



## The worldwide leader in light & sustainable construction

### Strong rise in sales in third-quarter 2022

- Sales: +19.6%
- Dynamic organic growth: +13.4%, up double-digit in all segments
- Value-added solutions generating a positive price-cost spread at the Group level
- 2022 outlook confirmed

**Like-for-like** sales rose by 14.5% in the nine-month period to September 30, 2022 and by 13.4% in the third quarter of 2022 versus third-quarter 2021. This good performance reflects the Group's position as worldwide leader in light and sustainable construction thanks to its **unique range of innovative solutions offering sustainability and performance**, rolled out as part of the "Grow & Impact" plan. It also reflects **good momentum in our segments**, which all reported double-digit organic growth, driven in particular by High Performance Solutions, Asia-Pacific and North America. **Renovation in Europe remained resilient**, while new construction slowed. Each country CEO is adapting in real time and looking for opportunities to outperform their market.

Thanks to the added value of Saint-Gobain's solutions and its local organization close to its customers, prices increased **15.0%** in the third quarter (15.3% in the first half), generating a **positive price-cost spread at Group level for the quarter and over the nine-month period**, amid continued high raw material and energy cost inflation.

The Group's volumes were down slightly, decreasing 0.8% over the nine-month period and 1.6% in the third quarter, with a negative working day effect of around 0.5% (more pronounced in Southern Europe) in the third quarter.

On a reported basis, sales were up strongly by 16.6% to **€38,402 million** over the nine-month period and by **19.6% in the third quarter alone**, with a positive **currency impact** of 4.0% over the nine-month period and of **5.4%** in the third quarter. The **Group structure impact**, which reduced sales by 1.9% over the nine-month period, added **0.8%** to sales in the third quarter. This reflects the ongoing **optimization of the Group's profile**, in terms of both divestments (mainly distribution in the Netherlands, specialist distribution in the UK, Glassolutions in Germany, Austria, Denmark and the UK, and pipe in China) and acquisitions, which primarily included **Chryso** and **Impac** in Mexico in construction chemicals, **Kaycan** in exterior products in North America, which was consolidated as of August 1, 2022 (the small US distribution business was sold in mid-October 2022), and **Panofrance**, a French specialist in modular timber solutions.

**GCP Applied Technologies (GCP)** in construction chemicals was consolidated with effect from October 1, 2022. The new organization has been put in place, with Thierry Bernard, former Chryso CEO, appointed CEO of Construction Chemicals within High Performance Solutions, which includes both Chryso and GCP (except the North American waterproofing membranes business which is included within the North America Region owing to strong synergies with CertainTeed's roofing and siding activities). The GCP integration process which has been in preparation since the beginning of the year has started well.

The third quarter also saw the Group complete a **€1.5 billion bond issue** in three tranches (at 3, 6 and 10 years) on August 2, illustrating Saint-Gobain's ability to take advantage of a low interest-rate window to extend the average maturity of its debt with an average coupon of approximately 2.1%, and further strengthen its liquidity. Its €500 million, 10-year **sustainability-linked bond** tranche reflects the position of sustainable growth at the heart of Saint-Gobain's business model and demonstrates the relevance of its ESG roadmap.

## Update on inflation and the energy situation

Amid rising inflation, Saint-Gobain now expects its energy and raw material costs to increase by slightly over €3 billion in 2022 compared to 2021. This inflation concerns raw materials, freight and energy, especially in Europe. The Group has hedged around 80% of its natural gas and electricity purchasing needs for 2022 and around 60% for 2023. Saint-Gobain's total energy bill is expected to represent almost €2.5 billion in 2022.

Saint-Gobain has **once again shown its capacity to proactively manage inflation** in energy and raw material costs amid strong volatility, allowing it to be confident that it will be able to offset the increase in these costs in 2022 at the Group level and begin 2023 in a position of strength.

Given the current strongly inflationary environment, the Group continues to proactively put in place measures to support its customers wherever possible, in terms of advance information, understanding and visibility on pricing movements, extended quotation validity, granting optimal credit conditions, and ensuring the necessary inventory for a good level of service and supply.

For its main gas-consuming manufacturing businesses in Europe, the Group has made rapid progress in rolling out continuity plans and ensuring the flexibility of production to operate with less or alternative energy:

- Glass: Saint-Gobain has 13 float lines in Europe and is putting in place production continuity plans. Four plants are already able to operate using fuel or diesel; four are currently being prepared for a possible conversion by the end of 2022 and two additional in 2023;
- Insulation: more than half of the 25 plants in Europe have an electricity-powered furnace; additional investments are being undertaken to use alternative energies (e.g., for the four plants in Germany by the end of 2022);
- Plasterboard, construction chemicals and other production lines are extremely flexible.

## Segment performance (like-for-like sales)

### Northern Europe: good sales growth driven by prices

Sales in Northern Europe were up by 14.1% over the nine-month period and by 11.9% in the third quarter amid strong inflation, leading to a sequential increase in prices against a high comparison basis in 2021. Volumes decreased slightly against the backdrop of a slowdown in new construction. Renovation remained at a good level, given government stimulus measures and stricter energy performance regulations.

**Nordic countries** outperformed thanks to their successful presence across the entire construction value chain and to a renovation market supported by energy efficiency projects, despite a slowdown in certain projects in new construction. In Sweden, Saint-Gobain delivered the world's first zero-carbon plasterboard production at its Balsta plant powered by biogas and 100% green electricity. The **UK** delivered a satisfactory performance driven by prices in a declining market. The country has been very active in optimizing its portfolio, with almost €700 million in sales divested (specialty distribution and Glassolutions) since the summer of 2021. **Germany** benefited from its solid positions in energy efficiency renovation; it is making swift progress in ensuring its production facilities are more flexible and able to use alternative energy sources. A comprehensive, prefab façade solution has been launched on the market as "preformance", a solution for quick and minimally invasive renovation. **Eastern Europe** benefited from supportive markets, reporting market share gains in its main countries. A renewable electricity supply agreement has been signed in Poland which will cover around 45% of Saint-Gobain Poland's electricity needs from 2025.

At the end of September, the Group signed a strategic partnership with Megasol – Europe's leading supplier of building integrated photovoltaics, thereby extending its range of sustainable solutions in a fast-growing segment.

### Southern Europe - Middle East & Africa: good sales growth thanks to a resilient renovation market

Sales in Southern Europe - Middle East & Africa were up by 12.7% over the nine-month period and by 10.5% in the third quarter which saw a strongly inflationary environment, leading to a sequential increase in prices against a high comparison basis in 2021. Volumes were down slightly (with a negative working day effect of 2%) as the new construction market slowed. Renovation remained more resilient on the back of demand driven by government stimulus measures, quicker payback for energy renovation projects owing to high energy costs, and stricter regulations.

**France** continued to benefit from structurally more resilient renovation – thanks notably to a favorable regulatory environment and household stimulus packages such as *MaPrimeRénov'* and energy saving certificates (CEE). Trade professionals are still seeing full order books and the Group continues to benefit from its comprehensive range of innovative and sustainable solutions across the entire value chain. In the third quarter, Saint-Gobain began to roll out ORAÉ®, a low-carbon glass providing superior energy performance, which has been particularly popular among property developers. To support this initiative, the Group launched "Saint-Gobain Glass Recycling" which is designed to recycle glass at the end of its life in a closed loop. Firmly committed to accelerating the transition to a circular economy, Saint-Gobain has also produced and marketed Placo® Infini 13, the first plasterboard made from over 50% recycled gypsum.

**Spain** and **Italy** continued to outperform the market, particularly in light and sustainable construction solutions, and capitalized on sales synergies thanks to a comprehensive range of renovation solutions. **Benelux** benefited from its comprehensive range of solutions for individual and multi-family housing renovation. **Middle East and Africa** continued to see robust growth, benefiting from the opening of new plants and dynamic markets, particularly in Egypt.

### Americas: strong sales growth driven by North America

The Americas delivered 15.9% organic growth over the nine-month period and 14.2% in the third quarter, thanks to a good level of prices and despite the start of a slowdown in new construction due to a sharp rise in interest rates.

- **North America** maintained its good sales momentum in the third quarter (up 16.9%) and over the nine-month period (up 17.1%), driven by the development of a comprehensive range of light construction solutions. The new construction market slowed but remained at a good level. The third quarter also saw the addition of Kaycan to the Region, with excellent results. Good progress is being made in terms of the integration of Kaycan and of GCP's specialty building materials business (waterproofing membranes, representing around USD 250 million in annual sales) which serves CertainTeed's local customers in North America. After a renewable wind farm energy supply agreement executed in 2021, the Group has signed a new contract based on solar energy: together these agreements will cover over 60% of Saint-Gobain's electricity needs in North America by the end of 2024.
- **Latin America** reported 12.7% growth over the nine-month period and 7.7% in the third quarter, amid uncertainty in Brazil. Dynamic growth in the Region's other countries was driven by increased sales prices, new capacity (Chile, Argentina, Brazil, Peru and Mexico), and targeted acquisitions in construction chemicals, especially in waterproofing (Impac in Mexico and Brasprefer in Brazil).

### Asia-Pacific: strong sales growth driven by India and South-East Asia

Asia-Pacific reported 28.7% organic growth over the nine-month period and 26.9% in the third quarter, driven by India and South-East Asia.

**India** delivered another excellent performance thanks to market share gains and an integrated and innovative range of solutions which are rolled out to new customers. A total of 75 "MyHome by Saint-Gobain" showrooms were deployed in just one year in the country. Despite the health situation, **China** saw moderate growth driven by prices, benefiting from its distinctive positioning on the fast-growing light construction market, which helped offset the construction market slowdown. In the third quarter **South-East Asia** saw a strong growth dynamic and outperformed the market – particularly in Vietnam and Malaysia – supported by a diversified offering, especially in construction chemicals.

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

HPS sales were up by 14.8% over the nine-month period and by 19.4% in the third quarter, driven by an acceleration in prices and volumes thanks to resilient main markets and the recovery of European automotive.

- Businesses serving **global construction customers** reported record sales and outperformed the market with 25.1% growth in the third quarter (22.5% for the nine-month period). They continue to benefit from upbeat trends in textile solutions for external thermal insulation systems (ETICS) thanks to good momentum in sustainable construction. The very strong trends in Chryso sales continued, driven by decarbonization in the construction sector. In early October, Saint-Gobain and Ecocem signed a partnership agreement to accelerate the commercialization of new low-carbon cement and concrete technology benefiting from Chryso's expertise in innovative high performance additives.
- The **Mobility** business saw sales progress 27.8% in the third quarter (12.7% for the nine-month period), supported both by a catch-up in sales prices thanks to the high priority given to price renegotiations with customers, and by a rebound in volumes against a weak 2021 comparison basis in Europe. The business continued to enjoy upbeat momentum in the Americas, India and China. Thanks to its very strong positioning and technological lead in solutions for electric vehicles – which account for an increasing proportion of sales – and to its high value-added solutions, the Mobility business continues to outperform the automotive market.
- Businesses serving **Industry** progressed 12.8% in the third quarter (14.9% for the nine-month period), supported by activities relating to investment cycles such as ceramics, which benefit from innovation in specialty materials and new decarbonization technologies for our customers.

## Outlook and strategic priorities

As part of the rollout of the strategic priorities of its “Grow & Impact” plan, Saint-Gobain is focused on **consolidating its strong operating performance and on adapting to the specific market trends in each of its countries**: leveraging the structural margin improvements made over the last three years, increasing the flexibility of energy sources in Europe, and with each country CEO optimizing their P&L in real time in order to react swiftly and effectively to market developments.

In a more uncertain geopolitical and macroeconomic environment, the Group continues to **outperform its underlying markets** thanks to the **pertinence of its strategic positioning to respond to the energy and decarbonization challenges** and its optimized organization and business profile.

**Saint-Gobain expects the following trends for its segments in fourth-quarter 2022**: resilience in renovation in Europe while new construction markets are slowing down; the Americas should hold firm; solid growth in Asia-Pacific and good momentum in High Performance Solutions supported by innovation.

**Saint-Gobain confirms that it is targeting a further increase in operating income in 2022 compared to 2021 at constant exchange rates**

## Financial calendar

A conference call will be held at 6:30pm (Paris time) on October 27, 2022.

Please register using the following link in order to receive your **individual pin code** by email:

<https://event-registration.arkadin.com/633ac2f8cd0c1747a74a9cdf>

Please then dial the following number, five to ten minutes before the time indicated:

+33 1 72 72 74 74 or +44 20 3009 2476, followed by your individual pin code.

– 2022 Results: *February 23, 2023*, after close of trading on the Paris Bourse.

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#### 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). Note that in light of Turkey's classification as a hyperinflationary economy, this country, which represents less than 1% of Group sales, is excluded from the like-for-like analysis as from July 1, 2022;
  - 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 5 to the consolidated interim financial statements at June 30, 2022, available by clicking here: <https://www.saint-gobain.com/fr/finance/information-reglementee/rapport-financier-semestriel>
- **Operating margin** = operating income divided by sales
- **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, particularly the risks described in the "Risk Factors" section of Saint-Gobain's 2021 Universal Registration Document and in the "Main risks and uncertainties" section of Saint-Gobain's Half-year financial report 2022 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, 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](http://www.saint-gobain.com).

## Appendix 1: Sales by Segment

	Q3 2021 sales (in €m)	Q3 2022 sales (in €m)	Actual structure basis	Comparable structure basis	Like-for-like change
Northern Europe	3,816	4,157	+8.9%	+13.0%	+11.9%
Southern Europe - ME & Africa	3,150	3,491	+10.8%	+10.5%	+10.5%
Americas	1,808	2,514	+39.0%	+32.2%	+14.2%
Asia-Pacific	447	588	+31.5%	+37.7%	+26.9%
High Performance Solutions	1,815	2,485	+36.9%	+28.7%	+19.4%
<i>Internal sales and misc.</i>	-234	-314	---	---	---
<b>Group Total</b>	<b>10,802</b>	<b>12,921</b>	<b>+19.6%</b>	<b>+18.8%</b>	<b>+13.4%</b>

	9m 2021 sales (in €m)	9m 2022 sales (in €m)	Actual structure basis	Comparable structure basis	Like-for-like change
Northern Europe	11,234	12,556	+11.8%	+15.3%	+14.1%
Southern Europe - ME & Africa	10,607	11,317	+6.7%	+12.0%	+12.7%
Americas	5,068	6,791	+34.0%	+30.6%	+15.9%
Asia-Pacific	1,322	1,601	+21.1%	+37.9%	+28.7%
High Performance Solutions	5,494	7,085	+29.0%	+21.8%	+14.8%
<i>Internal sales and misc.</i>	-792	-948	---	---	---
<b>Group Total</b>	<b>32,933</b>	<b>38,402</b>	<b>+16.6%</b>	<b>+18.5%</b>	<b>+14.5%</b>

## Appendix 2: Contribution of price and volumes to organic sales growth by Segment

Q3 2022	Like-for-like change	Prices	Volumes
Northern Europe	+11.9%	+15.5%	-3.6%
Southern Europe - ME & Africa	+10.5%	+14.9%	-4.4%
Americas	+14.2%	+18.1%	-3.9%
Asia-Pacific	+26.9%	+17.2%	+9.7%
High Performance Solutions	+19.4%	+11.5%	+7.9%
<b>Group Total</b>	<b>+13.4%</b>	<b>+15.0%</b>	<b>-1.6%</b>

9-month 2022	Like-for-like change	Prices	Volumes
Northern Europe	+14.1%	+16.3%	-2.2%
Southern Europe - ME & Africa	+12.7%	+16.5%	-3.8%
Americas	+15.9%	+17.3%	-1.4%
Asia-Pacific	+28.7%	+17.9%	+10.8%
High Performance Solutions	+14.8%	+8.5%	+6.3%
<b>Group Total</b>	<b>+14.5%</b>	<b>+15.3%</b>	<b>-0.8%</b>

### Appendix 3: Breakdown of organic sales growth and external sales

Q3 2022	Like-for-like change	% Group
<b>Northern Europe</b>	<b>+11.9%</b>	<b>31.4%</b>
<i>Nordics</i>	+8.8%	12.4%
<i>United Kingdom - Ireland</i>	+9.7%	8.8%
<i>Germany - Austria</i>	+22.8%	3.3%
<b>Southern Europe - ME &amp; Africa</b>	<b>+10.5%</b>	<b>26.2%</b>
<i>France</i>	+8.0%	20.1%
<i>Spain - Italy</i>	+24.2%	3.4%
<b>Americas</b>	<b>+14.2%</b>	<b>19.1%</b>
<i>North America</i>	+16.9%	13.6%
<i>Latin America</i>	+7.7%	5.5%
<b>Asia-Pacific</b>	<b>+26.9%</b>	<b>4.3%</b>
<b>High Performance Solutions</b>	<b>+19.4%</b>	<b>19.0%</b>
<i>Construction and industry</i>	+14.6%	12.2%
<i>Mobility</i>	+27.8%	6.8%
<b>Group Total</b>	<b>+13.4%</b>	<b>100.0%</b>

9-month 2022	Like-for-like change	% Group
<b>Northern Europe</b>	<b>+14.1%</b>	<b>31.8%</b>
<i>Nordics</i>	+11.7%	12.9%
<i>United Kingdom - Ireland</i>	+11.6%	9.0%
<i>Germany - Austria</i>	+19.1%	3.3%
<b>Southern Europe - ME &amp; Africa</b>	<b>+12.7%</b>	<b>28.6%</b>
<i>France</i>	+9.5%	22.3%
<i>Spain - Italy</i>	+24.7%	3.5%
<b>Americas</b>	<b>+15.9%</b>	<b>17.4%</b>
<i>North America</i>	+17.1%	12.4%
<i>Latin America</i>	+12.7%	5.0%
<b>Asia-Pacific</b>	<b>+28.7%</b>	<b>4.0%</b>
<b>High Performance Solutions</b>	<b>+14.8%</b>	<b>18.2%</b>
<i>Construction and industry</i>	+16.0%	11.9%
<i>Mobility</i>	+12.7%	6.3%
<b>Group Total</b>	<b>+14.5%</b>	<b>100.0%</b>