



# Capital Markets Day 2021





Capital Markets Day

# SAINT-GOBAIN STRATEGY

“ Be the worldwide leader  
in **light & sustainable**  
construction ”



**Benoit Bazin**  
Chief Executive Officer



**>70%** worldwide GDP  
committed to carbon neutrality targets

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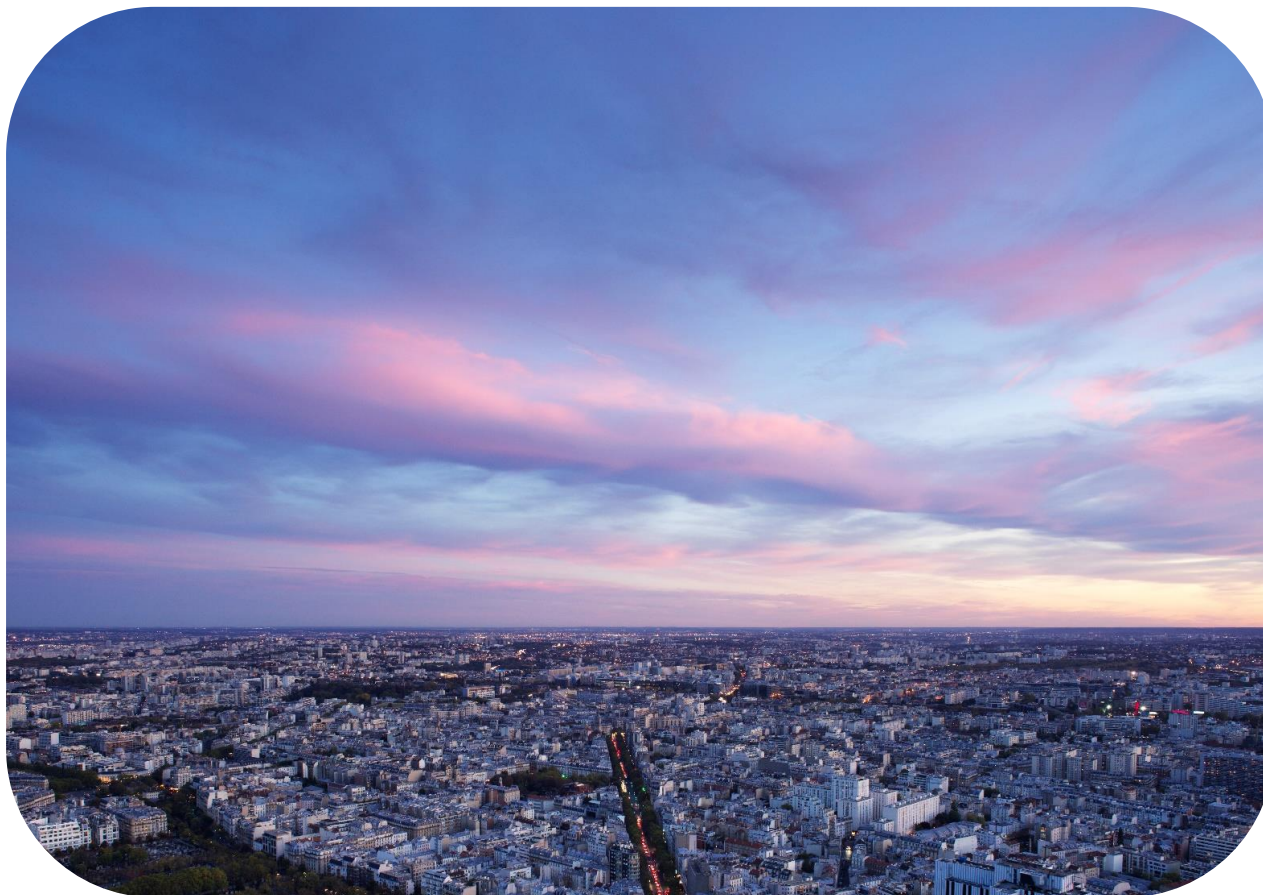
**>€1** trillion  
of government stimulus post-COVID  
focused on renovation & construction

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**>80%**  
share of investors with ESG policy  
(active or under development)

Sources: World Bank (IFC – Green building), World Green Building Council, Country stimulus announcements, HSBC

# SUSTAINABLE CONSTRUCTION IS ESSENTIAL TO A NET-ZERO CARBON ECONOMY



## 40%

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

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## x3

increase in resource consumption  
in the last 50 years

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## +2bn

urban population in emerging markets  
in the next 30 years

Source: World Green Building Council, World Bank, UN projections 2015-2050

Making the  
World a  
Better Home

BE THE WORLDWIDE  
LEADER IN LIGHT &  
SUSTAINABLE  
CONSTRUCTION

GROW &  
IMPACT

2021-2025

# SAINT-GOBAIN IS OPENING AN INSPIRING NEW CHAPTER

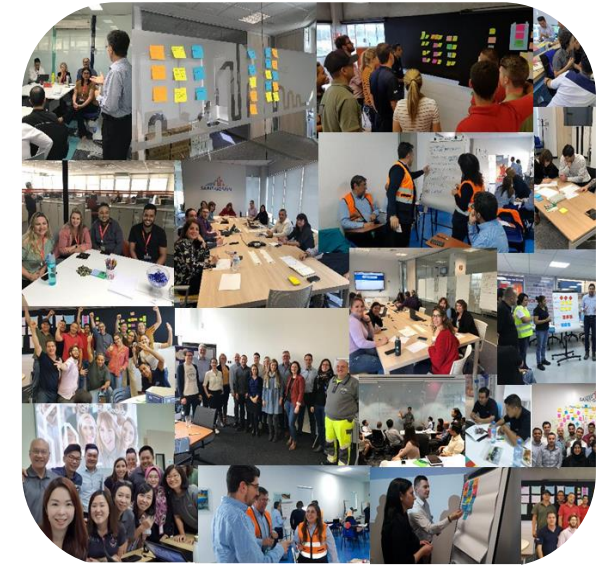
**Solution-driven & innovative leader** steering structural market shifts



Focused strategy towards **light & sustainable construction**



New powerful **business governance & culture**, truly multi-national



# OUR PLAN TO BE THE LEADER IN LIGHT & SUSTAINABLE CONSTRUCTION

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- Renovation in Europe
- Light construction adoption in North America & emerging markets
- Accelerated sustainability momentum on industrial markets

## Outperform underlying markets

- Drive towards customer-centric solutions
- Focus on performance-driven local operating model

Further strengthen **value creation** for shareholders

# RENOVATION ENJOYS STRUCTURAL TAILWINDS

## Green deal stimulus



€9.1bn<sup>1</sup>



Recovery plans

>70%

Homes in the EU need to be renovated to reach Net-Zero Carbon target

**x2 annual renovation rate**

To reach net-zero carbon in the European Union



€6.8bn

eco bonus  
€8bn

## Upward revision of building standards

*Including renovation*



Fit for 55 Package  
*Energy Performance of Buildings Directive*



2020 Climate & energy bill  
*Mandatory energy efficiency Standard by 2028*



Minimum Energy Efficiency Standards (2018)



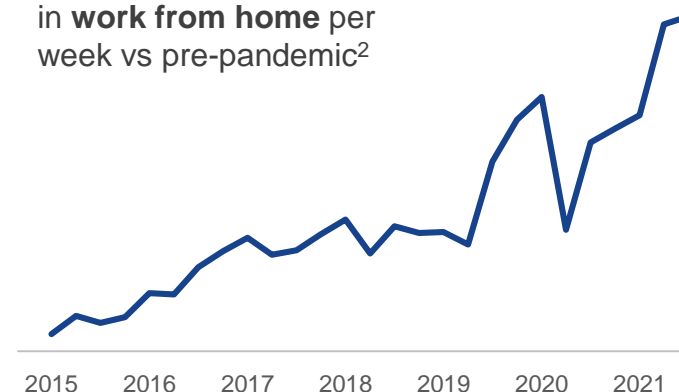
California Energy Code (2019)  
*53% gain in energy efficiency*

NYC Building Emissions Law  
*-80% in building emissions by 2050*

## Transformed building usage

**+2 days**

in **work from home** per week vs pre-pandemic<sup>2</sup>



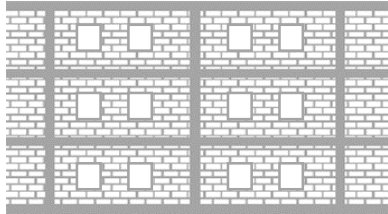
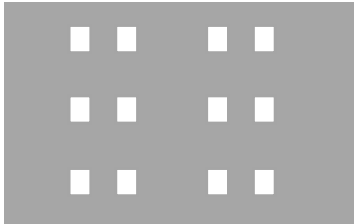
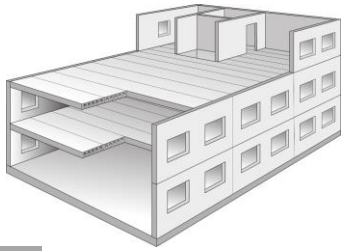
Renovation intention in EU to accommodate home office

Source: Consumer survey, DG ECFIN

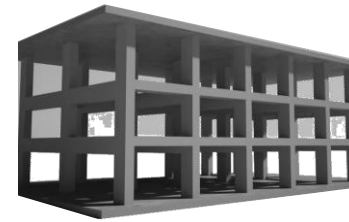
1. €4.4bn from MaPrimeRenov' + €4.7bn on non-residential spend within France Relance 2. 2021 vs 2019

# LIGHT CONSTRUCTION IS A POWERFUL SUBSTITUTE TO TRADITIONAL “HEAVY” CONSTRUCTION

From traditional heavy build...



...to light construction



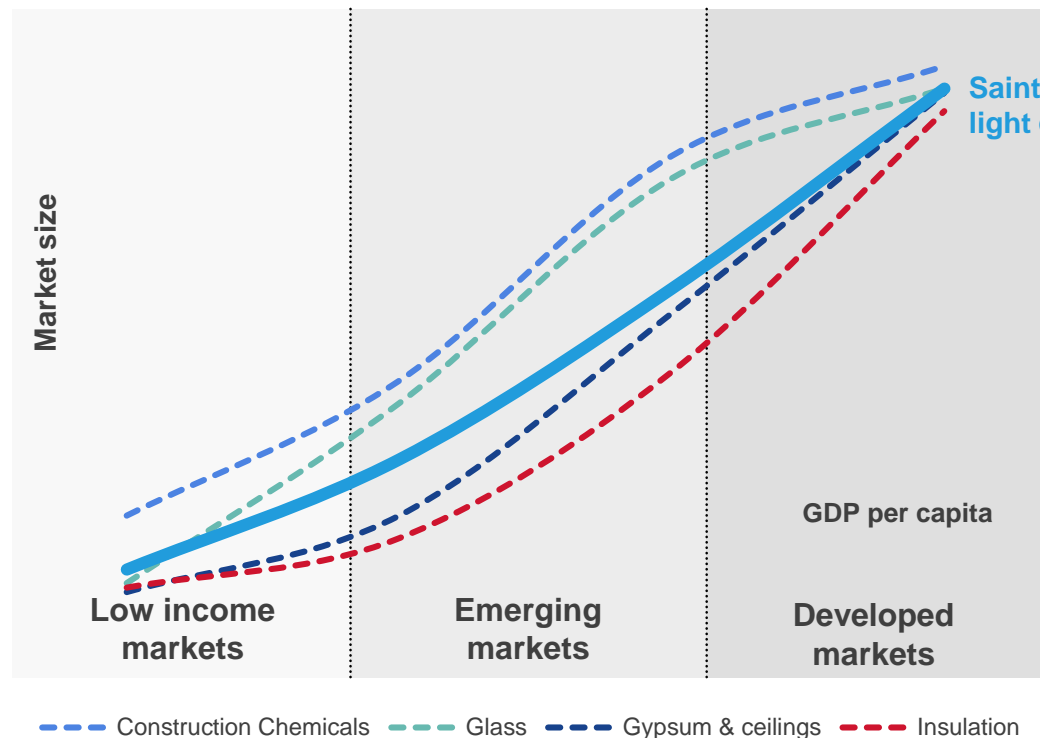
# MODERN LIGHT CONSTRUCTION ADOPTION IS GROWING FAST



## In all geographies

Light construction growth =

Construction growth + Penetration of light construction



## Strong rationale

- 1 Construction decarbonization, resource intensity reduction**  
-50% raw material usage
- 2 Time & productivity gains for fast urbanization**  
Up to 20% time saved on site
- 3 Well-being benefits for all**  
Thermal, acoustic, visual

# SUSTAINABILITY CALLS FOR ACCELERATED INNOVATION ACROSS GLOBAL MARKETS

## Sustainable construction



Decarbonization technologies  
for global construction players



## Sustainable mobility



Technologies for glazing &  
electric vehicle solutions



## Sustainable industry



Specialty materials for industrial  
processes decarbonization



# SAINT-GOBAIN KEY MARKETS ARE ACCELERATING

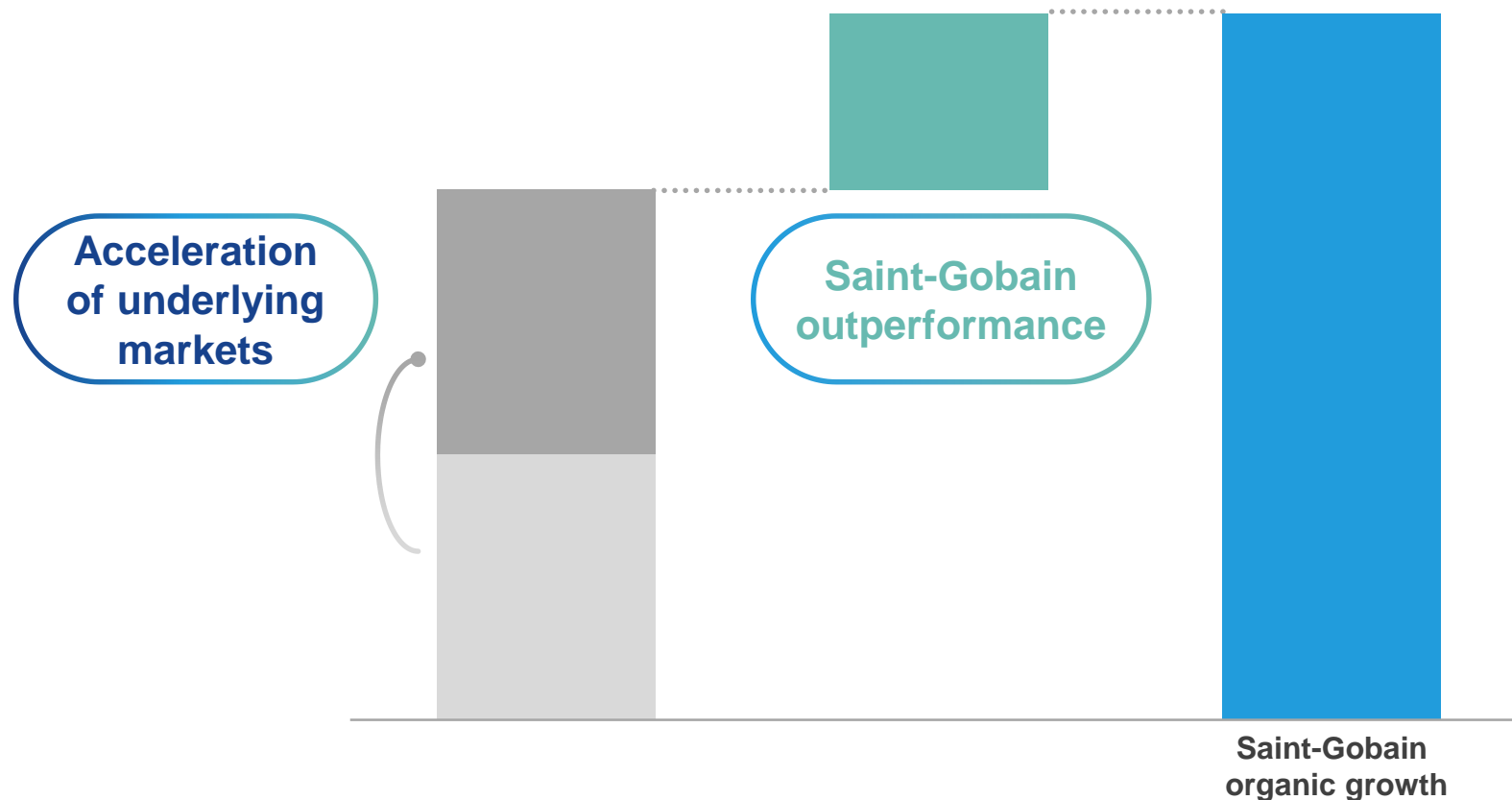
We will make  
the most of  
unprecedented  
structural trends

	Western Europe	North America	Emerging countries	Global markets <sup>3</sup>
Market growth <sup>1</sup> (2021-2025)	↗ 2-4%	↗ 2-4%	↗ 4-6%	↗ 3-4%
Market drivers	<ul style="list-style-type: none"> <li>• <b>Renovation</b> with EU <i>fit for 55</i> package</li> <li>• Upward revision of <b>building standards</b></li> <li>• <b>Transformed building usage</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Housing market acceleration</b> with light construction</li> <li>• <b>Demography</b>, structural housing need</li> <li>• <b>Transformed building usage</b></li> </ul>	<ul style="list-style-type: none"> <li>• Robust <b>demographic growth</b></li> <li>• <b>Urbanization</b></li> <li>• <b>Light construction</b> adoption</li> </ul>	<ul style="list-style-type: none"> <li>• Accelerated technologies for <b>decarbonization</b></li> </ul>
Saint-Gobain sales <sup>2</sup> (% of Group)	€26bn (61%)	€4bn (10%)	€5bn (12%)	€7bn (17%)

Source: Oxford Economics

1. Expected average annual growth rate weighted by Saint-Gobain country exposure 2. Last 12 months at end-June 2021 3. Industrial High Performance Solutions markets

# WE INCREASE OUR GROWTH AMBITION



**3-5%**

**Average organic growth target 2021-25\***

*Excluding any major economic slowdown*

\*Average organic sales growth target over 2021-2025 including 2021 normalized vs 2019

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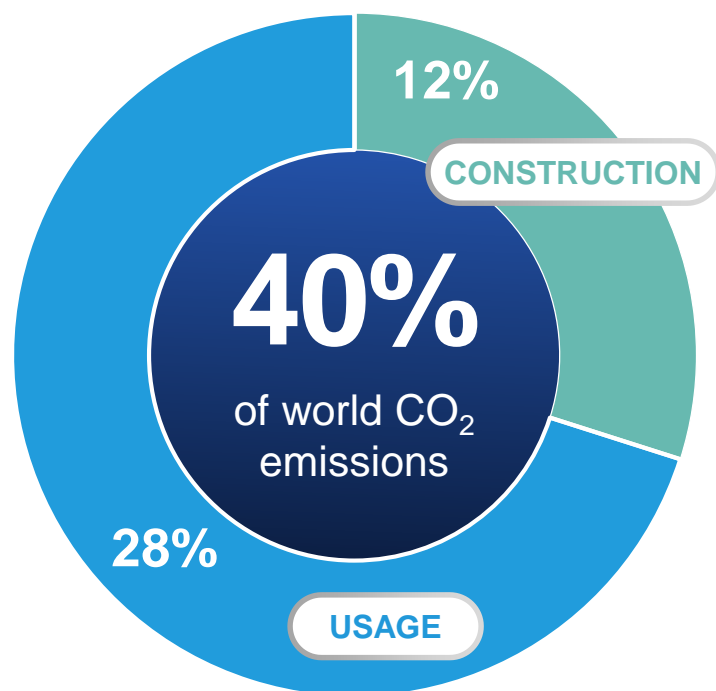
## Outperform underlying markets

- Drive towards customer-centric solutions
- Focus on performance-driven local operating model

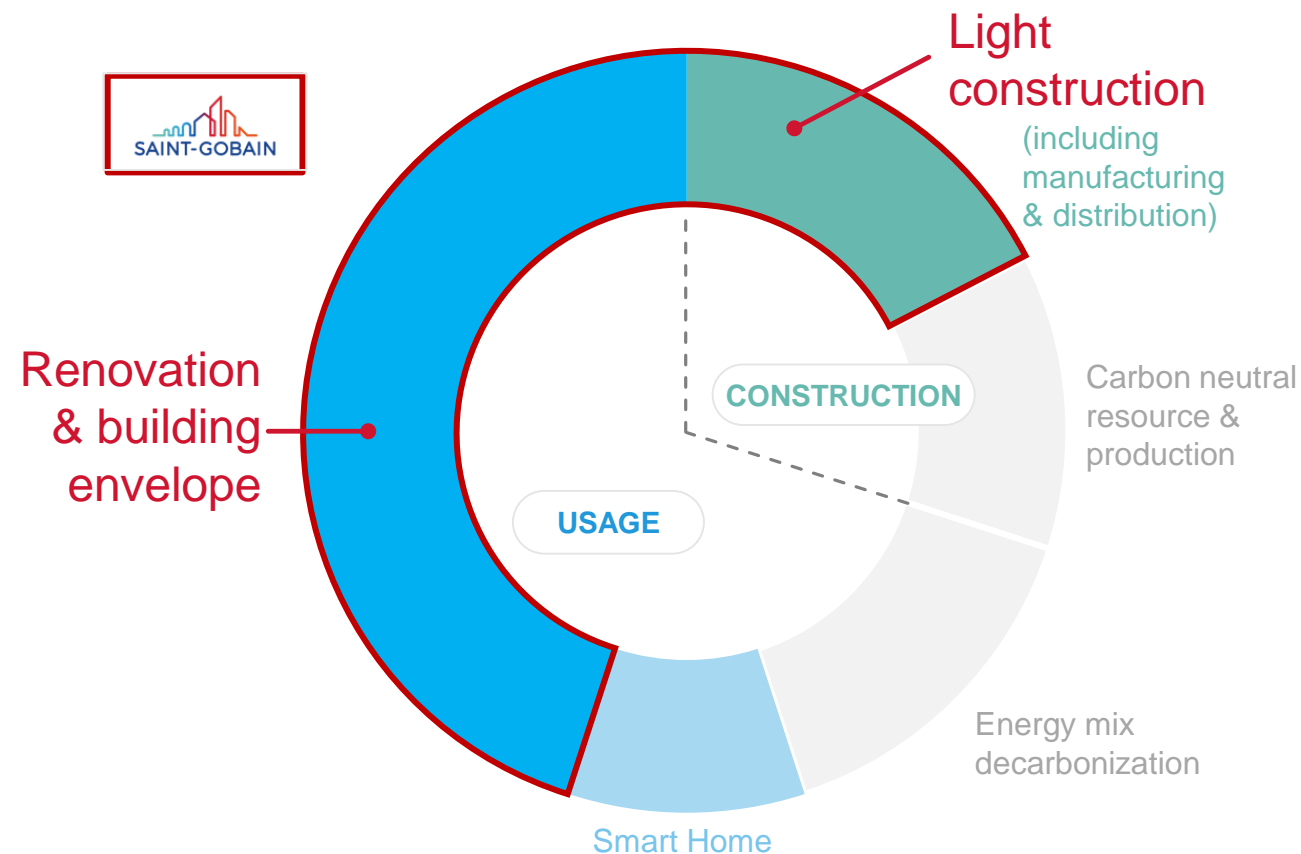
Further strengthen **value creation** for shareholders

# SAINT-GOBAIN SOLUTIONS CAN DECARBONIZE 2/3 OF BUILDING-RELATED EMISSIONS

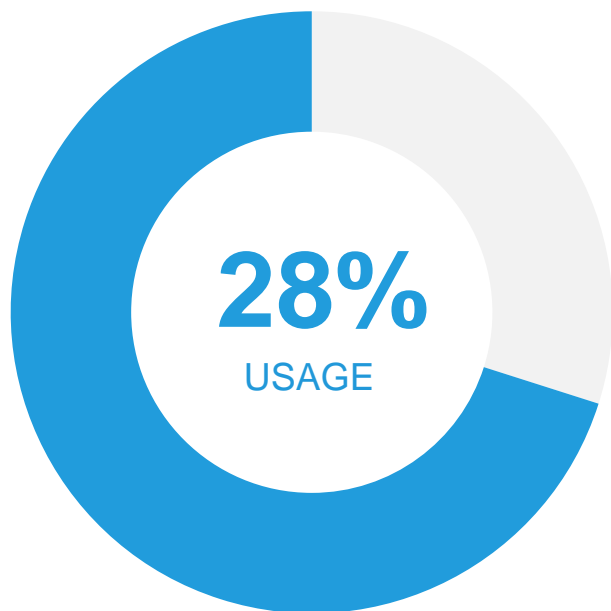
## Building-related CO<sub>2</sub> emissions



## Available decarbonization levers



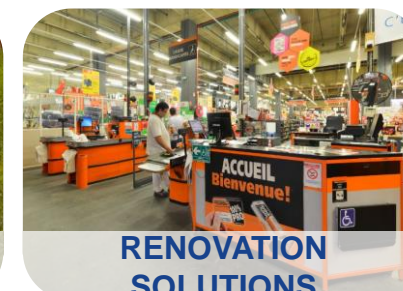
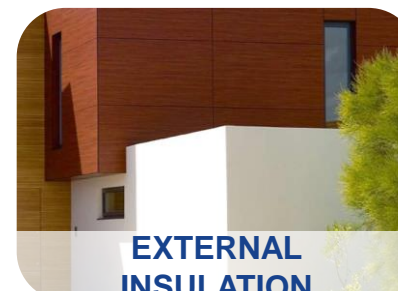
# WE ARE THE ONLY ONE-STOP SOLUTION PROVIDER FOR RENOVATION & BUILDING ENVELOPE



of world CO<sub>2</sub> emissions

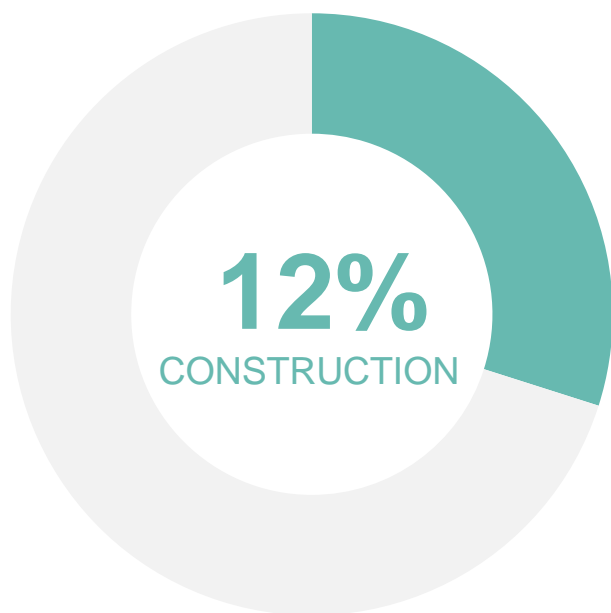


## Widest range in the construction industry



>50% of Group sales

# WE OFFER THE MOST COMPREHENSIVE SOLUTIONS FOR LIGHT CONSTRUCTION



of world CO<sub>2</sub> emissions



## Widest range in the construction industry



40% of Group sales

# WE ARE ENHANCING OUR COMPETITIVE ADVANTAGE BY ENLARGING OUR RANGE OF SOLUTIONS

## Systems



Off-site  
manufacturing



Light  
façades



Partition systems



Building  
Science modeling



High performance  
systems



ETICS systems



Smart glazing connected to  
Building Management

## Services along the value chain



Common logistics  
& kitting services



Intermediation  
platforms



Aftermarket  
sales



Unmanned  
stores



Recycling  
services



Digital  
solutions

## Cross-sell & dedicated channels



Solutions by  
market vertical



Multi-brand  
sales coverage &  
customer training



Dedicated  
sales channels



Key account  
specification

# Differentiation & outperformance

# WE ARE DRIVING SAINT-GOBAIN SOLUTIONS TO DELIVER SUSTAINABILITY & PERFORMANCE ADDED VALUE



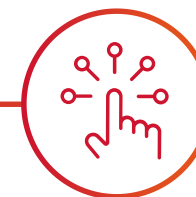
## Sustainability

### Green

- CO<sub>2</sub> & ENERGY SAVINGS
- RESOURCES & CIRCULARITY

### Well-being

- HEALTH & SAFETY
- COMFORT
  - Visual
  - Thermal
  - Acoustic
  - Air quality



## Performance

### Economic value

- PRODUCTIVITY
- FINANCIAL BENEFIT

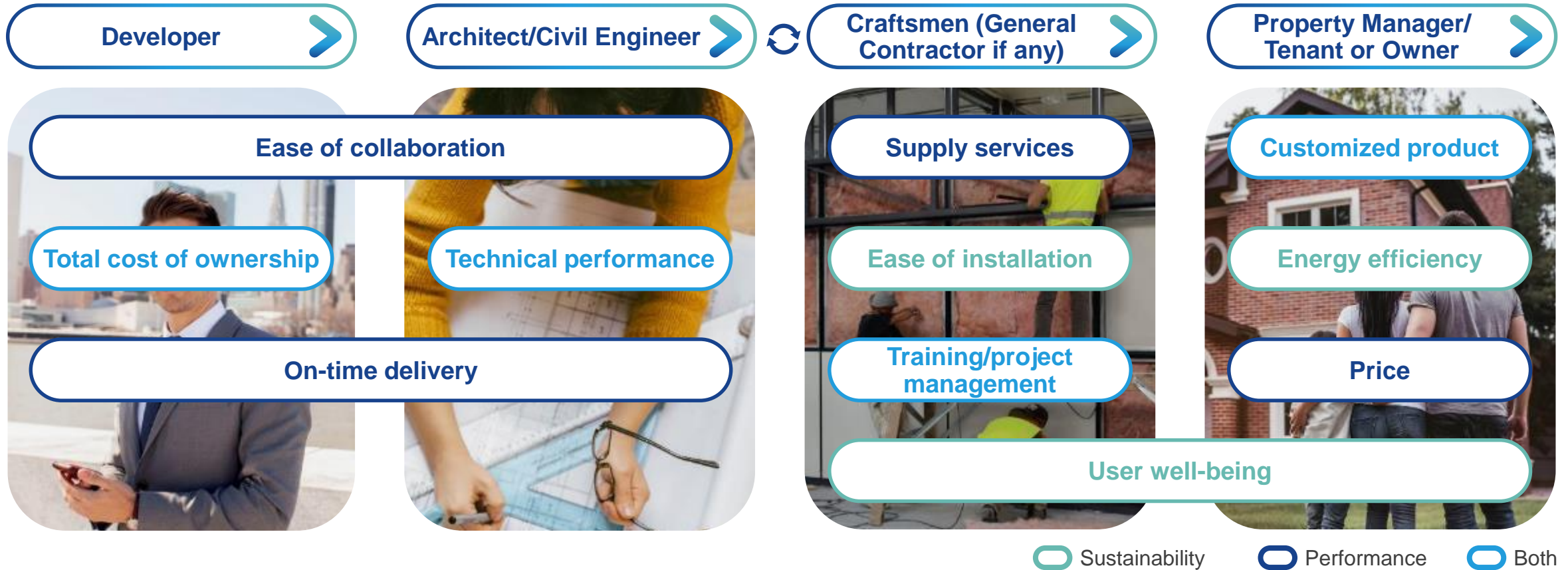
### User experience

- AESTHETICS & DESIGN
- TRUSTED SOLUTIONS

72% sustainable sales\*

\*Analysis carried out across all product families of the Group and verified by an independent third-party

# WE VALUE OUR IMPACT ON EACH STAKEHOLDER IN THE VALUE CHAIN



Offer designed to maximize dedicated benefits

# WE MEASURE THE IMPACT OF OUR SOLUTIONS TO DIFFERENTIATE ON OUR MARKETS

Single-family home renovation



School or hospital renovation



Multi-family home renovation



Renovation & light construction in Europe

Multi-family home new build



Office new build



Construction in  
emerging markets

Multi-family home new build



Single-family home new build

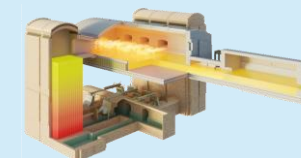


Construction in  
North America

Green mobility



Glass furnaces



Industry decarbonization

Use cases demonstrating the value brought by Saint-Gobain

# SAINT-GOBAIN SOLUTIONS WILL DRIVE CHANGE IN CONSTRUCTION



**Tipping point for construction:**  
Carbon neutrality, circularity,  
urbanization, productivity...

...Saint-Gobain will answer with  
**tailored solutions** & multi-national  
presence to **scale up**...



...supported by a  
performance-driven  
**local operating model**

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Further strengthen **value creation** for shareholders

# WE ARE DRIVING CUSTOMER-CENTRIC INNOVATION AS THE ENGINE TO GROW OUR SOLUTIONS



# WE ARE LEVERAGING THE POWER OF DATA TO IMPACT OUR SOLUTIONS

We have the largest access to customer touch points across the value chain



*Unlock value out of all our data*

# SAINT-GOBAIN BUSINESS MODEL DIRECTLY CONTRIBUTES TO ESG OUTCOMES

Maximize  
our impact



Minimize  
our footprint

**Avoided emissions: 40x our footprint<sup>1</sup>**

*for our customers,  
from our solutions  
sold in 1 year*

2050  
NET ZERO CARBON

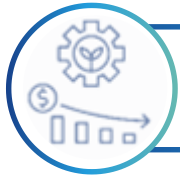
1. ~1,300 Mt on all 3 scopes, >100x on scope 1 & 2

# WE CULTIVATE OPERATIONAL EXCELLENCE AT THE CORE



**Sustainability roadmaps**

**2050**  
NET ZERO CARBON



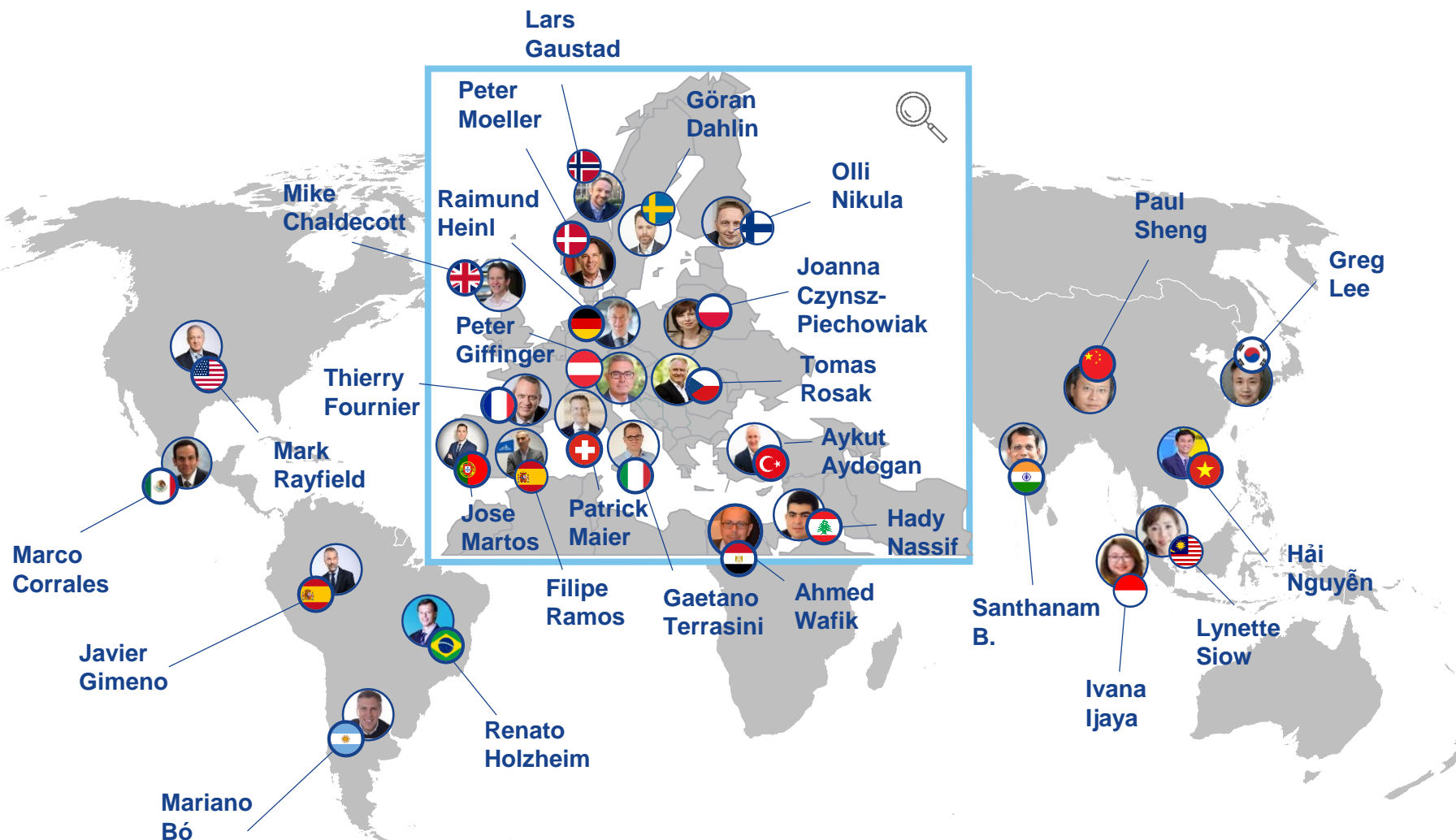
**Productivity & World Class Manufacturing program**



**Capex & footprint optimization**



# WE OPERATE A NEW MULTI-NATIONAL BUSINESS GOVERNANCE



## 90% CEOs native to their country

Full local ownership on Saint-Gobain business in their country

Shaping local construction ecosystems with advocacy

## Engaging their teams

**82%** Employee engagement index

**60k** Employee-shareholders



## Execution speed & quality

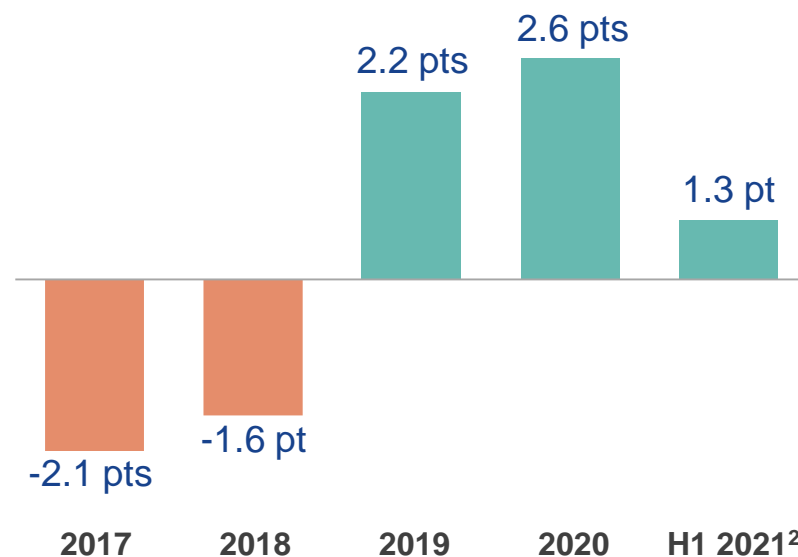
- Lean organization
- One-boss principle for fast decision-making
- Trust, Empowerment, Collaboration



## Customer centricity

- 80% of countries have joint specification team
- Focus on Customer experience (NPS)
- Market share gains

## OUTPERFORMING ORGANIC SALES GROWTH VS PEERS<sup>1</sup>



Source: Company reports

1. Kingspan; Sika; Owens Corning; Rockwool; Imerys; SIG; Travis Perkins; Samse

2. H1 2021 calculated vs H1 2019

# WE ALIGN ACCOUNTABILITY ON PERFORMANCE & RESULTS WITH NEW INCENTIVES

**Yearly bonus: 100% aligned to own country performance** *(vs 'solidarity in a matrix' in past)*  
**on EBITDA, ROCE & Cash**  
*(2x weight of financial KPIs vs past)*

**Long-term incentives for top 2,300 managers<sup>1</sup>**  
*60% Group ROCE*  
*20% Group share price vs CAC 40 only if outperformance*  
*20% Group ESG quantitative objectives*



**Strong sense of ownership**

1. Representing ~10% of all Saint-Gobain managers

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Further strengthen **value creation** for shareholders

# WE HAVE BUILT STRONG FUNDAMENTALS WITH TRANSFORM & GROW



- Speed & consistency of execution
- Focus on growth & cash
- Alignment of management accountability & compensation
- Strategic pruning of the business profile through M&A

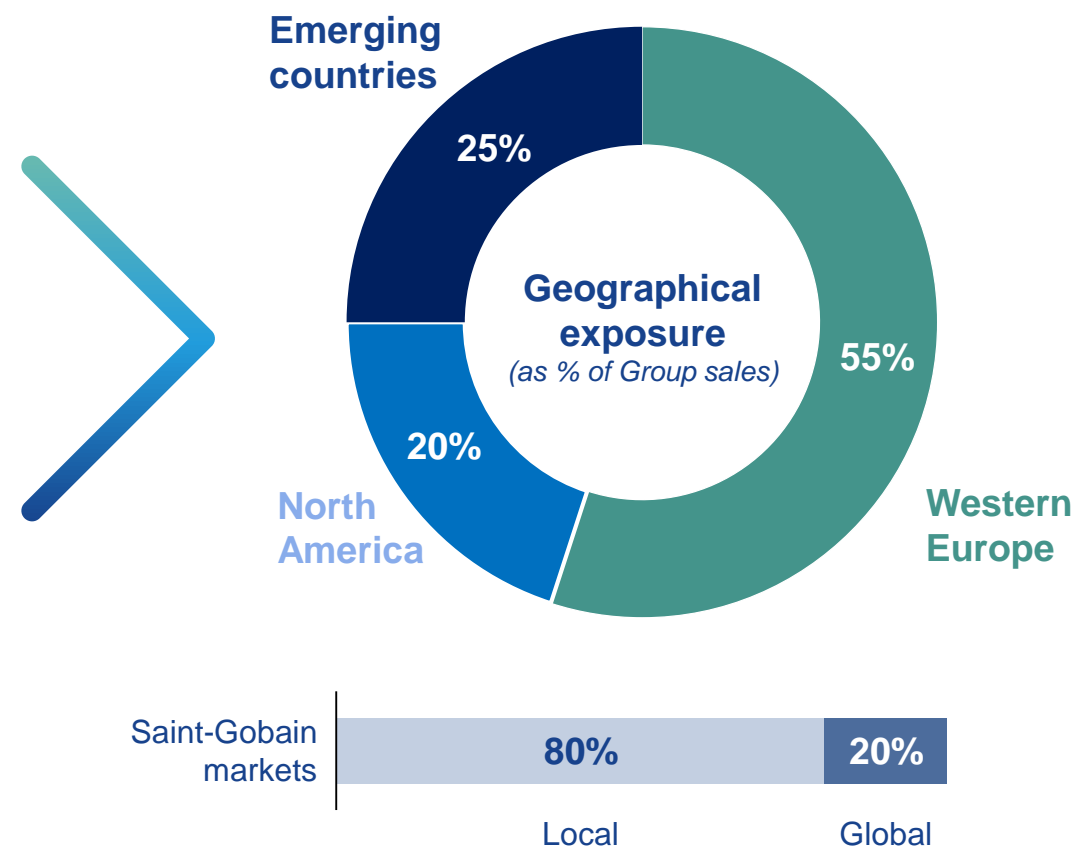


# WE HAVE CLEAR INVESTMENT PRIORITIES ON OUR GROUP MARKETS

## 2021-2025 mid-term actions

- **Leverage renovation in Europe** using our footprint & solutions leadership
- **Expand light construction in North America** through our solutions range for both residential & commercial
- **Expand light construction in emerging countries** with our presence and solutions range within & beyond our strongholds
- Leverage our **innovation & technological advantage** for sustainability (*construction, industry & mobility*)

## Long-term ambition



# WE WILL BE SELECTIVE & DYNAMIC ON CAPITAL ALLOCATION

## Regular perimeter review

- 1 Performance**  
*Growth, margin, cash*

- 2 Strategic alignment**  
*On sustainability & performance*

## Value creative acquisitions

- 1 Consolidation of leadership positions**  
*Notably North America and Asia*



- 2 Offer enrichment & value chain enhancement**  
*Light & sustainable construction, technology solutions for the industry*



## Capex for growth

- 1 Greenfields & brownfields in growing markets**  
*2/3 of growth capex allocated outside Western Europe*

- 2 Maintenance capex optimization**  
*20% reduction vs past*

Vast addressable markets with attractive opportunities

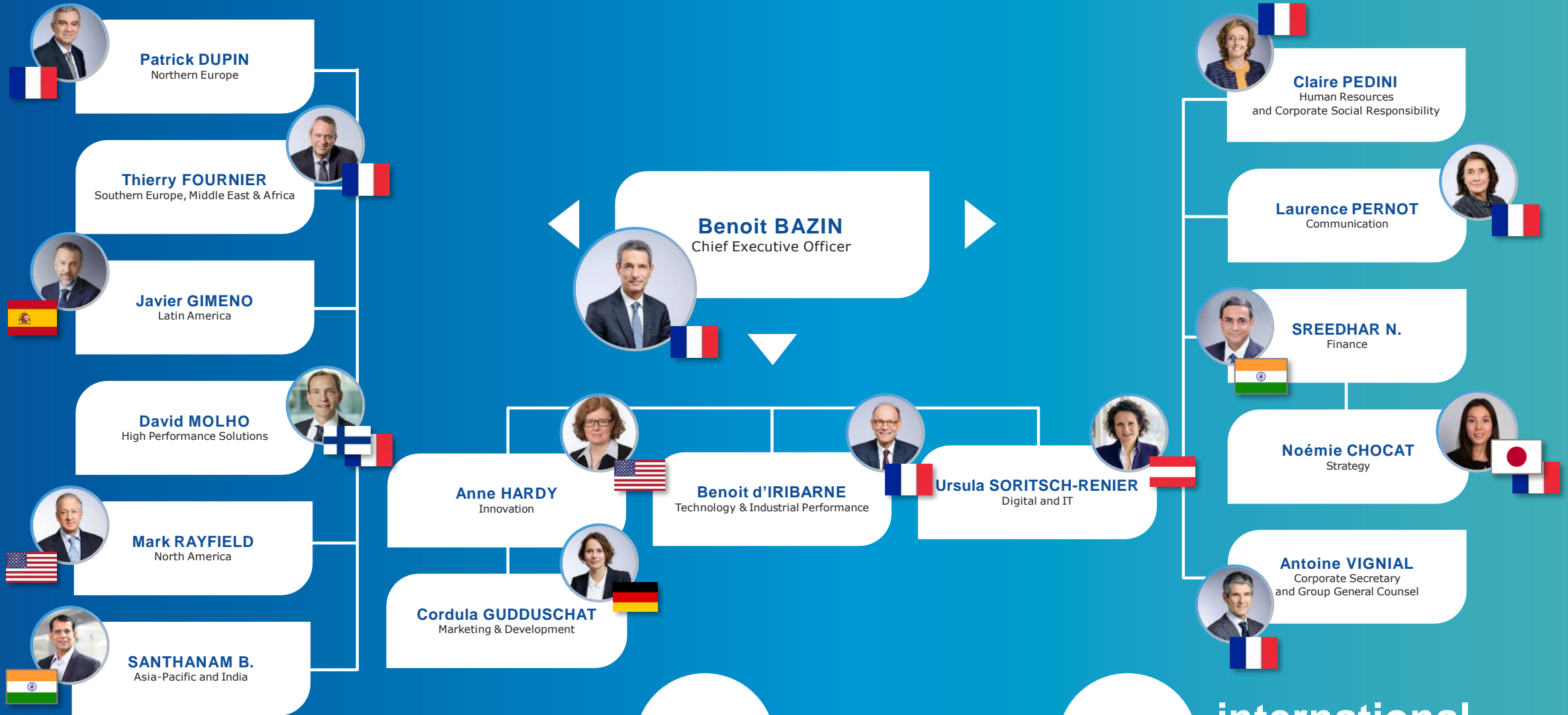
## WE TARGET ATTRACTIVE VALUE CREATION

- **ESG at the core**
- **Best-in-class financials**  
*organic growth*  
*margin*  
*cash generation*
- **Disciplined capital allocation**  
**focused on returns**
- **Attractive shareholder returns**  
*(dividends & buybacks)*

# GROW & IMPACT

# A MANAGEMENT TEAM COMMITTED TO DELIVER RESULTS

GROW & IMPACT



38% women

50% international members



# CAPITAL MARKETS DAY AGENDA

**Part 1: Grow & Impact, 2025 Strategy**  
*Benoit Bazin*

**Part 2: Solutions in Action**  
*Region/HPS CEOs*

**Part 3: ESG - Maximize our impact, Minimize our footprint**  
*Claire Pedini*

**Part 4: Operational Excellence in our DNA**  
*Benoit d'Iribarne*

**Part 5: Digital Acceleration**  
*Ursula Soritsch-Renier*

**Part 6: Solution-driven Innovation**  
*Anne Hardy*

**Part 7: Financial Performance**  
*Sreedhar N.*

**Part 8: Conclusion**  
*Benoit Bazin*



# Capital Markets Day **AMERICAS**



**Mark Rayfield**  
CEO North America Region

**Javier Gimeno**  
CEO Latin America Region

## Americas profile



**€6.3bn sales<sup>1</sup>**  
**16.2% operating margin<sup>1</sup>**



**21,500 employees**



**116 plants**



• **#1 in USA and Canada**

• **#1 in Brazil and Argentina**

1. Last 12 months at end-June 2021



Capital Markets Day

# NORTH AMERICA



**Mark Rayfield**

CEO North America Region

## North America profile



**16.0%** operating margin<sup>1</sup>  
**\$5.1bn** sales



**8,300** employees



**61** plants

## Business overview

Only North American manufacturer offering  
full breadth of building materials for Light Construction

**CertainTeed**  
SAINT-GOBAIN



TRIM



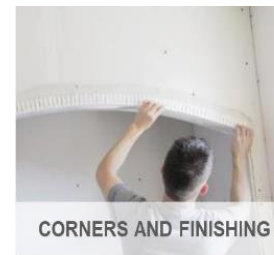
DRYWALL



RESIDENTIAL ROOFING



SIDING



CORNERS AND FINISHING



BUILDING INSULATION



ACOUSTICAL CEILINGS

**Preferred brand of contractors and homeowners**

1. Last 12 months at end-June 2021

# NORTH AMERICA: A KEY GROWTH MARKET FOR SAINT-GOBAIN

## Strong market perspectives

**3.8m<sup>1</sup>** units housing supply deficit

**Structural housing needs** led by demography & new building usages



Single-family homes

## Light construction

**~45%<sup>2</sup>** of all construction products spend in North America **is in residential light construction**

**Large adoption of light construction**



Products, systems and assemblies

## Labor saving solutions

**37%<sup>3</sup>** of contractors are concerned about growing workforce shortages

**Lighter, intuitive, easy to install**  
Saves money and labor



Ease of installation & time saving

## Need for sustainability & performance

1. Assessed for year 2020 by Freddie Mac report in 2021
2. Dodge Data & Analytics 2021 Mid Year Outlook
3. CCI survey in 2021 about labor shortage in the US

# NORTH AMERICA IS A KEY GROWTH MARKET WITH LARGE UPSIDE

## Winning by:

1

**Unleashing full potential in North America with Transform & Grow platform:**  
operational excellence, agility, scale, and leverage

2

**Expanding our #1 position in light construction in the US and Canada,**  
with dedicated customer channels and enhanced customer proximity

3

**Enriching our solutions for growth:**  
new build single-family home use case



**US light construction:**  
residential solutions



**Solutions for growth:**  
new build single-family home



**Continental Building Products:** integration



**Customer proximity:**  
expansion into retail

# UNLEASH FULL POTENTIAL IN NORTH AMERICA



## Build on successful gypsum consolidation



Value creation in year 2

Synergies delivered faster  
(>\$40m est. in 2021, >\$50m est. in 2022)

7x 2021 EBITDA est.

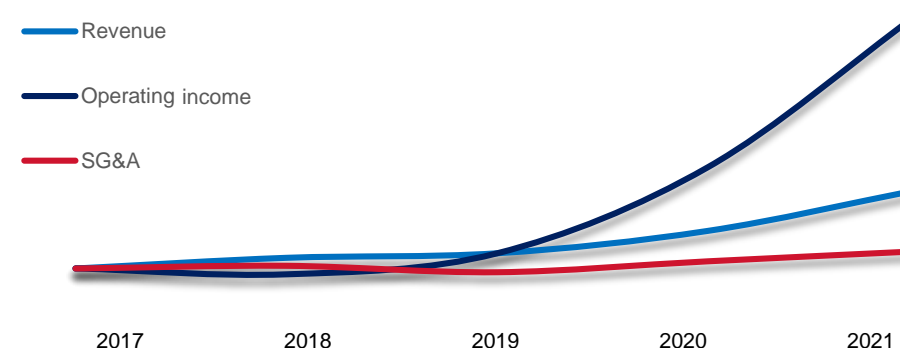


Entry into retail across broad  
Saint-Gobain portfolio

Plant network  
capabilities and  
logistics improves  
service / reduces  
costs



## Deliver strong leverage with operational excellence



- Tight control of SG&A throughout the region
- R&D – Purchasing – Operations aligned to deliver positive price-cost spread and security of supply
- World Class Manufacturing
- Digitally enabled

# EXPAND OUR POSITION BY CUSTOMER AND CHANNEL SEGMENT

## One face to the market



Over 3,000 distinct touchpoints a week – Singular 360 view of our customers

Diversity at all levels drives **innovation** and **retention**



## Comprehensive market approach



Residential team approach

Comprehensive commercial market offer



Collaborating to build **strategic** retail partnerships

## Customer intimacy

Organization matches the **needs of customers**



Digital tools  
bring broad  
**package**  
together for end  
customer



## Market leadership

Larger share of wallet per home  
with **wide range of aesthetic...**



Exterior residential  
solution with siding  
& roofing color  
complementing  
pallets

**...and more sustainable solutions**



Future solar  
aesthetic versus  
traditional roof  
mount

# CREATE BENEFITS FOR OCCUPANTS & BUILDERS



## SOLUTION USE CASE

Single-family home new build<sup>1</sup>

24

Products & services



Single-family home new build – North Canton, Ohio



### Our differentiating attributes

- Minimizing total cost of ownership - lower maintenance costs and energy bills
- Increased job site productivity and safety with products that install quickly, easily and safely



**\$100k**  
savings  
over 30 years

**Financial incentive  
with energy  
efficiency**



**95%**  
thermal comfort  
satisfaction  
Index

**Enhanced well-being**



**99.5%**  
local sourcing  
availability

**Faster building**

<sup>1</sup>. Benefits quantified versus the average US Code of 2009  
Other benefit: 172t CO<sub>2</sub> eq. avoided with energy efficiency improvements (over 50 years)



Capital Markets Day

# LATIN AMERICA



**Javier Gimeno**

CEO Latin America Region

# SAINT-GOBAIN IN LATIN AMERICA: A STRONG MARKET LEADER

## Latin America profile



**16.8%** operating margin<sup>1</sup>  
**€1.8bn** sales



**13,200** employees



**55** plants in 9 countries

## Key strengths

### Broadest portfolio with leading brands



Interior solutions



Exterior solutions



Façades



Ceilings



**Optimized footprint with dense industrial & logistics networks and strong local joint ventures & partnerships**

1. Last 12 months at end-June 2021

# AN ORGANIZATION WELL IN MOTION TO CAPTURE GROWTH



## Highly engaged organization

- Joint multi-brands sales force
- Unique solution offering
- Joint merchandizing & logistics



## Comprehensive market approach

Synergies by verticals & dedicated sales teams:

- for façades
- for ceilings and acoustics



## Brand loyalty earned by highest standards

- Price premium for all key Saint-Gobain brands
- ~25%<sup>1</sup> of Latin America consumers willing to pay a premium for sustainable offerings



Multi-brand communication - Brazil



BU Façades, Acoustic and Ceiling - Brazil



Mascots: Weberlino, Isolino, Brasilino, Placolino and Acustina

1. Nielsen consumer report



## SOLUTION USE CASE

Multi-family home new build<sup>1</sup>


13

Products & services



Multi-family home – Brazil

 1,055t  
CO<sub>2</sub> eq  
avoided with the  
construction  
method

 -50%  
noise disturbance  
(-10dB,  
divided by 2)

 -56%  
time needed for  
partition  
installation

### 1 Fast building

3 months saved with lightweight façade, -79% materials avoided through light partitions, fewer workers required

### 2 Full life-cycle decarbonization

Through construction method decarbonization and recyclable materials use

### 3 Surface Optimization

Floor area optimized for the benefit of investors, contractors & tenants

1. Benefits quantified versus NBR 15.575 building standards (performance requirements for residential buildings in Brazil)

# LARGE POTENTIAL TO EXPAND OUR MARKET PENETRATION...



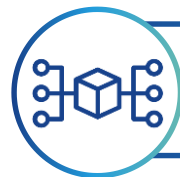
## Continue gaining market shares

**+14% organic sales CAGR** 2019 - 2021

**+2.5 pts** market share in Latin America vs 2018

### 15 new lines

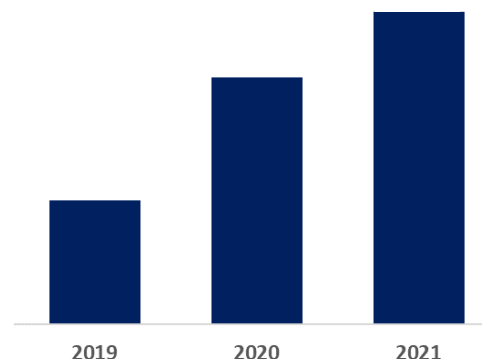
launched in the last 3  
years to capture growth



## Enrich product range & innovate

- By verticals: solutions for schools, hospitals, offices
- With specialty products
- With marketplaces to digitalize construction sector

New Products on Total Sales



**Most innovative** construction materials company in Brazil

# ...WHILE GOING AFTER UNTAPPED OPPORTUNITIES BY EXPANDING COUNTRY OFFERING



# LEADERSHIP FOR GROWTH IN THE AMERICAS

## North America

Further consolidate our leadership position in light construction

Expand our range for growing residential & commercial markets

## Latin America

Leverage our brands to answer middle-class housing expectations

Expand our solutions & geographical reach

## 2021 - 2025

4-6% Average organic sales growth

13-15% Operating margin



# Capital Markets Day **ASIA-PACIFIC**



**Santhanam B.**  
CEO Asia-Pacific  
and India Region

# STRONG MARKET POSITIONS IN ASIA LED BY OUTSTANDING NATIONAL LEADERS

## Asia-Pacific profile



€1.7bn sales<sup>1</sup>

12.4% operating margin<sup>1</sup>



10,100 employees



Excellent **brand** equity

Innovative solutions for hot/humid climate

## Leading position in fast-growing countries



#1 India #3 China<sup>2</sup> #1 Vietnam #2 Indonesia #2 Thailand

1. Last 12 months at end-June 2021  
2. In Gypsum plaster & plasterboard



## Urbanization

**60%**

world's population & largest  
middle class<sup>1</sup>

**51%**

urbanization rate<sup>2</sup>



## Digitalization

**2.7 billion**

mobile internet users in 2025<sup>2</sup>

**\$2 trillion**

e-commerce market in 2025<sup>3</sup>



## Light construction

Speed & quality  
of construction

Skills & resources  
shortage



1. World population review - 2021
2. Statista
3. Euromonitor

## Winning with comprehensive solutions



**Integrated performance  
solutions for office new  
build**



**Home solutions for  
multi-family &  
single-family homes**



**Digitalization  
of solution offering**



## SOLUTION USE CASE

Office new build<sup>1</sup>

### 16 Products & services



Leading financial services company – Hyderabad, India



13.7kt  
CO<sub>2</sub> eq  
avoided with  
EE improvements  
(over 50 years)



+26%  
average  
luminosity



3,760t  
of raw materials  
saved with light  
materials  
-6%  
costs

1

### Fast building

76% time reduction for  
installation and 1900+h  
of training

2

### Energy bill savings

9% (-€52k) energy savings per  
year compared with standard  
glass (heat gain reduction)

3

### Operational excellence

thanks to unique  
complementary services such  
as worker training and on-site  
monitoring to secure deliveries

1. Benefits quantified versus local building standards

## Winning with new business models



### Opportunity

- Leading position on the **fast growing residential market**
- **Rising consumption pattern** – larger homes, superior interiors



### How we are winning

- **Solutions for homeowners & developers**
  - **Partnerships** with digital aggregators & franchisees
  - **End-to-end digitally** integrated design to installation **services**



Windows



Ceilings



Showers



Plaster



Façades



Construction  
chemicals



Circle Sukhumvit 31 - Thailand

## Winning with digitalization



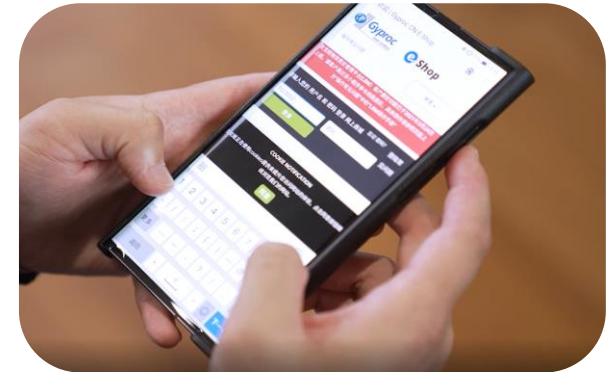
### Opportunity

- Digitalization of customer journey
- Fast acceleration of points of sales in Tier 1, 2, 3 cities



### How we are winning

- **Scale up successes** across Asia
  - **E-commerce capability** of China & India
  - **Unified CRM & Data analytics garage** of India
- **Leverage**
  - China / India digital **start-up ecosystem**
  - **In-house digital powerhouse** (1,400 employees in IT team in India)



Digital sales platform



INDEC – Indian digital center

**+17%**

India sales CAGR  
2001-2021



World Glass Complex - India



TRUSTED  
BRAND



SAINT-GOBAIN

**68%** spontaneous awareness



HIGH MARKET  
SHARES

**>50%** in glass & gypsum



MANUFACTURING  
FOOTPRINT

**+27** new plants in 2001-2021



DIGITAL  
CAPABILITIES

**1,400** digital experts

# ...TO SEIZE GROWTH OPPORTUNITIES ACROSS ASIA



# LARGE OPPORTUNITIES FOR FAST GROWTH IN ASIA-PACIFIC

## Key takeaways

### Expand our unique position

- Saint-Gobain brand equity & talent
- Unmatched range for warm & humid climate
- B2B2C approach
- Digital native and technology mindset

### Roll out on fast-growing markets

- India
- China
- South East Asia<sup>1</sup>

1. Vietnam, Thailand, Indonesia, Malaysia, Singapore

## 2021 - 2025

**8-10%** Average organic sales growth

**13-15%** Operating margin



# Capital Markets Day **EUROPE**



**Thierry Fournier**

CEO Southern Europe, Middle East  
and Africa Region

**Patrick Dupin**

CEO Northern Europe Region

# A LARGE, SOLID, LOCALLY DRIVEN BUSINESS IN EUROPE

## Europe profile



**€28bn sales<sup>1</sup>**  
**8.4% operating margin<sup>1</sup>**



**93,200 employees**



**2m customers**  
**100% covered by datalake**



## Key strengths

- #1 in light construction and renovation
- Strong local footprint  
Manufacturing in all main countries  
3,500 distribution outlets
- Brand & technology leadership
- Leading builder's merchants (#1 in 5 countries) with omnichannel approach

1. Last 12 months at end-June 2021 for Northern Europe, Southern Europe, Middle East and Africa

# AN ORGANIZATION SET FOR GROWTH & OUTPERFORMANCE



## An optimized portfolio...

Active reshaping in the past two years

~30 divestments

~€4.5bn sales



Regular review of businesses going forward



## ...and a light structure

Lean countries

~€150m

structural savings

in SG&A, plant and logistics fixed costs

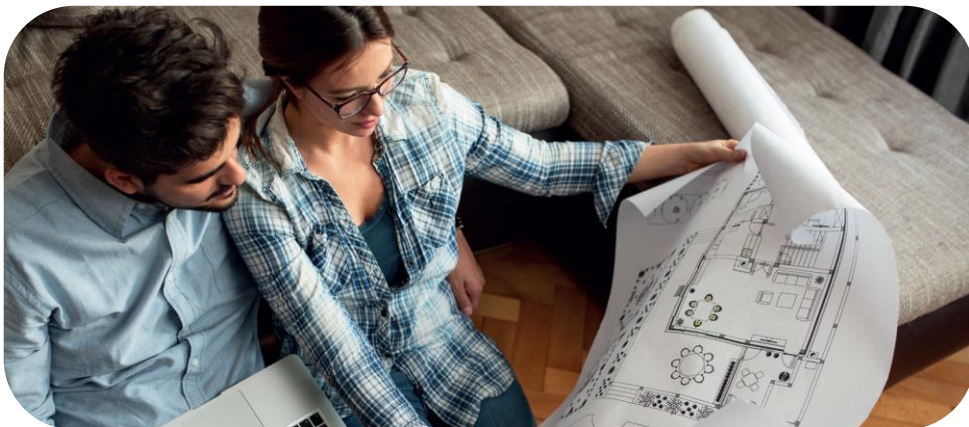


Country ownership to drive joint sales forces

# RENOVATION IS SHAPING OUR REGIONAL ENVIRONMENT

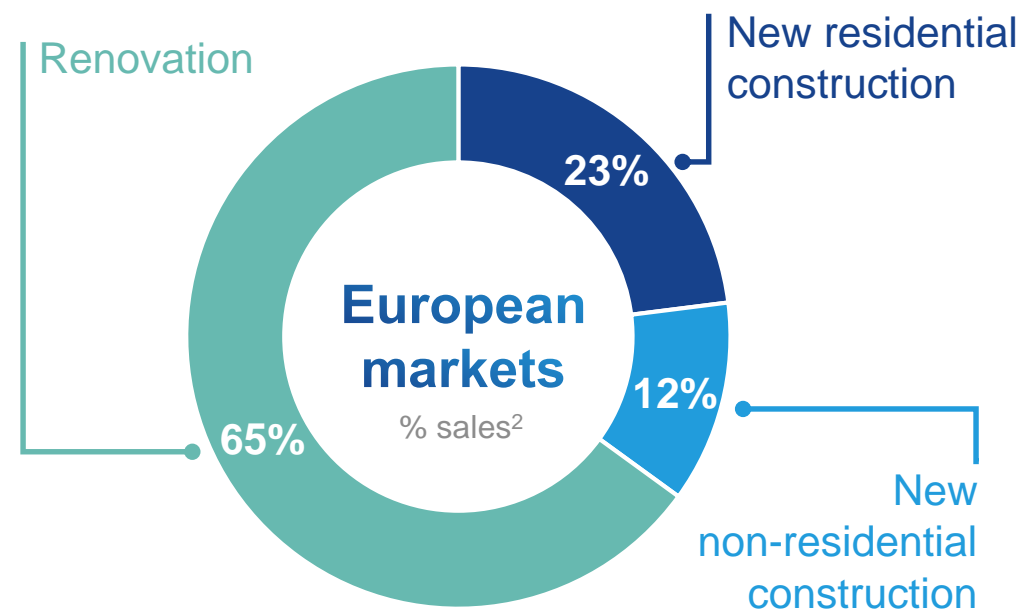
## Strong market trend...

- Stimulus packages and new regulations
- “More at home” new ways of living and working
- Unprecedented savings on European personal accounts



Renovation growth rate x2 by 2030<sup>1</sup>

## ...aligned with our positioning



2/3 of our sales are on renovation

1. European Commission – A Renovation Wave in Europe, 2020

2. Estimated end-markets

# EUROPEAN MARKETS ARE PIONEER COUNTRIES FOR SCALE UP

## Circularity

- Resource preservation & securing
- Regulations & market push
- Distribution as waste collector



“~50% of European countries have increased the landfill tax since 2018 or plan to increase it in the coming years”



Leca

Calcinated clay used to produce sustainable lightweight cement & premix mortars



## Bio-sourced

- Strong end-consumer perception
- Carbon neutrality for production
- New construction modes



“Wood fiber insulation is still a niche market yet expected to grow at an accelerated pace in Europe in 2020-30”



wood fiber insulation range, doubling capacity by 2023

## Off-site manufacturing

- Manpower productivity and lower risk
- Positive environmental impact
- Catalyst for mass renovation



“The overall off-site market in the UK should **increase by ~10% per year** over the decade”



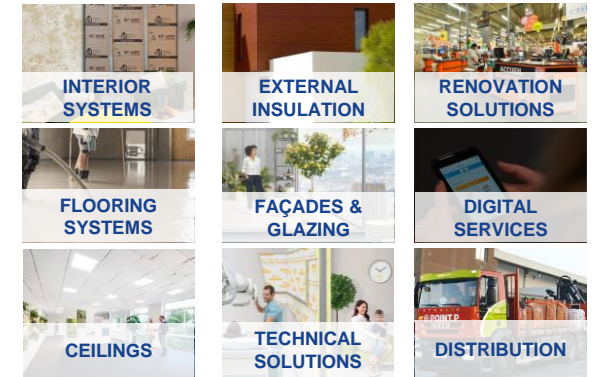
Off-site panelized systems for low rise housing partitions in the UK

1

## INNOVATIVE AND COMPLETE RANGE OF OFFER

Being the one-stop provider for the widest range of professional customers and needs

Multiple set of comprehensive solutions



2

## COMMON GO-TO-MARKET

Mutualizing sales and specification teams

Deployment of “wood solution box” in France



3

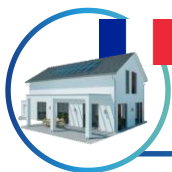
## CUSTOMER PROXIMITY

Serving our customers perfectly, using data and capturing new trends

Omnichannel approach in builders merchants



# OUR SOLUTIONS ARE PERFECTLY SUITED TO RENOVATION



## Solution use case

Single-family home renovation<sup>1</sup>

33

## Products & services

All sold & delivered by 

Exterior insulation  
Webertherm & Isonat



Attic insulation  
Integra Vario



Double glazing  
Planitherm 4S



Wall cover  
Novelio Adfors



Interior partitions  
72/48 partitions



Tiling and floor seals  
Webercol Flexeco



Waste collecting service



274t

CO<sub>2</sub> eq

avoided with energy  
efficiency  
improvements  
(over 50 years)

## Decarbonization

Through building **energy efficiency** and **sustainable** products and services



-70%

energy bill  
reduction

## Energy efficiency

Reduced inhabitant **bill** and increased **property value** through **global** renovation



100%

solutions in  
Saint-Gobain  
network

## Productivity & well-being

Improved **acoustic** and **air quality** comfort

1. Benefits quantified versus energy efficiency performance of average building stock



## SOLUTION USE CASE

Multi-family home new build<sup>1</sup>

### 21 Products & services

Ventilation duct  
**Climaver ISOVER**  
SAINT-GOBAIN

Window triple glazing  
**Climatop Eclaz**  
SAINT-GOBAIN

Ceiling

**Rigips**  
SAINT-GOBAIN  
**Ecoophon**  
SAINT-GOBAIN  
A SOUND EFFECT ON PEOPLE

Floating screed

**weber**  
SAINT-GOBAIN



Waterproofing  
**weber**  
SAINT-GOBAIN


External insulation  
**ISOVER**  
SAINT-GOBAIN  
**ADORS**  
SAINT-GOBAIN  
**weber**  
SAINT-GOBAIN



Fiberboards  
Gypsum  
**Rigips**  
SAINT-GOBAIN

Air-tight solutions  
**Vario system**  
**ISOVER**  
SAINT-GOBAIN

  
**3 months**  
time saved

  
**60%**  
recyclable  
materials

  
**+30**  
**min/day**  
daylight  
autonomy  
increase

## Efficient new construction mode

Save **building time** thanks to off-site wood construction

## Resource preservation and reversibility

Up to **90%** of the whole building can be deconstructed and **re-used**

## Performance attributes

High **visual**, **thermal** and **acoustic** performance products

1. Benefits quantified versus German Energy Saving Ordinance (EnEV) building standard

1

## Winning with an innovative & complete offer range

### Mix enrichment

Foundation of our business model



**Grigory Ushakov**  
Sales Director Russia

“ We grow our waterproofing and flooring systems thanks to our construction chemical Adhesive acquisition



### Combined offer and systems

Value proposition enrichment



**Raimund Heint**  
CEO Germany

“ Our off-site lightweight offer is allowing us to tackle the mass renovation market



### Technical solutions

A large growth potential



**Max Falck**  
Sales Director Sweden  
Architectural specialties

“ Ventilation has strong synergy potential with our solutions, and is a key axis for co-development



Ecophon  
ventilation matrix system

### New business models

Off-site, services, digital, circularity: focus to scale up



**Peter Moeller**  
CEO Nordics

“ Our IoT metering system allows municipalities to monitor their equipment in real time



# ...WITH AN INCREASED FOCUS ON SUSTAINABILITY AND PERFORMANCE

1

Winning with an innovative  
& complete offer range

## Sustainability at same performance

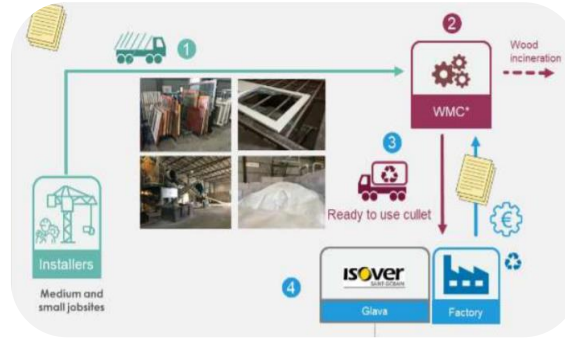


Smart bubble technology launch allowing for 25% lighter plasterboard



Light structure offer allowing for lightweight, energy efficiency and easier installation / dismantling

## Resource preservation



Pre and post consumer glass waste recycling service in Norway



New stonewool process allowing full recyclability, CO<sub>2</sub> emissions reduction

## Efficiency on job-site



Off-site offer allowing for time saving on job sites



Easy Term double layered board with insulation, allowing for quicker installation in renovation

2

## Winning with common go-to-market

### A reshaped organization

- **Common** sales force across products & brands
- **Specification** teams by market segment
- **Technical support** teams by systems
- **Key account** management

### Big projects specification



Montparnasse tower retrofit, Paris

### Specific offer by market segment



Saint-Gobain Solutions catalogue and offer for schools in the Netherlands

### Integrated systems sales



Interior solutions: prefabricated wall

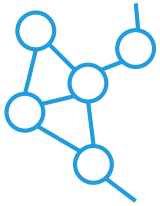
### Common sales team



Design catalogue in Italy

3

## Winning with customer proximity



A remarkable network of **3,500 outlets**

Combined with omnichannel experience:  
physical, digital, D+1 delivery

## End-to-end services at every step of the construction process



## Key priorities

to leverage our position

- Capture largest share of **renovation wallet**
- Use **data** to enrich **customer** experience and grow customer base
- **Save time** & expand training for craftsmen

~70%

of renovation craftsmen in France/Nordics/UK: 2m professional customers (generalist or specialist, large or small)

#1

in Europe B2B in France and in the Nordics<sup>1</sup>

1. Internal estimate of our position in relevant market segments

# LEADER FOR RENOVATION & SUSTAINABLE CONSTRUCTION IN EUROPE

## Key takeaways

- Leverage our unique footprint along the value chain to take the largest share of renovation market
- Outperform with ever-growing set of solutions
- Enrich our offer to develop new ways of construction

## 2021 - 2025

- **3-4%** Average organic sales growth
- **7-9%** Operating margin



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# HIGH PERFORMANCE SOLUTIONS



**David Molho**

CEO High  
Performance Solutions

# HIGH PERFORMANCE SOLUTIONS: ACCELERATED INNOVATION TO ADDRESS SUSTAINABILITY CHALLENGES

## HPS profile



€7.1bn sales<sup>1</sup>

12.3% operating margin<sup>1</sup>



49,100 employees



240 plants

**#1** or **#2** in all our main markets worldwide

## Growing end-markets

### Construction



~ **20%**  
of HPS sales<sup>2</sup>

### Mobility



~ **35%**  
of HPS sales

### Industry



~ **45%**  
of HPS sales

## Sustainability & performance

Unique **materials** expertise + Power of **innovation** + **Global** footprint  
= **Best positioned to capture growth**

1. Last 12 months at end-June 2021

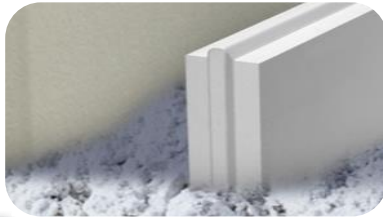
2. Including Chryso, on a pro-forma FY basis

## Key trends

### Decarbonization

### New materials

### Performance



- **Leadership position** in construction chemicals (concrete admixture & cement additives)
- Innovative solutions for **Sustainability & Performance**
- **On-going integration** with large growth synergies identified across countries

- **#1** in glass fiber textile solutions
- **Cross-selling** across ETICS<sup>1</sup>, interior and façade solutions
- **Technology & service leader** position

Uniquely positioned to capture growth in sustainable construction through specialty materials

1. External Thermal Insulation Composite System

## Key trends

### Electrification

### Connected vehicle

### Autonomous driving



- **#1** in electric vehicle glazing (~20% of sales on electric vehicle by end 2021)
- **Leader** in enhanced glazing and high value-added products
- Technological platform **available for construction**



- **Global portfolio of solutions** in battery systems and electric motors
- **Co-development with global customers** to enhance safety, connectivity and well-being
- Leadership positions with **public mobility** (rail & bus) as well as **after-market**

Uniquely positioned to drive  
the transition with our global customers

## Key trends

Performance

• Clean energy

• Recycling

• Health & well-being



- Innovation with **industry leaders**
- **Advanced positions on fast-growing markets** (biopharma, 5G, H<sub>2</sub>, electric batteries)
- Pioneer in **circular economy**

- **#1** in high performance glass refractories worldwide
- **Leadership** in specialty materials (ceramics, abrasives, polymers & composites)
- **Worldwide technology** platforms

Uniquely positioned to capture accelerated industry sustainability agenda

# 3 PILLARS TO OUTPERFORM IN OUR CORE MARKETS

## Global balanced footprint



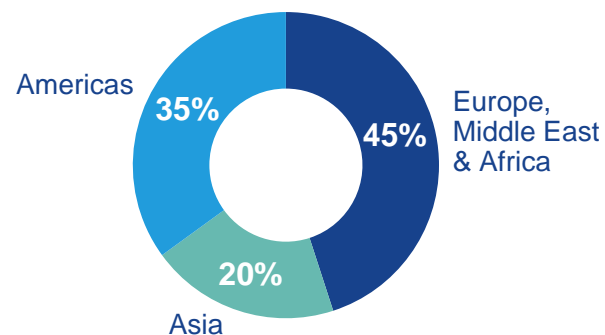
Global R&D



Manufacturing close to customers



Resilience and flexibility



## Specialty materials innovation platform



Fueling innovation for the Group



Co-development



Multi-material and technology platform



## From products to solutions



Repair and monitoring services



Connected products - IoT



Data-based services



# A GROWTH AGENDA FOR HPS POWERED BY INNOVATION TOWARDS SUSTAINABILITY

## Key takeaways

- Leadership position on fast growing markets: sustainable construction, mobility & industry
- Innovation platform for the Group in specialty materials and advanced solutions
- Committed to delivering attractive value creation with Chryso acquisition

## 2021 - 2025

- **4-5%** Average organic sales growth
- **13-14%** Operating margin



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**ESG**

**MAXIMIZE OUR IMPACT,  
MINIMIZE OUR FOOTPRINT**



**Claire Pedini**

Human Resources and Corporate Social Responsibility

# MAXIMIZE OUR IMPACT & MINIMIZE OUR FOOTPRINT

**Build a decarbonated home**



**Climate change**

**Drive circularity into our markets**



**Circular economy**

**Pioneer the highest standards**



**Health & safety across the value chain**

**Empower our local ecosystems**



**Inclusive growth**

**Foster an open & engaging work environment**



**Employee engagement & diversity**

**Act without any compromise**



**Business ethics**

# SAINT-GOBAIN IS RECOGNIZED AS A KEY ESG ENABLER

## ESG SCORING AGENCIES



**Ranked Low ESG Risk**  
Top 6% of industry



**Ranked A**



**Ranked Climate Change A-**  
Top 3% of companies ranked



**Ranked Prime (C+)**  
Top 10% of industry

## INDICES & THIRD-PARTY RECOGNITION



FTSE4Good



CAC 40 ESG®



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION





## Maximize our impact

Up to 70%  
energy savings  
with External  
Thermal  
Insulation  
Systems (ETICS)



10% additional  
insulation with  
Eclaz® vs  
standard double  
glazing

**~1,300 Mt avoided emissions for customers<sup>1</sup>**  
**= ~ 40x the Group carbon footprint (all 3 scopes)**

95% heat loss  
reduction with  
technical  
insulation



x3 Road life  
using *GlasGrid*  
reinforcement

1. Solutions produced & sold in 1 year, with impact over entire product lifespan; independently verified



## Minimize our footprint

**-15% energy consumption in glass factory in Italy<sup>1</sup>**



**Power Purchase Agreement**

**Scopes 1&2 to be reduced by 33% in 2030 vs 2017**

**Evoluvert eco-transport strategy to reduce logistics emissions**



**Water withdrawal decrease: -18% since 2017**

1. Organic Rankine Cycle turbine 2. Scope 1 & 2

# CIRCULAR ECONOMY: DRIVE CIRCULARITY INTO OUR MARKETS



## Maximize our impact

50% of raw mat.  
avoided with  
light façades



Waste-to-value:  
contribution to  
industry-wide  
recycling  
initiatives

Objective: 75% sustainable sales by 2025

Life cycle  
management:  
gypsum  
recycling



>99% recovered  
refractory waste



## Minimize our footprint

10.1Mt virgin  
non-renewable  
raw materials  
avoided in  
production  
process



92% production  
waste recovered

**Objective:** reduce non-recovered waste by 80% in 2030<sup>1</sup>

1,500 EPD<sup>2</sup> : 1<sup>st</sup>  
issuer worldwide  
in construction



Linha Cimentcola **quartzolit**.  
Soluções para assentamento de cerâmicas.



Substitution of all  
plastic bags with  
paper packaging for  
mortars in Brazil<sup>3</sup>

# HEALTH & SAFETY: PIONEER THE HIGHEST STANDARDS



Maximize our impact

Acoustic  
comfort,  
disturbance  
divided by 2:  
Ecophon  
ceilings

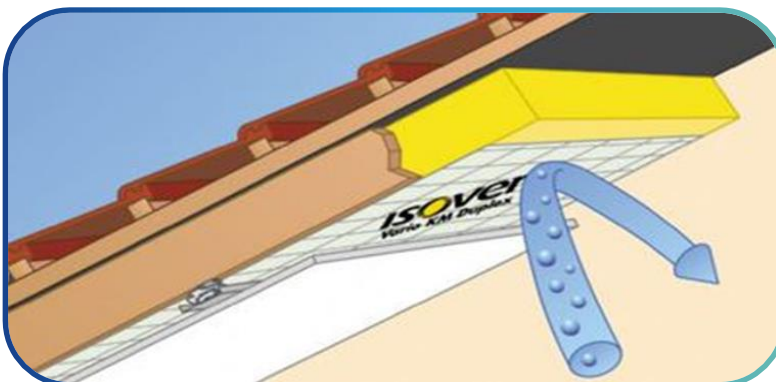


Indoor air  
quality<sup>1</sup>:  
Activ'Air  
plasterboard



Objective: 75% sustainable sales by 2025

Controlled  
hydrothermal  
comfort: Vario  
membrane



Ergonomic  
materials  
for installers:  
webercol



1. -70% formaldehyde gas



## Minimize our footprint

100% roll-out of  
Health indicator  
(noise)



No lost time  
accident in 82%  
of our sites<sup>1</sup>



Program to be rolled out worldwide from 2021 to 2023

Mental Well-Being  
program



Ergonomic risk:  
manual handling  
risk to be eliminated



# ACTIONS IN PLACE IN ALL OUR ESG PILLARS

## Inclusive growth

Double the rate of craftsmen trainings to RGE<sup>1</sup> certification



## Business ethics



Ethics and Compliance Day

## Employee engagement and diversity

84% of our employees recommend Saint-Gobain



25% women managers, 38% on Executive Committee

1. Environmental Protection Certification in France

# LEADERSHIP & ACCOUNTABILITY ACROSS SAINT-GOBAIN ON ESG



## Embed ESG into management processes



ESG = 10% in STI<sup>1</sup> for all executives,  
20% for all 2,300 beneficiaries of LTI<sup>2</sup>



ESG part of all capex validation



Board + ExCo ESG Committees

2050  
NET ZERO CARBON



## Orchestrate the Local ESG roadmaps acceleration



>22K employees in 41 ESG-linked communities



75€/t CO<sub>2</sub> price in capex, 150€/t in R&D decisions



€100m annual capex & R&D budget on CO<sub>2</sub>



## Shape the Industry's ESG agenda



Collaborate with governmental organizations  
and NGOs



Partner with the ecosystem

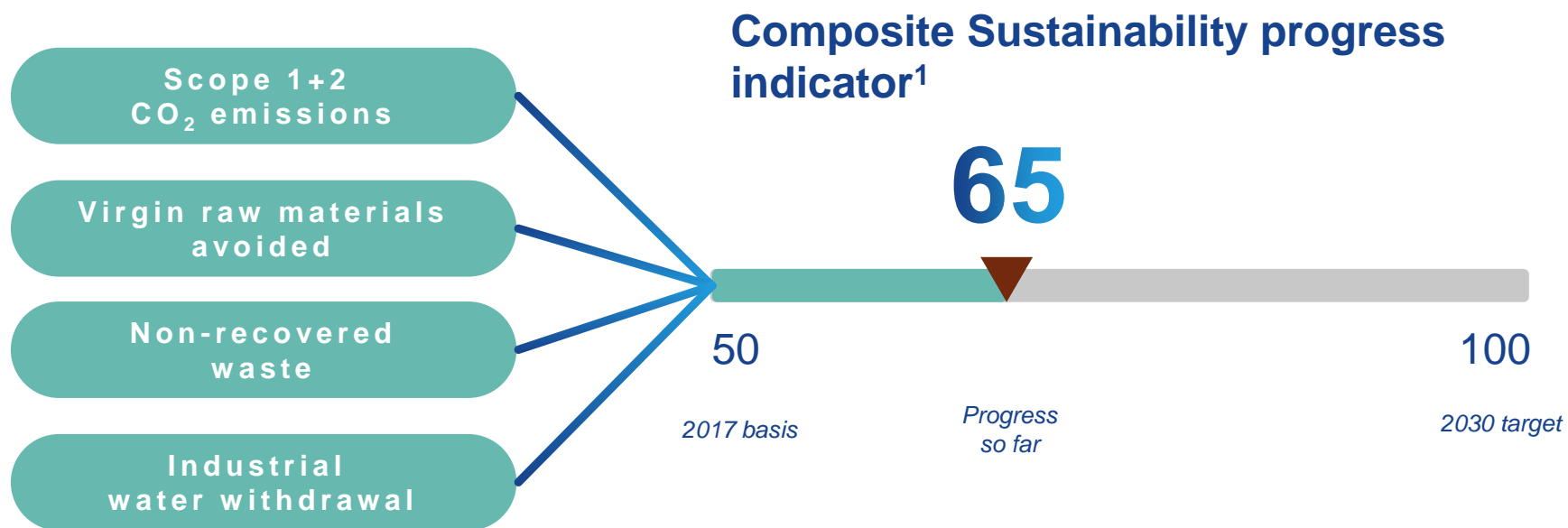


Nurture & exchange with start-ups



# OUR COMMITMENT: MEASURE HOW WE MAKE THE WORLD A BETTER HOME

*Aggregating progress on 4 sustainability KPIs with one unique indicator*



**We will share regular updates on our progress**

1. Equal weight of all 4 indicators

*Exhaustive list of KPIs reported in our annual Report*

- > Climate change
- > Circular economy
- > Health & safety across the value chain
- > Inclusive growth
- > Employee engagement & diversity
- > Business ethics

# SAINT-GOBAIN BUSINESS MODEL DIRECTLY CONTRIBUTES TO ESG OUTCOMES

Maximize  
our impact



Minimize  
our footprint

**Avoided emissions: 40x our footprint<sup>1</sup>**

*from our solutions  
sold in 1 year*

2050  
NET ZERO CARBON

1. ~ 1,300 Mt all 3 scopes, >100x on scope 1 & 2



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# OPERATIONAL EXCELLENCE IN OUR DNA



**Benoît d'Iribarne**

Technology and Industrial Performance



# OPERATIONAL EXCELLENCE IS AT THE HEART OF SAINT-GOBAIN'S SUCCESS



Delivering manufacturing and supply chain savings



Prioritizing growth capex while optimizing maintenance capex



Pioneering the next generation of net-zero carbon plants

# WE ARE DELIVERING €300M+ MANUFACTURING AND SUPPLY CHAIN ANNUAL SAVINGS...



## Key levers of our Performance Roadmap

>	Productivity	35%
>	Weight & formulation	25%
>	Equipment effectiveness	20%
>	Energy savings	10%
>	Supply chain	10%

**Our World Class Manufacturing program  
boosts performance and fosters growth**

# INDUSTRY 4.0 IS THE KEY DRIVER TO GAIN AT LEAST 3% YEARLY PRODUCTIVITY

>60% of our main sites are using our manufacturing digital hub

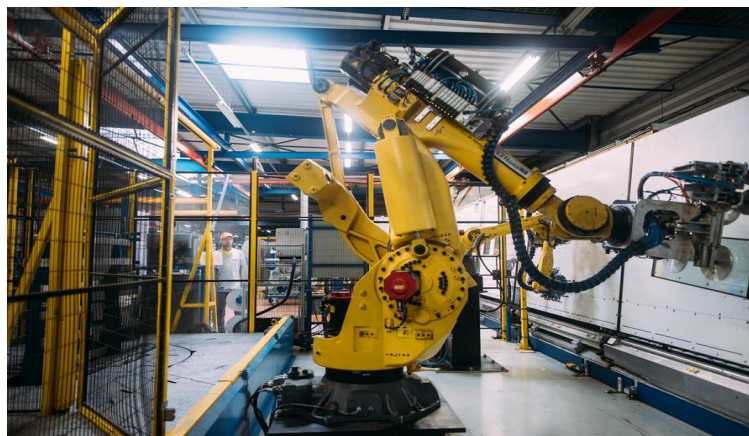
## Connected operators



275 sites

22,000 operators

## Automation



4000+ robots

## Manufacturing digital hub



“

*With our digital suite, our shop floor team feels really empowered.*

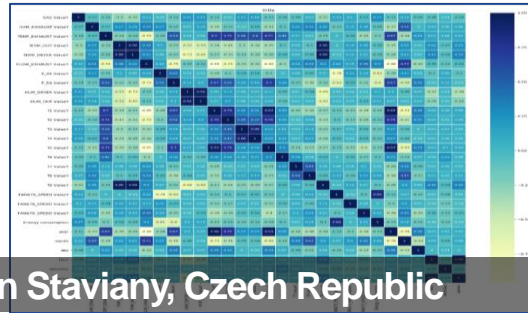
*Glass Operation Engineer, Jhagadia, India*

# DATA ANALYTICS IS AT THE CORE OF OUR INDUSTRY 4.0 PROGRAM



## In production

### Gypsum block process optimization



Gypsum block production in Stavy, Czech Republic



### What we do

Smart correlation of process, quality & energy consumption data

Data analysis from 100+ sensors



### How it impacts

**-6% gas**

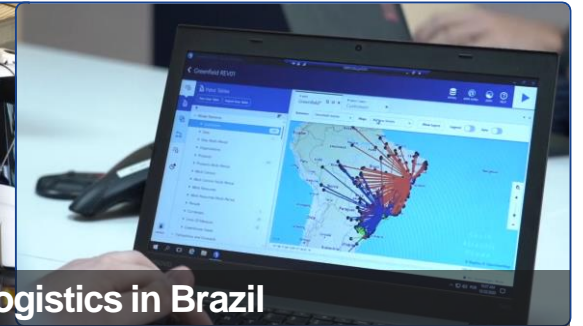
**-20% electricity**



## In supply chain



### Transport control tower



Transport & logistics in Brazil



### What we do

Real-time planning modification

Predictive analytics drive greater efficiency



### How it impacts

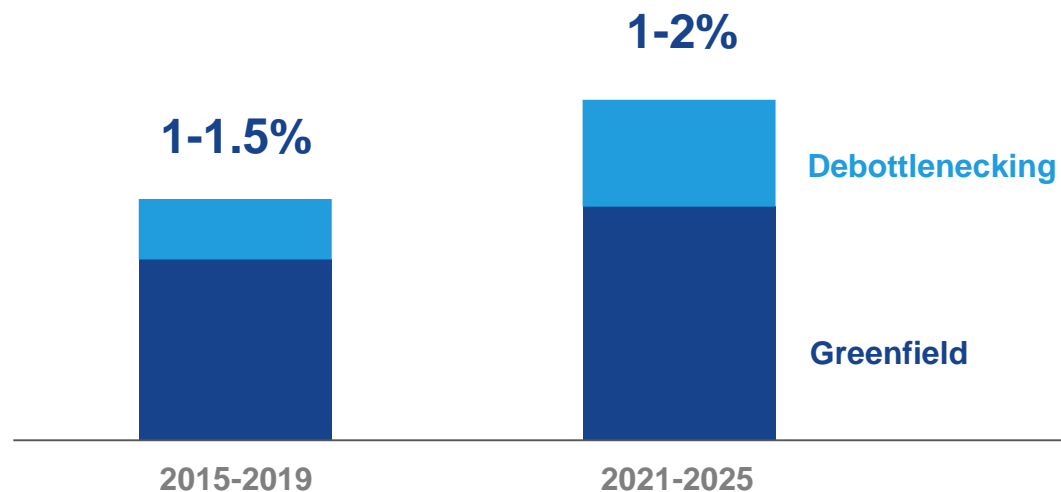
**-60% CO<sub>2</sub>**

**-11% cost**

# WE ARE OPTIMIZING CAPEX TOWARDS GROWTH

Capital expenditure as a % of sales

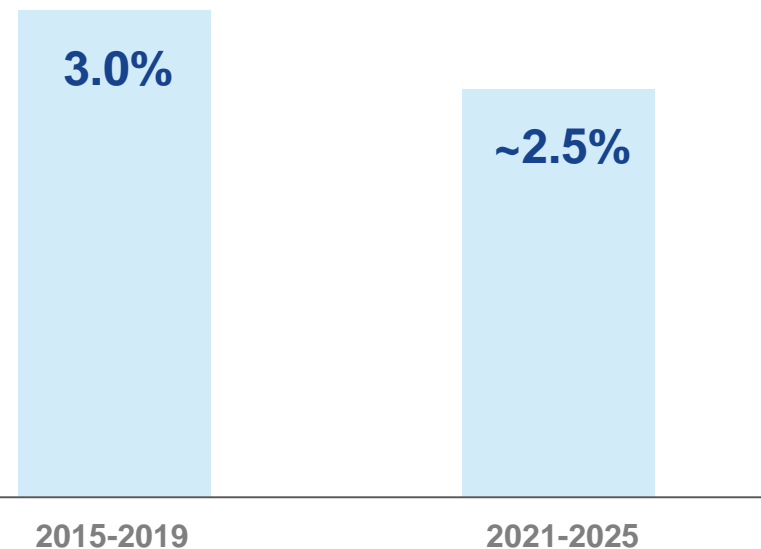
## Growth capex



### Strongly leverage our growth capex

- Debottlenecking: additional growth leverage
- Optimize greenfield design

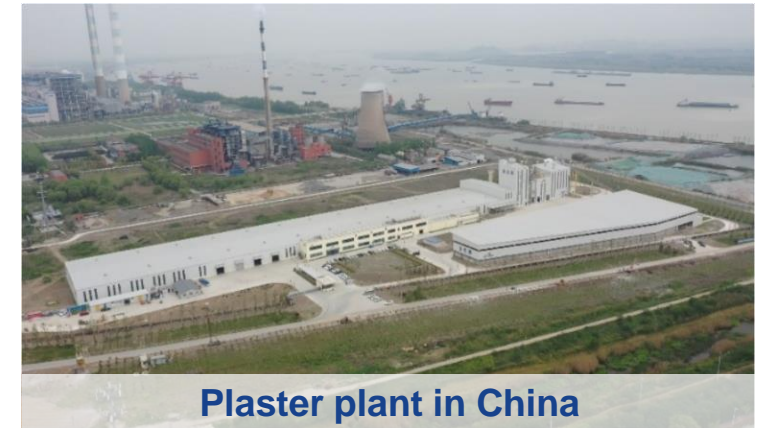
## Maintenance capex



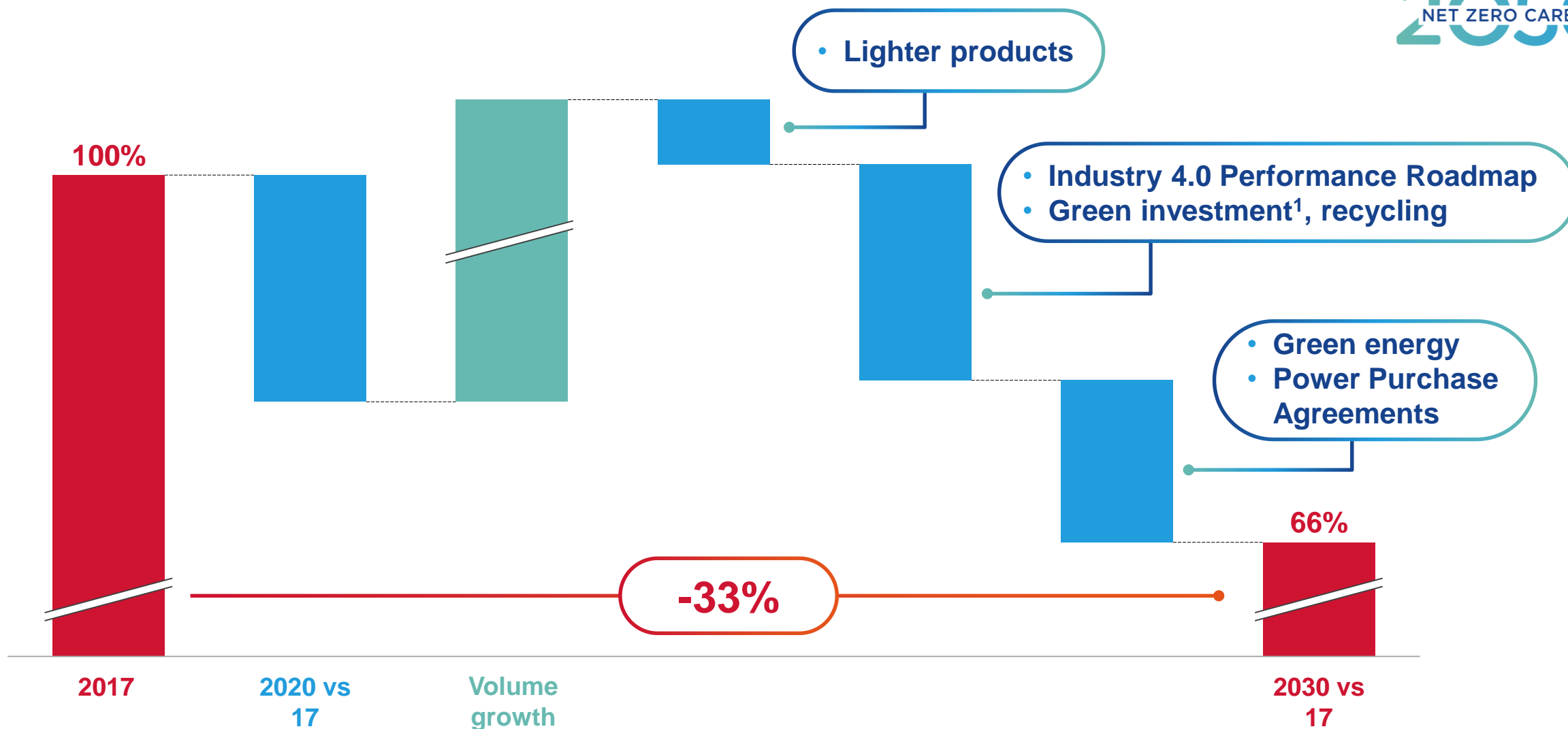
### Save 20% on maintenance capex

- Footprint optimization
- Equipment lifetime extension
- 4.0 predictive maintenance

# WE START UP A NEW GREENFIELD PLANT EVERY 3 WEEKS



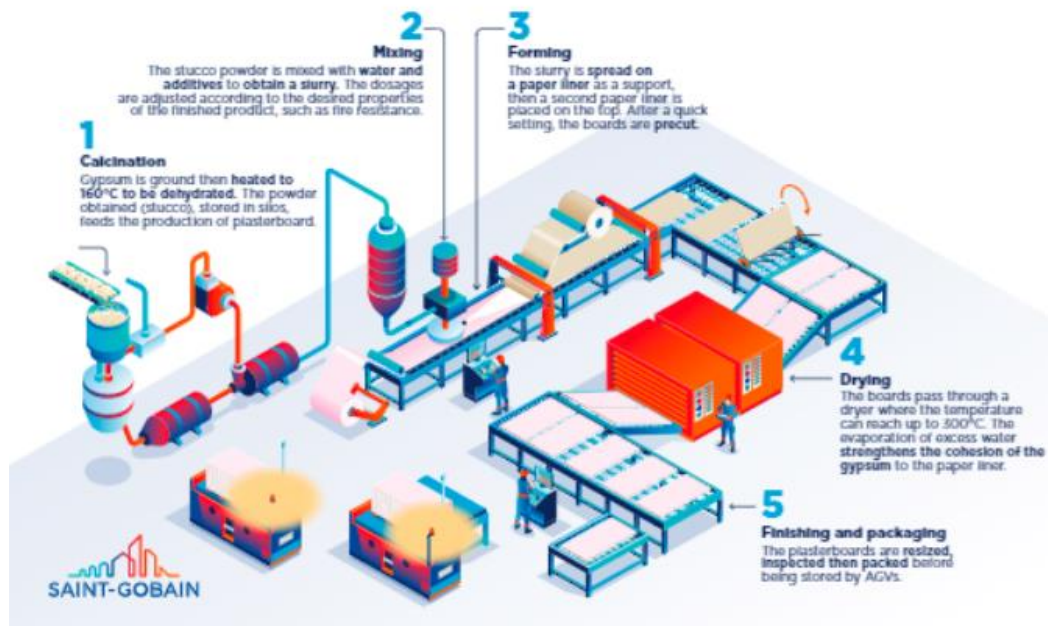
# WE HAVE ALL LEVERS NEEDED TO ACHIEVE -33% SCOPE 1+2 EMISSIONS BY 2030



1. Enhanced by our 75€/t internal CO2 price for CapEx, 150€/t for R&D



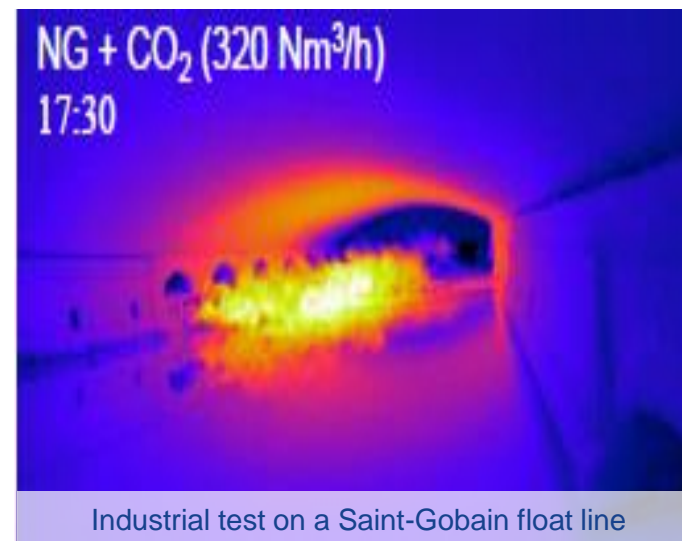
## Net-Zero Carbon gypsum



**First Net-Zero Carbon gypsum plasterboard factory in Norway: 2023**



## Net-Zero Carbon glass



Close **collaboration** with our ecosystems through partnerships

**Advanced industrial trials with biomass and hydrogen in flat glass factories**



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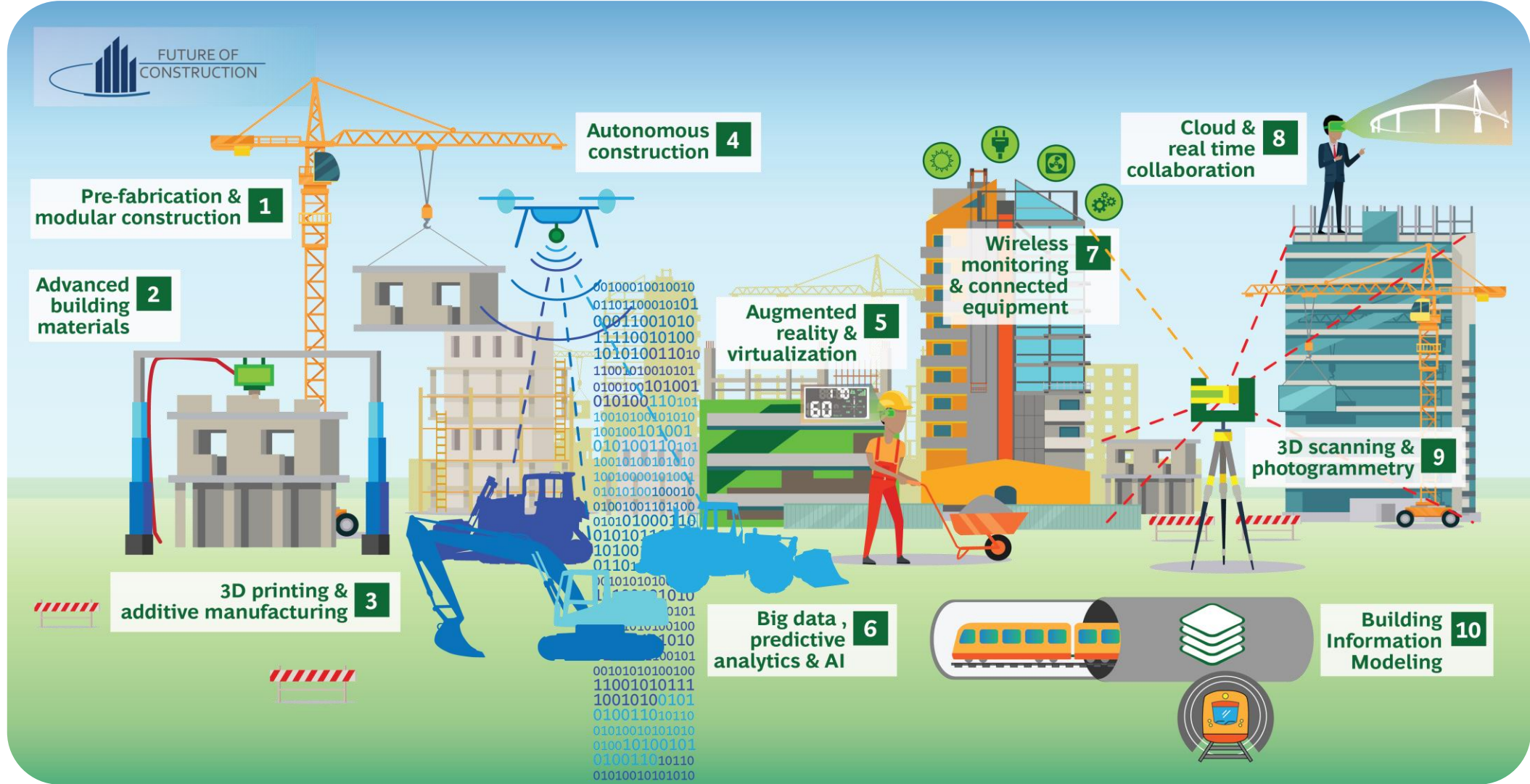
# **DIGITAL ACCELERATION**



**Ursula Soritsch-Renier**

Digital and IT

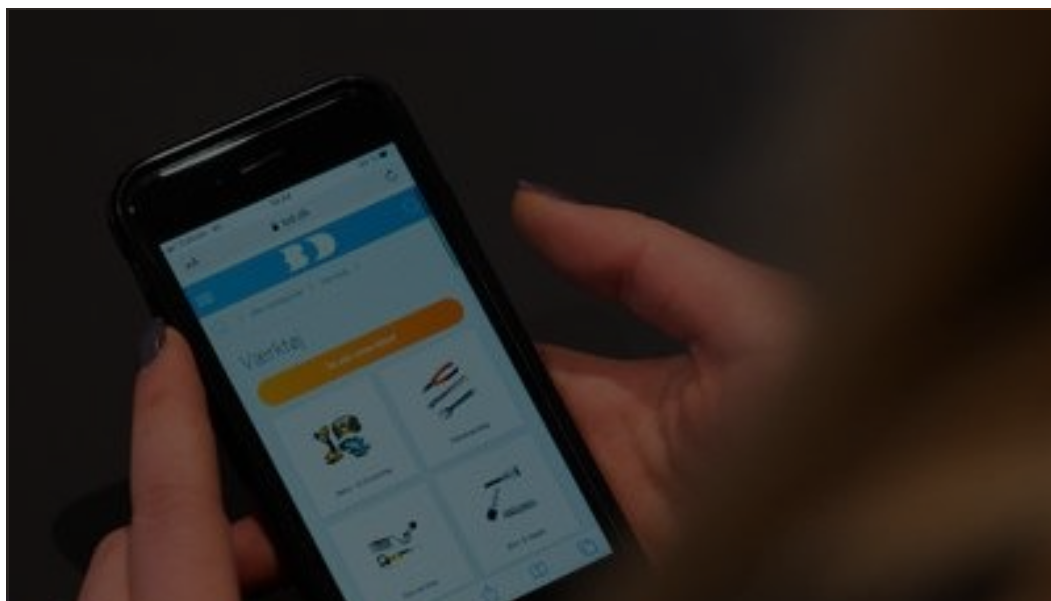
# DIGITAL IS RESHAPING THE CONSTRUCTION INDUSTRY



Source: Future of construction, World Economic Forum



## Our focus



### E-COMMERCE ACCELERATION

Fast digitization of customer interactions through digital platforms development



## How it impacts

x3

Revenue from omnichannel<sup>1</sup>

+9%

Basket size increase<sup>2</sup>

+18%

New customers<sup>3</sup>



## Where we stand



30%

online sales in 2020<sup>4</sup>



100%

online sales in 2020



## Our focus



### UNIQUE DATA EXPLORATION

Leveraged through AI-powered churn, pricing and cross-selling optimisation



## How it impacts<sup>1</sup>

Saint-Gobain

Customer

+1%

**SALES<sup>2</sup>**

with churn optimization



Increased

**CUSTOMER INTIMACY**

+0.9pt

**MARGIN<sup>3</sup>**

with pricing optimization



Pushing **SOLUTIONS**  
across full Saint-Gobain  
portfolio



## Where we stand

Advanced data analytics  
deployed in Distribution



# REALIZING THE IMAGINED WITH DIGITAL RENDERING



## Our focus



### DIGITAL RENDERING

Virtual product visualization replicating exact visual properties of even the most complex materials



## How it impacts<sup>1</sup>

Saint-Gobain

Customer

50+

### NEW PRODUCTS DEVELOPED

leveraging digital rendering in North America Roofing



### DATA SCIENCE

to drive marketing and product development

3-12 months

### FASTER TIME TO MARKET

with visualization replacing plant trials and demo homes



### CUSTOMER INTIMACY

with continuous feedback



## Where we stand



### 4+ continents

Benefiting from digital rendering

Deployed in glass, automotive, roofing, siding and façade

1. Benchmarked by CertainTeed Roofing



## Our focus



## KITTING AND ADVANCED CUSTOM DELIVERIES

Design in BIM-environment, tailor-made cutting, customized deliveries (order, location, mounting plan)



## How it impacts<sup>1</sup>

Saint-Gobain

Customer



**+30%**  
revenues on  
associated material<sup>2</sup>



**-30%**  
installation time



**Specification**  
influence



**-20%**  
waste generated  
(zero waste)

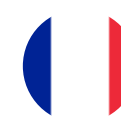


## Where we stand

**20%**

Penetration  
targeted<sup>3</sup>

Roll-out in:

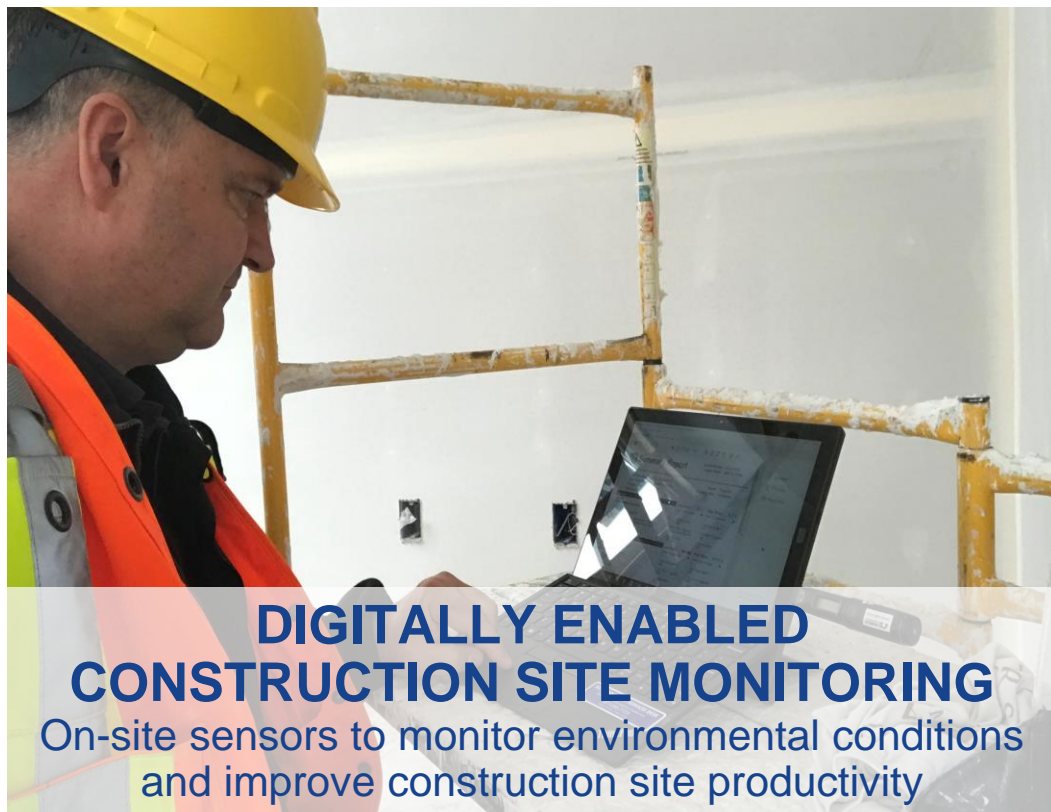


1. Benefits observed or expected 2. From +20% for basic service to +200% for most advanced options  
3. Share of commercial contractors equipped, targeted 2023 penetration in the Netherlands, 5% penetration today

# REDEFINING OFFERINGS WITH CONNECTED OBJECTS



## Our focus



### DIGITALLY ENABLED CONSTRUCTION SITE MONITORING

On-site sensors to monitor environmental conditions  
and improve construction site productivity



## How it impacts<sup>1</sup>

Saint-Gobain

Customer



Market share  
growth



**>90%**  
reduction in rework



Recognition as the  
**solutions expert**



Reputation for  
**quality of work**



## Where we stand

**>80%**

Penetration in British  
Columbia and Quebec<sup>2</sup>

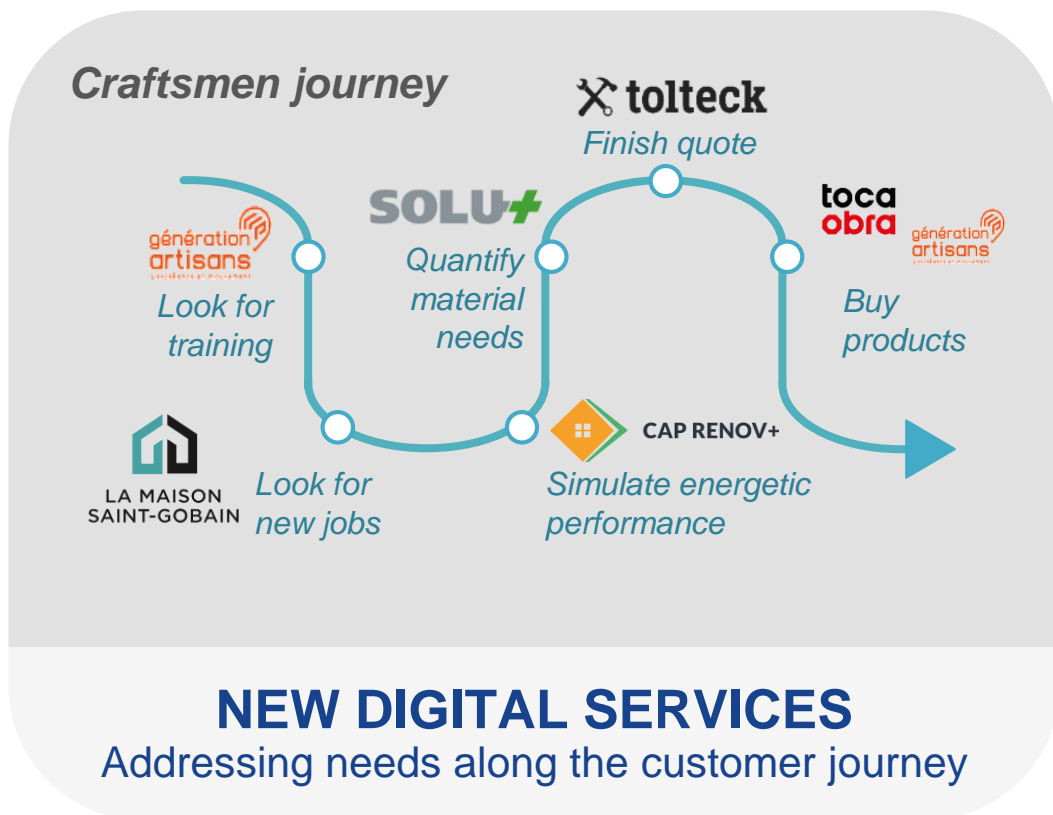


Rolled-out in  
Canada

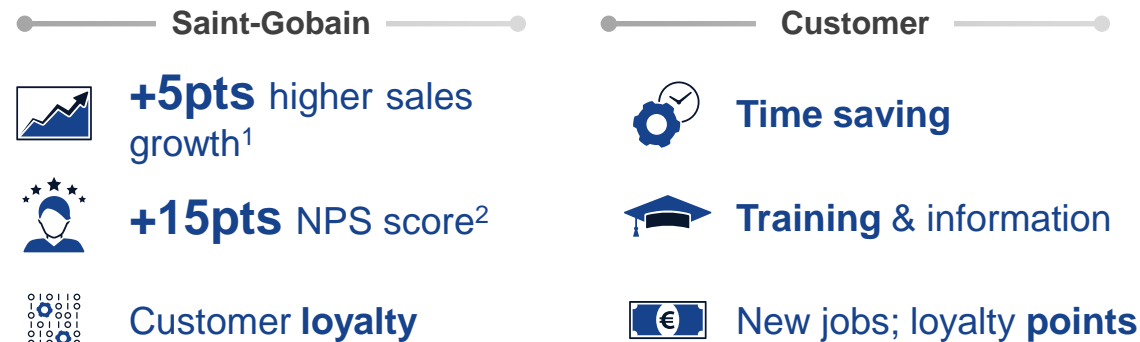
1. Illustration of the positive business impact Jobsite Monitoring has had in the Canadian Region for Saint-Gobain and Clients  
2. With commercial contractors



## Our focus



## How it impacts<sup>1</sup>



## Where we stand

New Digital suites in France, UK, Nordics



1. On sales for Génération Artisans customers (vs non-Génération Artisans customers)  
2. NPS: Net Promoter Score; For Solu+ users vs non-Solu+ users (Point.P 2020 survey)

## Foundational



- **Data as a service**
- **Modular pre-approved platforms**

## Explorative



- **Apply inspiring & promising technologies**
- **Act as a catalyst** for local pilots

## Scale-up



- **Scale promising POCs<sup>1</sup>**
- **Productize components**

## Strategic moves



- **Software and data expertise**

1. Proof of Concept

- We are building an **integrated digital powerhouse** to support Saint-Gobain's ambition
- Digital will be the **cornerstone of the accelerated impact** of our solutions
- We are tapping into our unique **data goldmine**



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# **SOLUTION-DRIVEN INNOVATION**



**Anne Hardy**  
Innovation

# INNOVATION BEGINS WITH A DEEP UNDERSTANDING OF OUR CUSTOMERS

**Developer**  
Total cost of ownership,  
on-time delivery,  
support to anticipate regulations



**Architects and engineers**  
Technical support, ease of collaboration,  
specification influence, labeling schemes  
support, product sampling

**Owners, tenants**  
Comfort across dimensions,  
customization, durability,  
low maintenance needs, price

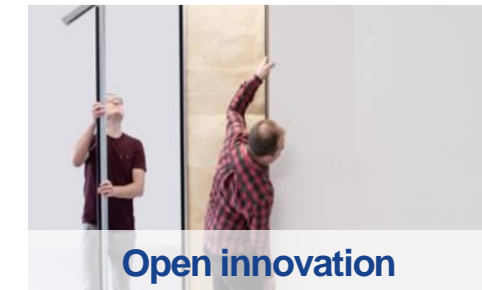
**Craftsmen and general contractors**  
Supply service & points of sale availability,  
ease/speed of installation, training &  
installation tutorials, project management

Unique customer proximity

## Sustainability



## Performance



Design

Produce

Use

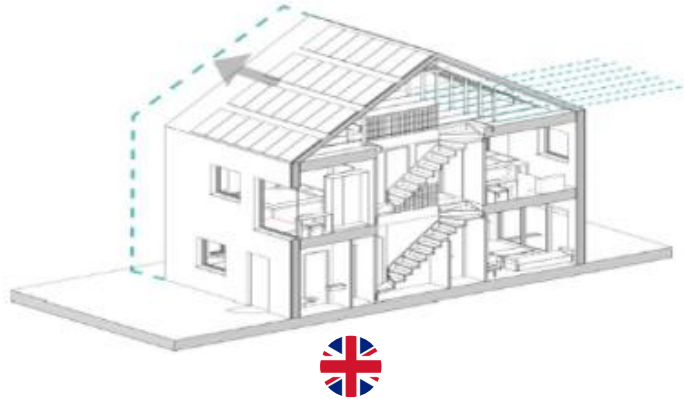
De-construct  
and re-use



## Innovative solutions

### Off-site design platform

Design platform for manufacturing customizable prefabricated solutions



## Impact



**Economic customization** combining prefabrication with customer choice

**55%**

**Pre-manufactured** value<sup>1</sup> to enhance productivity



**Net-zero** operational carbon and **user comfort** capable designs

### Solar 3.0

Aesthetically uniform roof solution coupled with ease of installation & maintenance



**60%**

**User preference** for full roof aesthetic over standard solar panels



Aligned with California **new build regulations**



**Installation cost efficiency** capitalizing on internal roofing expertise

1. Minimum pre-manufactured value target



## Innovative solutions

### ETICS<sup>1</sup> on light frame façades

*Systems combining High Performance Solutions & Construction businesses*



### 3D printed structures

*Customized 3D printed construction solutions*



## Impact

**85%**

**Lighter** enabling faster and safer construction than concrete walls<sup>2</sup>

**2-4x**

**Less embedded CO<sub>2</sub>** than concrete solutions



**Rapid deployment** dedicated to meeting the needs of fast urbanization in hot and humid regions



**Optimized building** methods minimizing material use and enabling customized construction

**80%**

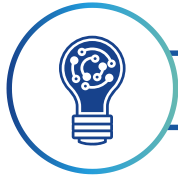
**Faster construction<sup>3</sup>** minimizing on site labour requirements



**Transversal technology** with industrial, residential and infrastructure applications

1. ETICS : External Thermal Insulation Composite System 2. Than a 20cm concrete wall 3. Illustration based on Station Driebergen Zeist formwork project

# PROVIDING BEST-IN-CLASS USER EXPERIENCE



## Innovative solutions

### Living laboratories

*Using building science for living spaces (construction & mobility)*



### Innovative coated glass

*Enhancing comfort, performance and aesthetics*



## Impact



Increase in **employee productivity**

**31%**

Better **concentration** with acoustics strategy<sup>1</sup>

**32%**

Higher employee **energy** levels when exposed to outside views<sup>1</sup>



Partnering to offer **cutting edge design** with aesthetic and functional solutions



**Active<sup>2</sup> glazing** for both building and transport

**4%**

Better **range for electric vehicle** without recharge with light comfort glazing solutions

1. SGRI and GCBi comfort productivity study at Saint-Gobain US headquarters 2. Electrochromic for light & dark transparencies



## Innovative solutions

### Construction chemicals

*Mortar adhesive reducing CO<sub>2</sub> and need for natural resources*

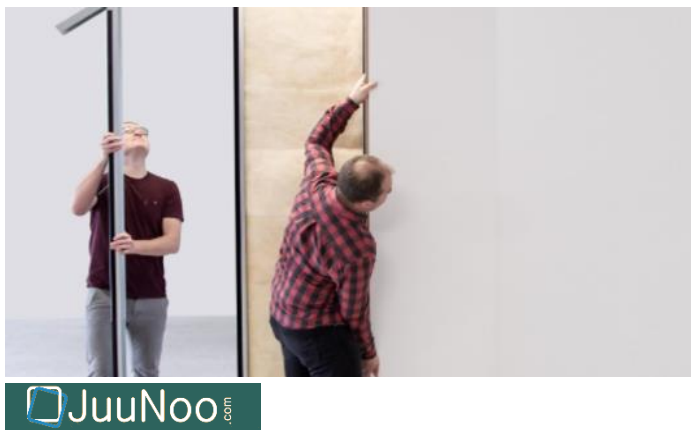


## Impact

- 46%** Less CO<sub>2</sub> than comparable products
- 28%** Less water than comparable products
- 25%** Less raw materials than comparable products

### Open innovation

*Worldwide investment and collaboration with start-ups to recycle*



- 100%** Re-usable modular interior walls
- 7x** Faster installation<sup>1</sup> enabling greater productivity
- 30%** Lower cost of ownership<sup>2</sup>

1. Than drywall installation 2. After re-use at end of first life compared to painted drywall

# BACKED BY OUR UNIQUE CAPABILITIES

## Customer proximity



### Transversal capabilities



**6 R&D centers connected  
to local customer**

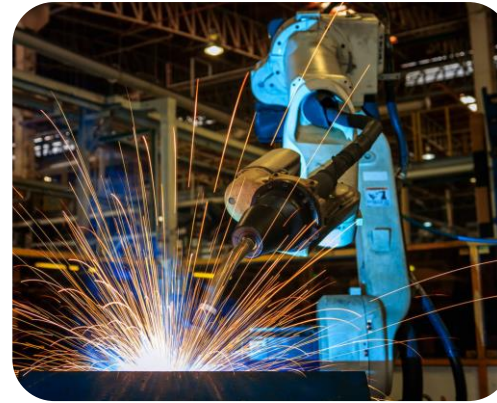
## Building science



**10+ years of research into the  
impact of environmental  
conditions on user  
experience**

**25+ active projects**

## Transversal technologies



**Emphasis on specialty  
materials, sustainability  
and digital**

**20+ global platforms  
connecting construction  
& industry**

## Open innovation



**Through our partnerships  
and ventures**

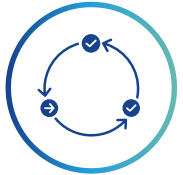
**30+ partnerships with  
start-ups formed in 2020**

## Robust innovation platform



10yrs.

Recognized TOP 100  
GLOBAL INNOVATOR<sup>1</sup>



400 patents filed every year



1 OUT OF 4 PRODUCTS sold today  
did not exist 5 years ago

## Strong drivers to make it happen



- New organization unlocks customer-centric innovation
- Move from PRODUCTS to SOLUTIONS
- Accelerate time to market & optimize return on innovation
- Strong innovation synergies across entire organization



## Key takeaways

- **Sustainable innovation** is a driver of growth and impact for Saint-Gobain
- **Our innovation model** is geared towards customer centricity
- Innovation fuels our transition from products to **solutions**



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# FINANCIAL PERFORMANCE



**Sreedhar N.**  
Chief Financial Officer

**01**

**Accelerating growth in  
free cash flow generation**



**02**

**Disciplined capital allocation**



# 2021-2025 TARGETS

Accelerated Profit & Cash Generation	3-5%	Organic sales growth	Grow and outperform
	9-11%	Operating margin	Double-digit margin ambition
	>50%	FCF conversion	Nurture cash culture
Disciplined Capital Allocation	12-15%	ROCE	Invest in growing markets, <b>value creative</b> acquisitions, fix or divest underperforming businesses
	1.5x - 2.0x	Net debt/EBITDA	Maintain <b>strong balance sheet</b> and solid credit rating
Attractive Shareholder Returns	€2bn	Share buyback by 2025 <i>Amplifying EPS growth by ~6%</i>	>30m net <b>share count reduction</b> , at recent share price
	30-50%	Annual dividend payout <i>as % of recurring net income</i>	Target <b>sustainable</b> growth, pay in cash

2021-2025 targets: average through the period except for shareholder returns, assuming no major economic slowdown

FCF (Free cash flow), ROCE (Return on capital employed)

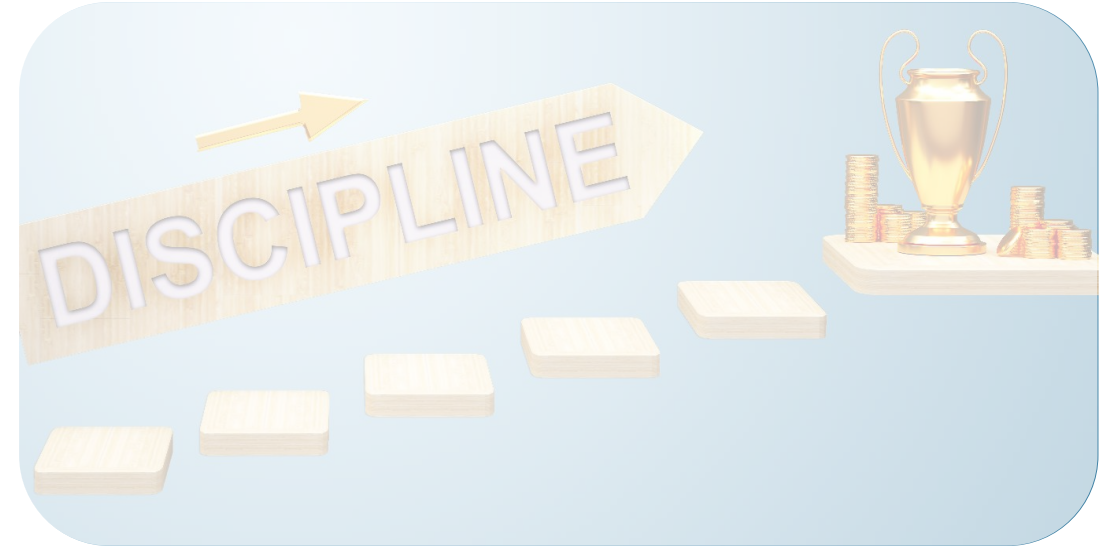
**01**

**Accelerating growth in  
free cash flow generation**

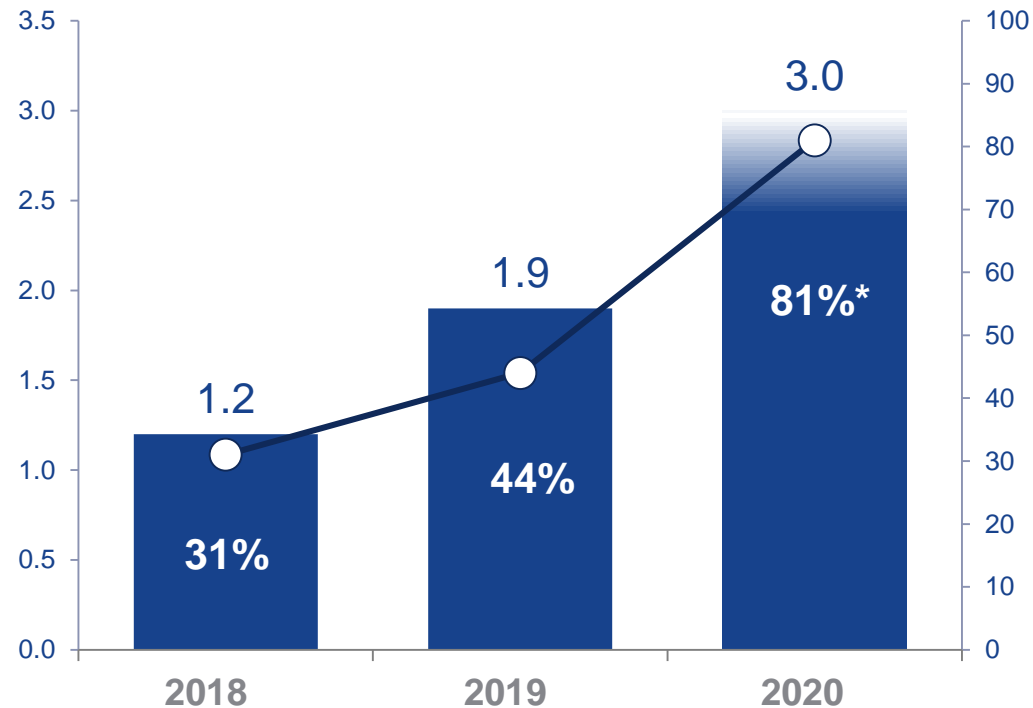


**02**

**Disciplined  
capital allocation**



Free Cash Flow (in €bn) and conversion rate (as a % of EBITDA)



- Higher organic growth
- Increased operating income
- Reduced non-operating costs
- Optimized maintenance capex and working capital

**2021-2025 target: average FCF conversion ratio >50% vs~40% in the past**

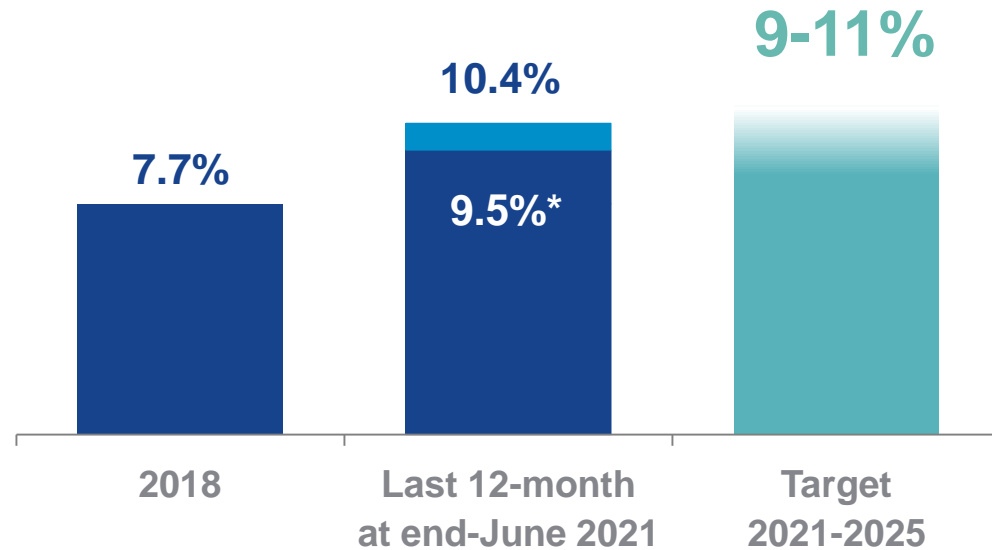
\* Exceptional FCF conversion in the context of Covid-19

FCF definition = EBITDA - Depreciation of right-of-use + Net Financial Expense + Income Tax - CAPEX (excluding capacity investment) + Change in WCR

FCF conversion = FCF divided by EBITDA less depreciation of right-of-use assets

# DOUBLE-DIGIT OPERATING MARGIN AMBITION

Operating margin as a % of sales



- Volume growth leverage
- Positive price-cost spread and mix premium
- Operational excellence
- Portfolio rotation

High Performance Solutions 13-14%  
Europe 7-9%  
Americas & Asia-Pacific 13-15%

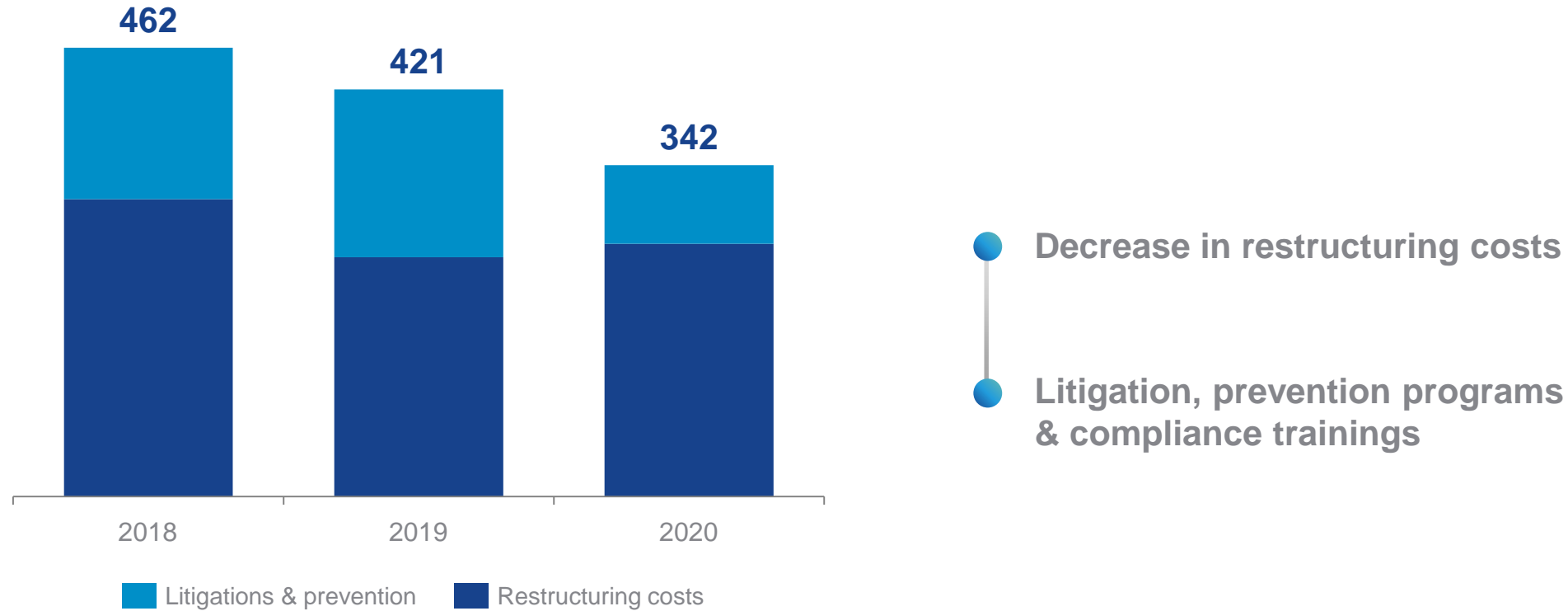


**Best in class operating margin with similar ROCE on both Industrial and Distribution businesses**

\* Last 12-month normalized margin, including “Transform & Grow”, excluding volume catch-up, exceptional price-cost spread and lower costs (discretionary)

# CONTINUE TO REDUCE NON-OPERATING COSTS

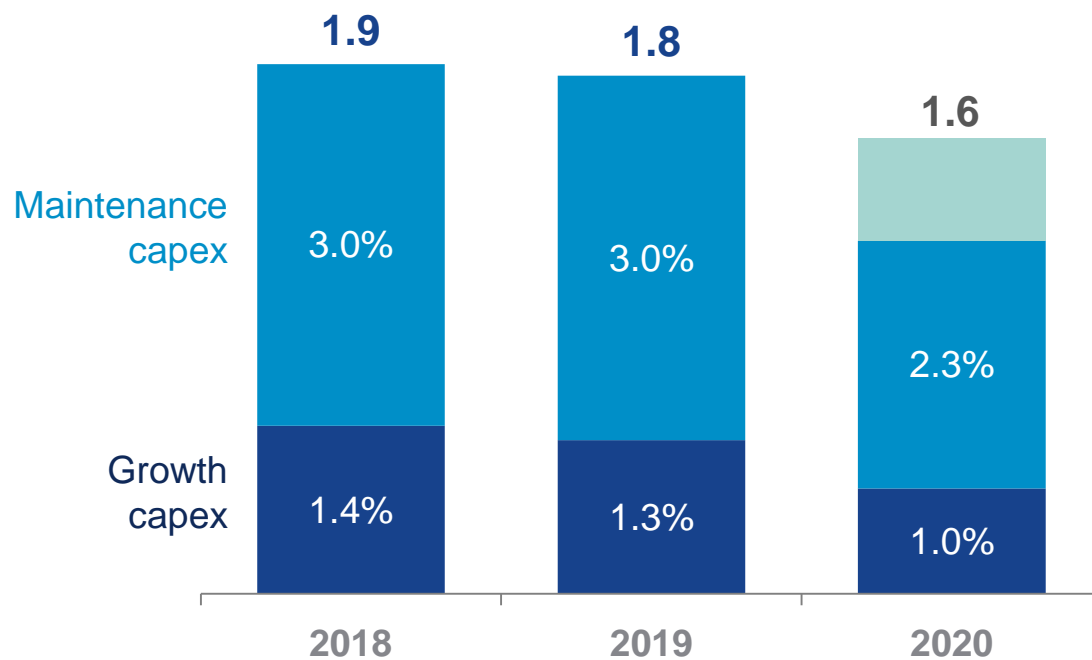
Non-operating costs in €m



Target a reduction of non-operating costs to ~€250m on average

# OPTIMIZE MAINTENANCE CAPEX AND INVEST IN GROWTH

Total capex in €bn as a % of sales



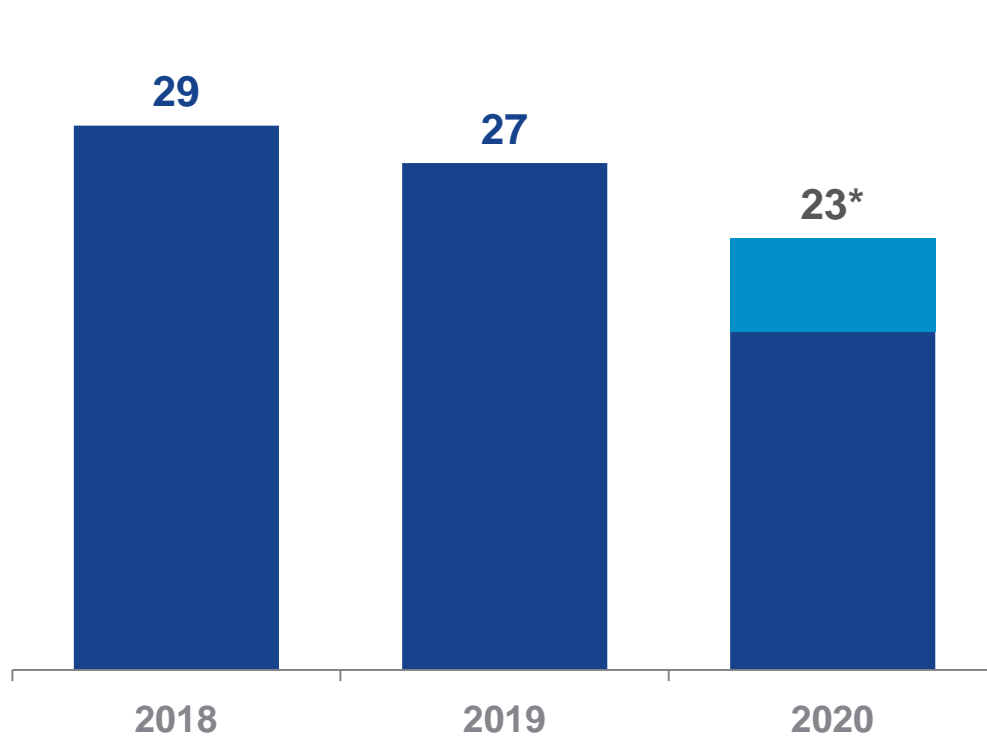
Maintenance capex Growth capex Planned 2020 Capex pre-Covid-19

- Maintenance, IT, digital and CO<sub>2</sub> capex: ~2.5% of sales
- Footprint & cost optimization
- Predictive maintenance
- Growth capex: 1 to 2% of sales
- Asia and Americas, renovation market in Europe, high potential global markets
- IRR hurdle rate >20%

Target total capex of 3.5% to 4.5% of sales

# STRUCTURAL IMPROVEMENT IN OPERATING WORKING CAPITAL LEVERAGING DIGITAL TOOLS

Operating working capital  
(in days of sales)



- Focus on quality of working capital
  - Faster rotation of inventory
  - Reduction in overdue receivables
- Optimize the payment terms based on local benchmarks
- Right level of stock to serve the customers

**Target operating working capital: <25 days, versus <30 days before**

\* End-2020: half of WCR gains considered as structural (23 days considered structural vs 18 days reported)

**01**

**Accelerating growth in  
free cash flow generation**



**02**

**Disciplined capital allocation**



# ALLOCATE RESOURCES TO ATTRACTIVE MARKETS WHILE TAKING DECISIVE STEPS TO FIX OR DIVEST UNDERPERFORMING BUSINESSES



**Grow & Invest**

## Glass examples



India, Mexico

## Distribution examples



France, Nordics



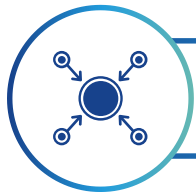
**Restructure & Optimize**



Closure of Spanish plant



11% of outlets closed in the UK



**Divest**



Hangkuk Glass Korea

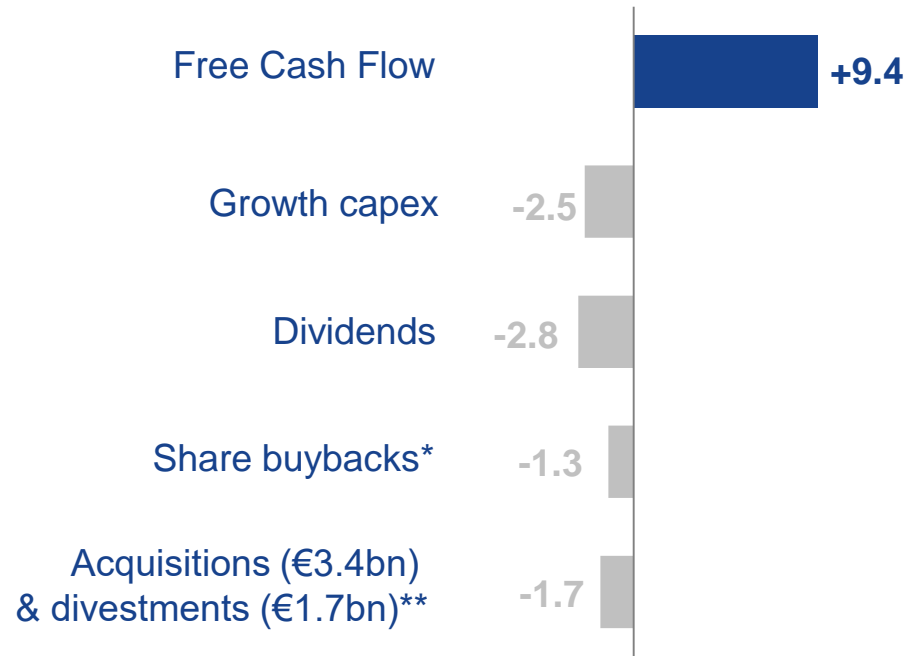


Germany, Netherlands, Spain

**CEOs accountable for value creation from all assets**

# A DISCIPLINED CAPITAL ALLOCATION WITH CLEAR PRIORITIES

## 2016-2020 cash allocation in €bn



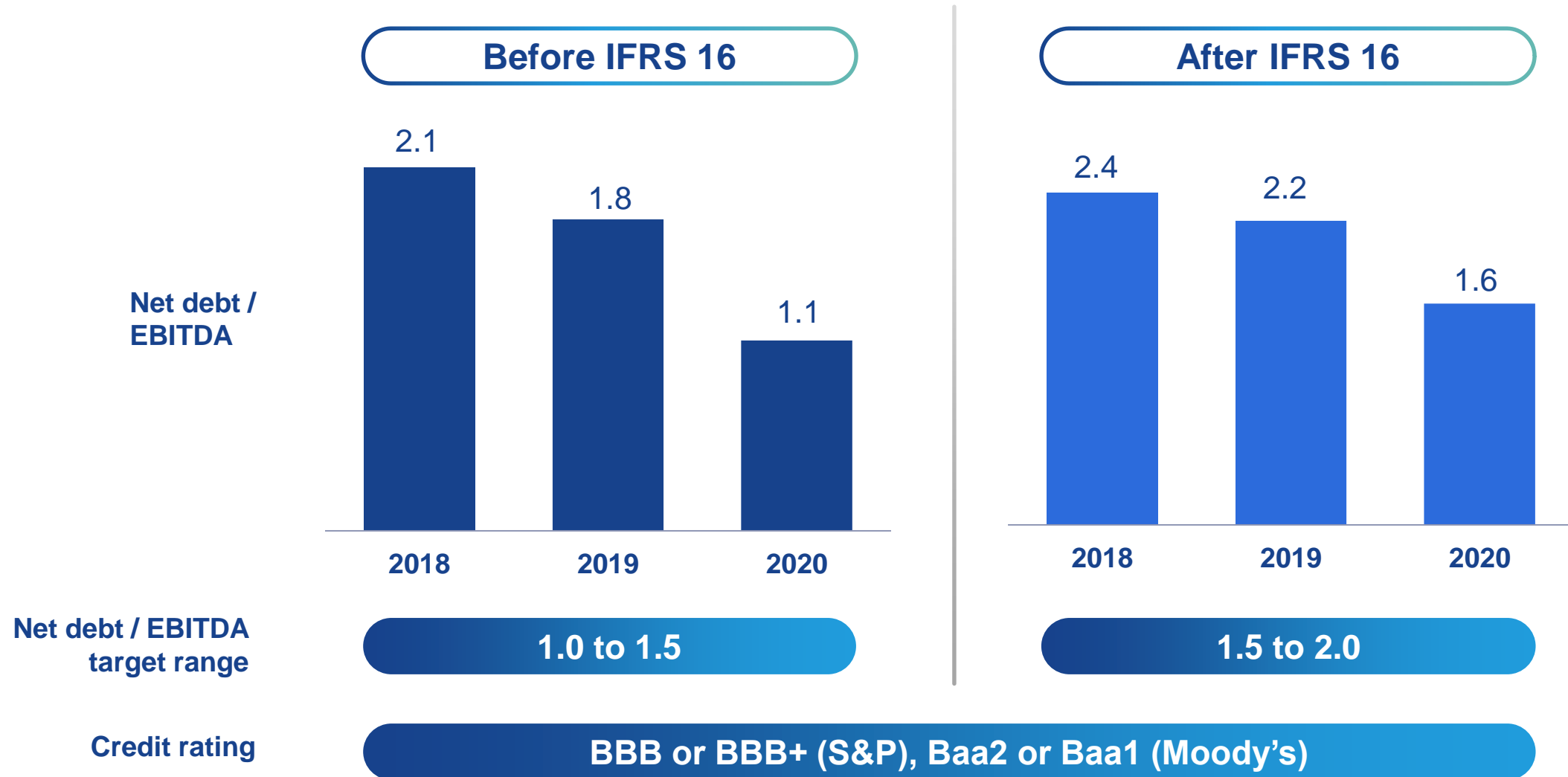
## 2021-2025

- Accelerated growth in free cash flow generation with >50% conversion on average vs ~40% in the past
- 1 to 2% of sales (IRR hurdle rate >20%)
- 30% to 50% payout
- €2bn by 2025
- Potential mid-size value creative acquisitions for a total of ~€5bn net of proceeds of smaller divestments. Acquisition criteria: ROCE > WACC by year 3

\* Share buyback: net of offsetting share creation due to employee shareholding program

\*\* Excluding Sika transactions (purchase price of €0.9bn and sale price of €2.4bn)

# MAINTAIN STRONG BALANCE SHEET AND SOLID CREDIT RATING



# IN A NUTSHELL: STEP CHANGE IN VALUE CREATION FOR SHAREHOLDERS

## ● Accelerating Free Cash Flow Generation

- Focus on growth and profitability

## ● Disciplined Capital Allocation

- Invest in growing markets
- Only value creative acquisitions
- Fix or divest underperforming businesses
- Rigor on execution

Attractive  
Shareholder  
Returns

## ● 30-50% dividend payout

as a % of recurring net income

- Payment in cash

- Targeting sustainable growth in the dividend over the 2021-2025 period

## ● €2bn share buyback by 2025

- Or >30 million net share count reduction at recent share price
- Amplifying EPS growth by ~6%



# Capital Markets Day **CONCLUSION**



**Benoit Bazin**  
Chief Executive Officer

# A REAL STEP CHANGE FOR SAINT-GOBAIN

- 100 score on internal ESG index  
>75% sustainable sales
  - By 2030, starting from 50 basis in 2017
  - Capital allocation to steer sustainable sales
- 3-5% Organic sales growth
  - Versus ~1.5% organic growth in past years
- 9-11% Operating margin
  - Versus ~7% operating margin in past years
- 12-15% ROCE
  - Versus ~10% ROCE in past years
- Attractive shareholder returns
  - Share buyback well defined over the period

Note: 2021-2025 targets: average through the period, assuming no major economic slowdown

**Solution-driven & innovative** leader steering structural market shifts



Worldwide leader in **light & sustainable construction**



Multi-national business governance & culture of **performance**



**Shareholder value creation with ESG leadership**

**GROW &  
IMPACT**

**THANK YOU**

## ENGLISH

*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 the control of Saint-Gobain, including but not limited to the risks described in Saint-Gobain's Universal Registration Document available on its 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 presentation. 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 presentation does not constitute any offer to purchase or exchange, nor any solicitation of an offer to sell or exchange securities of Saint-Gobain.*

*This presentation includes information pertaining to Saint-Gobain's markets and competitive positions therein. Such information is based on market data and Saint-Gobain's actual revenues in those markets for the relevant periods. Saint-Gobain obtained this market information from various third-party sources (industry publications, surveys, and forecasts) and its own internal estimates. No representation or warranty, express or implied, is made by Saint-Gobain or its managers, corporate officers, employees, contractors, representatives or advisors as to the accuracy or completeness of the information or opinions contained in this presentation that have not been independently verified.*

## FRENCH

*Cette présentation contient des déclarations prospectives relatives à la situation financière, aux résultats, aux métiers, à la stratégie et aux perspectives de Saint-Gobain. Ces déclarations prospectives peuvent être généralement identifiées par l'utilisation des termes « s'attendre à », « anticiper », « croire », « avoir l'intention de », « estimer » ou « planifier » ainsi que par d'autres termes similaires. Bien que Saint-Gobain estime que ces déclarations prospectives reposent sur des hypothèses raisonnables à la date de publication du présent document, les investisseurs sont alertés sur le fait qu'elles ne constituent pas des garanties quant à sa performance future. Les résultats effectifs peuvent être très différents des déclarations prospectives en raison d'un certain nombre de risques, connus ou inconnus, d'incertitudes et d'autres facteurs, dont la plupart sont difficilement prévisibles et généralement en dehors du contrôle de Saint-Gobain, et notamment les risques décrits dans la section « Facteurs de Risques » du Document d'Enregistrement Universel de Saint-Gobain disponible sur son site Internet ([www.saint-gobain.com](http://www.saint-gobain.com)). En conséquence, toute précaution doit être prise dans l'utilisation de ces déclarations prospectives. Ce document contient des informations prospectives qui ne peuvent s'apprécier qu'au jour de sa diffusion. Saint-Gobain ne prend aucun engagement de compléter, mettre à jour ou modifier ces déclarations prospectives en raison d'une information nouvelle, d'un événement futur ou de toute autre raison. Cette présentation ne constitue ni une offre d'achat ou d'échange, ni une sollicitation d'une offre de vente ou d'échange d'actions ou autres titres de Saint-Gobain.*

*Cette présentation contient des informations relatives aux marchés sur lesquels Saint-Gobain est présent et à sa position concurrentielle sur ceux-ci. Ces informations sont basées sur des données sectorielles et sur les revenus de Saint-Gobain sur ces marchés pour les périodes concernées. Saint-Gobain a obtenu ces informations sectorielles auprès de diverses sources externes (publications, enquêtes et prévisions du secteur) et via ses propres estimations internes. Aucune déclaration ou garantie, expresse ou implicite n'est faite par Saint-Gobain ou ses dirigeants, mandataires sociaux, employés, actionnaires, agents, représentants ou conseillers quant à la pertinence ou au caractère précis ou complet de l'information ou des opinions exprimées dans cette présentation, qui n'ont pas été vérifiées de manière indépendante.*

- **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 half-year period (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 half-year period (currency impact)
  - changes in applicable accounting policies
  
- **EBITDA**: operating income plus operating depreciation and amortization less non-operating costs
- **Operating margin**: operating income divided by sales
- **Recurring net income**: net attributable income excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions.
- **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 over a 12-month period
- **Free cash flow conversion ratio**: free cash flow divided by EBITDA less depreciation of right-of-use assets
- **Capex, or capital expenditure**: investments in tangible and intangible assets
- **ESG**: Environment, Social, Governance
- **EV**: Enterprise value
- **Net debt / EBITDA**: Net debt divided by EBITDA
- **IRR**: Internal Rate of Return

**Other financial indicators (not defined above or in the footnotes)** are explained in the notes to the financial statements in the annual financial report, available by clicking here:

<https://www.saint-gobain.com/en/finance/information-reglementee/universal-registration-document-including-annual-financial-report>

- |  |        |
|--|--------|
| ▪ <b>Net debt</b>                                | Note 9 |
| ▪ <b>Non-operating costs</b>                     | Note 4 |
| ▪ <b>Operating income</b>                        | Note 4 |
| ▪ <b>Net financial expense</b>                   | Note 9 |
| ▪ <b>Working capital requirement</b>             | Note 4 |
| ▪ <b>ROCE</b> : Return on Capital Employed       | Note 4 |
| ▪ <b>WACC</b> : Weighted Average Cost of Capital | Note 6 |



Capital Markets Day  
**APPENDIX**

# SOLUTIONS FOR GROWTH: SINGLE-FAMILY HOME RENOVATION

## Building Envelope



1 PLANITHERM STADIP & PLANITHERM ONE



2 ETICS WEBERTHERM



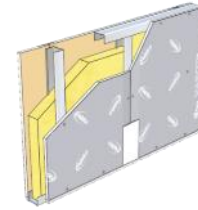
3 INTEGRA VARIO, COMBLISSIMO IBR400



4 FLEX 55



## Interior solutions



5 HABITO®



6 SCREED

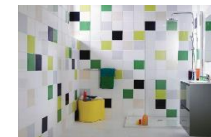


7 NOVELIO

## Distribution services



## Distribution



TILING



ALTECH ALTERNA

# SOLUTIONS FOR GROWTH: MULTI-FAMILY HOME

## Building Envelope



**ISOVER**  
SAINT-GOBAIN

1

LIGHT FAÇADES F4  
TF36 / ISOCOMPACT  
OPTIMA GR32/30

**weber**  
SAINT-GOBAIN



2

ETICS WEBERTHERM  
LR/LV/wood/cork

**SAINT-GOBAIN**



3

CLADDING LITEPOINT  
GLASS ECLAZ ONE



## Services

SERVICES: RECYCLING  
PLACO, WEBERCOLLECT, ISOVER, GLASS

**SolarGard**  
SAINT-GOBAIN



4

GRAFFITIGARD

## Distribution

**Placo**  
SAINT-GOBAIN



5

WOOD FLOORING

## Interior solutions



**Placo**  
SAINT-GOBAIN

6

C STIL HABITO®  
DUOTECH COB

**Isonat**



7

PARTITION

**CEDEO**  
SANITAIRE | CHAUFFAGE | CLIMATISATION

8



TEMPERLY  
ALTECH  
ALTERNA

# SOLUTIONS FOR GROWTH: SINGLE-FAMILY HOME NEW BUILD

## Building Envelope



1

Glass ECLAZ  
CLIMAPLUS SUN

**SWISSPACER**

The edge of tomorrow.



2

SWISSPACER ULTIMATE.



3

CLAY



FACADE  
SOLUTIONS



## Other (distributed ventilation & electrical materials + piping)



4

HVAC



5

Electrical kit



6

Well

Services

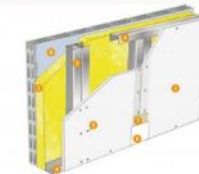


## Interior solutions



7

OPTIMAX HABITO(R) + GR30



8

PLACO(R) PHONIQUE + PARPHONIC  
FLEX 55



9

FLOORING SOLUTIONS

# SOLUTIONS FOR GROWTH: HOSPITAL

## Building Envelope



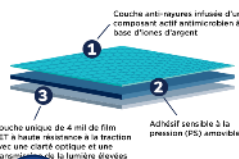
1 VETROFLAM & VETROGARD  
SUPERCONTRYX



2 OPTIMA GR32/30  
FACADE F4  
ISOFACADE 32/30



3 LITE POINT



4 BIOCOTE



5

MOBILITA

6

Other

PROTECTIVE GLAZING

7

CLIMAVAR

Services

Recycling (Placo®, Isover, Glass), PlacoBIM, LEAN

## Interior solutions



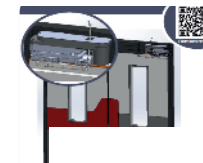
8 DUOTECH, XRAY  
GLASROC  
H OCEAN, FV500



10 NOVELIO



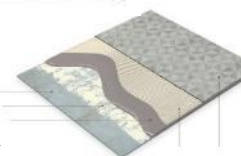
9 ACOUSTIC  
CEILING



11 MOTORIZED  
PIVOTING DOOR



12 WEBERFLOOR  
WEBERSYS ACOUSTIC



WEBERBOND

# OFFICE BUILDING: SAINT-GOBAIN TOWER

## Building Envelope



1

STADIP  
PROTECT ST  
BRIGHT SILVER



2

COOL-LITE  
XTREME 60-28  
II - DIAMANT



3

SAGEGLASS



4

CONTRAFLAM



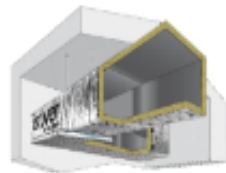
5

COATWOOL



6

SENTINEL



7

CLIMAVER



8

CLIMCOVER



9

U PIPE SECTION

Distribution  
services

Services: Recycling (Placo®, Isover, Glass),  
PlacoBIM

## Interior solutions

### PLAFOMETAL



10

HEATED  
REVERSIBLE  
CEILING



11

ACOUSTIC  
CEILING  
PANELS



12

RIGITONE  
ACTIV'AIR



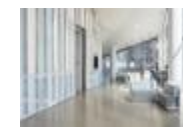
13

PIVOT DOOR  
ESV7163



14

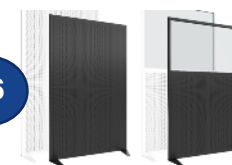
PRIVALITE



15

WEBER FLOOR

16



MODULO® / PARAVENCE