

August 15, 2024



SAINT-GOBAIN FURTHER STRENGTHENS ITS WORLDWIDE PRESENCE IN CONSTRUCTION CHEMICALS BY SIGNING A DEFINITIVE AGREEMENT TO ACQUIRE OVNIVER GROUP, A LEADING PLAYER IN THE HIGH-GROWTH MEXICAN AND CENTRAL AMERICAN MARKETS

Saint-Gobain today announces that it has **entered into a definitive agreement to acquire OVNIVER Group, a leading privately-owned construction chemicals player in Mexico and Central America, for \$815 million (approximately €740 million) in cash.**

Following the acquisitions of Chryso, GCP and FOSROC (underway), this move represents **another strategic step in establishing Saint-Gobain's worldwide presence in construction chemicals, which will have combined sales of €6.5 billion across 76 countries following the acquisition (pro forma).**

OVNIVER Group is a leading construction chemicals player with a strong commercial and industrial footprint in the high-growth Mexican and Central American markets. The company is expected to generate **revenues of \$285 million, with a growth rate of around 20% per year on average in the last 5 years**, and achieve an **EBITDA margin of 21.7%** in 2024. With 16 manufacturing plants and around 1,000 employees, OVNIVER Group offers a wide range of **innovative solutions for residential and non-residential construction markets**, including façade coatings, tile adhesives, waterproofing and surface preparation mortars.

The purchase price represents an acquisition multiple (before synergies) of approximately 13.1x OVNIVER Group's **2024E EBITDA of \$62 million**, and a **multiple of around 8.0x including run-rate synergies of approximately \$40 million in year 3.**

This acquisition will be fully financed in cash. The Group will maintain a **strong balance sheet** with net debt / EBITDA remaining well within the target range (1.5x to 2.0x), taking into account the acquisitions of CSR Limited, FOSROC and OVNIVER Group. Closing of the transaction is subject to customary conditions and is expected in the first half of 2025.

A CLEAR STRATEGIC RATIONALE

- **A highly complementary geographical footprint: this acquisition strengthens Saint-Gobain's presence in the high-growth Mexican and Central American markets.** OVNIVER Group's strong positions in Mexico, Honduras, El Salvador and Guatemala complement Saint-Gobain's existing manufacturing presence in the region. Combined with the Group's recent acquisitions of IMPAC in Mexico and Imptek in Ecuador in waterproofing, this transaction will provide a unique platform to accelerate the introduction of innovative and sustainable solutions into Mexico and Central America. OVNIVER Group is a leading player in Mexico, one of the most attractive construction markets worldwide, with growth supported by solid macroeconomic fundamentals and demographic trends, increasing adoption of advanced building solutions, and strong links with the US economy, notably through nearshoring.
- **A unique opportunity, fully aligned with Saint-Gobain's strategy to accelerate its worldwide presence in construction chemicals**, supported by solid macroeconomic factors including strong urbanization and demographic trends.

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- **A strong track record of highly profitable growth:** OVNIVER Group has shown impressive growth, averaging **20% sales growth annually from 2019 to 2024E**. The company boasts an **EBITDA margin above 21%** due to its strong brands, well-positioned industrial footprint, broad product offer, robust commercial organization, and experienced leadership team with a proven track record in execution.
- **A value accretive acquisition for Saint-Gobain's shareholders and customers, with strong synergy potential.** Approximately **\$40 million of synergies in year 3** following transaction close, of which **\$26 million are cost synergies**, anticipated through **operational improvements**, logistics optimization, **procurement** economies of scale in polymers, other raw materials and energy, as well as product reformulation and **SG&A savings**. Additionally, Saint-Gobain expects **at least \$14 million in growth synergies** through cross-selling opportunities. These synergies will leverage Saint-Gobain's existing strong presence in the wider light and sustainable construction sector in **Mexico and Central America, with already more than \$1.5 billion of sales** prior to this acquisition. The acquisition **will create value by year 3** following the closing of the transaction and will be EPS (Earnings Per Share) accretive from year 1.

OVNIVER Group will be consolidated into the Americas Region.

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

"The acquisition of OVNIVER Group perfectly aligns with our "Grow & Impact" strategic plan. It is an excellent opportunity for Saint-Gobain to further reinforce its presence in construction chemicals and to strengthen its presence in high-growth markets. I am very impressed with OVNIVER Group's leadership, strategy and outstanding growth development, as well as the team's track record of excellent execution. The combination of the two groups will boost the rapid expansion of our profitable growth platform in construction chemicals. I look forward to warmly welcoming the OVNIVER Group teams to Saint-Gobain."

Hector Abella, Chief Executive Officer of OVNIVER Group, commented:

"Today marks the beginning of an exciting new chapter in OVNIVER Group's history. Our focus on delivering the best solutions and customer satisfaction has made us a leading player in Mexico and Central America in our sector. I want to thank all our teams for their outstanding work over many years. Joining Saint-Gobain, a worldwide leader in light and sustainable construction with a well-established presence and strategy for Mexico as well as a global player in construction chemicals is the perfect next step for us. It will enhance our offering by leveraging Saint-Gobain's innovation and technology in construction chemicals. I look forward to continuing our growth journey within Saint-Gobain."

BNP Paribas is acting as financial advisor and Galicia is acting as legal counsel to Saint-Gobain in connection with the transaction.

For more information, a presentation regarding the transaction is available on Saint-Gobain's website at: <https://www.saint-gobain.com/en/finance/financial-events>

PRESS RELEASE

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About Saint-Gobain

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

€47.9 billion in sales in 2023

160,000 employees, locations in 76 countries

Committed to achieving net zero carbon emissions by 2050

For more information about Saint-Gobain, visit www.saint-gobain.com and follow us on X [@saintgobain](https://twitter.com/saintgobain)

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