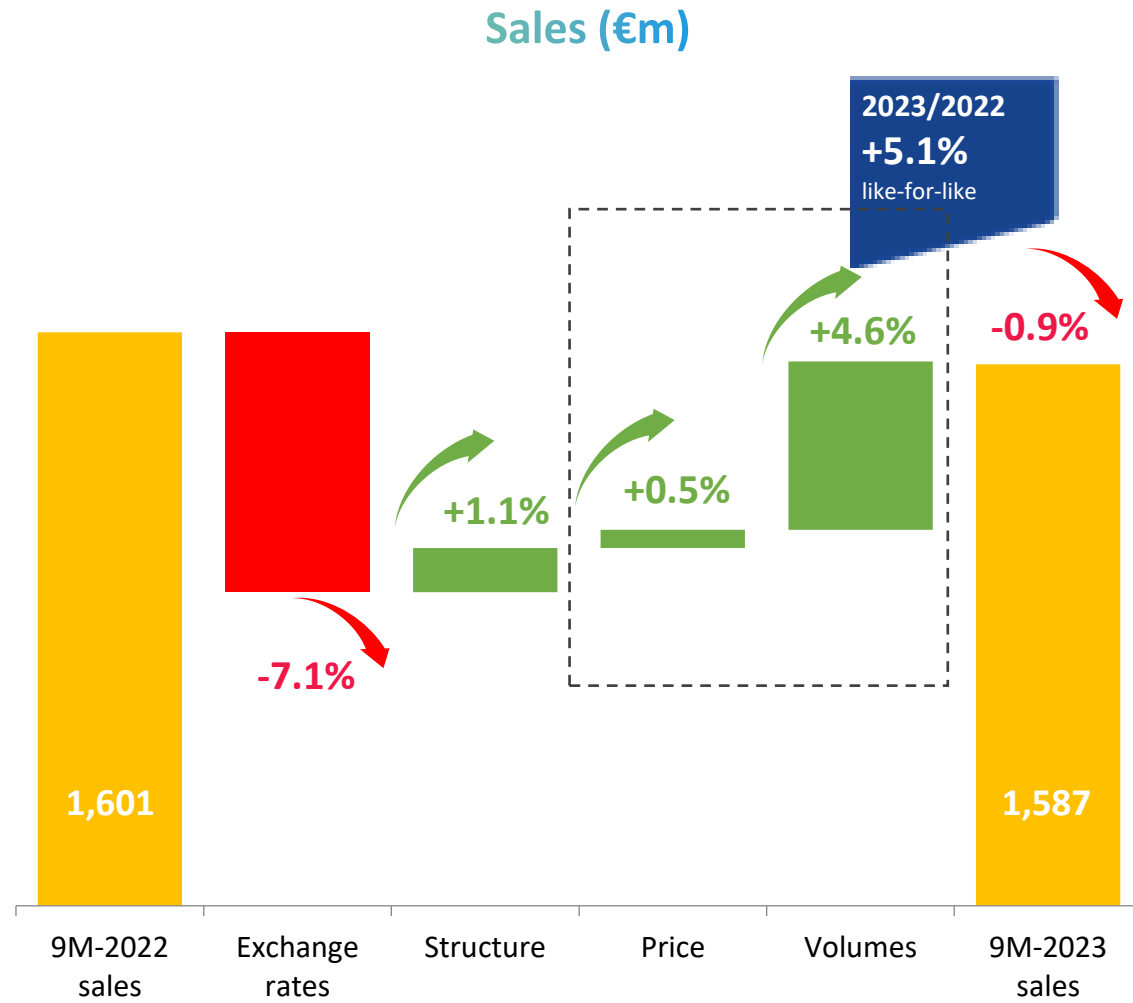
# SOUTHERN EUROPE - MIDDLE EAST & AFRICA: SLIGHT GROWTH IN SALES SUPPORTED BY RESILIENCE IN RENOVATION



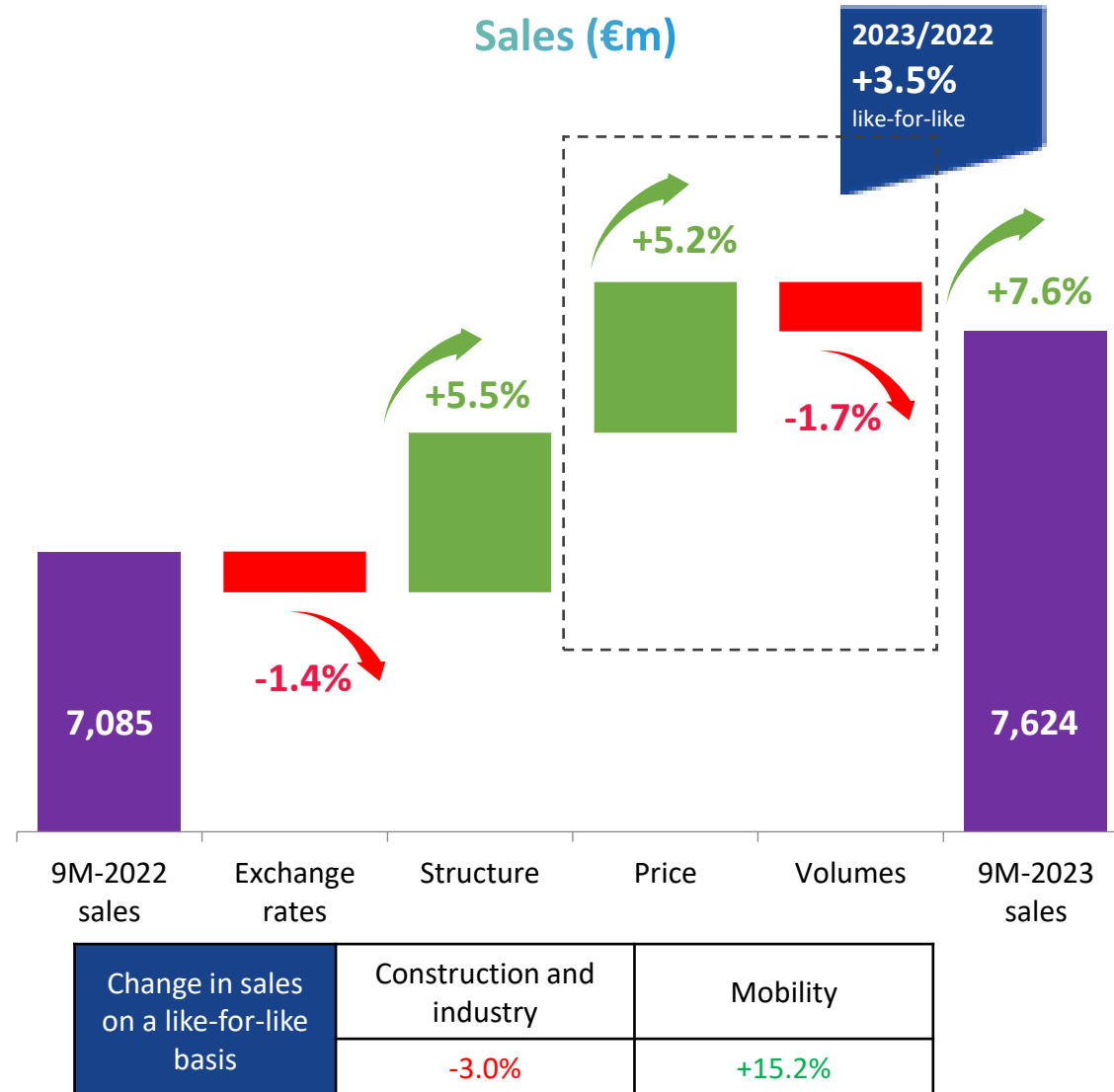
# AMERICAS: SLIGHT SALES GROWTH DRIVEN BY NORTH AMERICA



## ASIA-PACIFIC: GOOD SALES MOMENTUM



# HIGH PERFORMANCE SOLUTIONS: GOOD RESILIENCE IN SALES



**Amid a moderate market slowdown, Saint-Gobain is targeting for full-year 2023 a new record operating margin, double-digit for the third consecutive year**



RECENT RESULTS AND OUTLOOK

# H1 2023 HIGHLIGHTS

# ONE COTROCENI PARK 1, BUCHAREST

10 Saint-Gobain solutions



Oameni fericiți prin design interior  
**DELTA**STUDIO  
Design | Concepte | Proiecte | Finisaje | Obiecte  
PORCELANOSA lifestyle | design | interior  
formmat LAUFEN  
FRANKS

# UAE PAVILION, UNITED ARAB EMIRATES

**19** Saint-Gobain solutions



# CARRÉ DES INVALIDES, PARIS

**10** Saint-Gobain solutions



# CENTRAL VISTA PROJECT - INDIAN PARLIAMENT, NEW DELHI

**11** Saint-Gobain solutions



# H1 2023: NEW RECORD FINANCIAL RESULTS



## H1 2023

vs. H1 2022

Sales	+1.6% like-for-like €25.0bn
Operating income	+2.1% at constant FX €2.8bn Record operating margin of 11.3%
Recurring net income	Record at €1.8bn
Free cash flow	+30.0% €2.2bn

# H1 2023: TWO NEW WORLD-FIRSTS ADVANCING SAINT-GOBAIN TOWARDS CARBON NEUTRALITY



**ZERO-CARBON PRODUCTION OF PLASTERBOARD**  
in Fredrikstad (Norway) since April 2023

**Zero**

carbon emissions<sup>1</sup>



**HYDROGEN-BASED GLASS PILOT PRODUCTION**  
in Herzogenrath (Germany) in March 2023

**-70%**

of site's scope 1 CO<sub>2</sub> emissions

1. Scope 1+2

# H1 2023: OUR **GROW & IMPACT** STRATEGY CONTINUES TO BEAR FRUIT



**Comprehensive solutions** offering to drive **market outperformance**



**World-first low-carbon offer** to strengthen our **sustainability leadership**



**Local proactive decisions** to make the most of market conditions



**€3.3bn sales rotated** to enhance **growth and profitability profile**<sup>1</sup>

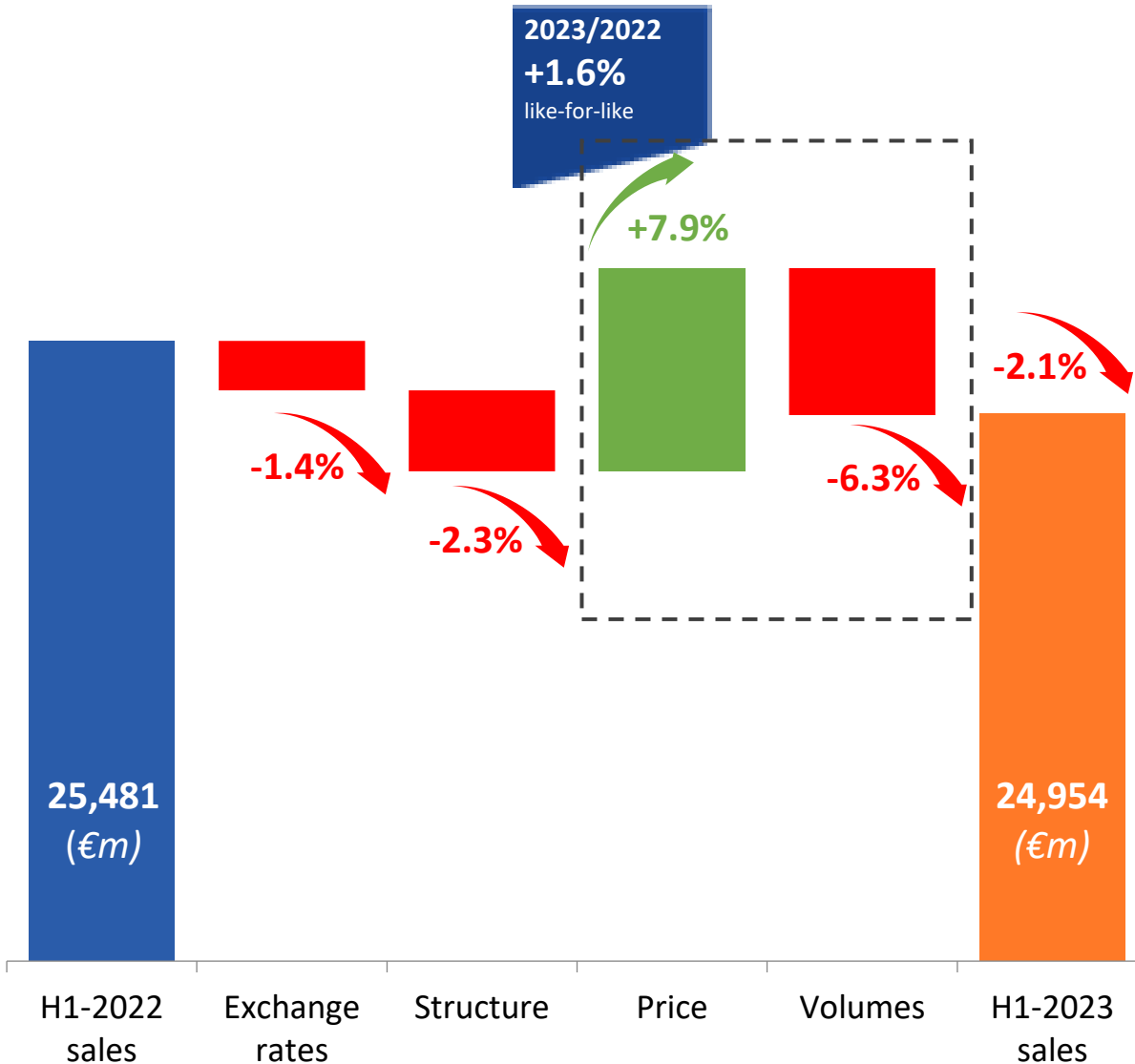
1. Acquisitions and divestments closed or signed in H1 2023

RECENT RESULTS AND OUTLOOK

# H1 2023 RESULTS

## GROUP SEGMENTS

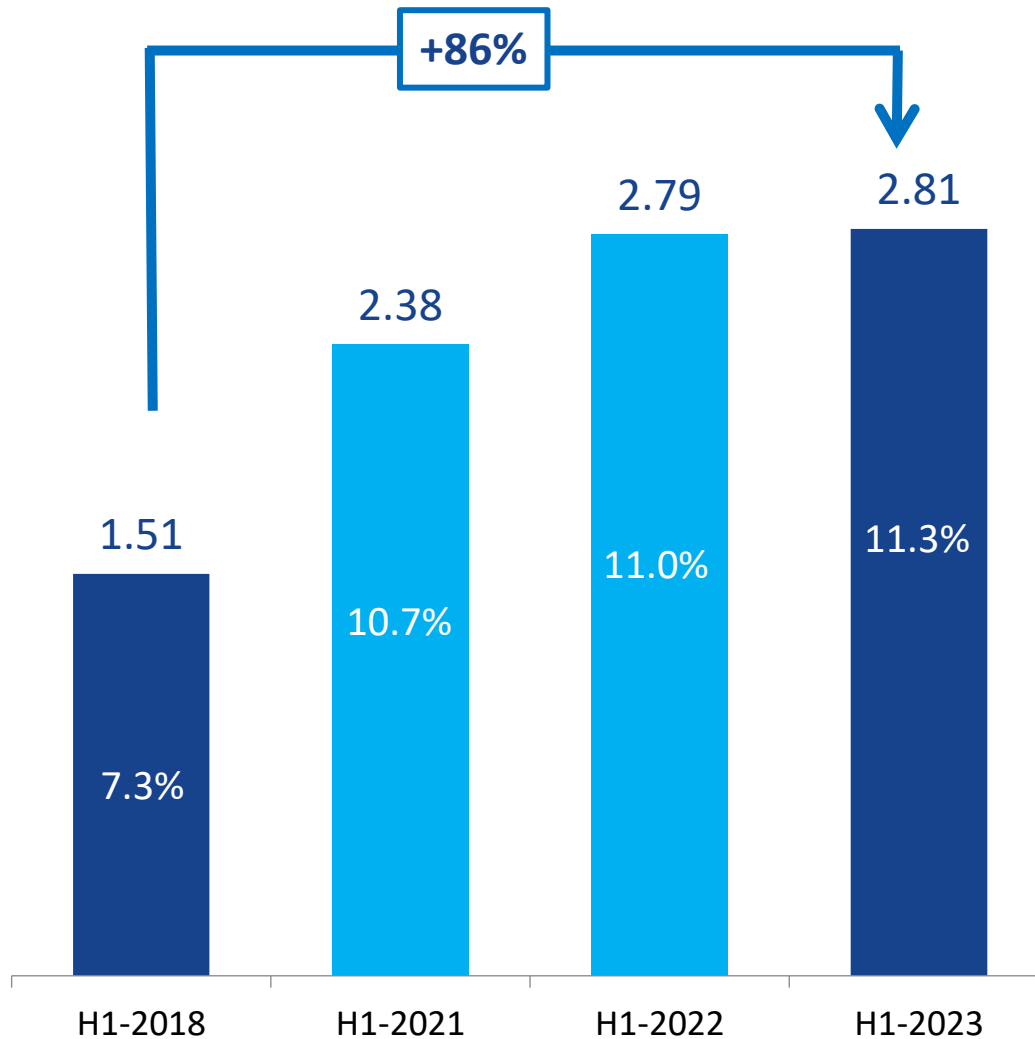
## ORGANIC GROWTH OF 1.6% IN A DIFFICULT ENVIRONMENT



- **Outperformance on our main markets**
- **Structure:** continued **optimization of Group profile** (divestments and acquisitions)
- **Exchange rates:** depreciation of Nordic currencies and some emerging country currencies

## RECORD OPERATING INCOME AND MARGIN

(€bn and %)



- Operating margin: +30 bps versus H1-2022
- Record double-digit margin for the third consecutive H1
- Sharp rise in operating income since 2018: up 13% per year on average (CAGR)

## RECORD EBITDA AND EBITDA MARGIN

€m	H1-2022	H1-2023	H1-2023/ H1-2022
<b>Operating income</b>	<b>2,791</b>	<b>2,813</b>	<b>+0.8%</b>
Non-operating costs	(100)	(55)	
Capital gains (losses) and impacts resulting from changes in Group structure	(138)	(314)	
Asset write-downs and other	(60)	(150)	
Business income	2,493	2,294	
<b>Operating income</b>	<b>2,791</b>	<b>2,813</b>	
Operating depreciation and amortization	992	980	
Non-operating costs	(100)	(55)	
<b>EBITDA</b>	<b>3,683</b>	<b>3,738</b>	<b>+1.5%</b>
<b>EBITDA margin</b>	<b>14.5%</b>	<b>15.0%</b>	<b>+50bps</b>

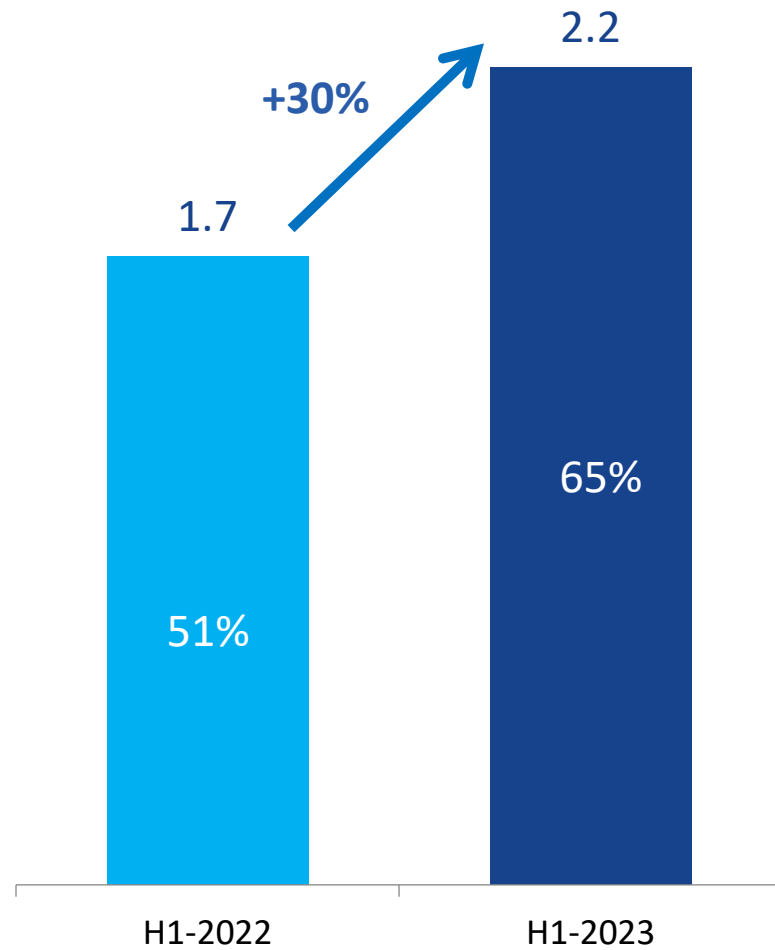
## RECORD RECURRING NET INCOME

€m	H1-2022	H1-2023	H1-2023/ H1-2022
<b>Business income</b>	<b>2,493</b>	<b>2,294</b>	
Net financial expense	(194)	(196)	
Income tax	(530)	(607)	
<b>Net attributable income</b>	<b>1,724</b>	<b>1,450</b>	
<b>Recurring net income</b>	<b>1,814</b>	<b>1,821</b>	<b>+0.4%</b>
<b>Recurring EPS (in €)*</b>	<b>3.51</b>	<b>3.57</b>	<b>+1.7%</b>

\* Recurring EPS: calculated based on the weighted average number of shares outstanding (510,080,726 shares in 2023, versus 516,797,123 shares in 2022, thanks to the share buyback program)

## STRONG INCREASE IN FREE CASH FLOW

Free cash flow in €bn and conversion ratio in %



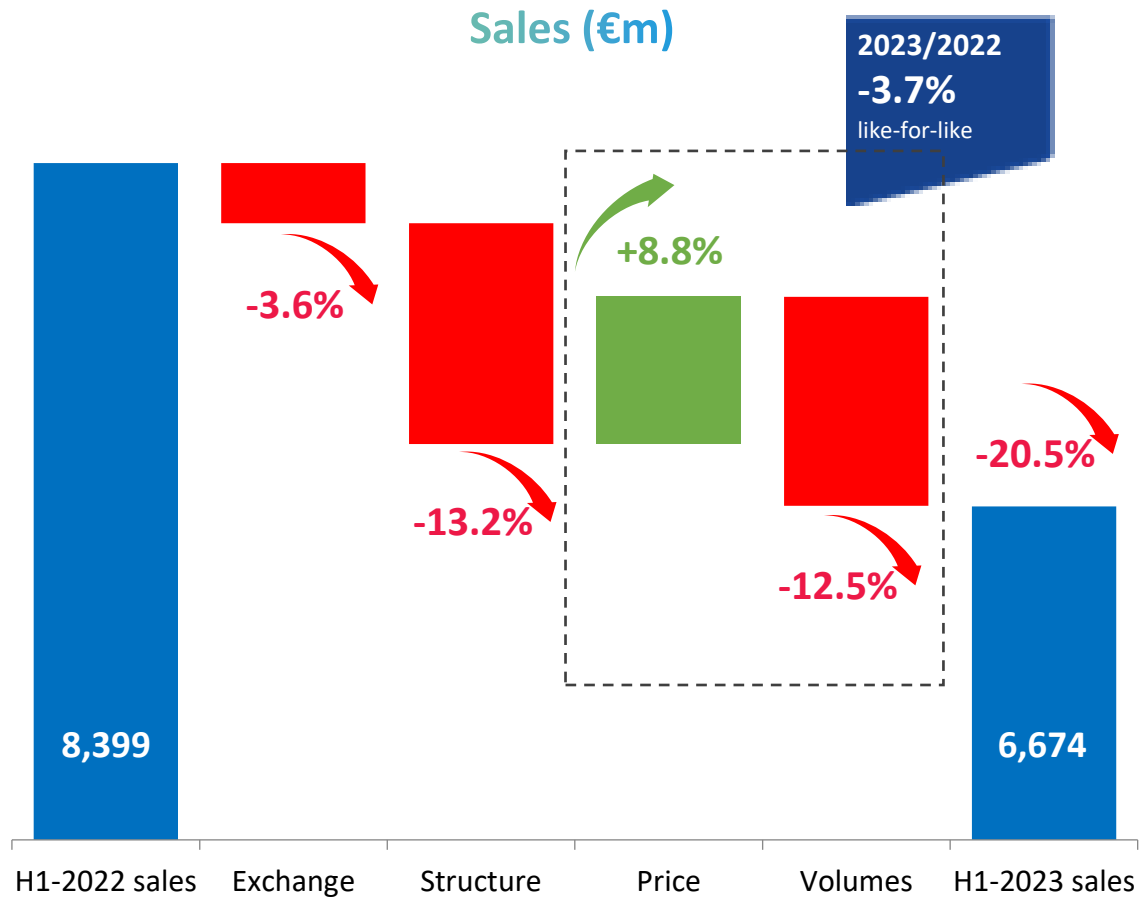
- Deep-rooted **cash culture**: +30% vs. H1-2022
- **Optimization of maintenance capex**, reallocated to growth capex in selected markets

RECENT RESULTS AND OUTLOOK

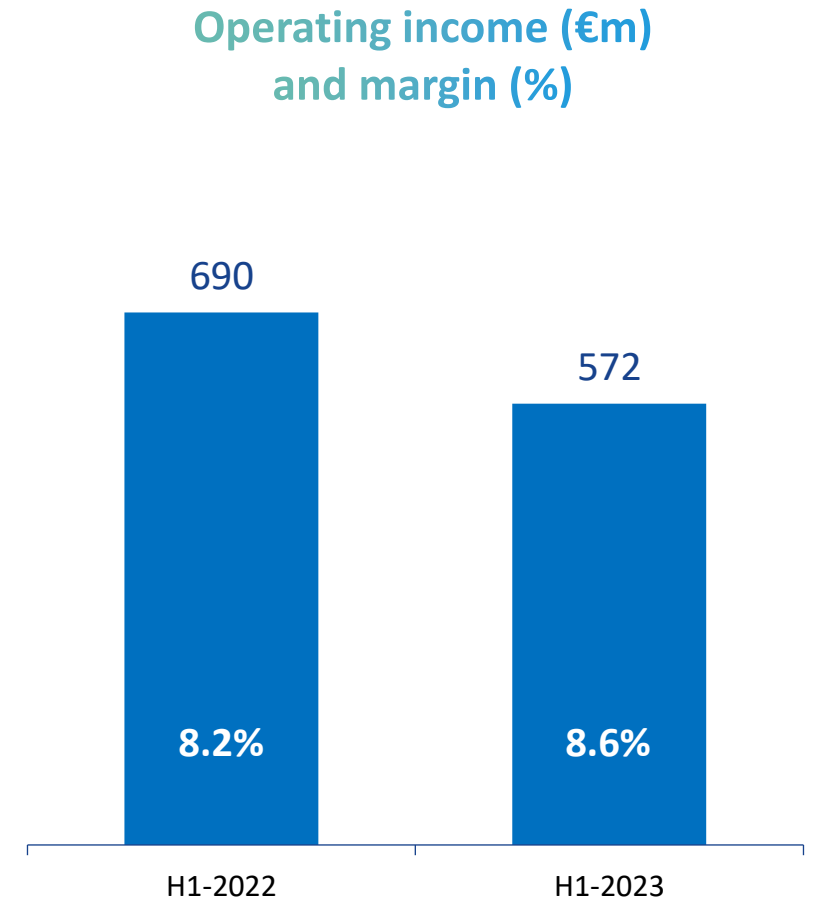
# H1 2023 RESULTS

GROUP  
SEGMENTS

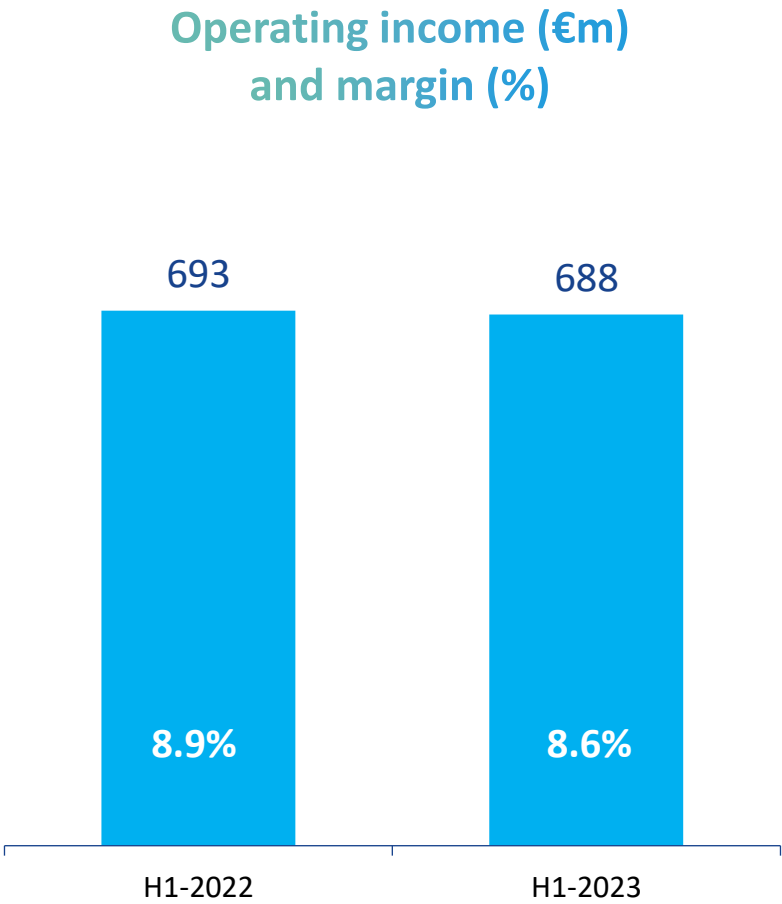
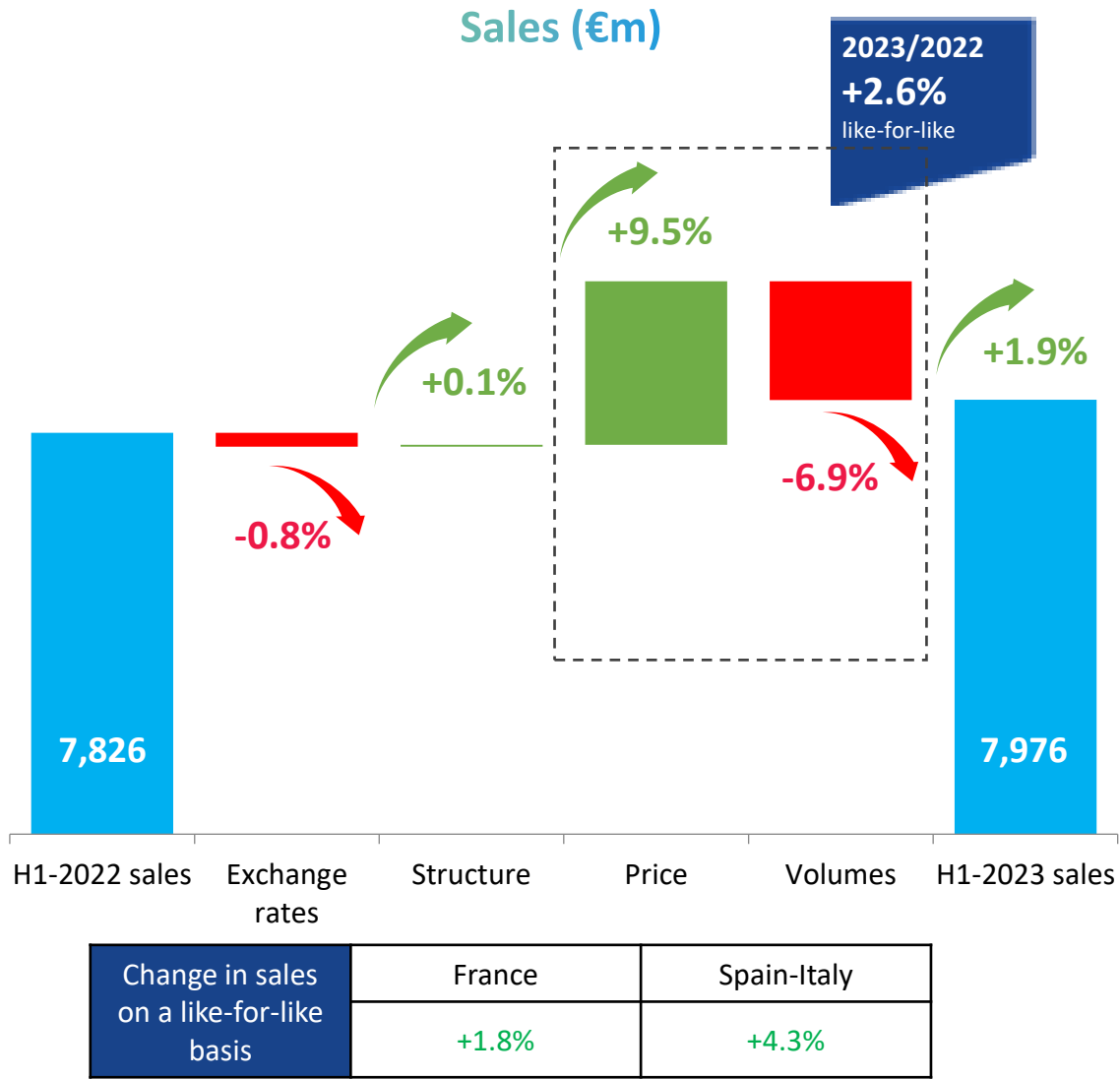
# NORTHERN EUROPE: RECORD MARGIN DESPITE A LIMITED DECLINE IN SALES THANKS TO BETTER RESILIENCE IN RENOVATION



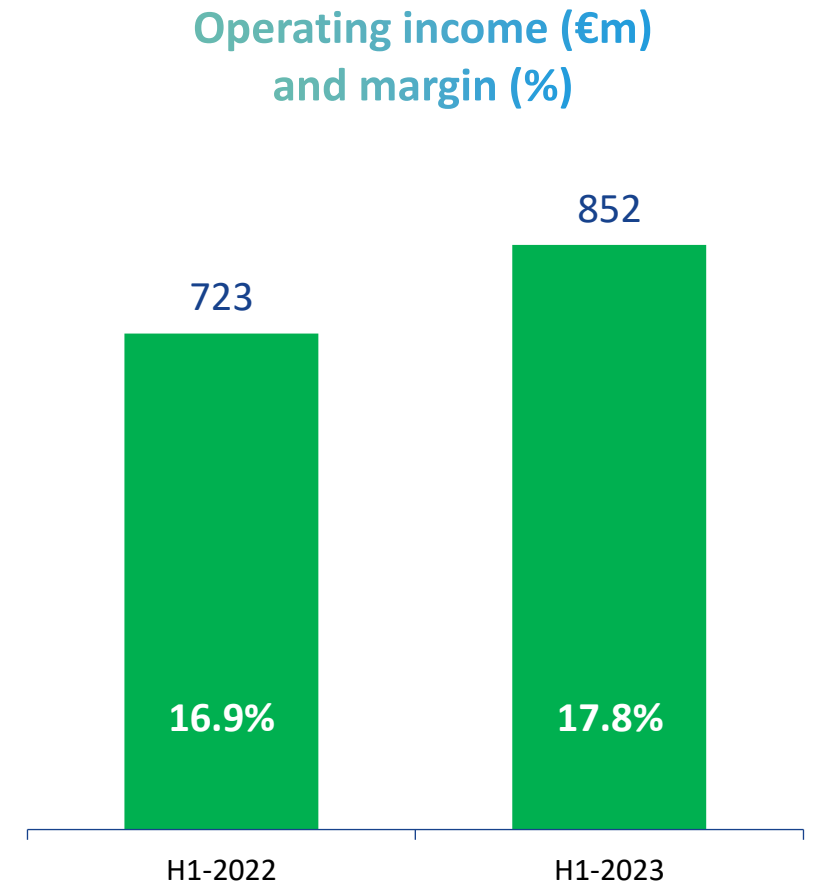
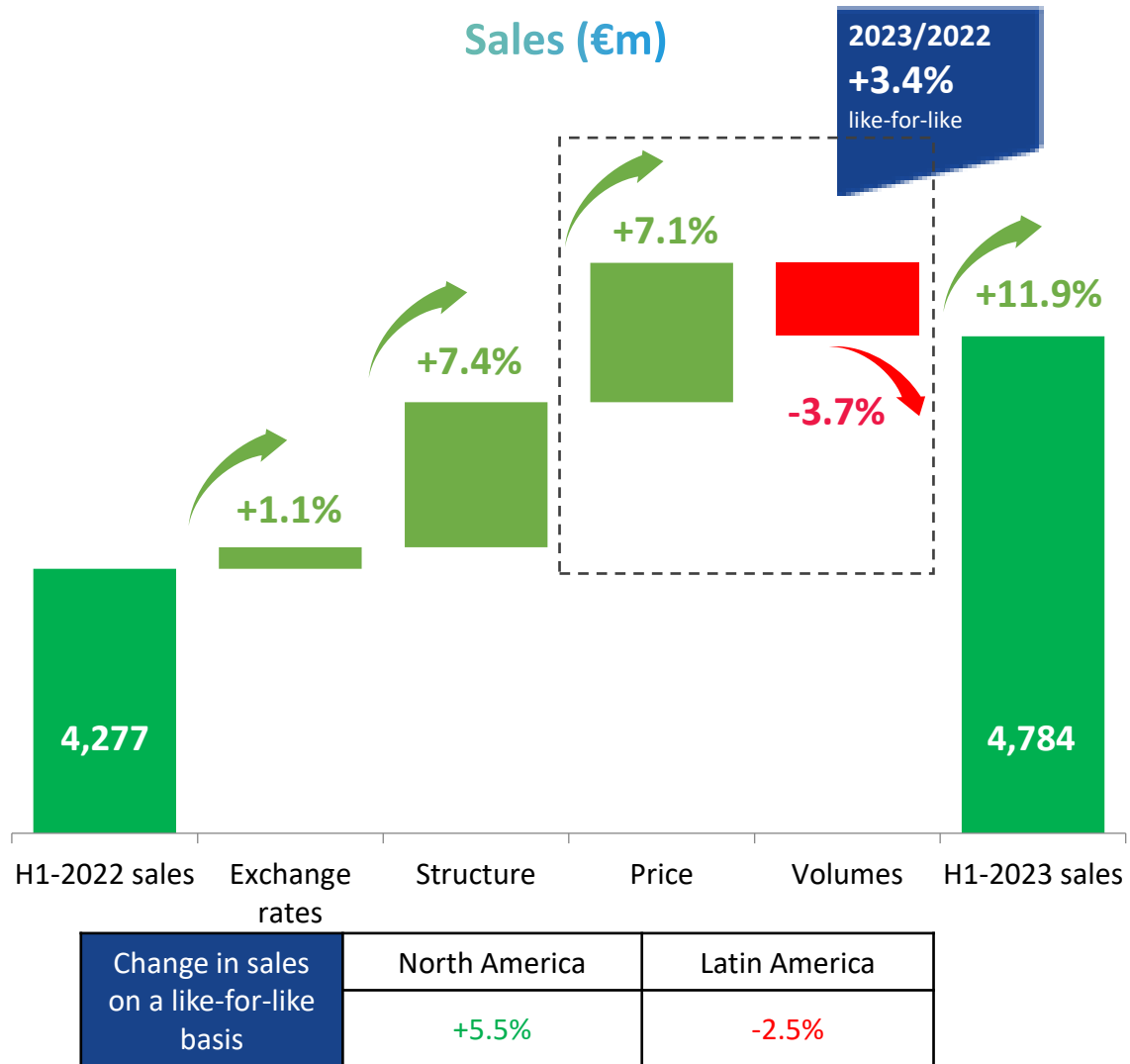
Change in sales on a like-for-like basis	Nordics	United Kingdom	Germany
	-3.9%	+2.6%	-9.3%



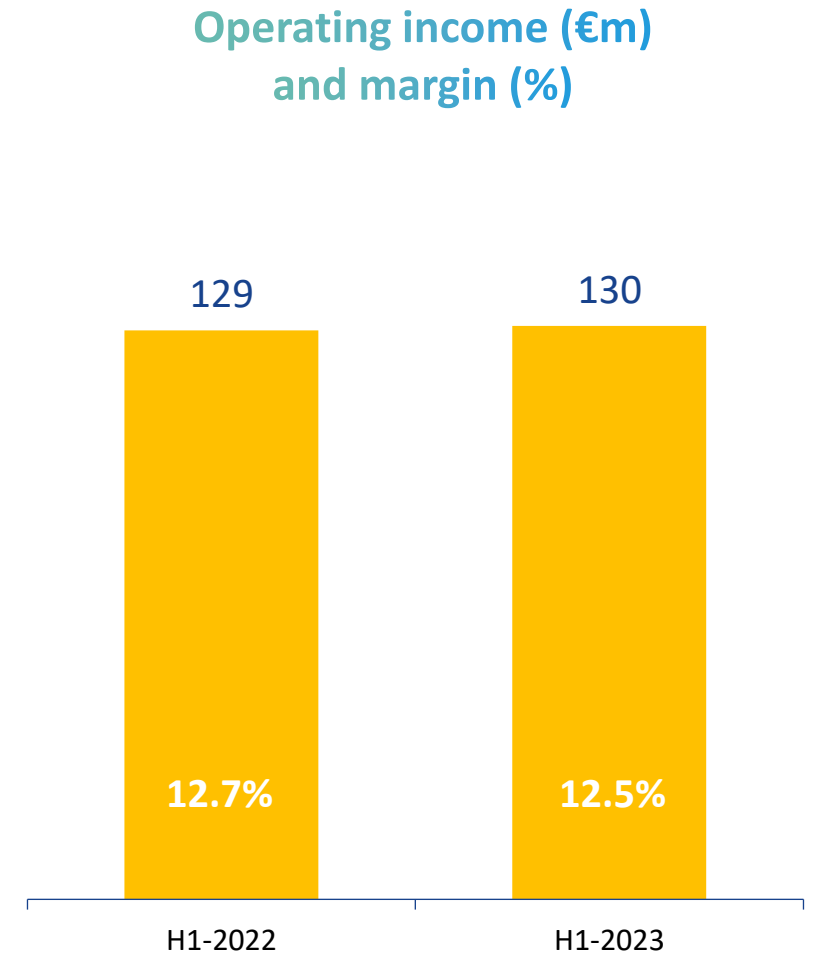
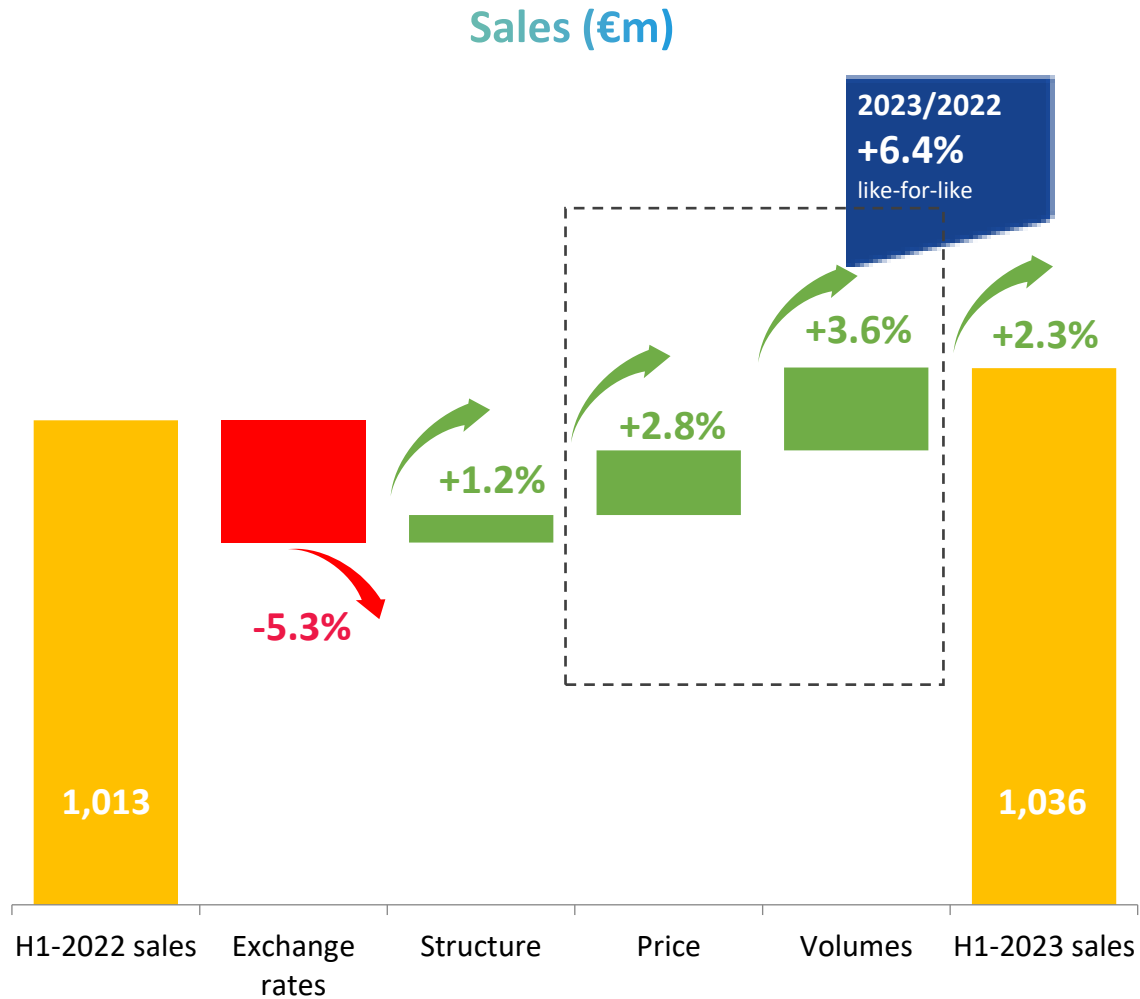
SOUTHERN EUROPE - MIDDLE EAST & AFRICA: INCREASE IN SALES SUPPORTED BY RESILIENCE IN RENOVATION AND A GOOD MARGIN LEVEL



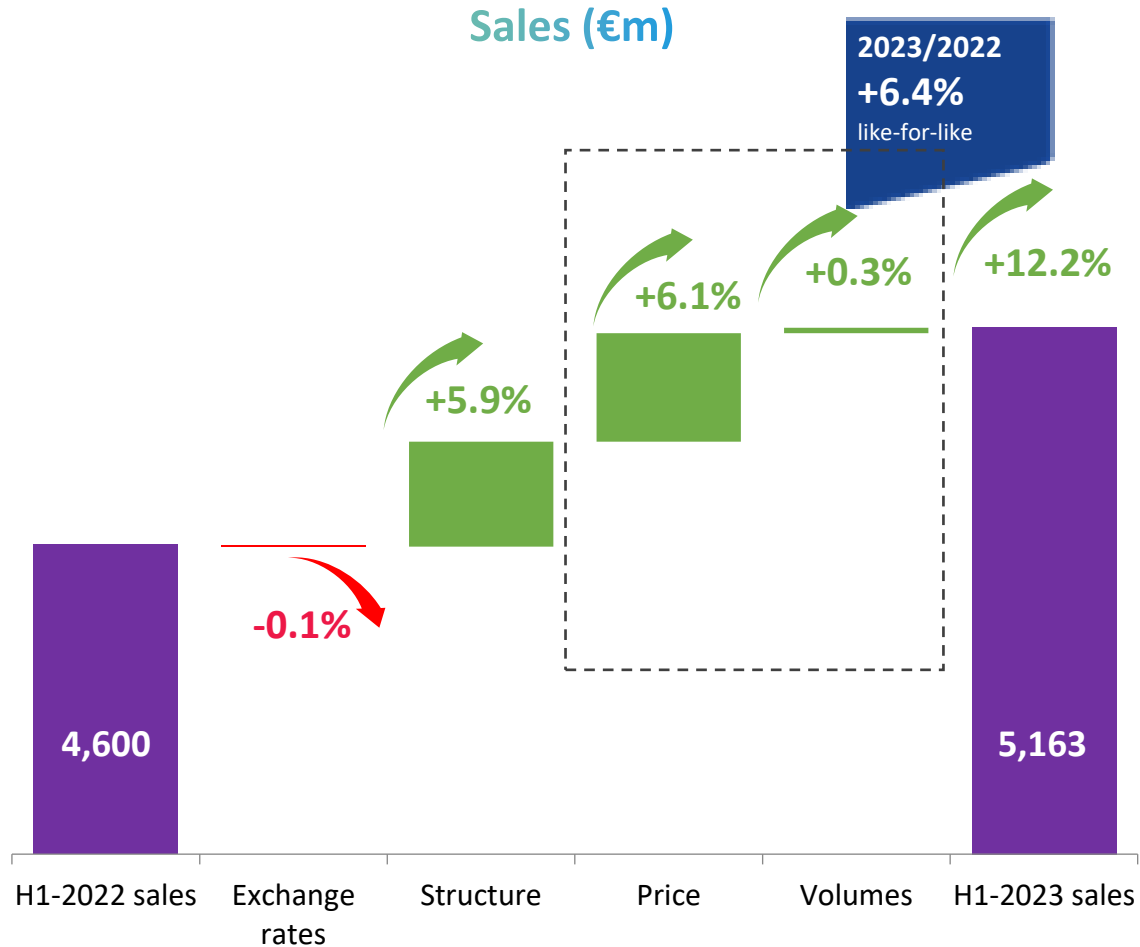
# AMERICAS: SALES GROWTH AND RECORD MARGIN



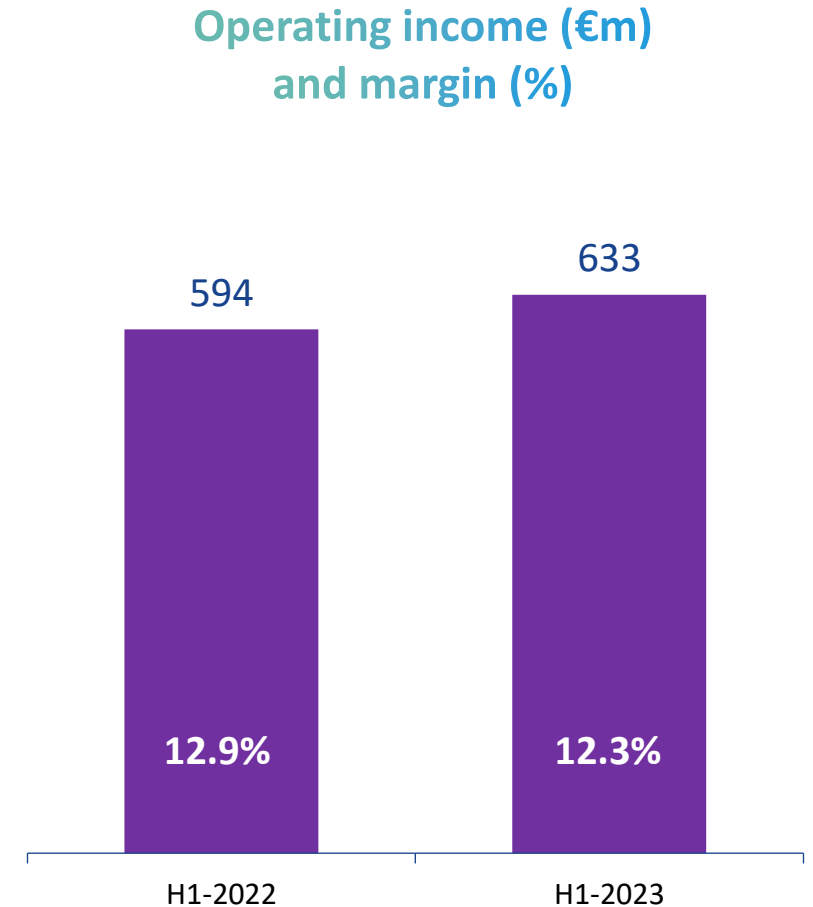
# ASIA-PACIFIC: GOOD SALES MOMENTUM AND A VERY GOOD MARGIN LEVEL



# HIGH PERFORMANCE SOLUTIONS: GOOD SALES GROWTH AND SEQUENTIAL IMPROVEMENT IN MARGIN



Change in sales on a like-for-like basis	Construction & Industry	Mobility
	-0.9%	+20.2%



Operating margin: 11.1% in H2-2022

RECENT RESULTS AND OUTLOOK

# STRATEGY

# THE WORLDWIDE LEADER IN LIGHT & SUSTAINABLE CONSTRUCTION

OUR  
**GROW &  
IMPACT**  
STRATEGY

*DELIVERING CONSISTENTLY  
STRONG PERFORMANCE*

01

We have strategically positioned the Group on high-growth markets

02

We have developed all the levers to continue to outperform

# 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**



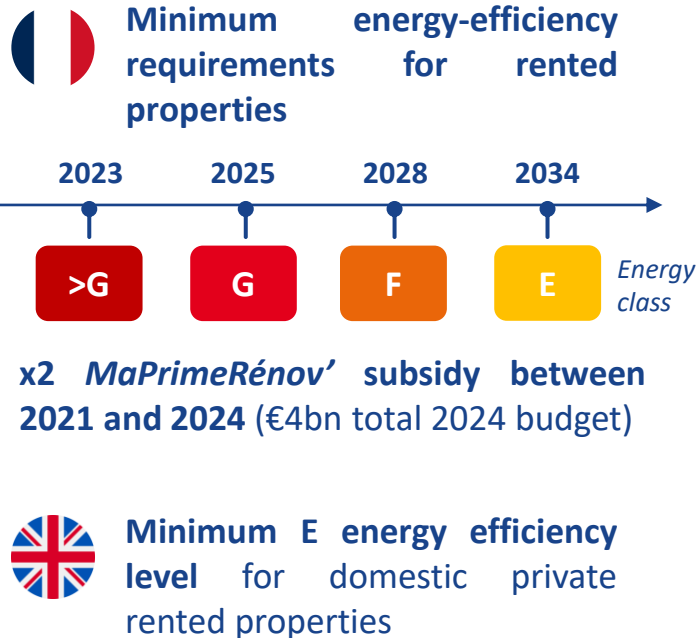
**Industry & Construction  
decarbonization**

# WE ARE LEVERAGING THE REGULATORY TAILWINDS THANKS TO OUR LEADERSHIP ON THE RENOVATION MARKET IN EUROPE

The renovation market is supported by regulations becoming more stringent...

...and is demonstrating resilience

## RESIDENTIAL RENOVATION



## NON-RESIDENTIAL RENOVATION

-  **EED<sup>1</sup>** – Requirement for member states to renovate ~1/4 of public buildings between 2023 and 2030
-  **“Décret tertiaire”** – large commercial buildings required to cut energy consumption by 40% by 2030
-  Minimum energy class C for all office buildings from 2023



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>2</sup>)

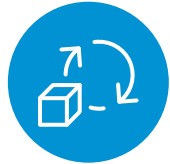
3x structural increase in European renovation rate required  
We leverage our full-range offering for global renovation (>60% of Group sales in Europe)

# LIGHT CONSTRUCTION FOR NEW BUILD IS SUPPORTED BY ROBUST MARKET FUNDAMENTALS

## Increased adoption of light construction in all geographies



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



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

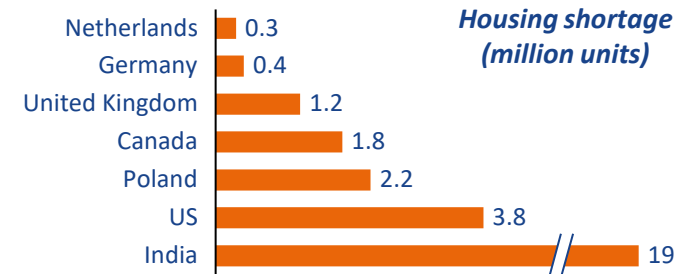


**>20%**  
gain in productivity<sup>1</sup>

**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** with improving indicators and significant backlogs

**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

# INCREASING NEED FOR DECARBONIZATION BOOSTS OUR GROWTH PERSPECTIVES ON GLOBAL MARKETS

## Construction



**+11% annual growth of low carbon cement between 2022 and 2032<sup>1</sup>**

## Mobility



**+33% annual growth of electric vehicle production between 2022 and 2025<sup>2</sup>**

## Industry



**75% of world's biggest companies<sup>3</sup> have set net-zero commitments by 2050**

1. Source: Fact.MR Low Carbon Cement Market Forecast, 2022 – 2032 CAGR
2. Source: S&P Global, April 2023 forecast, 2022 – 2025 CAGR
3. As defined by Climate Action 100+, as of January 2023

# THE WORLDWIDE LEADER IN LIGHT & SUSTAINABLE CONSTRUCTION

OUR  
**GROW &  
IMPACT**  
STRATEGY

*DELIVERING CONSISTENTLY  
STRONG PERFORMANCE*

01

We have strategically positioned the Group on high-growth markets

02

We have developed all the levers to continue to outperform

# 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

Continued 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)

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

2. Closing expected by year-end 2023

# WE ARE BUILDING A WORLDWIDE LEADERSHIP POSITION IN CONSTRUCTION CHEMICALS



Continued strong growth and best-in-class profitability in H1 2023



Ongoing integration with faster delivery on synergies  
On track with 2023 target



**MATCH**EM



IDP  
CHEMICALS

Growth through bolt-on acquisitions  
leveraging Saint-Gobain's footprint



Backward integration of polymerization launched  
in all  **gcp** countries and fully effective in H2 2023



SG&A synergies in line with plan



New production lines on  
Saint-Gobain sites (India, Mexico)



Major commercial wins in the Americas thanks to combined  
 technologies and  **gcp** industrial footprint  
supported by a unified sales & technical team



 **gcp** supply-chain optimizations  
in North America and Europe

# WE ARE EXPANDING IN CANADA WITH A COMPLETE OFFER FOR LIGHT & SUSTAINABLE CONSTRUCTION

**KAYCAN**

Integration on track & synergies ahead of plan



**Purchasing synergies**

Purchasing savings in vinyl raw material



**Commercial synergies**



CertainTeed polymer siding products launched through Kaycan distribution



Kaycan aluminum siding offer launched through CertainTeed exterior product sales



**Operational excellence**

**60% increase in line speed** in 2 Kaycan sites thanks to CertainTeed's best practices



**Recycling**

Leveraging of Kaycan's circular economy program to **increase use of recycled content by 25%** in the U.S.



BUILDING PRODUCTS OF CANADA CORP.

Completing our interior and exterior offering

**KAYCAN**  
Siding

Roofing



BUILDING PRODUCTS OF CANADA CORP.



Gypsum  
wallboard & finishing

Specialty ceilings

Insulation

Closing expected by year-end 2023

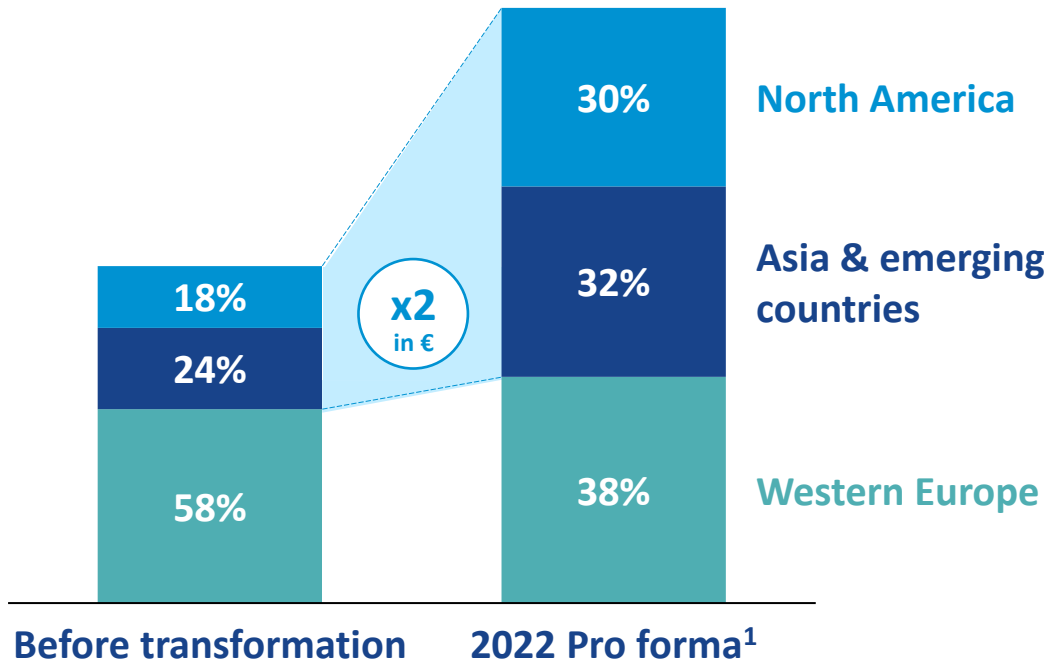
**#1 Building Materials manufacturer in Canada**  
Sales doubled in the last 2 years

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

Since transformation

## A balanced geographic exposure

### Share of Group operating income



>60% of operating income from higher growth markets

Last 12 months

## Continued dynamic investment

2/3

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

+20

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



1. Pro forma with annualized sales of acquisitions and divestments completed or signed in 2022

# WE HAVE A POWERFUL COUNTRY ORGANIZATION FOR PROACTIVE OPERATIONAL DECISIONS

## A lean organization with local empowerment



**Rapid-decision making**



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

**90% of CEOs native to their country**

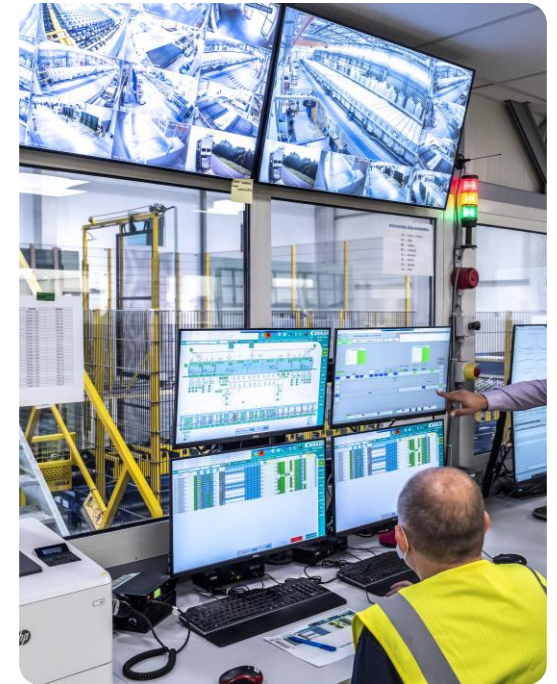


**In-depth understanding of local markets**

## Proactive local action plans

**Commercial efficiency** to outperform the market (cross-selling, solutions, price-cost management)

**Adaptation of costs where needed** (optimization of production capacities, SG&A, discretionary expenses)



**A proven organization delivering consistently strong results across various market conditions**

# WE INCREASE OUR SHARE OF WALLET WITH ACTIVE CROSS-SELLING IN EACH COUNTRY

## CREATE "SAINT-GOBAIN SOLUTIONS" ORGANIZATION FOR PROJECT SALES



**All brands of Saint-Gobain**  
under one organization



Target **complex and sustainable projects**

## STRENGTHEN OUR PRESENCE WITH LARGE DISTRIBUTORS



Plasterboard



Insulation



Siding



Roofing

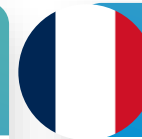


**Integration of Saint-Gobain's offer** through **cross-selling**



**Key Account Management**

## ADDRESS LARGE CUSTOMERS WITH JOINT PRESCRIPTION



*Recycling of glazing and plasterboard*



*Partnership for low-carbon affordable housing*

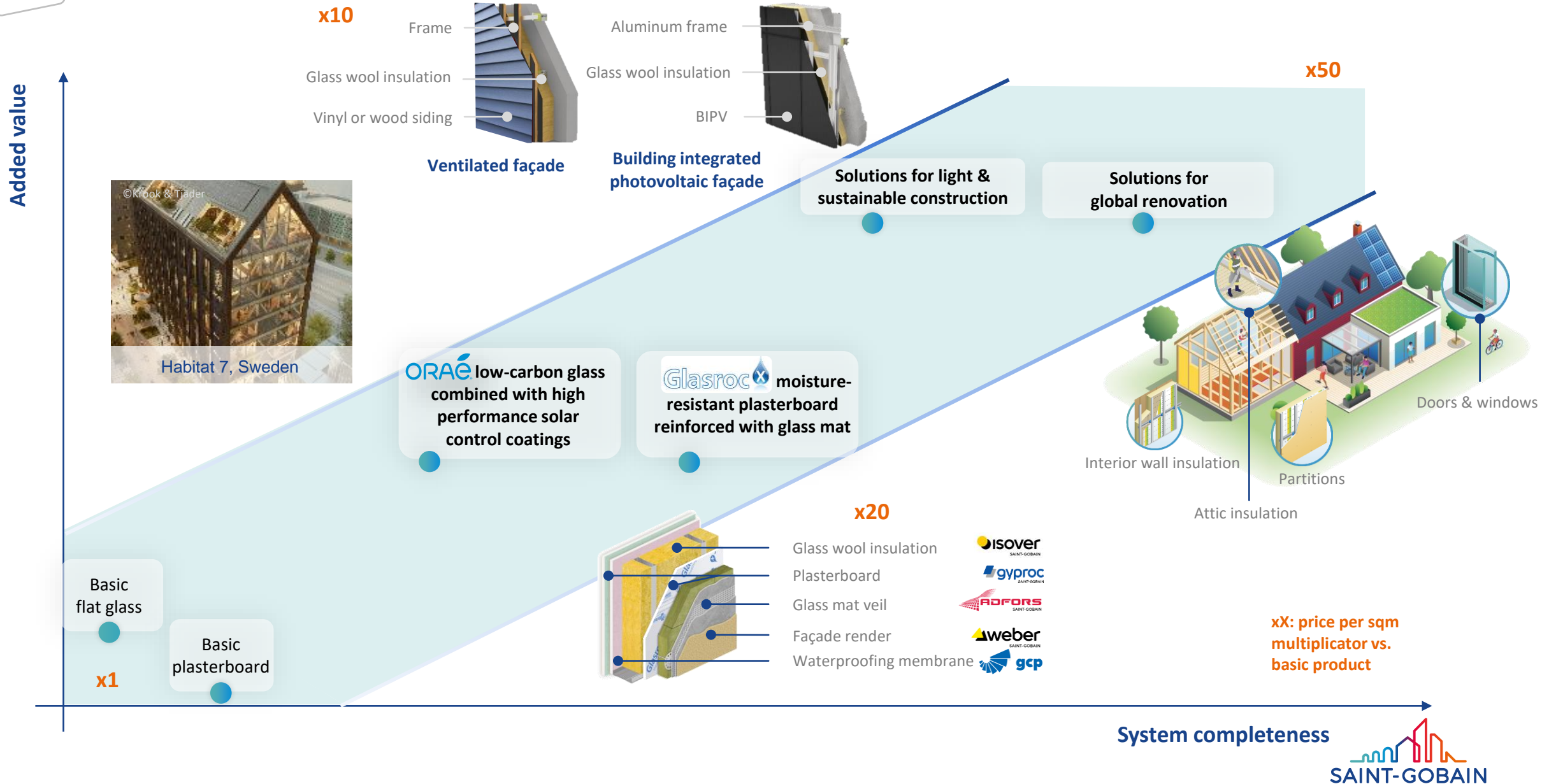


**Joint specification team** across all Saint-Gobain's offer



**Technical expertise** to address complex projects

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



# WE LEVERAGE OUR COUNTRY ORGANIZATION TO EXTEND OUR OFFER

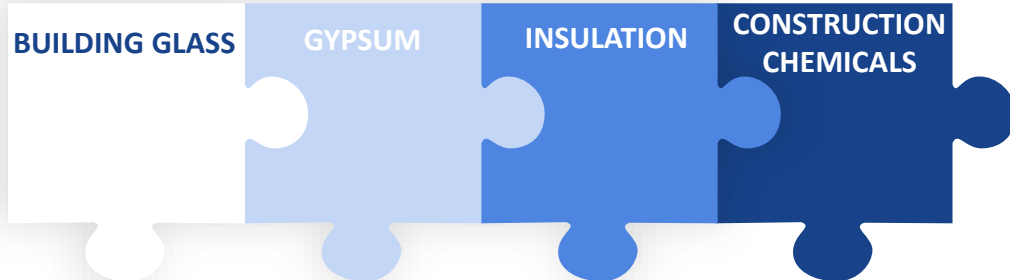


## OUR JOURNEY IN INDIA



**Santhanam B.**

CEO India and Asia-Pacific

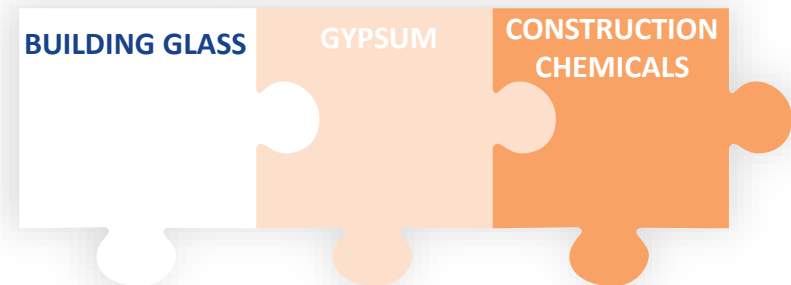


## OUR JOURNEY IN MEXICO



**Marco Corrales**

CEO Mexico



# WE HAVE ALL THE REQUIRED LEVERS TO CONTINUE TO OUTPERFORM



**Empowered and agile  
country organization**



**Cross-selling of innovative and  
value-added  
full-range solutions**



**Value-creative capital  
allocation and portfolio  
rotation**

## IMPORTANT DISCLAIMER – FORWARD-LOOKING STATEMENTS

*This presentation contains forward-looking statements with respect to Saint-Gobain's financial condition, results, business, strategy, plans and outlook. 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 its future performance. Actual results 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 Saint-Gobain's control, including but not limited to the risks described in the "Risk Factors" section of Saint-Gobain's 2022 Universal Registration Document and the main risks and uncertainties presented in the half-year 2023 financial report, both documents being available on Saint-Gobain's website ([www.saint-gobain.com](http://www.saint-gobain.com)). 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, except as required by applicable laws and regulations. This presentation does not constitute any offer to purchase or exchange, nor any solicitation of an offer to sell or exchange securities of Saint-Gobain. No representation or warranty, express or implied, is made by Saint-Gobain or its managers, corporate officers, employees, shareholders, contractors, representatives or advisors as to the accuracy or completeness of the information or opinions contained in this presentation.*

- Indicators of **organic growth** and **like-for-like changes in sales/operating income** reflect the Group's underlying performance excluding the impact of:
  - changes in Group structure, by calculating indicators for the year under review based on the scope of consolidation of the previous year (Group structure impact)
  - changes in foreign exchange rates, by calculating indicators for the year under review and those for the previous year based on identical foreign exchange rates for the previous year (currency impact)
  - changes in applicable accounting policies
- **Operating income:** see Note 5 to the financial statements in the financial report
- **Operating margin:** operating income divided by sales
- **CAGR:** Compound Annual Growth Rate
- **EBITDA:** operating income plus operating depreciation and amortization less non-operating costs
- **Net financial expense:** see Note 10 to the financial statements in the financial report
- **Recurring net income:** net attributable income excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions
- **EPS:** Earnings Per Share
  
- **Capex, or capital expenditure:** investments in tangible and intangible assets
- **Free cash flow:** EBITDA less depreciation of right-of-use assets, plus net financial expense, plus income tax, less capital expenditure excluding additional capacity investments, plus change in working capital requirement
- **Free cash flow conversion ratio:** free cash flow divided by EBITDA less depreciation of right-of-use assets
- **Working capital requirement:** see Note 5 to the financial statements in the financial report



# RECENT RESULTS AND OUTLOOK

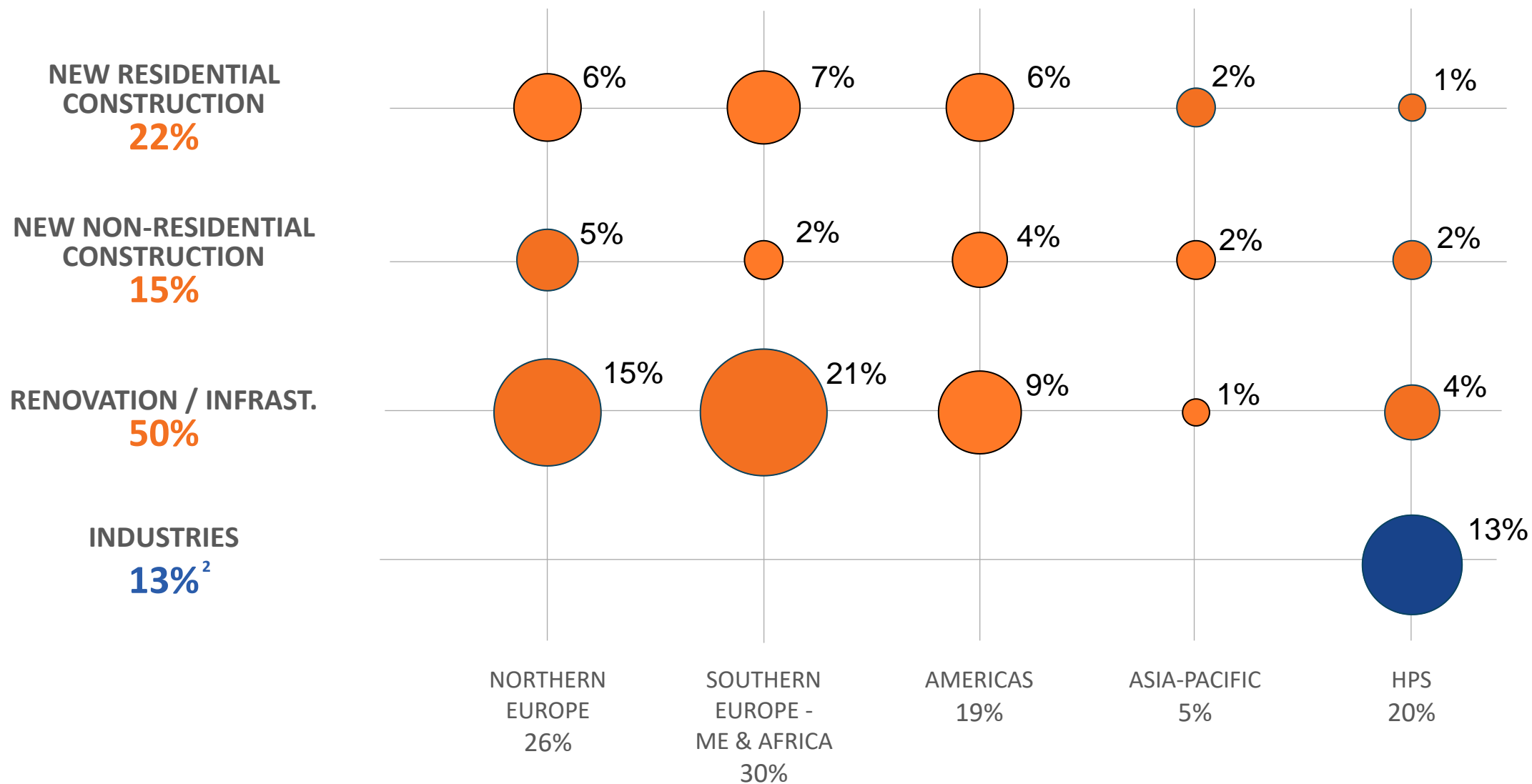
OCTOBER 2023



RECENT RESULTS AND OUTLOOK

# APPENDIX

# END MARKETS SALES SPLIT PRO FORMA 2022<sup>1</sup>



1. Saint-Gobain estimated end markets, pro forma with annualized sales of acquisitions and divestments completed or signed in 2022

2. Of which Mobility 6%

# STRONG PUSH AT EUROPEAN LEVEL FOR ENERGY-EFFICIENT RENOVATION

## EPBD<sup>1</sup>

Work under way on the upcoming introduction of minimum energy performance standards for both residential and non-residential buildings across the EU



## ENERGY-EFFICIENCY DIRECTIVE

Directive for member states to renovate **3%** of public buildings per year (local, regional and national level)



## NGEU<sup>2</sup>

Ongoing disbursements of NGEU-financed recovery plans dedicated to energy renovation across EU countries



## COHESION FUNDS

Additional EU funding over 2021-2027 for some member states for environmental investment, including energy renovation



1. Energy Performance of Buildings Directive  
2. Next Generation European Union

# STRONG PUSH FROM EUROPEAN GOVERNMENTS FOR ENERGY-EFFICIENT RENOVATION

NEW

## FRANCE

**Funding:** Increase of **€1.6bn** of MaPrimeRénov' subsidies in 2024 budget, reaching total of **€4bn**

**Regulation:**

- **Ban** of the most poorly-insulated dwellings from listing on the rental market from January 2023
- **"Décret tertiaire"**: commercial buildings to cut energy consumption by 40% by 2030

## NETHERLANDS

NEW

**Regulation:** **Mandatory** minimum 'C' level for offices from January 2023

## SWEDEN

**Commitment:** Yearly decline in the share of least energy-efficient buildings

## GERMANY

NEW

**Regulation:** Climate Action Program adopted in June 2023 to accelerate modernization of public buildings  
**Funding:** Fundings as part of the 'Climate & Transformation Fund' to be announced in August 2023

## POLAND

NEW

**Funding:** **Reinforcement** of Clean Air program with **€23bn** subsidies between 2023 and 2029 for energy-efficient renovation and change of heat source

## BELGIUM

NEW

**Funding (Wallonia):** Increase in **subsidies** for insulation works since July 2023

**Regulation (Flanders):**

- **Compulsory** energy renovation for homeowners from 2023 **within 5 years** after purchase to reach a minimum 'D' level
- **Obligation** to achieve 'D' level for all multi-family homes and 'E' level for all single-family homes by 2030

## UK

**Funding:**

- **£6bn** dedicated to energy efficiency between 2025 and 2028
- **New ECO+ scheme** providing **£1bn** from spring 2023 for up to **3 years**, for the least energy-efficient houses

**Regulation:** Energy consumption in buildings and industry to be reduced by **15%** by 2030

## GREECE

**Funding:** **€640m** allocated to the new "Electra" program (2022-2026) for **public building energy upgrade**, aiming to renovate **2.5m sqm** and to reduce energy consumption by **at least 30%**

## SPAIN

NEW

**Regulation:** Regulatory adoption of **energy savings certificates** in July 2023

