



The worldwide leader in light & sustainable construction

Solid sales growth in first-quarter 2023

- Organic growth: +4.7%
- Good level of pricing, helping to generate a positive price-cost spread
- Confirmation of the Group's resilience in a difficult environment
- Confidence in the 2023 outlook: operating margin between 9% and 11%

Like-for-like sales progressed by 4.7%, with all segments reporting growth. In a difficult geopolitical and macroeconomic environment, **the Group continued to outperform its markets thanks to the pertinence of its strategic positioning at the heart of energy and decarbonization challenges, and to the strength of its local organization by country.**

In an environment that remains inflationary, the Group continued to effectively serve and support its customers while managing energy and raw material cost evolution. Prices were up by 10.2% over the quarter, owing to price increases implemented last year and certain additional measures taken locally at the start of 2023, generating a **positive price-cost spread** overall. Volumes were down by 5.5% with a moderate market slowdown as expected, which reflects a contrasting situation: a marked decline in new construction but good resilience overall in renovation. The Group is **proactively taking the commercial and industrial measures** necessary to adapt to its environment and to **continue its excellent operating performance in order to deliver an attractive operating margin** despite difficult markets.

On a reported basis, sales progressed by **3.3% to €12.4 billion**, including a negative currency effect of 0.5%. The Group structure impact reduced sales by 0.9% and results from the **ongoing optimization of the Group's profile**, both in terms of disposals – mainly in distribution (UK, Poland and Denmark), glass processing activities, Crystals & Detectors and ceramics for the steel industry – and in terms of acquisitions, mainly in construction chemicals (**GCP Applied Technologies "GCP" and Impac in Mexico**), in exterior products (**Kaycan in North America**) and in insulation (**Rockwool India Pvt Ltd.**).

Proven resilience in a difficult environment

In an environment characterized by a marked decline in new construction and good resistance overall in renovation, **the first quarter demonstrated the Group's resilience** thanks notably to the rollout of the initiatives set out in its “**Grow & Impact**” plan.

- **Strategically**, the Group has benefited from the optimization of its portfolio (**one-third of sales rotated** since 2018) which has reinforced its profitable growth profile, and from its strong positioning on the **structurally supportive renovation market** (new energy efficiency regulations and subsidies).
- **Operationally**, the Group has leveraged its efficient **local organization** with close proximity to customers, priority given to the development of low-carbon solutions and processes, and results-driven accountability for country teams. This has allowed us to achieve in particular stronger pricing power (constant focus on the **price-cost spread**) and to take **proactive measures to adapt to the local environment** wherever necessary.

Segment performance (like-for-like sales)

Northern Europe: slight growth in sales amid a downturn in the new construction market

Sales in the Northern Europe Region were **up by 1%** over the quarter, driven by prices and amid a sharp slowdown in new construction, while renovation (around 55% of sales) proved more resilient.

Nordic countries reported a slight rise in sales against a high comparison basis, thanks to their presence across the entire construction value chain and despite a declining new construction market. The world's first carbon-neutral plasterboard production started in Norway at our Fredrikstad plant, reinforcing our leading positions in sustainable construction. The **UK** saw growth in sales of façade and interior solutions. To prepare for the expected introduction of stricter energy performance regulations as from 2025, Saint-Gobain is leading the eHome2 (“Energy House 2.0”) project with the implementation of its light and sustainable solutions. The aim is to advance the construction sector's knowledge of how to deliver residential buildings with net zero CO₂ emissions under operation. **Germany** reported subdued sales growth in a market affected by an energy shock and a rapid rise in interest rates that penalized new construction. In March, Saint-Gobain achieved a world-first, producing flat glass with a furnace powered by over 30% hydrogen at its Herzogenrath site in Germany. **Eastern Europe** was down slightly after its record performance in first-quarter 2022, amid a sharp rise in interest rates.

Southern Europe - Middle East & Africa: increase in sales supported by a resilient renovation market

The Southern Europe - Middle East & Africa Region saw an **8.1% rise in sales**, driven by prices and by good resilience in renovation (almost 70% of sales), while the new construction market slowed.

France continued to benefit from its strong exposure to the renovation market, which remained at a good level thanks to a favorable regulatory environment (*MaPrimeRenov'* household stimulus package, Energy Performance Certificates) and healthy order books – both in residential and non-residential (public buildings), while new construction slowed. The recognition of Saint-Gobain as the benchmark across the entire value chain – notably in terms of energy efficiency – enabled the Group to outperform the market.

The rollout of comprehensive low-carbon solutions accelerated in France and in other countries in the Region. Saint-Gobain also submitted the winning bid for the athletes' village at the 2024 Paris Olympic Games, offering an innovative dismantlable solution. In **Spain and Italy** business was driven by good momentum in the renovation market, supported by the comprehensive range of solutions. **Middle East and Africa** reported significant growth. In Turkey, Dalsan merged its activities with Saint-Gobain, thereby creating a leader in plaster and plasterboard with a broadened offer of light and sustainable solutions.

Americas: sales stable at a good level amid a downturn in the new construction market

The Americas Region delivered **0.5% organic growth**, driven by prices and despite a decline in the new construction market.

- **North America** proved resilient, with sales up 0.5% over the quarter, driven notably by its comprehensive range of light construction solutions for interiors (gypsum, insulation, ceilings), despite a slowing new construction market. In terms of exterior solutions, the siding business continued to capture market share and to make good progress on the Kaycan integration; the roofing business continued to see destocking from distributors, but is well placed to benefit from the current recovery in trading. The integration of GCP's waterproofing membranes for façade and roofing applications continued to enjoy good business development momentum. The acquisition of Asphaltica, an asphalt shingle recycling technology used in roofing, will help accelerate circular economy initiatives in the Region.
- **Latin America** reported 0.7% growth in a macroeconomic environment that remains challenging in Brazil owing to high interest rates weighing on construction. Mexico benefited from the successful integration of Impac in construction chemicals. Most other countries in the Region reported good growth, supported by higher sales prices and an enriched offer and mix, along with a geographic footprint and product range extended by bolt-on acquisitions. The completion of the acquisition of Termica San Luis, a leader in insulation in Argentina, will consolidate the Group's strong operating performance in this country.

Asia-Pacific: good sales momentum

The Asia-Pacific Region reported **5.0% organic growth** over the quarter against a high prior-year comparison basis.

India reported a good performance, thanks to market share gains and an innovative, integrated offer, enhanced by its recent acquisition of the glass wool insulation leader U.P. Twiga. Saint-Gobain continues to play a pioneering role in promoting "green" buildings thanks to its sustainable construction solutions. In an environment that continued to see disruptions owing to the health situation early in the quarter, **China** nevertheless delivered moderate growth. **South-East Asia** continued to see good growth owing to a diversified offer focusing on integrated and high value-added solutions.

High Performance Solutions (HPS): strong sales growth

HPS sales were **up by 9.0%** over the quarter, benefiting from the strength of its innovation, a recovery in automotive in Europe and a good level of sales prices.

- Businesses serving **global construction customers** saw a **50% rise in sales as reported**, due mainly to the integration of GCP. The good trends in Chryso sales continued, driven by innovation in decarbonization solutions for construction. Chryso benefited from Saint-Gobain's strong presence in Brazil and Egypt to accelerate its external growth with the acquisition of Matchem and IDP Chemicals. The new Construction Chemicals organization integrating GCP has been in place since the end of 2022 and is helping us to swiftly achieve all the expected synergies. In contrast, reinforcement solutions decreased against a high comparison basis.
- The **Mobility** business saw sales progress by 20.6%, supported by the gradual catch-up in sales prices, an outperformance linked to its strong technological positioning in electric vehicles, and a rebound in volumes in Europe. The business continued to enjoy supportive conditions in the Americas and in Asia.
- Businesses serving **Industry** grew by 4.1%, driven by sales prices and strong demand for cutting-edge materials and decarbonization technologies.

2023 outlook

In a difficult macroeconomic environment, Saint-Gobain's priority is to continue to demonstrate its resilience by consolidating its high operating performance level, thanks to its pertinent strategic positioning and its commercial and industrial initiatives enabling it to adapt proactively to the specific market trends in each country.

For Saint-Gobain, 2023 will mark another successful year with the implementation of its "Grow & Impact" priorities. The Group **confirms the outlook for its markets in 2023 presented at the end of February**, with contrasting trends: a marked decline in new construction but good resilience overall in renovation.

Amid a moderate market slowdown, Saint-Gobain confirms that it is targeting an operating margin of between 9% and 11% in 2023, in line with the "Grow & Impact" strategic plan target

Financial calendar

A conference call will be held at 6:30pm (Paris time) on April 27, 2023: +33 1 70 91 87 04 or +44 121 281 8004.

- First-half 2023 results: Wednesday July 26, 2023, after close of trading on the Paris stock exchange.
- Third-quarter 2023 sales: Thursday October 26, 2023, after close of trading on the Paris stock exchange.

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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.

Operating income: see Note 5 to the 2022 consolidated financial statements, available by clicking here: <https://www.saint-gobain.com/en/news/full-year-2022-results>

Operating margin = operating income divided by sales.

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 2022 Universal Registration Document 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.

Appendix 1: Sales by Segment

	Q1 2022 sales (in €m)	Q1 2023 sales (in €m)	Actual structure basis	Comparable structure basis	Like-for-like change
Northern Europe	4,014	3,519	-12.3%	-2.2%	+1.0%
Southern Europe - ME & Africa	3,725	4,012	+7.7%	+7.4%	+8.1%
Americas	1,920	2,180	+13.5%	+4.9%	+0.5%
Asia-Pacific	479	491	+2.5%	+1.7%	+5.0%
High Performance Solutions	2,191	2,556	+16.7%	+10.4%	+9.0%
<i>Internal sales and misc.</i>	-322	-352	---	---	---
Group Total	12,007	12,406	+3.3%	+4.2%	+4.7%

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

Q1 2023	Like-for-like change	Prices	Volumes
Northern Europe	+1.0%	+11.4%	-10.4%
Southern Europe - ME & Africa	+8.1%	+12.5%	-4.4%
Americas	+0.5%	+9.5%	-9.0%
Asia-Pacific	+5.0%	+5.6%	-0.6%
High Performance Solutions	+9.0%	+6.3%	+2.7%
Group Total	+4.7%	+10.2%	-5.5%

Appendix 3: Breakdown of organic sales growth and external sales

Q1 2023	Like-for-like change	% Group
Northern Europe	+1.0%	27.3%
<i>Nordics</i>	+1.4%	11.9%
<i>United Kingdom - Ireland</i>	+2.9%	6.5%
<i>Germany - Austria</i>	+0.3%	3.1%
Southern Europe - ME & Africa	+8.1%	31.4%
<i>France</i>	+6.8%	24.7%
<i>Spain - Italy</i>	+15.5%	3.8%
Americas	+0.5%	17.2%
<i>North America</i>	+0.5%	12.4%
<i>Latin America</i>	+0.7%	4.8%
Asia-Pacific	+5.0%	3.8%
High Performance Solutions	+9.0%	20.3%
<i>Construction and industry</i>	+2.7%	13.0%
<i>Mobility</i>	+20.6%	7.3%
Group Total	+4.7%	100.0%