



SAINT-GOBAIN REINFORCES ITS LEADERSHIP IN LIGHT AND SUSTAINABLE CONSTRUCTION IN NORTH AMERICA BY SIGNING A DEFINITIVE AGREEMENT TO ACQUIRE KAYCAN, TOP SIDING PLAYER IN CANADA

Saint-Gobain announces today that it has entered into a definitive agreement pursuant to which the Group will acquire Kaycan, Ltd., a family-owned manufacturer and distributor of exterior building materials in Canada and in the United States, for US\$928 million (approximately €860 million) in cash.

With this acquisition, Saint-Gobain reinforces its worldwide leadership in light and sustainable construction by becoming the top siding player in Canada and enlarging its vinyl offer across the United States with complementary solutions including notably aluminum and engineered wood.

The price represents a multiple (before synergies) of approximately 11.2x Kaycan's 2021-2022E¹ EBITDA of US\$83 million and a **net acquisition price of approximately US\$820 million**, i.e. a multiple of approximately **8.0x EBITDA** post run-rate synergies of US\$30 million and after the planned divestiture of the small United States distribution arm of Kaycan (that accounts for c.US\$70 million in stand-alone resell of Kaycan products to third parties and c.US\$10 million in EBITDA, assumed to be sold at a similar pre-synergy multiple to a third party shortly after the finalization of the transaction), while keeping the locally well-established Canadian distribution.

This acquisition meets the Group's strategic and financial criteria articulated during the Capital Markets Day of October 6, 2021:

- 1) **Strengthening the Group's leadership in North America** as well as enriching our offering **in light and sustainable construction**
- 2) **Value creation by year 3** following the closing of the transaction
- 3) Maintaining a **strong balance sheet** and solid credit rating with a limited impact of +0.1x net debt to EBITDA with leverage staying within the target set (1.5 to 2.0x)

Closing of the transaction is subject to antitrust approvals and satisfaction of other customary closing conditions; it is expected to close by year-end 2022.

¹ 2021-2022E = fiscal year starting August 1st, 2021 and ending July 31st, 2022

STRATEGIC BENEFITS

Kaycan is a leading exterior building materials player with US\$472 million in revenues – more than half in Canada and the remainder in the United States, 12 manufacturing plants (of which 9 in Canada) and employing around 1,300 people. It is the leading manufacturer of siding products in Canada which it sells thanks to its well-known and trusted brand via its dedicated distribution and strong channel coverage in big box retail, providing unparalleled customer reach across the country and with recycling services of post-consumption materials which can in turn be incorporated into the production process. Leveraging the highly efficient country organization of Saint-Gobain, this acquisition will complement the Group's leadership in Canada (where Saint-Gobain achieved 2021 sales of around CAD\$750 million across gypsum, insulation, ceilings and roofing) allowing it to broaden the light and sustainable construction solutions offered for the benefit of its Canadian customers. It will also allow Saint-Gobain to strengthen and expand its channel coverage and partnerships to reach new customers in the light commercial market.

The acquisition also enables Saint-Gobain to reinforce its activities in siding in the United States and will allow the Group to broaden its offer towards the growing markets of aluminum and engineered wood siding solutions, manufactured using a high degree of recycled materials.

VALUE CREATION & SYNERGIES

A value-creative transaction for Saint-Gobain's shareholders with significant synergies.

This acquisition will create value by year 3 following closing of the transaction. Saint-Gobain will finance the acquisition through cash on its balance sheet. Significant synergy opportunities are estimated at c. US\$30 million by year 3 following the closing of the operation, including cost synergies of c. US\$23 million which are expected to be captured through the reduction of SG&A, economies of scale in procurement, and manufacturing and logistics cost optimization.

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

"The acquisition of Kaycan is an excellent step for Saint-Gobain and I am very enthusiastic to warmly welcome the Kaycan teams into the Group. Not only does this acquisition allow us to strengthen our presence in siding both in Canada and in the United States, but it also allows us to broaden our offering into the exciting growth areas of aluminum and engineered wood siding, largely made with recycled materials and thus helping to drive the circular economy ecosystem in construction. It is perfectly aligned with the "Grow & Impact" strategy announced at our Capital Markets Day and reinforces our position in North America and as the worldwide leader in light and sustainable construction. It will create significant value for shareholders, enhance the profitable growth outlook of the Group, enrich our solutions for customers and provide attractive development opportunities for the Kaycan and Saint-Gobain teams."

Lionel Dubrofsky, President of Kaycan, commented:

“Today marks the beginning of an exciting new chapter of Kaycan’s history. Ever since my family founded Kaycan in 1974, our team has been laser-focused on providing the best customer service possible throughout Canada and the United States, all while pushing the boundaries of imagination and innovation to expand our product portfolio over the past decades. Now we have the opportunity to join Saint-Gobain, a renowned leader in light and sustainable construction. We are filled with gratitude for our team’s hard work over the past 48 years, and we’re thrilled to see what comes next for our combined companies.”

Analyst/Investor Conference Call on May 31, 2022 at 6:30 p.m. Paris time (GMT + 1)

Dial-in: + 33 1 72 72 74 03 or +44 20 7194 3759 (code 35834573#)

Please dial in 5 to 10 minutes prior to the scheduled start time.

Replay: +33 1 70 71 01 60 or +44 20 3364 5147 (code 425021791#) from 09:00 p.m. Paris time until June 30, 2022.

A presentation will be available before the conference call on Saint-Gobain’s website at: <https://www.saint-gobain.com/en/finance/financial-events>

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”.

€44.2 billion in sales in 2021

166,000 employees, locations in 75 countries

Committed to achieving Carbon Neutrality by 2050

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

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