
The worldwide leader in light & sustainable construction

FIRST-HALF 2024 RESULTS

New record operating margin Significant milestones in strategic repositioning

- Record operating margin of 11.7%
- Sequential improvement in volumes
- Positive price-cost spread with prices stable sequentially
- Three strategic acquisitions focused on profitable growth: CSR, Bailey and FOSROC, together adding around €2bn to full-year sales and around €450m in EBITDA (including €100m of synergies in year 3)
- More than 2/3 of the Group's pro forma operating income is now generated in high-growth geographies: North America, Asia and emerging countries
- Strong free cash flow generation of €2.5bn, with a cash conversion ratio of 75%
- Double-digit operating margin expected for H2 and full-year 2024, for the fourth consecutive year

Benoit Bazin, Chairman and Chief Executive Officer, commented:

“Our first-half results once again demonstrate the success of Saint-Gobain’s new profile, reflecting the Group’s ability to adapt to different macroeconomic environments and to continue to outperform. The roll-out of our comprehensive range of sustainable and innovative solutions and the resulting enhancement in our mix, together with our decentralized organization by country with accountability on commercial performance and on proactive cost management, have enabled us to deliver a new record operating margin and strong free cash flow generation. I am very grateful for our teams’ dedication and their contribution to the Group’s consistent improvement in its performance.”

Since the start of the year, Saint-Gobain has accelerated efforts to reinforce its profitable growth profile with three landmark acquisitions in light and sustainable construction: CSR in Australia, Bailey in Canada and FOSROC in construction chemicals, mainly in India and the Middle East. Pro forma for these changes in structure, more than two-thirds of Group operating income is now generated in North America, Asia and emerging countries, areas that enjoy strong structural growth and where Saint-Gobain is achieving an excellent performance.

New construction markets remain difficult in Europe but are nearing a low point and we expect trading to continue to improve in the second half. I am confident that 2024 will be another successful year for Saint-Gobain, with a double-digit operating margin in the second half and over the full year, for the fourth consecutive year.”

Successful strategic execution: a new profitable growth profile

The Group continues to outperform its markets thanks to the pertinence of its strategic positioning at the heart of energy and decarbonization challenges, and the strength of its local organization by country, offering comprehensive solutions to its customers.

- **Almost 40% of Group sales rotated since 2018**, with €9.4 billion in sales divested (EBITDA margin less than 5%) and €6.5 billion in sales acquired (EBITDA margin of around 20%);
- **Acceleration in the Group's repositioning towards North America, Asia and emerging countries**, which accounted for **67% of the Group's operating income** in the first half (pro forma for recent changes in Group structure): 35% in North America, 32% in Asia and emerging countries, and 33% in Western Europe;
- **Further strengthening of the Group's presence in construction chemicals, with €6.2 billion in annual sales** (pro forma). The acquisition of FOSROC (closing expected in first-half 2025) will reinforce Saint-Gobain's presence in high-growth emerging markets, particularly India and the Middle East, and will perfectly complement the market positions of Weber, Chryso and GCP;
- **A comprehensive range of sustainable, differentiated and innovative solutions – leveraging integrated systems and an industry-leading low-carbon offer** – broadening the range of options offered to each customer and reinforcing the Group's mix as well as its capacity to capture a bigger part of the value chain. Saint-Gobain has the broadest range of low-carbon solutions in the world, particularly in terms of plasterboard (Klima), glass (ORAÉ®), glass wool (LANAÉ®), additives and admixtures (Chryso EnviroMix®);
- **A local organization**, with 90% of CEOs native to their country, resulting in close proximity to customers, good pricing power, strong adaptability, efficiency gains and accountability for local teams;
- **Strong operating margin growth in recent years, reaching a new record-high in first-half 2024 despite a difficult macroeconomic environment.**

Group operating performance

Like-for-like sales were down **4.9%** versus first-half 2023 (an improvement of around two percentage points in the second quarter with a decline of 3.9%, after a decline of 5.8% in the first quarter), affected by the downturn in new construction in Europe but supported by growth in the Americas and in Asia-Pacific.

Group prices were down 1.0% over first-half 2024 (stable sequentially between the first and second quarters), with a **positive price-cost spread** thanks to robust pricing discipline and the reduction in certain raw material and energy costs.

Volumes were down 3.9% over the period, representing a **sequential improvement on fourth-quarter 2023** (down 4.5%). This reflects a contrasting situation, with a marked decline in new construction in Europe but good resilience overall in renovation. In **each local market**, the Group has taken the **proactive commercial and industrial measures necessary to maintain its strong operating performance.**

On a reported basis, sales were down **6.0% to €23.5 billion**, with a negative currency impact of 0.3%. The negative Group structure impact of 0.8% resulted from the **optimization of the Group's profile**, thanks to both disposals – mainly in distribution (UK), glass processing activities, foam insulation (UK) and railing and decking (US) – and acquisitions, mainly in construction chemicals (Izomaks, Adfil, Menkol Industries, Drymix, Technical Finishes, IDP Chemicals), in North America (Building Products of Canada, Bailey in Canada, ICC in the US) and in Asia-Pacific (U.P.Twiga in India, Hume in Malaysia). **The integration of recent acquisitions is progressing well; synergy plans have been confirmed and are being executed successfully.**

Operating income was €2,751 million, near to its record-high, once again demonstrating the resilience of the Group's results in a difficult environment. The Group's **operating margin** improved again, reaching a **new record-high of 11.7% in first-half 2024** versus 11.3% in first-half 2023, thanks to advances in the Americas and Asia-Pacific, and with stability in Europe and in High Performance Solutions.

Segment performance (like-for-like sales)

Europe, Middle East & Africa: sequential improvement in volumes, close to a low point; operating margin stable at a record level

Sales in Europe were down 7.9% over the first half, with a negative volume effect of 5.9%, representing a clear improvement in volumes between the first quarter (down 8.2%) and the second (down 3.7%), beyond the technical impact of working day effects. New construction remained strongly down while renovation (around 60% of sales) proved more resilient. The operating margin maintained its record level at 8.7%, thanks to an optimized business profile and very well-managed costs and industrial efficiency.

- **Northern Europe** was down 7.1% over the first half, with a clear sequential improvement in the second quarter, down 3.2% (after a decline of 11.0% in the first quarter), with most countries at or near a low point. **Nordic countries** and **Germany** were affected by the slowdown in new construction, while renovation proved more resilient. Our activities in the **UK** troughed, benefiting from a good **commercial dynamic** thanks to the Group's comprehensive range of solutions and systems with quantified benefits. In **Eastern Europe, volume growth accelerated** for the third consecutive quarter. A power purchase agreement was signed in Romania which will enable the Group to cover its entire electricity requirements in the country from 2026.
- **Southern Europe, Middle East & Africa** contracted 8.6% over the first half, seeing a slight sequential improvement in the second quarter with a decline of 7.1% (following a 10.1% decline in the first quarter), as new construction remained significantly down in **France**. Saint-Gobain nevertheless continued to outperform its market thanks to its strong exposure to renovation and its comprehensive range of solutions. In the context of French regulations which require large non-residential buildings to reduce their energy consumption by 40% by 2030, Saint-Gobain Solutions France is currently proposing complete energy renovation projects, enabling reductions of more than 50% in energy consumption, thanks to high performance façade systems (EnveoVent[®]) and glazing offering high levels of solar control (COOL-LITE[®]) in particular. **Spain and Italy reported good growth**, supported by growing renovation markets. **Middle East and African countries** delivered **strong growth**, led by the Middle East thanks to the success of recent investments.

Americas: sales growth in North America and record operating margin

The Region delivered **1.2% organic growth** over first-half 2024, driven by the outperformance in North America and despite the downturn in Latin America. Operating income hit a new record-high over the period, along with the operating margin which reached 19.0% (versus 17.8% in first-half 2023), supported by rigorous pricing and cost management, and volume growth in North America.

- **North America** was up by 4.1% over the first half thanks to both prices and volumes, driven by a dynamic renovation market and with new construction having stabilized at a good level. The Group saw **further market share gains** thanks to its comprehensive, differentiated range of interior and exterior light construction solutions. Despite the expected high comparison basis in roofing in the second quarter, the roofing business reported robust growth in the first half overall. The recent integrations of **Kaycan, Building Products of Canada** and **Bailey** are helping to drive this strong sales momentum.
- **Latin America** contracted 7.6% over the first half as markets remained down, but began to stabilize in the second quarter with volumes almost flat. In **Brazil**, some macroeconomic indicators continued to improve. The Group's operations in the country are benefiting from a new plasterboard line opened near São Paulo, capturing market share from more traditional products with a comprehensive range of light construction solutions. The other countries in the Region benefited from the enhanced offering and mix, especially **Mexico**.

Asia-Pacific: sales growth and record operating margin

The Region delivered **1.2% organic growth** in first-half 2024, driven by strong momentum in India in particular. The operating margin hit a record-high in the period, at 13.0% (versus 12.5% in first-half 2023), supported by volumes and well-managed pricing.

India continued to **outperform**, delivering **volume growth** once again driven by its comprehensive and innovative range of solutions. The Group is seeing the benefits of its numerous recent sustainability-driven initiatives in the country, including the production of low-carbon glass (ORAÉ®, reducing CO₂ emissions by 42%) and very low-carbon plaster. In a difficult new construction market in **China**, the Group **continued to capture market share** against a high comparison basis in the second quarter, extending its footprint towards inner China thanks to the success of its highly digitalized sales model. **South-East Asia** remained at a **good level, led by Malaysia, Indonesia and Singapore**, owing mainly to the enhancement of its offering and a strong innovation drive.

High Performance Solutions (HPS): sequential improvement in organic growth and stable operating margin

HPS reported **like-for-like sales down 3.5%** over the first half, with a sequential improvement in the second quarter, down 1.6%. The operating margin remained stable at 12.3%, as well-managed costs and prices offset the downturn in volumes.

- Businesses serving **global construction customers** reported a 2.7% decrease in sales over the first half due to the sharp decline in Adfors reinforcement solutions, but a progression in the second quarter (up 1.2%) against an easier comparison basis (Adfors) and driven by the Construction Chemicals business unit (sales up 3.1%). The **upbeat trends in Chryso and GCP** sales continued, driven by infrastructure projects and the innovation drive for decarbonization in the construction sector. The signature of a definitive agreement to acquire FOSROC in June marks an acceleration in the Group's construction chemicals presence in countries with strong structural growth (India, Middle East and Asia-Pacific).
- **Mobility** sales stabilized (down 1.0%) against a high comparison basis following the rebound in sales in 2023, with further investments for innovation and the continued optimization of its industrial facilities with the closure of the Avilès plant in Spain in June 2024.
- Businesses serving **Industry** contracted 5.9%, affected by a decline in industrial markets, especially those linked to investment cycles.

Analysis of the consolidated financial statements for first-half 2024

The unaudited interim consolidated financial statements for first-half 2024 were subject to a limited review by the statutory auditors and adopted by the Board of Directors on July 25, 2024.

| in € million | H1 2023 | H1 2024 | % change |
|---------------------------------------------------------------------------------------------------|---------------|---------------|--------------|
| Sales | 24,954 | 23,464 | -6.0% |
| Operating income | 2,813 | 2,751 | -2.2% |
| Operating margin | 11.3% | 11.7% | |
| Operating depreciation and amortization | 980 | 1,026 | 4.7% |
| Non-operating costs | -55 | -125 | -127.3% |
| EBITDA | 3,738 | 3,652 | -2.3% |
| Capital gains and losses on disposals, asset write-downs and impact of changes in Group structure | -464 | -164 | 64.7% |
| Business income | 2,294 | 2,462 | 7.3% |
| Net financial expense | -196 | -215 | -9.7% |
| Dividends received from investments | 1 | 1 | n.s |
| Income tax | -607 | -546 | 10.0% |
| Share in net income of associates | 3 | 2 | n.s |
| Net income before non-controlling interests | 1,495 | 1,704 | 14.0% |
| Non-controlling interests | 45 | 44 | -2.2% |
| Net attributable income | 1,450 | 1,660 | 14.5% |
| Earnings per share² (in €) | 2.84 | 3.31 | 16.5% |
| Recurring net income¹ | 1,821 | 1,706 | -6.3% |
| Recurring¹ earnings per share² (in €) | 3.57 | 3.40 | -4.8% |
| EBITDA | 3,738 | 3,652 | -2.3% |
| Depreciation of right-of-use assets | -340 | -351 | -3.2% |
| Net financial expense | -196 | -215 | -9.7% |
| Income tax | -607 | -546 | 10.0% |
| Capital expenditure ³ | -616 | -583 | -5.4% |
| <i>o/w additional capacity investments</i> | 274 | 255 | -6.9% |
| Changes in working capital requirement ⁴ | -61 | 248 | n.s |
| Free cash flow⁵ | 2,192 | 2,460 | 12.2% |
| Free cash flow conversion⁶ | 65% | 75% | |
| ROCE | 15.7% | 14.4% | |
| Lease investments | 442 | 425 | -3.8% |
| Investments in securities net of debt acquired ⁷ | 228 | 847 | n.s |
| Divestments | 857 | 60 | n.s |
| Consolidated net debt | 8,922 | 9,443 | 5.8% |

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 (501,808,814 shares in H1 2024, versus 510,080,726 shares in H1 2023).
3. Capital expenditure = investments in tangible and intangible assets.
4. Change 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 requirements 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: €847 million in H1 2024, of which €784 million in controlled companies.

EBITDA came in at **€3,652 million**, close to its all-time high. EBITDA includes non-operating costs of €125 million.

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 €164 million (versus an expense of €464 million in first-half 2023). It reflects €35 million in asset write-downs essentially relating to site closures and disposals (€65 million in first-half 2023), €103 million in Purchase Price Allocation (PPA) intangible amortization (€85 million in first-half 2023), and €26 million in disposal losses and other net business expense (€314 million in first-half 2023 including translation adjustments on the UK distribution assets sold).

Recurring net income was close to its record-high, at €1,706 million. The tax rate on recurring net income was 24%.

Capital expenditure represented €583 million (€616 million in first-half 2023). 72% of growth capex was invested in North America, Asia and emerging countries. The Group opened 11 new plants and production lines in first-half 2024, focused on the fast-growing construction chemicals and light construction markets.

Free cash flow came in at €2,460 million – a 12% increase on first-half 2023 – with a **free cash flow conversion ratio of 75%** (65% in first-half 2023). This was attributable to a good level of EBITDA and to very good management of operating working capital requirement (WCR), which represented 23 days' sales at end-June 2024 versus 25 days' sales at end-June 2023.

Investments in securities net of debt acquired totaled €847 million (€228 million in first-half 2023), primarily reflecting the acquisitions of Bailey in Canada, Glass Service (digital solutions to accelerate the decarbonization of glass furnaces), ICC in technical insulation in the US, and acquisitions in construction chemicals (Izomaks in Saudi Arabia, IMPTEK in Ecuador, Technical Finishes in South Africa and R.SOL in France).

In line with the aim of completing the €2 billion **share buyback** program in 2024 – one year earlier than expected – the Group allocated around €200 million to share buybacks in first-half 2024 (net of offsetting employee share creation). This reduced the number of shares outstanding to around 499.5 million at end-June 2024 from 502 million at end-December 2023.

Net debt was €9.4 billion at June 30, 2024 and amounts to 39% of consolidated equity (versus 38% at June 30, 2023). **The net debt to EBITDA ratio** on a rolling 12-month basis was 1.4 at end-June 2024.

2024 outlook and strategic priorities

In a geopolitical and macroeconomic environment that remains challenging, Saint-Gobain will once again demonstrate its resilience and its excellent operating performance in 2024, thanks to its focused strategy and its proactive commercial and industrial initiatives allowing it to outperform its markets.

Saint-Gobain expects some of its markets to remain difficult over 2024 overall, but in the second half should benefit from an easier comparison basis and a sequential improvement in certain countries:

- Europe: resilience in renovation; new construction remaining difficult before gradually reaching a low point country by country;
- Americas: construction to hold firm in North America (new build and renovation); recovery expected in Latin America;
- Asia-Pacific: good growth led mainly by India and the integration of CSR;
- High Performance Solutions: Construction Chemicals to see dynamic growth; Mobility to hold firm and a contrasting situation on industrial markets in terms of demand.

Against this backdrop, in 2024 the Group will continue to implement the **strategic priorities set out in its “Grow & Impact” plan for 2021-2025**:

1) Continue our initiatives focused on profitability and free cash flow generation

- Constant focus on the price-cost spread;
- Productivity initiatives and swift adjustments from country to country where necessary;
- Capital expenditure slightly above 4% of sales, with strict allocation to high-growth markets.

2) Outperform our markets by strengthening our profitable growth profile

- Enrich our comprehensive range of integrated, differentiated and innovative solutions offering sustainability and performance for our customers;
- Continue our value-creating targeted acquisitions and divestments dynamic, and benefit from the successful integration of recent acquisitions.

3) Continued focus on our ESG roadmap as leader in sustainable construction

- Promote our positive-impact and low-carbon solutions among our customers;
- Extend the decarbonization of construction to the entire value chain, playing our full role as leader in light and sustainable construction.

**Despite a context which remains difficult in certain markets,
Saint-Gobain expects a double-digit operating margin
for second-half and full-year 2024, for the fourth consecutive year**

Financial calendar

A meeting for analysts and investors will be held at 8:30am (GMT + 1) on July 26, 2024 and will be streamed live on Saint-Gobain's website: www.saint-gobain.com

- Sales for the third quarter of 2024: Tuesday October 29, 2024, 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 |
| James Weston | (+33) 1 88 54 01 24 |

PRESS RELATIONS

| | |
|------------------------|---------------------|
| Patricia Marie | (+33) 1 88 54 26 83 |
| Laure Bencheikh | (+33) 1 88 54 26 38 |
| Yanice Biyogo | (+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 period under review adjusted for changes in Group structure, divided by segment assets and liabilities at period-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 business income and expenses".
- **Pro forma** = sales or operating income including the impact of changes in Group structure (signed or closed) over the period.

All indicators contained in this press release (not defined above or 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 |
| Non-operating costs | Note 5 |
| Operating income | Note 5 |
| Net financial expenses | Note 10 |
| Recurring net income | Note 5 |
| Business income | Note 5 |
| Working capital requirements | 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 2024 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