
PRESS RELEASE

May 20, 2021

SAINT-GOBAIN ENTERS INTO AN AGREEMENT TO ACQUIRE CHRYSO, A LEADING GLOBAL PLAYER IN CONSTRUCTION CHEMICALS

Saint-Gobain today announces having entered into an agreement to acquire Chryso, a leading global player in the construction chemicals market providing differentiated and innovative solutions, from funds advised by Cinven, the international private equity firm. Chryso provides comprehensive additives solutions for sustainable construction, relying on innovative chemistry, formulation expertise, and knowledge of construction materials. The company employs about 1,300 employees and generated over the last twelve months revenues of approximately €400 million and an EBITDA of €85 million.

The acquisition of Chryso perfectly fits within Saint-Gobain's strategic vision of worldwide leadership for sustainable construction. It will further expand the Group's presence in the growing construction chemicals market with combined sales of more than €3 billion across 66 countries.

The enterprise value of €1,020 million represents a multiple of 12.0x Chryso's last twelve months EBITDA of €85 million and a multiple of **7.6x post run-rate synergies of €50 million** in year 5. Saint-Gobain will fully finance the acquisition using the proceeds from divestments made by the Group.

Key strategic benefits of this transaction for Saint-Gobain include:

- **Reinforcing Saint-Gobain's leadership and growth platform in construction chemicals, benefiting from solid growth prospects.** Global demand for additives is expected to grow at c. 7% per year over the 2021-2025 period, outperforming the construction market. In emerging countries, demand for still underpenetrated construction chemicals solutions will continue to be supported by urbanization, growing infrastructure spending, ready-mix solutions and efficiency gains. In developed economies, demand will be mainly driven by sustainability requirements as well as productivity, technical and aesthetics performance.
- **Perfect alignment with Saint-Gobain's strategy towards solutions for sustainability and performance:** the major move towards low-carbon concrete in the next decade will be made possible by the fast growing application of additives, which contribute to the strong reduction of concrete CO₂ footprint and address the aggregate shortage and therefore aid the development of the circular economy. Additives also address urbanization mega-trends and infrastructure needs by providing cost effectiveness, speed and productivity gains. Combining R&D capabilities will accelerate Chryso's technological development with the objective to be at the forefront of innovative solutions for sustainable construction.
- **A leading, highly profitable global player in additives with strong innovation** (35% new products to sales ratio) **and fast growth in both emerging and mature countries.** Chryso has a strong growth record of c. 8% per year over the last 20 years of which c. 2% is thanks to acquisitions. The company delivers a superior EBITDA margin – around 20% for the last twelve months – thanks to a highly experienced management team with a strong track record.

- **A value-creative transaction for Saint-Gobain's shareholders: value will be created in year 3** following the closing of the transaction even if **only cost synergies of €15 million are taken into account**. These cost synergies are expected to be captured through the integration of Chryso's operations into Saint-Gobain with benefits to include purchasing, SG&A efficiencies and reinforced vertical integration. In addition, **€35 million of revenue synergies** are expected to be achieved thanks to the enlarged combined commercial platform with opportunities:
 - (1) to accelerate Chryso's growth in major geographies where it operates thanks to Saint-Gobain's large presence (India, USA);
 - (2) to sell Chryso's products in new markets where Saint-Gobain has a strong presence in construction chemicals (such as Brazil or South-East Asia);
 - (3) to develop cross selling opportunities between Chryso & Saint-Gobain Weber in construction chemicals within Western Europe.
- **Similar culture and shared values: excellent cultural fit that bodes well for successful integration**. Chryso will be integrated into Saint-Gobain's High Performance Solutions that will nurture its strong focus on innovation and co-development with large global customers. CEO Thierry Bernard and his team will conduct the group development in specialty additives for building materials. They will share their outstanding experience and know-how in this space to accelerate value creation for Saint-Gobain's shareholders and customers.

Thierry Bernard, Chief Executive Officer of Chryso, commented:

"We are very enthusiastic to join Saint-Gobain and to build the next chapter of Chryso's growth story together. This represents a great recognition for all the accomplishments of Chryso's team over the past years. Saint-Gobain is the ideal strategic partner with a worldwide presence in the construction chemicals market and a large portfolio of solutions, with R&D and innovation capabilities and operational excellence that will allow Chryso to accelerate its development and ensure its continued success."

Pierre-André de Chalendar, Chairman and Chief Executive Officer of Saint-Gobain, and Benoit Bazin, Chief Operating Officer, commented:

"The acquisition of Chryso is a unique growth platform opportunity for Saint-Gobain to further develop our already strong presence in the growing construction chemicals market. It is fully in line with our ESG strategy of providing a sustainable and performance driven value proposition to our customers. We are impressed with Chryso's profitable growth track record over the past years and we are very much looking forward to welcoming Thierry Bernard and his team within our Group. We are confident that together we can accelerate growth and leverage our combined know-how and international capabilities to offer innovative solutions for our customers and drive sustainable and profitable growth to create value for our shareholders."*

Following completion of the information and consultation procedure with the employees' representative bodies, and subject to the approval of the relevant competition authorities, this acquisition is expected to be finalized in the second half 2021.

Lazard is acting as financial advisor, and Gide Loyrette Nouel is acting as legal counsel to Saint-Gobain in connection with the transaction.

* ESG: Environment, Social, Governance

ABOUT SAINT-GOBAIN

Saint-Gobain designs, manufactures and distributes materials and solutions for the construction, mobility, healthcare and other industrial application markets. Developed through a continuous innovation process, they can be found everywhere in our living places and daily life, providing wellbeing, performance and safety, while addressing the challenges of sustainable construction, resource efficiency and the fight against climate change. This strategy of responsible growth is guided by the Saint-Gobain purpose, "MAKING THE WORLD A BETTER HOME", which responds to the shared ambition of all the women and men in the Group to act every day to make the world a more beautiful and sustainable place to live in.

€38.1 billion in sales in 2020

More than 167,000 employees, located in 70 countries

Committed to achieving Carbon Neutrality by 2050

For more information about Saint-Gobain, visit www.saint-gobain.com and follow us on Twitter [@saintgobain](https://twitter.com/saintgobain)

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Analyst/Investor Conference Call on May 20, 2021 at 6:30 p.m. Paris time (GMT + 1)

Dial-in: + 33 (0) 1 72 72 74 03 or +44 20 7194 3759 (code 91389529#)

Please dial in 5 to 10 minutes prior to the scheduled start time

Replay: +33 (0) 1 70 71 01 60 +44 20 3364 5147 (code 425007295#) from 8:30 p.m. Paris time until June 20, 2021.

A presentation regarding the transaction will be available before the conference call on Saint-Gobain's website at:

<https://www.saint-gobain.com/en/finance/financial-events>