
The worldwide leader in light & sustainable construction

First-quarter 2024 sales: sequential improvement in volumes

- **Sequential improvement in volumes** in Q1 2024 at comparable working days and positive price-cost spread
- **Decisive strategic steps** reinforcing the Group's worldwide leadership in light and sustainable construction, with targeted and disciplined capital allocation:
 - **Geographically**, with the announcement of the acquisitions of CSR Limited in Australia and Bailey in Canada
 - In **construction chemicals**, with six acquisitions announced or closed since the start of the year
- **Confidence in the 2024 outlook: double-digit operating margin** for the fourth consecutive year

Like-for-like sales were down **5.8%**, impacted by the decline in new construction in Europe but supported by growth in the Americas and Asia-Pacific.

Group prices were down 1.1% but the **price-cost spread was positive**, thanks to well-managed pricing and the decrease in certain raw material and energy costs.

As expected, volumes were down by 4.7% in first-quarter 2024 – with a **negative working day effect of 1.5%** at Group level – an **improvement at comparable working days on the fourth-quarter 2023 performance** (down 4.5%).

On a reported basis, sales came in at **€11.4 billion**, with a negative currency effect of 0.5%. The negative Group structure impact of 2.2% reflects the **optimization of the Group's profile**, both in terms of disposals – mainly in distribution (UK), glass processing activities, foam insulation (UK), and railing and decking (US) – and in terms of acquisitions, mainly in construction chemicals (Izomaks, Adfil, Menkol Industries, Drymix, Technical Finishes, IDP Chemicals), in North America (Building Products of Canada, ICC in the US) and in Asia-Pacific (U.P. Twiga in India, Hume in Malaysia).

The acquisitions of **CSR Limited** and **Bailey**, leading players in light and sustainable construction in the high-growth Australian and Canadian markets, **will reinforce the Group's profitable growth profile**. The processes necessary for completion are underway.

Segment performance (like-for-like sales)

Europe, Middle East & Africa: sequential improvement in volumes, close to a low point

Sales in Europe were down 10.3% over the quarter, with a negative volume effect of 8.2% based on actual working days and of 6% at comparable working days (owing to the more negative working day effect than at Group level) – an **improvement on fourth-quarter 2023** (down 8.2%). This was amid a sharp slowdown in new construction, with renovation (around 60% of sales) more resilient.

- **Northern Europe** was down 11.0%, with the slowdown in new construction significantly affecting **Nordic countries** and **Germany**, while renovation proved more resilient. The **UK** reported a smaller decline, benefiting from a **strong commercial dynamic** thanks to its comprehensive range of solutions. In **Eastern Europe**, Saint-Gobain delivered **volume growth** for the second consecutive quarter.
- **Southern Europe, Middle East & Africa** fell by 10.1% amid a sharp decline in new construction in **France**. Saint-Gobain nevertheless continued to outperform its market thanks to its strong exposure to renovation (benefiting from regulatory tailwinds and an increase in stimulus measures for energy renovation) and an enhanced offering. **Spain and Italy saw volumes rise** in resilient construction markets. **Middle East and Africa** posted **strong growth**, particularly in Turkey and Egypt thanks to the success of recent investments.

Americas: strong sales growth driven by North America

The Region delivered **strong organic growth of 5.9%**, with an increase in both volumes and prices, driven by the outperformance of North America.

- **North America** was up by 12.2%, driven by a dynamic renovation market (against a weak 2023 comparison basis for roofing) 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. The recent integrations of **Kaycan** and **Building Products of Canada** added to this robust sales momentum.
- **Latin America** contracted 10.8% in markets that remained down, although the volume decline has now stabilized at the level seen in fourth-quarter 2023. In **Brazil**, certain macroeconomic indicators improved and the Group is benefiting from its comprehensive range of light construction solutions, for example with the renovation of São Paulo's Pacaembu stadium, where 20 of Saint-Gobain's solutions were used. The other countries in the Region benefited from the enhanced offering and mix.

Asia-Pacific: good sales momentum

The Region reported **robust organic growth of 4.5%** in the first quarter, notably driven by strong momentum in India.

India delivered another outperformance, with a **double-digit rise in volumes**, thanks to its comprehensive and innovative range of solutions. The Group is seeing the benefits of its numerous recent sustainability-driven initiatives: the production of very low-carbon plaster, the use of biogas, systems for recovering heat produced during manufacturing, and an increase in the proportion of recycled materials in production. In a difficult new construction market in **China**, the Group progressed and **continued to capture market share** owing to its reinforced positioning in the renovation market and to the attractiveness of its offer centred on performance and light construction along with circularity and service excellence. **South-East Asia** remained at a **good level, led by Malaysia, Indonesia and Singapore**, owing mainly to the diversification of its portfolio and strong innovation.

High Performance Solutions (HPS): good momentum in Construction Chemicals; lower sales on industrial markets

HPS reported **like-for-like sales down 5.4%** over the quarter owing to a high prior-year comparison basis.

- Businesses serving **global construction customers** saw sales decline 6.7%, due to the sharp decline in Adfors' reinforcement solutions, which are exposed to new construction in Europe. **Chryso** and **GCP reported further good momentum**, driven by infrastructure projects and innovation for decarbonizing construction. During the quarter Saint-Gobain Construction Chemicals signed a partnership agreement with Fortera in additive technologies for low-carbon cement and concrete, and opened two new plants.
- **Mobility** sales stabilized (down 0.9%) 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 announced closure of Avilès in Spain.
- Businesses serving **Industry** contracted 8.6%, affected by a decline in industrial markets, especially those linked to investment cycles.

2024 outlook

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

Saint-Gobain expects some of its markets to remain difficult in 2024, especially in the first half of the year owing to a high comparison basis, with a contrasting situation between Europe and the rest of the world:

- 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 during the year in Latin America;
- Asia-Pacific: good growth in most countries;
- High Performance Solutions: Construction Chemicals to see dynamic growth; Mobility to hold firm and a contrasting situation on industrial markets in terms of demand.

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

Financial calendar

A conference call will be held at 6:30pm (Paris time) on April 25, 2024: dial +44 12 1281 8004, +1 718 705 8796 or +33 1 70 91 87 04.

- UK site visit (Manchester): Tuesday July 2, 2024.
- First-half 2024 results: Thursday July 25, 2024, after close of trading on the Paris stock market.
- Sales for the third quarter of 2024: Tuesday October 29, 2024, after close of trading on the Paris stock market.

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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.

- **Operating income** = see Note 5 to the consolidated financial statements at December 31, 2023, available by clicking here <https://www.saint-gobain.com/en/news/full-year-2023-results>

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

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 the control of Saint-Gobain, including but not limited to the risks described in the "Risk Factors" section of Saint-Gobain's 2023 Universal Registration Document, 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

Appendix 1: Sales by Segment

	Q1 2023 sales (in €m)	Q1 2024 sales (in €m)	Change on an actual structure basis	Change on a comparable structure basis	Like-for-like change
Northern Europe	3,519	2,779	-21.0%	-11.4%	-11.0%
Southern Europe, ME & Africa	4,012	3,617	-9.8%	-10.4%	-10.1%
Americas	2,180	2,349	+7.8%	+6.2%	+5.9%
Asia-Pacific	491	504	+2.6%	+0.1%	+4.5%
High Performance Solutions	2,556	2,420	-5.3%	-5.8%	-5.4%
<i>Internal sales and misc.</i>	-352	-313	---	---	---
Group Total	12,406	11,356	-8.5%	-6.3%	-5.8%

Appendix 2: Contribution of price and volumes to organic sales growth by Segment

Q1 2024	Like-for-like change	Prices	Volumes
Northern Europe	-11.0%	-1.7%	-9.3%
Southern Europe, ME & Africa	-10.1%	-2.4%	-7.7%
Americas	+5.9%	+0.7%	+5.2%
Asia-Pacific	+4.5%	-4.0%	+8.5%
High Performance Solutions	-5.4%	-0.3%	-5.1%
Group Total	-5.8%	-1.1%	-4.7%

Appendix 3: Breakdown of organic sales growth and external sales

Q1 2024	Like-for-like change	% Group
Northern Europe	-11.0%	23.4%
<i>Nordics</i>	-15.0%	10.9%
<i>United Kingdom - Ireland</i>	-4.5%	3.6%
<i>Germany - Austria</i>	-13.1%	2.9%
Southern Europe, ME & Africa	-10.1%	31.1%
<i>France</i>	-12.3%	23.6%
<i>Spain - Italy</i>	-0.7%	4.2%
Americas	+5.9%	20.2%
<i>North America</i>	+12.2%	15.5%
<i>Latin America</i>	-10.8%	4.7%
Asia-Pacific	+4.5%	4.2%
High Performance Solutions	-5.4%	21.1%
<i>Construction and industry</i>	-8.0%	13.1%
<i>Mobility</i>	-0.9%	8.0%
Group Total	-5.8%	100.0%