

## PRESS RELEASE

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### *Continued dynamic organic growth in the third quarter*

- **Sequential acceleration in organic growth: up 13.3% in Q3 2021 versus Q3 2019**, confirming the good momentum in underlying markets, with volumes up 3.6%
- **The Group is confident that it will be able to offset raw material and energy cost inflation** over full-year 2021 given the **sharp 8.7% acceleration in prices** in Q3 2021 versus Q3 2020
- **Ongoing optimization of the Group's growth and profitability profile<sup>1</sup>:**
  - Acquisitions signed contributing around €850m to full-year sales (including Chryso)
  - Divestments representing around €1,850m in full-year sales
- **Annual targets confirmed: a very strong increase in operating income over full-year 2021 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
- **Launch of the "Grow & Impact" plan at the Capital Markets Day on October 6, 2021:** strong commitment from teams to accelerate profitable growth and maximize the Group's positive impact in the fight against climate change

	Q3 2020 sales (in €m)	Q3 2021 sales (in €m)	2021-2020			2021-2019
			Change on actual structure basis	Change on a comparable structure basis	Like-for- like change	Like-for- like change
High Performance Solutions	1,678	1,815	+8.2%	+8.1%	+7.0%	+2.5%
Northern Europe	3,403	3,816	+12.1%	+13.2%	+10.7%	+11.5%
Southern Europe - ME & Africa	3,318	3,150	-5.1%	+4.6%	+4.7%	+12.7%
Americas	1,553	1,808	+16.4%	+15.3%	+14.9%	+28.2%
Asia-Pacific	404	447	+10.6%	+20.9%	+19.8%	+15.9%
<i>Internal sales and misc.</i>	-229	-234	---	---	---	---
<b>Group Total</b>	<b>10,127</b>	<b>10,802</b>	<b>+6.7%</b>	<b>+10.5%</b>	<b>+9.4%</b>	<b>+13.3%</b>

1. Since the beginning of 2021

	9m 2020 sales (in €m)	9m 2021 sales (in €m)	2021-2020			2021-2019
			Change on actual structure basis	Change on a comparable structure basis	Like-for- like change	Like-for- like change
High Performance Solutions	4,780	5,494	+14.9%	+14.8%	+17.8%	+2.2%
Northern Europe	9,493	11,234	+18.3%	+18.4%	+16.6%	+10.4%
Southern Europe - ME & Africa	8,986	10,607	+18.0%	+23.7%	+24.2%	+13.0%
Americas	4,223	5,068	+20.0%	+18.0%	+25.7%	+26.2%
Asia-Pacific	1,059	1,322	+24.8%	+29.0%	+32.9%	+16.1%
<i>Internal sales and misc.</i>	-650	-792	---	---	---	---
<b>Group Total</b>	<b>27,891</b>	<b>32,933</b>	<b>+18.1%</b>	<b>+19.7%</b>	<b>+21.0%</b>	<b>+12.4%</b>

**Like-for-like** sales were up by 9.4% in the third quarter compared to third-quarter 2020 (up 13.3% on third-quarter 2019, following a rise of 11.9% in the first half versus first-half 2019), driven by an acceleration in prices which increased 8.7% (after a 3.9% increase in the first half) in a far more inflationary raw material and energy cost environment. As expected, there was a more modest rise in volumes, which progressed 0.7% over the quarter given the high comparison basis in third-quarter 2020, when trade professionals had taken few holidays during the summer period in Europe on account of the coronavirus pandemic. Compared to the third quarter of 2019, volumes were up by 3.6% – with a stronger increase in the Americas and in Asia-Pacific – despite a contraction in the automotive market. The calendar effect compared to third-quarter 2020 and third-quarter 2019 was negative at around 0.5%, with the impact being more significant in Southern Europe.

On a reported basis, sales came in at **€32,933 million** for the nine-month period. The **currency impact** reduced sales by 1.3% over the nine-month period and added 1.1% to sales in the third quarter, mainly reflecting less depreciation of the US dollar along with the appreciation of the British pound and Nordic krona.

The **Group structure impact** reduced sales by 1.6% over the nine-month period and by 3.8% in the third quarter, reflecting the ongoing optimization of the Group's profile, with divestments mainly in Southern Europe (Lapeyre in France, Distribution in the Netherlands and in Spain), Northern Europe (Graham in the UK, Glassolutions in Germany), and Asia-Pacific (Pipe in China). Total divestitures since the end of 2018 represent €5.3 billion in sales. The acquisitions of Chryso – a leading global player in construction chemicals – and of Panofrance – a specialist distributor of timber and panels – will be consolidated as from fourth-quarter 2021. Note that in light of the hyperinflationary environment in Argentina, this country which represents less than 1% of the Group's consolidated sales, is excluded from the like-for-like analysis.

### Update on raw material and energy cost inflation

Amid the current context of accelerating inflation in energy costs, Saint-Gobain is now expecting energy and raw material cost inflation of around €1.5 billion in 2021 compared to 2020 (in line with the estimate given during the Capital Markets Day on October 6, 2021 and compared to its previous estimation for the full-year of €1.1 billion made at the end of July), of which €1.1 billion in second-half 2021 alone.

Thanks to the priority given to sales prices, in third-quarter 2021 the Group achieved a positive price impact of 8.7% overall and of 8.1% for its industrial businesses alone.

In the current energy price context and given the new price increase announcements in most countries in Europe and in the US, Saint-Gobain is confident that it will be able to offset raw material and energy cost inflation over full-year 2021.

### **High Performance Solutions (HPS): sales growth in the third quarter**

Sales were up 7.0% on third-quarter 2020 (up 2.5% on third-quarter 2019) in broadly recovering industrial markets, with the exception of the automotive market in Europe.

- **Mobility** sales were down over these two periods, with a stronger 7.2% contraction versus third-quarter 2019 owing to the sharper decline on the European market, while sales to the Americas and China rose sharply. Supply chain tensions related to the shortage of semi-conductors are weighing on the production capacity of automotive manufacturers. However, our Mobility business continued to significantly outperform the automotive market in the period, thanks to its increasing exposure to electric vehicles and to high value-added products.
- Businesses serving **Industry** were supported by decarbonization solutions for our customers and posted a further sequential improvement in surface finishing solutions and activities related to investment cycles, even though the latter remained slightly down on third-quarter 2019.
- Businesses serving the **Construction Industry** delivered further growth and continued to benefit from upbeat trends in textile solutions for external thermal insulation systems (ETICS), thanks to good momentum in sustainable construction.

### **Northern Europe: sharp acceleration in price increases**

Sales in Northern Europe were up by 10.7% in the third quarter (up 11.5% versus third-quarter 2019), with a slight increase in volumes and a strong increase in prices aimed at offsetting raw material and energy cost inflation.

Sales in **Nordic countries** continued to see robust growth, particularly light construction solutions on the supportive renovation market. The pace of growth in **Germany** slowed as the impact of the automotive market contraction affected demand for glass; the markets for light and sustainable construction such as modular construction remained upbeat. Growth accelerated in the **UK**, driven solely by prices in a market affected by certain supply chain disruptions and in the context of an optimized distribution network post restructuring. **Eastern Europe** enjoyed strong growth in both prices and volumes.

### **Southern Europe - Middle East & Africa: sales growth against a high comparison basis**

Sales for the Southern Europe - Middle East & Africa Region were up 4.7% in the third quarter against a high comparison basis in third-quarter 2020, when trade professionals took few holidays during the summer period in Europe owing to the coronavirus pandemic. Compared to the third quarter of 2019, the Region reported strong sales growth of 12.7%, driven by prices as well as good volume momentum for light and sustainable construction solutions.

**France** reported further good momentum, driven by renovation markets and energy efficiency solutions. The full impact of France's household stimulus package *MaPrimeRenov'* contributed to the successful overall performance, with almost 400,000 projects submitted since the start of the year. In terms of renovation of public buildings, the first effects of the stimulus plan should begin to be felt in 2022. **Spain** advanced, particularly in light construction solutions, despite the closure of a flat glass manufacturing plant in 2020 as part of the optimization of the Group's industrial footprint. **Italy** continued to benefit from support for energy-efficient renovation in the form of tax credits, which helped accelerate growth. **Benelux** was also up, as were **Middle East and African countries**, led by robust growth in Turkey and Egypt.

### **Americas: strong sales growth in the third quarter**

The Americas Region reported organic growth of 14.9% in the third quarter – with a continued acceleration in prices against a high comparison basis for volumes – and of 28.2% versus the third quarter of 2019, with volumes up by almost 10%.

- North America progressed by 13.6% and 18.3%, respectively, over the two periods, driven by an acceleration in prices and good momentum in volumes for light construction solutions thanks to the successful acquisition of Continental Building Products, which has reinforced the Group's positions in construction. Our local organization enabled us to limit the impact of the strong supply chain tensions – particularly for raw materials – which slightly disrupted production in the third quarter.
- Latin America achieved further substantial growth in terms of both prices – to offset inflation – and volumes. Sales increased by 18.3% in the quarter and by 50.5% compared to third-quarter 2019, thanks to an approach in which the Group's full range of solutions can be offered to customers.

### **Asia-Pacific: strong sales growth in the third quarter**

The Asia-Pacific Region saw organic growth of 19.8% in the third quarter and of 15.9% versus third-quarter 2019.

China continued to report robust growth over the two periods thanks to an upbeat market for construction solutions. India's recovery gathered pace – against a third-quarter 2020 comparison basis affected by the health situation – given the very robust growth compared to pre-Covid levels, driven both by volumes and prices. South-East Asia was down, hit by the restrictions in place to combat the coronavirus pandemic.

## **2021 outlook and strategic priorities**

**In fourth-quarter 2021**, against a high comparison basis and in a macroeconomic and health environment which remains affected by uncertainties, the Group should continue to benefit from strong momentum in its main markets – especially renovation in Europe, as well as construction in the Americas and in Asia-Pacific – and from a solid operating performance. In this environment and provided there is no new major impact related to the coronavirus pandemic, Saint-Gobain expects the following trends for its segments:

- **High Performance Solutions:** supportive industrial markets, excluding the contraction of the automotive market in Europe in particular; businesses related to customer investment should rally steadily, although they are expected to remain down on the good level recorded in 2018;
- **Europe:** continued sales outperformance on a dynamic renovation market, albeit with a high comparison basis for December, with trade professionals having worked over the 2020 Christmas and New Year period;
- **Americas:** market growth, particularly residential construction, in both North and Latin America;
- **Asia-Pacific:** market growth with continued good momentum in China and India, but with the situation still affected by health-related disruptions in South-East Asia.

### **Strategic priorities**

Sustainable construction is essential to achieving carbon neutrality. Saint-Gobain's comprehensive solutions offer makes it a leading player in light and sustainable construction. Together with a performance-driven local operating model, this positioning will enable the Group to accelerate its growth and outperform its markets, and disciplined capital allocation will also ensure a step-up in value creation for our shareholders.

In this supportive environment, our strategic priorities, which are based around the “Grow & Impact” plan, were presented during our Capital Markets Day on October 6, 2021.

#### **1) Accelerate the Group's growth and impact:**

- **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 decarbonize construction;
- **Acceleration of ESG initiatives**, 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**, thanks to strong pricing discipline, amid strong inflation in raw material and energy costs;
- **Reduction in costs as part of post-coronavirus adaptation measures** to lower the break-even point of certain businesses, which should generate €150 million in cost savings in 2021 versus 2020;
- Reinforcement of the **operational excellence program** aimed at offsetting inflation (excluding raw material and energy costs);
- Maintaining the **structural improvement in operating working capital requirement** and rebuilding adequate inventories in order to best serve customers;
- **Capital expenditure** of around **€1.5 billion**, focused strictly on high-growth markets, and ongoing digital transformation;
- Continued reduction in **non-operating costs**.

**For full-year 2021, the Group is 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.**

## Financial calendar

- 2021 results: *February 24, 2022*, after close of trading on the Paris Bourse

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A conference call will be held at 6:30pm (Paris time) on October 28, 2021: dial +33 1 72 72 74 03 followed by the code 36430350#

### Glossary:

Indicators of **organic growth** and **like-for-like changes in sales/operating income** reflect the 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 the 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

**Operating income:** see Note 4 to the financial statements in the interim financial report, available by clicking here: <https://www.saint-gobain.com/en/finance/information-reglementee/half-yearly-financial-report>

**EBITDA** = operating income plus operating depreciation and amortization, less non-operating costs

**Free cash flow** = EBITDA less depreciation of right-of-use assets, plus net financial expense, plus income tax, less investments in property, plant and equipment and intangible assets excluding additional capacity investments, plus changes in working capital requirement

**ESG** = Environment, Social, Governance

### 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 the control of Saint-Gobain, including but not limited to the risks described in the "Risk Factors" section of Saint-Gobain's Universal Registration Document available on its website ([www.saint-gobain.com](http://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.

**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](http://www.saint-gobain.com).

## Appendix 1: Contribution of price and volumes to organic sales growth by Segment

Q3 2021	2021-2020			2021-2019		
	Like-for-like change	Prices	Volumes	Like-for-like change	Prices	Volumes
High Performance Solutions	+7.0%	+0.6%	+6.4%	+2.5%	+0.9%	+1.6%
Northern Europe	+10.7%	+9.5%	+1.2%	+11.5%	+10.0%	+1.5%
Southern Europe - ME & Africa	+4.7%	+8.4%	-3.7%	+12.7%	+9.5%	+3.2%
Americas	+14.9%	+15.0%	-0.1%	+28.2%	+18.6%	+9.6%
Asia-Pacific	+19.8%	+8.0%	+11.8%	+15.9%	+6.6%	+9.3%
<b>Group Total</b>	<b>+9.4%</b>	<b>+8.7%</b>	<b>+0.7%</b>	<b>+13.3%</b>	<b>+9.7%</b>	<b>+3.6%</b>

9-month 2021	2021-2020			2021-2019		
	Like-for-like change	Prices	Volumes	Like-for-like change	Prices	Volumes
High Performance Solutions	+17.8%	+0.0%	+17.8%	+2.2%	+0.4%	+1.8%
Northern Europe	+16.6%	+5.7%	+10.9%	+10.4%	+5.8%	+4.6%
Southern Europe - ME & Africa	+24.2%	+4.6%	+19.6%	+13.0%	+5.6%	+7.4%
Americas	+25.7%	+12.1%	+13.6%	+26.2%	+13.1%	+13.1%
Asia-Pacific	+32.9%	+5.1%	+27.8%	+16.1%	+3.7%	+12.4%
<b>Group Total</b>	<b>+21.0%</b>	<b>+5.5%</b>	<b>+15.5%</b>	<b>+12.4%</b>	<b>+6.1%</b>	<b>+6.3%</b>

## Appendix 2: Breakdown of organic sales growth and external sales

Q3 2021, in % of total	Like-for-like change 2021-2020	Like-for-like change 2021-2019	% Group
<b>High Performance Solutions</b>	<b>+7.0%</b>	<b>+2.5%</b>	<b>16.7%</b>
<i>Mobility</i>	-5.0%	-7.2%	6.1%
<i>Other industries</i>	+15.2%	+8.9%	10.6%
<b>Northern Europe</b>	<b>+10.7%</b>	<b>+11.5%</b>	<b>34.5%</b>
<i>Nordics</i>	+10.5%	+10.8%	13.5%
<i>United Kingdom - Ireland</i>	+11.7%	+12.5%	11.0%
<i>Germany - Austria</i>	+6.1%	+5.3%	3.4%
<b>Southern Europe - ME &amp; Africa</b>	<b>+4.7%</b>	<b>+12.7%</b>	<b>28.4%</b>
<i>France</i>	+3.2%	+11.7%	22.0%
<i>Spain - Italy</i>	+5.5%	+11.3%	3.3%
<b>Americas</b>	<b>+14.9%</b>	<b>+28.2%</b>	<b>16.4%</b>
<i>North America</i>	+13.6%	+18.3%	11.4%
<i>Latin America</i>	+18.3%	+50.5%	5.0%
<b>Asia-Pacific</b>	<b>+19.8%</b>	<b>+15.9%</b>	<b>4.0%</b>
<b>Group Total</b>	<b>+9.4%</b>	<b>+13.3%</b>	<b>100%</b>

9-month 2021, in % of total	Like-for-like change 2021-2020	Like-for-like change 2021-2019	% Group
<b>High Performance Solutions</b>	<b>+17.8%</b>	<b>+2.2%</b>	<b>16.5%</b>
<i>Mobility</i>	+17.4%	-4.6%	6.3%
<i>Other industries</i>	+18.0%	+6.6%	10.2%
<b>Northern Europe</b>	<b>+16.6%</b>	<b>+10.4%</b>	<b>33.2%</b>
<i>Nordics</i>	+8.6%	+11.5%	13.4%
<i>United Kingdom - Ireland</i>	+32.9%	+8.2%	10.5%
<i>Germany - Austria</i>	+11.4%	+6.3%	3.3%
<b>Southern Europe - ME &amp; Africa</b>	<b>+24.2%</b>	<b>+13.0%</b>	<b>31.4%</b>
<i>France</i>	+24.9%	+13.6%	24.3%
<i>Spain - Italy</i>	+21.3%	+7.2%	3.4%
<b>Americas</b>	<b>+25.7%</b>	<b>+26.2%</b>	<b>15.1%</b>
<i>North America</i>	+21.7%	+19.3%	10.8%
<i>Latin America</i>	+37.6%	+41.7%	4.3%
<b>Asia-Pacific</b>	<b>+32.9%</b>	<b>+16.1%</b>	<b>3.8%</b>
<b>Group Total</b>	<b>+21.0%</b>	<b>+12.4%</b>	<b>100%</b>

### Appendix 3: Distribution Europe

	9m 2020 sales (in €m)	9m 2021 sales (in €m)	2021-2020			2021-2019
			Change on actual structure basis	Change on a comparable structure basis	Like-for- like change	Like-for- like change
Distribution (Europe)	11,919	13,905	+16.7%	+22.3%	+20.8%	+13.5%