SAINT-GOBAIN TO ACQUIRE KAYCAN LTD

MAY 31, 2022
KAYCAN IS A COMPELLING STRATEGIC ACQUISITION

- Kaycan acquisition fully aligned with Saint-Gobain strategy on light and sustainable construction
- Strengthening of Group presence in North America with a leading position in Canada
- Expansion of regional scope and portfolio in profitable Exterior Façade Solution segment
- Value-creating and growth-driven acquisition for Saint-Gobain’s shareholders and customers
KAYCAN ACQUISITION WILL ACCELERATE EXECUTION OF
SAINT-GOBAIN STRATEGY

Combined, Saint-Gobain and Kaycan will have an expanded footprint in light construction in the high growth North American market.

Worldwide leader in light & sustainable construction

Sustainability | Performance

KAYCAN

Leading exterior siding position in Canada

Expanded building façade systems in aluminum & engineered wood covering the foundation to the roof
NORTH AMERICA: A KEY GROWTH MARKET FOR SAINT-GOBAIN

**Strong market perspectives**

3.8m¹ units housing supply deficit in the US due to robust demography, new building usage, low construction in past decade

**Labor saving solutions**

62%² of commercial contractors report high difficulties finding skilled workers

**Light construction**

~45%³ of all construction products spend in North America is in residential light construction

Strong underlying demand

Dwellings per thousand inhabitants

- 429
- 416
- 474

Structural housing needs

Ease of installation & time saving

Products, systems and assemblies

Need for solutions for light and sustainable construction

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1. Estimate for 2020 by Freddie Mac
2. Q4 2021 Commercial construction index by US Chamber of Commerce
3. Dodge Data & Analytics 2021 Mid-Year Outlook
KAYCAN ACQUISITION WILL FURTHER REINFORCE A STRONG TRACK RECORD OF GROWTH IN NORTH AMERICAN REGION

CertainTeed
SAINT-GOBAIN

Only North American manufacturer offering a full breadth of building materials for light construction

Preferred brand of contractors & homeowners

US$ 5.7bn
Sales 2021

19%
EBITDA margin 2021

+12%
Sales CAGR 18-21

Further strengthened by the successful integration of Continental Building Products
SIDING APPLICATIONS ARE WELL POSITIONED FOR GROWTH

SIDING
A KEY COMPONENT TO RESIDENTIAL LIGHT CONSTRUCTION

CertainTeed SANDING

• ~US$ 600m in Net Sales and #2 PLAYER in North America vinyl siding

• LEADING BRAND in vinyl siding, shakes, trim and millwork

• BEST-IN-CLASS Net Promoter Score driven by reputation for quality, service and innovation

Leveraging our country organization on exterior solutions,
CERTAINTEED OUTPERFORMED THE MARKET with a 14% sales CAGR between 2018-2021
SAINT-GOBAIN IS THE LEADER IN LIGHT CONSTRUCTION IN CANADA WITH A STRONG TRACK RECORD OF GROWTH

Canada is a strong and profitable country for Saint-Gobain ...

- CAD$ ~750m Sales 2021
- 17.6% EBITDA margin 2021

... With strong channel partnerships with leading retail, lumberyards and buying groups

CertainTeed has leading positions in wallboard and interior solutions in Canada

- Leading positions in interior solutions
  - Gypsum wallboard & finishing
  - Insulation
  - Specialty ceilings

- Small presence in exterior solutions

- Leading positions in exterior solutions

- Small presence in exterior solutions
KAYCAN IS THE LEADING SIDING PLAYER IN CANADA

A BROAD EXTERIOR SOLUTIONS PLATFORM, COMPLEMENTARY WITH CERTAINTEED’S PRODUCT PORTFOLIO, WITH:

- Leading position in Canada (>50% of turnover) in siding & accessories
- Extensive manufacturing and distribution footprint with UNPARALLELED REACH ACROSS CANADA
- Diversified offering in high growth ENGINEERED WOOD & ALUMINUM siding technologies
- Strong customer relationships with CONTRACTORS & BUILDERS and channel coverage in BIG BOX RETAIL

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1. 2021-2022E = fiscal year starting August 1, 2021 and ending July 31, 2022
2. Freedonia Siding Industry Study December 2021
## KAYCAN: TRACK RECORD OF OUTSTANDING PERFORMANCE

### Strong revenue growth...

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Revenue (US$ m)</th>
<th>CAGR +11%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-2018</td>
<td>310</td>
<td></td>
</tr>
<tr>
<td>2021-2022E</td>
<td>472</td>
<td></td>
</tr>
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</table>

### ... coupled with increasing EBITDA margins

<table>
<thead>
<tr>
<th>Year</th>
<th>Adj. EBITDA (US$ m)</th>
<th>CAGR +23%</th>
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<tbody>
<tr>
<td>2017-2018</td>
<td>36</td>
<td></td>
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<tr>
<td>2021-2022E</td>
<td>83</td>
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</table>

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ACQUISITION STRENGTHENS SAINT-GOBAIN POSITION IN CANADA

Kaycan brings leadership position in siding and an expanded portfolio of exterior solutions

BEFORE

- 11 Manufacturing plants
- 900 Employees

AFTER

- 20 Manufacturing plants
- 1,900 Employees

Manufacturing footprint capable of servicing all provinces

CertainTeed offers leading position for siding & accessories in CANADA

KAYCAN revenue (CAD$)

Combined revenue (CAD$)
TAILORED GO-TO-MARKET APPROACH TO MAXIMIZE MARKET SHARE

**Strong integrated distribution network in Canada**

- Kaycan is the leader in Canadian siding with a strong manufacturing & distribution footprint
- Kaycan has direct relationships with contractors, builders and end users increasing market adoption and loyalty

**Leading 4 players are vertically integrated with company-owned distribution**

- [Manufacturing Locations]
- [Distribution Locations]

**Strong external distributor partners in the US**

- In the US, Kaycan primarily sells through 1-step specialty roofing & siding distribution and big box retail
- Kaycan US distribution is a small player in a market with many large national players
  - Net revenue\(^1\): US$ ~70m in stand-alone resell of Kaycan products to third parties
  - Adj. EBITDA\(^1\): US$ ~10m

**Example of channel partners**

Example of channel partners:

- ABC Supply Co., Inc.
- LOWE'S
- U.S. Lumber
- BEACON
- Universal Supply Co.
- LANSING
- SRS

**Kaycan US Distribution is a separate business entity and will be divested in the near-term**

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KAYCAN FURTHER EXPANDS EXTERIOR SOLUTIONS PORTFOLIO

CertainTeed

*GCP waterproofing business - acquisition in progress
Kaycan implemented an established takeback program for post-consumer waste across Canadian Distribution Network.

Waste generated from the production line for vinyl and aluminum products are re-inserted into the manufacturing process.

Kaycan engineered wood products are FSC certified and utilize recycled wood for production.
STRONG VALUE CREATION IS SUPPORTED BY SIGNIFICANT SYNERGIES

Cost synergies

- **SG&A**
  - **Rationalization** of commercial and back-office functions and Kaycan corporate costs

- **Operations**
  - **Manufacturing efficiencies** (World Class Manufacturing) and freight optimization

- **Procurement**
  - **Alignment** of key inputs and indirect spend to create economies of scale

- **Top line**
  - **Cross-selling** to existing customer base, product bundling, creation of new solutions based on individual product portfolios, and access to new customers and channels

**Total synergies (excl. Implementation costs) – EBITDA impact**

<table>
<thead>
<tr>
<th>Year</th>
<th>SG&amp;A</th>
<th>Operations</th>
<th>Procurement</th>
<th>Top line</th>
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<tbody>
<tr>
<td>Year 1</td>
<td>7</td>
<td>8</td>
<td>7</td>
<td>7</td>
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<tr>
<td>Year 2</td>
<td>18</td>
<td>8</td>
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<tr>
<td>Year 3</td>
<td>30</td>
<td>8</td>
<td>7</td>
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ANOTHER MAJOR STEP IN SAINT-GOBAIN’S HIGHLY SUCCESSFUL GROWTH AND PROFITABILITY JOURNEY IN NORTH AMERICA

Pro forma sales (US$)

Pro forma EBITDA (US$)

SAINT-GOBAIN 2018 Pre-acquisitions
CONTINENTAL 2018 Pre-acquisitions
gcp 2018 Pre-acquisitions
KAYCAN Organic growth
SAINT-GOBAIN 2018 Pre-acquisitions
CONTINENTAL 2022E Post-acquisitions
gcp 2022E Post-acquisitions
KAYCAN 2022E Post-acquisitions

~6.5bn

>10bn

<0.9bn

~2bn

1. GCP North America - acquisition in progress 2. Including full synergies
TRANSACTION OVERVIEW

FINANCIAL TERMS

• Total Enterprise Value of US$ 928m representing a 11.2x FY 2021-2022E\(^{(1)}\) EBITDA multiple
• Net Enterprise Value of US$ ~820m post US distribution divestiture resulting in a ~8.0x FY 2022E\(^{(1)}\) EBITDA multiple including full synergies (US$ 30m)
• Value creation by Year 3
• EPS accretive from Year 1

FINANCING

• Acquisition financed fully in cash
• Limited impact on net debt to EBITDA ratio (+0.1x), with leverage staying within the target set at the 2021 Capital Markets Day (1.5 to 2.0x).

TRANSACTION PROCESS

• Cash merger agreement signed
• Family owner has approved transaction and will aid transition
• Closing expected by year-end 2022, subject to regulatory approvals in US and Canada

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\(^{(1)}\) 2021-2022E = fiscal year starting August 1, 2021 and ending July 31, 2022
A DECISIVE STEP FOR SAINT-GOBAIN LEADERSHIP IN LIGHT & SUSTAINABLE CONSTRUCTION IN NORTH AMERICA

Enrich and reinforce Siding and Exterior Solutions

Strengthen Group presence in North America

Very solid team to deliver strong value creation

A value-creating and growth-driven acquisition for Saint-Gobain’s shareholders and customers