RNS Number : 4960T
Compagnie de Saint-Gobain
31 July 2025

The worldwide leader in light and sustainable construction

FIRST-HALF 2025 RESULTS

New record margin and very strong operating performance

- **Sales up 3.4% in H1 2025 in local currencies**
- **Record operating margin of 11.8%**
- **Record EBITDA and operating income in local currencies, up 7.0% and 5.0%, respectively**
- **Recurring EPS at a record level and 63% free cash flow conversion ratio**
- **Strategic acquisitions for €1.7 billion in construction chemicals**, with Cemix (Latin America), FOSROC (India and Middle East) and other selective acquisitions (Maturix, Interstar Materials, Soquimic, Isoltech)
- **2025 outlook confirmed: the Group expects an operating margin of more than 11.0%**

Benoit Bazin, Chairman and Chief Executive Officer, commented:

"*Our first-half 2025 performance once again demonstrates the strength of Saint-Gobain's new profile, with growth in sales and earnings despite a certain wait-and-see environment in some markets. Asia and emerging countries continued to drive growth for the Group and Europe reported a further sequential improvement, while North America saw a slight decrease in sales. The integration of our recent acquisitions has enabled us to strengthen the quality of the Group's profitable growth profile and benefit from balanced earnings across three geographic zones.*
Our decentralized operating model by country, with no direct exposure to customs tariffs, is key to the Group's ability to withstand external shocks. Our country CEOs now oversee our entire range of solutions to accelerate the Group's growth in each of its channels and end markets.
Despite a still contrasted macroeconomic environment and ongoing geopolitical uncertainty, I am confident that 2025 will be another successful year for Saint-Gobain, thanks to our dedicated teams: I applaud their commitment. At our Capital Markets Day on October 6, we will present the Group's new ambitions as worldwide leader in light and sustainable construction, in terms of profitable growth and outperformance as well as value creation for all of our stakeholders."

A new profitable growth profile

The Group continues to outperform its markets thanks to the strength of its strategic position as worldwide leader in light and sustainable construction:

- **An unrivalled range of sustainable and innovative solutions** based on integrated systems and an industry-leading low-carbon offer;
- **Strong positioning in construction chemicals, with €6.5 billion in annual sales** (2024 pro forma for recent changes in Group structure). The integrations of Cemix in Latin America and FOSROC in India and the Middle East in the first half strengthen Saint-Gobain's presence in high-growth markets;
- **A highly effective, proven operating model by country, further strengthened since July 1**, with a fully regional organization to accelerate growth of our solutions country by country in each market segment (notably residential, data centers, hospitals, schools, infrastructure);

- **Balanced contribution to operating income from three geographic zones**: around 35% from North America, 33% from Asia and emerging countries, and 32% from Western Europe. This balanced geographic profile has been achieved thanks to the rotation of around 40% of sales since 2018;
- **A transformed financial profile**: structurally higher margins, a free cash flow conversion ratio structurally above 50% and a two-fold increase in earnings per share since 2018.

Group operating performance

Sales were **up by 3.4% in local currencies** and by 1.7% as reported, at €23.9 billion, reflecting the depreciation in most currencies against the euro in the second quarter (negative 2.8% exchange rate impact). The positive 3.9% impact from changes in Group structure mainly reflects four recent acquisitions strengthening Saint-Gobain's profitable growth profile: CSR in Australia, Bailey in Canada, Cemix in Latin America and FOSROC in India and the Middle East. The optimization of the Group's profile also continued with the effect of divestments, notably the pipe drainage business for buildings (PAM Building).

On a like-for-like basis, sales were down by 0.5%, supported by growth in Asia-Pacific, the Americas and High Performance Solutions, while Europe saw a smaller decrease. With a negative working-day effect of 1% over the first half, **volumes were virtually stable at comparable working days** (down 1.5% at actual working days), a clear sequential improvement on second-half 2024 (down 2.0% at actual working days and down around 3% at comparable working days). **Prices were 1.0% higher** thanks to disciplined execution in a slightly inflationary cost environment and to the added value that our comprehensive, sustainable and innovative solutions bring to our customers.

Operating income was €2,803 million, up 5.0% in local currencies (negative currency impact of over 3%) to a record high. The **operating margin** also hit a **new record** of **11.8%** (versus 11.7% in first-half 2024), reflecting the strength of the Group's strategic positioning and its very good operating performance, enabling it to outperform in an environment marked by a certain wait-and-see attitude linked to geopolitical disruptions.

Segment performance (like-for-like sales)

Europe: sequential improvement in sales and good margin resilience

Sales in Europe were down 2.2% over the first half, with volumes down 2.1% based on actual working days and down around 1% at comparable working days, an improvement on second-half 2024 (volumes down 3.1% based on actual working days and down around 4% at comparable working days), as construction markets **stabilized or began to recover**, depending on the country. The **operating margin** narrowed only very slightly to **8.5%** (from 8.7% in first-half 2024) reflecting the downturn in volumes, but good cost management and price stability over the first half (prices up slightly in the second quarter).

- **Northern Europe** edged up 0.4% in the first half, as the price effect returned to positive territory, with volumes virtually stable at actual working days and up by around 1% at comparable working days (owing to the negative 2% working-day effect in the second quarter). The **UK** and **Eastern Europe** reported growth, driven by customer demand for Saint-Gobain's comprehensive range of solutions, offering customers differentiation and performance. **Nordic countries** also reported slight growth, led by Denmark and Finland, while Sweden and Norway were virtually stable. **Germany** was slightly down, affected in the second quarter by a certain wait-and-see attitude in the prevailing geopolitical climate and pending its stimulus package. Overall, sales for the Region were supported by the start of a recovery on the renovation market, which began to see the initial benefits of the rise in the number of existing home transactions and improved household purchasing power, whereas improved statistics in new construction typically take longer to filter through to the business.

- **Southern Europe, Middle East & Africa** contracted by 4.0% over the first half (and by around 3% based on comparable working days), **with a clear sequential improvement quarter after quarter** (down 6.5% in fourth-quarter 2024, down 4.9% in first-quarter 2025 and down 3.2% in second-quarter 2025), after a low point reached in France in fourth-quarter 2024. Saint-Gobain continues to benefit from its renovation exposure and its comprehensive range of innovative solutions that meet both residential and non-residential construction needs. Saint-Gobain Solutions France oversaw the selection of 11 of the Group's brands and services for the future University Hospital in Nantes, one of France's biggest construction projects. **France's leading indicators are encouraging**, with a recent rise in existing home transactions, growth in lending and the beginning of a recovery in housing starts after three years of decline. **Spain** saw further growth, while **Italy** was down against a high comparison basis. The **Middle East and Africa** delivered strong growth led by Egypt, which benefited from the Group's recent investments to expand its range of local solutions.

Americas: slight growth in sales and record margin

The Region delivered **1.3% organic growth**, reflecting a slight contraction in North America and growth in Latin America. The **operating margin reached a new record high of 19.7%** (19.0% in first-half 2024), supported by rigorous pricing and cost management and despite the decline in volumes.

- **North America** edged down 1.5%, owing to softness in the new construction market related to a still high interest rate environment, but which nevertheless remains at a satisfactory level, albeit below structural market needs. The Group was supported by its significant exposure to renovation (over 50% of sales) and especially roofing products, which maintained a good level driven by essential needs. In a more uncertain environment, the Group also benefited from its highly local business model, protecting it from the direct impact of tariffs. Saint-Gobain is extremely well placed to continue its outperformance, thanks to its comprehensive range of sustainable solutions, increasingly critical for adapting buildings to climate challenges. The Group also benefited from its leading position in Canada, reinforced by the recent integration of its local acquisitions. Additional local production capacity will gradually be opened in the second half of 2025, enabling Saint-Gobain to reinforce its competitive positioning and customer proximity in a structurally supportive market.

- **Latin America** was up **10.4%**, driven by further growth in **Brazil** - despite the comparison basis starting to become less favorable from the second quarter - and by the acceleration in **Mexico** during the first half. Mexico and all of Central America have started to see spillover benefits from the **Cemix** acquisition in construction chemicals. The other countries in the Region also enjoyed good momentum thanks to an enhanced offer and mix.

Asia-Pacific: sales growth and record margin

The Region delivered **robust organic growth of 3.9%** over the first half, driven by strong momentum in India and South-East Asia, which more than offset the contraction in the Chinese market. The **operating margin hit a record high of 13.4%** (versus 13.0% in first-half 2024), supported by volumes as well as good pricing and cost management.

India achieved further market share gains, with **double-digit volume growth**, driven by its comprehensive and innovative range of sustainable solutions. The May launch of India's first low-carbon plaster certified by an Environmental Product Declaration illustrates the Group's pioneering commitment to improve sustainable building standards in the country. This milestone follows on from the arrival of the first Oraé® low-carbon glass (42% less CO_2) on the Asian market in 2024. **China** was again affected by the slowdown in the new construction market over the first half, but outperformed thanks to renovation. Growth in **South-East Asia** was led by Indonesia, the Philippines and Vietnam, which benefited from the Group's investments in personalized digital distribution and from the rollout of new product lines. The integration of CSR is progressing well, in terms of both operational performance and the development of complete solutions for the Australian market.

High Performance Solutions (HPS): slight sales growth and resilient margin

HPS reported **like-for-like sales growth of 0.8%** over the first half, supported by a good performance from construction businesses and Mobility, despite the decline in other industrial activities. The **operating margin** narrowed slightly to **12.0%** (from 12.3% in first-half 2024) owing to lower volumes.

- Businesses serving **construction customers** were up by **3.4%**, lifted by the recovery in Adfors' reinforcement solutions exposed to construction markets in Central Europe and by **growth** in the **Construction Chemicals** business **(up 30% as reported)**, driven by infrastructure projects and innovation to decarbonize the construction sector. The integration of FOSROC (India, Middle East and Asia-Pacific) - the acquisition of which was completed in February - is progressing well and establishes Saint-Gobain as a construction chemicals leader in India, where the growth dynamics are particularly promising.

- **Mobility** performed very well (up 2.6%), benefiting from its customers' different regional growth dynamics, its positioning on high value-added models and its innovation investments.

- Businesses serving **Industry** (down 2.1%) were affected - particularly in Europe - by a certain wait-and-see attitude to investment due to geopolitical uncertainties, while emerging markets and North America held firm.

Analysis of the consolidated financial statements for first-half 2025

The unaudited interim consolidated financial statements for first-half 2025 were subject to a limited review by the statutory auditors and adopted by the Board of Directors on 31 July 2025.

In € million	H1 2024	H1 2025	% change
Sales	**23,464**	**23,852**	**+1.7%**
Operating income	**2,751**	**2,803**	**+1.9%**
Operating margin	**11.7%**	**11.8%**	
Operating depreciation and amortization	1,026	1,065	+3.8%
Non-operating costs	-125	-50	+60.0%
EBITDA	**3,652**	**3,818**	**+4.5%**
Capital gains and losses on disposals, asset write-downs and impact of changes in Group structure	-164	-188	-14.6%
Business income	**2,462**	**2,565**	**+4.2%**
Net financial expense	-215	-304	-41.4%
Dividends received from investments	1	8	n.s.
Income tax	-546	-596	-9.2%
Share in net income of associates	2	0	n.s.
Net income before non-controlling interests	**1,704**	**1,673**	**-1.8%**
Non-controlling interests	44	44	0.0%
Net attributable income	**1,660**	**1,629**	**-1.9%**
Earnings per share[1] (in €)	3.31	3.29	-0.6%
Recurring net income[2]	**1,820**	**1,797**	**-1.3%**
Recurring[2] earnings per share[1] (in €)	**3.63**	**3.63**	**0.0%**
EBITDA	**3,652**	**3,818**	**+4.5%**
Depreciation of right-of-use assets	-351	-368	-4.8%
Net financial expense	-215	-304	-41.4%
Income tax	-546	-596	-9.2%
Capital expenditure[3]	-583	-711	-22.0%

o/w additional capacity investments	*255*	*304*	*+19.2%*
Changes in working capital requirement[4]	248	47	-81.0%
Free cash flow[5]	**2,460**	**2,190**	**-11.0%**
Free cash flow conversion[6]	**75%**	**63%**	
ROCE	**14.4%**	**13.7%**	
Lease investments	425	267	-37.2%
Investments in securities net of debt acquired[7]	847	1,701	+100.8%
Divestments	60	33	-45.0%
Consolidated net debt	**9,443**	**12,787**	+35.4%

1. Calculated based on the weighted average number of shares outstanding (495,096,191 shares in H1 2025, versus 501,808,814 shares in H1 2024).
2. Recurring net income: net attributable income excluding capital gains and losses on disposals, asset write-downs, amortization of intangible assets related to PPA, IFRS3 acquisition costs and other non-recurring items (material non-recurring provisions, impacts of hyperinflation, etc.). Two items have been removed from recurring net income: hyperinflation (-€23 million in H1 2025 versus -€37 million in H1 2024) and amortization of intangible assets related to PPA (-€146 million in H1 2025 versus -€103 million in H1 2024). Netted of related tax effects and non-controlling interests, the impact amounts to -€132 million in H1 2025 versus -€114 million in H1 2024.
3. Capital expenditure = Investments in tangible and intangible assets.
4. Changes 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 requirement 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: €1,701 million in H1 2025, of which €1,678 million in controlled companies.

EBITDA came in at **€3,818 million**, **a new record high**. EBITDA includes non-operating costs of €50 million (€125 million in first-half 2024).

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 €188 million (€164 million expense in first-half 2024). It reflects €32 million in asset write-downs essentially relating to site closures and disposals (€35 million in first-half 2024), €146 million in Purchase Price Allocation (PPA) intangible amortization (€103 million in first-half 2024 and €130 million in second-half 2024), and €10 million in disposal losses and other net business expenses (€26 million in first-half 2024).

Net financial expense was €304 million (€215 million in first-half 2024), reflecting the rise in net debt along with lower proceeds from cash investments.

Recurring earnings per share was stable at a record level of €3.63, with **recurring net income at €1,797 million**. The tax rate on recurring net income was 26%.

Capital expenditure represented €711 million (€583 million in first-half 2024). The Group opened nine new plants and production lines over the half-year period, focused on structurally high-growth regions and construction chemicals.

Free cash flow came in at €2,190 million, with a **conversion ratio of 63%** reflecting a good level of EBITDA and very good management of operating working capital requirement (WCR), which remained stable year-on-year at 23 days' sales at end-June 2025.

Investments in securities net of debt acquired totaled €1.7 billion (€847 million in first-half 2024), primarily reflecting the acquisitions of FOSROC (India, Middle East) and Cemix (Latin America) in construction chemicals.

The Group carried out **further share buybacks** for €111 million at end-June and approximately €160 million at end-July (net of offsetting employee share creation). This reduced the number of shares outstanding to around 496 million at end-June 2025 from 499.5 million at end-June 2024.

Net debt was €12.8 billion at end-June 2025, reflecting €4.5 billion of acquisitions over the past 12 months (mainly CSR, FOSROC and Cemix), partly offset by good free cash flow generation. **The net debt to EBITDA ratio** on a rolling 12-month basis was 1.7 at end-June 2025 (versus 1.4 at end-June 2024).

Strategic priorities and 2025 outlook

In 2025 the Group will continue to implement the strategic priorities of its "Grow & Impact" plan:

1) Strong execution of our operating initiatives focused on profitability and free cash flow generation

- Constant focus on margin through management of the price-cost spread and ongoing productivity and industrial cost-saving initiatives;
- Capital expenditure around 4.5% of sales, with strict allocation to structurally 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;

- Leverage the full potential from the integration of recent acquisitions and continue to enhance the Group's profile through value-creating acquisitions and divestments.

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

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

Following the deepening of our local organization effective July 1 aimed at accelerating growth of our solutions country by country, **the Group will now publish its accounts based on four Regions**: Northern Europe, Southern Europe - Middle East & Africa, Americas, Asia-Pacific. In the second half and for its full-year 2025 results, the Group will publish its accounts based on its new organization and provide equivalent figures based on its existing organization.

In a macroeconomic environment that remains contrasted, Saint-Gobain will once again demonstrate a very strong operating performance in second-half 2025. Assuming no major slowdown in global growth linked to geopolitical uncertainties, the Group expects the following trends:

- Europe: a gradual recovery country by country;
- Americas: a good level of activity to be maintained in Latin America and continued softness in new construction in North America amid still-high interest rates;
- Asia-Pacific: growth led mainly by India, South-East Asia and the integration of CSR in Australia.

Saint-Gobain expects an operating margin of more than 11.0% in 2025

Financial calendar

An information meeting for analysts and investors will be held at *8:30am (GMT +1) on August 1, 2025* and will be streamed live on Saint-Gobain's website: www.saint-gobain.com

- **Capital Markets Day**: Monday October 6, 2025.
  To sign up, please click on the following link: https://digitalevent.saint-gobain.com/cmd2025

- **Sales for the third quarter of 2025**: Thursday October 30, 2025, after close of trading on the Paris stock exchange.

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Glossary:

- ***Changes on an actual structure basis*** *reflect changes in published indicators between two periods.*
- ***Changes in local currencies*** *reflect actual performance, applying exchange rates for the previous period to indicators for the period under review.*
- ***Like-for-like changes*** *(constant Group structure and exchange rates) reflect underlying performance excluding the impacts of:*
  - *changes in scope, by calculating indicators for the period under review based on the scope of consolidation of the previous period (structure impact);*
  - *changes in foreign exchange rates, by calculating indicators for the period under review and those for the previous period based on exchange rates for the previous period (exchange rate impact).*
- ***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 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**: data 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 expense	*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 2024 Universal Registration Document and the main risks and uncertainties presented in the half-year 2025 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.

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