GROW & IMPACT

SAINT-GOBAIN

The worldwide leader in light & sustainable construction

Record 2022 results

- **All financial performance indicators at a record high in 2022** (growth, operating income, margin, recurring net income, free cash flow, ROCE)
- **Profound transformation of the Group's profile towards fast-growing markets**: one-third of sales rotated in the past four years, **increasing its exposure to North America and emerging countries** and taking **construction chemicals sales to €5.3bn**
- **27% reduction in CO_2 emissions versus 2017** (scopes 1 and 2), -5% in 2022 versus 2021
- **Shareholder return: €1.35bn in 2022** (share buybacks and 2021 dividend). **Dividend of €2.00 (+23%)** recommended for 2022
- **2023 outlook: further execution of the "Grow & Impact" strategy, with the operating margin to remain in the 9%-11% range**

(€m)	2021	2022	Change
Sales	44,160	**51,197**	**+15.9%**
Operating income	4,507	**5,337**	**+18.4%**
Operating margin (%)	10.2%	**10.4%**	**+20 bps**
Recurring EPS (€)	5.35	**6.48**	**+21.1%**
Free cash flow	2,904	**3,791**	**+30.5%**
ROCE (%)	15.3%	**16.1%**	**+80 bps**

Benoit Bazin, Chief Executive Officer of Saint-Gobain, commented:
"In an unsettled geopolitical, energy and macroeconomic environment in 2022, the Group once again delivered record results. Over the last four years of its transformation, Saint-Gobain has outperformed, achieving a two-fold increase in its earnings per share, a structural improvement of 240 basis points in its operating margin, and a three-fold increase in its cash flow generation. The Group's profile has been profoundly optimized: one-third of the Group's scope has changed in the past four years and over 60% of our earnings now come from North America and emerging countries. As the worldwide leader in light and sustainable construction, the Group draws on its innovation capabilities and expertise to provide solutions to the considerable challenges posed by the climate and energy crises, which are structural growth drivers for Saint-Gobain for the coming decades.
I am confident that 2023 will be a good year for Saint-Gobain. Our roadmap is clear: disciplined execution of the "Grow & Impact" strategic priorities, leveraging the strength of our operating model against the backdrop of a slowdown in new construction but good resilience in renovation. I know I can rely on the dedication and talent of our teams, who do everything possible to best serve their customers and who monitor their performance in real time within our organization by country. In this context, in 2023 we are targeting an operating margin of between 9% and 11%, in line with the objectives set out in our "Grow & Impact" plan for 2021-2025."

A new, resilient growth profile

2018-2022: years of profound transformation for the Group

- **23% increase in sales in a context of a profound change in Group structure**, with **one-third of sales** rotated since 2018: €9 billion in divestments and almost €4 billion in acquisitions;
- **Sharp improvement in the operating margin in 2022 versus 2018** (270 basis points), including a structural gain of 200 basis points in the period – set to rise to **240 basis points** on a full-year basis **after the disposal of the UK distribution business –** thanks to cost savings related to the new organization and the optimization of the Group's profile;
- **Significant efficiency improvements** thanks to our new organization, reflected especially in close proximity to customers, stronger pricing power and an enhanced culture of results-driven accountability for local teams.

(€m)	2018	2022	Change
Sales	41,774	**51,197**	**+23%**
Operating income	3,207	**5,337**	**+66%**
Operating margin (%)	7.7%	**10.4%**	**+270 bps**
Recurring EPS (€)	3.18	**6.48**	**x 2**
Free cash flow	1,236	**3,791**	**x 3**
ROCE (%)	10.7%	**16.1%**	**+540 bps**

2021-2022: successful deployment of the "Grow & Impact" strategic plan

The first two years of the plan successfully met the **new financial trajectory set out in "Grow & Impact"**, with an acceleration in results, cash flow and value creation, exceeding objectives across the board:

- **Strong organic growth of 10% per annum on average**[1], benefiting from an **unrivalled offer of sustainable solutions** accounting for almost **three-quarters of Group sales**;
- **A world leader in construction chemicals, with annual sales of €5.3 billion** (pro forma basis for changes in Group structure in 2022), thanks to strong organic growth and recent acquisitions (Chryso, GCP, Impac in Mexico, Brasprefer and Matchem in Brazil, IDP Chemicals in Egypt, Best Crete in Malaysia, Choksey Chemicals in India, and Urumix in Uruguay);
- **Operating income now well-balanced between the three geographic zones** (pro forma basis for changes in Group structure in 2022): 30% in North America, 32% in Asia and emerging countries and 38% in Western Europe;
- **Record financial results**, with on average over two years: an operating margin of 10.3%, a free cash flow conversion ratio of 56% and strong value creation with a ROCE of 15.7%;
- **Record-high shareholder return**: €2.6 billion over two years through share buybacks and dividend payouts. With over €1 billion in shares bought back over two years, the Group is ahead of its €2 billion buyback target over five years (2021-2025).

1. Average organic growth in 2021 and 2022: +6.9% in 2021 (+13.8% for 2021/2019 divided by two) and +13.3% in 2022.

Sustainability is at the heart of the Group's strategy

As worldwide leader in light and sustainable construction, Saint-Gobain has a key role to play in building a carbon-neutral economy. **The Group made further significant progress on environmental and social matters in 2022**, allowing it to reduce its footprint while maximizing the positive impact of its range of solutions, in line with its "Grow & Impact" strategy. The solutions sold by Saint-Gobain across the globe in one year result in **around 1,300 million tons of avoided CO_2 emissions** over their lifespan, i.e., more than 100 times its scope 1 and 2 footprint.

Saint-Gobain achieved three world-firsts during 2022:
- **Zero-carbon production** (scopes 1 and 2) **of glass** in France;
- **Zero-carbon production** (scopes 1 and 2) **of plasterboard** in Sweden;
- **Very low carbon production** (scopes 1 and 2 down 93% versus average) **of insulation** (glass wool) in Finland.

The Group has reduced its scope 1 and 2 CO_2 emissions by 27% since 2017, including a 5% reduction in 2022 (to 9.8 million tons), in line with the 33% emissions reduction target through to 2030 validated by the Science-Based Targets initiative (SBTi).

Growth decoupled from its CO_2 emissions: carbon intensity per euro of sales and EBITDA fell by 42% and 57%, respectively, in 2022 versus 2017, reflecting the Group's objective of maximizing its positive impact for the environment while minimizing its footprint.

We stepped up our commitment to the **circular economy**, reducing our non-recovered waste by 37% versus 2017. Saint-Gobain **rolled out** ORAÉ®, **the world's first low carbon glass** featuring 70% of cullet (recycled glass), as well as Placo® Infini 13, the **first plasterboard made with over 50% of recycled gypsum**.

In 2022, in line with its commitment, **Saint-Gobain finalized the roll-out of its "CARE by Saint-Gobain" social protection and prevention program**. The program provides cover for the Group's employees, in all countries where it operates, supporting them during different stages of their lives (maternity and paternity leave, medical and hospitalization costs for the entire family, life insurance).

In terms of safety, our accident frequency rate with and without lost time (TRAR or total recordable accident rate) fell by 19% between 2021 and 2022, and has been almost halved in the last five years.

The year's progress was recognized by the following major independent organizations:
- SBTi validated Saint-Gobain's 2050 target and confirmed that the Group's net-zero carbon trajectory is in line with the Paris agreement;
- CDP "A List": second consecutive year;
- Bloomberg Gender-Equality Index 2023: fifth consecutive year;
- Top Employer Global 2023: eighth consecutive year, with only 15 companies worldwide globally recognized.

Group operating performance

Like-for-like sales rose 13.3%. This performance – supported by **strong momentum in all our segments with double-digit organic growth in each** – was driven by the Group's worldwide leadership in light and sustainable construction.

Leveraging the added value offered by its solutions and its dynamic local organization as close to its customers as possible, Saint-Gobain was able to protect its operating margin, generating a **positive price-cost spread** over 2022 as a whole and in each half of the year, thanks to a **14.6%** price increase overall (13.8% increase in the second half against a higher comparison basis). This agility enabled the Group to effectively manage energy and raw material cost inflation, which represented about €3 billion in 2022 versus 2021.

The Group reported a slight decline in volumes, down 1.3% over the year as a whole and down 2.3% in the second half (with a negative working day effect of around 0.5% for this latter period).

On a reported basis, sales jumped **15.9%** to **€51.2 billion**, with a positive currency effect of 3.6% over the year as a whole (2.4% in the fourth quarter). The Group structure impact reduced sales by 1.0% over the year as a whole but was positive in the second half, adding 1.3% to sales.

The Group resolutely continued to optimize its profile in 2022, in terms of both divestments, with €3.8 billion in sales divested or in the process of being divested – namely distribution in the UK and Poland, glass processing and Crystals & Detectors businesses – and in terms of acquisitions, with €1.9 billion in sales acquired, mainly **GCP** Applied Technologies (GCP) in October 2022 and Impac in Mexico in April 2022 in construction chemicals, **Kaycan** in North America in August 2022 in exterior products, and Rockwool India Pvt Ltd. in February 2022 in insulation.

The **disposal of all remaining UK distribution brands** (around €2.7 billion in sales in 2022) **will be finalized by the end of March 2023**.

The integration of recent acquisitions is proceeding seamlessly, and all synergies have been confirmed and are being put in place:

- **Chryso**: 20% growth in sales and €100 million in EBITDA for 2022, maintaining an industry-leading EBITDA margin;
- **Kaycan**: USD 84 million in EBITDA for 2022 as a whole;
- **GCP**: EBITDA forecast at USD 170 million in 2023 for the first full year.

Operating income rose sharply to a **new record high of €5,337 million**, **up 18.4%** as reported versus 2021 and up 13.3% at constant exchange rates (up 11.7% like-for-like). Operating income is 66% higher than in 2018.

The Group's **operating margin** hit a new record high, at **10.4% in 2022** (versus 10.2% in 2021), representing an increase of 270 basis points since the launch of the Group's transformation at the end of 2018.

Segment performance (like-for-like sales)

Northern Europe: good growth in sales driven by renovation; record operating margin

Northern Europe was up 12.4% in the year against a strong inflationary backdrop, with a slight decrease in volumes amid a slowdown in new construction. Renovation remained at a good level, supported by stimulus measures and stricter energy performance regulations. The Region's operating margin came in at a new record high of 7.8% (versus 5.6% in 2018), thanks to an optimized business profile and sound management of the price-cost spread.

Nordic countries outperformed their market thanks to their successful presence across the entire construction value chain. Trade professionals continued to see full order books. Our Fredrikstad factory in Norway, the world's first carbon-neutral plasterboard plant, will start production by the end of first-half 2023. The **UK** put in a satisfactory performance amid a more pronounced slowdown in the market in both new construction and renovation. The country has been very active in optimizing its portfolio, with about €3.4 billion in sales divested or in the process of being divested (all distribution brands and glass processing) over the past two years. In **Germany**, where the market slowed in the second half owing to fears regarding inflation and the energy supply, the Group benefited from its solid positions in energy efficiency renovation. Despite a slowdown in the second half, **Eastern Europe** posted an excellent performance in 2022 – led by Poland and Romania – benefiting from its leadership positions. A renewable electricity supply agreement has been signed in Poland which will cover around 45% of Saint-Gobain Poland's electricity needs from 2025.

Southern Europe - Middle East & Africa: good sales growth driven by renovation; very good margin level

Sales in Southern Europe - Middle East & Africa were up by 12.6% in a strongly inflationary environment, with volumes down slightly over the year on the back of a slowdown in new construction. Note that the Region delivered a good fourth-quarter performance with stable volumes, thanks to its continued outperformance on the more resilient renovation market, where demand was driven by stricter regulations, government stimulus measures and faster payback for energy efficiency renovation projects. Operating income hit a new record high with an operating margin of 8.0% (versus 4.6% in 2018), thanks to a highly optimized post-transformation profile, good management of the price-cost spread, productivity gains and a tight rein on costs.

In **France,** the Group strengthened its presence on the renovation market, where trade professionals continue to see healthy order books – thanks mainly to a favorable regulatory environment, public building programs and household stimulus packages (*MaPrimeRenov'*). Saint-Gobain's presence across the entire value chain – the market's first low-carbon glass solutions, digital apps for customers, a focus on collection and recycling, training centers for trade professionals – confirms the Group's position as undisputed leader in energy efficiency renovation.
Spain and **Italy** delivered robust growth with a further increase in volumes, thanks to their commercial organization by sales channel and range of light and sustainable construction solutions. **Benelux** held firm in a more difficult market and benefited from the development of innovative solutions improving our clients' productivity. **Middle East and Africa** continued to see robust growth, benefiting from the opening of three new construction chemicals plants (Kenya, South Africa, Oman) and by upbeat markets, particularly in the Gulf States and Egypt.

Americas: good sales growth driven by comprehensive light construction solutions; robust margin

The Americas Region delivered 13.9% organic growth, despite a slowdown in new construction in the second half of the year. Operating income for the Region hit a new record high of €1.5 billion with a 30% increase in absolute terms; the US now represents the Group's biggest market in terms of operating income. The Region achieved an operating margin of 16.1% (versus 11.2% in 2018), supported by good momentum from recent acquisitions, cost and sales synergies and a clear positive raw material and energy price-cost spread.

- **North America** progressed by 15.0%, driven by the development of a comprehensive range of solutions, by good momentum in light construction solutions, and by a strong presence in renovation. 2022 saw the launch of MaxPro, a new blowing wool to insulate attics. Although new construction slowed, the structural need for more housing, as well as the number of construction projects currently in progress, should help limit the slowdown. Our teams made good progress on the integration of Kaycan and of GCP's specialty construction materials business (waterproofing membranes), helping to speed up implementation of the expected synergies, confirm the sales development opportunities and reinforce Saint-Gobain's leading position in construction materials in North America. After a renewable wind farm energy supply agreement executed in 2021, in 2022 the Group signed a new contract based on solar energy: together these agreements will cover over 60% of Saint-Gobain's electricity needs in North America by the end of 2024.
- **Latin America** reported 11.0% growth in a macroeconomic environment that remains challenging in Brazil. Growth in all countries of the Region was supported by higher sales prices, an enriched offer and mix, and a geographic footprint and product range enhanced by bolt-on acquisitions country-by-country in construction chemicals (Impac in Mexico, Brasprefer in Brazil in waterproofing, and Urumix in Uruguay – Saint-Gobain's first facility in the country) and in insulation (Termica San Luis in Argentina).

Asia-Pacific: strong sales growth and record margin

The Asia-Pacific Region reported 23.6% organic growth, led by India and South-East Asia. The operating margin came in at an annual record high of 12.1% (compared to 10.4% in 2018), supported by good momentum in volumes and by a positive raw material and energy price-cost spread.

India delivered an excellent performance in 2022, thanks to further market share gains and an innovative, integrated range of solutions rolled out to new customers. Around 85 "MyHome by Saint-Gobain" showrooms presenting our range of solutions to a new consumer market will soon be operational in the country. To remain in step with market growth, Saint-Gobain has inaugurated a new plasterboard plant which will be powered by biomass in 2024, continued to expand in construction chemicals and made preparations for the opening of its sixth float glass plant in 2023. The successful integration of Rockwool India Pvt. Ltd. (stone wool insulation) and the definitive agreement to acquire U.P. Twiga Fiberglass Ltd. (glass wool insulation) complete the Group's leading positions in façade and interior solutions. Despite disruptions owing to the health situation, **China** posted moderate growth mainly driven by prices, benefiting from its distinctive positioning on the growing light construction and renovation markets. In **South-East Asia,** the Group continues to enjoy a strong growth dynamic and to outperform the market – particularly in Vietnam and Malaysia – supported by a diversified offering in construction chemicals with two new production lines opened in 2022 (Vietnam and Philippines). In addition, the acquisition of Best Crete in Malaysia at the end of the year enhances our resin-based flooring solutions.

High Performance Solutions (HPS): acceleration in sales growth

HPS sales were up by 14.3%, benefiting from an acceleration in prices in the second half and from good volume growth (up 5.0% in 2022), thanks mainly to the recovery in automotive in Europe in the second half. The operating margin came in at 12.0%, down slightly year-on-year owing to a negative mix effect and to the gradual catch-up in prices in Mobility in a strongly inflationary environment.

- Businesses serving **global construction customers** achieved record sales and outperformed the market with 19.5% growth. They continued to benefit from upbeat trends in textile solutions for external thermal insulation systems (ETICS). The very strong trends in Chryso sales and results continued, driven by decarbonization in the construction sector, growth capex (fifth additives plant in India) and targeted acquisitions (Matchem in Brazil, IDP Chemicals in Egypt). The new Construction Chemicals organization integrating GCP has been in place since October 1, 2022 and will help to accelerate implementation of the expected synergies.

- The **Mobility** business saw sales progress 14.9% over the year, with an acceleration in the second half at 24.4%, supported by both a gradual catch-up in sales prices and by a rebound in volumes. The business continued to enjoy upbeat momentum in the Americas, India and China. Thanks to its technological lead in solutions for electric vehicles – which accounted for 30% of our sales at the end of the year – and to its high value-added solutions, the Mobility business continues to outperform the automotive market.

- Businesses serving **Industry** grew 12.8%, supported by activities relating to investment cycles such as ceramics, which benefited from strong demand for innovation in specialty materials and new decarbonization technologies. Against this backdrop, Valoref, a pioneer in ceramic recycling in Europe, increased its sales by almost 50% in 2022 by expanding its operations internationally into India and China, and is now targeting North America.

Analysis of the 2022 consolidated financial statements

The 2022 consolidated financial statements were approved by Saint-Gobain's Board of Directors at its meeting of February 23, 2023. The consolidated financial statements were audited and certified by the statutory auditors.

in € million	2021	2022	% change
Sales	**44,160**	**51,197**	**15.9%**
Operating income	**4,507**	**5,337**	**18.4%**
Operating margin	**10.2%**	**10.4%**	
Operating depreciation and amortization	1,934	2,048	5.9%
Non-operating costs	-239	-262	-9.6%
EBITDA	**6,202**	**7,123**	**14.9%**
Capital gains and losses on disposals, asset write-downs and impact of changes in Group structure	-332	-493	-48.5%
Business income	**3,936**	**4,582**	**16.4%**
Net financial expense	-408	-405	0.7%
Dividends received from investments	1	1	n.s.
Income tax	-919	-1,082	-17.7%
Share in net income of associates	4	5	n.s.
Net income before non-controlling interests	**2,614**	**3,101**	**18.6%**
Non-controlling interests	93	98	5.4%
Net attributable income	**2,521**	**3,003**	**19.1%**
Earnings per share[2] (in €)	4.79	5.84	21.9%
Recurring net income[1]	**2,815**	**3,335**	**18.5%**
Recurring[1] earnings per share[2] (in €)	**5.35**	**6.48**	**21.1%**
EBITDA	**6,202**	**7,123**	**14.9%**
Depreciation of right-of-use assets	-679	-716	-5.4%
Net financial expense	-408	-405	0.7%
Income tax	-919	-1,082	-17.7%
Capital expenditure[3]	-1,591	-1,940	-21.9%
o/w additional capacity investments	*516*	*830*	*60.9%*
Changes in working capital requirement	-217	-19	91.2%
Free cash flow[4]	**2,904**	**3,791**	**30.5%**
Free cash flow conversion[5]	**53%**	**59%**	
ROCE	**15.3%**	**16.1%**	
Lease investments	769	764	-0.7%
Investments in securities net of debt acquired[6]	1,352	3,783	179.8%
Divestments	322	501	55.6%
Consolidated net debt	**7,287**	**8,232**	**13.0%**

1. Recurring net income = net attributable income excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions.
2. Calculated based on the weighted average number of shares outstanding (514,372,413 shares in 2022; 526,244,506 in 2021).
3. Capital expenditure = investments in tangible and intangible assets.
4. 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.
5. Free cash flow conversion ratio = free cash flow divided by EBITDA, less depreciation of right-of-use assets.
6. Investments in securities net of debt acquired = €3,783 million in 2022, of which €3,684 million in controlled companies.

EBITDA climbed 15% to a **new record high of €7,123 million** (up 53% compared to 2018). EBITDA includes €262 million in non-operating costs.

The net balance of capital gains and losses on disposals, asset write-downs and the impact of changes in Group structure represented an expense of €493 million (versus an expense of €332 million in 2021). It reflects €292 million in asset write-downs mainly relating to disposals (UK distribution in particular), €116 million in Purchase Price Allocation (PPA) intangible amortization, and €85 million in disposal losses and impacts relating to changes in Group structure.

Recurring net income hit a new record high of €3,335 million (up 18%). The tax rate on recurring net income was 25%.

Capital expenditure totaled €1,940 million (up 22%), driven by a 61% increase in growth capex, of which almost 70% was in North America and emerging countries. Capital expenditure represented 3.8% of sales in 2022. The Group opened **17 new plants and production lines to bolster its leading positions on the fast-growing markets of construction chemicals and light construction**, particularly in Asia (India, Philippines, Vietnam, China), Africa and the Middle East (Kenya, Zimbabwe, Oman), Latin America (Mexico, Brazil) and Europe (Czech Republic with a 3D printing site, Poland).

Free cash flow came in at a record €3,791 million – a rise of 31% and a three-fold increase compared to 2018 – with a **free cash flow conversion ratio of 59%** (versus 53% in 2021 and 31% in 2018). This reflects strong growth in EBITDA and very good management of operating working capital requirement (WCR), which represented 15 days' sales at end-December 2022 compared to 17 days' sales at end-December 2021.

ROCE hit a new **all-time high of 16.1%** (versus 15.3% in 2021 and 10.7% in 2018), resulting in strong value creation for our shareholders, exceeding or meeting the 12%-15% objective in all our segments.

Investments in securities of controlled companies net of debt acquired totaled **€3,684 million** (versus €1,319 million in 2021), primarily reflecting the acquisition of GCP in construction chemicals – but also Impac in Mexico, Matchem and Brasprefer in Brazil, Urumix in Uruguay, and IDP Chemicals in Egypt – as well as Kaycan in exterior products in North America and Rockwool India Pvt Ltd. in insulation in India. In total, acquisitions made by the Group in 2022 represent approximately €1.9 billion in full-year sales and approximately €300 million in EBITDA.

Divestments totaled €501 million, corresponding essentially to the sale of specialized distribution activities in the UK, Crystals & Detectors and ceramics for the steel market.

Net debt was €8.2 billion. Net debt as a percentage of consolidated equity was stable at 35% at December 31, 2022. **The net debt to EBITDA ratio** also **remained stable** year-on-year at **1.2**, half its end-2018 level.

Attractive shareholder return policy

In 2022, Saint-Gobain **returned a record €1.35 billion to its shareholders**, representing a total yield of 5.8% based on its closing share price at December 31, 2022 (€45.65):

- Around **€835 million was paid by the Group to its shareholders in respect of the dividend** for 2021;
- **€520 million was allocated for share buybacks** in 2022 (net of offsetting employee share creation) in order to reduce the number of shares outstanding to 511 million at December 31, 2022 from 521 million at December 31, 2021.

In 2023, the Group **plans to return over €1.4 billion in total to shareholders**:

- At today's meeting, Saint-Gobain's Board of Directors decided to recommend to the Shareholders' Meeting on June 8, 2023 a cash **dividend up 23% to €2.00 per share** for 2022 (versus €1.63 in 2021). This dividend represents **31% of recurring net income**. The ex-dividend date has been set at June 12 and the dividend will be paid on June 14, 2023;
- **The Group will allocate at least €400 million for share buybacks in 2023** (net of offsetting employee share creation) – in order to further reduce the number of its outstanding shares – in line with the objectives set out in its "Grow & Impact" plan.

2023 outlook and strategic priorities

In an uncertain geopolitical and macroeconomic environment, the Group will continue to **outperform its markets** thanks to the **pertinence of its strategic positioning** at the heart of **energy and decarbonization challenges**.

In 2023 the Group's focus will be on **consolidating its high operating performance level, supported by its resilience and ability to swiftly adapt to local market developments. Action plans** are overseen by country CEOs in order to **optimize in real time** their P&Ls in terms of sales prices, fixed and variable costs, or production capacities.

Saint-Gobain expects a moderate slowdown in its markets in 2023, with contrasting trends: a decline in new construction in certain regions but good resilience overall in renovation:

- Europe: resilience in renovation while new construction slows;
- Americas: slowdown in new construction, partly mitigated by demand on the renovation market;
- Asia-Pacific: good growth in most countries;
- High Performance Solutions: good momentum supported by ongoing improvement in automotive.

Against this backdrop, in 2023 the Group will continue to implement the **strategic priorities set out in its "Grow & Impact" plan for 2021-2025:**

1) Consolidate our initiatives focused on profitability and performance: maintain a very good operating margin level and strong free cash flow generation

- **Constant focus on the price-cost spread**;
- **Productivity initiatives** and swift adjustments of fixed and variable costs where necessary;
- Maintaining **an optimized operating working capital requirement** while ensuring a good level of inventories to best serve customers;
- **Capital expenditure** of just over 4% of sales, consistent with the Group's objective of between 3.5% and 4.5% of sales, with strict allocation to high-growth markets.

2) Outperform our markets and continue to strengthen our profitable growth profile

- **Enrich our comprehensive range** of integrated, differentiated and innovative **solutions** offering sustainability and performance;
- **Continue our targeted acquisition and divestment dynamic**, and benefit from the integration of recent acquisitions.

3) Accelerate our engagement in building a carbon-neutral economy

- **Enrich our positive-impact and low-carbon solutions**;
- **Accelerate decarbonization across the value chain**: optimization of manufacturing processes, development of the circular economy, partnerships in renewable energies and ESG emissions reduction roadmaps at our suppliers and partners.

Amid a moderate market slowdown,
in 2023 Saint-Gobain is targeting an operating margin of between 9% and 11%,
in line with the "Grow & Impact" strategic plan target

Financial calendar

An information meeting for analysts and investors will be held at *8:30am (GMT +1) on February 24, 2023* and will be streamed live on Saint-Gobain's website: www.saint-gobain.com

- Sales for the first quarter of 2023: *Thursday April 27, 2023*, after close of trading on the Paris stock exchange.
- First-half 2023 results: *Wednesday July 26, 2023*, after close of trading on the Paris stock exchange.

Analyst/Investor relations

Vivien Dardel:	+33 1 88 54 29 77
Floriana Michalowska:	+33 1 88 54 19 09
Alix Sicaud:	+33 1 88 54 38 70

Press relations

Patricia Marie:	+33 1 88 54 26 83
Laure Bencheikh:	+33 1 88 54 26 38
Susanne Trabitzsch:	+33 1 88 54 27 96

Glossary:

- 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.*

- ***EBITDA*** *= operating income plus operating depreciation and amortization, less non-operating costs.*
- ***Operating margin*** *= operating income divided by sales.*
- ***ROCE*** *(Return on Capital Employed): operating income for the year adjusted for changes in Group structure, divided by segment assets and liabilities at year-end.*
- ***ESG*** *= Environment, Social, Governance.*
- ***Purchase Price Allocation*** *(PPA) = the process of assigning a fair value to all assets and liabilities acquired and of allocating the residual goodwill as required by IFRS 3 (revised) and IAS 38 for business combinations. PPA intangible amortization relates to amortization charged against brands, customer lists, and intellectual property, and is recognized in "Other operating expenses and asset impairment".*
- ***Pro forma****: sales or operating income including the full-year impact of changes in Group structure in 2022.*
- ***TRAR****: total recordable accident rate with and without lost time for 1 million hours worked for the Group's employees, temporary workers and permanent subcontractors.*

All indicators contained in this press release (not defined in the footnotes) are explained in the notes to the consolidated financial statements as at December 31, 2022, available by clicking here: https://www.saint-gobain.com/en/news/full-year-2022-results

Net debt	*Note 10*
Non-operating costs	*Note 5*
Operating income	*Note 5*
Net financial expense	*Note 10*
Recurring net income	*Note 5*
Business income	*Note 5*
Working capital requirement	*Note 5*

For further information, please visit www.saint-gobain.com.

Appendix 1: Results by Segment

I. SALES	2021 (in €m)	2022 (in €m)	Change on actual structure basis	Change on a comparable stucture basis	Like-for-like change
Northern Europe	15 028	16 413	+9,2%	+12,8%	+12,4%
Southern Europe - ME & Africa	14 044	15 198	+8,2%	+12,1%	+12,6%
Americas	6 815	9 064	+33,0%	+28,3%	+13,9%
Asia-Pacific	1 787	2 132	+19,3%	+30,7%	+23,6%
High Performance Solutions	7 511	9 648	+28,5%	+20,9%	+14,3%
Internal sales and misc.	*-1 025*	*-1 258*	---	---	---
Group Total	**44 160**	**51 197**	**+15,9%**	**+16,9%**	**+13,3%**

II. OPERATING INCOME	2021 (in €m)	2022 (in €m)	Change on actual structure basis	2021 (in % of sales)	2022 (in % of sales)
Northern Europe	1 100	1 279	+16,3%	7,3%	7,8%
Southern Europe - ME & Africa	1 166	1 219	+4,5%	8,3%	8,0%
Americas	1 123	1 462	+30,2%	16,5%	16,1%
Asia-Pacific	211	257	+21,8%	11,8%	12,1%
High Performance Solutions	931	1 155	+24,1%	12,4%	12,0%
Misc.	-24	-35	n.s.	n.s.	n.s.
Group Total	**4 507**	**5 337**	**+18,4%**	**10,2%**	**10,4%**

III. EBITDA	2021 (in €m)	2022 (in €m)	Change on actual structure basis	2021 (in % of sales)	2022 (in % of sales)
Northern Europe	1 709	1 872	+9,5%	11,4%	11,4%
Southern Europe - ME & Africa	1 715	1 761	+2,7%	12,2%	11,6%
Americas	1 358	1 740	+28,1%	19,9%	19,2%
Asia-Pacific	302	360	+19,2%	16,9%	16,9%
High Performance Solutions	1 098	1 371	+24,9%	14,6%	14,2%
Misc.	20	19	n.s.	n.s.	n.s.
Group Total	**6 202**	**7 123**	**+14,9%**	**14,0%**	**13,9%**

IV. CAPITAL EXPENDITURE	2021 (in €m)	2022 (in €m)	Change on actual structure basis	2021 (in % of sales)	2022 (in % of sales)
Northern Europe	424	445	+5,0%	2,8%	2,7%
Southern Europe - ME & Africa	395	434	+9,9%	2,8%	2,9%
Americas	276	430	+55,8%	4,0%	4,7%
Asia-Pacific	134	198	+47,8%	7,5%	9,3%
High Performance Solutions	346	406	+17,3%	4,6%	4,2%
Misc.	16	27	n.s.	n.s.	n.s.
Group Total	**1 591**	**1 940**	**+21,9%**	**3,6%**	**3,8%**

Appendix 2: Results by Segment - Second half

I. SALES	H2 2021 (in €m)	H2 2022 (in €m)	Change on actual structure basis	Change on a comparable stucture basis	Like-for-like change
Northern Europe	7 610	8 014	+5,3%	+9,2%	+9,6%
Southern Europe - ME & Africa	6 587	7 372	+11,9%	+11,6%	+11,6%
Americas	3 555	4 787	+34,7%	+27,0%	+11,2%
Asia-Pacific	912	1 119	+22,7%	+24,7%	+18,6%
High Performance Solutions	3 832	5 048	+31,7%	+23,3%	+16,0%
Internal sales and misc.	*-467*	*-624*	---	---	---
Group Total	**22 029**	**25 716**	**+16,7%**	**+15,4%**	**+11,5%**

II. OPERATING INCOME	H2 2021 (in €m)	H2 2022 (in €m)	Change on actual structure basis	H2 2021 (in % of sales)	H2 2022 (in % of sales)
Northern Europe	515	589	+14,4%	6,8%	7,3%
Southern Europe - ME & Africa	486	526	+8,2%	7,4%	7,1%
Americas	568	739	+30,1%	16,0%	15,4%
Asia-Pacific	113	128	+13,3%	12,4%	11,4%
High Performance Solutions	435	561	+29,0%	11,4%	11,1%
Misc.	14	3	n.s.	n.s.	n.s.
Group Total	**2 131**	**2 546**	**+19,5%**	**9,7%**	**9,9%**

III. EBITDA	H2 2021 (in €m)	H2 2022 (in €m)	Change on actual structure basis	H2 2021 (in % of sales)	H2 2022 (in % of sales)
Northern Europe	812	881	+8,5%	10,7%	11,0%
Southern Europe - ME & Africa	761	798	+4,9%	11,6%	10,8%
Americas	686	888	+29,4%	19,3%	18,6%
Asia-Pacific	160	181	+13,1%	17,5%	16,2%
High Performance Solutions	502	664	+32,3%	13,1%	13,2%
Misc.	33	28	n.s.	n.s.	n.s.
Group Total	**2 954**	**3 440**	**+16,5%**	**13,4%**	**13,4%**

IV. CAPITAL EXPENDITURE	H2 2021 (in €m)	H2 2022 (in €m)	Change on actual structure basis	H2 2021 (in % of sales)	H2 2022 (in % of sales)
Northern Europe	307	315	+2,6%	4,0%	3,9%
Southern Europe - ME & Africa	299	303	+1,3%	4,5%	4,1%
Americas	197	292	+48,2%	5,5%	6,1%
Asia-Pacific	99	138	+39,4%	10,9%	12,3%
High Performance Solutions	247	282	+14,2%	6,4%	5,6%
Misc.	11	20	n.s.	n.s.	n.s.
Group Total	**1 160**	**1 350**	**+16,4%**	**5,3%**	**5,2%**

Appendix 3: Sales by Segment - Fourth Quarter

SALES	Q4 2021 (in €m)	Q4 2022 (in €m)	Change on actual structure basis	Change on a comparable stucture basis	Like-for-like change
Northern Europe	3 794	3 857	+1,7%	+5,4%	+7,2%
Southern Europe - ME & Africa	3 437	3 881	+12,9%	+12,5%	+12,6%
Americas	1 747	2 273	+30,1%	+21,4%	+8,1%
Asia-Pacific	465	531	+14,2%	+13,0%	+11,1%
High Performance Solutions	2 017	2 563	+27,1%	+18,4%	+12,9%
Internal sales and misc.	*-233*	*-310*	---	---	---
Group Total	**11 227**	**12 795**	**+14,0%**	**+12,2%**	**+9,8%**

Appendix 4: Consolidated Balance Sheet

in € million	Dec 31, 2021	Dec 31, 2022
Assets		
Goodwill	11 181	12 858
Other intangible assets	2 705	4 026
Property, plant and equipment	11 663	12 163
Right-of-use assets	2 959	2 752
Investments in equity-accounted companies	536	639
Deferred tax assets	576	382
Pension plan surpluses - assets	894	569
Other non-current assets	528	537
Non-current assets	**31 042**	**33 926**
Inventories	6 598	7 219
Trade accounts receivable	5 104	5 178
Current tax receivable	166	76
Other receivables	1 504	1 450
Assets held for sale	227	1 394
Cash and cash equivalents	6 943	6 134
Current assets	**20 542**	**21 451**
Total assets	**51 584**	**55 377**
Equity and Liabilities		
Shareholders' equity	20 715	22 711
Non-controlling interests	411	443
Total equity	**21 126**	**23 154**
Non-current portion of long-term debt	9 194	8 964
Non-current portion of long-term lease liabilities	2 474	2 324
Provisions for pensions and other employee benefits	2 014	1 712
Deferred tax liabilities	555	768
Other non-current liabilities and provisions	1 066	1 092
Non-current liabilities	**15 303**	**14 860**
Current portion of long-term debt	1 336	1 841
Current portion of long-term lease liabilities	681	597
Current portion of other liabilities and provisions	479	693
Trade accounts payable	6 903	7 266
Current tax liabilities	236	263
Other payables	4 808	5 078
Liabilities held for sale	167	985
Short-term debt and bank overdrafts	545	640
Current liabilities	**15 155**	**17 363**
Total equity and liabilities	**51 584**	**55 377**

Appendix 5: Consolidated Cash Flow Statement

in € million	2021	2022
Operating Income	**4 507**	**5 337**
Operating depreciation and amortization	1 934	2 048
Non-operating costs	(239)	(262)
EBITDA	**6 202**	**7 123**
Depreciation of right-of-use assets	(679)	(716)
Net financial expense	(408)	(405)
Income tax	(919)	(1 082)
Capital expenditure	(1 591)	(1 940)
o/w additional capacity investments	516	830
Changes in working capital requirement	(217)	(19)
o/w changes in inventories	(1 179)	(855)
o/w changes in trade accounts receivable and payable, and other accounts receivable and payable	912	785
o/w changes in tax receivable and payable	50	51
Free cash flow	**2 904**	**3 791**
Changes in deferred taxes and provisions for other liabilities and charges	(162)	164
Additional capacity investments	(516)	(830)
Increase (decrease) in amounts due to suppliers of fixed assets	150	51
Depreciation of right-of-use assets	679	716
Purchases of right-of-use assets	(769)	(764)
Other operating cash items	(57)	(69)
Net cash from operating activities after additional capacity investments and IFRS16	**2 229**	**3 059**
Acquisitions of shares in controlled companies	(985)	(3 683)
Debt acquired	(334)	(1)
Acquisitions of shares in companies not yet consolidated or not consolidated	(33)	(99)
Financial investments	**(1 352)**	**(3 783)**
Disposals of property, plant and equipment and intangible assets	207	89
Disposals of shares in controlled companies, net of debt divested	131	438
Disposals of other investments	4	6
(Increase) decrease in amounts receivable on sales of fixed assets	(20)	(32)
Divestments	**322**	**501**
Increase (decrease) in investment-related liabilities	40	36
(Increase) decrease in loans and deposits	77	48
Net cash from (used in) financial investments and divestments activities	**(913)**	**(3 198)**
Issues of capital stock	199	222
(Increase) decrease in treasury stock	(854)	(781)
Dividends paid	(697)	(833)
Capital increases in non-controlling interests	13	15
Changes in investment-related liabilities following the exercice of put options of minority interests	(21)	0
Acquisitions of minority interests without gain of control	(9)	(2)
Divestments of minority interests without loss of control	12	39
Dividends paid to non-controlling interests and change in dividends payable	(31)	(77)
Net cash from (used in) financing activities	**(1 388)**	**(1 417)**
Net effect of exchange rate changes on net debt	15	328
Net effect of changes in fair value on net debt	55	15
Net debt classified as assets and liabilities held for sale	(94)	268
Impact of remeasurements of lease liabilities	(10)	0
Increase (decrease) in net debt	**(106)**	**(945)**
Net debt excluding lease liabilities at beginning of period	**(4 083)**	**(4 132)**
Lease liabilities at beginning of period	**(3 098)**	**(3 155)**
Net debt at beginning of period	**(7 181)**	**(7 287)**
Net debt excluding lease liabilities at end of period	**(4 132)**	**(5 311)**
Lease liabilities at end of period	**(3 155)**	**(2 921)**
Net debt at end of period	**(7 287)**	**(8 232)**

Appendix 6: Debt as at December 31, 2022

Amounts in €bn		Comments
Amount and structure of net debt	**€bn**	
Gross debt without lease debt	**11,4**	At end of December 2022 87**%** of gross debt without lease debt was at **fixed interest rates** and its **average cost** was 2.3%
Lease Debt	2,9	
Cash & cash equivalents	-6,1	
Net debt	**8,2**	
Breakdown of gross debt without lease debt	**11,4**	
Bond debt and perpetual notes	**10,0**	
April 2023	0,7	
September 2023	0,5	
December 2023	0,4	
March 2024	0,8	
June 2024	0,1	
November 2024	0,1	(GBP 0.1 bn)
March 2025	0,7	
August 2025	0,5	
March 2026	0,8	
June 2027	0,8	
October 2027	0,7	
After December 2027	3,9	
Other long-term debt	**0,6**	(including EUR 0.4 bn long-term securitization)
Short-term debt	**0,8**	*(excluding bonds)*
Negotiable European Commercial Paper (NEU CP)	0,0	Maximum amount of issuance program: EUR 4 bn
Reveivables securitization	0,2	USD securitization (EUR 0.1 bn) and current portion of EUR securitization (EUR 0.1 bn)
Local debt and accrued interest	0,6	Frequent rollover; many different sources of financing
Credit lines, cash & cash equivalents	**10,1**	
Cash and cash equivalents	6,1	
Back-up credit-lines	4,0	See breakdown below
Breakdown of back-up credit lines	**4,0**	

All lines are confirmed and **undrawn, with no Material Adverse Change (MAC) clause**

		Expiry	Covenants
Syndicated line:	€2.5bn	December 2024	None
Syndicated line:	€1.5bn	December 2024	None

Appendix 7: Breakdown of organic sales growth and external sales

FY 2022, in % of total	Like-for-like change	% Group
Northern Europe	**+12,4%**	**31,2%**
Nordics	*+10,9%*	*12,8%*
United Kingdom - Ireland	*+9,9%*	*8,7%*
Germany - Austria	*+16,4%*	*3,2%*
Southern Europe - ME & Africa	**+12,6%**	**28,8%**
France	*+9,9%*	*22,4%*
Spain - Italy	*+23,8%*	*3,5%*
Americas	**+13,9%**	**17,4%**
North America	*+15,0%*	*12,4%*
Latin America	*+11,0%*	*5,0%*
Asia-Pacific	**+23,6%**	**4,0%**
High Performance Solutions	**+14,3%**	**18,6%**
Construction and industry	*+13,9%*	*12,1%*
Mobility	*+14,9%*	*6,5%*
Group Total	**+13,3%**	**100,0%**

H2 2022, in % of total	Like-for-like change	% Group
Northern Europe	**+9,6%**	**30,4%**
Nordics	*+8,7%*	*12,5%*
United Kingdom - Ireland	*+7,1%*	*8,2%*
Germany - Austria	*+15,3%*	*3,0%*
Southern Europe - ME & Africa	**+11,6%**	**27,9%**
France	*+9,8%*	*21,5%*
Spain - Italy	*+22,7%*	*3,4%*
Americas	**+11,2%**	**18,2%**
North America	*+12,9%*	*13,0%*
Latin America	*+7,1%*	*5,2%*
Asia-Pacific	**+18,6%**	**4,1%**
High Performance Solutions	**+16,0%**	**19,4%**
Construction and industry	*+11,3%*	*12,5%*
Mobility	*+24,4%*	*6,9%*
Group Total	**+11,5%**	**100,0%**

Q4 2022, in % of total	Like-for-like change	% Group
Northern Europe	**+7,2%**	**29,3%**
Nordics	*+8,6%*	*12,6%*
United Kingdom - Ireland	*+4,4%*	*7,6%*
Germany - Austria	*+7,5%*	*2,7%*
Southern Europe - ME & Africa	**+12,6%**	**29,6%**
France	*+11,4%*	*23,0%*
Spain - Italy	*+21,2%*	*3,5%*
Americas	**+8,1%**	**17,4%**
North America	*+8,7%*	*12,4%*
Latin America	*+6,5%*	*5,0%*
Asia-Pacific	**+11,1%**	**3,9%**
High Performance Solutions	**+12,9%**	**19,8%**
Construction and industry	*+8,3%*	*12,8%*
Mobility	*+21,2%*	*7,0%*
Group Total	**+9,8%**	**100,0%**

Appendix 8: Contribution of Prices and Volumes to organic sales growth by segment

FY 2022	Like-for-like change	Prices	Volumes
Northern Europe	+12,4%	+15,6%	-3,2%
Southern Europe - ME & Africa	+12,6%	+15,5%	-2,9%
Americas	+13,9%	+16,8%	-2,9%
Asia-Pacific	+23,6%	+15,6%	+8,0%
High Performance Solutions	+14,3%	+9,3%	+5,0%
Group Total	**+13,3%**	**+14,6%**	**-1,3%**

H2 2022	Like-for-like change	Prices	Volumes
Northern Europe	+9,6%	+14,4%	-4,8%
Southern Europe - ME & Africa	+11,6%	+13,8%	-2,2%
Americas	+11,2%	+16,8%	-5,6%
Asia-Pacific	+18,6%	+13,4%	+5,2%
High Performance Solutions	+16,0%	+11,5%	+4,5%
Group Total	**+11,5%**	**+13,8%**	**-2,3%**

Q4 2022	Like-for-like change	Prices	Volumes
Northern Europe	+7,2%	+13,3%	-6,1%
Southern Europe - ME & Africa	+12,6%	+12,8%	-0,2%
Americas	+8,1%	+15,5%	-7,4%
Asia-Pacific	+11,1%	+10,0%	+1,1%
High Performance Solutions	+12,9%	+11,5%	+1,4%
Group Total	**+9,8%**	**+12,8%**	**-3,0%**

Appendix 9: External sales by Segment and geographic area

FY 2022, in % of total

	High Performance Solutions	Northern Europe	Southern Europe - ME & Africa	Americas	Asia-Pacific	Total
France	1,6%		22,4%			**24,0%**
Spain - Italy	1,2%		3,5%			**4,7%**
Germany - Austria	1,2%	3,2%				**4,4%**
United Kingdom - Ireland	0,4%	8,7%				**9,1%**
Nordics	0,2%	12,8%				**13,0%**
Other western European countries	0,4%	2,3%	1,3%			**4,0%**
Eastern Europe	1,9%	4,2%				**6,1%**
Middle East & Africa	0,4%		1,6%			**2,0%**
North America	5,2%			12,4%		**17,6%**
Latin America	2,2%			5,0%		**7,2%**
Asia-Pacific	3,9%				4,0%	**7,9%**
Total	**18,6%**	**31,2%**	**28,8%**	**17,4%**	**4,0%**	**100,0%**