

# H1 2021 RESULTS AND OUTLOOK

JULY 30, 2021





01

**H1 2021 HIGHLIGHTS**

02

**H1 2021 RESULTS**

03

**STRATEGY**

04

**OUTLOOK**



# H1 2021 HIGHLIGHTS: NEW RECORDS FOR ALL PERFORMANCE INDICATORS

- » **+11.9% in organic growth versus H1 2019 and +27.4% versus H1 2020:**
  - » +7.6% in volumes on H1 2019
  - » +4.3% in prices on H1 2019 (+3.9% on H1 2020)
- » **+53% in like-for-like operating income** versus H1 2019 to **€2,376m**
- » **10.7% operating margin** in H1 2021 versus 7.6% in H1 2019
- » **+34% EBITDA** on H1 2019 to **€3,248m** and EBITDA margin at 14.7%
- » **+60% in recurring net income** on H1 2019 to **€1,506m**
- » **+47% in free cash flow** on H1 2020 to **€2,461m**, with a conversion ratio of 84%

**Exceptional mobilization of all Saint-Gobain teams**



# SUCCESS OF “TRANSFORM & GROW”: THE GROUP IS ON A NEW LONG-TERM TRAJECTORY

## » Enhanced growth and profitability profile:

- Divestment of under-performing assets: €5.3bn in sales, ~2% in EBITDA margin
- Acquisition of fast-growing and profitable assets: ~€1.5bn in sales, ~20% in EBITDA margin

## » Agile, collaborative and efficient organization:

- Dedicated teams empowered at country level
- Numerous synergies benefiting customers via integrated, differentiated solutions

**“Transform & Grow” objectives significantly exceeded, with the operating margin at 10.4% over the last 12 months**  
(versus a target of >100 bps compared to the 7.7% of 2018)

**ENHANCED GROWTH AND PROFITABILITY PROFILE  
DRIVEN BY DECARBONIZATION SOLUTIONS**





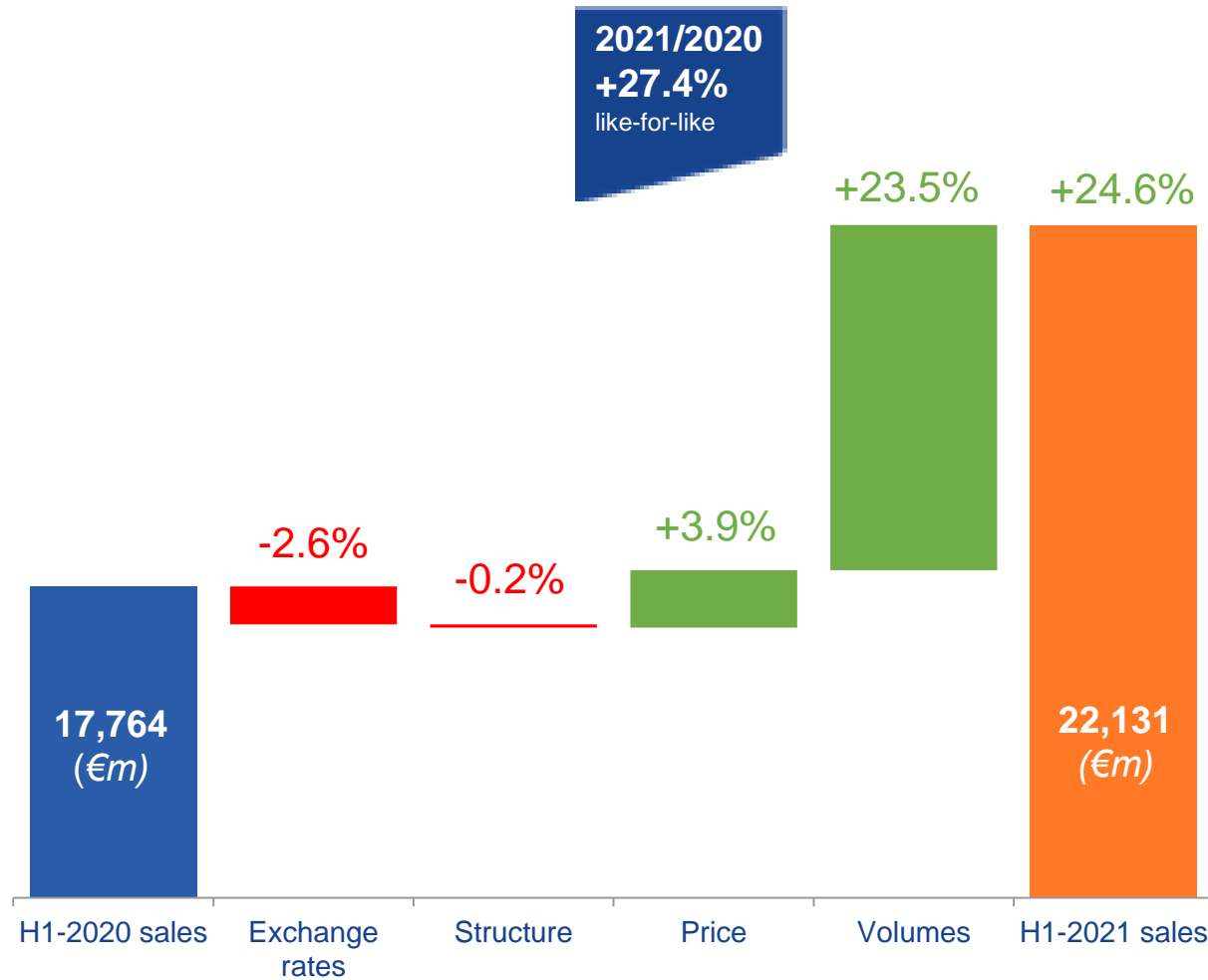
01 H1 2021 HIGHLIGHTS

02 H1 2021 RESULTS  
A. GROUP  
B. SEGMENTS

03 STRATEGY

04 OUTLOOK

# RECORD ORGANIC GROWTH IN H1

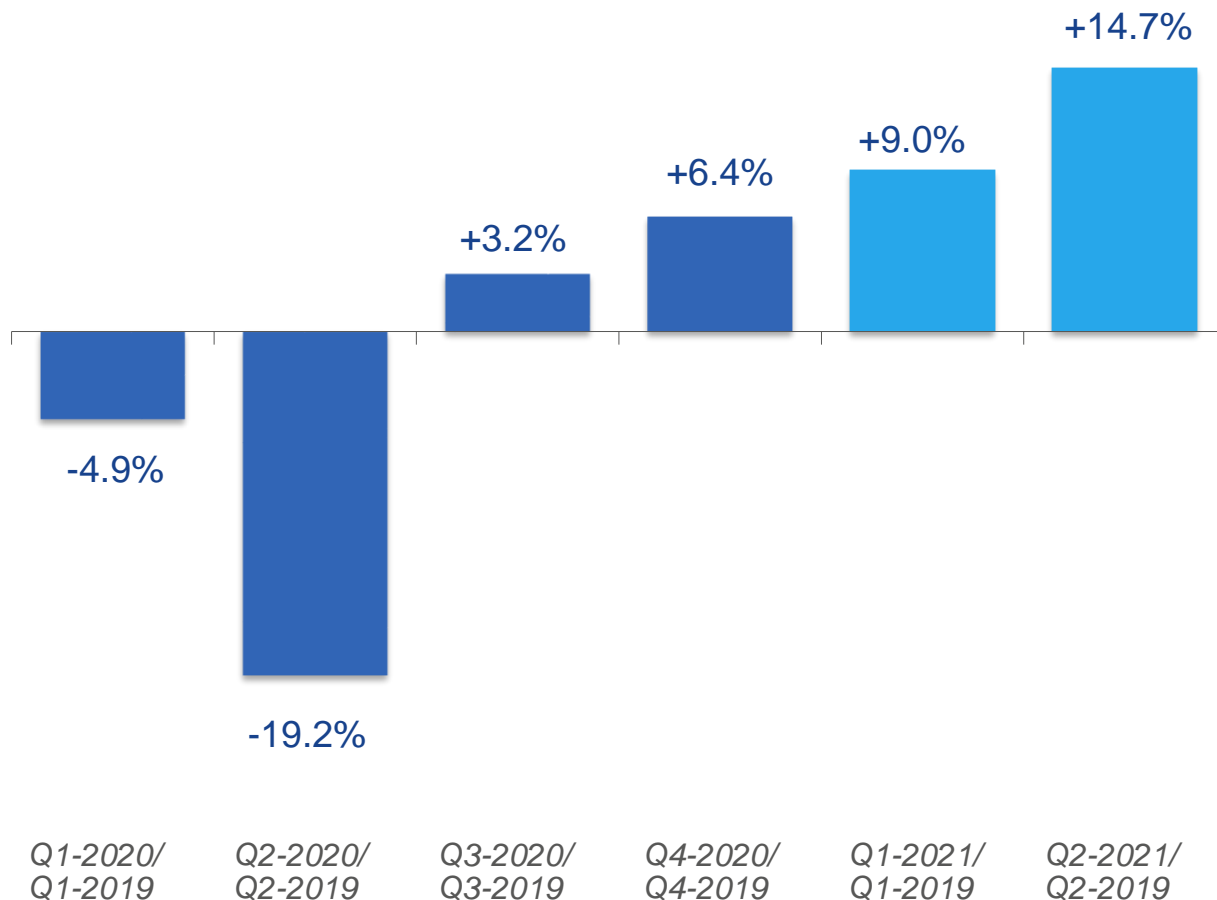


**2021/2019 +11.9% like-for-like**

- **Organic growth of 11.9% versus H1 2019**
- **Exchange rates:** depreciation of the US dollar, the Brazilian real and other emerging country currencies
- **Structure:** continued optimization of Group profile (divestments and acquisitions)

# SEQUENTIAL ACCELERATION IN ORGANIC GROWTH VERSUS 2019

## Quarterly organic growth vs 2019



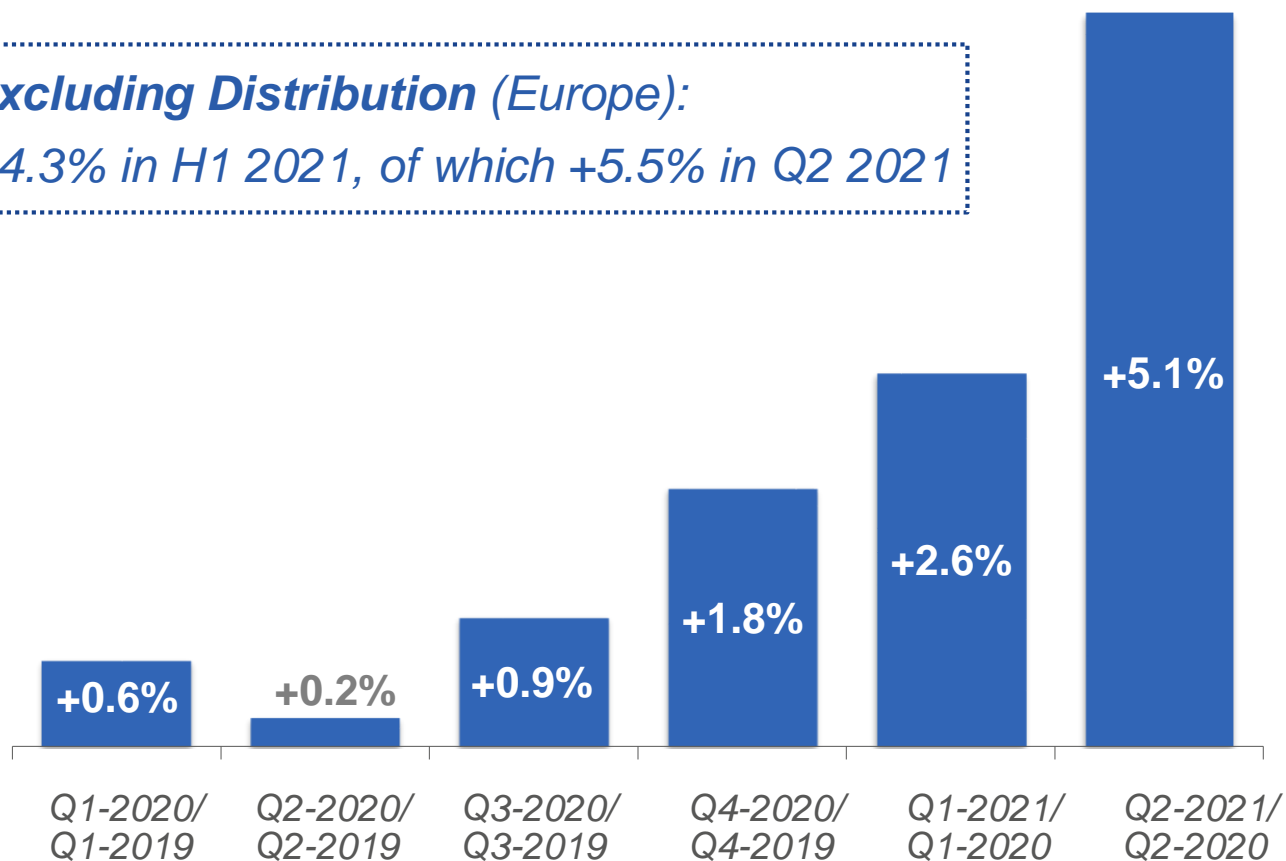
■ **+9.0% in Q1**, o/w volumes +5.8%

■ **+14.7% in Q2**, o/w volumes +9.4% with a positive +3% calendar impact

# ACCELERATION OF PRICE INCREASES IN A FAR MORE INFLATIONARY ENVIRONMENT

## Group total price increase

*excluding Distribution (Europe):  
+4.3% in H1 2021, of which +5.5% in Q2 2021*



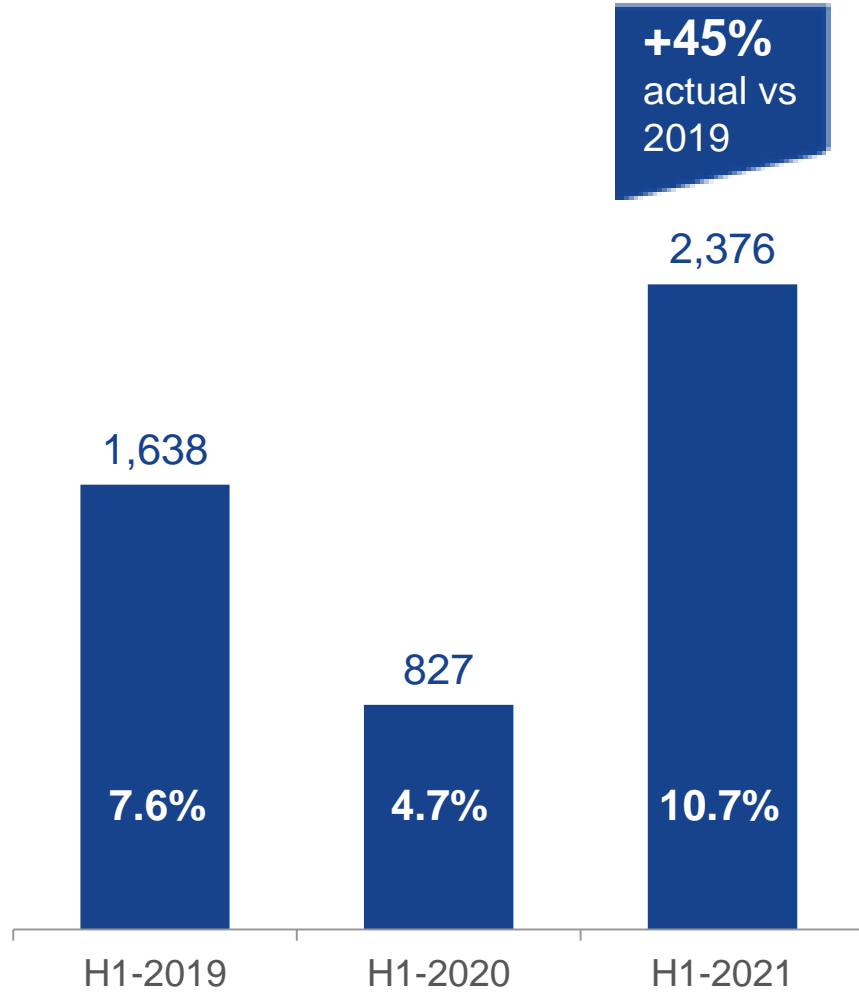
■ **Inflation** in raw material and energy costs of >€1bn expected for the year, versus previous estimates of between €300m-€400m in February and €600m-€700m in April 2021

■ **Positive price-cost spread** expected for the full year



# RECORD OPERATING INCOME IN H1 2021, UP 53% LIKE-FOR-LIKE VERSUS H1 2019

(Operating income in €m and margin in %)



- **Strong leverage effect** from sales volumes
- **Positive price-cost spread** ~ +€125m versus H1 2020
- **Additional savings** of €100m in H1 2021 to lower the break-even point of certain activities impacted by the coronavirus, in addition to €50m in H2 2020
- Reinforcement of the **operational excellence program**
- **Low level of overheads** thanks to discretionary savings
- **Positive structural impact** of “Transform & Grow”

# THE “TRANSFORM & GROW” OBJECTIVE OF A 100 BPS MARGIN IMPROVEMENT HAS BEEN ACHIEVED EARLIER THAN EXPECTED AND SIGNIFICANTLY EXCEEDED

## Change in operating margin

<b>2018</b>	<b>7.7%</b>	
<b>Portfolio</b>	+60 bps	Divestment of under-performing assets, acquisition of fast-growing and profitable assets
<b>Cost structure</b>	+60 bps	T&G cost savings
<b>Volumes &amp; mix</b>	+60 bps	Volume growth, High Performance Solutions mix effect, currency effect
<b>Normalized last 12 months (at end-June 2021)</b>	<b>9.5%</b>	
<b>Exceptional</b>	+90 bps	Price/cost spread, discretionary savings, post-coronavirus volume catch-up effects
<b>Published last 12 months (at end-June 2021)</b>	<b>10.4%</b>	<i>Operating margin at 10.0% in H2 2020 and 10.7% in H1 2021</i>

# RECORD BUSINESS INCOME AND EBITDA

€m	H1-2019	H1-2020	H1-2021	H1-2021/ H1-2020	H1-2021/ H1-2019
<b>Operating income</b>	<b>1,638</b>	<b>827</b>	<b>2,376</b>	<b>+187%</b>	<b>+45.1%</b>
Non-operating costs	(168)	(142)	(82)		
Disposal gains (losses) and impacts resulting from changes in Group structure	(16)	(22)	(53)		
Asset write-downs and other	(201)	(712)	(97)		
<b>Business income</b>	<b>1,253</b>	<b>(49)</b>	<b>2,144</b>	<b>n.s.</b>	<b>+71.1%</b>

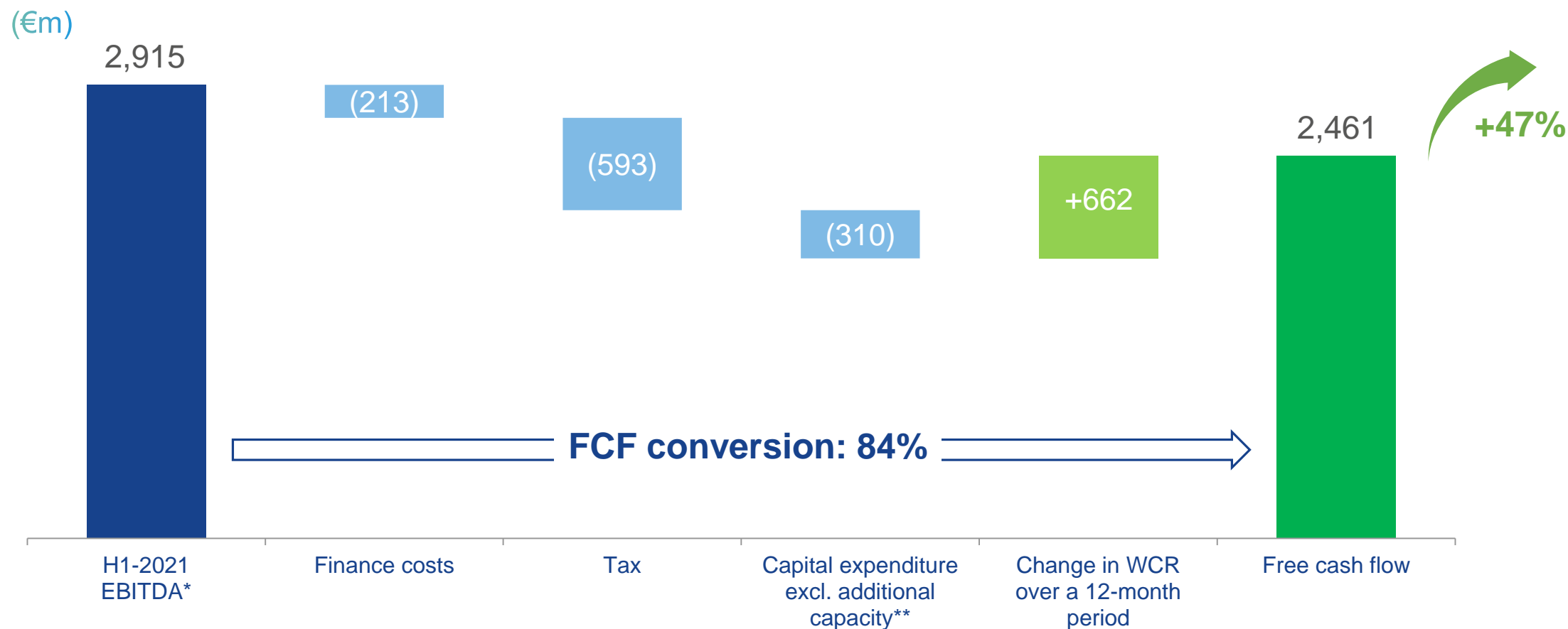
<b>Operating income</b>	<b>1,638</b>	<b>827</b>	<b>2,376</b>	<b>+187%</b>	<b>+45.1%</b>
Operating depreciation and amortization	947	950	954		
Non-operating costs	(168)	(142)	(82)		
<b>EBITDA</b>	<b>2,417</b>	<b>1,635</b>	<b>3,248</b>	<b>+98.7%</b>	<b>+34.4%</b>
<b>EBITDA margin (as a % of sales)</b>	<b>11.2%</b>	<b>9.2%</b>	<b>14.7%</b>	<b>+550 bps</b>	<b>+350 bps</b>

# RECORD RECURRING NET INCOME AND RECURRING EPS

€m	H1-2019	H1-2020	H1-2021	H1-2021/ H1-2020	H1-2021/ H1-2019
<b>Business income</b>	<b>1,253</b>	<b>(49)</b>	<b>2,144</b>	<b>n.s.</b>	<b>+71.1%</b>
<b>Net financial expense</b>	<b>(250)</b>	<b>(234)</b>	<b>(213)</b>		
<i>Average cost of gross debt (at June 30)</i>	<i>2.2%</i>	<i>2.0%</i>	<i>2.0%</i>		
Dividends received from investments	28	34	0		
<b>Income tax</b>	<b>(318)</b>	<b>(183)</b>	<b>(593)</b>		
<b>Net attributable income</b>	<b>689</b>	<b>(434)</b>	<b>1,298</b>		
<b>Recurring net income</b>	<b>944</b>	<b>272</b>	<b>1,506</b>	<b>n.s.</b>	<b>+59.5%</b>
<b>Half-year recurring EPS (€)</b>	<b>1.74</b>	<b>0.51</b>	<b>2.85</b>	<b>n.s.</b>	<b>+63.8%</b>



# RECORD FREE CASH FLOW OF €2.5bn, UP 47%



H1-2020 : €1,299m **FCF conversion : 129%** €1,678m

\* EBITDA less depreciation of right-of-use assets: €3,248m - €333m = €2,915m (versus €1,299m in H1-2020)

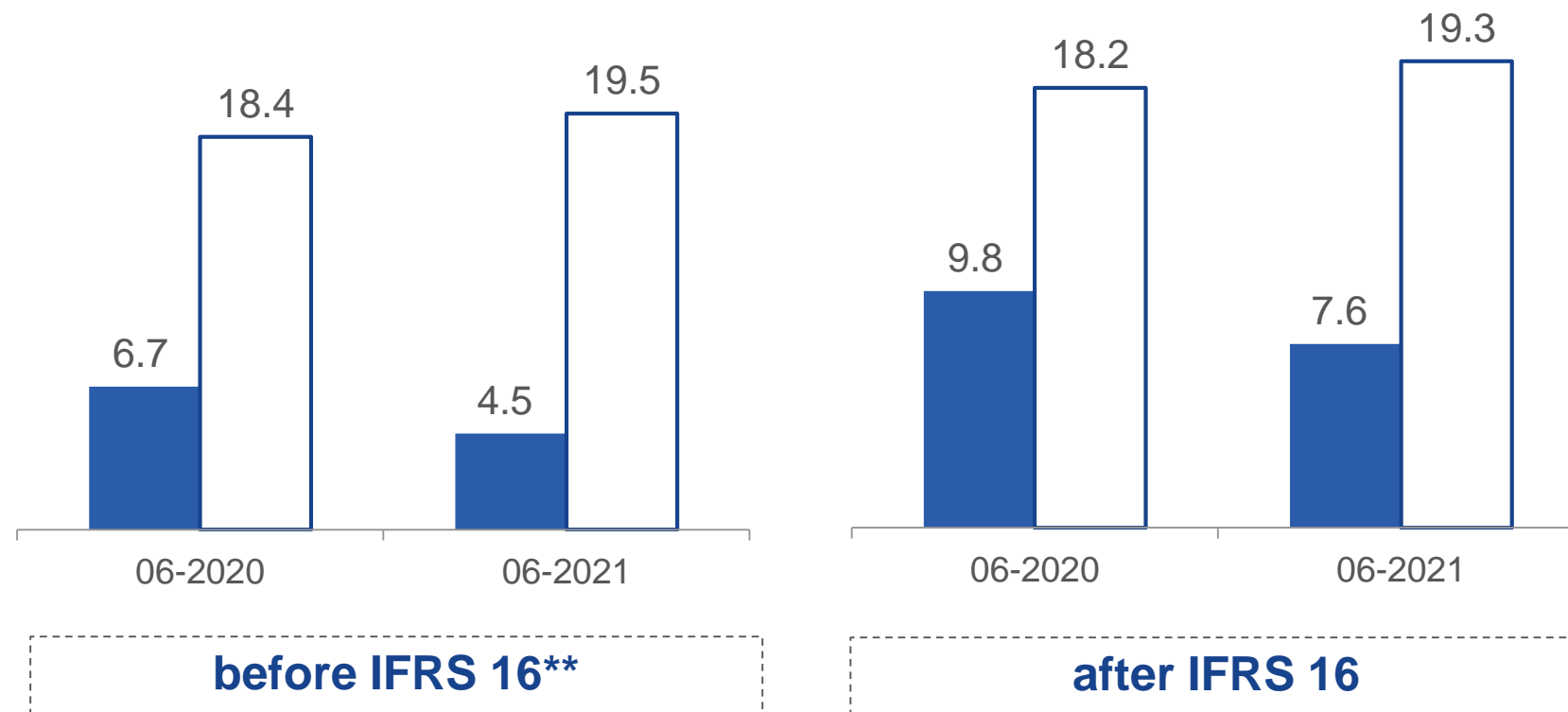
\*\* Capital expenditure = €431m, including €121m in additional capacity investments linked to organic growth

# DECREASE IN NET DEBT

(€bn)

■ Net debt  
□ Shareholders' equity

Rating: BBB/Baa2



Net debt/shareholders' equity	36%	23%		54%	39%
Net debt/EBITDA*	2.0	0.9		2.4	1.3

\* EBITDA over a 12-month period

\*\* before IFRS 16: estimates



01

H1 2021 HIGHLIGHTS

02

**H1 2021 RESULTS**

A. GROUP

**B. SEGMENTS**

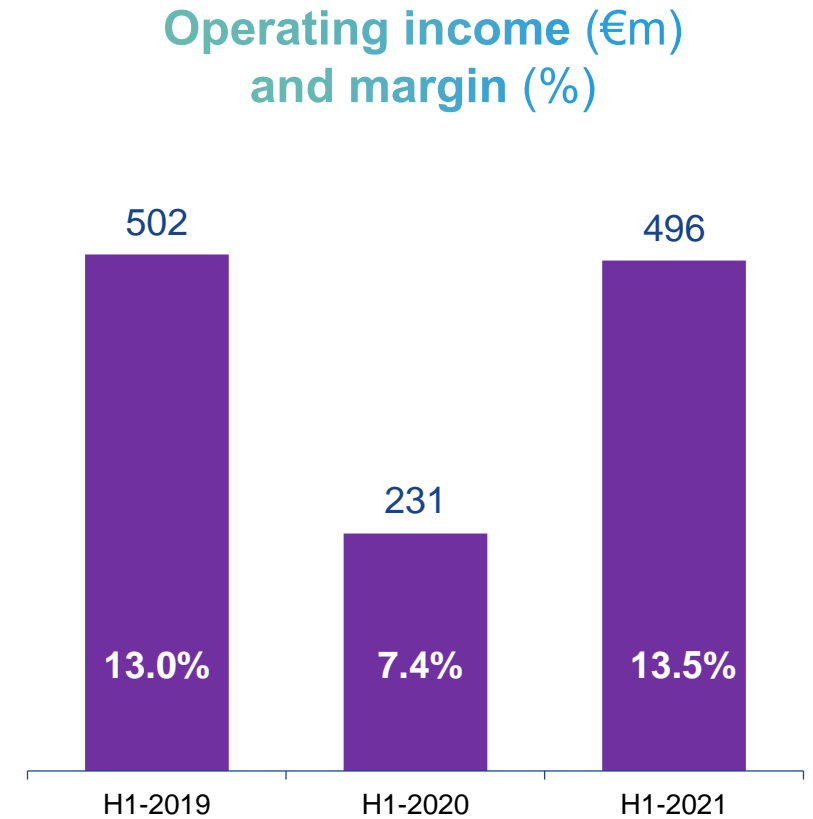
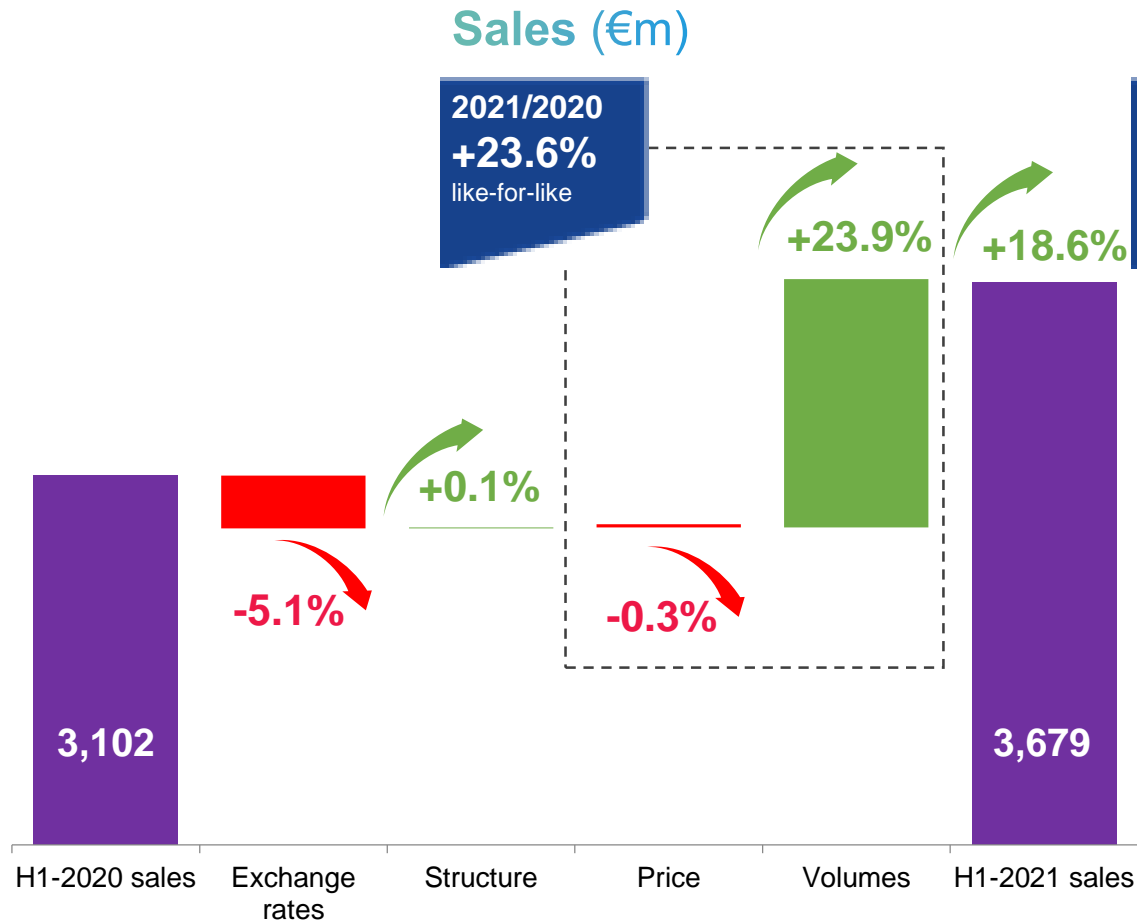
03

STRATEGY

04

OUTLOOK

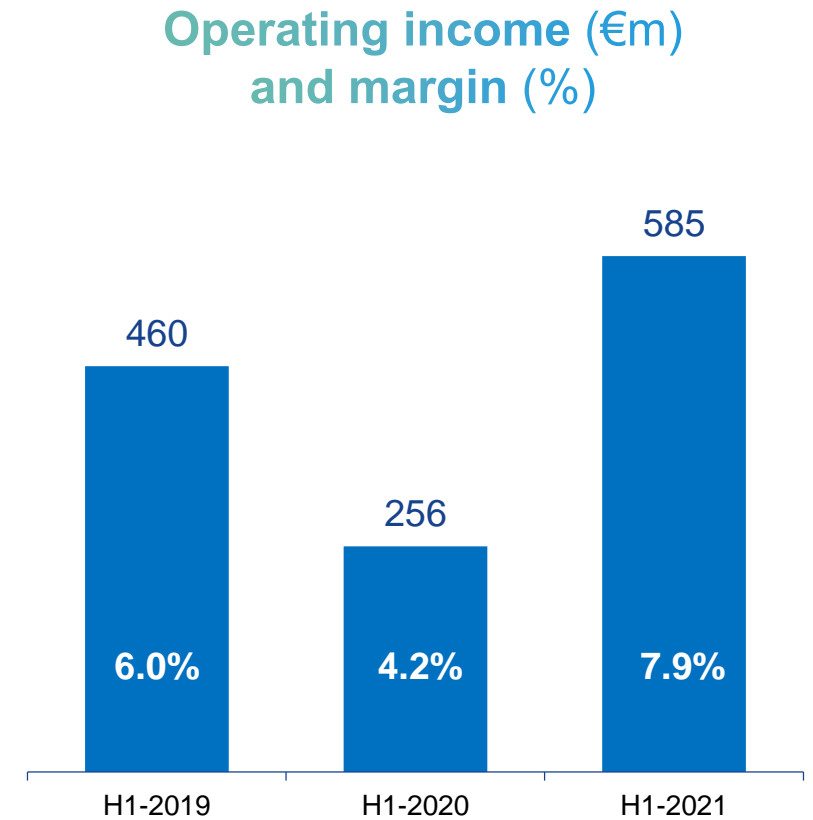
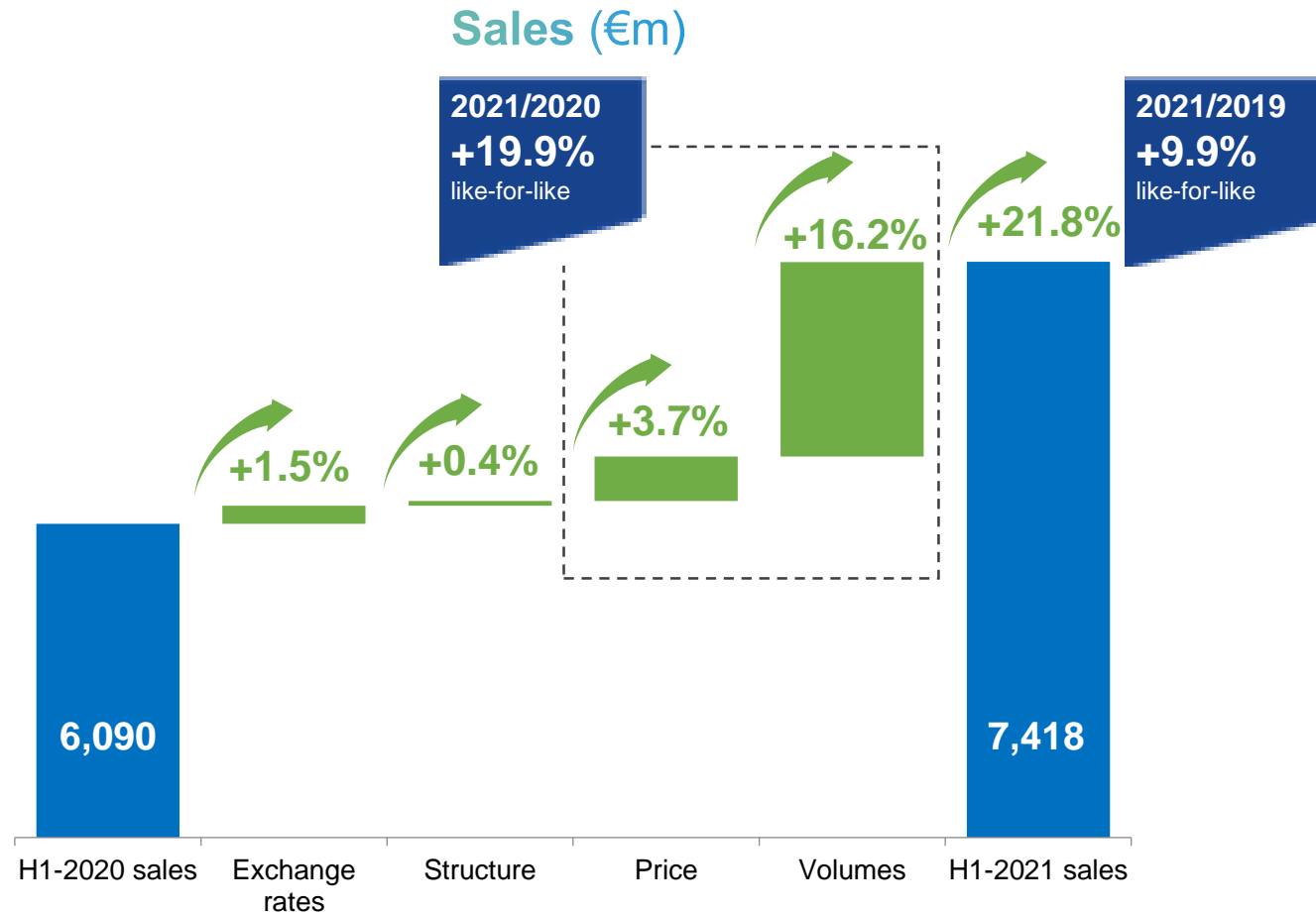
# HIGH PERFORMANCE SOLUTIONS: SLIGHT GROWTH IN SALES VERSUS H1 2019 AND SEQUENTIAL MARGIN IMPROVEMENT



Change in sales on a like-for-like basis		Mobility	Other ind.
	2021/2020	+31.2%	+19.3%
	2021/2019	-3.3%	+5.5%

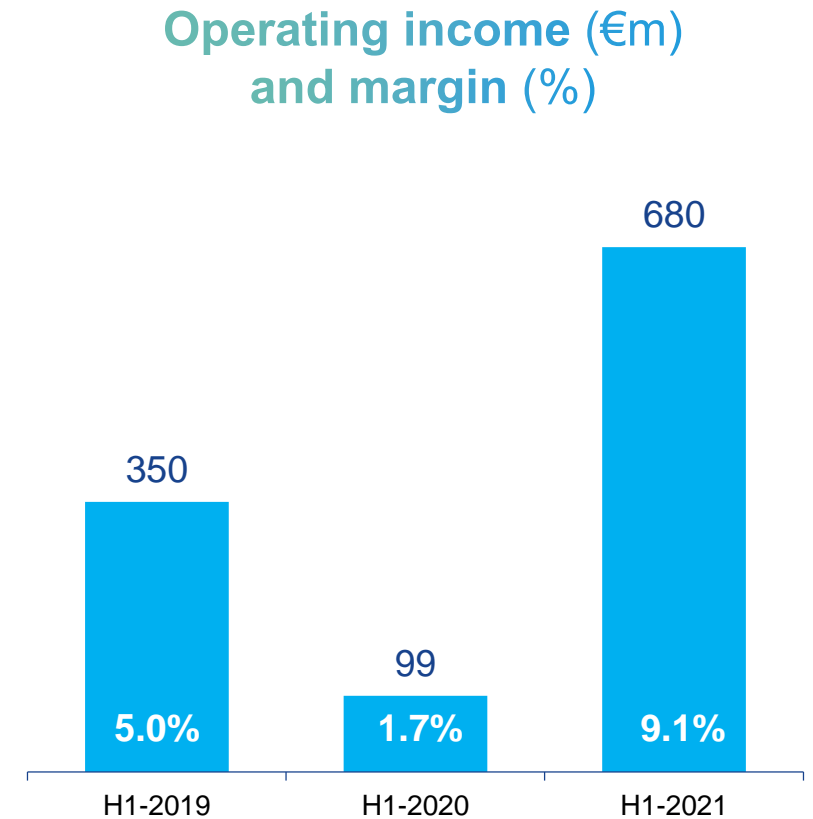
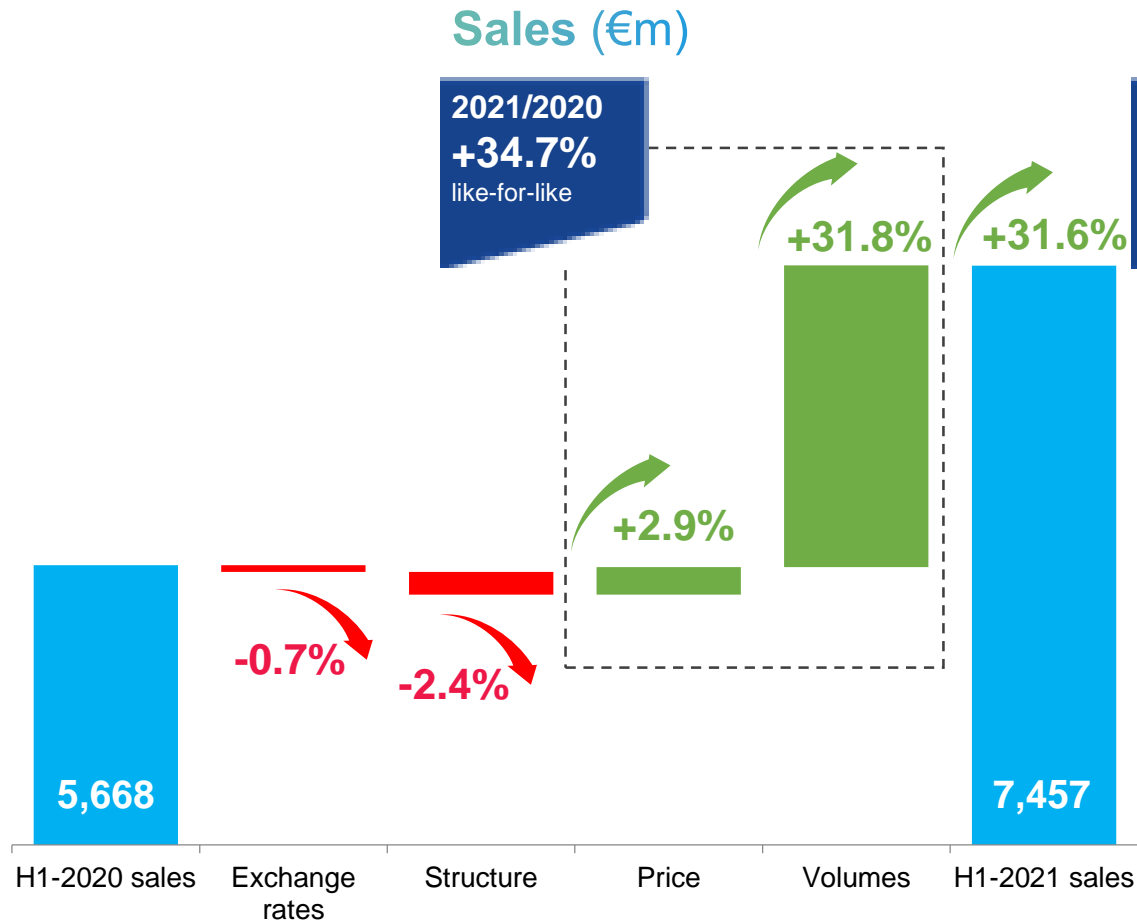


# NORTHERN EUROPE: GROWTH IN SALES DRIVEN BY RENOVATION AND A GOOD MARGIN LEVEL



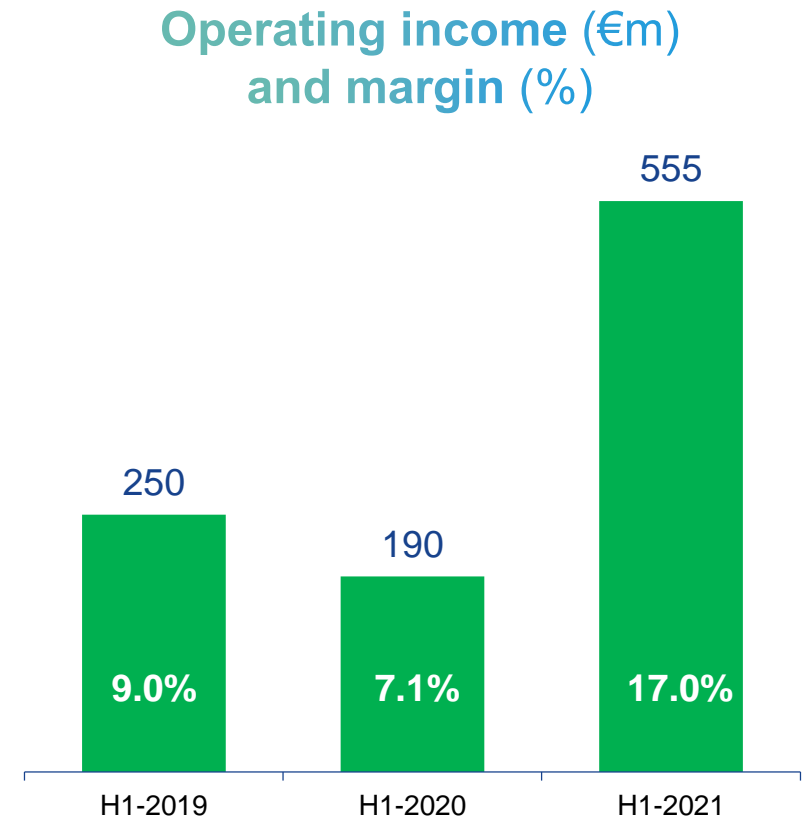
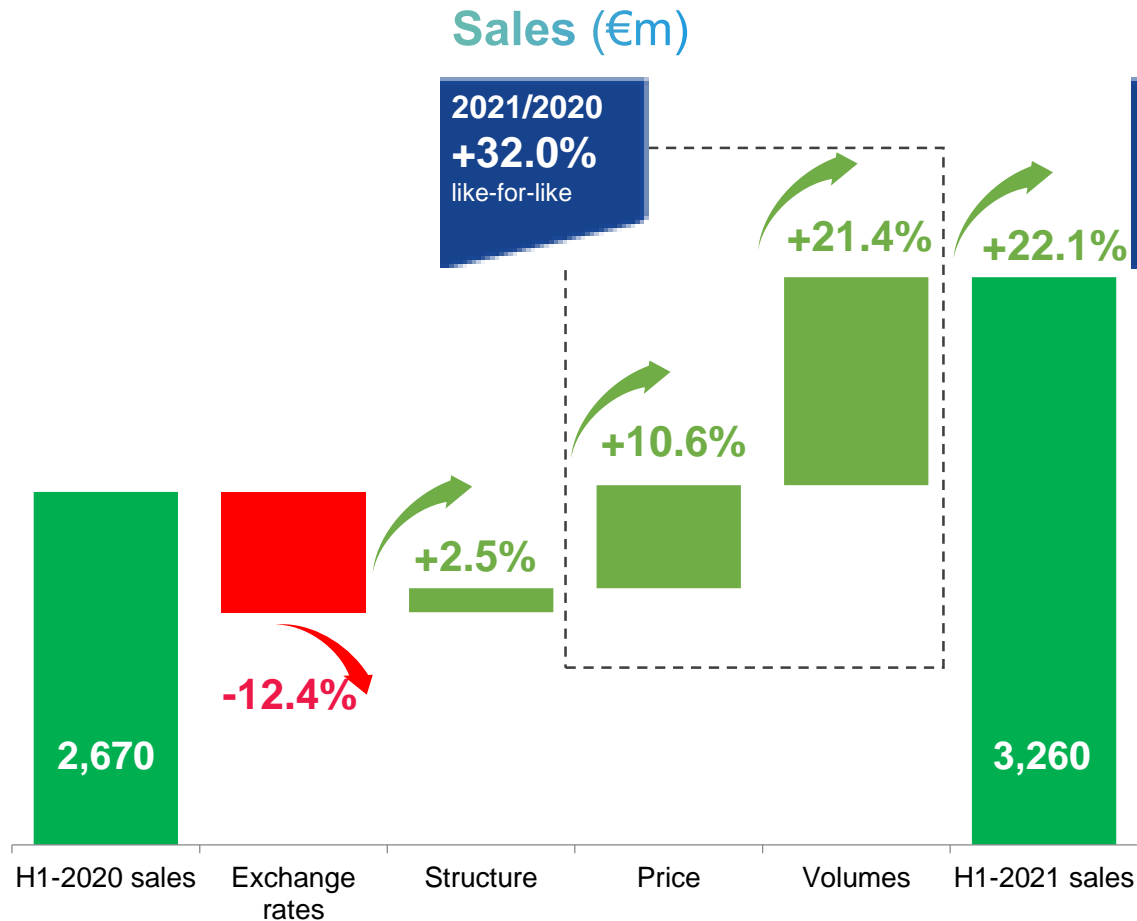
Change in sales on a like- for-like basis		Nordics	UK	Germany
	2021/2020	+7.8%	+46.7%	+14.3%
	2021/2019	+11.8%	+6.2%	+6.8%

# SOUTHERN EUROPE - MIDDLE EAST & AFRICA: STRONG SALES MOMENTUM IN THE RENOVATION MARKET AND RECORD MARGIN



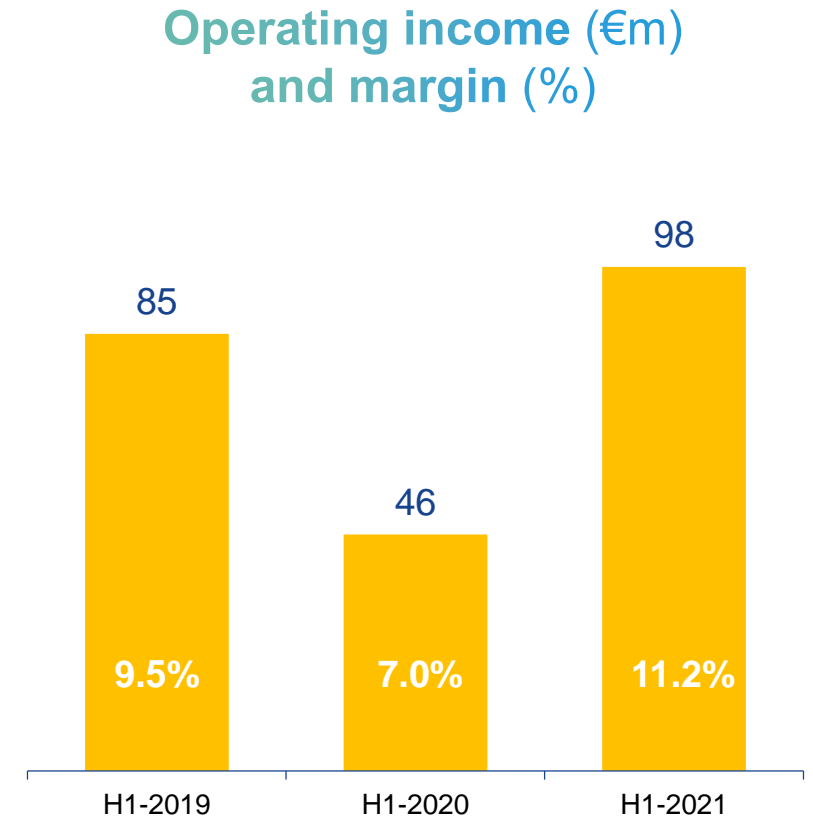
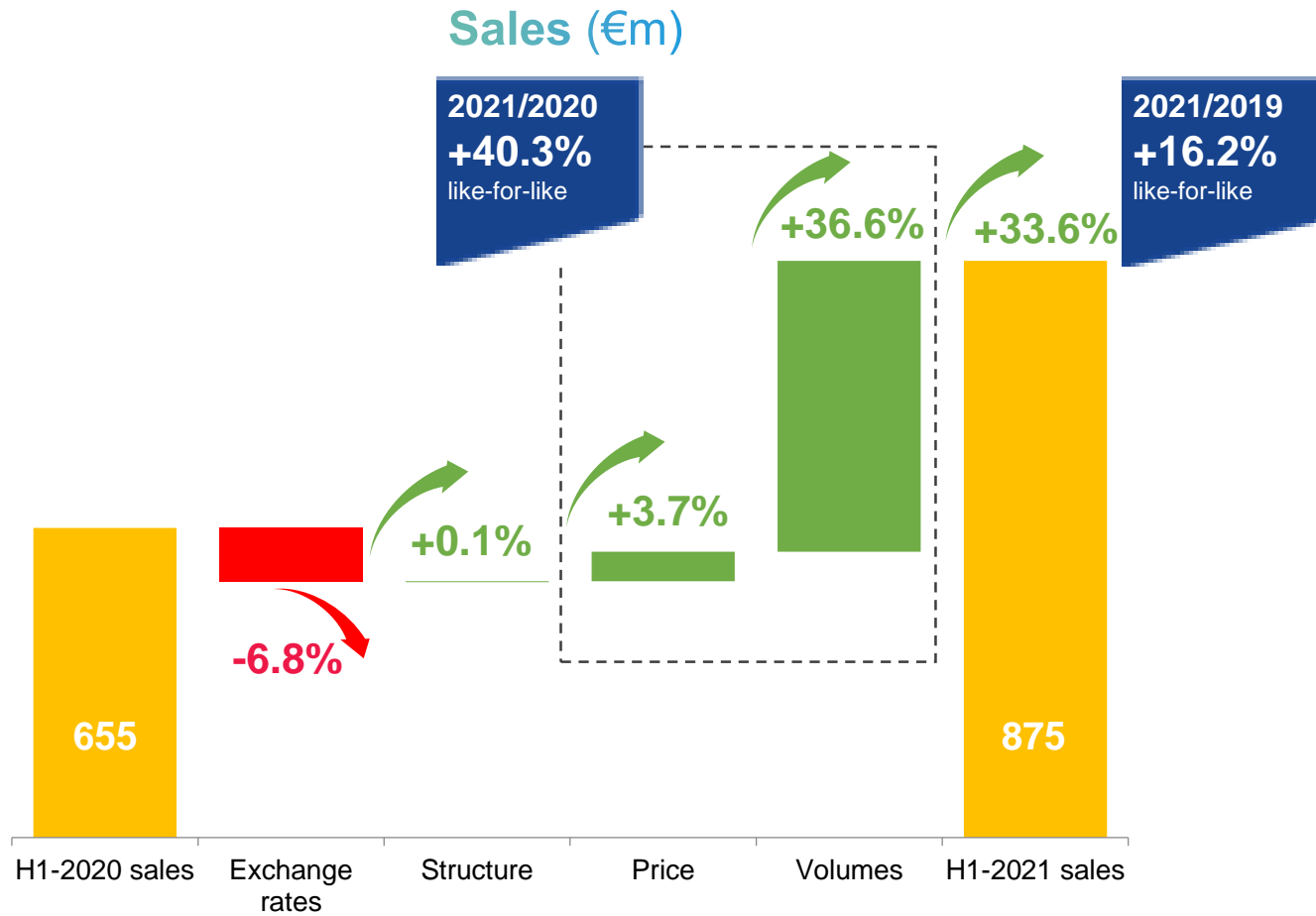
Change in sales on a like-for-like basis		France	Spain-Italy
	2021/2020	+37.2%	+30.3%
	2021/2019	+14.4%	+5.5%

# AMERICAS: SHARP GROWTH IN SALES AND RECORD MARGIN



Change in sales on a like- for-like basis		North America	Latin America
	2021/2020	+26.1%	+50.1%
	2021/2019	+19.9%	+37.1%

# ASIA-PACIFIC: STRONG SALES AND MARGIN GROWTH







01

H1 2021 HIGHLIGHTS

02

H1 2021 RESULTS

03

**STRATEGY**

04

OUTLOOK

# SAINT-GOBAIN LEVERAGED STRONG TAILWINDS IN H1 2021...



## Acceleration on growth markets



Renovation in Europe



New build in the US



Urbanization in emerging countries

**+7.6%**  
in volume  
H1 2021 vs. H1 2019



## Unmatched solutions offering



**~70%**  
of Group sales in  
sustainable solutions<sup>1</sup>

1. Sustainable solutions contribute to energy and environmental transition or to final users' and installers' well-being and comfort



# ...WITH BEST-IN-CLASS EXECUTION...

## Agile organization

Constant focus on price/cost spread

Supply chain optimization for raw materials availability

**€150m** savings  
Post-coronavirus adaptation measures<sup>1</sup>



## Customer satisfaction

**50**  
+3pts  
Customer NPS<sup>2</sup> in Distribution

Award-winning customer service in Vietnam in 2021



## Operational excellence

**+9.5%**  
Increase in productivity in Distribution<sup>3</sup>

**13**  
Plants opened in the last 12 months

**+12%**  
Increase in plant productivity



1. €150m savings over the last 12 months until end of June 2021, as part of post-coronavirus adaptation measures to lower the break-even point of certain businesses
2. H1 2021 Distribution France customer NPS: Net Promoter Score
3. European distribution excluding German divestment H1 2021 vs. H1 2019

# ...WHILE SHAPING OUR FUTURE GROWTH...

## Improved growth and profitability profile

### Acquisitions



### Divestments<sup>1</sup>



## Innovative & digital solutions



**+29%**  
sales

**Patented  
cement-free  
mortar solution<sup>2</sup>**



**Dedicated solution for  
timber frame buildings**



**+4 pts**

**In E-commerce  
sales in the  
Nordics  
>30% of sales<sup>3</sup>**

1. Deals signed or closed in H1 2021
2. H1 2021 vs. H1 2019 in France
3. Dahl Nordics (Norway, Sweden, Denmark) in H1 2021



# ... AND ROLLING OUT OUR ESG ROADMAP

## CLIMATE CHANGE

1,000  
EMPLOYEE  
INITIATIVES  
Internal  
Carbon Fund

1<sup>ST</sup> NET  
ZERO  
CARBON  
gypsum plant  
worldwide

## CIRCULAR ECONOMY

MEMBER OF  
VALOBAT  
eco-organism for  
circularity in the  
building sector  
in France

 **POINT.P**  
roadshow to raise  
awareness  
on biosourced  
materials

## INCLUSIVE GROWTH

2,000  
work-study  
positions opened  
for young  
professionals  
in France

\$1,500  
per employee  
from our US  
employee  
relief fund<sup>1</sup>

## HEALTH AND SAFETY ACROSS THE ENTIRE VALUE CHAIN

 **HICE**<sup>2</sup>  
global indicator  
to measure  
occupational  
health

VACCINATION  
against COVID-19  
offered to employees  
in Saint-Gobain  
premises<sup>3</sup>

## EMPLOYEE ENGAGEMENT AND DIVERSITY

38%  
women members  
of the Executive  
Committee

60,000  
employee  
shareholders

## BUSINESS ETHICS

50K VIEWS  
of Principles of  
Conduct and  
Action Day

85%  
completion of  
anti-harassment  
campaign  
in the US

- 25 /
1. For employees suffering hardship
  2. HICE: Health Indicator for Occupational Exposure
  3. Wherever permitted by health authorities

# SAINT-GOBAIN IS AT THE HEART OF GLOBAL CHALLENGES

70%

of the global economy  
committed to carbon neutrality

UN December 2020

x3

increase in resource  
consumption in the last 50 years

+2bn

urban population  
in emerging markets

By 2050, UN projections 2015-2050

MAKING THE WORLD A BETTER HOME



# OUR SOLUTIONS REDUCE CO<sub>2</sub> EMISSIONS IN CONSTRUCTION

## ENERGY-EFFICIENT RENOVATION

*Supported by stimulus packages and raise in environmental awareness*



### CHALLENGE

# -55%

greenhouse gas emissions  
by 2030 in European Union

Compared to 1990

### OUR ACTIONS



#### Pre.formance

Energy performance improvement in Germany with 2-D offsite: 50% reduction in CO<sub>2</sub> emissions vs. traditional homes



#### Renov'up

Program launched in association with start-ups and SMEs in France to accelerate innovative solutions for building renovation

**~50% Group sales in renovation market**

# OUR SOLUTIONS ARE RESOURCE-EFFICIENT

## RESOURCE EFFICIENCY

*Supported by light construction & circular economy*



### CHALLENGE



# x3

increase in natural  
resources consumption

1970-2017  
consumption increase  
vs. x2 population increase

### OUR ACTIONS



#### Glass wool recycling

Insulation material recycling service



#### Kitting solutions for light construction

Plasterboards, metal framing and  
accessories to reduce on-site waste and  
improve productivity

**~40% Group sales in light construction**



# OUR SOLUTIONS SUPPORT EMERGING COUNTRIES GROWTH

## URBANIZATION IN EMERGING COUNTRIES

*Supported by Saint-Gobain's solutions & global footprint*



### CHALLENGE



# +2bn

urban population  
in emerging countries

Urban inhabitants in emerging countries  
by 2050 - UN projections 2015-2050

### OUR ACTIONS



**+90%** growth in Saint-Gobain's  
EV sales (17-21 CAGR)  
**~20%** of Saint-Gobain Mobility  
sales on EV market by end-2021



**Prioritize plant  
openings in emerging  
countries**

**~20% Group sales in emerging countries**

# OUR SOLUTIONS HELP DECARBONIZE INDUSTRIAL PROCESSES

## INDUSTRY DECARBONIZATION

*Supported by Saint-Gobain's solutions & global footprint*



1. Climate Watch

30 /

### CHALLENGE



# 30%

Share of manufacturing industry emissions out of total CO<sub>2</sub> emissions<sup>1</sup>

### OUR ACTIONS



#### Bioprocessing solutions

Recyclable single-use systems to avoid water & chemicals usage



#### Refractories for glass furnaces

25% reduction in greenhouse gas thanks to design improvements and cruciform use

## Targeting net zero carbon by 2050





01

H1 2021 HIGHLIGHTS

02

H1 2021 RESULTS

03

STRATEGY

04

OUTLOOK

## H2 2021 OUTLOOK

- **High Performance Solutions:** continued sequential improvement in industrial markets, excluding automotive in Europe. Businesses related to customer investment should rally steadily, although are expected to remain down on the good level recorded in 2018
- **Europe:** continued outperformance in construction led by renovation and support from stimulus programs, albeit with a high comparison basis for the summer months and in December, when trade professionals are expected to take more holiday than in 2020
- **Americas:** market growth, particularly residential construction, in both North and Latin America
- **Asia-Pacific:** market growth with continued good momentum in China, ongoing uncertainty in India and significant health-related disruptions in South-East Asia

# 2021 PRIORITIES

- **Accelerate growth as leader in light and sustainable construction, offering decarbonization solutions for construction and industry**
  - **Outperformance versus the market** thanks to an agile organization focused on its customers in each country and end market
  - **A range of integrated, differentiated and innovative solutions** to help our customers decarbonize
  - **Further ESG progress** with the deployment of our 2030 roadmap towards carbon neutrality in 2050
  - **Continued optimization of the Group's profile** (divestments and acquisitions) and integration of Chryso, leading global player in construction chemicals

## 2021 PRIORITIES

- **Continue our initiatives focused on profitability and performance: maintain robust margins and strong free cash flow generation**
  - **Constant focus on the price-cost spread** amid strong inflation in raw material and energy costs
  - **Reduction in costs as part of post-coronavirus adaptation measures**
  - Reinforcement of the **operational excellence program**
  - Maintaining the **structural improvement in operating working capital requirement**
  - **Capital expenditure** of around **€1.5 billion** and ongoing digital transformation
  - Continued reduction in **non-operating costs**

**For full-year 2021, the Group is now targeting a very strong increase in operating income to a new all-time high, with like-for-like operating income in second-half 2021 close to the previous record of second-half 2020**

# AN EXPERIENCED AND DIVERSE MANAGEMENT TEAM EMPOWERED TO DRIVE RESULTS



38%

% women

50%

% international members

18

average years of experience in Saint-Gobain



# IMPORTANT DISCLAIMER – FORWARD-LOOKING INFORMATION

*This presentation contains forward-looking statements with respect to Saint-Gobain's financial condition, results, business, strategy, plans and outlook. Forward-looking statements are generally identified by the use of the words "expect", "anticipate", "believe", "intend", "estimate", "plan" and similar expressions. Although Saint-Gobain believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions as at the time of publishing this document, investors are cautioned that these statements are not guarantees of its future performance. Actual results may differ materially from the forward-looking statements as a result of a number of known and unknown risks, uncertainties and other factors, many of which are difficult to predict and are generally beyond the control of Saint-Gobain, including but not limited to the risks described in the "Risk Factors" section of Saint-Gobain's Universal Registration Document available on its website ([www.saint-gobain.com](http://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. This presentation does not constitute any offer to purchase or exchange, nor any solicitation of an offer to sell or exchange securities of Saint-Gobain. No representation or warranty, express or implied, is made by Saint-Gobain or its managers, corporate officers, employees, contractors, representatives or advisors as to the accuracy or completeness of the information or opinions contained in this presentation.*





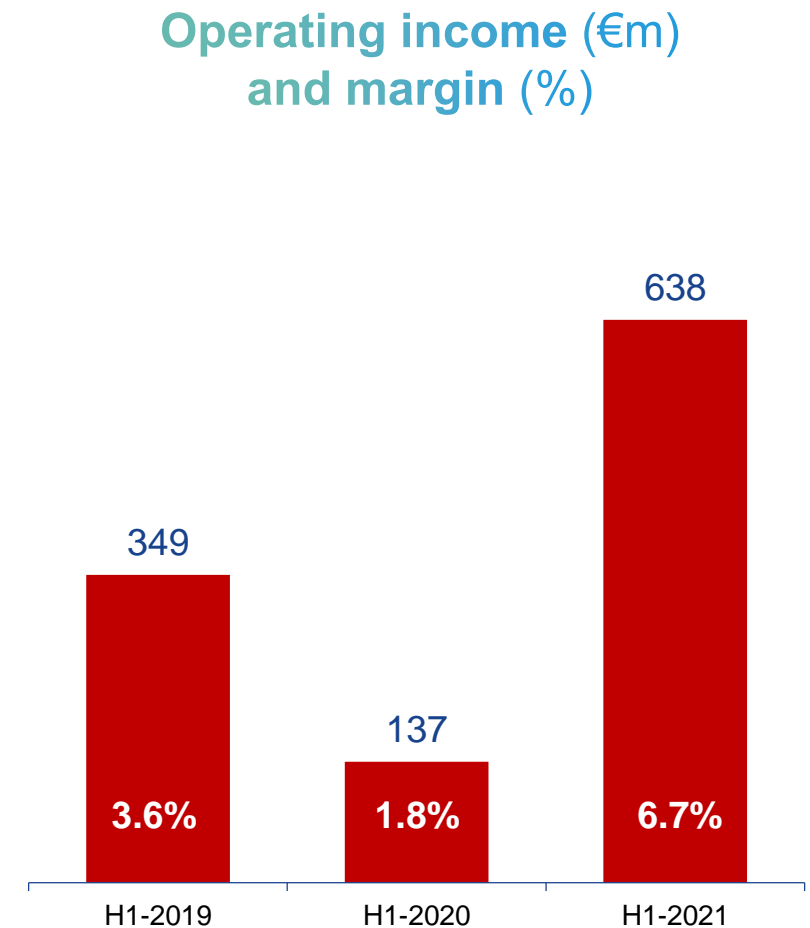
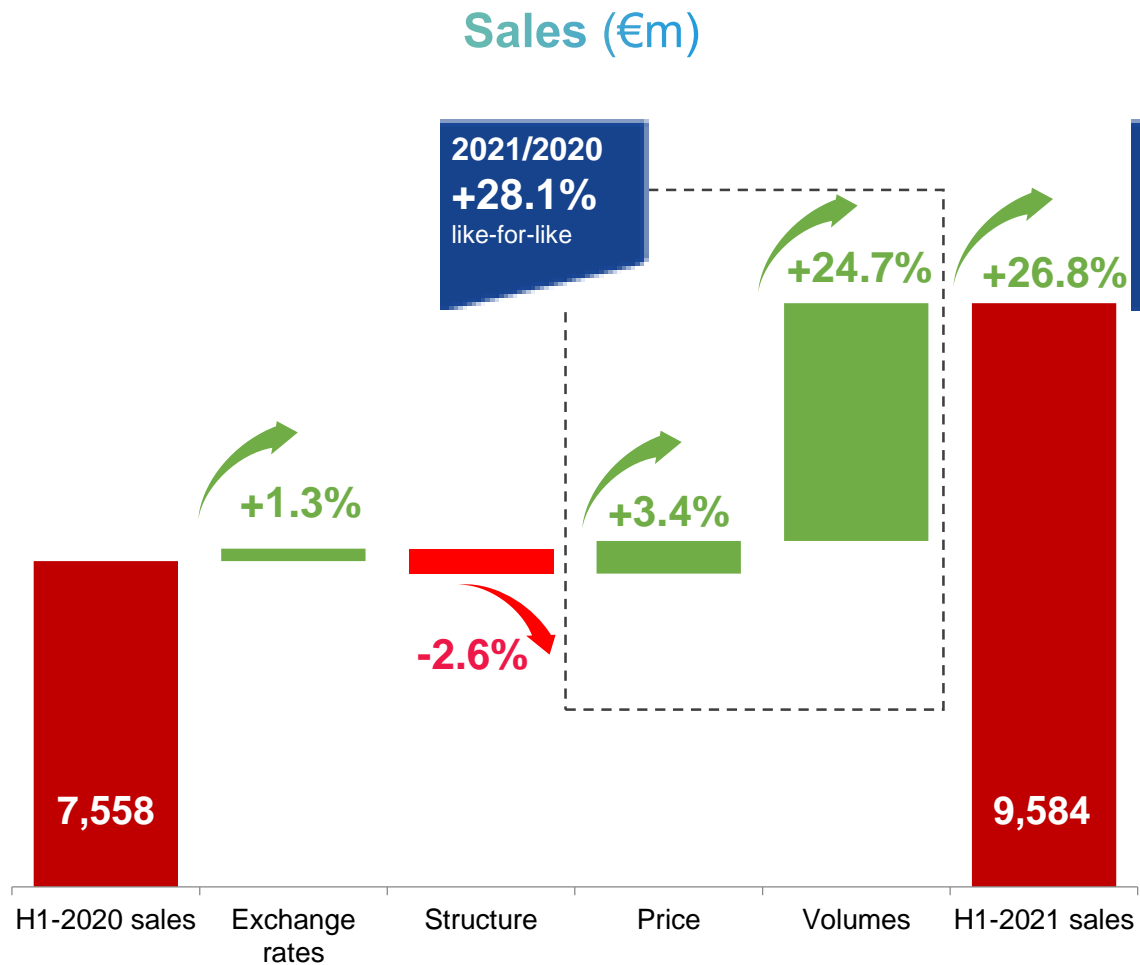
# APPENDICES



# H1 2021 KEY FIGURES

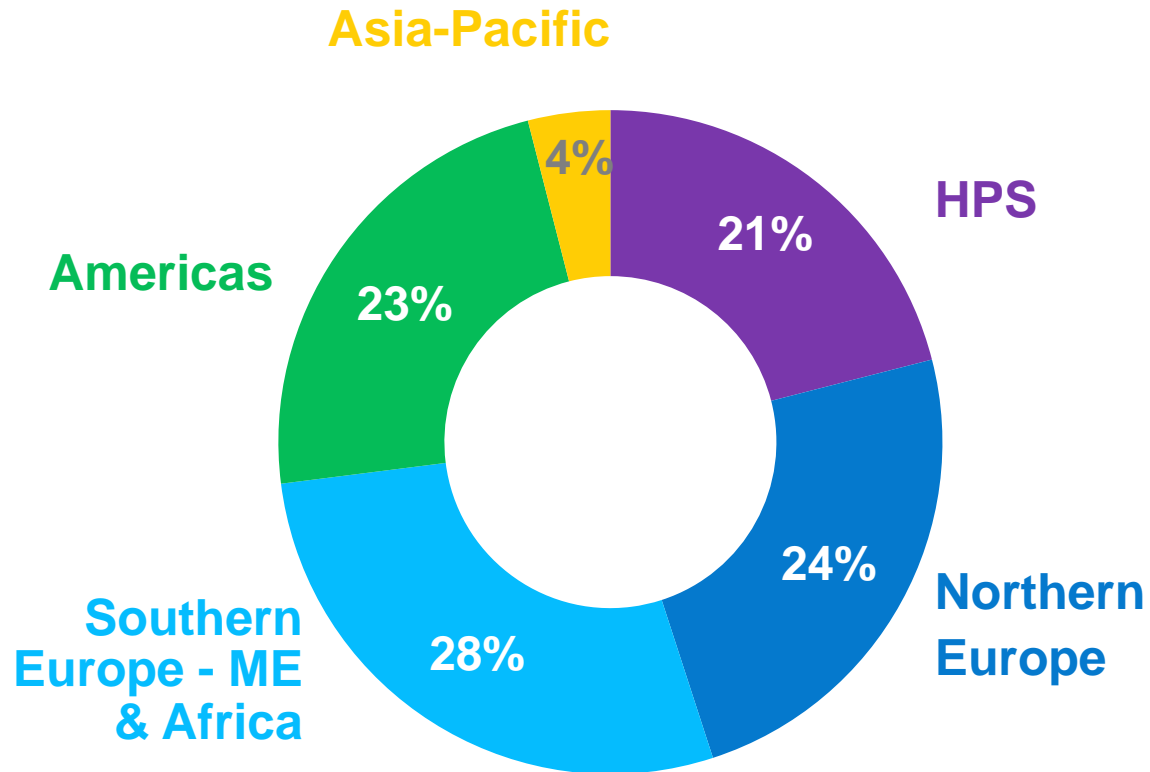
		change/H1-2020		change/H1-2019	
		actual	like-for-like	actual	like-for-like
Sales	€22.1bn	+24.6%	+27.4%	+2.1%	+11.9%
Operating income	€2,376m	+187%	+193%	+45.1%	+52.7%
Operating margin	10.7%	+600 bps		+310 bps	
EBITDA	€3,248m	x 2		+34.4%	
EBITDA margin	14.7%	+550 bps		+350 bps	
Recurring net income	€1,506m	x 5.5		+59.5%	
Free cash flow	€2,461m	+46.7%		x 3.6	

# BUILDING DISTRIBUTION EUROPE: RECORD MARGIN AT 6.7% IN H1 2021

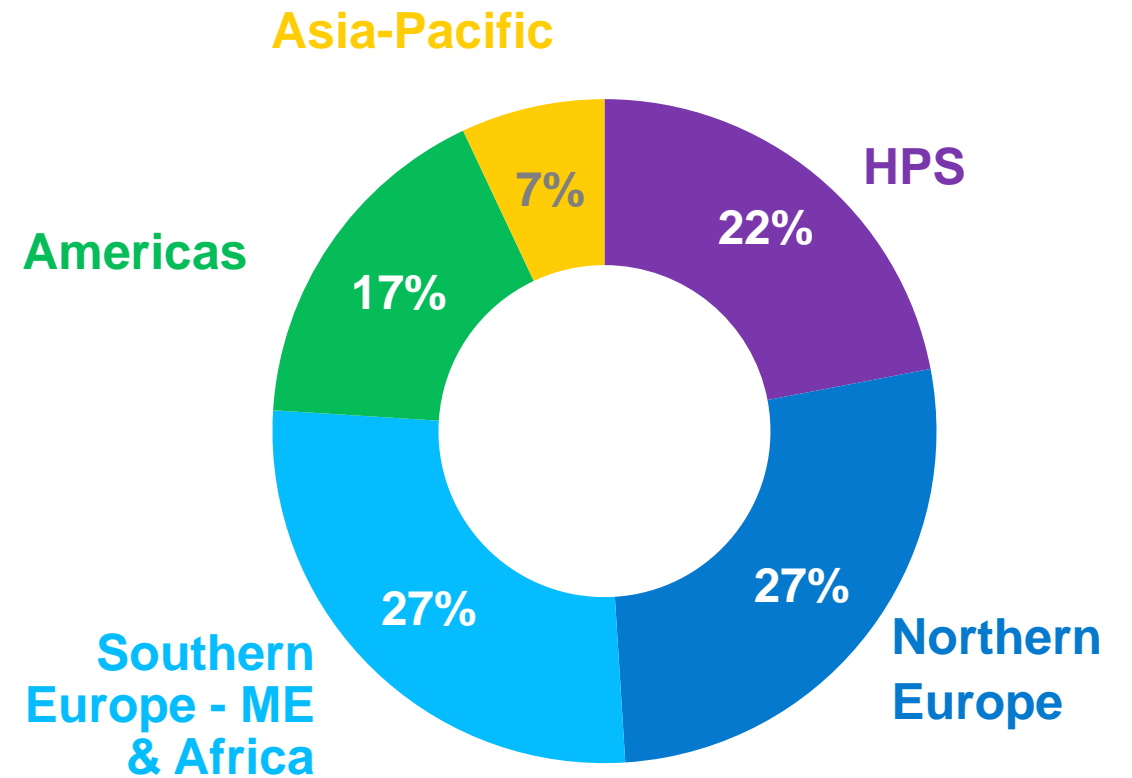


# OPERATING INCOME AND INDUSTRIAL ASSETS BY SEGMENT

Breakdown of H1 2021  
Operating income

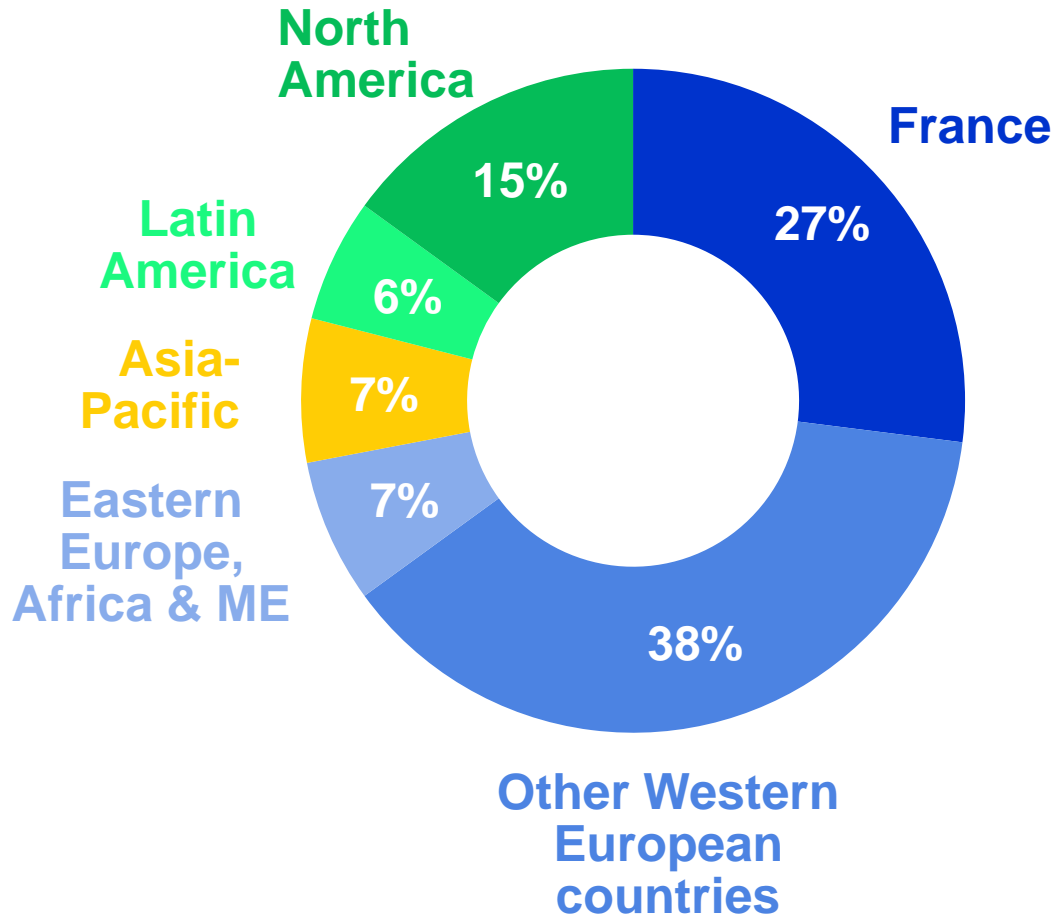


Industrial assets  
at June 30, 2021

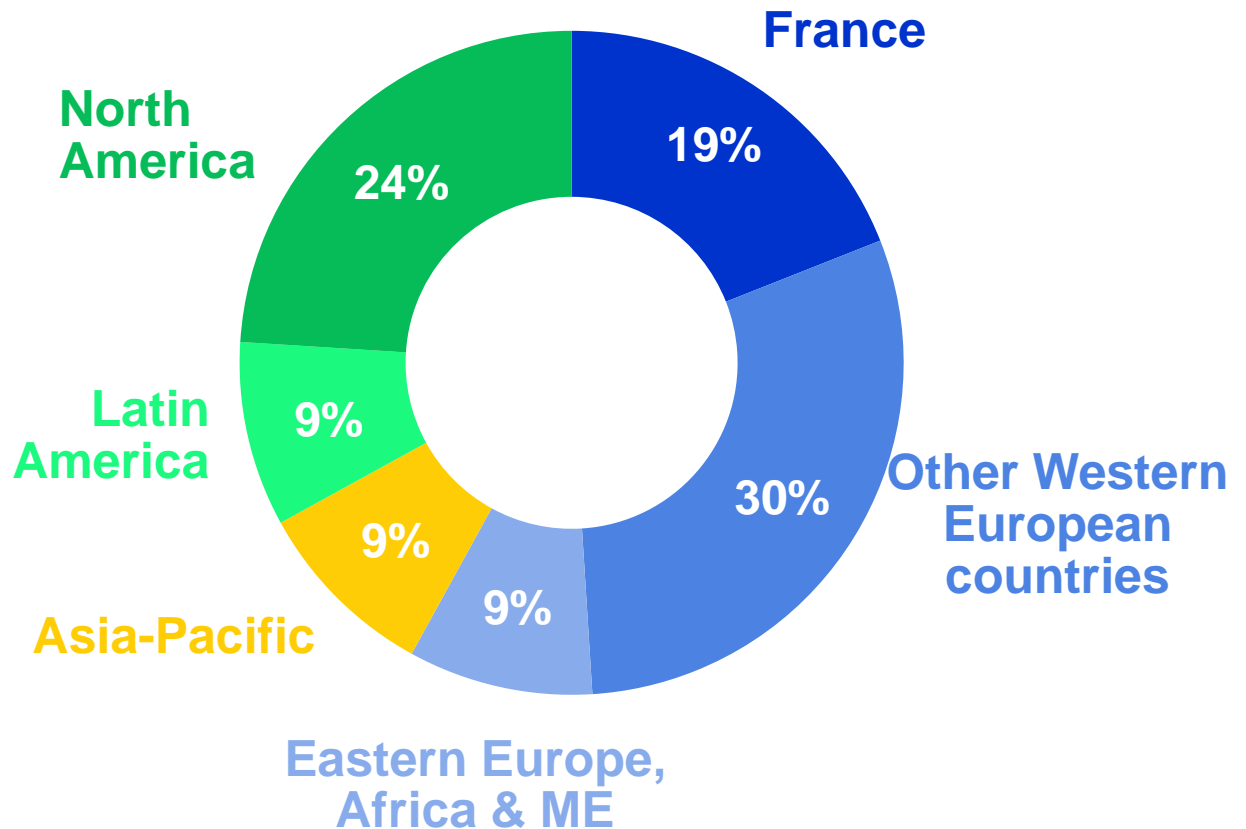


# GROUP SALES AND OPERATING INCOME BY GEOGRAPHIC AREA

H1 2021 Sales

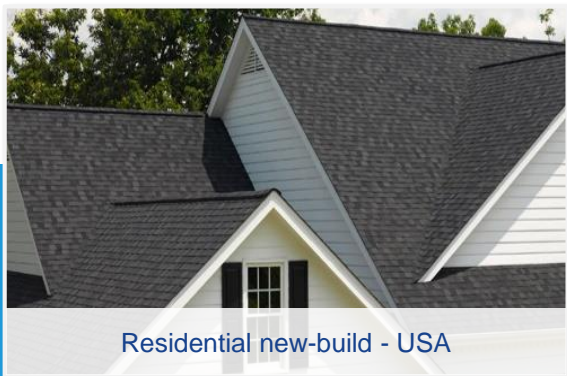


H1 2021 Operating income



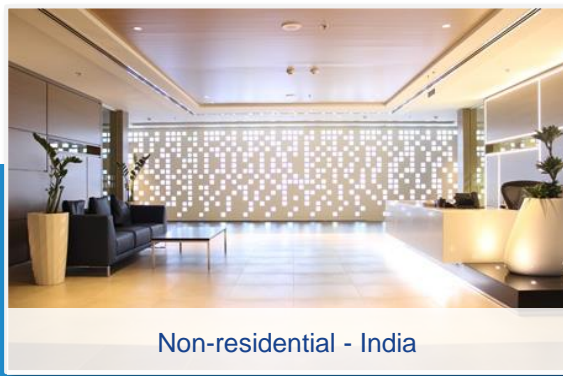


# OUR GROWTH STRATEGY: ROLL OUT SAINT-GOBAIN SOLUTIONS



Residential new-build - USA

**DESIGN**



Non-residential - India

**PRODUCE**



Schools and hospitals - Nordics

**DISTRIBUTE**

**Saint-Gobain is present throughout the value chain**



Co-development

Industrial partnerships

Consulting and logistics

Intermediation

BIM

Building science

Off-site manufacturing

Training

Recycling



Multi-family residential - Eastern Europe

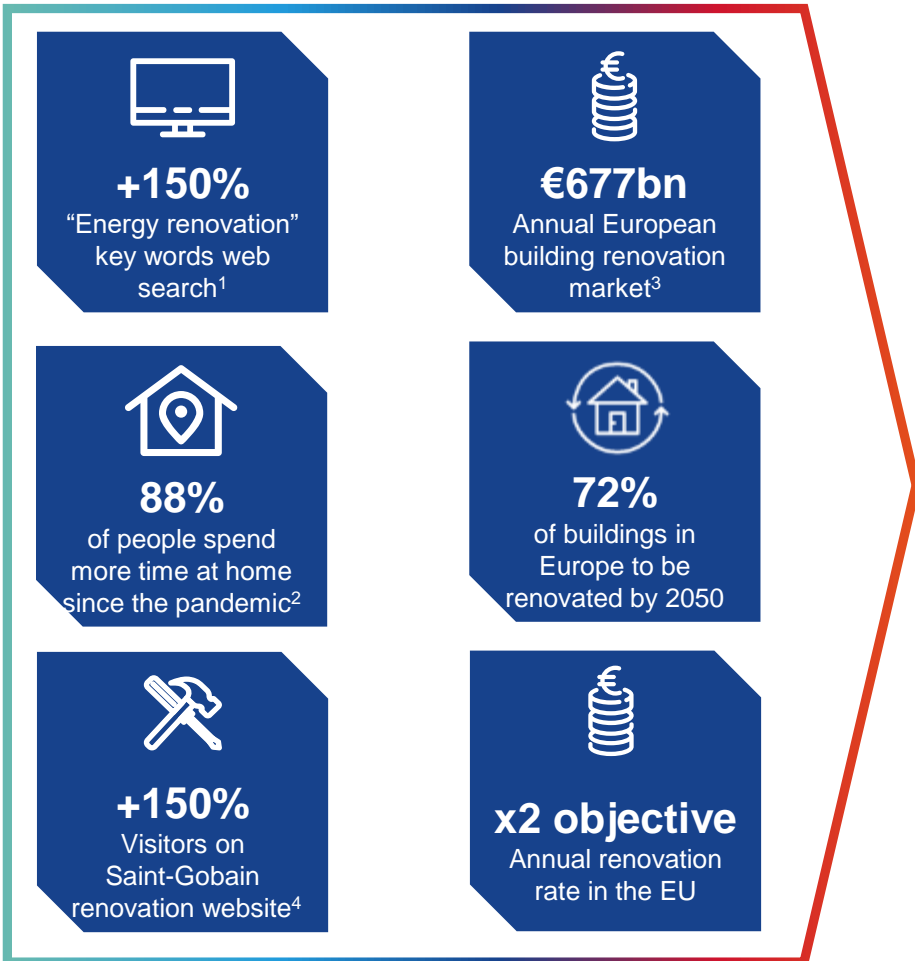


Sustainable mobility



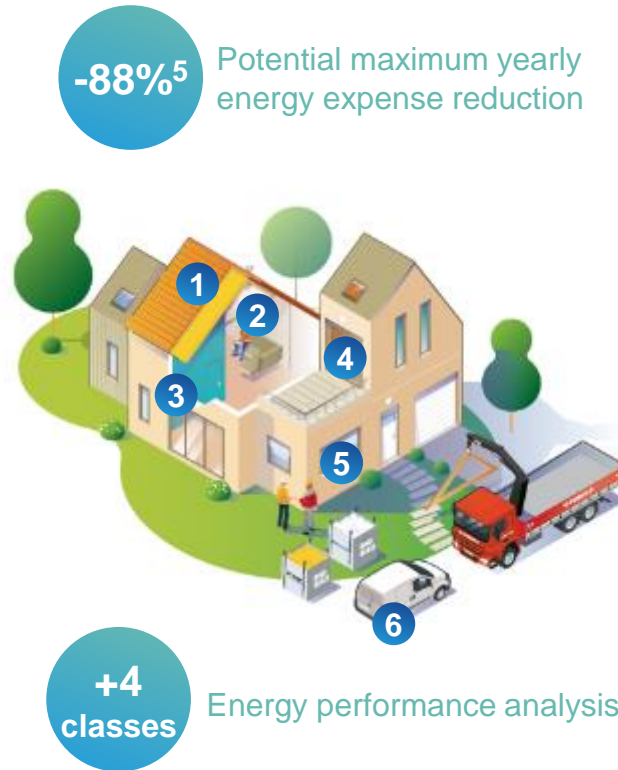
Renovation - France

# OUR END-TO-END SOLUTIONS FOR ENERGY RENOVATION, DIGITALLY ENABLED



## Energy-efficient renovation of a single-family house in France

100% solutions manufactured or distributed by Saint-Gobain



- 1 **clim+** Mechanical ventilation
- 2 **ISOVER**  
**LA PLATEFORME DU BATIMENT** Glass wool, wood fiber
- 3 **weber** **Placo**  
**ADFORES**  
**POINT.P** External thermal insulation  
composite systems (ETICS)
- 4 **SAINT-GOBAIN**  
Glass Double-glazed windows
- 5 **CEDEO**  
Services - Chauffage - Plomberie Heat pump, thermodynamic  
boiler, water radiators
- 6 **LA MAISON SAINT-GOBAIN** Intermediation with end customer

**Saint-Gobain, the one-stop-shop for  
sustainable and light construction**

# TRUSTED END-TO-END SOLUTIONS FOR NON-RESIDENTIAL BUILDINGS

## Renovation of a hospital

100% solutions manufactured or distributed by Saint-Gobain

### -20%<sup>6</sup> Energy consumption

Example of Montfermeil renovation in France - also includes savings enabled by consumption monitoring through captors



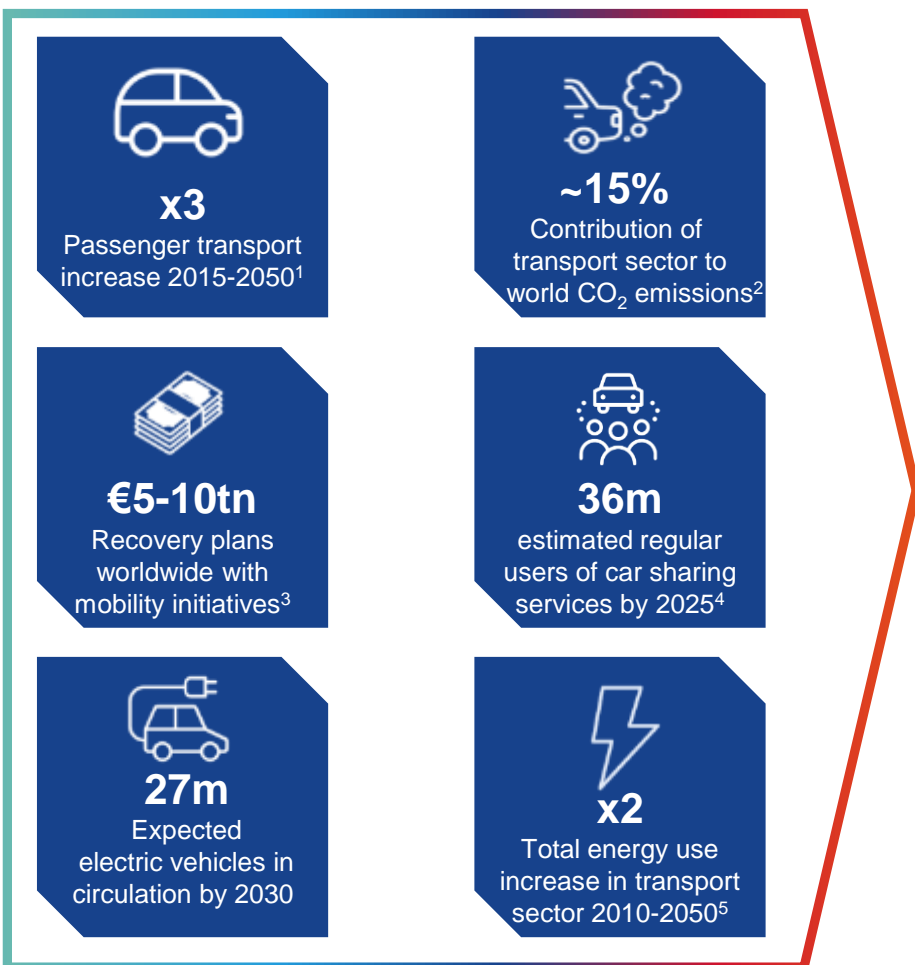
### -11%<sup>6</sup> Potential reduction in length of patient stays

- 1  Air quality
- 2   Health, shock resilience and acoustic performance: partitions, ceilings, and X-ray plasterboards
- 3    
- 4 
- 5 
- 6   Visual and thermal comfort: architectural membranes, Sage electrochromic glass
- 7 
- 8  Upstream project assistance: prescription, BIM

**Saint-Gobain, the one-stop-shop for sustainability & performance**



# SOLUTIONS ENABLING SUSTAINABLE MOBILITY



## Saint-Gobain electric mobility solutions

**-7kg**  
Average car weight reduction thanks to Saint-Gobain solutions

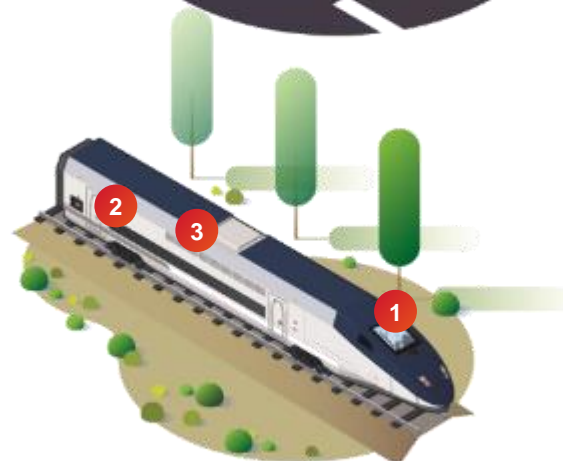


### Well-being & energy savings

- 1 SEKURIT** smart vision Lightweight glazing
- 2 Solar Gard** Tinted glass & repair
- 3 Isover** HKO Thermal & acoustic insulation

### Performance & energy savings

- 4 NORGLIDE** RENCOL Tolerance rings
- 5 NORSEAL** Films & battery separators

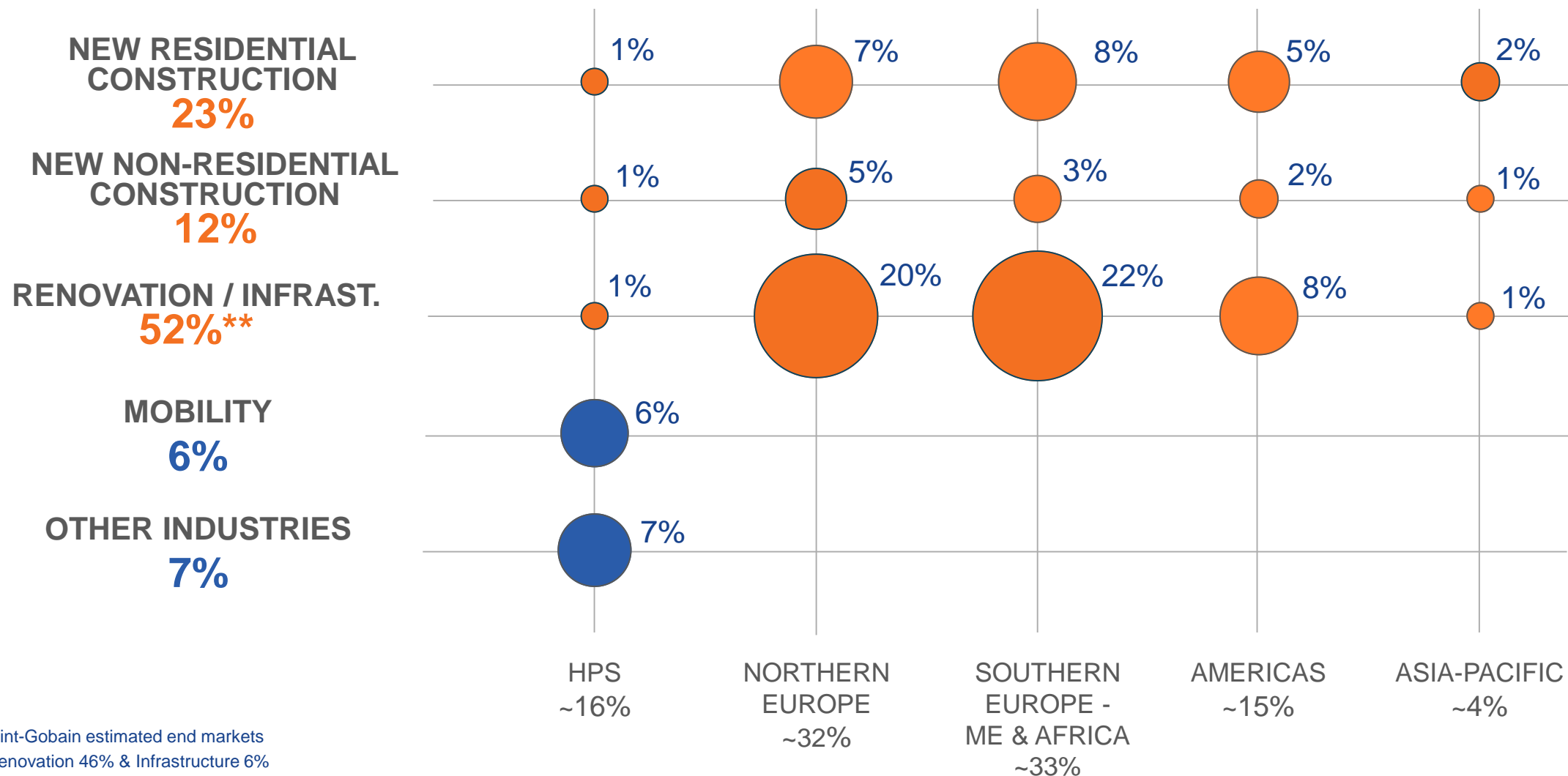


### Well-being & energy savings

- 1 SEKURIT** smart vision Climacoat heated windshield
- 2 Isover** KAIMANN Thermal insulation
- 3 SAINT-GOBAIN** Micaver electrical insulation

**Performance solutions  
to consume less energy per kilometer**

# END MARKETS\*





## E

S

G