
The worldwide leader in light & sustainable construction

Sequential improvement in sales in Q3 2024 Further increase in margin expected in 2024

- Sequential improvement in organic growth
- Significant contribution from recent acquisitions in North America, Asia-Pacific and construction chemicals, with a positive 3.4% structure impact
- Further increase in operating margin expected in 2024

Sales in the third quarter showed a sequential improvement, down 2.0% like-for-like in the quarter (down 3.9% in the nine-month period to September 30, 2024 and down 4.9% in the first half of 2024), with good levels of activity in the Americas, Asia-Pacific and High Performance Solutions, but still affected by weak new construction markets in Europe, particularly in France.

Prices were stable sequentially, down by 0.5% in the third quarter and by 0.8% over the nine-month period, generating a **positive price-cost spread** thanks to disciplined execution and the decrease in certain raw material and energy costs.

Volumes were down by 1.5% in the third quarter and by 3.1% over the nine-month period, **in line with the Group's expectations for the year**. This reflects a contrasting situation: weakness in Europe - with a marked decline in new construction but resilience in renovation - and good levels of activity in all other segments.

On a reported basis, sales were stable at €11.6 billion in the third quarter (down 4.1% to €35.0 billion over the nine-month period) despite a negative 1.3% currency effect, thanks to a **positive 3.4% Group structure impact** linked to **recent acquisitions**: in Asia-Pacific (CSR in Australia, Hume in Malaysia), North America (Building Products of Canada and Bailey in Canada, ICC in the US) and construction chemicals (Izomaks in Saudi Arabia, Menkol Industries in India, Technical Finishes in South Africa, Adfil and R.SOL in Europe). **The integration of recent acquisitions is progressing well**, enabling the **implementation of the expected synergies**. The Group continued to benefit from the **optimization of its business profile, with the disposals** of distribution and foam insulation businesses in the UK, glass processing activities, and railing and decking in the US.

Segment performance (like-for-like sales)

Europe, Middle East & Africa: sequential improvement in sales

Sales in Europe were down 4.5% in the third quarter, a noticeable improvement on the first half (down 7.9%), beyond the technical impact of working day effects (around +2% in the quarter). New construction remained strongly down while renovation (around 60% of sales) was more resilient.

- **Northern Europe** was down 3.2% in the third quarter (after a decline of 7.1% in the first half), with most countries at or near a low point. **Nordic countries** and **Germany** continued to be affected by weakness in new construction, while renovation was more resilient. In the **UK**, volumes were almost flat, thanks to a comprehensive range of solutions and systems with quantified benefits. **Eastern Europe** continued to achieve volume growth as seen for several quarters.
- **Southern Europe, Middle East & Africa** contracted 5.2% in the third quarter (after a decline of 8.6% in the first half). As expected, with the exception of France most countries reached a low point. Saint-Gobain continued to outperform in **France** in a new construction market which remains significantly down, thanks to its strong exposure to renovation and its comprehensive range of solutions. Despite the political situation postponing the

low point in France by several quarters, leading indicators for borrowing are encouraging, driven by falling interest rates and an improvement in housing affordability. The Group continues to optimize its business profile, announcing in the third quarter that it had entered into exclusive negotiations to divest PAM Building, its sanitary and rainwater drainage business. **Spain** and **Italy** continued to progress in well-oriented renovation markets. **Middle East and African countries** reported strong growth thanks to the success of recent investments.

Americas: slight growth in sales

The Region delivered **0.8% organic growth in the third quarter** (after 1.2% growth in the first half), driven by the improvement in Latin America and good levels of activity in North America.

- **North America** remained stable at a good level in the third quarter. The Group continues to benefit from its **comprehensive light construction solutions offer - bringing high added value for its customers** - and recorded an increase in prices. In light of the supportive growth outlook, the Group is preparing to open additional capacity for plasterboard, roofing and glass mat underlay during 2025.
- **Latin America** returned to growth, **up 3.7%** in the third quarter, driven by the start of a recovery in **Brazil**, which benefited from a more favorable comparison basis and from market share gains in light construction with a third plasterboard line opened during the first half of the year. The other countries in the Region benefited from the enhanced offering and mix, especially **Mexico**. The acquisition of OVNIVER (Cemix brand), expected to close in the first half of 2025, will strengthen Saint-Gobain's construction chemicals presence in the fast-growing markets of Mexico and Central America.

Asia-Pacific: good resilience in sales

The Region saw a **0.9% decrease in like-for-like sales** in the third quarter (after 1.2% organic growth in the first half), with a rise in volumes driven by India despite the downturn in China.

India outperformed once again with continued **volume growth**, supported by its comprehensive and innovative range of solutions, as well as by the strength of the Saint-Gobain brand in the country. In a difficult new construction market in **China**, the Group **continued to capture market share** thanks to its exposure to renovation, its development towards inner China and its successful fully digital sales model. **South-East Asia** reported sales growth, **led by Vietnam and Indonesia**, benefiting mainly from the enhancement of its offering and its innovation. The Group was awarded several data center projects in the region, thanks to its specific solutions offering energy performance, fire resistance and productivity. The acquisition of CSR, completed on July 9, establishes a leading position in Australia's light and sustainable construction market.

High Performance Solutions (HPS): slight growth in sales

HPS **like-for-like sales rose 0.7% in the third quarter**, a clear sequential improvement after a decline of 3.5% in the first half.

- Businesses serving **global construction customers** reported a 4.6% increase in the third quarter due to the recovery in Adfors reinforcement solutions and **further growth in the Construction Chemicals business** (up 4.1%), driven by infrastructure projects and innovation to decarbonize the construction sector. The acquisition of FOSROC, expected to close in the first half of 2025, marks an acceleration in the Group's construction chemicals presence in regions with strong structural growth.
- **Mobility** sales stabilized (down 1.2%), outperforming thanks to strong technological positioning and innovation investments.
- Businesses serving **Industry** were up by 0.7%, despite still uncertain industrial markets, benefiting from decarbonization technologies and a rebound in sales in specialty materials.

2024 outlook

In a geopolitical and macroeconomic environment that remains challenging, Saint-Gobain is once again demonstrating its resilience and its excellent operating performance in 2024, thanks to its focused strategy of worldwide leadership in light and sustainable construction and its proactive and disciplined execution of commercial and industrial initiatives, enabling it to outperform.

As anticipated, Saint-Gobain expects some of its markets to remain difficult over 2024 overall, with weakness in new construction and resilience in renovation in Europe, and good levels of activity in the Americas, Asia-Pacific and High Performance Solutions.

Despite a context which remains difficult in certain markets, Saint-Gobain expects a further increase in its operating margin in 2024

Financial calendar

A conference call will be held at 6:30pm (Paris time) on October 29, 2024:
Access dial: +44 12 4384 8004 / +1 718 705 8706 or +33 1 70 01 87 04

2024 results: *February 27, 2025*, 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 or 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 rate for the previous year (impact at constant exchange rates);
- changes in applicable accounting policies.

- **Operating income**: see note 5 to the interim financial statements, available by clicking here: <https://www.saint-gobain.com/en/finance/regulated-information/half-yearly-financial-report>

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

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For further information, please visit www.saint-gobain.com

Appendix 1: Sales by Segment

	9m 2023 sales (in €m)	9m 2024 sales (in €m)	Change on an actual structure basis	Change on a comparable structure basis	Like-for-like change
Northern Europe	9,696	8,709	-10.2%	-5.8%	-5.9%
Southern Europe, ME & Africa	11,337	10,511	-7.3%	-8.0%	-7.6%
Americas	7,264	7,490	+3.1%	+0.0%	+1.1%
Asia-Pacific	1,587	1,838	+15.8%	-2.5%	+0.5%
High Performance Solutions	7,624	7,404	-2.9%	-2.9%	-2.1%
Internal sales and misc.	-988	-913	—	—	—
Group Total	36,520	35,039	-4.1%	-4.6%	-3.9%

	Q3 2023 sales (in €m)	Q3 2024 sales (in €m)	Change on an actual structure basis	Change on a comparable structure basis	Like-for-like change
Northern Europe	3,022	2,905	-3.9%	-2.8%	-3.2%
Southern Europe, ME & Africa	3,361	3,195	-4.9%	-5.8%	-5.2%
Americas	2,480	2,523	+1.7%	-2.8%	+0.8%
Asia-Pacific	551	805	+46.1%	-2.9%	-0.9%
High Performance Solutions	2,461	2,435	-1.1%	-1.1%	+0.7%
Internal sales and misc.	-309	-288	—	—	—
Group Total	11,566	11,576	+0.1%	-2.2%	-2.0%

Group Total	11,300	11,573	+0.1%	-3.3%	-2.0%
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Appendix 2: Contribution of prices and volumes to organic sales growth by Segment

9-month 2024	Like-for-like change	Prices	Volumes
Northern Europe	-5.9%	-1.4%	-4.5%
Southern Europe, ME & Africa	-7.6%	-2.3%	-5.3%
Americas	+1.1%	+0.8%	+0.3%
Asia-Pacific	+0.5%	-2.6%	+3.1%
High Performance Solutions	-2.1%	+0.3%	-2.4%
Group Total	-3.9%	-0.8%	-3.1%

Q3 2024	Like-for-like change	Prices	Volumes
Northern Europe	-3.2%	-1.3%	-1.9%
Southern Europe, ME & Africa	-5.2%	-1.9%	-3.3%
Americas	+0.8%	+0.7%	+0.1%
Asia-Pacific	-0.9%	-1.5%	+0.6%
High Performance Solutions	+0.7%	+0.8%	-0.1%
Group Total	-2.0%	-0.5%	-1.5%

Appendix 3: Breakdown of organic sales growth and external sales

9-month 2024	Like-for-like change	% Group
Northern Europe	-5.9%	23.8%
<i>Nordics</i>	-8.4%	11.1%
<i>United Kingdom - Ireland</i>	-3.7%	3.5%
<i>Germany - Austria</i>	-6.5%	2.9%
Southern Europe, ME & Africa	-7.6%	29.2%
<i>France</i>	-9.9%	22.1%
<i>Spain - Italy</i>	+1.6%	4.0%
Americas	+1.1%	21.0%
<i>North America</i>	+2.7%	16.2%
<i>Latin America</i>	-3.8%	4.8%
Asia-Pacific	+0.5%	5.1%
High Performance Solutions	-2.1%	20.9%
<i>Construction and industry</i>	-2.8%	13.1%
<i>Mobility</i>	-1.1%	7.8%
Group Total	-3.9%	100.0%

Q3 2024	Like-for-like change	% Group
Northern Europe	-3.2%	24.1%
<i>Nordics</i>	-3.2%	11.1%
<i>United Kingdom - Ireland</i>	-5.2%	3.5%
<i>Germany - Austria</i>	-5.2%	2.9%
Southern Europe, ME & Africa	-5.2%	29.2%
<i>France</i>	-9.9%	22.1%
<i>Spain - Italy</i>	+1.6%	4.0%
Americas	+0.8%	21.0%
<i>North America</i>	+0.7%	16.2%
<i>Latin America</i>	+0.8%	4.8%
Asia-Pacific	-0.9%	5.1%
High Performance Solutions	+0.7%	20.9%
<i>Construction and industry</i>	+0.7%	13.1%
<i>Mobility</i>	+0.8%	7.8%
Group Total	-2.0%	100.0%

Northern Europe	-3.2%	24.1%
<i>Nordics</i>	-4.8%	10.9%
<i>United Kingdom - Ireland</i>	-3.0%	3.6%
<i>Germany - Austria</i>	-3.1%	2.8%
Southern Europe, ME & Africa	-5.2%	26.9%
<i>France</i>	-7.5%	20.1%
<i>Spain - Italy</i>	+1.2%	3.7%
Americas	+0.8%	21.4%
<i>North America</i>	-0.1%	16.5%
<i>Latin America</i>	+3.7%	4.9%
Asia-Pacific	-0.9%	6.8%
High Performance Solutions	+0.7%	20.8%
<i>Construction and industry</i>	+1.9%	13.1%
<i>Mobility</i>	-1.2%	7.7%
Group Total	-2.0%	100.0%

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