GROW & IMPACT

SAINT-GOBAIN

The worldwide leader
in light & sustainable construction

Further record results in H1 2023
2023 outlook upgraded

- **Record margin of 11.3% and record operating income of €2,813m despite a difficult environment**
- **Significant operating income growth in North America, Asia and emerging countries**, which represent over 60% of the Group's earnings
- **Strong increase in free cash flow, up 30% at €2,192m**
- **Double-digit operating margin expected in full-year 2023 for the third consecutive year, demonstrating the Group's resilience**

Benoit Bazin, Chief Executive Officer of Saint-Gobain, commented:
"In a difficult macroeconomic environment, the Group once again demonstrated the effectiveness of its "Grow & Impact" strategy and the resilience of its decentralized operating model. Thanks to our teams' agility, entrepreneurial spirit and dedication, we once again delivered record earnings, margins, and value creation in the first half of 2023. Our organization by country has enabled the Group to outperform, both by proactively adapting our operations on the ground but also by making selective growth investments, including in additional production capacity and with acquisitions such as Building Products of Canada.

Over 60% of our earnings are now generated in North America, Asia and emerging countries, where trends are improving and the growth outlook is supported by demographics and rapid urbanization. In Western Europe, renovation – our biggest market – continues to show good resilience as expected, with stimulus measures and regulations aimed at accelerating the path to carbon neutrality; structural demand for new construction is growing, even though additional financing costs are temporarily impacting the sector.

Despite a moderate slowdown in its markets in the short-term, in 2023 Saint-Gobain will deliver a double-digit operating margin for the third consecutive year. Over the medium term, I am confident that the Group's new profile places it firmly on a sustainable profitable growth trajectory."

A growth strategy built on sustainable solutions and innovation

Saint-Gobain continues to outperform its markets thanks to the pertinence of its strategic positioning at the heart of energy and decarbonization challenges, and to the strength of its local organization by country, which enables it to offer comprehensive solutions to its customers.

<u>**A comprehensive range of solutions accelerating growth**</u>

Saint-Gobain's solutions for renovation, the building envelope and innovative new light construction methods drastically reduce CO_2 emissions while increasing user wellbeing (thermal and acoustic comfort, light, air quality and hygiene). Each country CEO has adopted a specific local approach:

- **In France**, "Saint-Gobain Solutions" is organized by market and provides comprehensive offers for commercial buildings, educational and healthcare facilities, and multi-family housing (social housing associations, developers and condominiums).
  As the leading player in the value chain, Saint-Gobain organized the first "*Sustainable Construction Talks*" in Paris on July 4, 2023 on the theme "*Global and sustainable renovation: why and how to accelerate?*", which followed the publication in April of the first international Barometer on the transformation of construction. The Group also showcased its comprehensive range of solutions in three "white papers" published during the first half of the year on educational and healthcare facilities and on the renovation of multi-family housing.
  Thanks to these efforts, the Group is capturing market share on major building projects with environmental certification (HQE, BREEAM, LEED, BBC Effinergie, NF Habitat), where the value of our comprehensive offers is approximately twice as high as for traditional projects. The current renovation of *Le Carré des Invalides* in Paris featuring 10 Saint-Gobain solutions is an excellent example of such sustainable and low-carbon construction.
- **In Poland**, the "Saint-Gobain Solutions" organization set up at the end of 2022 and bringing together all local brands, encourages the development of systems and cross-selling in key segments such as premium multi-family housing, sports complexes, and educational and healthcare facilities. During the first half of 2023, the "Copernican Revolution Lab" for innovation was unveiled in Warsaw. It features numerous solutions developed by the Group: Isover insulation, Rigips plasters, Weber mortars, Ecophon ceilings and Vetrotech fire-resistant glazing. The Group is also set to launch a digital tool that will allow developers to build housing from prefabricated components using Saint-Gobain's comprehensive solutions.
- **In India**, Saint-Gobain is enhancing its proximity to the end customer with a network of soon 100 "*MyHome by Saint-Gobain"* showrooms for consumers. For multi-family housing, Saint-Gobain is offering a comprehensive solution as part of the "*Modern Homes*" program, which features solutions based on glass (windows, balconies, shower doors), plaster and plasterboard (ceilings, interior walls), and construction chemicals. Thanks to this global solutions-based approach, the Group has captured market share, notably winning bids on 35 major non-residential projects. The "*Central Vista*" mega-project in New Delhi is testimony to these efforts, with 11 Saint-Gobain solutions used.
- **In Mexico**, a central specification team promoting our comprehensive offer is accelerating sales synergies between products (glass, plasterboard, glass wool, construction chemicals), with 50 multi-solution and façade projects in the first half (versus 64 projects for the whole of 2022). The brand-new Waldorf Astoria hotel in Cancun, for example, brings together the Group's light construction solutions. Lastly, in early 2023, Mexico launched a consulting service recommending Saint-Gobain's solutions to homebuilders.

A sustainable, innovative offer

Innovation at Saint-Gobain follows five transversal axes:

- **Decarbonizing production processes**:
  - After achieving the world's first-ever zero-carbon (scope 1 and 2) production of glass in 2022, Saint-Gobain delivered another world-first in March 2023, producing glass with a furnace powered by over 30% hydrogen at its Herzogenrath site in Germany, which will allow a reduction of up to 70% in direct CO_2 emissions (scope 1).
  - The world's first-ever zero-carbon (scope 1 and 2) plasterboard production began in April 2023 at Saint-Gobain's Fredrikstad plant in Norway.
  - Saint-Gobain has raised its internal carbon prices – in force since 2016 – from €75 to €100 per ton for capex investments and from €150 to €200 per ton for R&D projects.
  - The Group uses artificial intelligence (AI) and algorithms to help improve its industrial performance and reduce its energy consumption. In a glass plant, production metrics are analyzed and optimized in real time using data coming from the installation of over 400 sensors.

- **Light construction systems**:
  - Glasroc® X: the Group has developed a plasterboard reinforced by Adfors fiber glass mat, containing special additives for moisture resistance, making it ideal for external applications. The plasterboard is now manufactured at 23 sites across the globe, and has a carbon footprint two to three times lighter than traditional alternatives.
  - One Precision Assemblies (OPA): in May 2023 in the US, Saint-Gobain launched its first-ever prefabricated residential construction solution for walls, floors, ceilings and roofing.

- **Sustainable solutions protecting natural resources**:
  - In February 2023 in France, Saint-Gobain launched "*Les Engagés*", a comprehensive range of sustainable low-carbon solutions including for example Novelio® wall coverings, Isover GR 32 insulation, Placo® Infini 13 plasterboard (with over 50% recycled content), Webercol Flex Eco adhesives (offering a 50% reduction in CO_2 emissions) and COOL-LITE® XTREME ORAÉ®, which combines ORAÉ® low-carbon glass with high-performance thermally insulating coatings, enabling a 42% reduction in its carbon footprint.
  - Weber mortars continue to replace cement (e.g., with blast furnace slag or fly ash) and sand (with construction demolition materials or excavated earth).
  - Lastly, the Group's February 2023 acquisition of Asphaltica and its asphalt shingle recycling technology for roofing in the US gives added impetus to initiatives promoting the circular economy.

- **Materials and solutions to conquer new markets**:
  - Ecocem and Saint-Gobain recently announced that they would be partnering to develop and market low-carbon solutions for binders, concretes and mortars.
  - CarbiCrete: at the "*ChangeNOW*" summit in May 2023, Saint-Gobain announced it had signed a partnership agreement with Canadian start-up CarbiCrete to manufacture cement-free, carbon-sequestering concrete blocks.
  - Development of innovative solutions based on high-performance polymers and ceramics, for example for hydrogen transport and fire-protection for batteries in electric vehicles.

- **Digital tools developed to best serve customers**:
  - Artificial intelligence is increasingly being used to deepen our customer knowledge, with marketing segmentation and the introduction of pricing strategies incorporating recommendation-based models to support decision-making.
  - Digital services are available to our professional customers to facilitate their day-to-day and improve their productivity. The TOLTECK app for managing quotes and bills is used every day in France by more than 23,000 trade professionals, while the SOLU+ app makes it possible to easily estimate cost and scale building projects and then send the order to an outlet in just one click. Lastly, the CAP RENOV+ solution simulates over 20,000 renovation projects every month in France, giving value to the associated gains in comfort and energy savings, and integrating the government aid compatible with a given project.
  - Digitalization is an opportunity to provide value-added services all along the value chain. In Vietnam, 4 million QR codes have been printed on products, helping to optimize deliveries and offer a personalized customer experience.
  - An experts' hub of 150 data scientists supports these initiatives.

Group operating performance

First-half 2023 once again demonstrated the Group's resilience with a record operating margin of 11.3%.

Like-for-like sales rose 1.6% versus first-half 2022, driven by High Performance Solutions, Asia-Pacific and the upturn in trading in North America. In an environment that remains inflationary, the Group continues to effectively serve and support its customers while managing energy and raw material cost evolution. Prices were up by 7.9% over the period (up 10.2% in the first quarter and up 5.9% in the second quarter, reflecting sequential price stability), owing to price increases implemented last year and certain additional measures taken locally, generating a **positive price-cost spread** overall.

As expected, volumes contracted, down 6.3% over the first half (down 7.0% in the second quarter including a negative working day effect of around 2%), with a moderate slowdown in markets reflecting a contrasting situation: a marked decline in new construction but good resilience overall in renovation. **In each local market**, the Group is taking **the proactive commercial and industrial measures necessary to continue to outperform its markets and maintain its excellent operating performance**. Action plans are implemented by country CEOs to adapt to their environment and optimize in real time their P&Ls: commercial efficiency to outperform the market and adaptation of costs where needed (optimization of production capacities, fixed and variable costs and discretionary expenses).

On a reported basis, sales were down by **2.1%** to **€25.0 billion**, with a negative currency impact of 1.4%. The Group structure impact reduced sales by 2.3% and results from the **ongoing optimization of the Group's profile**, both in terms of disposals – mainly in distribution (UK, Poland and Denmark), glass processing activities, Crystals & Detectors and ceramics for the steel industry – and in terms of acquisitions, mainly in construction chemicals (**GCP** Applied Technologies "GCP", Impac in Mexico, Matchem in Brazil and Best Crete in Malaysia), exterior products (**Kaycan** in North America) and insulation (U.P. Twiga in India). **The integration of recent acquisitions is progressing well**.

Operating income hit a new record in first-half 2023 at €2,813 million, a rise of **2.1% at constant exchange rates** versus first-half 2022.

The Group's **operating margin hit another record-high of 11.3% in first-half 2023**, versus 11.0% in first-half 2022, thanks notably to the rollout of initiatives set out in its "**Grow & Impact**" plan: an optimized business profile (one-third of sales rotated since 2018), increased pricing power (high added-value solutions provided to our customers and constant focus on the price-cost spread) and various proactive measures to adapt to local markets.

Segment performance (like-for-like sales)

Northern Europe: record margin despite a limited decline in sales thanks to better resilience in renovation

Sales in the Northern Europe Region were **down by 3.7%** over the first half amid a marked slowdown in new construction, while renovation (around 55% of sales) proved more resilient. After several quarters of slowing volumes, the volume decline in the second quarter was identical to the decline in the first quarter at a comparable number of days. The operating margin for the Region came in at a new record-high of 8.6% (versus 8.2% in first-half 2022), thanks to an optimized business profile, well-managed pricing and proactive cost adjustments amid a downturn in volumes.

Nordic countries held firm thanks to their presence across the construction value chain, despite a clear downturn in the new construction market, particularly in Sweden. In April, Saint-Gobain inaugurated the world's first carbon-neutral (scope 1 and 2) plasterboard production at its Fredrikstad plant in Norway. The **UK** progressed on the back of market share gains in façade and interior solutions, and also benefited from an optimized portfolio following the divestments of its distribution businesses. **Germany** and **Eastern Europe** suffered in a context of high inflation and a rapid rise in interest rates which weighed on new construction.

Southern Europe - Middle East & Africa: increase in sales supported by resilience in renovation and a good margin level

The Southern Europe - Middle East & Africa Region saw a **2.6% rise in sales**, driven by prices and by good resilience in renovation (almost 70% of sales), while the new construction market slowed. The Region posted a strong operating margin, at 8.6% (versus 8.9% in first-half 2022), thanks to good management of raw material and energy cost inflation and proactive management of costs and industrial efficiency.

France continued to benefit from its strong exposure to the renovation market, which remained at a good level despite cost inflation in a favorable regulatory environment. The announcement by the French government in mid-July of a 66% rise in the *MaPrimeRénov'* household renovation stimulus package to €4 billion in 2024 illustrates the country's commitment to accelerate energy-efficiency renovation of existing buildings and to reduce CO_2 emissions in the construction sector. Saint-Gobain's position as a benchmark across the entire renovation value chain enabled it to report further substantial gains in market share. The rollout of low-carbon solutions is accelerating, helping the Group's customers to meet their environmental goals. Lastly, the introduction on May 1, 2023 of the Extended Producer Responsibility (EPR) allows Saint-Gobain to leverage its technological and organizational recycling and repurposing expertise.

In **Spain**, business was driven by good momentum in construction markets overall, while in **Italy**, renovation remained robust thanks to the continuation of the government's "Superbonus" scheme. **Middle East and Africa** posted strong growth, led by **Egypt** and **Turkey**.
Since the beginning of the year, the Group has continued to optimize its presence in the Region, signing an agreement to sell its glass processing business in Portugal and undertaking growth investments in **Egypt** in construction chemicals (acquisition of Drymix and inauguration of a site producing adhesives and waterproofing) and in **Turkey** by merging with Dalsan to create a leader in plaster and plasterboard.

Americas: sales growth and record margin

The Americas delivered **3.4% organic growth** over first-half 2023, buoyed by an upturn in North America in the second quarter. The Region's operating income hit a new record-high, resulting in an operating margin of 17.8% (up from 16.9% in first-half 2022), mainly supported by the upturn in volumes in the US during the second quarter.

- **North America** progressed by 5.5% over first-half 2023 (up 15.8% as reported, with the integration of Kaycan and GCP's waterproofing membranes), supported by its comprehensive range of interior and exterior light construction solutions. The new construction market has stabilized over the last six months with positive signs towards the end of the period. Growth in the Region accelerated in the second quarter at 9.6%, with market share gains for the roofing and siding businesses thanks to highly successful cross-selling strategies.
  The signature in June of an agreement to acquire Building Products of Canada in roofing will allow Saint-Gobain to reinforce its leadership in Canada, with a comprehensive range of interior and exterior solutions.
  In light of the favorable market outlook, in early July the Group announced a USD 235 million investment to double the production capacity of its gypsum facility in Florida – one of the most dynamic areas in the US. Lastly, the introduction of the Inflation Reduction Act (IRA) plays a role both indirectly – through the creation of jobs that will result in additional demand for housing – and directly, with insulating products having been eligible for a tax credit since January 1, 2023 owing to their role in the energy transition.

- **Latin America** was down by 2.5% in a macroeconomic environment that remains difficult in Brazil owing to high interest rates. Mexico benefited from the successful integration of Impac in construction chemicals, with an acceleration in sales synergies in distribution networks, and plans to invest in a new Chryso plant at its Impac site in Monterrey. The other countries in the Region were driven by an increase in sales prices, an enriched offer and mix, and a geographic footprint and product range extended by bolt-on acquisitions. Thanks to the successful integration of Termica San Luis, a leader in insulation in Argentina, Saint-Gobain has consolidated its strong operating performance in the country.
  As of May 2023, the Group's three glass facilities in Brazil have replaced 8% of their natural gas consumption with biogas. In Mexico, the Cuautla glass facility now uses 100% solar electricity alongside natural gas.

Asia-Pacific: good sales momentum and a very good margin level

The Asia-Pacific Region reported **6.4% organic growth** and a strong 12.5% operating margin (12.7% in first-half 2022).

India delivered a good performance against a high comparison basis in first-half 2022, on the back of market share gains, an integrated and innovative range of solutions, the successful integration of recent acquisitions in insulation (Rockwool India Pvt Ltd. and U.P. Twiga) and the start-up of new capacity, notably in glass. Saint-Gobain continues to play a pioneering role in promoting "green" buildings in the country by offering its sustainable construction solutions. Particularly noteworthy was the first-ever production of low-carbon glass in the country in June 2023, allowing a 40% reduction in CO_2 emissions (scope 1 and 2) through the use of two-thirds recycled materials as well as green electricity used alongside natural gas. After ongoing disruptions from Covid at the start of the year, **China** reported good growth. In the second quarter the Group unveiled its fourth plasterboard facility and fifth gypsum factory in the country, in Yuzhou (Henan province), to respond to strong demand for these light materials as a replacement for more traditional building materials: like the Group's other gypsum plants in China, this new site uses carbon-free electricity. **South-East Asia** saw sales progress owing to the continued diversification of its range of light solutions, and continued to strengthen its position on the light construction market in Malaysia with the acquisition of Hume.

High Performance Solutions (HPS): good sales growth and sequential improvement in margin

HPS achieved **6.4% organic growth** over first-half 2023, benefiting from its strong innovation capabilities, a recovery in the European automotive market, and a good level of sales prices. The operating margin came in at 12.3%, down slightly year-on-year owing to the negative mix effect in Mobility, but up sharply on a sequential basis (11.1% in second-half 2022).

- Businesses serving **global construction customers** saw sales grow by over 40% as reported, due mainly to the GCP integration. The upbeat trends in Chryso and GCP sales continued, spurred by the innovation drive for decarbonization in the construction sector, notably with the CO2ST® and EnviroMix® solutions for developing cement and concrete mixes with a much lighter carbon footprint. Chryso continued to enjoy strong growth in emerging countries, leveraging Saint-Gobain's presence in Brazil to accelerate its expansion through the Matchem acquisition, and in India benefiting from the construction of a fifth site in record time. The new Construction Chemicals organization including GCP has been in place since the end of 2022 and is successfully deploying all expected synergies. In contrast, Adfors reinforcement solutions were down against a high comparison basis.
- **Mobility** saw a strong rise in sales, buoyed by a gradual catch-up in sales prices, an outperformance linked to its strong technological positioning on electric vehicles, and a rebound in volumes in Europe. Momentum remains favorable in the Americas and Asia.
- Businesses serving **Industry** were driven by sales prices and the demand for cutting-edge materials and decarbonization technologies, despite a mixed situation on industrial markets. These businesses are reaping the rewards of their digital transformation, in particular with the implementation of "digital twins" – allowing industrial operations to be modelled using AI-based algorithms and energy savings of up to 10% – along with digital simulation services helping customers increase their productivity using virtual reality platforms.

Analysis of the consolidated financial statements for first-half 2023

The unaudited interim consolidated financial statements for first-half 2023 were subject to a limited review by the statutory auditors and adopted by the Board of Directors on July 26, 2023.

in € million	H1 2022	H1 2023	% change
Sales	**25,481**	**24,954**	**-2.1%**
Operating income	**2,791**	**2,813**	**0.8%**
Operating margin	**11.0%**	**11.3%**	
Operating depreciation and amortization	992	980	-1.2%
Non-operating costs	-100	-55	45.0%
EBITDA	**3,683**	**3,738**	1.5%
Capital gains and losses on disposals, asset write-downs and impact of changes in Group structure	-198	-464	-134.3%
Business income	**2,493**	**2,294**	**-8.0%**
Net financial expense	-194	-196	-1.0%
Dividends received from investments	1	1	n.s.
Income tax	-530	-607	-14.5%
Share in net income of associates	4	3	n.s.
Net income before non-controlling interests	**1,774**	**1,495**	**-15.7%**
Non-controlling interests	50	45	-10.0%
Net attributable income	**1,724**	**1,450**	**-15.9%**
Earnings per share[2] (in €)	3.34	2.84	-15.0%
Recurring net income[1]	**1,814**	**1,821**	**0.4%**
Recurring[1] earnings per share[2] (in €)	3.51	3.57	1.7%
EBITDA	**3,683**	**3,738**	**1.5%**
Depreciation of right-of-use assets	-350	-340	2.9%
Net financial expense	-194	-196	-1.0%
Income tax	-530	-607	-14.5%
Capital expenditure[3]	-590	-616	4.4%
o/w additional capacity investments	*241*	*274*	*13.7%*
Changes in working capital requirement[4]	-574	-61	89.4%
Free cash flow[5]	**1,686**	**2,192**	**30.0%**
Free cash flow conversion[6]	**51%**	**65%**	
ROCE	**15.3%**	**15.7%**	
Lease investments	395	442	11.9%
Investments in securities net of debt acquired[7]	283	228	-19.4%
Divestments	79	857	n.s.
Consolidated net debt	**8,276**	**8,922**	**7.8%**

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 (510,080,726 shares in 2023, versus 516,797,123 shares in 2022).
3. Capital expenditure = investments in tangible and intangible assets.
4. Changes in working capital requirement over a rolling 12-month period (see Appendix 4, bottom of "Consolidated cash flow statement").
5. 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 rolling 12-month period.
6. Free cash flow conversion ratio = free cash flow divided by EBITDA, less depreciation of right-of-use assets.
7. Investments in securities net of debt acquired = €228 million in 2023, of which €120 million in controlled companies.

EBITDA climbed to a **record €3,738 million, while the EBITDA margin also hit a record-high** of **15.0%** (14.5% in first-half 2022).

Non-operating costs were €55 million versus €100 million in first-half 2022. The net balance of capital gains and losses on disposals, asset write-downs and the impacts of changes in Group structure represented an expense of €464 million (versus an expense of €198 million in first-half 2022). It reflects €150 million in asset write-downs and Purchasing Price Allocation (PPA) intangible amortization, and €314 million in disposal losses and impacts relating to changes in Group structure, mainly translation adjustments on divested UK distribution assets.

Recurring net income hit an all-time high of €1,821 million.
The tax rate on recurring net income was 25%.

Capital expenditure represented €616 million (€590 million in first-half 2022). Maintenance capex has been optimized as planned and reallocated to growth capex (up 14%) in selected markets. **Over the past 12 months, the Group has opened 23 new plants and production lines** to strengthen its leading positions in high-growth markets for sustainable construction, especially in construction chemicals – in Asia (India and China), Africa & Middle East (Nigeria, Morocco, Egypt and Oman) and Europe (Italy and a 3D printing facility in the Czech Republic) – along with façade and light construction solutions (India, China and Spain).

Free cash flow was at €2,192 million (8.8% of sales) – **a rise of 30%** versus first-half 2022 – with a **free cash flow conversion ratio of 65%** (51% in first-half 2022). This was attributable to the slight increase in EBITDA and to very good management of operating working capital requirement (WCR), which represented 25 days' sales at end-June 2023 versus 26 days' sales at end-June 2022.

Investments in securities net of debt acquired totaled €228 million (€283 million in first-half 2022), primarily reflecting acquisitions in plasterboard (Dalsan in Turkey) and in insulation (U.P. Twiga in India and Termica San Luis in Argentina).

Divestments totaled €857 million (€79 million in first-half 2022), primarily reflecting the sale of the UK distribution business for €803 million.

Net debt amounted to €8.9 billion at June 30, 2023. It represents 38% of consolidated equity versus 36% at end-June 2022. **The net debt to EBITDA ratio** on a rolling 12-month basis remained stable versus June 30, 2022, at 1.2.

2023 outlook

In a difficult macroeconomic environment, Saint-Gobain continues to demonstrate its resilience and its strong operating performance thanks to its focused strategy and its proactive commercial and industrial initiatives. The Group continues to focus on developing sustainable and innovative solutions with a positive impact, supported by strong innovation and investments for growth.

2023 will therefore mark another successful year for Saint-Gobain, with the continued implementation of its “Grow & Impact” priorities.

The Group **confirms its assumptions for its markets in 2023**, with contrasting trends: a marked decline in new construction in certain regions but good resilience overall in renovation, **and is raising its operating margin guidance**.

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

For second-half 2023, the Group 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 July 27, 2023* and will be streamed live on Saint-Gobain’s website: www.saint-gobain.com/

- Site visits for investors and analysts: *September 21 and 22, 2023* in the US (Boston region) and *November 13 and 14, 2023* in France (Paris region).
- Sales for the third quarter of 2023: *October 26, 2023*, after close of trading on the Paris stock market.

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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 (impact at constant exchange rates);*
- *changes in applicable accounting policies.*

*- **EBITDA margin** = EBITDA divided by sales.*
*- **Operating margin** = operating income divided by sales.*
*- **ROCE** (Return on Capital Employed) = operating income for the period adjusted for changes in Group structure, divided by segment assets and liabilities at period-end.*
*- **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 on a separate line, "Other operating expenses and asset impairment".*
*- **Building labels**: HQE (High Environmental Quality), BREEAM (Building Research Establishment Environmental Assessment Method), LEED (Leadership in Energy and Environmental Design), BBC Effinergie (Low-Consumption Building) and NF Habitat.*

All indicators contained in this press release (not defined in the footnotes) are explained in the notes to the interim financial statements available by clicking here: https://www.saint-gobain.com/en/finance/regulated-information/half-yearly-financial-report

Net debt	*Note 10*
EBITDA	*Note 5*
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*

Important disclaimer – forward-looking statements:

This press release contains forward-looking statements with respect to Saint-Gobain's financial condition, results, business, strategy, plans and outlook. Forward-looking statements are generally identified by the use of the words "expect", "anticipate", "believe", "intend", "estimate", "plan" and similar expressions. Although Saint-Gobain believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions as at the time of publishing this document, investors are cautioned that these statements are not guarantees of its future performance. Actual results may differ materially from the forward-looking statements as a result of a number of known and unknown risks, uncertainties and other factors, many of which are difficult to predict and are generally beyond Saint-Gobain's control, including but not limited to the risks described in the "Risk Factors" section of Saint-Gobain's Universal Registration Document and the main risks and uncertainties presented in the half-year 2023 financial report, both documents being available on Saint-Gobain's website (www.saint-gobain.com). Accordingly, readers of this document are cautioned against relying on these forward-looking statements. These forward-looking statements are made as of the date of this document. Saint-Gobain disclaims any intention or obligation to complete, update or revise these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws and regulations. This press release does not constitute any offer to purchase or exchange, nor any solicitation of an offer to sell or exchange securities of Saint-Gobain.

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

Appendix 1: Results by Segment - First half

I. SALES	H1 2022 (in €m)	H1 2023 (in €m)	Change on actual structure basis	Change on a comparable stucture basis	Like-for-like change
Northern Europe	8,399	6,674	-20.5%	-7.3%	-3.7%
Southern Europe - ME & Africa	7,826	7,976	+1.9%	+1.8%	+2.6%
Americas	4,277	4,784	+11.9%	+4.5%	+3.4%
Asia-Pacific	1,013	1,036	+2.3%	+1.1%	+6.4%
High Performance Solutions	4,600	5,163	+12.2%	+6.3%	+6.4%
Internal sales and misc.	*-634*	*-679*	---	---	---
Group Total	**25,481**	**24,954**	**-2.1%**	**+0.2%**	**+1.6%**

II. OPERATING INCOME	H1 2022 (in €m)	H1 2023 (in €m)	Change on actual structure basis	H1 2022 (in % of sales)	H1 2023 (in % of sales)
Northern Europe	690	572	-17.1%	8.2%	8.6%
Southern Europe - ME & Africa	693	688	-0.7%	8.9%	8.6%
Americas	723	852	+17.8%	16.9%	17.8%
Asia-Pacific	129	130	+0.8%	12.7%	12.5%
High Performance Solutions	594	633	+6.6%	12.9%	12.3%
Misc.	-38	-62	n.s.	n.s.	n.s.
Group Total	**2,791**	**2,813**	**+0.8%**	**11.0%**	**11.3%**

III. EBITDA	H1 2022 (in €m)	H1 2023 (in €m)	Change on actual structure basis	H1 2022 (in % of sales)	H1 2023 (in % of sales)
Northern Europe	991	804	-18.9%	11.8%	12.0%
Southern Europe - ME & Africa	963	964	+0.1%	12.3%	12.1%
Americas	852	997	+17.0%	19.9%	20.8%
Asia-Pacific	179	181	+1.1%	17.7%	17.5%
High Performance Solutions	707	834	+18.0%	15.4%	16.2%
Misc.	-9	-42	n.s.	n.s.	n.s.
Group Total	**3,683**	**3,738**	**+1.5%**	**14.5%**	**15.0%**

IV. CAPITAL EXPENDITURE	H1 2022 (in €m)	H1 2023 (in €m)	Change on actual structure basis	H1 2022 (in % of sales)	H1 2023 (in % of sales)
Northern Europe	130	135	+3.8%	1.5%	2.0%
Southern Europe - ME & Africa	131	137	+4.6%	1.7%	1.7%
Americas	138	121	-12.3%	3.2%	2.5%
Asia-Pacific	60	62	+3.3%	5.9%	6.0%
High Performance Solutions	124	131	+5.6%	2.7%	2.5%
Misc.	7	30	n.s.	n.s.	n.s.
Group Total	**590**	**616**	**+4.4%**	**2.3%**	**2.5%**

Appendix 2: Sales by Segment - Second Quarter

SALES	**Q2 2022 (in €m)**	**Q2 2023 (in €m)**	Change on actual structure basis	Change on a comparable stucture basis	**Like-for-like change**
Northern Europe	4,385	3,155	-28.1%	-12.4%	-8.4%
Southern Europe - ME & Africa	4,101	3,964	-3.3%	-3.2%	-2.4%
Americas	2,357	2,604	+10.5%	+4.2%	+5.7%
Asia-Pacific	534	545	+2.1%	+0.5%	+7.6%
High Performance Solutions	2,409	2,607	+8.2%	+2.4%	+4.1%
Internal sales and misc.	*-312*	*-327*	---	---	---
Group Total	**13,474**	**12,548**	**-6.9%**	**-3.4%**	**-1.1%**

Appendix 3: Consolidated Balance Sheet

in € million	Dec 31, 2022	June 30, 2023
ASSETS		
Goodwill	12,858	12,626
Other intangible assets	4,026	3,998
Property, plant and equipment	12,163	12,205
Right-of-use assets	2,752	2,740
Investments in equity-accounted companies	639	742
Deferred tax assets	382	380
Pension plan surpluses - assets	569	522
Other non-current assets	537	511
Non-current assets	**33,926**	**33,724**
Inventories	7,219	7,362
Trade accounts receivable	5,178	6,294
Current tax receivable	76	110
Other receivables	1,450	1,572
Assets held for sale	1,394	300
Cash and cash equivalents	6,134	6,212
Current assets	**21,451**	**21,850**
Total assets	**55,377**	**55,574**
EQUITY AND LIABILITIES		
Shareholders' equity	22,711	22,907
Non-controlling interests	443	437
Total equity	**23,154**	**23,344**
Non-current portion of long-term debt	8,964	9,310
Non-current portion of long-term lease liabilities	2,324	2,304
Provisions for pensions and other employee benefits	1,712	1,768
Deferred tax liabilities	768	836
Other non-current liabilities and provisions	1,092	1,109
Non-current liabilities	**14,860**	**15,327**
Current portion of long-term debt	1,841	2,038
Current portion of long-term lease liabilities	597	589
Current portion of other liabilities and provisions	693	650
Trade accounts payable	7,266	7,219
Current tax liabilities	263	283
Other payables	5,078	5,025
Liabilities held for sale	985	206
Short-term debt and bank overdrafts	640	893
Current liabilities	**17,363**	**16,903**
Total equity and liabilities	**55,377**	**55,574**

Appendix 4: Consolidated Cash Flow Statement

in € million	H1 2022	H1 2023
Operating Income	**2,791**	**2,813**
Operating depreciation and amortization	992	980
Non-operating costs	(100)	(55)
EBITDA	**3,683**	**3,738**
Depreciation of right-of-use assets	(350)	(340)
Net financial expense	(194)	(196)
Income tax	(530)	(607)
Capital expenditure	(590)	(616)
o/w additional capacity investments	241	274
Changes in working capital requirement over a 12-month period	(574)	(61)
o/w changes in inventories	(1,555)	(227)
o/w changes in trade accounts receivable and payable, and other accounts receivable and payable	986	160
o/w changes in tax receivable and payable	(5)	6
Free cash flow	**1,686**	**2,192**
Changes in deferred taxes and provisions for other liabilities and charges	40	90
Additional capacity investments	(241)	(274)
Increase (decrease) in amounts due to suppliers of fixed assets	(242)	(271)
Cancellation of WCR over a 12-month period from FCF calculation	574	61
Changes in working capital requirement end of period:	(1,326)	(1,368)
o/w changes in inventories	(952)	(324)
o/w changes in trade accounts receivable and payable, and other accounts receivable and payable	(409)	(1,033)
o/w changes in tax receivable and payable	35	(11)
Depreciation of right-of-use assets	350	340
Purchases of right-of-use assets	(395)	(442)
Other operating cash items	(31)	20
Net cash from operating activities after additional capacity investments and IFRS16	**415**	**348**
Acquisitions of shares in controlled companies	(204)	(120)
Debt acquired	0	26
Acquisitions of shares in companies not yet consolidated or not consolidated	(79)	(134)
Financial investments	**(283)**	**(228)**
Disposals of property, plant and equipment and intangible assets	42	25
Disposals of shares in controlled companies, net of net debt divested	83	818
Disposals of other investments	3	1
(Increase) decrease in amounts receivable on sales of fixed assets	(49)	13
Divestments	**79**	**857**
Increase (decrease) in investment-related liabilities	50	(31)
(Increase) decrease in loans and deposits	15	46
Net cash from (used in) financial investments and divestments activities	**(139)**	**644**
Issues of capital stock	222	211
(Increase) decrease in treasury stock	(706)	(353)
Dividends paid	(835)	(1,014)
Capital increases in non-controlling interests	11	4
Divestments of minority interests without loss of control	39	0
Dividends paid to non-controlling interests	(63)	(47)
Net cash from (used in) financing activities	**(1,332)**	**(1,199)**
Net effect of exchange rate changes on net debt	166	21
Net effect of changes in fair value on net debt	(51)	(219)
Net debt classified as assets and liabilities held for sale	(48)	(289)
Impact of remeasurements of lease liabilities	0	4
Increase (decrease) in net debt	**(989)**	**(690)**
Net debt excluding lease liabilities at beginning of period	**(4,132)**	**(5,311)**
Lease liabilities at beginning of period	**(3,155)**	**(2,921)**
Net debt at beginning of period	**(7,287)**	**(8,232)**
Net debt excluding lease liabilities at end of period	**(5,033)**	**(6,029)**
Lease liabilities at end of period	**(3,243)**	**(2,893)**
Net debt excluding lease liabilities at end of period	**(8,276)**	**(8,922)**
a. Change in WCR - H1 Year N-1	(969)	(1,326)
b. Change in WCR - H2 Year N-1	752	1,307
Change in WCR - Year N-1 = a. + b.	(217)	(19)
c. Change in WCR - H1 Year N	(1,326)	(1,368)
Change in WCR from June 30, N-1 to June 30, N = b. + c.	**(574)**	**(61)**

Appendix 5: Debt as at June 30, 2023

Amounts in €bn		**Comments**
Amount and structure of net debt	**€bn**	
Gross debt without lease debt	**12.2**	At end of June 2023
Lease Debt	2.9	84**%** of gross debt without lease debt was at **fixed interest rates**
Cash & cash equivalents	-6.2	and its **average cost** was 2.7%
Net debt	**8.9**	
Breakdown of gross debt without lease debt	**12.2**	
Bond debt and perpetual notes	**10.4**	
September 2023	0.5	
December 2023	0.4	
March 2024	0.8	
June 2024	0.1	
July 2024	0.5	
November 2024	0.1	(GBP 0.1 bn)
March 2025	0.7	
August 2025	0.5	
March 2026	0.7	
June 2027	0.7	
October 2027	0.8	
June 2028	0.5	
After June 2028	4.1	
Other long-term debt	**0.6**	(including EUR 0.4 bn long-term securitization)
Short-term debt	**1.2**	*(excluding bonds)*
Negotiable European Commercial Paper (NEU CP)	0.0	Maximum amount of issuance program: EUR 4 bn
Securitization	0.4	USD securitization (EUR 0.3 bn) and current portion of EUR securitization (EUR 0.1 bn)
Local debt and accrued interest	0.8	Frequent rollover; many different sources of financing
Credit lines, cash & cash equivalents	**10.2**	
Cash and cash equivalents	6.2	
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 6: Breakdown of organic sales growth and external sales

H1 2023, in % of total	Like-for-like change		% Group
Northern Europe	**-3.7%**		**25.7%**
Nordics		*-3.9%*	*11.7%*
United Kingdom - Ireland		*+2.6%*	*5.0%*
Germany - Austria		*-9.3%*	*2.9%*
Southern Europe - ME & Africa	**+2.6%**		**31.2%**
France		*+1.8%*	*24.5%*
Spain - Italy		*+4.3%*	*3.8%*
Americas	**+3.4%**		**18.8%**
North America		*+5.5%*	*14.0%*
Latin America		*-2.5%*	*4.8%*
Asia-Pacific	**+6.4%**		**3.9%**
High Performance Solutions	**+6.4%**		**20.4%**
Construction and industry		*-0.9%*	*13.0%*
Mobility		*+20.2%*	*7.4%*
Group Total	**+1.6%**		**100.0%**

Q2 2023, in % of total	Like-for-like change		% Group
Northern Europe	**-8.4%**		**24.2%**
Nordics		*-8.6%*	*11.6%*
United Kingdom - Ireland		*+2.1%*	*3.6%*
Germany - Austria		*-18.0%*	*2.7%*
Southern Europe - ME & Africa	**-2.4%**		**30.9%**
France		*-2.8%*	*24.3%*
Spain - Italy		*-5.0%*	*3.8%*
Americas	**+5.7%**		**20.3%**
North America		*+9.6%*	*15.5%*
Latin America		*-5.3%*	*4.8%*
Asia-Pacific	**+7.6%**		**4.1%**
High Performance Solutions	**+4.1%**		**20.5%**
Construction and industry		*-4.1%*	*13.0%*
Mobility		*+19.8%*	*7.5%*
Group Total	**-1.1%**		**100.0%**

Appendix 7: Contribution of Prices and Volumes to organic sales growth by segment

H1 2023	Like-for-like change	Prices	Volumes
Northern Europe	-3.7%	+8.8%	-12.5%
Southern Europe - ME & Africa	+2.6%	+9.5%	-6.9%
Americas	+3.4%	+7.1%	-3.7%
Asia-Pacific	+6.4%	+2.8%	+3.6%
High Performance Solutions	+6.4%	+6.1%	+0.3%
Group Total	**+1.6%**	**+7.9%**	**-6.3%**

Q2 2023	Like-for-like change	Prices	Volumes
Northern Europe	-8.4%	+6.2%	-14.6%
Southern Europe - ME & Africa	-2.4%	+6.8%	-9.2%
Americas	+5.7%	+5.1%	+0.6%
Asia-Pacific	+7.6%	+0.4%	+7.2%
High Performance Solutions	+4.1%	+5.9%	-1.8%
Group Total	**-1.1%**	**+5.9%**	**-7.0%**