



## **SAINT-GOBAIN SIGNS A DEFINITIVE AGREEMENT TO ACQUIRE CSR LIMITED, ESTABLISHING A LEADING POSITION IN LIGHT AND SUSTAINABLE CONSTRUCTION IN AUSTRALIA**

Saint-Gobain today announces that it has entered into a **definitive agreement with CSR Limited (“CSR”)** to acquire all of the outstanding shares of CSR by way of an Australian scheme of arrangement for **A\$9.00 per share, in cash**, corresponding to an enterprise value of **A\$4.5 billion (c. €2.7bn)** and a net enterprise value of **A\$3.2bn (c. €1.9bn)** post short to mid-term monetizable property value of at least A\$1.3bn.

**CSR is a leading building products company in Australia for residential and non-residential construction** with A\$2.7bn in total revenue, 30 manufacturing plants and around 2,500 employees. **CSR is a unique opportunity for Saint-Gobain to establish a leading presence in the attractive Australian construction market. This acquisition**, which is fully aligned with the Group’s vision as the worldwide leader in light and sustainable construction, **is a decisive step to strengthen its presence in the fast-growing markets of Asia-Pacific.**

CSR consists principally of **Building Products (A\$2.0bn sales and 17.7% EBITDA margin**, consensus expected in fiscal year ending March-2024) with Australia’s most trusted and **iconic brands that fit extremely well with Saint-Gobain’s** worldwide offer on light and sustainable construction. In addition, CSR holds a Property portfolio which is planned to be monetized in the short to mid-term for a value of at least A\$1.3bn, and an indirect minority participation (~25%) in an Aluminium business, on which Saint-Gobain will explore its options going forward.

The agreed upon price represents a **premium of 33% above the volume-weighted average price per share for the 1-month trading** ended on the undisturbed date of February 20, 2024, and a multiple (before synergies) of **10.7x** analyst consensus **EBITDA** for CSR for fiscal year ending March-2024 **of A\$422 million**. Taking into account the short to mid-term monetizable value of the property business, it represents a multiple of 7.9x on Building Products consensus EBITDA for fiscal year ending March-2024 of A\$406 million including A\$60 million year 3 run-rate synergies.

The business combination has been **unanimously approved** by the Board of Directors of Saint-Gobain. **The Board of Directors of CSR has unanimously recommended that its shareholders vote in favor of the transaction.**

**Closing of the transaction** is subject to, among other things, CSR’s shareholders’ approval, necessary regulatory approvals and satisfaction of other customary closing conditions, with closing **expected in the second half of 2024.**

This acquisition will be fully financed in cash and is aligned with Saint-Gobain’s financial criteria:

- **Value creation by year 3** following the closing of the transaction and EPS (Earnings Per Share) accretive from year 1.
- **Maintaining a strong balance sheet** and solid credit rating with a limited impact of ~0.3x net debt / EBITDA.



## A COMPELLING STRATEGIC RATIONALE

- **A decisive step into the very attractive high-growth construction market in Australia with strong fundamentals**, supported by solid macroeconomic factors including a growing population underpinned by immigration and increasing needs for light and sustainable construction solutions.
- **A comprehensive range of products and solutions for the construction market with leading brands** in interior and exterior solutions. CSR has a compelling customer offering thanks to an extensive footprint across Australia with close proximity to its more than 12,000 customers, best-in-class logistics through 120 hubs and outstanding commercial and technical teams.
- **A business operating model similar to Saint-Gobain**, offering integrated solutions delivering sustainability and performance across multiple product lines through a customer-centric organization. CSR's ongoing transformation program ("OneCSR") launched in 2020 is well-aligned with Saint-Gobain's strategy to drive further profitable growth.
- **A strong and consistent financial performance**: strong sales growth of 8% per annum over 2021-2024E for the Building Products business (more than 6% over the last 10 years) with over-proportional EBITDA growth of 12%.
- **A\$60 million expected synergies in year 3** following transaction close, **of which A\$50 million are cost synergies** coming from operational excellence (Saint-Gobain best practice sharing on manufacturing, energy savings and sustainability, supply chain), delisting costs and purchasing, and **at least A\$10 million of growth synergies** coming from cross-selling opportunities on additional products with significant upside, such as: Saint-Gobain's full-range of construction chemicals leveraging GCP's existing presence in Australia, high-performance glazing and other products that CSR does not currently offer. Saint-Gobain will also bring its expertise in process decarbonization, low-carbon offer and other innovative new solutions to the benefit of Australian customers.

## A WELL-ESTABLISHED RELATIONSHIP THAT WILL FACILITATE A SMOOTH INTEGRATION

- **The partnership between CSR and Saint-Gobain**, initially based on its glass wool technology license, **has deepened since 2019**.
- **Similar culture and shared values bode very well for successful integration**, that will also benefit from the mutual respect nurtured over recent years.
- **Since Saint-Gobain is managed by country, CSR will be easily integrated as one entity** representing the Group businesses in Australia and New Zealand within the Asia-Pacific Region. The Group intends to rely on the **current strong CSR management team**, which Saint-Gobain knows well, and is delivering strong and consistent results.



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

*"I am delighted to announce the acquisition of CSR that represents a decisive step for Saint-Gobain to establish a leading presence in the high-growth Australian construction market. It is fully aligned with our "Grow & Impact" strategy and our vision for worldwide leadership in light and sustainable construction. We have admired CSR for many years and have successfully worked together as partners. I am very impressed with CSR's leadership, the quality of the strategy, and the team's excellent execution of that strategy. The combination of our joint forces is a fantastic opportunity: Saint-Gobain will bring significant value to CSR by leveraging our expertise on the various core segments of CSR's operations for the benefit of its customers. I look forward to soon welcoming into our Group all CSR employees, and to continuing the success story in Australia and New Zealand. I am very confident that this transaction will result in enhanced growth and value creation for Saint-Gobain shareholders and provide attractive opportunities for both teams."*

**Analyst/Investor Conference Call on February 26, 2024 at 8:00 a.m. Paris time (GMT+1)**

Dial-in: +44 121 281 8004 or +1 718 705 8796 or +33 1 70 91 87 04

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

Replay: +39 02 802 0987 then press 700724# and 724# from 11:00 a.m. Paris time until March 26, 2024.

**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>

**CSR press release:**

[www.csr.com.au/](http://www.csr.com.au/)

Barclays (in partnership with Barrenjoey for Australia) and Lazard are acting as financial advisors and Corrs Chambers Westgarth is acting as legal counsel to Saint-Gobain in connection with the transaction.

**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](http://www.saint-gobain.com) and follow us on X @saintgobain

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**Important disclaimer - forward-looking statements:**

This document contains forward-looking statements with respect to the financial condition, results, business, strategy, plans and outlook of Saint-Gobain, CSR Limited. ("CSR") and the combined company that will result from the completion of the pending acquisition of CSR by Saint-Gobain (the "Transaction") and the agreement providing for the Transaction (the "Scheme of Arrangement"). 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 future performance, results or occurrences. Actual performance, results and occurrences 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 and the main risks and uncertainties presented in the half-year 2023 financial report, both documents being available on its website ([www.saint-gobain.com](http://www.saint-gobain.com)) and the following factors: the occurrence of any event, change or other circumstances that could give rise to the termination of the Scheme of Arrangement; the inability to complete the Transaction due to the failure of CSR to obtain stockholder approval for the Transaction or the failure to satisfy other conditions to completion of the Transaction; ; the effect of the announcement of the Transaction on our or CSR's relationships with customers, operating results and business generally; the risk that the Transaction will not be consummated in a timely manner; the inability of the combined company to realize synergies, to retain employees and to successfully integrate following the Transaction; and the risks of adverse developments relating to CSR, its business or operations as more fully disclosed in CSR's filings with the Australian Securities Exchange (and available at ([www.asx.com](http://www.asx.com)), including in the risk factors described in CSR's last annual and half-year reports. 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 document does not constitute any offer to purchase or exchange, nor any solicitation of an offer to sell or exchange securities of Saint-Gobain or CSR.