

LETTER TO No. 93 SHAREHOLDERS

FIRST-HALF (H1) 2021 RESULTS

NEW RECORDS FOR ALL PERFORMANCE INDICATORS

SALES

€22.1bn

+11.9%⁽¹⁾ vs H1 2019

+27.4%⁽¹⁾ vs H1 2020

OPERATING INCOME

€2.38bn

+53%⁽¹⁾ vs H1 2019

OPERATING MARGIN

10.7%

RECURRING NET INCOME

€1.51bn

+60% vs H1 2019

FREE CASH FLOW

€2.46bn

+47% vs H1 2020

(1) Like-for-like

OUR VISION FOR SAINT-GOBAIN



**BE THE WORLDWIDE LEADER
IN LIGHT & SUSTAINABLE
CONSTRUCTION**




SAINT-GOBAIN

**FOUR QUESTIONS
FOR BENOIT BAZIN**

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**AFTER
"TRANSFORM & GROW"**

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A FEW WORDS

FROM BENOIT BAZIN

Chief Executive Officer of Saint-Gobain

"These first-half 2021 record results surpass even our second-half 2020 performance. This success reflects the profound positive changes in our organization from "Transform & Grow" – streamlined, agile and closely aligned with its customers – thanks to our extremely committed teams who have stepped up to the challenge across the globe in this unprecedented period. It also reflects structural changes in our markets, which should show an acceleration in growth over the coming years. With divestitures of €5.3 billion in sales either closed or signed since the end of 2018, the Group continues to optimize its profile. Saint-Gobain is now on a new growth and profitability trajectory and is affirming its position as a leading player in decarbonization solutions for construction and industry, thanks to its comprehensive range of integrated solutions providing customers with sustainability and performance. Against this supportive backdrop, we are targeting a very strong increase in operating income over full-year 2021 to a new all-time high, and for second-half 2021 we are confident in the Group's ability to deliver like-for-like operating income close to the previous record of second-half 2020."

On a reported basis, **sales totaled €22,131 million**, up 24.6% year-on-year and up 2.1% on first-half 2019.

Consolidated operating income hit a new record in first-half 2021, at €2,376 million (after €2,028 million in second-half 2020), a like-for-like rise of 53% on first-half 2019.

The Group's operating margin hit another all-time high of 10.7% in first-half 2021 (after a record 10.0% in second-half 2020), compared to 7.6% in first-half 2019.

Over the past 12 months, the Group's operating margin was 10.4% (versus 7.7% in 2018), significantly exceeding the objectives set out in "Transform & Grow" (improvement of more than 100 basis points in the operating margin compared to 2018).

Free **cash flow** jumped 47% versus first-half 2020 to a **record €2,461 million**.

2021 PRIORITIES

1) Accelerate growth as leader in light and sustainable construction, offering decarbonization solutions for construction and industry

- Outperformance versus the market thanks to an agile organization focused on its customers in each country and end market;
- A range of integrated, differentiated and innovative solutions to help our customers decarbonize;
- Further progress in ESG, with the deployment of our 2030 roadmap towards carbon neutrality in 2050;
- Continued optimization of the Group's profile (divestments and acquisitions) and integration of Chryso, a leading global player in construction chemicals.

2) Continue its initiatives focused on profitability and performance: maintain robust margins and strong free cash flow generation

- Constant focus on the price-cost spread amid strong inflation;
- Reduction in costs as part of post-coronavirus adaptation measures;
- Reinforcement of the operational excellence program;
- Maintaining the structural improvement in operating working capital requirement;
- Capital expenditure of around €1.5 billion and ongoing digital transformation;
- Continued reduction in non-operating costs.

For full-year 2021, the Group is now targeting a very strong increase in operating income to a new all-time high, with like-for-like operating income in second-half 2021 close to the previous record of second-half 2020.

GROUP FIRST-HALF (H1) 2021 RESULTS

	H1 2019	H1 2020	H1 2021
SALES (€m)	21,677	17,764	22,131
OPERATING INCOME (€m)	1,638	827	2,376
OPERATING MARGIN	7.6%	4.7%	10.7%

RESULTS BY SEGMENT

H1 2021/H1 2019

H1 2021

HIGH PERFORMANCE SOLUTIONS

+2.0%
like-for-like

16.4% of Group sales, o/w*:

Mobility (6.3%):

-3.3%

Other industries (10.1%):

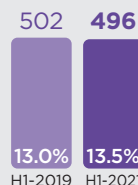
+5.5%

SALES

€3,679m

OPERATING INCOME (€m) AND MARGIN (%)

€496m



NORTHERN EUROPE

+9.9%
like-for-like

32.6% of Group sales, o/w*:

Nordics (13.3%):

+11.8%

UK - Ireland (10.2%):

+6.2%

Germany - Austria (3.3%):

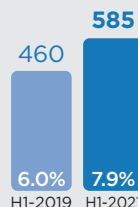
+6.8%

SALES

€7,418m

OPERATING INCOME (€m) AND MARGIN (%)

€585m



SOUTHERN EUROPE - MIDDLE EAST & AFRICA

+13.1%
like-for-like

32.8% of Group sales, o/w*:

France (25.4%):

+14.4%

Spain - Italy (3.5%):

+5.5%

SALES

€7,457m

OPERATING INCOME (€m) AND MARGIN (%)

€680m



AMERICAS

+25.2%
like-for-like

14.5% of Group sales, o/w*:

North America (10.5%):

+19.9%

Latin America (4.0%):

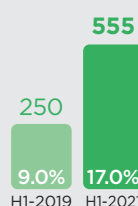
+37.1%

SALES

€3,260m

OPERATING INCOME (€m) AND MARGIN (%)

€555m



ASIA-PACIFIC

+16.2%
like-for-like

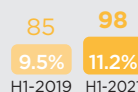
3.7% of Group sales

SALES

€875m

OPERATING INCOME (€m) AND MARGIN (%)

€98m



* Sales: contribution to Group total and like-for-like growth



Four questions for Benoit Bazin

Benoit Bazin, Saint-Gobain Chief Executive Officer, talks about the Group's new governance and the direction he wants the Group to take going forward.

Mr Bazin, you took up your new role on July 1, 2021. What are your strategic goals for this new chapter in the Group's history?

Our strategy is built around two key areas of focus on which we plan to build our future growth: sustainability and performance in order to better serve our customers.

Our Group is presently in great shape and our teams are totally committed. We are positioned right at the heart of the challenges of our time and the stakes couldn't be higher. Construction accounts for 40% of greenhouse gas emissions. Consumption of natural resources has tripled since 1970. The number of people living in cities is set to double in the next 30 years. Awareness is growing around the world and 121 countries – representing 70% of global GDP – have committed to becoming carbon neutral by 2050. However, none of them will succeed unless buildings themselves are carbon neutral.

So this is precisely my vision for Saint-Gobain – **to be the worldwide leader in light and sustainable construction in order to take up this challenge.** This is a big responsibility and also a great opportunity for the Group. We already have the solutions and the global presence to roll them out quickly, as well as the innovation capabilities to come up with tomorrow's solutions, through our proximity to many different cutting-edge industrial markets.

You often talk about solutions as the key to future growth. How do you define them?

Providing our customers with solutions means moving from products, which were previously sold individually, to systems that bring together our areas of expertise and enhance the breadth

of our offer and our presence across the entire value chain. Our multi-faceted offer includes:

- digital information about sustainable performance provided by our building science;
- integrated façade and partition solutions;
- multi-product delivery;
- advice and training for trade customers;
- material recycling services thanks to our distribution network;
- high performance solutions for sustainable mobility and solutions to help decarbonize our industrial customers' processes.

The Group's organization by country today allows for this fundamental shift towards solutions.

To achieve this vision, you are now supported by a new management team. What are the major changes?

Four major changes have been made, reflecting our strategic challenges:

- **Innovation now combines R&D and Marketing**, with the aim of accelerating the Group's growth and expanding our range of customer solutions through closer cooperation between our R&D and Marketing teams.
- **Digital is gaining momentum**: we need to speed up the large-scale roll-out of our best practices and platforms, as well as better structure and exploit our data, which is a genuine goldmine.
- **CSR – or Corporate Social Responsibility** – is central to how we conduct our business operations, our stakeholders' expectations and our values. It requires all Group functions to work together and involves all our employees. At Saint-Gobain, CSR is a real driving force for our performance. We have built up credibility in the fight

against climate change over many years now, thanks to the impact of our solutions to reduce greenhouse gas (GHG) emissions in the construction, mobility and industrial sectors, and our efforts to cut emissions from our industrial processes.

• **Diversity**: wherever it operates, the Group strives to promote all forms of inclusion and diversity, in terms of gender, nationality, studies, professional experience, age, disability, and ethnic and social origin. The higher percentage of women (38%) and international members (50%) on our new management team embodies the values of diversity that are so important to me.

What are the next stages in the Group's development?

Our "Transform & Grow" plan has been completed successfully. We have created a very solid platform from which we must now step up our growth based on three key focuses:

- **Strategic**: by developing sustainable and efficient solutions and services enhanced by our unique innovation and digital strengths, reinforcing our position specifically in North America and Asia;
- **Financial**: by stepping up our growth and achieving a sustainable increase in our margins, supported by rigorous attention to cash and capital allocation;
- **Corporate Social Responsibility**, in leading by example.

I know that we have the means to achieve our ambition, the mindset to win, and the cooperative approach and confidence to make the most out of our talents and of Saint-Gobain's expertise. 2021 will be an excellent year during which our purpose "MAKING THE WORLD A BETTER HOME" will resonate. ■

AFTER “TRANSFORM & GROW”

Saint-Gobain generates more than 85% of its sales on the construction market – predominantly in renovation. It is also present on industrial markets, where it leverages its innovation and co-development expertise through a broad range of high performance solutions.

Thanks to its global presence and broad, comprehensive offering, Saint-Gobain can offer a solutions-based approach to market players. Besides the traditional approach where a given product is designed as far as possible to meet a specific need, the aim here is to help customers achieve greater efficiency in their responses to complex issues.

Launched at the end of 2018, Saint-Gobain's “Transform & Grow” program had two main objectives: an in-depth transformation of the Group's organizational structure and an accelerated portfolio rotation program to reposition the Group's focus on strategic businesses and improve its growth profile.

Update on acquisitions and divestments since end-2018

The Group's business portfolio has been largely optimized, with **divestments of €5.3 billion in sales closed or signed** since the end of 2018 and an average return (EBITDA to sales) of around 2%. Over the same period, the Group also **acquired new businesses, adding €1.5 billion in sales to its scope**, with an average return (EBITDA to sales) of around 20%. This shake-up of the portfolio, essential in the life of a company, has been a major driving force in improving the Group's performance and strengthening its strategic positions in all of its markets.

Selecting acquisition targets

The portfolio rotation process is continuing beyond “Transform &

Grow” in order to reinforce value creation through external growth, driven by our purpose of “MAKING THE WORLD A BETTER HOME”. **This addresses one of the Group's two strategic pillars of sustainability and performance to better serve customers.** Each acquisition must also meet at least one of the two specific predefined objectives.

The first strategic objective is to consolidate our leadership positions, with a particular focus on regional businesses. For example, in February 2020, the Group announced the acquisition of **Continental Building Products**, a leading plaster-board player in North America. This acquisition today allows the Group to take full advantage of a very dynamic and promising interior solutions market, and to strengthen the Group's positions in the construction sector in the region.

The second objective is to enhance our offer and our technological know-how. In May 2021, for example, Saint-Gobain announced its acquisition of **Chryso**, a world leader in construction chemicals. This acquisition will further expand the Group's presence on this fast-growing market, with combined sales of over €3.0 billion in 66 countries.

Project organization

Although most projects are the result of work carried out by the CEOs of the countries or markets, a central team of M&A experts in the Strategy Department can provide assistance at their request. The M&A

team offers its expertise at various stages of mergers and acquisitions projects to advise, support and even – depending on the case – manage the project. It assesses the strategic challenges facing countries, regions or global markets and ensures that the transactions are consistent with the Group's values. Planned divestments are carried out respecting a strict process of information and consultation with employee representative bodies.

All teams involved in acquisitions operate within a network and monitor a large pipeline of preselected target companies. This monitoring is needed both to identify the real gems among the potential targets, and to generate and seize opportunities quickly as they arise.

This project organization supports the Group's sustainable growth strategy. ■

Improving each day to enhance our performance and better serve our customers is at the heart of our individual and collective goal. ”

Benoit Bazin
Saint-Gobain Chief Executive Officer

SAINT-GOBAIN NEWS



INNOVATION / A NEW ADDITION TO THE PLACO® MODULO RANGE OF MOVABLE PARTITIONS



Placo® is expanding its know-how with **Placo® Modulo**, its first range of movable partitions for France. Developed as a response to the health crisis, these movable partitions also provide privacy and comfort. Manufactured in France at a Saint-Gobain Group plant, the **Placo® Modulo range** comprises **14 different products** meeting every need and guaranteeing user comfort and well-being.

BENEFITS OFFERED BY PLACO® MODULO

- Made in France
- An understated, varied design adapted to all spaces
- A flexible solution with many variations
- Products delivered pre-assembled for quick installation
- An integrated fixed base for more stability

FOR MORE
INFORMATION,
VISIT
(IN FRENCH ONLY):



ACHIEVEMENT / SAINT-GOBAIN ENTERS HISTORY



In Egypt, Saint-Gobain supplied the glass for the first museum dedicated to Egyptian civilization, from prehistory to the present day. Almost **4,000 sq.m. of Saint-Gobain glass** was installed for this project. **COOL-LITE® ST 150** and **PLANITHERM® T** glass were chosen for their solar protection, high light transmission and excellent thermal insulating properties, which will help preserve the mummies and provide comfort for visitors.

Saint-Gobain teams were selected to provide assistance and support throughout the project, from the design phase through to installation. The National Museum of Egyptian Civilization (NMEC), located in El Fustat in the ancient part of Cairo, was inaugurated on April 3, 2021.

INVESTMENT / SAINT-GOBAIN OPENS A FIFTH PLANT IN MALAYSIA



To accelerate its development in South-East Asia, the Group has just inaugurated a new construction chemicals site in Malaysia. This new 50,000 sq.m. site will **manufacture interior and exterior façade coatings, waterproofing materials and other construction chemicals solutions**. These products will mainly be sold on the Malaysian and Singapore markets. The production line has also been designed to **manufacture special mortars for 3D printing** in order to strengthen the Group's foothold in this new market segment.

DIGITAL / SAINT-GOBAIN POLAND PUTS ON ITS SMART GLASSES

In April 2020 faced with health restrictions and in order to maintain proximity to its customers, the Kolo Abrasives plant in Poland accelerated the deployment of smart glasses as a **solution to ensure ongoing remote maintenance for equipment and monitor critical production processes**.

A PROMISING PILOT

The tests are conclusive. The glasses – connected to video conferencing software – transmit live images captured at the site. They offer a fully immersive experience for the person on the other end of the call and a particularly realistic representation as part of a virtual tour. And these tours are only the tip of the iceberg! As part of our customer relations, we also imagine being able to present our solutions in 3D, with holograms and films. Or to share product tests and carry out 3D prototyping. For the moment, the site uses this technology in production for remote interventions by operators and maintenance experts on equipment and remote inspections. This tool also opens up new ways of helping our customers optimize their processes, and is thereby another way of improving our customer service.



SUSTAINABLE CONSTRUCTION

TIMBER CONSTRUCTION:
A MARKET FOR THE FUTURE

The lightweight construction market is booming and represents a development opportunity to be seized by brands selling timber.

Timber has ecological, physical and aesthetic qualities. Its use in construction also has many advantages, including ease and speed of construction, and modularity. Its main use is in single-family homes and extensions/elevations, which are buoyant segments likely to attract Saint-Gobain customers.

Dispano, Saint-Gobain's specialist distributor of timber, panels and joinery with 46 branches in France, **aims to become a leader in this market by 2024**. Still perceived as a brand for carpenters, it is now **targeting a clientele of framers by focusing on its product offer and skills development**. The "O'Tour du Charpentier" training education course aimed at "framer contacts" in branches should enable framers to effectively guide their customers. In terms of products, in 2021 the "Construction timber" section of the **Dispano** catalogue will be expanded alongside the range of timber construction products and systems.

In May 2021, Saint-Gobain announced the acquisition of **PanoFrance**, a French specialist distributor of timber and panels for the construction and furnishing industries with some 30 branches. PanoFrance will complement Dispano.

In Norway, the **Optimera Byggsystemer** distribution company is also making a name for itself on this market **by inventing ready-to-assemble solutions for single-family home builders and prefabricated house manufacturers**.

Compact, watertight timber roof elements that include an insulation device delivering 30cm of additional ceiling height are the latest innovation and have just received technical approval.

CARBON NEUTRALITY ACTING SUSTAINABLY: SAINT-GOBAIN'S
PROGRAM IN FRANCE UNVEILED

AGIR DURABLEMENT

Rejoignez le mouvement !

The Acting Sustainably program has just been presented to the Group's employees in France. Aligned with the Group's objective of carbon neutrality by 2050, its mission is to mobilize as many employees as possible around concrete actions in favor of sustainable development. Every little gesture and every idea counts!

The program is based on three pillars:



Green mobility

Several initiatives in favor of green mobility have been launched: a bicycle rental service, taking into account the carbon impact when renewing the car fleet, and a new policy for business travel.



Initiative funding

Employees will be able to develop their projects aimed at reducing carbon emissions and waste and promoting the circular economy, thanks to funding from Saint-Gobain companies in France.



Energy renovation

The program perpetuates community outreach initiatives such as the donation of materials or support during natural disasters, and encourages skills sponsorship initiatives. It also allows employees to benefit from financial assistance for their individual energy renovation projects.

You too can be part of the Acting Sustainably program. By taking action together, we will give meaning to our purpose of "MAKING THE WORLD A BETTER HOME".

CARBON NEUTRALITY THE FIRST CARBON NEUTRAL GYPSUM PLANT
IN THE WORLD

The Fredrikstad gypsum plant in Norway will be carbon neutral by 2023. To achieve this, the plant will embark on a major project to convert its current machinery and equipment to electrical power. The current gas-powered production line will be fully powered by electricity. **All of the energy needed by the plant will be provided by hydroelectric sources, thereby saving 20,000 tons of CO₂ each year.** This investment will also lead to a **40% increase in the plant's production capacity** and will enable it to meet fast-growing demand on the Norwegian construction market. This world-first further illustrates the Group's commitment to becoming carbon neutral by 2050. This zero-carbon plant project is expected to be rolled out to other Group sites.



SHAREHOLDER'S NOTEBOOK

DATES FOR YOUR DIARY

SHAREHOLDER MEETINGS

Wednesday October 6, 2021

Capital Market Day
Livestream link

(operational on 6 October)

www.saintgobaincapitalmarketday2021.com

Tuesday November 23, 2021 at 11:00 a.m.*

Investor Day
Palais Brongniart (75002)

* To be confirmed in the light of health restrictions.

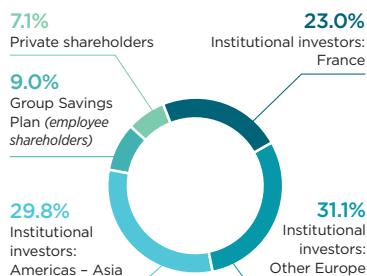
TOTAL NUMBER OF SHARES

(at June 30, 2021)

527 million

OWNERSHIP STRUCTURE

(at June 30, 2021 –%, estimated)



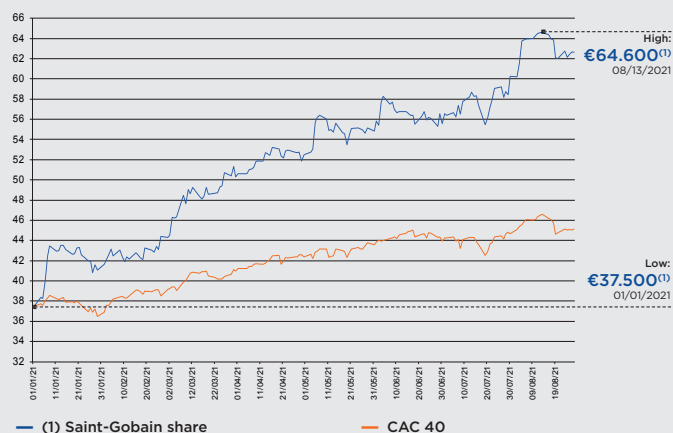
SIGN UP FOR THE E-LETTER TO SHAREHOLDERS

To receive your copy of the Letter to Shareholders and keep abreast of all the latest Saint-Gobain news, sign up for the e-Letter to Shareholders in the Shareholders section of www.saint-gobain.com or send an e-mail to actionnaires@saint-gobain.com



SAINT-GOBAIN SHARE PERFORMANCE

01/01/2021 TO 08/27/2021



Recent performance at 08/27/2021 (%)	Saint-Gobain share	CAC 40
Trailing 6 months	+41.0%	+17.2%
Trailing 12 months	+99.8%	+24.5%
Since 01/01/2020	+71.6%	+11.8%

YOUR CONTACTS

Saint-Gobain's Shareholder Relations Department will be pleased to answer any enquiries. Please feel free to contact them:

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