



SAINT-GOBAIN SIGNS A DEFINITIVE AGREEMENT TO ACQUIRE BUILDING PRODUCTS OF CANADA CORP.

Saint-Gobain announces that it has **entered into a definitive agreement for the acquisition of Building Products of Canada Corp.** (“Building Products of Canada”), a privately owned manufacturer of **residential roofing shingles** and **wood fiber insulation panels** in Canada, for C\$1,325 million (approximately €925 million) in cash.

With this acquisition, Saint-Gobain takes a logical step to **reinforce its leadership in light and sustainable construction in the Canadian market.** With Building Products of Canada, Saint-Gobain will be well positioned to better serve Canadian customers, to whom it will bring a broader innovative and sustainable range of solutions.

- Building Products of Canada completes the offer of Saint-Gobain on **Exterior Solutions** in Canada with **Roofing**, following the addition of **Siding** thanks to the Kaycan acquisition in 2022;
- The acquisition complements the existing CertainTeed Canada operations, already leader in **Interior Solutions** (gypsum, insulation, ceilings).

The purchase price represents a multiple (before synergies) of approximately 11.9x Building Products of Canada’s **2022 EBITDA of C\$111 million** and an **acquisition multiple of approximately 8.2x when including run-rate synergies of approximately C\$50 million.**

The acquisition meets the Group’s strategic and financial criteria articulated in the “Grow & Impact” plan:

- 1) **Strengthening the Group’s leadership in North America** as well as enriching our offering in **light and sustainable construction**;
- 2) **Value creation by year 3** following the closing of the transaction;
- 3) Maintaining a **strong balance sheet** with a limited impact of +0.1x on net debt to EBITDA and with leverage remaining below the target set (1.5x to 2.0x).

Closing of the transaction is subject to customary conditions and expected by year-end 2023.

STRATEGIC BENEFITS

Building Products of Canada is a leading roofing and exterior building products player in Canada with three manufacturing plants servicing the full country (Montreal, Edmonton, Pont-Rouge) and 460 employees. It has a leading position in asphalt shingle **roofing** in Canada and offers a comprehensive range of exterior building products including **wood fiber insulation panels** and **acoustic panels**. It sells through more than 1,200 points-of-sale across home center retailers and specialty distribution channels.

Leveraging its highly efficient country-based organization, Saint-Gobain will add C\$435 million to its leadership in Canada, where it has already around C\$1.4 billion of sales, primarily gypsum, insulation, ceilings and siding, including its recent acquisitions of Kaycan and GCP in 2022. It will allow Saint-Gobain to enhance the scope of the light and sustainable construction solutions offered with roofing products, for the benefit of its Canadian customers. In addition, Saint-Gobain's innovation capability will allow Building Products of Canada to develop a broader, more innovative, and more sustainable range of products for its customers.

VALUE CREATION & SYNERGIES

A value-creative transaction for Saint-Gobain's shareholders. This acquisition will create value by year 3 following closing of the transaction and will be EPS (Earnings Per Share) accretive from year 1. It will provide an enhanced proposition for our customers thanks to a full-range offer:

- 1) **Leverage our innovation for unique full-range solutions:** bring CertainTeed building integrated photovoltaic (BIPV) Solstice® shingles to the Canadian market, enrich the Building Products of Canada offer with our ClimateFlex® all-weather technology, our industry-leading reflective shingle Solaris®, our widest range of Landmark® premium products, and our best-in-class Roof System that utilizes all CertainTeed's roofing components including GCP underlayment;
- 2) **Drive sustainability in building materials:** leverage CertainTeed circular economy know-how and recycle Building Products of Canada shingle waste leveraging CertainTeed's partnership with Asphaltica, for recycling asphalt shingle used in roofing.

Significant synergy opportunities are estimated at **c. C\$50 million by year 3** following the closing of the transaction. This includes cost synergies of c. C\$40 million which are expected to be captured through the combination of Building Products of Canada's materials procurement with that of Saint-Gobain, the implementation of Saint-Gobain's World Class Manufacturing program leveraging best practices from its industry leading position across its 17 US roofing plants, optimization of freight and logistics costs across North America, as well as SG&A cost optimization. Sales synergies of c. C\$10 million are expected thanks to cross-selling opportunities with Kaycan (leveraging the full exterior solutions offering) and using Building Products of Canada channels to sell other Saint-Gobain product categories and expand their product range in roofing (with Landmark® shingles, GCP Ice & Water Shield® waterproofing membranes).

Benoit Bazin, Chief Executive Officer of Saint-Gobain, commented:

"I am very pleased to announce the acquisition of Building Products of Canada and I look forward to soon welcoming into our Group the Building Products of Canada teams, who over the years have built a very attractive, highly respected and renowned position in Canada. This is an important and logical step for Saint-Gobain, allowing us to establish a leading position in roofing in Canada, completing our offering for the building envelope which we have reinforced with the recent Kaycan and GCP acquisitions. It completes our offering of solutions for light and sustainable construction in Canada as we have done successfully in the United States. The acquisition is perfectly aligned with our "Grow & Impact" strategy, reinforces our position in North America and builds on our many proven successes in this region over the last four years. It will create significant value for shareholders, enhance the profitable growth outlook of the Group, enrich our solutions to better serve our customers and provide attractive development opportunities for both the Building Products of Canada and Saint-Gobain teams."

Yves Gosselin, President & Chief Executive Officer of Building Products of Canada, commented:

“Today marks the beginning of an exciting new chapter in the history of Building Products of Canada. Our focus on delivering the best solutions and satisfaction to our customers has enabled us to become a leading player in roofing in Canada. The opportunity to join Saint-Gobain, the worldwide leader in light and sustainable construction, and which is investing significantly in Canada, is the perfect next step to further enrich our offer by leveraging Saint-Gobain’s innovation and technology: I want to thank all our teams for their outstanding work over many years, and I look forward to leading the integration of Building Products of Canada into Saint-Gobain and continuing to drive profitable growth.”

RBC Capital Markets, LLC is acting as financial advisor, and Cleary Gottlieb Steen & Hamilton LLP and Blake, Cassels & Graydon LLP are acting as legal counsel to Saint-Gobain in connection with the transaction. Deloitte Corporate Finance Inc. is acting as financial advisor and McCarthy Tétrault LLP is acting as legal advisor for Building Products of Canada.

Analyst/Investor Conference Call on June 12, 2023 at 6:30 pm Paris time (GMT + 1)

Dial-in: +33 1 70 91 87 04 or +44 12 1281 8004 or +1 718 705 8796

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

Replay: +39 02 802 0987 then press 700724# and 724# from 9:00 pm Paris time until July 12, 2023.

A presentation will be available before the conference call on Saint-Gobain’s website at: <https://www.saint-gobain.com/en/finance/financial-events>

ABOUT SAINT-GOBAIN

Worldwide leader in light and sustainable construction, Saint-Gobain designs, manufactures and distributes materials and services for the construction and industrial markets. Its integrated solutions for the renovation of public and private buildings, light construction and the decarbonization of construction and industry are developed through a continuous innovation process and provide sustainability and performance. The Group’s commitment is guided by its purpose, “MAKING THE WORLD A BETTER HOME”.

€51.2 billion in sales in 2022

168,000 employees, locations in 75 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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