Half-year financial report 2024

Including:

- Half-year management Report 2024
- Condensed consolidated Financial Statements as of June 30, 2024
- Statutory Auditors’ review report on the 2024 half-year financial information
- Statement by the persons responsible for the 2024 interim financial report

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PRESS RELEASE

July 25, 2024 6:00pm

SAINT-GOBAIN

GROW & IMPACT

The worldwide leader in light & sustainable construction

FIRST-HALF 2024 RESULTS

New record operating margin
Significant milestones in strategic repositioning

- **Record operating margin of 11.7%**
- **Sequential improvement in volumes**
- **Positive price-cost spread with prices stable sequentially**
- **Three strategic acquisitions focused on profitable growth:** CSR, Bailey and FOSROC, together adding around €2bn to full-year sales and around €450m in EBITDA (including €100m of synergies in year 3)
- **More than 2/3 of the Group's pro forma operating income is now generated in high-growth geographies: North America, Asia and emerging countries**
- **Strong free cash flow generation of €2.5bn, with a cash conversion ratio of 75%**
- **Double-digit operating margin expected for H2 and full-year 2024, for the fourth consecutive year**

Benoit Bazin, Chairman and Chief Executive Officer, commented:

"*Our first-half results once again demonstrate the success of Saint-Gobain's new profile, reflecting the Group's ability to adapt to different macroeconomic environments and to continue to outperform. The roll-out of our comprehensive range of sustainable and innovative solutions and the resulting enhancement in our mix, together with our decentralized organization by country with accountability on commercial performance and on proactive cost management, have enabled us to deliver a new record operating margin and strong free cash flow generation. I am very grateful for our teams' dedication and their contribution to the Group's consistent improvement in its performance.*

Since the start of the year, Saint-Gobain has accelerated efforts to reinforce its profitable growth profile with three landmark acquisitions in light and sustainable construction: CSR in Australia, Bailey in Canada and FOSROC in construction chemicals, mainly in India and the Middle East. Pro forma for these changes in structure, more than two-thirds of Group operating income is now generated in North America, Asia and emerging countries, areas that enjoy strong structural growth and where Saint-Gobain is achieving an excellent performance.

New construction markets remain difficult in Europe but are nearing a low point and we expect trading to continue to improve in the second half. I am confident that 2024 will be another successful year for Saint-Gobain, with a double-digit operating margin in the second half and over the full year, for the fourth consecutive year."

Successful strategic execution: a new profitable growth profile

The Group continues to outperform its markets thanks to the pertinence of its strategic positioning at the heart of energy and decarbonization challenges, and the strength of its local organization by country, offering comprehensive solutions to its customers.

- **Almost 40% of Group sales rotated since 2018**, with €9.4 billion in sales divested (EBITDA margin less than 5%) and €6.5 billion in sales acquired (EBITDA margin of around 20%);
- **Acceleration in the Group's repositioning towards North America, Asia and emerging countries**, which accounted for **67% of the Group's operating income** in the first half (pro forma for recent changes in Group structure): 35% in North America, 32% in Asia and emerging countries, and 33% in Western Europe;
- **Further strengthening of the Group's presence in construction chemicals, with €6.2 billion in annual sales** (pro forma). The acquisition of FOSROC (closing expected in first-half 2025) will reinforce Saint-Gobain's presence in high-growth emerging markets, particularly India and the Middle East, and will perfectly complement the market positions of Weber, Chryso and GCP;
- **A comprehensive range of sustainable, differentiated and innovative solutions – leveraging integrated systems and an industry-leading low-carbon offer –** broadening the range of options offered to each customer and reinforcing the Group's mix as well as its capacity to capture a bigger part of the value chain. Saint-Gobain has the broadest range of low-carbon solutions in the world, particularly in terms of plasterboard (Klima), glass (ORAÉ®), glass wool (LANAÉ®), additives and admixtures (Chryso EnviroMix®);
- **A local organization**, with 90% of CEOs native to their country, resulting in close proximity to customers, good pricing power, strong adaptability, efficiency gains and accountability for local teams;
- **Strong operating margin growth in recent years, reaching a new record-high in first-half 2024 despite a difficult macroeconomic environment**.

Group operating performance

Like-for-like sales were down **4.9%** versus first-half 2023 (an improvement of around two percentage points in the second quarter with a decline of 3.9%, after a decline of 5.8% in the first quarter), affected by the downturn in new construction in Europe but supported by growth in the Americas and in Asia-Pacific.

Group prices were down 1.0% over first-half 2024 (stable sequentially between the first and second quarters), with a **positive price-cost spread** thanks to robust pricing discipline and the reduction in certain raw material and energy costs.

Volumes were down 3.9% over the period, representing a **sequential improvement on fourth-quarter 2023** (down 4.5%). This reflects a contrasting situation, with a marked decline in new construction in Europe but good resilience overall in renovation. In **each local market**, the Group has taken the **proactive commercial and industrial measures necessary to maintain its strong operating performance**.

On a reported basis, sales were down **6.0% to €23.5 billion**, with a negative currency impact of 0.3%. The negative Group structure impact of 0.8% resulted from the **optimization of the Group's profile**, thanks to both disposals – mainly in distribution (UK), glass processing activities, foam insulation (UK) and railing and decking (US) – and acquisitions, mainly in construction chemicals (Izomaks, Adfil, Menkol Industries, Drymix, Technical Finishes, IDP Chemicals), in North America (Building Products of Canada, Bailey in Canada, ICC in the US) and in Asia-Pacific (U.P.Twiga in India, Hume in Malaysia). **The integration of recent acquisitions is progressing well; synergy plans have been confirmed and are being executed successfully.**

Operating income was €2,751 million, near to its record-high, once again demonstrating the resilience of the Group's results in a difficult environment. The Group's **operating margin** improved again, reaching a **new record-high of 11.7% in first-half 2024** versus 11.3% in first-half 2023, thanks to advances in the Americas and Asia-Pacific, and with stability in Europe and in High Performance Solutions.

Segment performance (like-for-like sales)

Europe, Middle East & Africa: sequential improvement in volumes, close to a low point; operating margin stable at a record level

Sales in Europe were down 7.9% over the first half, with a negative volume effect of 5.9%, representing a clear improvement in volumes between the first quarter (down 8.2%) and the second (down 3.7%), beyond the technical impact of working day effects. New construction remained strongly down while renovation (around 60% of sales) proved more resilient. The operating margin maintained its record level at 8.7%, thanks to an optimized business profile and very well-managed costs and industrial efficiency.

- **Northern Europe** was down 7.1% over the first half, with a clear sequential improvement in the second quarter, down 3.2% (after a decline of 11.0% in the first quarter), with most countries at or near a low point. **Nordic countries** and **Germany** were affected by the slowdown in new construction, while renovation proved more resilient. Our activities in the **UK** troughed, benefiting from a good **commercial dynamic** thanks to the Group's comprehensive range of solutions and systems with quantified benefits. In **Eastern Europe**, **volume growth accelerated** for the third consecutive quarter. A power purchase agreement was signed in Romania which will enable the Group to cover its entire electricity requirements in the country from 2026.

- **Southern Europe, Middle East & Africa** contracted 8.6% over the first half, seeing a slight sequential improvement in the second quarter with a decline of 7.1% (following a 10.1% decline in the first quarter), as new construction remained significantly down in **France**. Saint-Gobain nevertheless continued to outperform its market thanks to its strong exposure to renovation and its comprehensive range of solutions. In the context of French regulations which require large non-residential buildings to reduce their energy consumption by 40% by 2030, Saint-Gobain Solutions France is currently proposing complete energy renovation projects, enabling reductions of more than 50% in energy consumption, thanks to high performance façade systems (EnveoVent^{s}) and glazing offering high levels of solar control (COOL-LITE®) in particular. **Spain and Italy reported good growth**, supported by growing renovation markets. **Middle East and African countries** delivered **strong growth**, led by the Middle East thanks to the success of recent investments.

Americas: sales growth in North America and record operating margin

The Region delivered **1.2% organic growth** over first-half 2024, driven by the outperformance in North America and despite the downturn in Latin America. Operating income hit a new record-high over the period, along with the operating margin which reached 19.0% (versus 17.8% in first-half 2023), supported by rigorous pricing and cost management, and volume growth in North America.

- **North America** was up by 4.1% over the first half thanks to both prices and volumes, driven by a dynamic renovation market and with new construction having stabilized at a good level. The Group saw **further market share gains** thanks to its comprehensive, differentiated range of interior and exterior light construction solutions. Despite the expected high comparison basis in roofing in the second quarter, the roofing business reported robust growth in the first half overall. The recent integrations of **Kaycan**, **Building Products of Canada** and **Bailey** are helping to drive this strong sales momentum.
- **Latin America** contracted 7.6% over the first half as markets remained down, but began to stabilize in the second quarter with volumes almost flat. In **Brazil**, some macroeconomic indicators continued to improve. The Group's operations in the country are benefiting from a new plasterboard line opened near São Paulo, capturing market share from more traditional products with a comprehensive range of light construction solutions. The other countries in the Region benefited from the enhanced offering and mix, especially **Mexico**.

Asia-Pacific: sales growth and record operating margin

The Region delivered **1.2% organic growth** in first-half 2024, driven by strong momentum in India in particular. The operating margin hit a record-high in the period, at 13.0% (versus 12.5% in first-half 2023), supported by volumes and well-managed pricing.

India continued to **outperform**, delivering **volume growth** once again driven by its comprehensive and innovative range of solutions. The Group is seeing the benefits of its numerous recent sustainability-driven initiatives in the country, including the production of low-carbon glass (ORAÉ®, reducing CO_2 emissions by 42%) and very low-carbon plaster. In a difficult new construction market in **China**, the Group **continued to capture market share** against a high comparison basis in the second quarter, extending its footprint towards inner China thanks to the success of its highly digitalized sales model. **South-East Asia** remained at a **good level, led by Malaysia, Indonesia and Singapore**, owing mainly to the enhancement of its offering and a strong innovation drive.

High Performance Solutions (HPS): sequential improvement in organic growth and stable operating margin

HPS reported **like-for-like sales down 3.5%** over the first half, with a sequential improvement in the second quarter, down 1.6%. The operating margin remained stable at 12.3%, as well-managed costs and prices offset the downturn in volumes.

- Businesses serving **global construction customers** reported a 2.7% decrease in sales over the first half due to the sharp decline in Adfors reinforcement solutions, but a progression in the second quarter (up 1.2%) against an easier comparison basis (Adfors) and driven by the Construction Chemicals business unit (sales up 3.1%). The **upbeat trends in Chryso and GCP** sales continued, driven by infrastructure projects and the innovation drive for decarbonization in the construction sector. The signature of a definitive agreement to acquire FOSROC in June marks an acceleration in the Group's construction chemicals presence in countries with strong structural growth (India, Middle East and Asia-Pacific).
- **Mobility** sales stabilized (down 1.0%) against a high comparison basis following the rebound in sales in 2023, with further investments for innovation and the continued optimization of its industrial facilities with the closure of the Avilès plant in Spain in June 2024.
- Businesses serving **Industry** contracted 5.9%, affected by a decline in industrial markets, especially those linked to investment cycles.

Analysis of the consolidated financial statements for first-half 2024

The unaudited interim consolidated financial statements for first-half 2024 were subject to a limited review by the statutory auditors and adopted by the Board of Directors on July 25, 2024.

in € million	H1 2023	H1 2024	% change
Sales	**24,954**	**23,464**	**-6.0%**
Operating income	**2,813**	**2,751**	**-2.2%**
Operating margin	**11.3%**	**11.7%**	
Operating depreciation and amortization	980	1,026	4.7%
Non-operating costs	-55	-125	-127.3%
EBITDA	**3,738**	**3,652**	-2.3%
Capital gains and losses on disposals, asset write-downs and impact of changes in Group structure	-464	-164	64.7%
Business income	**2,294**	**2,462**	**7.3%**
Net financial expense	-196	-215	-9.7%
Dividends received from investments	1	1	n.s
Income tax	-607	-546	10.0%
Share in net income of associates	3	2	n.s
Net income before non-controlling interests	**1,495**	**1,704**	**14.0%**
Non-controlling interests	45	44	-2.2%
Net attributable income	**1,450**	**1,660**	**14.5%**
Earnings per share[2] (in €)	2.84	3.31	16.5%
Recurring net income[1]	**1,821**	**1,706**	**-6.3%**
Recurring[1] earnings per share[2] (in €)	3.57	3.40	-4.8%
EBITDA	**3,738**	**3,652**	**-2.3%**
Depreciation of right-of-use assets	-340	-351	-3.2%
Net financial expense	-196	-215	-9.7%
Income tax	-607	-546	10.0%
Capital expenditure[3]	-616	-583	-5.4%
o/w additional capacity investments	*274*	*255*	*-6.9%*
Changes in working capital requirement[4]	-61	248	n.s
Free cash flow[5]	**2,192**	**2,460**	**12.2%**
Free cash flow conversion[6]	**65%**	**75%**	
ROCE	**15.7%**	**14.4%**	
Lease investments	442	425	-3.8%
Investments in securities net of debt acquired[7]	228	847	n.s
Divestments	857	60	n.s
Consolidated net debt	**8,922**	**9,443**	**5.8%**

1. Recurring net income = net attributable income excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions.
2. Calculated based on the weighted average number of shares outstanding (501,808,814 shares in H1 2024, versus 510,080,726 shares in H1 2023).
3. Capital expenditure = investments in tangible and intangible assets.
4. Change in working capital requirement over a rolling 12-month period (see Appendix 4, bottom of "Consolidated cash flow statement").
5. Free cash flow = EBITDA less depreciation of right-of-use assets, plus net financial expense, plus income tax, less capital expenditure excluding additional capacity investments, plus change in working capital requirements over a rolling 12-month period.
6. Free cash flow conversion ratio = free cash flow divided by EBITDA, less depreciation of right-of-use assets.
7. Investments in securities net of debt acquired: €847 million in H1 2024, of which €784 million in controlled companies.

EBITDA came in at **€3,652 million**, close to its all-time high. EBITDA includes non-operating costs of €125 million.

The net balance of capital gains and losses on disposals, asset write-downs and the impact of changes in Group structure represented an expense of €164 million (versus an expense of €464 million in first-half 2023). It reflects €35 million in asset write-downs essentially relating to site closures and disposals (€65 million in first-half 2023), €103 million in Purchase Price Allocation (PPA) intangible amortization (€85 million in first-half 2023), and €26 million in disposal losses and other net business expense (€314 million in first-half 2023 including translation adjustments on the UK distribution assets sold).

Recurring net income was close to its record-high, at €1,706 million.
The tax rate on recurring net income was 24%.

Capital expenditure represented €583 million (€616 million in first-half 2023). 72% of growth capex was invested in North America, Asia and emerging countries. The Group opened 11 new plants and production lines in first-half 2024, focused on the fast-growing construction chemicals and light construction markets.

Free cash flow came in at €2,460 million – a 12% increase on first-half 2023 – with a **free cash flow conversion ratio of 75%** (65% in first-half 2023). This was attributable to a good level of EBITDA and to very good management of operating working capital requirement (WCR), which represented 23 days' sales at end-June 2024 versus 25 days' sales at end-June 2023.

Investments in securities net of debt acquired totaled €847 million (€228 million in first-half 2023), primarily reflecting the acquisitions of Bailey in Canada, Glass Service (digital solutions to accelerate the decarbonization of glass furnaces), ICC in technical insulation in the US, and acquisitions in construction chemicals (Izomaks in Saudi Arabia, IMPTEK in Ecuador, Technical Finishes in South Africa and R.SOL in France).

In line with the aim of completing the €2 billion **share buyback** program in 2024 – one year earlier than expected – the Group allocated around €200 million to share buybacks in first-half 2024 (net of offsetting employee share creation). This reduced the number of shares outstanding to around 499.5 million at end-June 2024 from 502 million at end-December 2023.

Net debt was €9.4 billion at June 30, 2024 and amounts to 39% of consolidated equity (versus 38% at June 30, 2023). **The net debt to EBITDA ratio** on a rolling 12-month basis was 1.4 at end-June 2024.

2024 outlook and strategic priorities

In a geopolitical and macroeconomic environment that remains challenging, Saint-Gobain will once again demonstrate its resilience and its excellent operating performance in 2024, thanks to its focused strategy and its proactive commercial and industrial initiatives allowing it to outperform its markets.

Saint-Gobain expects some of its markets to remain difficult over 2024 overall, but in the second half should benefit from an easier comparison basis and a sequential improvement in certain countries:

- Europe: resilience in renovation; new construction remaining difficult before gradually reaching a low point country by country;
- Americas: construction to hold firm in North America (new build and renovation); recovery expected in Latin America;
- Asia-Pacific: good growth led mainly by India and the integration of CSR;
- High Performance Solutions: Construction Chemicals to see dynamic growth; Mobility to hold firm and a contrasting situation on industrial markets in terms of demand.

Against this backdrop, in 2024 the Group will continue to implement the **strategic priorities set out in its "Grow & Impact" plan for 2021-2025:**

1) Continue our initiatives focused on profitability and free cash flow generation

- Constant focus on the price-cost spread;
- Productivity initiatives and swift adjustments from country to country where necessary;
- Capital expenditure slightly above 4% of sales, with strict allocation to high-growth markets.

2) Outperform our markets by strengthening our profitable growth profile

- Enrich our comprehensive range of integrated, differentiated and innovative solutions offering sustainability and performance for our customers;
- Continue our value-creating targeted acquisitions and divestments dynamic, and benefit from the successful integration of recent acquisitions.

3) Continued focus on our ESG roadmap as leader in sustainable construction

- Promote our positive-impact and low-carbon solutions among our customers;
- Extend the decarbonization of construction to the entire value chain, playing our full role as leader in light and sustainable construction.

**Despite a context which remains difficult in certain markets,
Saint-Gobain expects a double-digit operating margin
for second-half and full-year 2024, for the fourth consecutive year**

Main risks and uncertainties

The main risks and uncertainties that the Group could face in the second half of 2024 are those described in Section 6.1 "Risks factors" of the 2023 Universal Registration Document filed with the French financial markets authority (Autorité des marchés financiers) under number D.24-0100 (the "2023 Universal Registration Document"). These risks factors remain applicable at the date of this report and have not changed significantly, except for the descriptions of the judicial and administrative procedures included in section 6.1.4 of the 2023 Universal Registration Document that are updated in Note 9 to the consolidated financial statements as at June 30, 2024.

Financial calendar

A meeting for analysts and investors will be held at *8:30am (GMT + 1) on July 26, 2024* and will be streamed live on Saint-Gobain's website: www.saint-gobain.com

- Sales for the third quarter of 2024: Tuesday October 29, 2024, 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.*

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

*- **Operating margin** = operating income divided by sales.*

*- **ROCE** (Return on Capital Employed) = operating income for the period under review adjusted for changes in Group structure, divided by segment assets and liabilities at period-end.*

*- **ESG** = Environment, Social, Governance.*

*- **Purchase Price Allocation** (PPA) = the process of assigning a fair value to all assets and liabilities acquired and of allocating the residual goodwill as required by IFRS 3 (revised) and IAS 38 for business combinations. PPA intangible amortization relates to amortization charged against brands, customer lists, and intellectual property, and is recognized in "Other business income and expenses".*

*- **Pro forma** = sales or operating income including the impact of changes in Group structure (signed or closed) over the period.*

All indicators contained in this press release (not defined above or in the footnotes) are explained in the notes to the interim financial statements available by clicking here: https://www.saint-gobain.com/en/finance/regulated-information/half-yearly-financial-report

Net debt	*Note 10*
Non-operating costs	*Note 5*
Operating income	*Note 5*
Net financial expenses	*Note 10*
Recurring net income	*Note 5*
Business income	*Note 5*
Working capital requirements	*Note 5*

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 Saint-Gobain's control, 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 2024 financial report, both documents being 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

SAINT-GOBAIN

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

DETAILED CONTENTS

2024 CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

Assets

(in EUR millions)	Notes	June 30, 2024	Dec. 31, 2023
Goodwill	(7.1)	13,664	13,111
Other intangible assets	(7.2)	4,551	4,368
Property, plant and equipment	(7.3)	12,882	12,744
Right-of-use assets	(7.4)	2,898	2,810
Investments in equity-accounted companies		822	705
Deferred tax assets	(12.2)	405	407
Pension plan surpluses	(6.1)	366	322
Other non-current assets	(8)	548	596
NON-CURRENT ASSETS		**36,136**	**35,063**
Inventories	(5.4)	7,006	6,813
Trade accounts receivable	(5.4)	6,097	5,096
Current tax receivable	(5.4)	178	93
Other receivables	(5.4)	1,614	1,386
Assets held for sale	(4.3)	206	246
Cash and cash equivalents	(10.2)	8,170	8,602
CURRENT ASSETS		**23,271**	**22,236**
TOTAL ASSETS		**59,407**	**57,299**

Equity and liabilities

(in EUR millions)	Notes	June 30, 2024	Dec. 31, 2023
EQUITY AND LIABILITIES			
Shareholders' equity	(11.1)	23,961	23,273
Non-controlling interests		465	485
TOTAL EQUITY		**24,426**	**23,758**
Non-current portion of long-term debt	(10.2)	11,891	10,638
Non-current portion of long-term lease liabilities	(10.2)	2,429	2,354
Provisions for pensions and other employee benefits	(6.1)	1,843	1,960
Deferred tax liabilities	(12.2)	993	824
Other non-current liabilities and provisions	(9.1)	1,334	1,182
NON-CURRENT LIABILITIES		**18,490**	**16,958**
Current portion of long-term debt	(10.2)	1,677	1,820
Current portion of long-term lease liabilities	(10.2)	638	615
Current portion of other liabilities and provisions	(9.1)	824	818
Trade accounts payable	(5.4)	6,871	6,806
Current tax liabilities	(5.4)	236	249
Other payables	(5.4)	5,092	5,504
Liabilities held for sale	(4.3)	175	203
Short-term debt and bank overdrafts	(10.2)	978	568
CURRENT LIABILITIES		**16,491**	**16,583**
TOTAL EQUITY AND LIABILITIES		**59,407**	**57,299**

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

(in EUR millions)	Notes	First-half 2024	First-half 2023
Sales	(5.1)	23,464	24,954
Cost of sales	(5.1)	(16,853)	(18,170)
General expenses including research	(5.1)	(3,892)	(4,020)
Share in net income of core business equity-accounted companies		32	48
OPERATING INCOME		**2,751**	**2,813**
Other business income	(5.1)	42	36
Other business expense	(5.1)	(331)	(555)
BUSINESS INCOME		**2,462**	**2,294**
Borrowing costs, gross		(218)	(170)
Income from cash and cash equivalents		168	93
Borrowing costs, net, excluding lease liabilities		**(50)**	**(77)**
Interest on lease liabilities		(46)	(38)
Other financial income and expense		(118)	(80)
NET FINANCIAL EXPENSE	**(10.1)**	**(214)**	**(195)**
Share in net income of non-core business equity-accounted companies		2	3
Income taxes	(12)	(546)	(607)
NET INCOME		**1,704**	**1,495**
GROUP SHARE OF NET INCOME		**1,660**	**1,450**
Non-controlling interests		44	45

	Notes	First-half 2024	First-half 2023
EARNINGS PER SHARE, GROUP SHARE (in EUR)	**(11.2)**	**3.31**	**2.84**
Weighted average number of shares in issue		501,808,814	510,080,726
DILUTED EARNINGS PER SHARE, GROUP SHARE (in EUR)	**(11.2)**	**3.28**	**2.82**
Weighted average number of shares assuming full dilution		505,724,985	513,795,598

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENSE

(in EUR millions)	Notes	First-half 2024	First-half 2023
NET INCOME		**1,704**	**1,495**
Items that may be subsequently reclassified to profit or loss			
Translation adjustments and restatement for hyperinflation		362	143
Changes in fair value of financial instruments		62	(22)
Tax on items that may be subsequently reclassified to profit or loss		1	5
Items that will not be reclassified to profit or loss			
Changes in actuarial gains and losses	(6.1)	143	(104)
Tax on items that will not be reclassified to profit or loss		(39)	29
Changes in assets at fair value through equity and other items	(8)	(2)	3
OTHER ITEMS OF COMPREHENSIVE INCOME (EXPENSE)		**527**	**54**
COMPREHENSIVE INCOME (EXPENSE)		**2,231**	**1,549**
Group share		2,193	1,504
Non-controlling interests		38	45

Translation adjustments in first-half 2024 primarily concern the US dollar, Argentinian peso, Turkish lira, Brazilian real, Mexican peso and Swedish krona.

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in EUR millions)	Notes	First-half 2024	First-half 2023
NET INCOME		**1,704**	**1,495**
Share in net income of equity-accounted companies, net of dividends received		(12)	(43)
Depreciation, amortization and impairment of assets (including right-of-use assets)	(5.1) (7)	1,154	1,127
Gains and losses on disposals of assets	(5.3)	11	304
Unrealized gains and losses arising from changes in fair value and share-based payments		26	60
Restatement for hyperinflation		20	13
Changes in inventory		(122)	(324)
Changes in trade accounts receivable and payable, and other accounts receivable and payable		(1,188)	(1,033)
Changes in tax receivable and payable		(88)	(11)
Changes in deferred taxes and provisions for other liabilities and charges	(6.1) (9.1) (12.2)	(3)	90
NET CASH FROM OPERATING ACTIVITIES		**1,502**	**1,678**
Acquisitions of property, plant and equipment and intangible assets, and changes in amounts due to suppliers of fixed assets	(7)	(909)	(887)
Acquisitions of shares in controlled companies, net of cash acquired		(752)	(90)
Increase in investment-related liabilities		202	19
Decrease in investment-related liabilities		(21)	(50)
Acquisitions of other investments	(8)	(54)	(134)
Investments		**(1,534)**	**(1,142)**
Disposals of property, plant and equipment and intangible assets	(7)	25	25
Disposals of shares in controlled companies, net of cash divested		29	(84)
Disposals of other investments	(8)	0	1
(Increase) decrease in amounts receivable on sales of fixed assets		6	13
Divestments		**60**	**(45)**
Increase in loans and deposits	(8)	(59)	(18)
Decrease in loans and deposits	(8)	71	64
NET CASH FROM (USED IN) INVESTMENT AND DIVESTMENT ACTIVITIES		**(1,462)**	**(1,141)**
Issues of capital stock	(a)	221	211
(Increase) decrease in treasury stock	(a)	(513)	(353)
Dividends paid	(a)	(1,047)	(1,014)
Transactions with shareholders of the parent company		**(1,339)**	**(1,156)**
Capital increases in non-controlling interests	(a)	6	4
Acquisitions of minority interests without gain of control		(21)	0
Disposals of minority interests without loss of control		3	0
Changes in investment-related liabilities following the exercise of put options of minority shareholders		(65)	0
Dividends paid to non-controlling interests and change in dividends payable	(a)	(43)	(47)
Transactions with non-controlling interests		**(120)**	**(43)**
Increase (decrease) in bank overdrafts and other short-term debt		203	593
Increase in long-term debt	(b) (10.2)	2,087	1,332
Decrease in long-term debt	(b) (10.2)	(962)	(758)
Decrease in lease liabilities	(b)	(349)	(347)
Change in debt		**979**	**820**
NET CASH FROM (USED IN) FINANCING ACTIVITIES		**(480)**	**(379)**
Net effect of exchange rate changes on cash and cash equivalents		(28)	(43)
Net effect of changes in fair value on cash and cash equivalents		(1)	(5)
Cash and cash equivalents classified within assets held for sale		37	(32)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(432)**	**78**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**8,602**	**6,134**
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**8,170**	**6,212**

[a] *Please see the consolidated statement of changes in equity.*
[b] *Including bond premiums, prepaid interest and issue costs.*

In first-half 2024, income tax paid represented €613 million (€586 million in first-half 2023), rental expenses paid €389 million (€372 million in first-half 2023), including €46 million in interest paid on lease liabilities (€38 million in first-half 2023) and interest paid net of interest received €27 million (€71 million in first-half 2023).

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in EUR millions)	Capital stock	Additional paid-in capital and legal reserve	Retained earnings and consolidated net income	Cumulative translation adjustments	Fair value reserves	Treasury stock	Share-holders' equity	Non-controlling interests	Total equity
AT JANUARY 1, 2023	**2,063**	**4,129**	**18,457**	**(1,614)**	**(1)**	**(323)**	**22,711**	**443**	**23,154**
Income and expense recognized directly in equity			(70)	143	(19)		54		54
Net income for the period			1,450				1,450	45	1,495
Total income and expense for the period			**1,380**	**143**	**(19)**		**1,504**	**45**	**1,549**
Issues of capital stock									
Group Savings Plan	19	192					211		211
Other								3	3
Dividends paid			(1,014)				(1,014)	(52)	(1,066)
Shares purchased and sold			4			(357)	(353)		(353)
Treasury stock purchase commitment			(192)				(192)		(192)
Shares canceled	(26)	(301)				327			0
Share-based payments			42				42		42
Changes in Group structure and other			(2)				(2)	(2)	(4)
AT JUNE 30, 2023	**2,056**	**4,020**	**18,675**	**(1,471)**	**(20)**	**(353)**	**22,907**	**437**	**23,344**
Income and expense recognized directly in equity			(325)	(255)	2		(578)	24	(554)
Net income for the period			1,219				1,219	42	1,261
Total income and expense for the period			**894**	**(255)**	**2**		**641**	**66**	**707**
Issues of capital stock									
Group Savings Plan	1	(2)					(1)		(1)
Other		3					3	3	6
Dividends paid			1				1	(23)	(22)
Shares purchased and sold			22			(497)	(475)		(475)
Treasury stock purchase commitment			192				192		192
Shares canceled	(31)	(400)				431			0
Share-based payments			20				20		20
Changes in Group structure and other			(15)				(15)	2	(13)
AT DECEMBER 31, 2023	**2,026**	**3,621**	**19,789**	**(1,726)**	**(18)**	**(419)**	**23,273**	**485**	**23,758**
Income and expense recognized directly in equity			105	368	60		533	(6)	527
Net income for the period			1,660				1,660	44	1,704
Total income and expense for the period			**1,765**	**368**	**60**		**2,193**	**38**	**2,231**
Issues of capital stock									
Group Savings Plan	16	205					221		221
Other								6	6
Dividends paid			(1,047)				(1,047)	(49)	(1,096)
Shares purchased and sold			2			(515)	(513)		(513)
Treasury stock purchase commitment			(200)				(200)		(200)
Shares canceled	(26)	(432)				458			0
Share-based payments			47				47		47
Changes in Group structure and other			(13)				(13)	(15)	(28)
AT JUNE 30, 2024	**2,016**	**3,394**	**20,343**	**(1,358)**	**42**	**(476)**	**23,961**	**465**	**24,426**

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements reflect the accounting position of Compagnie de Saint-Gobain (the Company) and its subsidiaries ("the Group"), as well as the Group's interests in associate companies and joint ventures. They are expressed in euros rounded to the nearest million.

These consolidated financial statements were adopted on July 25, 2024 by the Board of Directors.

NOTE 1 ACCOUNTING PRINCIPLES AND POLICIES

The condensed consolidated financial statements of the Saint-Gobain Group have been prepared in accordance with IAS 34, "Interim Financial Reporting". These condensed financial statements do not include all the information required for the annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2023. The consolidated financial statements have been prepared using the historical cost convention, except for certain assets and liabilities that have been measured using the fair value model as explained in these notes.

1.1 Standards applied

The condensed consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations adopted for use in the European Union at June 30, 2024. These consolidated financial statements have also been prepared in accordance with the IFRS issued by the International Accounting Standards Board (IASB).
The bases for measurement and accounting policies applied are the same as those used by the Group to prepare its consolidated financial statements for the year ended December 31, 2023, with the exception of the standards, interpretations and amendments adopted by the European Union and effective as of January 1, 2024 (see note 1.1.1) and the bases of measurement specific to interim financial reporting (see note 1.2).

1.1.1 Standards, interpretations and amendments to existing standards applicable for reporting periods beginning on or after January 1, 2024

The following standards and amendments, effective since January 1, 2024, were applied where necessary to the condensed consolidated financial statements for the six months ended June 30, 2024:

- Amendments to IAS 1, "Classification of Liabilities as Current or Non-current", and "Non-current Liabilities with Covenants";
- Amendments to IFRS 16, "Lease Liability in a Sale and Leaseback".

The main IFRIC decisions published in first-half 2024 concern:

- IFRS 3 and IAS 27, "Merger between a Parent and Its Subsidiary in Separate Financial Statements";
- IFRS 3, "Payments Contingent on Continued Employment during Handover Periods";
- IAS 37, "Climate-related Commitments".

These amendments and decisions have no material impact on the Group's consolidated financial statements.

1.1.2 Standards, interpretations and amendments to existing standards available for early adoption in reporting periods beginning on or after January 1, 2024

In first-half 2024, there were no new standards, interpretations or amendments to existing standards applicable to accounting periods starting on or after January 1, 2025 that the Group could have early adopted as from January 1, 2024.

1.1.3 Standards, interpretations and amendments to existing standards published but not yet applicable

The new standards, interpretations and amendments to existing standards that have been published but are not yet applicable concern:

- Amendment to IAS 21, "The Effects of Changes in Foreign Exchange Rates" - Lack of Exchangeability;
- Amendments to IFRS 9 and IFRS 7 concerning the classification and measurement of financial instruments;
- IFRS 18, "Presentation and Disclosure in Financial Statements";
- IFRS 19, "Subsidiaries without Public Accountability Disclosures".

These new standards and amendments are currently being analyzed by the Group.

1.2 Estimates and assumptions

The preparation of consolidated financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the amounts of assets and liabilities reported in the balance sheet and the disclosure of contingent assets and liabilities in the notes to the financial statements, as well as the reported amounts of income and expenses during the period. These estimates and assumptions are based on past experience and on various other factors in the prevailing economic and financial environment which makes it difficult to predict future business performance. Actual amounts may differ from those obtained through the use of these estimates and assumptions.

The main estimates and assumptions described in these notes concern the measurement of employee benefit obligations and share-based payments (see note 6, p. 26), asset impairment tests (notably the assumptions used in the tests relating to the Group's commitments to reduce its net carbon emissions) and the determination of lease terms (see note 7, p. 29), provisions for other liabilities (see note 9, p. 32), the measurement of financial instruments (see note 10, p. 36), and taxes (see note 12, p. 43).

The accounting valuation methods applied by the Group in the interim condensed consolidated financial statements are identical to those used to prepare the consolidated financial statements for the year ended December 31, 2023. The specific accounting valuation methods applied relate to income tax (see note 12, p. 43) and employee benefits (see note 6, p. 26).

NOTE 2 SIGNIFICANT EVENTS OF THE PERIOD AND MACROECONOMIC CONDITIONS

2.1 Significant events of the period

2.1.1 Acquisition of CSR Ltd in Australia

On February 26, 2024 Saint-Gobain announced that it had 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. €2.7 billion) and a net enterprise value of A$3.2 billion (c. €1.9 billion) post short to mid-term monetizable property value of at least A$1.3 billion.

CSR is a leading building products company in Australia for residential and non-residential construction with A$2.7 billion (c. €1.7 billion) in total revenue, 30 manufacturing plants and around 2,500 employees.

The Group completed the transaction on July 9, 2024 in accordance with the initial terms and conditions, and is now focusing on integrating this subsidiary. The acquisition has been fully financed in cash.

As this transaction was completed after the reporting date, no items related to CSR were included in Saint-Gobain's financial statements at June 30, 2024, except for the purchase price, which was included in off-balance sheet commitments in an amount of €2.6 billion (see note 4.5, p. 20).

2.1.2 Inaugural green bond issue

On April 8, 2024, Saint-Gobain issued its first green bond, made up of the following two tranches: €1 billion with a 6-year maturity and a 3.375% coupon, and €1 billion with a 10-year maturity and a 3.625% coupon. The funds raised by this green bond issue will be used to finance projects aligned with the European taxonomy.

2.1.3 Acquisition of Bailey in Canada

On June 3, 2024, Saint-Gobain completed the acquisition of the Bailey Group of Companies (Bailey). Founded 75 years ago, Bailey is a leading privately owned manufacturer of metal building solutions for light construction in Canada. With some 700 employees working across 12 manufacturing sites throughout the country, Bailey generated C$532 million (approximately €363 million) in sales in 2023.

In accordance with IFRS 3R, a preliminary allocation of the €0.6 billion purchase price was carried out at June 30, 2024. The provisional goodwill resulting from this process amounted to €240 million. The Group has 12 months as from the acquisition date to finalize the purchase price allocation.

This acquisition has been fully financed in cash.

2.1.4 Appointment of Benoit Bazin as Chairman and Chief Executive Officer of the Group

On June 6, 2024, Compagnie de Saint-Gobain's Board of Directors reiterated its unanimous decision of November 23, 2023 to combine the functions of Chairman and Chief Executive Officer and to appoint Benoit Bazin as the Group's Chairman and Chief Executive Officer with effect from that date.

2.1.5 Agreement to acquire FOSROC in Asia and emerging markets

On June 27, 2024, Saint-Gobain announced that it had entered into a definitive agreement to acquire FOSROC, a family-owned global construction chemicals player, for US$1,025 million (approximately €960 million) in cash.

FOSROC has a particularly strong geographic footprint in India, the Middle East and the Asia-Pacific region. In 2024, it is expected to generate sales of US$487 million and its estimated EBITDA margin for the year is 18.7%. With 20 manufacturing plants and around 3,000 employees, FOSROC provides a wide range of technical solutions for the construction industry, including admixtures and additives for concrete and cement, adhesives and sealants, waterproofing solutions, concrete repair solutions and flooring.

The acquisition will be fully financed in cash and is scheduled for completion in the first half of 2025.

At June 30, 2024, the purchase price was included in off-balance sheet commitments to purchase shares (see note 4.5, p. 20).

2.2 Macroeconomic conditions

Saint-Gobain is having to contend with a volatile economic environment in its main countries of operation, notably due to the impact of a wave of inflation prompted by the Covid-19 pandemic and the war in Ukraine, and the ensuing aggressive monetary policy adopted in the world's major economies. This environment, combined with heightened geopolitical tensions, is generating commodity and energy price uncertainty as well as a marked economic slowdown, particularly in the construction sector, which is highly sensitive to interest rate trends.

Amidst higher interest rates and a slowing economy, the Group continued its rigorous management of liquidity, interest rate and foreign exchange risks (see note 10.1, p. 343 in chapter 8 of the 2023 Universal Registration Document), while increasing its oversight and tracking of credit risk and continuing to apply its strict gas and electricity price hedging policy.

Interest rates should nevertheless fall in 2024, and the Group is well positioned to take advantage of medium-term opportunities beyond the current downturn, with housing shortages in the Group's major countries (especially the US, Canada and Germany) and the major energy retrofits needed to meet climate objectives representing sources of sustainable growth for Saint-Gobain.

2.2.1 Hyperinflation in Argentina and Turkey

Argentina has been experiencing a severe recession since fall 2023, as a result of the significant devaluation of its currency at the end of that year and the fiscal austerity measures put in place which are squeezing household purchasing power. Inflation, which reached 272% year-on-year in June 2024, is now gradually decelerating due to contracting demand, less money creation, and a more progressive devaluation of the currency.

In Turkey, the economy is continuing to grow at a steady pace, reflecting strong household consumption and robust capital expenditure by businesses. Against this backdrop, inflationary pressures remain high, but the tightening of monetary policy initiated several months ago and the stabilization of the currency should lead to a gradual deceleration in inflation over the coming months.

In accordance with IAS 29, hyperinflation in these two countries, and in particular its consequences in terms of the impairment in value of monetary items, are reflected in the Group's net financial expense for the six months ended June 30, 2024.

2.2.2 Impact of the Russia-Ukraine conflict on the Group's strategy and financial performance

Group operating activities

Since the outbreak of the conflict between Russia and Ukraine, in addition to the Group's application of the sanctions imposed against Russia, Saint-Gobain has decided to halt all its exports to customers in Russia and Belarus, and all its imports from these two countries, and has shelved all new investment projects in these countries.

Nevertheless, its local Russian operations, which represent around 0.8% of the Group's worldwide sales and do not involve any local partnerships, continue to operate autonomously, with locally produced solutions sold exclusively on local construction markets.

In Ukraine, Saint-Gobain is finalizing the construction of a plaster production plant in the west of the country, which is scheduled to come on stream in summer 2024.

In organizational terms, Ukraine is included in a Poland-Ukraine cluster falling under the direct responsibility of the management team in Poland.

Scope of consolidation

Insofar as the Group continues to produce and sell in Russia for the local market, and to ensure its local business can continue to operate with complete autonomy of management and control of returns, Saint-Gobain still controls its Russian subsidiaries.

In accordance with IFRS 10, its Russian and Ukrainian companies have not therefore been deconsolidated and were still included in the Group's scope of consolidation for the preparation of the consolidated financial statements for the six months ended June 30, 2024.

Asset impairment review

Total non-current assets in Russia represent €178 million, or 0.5% of the Group's total non-current assets.

No indication of impairment was identified for these companies. Consequently, no impairment losses related to the Russia-Ukraine conflict were recognized in first-half 2024.

Financial risks

Given the Group's limited presence in Russia and Ukraine, the conflict has not generated any credit or liquidity risks, and forex exposure is also being managed effectively.

Group cash and cash equivalents held in Russia represented 1.8% of the Group's total cash and cash equivalents at June 30, 2024. The Group does not consider the cash and cash equivalents held in Russia to be restricted within the meaning of IAS 7.

Since March 2, 2022, the Group has been using the Russian ruble exchange rate published by Reuters for the translation of its consolidated financial statements.

While the Russia-Ukraine conflict has not had a direct material impact on the financial statements for the period ended June 30, 2024, the situation remains unstable and complex. The Group therefore remains vigilant in analyzing the potential future impacts of the conflict.

2.2.3 Impact of the Israel-Palestine conflict on the Group's strategy and financial performance

The Group has no operations in the countries directly involved in this conflict (Israel and Palestine).

Nevertheless, the Group is keeping a close watch on its Middle East operations, particularly on account of the risk that the conflict spreads across the rest of the region.

NOTE 3 CLIMATE ISSUES

3.1 The "net-zero-emissions" commitment at the heart of the Group's strategy

Sustainability concerns are at the heart of the Group's strategy and are an essential element in supporting its growth. In 2019, the Group committed to being net-zero-emissions by 2050. This commitment was approved by the Science-Based Targets initiative (SBTi) in September 2022, considering the Group's roadmap to be consistent with the new net-zero standard and the Paris climate agreement. In order to be net-zero-emissions by 2050, Saint-Gobain defined a 2030 roadmap in November 2020. The roadmap identifies the levers and action plans that will enable the Group to meet its goal of a 33% reduction in scope 1 and 2 carbon emissions in absolute terms compared to a 2017 baseline, and a 16% reduction for scope 3 emissions.

The Group's capital expenditure is aligned with the investment requirements identified in this CO_2 roadmap, which covers all of the Group's business activities. At the end of 2023, the Group had already reduced its scope 1 and scope 2 CO_2 emissions by 34% compared to the 2017 baseline.

As well as its commitments to reduce its emissions through to 2030, the Group seeks to develop and propose solutions to help decarbonize the construction sector and its customers' markets.

The innovative solutions developed by Saint-Gobain help to:

- improve the energy performance of buildings so as to reduce both the negative impact of construction on the environment and their occupants' energy bills, while also enhancing occupant well-being. Saint-Gobain's solutions play an important role in the fight against climate change, since they reduce the amount of greenhouse gas emissions by reducing energy use;
- encourage the replacement of heavy materials (cement, concrete, brick) by light materials (plasterboard structures when feasible);
- accelerate the decarbonization of heavy materials.

The Group's High Performance Solutions enable it to meet growing market needs linked to the decarbonization of construction processes and sustainable mobility and industry. Following the acquisition of Chryso and GCP Applied Technologies Inc. (GCP), the Group further strengthened, in first-half 2024, its position in construction chemicals, whose products play a significant role in helping to decarbonize construction through the design of innovative admixtures that reduce the carbon footprint of cement. In the first half of 2024, Saint-Gobain consolidated the following companies for the first time: Izomaks (Saudi Arabia), Imptek Chova (Ecuador), R. Sol (France), Technical Finishes (South Africa), Menkol (India) and Adfil (Belgium), and signed an agreement to acquire FOSROC (India, Middle East and Asia-Pacific).

In order to increase the percentage of sales represented by its sustainable solutions, Saint-Gobain has developed a method for evaluating the environmental benefits of its solutions for all stakeholders. According to this internal method, the Group generated 73% of its sales from sustainable solutions (products identified as being low-carbon) in 2023.

All in all, the Group's initiatives are enabling it to dissociate growth from CO_2 emissions: carbon intensity (scopes 1 and 2) per euro of sales and EBITDA fell by 44% and 56%, respectively, in 2023 compared with the 2017 baseline, reflecting the Group's objective of maximizing its positive impact on the environment while reducing its footprint.

3.2 Taking into account the "net-zero-emissions" commitment when preparing the Group's financial statements

In line with these commitments and targets, the Group has taken into account climate change and sustainable development issues in its financial statements, mainly in the areas cited below:

A Group-wide commitment

All Regions and the High Performance Solutions business have drawn up structured roadmaps for reducing CO_2 emissions. These roadmaps are broken down by country and entity, plant, project, and together, will be used to justify the Group's 2030 scope 1 and scope 2 emissions reduction targets and to set objectives for 2030-2050.

The roadmaps are reviewed each year in line with the Group's main financial deadlines (strategic plan, budget) and combine a large number of potential improvements, action plans and industrial projects (energy efficiency and energy mix; application of new technologies; growth in the circular economy; product reformulations, streamlining and design, etc.). The roadmaps contain measures for each site designed to reduce scope 1 direct emissions, and take into account the growing number of new Purchase Power Agreements (PPA) and Virtual Purchase Power Agreements (VPPA) on a country-by-country basis aimed at reducing scope 2 indirect emissions.

After the world firsts achieved by the Group in recent years, notably net zero-carbon production (scopes 1 and 2) of flat glass in France and plasterboard in Norway, and very low-carbon production (scopes 1 and 2) of glass wool insulation in Finland, it pursued its carbon-reduction measures during the first half of 2024, including:

- Decarbonization of production processes:
  - Continued deployment of the project for a second 100% electric plasterboard production plant, using 100% renewable electricity, in Montreal (Canada).
  - Start-up, in March 2024, of very low-carbon production at three US siding production sites, using 100% renewable electricity.
  - Launch of a project to build a second flat glass production line in Egypt, equipped with a solar park.
- Development of sustainable solutions:
  - Following the introduction of the ORAÉ® low-carbon glass offering in 2023, the new generation of recyclable glass wool – LANAÉ® – will soon be marketed by Isover throughout Europe.
  - Launch in France of Placo® Plume 13, a new lightweight plasterboard with a reduced environmental footprint.
  - The Construction Chemicals business is continuing its efforts to develop new additives for low-carbon cements and concretes. These low-carbon technologies open up major co-development opportunities with new partners in fast-growing markets, and are helping to accelerate Saint-Gobain's profitable growth in construction chemicals.

Renewable Power Purchase Agreements

The Group is continuing to negotiate and sign renewable electricity supply (scope 2) contracts either with physical electricity delivery (Power Purchase Agreement – PPA), or financial contracts without physical delivery, including a cash settlement based on the difference between the contract price and the market price (Virtual Power Purchase Agreement – VPPA). Saint-Gobain analyzes the accounting treatment for such agreements before they are set up. They are accounted for in accordance with either IFRS 16 for leases, IFRS 9 for financial instruments, or IAS 37 for agreements covered by the own-use exemption provided for in IFRS 9.2.4.

The majority of the agreements signed by the Group are PPAs that are considered as agreements covered by the IFRS 9.2.4 own-use exemption.

The Group has also entered into four VPPAs, which are financial instruments accounted for under IFRS 9.

The most material agreements (>200 GWh over the term of the contract) at June 30, 2024 are presented in the table below along with their main characteristics:

Type of contract	Location	Type of energy	Power (per year)	Start date	Contract duration	Accounting treatment
VPPA	USA (Blooming Grove)	Wind	460 GWh	2020	12 years	IFRS 9 (derivatives)
VPPA	USA (Cotton Bayou)	Solar	452 GWh	2024	10 years	IFRS 9 (derivatives)
VPPA	USA (Danish fields)	Solar	224 GWh	2024	15 years	IFRS 9 (derivatives)
VPPA	Poland	Wind	180 GWh	2025	15 years	IFRS 9 (derivatives)
PPA	Romania	Mix	156 GWh	2026	5 years	Purchase contract
PPA	Spain	Mix	100 GWh	2024	10 years	Purchase contract
PPA	USA (Chowchilla)	Solar	78 GWh	2023	15 years	IFRS 16
PPA	France	Solar	36 GWh	2024	15 years	Purchase contract
PPA	Italy	Wind	22 GWh	2024	12 years	Purchase contract
PPA	Spain	Solar	18.5 GWh	2023	12 years	Purchase contract
PPA	Romania	Solar	12 GWh	2023	20 years	Purchase contract

To date, the Group has signed three VPPAs in North America, which will cover more than 70% of the electricity consumption of all Saint-Gobain production sites in that region by 2025.

In May 2024, Saint-Gobain signed a second PPA in Romania, which will come into force in January 2026. Following the implementation of this agreement, all of Saint-Gobain's electricity needs in that country will be covered by decarbonized electricity.

In accordance with IFRS 9, VPPAs are measured at fair value through profit or loss, with the exception of one VPPA qualified as a hedge (Poland VPPA), for which changes in fair value are recognized in other comprehensive income.

Overall, the impact of changes in fair value of VPPAs on the Group's 2024 interim financial statements was not material.

Decarbonized power represented 57% of the Group's electricity purchases in 2023, and this percentage is set to rise once the above agreements take effect as of 2024.

Measuring and tracking scope 3 emissions

The scope 3 categories on which the Group has real leverage and which are subject to SBTi validation are mainly upstream categories (purchases of raw materials and trading products, energy purchases and transport). The Group is continuing its efforts to improve the quality and quantity of available data using a fine-tuned tool that regularly tracks emissions in the main scope 3 categories. The aim is to build an efficient and automated data model in this area.

In the raw materials and trading products, the Group's main suppliers (the biggest contributors to CO_2 emissions) are now asked to disclose, via a dedicated portal, their carbon footprints and goals, as presented at Supplier Days.

As part of the strategic plan, each Region and High Performance Solutions (HPS) identified the three most important actions for reducing scope 3 emissions.

Management of CO_2 emissions allowances

At the end of 2023, the Saint-Gobain Group had 3.6 million tonnes of greenhouse gas emissions allowances from the European Commission. In the first quarter of 2024, the Group purchased 0.3 million tonnes of CO_2 allowances on the market at an average price of €55 per tonne. Consequently, it believes that its level of allowances will cover its emissions for approximately three years as from June 30, 2024.

Sustainable investments, research and development expenditure, and other expenditure aimed at combating climate change and protecting the environment

Investments to reduce CO_2 emissions are tracked monthly in the Group's financial reporting. To help accelerate progress towards carbon-neutral production, €1 billion has been set aside over the ten years from 2021 to 2030 for capital expenditure and research and development. In 2023, the Group set aside €144 million in capital expenditure (€128 million in 2022) and €79 million in research and development expenditure (€63 million in 2022) to support further its CO_2 emissions reduction strategy.

Financing activities

Following on from (i) the Sustainability-Linked Bond issue carried out in 2022 featuring a 10-year €500 million tranche indexed to two 2030 sustainability performance targets (a 33% reduction in scopes 1 and 2 CO_2 emissions and an 80% reduction in non-recovered production waste), and (ii) the signing in December 2023 of a €4 billion Sustainability-Linked Loan maturing in December 2028, with interest linked to three performance indicators set out in Saint-Gobain's 2030 sustainability roadmap compared to the 2017 baseline year (a 33% reduction in scopes 1 and 2 CO_2 emissions in absolute terms, an 80% reduction in non-recovered production waste, and a frequency rate for workplace accidents at or below 1.5 per million hours worked), in April 2024, the Group carried out its first green bond issue, made up of two tranches (€1 billion with a six-year maturity and a 3.375% coupon, and €1 billion with a ten-year maturity and a 3.625% coupon). The funds raised from this issue will be used to finance projects aligned with the European taxonomy.

3.3 Governance

CSR committees

Both the Board of Directors and the Group Executive Committee have set up a CSR Committee. The meetings held by the Board of Directors' CSR Committee in June 2024 and the Executive Committee's CSR Committee in July 2024 were focused on climate change adaptation.

Internal carbon price

The Group set its internal carbon prices at €100 per tonne of CO_2 for evaluating capital expenditure decisions, and €200 per tonne for evaluating R&D projects. A similar approach has been adopted for major acquisitions, and includes the work that may be required to ensure that the carbon impact of these acquisitions is compatible with Saint-Gobain's roadmap.

Executive compensation policy

In stepping up its commitment to carbon neutrality, since 2020, the Group has increased the weighting of CSR objectives in the criteria determining short- and long-term executive compensation plans. CSR objectives now determine 20% of amounts paid out under long-term plans (versus 15% previously), and 15% of annual variable compensation (5% previously), while CO_2 objectives now account for 10% of long-term plans and 5% of annual variable compensation.

3.4 Tests of asset sensitivity to changes in CO_2 prices

As stated in the section on asset impairment reviews (see note 7.5.4, p. 336 in chapter 8 of the 2023 Universal Registration Document), the Group includes sensitivity to changes in the price of CO_2 emissions allowances in its impairment tests.
Even applying conservative assumptions, the sensitivity analyses show that no impairment would have been identified for any of the net assets in the groups of CGUs, given the significant headroom observed for the main groups of CGUs.

3.5 Climate impact assessment on Group assets

In 2023, Saint-Gobain conducted a study with an external firm to identify its exposure to physical risks related to the impact of climate change (floods, forest fires, cyclones, storms, drought and heat stress), as well as earthquakes, on its activities. Exposure and vulnerability to climate issues was analyzed for assets at over 500 major industrial and logistics sites (covering more than 80% of the Group's sales and net carrying amount of its assets), using three IPCC scenarios: SSP1-2.6, SSP2-4.5 and SSP5-8.5, and three time horizons: 2030, 2040 and 2050. This study enabled the financial impact of risks linked to direct and indirect damage (business interruption) to be assessed for each site, and for the Group as a whole, after taking into account the adaptation measures in place. The study found that even in the most extreme scenario and adopting the 2050 time horizon, the overall risks identified would, at Group level, represent only insignificant amounts compared to the 2023 baseline. Heat stress, floods and storms would represent the bulk of the estimated risks, which would mainly arise not as a result of direct damage but from business interruption. The impact would be more significant in Asia and India, while Europe would not be materially affected.

Saint-Gobain's knowledge of the existence of these sensitivities enables it to build physical and transition risks into its long-term vision and strategy, thereby fully integrating climate change and its impacts into its decision-making.

In parallel with this physical risk assessment for its assets, the Group has begun analyzing the growth opportunities for its solutions resulting from the impact of climate change in several regions. This analysis will be updated in the second half of 2024.

3.6 Consideration of future changes in regulations

The Group is continuing its impact assessments and its work on applying new regulations related to climate change and the energy transition.

NOTE 4 SCOPE OF CONSOLIDATION

4.1 Accounting principles related to consolidation

The Group's condensed consolidated financial statements include the accounts of Compagnie de Saint-Gobain and of all companies controlled by the Group, as well as those of jointly controlled companies and companies over which the Group exercises significant influence.

In the first half of 2024, IAS 29, "Financial Reporting in Hyperinflationary Economies", was applied in respect of the following countries:

Argentina

Argentina has been classified as a hyperinflationary economy since July 1, 2018. IAS 29 therefore applies to entities using the Argentine peso as their functional currency (based on the table of indices issued by FACPCE).

Lebanon

Lebanon has been classified as a hyperinflationary economy since October 2020. As from December 31, 2020, IAS 29 is therefore applicable to entities using the Lebanese pound as their functional currency.

The Group's exposure to Lebanon is not material, as sales and total non-current assets in the country represent less than 1% of the Group's consolidated data.

Turkey

Since February 2022, Turkey has had a three-year cumulative inflation rate above 100% and was therefore included in the list of hyperinflationary economies in March 2022. IAS 29 therefore applies to entities using the Turkish lira as their functional currency.

4.2 Changes in Group structure

Significant changes in the Group’s structure during first-half 2024 are presented below:

In the first six months of 2024, the Group acquired ten fully consolidated companies for a total purchase price of €819 million.

The Group also sold two consolidated companies during the period.

4.2.1 Acquisitions in first-half 2024

Acquisitions of consolidated companies amounted to full-year sales and EBITDA of around €550 million and €95 million, respectively.

The main acquisitions in first-half 2024 are summarized below:

- On January 15, 2024, Saint-Gobain signed a definitive agreement to acquire Glass Service a.s., a leading provider of digital solutions for glass furnaces, including advanced control systems and simulation software, which enable customers to reduce their energy consumption. This acquisition will complement Saint-Gobain's range of digital services offering predictive, diagnostic, and data-driven solutions to improve energy efficiency for its customers and reduce the carbon footprint of their products and processes. These digital solutions contribute to the goals of Saint-Gobain's "Grow & Impact" strategic plan aiming to provide end-to-end solutions to its customers to help them accelerate the decarbonization of their offerings.
- On January 18, 2024, Saint-Gobain announced two acquisitions in the attractive non-residential flooring market, strengthening its presence in this segment of the construction chemicals industry:
  - R.SOL is a French manufacturer of resin-based flooring solutions. This acquisition will enlarge Saint-Gobain’s portfolio thanks to R.SOL’s wide range of diversified resins, differentiating technology and large customer base.
  - Technical Finishes is a leading player in resin flooring solutions in South Africa. The acquisition will reinforce Saint-Gobain’s profitable growth profile in South Africa and elsewhere on the African continent.

  These two acquisitions will strengthen Saint-Gobain’s leadership position in flooring solutions, perfectly complementing its existing offering under the Weber brand and creating significant synergies.
- On February 2, 2024, Saint-Gobain completed the acquisition of International Cellulose Corporation (ICC), a leading manufacturer of specialty insulation in the United States, including spray-on thermal, fireproofing and acoustic finish systems for the US non-residential market. ICC's insulation solutions are manufactured with natural, plant-based fibers (primarily cellulose) and high recycled content, containing high levels of sequestered carbon. This acquisition will enable Saint-Gobain to round out its offer for building envelope protection.
- On June 3, 2024, Saint-Gobain completed the acquisition, announced on April 3, 2024, of the Bailey Group of Companies (Bailey), a privately owned manufacturer of metal building solutions for light construction in Canada (see note 2.1.3, p. 11).

The process of identifying and measuring at fair value the assets acquired and liabilities assumed within the scope of the acquisitions carried out in first-half 2024 will be finalized within 12 months of each acquisition date.

4.2.2 Main disposals in first-half 2024

Disposals in first-half 2024 represent full-year sales of around €130 million.

The main companies deconsolidated in first-half 2024 are summarized below:

- On January 5, 2024, Saint-Gobain completed the sale to SOPREMA of a majority stake in its polyisocyanurate insulation (PIR) activity in the United Kingdom under the Celotex brand.
- On March 1, 2024, Saint-Gobain completed the sale to the Iivari Mononen Group of its treated timber products business in Ireland (PDM), and signed an agreement to sell Calders & Grandidge in the UK to the same buyer (a transaction which is subject to competition authority clearance).

These disposals are part of Saint-Gobain's continued portfolio optimization strategy to enhance the Group's growth and profitability profile in line with the objectives of its "Grow & Impact" plan.

4.3 Assets and liabilities held for sale

As the sale of PDM (the Group's treated timber products business in Ireland) had been completed at June 30, 2024, assets and liabilities held for sale at that date no longer included that company.

Assets and liabilities held for sale at June 30, 2024 include:

- Calders & Grandidge in the United Kingdom;
- Distribution companies in Brazil, following the Group's decision to put its building materials distribution activities in the country up for sale.

These disposals are part of Saint-Gobain's portfolio optimization strategy, which is designed to improve the Group's growth and profitability profile.

Since the assets and liabilities held for sale meet the qualifying criteria, the balance sheet items of these entities were combined and measured within assets and liabilities held for sale in the consolidated balance sheet at June 30, 2024 in accordance with IFRS 5.

For confidentiality reasons, the position of each individual company at June 30, 2024 is not disclosed.

These entities in the process of being sold were not considered as discontinued operations within the meaning of IFRS 5 as they do not represent a major line of business for the Group.

Assets and liabilities held for sale break down as follows:

(in EUR millions)	June 30, 2024	Dec. 31, 2023
Intangible assets, property, plant and equipment, right-of-use assets and other non-current assets	53	68
Inventories, trade accounts receivable and other receivables	137	125
Cash and cash equivalents	16	53
ASSETS HELD FOR SALE	**206**	**246**
Other current and non-current liabilities and provisions	11	13
Trade accounts payable, other payables and other current liabilities	100	114
Debt and bank overdrafts	64	76
LIABILITIES HELD FOR SALE	**175**	**203**
NET ASSETS (LIABILITIES) HELD FOR SALE	**31**	**43**

4.4 Changes in the number of consolidated companies

At June 30, 2024, there were 937 companies in the scope of consolidation (915 at December 31, 2023), including 96 equity-accounted companies and joint arrangements (94 at December 31, 2023).

4.5 Off-balance sheet commitments related to companies within the scope of consolidation

At June 30, 2024, non-cancelable purchase commitments totaled approximately €3.6 billion, and mainly corresponded to a €2.6 billion commitment to purchase CSR Limited shares (see note 2.1.1, p. 11), and a €960 million commitment to purchase FOSROC shares (see note 2.1.5, p. 11).

NOTE 5 INFORMATION CONCERNING THE GROUP'S OPERATING ACTIVITIES

5.1 Income statement items

5.1.1 Business income

Business income is detailed by type below:

(in EUR millions)	First-half 2024	First-half 2023
SALES	**23,464**	**24,954**
Personnel expenses:		
Salaries and payroll taxes	(4,678)	(4,605)
Share-based payments (1)	(47)	(42)
Pensions and employee benefit obligations (1)	(17)	(76)
Depreciation and amortization of property, plant and equipment, intangible assets and right-of-use assets (2)	(1,026)	(980)
Share in net income of core business equity-accounted companies	32	48
Other (3)	(14,977)	(16,486)
OPERATING INCOME	**2,751**	**2,813**
Other business income	42	36
Other business expense (2)	(331)	(555)
OTHER BUSINESS INCOME AND EXPENSE	**(289)**	**(519)**
BUSINESS INCOME (EXPENSE)	**2,462**	**2,294**

(1) Share-based payments (IFRS 2 expense) and changes in employee benefit expenses are detailed in note 6, p. 26;

(2) Total depreciation and amortization of property, plant and equipment, intangible assets and right-of-use assets, along with amortization charged against intangible assets within the scope of purchase price accounting, represented €1,129 million in first-half 2024 versus €1,065 million in first-half 2023;

(3) The "Other" operating income line relates to cost of sales, supplier discounts and selling expenses for Distribution entities, and to transport costs, raw materials costs, and other production costs for the other entities. This item also includes research and development costs recorded under operating expenses, amounting to €285 million in first-half 2024 (€276 million in first-half 2023).

5.1.2 Other business income and expense

Other business income and expense can be analyzed as follows:

(in EUR millions)	First-half 2024	First-half 2023
Impairment of assets (1)	(35)	(65)
Amortization of intangible assets related to PPA (2)	(103)	(85)
Other business income and expense (3)	(68)	(350)
Gains on disposals of non-current assets	42	36
Non-operating income and expense (4)	(125)	(55)
OTHER BUSINESS INCOME AND EXPENSE	**(289)**	**(519)**

(1) The "Impairment of assets" line includes the impairment of goodwill, other intangible assets, property, plant and equipment, right-of-use assets, assets held for sale and other assets.

(2) Amortization charged against brands and customer lists is included on a separate line within "Other business income and expense" together with other gains and losses arising on business combinations which are not taken into account when determining the performance of the Group's operating segments.

(3) In 2024, as in 2023, other business income and expense mainly includes capital losses on assets divested or scrapped, acquisition fees and contingent consideration incurred in connection with business combinations. In 2023, this item mainly reflected the reclassification of translation differences following the sale of the Distribution business in the United Kingdom.

(4) Non-operating income and expense mainly include claims-related expenses and restructuring costs.

5.2 Segment information

In accordance with IFRS 8, segment information reflects the Group's internal organization as presented to management. The Group has chosen to present segment information in line with its internal reporting.

The Group is organized into five reporting units: four regional businesses and a global High Performance Solutions unit. Segment information is presented for:

- High Performance Solutions (HPS), which is organized by market for global customers, i.e., Mobility, Life Sciences, Construction Industry and Industry.

And for four regions:

- Northern Europe, comprising the Nordic countries, United Kingdom, Ireland, Switzerland, Germany, Austria, Eastern Europe and Russia;
- Southern Europe – Middle East (ME) & Africa, comprising France, Benelux, Mediterranean, Middle East and Africa;
- Americas, comprising North America and Latin America;
- Asia-Pacific, comprising the Asia region and India;
- Other, comprising the Group's various holding companies.

Segment information for first-half 2024 and 2023 is as follows:

First-half 2024

(in EUR millions)	High Performance Solutions (2)	Northern Europe	Southern Europe (2) - ME & Africa	Americas (2)	Asia-Pacific	Other (1)	Group Total
Sales	4,969	5,804	7,316	4,967	1,033	(625)	23,464
Operating income (loss)	610	521	604	945	134	(63)	2,751
Share in net income of equity-accounted companies	1	6	18	8	(1)	2	34
Operating depreciation and amortization	213	255	308	169	53	28	1,026
Impairment of assets	7	13	8	1	(4)	0	25
EBITDA	752	746	904	1,103	189	(42)	3,652
Acquisitions of property, plant and equipment and intangible assets (3)	129	101	108	193	39	13	583

(1) "Other" corresponds to the elimination of intragroup transactions for internal sales, and holding company transactions for the other captions;
(2) France and United States sales represent €5,848 million and €4,385 million, respectively.
(3) Capital expenditure does not include right-of-use assets.

First-half 2023

(in EUR millions)	High Performance Solutions (2)	Northern Europe	Southern Europe (2) – ME & Africa	Americas (2)	Asia-Pacific	Other (1)	Group Total
Sales	5,163	6,674	7,976	4,784	1,036	(679)	24,954
Operating income (loss)	633	572	688	852	130	(62)	2,813
Share in net income of equity-accounted companies	1	5	21	16	6	2	51
Operating depreciation and amortization	214	245	290	153	51	27	980
Impairment of assets	19	20	0	22	1	0	62
EBITDA	834	804	964	997	181	(42)	3,738
Acquisitions of property, plant and equipment and intangible assets (3)	131	135	137	121	62	30	616

(1) "Other" corresponds to the elimination of intragroup transactions for internal sales, and holding company transactions for the other captions;
(2) France and United States sales represent €6,556 million and €4,381 million, respectively.
(3) Capital expenditure does not include right-of-use assets.

5.3 Performance indicators

5.3.1 EBITDA

EBITDA represents operating income plus depreciation and amortization of property, plant and equipment, intangible assets and right-of-use assets, as well as non-operating income and expense.

It amounted to €3,652 million in the first half of 2024 (€3,738 million in first-half 2023), calculated as follows:

(in EUR millions)	First-half 2024	First-half 2023
Operating income	2,751	2,813
Depreciation/amortization of property, plant and equipment and intangible assets	675	640
Depreciation of right-of-use assets	351	340
Non-operating income and expense	(125)	(55)
EBITDA	**3,652**	**3,738**

5.3.2 Recurring net income

Recurring net income corresponds to income after tax and minority interests but before disposal gains or losses, asset impairment, material non-recurring provisions and the related tax and non-controlling interests.

Recurring net income totaled €1,706 million in first-half 2024 (€1,821 million in first-half 2023). Based on the weighted average number of shares outstanding at June 30 (501,808,814 shares in 2024 and 510,080,726 shares in 2023), recurring earnings per share amounted to €3.40 in the first half of 2024 and €3.57 in the first half of 2023.

The difference between net income and recurring net income corresponds to the following items:

(in EUR millions)	First-half 2024	First-half 2023
GROUP SHARE OF NET INCOME	**1,660**	**1,450**
Less:		
Gains and losses on disposals of assets	(11)	(304)
Impairment of assets and other	(50)	(74)
Changes in provisions for non-recurring items	(1)	0
Impact of non-controlling interests	0	2
Tax on disposal gains and losses, asset impairment, non-recurring provisions and write-downs of deferred taxes on tax loss carry-forwards	16	5
GROUP SHARE OF RECURRING NET INCOME	**1,706**	**1,821**

5.4 Working capital

Working capital can be analyzed as follows:

(in EUR millions)	June 30, 2024	Dec. 31, 2023
INVENTORIES, NET	**7,006**	**6,813**
TRADE ACCOUNTS RECEIVABLE, NET	**6,097**	**5,096**
Other operating receivables	1,446	1,314
Other non-operating receivables	168	72
OTHER RECEIVABLES, NET	**1,614**	**1,386**
CURRENT TAX RECEIVABLE	**178**	**93**
TRADE ACCOUNTS PAYABLE	**6,871**	**6,806**
Other operating payables	4,665	4,778
Other non-operating payables	427	726
OTHER PAYABLES	**5,092**	**5,504**
CURRENT TAX LIABILITIES	**236**	**249**
Operating working capital	3,013	1,639
Non-operating working capital (including current tax receivable and liabilities)	(317)	(810)
WORKING CAPITAL	**2,696**	**829**

5.4.1 Inventories

At June 30, 2024 and December 31, 2023, inventories were as follows:

(in EUR millions)	June 30, 2024	Dec. 31, 2023
Gross value		
Raw materials	2,115	2,015
Work in progress	530	475
Finished goods	5,102	5,054
GROSS INVENTORIES	**7,747**	**7,544**
Provisions for impairment		
Raw materials	(273)	(270)
Work in progress	(22)	(19)
Finished goods	(446)	(442)
TOTAL PROVISIONS FOR IMPAIRMENT	**(741)**	**(731)**
INVENTORIES, NET	**7,006**	**6,813**

The net value of inventories was €7,006 million at June 30, 2024 compared with €6,813 million at December 31, 2023. Impairment losses on inventories recorded in the first half of 2024 totaled €120 million (€192 million in the first half of 2023). Reversals of impairment losses on inventories amounted to €118 million in the first half of 2024 (€115 million in the first half of 2023).

5.4.2 Operating and non-operating receivables and payables

Trade and other accounts receivable

Trade and other accounts receivable can be analyzed as follows:

(in EUR millions)	June 30, 2024	Dec. 31, 2023
Gross value	6,546	5,538
Provisions for impairment	(449)	(442)
TRADE ACCOUNTS RECEIVABLE, NET	**6,097**	**5,096**
Discounts obtained from and advances granted to suppliers	539	472
Prepaid payroll taxes	52	32
Other prepaid and recoverable taxes (other than income tax)	433	477
Miscellaneous operating receivables	433	340
Other non-operating receivables	168	72
Provision for impairment of other receivables	(11)	(7)
OTHER RECEIVABLES, NET	**1,614**	**1,386**

The impact of movements in provisions and bad debt write-offs represented an expense of €28 million in first-half 2024, versus an expense of €50 million in first-half 2023.

Bad debt write-offs rose to €24 million from €19 million in first-half 2023.

Trade accounts receivable at June 30, 2024 and December 31, 2023 are analyzed below by maturity:

(in EUR millions)	Gross value		Impairment		Net value	
	June 30, 2024	Dec. 31, 2023	June 30, 2024	Dec. 31, 2023	June 30, 2024	Dec. 31, 2023
TRADE ACCOUNTS RECEIVABLE NOT YET DUE	**5,545**	**4,587**	**(90)**	**(82)**	**5,455**	**4,505**
Less than 1 month	434	418	(38)	(46)	396	372
1-3 months	168	166	(43)	(49)	125	117
More than 3 months	399	367	(278)	(265)	121	102
TRADE ACCOUNTS RECEIVABLE PAST DUE	**1,001**	**951**	**(359)**	**(360)**	**642**	**591**
TRADE ACCOUNTS RECEIVABLE	**6,546**	**5,538**	**(449)**	**(442)**	**6,097**	**5,096**

Trade and other accounts payable

Trade and other accounts payable and accrued expenses can be analyzed as follows:

(in EUR millions)	June 30, 2024	Dec. 31, 2023
TRADE ACCOUNTS PAYABLE	**6,871**	**6,806**
Downpayments received and rebates granted to customers	1,796	2,069
Payables to suppliers of non-current assets	189	518
Grants received	82	88
Accrued personnel expenses	1,489	1,547
Accrued taxes other than on income	598	436
Other operating payables	782	726
Other non-operating payables	156	120
OTHER PAYABLES	**5,092**	**5,504**

5.5 Off-balance sheet commitments related to operating activities

Non-cancelable purchase commitments represented €2,773 million at June 30, 2024 (€2,514 million at December 31, 2023).

In some cases, the Group grants seller's warranties to the buyers of divested businesses. A provision is recognized whenever a risk is identified and the related cost can be estimated reliably.

There were no material changes in the Group’s other commitments.

NOTE 6 PERSONNEL EXPENSES AND EMPLOYEE BENEFIT OBLIGATIONS

6.1 Provisions for pensions and other employee benefits

6.1.1 Description of defined benefit plans

The Group's main defined benefit plans are identical to those set out in the consolidated financial statements at December 31, 2023.

In first-half 2024, the Group completed the full transfer of a portion of its pension obligations in the United States to a third party. This transfer resulted in a US$690 million decrease in the Group's pension obligations, and a simultaneous US$653 million decrease in plan assets, corresponding to the amount paid to the insurance company. The difference between the two amounts was recognized in first-half 2024 as a settlement gain and represented US$37 million (€34 million).

6.1.2 Rate assumptions

The assumptions related to mortality, employee turnover and future salary increases used to measure defined benefit obligations and plan assets take into account the economic conditions specific to each country and Group company. The discount rates are established by region or country based on observed bond yields at June 30, 2024.

For the Eurozone (including France), two discount rates were calculated for 2024 based on the term of the plans using a yield curve model developed by consulting firm Mercer: one rate for plans with a term of 13 years or less and one for plans with a term of over 13 years (unchanged from 2023).

The rates used in first-half 2024 for the Group's main plans are the following:

	Eurozone (including France)		United Kingdom	United States
(in %)	Short-term plans	Long-term plans		
Discount rate	3.38%	3.45%	5.15%	5.50%
Inflation rate	2.00%		CPI 2.60% RPI 3.05%	2.50%

The rates used in 2023 for the Group's main plans were the following:

	Eurozone (including France)		United Kingdom	United States
(in %)	Short-term plans	Long-term plans		
Discount rate	3.16%	3.20%	4.60%	5.00%
Inflation rate	2.10%		CPI 2,50 % RPI 2,95 %	2.50%

As the above three regions account for substantially all of the Group's pension obligation, the revised actuarial assumption (in particular discount and inflation rates), contributed to a decrease in the obligation, and therefore in the provision, in an amount of €352 million.

The actual return on plan assets for almost all plans was €209 million lower than expected, leading to an increase in the provision of the same amount.

6.1.3 Breakdown of and changes in pension and other post-employment benefit obligations

Carrying amount of provisions

Provisions for pension and other employee benefit obligations consist of the following:

(in EUR millions)	June 30, 2024	Dec. 31, 2023
Pension obligations	1,159	1,286
Length-of-service awards	338	338
Post-employment healthcare benefits	210	204
TOTAL PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS	**1,707**	**1,828**
Healthcare benefits	31	30
Long-term disability benefits	7	6
Other long-term benefits	98	96
PROVISIONS FOR PENSIONS AND OTHER EMPLOYEE BENEFITS	**1,843**	**1,960**

Provisions for all other long-term benefits totaled €136 million at June 30, 2024 (€132 million at December 31, 2023).

The following table shows net obligations under pensions and other post-employment benefit plans, excluding other long-term benefits:

(in EUR millions)	June 30, 2024	Dec. 31, 2023
Provisions for pensions and other post-employment benefit obligations – liabilities	1,707	1,828
Pension plan surpluses – assets	(366)	(322)
NET PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS	**1,341**	**1,506**

Changes in pension and other post-employment benefit obligations

Changes in pensions and other post-employment benefit obligations are as follows:

(in EUR millions)	Net pension and other post-employment benefit obligations
AT DECEMBER 31, 2023	**1,506**
Changes during the period	
Business expenses	5
Interest cost/return on plan assets as per calculations	24
Actuarial gains and losses and asset ceiling	(143)
Pension contributions and benefits paid	(53)
Translation adjustments	1
Change in Group structure and reclassifications	1
TOTAL CHANGES	**(165)**
AT JUNE 30, 2024	**1,341**

6.2 Share-based payments

6.2.1 Group Savings Plan (PEG)

The Group Savings Plan (*Plan d'Epargne Groupe* – PEG) is an employee stock purchase plan open to all Group employees in France and most other countries where the Group is present. Eligible employees must have completed a minimum of three months' service with the Group. Eligible employees are able to invest in Saint-Gobain shares at a preferential subscription price. These shares are held either directly or through the employee saving plan's mutual funds, depending on local legislation, and are subject to a mandatory five- or ten-year lock-up, except following the occurrence of certain events. The Board of Directors delegates authorization for setting the subscription price to the Chief Executive Officer of Compagnie de Saint-Gobain. The subscription price corresponds to the average of the opening prices for the Saint-Gobain share on Euronext Paris over the 20 trading days preceding the date of the decision, subject to a 20% discount, in accordance with applicable laws, the Shareholders' Meeting resolutions and the deliberations of the Board of Directors. The Group makes a matching contribution to amounts paid in by employees, which is expensed in the consolidated financial statements.

The Saint-Gobain Group implemented a new PEG in the first half of 2024. As approved by the Chief Executive Officer on March 11, 2024, the reference price is €69.12 (€55.24 in 2023), representing a subscription price of €55.30 (€44.19 in 2023) after a 20% discount.

4,007,048 new shares with a par value of €4 were issued to employees under the PEG at an average subscription price of €55.30 (4,778,291 shares at an average price of €44.19 in 2023), representing a share capital increase of €221 million (€211 million in 2023), net of transaction fees.

An IFRS 2 expense representing the benefit granted to employees was recognized in an amount of €27.4 million for first-half 2024 (€23.7 million for first-half 2023).

6.2.2 Stock option plans

Until 2018, Compagnie de Saint-Gobain operated stock option plans for certain employees.

No stock option plans have been launched since 2019.

As in 2023, no expense was recognized in accordance with IFRS 2 for the amortization of stock options granted under previous plans in the first half of 2024.

6.2.3 Performance share and performance unit grants

Performance share plans

Since 2009, performance share plans have also been set up for certain categories of employees.

At June 30, 2024, there were four outstanding performance share plans, approved by the Board of Directors in 2020, 2021, 2022 and on November 23, 2023.

No new plan was set up in first-half 2024.

The amount expensed in respect of these plans in first-half 2024 was €20.0 million (€18.4 million in first-half 2023).

Performance unit plans

Performance unit plans subject to service and performance conditions were set up every year between 2012 and 2015 for certain management-grade employees and senior managers of the Group in France. These plans do not give rise to the delivery of shares but entitle grantees to receive cash compensation deferred over the long-term (exercise period between four and ten years after the grant date), the amount of which will be determined by reference to Saint-Gobain's share price.

No long-term compensation plan in the form of performance units has been set up since 2016.

Since the vesting period of the last plan ended in 2019, there are no longer any expenses in respect of such plans.

NOTE 7 INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT, AND RIGHT-OF-USE ASSETS

Changes in goodwill, other intangible assets, property, plant and equipment and right-of-use assets at June 30, 2024 and December 31, 2023 break down as follows:

(in EUR millions)	Goodwill	Other intangible assets	Property, plant and equipment	Right-of-use assets	Total
At January 1, 2023					
Gross value	14,304	5,924	33,151	6,422	59,801
Accumulated depreciation, amortization and impairment	(1,446)	(1,898)	(20,988)	(3,670)	(28,002)
NET VALUE	**12,858**	**4,026**	**12,163**	**2,752**	**31,799**
Changes during the period					
Acquisitions		115	1,914	828	2,857
Disposals		(5)	(65)	(10)	(80)
Depreciation and amortization (1)		(301)	(1,174)	(692)	(2,167)
Impairment	(81)	(14)	(125)	(8)	(228)
Translation adjustments and restatement for hyperinflation	(162)	(41)	(96)	(28)	(327)
Changes in Group structure and other	496	585	149	15	1,245
Assets held for sale		3	(22)	(47)	(66)
TOTAL CHANGES	**253**	**342**	**581**	**58**	**1,234**
At December 31, 2023					
Gross value	14,534	6,420	34,251	6,535	61,740
Accumulated depreciation, amortization and impairment	(1,423)	(2,052)	(21,507)	(3,725)	(28,707)
NET VALUE	**13,111**	**4,368**	**12,744**	**2,810**	**33,033**
Changes during the period					
Acquisitions		31	552	425	1,008
Disposals		(2)	(26)	(2)	(30)
Depreciation and amortization (1)		(159)	(619)	(351)	(1,129)
Impairment	(2)		(17)	(6)	(25)
Translation adjustments and restatement for hyperinflation	186	56	64	(14)	292
Changes in Group structure and other	369	257	184	25	835
Assets held for sale				11	11
TOTAL CHANGES	**553**	**183**	**138**	**88**	**962**
At June 30, 2024					
Gross value	15,103	6,774	34,883	6,715	63,475
Accumulated depreciation, amortization and impairment	(1,439)	(2,223)	(22,001)	(3,817)	(29,480)
NET VALUE	**13,664**	**4,551**	**12,882**	**2,898**	**33,995**

(1) *The "Depreciation and amortization" line relating to intangible assets includes amortization charged against intangible assets within the scope of purchase price accounting, representing €103 million in first-half 2024 versus €85 million in first-half 2023.*

7.1 Goodwill

In the first half of 2024, changes in Group structure mainly correspond to the first-time consolidation of companies, in particular following the acquisition of Bailey for €240 million, Adfil for €49 million, as well as Izomaks Industries LLC and Chova del Ecuador SA for €43 million and €31 million, respectively.

The translation adjustments and restatements for hyperinflation primarily reflect the impacts of fluctuations in the US dollar, pound sterling, Argentine peso, Turkish lira, Brazilian real and Norwegian krone.

In 2023, changes in Group structure mainly concerned the first-time consolidation of companies, in particular following the acquisition of Building Products of Canada Corp. for €532 million; and the finalization of the GCP purchase price accounting, which resulted in a €199 million reduction in goodwill.

Impairment losses were recognized for a total of €81 million, mainly against individual assets in the period. The amount recorded under "Translation adjustments and restatement for hyperinflation" primarily reflected the impacts of fluctuations in the US dollar, Turkish lira, pound sterling, Norwegian krone and Argentine peso.

7.2 Other intangible assets

In the first half of 2024, changes in Group structure mainly correspond to adjustments to the purchase price accounting for the acquisition of Bailey for €215 million. They also include adjustments to the purchase price accounting for ICC Acquisition Corporation and United Paints & Chemicals - Drymix for a total of €41 million, and the remeasurement of Building Products of Canada Corp.'s customer relationships and brands in a negative amount of €10 million. The translation adjustments and restatements for hyperinflation primarily reflect the impacts of fluctuations in the US dollar, Turkish lira and pound sterling.

In 2023, changes in Group structure mainly concerned the first-time consolidation of companies following the acquisition of Building Products of Canada Corp. for €421 million; GCP purchase price accounting adjustments on customer relationships (€247 million), intellectual property (€128 million) and brands (negative €131 million); and Kaycan purchase price accounting adjustments representing a total negative amount of €116 million. The translation adjustments and restatements for hyperinflation primarily reflected the impacts of fluctuations in the US dollar, Swiss franc and pound sterling.

7.3 Property, plant and equipment

In first-half 2024, changes in Group structure relate mainly to the acquisition of Bailey for €137 million and adjustments to the purchase price accounting for the acquisition of Building Products of Canada Corp. for €43 million. Impairment losses recognized against property, plant and equipment amounted to €17 million. Translation adjustments and restatements for hyperinflation primarily reflect the impacts of fluctuations in the US dollar, Brazilian real, Argentine peso, Mexican peso, Turkish lira, Indian rupee and Egyptian pound.

In 2023, changes in Group structure mainly concerned the first-time consolidation of companies, in particular following the acquisition of Building Products of Canada Corp. for €56 million; and GCP and Kaycan purchase price accounting adjustments representing €33 million and €73 million, respectively. Impairment losses were recognized for a total of €125 million. The translation adjustments and restatements for hyperinflation primarily reflected the impacts of fluctuations in the US dollar, Mexican peso, Argentine perso, Polish zloty, Chinese yuan renminbi, Indian rupee, Brazilian real, Russian ruble and Turkish lira.

7.4 Right-of-use assets linked to leases

In first-half 2024, right-of-use assets linked to leases relate mainly to land and buildings for €2,407 million (€2,343 million at December 31, 2023) and to machinery and equipment for €491 million (€467 million at December 31, 2023).

7.5 Impairment review

Property, plant and equipment, right-of-use assets, goodwill and other intangible assets are tested for impairment on a regular basis and at least annually for the December 31 closing. These tests consist of comparing the asset's carrying amount to its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use, calculated either by a "simplified" approach which estimates value based on EBITDA multiples, or by reference to the net present value of the future cash flows expected to be derived from the asset.

For all CGUs, including those identified as sensitive at December 31, 2023, no evidence of impairment or trigger events requiring an impairment test were identified based on an analysis of first-half 2024 performance and future outlook.

The Group did not identify any material changes compared to the estimates used at December 31, 2023.

NOTE 8 OTHER NON-CURRENT ASSETS

Changes in other non-current assets are analyzed below:

(in EUR millions)	Equity investments and other	Loans, deposits and surety	Total other non-current assets
At January 1, 2023			
Gross value	175	374	549
Provisions for impairment	(6)	(6)	(12)
NET VALUE	**169**	**368**	**537**
Changes during the period			
Increases (decreases)	127	(27)	100
Provisions for impairment	(4)	1	(3)
Translation adjustments and restatement for hyperinflation	(3)	1	(2)
Transfers and other movements		3	3
Changes in Group structure	(39)	1	(38)
Changes in fair value	(2)	2	0
Assets held for sale		(1)	(1)
TOTAL CHANGES	**79**	**(20)**	**59**
At December 31, 2023			
Gross value	258	356	614
Provisions for impairment	(10)	(8)	(18)
NET VALUE	**248**	**348**	**596**
Changes during the period			
Increases (decreases)	52	(12)	40
Translation adjustments and restatement for hyperinflation	1	(5)	(4)
Transfers and other movements		7	7
Changes in Group structure	(88)		(88)
Changes in fair value	(2)	(1)	(3)
TOTAL CHANGES	**(37)**	**(11)**	**(48)**
At June 30, 2024			
Gross value	221	348	569
Provisions for impairment	(10)	(11)	(21)
NET VALUE	**211**	**337**	**548**

NOTE 9 OTHER CURRENT AND NON-CURRENT LIABILITIES AND PROVISIONS, CONTINGENT LIABILITIES AND LITIGATION

9.1 Provisions for other liabilities and charges

The table below provides a breakdown by type along with details of changes in other provisions and current and non-current liabilities:

(in EUR millions)	Provisions for claims, litigation and environmental risks	Provisions for restructuring costs and personnel expenses	Provisions for customer warranties	Provisions for other contingencies	Total provisions for other liabilities	Investment-related liabilities	Total provisions for other liabilities and investment-related liabilities
At January 1, 2023							
Current portion	253	65	145	179	642	51	693
Non-current portion	207	90	127	495	919	173	1,092
TOTAL PROVISIONS FOR OTHER LIABILITIES AND INVESTMENT-RELATED LIABILITIES	**460**	**155**	**272**	**674**	**1,561**	**224**	**1,785**
Changes during the period							
Additions	105	189	137	250	681		681
Reversals	(10)	(18)	(27)	(98)	(153)		(153)
Utilizations	(54)	(85)	(62)	(60)	(261)		(261)
Changes in Group structure	7	1	27	5	40		40
Translation adjustments and reclassifications	(13)	(6)	(5)	(45)	(69)	(12)	(81)
Liabilities held for sale	1	(1)		(11)	(11)		(11)
TOTAL CHANGES	**36**	**80**	**70**	**41**	**227**	**(12)**	**215**
At December 31, 2023							
Current portion	291	102	182	205	780	38	818
Non-current portion	205	133	160	510	1,008	174	1,182
TOTAL PROVISIONS FOR OTHER LIABILITIES AND INVESTMENT-RELATED LIABILITIES	**496**	**235**	**342**	**715**	**1,788**	**212**	**2,000**
Changes during the period							
Additions	38	80	47	55	220		220
Reversals	(3)	(15)	(9)	(37)	(64)		(64)
Utilizations	(31)	(71)	(30)	(27)	(159)		(159)
Changes in Group structure							
Translation adjustments and reclassifications	9	6	1	(2)	14	146	160
Liabilities held for sale		(1)		2	1		1
TOTAL CHANGES	**13**	**(1)**	**9**	**(9)**	**12**	**146**	**158**
At June 30, 2024							
Current portion	301	89	184	194	768	56	824
Non-current portion	208	145	167	512	1,032	302	1,334
TOTAL PROVISIONS FOR OTHER LIABILITIES AND INVESTMENT-RELATED LIABILITIES	**509**	**234**	**351**	**706**	**1,800**	**358**	**2,158**

Provisions for litigation and environmental risks cover costs relating to litigation, environmental protection measures, as well as site rehabilitation and clean-up costs.

Provisions for litigation totaled €287 million at June 30, 2024 (€275 million at December 31, 2023). They cover in particular PFOA-related proceedings and the antitrust lawsuit in the Distribution sector in Switzerland. These provisions are described in further detail in note 9.2 "Contingent liabilities and litigation".

Provisions for other contingencies relate in particular to the DBMP LLC provision for asbestos-related litigation (see note 9.2.2, p. 33 on asbestos-related liabilities in the United States).

9.2 Contingent liabilities and litigation

9.2.1 Antitrust law and related proceedings

Investigation by the Swiss Competition Commission in the sanitary products wholesale industry

In November 2011, the Swiss Competition Commission (Commission suisse de la concurrence) opened an investigation into anti-competitive practices in the sanitary products wholesale industry. In May 2014, the Commission Secretariat issued a notice of complaints against Sanitas Troesch and other wholesalers in the industry alleging that Sanitas Troesch and some of its competitors had, among other things, agreed in 2005 and 2012 to lower gross prices.

The total fine imposed on all companies involved is CHF 80 million. For Sanitas Troesch, the fine is CHF 28.8 million. Sanitas Troesch appealed this decision on May 2, 2016 and continues to firmly refute the claims made. The hearing took place before the Federal Administrative Court on January 21, 2020 and the date on which the Federal Administrative Court will issue its decision is not yet known. However, a provision for claims and litigation was recognized at December 31, 2015 in an amount equivalent to the fine (unchanged as at June 30, 2024).

Investigations by Competition Authorities in the additives and admixtures sector

The European Commission, the Competition and Markets Authority in the UK and the Turkish competition authority have launched investigations into anti-competitive practices in relation to the supply of chemical additives for cement and chemical admixtures for concrete and mortar. As of June 30, 2024, no statement of objections has been issued.

Incidentally, class actions have been instituted against the Group in the United States and Canada in connection with these investigations which remain at a preliminary stage.

9.2.2 Asbestos-related litigation

Current legal actions related to asbestos are described below.

Asbestos-related litigation in France

Inexcusable fault lawsuits

In France, Everite and Saint-Gobain PAM Holding, which in the past manufactured fiber-cement products containing asbestos fibers, are the subject of actions by former employees of these companies (or persons claiming through them) for recognition of inexcusable fault following diseases recognized as being of occupational origin.

As of June 30, 2024, a total of 856 lawsuits had been issued against the two companies since the outset with the aim of obtaining supplementary compensation over and above the amounts paid by the French Social Security authorities in this respect.

As of the same date, 839 of these 856 lawsuits had been completed and 17 actions are still pending.

The total amount of compensation paid by Everite and Saint-Gobain PAM since the outset of these litigations in settlement of these lawsuits totaled approximately €12.7 million as of June 30, 2024 (compared to approximately € 11.5 million as of December 31, 2023).

In addition, similar suits had been filed against 16 French companies of the Group (excluding suits against companies that are no longer part of the Group) which in the past used equipment containing asbestos to protect their employees and installations against heat from furnaces.

As of June 30, 2024, a total of 298 lawsuits had been filed since the outset against these 16 companies ; 261 of these 298 lawsuits had been completed and 37 actions were still pending at the same date.

The total amount of compensation paid since the outset of the litigations by these companies was approximately €15.8 million as of June 30, 2024 (compared to approximately €15.2 million as of December 31, 2023).

Anxiety claims

Eight of the Group's subsidiaries that operate or have operated facilities in France classified as containing asbestos, were the subject of anxiety claims brought by current or former employees not suffering from an occupational disease due to asbestos – claiming compensation for prejudice of anxiety suffered as a result of their alleged exposure to asbestos.

As of June 30, 2023, a total of 971 lawsuits had been brought against these companies.

At the same date, 861 of those lawsuits have been definitely completed, while 110 are pending.

The total amount of compensation paid since the outset of the litigations was €8.8 million as of June 30, 2024 (unchanged compared to the amount as of December 31, 2023).

It should be clarified that the above figures do not take into account suits filed against companies that are no longer part of the Group.

Last, the total amount registered as provision for asbestos-related litigations in France – inexcusable faults lawsuits and anxiety claims – amounted to around €8 million as of June 30, 2024 (compared to around €7 million as of December 31, 2023).

Situation in the United States

Measures taken to achieve an equitable and permanent resolution of the former CertainTeed Corporation's legacy asbestos liabilities in the United States

DBMP LLC, an affiliate of CertainTeed LLC based in North Carolina, that holds the legacy asbestos liabilities of the former CertainTeed Corporation, filed, on January 23, 2020, a voluntary petition for relief under Chapter 11 of the US Bankruptcy Code in the US Bankruptcy Court for the Western District of North Carolina in Charlotte. The matter remains pending. The purpose of the filing is to achieve a certain, final and equitable resolution of all current and future claims arising from asbestos-containing products manufactured and sold by the former CertainTeed Corporation.

DBMP LLC intends to seek court authority to establish a trust under Section 524(g) of the US Bankruptcy Code – a specific provision that is applicable to companies that face substantial numbers of asbestos-related claims – to achieve a fair and equitable resolution of its asbestos-related liabilities. Upon establishment of the trust, current and future plaintiffs with qualifying claims will be able to receive faster payment of their claims without the delay, stress and uncertainty of litigation in the tort system; at the same time, the creation and funding of such a trust will permanently and finally resolve DBMP LLC's asbestos liability.

During the course of this bankruptcy process, which is expected to take up to approximately five to eight years, all asbestos litigations have been stayed and all related costs suspended, providing DBMP LLC with the time and protection to negotiate an agreement to be approved on behalf of all claimants and by the court.

This action was taken as a result of the increasing risks presented in the US tort system. Despite the passage of time, the aging of the population and lessening opportunity for claimants to assert legitimate claims of exposure to the asbestos-containing products of the former CertainTeed Corporation, naming practices in the tort system continued to result in a steady volume of claims against DBMP LLC, with no foreseeable end in sight. In addition, there has been, in general, an escalation of settlement demands and verdicts in the tort system.

Certain adversary proceedings have been filed by representatives of current and future asbestos plaintiffs against DBMP LLC, CertainTeed LLC, Saint-Gobain Corporation, Compagnie de Saint-Gobain and various other parties. No decisions on the merits of the claims have been made and such claims do not affect the Company's financial assessment of the Chapter 11 case.

Impact on the financial statements

Following the commencement of the proceeding under Chapter 11 of the US Bankruptcy Code on January 23, 2020, the assets and liabilities of DBMP LLC and its wholly-owned subsidiary Millwork & Panel LLC, and in particular the provision for asbestos-related litigation in the United States, are no longer consolidated in the Group's financial statements.

Nonetheless, because of a funding agreement between CertainTeed LLC and DBMP LLC by which CertainTeed LLC has agreed to fund the costs of the Chapter 11 case and, ultimately, the 524(g) trust, in both cases solely to the extent DBMP LLC is unable to do so in full, the Group recorded in its consolidated financial statements a provision corresponding to the amount of the estimated debt against DBMP LLC amounting to $ 405 million as of June 30, 2024 ($407 million as of December 31, 2023).

The Group's consolidated income for the first half of 2024 is not impacted by the ongoing Chapter 11 proceeding described above.

As a result of this bankruptcy proceeding, all legal costs and indemnity payments related to DBMP LLC's asbestos tort claims have been suspended, and no further charges in relation to such claims have been taken as of June, 30 2024 (as for the first half of 2023).

Situation in Brazil

In Brazil, former employees of Brasilit, that once manufactured fiber cement containing asbestos, suffering from asbestos-related occupational illnesses are offered, depending on the case, either financial compensation alone or lifetime medical assistance combined with financial compensation. Around 1,200 contractual instruments have accordingly been signed to date.

Two class actions were initiated against Brasilit in 2017 by two associations defending former employees exposed to asbestos at the São Caetano (São Paulo state) and Recife (Pernambuco state) plants, asking for their medical assistance and compensation to be revised. First and second instance decisions were rendered in connection with the suit related to the São Caetano plant respectively in July 2020 and July 2021, rejecting the claims of the plaintiffs. The latter have nevertheless appealed the second instance decision. First and second instance decisions were rendered in relation to Recife case, respectively in February and October 2022 rejecting the claiming party arguments. The plaintiff has appealed such second instance decision.

A third class action was initiated against Brasilit in 2019 in Capivari (State of São Paulo) by the Labor prosecutor asking for health insurance, as well as collective moral damages, in favor of employees, former employees and their respective families, as well as subcontractors who were exposed to asbestos. First and second instance decisions were rendered respectively in September 2020 and May 2023 partly in favor of the plaintiffs. In particular, collective moral damages were granted to the plaintiffs, for an amount reduced to BRL 5 million (€0.8 million). Brasilit has appealed the second instance decision.

Brasilit is subject to controls by the Ministry of Labor and continues to comply with all of its legal obligations with regard to medical assistance for its current and former employees.

In November 2017, the Supreme Court of Brazil decided to ban asbestos definitively across the country. Brasilit stopped using asbestos voluntarily as early as 2002.

9.2.3 Environmental disputes

PFOA proceedings in the United States

Levels of PFOA (perfluorooctanoic acid) in excess of US Environmental Protection Agency (EPA) health advisories or state maximum contaminant levels for drinking water have been found in municipal water systems and private wells near current Saint-Gobain Performance Plastics (SG PPL) facilities: a facility in Hoosick Falls (New York), a former facility in Merrimack (New Hampshire), and two former facilities in North Bennington (Vermont) in the United States. PFOA and PTFE (polytetrafluorethylene) have never been manufactured by these plants. SG PPL is a processor of PTFE which it purchases from third party suppliers and which in the past contained some PFOA.

SG PPL has voluntarily provided bottled water in all three communities, installed point-of-entry treatment systems to residents and businesses in all three communities, installed carbon filtration systems on the municipal water supply in Hoosick Falls and funded the installation of a carbon filtration system on the Merrimack Valley District's municipal water supply. In addition, it has voluntarily funded construction of water line extensions in certain communities in the Merrimack and Bennington areas. The SG PPL facility in Merrimack was closed in August 2023. The investigations are on-going and the scope of responsibility for SG PPL arising from environmental remediation in New Hampshire and New York and clean-up obligations at these sites has not yet been established. The scope of the remediation in Vermont is defined and largely completed; future operation and maintenance obligations remain. Without admitting liability, SG PPL has signed consent orders with the environmental regulators in New York in 2016 and 2023 in Vermont in 2017 and 2019 with respect to two different areas, and in New Hampshire in 2018, pursuant to which SG PPL has agreed to complete investigations, implement interim or final remediation measures at its current and former facilities and in the case of Vermont and New Hampshire, fund construction of water lines. Responsibility, if any, is expected to be shared with other parties as regards in particular the Hoosick Falls site.

PFOA-related lawsuits alleging both health-related and economic damages claims have been filed in civil courts in New York, New Hampshire and Vermont, some of which are in the form of class actions. It is difficult to predict the timing or outcome of any such litigation, or whether any additional litigation will be brought against SG PPL, however, both the New York and Vermont class actions are settled.

On June 30, 2024, the provision recorded by the Company in respect of this matter amounts to approximately €236 million (compared to approximately €226 as of December 31, 2023). This provision covers both remediation and litigation related to PFOA matters.

9.2.4 Other contingent liabilities

Grenfell Tower fire in the United Kingdom

Celotex - whose control was transferred by Saint-Gobain Construction Products UK on January 5, 2024, provides insulation materials for specific applications for the building and construction industry. Insulation materials from two Celotex ranges were purchased via distributors and used in refurbishing Grenfell Tower, London in 2015/2016, including as one component of the rainscreen cladding system designed and installed (by third parties) on the tower's external facade.

Following the Grenfell Tower fire on June 14, 2017, a Public Inquiry was constituted to consider, among other things, the modifications made to the building as part of the refurbishment, the role played by the various construction professionals, and the information provided by the manufacturers of the products used. The Inquiry's work was divided into two phases. Its phase 1 report was published on October 30, 2019 and the phase 2 report is expected to follow in September 2024. A criminal investigation into the circumstances of the fire is also in progress.

There are a large number of issues and circumstances that need to be explored and the full implications for Celotex Limited and Saint-Gobain Construction Products UK Limited are unlikely to be known for some time.

Civil proceedings in connection with Grenfell Tower brought against Celotex Limited and/or Saint-Gobain Construction Products UK Limited and a number of other defendants were issued by bereaved, survivors and residents and emergency responders.

Following confidential alternative dispute resolution processes involving a number of parties, confidential settlements have been concluded in relation to the majority of these claims and resulted in payments to relevant claimants without admission of liability. Celotex Limited is continuing to engage with a number of other defendants in an alternative dispute resolution process to seek to resolve the remaining claims brought by the emergency responders. The principal financial implications from the concluded settlements are reflected in the financial statements as of 30 June 2024.

The extent to which Celotex Limited and Saint-Gobain Construction Products UK Limited may incur further financial expenditure or civil or criminal liability in connection with the production, marketing, supply or use of their products is currently unclear and these companies are currently unable to make a reliable estimate of their potential liability in this respect.

NOTE 10 FINANCING AND FINANCIAL INSTRUMENTS

10.1 Net financial income (expense)

Net financial income (expense) includes borrowing and other financing costs, income from cash and cash equivalents, interest on lease liabilities, interest cost for pension and other post-employment benefit plans net of the return on plan assets, and other financial income and expense.

Net financial income (expense) for first-half 2024 and 2023 comprises:

(in EUR millions)	First-half 2024	First-half 2023
Borrowing costs, gross	(218)	(170)
Income from cash and cash equivalents	168	93
BORROWING COSTS, NET, EXCLUDING LEASE LIABILITIES	**(50)**	**(77)**
Interest on lease liabilities	(46)	(38)
TOTAL BORROWING COSTS, NET	**(96)**	**(115)**
Interest cost – pension and other post-employment benefit obligations	(187)	(195)
Return on plan assets	160	171
INTEREST COST – PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS, NET	**(27)**	**(24)**
Other financial expense	(97)	(63)
Other financial income	6	7
OTHER FINANCIAL INCOME AND EXPENSE	**(91)**	**(56)**
NET FINANCIAL INCOME (EXPENSE)	**(214)**	**(195)**

10.2 Net debt

10.2.1 Long- and short-term debt

Long- and short-term debt consists of the following:

(in EUR millions)	June 30, 2024	Dec. 31, 2023
Bond issues	11,091	9,841
Perpetual bonds and participating securities	197	197
Long-term securitization	390	390
Other long-term financial liabilities	213	210
NON-CURRENT PORTION OF LONG-TERM DEBT	**11,891**	**10,638**
Bond issues	1,386	1,479
Long-term securitization	110	110
Other long-term financial liabilities	181	231
CURRENT PORTION OF LONG-TERM DEBT	**1,677**	**1,820**
Short-term financing programs (NEU CP, US CP, Euro CP)	0	0
Short-term securitization	381	229
Bank overdrafts and other short-term financial liabilities	597	339
SHORT-TERM DEBT	**978**	**568**
TOTAL GROSS DEBT EXCLUDING LEASE LIABILITIES	**14,546**	**13,026**
Lease liabilities	3,067	2,969
TOTAL GROSS DEBT	**17,613**	**15,995**
Cash at banks	(2,849)	(3,001)
Mutual funds and other marketable securities	(5,321)	(5,601)
CASH AND CASH EQUIVALENTS	**(8,170)**	**(8,602)**
TOTAL NET DEBT	**9,443**	**7,393**

Changes in the Group's long-term debt (excluding lease liabilities) can be analyzed as follows:

(in EUR millions)	Dec. 31, 2023	Cash impact		No cash impact			June 30, 2024
		Increases	Decreases	Changes in Group structure	Translation adjustments	Other	
Non-current portion of long-term debt	10,638	2,066	(10)	12	(14)	(801)	11,891
Current portion of long-term debt	1,820	21	(952)	1	(3)	791	1,677
TOTAL LONG-TERM DEBT	**12,458**	**2,087**	**(962)**	**13**	**(17)**	**(10)**	**13,568**

The main changes with an impact on cash are described in note 10.2.3. The main change with no cash impact in the "Other" column relates to the reclassification of debt maturing within 12 months in the current portion of long-term debt.

The fair value of gross long-term debt (including the current portion), excluding lease liabilities, managed by Compagnie de Saint-Gobain amounted to €12.3 billion at June 30, 2024 (carrying amount: €12.7 billion). The fair value of bonds corresponds to the market price at the last market quotation of the period. For other borrowings, fair value is considered equal to the amount repayable.

10.2.2 Gross debt repayment schedule

The schedule of the Group's total gross debt, at amortized cost, at June 30, 2024 is as follows:

(in EUR millions)	Currency	Within 1 year	1 to 5 years	Beyond 5 years	Total
Bond issues	EUR	1,249	5,585	5,212	12,046
	GBP	137	0	294	431
Perpetual bonds and participating securities	EUR	0	0	197	197
Long-term securitization	EUR	110	390	0	500
Other long-term financial liabilities	All currencies	21	95	118	234
Accrued interest on long-term debt	All currencies	160	0	0	160
TOTAL LONG-TERM DEBT		**1,677**	**6,070**	**5,821**	**13,568**
SHORT-TERM DEBT	**All currencies**	**978**	**0**	**0**	**978**
TOTAL GROSS DEBT EXCLUDING LEASE LIABILITIES		**2,655**	**6,070**	**5,821**	**14,546**
Lease liabilities	All currencies	638	1,587	842	3,067
TOTAL GROSS DEBT		**3,293**	**7,657**	**6,663**	**17,613**

10.2.3 Bonds

On April 8, 2024, Compagnie de Saint-Gobain issued a €2 billion green bond divided into two tranches:

- a €1,000 million tranche maturing April 8, 2030 and paying a coupon of 3.375%.
- a €1,000 million tranche maturing April 8, 2034 and paying a coupon of 3.625%.

The funds will be used to finance projects aligned with the European taxonomy.

Compagnie de Saint-Gobain also redeemed the following instruments at maturity:

- on March 15, 2024, a bond, for an amount of €750 million with a coupon of 0.625%.
- on June 28, 2024, two private placements, for a total of €95 million indexed to the 10-year CMS rate, swapped for a fixed rate (approximately 4.1%).

10.2.4 Perpetual bonds

In 1985, Compagnie de Saint-Gobain issued 25,000 perpetual bonds with a face value of ECU 5,000 (€5,000 today).

A total of 19,541 perpetual bonds have since been bought back and canceled. A total of 5,459 perpetual bonds therefore remained outstanding at June 30, 2024, representing a face value of approximately €27 million.

The bonds bear interest at a variable rate (average of interbank rates offered by a panel of reference banks for six-month euro deposits).

The bonds are not redeemable and interest on the bonds is classified as a component of finance costs.

10.2.5 Non-voting participating securities

In June 1983, Compagnie de Saint-Gobain issued 1,288,299 non-voting participating securities with a face value of FRF 1,000. Their face value is now €152.45, following their translation into euros in 1999.

A certain number of these participating securities have been bought back over the years. At June 30, 2024, 606,883 securities are still outstanding with an aggregate face value of €92.5 million.

Interest on the securities ranges from 75% to 125% of the average corporate bond yield (TMO), based on the Group's consolidated income.

In April 1984, 194,633 non-voting participating securities were issued by Compagnie de Saint-Gobain with a face value of ECU 1,000 (€1,000 today).

A certain number of these participating securities has been bought back over the years. At June 30, 2024, 77,516 securities are still outstanding, with an aggregate face value of €77.5 million.

Interest comprises (i) a fixed portion of 7.5% paid per year applicable to 60% of the nominal amount of the security, and (ii) a variable portion applicable to the remaining 40% of the nominal amount of the security, which is linked to consolidated net income of the previous year and to the reference six-month Euribor rate +7/8%.

These participating securities are not redeemable and the interest paid on them is classified as a component of finance costs.

10.2.6 Financing programs

The Group has a number of medium- and long-term financing programs (Medium-Term Notes) and short-term financing programs (Commercial Paper).

The state of these programs is as follows:

(in EUR millions)	Authorized drawings	Authorized limits at June 30, 2024	Balance outstanding at June 30, 2024	Balance outstanding at Dec. 31, 2023
Medium Term Notes	any duration	15,000	12,572	11,417
NEU CP	up to 12 months	4,000	0	0
US Commercial Paper	up to 12 months	934 *	0	0
Euro Commercial Paper	up to 12 months	934 *	0	0

* *Equivalent of USD 1,000 million based on the exchange rate at June 30, 2024.*

In accordance with market practices, Negotiable European Commercial Paper (NEU CP), US Commercial Paper and Euro Commercial Paper are generally issued with maturities of one to six months. They are treated as variable-rate debt since they are rolled over at frequent intervals.

The authorized limit on the Medium Term Notes program was raised to €20,000 million on July 4, 2024.

10.2.7 Syndicated line of credit

Compagnie de Saint-Gobain has a €4 billion syndicated line of credit that is intended to provide a secure source of financing for the Group (including as additional backing for its short-term NEU CP, US Commercial Paper and Euro Commercial Paper programs).

This syndicated facility falls due in December 2028, with two further one-year rollover options.

The facility is a "Sustainability-Linked Loan" (SLL) on which the margin is indexed to three KPIs set out in Saint-Gobain's sustainable roadmap (reduction of scope 1 and 2 CO_2 emissions, reduction in non-recovered production waste and limited work accident frequency rate).

At June 30, 2024, no drawdowns had been made on this credit facility.

10.2.8 Receivables securitization programs

The Group has set up two receivables securitization programs, one through its French subsidiary Point.P Finances GIE, and the other through its US subsidiary, Saint-Gobain Receivables Corporation. The receivables sold under the two programs are not deconsolidated.

The French program, covering an amount of up to €500 million, represented €500 million at both June 30, 2024 and December 31, 2023.

Based on observed seasonal fluctuations in receivables included in the program and on the contract's features, €390 million of this amount is classified as non-current and the remaining balance as current.

Under the US program, covering an amount of up to USD 500 million, a total of USD 408 million had been used at June 30, 2024, representing the equivalent of €381 million compared with €229 million at December 31, 2023.

10.2.9 Factoring

The Group has set up several trade receivables factoring programs. Based on an analysis of the risks and rewards as defined by IFRS 9, the Group has deconsolidated all of the receivables sold under these programs. A total of €656 million in factored receivables was deconsolidated at June 30, 2024, compared to €646 million at December 31, 2023.

10.3 Financial instruments

The Group uses interest rate, foreign exchange, energy (swaps and VPPAs), commodity and equity derivatives to hedge its exposure to changes in the underlying items that may arise in the normal course of business.

The following table presents a breakdown of the main derivatives used by the Group:

	Fair value				Nominal amount by maturity			
(in EUR millions)	Derivatives recorded in assets	Derivatives recorded in liabilities	June 30, 2024	Dec. 31, 2023	Within 1 year	1 to 5 years	Beyond 5 years	June 30, 2024
FAIR VALUE HEDGES	**0**	**0**	**0**	**0**				**0**
Cash flow hedges								
Currency	135	(70)	65	0	5,103	9	0	5,112
Interest rate	4	(36)	(32)	(39)	0	0	368	368
Energy and commodities	3	(20)	(17)	(12)	39	83	166	288
Other risks: equities	3	0	3	5	2	5	0	7
CASH FLOW HEDGES – TOTAL	**145**	**(126)**	**19**	**(46)**	**5,144**	**97**	**534**	**5,775**
Derivatives not qualifying for hedge accounting mainly contracted by Compagnie de Saint-Gobain								
Currency	9	(12)	(3)	1	4,409	0	0	4,409
Interest rate	0	8	8	(15)	126	41	0	167
Energy and commodities	15	(2)	13	0	48	131	179	358
DERIVATIVES NOT QUALIFYING FOR HEDGE ACCOUNTING – TOTAL	**24**	**(6)**	**18**	**(14)**	**4,583**	**172**	**179**	**4,934**
TOTAL	**169**	**(132)**	**37**	**(60)**	**9,727**	**269**	**713**	**10,709**

10.3.1 Credit value adjustments to derivative instruments

Credit value adjustments to derivative instruments are calculated in accordance with IFRS 13 based on historical probabilities of default derived from calculations performed by a leading rating agency and on the estimated loss given default. At June 30, 2024, credit value adjustments were not material.

10.3.2 Impact on equity of financial instruments qualifying for cash flow hedge accounting

At June 30, 2024, the IFRS cash flow hedge reserve carried in equity had a credit balance of €36 million, consisting mainly of:

- a debit balance of €16 million in relation to cross-currency swaps classified as cash flow hedges that are used to convert a GBP bond issue into euros;
- a debit balance of €17 million corresponding to changes in fair value of energy hedges classified as cash flow hedges;
- a credit balance of €4 million corresponding to changes in fair value of interest rate hedges classified as cash flow hedges;
- a credit balance of €65 million corresponding to changes in fair value of currency hedges classified as cash flow hedges.

The ineffective portion of cash flow hedge derivatives is not material.

10.3.3 Impact on income of financial instruments not qualifying for hedge accounting

For derivatives classified as financial assets and liabilities at fair value through profit or loss, fair value remeasurements recognized in the income statement represented a gain of €18 million at June 30, 2024 compared to a loss of €14 million at December 31, 2023.

10.3.4 Group debt structure (excluding lease liabilities)

The weighted average interest rate on total gross debt under IFRS and after hedging (interest rate swaps and cross-currency swaps) was 3.2% at June 30, 2024, compared with 3.0% at December 31, 2023.

The table below presents the breakdown by interest rate (fixed or variable) of the Group's gross debt at June 30, 2024, taking into account interest rate and cross-currency swaps.

	Gross debt, excluding lease liabilities		
(in EUR millions)	Variable rate	Fixed rate	Total
EUR	1,502	10,145	11,647
Other currencies	848	1,863	2,711
TOTAL	**2,350**	**12,008**	**14,358**
(in %)	16%	84%	100%
Accrued interest and other			188
TOTAL GROSS DEBT EXCLUDING LEASE LIABILITIES			**14,546**

10.4 Financial assets and liabilities

Financial assets and liabilities are classified as follows in accordance with IFRS 9:

At June 30, 2024

		Financial instruments				Financial instruments at fair value			
(in EUR millions)	Notes	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total financial instruments	Level 1 inputs	Level 2 inputs	Level 3 inputs	Total financial instruments measured at fair value
Trade and other accounts receivable				7,555	7,555				0
Loans, deposits and surety	(8)			337	337				0
Equity investments and other	(8)		211		211			211	211
Derivatives recorded in assets		24	145		169		169		169
Cash and cash equivalents		5,321		2,849	8,170	5,321			5,321
TOTAL FINANCIAL ASSETS		**5,345**	**356**	**10,741**	**16,442**	**5,321**	**169**	**211**	**5,701**
Trade and other accounts payable				(11,870)	(11,870)				0
Long- and short-term debt				(14,520)	(14,520)				0
Long- and short-term lease liabilities				(3,067)	(3,067)				0
Derivatives recorded in liabilities		(6)	(126)		(132)		(132)		(132)
TOTAL FINANCIAL LIABILITIES		**(6)**	**(126)**	**(29,457)**	**(29,589)**	**0**	**(132)**	**0**	**(132)**
FINANCIAL ASSETS AND LIABILITIES – NET		**5,339**	**230**	**(18,716)**	**(13,147)**	**5,321**	**37**	**211**	**5,569**

At December 31, 2023

		Financial instruments				Financial instruments at fair value			
(in EUR millions)	Notes	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total financial instruments	Level 1 inputs	Level 2 inputs	Level 3 inputs	Total financial instruments measured at fair value
Trade and other accounts receivable				6,474	6,474				0
Loans, deposits and surety	(8)			348	348				0
Equity investments and other	(8)		248		248			248	248
Derivatives recorded in assets		8	10		18		18		18
Cash and cash equivalents		5,600		3,001	8,601	5,600			5,600
TOTAL FINANCIAL ASSETS		**5,608**	**258**	**9,823**	**15,689**	**5,600**	**18**	**248**	**5,866**
Trade and other accounts payable				(12,296)	(12,296)				0
Long- and short-term debt				(12,971)	(12,971)				0
Long- and short-term lease liabilities				(2,969)	(2,969)				0
Derivatives recorded in liabilities		(22)	(56)		(78)		(78)		(78)
TOTAL FINANCIAL LIABILITIES		**(22)**	**(56)**	**(28,236)**	**(28,314)**	**0**	**(78)**	**0**	**(78)**
FINANCIAL ASSETS AND LIABILITIES – NET		**5,586**	**202**	**(18,413)**	**(12,625)**	**5,600**	**(60)**	**248**	**5,788**

NOTE 11 SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

11.1 Equity

11.1.1 Equity

At June 30, 2024, Saint-Gobain's capital stock was composed of 504,005,802 shares with a par value of €4 each (506,438,012 shares at December 31, 2023).

11.1.2 Number of shares

	Number of shares	
	Issued	Outstanding
NUMBER OF SHARES AT DECEMBER 31, 2022	**515,769,082**	**511,362,092**
Group Savings Plan	4,778,291	4,778,291
Stock subscription option plans	96,997	96,997
Shares purchased		(17,111,277)
Shares sold		2,935,434
Shares canceled	(14,206,358)	
NUMBER OF SHARES AT DECEMBER 31, 2023	**506,438,012**	**502,061,537**
Group Savings Plan	4,007,048	4,007,048
Stock subscription option plans	35,923	35,923
Shares purchased		(7,399,867)
Shares sold		855,595
Shares canceled	(6,475,181)	
NUMBER OF SHARES AT JUNE 30, 2024	**504,005,802**	**499,560,236**

11.1.3 Dividends

The Annual Shareholders' Meeting of June 6, 2024 approved the recommended dividend payout for 2023 representing €2.10 per share (€2 per share for 2022). The ex-dividend date was June 10 and the dividend was paid on June 12, 2024.

11.2 Earnings per share

11.2.1 Basic earnings per share

Basic earnings per share are as follows:

	First-half 2024	First-half 2023
Group share of net income (in EUR millions)	1,660	1,450
Weighted average number of shares in issue	501,808,814	510,080,726
BASIC EARNINGS PER SHARE, GROUP SHARE (in EUR)	**3.31**	**2.84**

11.2.2 Diluted earnings per share

Diluted earnings per share are as follows:

	First-half 2024	First-half 2023
Group share of net income (in EUR millions)	1,660	1,450
Weighted average number of shares assuming full dilution	505,724,985	513,795,598
DILUTED EARNINGS PER SHARE, GROUP SHARE (in EUR)	**3.28**	**2.82**

The weighted average number of shares assuming full dilution is calculated based on the weighted average number of shares outstanding, assuming conversion of all dilutive instruments. The Group's dilutive instruments include stock options and performance share grants, corresponding to a weighted average of 134,022 and 3,782,149 instruments, respectively, at June 30, 2024.

NOTE 12 TAX

12.1 Income taxes

In accordance with IAS 34, the recognized tax expense is determined by reference to the projected effective tax rate at the end of the year restated for the one-off items of the half-year period.

Theoretical tax expense was reconciled with current tax expense using a tax rate of 25.82% in first-half 2024 (the same as in first-half 2023), and can be analyzed as follows:

(in EUR millions)	First-half 2024	First-half 2023
Net income	1,704	1,495
Less:		
Share in net income of equity-accounted companies	34	51
Income taxes	(546)	(607)
PRE-TAX INCOME OF CONSOLIDATED COMPANIES	**2,216**	**2,051**
French tax rate	25.82 %	25.82 %
Theoretical tax expense at French tax rate	(572)	(530)
Impact of different tax rates	25	21
Asset impairment, capital gains and losses on asset disposals	(27)	(84)
Deferred tax assets not recognized and provisions for deferred tax assets	19	(3)
Research tax credit and value-added contribution for businesses (CVAE)	1	(1)
Costs related to dividends	(11)	(15)
Other taxes and changes in provisions	19	5
TOTAL INCOME TAX EXPENSE	**(546)**	**(607)**

The contribution of countries with low tax rates explains the impact of the different tax rates applicable outside France.

Due to its scale, the Saint-Gobain Group is concerned by the OECD's Pillar Two rules introducing a minimum tax rate of 15%, applicable as from fiscal year 2024.

Accordingly, at June 30, 2024, the Group has reflected the estimated impact of this new standard in calculating its projected effective tax rate, taking into account the transitional “safe harbors” introduced by the OECD.

These projections show that the Group remains exposed in a very limited number of small jurisdictions, corroborating the impact analyses carried out last year and in particular the fact that the estimated amount of the top-up tax remains non-material in relation to the Group's total tax expense.

12.2 Deferred tax

In the balance sheet, changes in net deferred tax assets and liabilities break down as follows:

(in EUR millions)	Net deferred tax asset/(liability)
NET VALUE AT JANUARY 1, 2023	**(386)**
Deferred tax (expense)/benefit	36
Changes in deferred taxes relating to actuarial gains and losses (IAS 19)	136
Translation adjustments and restatement for hyperinflation	8
Assets and liabilities held for sale	(2)
Changes in Group structure and other	(209)
NET VALUE AT DECEMBER 31, 2023	**(417)**
Deferred tax (expense)/benefit	(21)
Changes in deferred taxes relating to actuarial gains and losses (IAS 19)	(39)
Translation adjustments and restatement for hyperinflation	(20)
Assets and liabilities held for sale	1
Changes in Group structure and other	(92)
NET VALUE AT JUNE 30, 2024	**(588)**

Changes in Group structure in first-half 2024 mainly relate to the first-time consolidation of Bailey. Changes in Group structure in 2023 mainly concerned the first-time consolidation of Building Products of Canada Corp., as well as the finalization of the GCP and Kaycan purchase price accounting.

With regard to the impact of Pillar Two rules on deferred taxes, in accordance with the temporary exemption introduced by IAS 12.4A, the Saint-Gobain Group did not recognize any deferred tax at June 30, 2024.

NOTE 13 SUBSEQUENT EVENTS

Apart from the completion of the acquisition of CSR Ltd in Australia on July 9, 2024 (see note 2.1.1, p. 11), the Group has not identified any events that occurred subsequent to the balance sheet date.

COMPAGNIE DE SAINT-GOBAIN

Société Anonyme

Tour Saint-Gobain
12, place de l'Iris
92400 Courbevoie

Statutory Auditors' Review Report on the Half-yearly Financial Information

For the period from January 1 to June 30, 2024

KPMG S.A.

Tour ECHO
2, avenue Gambetta – CS 60055
92066 Paris-La Défense Cedex

S.A. au capital de 5 497 100 euros

775 726 417 RCS Nanterre

Société de Commissariat aux Comptes inscrite à la
Compagnie Régionale de Versailles et du Centre

Deloitte & Associés

6, place de la Pyramide
92908 Paris-La Défense Cedex

S.A.S. au capital de 2 188 160 €
572 028 041 RCS Nanterre

Société de Commissariat aux Comptes inscrite à la
Compagnie Régionale de Versailles et du Centre

COMPAGNIE DE SAINT-GOBAIN

Société Anonyme

Tour Saint-Gobain
12, place de l'Iris
92400 Courbevoie

Statutory Auditors' Review Report on the Half-yearly Financial Information

For the period from January 1 to June 30, 2024

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' meetings and in accordance with the requirements of article L. 451-1-2-III of the French Monetary and Financial Code (*"code monétaire et financier"*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Compagnie de Saint-Gobain, for the period from January 1 to June 30, 2024,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense, July 25, 2024

Les commissaires aux comptes

The Statutory Auditors

French original signed by

KPMG S.A. DELOITTE & ASSOCIES

Pierre-Antoine Duffaud Laurent Chillet Frédéric Gourd

STATEMENT BY THE PERSONS RESPONSIBLE

FOR THE INTERIM FINANCIAL REPORT AS OF JUNE 30, 2024

I hereby declare that, to the best of my knowledge, the condensed interim consolidated financial statements for the six-month period ended June 30, 2024 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of Compagnie de Saint-Gobain and its consolidated subsidiaries, and that the interim management report gives a fair description of the material events that occurred in the first six months of the financial year, their impact on the financial statements and the main related-party transactions, and describes the main risks and main uncertainties for the second half of 2024.

Courbevoie, July 25, 2024

Benoit Bazin
Chairman and Chief Executive Officer
Compagnie de Saint-Gobain

N. Sreedhar
Chief Financial Officer
Compagnie de Saint-Gobain

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