ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	945 757 280
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	Brødrene Dahl A/S
Forretningsadresse:	Brynsengveien 5 0667 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Kenneth Rapp
Dato for fastsettelse av årsregnskapet:	07.05.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 12.08.2025

Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		8 115 324 524	8 403 734 858
Sum inntekter		**8 115 324 524**	**8 403 734 858**
Kostnader			
Varekostnad		5 936 240 816	6 166 295 383
Lønnskostnad		903 095 518	863 971 042
Avskrivning av driftsmidler og immaterielle eiendeler		77 330 825	85 235 302
Annen driftskostnad		881 533 023	814 926 877
Sum kostnader		**7 798 200 181**	**7 930 428 604**
Driftsresultat		**317 124 342**	**473 306 254**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap			552 487 000
Inntekt på investering i tilknyttet selskap			-11 415
Annen renteinntekt		21 083	136 565
Annen finansinntekt		4 143 084	1 883 806
Sum finansinntekter		**4 164 167**	**554 495 956**
Rentekostnad til foretak i samme konsern		11 036 399	12 918 879
Annen rentekostnad		986 809	181 747
Annen finanskostnad		829 600	801 643
Sum finanskostnader		**12 852 808**	**13 902 268**
Netto finans		**-8 688 640**	**540 593 687**
Ordinært resultat før skattekostnad		**308 435 702**	**1 013 899 941**
Skattekostnad på resultat		69 456 498	104 494 542
Ordinært resultat etter skattekostnad		**238 979 204**	**909 405 399**
Årsresultat		**238 979 204**	**909 405 399**
Årsresultat etter minoritetsinteresser		**238 979 204**	**909 405 399**

Resultatregnskap

Beløp i: NOK	Note	2023	2022
Totalresultat		**238 979 204**	**909 405 399**
Overføringer og disponeringer			
Ordinært utbytte			408 209 000
Avgitt konsernbidrag			8 814 000
Avsatt til annen egenkapital		238 979 204	492 382 400
Sum overføringer og disponeringer		**238 979 204**	**909 405 400**

Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel		13 399 389	6 273 670
Goodwill		14 138 667	16 066 667
Sum immaterielle eiendeler		**27 538 056**	**22 340 337**
Varige driftsmidler			
Tomter		9 398 139	9 398 139
Bygninger		33 680 561	35 083 248
Maskiner, inventar og transportmidler		288 061 823	288 758 881
Sum varige driftsmidler		**331 140 523**	**333 240 268**
Finansielle anleggsmidler			
Investering i datterselskap		77 107 094	2 423 923 100
Lån til tilknyttet selskap og felles kontrollert virksomhet			166 000
Investeringer i aksjer og andeler		29 080	29 080
Langsiktige fordringer			32 954
Sum finansielle anleggsmidler		**77 136 174**	**2 424 151 134**
Sum anleggsmidler		**435 814 753**	**2 779 731 739**
Omløpsmidler			
Varer			
Sum varer		**1 007 987 222**	**1 065 057 404**
Fordringer			
Kundefordringer		834 793 496	1 060 442 282
Andre kortsiktige fordringer		34 414 676	36 037 914
Krav på innbetaling av selskapskapital		694 053 046	1 320 522 305
Sum fordringer		**1 563 261 218**	**2 417 002 502**
Sum omløpsmidler		**2 571 248 440**	**3 482 059 906**
SUM EIENDELER		**3 007 063 193**	**6 261 791 646**

Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital		22 422 400	22 422 400
Overkurs		1 778 042 800	1 778 042 800
Sum innskutt egenkapital		**1 800 465 200**	**1 800 465 200**
Opptjent egenkapital			
Annen egenkapital		-1 021 881 361	1 174 548 096
Sum opptjent egenkapital		**-1 021 881 361**	**1 174 548 096**
Sum egenkapital		**778 583 839**	**2 975 013 296**
Gjeld			
Langsiktig gjeld			
Andre avsetninger for forpliktelser		59 579 001	48 337 001
Sum avsetninger for forpliktelser		**59 579 001**	**48 337 001**
Annen langsiktig gjeld			
Konvertible lån		55 332 506	666 818 625
Sum annen langsiktig gjeld		**55 332 506**	**666 818 625**
Sum langsiktig gjeld		**114 911 507**	**715 155 626**
Kortsiktig gjeld			
Konvertible lån		115 658 025	91 841 012
Leverandørgjeld		1 598 031 814	1 673 274 552
Betalbar skatt		51 311 773	95 457 644
Skyldig offentlige avgifter		176 537 312	148 447 194
Utbytte			408 209 000
Annen kortsiktig gjeld		172 028 923	154 393 321
Sum kortsiktig gjeld		**2 113 567 847**	**2 571 622 723**
Sum gjeld		**2 228 479 354**	**3 286 778 350**
SUM EGENKAPITAL OG GJELD		**3 007 063 193**	**6 261 791 646**

CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023

SAINT-GOBAIN

Compagnie de Saint-Gobain

Société Anonyme

Tour Saint-Gobain

12, place de l'Iris

92400 Courbevoie

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2023

This is a translation into English of the statutory auditors' report on the financial statements of the Compagnie de Saint-Gobain issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Compagnie de Saint-Gobain

Société Anonyme

Tour Saint-Gobain

12, place de l'Iris

92400 Courbevoie

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2023

To the annual general meeting of Compagnie de Saint-Gobain,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of the Compagnie de Saint-Gobain ("the Group") for the year ended on December 31, 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2023, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1, 2023, to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation of goodwill, intangible assets and property, plant & equipment

Description of risk

The net carrying amounts of goodwill, others intangible assets and property, plant & equipment were material at December 31, 2023, representing €13,111 million, €4,368 million, and €12,744 million, respectively that is to say 53% of total assets.

These assets may present a risk of impairment due to internal or external factors, including decisions to change the Group's strategy in certain markets, a decline in Group performance, the Group's commitments to carbon neutrality, changes in competition, unfavorable market conditions and changes in legislation or regulations. These changes are likely to have an impact on the Group's forecast cash flow and, consequently, the recoverable amount of assets.

The impairment tests performed by Management using the method described in Note 7.5 to the consolidated financial statements led to book an impairment loss of €238 million in the year ended December 31, 2023 as indicated in Note 5.1.4 to the consolidated financial statements.

The valuation of these assets is a key audit matter, particularly for the cash generating units presenting a risk of impairment, given the materiality of their amount in the consolidated balance sheet and the high level of judgment required by Management in assessing impairment losses. Judgements include multiples of a normative basis of performance and assumptions regarding future changes in revenue in volume and value, profitability, investments and other cash flows related to the operation of these assets, as well as the determination of an appropriate discount rate applied to future cash flows.

How our audit addressed this risk

We familiarized ourselves with the procedures implemented within the Group for impairment testing purposes, particularly with regard to the impacts of the Group's commitments to carbon neutrality and exercised our professional judgment to assess the position adopted by Management. We tested the effectiveness of the controls implemented by the Group to ensure the quality and reliability of these procedures and their consistency with data from the budget and the medium-term business plan prepared by Management.

We also assessed the consistency and relevance of Management's approach to determining the cash-generating units for asset impairment testing. We adapted our audit approach to the risk of impairment, which varies depending on the cash-generating unit.

Our valuation specialists performed an independent analysis of certain key assumptions used by Management for impairment testing purposes, in particular the discount rate, the average perpetual growth rate or multiples of a normative performance basis deemed appropriate to the valuation of cash-generating units, by referring to both external market data and comparable company analyses.

For the most sensitive cash-generating units presenting a risk of impairment, we analyzed the consistency of future cash flow projections with regard to past performance and our knowledge of the business, confirmed by interviews with the Heads of the relevant Businesses. We paid particularly close attention to the calculation of the normalized amount of terminal cash flows projected to perpetuity. We performed our own sensitivity analyses of certain key variables of the measurement model, particularly with regard to the inclusion of CO_2 emissions when assessing the materiality of potential impacts on the recoverable amounts of the most high-risk assets.

We verified that the disclosures provided in the notes 5.1.4, 7.1, 7.2, 7.3 et 7.5 to the consolidated financial statements on the valuation of goodwill, intangible assets and property, plant & equipment, the underlying assumptions and sensitivity analyses were appropriate.

Measurement of provisions related to asbestos litigations in the United-State of America

Description of risk

As indicated in Note 9.2.2 to the consolidated financial statements, the risk of being called upon to finance the costs of the bankruptcy proceedings of DBMP, an affiliate of CertainTeed LLC which holds the historical liabilities of the former entity CertainTeed Corporation, is subject to a provision amounting to $407 million (€369 million) at December 31, 2023.

With regard to this funding risk, determining and measuring the provision recognized and assessing the appropriateness of the related disclosures in the notes to the consolidated financial statements are a key audit matter given the amounts involved and the high degree of estimation and judgment required by Management in determining this provision. Judgment is required, in particular, to assess the status and resolution of the ongoing legal proceedings (in particular the voluntary petition for relief under Chapter 11): duration, cost, estimation of the number of current and future cases covered, definition of the damages by the judicial authority.

How our audit addressed this risk

To obtain an understanding of contingent liabilities and litigation regarding asbestos in the United States and the related judgments made, we held discussions with Management at the Group and country level as well as at the main subsidiaries concerned. We also contacted certain law firms and external experts chosen by Management to assist them with the monitoring of these risks.

We:

• examined the minutes of the Board of Directors' meetings and the Group's risk mapping prepared by Management and presented to the Audit and Risk Committee;

• familiarized ourselves with the procedures implemented by Management when measuring the provisions for asbestos-related risks in the United States and determining the disclosures thereon in the notes to the consolidated financial statements;

• assessed the permanence of methods and performed a critical review of internal analyses relating to the probability and possible impact of these risks and new items of litigation by examining the available information relating to the proceedings (correspondence, judgments, notifications, etc.). We also reviewed the responses to the confirmation letters of the law firms chosen by Management, particularly in terms of their experience at resolving comparable situations in the past. We also used our professional judgment to assess the positions adopted by Management, to see where they fell within risk assessment ranges and the consistency of those positions over time;

• verified the arithmetical accuracy of the calculations of changes in provisions and the consistency of the main items of change in relation to the underlying data, in particular the payments made during the year in respect of these risks.

We assessed the appropriateness of the disclosures provided in note 9.2.2 to the consolidated financial statements regarding these items of litigation and contingent liabilities identified.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the management report of Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code (code de commerce) is included in the information pertaining to the Group presented in the management report, it being specified that, in accordance with the provisions of Article L.823-10 of the code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Other Legal and Regulatory Verifications or Information

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the General Manager, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

Moreover, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Compagnie de Saint-Gobain by the annual general meeting held on June 10, 2004, for KPMG and on June 2, 2022, for Deloitte & Associés.

As at December 31, 2023, KPMG and Deloitte & Associés were in the 20th year and 2nd year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 821-55 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit and Risk Committee

We submit a report to the Audit and Risk Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration provided for in Article 6 of Regulation (EU) N°537-2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-7 to L.821-34 of the French Commercial Code and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit and Risk Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, February 29, 2024

KPMG S.A.	Deloitte & Associés

The Statutory Auditors

French original signed by

Pierre-Antoine DUFFAUD	Laurent CHILLET	Frédéric GOURD

CONSOLIDATED BALANCE SHEET

Assets

(in EUR millions)	Notes	Dec. 31, 2023	Dec. 31, 2022
Goodwill	(7.1)	13,111	12,858
Other intangible assets	(7.2)	4,368	4,026
Property, plant and equipment	(7.3)	12,744	12,163
Right-of-use assets	(7.4)	2,810	2,752
Investments in equity-accounted companies	(8.1)	705	639
Deferred tax assets	(12.2)	407	382
Pension plan surpluses	(6.3)	322	569
Other non-current assets	(8.3)	596	537
NON-CURRENT ASSETS		**35,063**	**33,926**
Inventories	(5.4)	6,813	7,219
Trade accounts receivable	(5.4)	5,096	5,178
Current tax receivable	(5.4)	93	76
Other receivables	(5.4)	1,386	1,450
Assets held for sale	(4.3)	246	1,394
Cash and cash equivalents	(10.3)	8,602	6,134
CURRENT ASSETS		**22,236**	**21,451**
TOTAL ASSETS		**57,299**	**55,377**

Equity and liabilities

(in EUR millions)	Notes	Dec. 31, 2023	Dec. 31, 2022
Shareholders' equity	(11.1)	23,273	22,711
Non-controlling interests		485	443
TOTAL EQUITY		**23,758**	**23,154**
Non-current portion of long-term debt	(10.3)	10,638	8,964
Non-current portion of long-term lease liabilities	(10.3)	2,354	2,324
Provisions for pensions and other employee benefits	(6.3)	1,960	1,712
Deferred tax liabilities	(12.2)	824	768
Other non-current liabilities and provisions	(9.1)	1,182	1,092
NON-CURRENT LIABILITIES		**16,958**	**14,860**
Current portion of long-term debt	(10.3)	1,820	1,841
Current portion of long-term lease liabilities	(10.3)	615	597
Current portion of other liabilities and provisions	(9.1)	818	693
Trade accounts payable	(5.4)	6,806	7,266
Current tax liabilities	(5.4)	249	263
Other payables	(5.4)	5,504	5,078
Liabilities held for sale	(4.3)	203	985
Short-term debt and bank overdrafts	(10.3)	568	640
CURRENT LIABILITIES		**16,583**	**17,363**
TOTAL EQUITY AND LIABILITIES		**57,299**	**55,377**

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

(in EUR millions)	Notes	2023	2022
Sales	(5.1)	47,944	51,197
Cost of sales	(5.1)	(35,109)	(38,006)
General expenses including research	(5.1)	(7,664)	(7,915)
Share in net income of core business equity-accounted companies	(8.1)	80	61
OPERATING INCOME		**5,251**	**5,337**
Other business income	(5.1)	68	245
Other business expense	(5.1)	(1,088)	(1,000)
BUSINESS INCOME		**4,231**	**4,582**
Borrowing costs, gross		(358)	(250)
Income from cash and cash equivalents		229	54
Borrowing costs, net, excluding lease liabilities		**(129)**	**(196)**
Interest on lease liabilities		(85)	(66)
Other financial income and expense		(210)	(142)
NET FINANCIAL EXPENSE	**(10.2)**	**(424)**	**(404)**
Share in net income of non-core business equity-accounted companies	(8.1)	9	5
Income taxes	(12)	(1,060)	(1,082)
NET INCOME		**2,756**	**3,101**
GROUP SHARE OF NET INCOME		**2,669**	**3,003**
Non-controlling interests		87	98

	Notes	2023	2022
EARNINGS PER SHARE, GROUP SHARE (in EUR)	**(11.2)**	**5.26**	**5.84**
Weighted average number of shares in issue		507,282,902	514,372,413
DILUTED EARNINGS PER SHARE, GROUP SHARE (in EUR)	**(11.2)**	**5.23**	**5.80**
Weighted average number of shares assuming full dilution		510,458,619	517,595,809

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENSE

(in EUR millions)	Notes	2023	2022
NET INCOME		**2,756**	**3,101**
Items that may be subsequently reclassified to profit or loss			
Translation adjustments and restatement for hyperinflation		(86)	323
Changes in fair value of financial instruments		(17)	23
Tax on items that may be subsequently reclassified to profit or loss		4	(4)
Items that will not be reclassified to profit or loss			
Changes in actuarial gains and losses	(6.3)	(519)	(12)
Tax on items that will not be reclassified to profit or loss		120	(10)
Changes in assets at fair value through equity and other items	(8.3)	(2)	(9)
OTHER ITEMS OF COMPREHENSIVE INCOME (EXPENSE)		**(500)**	**311**
COMPREHENSIVE INCOME (EXPENSE)		**2,256**	**3,412**
Group share		2,145	3,327
Non-controlling interests		111	85

Translation adjustments in 2023 primarily concern the pound sterling, US dollar, Argentine peso and Mexican peso.

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in EUR millions)	Notes	2023	2022
NET INCOME		**2,756**	**3,101**
Share in net income of equity-accounted companies, net of dividends received	(8.1)	(69)	(58)
Depreciation, amortization and impairment of assets (including right-of-use assets)	(5.1) (7)	2,395	2,442
Gains and losses on disposals of assets	(5.3)	347	42
Unrealized gains and losses arising from changes in fair value and share-based payments		75	21
Restatement for hyperinflation		39	18
Changes in inventory		234	(855)
Changes in trade accounts receivable and payable, and other accounts receivable and payable		72	785
Changes in tax receivable and payable		(28)	51
Changes in deferred taxes and provisions for other liabilities and charges	(9.1) (12.2)	214	164
NET CASH FROM OPERATING ACTIVITIES		**6,035**	**5,711**
Acquisitions of property, plant and equipment and intangible assets, and changes in amounts due to suppliers of fixed assets	(7.2) (7.3)	(1,971)	(1,889)
Acquisitions of shares in controlled companies, net of cash acquired		(1,046)	(3,413)
Increase in investment-related liabilities		28	57
Decrease in investment-related liabilities		(64)	(21)
Acquisitions of other investments	(8.3)	(233)	(99)
Investments		**(3,286)**	**(5,365)**
Disposals of property, plant and equipment and intangible assets	(7.2) (7.3)	69	89
Disposals of shares in controlled companies, net of cash divested		(55)	416
Disposals of other investments	(8.3)	3	6
(Increase) decrease in amounts receivable on sales of fixed assets		12	(32)
Divestments		**29**	**479**
Increase in loans and deposits	(8.3)	(63)	(70)
Decrease in loans and deposits	(8.3)	90	118
NET CASH FROM (USED IN) INVESTMENT AND DIVESTMENT ACTIVITIES		**(3,230)**	**(4,838)**
Issues of capital stock	(a)	213	222
(Increase) decrease in treasury stock	(a)	(828)	(781)
Dividends paid	(a)	(1,013)	(833)
Transactions with shareholders of the parent company		**(1,628)**	**(1,392)**
Capital increases in non-controlling interests	(a)	6	15
Acquisitions of minority interests without gain of control		0	(2)
Disposals of minority interests without loss of control		0	39
Changes in investment-related liabilities following the exercise of put options of minority shareholders		(2)	0
Dividends paid to non-controlling interests and change in dividends payable	(a)	(76)	(77)
Transactions with non-controlling interests		**(72)**	**(25)**
Increase (decrease) in bank overdrafts and other short-term debt		502	(46)
Increase in long-term debt	(b) (10.3)	3,322	1,624
Decrease in long-term debt	(b) (10.3)	(1,636)	(1,286)
Decrease in lease liabilities	(b)	(693)	(725)
Change in debt		**1,495**	**(433)**
NET CASH FROM (USED IN) FINANCING ACTIVITIES		**(205)**	**(1,850)**
Net effect of exchange rate changes on cash and cash equivalents		(91)	175
Net effect of changes in fair value on cash and cash equivalents		(2)	5
Cash and cash equivalents classified within assets held for sale		(39)	(12)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**2,468**	**(809)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**6,134**	**6,943**
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**8,602**	**6,134**

[a] *Please see the consolidated statement of changes in equity.*
[b] *Including bond premiums, prepaid interest, issue costs and interest on lease liabilities.*

In 2023, income tax paid represented €1,124 million (€1,001 million in 2022), total rental expenses paid €968 million (€974 million in 2022), including €85 million in interest paid on lease liabilities (€66 million in 2022), and interest paid net of interest received €117 million (€210 million in 2022).

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in EUR millions)	Capital stock	Additional paid-in capital and legal reserve	Retained earnings and consolidated net income	Cumulative translation adjustments	Fair value reserves	Treasury stock	Share-holders' equity	Non-controlling interests	Total equity
AT JANUARY 1, 2022	**2,096**	**4,544**	**16,244**	**(1,949)**	**(16)**	**(204)**	**20,715**	**411**	**21,126**
Income and expense recognized directly in equity			(26)	335	15		324	(13)	311
Net income for the period			3,003				3,003	98	3,101
Total income and expense for the period			**2,977**	**335**	**15**		**3,327**	**85**	**3,412**
Issues of capital stock									
Group Savings Plan	20	202					222		222
Other								15	15
Dividends paid			(833)				(833)	(78)	(911)
Shares purchased and sold			8			(789)	(781)		(781)
Shares canceled	(53)	(617)				670			0
Share-based payments			43				43		43
Changes in Group structure and other			18				18	10	28
AT DECEMBER 31, 2022	**2,063**	**4,129**	**18,457**	**(1,614)**	**(1)**	**(323)**	**22,711**	**443**	**23,154**
Income and expense recognized directly in equity			(395)	(112)	(17)		(524)	24	(500)
Net income for the period			2,669				2,669	87	2,756
Total income and expense for the period			**2,274**	**(112)**	**(17)**		**2,145**	**111**	**2,256**
Issues of capital stock									
Group Savings Plan	20	190					210		210
Stock subscription option plans and other		3					3	6	9
Dividends paid			(1,013)				(1,013)	(75)	(1,088)
Shares purchased and sold			26			(854)	(828)		(828)
Shares canceled	(57)	(701)				758			0
Share-based payments			62				62		62
Changes in Group structure and other			(17)				(17)		(17)
AT DECEMBER 31, 2023	**2,026**	**3,621**	**19,789**	**(1,726)**	**(18)**	**(419)**	**23,273**	**485**	**23,758**

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements reflect the accounting position of Compagnie de Saint-Gobain (the Company) and its subsidiaries ("the Group"), as well as the Group's interests in associate companies and joint ventures. They are expressed in euros rounded to the nearest million.

These consolidated financial statements were adopted on February 29, 2024 by the Board of Directors and will be submitted to the Shareholders' Meeting of June 6, 2024 for approval.

Accounting principles and policies are highlighted in a distinct color.

NOTE 1 ACCOUNTING PRINCIPLES AND POLICIES

The accounting policies applied are consistent with those used to prepare the financial statements for the year ended December 31, 2022, except for the application of the new standards and interpretations described below. The consolidated financial statements have been prepared using the historical cost convention, except for certain assets and liabilities that have been measured using the fair value model as explained in these notes.

1.1 Standards applied

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations adopted for use in the European Union at December 31, 2023. These consolidated financial statements have also been prepared in accordance with the IFRS issued by the International Accounting Standards Board (IASB).

1.1.1 Standards, interpretations and amendments to existing standards applicable for reporting periods beginning on or after January 1, 2023

The following standards and amendments, effective since January 1, 2023, were applied where necessary to the consolidated financial statements for the year ended December 31, 2023:

- IFRS 17, "Insurance Contracts", including the amendments published in June 2020;
- Amendments to IFRS 17, "Insurance Contracts" concerning the presentation of comparative information on initial application of IFRS 17 and IFRS 9;
- Amendments to IAS 1, "Presentation of Financial Statements" and IFRS Practice Statement 2, "Making Materiality Judgments", aimed at improving accounting policy disclosures and providing guidance on how to apply the concept of materiality to accounting policy disclosures;
- Amendments to IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", clarifying the distinction between changes in accounting estimates and changes in accounting policies;
- Amendments to IAS 12, "Income Taxes" concerning deferred tax related to assets and liabilities arising from a single transaction;
- Amendment to IAS 12, "Income Taxes" concerning international tax reform and Pillar Two model rules. This amendment provides for a mandatory and temporary exemption to the requirement to recognize deferred taxes associated with Pillar Two income taxes but introduces specific disclosure requirements.

The main finalized IFRIC decisions published in 2023 concern:

- IFRS 16, "Leases" – Definition of a Lease – Substitution Rights;
- IFRS 9, "Financial Instruments" – Guarantee over a Derivative Contract;
- IFRS 9, "Financial instruments" and IFRS 17, "Insurance Contracts" – Premiums Receivable from an Intermediary;
- IFRS 9, "Financial Instruments" and IAS 19, "Employee Benefits" – Home and Home Loans Provided to Employees.

These amendments and decisions have no material impact on the Group's consolidated financial statements.

1.1.2 Standards, interpretations and amendments to existing standards available for early adoption in reporting periods beginning on or after January 1, 2023

The new standards, interpretations and amendments to existing standards applicable to accounting periods starting on or after January 1, 2024 were not early adopted by the Group at December 31, 2023.

They concern:

- The amendments to IFRS 16, "Leases" relating to leaseback liabilities in a sale and leaseback;
- The amendment to IAS 1, "Classification of Liabilities as Current or Non-current", and "Non-current Liabilities with Covenants".

1.1.3 Standards, interpretations and amendments to existing standards published but not yet applicable

The new standards, interpretations and amendments to existing standards that have been published but are not yet applicable concern:

- Amendments to IAS 7 and IFRS 7, "Supplier Finance Arrangements";
- Amendment to IAS 21, "The Effects of Changes in Foreign Exchange Rates" – Lack of Exchangeability.

Where applicable to Saint-Gobain, these amendments are currently being analyzed by the Group.

Due to its scale, the Saint-Gobain Group is concerned by the OECD's Pillar Two rules introducing a minimum tax rate of 15%, which will be applicable as from fiscal year 2024. The impact analyses carried out within the Group on the consequences of the Pillar Two rules, if they had been applied for 2023, show that only a very limited number of small jurisdictions would have been likely to trigger the requirement to pay Pillar Two top-up taxes. In contrast, all other jurisdictions would have been eligible for the transitional "safe harbors" introduced by the OECD to enable the progressive adoption of the Pillar Two rules.

The estimated impact of paying the top-up tax for the few jurisdictions identified above would have represented an amount well below 0.1% of the Saint-Gobain Group's total tax expense for 2023.

Further, in accordance with the temporary exemption introduced by IAS 12.4A, the Saint-Gobain Group did not recognize any deferred tax under Pillar Two rules at December 31, 2023.

1.2 Estimates and assumptions

The preparation of consolidated financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the amounts of assets and liabilities reported in the balance sheet and the disclosure of contingent assets and liabilities in the notes to the financial statements, as well as the reported amounts of income and expenses during the period. These estimates and assumptions are based on past experience and on various other factors in the prevailing economic and financial environment which makes it difficult to predict future business performance. Actual amounts may differ from those obtained through the use of these estimates and assumptions.

The main estimates and assumptions described in these notes concern the measurement of employee benefit obligations and share-based payments (see note 6, p. 25), asset impairment tests (notably the assumptions used in the tests relating to the Group's commitments to reduce its net carbon emissions) and the determination of lease terms (see note 7, p. 32), provisions for other liabilities (see note 9, p. 42), the measurement of financial instruments (see note 10, p. 46) and taxes (see note 12, p. 58).

NOTE 2 MACROECONOMIC CONDITIONS

Saint-Gobain is having to contend with a volatile economic environment in its main countries of operation, notably due to a wave of inflation prompted by the Covid-19 pandemic and the war in Ukraine, and the ensuing aggressive monetary policy adopted in the world's major economies. This environment, combined with heightened geopolitical tensions, is generating commodity and energy price uncertainty as well as a marked economic slowdown, particularly in the construction sector, which is highly sensitive to interest rate trends.

Amidst higher interest rates and a slowing economy, the Group continued its rigorous management of liquidity, interest rate and foreign exchange risks (see note 10.1 p. 46), while increasing its oversight and tracking of credit risk and continuing to apply its strict gas and electricity price hedging policy.

Interest rates should nevertheless start to fall in 2024, and the Group is well positioned to take advantage of medium-term opportunities beyond the current downturn, with housing shortages in the Group's major countries (especially the US, Canada and Germany) and the major energy retrofits needed to meet climate objectives representing sources of sustainable growth for Saint-Gobain.

2.1 Impact of the Russia-Ukraine conflict on the Group's strategy and financial performance

Group operating activities

Since the outbreak of the conflict between Russia and Ukraine, in addition to the Group's application of the sanctions imposed against Russia, Saint-Gobain has decided to halt all its exports to customers in Russia and Belarus, and all its imports from these two countries, and has shelved all new investment projects in these countries.

Nevertheless, its local Russian operations, which represent around 0.7% of the Group's worldwide sales and do not involve any local partnerships, continue to operate autonomously, with locally produced solutions sold exclusively on local construction markets.

Saint-Gobain does not have any industrial operations in Ukraine.

In organizational terms, Ukraine is now included in a Poland-Ukraine cluster falling under the direct responsibility of the management team in Poland.

Scope of consolidation

Insofar as the Group continues to produce and sell in Russia for the local market, and to ensure its local business can continue to operate with complete autonomy of management and control of returns, Saint-Gobain still controls its Russian subsidiaries.

In accordance with IFRS 10, its Russian and Ukrainian companies have not therefore been deconsolidated, and continue to be included in the Group's scope of consolidation for the preparation of the consolidated financial statements for the year ended December 31, 2023.

Asset impairment review

Total non-current assets in Russia represent €161 million, or 0.5% of the Group's total non-current assets.

No indication of impairment was identified for these companies. Consequently, no impairment losses related to the Russia-Ukraine conflict were recognized in 2023.

Financial risks

Given the Group's limited presence in Russia and Ukraine, the conflict has not generated any credit or liquidity risks, and forex exposure is also being managed effectively.

Group cash and cash equivalents held in Russia represented 1.3% of the Group's total cash and cash equivalents at December 31, 2023. The Group does not consider the cash and cash equivalents held in Russia to be restricted within the meaning of IAS 7.

Since March 2, 2022, the Group has been using the Russian ruble exchange rate published by Reuters for the translation of its consolidated financial statements.

While the Russia-Ukraine conflict has not had a direct material impact on the financial statements for the year ended December 31, 2023, the situation remains unstable and complex. The Group therefore remains vigilant in analyzing the potential future impacts of the conflict.

2.2 Impact of the Israel-Palestine conflict on the Group's strategy and financial performance

The Group has no operations in the countries directly involved in this conflict (Israel and Palestine).

Nevertheless, the Group is keeping a close watch on its Middle East operations, particularly on account of the risk that the conflict spreads across the rest of the region.

NOTE 3 CLIMATE ISSUES

Sustainability concerns are at the heart of the Group's strategy and are an essential element in supporting its growth. Saint-Gobain's commitment to achieving net-zero-emissions is taken into account in its financial decisions.

3.1 The "net-zero-emissions" commitment at the heart of the Group's strategy

In 2019, the Group committed to being net-zero-emissions by 2050. This commitment was approved by the Science Based Targets initiative (SBTi) in September 2022, considering the Group's roadmap to be consistent with the new net-zero standard and the Paris climate agreement.

In order to be net-zero-emissions by 2050, Saint-Gobain defined a 2030 roadmap in November 2020. The roadmap identifies the levers and action plans that will enable the Group to meet its goal of a 33% reduction in scope 1 and 2 carbon emissions in absolute terms compared to a 2017 baseline, and a 16% reduction for scope 3 emissions.

The Group's capital expenditure is aligned with the investment requirements identified in this CO_2 roadmap, which covers all of the Group's business activities.

At the end of 2023, the Group had already reduced its scope 1 and scope 2 CO_2 emissions by 34% compared to the 2017 baseline.

As well as its commitments to reduce its emissions through to 2030, the Group seeks to develop and propose solutions to help decarbonize the construction sector and its customers' markets.

The innovative solutions developed by Saint-Gobain help to:

- improve the energy performance of buildings so as to reduce both the negative impact of construction on the environment and their occupants' energy bills, while also enhancing occupant well-being. Saint-Gobain's solutions play an important role in the fight against climate change, since they reduce the amount of greenhouse gas emissions by reducing energy use;
- encourage the replacement of heavy materials (cement, concrete, brick) by light materials (plasterboard structures when feasible);
- accelerate the decarbonization of heavy materials.

The Group's High Performance Solutions enable it to meet growing market needs linked to the decarbonization of construction processes and sustainable mobility and industry.

Following the acquisition of Chryso and GCP Applied Technologies Inc. (GCP) in 2023, the Group further strengthened its position in construction chemicals, whose products play a significant role in helping to decarbonize construction through the design of innovative admixtures that reduce the carbon footprint of cement. Saint-Gobain proceeded to acquire IDP Chemicals (Egypt), Menkol (India) and Adfil (Belgium). It also entered into agreements to acquire Izomaks (Saudi Arabia) and Imptek Chova (Ecuador).

In order to increase the percentage of sales represented by its sustainable solutions, Saint-Gobain has developed a method for evaluating the environmental benefits of its solutions for all stakeholders. According to this internal method, the Group generated 73% of its sales from sustainable solutions (products identified as being low-carbon) in 2023.

All in all, the Group's initiatives are enabling it to dissociate growth from CO_2 emissions: carbon intensity (scopes 1 and 2) per euro of sales and EBITDA fell by 44% and 56%, respectively, in 2023 compared with the 2017 baseline, reflecting the Group's objective of maximizing its positive impact on the environment while reducing its footprint.

3.2 Taking into account the "net-zero-emissions" commitment when preparing the Group's financial statements

In line with these commitments and targets, the Group has taken into account climate change and sustainable development issues in its financial statements, mainly in the areas cited below:

A Group-wide commitment

All Regions and the High Performance Solutions (HPS) business have drawn up structured roadmaps for reducing CO_2 emissions.

These roadmaps are broken down by country or entity, plant and project, and together, will be used to justify the Group's 2030 scope 1 and scope 2 emissions reduction targets and to set objectives for 2030-2050.

The roadmaps are reviewed each year in line with the Group's main financial deadlines (strategic plan, budget) and combine a large number of potential improvements, action plans and industrial projects (energy efficiency and energy mix; application of new technologies; growth in the circular economy; product reformulation, streamlining and design, etc.). The roadmaps contain measures for each site designed to reduce scope 1 direct emissions, and take into account the growing number of new Purchase Power Agreements (PPA) and Virtual Purchase Power Agreements (VPPA) on a country-by-country basis aimed at reducing scope 2 indirect emissions.

2023 was shaped by:

- Further decarbonization of production processes:
  - Start of 100% electric (100% renewable energy) plasterboard production at the Fredrikstad plant in Norway, and a project to build a second 100% electric (100% renewable energy) plant in Montreal (Canada) under way;
  - After achieving the world's first-ever zero-carbon production (scopes 1 and 2) of flat glass in 2022, Saint-Gobain delivered another world-first in March 2023, producing glass with a furnace powered by over 30% hydrogen at its Herzogenrath site in Germany, which will allow a reduction of 70% in scope 1 direct CO_2 emissions.
- Faster development of sustainable solutions:
  - Launch of ORAÉ®, a low-carbon glass offering on the European market. This new range has a low carbon footprint, around 40% less than the average for European products;
  - The Group has developed the Glasroc®X board reinforced with an Adfors glass-mat, making it highly resistant to moisture and mould. Glasroc®X is now manufactured at 23 sites across the globe, and has a carbon footprint two to three times lighter than traditional alternatives;
  - In February 2023 in France, Saint-Gobain launched *Les Engagés*, a comprehensive range of sustainable and low-carbon solutions including Placo® Infinaé 13, the world's first plasterboard made from more than 50% recycled gypsum;
  - Acceleration of circular economy initiatives, notably following the acquisition of Asphaltica technology in February 2023, which will allow Saint-Gobain to recycle asphalt shingles used in roofing in the United States;
  - As an official supporter of the Paris 2024 Olympic and Paralympic Games, Saint-Gobain has rolled out a novel interior partitioning solution for the athletes' village, combining plasterboard with 50% recycled gypsum content. These temporary partitions will be removed and reused on other sites in the Paris region.

Renewable Power Purchase Agreements

The Group has entered into renewable electricity supply (scope 2) contracts, either with physical electricity delivery (Power Purchase Agreement – PPA), or financial contracts without physical delivery, including a cash settlement based on the difference between the contract price and the market price (Virtual Power Purchase Agreement – VPPA).

Saint-Gobain analyzes the accounting treatment for such agreements before they are set up. They are accounted for in accordance with either IFRS 16 for leases, IFRS 9 for financial instruments, or IAS 37 for the own-use exemption (IFRS 9.2.4) or regular purchase agreements.

The majority of the contracts signed by the Group are PPAs that are considered regular purchase agreements.

The Group has also entered into four VPPAs, which are financial instruments accounted for under IFRS 9.

The most material agreements (>200 GWh over the term of the contract) at December 31, 2023 are presented in the table below along with their main characteristics:

Type	Location	Type of energy	Power (per year)	Start date	Contract duration	Accounting treatment
VPPA	USA (Blooming Grove)	Wind	460 GWh	2020	12 years	IFRS 9 (derivatives)
VPPA	USA (Cotton Bayou)	Solar	452 GWh	2024	10 years	IFRS 9 (derivatives)
VPPA	USA (Danish fields)	Solar	224 GWh	2024	15 years	IFRS 9 (derivatives)
VPPA	Poland	Wind	180 GWh	2025	15 years	IFRS 9 (derivatives)
PPA	Spain	Mix	100 GWh	2024	10 years	Purchase contract
PPA	USA (Chowchilla)	Solar	78 GWh	2023	15 years	IFRS 16
PPA	France	Solar	36 GWh	2024	15 years	Purchase contract
PPA	Sweden	Solar	28 GWh	2024	10 years	IFRS 9.2.4
PPA	Italy	Wind	22 GWh	2024	12 years	Purchase contract
PPA	Spain	Solar	18.5 GWh	2023	12 years	Purchase contract
PPA	Romania	Solar	12 GWh	2023	20 years	Purchase contract

In accordance with IFRS 9, VPPAs are measured at fair value through profit or loss, with the exception of one VPPA qualified as a hedge (Poland VPPA), with changes in fair value recognized through other comprehensive income.

Overall, the impact of changes in fair value of VPPAs on the Group's 2023 financial statements is not material.

Green power represented 57% of the Group's electricity purchases in 2023, and this percentage is set to rise once the above agreements take effect in 2024.

Measuring and tracking scope 3 emissions

The scope 3 categories on which the Group has real leverage and which are subject to SBTi validation are mainly upstream categories (purchases of raw materials and trading products, energy purchases and transport). The Group is continuing its efforts to improve the quality and quantity of available data using a fine-tuned tool that regularly tracks emissions in the main scope 3 categories. The aim is to build an efficient and automated data model in this area.

In the raw materials and trading products, the Group's main suppliers (the biggest contributors to CO_2 emissions) are now asked to disclose, via a dedicated portal, their carbon footprints and goals, as presented at Supplier Days.

As part of the strategic plan, each Region and High Performance Solutions (HPS) identified the three most important actions for reducing scope 3 emissions.

Management of CO_2 emissions allowances

At the end of 2023, the Saint-Gobain Group had 3.6 million tonnes of greenhouse gas emissions allowances from the European Commission. Accordingly, it believes that its current level of allowances will continue to cover its emissions for at least four years.

Sustainable investments, research and development expenditure, and other expenditure aimed at combating climate change and protecting the environment

Investments to reduce CO_2 emissions are tracked monthly in the Group's financial reporting. To help accelerate progress towards carbon-neutral production, €1 billion has been set aside over the ten years from 2021 to 2030 for capital expenditure and research and development. In 2023, the Group set aside €144 million in capital expenditure (€128 million in 2022) and €79 million in research and development expenditure (€63 million in 2022) to support further its CO_2 emissions reduction strategy.

Financing activities

Following the launch of a bond issue in 2022 featuring a 10-year €500 million tranche indexed to two 2030 sustainability performance targets (a 33% reduction in scopes 1 and 2 CO_2 emissions and an 80% reduction in non-recovered production waste), the Group signed a €4 billion Sustainability-Linked Loan with a pool of banks in December 2023, which loan will mature in December 2028. Interest on the loan is indexed to three performance indicators set out in Saint-Gobain's 2030 sustainability roadmap compared to the 2017 baseline year: (i) a 33% reduction in scopes 1 and 2 CO_2 emissions in absolute terms, (ii) an 80% reduction in non-recovered production waste, and (iii) a frequency rate for workplace accidents at or below 1.5 per million hours worked.

3.3 Corporate governance

CSR committees

A CSR Committee has been in place within the Board of Directors for several years, as well as within the Group Executive Committee. One session of the Executive Committee's CSR Committee in December 2023 was focused on climate change adaptation.

Internal carbon price

The Group has raised its internal carbon prices from €75 to €100 per tonne of CO_2 for evaluating capital expenditure decisions, and from €150 to €200 per tonne for evaluating R&D projects. A similar approach has been adopted for major acquisitions, and includes the work that may be required to ensure that the carbon impact of these acquisitions is compatible with Saint-Gobain's roadmap.

Executive compensation policy

In stepping up its commitment to carbon neutrality, since 2020 the Group has increased the weighting of CSR objectives in the criteria determining short- and long-term executive compensation plans. CSR objectives now determine 20% of amounts paid out under long-term plans (versus 15% previously), and 15% of annual variable compensation (5% previously), while CO_2 objectives now account for 10% of long-term plans and 5% of annual variable compensation.

3.4 Tests of asset sensitivity to changes in CO_2 prices

As indicated in the section on asset impairment reviews (see note 7.5.4, p. 39), the Group includes sensitivity to changes in the price of CO_2 emissions allowances in its impairment tests.

Even applying conservative assumptions, the sensitivity analyses show that no impairment would have been recognized against the net assets in any group of CGUs, given the significant headroom observed for the main groups of CGUs.

3.5 Climate impact assessment on Group assets

In 2023, Saint-Gobain conducted a study with an external firm to identify its exposure to physical risks related to the impact of climate change (floods, forest fires, cyclones, storms, drought and heat stress), as well as earthquakes, on its activities. Exposure and vulnerability to climate issues was analyzed for assets at over 500 major industrial and logistics sites (covering more than 80% of the Group's sales and net carrying amount of its assets), using three IPCC scenarios: SSP1-2.6, SSP2-4.5 and SSP5-8.5, and three time horizons: 2030, 2040 and 2050. This study enabled the financial impact of risks linked to direct and indirect damage (business interruption) to be assessed for each site, and for the Group as a whole, after taking into account the adaptation measures in place. The study found that even in the most extreme scenario and adopting the 2050 time horizon, the overall risks identified would, at Group level, represent only insignificant amounts compared to the 2023 baseline. Heat stress, floods and storms would represent the bulk of the estimated risks, which would mainly arise not as a result of direct damage but from business interruption. The impact would be more significant in Asia and India, while Europe would not be materially affected.

Saint-Gobain's knowledge of the existence of these sensitivities enables it to build physical and transition risks into its long-term vision and strategy, thereby fully integrating climate change and its impacts into its decision-making.

In parallel with this physical risk assessment for its assets, the Group has begun analyzing the growth opportunities for its solutions resulting from the impact of climate change in several regions. This analysis will continue in 2024.

3.6 Consideration of future changes in regulations

The Group is continuing its impact assessments and its work on applying new regulations related to climate change and the energy transition.

NOTE 4 SCOPE OF CONSOLIDATION

4.1 Accounting principles related to consolidation

The Group's consolidated financial statements include the accounts of Compagnie de Saint-Gobain and of all companies controlled by the Group, as well as those of jointly controlled companies and companies over which the Group exercises significant influence.

4.1.1 Consolidation methods

Full consolidation

Companies over which the Group exercises exclusive control, either directly or indirectly, are fully consolidated.

Joint arrangements

Joint arrangements that meet the definition of joint ventures are accounted for by the equity method. Balance sheet and income statement items relating to joint arrangements that meet the definition of joint operations are consolidated line-by-line based on the amount actually contributed by the Group.

Equity accounting

Companies over which the Group directly or indirectly exercises significant influence are accounted for by the equity method.

The Group's share of the income of equity-accounted companies is shown on two separate lines of the income statement. The income of equity-accounted companies whose main business activity is in keeping with the Group's core operational business is presented in business income under "Share in net income of core business equity-accounted companies", while the income of other equity-accounted companies is shown under "Share in net income of non-core business equity-accounted companies" in pre-tax income.

4.1.2 Business combinations

Step acquisitions and partial disposals

When the Group acquires control of an entity in which it already holds an equity interest, the transaction is treated as a step acquisition (an acquisition in stages), as follows: (i) as a disposal of all the previously-held interest, with recognition of any resulting gain or loss in the consolidated financial statements, and (ii) as an acquisition of all of the shares, with recognition of the corresponding goodwill on the entire interest (previous and new acquisitions).

In the event of a partial disposal resulting in the loss of control (but with the Group retaining a non-controlling interest), the transaction is also treated as both a disposal and an acquisition, as follows: (i) as a disposal of the entire interest, with recognition of any resulting gain or loss in the consolidated financial statements, and (ii) as an acquisition of a non-controlling interest, measured at fair value.

Potential voting rights and share purchase commitments

Potential voting rights conferred by call options on minority interests are taken into account in determining whether the Group exclusively controls an entity only when the Group has control.

When calculating its percentage interest in controlled companies, the Group considers the impact of cross put and call options on minority interests in the companies concerned. This approach gives rise to the recognition in the financial statements of an investment-related liability, included within other provisions and non-current liabilities, corresponding to the present value of the estimated exercise price of the put option, with a corresponding reduction in non-controlling interests and shareholders' equity. Any subsequent changes in the fair value of the liability are recognized by adjusting equity.

Non-controlling interests

Under IFRS 10, non-controlling interests are considered as a shareholder category (single economic entity approach). As a result, changes in minority interests with no loss of control continue to be recorded in the statement of changes in equity and have no impact on the income statement or balance sheet, except for changes in cash and cash equivalents.

4.1.3 Non-current assets and liabilities held for sale – Discontinued operations

Assets and liabilities that are immediately available for sale, and for which a sale is highly probable within the next 12 months, are classified as non-current assets and liabilities held for sale. When several assets are held for sale in a single transaction, they are accounted for as a disposal group, which also includes any liabilities directly associated with those assets. Depreciation/amortization ceases when non-current assets are classified as held for sale. Non-current assets and liabilities held for sale are presented separately on two lines of the consolidated balance sheet, and income and expenses continue to be recognized in the consolidated income statement on a line-by-line basis. The reclassified assets are carried at the lower of their fair value less costs to sell and their carrying amount. At the end of each reporting period, the value of the assets and liabilities held for sale is reviewed to determine whether any provision adjustments should be recorded due to a change in their fair value less costs to sell.

An operation is classified as discontinued when it represents a separate major line of business for the Group, and when the criteria for classification as an asset held for sale have been met, or when the Group has sold the asset. Discontinued operations are reported on a single line in the Group's income statement. This line shows the after-tax net income from discontinued operations until the date of disposal and the gains or losses net of taxes realized on the disposals of these operations. In addition, cash flows generated by the discontinued operations are reported, by type of operation, on a separate line in the consolidated statement of cash flows for the relevant periods.

4.1.4 Intragroup transactions

All intragroup transactions in the balance sheet and income statement are eliminated in consolidation.

4.1.5 Translation of the financial statements of foreign companies

The consolidated financial statements are presented in euros, which is Compagnie de Saint-Gobain's functional and presentation currency.

Assets and liabilities of subsidiaries outside the Eurozone are translated into euros at the closing exchange rate, while income and expense items are translated using the average exchange rate for the period.

The Group's share of any translation gains or losses is included in equity under "Cumulative translation adjustments" until the assets or liabilities and all foreign operations to which they relate are sold, liquidated or deconsolidated. In this case, these translation differences are either taken to the income statement, if the transaction results in a loss of control, or recognized directly in the statement of changes in equity, if the change in minority interests does not result in a loss of control.

4.1.6 Foreign currency transactions

Expenses and income from operations in currencies other than the Company's functional currency are translated at the exchange rates prevailing at the transaction date. Assets and liabilities denominated in foreign currencies are translated at the closing rate and any exchange differences are recorded in the income statement. However, exchange differences relating to loans and borrowings between consolidated Group companies are recorded in equity, net of tax, under "Cumulative translation adjustments", as they are in substance an integral part of the net investment in a foreign subsidiary.

4.1.7 Hyperinflation

Under IAS 29, "Financial Reporting in Hyperinflationary Economies", financial statements prepared based on historical cost must be restated. This involves applying a general price index that enables the financial statements to be presented in the measuring unit in force at the reporting date. All non-monetary assets and liabilities must therefore be adjusted for inflation in order to reflect changes in purchasing power at the reporting date. Similarly, the income statement is adjusted for inflation during the period. Monetary items do not need to be restated as they already reflect purchasing power at the reporting date.

Argentina

Argentina has been classified as a hyperinflationary economy since July 1, 2018. IAS 29 therefore applies to entities using the Argentine peso as their functional currency (based on the table of indices issued by FACPCE).

Lebanon

Lebanon has been classified as a hyperinflationary economy since October 2020. As from December 31, 2020, IAS 29 is therefore applicable to entities using the Lebanese pound as their functional currency.

The Group's exposure to Lebanon is not material, as sales and total non-current assets in the country represent less than 0.5% of the Group's consolidated data.

Turkey

Since February 2022, Turkey has had a three-year cumulative inflation rate above 100% and was therefore included in the list of hyperinflationary economies in March 2022. The Group applied the rules for financial reporting in hyperinflationary economies to Turkey in its financial statements at December 31, 2023.

4.2 Changes in Group structure

Significant changes in the Group's structure during 2023 and 2022 are presented below and a list of the main consolidated companies at December 31, 2023 is provided in note 15, p. 61.

4.2.1 Transactions carried out in 2023

In 2023, Saint-Gobain acquired 25 consolidated companies for a total purchase price of €1,254 million. The Group also sold 7 consolidated companies for a net sale price of €38 million.

Main acquisitions in 2023

Acquisitions represented full-year sales of €528 million and EBITDA of €146 million.

- On January 30, 2023, Saint-Gobain completed the acquisition of Termica San Luis, a leader in stone wool in Argentina. Termica San Luis is a family-run business with over 70 years' experience in insulation. It is the leading producer of stone wool in Argentina, having pioneered its production in the country. The acquisition strengthens Saint-Gobain's presence in the insulation market, enhancing its range of solutions for customers thanks to the combination of its position in glass wool insulation with that of Termica San Luis in stone wool;
- On February 7, 2023, Saint-Gobain completed the acquisition of IDP Chemicals, a Chryso brand licensee since 2018. This entity is well positioned to serve the dynamic construction market in Egypt and the Group's aim is to create an admixture platform and eventually group together production facilities and storage space covering the needs of SG Weber, IDPC & GCP in Africa's largest cement market;
- On March 16, 2023, Saint-Gobain and Dalsan obtained the necessary approval from the competition authorities to merge their plaster and plasterboard activities in Turkey. Once the capital expenditure project at the new plant in Turgutlu (near Izmir) is completed, the merged entity will benefit from a leadership position, combined know-how, an enlarged production capacity and an optimized modern industrial footprint in plasterboard and plaster. Its customers, both those in Turkey and export customers with growing needs in the Eastern Mediterranean, will have access to the most innovative and complete portfolio of light and sustainable solutions for the construction and renovation of building envelopes as well as internal partitioning;
- On April 3, 2023, Saint-Gobain completed the acquisition of U.P. Twiga Fiberglass Ltd (UP Twiga), the leader in the glass wool insulation market in India, as announced on February 22, 2023. The acquisition consolidates Saint-Gobain's positioning in interior and façade solutions in India, set to benefit from higher building performance requirements and the strong need for acoustic and thermal comfort as well as energy-efficient solutions;
- On June 26, 2023, Saint-Gobain completed the acquisition of United Paints and Chemicals S.A.E.

("Drymix"), a ready-mix mortars manufacturer serving the construction industry in Egypt. This acquisition accelerates Saint-Gobain's growth in the country by enhancing the range of solutions offered across glass, gypsum and construction chemicals. It follows the recent inauguration of a Saint-Gobain plant producing technical mortars (adhesive and waterproofing) in Egypt and the acquisition of IDP Chemicals in admixtures at the beginning of 2023;

- On September 1, 2023, Saint-Gobain completed the acquisition of Building Products of Canada Corp. (Building Products of Canada) following authorization by the Canadian Competition Bureau on August 21, 2023. Building Products of Canada is a privately owned manufacturer of residential roofing shingles and wood fiber insulation panels in Canada. In acquiring Building Products of Canada, Saint-Gobain is taking another step to reinforce its leadership in light and sustainable construction in the Canadian market, by completing its range of exterior solutions in the country following the addition of siding with the acquisition of Kaycan in 2022;
- On November 30, 2023, Saint-Gobain completed the acquisition of Hume Cemboard Industries Sdn Bhd (HCBI). Hume Cemboard Industries is a leading manufacturer of cement boards for façades, partitions, and ceilings in Malaysia. Its lightweight board offering is a benchmark solution widely used for a broad range of applications, offering fast growth potential;
- On December 7, 2023, Saint-Gobain announced that it had acquired Menkol Industries Private Limited, a leading Indian manufacturer of high-performance waterproofing systems for foundations. This acquisition strengthens Saint-Gobain's position in added-value specialty building materials in India;
- On December 13, 2023, Saint-Gobain completed the acquisition of Adfil NV following the announcement made on September 26, 2023. The acquisition of this top international player specialized in fibers for concrete reinforcement enables Saint-Gobain to expand its portfolio in construction chemicals by offering its customers a broader range of solutions including concrete admixtures and fibers, accelerating the development of sustainable and high-performance concrete.

The process of identifying and measuring at fair value the assets acquired and liabilities assumed (purchase price allocation - PPA) within the scope of the acquisitions carried out in 2023 began during the year and will be finalized within 12 months of each acquisition date.

The Group completed the fair value measurement of each major category of GCP assets acquired and liabilities assumed at the end of 2023. Based on the amounts allocated to customer relationships (€773 million), brands (€63 million) and intellectual property (€125 million), goodwill amounted to €1,107 million following allocation of the purchase price (amounts at December 31, 2023).

The table below shows the fair value measurement of each major category of assets acquired and liabilities assumed:

(in EUR millions)	**Building Products of Canada Corp**	**Other newly-consolidated companies ***	**Total at the acquisition date**
Intangible assets	421	171	592
Property, plant and equipment, and right-of-use assets	56	171	227
Financial assets and other non-current assets	6	4	10
NON-CURRENT ASSETS	**483**	**346**	**829**
Inventories	43	17	60
Trade accounts receivable	12	23	35
Other receivables	1	7	8
Cash and cash equivalents	32	33	65
CURRENT ASSETS	**88**	**80**	**168**
Non-current portion of long-term debt and lease liabilities		18	18
Non-current portion of other provisions	17	16	33
Deferred tax liabilities	122	93	215
NON-CURRENT LIABILITIES	**139**	**127**	**266**
Current portion of long-term debt and lease liabilities		7	7
Current portion of provisions and other liabilities	2	14	16
Trade accounts payable	21	33	54
Other payables	14	9	23
Short-term debt and bank overdrafts		2	2
CURRENT LIABILITIES	**37**	**65**	**102**
TOTAL FAIR VALUE OF NET ASSETS ACQUIRED	**395**	**234**	**629**
Acquisition cost of shares	927	223	1,150
Minority interests		3	3
GOODWILL	**532**	**(8)**	**524**

** This column also includes PPA adjustments for GCP and Kaycan.*

Main disposals in 2023

In 2023, disposals represented full-year sales of €2,940 million.

The main companies deconsolidated in 2023 are summarized below:

- On March 1, 2023, Saint-Gobain completed the sale of its merchanting brands in the United Kingdom – including the builders and timber merchant Jewson – to the Stark group, as announced on December 12, 2022. The impact of this sale on the income statement mainly reflects the reclassification of translation differences;
- On March 30, 2023, Saint-Gobain sold its glass processing business Glassolutions in Switzerland to the privately owned German group Aequita;
- On July 3, 2023, Saint-Gobain signed an agreement to sell COVIPOR, its glass processing business in Portugal, to PNI Portugal & Permanente SA;
- On September 1, 2023, Saint-Gobain finalized the sale of its Glassolutions glass processing business in Slovakia to Glasora a.s.

These disposals are part of Saint-Gobain's continued portfolio optimization strategy to enhance the Group's growth and profitability profile in line with the objectives of its "Grow & Impact" plan.

4.2.2 Transactions carried out in 2022

In 2022, Saint-Gobain acquired 36 consolidated companies for a total purchase price of €3,712 million. The Group also sold 19 consolidated companies for a net sale price of €539 million.

The main transactions are summarized below:

- On January 2, 2022, Saint-Gobain completed the acquisition of Igland Industrier AS, a manufacturer of prefabricated garages for villas, which also has an assembly services network in Norway;
- On January 7, 2022, Saint-Gobain completed the acquisition of Fischer Ag, a Swiss kitchen and household appliance installation and repair company;
- On January 10, 2022, Saint-Gobain completed the sale of Glassolutions, its regional glass processing business in Denmark, to German glassmaker Semcoglas Holding GmbH;
- On February 4, 2022, Saint-Gobain completed the acquisition of Rockwool India Pvt Ltd, a major player in the production of stone wool in India. This followed the announcement on December 21, 2021 of the agreement signed by Saint-Gobain with the Alghanim group;
- On the same date, Saint-Gobain announced the sale of its regional glass processing business Baltiklaas Oü in Estonia to Polar Glass Oü, a subsidiary of Barrus AS;
- On February 17, 2022, Saint-Gobain signed an agreement for the sale of CTD Tile Group, its specialist tiling distributor in the United Kingdom, to Aurelius Investments, and an agreement for the sale to Wolseley UK of Ideal Bathrooms, the Group's remaining United Kingdom distribution brand specialized in plumbing, heating and sanitaryware;
- On February 28, 2022, Saint-Gobain completed the sale of three of its remaining four United Kingdom distribution brands specializing in plumbing, heating and sanitaryware (Neville Lumb, DHS and Bassetts) to Wolseley UK;
- On April 1, 2022, Saint-Gobain finalized the acquisition of Impac, a leading player in the construction chemicals market in Mexico. This acquisition consolidates the Group's leadership in Latin America while accelerating its growth in the region by enriching its range of solutions for light and sustainable construction;
- On May 12, 2022, Saint-Gobain announced the acquisition of Global SFC, a major player in nano-ceramic window film coatings located in South Korea. The acquisition, which closed on April 22, 2022, will enhance the insulating properties of the Solar Gard® film line, a world leader in innovative solar control and surface protection film technologies for the sustainable construction and mobility markets;
- On the same date, Saint-Gobain announced the acquisition of Monofrax LLC, a leading regional player in fused cast refractories in the United States. This acquisition, which closed on April 20, 2022, will enhance Saint-Gobain's global footprint and enable further localization of refractory production close to the end-customer. It will enable the development of high-end glass melting applications and further decarbonization of light metal smelting processes;
- Also on May 12, 2022, Saint-Gobain announced the sale of International Decorative Surfaces (IDS), its specialist flooring, worktop and laminate distribution business in the United Kingdom, to Chiltern Capital, along with the signature of binding agreements for the divestment of two glass processing facilities specialized in the manufacture of double glazing in the United Kingdom;
- On May 27, 2022, Saint-Gobain announced the sale of its Austrian glass processing subsidiaries, Eckelt Glas and Glas Ziegler, to the privately-owned German group Aequita, as well as the sale of its holding in the joint venture Glaskontor Erfurt – a glass processing business in Germany – to the Caleoglas group;
- On August 1, 2022, Saint-Gobain announced that it had completed the acquisition of Kaycan on July 29, 2022. Kaycan is a family-owned manufacturer and distributor of exterior building materials in Canada and the United States. Thanks to its leading position on siding in Canada, this acquisition reinforced Saint-Gobain's worldwide leadership in light and sustainable construction by becoming the top siding player in Canada and enlarging its vinyl offer across the United States. The acquisition of Kaycan represented pro forma full-year sales of €409 million and €70 million in EBITDA for 2022;
- On September 2, 2022, Saint-Gobain announced that it had closed the sale of the Saint-Gobain Glassolutions Grand Ouest glass processing business to a group of private investors, led by former Saint-Gobain managers;
- On September 27, 2022, Saint-Gobain completed the acquisition of GCP Applied Technologies, a major global player in construction chemicals. Offering highly complementary geographic and commercial footprints with Chryso, the acquisition of which was completed in September 2021, GCP represented a unique opportunity for Saint-Gobain to establish a leading worldwide presence in the growing construction chemicals sector, and furthered the Group's strategy as a worldwide leader in light and sustainable construction. The acquisition of Kaycan represented pro forma full-year sales of €952 million and €162 million in EBITDA for 2022;
- On September 30, 2022, Saint-Gobain finalized the sale of Protrae, its wood processing and distribution business in Denmark, to its main customer Jem & Fix;
- On the same date, Tadmar, a distribution brand specialized in plumbing, heating and sanitaryware products in Poland, was sold to Polish company 3W;
- On December 1, 2022, Saint-Gobain completed the sale of its worldwide Crystals and Detectors business to a consortium led by SK Capital Partners associated with

Edgewater Capital Partners, both US private equity funds with expertise in advanced materials;

- Saint-Gobain completed the acquisition of Matchem in Brazil on December 22, 2022. Together with Quartzolit, a leading mortars company, TekBond, a specialist in sealants and adhesives, and the recently acquired GCP Applied Technologies, Matchem rounded out Saint-Gobain's construction chemicals line-up with a Brazilian market leader boasting 24 production sites. This acquisition allowed Saint-Gobain to strengthen its position in construction chemicals, in particular concrete admixtures which play a key role in the decarbonization of the construction industry. Matchem was consolidated in 2023;
- On December 29, 2022, the Group finalized the sale of certain ceramic activities for the traditional steel market. These activities, comprising the Vinhedo site in Brazil and the Latrobe site in the United States, were sold to the Japanese group Shinagawa Refractories Corporation.

In 2022, acquisitions represented full-year sales of around €1,866 million and EBITDA of around €300 million, while disposals represented full-year sales of €1,043 million.

4.3 Assets and liabilities held for sale

Since the merchanting brands in the United Kingdom were sold in the first quarter of 2023, assets and liabilities held for sale at December 31, 2023 no longer include these entities.

Assets and liabilities held for sale at December 31, 2023 include:

- PDM in Ireland and Calders & Grandidge in the United Kingdom;
- Distribution companies in Brazil, following the Group's decision to put its building materials distribution activities in the country up for sale.

These disposals are part of Saint-Gobain's portfolio optimization strategy, which is designed to improve the Group's growth and profitability profile.

Since the assets and liabilities held for sale meet the qualifying criteria (see note 4.1.3, p. 13), the balance sheet items of these entities were combined and measured within assets and liabilities held for sale in the consolidated balance sheet at December 31, 2023, in accordance with IFRS 5.

These entities in the process of being sold were not considered as discontinued operations within the meaning of IFRS 5 as they do not represent a major line of business for the Group.

Assets and liabilities held for sale break down as follows:

(in EUR millions)	Dec. 31, 2023	Dec. 31, 2022
Intangible assets, property, plant and equipment, right-of-use assets and other non-current assets	68	529
Inventories, trade accounts receivable and other receivables	125	851
Cash and cash equivalents	53	14
ASSETS HELD FOR SALE	**246**	**1,394**
Provisions for pensions and other employee benefits	0	(1)
Other current and non-current liabilities and provisions	13	50
Trade accounts payable, other payables and other current liabilities	114	603
Debt and bank overdrafts	76	333
LIABILITIES HELD FOR SALE	**203**	**985**
NET ASSETS (LIABILITIES) HELD FOR SALE	**43**	**409**

4.4 Changes in the number of consolidated companies

At December 31, 2023, the number of consolidated companies was as follows:

	France	Outside France	Total
Fully consolidated companies			
At December 31, 2022	**118**	**706**	**824**
Newly consolidated companies	10	44	54
Merged companies	(10)	(31)	(41)
Deconsolidated companies		(16)	(16)
At December 31, 2023	**118**	**703**	**821**
Equity-accounted companies and joint arrangements			
At December 31, 2022	**3**	**85**	**88**
Newly consolidated companies	2	9	11
Merged companies		(1)	(1)
Deconsolidated companies		(4)	(4)
At December 31, 2023	**5**	**89**	**94**
TOTAL AT DECEMBER 31, 2022	**121**	**791**	**912**
TOTAL AT DECEMBER 31, 2023	**123**	**792**	**915**

4.5 Off-balance sheet commitments related to companies within the scope of consolidation

Non-cancelable purchase commitments relating to equity investments represented €136 million at December 31, 2023. These include the acquisitions of Izomaks Industries LLC in Saudi Arabia and IMPTEK Chova del Ecuador.

NOTE 5 INFORMATION CONCERNING THE GROUP'S OPERATING ACTIVITIES

5.1 Income statement items

5.1.1 Revenue recognition

Revenue generated by the sale of goods or services is recognized net of rebates, discounts and sales taxes when control of the goods or services has been transferred to the customer. Revenue generated by the sale of goods is primarily recognized at the time the goods are delivered. Revenue generated by the sale of services is recognized when the services have been rendered, or based on the stage of completion of the services, as calculated based on costs incurred. Similarly, within the Distribution entities, estimated returns are recognized as a deduction from revenue (sales) and reclassified within inventories for their net carrying amount, since there is a possibility that goods will be returned within the allotted timeframe. A liability relating to future refunds for goods returned is also recognized.

Revenue generated under construction contracts is accounted for by the Group's companies on a percentage-of-completion basis, as calculated based on costs incurred. The related costs are expensed as incurred. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable will be recovered. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Construction contract revenues are not material in relation to total consolidated sales.

5.1.2 Operating income

Operating income is a measure of the performance of the Group's different reporting segments and has been used by the Group as its key external and internal management indicator for many years. Foreign exchange gains and losses are included in operating income, as are changes in the fair value of financial instruments that do not qualify for hedge accounting when they relate to operating items. The share of income of core business equity-accounted companies is also posted under operating income.

Supplier discounts granted to entities in the Distribution business are included in operating income as a reduction of cost of sales. Contractual supplier discounts are customary practice in the industrial goods distribution sector. These discounts are mostly calculated by applying a contractually guaranteed rate by product type to volumes purchased. The calculation is made automatically, based on the supplier invoices. Consequently, little judgment is needed when determining the amounts to be recognized in the income statement for these discounts. Other discounts are calculated based on a step mechanism linked to specified targets, whereby the percentage discount increases as the entity achieves the various targets over a given period. In this case, judgment is required based on historical data, past performance and future trends in order to determine the discount to be recognized in the income statement. Such judgment is exercised in a prudent manner and consistently from one period to the next.

5.1.3 Business income

Business income includes all income and expenses other than financial income and expense, the Group's share in net income of non-core business equity-accounted companies, and income taxes.

Business income is detailed by type below:

(in EUR millions)	2023	2022
SALES	**47,944**	**51,197**
Personnel expenses:		
Salaries and payroll taxes	(8,902)	(8,995)
Share-based payments [(1)]	(62)	(43)
Pensions and employee benefit obligations [(1)]	(142)	(189)
Depreciation and amortization of property, plant and equipment, intangible assets and right-of-use assets [(2)]	(1,986)	(2,048)
Share in net income of core business equity-accounted companies	80	61
Other [(3)]	(31,681)	(34,646)
OPERATING INCOME	**5,251**	**5,337**
Other business income	68	245
Other business expense [(2)]	(1,088)	(1,000)
OTHER BUSINESS INCOME AND EXPENSE	**(1,020)**	**(755)**
BUSINESS INCOME (EXPENSE)	**4,231**	**4,582**

[(1)] *Share-based payments (IFRS 2 expense) and changes in employee benefit expenses are detailed in note 6, p. 25;*

[(2)] *Total depreciation and amortization of property, plant and equipment, intangible assets and right-of-use assets, along with amortization charged against intangible assets within the scope of purchase price accounting, represented €2,167 million in 2023 versus €2,164 million in 2022;*

[(3)] *The "Other" operating income line relates to cost of sales, supplier discounts and selling expenses for Distribution entities, and to transport costs, raw materials costs, and other production costs for the other entities. This item also includes research and development costs recorded under operating expenses, amounting to €560 million in 2023 (€520 million in 2022).*

5.1.4 Other business income and expense

Other business income and expense mainly include changes in provisions for claims and litigation (excluding those arising in the ordinary course of operations) and environmental matters, disposal gains and losses, asset impairment, amortization charged against intangible assets within the scope of purchase price accounting, restructuring costs incurred upon the disposal or discontinuation of operations and the costs of workforce reduction measures.

Other business income and expense can be analyzed as follows:

(in EUR millions)	2023	2022
Impairment of assets [1]	(238)	(299)
Amortization of intangible assets related to PPA [2]	(181)	(116)
Other business expense [3]	(433)	(323)
Impairment of assets and other business expenses	**(852)**	**(738)**
Gains on disposals of non-current assets	**68**	**245**
GAINS AND LOSSES ON DISPOSALS, ASSET IMPAIRMENT, IMPACT OF CHANGES IN GROUP STRUCTURE	**(784)**	**(493)**
NON-OPERATING INCOME AND EXPENSE [4]	**(236)**	**(262)**
OTHER BUSINESS INCOME AND EXPENSE	**(1,020)**	**(755)**

(1) *The "Impairment of assets" line includes the impairment of goodwill, other intangible assets, property, plant and equipment, right-of-use assets, assets held for sale and other assets.*
(2) *Amortization charged against brands and customer lists is included on a separate line within "Impairment of assets and other business expenses" together with other gains and losses arising on business combinations which are not taken into account when determining the performance of the Group's operating segments.*
(3) *In 2023, as in 2022, other business expense mainly includes capital losses on assets divested or scrapped, acquisition fees and contingent consideration incurred in connection with business combinations. In 2023, this item mainly reflects the reclassification of translation differences following the sale of the Distribution business in the United Kingdom.*
(4) *Non-operating income and expense mainly include claims-related expenses and restructuring costs.*

5.2 Segment information

In accordance with IFRS 8, segment information reflects the Group's internal organization as presented to management. The Group has chosen to present segment information in line with its internal reporting. Segment assets and liabilities include net property, plant and equipment, working capital, goodwill and net other intangible assets, after deducting deferred taxes on brands and land, and assets and liabilities held for sale. Capital expenditure corresponds to acquisitions of property, plant and equipment and does not include right-of-use assets.

The Group is organized into five reporting units: four regional businesses and a global High Performance Solutions unit. Segment information is presented for:

- High Performance Solutions (HPS), which is organized by market for global customers, i.e., Mobility, Life Sciences, Construction Industry and Industry.

And for four regions:

- Northern Europe, comprising the Nordic countries, United Kingdom, Ireland, Switzerland, Germany, Austria, Eastern Europe and Russia;
- Southern Europe – Middle East (ME) & Africa, comprising France, Benelux, Mediterranean, Middle East and Africa;
- Americas, comprising North America and Latin America;
- Asia-Pacific, comprising the Asia region and India;
- Other, comprising the Group's various holding companies.

Segment information for 2023 and 2022 is as follows:

2023

(in EUR millions)	High Performance Solutions [2]	Northern Europe	Southern Europe [2] - ME & Africa	Americas [2]	Asia-Pacific	Other [1]	Group Total
Sales	10,083	12,614	14,941	9,439	2,123	(1,256)	47,944
Operating income (loss)	1,207	1,039	1,208	1,586	267	(56)	5,251
Business income (loss)	871	714	1,104	1,356	245	(59)	4,231
Share in net income of equity-accounted companies	3	11	40	24	5	6	89
Operating depreciation and amortization	417	499	598	312	105	55	1,986
Impairment of assets	99	34	14	67	14	0	228
EBITDA	1,511	1,504	1,767	1,869	368	(18)	7,001
Acquisitions of property, plant and equipment and intangible assets [3]	424	416	432	514	162	81	2,029
Goodwill, net [4]	2,986	4,195	2,132	3,472	326	0	13,111
Brands, customer relationships and intellectual property [4]	910	1,054	500	1,510	1	0	3,975
Total segment assets and liabilities [4]	7,901	8,444	7,480	8,064	1,417	195	33,501

(1) *"Other" corresponds to the elimination of intragroup transactions for internal sales, and holding company transactions for the other captions;*
(2) *France and United States sales represent €12,182 million and €8,524 million, respectively. Segment assets for France and the United States represent €7,594 million and €7,251 million, respectively;*
(3) *Capital expenditure does not include right-of-use assets;*
(4) *"Goodwill, net" and "Brands, customer relationships and intellectual property" do not include assets relating to companies held for sale (assets and liabilities relating to companies held for sale are however included in the line "Total segment assets and liabilities").*

2022

(in EUR millions)	High Performance Solutions [2]	Northern Europe	Southern Europe [2] – ME & Africa	Americas [2]	Asia-Pacific	Other [1]	Group Total
Sales	9,648	16,413	15,198	9,064	2,132	(1,258)	51,197
Operating income (loss)	1,155	1,279	1,219	1,462	257	(35)	5,337
Business income (loss)	1,047	951	1,145	1,281	249	(91)	4,582
Share in net income of equity-accounted companies	2	13	12	30	6	3	66
Operating depreciation and amortization	383	620	587	305	104	49	2,048
Impairment of assets	4	215	7	52	7	0	285
EBITDA	1,371	1,872	1,761	1,740	360	19	7,123
Acquisitions of property, plant and equipment and intangible assets [3]	406	445	434	430	198	27	1,940
Goodwill, net [4]	3,162	4,207	2,067	3,130	292	0	12,858
Brands, customer relationships and intellectual property [4]	1,014	1,048	503	1,058	0	0	3,623
Total segment assets and liabilities [4]	8,165	9,006	7,441	7,221	1,431	258	33,522

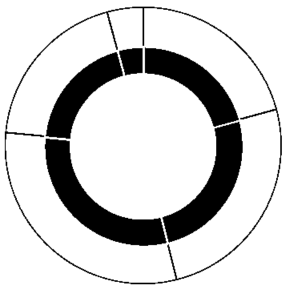
[1] *"Other" corresponds to the elimination of intragroup transactions for internal sales, and holding company transactions for the other captions;*

[2] *France and United States sales represent €12,341 million and €8,135 million, respectively. Segment assets for France and the United States represent €8,333 million and €7,535 million, respectively;*

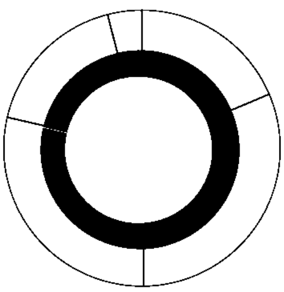
[3] *Capital expenditure does not include right-of-use assets;*

[4] *"Goodwill, net" and "Brands, customer relationships and intellectual property" do not include assets relating to companies held for sale (assets and liabilities relating to companies held for sale are however included in the line "Total segment assets and liabilities").*

In 2023, the breakdown of sales by segment and for the Group's main countries is as follows:



In 2022, the breakdown of sales by segment was as follows:



5.3 Performance indicators

5.3.1 EBITDA

EBITDA represents operating income plus depreciation and amortization of property, plant and equipment, intangible assets and right-of-use assets, as well as non-operating income and expense.

EBITDA amounted to €7,001 million in 2023 (2022: €7,123 million), calculated as follows:

(in EUR millions)	2023	2022
Operating income	5,251	5,337
Depreciation/amortization of property, plant and equipment and intangible assets	1,294	1,332
Depreciation of right-of-use assets	692	716
Non-operating income and expense	(236)	(262)
EBITDA	**7,001**	**7,123**

5.3.2 Free cash flow

Free cash flow (FCF) represents the surplus cash generated from the entity's activities. Free cash flow represents EBITDA plus net financial income/(expense), income tax and changes in working capital, less depreciation of right-of-use assets and investments in property, plant and equipment and intangible assets excluding additional capacity investments.

5.3.3 Operating free cash flow

Operating free cash flow (OFCF) represents the surplus cash generated from the entity's operating activities and is calculated as operating income plus non-operating income and expense and changes in working capital, less operating depreciation and amortization, investments in property, plant and equipment and intangible assets, and right-of-use assets.

5.3.4 Return on capital employed

Return on capital employed (ROCE) corresponds to annualized operating income adjusted for changes in the scope of consolidation (based on 12 months' of operating income for acquired companies and with no operating income taken into account for divested companies), expressed as a percentage of total assets at the year end. Total assets include net property, plant and equipment, working capital, net goodwill, other intangible assets and assets and liabilities held for sale, but exclude deferred tax assets arising on non-amortizable brands, customer relationships and land.

5.3.5 Recurring net income

Recurring net income corresponds to income after tax and minority interests but before disposal gains or losses, asset impairment, material non-recurring provisions and the related tax and non-controlling interests.

Recurring net income totaled €3,242 million in 2023 (2022: €3,335 million). Based on the weighted average number of shares outstanding at December 31 (507,282,902 shares in 2023 and 514,372,413 shares in 2022), recurring earnings per share amounted to €6.39 in 2023 and €6.48 in 2022.

The difference between net income and recurring net income corresponds to the following items:

(in EUR millions)	2023	2022
GROUP SHARE OF NET INCOME	**2,669**	**3,003**
Less:		
Gains and losses on disposals of assets	(347)	(42)
Impairment of assets and other	(255)	(333)
Changes in provisions for non-recurring items	(4)	(16)
Impact of non-controlling interests	4	2
Tax on disposal gains and losses, asset impairment, non-recurring provisions and write-downs of deferred taxes on tax loss carry-forwards	29	57
GROUP SHARE OF RECURRING NET INCOME	**3,242**	**3,335**

5.4 Working capital

Working capital can be analyzed as follows:

(in EUR millions)	Dec. 31, 2023	Dec. 31, 2022
INVENTORIES, NET	**6,813**	**7,219**
TRADE ACCOUNTS RECEIVABLE, NET	**5,096**	**5,178**
Other operating receivables	1,314	1,337
Other non-operating receivables	72	113
OTHER RECEIVABLES, NET	**1,386**	**1,450**
CURRENT TAX RECEIVABLE	**93**	**76**
TRADE ACCOUNTS PAYABLE	**6,806**	**7,266**
Other operating payables	4,778	4,428
Other non-operating payables	726	650
OTHER PAYABLES	**5,504**	**5,078**
CURRENT TAX LIABILITIES	**249**	**263**
Operating working capital	1,639	2,040
Non-operating working capital (including current tax receivable and liabilities)	(810)	(724)
WORKING CAPITAL	**829**	**1,316**

5.4.1 Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of inventories includes purchase costs (net of supplier discounts), processing costs and other costs incurred in bringing the inventories to their present location and condition. Cost is generally determined using the weighted-average cost method, and in some cases the First-In-First-Out (FIFO) method. Inventory costs may also include the transfer from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of raw materials. Net realizable value is the selling price in the ordinary course of business, less estimated completion and selling costs. No account is taken in the inventory valuation process of the impact of below-normal capacity utilization rates.

At December 31, 2023 and 2022, inventories were as follows:

(in EUR millions)	Dec. 31, 2023	Dec. 31, 2022
Gross value		
Raw materials	2,015	2,152
Work in progress	475	446
Finished goods	5,054	5,246
GROSS INVENTORIES	**7,544**	**7,844**
Provisions for impairment		
Raw materials	(270)	(233)
Work in progress	(19)	(17)
Finished goods	(442)	(375)
TOTAL PROVISIONS FOR IMPAIRMENT	**(731)**	**(625)**
INVENTORIES, NET	**6,813**	**7,219**

The net value of inventories was €6,813 million at December 31, 2023 compared with €7,219 million at December 31, 2022. Impairment losses on inventories recorded in the 2023 income statement totaled €372 million (2022: €332 million). Reversals of impairment losses on inventories amounted to €260 million in 2023 (€222 million in 2022).

5.4.2 Operating and non-operating receivables and payables

Trade accounts receivable and payable and other receivables and payables are stated at their carrying amount, which approximates their fair value as they generally have maturities of less than three months. Provisions for impairment are booked to cover the risk of total or partial non-recovery, within the limit of expected credit losses.

The Group deems that its exposure to concentrations of credit risk is limited due to its diversified business line-up, broad customer base and global presence. Past-due trade receivables are regularly monitored and analyzed, and impairment losses recognized are adjusted where appropriate.

The Group has various securitization and factoring programs for its trade receivables. Receivables transferred under some of these programs continue to be shown on the balance sheet with a corresponding liability in short-term debt if, based on an analysis of the contracts, the risks associated with the receivables are not transferred in substance to the financing institutions (further information is provided in notes 10.3.8, p. 51 and 10.3.9, p. 51).

Trade and other accounts receivable

Trade and other accounts receivable can be analyzed as follows:

(in EUR millions)	Dec. 31, 2023	Dec. 31, 2022
Gross value	5,538	5,597
Provisions for impairment	(442)	(419)
TRADE ACCOUNTS RECEIVABLE, NET	**5,096**	**5,178**
Discounts obtained from and advances granted to suppliers	472	529
Prepaid payroll taxes	32	32
Other prepaid and recoverable taxes (other than income tax)	477	484
Miscellaneous operating receivables	340	299
Other non-operating receivables	72	113
Provision for impairment of other receivables	(7)	(7)
OTHER RECEIVABLES, NET	**1,386**	**1,450**

Receivables at December 31, 2023 were stable compared to end-2022.

The impact of movements in provisions and bad debt write-offs represented an expense of €90 million in 2023, versus an expense of €119 million 2022.

Bad debt write-offs were up slightly to €59 million from €56 million at end-2022.

Trade accounts receivable at December 31, 2023 and 2022 are analyzed below by maturity:

	Gross value		Impairment		Net value	
(in EUR millions)	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
TRADE ACCOUNTS RECEIVABLE NOT YET DUE	**4,587**	**4,612**	**(82)**	**(81)**	**4,505**	**4,531**
Less than 1 month	418	417	(46)	(38)	372	379
1-3 months	166	173	(49)	(42)	117	131
More than 3 months	367	395	(265)	(258)	102	137
TRADE ACCOUNTS RECEIVABLE PAST DUE	**951**	**985**	**(360)**	**(338)**	**591**	**647**
TRADE ACCOUNTS RECEIVABLE	**5,538**	**5,597**	**(442)**	**(419)**	**5,096**	**5,178**

Trade and other accounts payable

Trade and other accounts payable and accrued expenses can be analyzed as follows:

(in EUR millions)	Dec. 31, 2023	Dec. 31, 2022
TRADE ACCOUNTS PAYABLE	**6,806**	**7,266**
Downpayments received and rebates granted to customers	2,069	1,788
Payables to suppliers of non-current assets	518	472
Grants received	88	88
Accrued personnel expenses	1,547	1,497
Accrued taxes other than on income	436	442
Other operating payables	726	701
Other non-operating payables	120	90
OTHER PAYABLES	**5,504**	**5,078**

5.5 Off-balance sheet commitments related to operating activities

5.5.1 Non-cancelable purchase commitments

Non-cancelable purchase commitments include contractual commitments to purchase raw materials and services along with firm orders for property, plant and equipment and intangible assets.

		Payments due by period			
(in EUR millions)	Total 2023	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Total 2022
Property, plant and equipment and intangible assets	24	20	3	1	115
Raw materials and energy	2,229	665	1,232	332	1,786
Services	261	117	132	12	324
TOTAL	**2,514**	**802**	**1,367**	**345**	**2,225**

5.5.2 Guarantee commitments

In some cases, the Group grants seller's warranties to the buyers of divested businesses. A provision is recognized whenever a risk is identified and the related cost can be estimated reliably. The Saint Gobain Group was also granted guarantee commitments in 2023, representing the same amount as at end-2022 (€75 million).

5.5.3 Commercial commitments

The Group's commercial commitments are shown below:

		Commitment amounts by period			
(in EUR millions)	Total 2023	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Total 2022
Security for borrowings	55	25	20	10	69
Other commitments given	276	62	60	154	255
TOTAL	**331**	**87**	**80**	**164**	**324**

Guarantees given to the Group in respect of receivables amounted to €81 million at December 31, 2023, unchanged from end-2022. At December 31, 2023, pledged assets represented €1,076 million (December 31, 2022: €1,054 million) and chiefly concerned non-current assets pledged in the United Kingdom.

5.5.4 Other commitments

A provision for greenhouse gas emissions allowances is recorded in the consolidated financial statements to cover any difference between the Group's emissions and the allowances granted.

The Saint-Gobain Group had 3.6 million tonnes of greenhouse gas emissions allowances at December 31, 2023, which will cover its actual CO_2 emissions for 2023.

NOTE 6 EMPLOYEES, PERSONNEL EXPENSES AND EMPLOYEE BENEFIT OBLIGATIONS

6.1 Employees of fully consolidated companies

Average headcount

	2023	2022
Managerial-grade employees	30,318	30,372
Administrative employees	62,397	69,623
Other employees	68,953	69,437
TOTAL AVERAGE NUMBER OF EMPLOYEES	**161,668**	**169,432**

Closing headcount

The total number of Group employees for fully consolidated companies was 159,145 employees at December 31, 2023 and 170,714 employees at December 31, 2022.

6.2 Management compensation

Direct and indirect compensation and benefits paid to the members of the Board of Directors and to the Group's senior management were as follows in 2023 and 2022:

(in EUR millions)	2023	2022
Directors' compensation	1.3	1.1
Direct and indirect compensation (gross)		
Fixed portion	10.6	9.6
Variable portion	7.2	5.7
Share-based payment expense (IFRS 2)	11.8	9.2
TOTAL EXCLUDING ESTIMATED COST OF PENSIONS AND OTHER EMPLOYEE BENEFIT OBLIGATIONS (IAS 19)	**30.9**	**25.6**
Estimated cost of pensions and other employee benefit obligations (IAS 19)	6.2	7.2
TOTAL	**37.1**	**32.8**

Total gross compensation and benefits paid in 2023 to Saint-Gobain management by the French and foreign companies in the Group (excluding any long-term cash settled compensation) amounted to €17.8 million (2022: €15.3 million), including €7.2 million in gross variable compensation (2022: €5.7 million).

Provisions for pensions and other post-employment benefit obligations (defined benefit obligations [DBO] in respect of length-of-service awards and pensions) accruing to Group management totaled €40.5 million at December 31, 2023 (December 31, 2022: €29.2 million).

6.3 Provisions for pensions and other employee benefits

6.3.1 Description of defined benefit plans

After retirement, some of the Group's former employees are eligible for pension benefits in accordance with the applicable laws and regulations in the respective countries in which the Group operates. There are also additional pension obligations in certain Group companies, both in France and in other countries.

The Group's obligation for the payment of pensions and length-of-service awards is determined at the end of the reporting period by independent actuaries using the projected unit credit method (taking into account changes in salaries until retirement) and the economic conditions in each country. This obligation may be financed by pension funds, with a provision recognized in the balance sheet for the unfunded portion.

When plan assets exceed the defined benefit obligation, the excess is recognized in other non-current assets under "Net pension assets". The asset ceiling corresponds to the maximum future economic benefit. Changes in the asset ceiling are recognized in equity.

Actuarial gains and losses result from changes in actuarial assumptions, experience adjustments and the difference between the funds' actual and estimated (calculated) rates of return. They are recognized against equity as and when they arise.

The interest cost of these obligations and the return on the related plan assets are measured by the Group using the discount rate applied to estimate the obligation at the beginning of the period, and are recognized as financial income or expense.

The Group's main defined benefit plans are described below.

In France, employees receive length-of-service awards on retirement based on years of service and the calculation methods prescribed in the applicable collective bargaining agreements.

Following the publication of the June 3, 2023 implementing decree 2023-435, as of September 1, 2023 the retirement age in France is being gradually raised, up to 64 by 2030. As a result, the age used to calculate pension obligations was changed. This change is considered to be a plan amendment and represents a gain of €12 million which was recognized in income in 2023.

In addition to length-of-service awards, there are three defined benefit plans, all of which are final salary plans. These plans were closed to new entrants by the companies concerned between 1969 and 1997. Effective March 1, 2012, a defined benefit plan complying with Article L.137-11 of France's Social Security Code (*Code de la sécurité sociale*) was set up by Compagnie de Saint-Gobain. Pursuant to an order of July 4, 2019 issued in the wake of France's PACTE Law setting out an action plan for business growth and transformation, this plan was closed and any vested rights frozen at December 31, 2019. In 2021, two new plans were set up pursuant to Article L. 137-11-2 resulting from the PACTE Law, effective January 1, 2020. Under these plans, final payments are made to a third-party insurer who takes on responsibility for the liability.

In Germany, retirement plans provide pensions and death and disability benefits for employees. These plans have been closed to new entrants since 1996. Since January 1997, new employees have been offered pension plans based on contributions financed jointly by employer and employee.

In the United Kingdom, retirement plans provide pensions as well as death and permanent disability benefits. These defined benefit plans – which are based on employees' average salaries over their final years of employment – have been closed to new entrants since 2001. In 2021, the legal structure of the plans was altered, resulting in the closure of the Building Distribution Section to future accrual as of January 1, 2022.

In the United States and Canada, the Group's defined benefit plans are final-salary plans. Since January 1, 2001, new employees have been offered a defined contribution plan.

In the United States and Spain, retired employees receive benefits other than pensions, mainly concerning healthcare. The Group's obligation under these plans is determined using the actuarial method and is covered by a provision recorded in the balance sheet.

Provisions for other long-term employee benefits cover all other employee benefits. These benefits primarily include long-service awards in France, jubilee awards in Germany, deferred compensation, provisions for social security benefits in the United States, and termination benefits in different countries. The related defined benefit obligation is generally calculated on an actuarial basis using the same rules as for pension obligations. Actuarial gains and losses relating to these benefits are recognized immediately in the income statement.

6.3.2 Actuarial assumptions used to measure defined benefit obligations and plan assets

Interest rate assumptions

Assumptions related to mortality, employee turnover and future salary increases take into account the economic conditions specific to each country and Group company. The discount rates are established by region or country based on observed bond yields at December 31, 2023.

For the Eurozone (including France), two discount rates were calculated for 2023 based on the term of the plans using a yield curve model developed by consulting firm Mercer: one rate for plans with a term of 13 years or less and one for plans with a term of over 13 years (2022: one rate for plans with a term of 15 years or less and one for plans with a term of over 15 years).

The rates used in 2023 for the Group's main plans are the following:

	France		Eurozone (excluding France)		United Kingdom	United States
(in %)	Short-term plans	Long-term plans	Short-term plans	Long-term plans		
Discount rate	3.16%	3.20%	3.16%	3.20%	4.60%	5.00%
Salary increases	1.90% to	5.50%	2.60% to	3.50%	2.00% *	3.00%
Inflation rate	2.10%		2.10%		CPI 2.5% RPI 2.95%	2.50%

* *A cap applies to the reference salaries used to calculate benefit entitlements.*

The rates used in 2022 for the Group's main plans were the following:

	France		Eurozone (excluding France)		United Kingdom	United States
(in %)	Short-term plans	Long-term plans	Short-term plans	Long-term plans		
Discount rate	4.16%	4.23%	4.16%	4.23%	4.85%	5.20%
Salary increases	1.90% to	5.50%	2.70% to	3.00%	2.00% *	3.00%
Inflation rate	2.20%		2.20%		CPI 2.5%	2.50%

* *A cap applies to the reference salaries used to calculate benefit entitlements.*

As the above three regions account for substantially all of the Group's pension obligation, the revised actuarial assumption (in particular discount and inflation rates), contributed to an increase in the obligation, and therefore in the provision, in an amount of €468 million.

The actual return on plan assets for almost all plans was €60 million lower than expected, leading to an increase in the provision of the same amount. In addition, a €9 million decrease in the asset ceiling, mainly affecting Switzerland, generated a decrease in the provision in the same amount.

Sensitivity to assumptions

A 0.5-point decrease (increase) in the discount rate would lead to an increase (decrease) in defined benefit obligations of around €160 million for the United States plans, €150 million for the Eurozone plans and €350 million for the United Kingdom plans. A 0.5% increase in the inflation rate would lead to an overall increase in defined benefit obligations of around €240 million.

The same assumptions concerning mortality, employee turnover and interest rates are used to determine the Group's defined benefit obligations for other long-term employee benefits. In the United States, retirees' healthcare costs are projected to rise between 4.00% and 5.49% per year (under 65 years of age), and between 3.19% and 5.97% per year (older than 65), depending on the age of the beneficiary. A 1-point increase in this rate would lead to an increase of around €12 million in the related projected benefit obligation.

6.3.3 Breakdown of and changes in pension and other post-employment benefit obligations

Carrying amount of provisions

Provisions for pension and other employee benefit obligations consist of the following:

(in EUR millions)	Dec. 31, 2023	Dec. 31, 2022
Pension obligations	1,286	1,110
Length-of-service awards	338	290
Post-employment healthcare benefits	204	183
TOTAL PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS	**1,828**	**1,583**
Healthcare benefits	30	27
Long-term disability benefits	6	8
Other long-term benefits	96	94
PROVISIONS FOR PENSIONS AND OTHER EMPLOYEE BENEFITS	**1,960**	**1,712**

Provisions for all other long-term benefits totaled €132 million at December 31, 2023 (€129 million at December 31, 2022).

The following table shows net obligations under pensions and other post-employment benefit plans, excluding other long-term benefits:

(in EUR millions)	Dec. 31, 2023	Dec. 31, 2022
Provisions for pensions and other post-employment benefit obligations – liabilities	1,828	1,583
Pension plan surpluses – assets	(322)	(569)
NET PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS	**1,506**	**1,014**

Analysis of obligations

At December 31, 2023, pension obligations and provisions for other post-employment benefit obligations break down by major geographic region as follows:

(in EUR millions)	France	Eurozone (excluding France)	United Kingdom	United States	Rest of the world	Net total
AVERAGE DURATION (in years)	**13**	**14**	**13**	**10**	**13**	**12**
Defined benefit obligations – funded plans	490	1,227	3,387	2,362	1,011	8,477
Defined benefit obligations – unfunded plans	258	42	0	150	237	687
Fair value of plan assets	(202)	(668)	(3,637)	(2,122)	(1,156)	(7,785)
DEFICIT (SURPLUS)	**546**	**601**	**(250)**	**390**	**92**	**1,379**
Asset ceiling	0	9	0	0	118	127
NET PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS	**546**	**610**	**(250)**	**390**	**210**	**1,506**

At December 31, 2022, pension obligations and provisions for other post-employment benefit obligations break down by major geographic region as follows:

(in EUR millions)	France	Eurozone (excluding France)	United Kingdom	United States	Rest of the world	Net total
AVERAGE DURATION (in years)	**12**	**13**	**14**	**11**	**14**	**13**
Defined benefit obligations – funded plans	432	1,086	3,256	2,423	945	8,142
Defined benefit obligations – unfunded plans	225	39	0	162	194	620
Fair value of plan assets	(203)	(684)	(3,764)	(2,123)	(1,104)	(7,878)
DEFICIT (SURPLUS)	**454**	**441**	**(508)**	**462**	**35**	**884**
Asset ceiling	0	9	0	0	121	130
NET PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS	**454**	**450**	**(508)**	**462**	**156**	**1,014**

Changes in provisions

Changes in pensions and other post-employment benefit obligations are as follows:

(in EUR millions)	Pension obligations	Fair value of plan assets	Asset ceiling	Net pension and other post-employment benefit obligations
AT JANUARY 1, 2022	**12,356**	**(11,402)**	**31**	**985**
Changes during the year				
Service cost	188			188
Interest cost/return on plan assets as per calculations	244	(232)		12
Employee contributions and plan administration costs		(6)		(6)
Past service cost	1			1
Plan curtailments/settlements	(1)			(1)
Pension contributions		(153)		(153)
Benefit payments	(710)	631		(79)
Actuarial gains and losses and asset ceiling	(3,589)	3,506	95	12
Translation adjustments	6	16	4	26
Changes in Group structure	270	(244)		26
Assets/liabilities held for sale	(3)	6		3
TOTAL CHANGES	**(3,594)**	**3,524**	**99**	**29**
AT DECEMBER 31, 2022	**8,762**	**(7,878)**	**130**	**1,014**
Changes during the year				
Service cost	134			134
Interest cost/return on plan assets as per calculations	397	(352)		45
Employee contributions and plan administration costs		(6)		(6)
Past service cost	(10)			(10)
Plan curtailments/settlements	(38)	38		0
Pension contributions		(118)		(118)
Benefit payments	(568)	498		(70)
Actuarial gains and losses and asset ceiling	468	60	(9)	519
Translation adjustments	6	(38)	6	(26)
Changes in Group structure	20	5		25
Assets/liabilities held for sale	(7)	6		(1)
TOTAL CHANGES	**402**	**93**	**(3)**	**492**
AT DECEMBER 31, 2023	**9,164**	**(7,785)**	**127**	**1,506**

Actuarial gains and losses

Actuarial gains and losses on provisions result from the following items:

(in EUR millions)	2023	2022
Pension obligations	468	(3,589)
Fair value of plan assets	60	3,506
Asset ceiling	(9)	95
TOTAL CHANGES	**519**	**12**

Plan assets

Plan assets have been progressively built up by contributions, primarily in the United Kingdom and the United States. Contributions paid by the Group in 2023 totaled €118 million (2022: €153 million).

A 0.5-point increase or decrease in the actual return on plan assets would have an impact of approximately €39 million on equity.

Plan assets mainly comprise:

	Dec. 31, 2023	Dec. 31, 2022
Equities	18%	18%
Bonds	63%	56%
Other	19%	26%
TOTAL	**100%**	**100%**

Contributions to pension plans for 2024 are estimated at around €54 million.

6.3.4 Defined contribution plans

Contributions to defined contribution plans are expensed as incurred.

Contributions to defined contribution plans for 2023 represented an estimated €680 million (2022: €703 million), including €456 million for government-sponsored basic pension schemes (2022: €444 million), €145 million for government-sponsored supplementary pension schemes, mainly in France (2022: €134 million), and €79 million for corporate-sponsored supplementary pension plans (2022: €125 million).

6.4 Share-based payments

6.4.1 Group Savings Plan (PEG)

The Group Savings Plan (*Plan d'Epargne Groupe* – PEG) is an employee stock purchase plan open to all Group employees in France and most other countries where the Group is present. Eligible employees must have completed a minimum of three months' service with the Group. Eligible employees are able to invest in Saint-Gobain shares at a preferential subscription price. These shares are held either directly or through the employee saving plan's mutual funds, depending on local legislation, and are subject to a mandatory five- or ten-year lock-up, except following the occurrence of certain events. The Board of Directors delegates authorization for setting the subscription price to the Chief Executive Officer of Compagnie de Saint-Gobain. The subscription price corresponds to the average of the opening prices for the Saint-Gobain share on Euronext Paris over the 20 trading days preceding the date of the decision, subject to a 20% discount, in accordance with applicable laws, the Shareholders' Meeting resolutions and the deliberations of the Board of Directors. The Group makes a matching contribution to amounts paid in by employees, which is expensed in the consolidated financial statements.

The Group recorded an IFRS 2 expense representing the benefit granted to employees, which amounted to €23.7 million in 2023 (€9.3 million in 2022).

The Saint-Gobain Group implemented a new PEG in the first half of 2023. As approved by the Chief Executive Officer on March 13, 2023, the reference price is €55.24 (€56.48 in 2022), representing a subscription price of €44.19 (€45.19 in 2022) after a 20% discount.

In 2023, 4,778,291 new shares with a par value of €4 were issued to employees under the PEG at an average subscription price of €44.19 (4,916,097 shares at an average price of €45.19 in 2022), representing a share capital increase of €210 million (€222 million in 2022), net of transaction fees.

6.4.2 Stock option plans

Until 2018, Compagnie de Saint-Gobain operated stock option plans for certain employees.

Under these plans, the Board of Directors granted options allowing beneficiaries to obtain Saint-Gobain shares at a price set, at no discount, by reference to the average of the opening prices for the Saint-Gobain share over the 20 stock market trading days preceding the date of the decision by the Board of Directors.

For all of the plans, beneficiaries must wait at least four years from the grant date to exercise any options. None of the options received may be exercised until this four-year period has lapsed. Options must be exercised within 10 years of the grant date. Except in specified circumstances, grantees forfeit these options if they leave the Group.

Among the plans outstanding at December 31, 2023, the 2015, 2016 and 2017 plans offer stock purchase options. The 2018 plan was classified as a stock subscription option plan further to a decision of the Board of Directors in 2022, prior to the start of the exercise period.

A performance condition applies for all beneficiaries under current plans.

No stock option plans have been launched since 2019.

The following table presents changes in the number of outstanding options:

	€4 par value shares	Average exercise price *(in EUR)*
OPTIONS OUTSTANDING AT DECEMBER 31, 2021	**551,489**	**38.03**
Options granted	0	
Options exercised	(28,977)	40.97
Options forfeited	(36,691)	31.71
OPTIONS OUTSTANDING AT DECEMBER 31, 2022	**485,821**	**38.32**
Options granted	0	
Options exercised	(143,670)	35.23
Options forfeited*	(4,536)	38.80
OPTIONS OUTSTANDING AT DECEMBER 31, 2023	**337,615**	**39.62**

* *Including 4,536 options that lapsed after the exercise period under the 2013 stock option plan expired (no options lapsed due to the non-fulfillment of performance conditions or the withdrawal of rights).*

The cost of stock option plans is calculated using the Black & Scholes option pricing model.

The following inputs were used:

- volatility assumptions that take into account the historical volatility of the share price over a rolling 10-year period, as well as implied volatility from traded share options. Periods of extreme share price volatility are disregarded;
- assumptions relating to the average holding period of options, based on observed behavior of option holders;
- expected dividends, as estimated on the basis of historical dividend information dating back to 1988;
- a risk-free interest rate corresponding to the yield on long-term government bonds;
- the effect of any stock market performance conditions, which is taken into account in the initial measurement of IFRS 2 share-based payment expense.

The cost calculated using this method is recognized in the income statement over the vesting period of the options, which is a maximum of four years.

Under IFRS 2, the expense attributable to the amortization of stock options granted under previous plans was zero in 2023 (€0.1 million in 2022).

The table below summarizes information about stock options outstanding at December 31, 2023, after taking into account partial fulfillment of the performance criteria attached to certain plans:

	Exercisable options outstanding			
Grant date	Exercise price *(in EUR)*	Number of options	Weighted average contractual life *(in months)*	Type of options
2015	39.47	34,465	23	Purchase
2016	40.43	39,885	35	Purchase
2017	49.38	111,851	47	Purchase
2018	32.24	151,414	59	Subscription
TOTAL		**337,615**		

At December 31, 2023, 337,615 options were exercisable at an average exercise price of €39.62. All options are now exercisable.

6.4.3 Performance share and performance unit grants

Performance share plans

Since 2009, performance share plans have also been set up for certain categories of employees. These plans are subject to eligibility criteria based on the grantee's period of service (service conditions) with the Group as well as performance criteria (performance conditions), which are described below. The IFRS 2 share-based payment expense takes into account these conditions. It is determined after deducting the present value of the dividends forfeited on the performance shares and is recognized over the vesting period, not exceeding four years.

At December 31, 2023, there were four outstanding performance share plans, approved by the Board of Directors in 2020, 2021, 2022 and on November 23, 2023.

The expense recorded for these plans in the 2023 income statement amounted to €38.3 million (2022: €33.2 million).

All plans are subject to service and performance conditions. The vesting period for the shares awarded under these plans is four years and the shares will be delivered under all plans the fourth day after the end of the vesting period for the 2020, 2021, 2022 and 2023 plans.

The table below shows changes in the number of performance share rights:

	Number of rights
NUMBER OF PERFORMANCE SHARE RIGHTS AT DECEMBER 31, 2021	**4,920,759**
Performance share rights granted in November 2022	1,232,792
Shares issued/delivered	(1,076,098)
Lapsed and canceled rights	(141,921)
NUMBER OF PERFORMANCE SHARE RIGHTS AT DECEMBER 31, 2022	**4,935,532**
Performance share rights granted in November 2023	1,268,633
Shares issued/delivered	(1,159,695)
Lapsed and canceled rights*	(92,075)
NUMBER OF PERFORMANCE SHARE RIGHTS AT DECEMBER 31, 2023	**4,952,395**

* *Including 92,075 rights that lapsed after they had been withdrawn (no rights lapsed because the performance conditions had only been partly met).*

The fair value of the performance shares corresponds to the Saint-Gobain share price on the grant date, less the value of dividends not payable on the shares during the vesting period. The expense is recognized over the vesting period, which covers a maximum of four years.

The following table shows the expected dates when shares under the four performance share plans outstanding at December 31, 2023 will be delivered (except in the case of early release following the grantee's death or disability, along with the service and performance conditions remaining to be fulfilled):

Grant date	Number of rights granted at inception of the plan	Deliveries	Number of rights at December 31, 2023*	Delivery date	Type of shares
November 26, 2020	1,268,295	1,100	1,267,195	November 29, 2024	existing
November 25, 2021	1,184,475	700	1,183,775	November 28, 2025	existing
November 24, 2022	1,232,792		1,232,792	November 27, 2026	existing
November 23, 2023	1,268,633		1,268,633	November 26, 2027	existing
TOTAL	**4,954,195**	**1,800**	**4,952,395**		

* *Subject to fulfillment of the service and performance conditions applicable to each plan.*

Performance unit plans

Performance unit plans subject to service and performance conditions were set up every year between 2012 and 2015 for certain management-grade employees and senior managers of the Group in France. These plans do not give rise to the delivery of shares but entitle grantees to receive cash compensation deferred over the long-term (exercise period between four and ten years after the grant date), the amount of which will be determined by reference to Saint-Gobain's share price. These plans are also subject to service and performance conditions. The IFRS 2 share-based payment expense therefore takes into account these factors, as well as the fact that the units are cash-settled. IFRS 2 stipulates that for cash-settled share-based payment transactions, the granted instruments are initially measured at fair value at the grant date, then remeasured at the end of each reporting period, with the expense adjusted accordingly pro rata to the rights that have vested at the reporting date. The expense is recognized over the vesting period of the rights.

No long-term compensation plan in the form of performance units has been set up since 2016.

Since the vesting period of the last plan ended in 2019, there are no longer any expenses in respect of such plans.

NOTE 7 INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT, AND RIGHT-OF-USE ASSETS

7.1 Goodwill

When an entity is acquired by the Group, its identifiable assets acquired, liabilities assumed and contingent liabilities are recognized at their fair value. IFRS allows a 12-month period after the acquisition date ("measurement period") to identify the assets and liabilities of the acquired entity that were not recognized in the initial accounting for the combination, and to retroactively modify the amounts initially allocated.

The final acquisition price ("consideration transferred" in IFRS 3R), including, as appropriate, the estimated fair value of any earn-out payments or other deferred consideration ("contingent consideration" in IFRS 3R), is determined in the 12 months following the acquisition. Under IFRS 3R, any adjustments to the acquisition price beyond this 12-month period are recorded in the income statement. Directly attributable acquisition costs are expensed as incurred.

In addition, goodwill is recognized only at the date that control is achieved. Any subsequent increase in ownership interest (without change of control) is recorded as a change in equity without adjusting goodwill.

Goodwill is recorded in the consolidated balance sheet as the difference between (i) the acquisition-date fair value plus the amount of any non-controlling interests in the acquiree - measured either at fair value (full goodwill method) or at the proportionate interest in the fair value of the net identifiable assets acquired (partial goodwill method) - and (ii) the net amount of assets and liabilities acquired at their fair value at the acquisition date. The Group generally applies the partial goodwill method and the amount of goodwill calculated under the full goodwill method is not therefore material.

Any excess of the cost of an acquisition over the fair value of the Group's share of the assets and liabilities of the acquired entity is recorded as goodwill. If the fair value of the net assets acquired and liabilities assumed exceeds their acquisition cost, this negative difference is recognized in the income statement in the year of acquisition.

Changes in goodwill in 2023 and 2022 are detailed below:

(in EUR millions)	Dec. 31, 2023	Dec. 31, 2022
At January 1		
Gross value	14,304	13,399
Accumulated impairment	(1,446)	(2,218)
NET VALUE	**12,858**	**11,181**
Changes during the period		
Impairment	(81)	(28)
Translation adjustments and restatement for hyperinflation	(162)	(37)
Changes in Group structure	496	1,742
TOTAL CHANGES	**253**	**1,677**
At December 31		
Gross value	14,534	14,304
Accumulated impairment	(1,423)	(1,446)
NET VALUE	**13,111**	**12,858**

In 2023, changes in Group structure relate mainly to the first-time consolidation of companies following the acquisition of Building Products of Canada Corp. (see note 4.2.1, p. 14) for €532 million; and to the finalization of the GCP purchase price accounting, which resulted in a €199 million reduction in goodwill.

Goodwill impairment losses were recognized for a total of €81 million against individual assets during the period. The amount recorded under "Translation adjustments and restatement for hyperinflation" primarily reflects the impacts of fluctuations in the US dollar, Turkish lira, pound sterling, Norwegian krone and Argentine peso.

In 2022, changes in Group structure mainly concerned first-time consolidations, in particular following the acquisition of GCP (see note 4.2.1, p. 14) for €1,490 million; the finalization of the Chryso purchase price accounting, which resulted in a €229 million reduction in goodwill; and the acquisitions of Kaycan and Impac for €355 million and €51 million, respectively.

Impairment losses were recognized for a total of €28 million, mainly against individual assets in the period. The translation adjustments and restatements for hyperinflation primarily reflected the impacts of fluctuations in the pound sterling, US dollar, Norwegian krone, Canadian dollar, Swedish krona, Brazilian real and Argentine peso.

7.2 Other intangible assets

Other intangible assets primarily include brands, customer relationships, intellectual property, software, patents and development costs. They are measured at historical cost less accumulated amortization and impairment.

Certain retail or manufacturing brands acquired are treated as intangible assets with indefinite useful lives as they have a strong national and/or international reputation. These brands are not amortized but are tested systematically for impairment on an annual basis. Other brands are amortized over their useful lives, not exceeding 40 years.

Customer relationships are amortized over the attrition period used to value these assets.

Costs incurred to develop software in-house – primarily configuration, programming and testing costs – are recognized as intangible assets. Patents and purchased computer software are amortized over their estimated useful lives, not exceeding 20 years for patents and three to five years for software.

Research costs are expensed as incurred. Development costs meeting the recognition criteria under IAS 38 are included in intangible assets and amortized over their estimated useful lives (not exceeding five years) from the date when the products to which they relate are first marketed.

Changes in other intangible assets during 2023 and 2022 are analyzed below:

(in EUR millions)	**Brands**	**Intellectual property and customer relationships**	**Software**	**Other**	**Total intangible assets**
At January 1, 2022					
Gross value	2,294	651	1,411	548	4,904
Accumulated amortization and impairment	(589)	(157)	(1,069)	(384)	(2,199)
NET VALUE	**1,705**	**494**	**342**	**164**	**2,705**
Changes during the period					
Acquisitions			42	63	105
Disposals			(6)	(2)	(8)
Translation adjustments and restatement for hyperinflation	(43)	(85)	(3)	1	(130)
Amortization*	(15)	(105)	(119)	(13)	(252)
Impairment	(6)			(71)	(77)
Transfers			72	(72)	0
Changes in Group structure and other	323	1,355	(3)	8	1,683
Assets held for sale			(49)	49	0
TOTAL CHANGES	**259**	**1,165**	**(66)**	**(37)**	**1,321**
At December 31, 2022					
Gross value	2,190	1,897	1,345	492	5,924
Accumulated amortization and impairment	(226)	(238)	(1,069)	(365)	(1,898)
NET VALUE	**1,964**	**1,659**	**276**	**127**	**4,026**
Changes during the period					
Acquisitions			35	80	115
Disposals			(5)		(5)
Translation adjustments and restatement for hyperinflation	12	(47)	(2)	(4)	(41)
Amortization*	(16)	(169)	(109)	(7)	(301)
Impairment	(4)		(4)	(6)	(14)
Transfers			52	(52)	0
Changes in Group structure and other	(122)	698	3	6	585
Assets held for sale			2	1	3
TOTAL CHANGES	**(130)**	**482**	**(28)**	**18**	**342**
At Dec. 31, 2023					
Gross value	1,982	2,540	1,389	509	6,420
Accumulated amortization and impairment	(148)	(399)	(1,141)	(364)	(2,052)
NET VALUE	**1,834**	**2,141**	**248**	**145**	**4,368**

* *"Amortization" includes amortization charged against intangible assets within the scope of purchase price accounting, representing €181 million in 2023 (2022: €116 million).*

The breakdown of brands, intellectual property and customer relationships by segment is provided in the segment information tables under note 5, p. 19.

In 2023, changes in Group structure mainly concern the first-time consolidation of companies following the acquisition of Building Products of Canada Corp. for €421 million; GCP purchase price accounting adjustments on customer relationships (€247 million), intellectual property (€128 million) and brands (negative €131 million); and Kaycan purchase price accounting adjustments representing a total negative amount of €116 million. The translation adjustments and restatements for hyperinflation primarily reflect the impacts of fluctuations in US dollar, in Swiss franc and in pound sterling.

In 2022, changes in Group structure corresponded mainly to adjustments to the purchase price accounting relating to brands and customer relationships in the Chryso acquisition, representing €16 million and €277 million, respectively. They also included GCP's brands and customer relationships for a total amount of €811 million, Kaycan's brands and customer relationships for a total amount of €504 million, and Impac's customer relationships for a total amount of €30 million. Impairment losses were recognized for a total of €77 million, mainly against assets held for sale. The translation adjustments and restatements for hyperinflation primarily reflected the impacts of fluctuations in the Canadian and US dollars, and in pound sterling.

7.3 Property, plant and equipment

Land, buildings and equipment are carried at historical cost less accumulated depreciation and impairment.

Cost may also include incidental expenses directly attributable to the acquisition, as well as the impact of transfers from equity of any gains/losses on qualifying cash flow hedges of property, plant and equipment purchases.

Expenses incurred in exploring and evaluating mineral resources are included in property, plant and equipment when it is probable that associated future economic benefits will flow to the Group. They include mainly the costs of topographical or geological studies, drilling costs, sampling costs and all costs incurred in assessing the technical feasibility and commercial viability of extracting the mineral resource.

Material borrowing costs incurred for the construction and acquisition of property, plant and equipment are included in the cost of the related asset if they are significant.

Property, plant and equipment are considered as having no residual value, as they chiefly consist of industrial assets that are intended to be used until the end of their useful lives.

Property, plant and equipment other than land are depreciated using the components approach on a straight-line basis over the following estimated useful lives, which are regularly reviewed:

• Major factories and offices	30-40 years
• Other buildings	15-25 years
• Production machinery and equipment	5-16 years
• Vehicles	3-5 years
• Furniture, fixtures, office and computer equipment	4-16 years

Gypsum quarries are depreciated over their estimated useful lives, based on the quantity of gypsum extracted during the year compared with extraction capacity.

Provisions for site restoration are recognized as a component of assets whenever the Group has a legal or constructive obligation to restore a site in accordance with contractually determined conditions or in the event of a sudden deterioration in site conditions. These provisions are reviewed periodically and may be discounted over the expected useful lives of the assets concerned. The component is depreciated over the same useful life as that used for mines and quarries.

Changes in property, plant and equipment in 2023 and 2022 are analyzed below:

(in EUR millions)	Land and quarries	Buildings	Machinery and equipment	Assets under construction	Total property, plant and equipment
At January 1, 2022					
Gross value	2,380	8,161	19,848	1,611	32,000
Accumulated depreciation and impairment	(677)	(4,998)	(14,646)	(16)	(20,337)
NET VALUE	**1,703**	**3,163**	**5,202**	**1,595**	**11,663**
Changes during the period					
Acquisitions	35	81	287	1,432	1,835
Disposals	(21)	(30)	(23)	(6)	(80)
Translation adjustments and restatement for hyperinflation	6	23	33	22	84
Depreciation	(37)	(256)	(902)	(1)	(1,196)
Impairment	(2)	(129)	(38)		(169)
Transfers		267	943	(1,210)	0
Changes in Group structure and other	35	76	126	17	254
Assets held for sale	(93)	(73)	(36)	(26)	(228)
TOTAL CHANGES	**(77)**	**(41)**	**390**	**228**	**500**
At December 31, 2022					
Gross value	2,329	8,085	20,896	1,841	33,151
Accumulated depreciation and impairment	(703)	(4,963)	(15,304)	(18)	(20,988)
NET VALUE	**1,626**	**3,122**	**5,592**	**1,823**	**12,163**
Changes during the period					
Acquisitions	53	57	256	1,548	1,914
Disposals	(11)	(23)	(24)	(7)	(65)
Translation adjustments and restatement for hyperinflation	(17)	(12)	(30)	(37)	(96)
Depreciation	(35)	(235)	(906)	2	(1,174)
Impairment	(1)	(23)	(91)	(10)	(125)
Transfers		232	849	(1,081)	0
Changes in Group structure and other	49	59	37	4	149
Assets held for sale		(18)	(4)		(22)
TOTAL CHANGES	**38**	**37**	**87**	**419**	**581**
At December 31, 2023					
Gross value	2,393	8,265	21,322	2,271	34,251
Accumulated depreciation and impairment	(729)	(5,106)	(15,643)	(29)	(21,507)
NET VALUE	**1,664**	**3,159**	**5,679**	**2,242**	**12,744**

In 2023, changes in Group structure mainly concern the first-time consolidation of companies, in particular following the acquisition of Building Products of Canada Corp. for €56 million; and GCP and Kaycan purchase price accounting adjustments representing €37 million and €73 million, respectively. Impairment losses are recognized for a total of €125 million. The translation adjustments and restatements for hyperinflation primarily reflect the impacts of fluctuations in the US dollar, Mexican peso, Argentine perso, Polish zloty, Chinese yuan renminbi, Indian rupee, Brazilian real, Russian ruble and Turkish lira.

In 2022, changes in Group structure related mainly to adjustments to the purchase price accounting for the Chryso acquisition and the first-time consolidation of GCP and Impac. Impairment losses were recognized for a total of €169 million, mainly against assets held for sale. The translation adjustments and restatements for hyperinflation primarily reflected the impacts of fluctuations in the US dollar, Mexican peso, Brazilian real, pound sterling, Indian rupee, Egyptian pound, Argentine peso and Swedish krona.

7.4 Right-of-use assets linked to leases

The Saint-Gobain Group applies IFRS 16 and restates all of its leases.

The following recognition exemptions proposed by IFRS 16 have been used by the Group:

- leases with a lease term of 12 months or less;
- leases where the underlying asset has a value of less than US$5,000 when new.

Property leases

The lease term corresponds to the non-cancelable period of the lease, plus any renewal (or termination) options that the Group is reasonably certain to exercise (or not to exercise). The Group determined whether or not lease renewal (or termination) options were reasonably certain to be exercised based on the location of, and any improvements inseparable from, the leased asset. The lease term at inception for "3/6/9-year" commercial leases in France is generally nine years. The Group did not identify any material leases with similar characteristics in other countries.

The discount rate used to calculate the lease liability is the incremental borrowing rate. This rate is applied at the commencement of the lease or at the date of the decision to renew the lease. The Group calculated the rate applicable to each lease contract on the basis of its duration, which reflects the payment profile of the lease liability.

The useful life of non-movable leasehold improvements cannot exceed the useful life of the right-of-use assets to which they relate.

Leases other than property leases

The main leases identified correspond to leases of vehicles, machinery and production equipment.

The lease capitalization period (lease term) represents the non-cancelable period of the lease. Where leases provide for a renewal (or termination) option, the Group determined whether or not that option was reasonably certain to be exercised based on the ease with which the leased asset could be replaced and its criticality.

The discount rate used to determine the lease liability is calculated using the same approach as for property leases.

The interest rate implicit in the lease is used as the discount rate only in the case of non-property leases and only if this is expressly stipulated in the lease contract.

Although leases can generally incorporate indexation clauses, lease liabilities are measured based solely on indexes known at the end of the reporting period.

In 2023, right-of-use assets linked to leases related mainly to land and buildings for €2,343 million (€2,336 million at December 31, 2022) and to machinery and equipment for €467 million (€416 million at December 31, 2022).

Lease payments made under low-value and/or short-term leases, along with variable lease payments or lease payments falling outside the scope of IFRS 16, totaled €206 million at December 31, 2023 (€195 million at December 31, 2022).

The table below presents right-of-use assets for lease contracts by category:

(in EUR millions)	Land and buildings	Machinery and equipment	Total
At January 1, 2022			
Gross value	5,761	1,133	6,894
Accumulated depreciation and impairment	(3,342)	(593)	(3,935)
NET VALUE	**2,419**	**540**	**2,959**
Changes during the period			
New leases	570	194	764
Disposals		(4)	(4)
Translation adjustments and restatement for hyperinflation	(38)	(4)	(42)
Depreciation	(491)	(225)	(716)
Impairment	(10)		(10)
Changes in Group structure and other	54	(8)	46
Assets held for sale	(168)	(77)	(245)
TOTAL CHANGES	**(83)**	**(124)**	**(207)**
At December 31, 2022			
Gross value	5,521	901	6,422
Accumulated depreciation and impairment	(3,185)	(485)	(3,670)
NET VALUE	**2,336**	**416**	**2,752**
Changes during the period			
New leases	565	263	828
Disposals	(8)	(2)	(10)
Translation adjustments	(26)	(2)	(28)
Depreciation	(480)	(212)	(692)
Impairment	(8)		(8)
Changes in Group structure and other	13	2	15
Assets held for sale	(49)	2	(47)
TOTAL CHANGES	**7**	**51**	**58**
At December 31, 2023			
Gross value	5,552	983	6,535
Accumulated depreciation and impairment	(3,209)	(516)	(3,725)
NET VALUE	**2,343**	**467**	**2,810**

7.5 Impairment review

7.5.1 Definition of groups of CGUs and goodwill values

Following the implementation of the "Transform & Grow" and "Grow & Impact" programs, the Group strategy is no longer based on a matrix organization by business/ delegation, but on a new organization of its businesses by country. The aim is to provide Saint-Gobain customers with a multi-product offering on local markets or as part of the High Performance Solutions (HPS) business. These organizational changes led the Group to redefine the basis for managing its industrial assets: its regional businesses (Industry, Distribution) are now managed by geographic area (Region), while its global businesses within the High Performance Solutions segment are managed by Business Unit. Its CGU organization was therefore also adapted accordingly, and now corresponds to the level at which the Group's Chief Operating Decision Maker reviews operations and makes decisions about resources.

Since 2019, the Group has gradually adapted and streamlined its groups of CGUs in order to bring their structure into line with its new organization (the Flat Glass CGU and the Construction Products groups of CGUs are now organized by Region, with no impact on the recoverable amount of these groups of CGUs given the significant headroom for each). It has also taken account of the significant changes in Group structure (disposals of Lapeyre, Distribution Germany, Distribution Netherlands, Distribution UK and Pipe in China; acquisitions of Chryso and GCP, leading to the creation of a Construction Chemicals group of CGUs).

In order to test for impairment, goodwill is allocated to each of the groups of CGUs, which now perfectly reflect the organization of management and internal reporting, and remain at a smaller level than the operating segments as required by IAS 36.

In 2023, the Group monitored and tested 17 groups of CGUs following the disposal of its UK Distribution business.

The carrying amounts of goodwill at December 31, 2023 are as follows by operating segment:

(in EUR billions)	Goodwill, net Dec. 31, 2023	Goodwill, net Dec. 31, 2022
High Performance Solutions	3.0	3.2
Northern Europe	4.2	4.2
Southern Europe – ME & Africa	2.1	2.1
Americas	3.5	3.1
Asia-Pacific	0.3	0.3
TOTAL	**13.1**	**12.9**

7.5.2 Impairment of property, plant and equipment, intangible assets, goodwill and right-of-use assets: testing approach

The Group carries out impairment tests on property, plant and equipment, right-of-use assets, goodwill and other intangible assets whenever there is any indication of impairment. These tests consist of comparing the asset's carrying amount to its recoverable amount. The recoverable amount is the higher of the asset's fair value less disposal costs and its value in use.

The Group's main indicator of impairment is a downward trend in EBITDA for a group of CGUs of more than 10% year-on-year.

Actual and projected business performance within each group of CGUs is therefore monitored on a very regular basis (four "rolling forecast" phases each year, plus the budget campaign), enabling any downward trends to be identified. Each year, Saint-Gobain also verifies that budgets for the businesses within its groups of CGUs are in line with the business plans used in the most recent DCF tests.

Furthermore, in accordance with IAS 36, goodwill and non-amortizable brands are tested for impairment each year at the level of the groups of CGUs to which they relate. Impairment is tested by comparing the net carrying amount of the assets with their recoverable value.

The tests use a two-tier approach:

1. A first "simplified" approach estimates value based on EBITDA multiples.

Most of the EBITDA multiples used are taken from external public sources and relate to the stock market valuation of a sample of comparable listed companies as drawn up by the Strategy department, each representing one of the Group's main business activities.

The average EBITDA for each business activity over the past three years is multiplied by the associated multiple taken from the sample. By weighting the proportion that EBITDA for each business activity represents of the total EBITDA for the group of CGUs in question, an EBITDA multiple is calculated for each group of CGUs. These market comparable multiples are updated each year.

Use of this first simplified approach can be justified by the significant headroom for all groups of CGUs, with the exception of the three groups of CGUs deemed sensitive and discussed specifically in note 7.5.3.

The multiples used for 2023 and 2022 are as follows:

	EBITDA multiples		
Operating segments	**2023**	**2022**	**Changes**
High Performance Solutions	9.4	9.0	0.4
Northern Europe	9.4	9.7	(0.3)
Southern Europe – ME & Africa	7.7	6.8	0.9
Americas (Industries)	8.9	8.0	0.9
Asia-Pacific	8.6	7.4	1.2

A sensitivity analysis was performed by applying a 10% discount to each of the EBITDA multiples adopted. Given the significant headroom at end-2023, this change applied to each group of non-sensitive CGUs would not have led to the recognition of any additional impairment.

2. A second approach that determine value in use using the discounted cash flow (DCF) method. This approach is used:

a. when groups of CGUs are classified as sensitive, i.e., when their recoverable amount based on the multiples approach is less than or approximates the net carrying amount of the assets, or when groups of CGUs were already classified as sensitive at the end of the previous reporting period (Distribution Brazil, Pipe Europe and Pipe Latin America at end-2022);

b. when there is an indication of impairment; or

c. when an event occurs that is likely to significantly alter the Group's organization, business model or one of its businesses/markets.

In the tests performed using the DCF approach, value in use is calculated using the net present value of future cash flows excluding interest but including tax. It is determined using assumptions made by management based on estimates and judgments including future changes in sales, profitability, investments and other cash flows arising from the use of the corresponding assets, as well as the discount rate applied to future cash flows. This approach projects the cash flows forecast in the last year of the three-year business plan a further two years, and then projects them to perpetuity using an annual growth rate.

During the impairment tests performed using the DCF approach, different assumptions measuring the method's sensitivity are systematically tested using the following inputs:

- 0.5% increase in the discount rate applied to cash flows;
- 0.5% decrease in the annual average rate of growth in cash flows projected to perpetuity;
- 1-point decrease in the operating income rate for Industry activities and a 0.5-point decrease for Distribution activities.

When the annual impairment test reveals that the recoverable amount of an asset is less than its carrying amount, an impairment loss is recorded.

Impairment losses on goodwill can never be reversed through income. For property, plant and equipment and other intangible assets, an impairment loss recognized in prior periods may be reversed, taking into account depreciation/amortization adjustments, if there is an indication that the impairment no longer exists and that the recoverable amount of the asset concerned exceeds its carrying amount.

Assets and liabilities held for sale are carried at the lower of their fair value less costs to sell and their net carrying amount.

7.5.3 Sensitive groups of CGUs

Three CGUs or groups of CGUs were identified as sensitive at the end of December 2023: Distribution Brazil, Pipe Europe and Pipe Latin America.

In 2023, the discount rates used for sensitive groups of CGUs were 8.0% for Pipe Europe, 12.1% for Pipe Latin America and 14.1% (local currency) for Distribution Brazil. Annual perpetual growth rates in 2023 were 1.5% for Pipe Europe, 1.8% for Pipe Latin America and 3.0% for Distribution Brazil.

Sales for the Pipe Europe group of CGUs in 2023 were stable compared with 2022, with sales up in Italy, virtually unchanged in France and Spain, but down in Northern and Central Europe as many local authorities postponed investment projects. This led to the use of furlough schemes and a decline in production from the second quarter onwards. The business is expected to be stable in 2024. The operating income rate is expected to improve, spurred by a plan to adapt the organization of production and to optimize overheads.

At constant exchange rates, 2023 sales for the Pipe Latin America group of CGUs were slightly up on 2022 despite the political transition in Brazil which slowed the development of new projects, driven by major export projects in Uruguay, Panama and Peru, for example. Operating income excluding non-recurring items and the devaluation of the Argentine peso at the end the year was stable compared with 2022. The operating income rate should improve in 2024 due to planned fixed cost savings.

It should be noted that a 1.0% increase in the discount rate, combined with a 1.0% decrease in the average annual growth rate, would not have resulted in the recognition of any impairment against assets at the level of the Pipe Europe and Pipe Latin America groups of CGUs. Similarly, a 1-point decrease in the operating income rate would not have resulted in the recognition of any impairment against assets in the two groups of Pipe CGUs.

Against the backdrop of a sharp slowdown in the Brazilian real estate market, sales for the Distribution Brazil CGU declined in 2023 at constant exchange rates. This downturn in business resulted in an operating loss in 2023, leading the Group to recognize impairment against property, plant and equipment and intangible assets for €35 million at the end of 2023.

7.5.4 Asset valuation and sensitivity to CO_2 prices

The Group now has highly structured roadmaps on which its net-zero-emissions target is based. These roadmaps consist of many different action plans and industrial projects (energy efficiency, alternative energies, electrification, etc.), detailed for each site and aimed at reducing scope 1 direct emissions, combined with a growing number of new Purchase Power Agreements (PPAs) and Virtual Purchase Power Agreements (VPPAs) on a country-by-country basis, designed to reduce scope 2 indirect emissions.
Following a major effort to improve the integrity and automated process for CO_2 data reporting, along with the implementation of an internal tool for calculating, using and communicating such data, the Group is now able to consolidate and analyze quantitative changes in its CO_2 emissions on a monthly basis, as well as the nature of these changes.

CO_2 data is now an integral part of the KPIs tracked by each local Saint-Gobain manager in the same way as financial data, and is therefore included in all of the Group's forecasting phases (budget and strategic plan).

These CO_2 roadmaps are used within the scope of the annual tests of sensitivity to changes in CO_2 prices, conducted in parallel with the annual impairment tests for groups of CGUs. Based on information on current CO_2 emissions from production sites, and factoring in projections and assumptions as regards business trends and CO_2 emissions reductions (scopes 1 and 2), validated by each of the Regions and by High Performance Solutions, a projection of future CO_2 emissions was determined for each site up to 2030.

These projections take into account planned investments to:

- Maximize energy efficiency by exploring all energy switching options (biofuel, hydrogen or synthetic fuel, green electricity);
- Make products lighter, replace them with low-carbon alternatives, increase recycled content and significantly rethink formulations and processes.

For the European Union scope, the Group has determined projected changes in CO_2 emissions up to 2030 as per the roadmaps drawn up for each Region up to 2030, taking into account historical business levels, a factor reflecting exposure to the risk of carbon leakage in a carbon emissions trading system, and the stock of CO_2 emissions allowances held at the end of December 2023. As expected, the Group takes into account the gradual reduction in free CO_2 emissions allowances granted to industrial sites under the EU Emissions Trading Scheme.

These CO_2 emissions were valued on the basis of a euro price per tonne resulting from a panel of analysts as of the end of 2023 (source: Carbon Market Pulse Limited, an independent private company based in London).

(in euros/tonne)	**2024**	**2025**	**2026**	**2027**	**2030**
Analysts average	90	93	112	127	159

For the non-European scope, forecast reductions in CO2 emissions as per the roadmaps for each Region were also taken into account, and tonnes of CO2 emitted were priced in the tests assuming a fixed price of €100 per tonne as from 2024 and no government support schemes such as CO2 emissions allowances. This assumption of €100 per tonne is consistent with the application of an internal carbon price set by Saint-Gobain, and is conservative in that few countries outside Europe have so far defined a price per tonne of carbon.

The recoverable amounts of assets determined based on the EBITDA multiples or DCF approaches were impacted by the forecast costs of CO2 emissions – net of the free emissions allowances received – projected to perpetuity, and compared to the net carrying amount of assets at December 31, 2023 (property, plant and equipment, intangible assets and working capital). These sensitivity analyses, carried out based on the assumptions set out above, would not have led to the recognition of any impairment against the net assets in any group of CGUs, given the significant headroom observed for the main groups of CGUs.

NOTE 8 INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES AND OTHER NON-CURRENT ASSETS

A joint venture is a joint arrangement whereby the parties have joint control of the arrangement, and decisions about the relevant activities require the unanimous consent of the parties sharing control. The parties that have joint control of the arrangement have rights to the net assets of the arrangement. By contrast, an associate is an entity over which a partner has significant influence over the power to participate in decisions, but not control.

Under IAS 28, investments in both associates and joint ventures must be recognized using the same equity-accounting consolidation method.

8.1 Changes in investments in equity-accounted companies

Changes in investments in equity-accounted companies in 2023 and 2022 can be analyzed as follows:

(in EUR millions)	2023	2022
At January 1		
Group share in:		
Associates	249	221
Joint ventures	350	283
TOTAL	**599**	**504**
Goodwill	40	32
INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES	**639**	**536**
Changes during the period		
Group share in net income of associates	44	27
Group share in net income of joint ventures	45	39
Dividends paid	(20)	(8)
Translation adjustments and restatement for hyperinflation	(110)	40
Acquisitions and capital increases	103	1
Changes in Group structure, transfers and other variations	4	4
TOTAL CHANGES	**66**	**103**
At December 31		
Group share in:		
Associates	281	249
Joint ventures	333	350
TOTAL	**614**	**599**
Goodwill	91	40
INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES	**705**	**639**

Acquisitions of equity-accounted companies in 2023, representing €103 million, mainly relate to the acquisition of Dalsan (cf. note 4.2.1 p. 14).

Investments in non-core business equity-accounted companies represented €67 million at December 31, 2023 (unchanged from end-2022).

The principal financial aggregates of equity-accounted companies are as follows:

	2023			2022		
(in EUR millions)	Associates	Joint ventures	Total	Associates	Joint ventures	Total
Sales	1,603	962	2,565	1,613	886	2,499
Net income	125	91	216	98	79	177
Non-current assets	680	482	1,162	663	610	1,273
Current assets	969	413	1,382	919	352	1,271
Non-current liabilities	1,180	745	1,925	1,120	800	1,920
Current liabilities	469	150	619	462	162	624
Shareholders' equity	942	693	1,635	885	729	1,614

8.2 Transactions with equity-accounted companies – related parties

The consolidated financial statements include transactions conducted by the Group in the normal course of its businesses with associates and joint ventures. These transactions are carried out on an arm's length basis.

The assets and liabilities of equity-accounted companies at December 31 are as follows:

(in EUR millions)	Dec. 31, 2023	Dec. 31, 2022
Financial receivables	35	33
Inventories	0	2
Short-term receivables	12	18
Cash and cash equivalents	1	0
Short-term debt	5	10
Cash advances	0	0

Purchases and sales transactions with equity-accounted companies are as follows:

(in EUR millions)	2023	2022
Purchases	41	111
Sales	35	53

8.3 Other non-current assets

Changes in other non-current assets in 2023 and 2022 are analyzed below:

(in EUR millions)	Equity investments and other	Loans, deposits and surety	Total other non-current assets
At January 1, 2022			
Gross value	152	403	555
Provisions for impairment	(22)	(5)	(27)
NET VALUE	**130**	**398**	**528**
Changes during the period			
Increases (decreases)	93	(48)	45
Provisions for impairment		(1)	(1)
Translation adjustments and restatement for hyperinflation	1	11	12
Transfers and other movements	(3)	23	20
Changes in Group structure	(42)	5	(37)
Changes in fair value	(10)	(10)	(20)
Assets held for sale		(10)	(10)
TOTAL CHANGES	**39**	**(30)**	**9**
At December 31, 2022			
Gross value	175	374	549
Provisions for impairment	(6)	(6)	(12)
NET VALUE	**169**	**368**	**537**
Changes during the period			
Increases (decreases)	127	(27)	100
Provisions for impairment	(4)	1	(3)
Translation adjustments and restatement for hyperinflation	(3)	1	(2)
Transfers and other movements		3	3
Changes in Group structure	(39)	1	(38)
Changes in fair value	(2)	2	0
Assets held for sale		(1)	(1)
TOTAL CHANGES	**79**	**(20)**	**59**
At December 31, 2023			
Gross value	258	356	614
Provisions for impairment	(10)	(8)	(18)
NET VALUE	**248**	**348**	**596**

NOTE 9 OTHER CURRENT AND NON-CURRENT LIABILITIES AND PROVISIONS, CONTINGENT LIABILITIES AND LITIGATION

A provision is booked when (i) the Group has a present legal or constructive obligation towards a third party as a result of a past event, (ii) it is probable that an outflow of resources will be required to settle the obligation, and (iii) the amount of the obligation can be estimated reliably.

If the amount or due date of the obligation cannot be estimated reliably, it is classified as a contingent liability and reported as an off-balance sheet commitment.

Provisions for other material liabilities and charges whose timing can be estimated reliably over the long term are discounted to present value.

9.1 Provisions for other liabilities and charges

The table below provides a breakdown by type along with details of changes in other provisions and current and non-current liabilities:

(in EUR millions)	Provisions for claims, litigation and environmental risks	Provisions for restructuring costs and personnel expenses	Provisions for customer warranties	Provisions for other contingencies	Total provisions for other liabilities	Investment-related liabilities	Total provisions for other liabilities and investment-related liabilities
At January 1, 2022							
Current portion	165	61	135	92	453	26	479
Non-current portion	184	102	122	488	896	170	1,066
TOTAL PROVISIONS FOR OTHER LIABILITIES AND INVESTMENT-RELATED LIABILITIES	**349**	**163**	**257**	**580**	**1,349**	**196**	**1,545**
Changes during the period							
Additions	203	80	92	144	519		519
Reversals	(6)	(17)	(16)	(35)	(74)		(74)
Utilizations	(69)	(84)	(52)	(59)	(264)		(264)
Changes in Group structure		(1)	(1)	15	13		13
Translation adjustments and reclassifications	10	17	(8)	31	50	28	78
Liabilities held for sale	(27)	(3)		(2)	(32)		(32)
TOTAL CHANGES	**111**	**(8)**	**15**	**94**	**212**	**28**	**240**
At December 31, 2022							
Current portion	253	65	145	179	642	51	693
Non-current portion	207	90	127	495	919	173	1,092
TOTAL PROVISIONS FOR OTHER LIABILITIES AND INVESTMENT-RELATED LIABILITIES	**460**	**155**	**272**	**674**	**1,561**	**224**	**1,785**
Changes during the period							
Additions	105	189	137	250	681		681
Reversals	(10)	(18)	(27)	(98)	(153)		(153)
Utilizations	(54)	(85)	(62)	(60)	(261)		(261)
Changes in Group structure	7	1	27	5	40		40
Translation adjustments and reclassifications	(13)	(6)	(5)	(45)	(69)	(12)	(81)
Liabilities held for sale	1	(1)		(11)	(11)		(11)
TOTAL CHANGES	**36**	**80**	**70**	**41**	**227**	**(12)**	**215**
At December 31, 2023							
Current portion	291	102	182	205	780	38	818
Non-current portion	205	133	160	510	1,008	174	1,182
TOTAL PROVISIONS FOR OTHER LIABILITIES AND INVESTMENT-RELATED LIABILITIES	**496**	**235**	**342**	**715**	**1,788**	**212**	**2,000**

9.1.1 Provisions for claims, litigation and environmental risks

These provisions cover costs relating to litigation, environmental protection measures, as well as site rehabilitation and clean-up costs.

They cover in particular PFOA-related proceedings and the antitrust lawsuit in the Distribution sector in Switzerland.

Litigation provisions amounted to €275 million at December 31, 2023. These provisions are described in further detail in note 9.2 "Contingent liabilities and litigation".

9.1.2 Provisions for restructuring costs and personnel expenses

Provisions for restructuring costs and personnel expenses amounted to €235 million at December 31, 2023 (December 31, 2022: €155 million).

These provisions cover restructuring transactions (personnel costs and other charges linked to reorganization plans), as well as provisions for personnel expenses unrelated to restructuring plans, in particular provisions for severance payments.

9.1.3 Provisions for customer warranties

These provisions cover the Group's commitments under warranties granted to customers mainly in the United States. They are determined on a statistical basis using a range of criteria and take into account contractual warranty payments made in prior years in the business and region concerned. In addition, specific provisions may be set aside for identified contingencies in the context of a specific claim.

9.1.4 Provisions for other contingencies

At December 31, 2023, provisions for other contingencies amounted to €715 million (December 31, 2022: €674 million) and mainly concern the United States (€469 million), France (€69 million) and Brazil (€96 million).

9.1.5 Investment-related liabilities

Investment-related liabilities correspond to commitments to purchase minority interests, liabilities relating to the acquisition of shares in Group companies, and minority shareholder puts.

In 2023, changes in investment-related liabilities relate to a €22 million increase in minority shareholder puts, offset by a €34 million decrease in liabilities relating to the acquisition of equity interests.

9.2 Contingent liabilities and litigation

9.2.1 Antitrust law and related proceedings

Investigation by the Swiss Competition Commission in the sanitary products wholesale industry

In November 2011, the Swiss Competition Commission (*Commission suisse de la concurrence*) opened an investigation into anti-competitive practices in the sanitary products wholesale industry. In May 2014, the Commission Secretariat issued a notice of complaints against Sanitas Troesch and other wholesalers in the industry alleging that Sanitas Troesch and some of its competitors had, among other things, agreed in 2005 and 2012 to lower gross prices.

The total fine imposed on all companies involved is CHF 80 million. For Sanitas Troesch, the fine is CHF 28.8 million. Sanitas Troesch appealed this decision on May 2, 2016 and continues to firmly refute the claims made. The hearing took place before the Federal Administrative Court on January 21, 2020 and the date on which the Federal Administrative Court will issue its decision is not yet known. However, a provision for claims and litigation was recognized at December 31, 2015 in an amount equivalent to the fine (unchanged as at December 31, 2023).

Investigations by Competition Authorities in the additives and admixtures sector

The European Commission, the Competition and Markets Authority in the UK and the Turkish competition authority have launched investigations into anti-competitive practices in relation to the supply of chemical additives for cement and chemical admixtures for concrete and mortar. As of 31 December 2023, no statement of objections has been issued.

Incidentally, class actions have been instituted against the Group in the United States and Canada in connection with these investigations which remain at a preliminary stage.

9.2.2 Asbestos-related litigation

Current legal actions related to asbestos are described below.

Asbestos-related litigation in France

Inexcusable fault lawsuits

In France, Everite and Saint-Gobain PAM, which in the past manufactured fiber-cement products containing asbestos fibres, are the subject of actions by former employees of these companies (or persons claiming through them) for recognition of inexcusable fault following diseases recognized as being of occupational origin.

As of December 31, 2023, a total of 854 lawsuits had been issued against the two companies since the outset with the aim of obtaining supplementary compensation over and above the amounts paid by the French Social Security authorities in this respects.

As of the same date, 839 of these 854 lawsuits had been completed and 15 actions are still pending.

The total amount of compensation paid by Everite and Saint-Gobain PAM since the outset of these litigations in settlement of these lawsuits totaled approximately €11.5 million as of December 31, 2023 (compared to approximately € 9.7 million as of December 31, 2022).

In addition, similar suits had been filed against 15 French companies of the Group (excluding suits against companies that are no longer part of the Group) which in the past used equipment containing asbestos to protect their employees and installations against heat from furnaces.

As of December 31, 2023, a total of 292 lawsuits had been filed since the outset against these 15 companies. 254 of these 292 lawsuits had been completed and 38 actions were still pending at the same date.

The total amount of compensation paid since the outset of the litigations by these companies was approximately €15,2 million as of December 31, 2023 (compared to approximately €11,8 million as of December 31, 2022).

Anxiety claims

Eight of the Group's subsidiaries that operate or have operated facilities in France classified as containing asbestos, were the subject of anxiety claims brought by current or former employees not suffering from an occupational disease due to asbestos – claiming compensation for prejudice of anxiety suffered as a result of their alleged exposure to asbestos.

As of December 31, 2023, a total of 861 lawsuits had been brought against these companies.

At the same date, the lawsuits have been all definitely completed.

The total amount of compensation paid since the outset of the litigations was €8.8 million as of December 31, 2023 (against approximately €8.5 million as of December 31, 2022).

It should be clarified that the above figures do not take into account suits filed against companies that are no longer part of the Group.

Last, the total amount registered as provision for asbestos-related litigations in France – inexcusable faults lawsuits and anxiety claims – amounted to around €7 million as of December 31, 2023 (compared to around €8 million as of December 31, 2022).

Situation in the United States

Measures taken to achieve an equitable and permanent resolution of the former CertainTeed Corporation's legacy asbestos liabilities in the United States

DBMP LLC, an affiliate of CertainTeed LLC based in North Carolina, that holds the legacy asbestos liabilities of the former CertainTeed Corporation, filed, on January 23, 2020, a voluntary petition for relief under Chapter 11 of the US Bankruptcy Code in the US Bankruptcy Court for the Western District of North Carolina in Charlotte. The matter remains pending. The purpose of the filing is to achieve a certain, final and equitable resolution of all current and future claims arising from asbestos-containing products manufactured and sold by the former CertainTeed Corporation.

DBMP LLC intends to seek court authority to establish a trust under Section 524(g) of the US Bankruptcy Code – a specific provision that is applicable to companies that face substantial numbers of asbestos-related claims – to achieve a fair and equitable resolution of its asbestos-related liabilities. Upon establishment of the trust, current and future plaintiffs with qualifying claims will be able to receive faster payment of their claims without the delay, stress and uncertainty of litigation in the tort system; at the same time, the creation and funding of such a trust will permanently and finally resolve DBMP LLC's asbestos liability.

During the course of this bankruptcy process, which is expected to take up to approximately five to eight years, all asbestos litigations have been stayed and all related costs suspended, providing DBMP LLC with the time and protection to negotiate an agreement to be approved on behalf of all claimants and by the court.

This action was taken as a result of the increasing risks presented in the US tort system. Despite the passage of time, the aging of the population and lessening opportunity for claimants to assert legitimate claims of exposure to the asbestos-containing products of the former CertainTeed Corporation, naming practices in the tort system continued to result in a steady volume of claims against DBMP LLC, with no foreseeable end in sight. In addition, there has been, in general, an escalation of settlement demands and verdicts in the tort system.

Certain adversary proceedings have been filed by representatives of current and future asbestos plaintiffs against DBMP LLC, CertainTeed LLC, Saint-Gobain Corporation, Compagnie de Saint-Gobain and various other parties. No decisions on the merits of the claims have been made and such claims do not affect the Company's financial assessment of the Chapter 11 case.

Impact on the financial statements

Following the commencement of the proceeding under Chapter 11 of the US Bankruptcy Code on January 23, 2020, the assets and liabilities of DBMP LLC and its wholly-owned subsidiary Millwork & Panel LLC, and in particular the provision for asbestos-related litigation in the United States, are no longer consolidated in the Group's financial statements.

Nonetheless, because of a funding agreement between CertainTeed LLC and DBMP LLC by which CertainTeed LLC has agreed to fund the costs of the Chapter 11 case and, ultimately, the 524(g) trust, in both cases solely to the extent DBMP LLC is unable to do so in full, the Group recorded in its consolidated financial statements a provision corresponding to the amount of the estimated debt against DBMP LLC amounting to $407 million as of December 31, 2023 ($410 million as of December 31, 2022).

The Group's consolidated income for 2023 is not impacted by the ongoing Chapter 11 proceeding described above.

As a result of this bankruptcy proceeding, all legal costs and indemnity payments related to DBMP LLC's asbestos tort claims have been suspended, and no further charges in relation to such claims have been taken in 2023 (as in 2022).

Situation in Brazil

In Brazil, former employees of Brasilit, that once manufactured fiber cement containing asbestos, suffering from asbestos-related occupational illnesses are offered, depending on the case, either financial compensation alone or lifetime medical assistance combined with financial compensation. Around 1,200 contractual instruments have accordingly been signed to date.

Two class actions were initiated against Brasilit in 2017 by two associations defending former employees exposed to asbestos at the São Caetano (São Paulo state) and Recife (Pernambuco state) plants, asking for their medical assistance and compensation to be revised. First and second instance decisions were rendered in connection with the suit related to the São Caetano plant respectively in July 2020 and July 2021, rejecting the claims of the plaintiffs. The latter have nevertheless appealed the second instance decision. First and second instance decisions were rendered in relation to Recife case, respectively in February and October 2022 rejecting the claiming party arguments. The plaintiff has appealed such second instance decision.

A third class action was initiated against Brasilit in 2019 in Capivari (State of São Paulo) by the Labor prosecutor asking for health insurance, as well as collective moral damages, in favor of employees, former employees and their respective families, as well as subcontractors who were exposed to asbestos. First and second instance decisions were rendered respectively in September 2020 and May 2023 partly in favor of the plaintiffs. In particular, collective moral damages were granted to the plaintiffs, for an amount reduced to BRL 5 million (€0.8 million). Brasilit has appealed the second instance decision.

Brasilit is subject to controls by the Ministry of Labor and continues to comply with all of its legal obligations with regard to medical assistance for its current and former employees.

In November 2017, the Supreme Court of Brazil decided to ban asbestos definitively across the country. Brasilit stopped using asbestos voluntarily as early as 2002.

9.2.3 Environmental disputes

PFOA proceedings in the United States

Levels of PFOA (perfluorooctanoic acid) in excess of US Environmental Protection Agency (EPA) health advisories or state maximum contaminant levels for drinking water have been found in municipal water systems and private wells near current Saint-Gobain Performance Plastics (SG PPL) facilities in Hoosick Falls (New York) and Merrimack (New Hampshire), and two former facilities in North Bennington (Vermont) in the United States. PFOA and PTFE (polytetrafluorethylene) have never been manufactured by these plants. SG PPL is a processor of PTFE which it purchases from third party suppliers and which in the past contained some PFOA.

SG PPL has voluntarily provided bottled water in all three communities, installed point-of-entry treatment systems to residents and businesses in all three communities, installed carbon filtration systems on the municipal water supply in Hoosick Falls and funded the installation of a carbon filtration system on the Merrimack Valley District's municipal water supply. In addition, it has voluntarily funded construction of water line extensions in certain communities in the Merrimack and Bennington areas. The investigations are on-going and the scope of responsibility for SG PPL arising from environmental remediation in New Hampshire and New York and clean-up obligations at these sites has not yet been established. The scope of the remediation in Vermont is defined and largely completed; future operation and maintenance obligations remain. Without admitting liability, SG PPL has signed consent orders with the environmental regulators in New York in 2016 and 2023 in Vermont in 2017 and 2019 with respect to two different areas, and in New Hampshire in 2018, pursuant to which SG PPL has agreed to complete investigations, implement interim or final remediation measures at its current and former facilities and in the case of Vermont and New Hampshire, fund construction of water lines. Responsibility, if any, is expected to be shared with other parties as regards in particular the Hoosick Falls site.

PFOA-related lawsuits alleging both health-related and economic damages claims have been filed in civil courts in New York, New Hampshire and Vermont, some of which are in the form of class actions. It is difficult to predict the timing or outcome of any such litigation, or whether any additional litigation will be brought against SG PPL, however, both the New York and Vermont class actions are settled.

On December 31, 2023, the provision recorded by the Company in respect of this matter amounts to €226 million (compared to €201 million as of December 31, 2012). This provision covers both remediation and litigation related to PFOA matters.

9.2.4 Other contingent liabilities

Grenfell Tower fire in the United Kingdom

Celotex - whose control was transferred by Saint-Gobain Construction Products UK on January 5, 2024, provides insulation materials for specific applications for the building and construction industry. Insulation materials from two Celotex ranges were purchased via distributors and used in refurbishing Grenfell Tower, London in 2015/2016, including as one component of the rainscreen cladding system designed and installed (by third parties) on the tower's external facade.

Following the Grenfell Tower fire on June 14, 2017, a Public Inquiry was constituted to consider, among other things, the modifications made to the building as part of the refurbishment, the role played by the various construction professionals, and the information provided by the manufacturers of the products used. The Inquiry's work was divided into two phases. Its phase 1 report was published on October 30, 2019. Phase 2 commenced in January 2020 and public hearings are complete. A final report is expected to follow later this year. A criminal investigation into the circumstances of the fire is also in progress.

There are a large number of issues and circumstances that need to be explored and the full implications for Celotex Limited and Saint-Gobain Construction Products UK Limited are unlikely to be known for some time.

Civil proceedings in connection with Grenfell Tower brought against Celotex Limited and/or Saint-Gobain Construction Products UK Limited and a number of other defendants were issued by bereaved, survivors and residents and emergency responders.

Following confidential alternative dispute resolution processes involving a number of parties, confidential settlements have been concluded in relation to the majority of these claims and resulted in payments to relevant claimants without admission of liability. Celotex Limited is continuing to engage with a number of other defendants in an alternative dispute resolution process to seek to resolve the remaining claims brought by the emergency responders. The principal financial implications from the concluded settlements have been paid in full and are reflected in the financial statements as of 31 December 2023.

The extent to which Celotex Limited and Saint-Gobain Construction Products UK Limited may incur further financial expenditure or civil or criminal liability in connection with the production, marketing, supply or use of their products is currently unclear and these companies are currently unable to make a reliable estimate of their potential liability in this respect.

9.2.5 Other proceedings and disputes

Some of the Group's companies may also be the subject of other claims made by their employees or by the tax authorities, or in the context of the enforcement of seller's warranties granted by the Group to the buyers of divested businesses (see p 24, note 5.5.2). Apart from the proceedings and litigation described above, to the best of the Company's knowledge, no other government, court or arbitration proceedings exist (including pending proceedings or proceedings where the Company and/or the Group might be threatened) which could have or have had, in the last 12 months, a significant impact on the financial position or profitability of the Company and/or Group.

NOTE 10 FINANCING AND FINANCIAL INSTRUMENTS

10.1 Financial risks

10.1.1 Liquidity risk

Liquidity risk on financing

In a crisis environment, the Group might be unable to raise the financing or refinancing needed to cover its investment plans on the credit or capital markets, or to obtain such financing or refinancing on acceptable terms.

The Group's overall exposure to liquidity risk on its net debt is managed by the Treasury and Financing Department of Compagnie de Saint-Gobain, the Group's parent company. The subsidiaries generally enter into short- or long-term financing arrangements with Compagnie de Saint-Gobain or with the regional cash pools.

The Group's policy is to ensure that the Group's financing will be rolled over at maturity and to optimize borrowing costs. Long-term debt therefore systematically represents a high percentage of overall debt. At the same time, the maturity schedules of long-term debt are set in such a way that replacement capital market issues are spread over time.

The Group's main source of long-term financing is constituted by bonds, which are generally issued under the Medium Term Notes program. The Group also uses lease financing, perpetual bonds, participating securities, a long-term securitization program and bank borrowings.

Short-term debt is composed of borrowings under Negotiable European Commercial Paper (NEU CP) programs, and occasionally Euro Commercial Paper and US Commercial Paper programs, but also includes receivables securitization programs and bank financing.

The Group also has factoring programs.

Financial assets comprise marketable securities and cash and cash equivalents.

Compagnie de Saint Gobain's liquidity position is secured by confirmed syndicated lines of credit.

A breakdown of long- and short-term debt by type and maturity is provided in note 10.3, which also details the main characteristics of the Group's financing programs and confirmed credit lines.

Saint-Gobain's long-term debt issues have been rated BBB+ with a stable outlook by Standard & Poor's since April 24, 2023, and Baa1 with a stable outlook by Moody's since June 15, 2022.

There is no guarantee that the Company will be in a position to maintain its credit risk ratings at current levels. Any deterioration in the Group's credit risk rating could limit its capacity to raise funds and could lead to higher rates of interest on future borrowings.

Liquidity risk on investments

Short-term investments consist of bank deposits and mutual fund units. To reduce liquidity and high volatility risks, the Group invests in money market funds and/or bonds whenever possible.

10.1.2 Financial counterparty credit risk

The Group is exposed to the risk of default by the financial institutions that manage its cash or other financial instruments, since such default could lead to losses for the Group.

The Group limits its exposure to risk of default by its counterparties by dealing solely with reputable financial institutions and regularly monitoring their credit ratings. However, the credit quality of a financial counterparty can change rapidly, and a high credit rating cannot eliminate the risk of a rapid deterioration of its financial position. As a result, the Group's policy in relation to the selection and monitoring of its counterparties is unable to entirely eliminate exposure to a risk of default.

To limit Compagnie de Saint-Gobain's exposure to counterparty credit risk, the Treasury and Financing Department deals primarily with counterparties with a long-term rating of A- or above from Standard & Poor's or A3 or above from Moody's. Concentrations of credit risk are also closely monitored to ensure that they remain at reasonable levels, taking into account the relative CDS ("Credit Default Swap") level of each counterparty.

10.1.3 Market risks

Energy and commodity risk

The Group is exposed to changes in the price of the energy it consumes and the raw materials used in its activities. Its energy and commodity hedging programs may be insufficient to protect the Group against significant or unforeseen price swings that could result from the prevailing financial and economic environment.

The Group may limit its exposure to energy price fluctuations by using swaps and options to hedge part of its fuel oil, natural gas and electricity purchases. The swaps and options are mainly contracted in the functional currency of the entities concerned. Hedges of fuel oil, gas and electricity purchases are contracted in accordance with the Group's purchasing policy.

These hedges (excluding fixed-price purchases negotiated directly with suppliers by the Purchasing Department) are generally arranged by the Group Treasury and Financing Department (or with regional treasury departments) in accordance with instructions received from the Purchasing Department.

From time to time, the Group may enter into contracts to hedge purchases of certain commodities or engage in the CO2 emissions market, in accordance with the same principles as those outlined above for energy purchases.

Note 10.4 provides a breakdown of instruments used to hedge energy and commodity risks.

Interest rate risk

The Group's overall exposure to interest rate risk on consolidated debt is managed by the Treasury and Financing Department of Compagnie de Saint-Gobain.

The Group's policy is aimed at fixing and optimizing its medium-term borrowing costs by hedging interest rate risk. According to Group policy, the derivative financial instruments used to hedge interest rate risk can include interest rate swaps, cross-currency swaps, options – including caps, floors and swaptions – and forward rate agreements.

The table below shows the sensitivity at December 31, 2023 of pre-tax income and pre-tax equity to fluctuations in the interest rate on the Group's net debt after hedging:

(in EUR millions)	Impact on pre-tax income	Impact on pre-tax equity
Interest rate increase of 50 basis points	33	4
Interest rate decrease of 50 basis points	(33)	(4)

Note 10.4 provides a breakdown of instruments used to hedge interest rate risk and of gross debt by type of interest (fixed or variable) after hedging.

Foreign exchange risk

The currency hedging policies described below could be insufficient to protect the Group against unexpected or sharper than expected fluctuations in exchange rates resulting from economic and financial market conditions.

Foreign exchange risks are managed by hedging virtually all transactions entered into by Group entities in currencies other than the functional currency of the particular entity. Compagnie de Saint-Gobain and its subsidiaries may use forward contracts and options to hedge exposures arising from current and forecast transactions.

The subsidiaries generally set up contracts through the Group's parent company, Compagnie de Saint-Gobain, which then carries out the corresponding forex hedging transactions on their behalf, or through the regional cash pools. Failing this, contracts are taken out with one of the subsidiary's banks.

Most forward contracts have short maturities of less than one year. However, forward contracts taken out to hedge firm orders may have longer terms.

The Group monitors its exposure to foreign exchange risk using a monthly reporting system that captures the foreign exchange positions taken by its subsidiaries. At December 31, 2023, 96% of the Group's foreign exchange exposure was hedged.

The residual net foreign exchange exposure of subsidiaries for the currencies presented below was as follows at December 31, 2023:

(in millions of euro equivalent)	Long	Short
EUR	9	12
USD	23	21
Other currencies	0	6
TOTAL	**32**	**39**

The table below gives an analysis, as of December 31, 2023, of the sensitivity of the Group's pre-tax income to a 10% increase in the exchange rates of the following currencies given the subsidiaries' residual net foreign exchange exposure:

Currency of exposure *(in millions of euro equivalent)*	Impact on pre-tax income
EUR	(0.3)
USD	0.3
Other currencies	(0.6)
TOTAL	**(0.6)**

Assuming that all other variables remained unchanged, a 10% fall in the exchange rates for these currencies at December 31, 2023 would have the opposite impact.

Note 10.4 provides a breakdown of instruments used to hedge foreign exchange risk.

Saint-Gobain share price risk

The Group is exposed to changes in the Saint-Gobain share price as a result of its performance unit incentive plans. To reduce its exposure to fluctuations in the share price, the Group uses hedging instruments such as equity swaps.

As a result, if the price of the Saint-Gobain share changes, any changes in the expense recorded in the income statement will be fully offset by the hedges in place.

Note 10.4 provides a breakdown of instruments used to hedge share price risk.

10.2 Net financial income (expense)

Net financial income (expense) includes borrowing and other financing costs, income from cash and cash equivalents, interest on lease liabilities, interest cost for pension and other post-employment benefit plans net of the return on plan assets, and other financial income and expense.

Net financial income (expense) in 2023 and 2022 comprises:

(in EUR millions)	2023	2022
Borrowing costs, gross	(358)	(250)
Income from cash and cash equivalents	229	54
BORROWING COSTS, NET, EXCLUDING LEASE LIABILITIES	**(129)**	**(196)**
Interest on lease liabilities	(85)	(66)
TOTAL BORROWING COSTS, NET	**(214)**	**(262)**
Interest cost – pension and other post-employment benefit obligations	(400)	(247)
Return on plan assets	352	232
INTEREST COST – PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS, NET	**(48)**	**(15)**
Other financial expense	(178)	(139)
Other financial income	16	12
OTHER FINANCIAL INCOME AND EXPENSE	**(162)**	**(127)**
NET FINANCIAL INCOME (EXPENSE)	**(424)**	**(404)**

10.3 Net debt

10.3.1 Long- and short-term debt

Long-term debt

Long-term debt includes bonds, perpetual bonds, participating securities, long-term securitization and all other types of long-term financial liabilities, including the fair value of interest rate hedging derivatives.

Under IAS 32, the distinction between financial liabilities and equity is based on the substance of the contracts concerned rather than their legal form. As a result, participating securities are classified as debt.

At the end of the reporting period, long-term debt (excluding interest rate derivatives) is measured at amortized cost. Premiums and issuance costs are amortized using the effective interest method.

Short-term debt

Besides the current portion of long-term debt described above, short-term debt includes financing programs such as commercial paper, short-term securitization, bank overdrafts and other short-term financial liabilities including the fair value of derivatives related to debt and accrued interest on borrowings.

Short-term debt, excluding derivatives related to debt, is measured at amortized cost at the end of the reporting period. Premiums and issuance costs are amortized using the effective interest rate method.

Lease liabilities

Lease liabilities represent obligations to make lease payments in accordance with IFRS 16.

Cash and cash equivalents

Cash and cash equivalents mainly consist of bank accounts and marketable securities that are short-term (i.e., generally with maturities of less than three months), highly liquid investments readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

Marketable securities are measured at fair value through profit or loss.

Long- and short-term debt consists of the following:

(in EUR millions)	Dec. 31, 2023	Dec. 31, 2022
Bond issues	9,841	8,165
Perpetual bonds and participating securities	197	203
Long-term securitization	390	390
Other long-term financial liabilities	210	206
NON-CURRENT PORTION OF LONG-TERM DEBT	**10,638**	**8,964**
Bond issues	1,479	1,611
Long-term securitization	110	110
Other long-term financial liabilities	231	120
CURRENT PORTION OF LONG-TERM DEBT	**1,820**	**1,841**
Short-term financing programs (NEU CP, US CP, Euro CP)	0	0
Short-term securitization	229	148
Bank overdrafts and other short-term financial liabilities	339	492
SHORT-TERM DEBT	**568**	**640**
TOTAL GROSS DEBT EXCLUDING LEASE LIABILITIES	**13,026**	**11,445**
Lease liabilities	2,969	2,921
TOTAL GROSS DEBT	**15,995**	**14,366**
Cash at banks	(3,001)	(2,891)
Mutual funds and other marketable securities	(5,601)	(3,243)
CASH AND CASH EQUIVALENTS	**(8,602)**	**(6,134)**
TOTAL NET DEBT	**7,393**	**8,232**

Changes in the Group's long-term debt (excluding lease liabilities) can be analyzed as follows:

	Dec. 31, 2022	Cash impact		No cash impact			Dec. 31, 2023
(in EUR millions)		Increases	Decreases	Changes in Group structure	Translation adjustments	Other	
Non-current portion of long-term debt	8,964	3,236	(21)	3	(37)	(1,506)	10,638
Current portion of long-term debt	1,841	86	(1,615)	1	1	1,506	1,820
TOTAL LONG-TERM DEBT	**10,805**	**3,322**	**(1,636)**	**4**	**(36)**	**0**	**12,458**

The main changes with an impact on cash are described in note 10.3.3. The main change with no cash impact in the "Other" column relates to the reclassification of debt maturing within 12 months in the current portion of long-term debt.

The fair value of gross long-term debt (including the current portion), excluding lease liabilities, managed by Compagnie de Saint-Gobain amounts to €11.3 billion at December 31, 2023 (carrying amount: €11.6 billion). The fair value of bonds corresponds to the market price at the last market quotation of the year. For other borrowings, fair value is considered equal to the amount repayable.

10.3.2 Gross debt repayment schedule

The schedule of the Group's total gross debt, at amortized cost, at December 31, 2023 is as follows:

(in EUR millions)	Currency	Within 1 year	1 to 5 years	Beyond 5 years	Total
Bond issues	EUR	1,345	5,681	3,874	10,900
	GBP	134	0	286	420
Perpetual bonds and participating securities	EUR	0	0	197	197
Long-term securitization	EUR	110	390	0	500
Other long-term financial liabilities	All currencies	111	88	122	321
Accrued interest on long-term debt	All currencies	120	0	0	120
TOTAL LONG-TERM DEBT		**1,820**	**6,159**	**4,479**	**12,458**
SHORT-TERM DEBT	**All currencies**	**568**	**0**	**0**	**568**
TOTAL GROSS DEBT EXCLUDING LEASE LIABILITIES		**2,388**	**6,159**	**4,479**	**13,026**
Lease liabilities	All currencies	615	1,519	835	2,969
TOTAL GROSS DEBT		**3,003**	**7,678**	**5,314**	**15,995**

At December 31, 2023, future interest payments on gross long-term debt (including the current portion), excluding lease liabilities, managed by Compagnie de Saint-Gobain can be broken down as follows:

(in EUR millions)	Within 1 year	1 to 5 years	Beyond 5 years	Total
Future interest payments on gross long-term debt	273	805	472	**1,550**

Interest on perpetual bonds and on participating securities is calculated up to 2049.

10.3.3 Bonds

Compagnie de Saint-Gobain also redeemed the following instruments at maturity:

- €750 million worth of 1.75% bonds on April 3, 2023;
- €500 million worth of 0.875% bonds on September 21, 2023;
- €362 million worth of 2.875% private placements on December 5, 2023.

On January 18, 2023, Compagnie de Saint-Gobain issued a €1.15 billion bond divided into two tranches:

- a €500 million tranche maturing July 18, 2024 and paying a floating-rate coupon of 3-month Euribor +0.20%;
- a €650 million tranche maturing January 18, 2029 and paying a coupon of 3.50%.

On November 29, 2023, Compagnie de Saint-Gobain issued a €2 billion bond divided into two tranches:

- a €1 billion tranche maturing November 29, 2026 and paying a coupon of 3.75%;
- a €1 billion tranche maturing November 29, 2030 and paying a coupon of 3.875%.

10.3.4 Perpetual bonds

In 1985, Compagnie de Saint-Gobain issued 25,000 perpetual bonds with a face value of ECU 5,000 (€5,000 today).

A total of 19,541 perpetual bonds have since been bought back and canceled, of which 1,045 bonds were bought back on December 15, 2023. A total of 5,459 perpetual bonds therefore remained outstanding at December 31, 2023, representing a face value of approximately €27 million.

The bonds bear interest at a variable rate (average of interbank rates offered by a panel of reference banks for six-month euro deposits). The amount paid per bond in 2023 was €161.91, settled in two installments (€61.28 and €100.63).

The bonds are not redeemable and interest on the bonds is classified as a component of finance costs.

10.3.5 Non-voting participating securities

In June 1983, Compagnie de Saint-Gobain issued 1,288,299 non-voting participating securities with a face value of FRF 1,000. Their face value is now €152.45, following their translation into euros in 1999.

A certain number of these participating securities have been bought back over the years. At December 31, 2023, 606,883 securities are still outstanding with an aggregate face value of €92.5 million.

Interest on the securities ranges from 75% to 125% of the average corporate bond yield (TMO), based on the Group's consolidated income. The amount paid per security in 2023 was €3.66.

In April 1984, 194,633 non-voting participating securities were issued by Compagnie de Saint-Gobain with a face value of ECU 1,000 (€1,000 today).

A certain number of these participating securities has been bought back over the years. At December 31, 2023, 77,516 securities are still outstanding, with an aggregate face value of €77.5 million.

Interest comprises (i) a fixed portion of 7.5% paid per year applicable to 60% of the nominal amount of the security, and (ii) a variable portion applicable to the remaining 40% of the nominal amount of the security, which is linked to consolidated net income of the previous year and to the reference six-month Euribor rate +7/8%. The amount paid per security in 2023 was €67.50, paid in two equal installments.

These participating securities are not redeemable and the interest paid on them is classified as a component of finance costs.

10.3.6 Financing programs

The Group has a number of medium- and long-term financing programs (Medium-Term Notes) and short-term financing programs (Commercial Paper).

The state of these programs is as follows:

(in EUR millions)	Authorized drawings	Authorized limits at Dec. 31, 2023	Balance outstanding at Dec. 31, 2023	Balance outstanding at Dec. 31, 2022
Medium Term Notes	any duration	15,000	11,417	9,879
NEU CP	up to 12 months	4,000	0	0
US Commercial Paper	up to 12 months	905 *	0	0
Euro Commercial Paper	up to 12 months	905 *	0	0

* *Equivalent of USD 1,000 million based on the exchange rate at December 31, 2023.*

In accordance with market practices, Negotiable European Commercial Paper (NEU CP), US Commercial Paper and Euro Commercial Paper are generally issued with maturities of one to six months. They are treated as variable-rate debt since they are rolled over at frequent intervals.

10.3.7 Syndicated line of credit

Compagnie de Saint-Gobain has a €4 billion syndicated line of credit that is intended to provide a secure source of financing for the Group (including as additional backing for its short-term NEU CP, US Commercial Paper and Euro Commercial Paper programs). This syndicated facility falls due in December 2028, with two further one-year rollover options.
The facility is a "Sustainability-Linked Loan" (SLL) on which the margin is indexed to three KPIs set out in Saint-Gobain's sustainable roadmap (reduction of scope 1 and 2 CO_2 emissions, reduction in non-recovered production waste and limited work accident frequency rate).
At December 31, 2023, no drawdowns had been made on this credit facility.

10.3.8 Receivables securitization programs

The Group has set up two receivables securitization programs, one through its French subsidiary Point.P Finances GIE, and the other through its US subsidiary, Saint-Gobain Receivables Corporation. The receivables sold under the two programs are not deconsolidated.

The French program, covering an amount of up to €500 million, represented €500 million at both December 31, 2023 and December 31, 2022.

Based on observed seasonal fluctuations in receivables included in the program and on the contract's features, €390 million of this amount is classified as non-current and the remaining balance as current.

Under the US program, covering an amount of up to USD 500 million since July 2023, a total of USD 253 million had been used at December 31, 2023, representing the equivalent of €229 million compared with €148 million at December 31, 2022.

10.3.9 Factoring

The Group has set up several trade receivables factoring programs. Based on an analysis of the risks and rewards as defined by IFRS 9, the Group has deconsolidated all of the receivables sold under these programs. A total of €646 million in factored receivables was deconsolidated at December 31, 2023, compared to €644 million at December 31, 2022.

10.4 Financial instruments

The Group uses interest rate, foreign exchange, energy, commodity and equity derivatives to hedge its exposure to changes in interest rates, exchange rates, and energy, commodity and equity prices that may arise in the normal course of business.

In accordance with IAS 32 and IFRS 9, all such instruments are recognized in the balance sheet and measured at fair value, irrespective of whether or not they are part of a hedging relationship that qualifies for hedge accounting under IFRS 9.

Changes in the fair value of both derivatives that are designated and qualified as fair value hedges and derivatives that do not qualify for hedge accounting during the period are taken to the income statement (in business income and expense for operational foreign exchange derivatives and commodity derivatives not qualifying for hedge accounting, and in financial income and expense for all other derivatives). However, in the case of derivatives that qualify as cash flow hedges, the effective portion of the gain or loss arising from changes in fair value is recognized directly in equity, and only the ineffective portion is recognized in the income statement.

Fair value hedges

Fair value hedge accounting is applied by the Group mainly for derivative instruments which swap fixed rates against variable rates (fixed-for-floating interest rate swaps). These derivatives hedge fixed-rate debt exposed to a fair value risk. In accordance with hedge accounting principles, debt included in a designated fair value hedging relationship is remeasured at fair value to the extent of the risk hedged. As the loss or gain on the underlying hedged item offsets the effective portion of the gain or loss on the fair value hedge, the income statement is only impacted by the ineffective portion of the hedge.

Cash flow hedges

Cash flow hedge accounting is applied by the Group mainly for derivative instruments which fix the cost of future investments (financial assets or property, plant and equipment) and the price of future purchases, mostly gas and fuel oil (commodity swaps) or foreign currencies (foreign exchange forwards). Transactions hedged by these instruments are qualified as highly probable. The application of cash flow hedge accounting allows the Group to defer the impact on the income statement of the effective portion of changes in the fair value of these derivatives by recording them in a hedging reserve in equity. This reserve is reclassified to the income statement when the hedged transaction occurs and the hedged item itself affects income. In the same way as for fair value hedges, cash flow hedging limits the Group's exposure to changes in the fair value of these derivatives to the ineffective portion of the hedge.

Derivatives that do not qualify for hedge accounting

Changes in the fair value of derivatives that do not qualify for hedge accounting are recognized in the income statement. The instruments concerned are primarily foreign exchange swaps and foreign exchange forwards.

Fair value of financial instruments

The fair value of financial assets and financial liabilities corresponds to their quoted price on an active market (if any): this represents level 1 in the fair value hierarchy defined in IFRS 7 and IFRS 13. The fair value of instruments not quoted in an active market, such as derivatives or financial assets and liabilities, is determined by reference to commonly used valuation techniques such as the fair value of another recent and similar transaction, or discounted cash flow analysis based on observable market inputs. This represents level 2 in the fair value hierarchy defined in IFRS 7 and IFRS 13.

The fair value of short-term financial assets and liabilities is considered as being the same as their carrying amount due to their short maturities.

The following table presents a breakdown of the main derivatives used by the Group:

	Fair value				Nominal amount by maturity			
(in EUR millions)	Derivatives recorded in assets	Derivatives recorded in liabilities	Dec. 31, 2023	Dec. 31, 2022	Within 1 year	1 to 5 years	Beyond 5 years	Dec. 31, 2023
FAIR VALUE HEDGES	**0**	**0**	**0**	**0**				**0**
Cash flow hedges								
Currency	2	(2)	0	(4)	214	17	0	231
Interest rate	3	(42)	(39)	(41)	95	0	368	463
Energy and commodities	0	(12)	(12)	4	40	4	0	44
Other risks: equities	5	0	5	1	5	6	0	11
CASH FLOW HEDGES – TOTAL	**10**	**(56)**	**(46)**	**(40)**	**354**	**27**	**368**	**749**
Derivatives not qualifying for hedge accounting mainly contracted by Compagnie de Saint-Gobain								
Currency	8	(7)	1	3	3,685	0	0	3,685
Interest rate	0	(15)	(15)	(1)	97	29	0	126
Energy and commodities	0	0	0	0	29	1	0	30
DERIVATIVES NOT QUALIFYING FOR HEDGE ACCOUNTING – TOTAL	**8**	**(22)**	**(14)**	**2**	**3,811**	**30**	**0**	**3,841**
TOTAL	**18**	**(78)**	**(60)**	**(38)**	**4,165**	**57**	**368**	**4,590**

10.4.1 Currency instruments

Currency swaps

The Group uses currency swaps mainly to convert euro-denominated funds into foreign currencies for cash management purposes.

Forward foreign exchange contracts and currency options

Forward foreign exchange contracts and currency options are used to hedge foreign currency transactions, particularly commercial transactions (purchases and sales) and investments.

10.4.2 Interest rate instruments

Interest rate swaps

The Group uses interest rate swaps to convert part of its fixed/variable-rate bank debt and bond debt to variable/fixed rates.

Cross-currency swaps

The Group uses cross-currency swaps to convert foreign currency (euro) debt into euro (foreign currency) debt.

10.4.3 Energy and commodities

Energy and commodity swaps

Energy and commodity swaps are used to hedge the risk of changes in the price of certain purchases used in Group subsidiaries' operating activities, particularly energy (fuel oil, natural gas and electricity) purchases.

Renewable Power Purchase Agreements

As indicated in the note on climate issues (see note 3.2, p. 292), at December 31, 2023, the Group had entered into four Virtual Power Purchase Agreements, which were accounted for as derivatives under IFRS 9, of which only one qualified as a hedge.

10.4.4 Other risks

Equity derivatives

Equity derivatives are used to hedge the risk of changes in the Saint-Gobain share price in connection with the performance units long-term incentive plan.

10.4.5 Credit value adjustments to derivative instruments

Credit value adjustments to derivative instruments are calculated in accordance with IFRS 13 based on historical probabilities of default derived from calculations performed by a leading rating agency and on the estimated loss given default. At December 31, 2023, credit value adjustments were not material.

10.4.6 Impact on equity of financial instruments qualifying for cash flow hedge accounting

At December 31, 2023, the IFRS cash flow hedge reserve carried in equity had a debit balance of €24 million, consisting mainly of:

- a debit balance of €15 million in relation to cross-currency swaps classified as cash flow hedges that are used to convert a GBP bond issue into euros;
- a credit balance of €3 million corresponding to changes in fair value of interest rate hedges classified as cash flow hedges;
- a debit balance of €12 million corresponding to changes in fair value of energy hedges classified as cash flow hedges;

The ineffective portion of cash flow hedge derivatives is not material.

10.4.7 Impact on income of financial instruments not qualifying for hedge accounting

For derivatives classified as financial assets and liabilities at fair value through profit or loss, fair value remeasurements recognized in the income statement represented a loss of €14 million at December 31, 2023 compared to a gain of €2 million at December 31, 2022.

10.4.8 Embedded derivatives

The Saint-Gobain Group regularly analyzes its contracts in order to separately identify financial instruments classified as embedded derivatives under IFRS.

At December 31, 2023, no embedded derivatives deemed to be material at Group level were identified.

10.4.9 Group debt structure (excluding lease liabilities)

The weighted average interest rate on total gross debt under IFRS and after hedging (interest rate swaps and cross-currency swaps) was 3.0% at December 31, 2023, compared with 2.3% at December 31, 2022.

The average internal rate of return for the main component of the Group's long-term debt before hedging (bonds) was 2.5% at December 31, 2023, compared with 2.0% at December 31, 2022.

The table below presents the breakdown by interest rate (fixed or variable) of the Group's gross debt at December 31, 2023, taking into account interest rate and cross-currency swaps.

	Gross debt, excluding lease liabilities		
(in EUR millions)	Variable rate	Fixed rate	Total
EUR	1,294	9,362	10,656
Other currencies	711	1,483	2,194
TOTAL	**2,005**	**10,845**	**12,850**
(in %)	16%	84%	100%
Accrued interest and other			176
TOTAL GROSS DEBT EXCLUDING LEASE LIABILITIES			**13,026**

10.5 Financial assets and liabilities

Financial assets and liabilities are classified as follows in accordance with IFRS 9:

At December 31, 2023

		Financial instruments				Financial instruments at fair value			
(in EUR millions)	Notes	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total financial instruments	Level 1 inputs	Level 2 inputs	Level 3 inputs	Total financial instruments measured at fair value
Trade and other accounts receivable				6,474	6,474				0
Loans, deposits and surety	(8)			348	348				0
Equity investments and other	(8)		248		248			248	248
Derivatives recorded in assets		8	10		18		18		18
Cash and cash equivalents		5,600		3,001	8,601	5,600			5,600
TOTAL FINANCIAL ASSETS		**5,608**	**258**	**9,823**	**15,689**	**5,600**	**18**	**248**	**5,866**
Trade and other accounts payable				(12,296)	(12,296)				0
Long- and short-term debt				(12,971)	(12,971)				0
Long- and short-term lease liabilities				(2,969)	(2,969)				0
Derivatives recorded in liabilities		(22)	(56)		(78)		(78)		(78)
TOTAL FINANCIAL LIABILITIES		**(22)**	**(56)**	**(28,236)**	**(28,314)**	**0**	**(78)**	**0**	**(78)**
FINANCIAL ASSETS AND LIABILITIES – NET		**5,586**	**202**	**(18,413)**	**(12,625)**	**5,600**	**(60)**	**248**	**5,788**

At December 31, 2022

		Financial instruments				Financial instruments at fair value			
(in EUR millions)	Notes	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total financial instruments	Level 1 inputs	Level 2 inputs	Level 3 inputs	Total financial instruments measured at fair value
Trade and other accounts receivable				6,618	6,618				0
Loans, deposits and surety	(8)			368	368				0
Equity investments and other	(8)		169		169			169	169
Derivatives recorded in assets		15	15		30		30		30
Cash and cash equivalents		3,246		2,891	6,137	3,246			3,246
TOTAL FINANCIAL ASSETS		**3,261**	**184**	**9,877**	**13,322**	**3,246**	**30**	**169**	**3,445**
Trade and other accounts payable				(12,335)	(12,335)				0
Long- and short-term debt				(11,409)	(11,409)				0
Long- and short-term lease liabilities				(2,921)	(2,921)				0
Derivatives recorded in liabilities		(13)	(55)		(68)		(68)		(68)
TOTAL FINANCIAL LIABILITIES		**(13)**	**(55)**	**(26,665)**	**(26,733)**	**0**	**(68)**	**0**	**(68)**
FINANCIAL ASSETS AND LIABILITIES – NET		**3,248**	**129**	**(16,788)**	**(13,411)**	**3,246**	**(38)**	**169**	**3,377**

IFRS 13 ranks the inputs used to determine fair value:

- Level 1: inputs resulting from quoted prices on an active market for identical instruments;
- Level 2: inputs other than level 1 inputs that can be observed directly or indirectly;
- Level 3: all other non-observable inputs.

NOTE 11 SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

11.1 Equity

11.1.1 Equity

At December 31, 2023, Saint-Gobain's capital stock was composed of 506,438,012 shares with a par value of €4 each (515,769,082 shares at December 31, 2022).

11.1.2 Additional paid-in capital and legal reserve

This item includes capital contributions in excess of the par value of capital stock as well as the legal reserve, which corresponds to a cumulative portion of the yearly net income of Compagnie de Saint-Gobain.

11.1.3 Retained earnings and consolidated net income

Retained earnings and consolidated net income correspond to the Group's share in the undistributed earnings of all consolidated companies.

11.1.4 Treasury stock

Treasury stock is measured at cost and recorded as a deduction from equity. Gains and losses on disposals of treasury stock are recognized directly in equity and have no impact on net income for the period.

Forward purchases of treasury stock are treated in the same way. When a fixed number of shares is purchased forward at a fixed price, this amount is recorded in "Other liabilities" against a deduction from equity under "Retained earnings and net income for the year".

Saint-Gobain shares held or controlled by Compagnie de Saint-Gobain and Saint-Gobain Corporation are shown as a deduction from equity under "Treasury stock" at acquisition cost.

The liquidity agreement signed with Exane BNP Paribas on November 16, 2007 and implemented on December 3, 2007 for a period up to December 31, 2007 has been automatically renewed since that date.

At December 31, 2023, 4,376,475 shares were held in treasury (December 31, 2022: 4,406,990 shares). In 2023, the Group acquired 17,111,277 shares (2022: 18,011,705 shares) directly on the market The number of shares sold in 2023 was 2,935,434 versus 3,174,316 in 2022. 14,206,358 shares were canceled in 2023, compared with 13,177,086 shares in 2022.

For the purposes of a compensation plan set up in January 2008 for certain employees in the United States, Compagnie de Saint-Gobain shares are held by the trustee, Wachovia Bank, National Association. In the consolidated financial statements, these shares are treated as being controlled by Saint-Gobain Corporation.

11.1.5 Number of shares

	Number of shares	
	Issued	Outstanding
NUMBER OF SHARES AT DECEMBER 31, 2021	**524,017,595**	**521,270,908**
Group Savings Plan	4,916,097	4,916,097
Stock subscription option plans	12,476	12,476
Shares purchased		(18,011,705)
Shares sold		3,174,316
Shares canceled	(13,177,086)	
NUMBER OF SHARES AT DECEMBER 31, 2022	**515,769,082**	**511,362,092**
Group Savings Plan	4,778,291	4,778,291
Stock subscription option plans	96,997	96,997
Shares purchased		(17,111,277)
Shares sold		2,935,434
Shares canceled	(14,206,358)	
NUMBER OF SHARES AT DECEMBER 31, 2023	**506,438,012**	**502,061,537**

11.1.6 Dividends

The Annual Shareholders' Meeting of June 8, 2023 approved the recommended dividend payout for 2022 representing €2 per share (€1.63 per share for 2021). The ex-dividend date was June 12 and the dividend was paid on June 14, 2023.

11.2 Earnings per share

11.2.1 Basic earnings per share

Basic earnings per share are calculated by dividing net income by the weighted average number of shares of the Group outstanding during the period.

Basic earnings per share are as follows:

	2023	2022
Group share of net income (in EUR millions)	2,669	3,003
Weighted average number of shares in issue	507,282,902	514,372,413
BASIC EARNINGS PER SHARE, GROUP SHARE (in EUR)	**5.26**	**5.84**

11.2.2 Diluted earnings per share

Diluted earnings per share are calculated by adjusting earnings per share and the average number of shares outstanding for the effects of all potential dilutive common shares, such as stock options and performance shares.

Diluted earnings per share are as follows:

	2023	2022
Group share of net income (in EUR millions)	2,669	3,003
Weighted average number of shares assuming full dilution	510,458,619	517,595,809
DILUTED EARNINGS PER SHARE, GROUP SHARE (in EUR)	**5.23**	**5.80**

The weighted average number of shares assuming full dilution is calculated based on the weighted average number of shares outstanding, assuming conversion of all dilutive instruments. The Group's dilutive instruments include stock options and performance share grants, corresponding to a weighted average of 116,207 and 3,059,510 instruments, respectively, at December 31, 2023.

NOTE 12 TAX

12.1 Income taxes

Current income tax is the estimated amount of tax payable in respect of income for a given period, calculated by reference to the tax rates that have been enacted or substantively enacted at the end of the reporting period, plus any adjustments to current taxes recorded in previous financial periods.

Income tax expense breaks down as follows:

(in EUR millions)	2023	2022
CURRENT TAXES	**(1,096)**	**(1,052)**
France	(135)	(164)
Outside France	(961)	(888)
DEFERRED TAXES	**36**	**(30)**
France	(44)	4
Outside France	80	(34)
TOTAL INCOME TAX EXPENSE	**(1,060)**	**(1,082)**

Theoretical tax expense was reconciled with current tax expense using a tax rate of 25.82% in 2023 and 25.82% in 2022, and can be analyzed as follows:

(in EUR millions)	2023	2022
Net income	2,756	3,101
Less:		
Share in net income of equity-accounted companies	89	66
Income taxes	(1,060)	(1,082)
PRE-TAX INCOME OF CONSOLIDATED COMPANIES	**3,727**	**4,117**
French tax rate	25.82%	25.82%
Theoretical tax expense at French tax rate	(962)	(1,063)
Impact of different tax rates	46	48
Asset impairment, capital gains and losses on asset disposals	(124)	(100)
Deferred tax assets not recognized and provisions for deferred tax assets	(31)	56
Liability method	6	
Research tax credit and value-added contribution for businesses (CVAE)	2	(10)
Costs related to dividends	(41)	(28)
Other taxes and changes in provisions	44	15
TOTAL INCOME TAX EXPENSE	**(1,060)**	**(1,082)**

The contribution of countries with low tax rates explains the impact of the different tax rates applicable outside France. The main contributors are Poland, Ireland, Switzerland, Sweden, Czechia, Romania and Norway.

12.2 Deferred tax

Deferred tax assets and liabilities are recorded using the balance sheet method for temporary differences between the carrying amount of assets and liabilities and their tax basis. Deferred tax assets and liabilities are measured at the tax rates expected to apply to the period when the asset is realized or the liability settled, based on the tax laws that have been enacted or substantively enacted at the end of the reporting period.

No deferred tax liability is recognized in respect of undistributed earnings of subsidiaries that are not intended to be distributed.

For investments in subsidiaries, deferred tax is recognized on the difference between the consolidated carrying amount of the investments and their tax basis when it is probable that the temporary difference will reverse in the foreseeable future.

Deferred taxes are recognized as income or expense in the income statement, unless they relate to items that are recognized directly in equity, in which case they are also recognized in equity. Income tax resulting from changes in tax rates is recognized in income, except where it relates to items initially recognized in equity.

In the balance sheet, changes in net deferred tax assets and liabilities break down as follows:

(in EUR millions)	Net deferred tax asset/ (liability)
NET VALUE AT JANUARY 1, 2022	**21**
Deferred tax (expense)/benefit	(30)
Changes in deferred taxes relating to actuarial gains and losses (IAS 19)	(10)
Translation adjustments and restatement for hyperinflation	57
Assets and liabilities held for sale	2
Changes in Group structure and other	(426)
NET VALUE AT DECEMBER 31, 2022	**(386)**
Deferred tax (expense)/benefit	36
Changes in deferred taxes relating to actuarial gains and losses (IAS 19)	136
Translation adjustments and restatement for hyperinflation	8
Assets and liabilities held for sale	(2)
Changes in Group structure and other	(209)
NET VALUE AT DECEMBER 31, 2023	**(417)**

Changes in Group structure in 2023 mainly concerned the first-time consolidation of Building Products of Canada Corp., as well as the finalization of the GCP and Kaycan purchase price accounting. Changes in Group structure in 2022 mainly concerned the first-time consolidation of GCP and Kaycan, as well as the finalization of the Chryso purchase price accounting.

The table below shows the main deferred tax components:

(in EUR millions)	Dec. 31, 2023	Dec. 31, 2022
Pensions	340	232
Brands, customer relationships and intellectual property	(965)	(863)
Depreciation and amortization, accelerated capital allowances and tax-driven provisions	(755)	(717)
Tax loss carry-forwards	215	294
Other	748	668
NET DEFERRED TAX	**(417)**	**(386)**
Of which:		
Deferred tax assets	407	382
Deferred tax liabilities	(824)	(768)

Deferred taxes are offset at the level of each tax entity, i.e., by tax group where applicable (mainly in France, the United Kingdom, Spain, Germany and the United States).

Deferred tax assets of €407 million were recognized at December 31, 2023 (€382 million at December 31, 2022), primarily in Germany (€120 million), Brazil (€81 million), Mexico (€42 million), China (€36 million) and Poland (€29 million). Deferred tax liabilities of €824 million were recognized at December 31, 2023 (€768 million at December 31, 2022) across different countries, including €206 million in Canada, €187 million in the United Kingdom, €107 million in the United States, €58 million in Switzerland, €44 million in India and €32 million in Denmark. Deferred tax liabilities recognized in other countries represented considerably smaller amounts.

12.3 Tax loss carry-forwards

Deferred tax assets are recognized only if it is considered probable that there will be sufficient future taxable income against which the temporary difference can be utilized. They are reviewed at the end of each reporting period and written down to the extent that it is no longer probable that there will be sufficient taxable income against which the temporary difference can be utilized. In determining whether to recognize deferred tax assets for tax loss carry-forwards, the Group applies a range of criteria that take into account the probable recovery period based on business plans and the strategy for the long-term recovery of tax losses applied in each country.

The Group recognized deferred tax assets for tax loss carry-forwards for a net amount of €215 million at December 31, 2023 and €294 million at December 31, 2022. This principally relates to the United States, for which the recovery period is shorter than the maximum utilization period of 20 years, and to France, Germany and Spain, where tax consolidation generally ensures that deferred tax can be recovered. In these countries, tax losses may be carried forward indefinitely. Nevertheless, after analyzing each situation, the Group may decide not to recognize them.

At December 31, 2023, deferred tax assets whose recovery is not considered probable totaled €226 million (December 31, 2022: €274 million) and a provision had been accrued for the full amount. Provisions for deferred tax assets chiefly relate to Germany, the United States, Spain and Belgium.

Note that the improved deferred tax position in France in 2022 had led to a reversal of provisions for losses in an amount of €59 million.

NOTE 13 SUBSEQUENT EVENTS

On February 26, 2024 Saint-Gobain announced that it has entered into a definitive agreement with CSR Limited ("CSR") to acquire all of the outstanding shares of CSR by way of an Australian scheme of arrangement for A$9.00 per share, in cash, corresponding to an enterprise value of A$4.5 billion (c. €2.7 billion) and a net enterprise value of A$3.2 billion (c. €1.9 billion) post short to mid-term monetizable property value of at least A$1.3 billion. This acquisition will be fully financed in cash.

CSR is a leading building products company in Australia for residential and non-residential construction with A$2.7 billion in total revenue, 30 manufacturing plants and around 2,500 employees.

Closing of the transaction is subject to, among other things, CSR's shareholders' approval, necessary regulatory approvals and satisfaction of other customary closing conditions, with closing expected in the second half of 2024.

NOTE 14 FEES PAID TO THE STATUTORY AUDITORS

Total fees paid to the Statutory Auditors and recognized in the income statement in 2023 and 2022 break down as follows:

	Deloitte				KPMG			
	2023		2022		2023		2022	
(in EUR millions)	Amount before tax	%	Amount before tax	%	Amount before tax	%	Amount before tax	%
Statutory audit services								
Issuer	0.9	9 %	0.8	10 %	1.0	9 %	0.9	9 %
Fully consolidated subsidiaries	8.5	83 %	6.4	80 %	9.5	81 %	8.5	81 %
SUBTOTAL	**9.4**	**92 %**	**7.2**	**90 %**	**10.5**	**90 %**	**9.4**	**90 %**
Non-audit services *								
Issuer	0.4	4 %	0.2	3 %	0.1	1 %	0.1	1 %
Fully consolidated subsidiaries	0.4	4 %	0.6	7 %	1.0	9 %	0.9	9 %
SUBTOTAL	**0.8**	**8 %**	**0.8**	**10 %**	**1.1**	**10 %**	**1.0**	**10 %**
TOTAL	**10.2**	**100 %**	**8.0**	**100 %**	**11.6**	**100 %**	**10.4**	**100 %**

* *Non-audit services provided by the Statutory Auditors to the parent company and its subsidiaries mainly comprise (i) independent third party verification procedures performed on the consolidated social, environmental and corporate information, (ii) accounting, tax and regulatory advisory services, and (iii) training.*

NOTE 15 PRINCIPAL CONSOLIDATED COMPANIES

The table below shows the Group's principal consolidated companies, typically those with annual sales of over €100 million.

High Performance Solutions	Country	Consolidation method	Percentage held directly and indirectly
Saint-Gobain Diamantwerkzeuge GmbH, Norderstedt*	Germany	Full consolidation	100.00%
Saint-Gobain Abrasives GmbH, Wesseling*	Germany	Full consolidation	100.00%
Supercut Europe GmbH, Baesweiler*	Germany	Full consolidation	100.00%
Saint-Gobain Performance Plastics Isofluor GmbH, Neuss*	Germany	Full consolidation	100.00%
Saint-Gobain Performance Plastics Pampus GmbH, Willich*	Germany	Full consolidation	100.00%
Saint-Gobain Performance Plastics L+S GmbH, Wertheim*	Germany	Full consolidation	100.00%
Saint-Gobain Performance Plastics Biolink GmbH, Waakirchen*	Germany	Full consolidation	100.00%
Saint-Gobain Adfors Deutschland GmbH, Neustadt an der Donau*	Germany	Full consolidation	100.00%
H.K.O. Isolier- und Textiltechnik GmbH, Oberhausen*	Germany	Full consolidation	100.00%
BEUHKO Fasertechnik GmbH, Leinefelde-Worbis*	Germany	Full consolidation	100.00%
Freudenberger Autoglas GmbH, München*	Germany	Full consolidation	99.99%
Freeglass GmbH & Co. KG, Schwaikheim*	Germany	Full consolidation	99.99%
Freeglass Verwaltungsgesellschaft mbH*	Germany	Full consolidation	99.99%
Saint-Gobain Sekurit Deutschland GmbH, Herzogenrath*	Germany	Full consolidation	99.99%
Saint-Gobain Sekurit Deutschland Beteiligungen GmbH, Herzogenrath*	Germany	Full consolidation	99.99%
FABA Autoglas Technik GmbH & Co. Betriebs-KG, Berlin*	Germany	Full consolidation	99.99%
Saint-Gobain Autover Deutschland GmbH, Kerpen*	Germany	Full consolidation	99.99%
SEPR Keramik GmbH & Co. KG, Aachen*	Germany	Full consolidation	100.00%
Saint-Gobain Innovative Materials Belgium	Belgium	Full consolidation	99.98%
Saint-Gobain Do Brasil Produtos Industriais e Para Construçao Ltda	Brazil	Full consolidation	100.00%
Saint-Gobain Canada Inc.	Canada	Full consolidation	100.00%
Saint-Gobain Performance Plastics (Shanghaï) Co., LTD	China	Full consolidation	100.00%
Saint-Gobain Abrasives (Shanghaï) Co., LTD	China	Full consolidation	100.00%
SG Hanglas Sekurit (Shanghaï) Co., LTD	China	Full consolidation	99.81%
SG Join Leader (Hangzhou) New Materials Co.,LTD.	China	Full consolidation	100.00%
Hankuk Sekurit Limited	South Korea	Full consolidation	99.63%
Saint-Gobain Cristaleria S.L	Spain	Full consolidation	99.83%
Saint-Gobain Adfors America, Inc.	United States	Full consolidation	100.00%
Saint-Gobain Performance Plastics Corporation	United States	Full consolidation	100.00%
Saint-Gobain Abrasives, Inc.	United States	Full consolidation	100.00%
Saint-Gobain Ceramics & Plastics, Inc.	United States	Full consolidation	100.00%
Saint-Gobain Corporation	United States	Full consolidation	100.00%
GCP Applied Technologies, Inc.	United States	Full consolidation	100.00%
Chryso	France	Full consolidation	100.00%
Saint-Gobain Abrasifs	France	Full consolidation	100.00%
Société Européenne des Produits Réfractaires - SEPR	France	Full consolidation	100.00%
Saint-Gobain Sekurit France	France	Full consolidation	100.00%
Grindwell Norton Ltd	India	Full consolidation	51.59%
Saint-Gobain Sekurit Italia S.R.L.	Italy	Full consolidation	100.00%
Saint-Gobain K.K.	Japan	Full consolidation	100.00%
Saint-Gobain America S.A De C.V	Mexico	Full consolidation	99.83%
Saint-Gobain Mexico	Mexico	Full consolidation	99.83%
Saint-Gobain Abrasives BV	Netherlands	Full consolidation	100.00%
Saint-Gobain HPM Polska Sp Zoo	Poland	Full consolidation	100.00%
Saint-Gobain Innovative Materials Polska Sp Zoo	Poland	Full consolidation	99.97%
Saint-Gobain Adfors CZ, S.R.O.	Czechia	Full consolidation	100.00%
Saint-Gobain Sekurit CZ, Spol S.R.O	Czechia	Full consolidation	99.99%

Northern Europe	Country	Consolidation method	Percentage held directly and indirectly
Saint-Gobain Glass Deutschland GmbH, Stolberg*	Germany	Full consolidation	99.99%
Flachglas Torgau GmbH, Torgau*	Germany	Full consolidation	99.99%
Saint-Gobain Weisswasser GmbH, Aachen*	Germany	Full consolidation	99.99%
Saint-Gobain Deutsche Glas GmbH, Stolberg*	Germany	Full consolidation	99.99%
Vetrotech Saint-Gobain Würselen GmbH, Würselen*	Germany	Full consolidation	99.99%
Saint-Gobain Glassolutions Isolierglas-Center GmbH, Bamberg*	Germany	Full consolidation	99.99%
Kaimann GmbH	Germany	Full consolidation	100.00%
Saint-Gobain Isover G+H Aktiengesellschaft*	Germany	Full consolidation	99.91%
Saint-Gobain Rigips GmbH*	Germany	Full consolidation	100.00%
Saint-Gobain Weber GmbH	Germany	Full consolidation	100.00%
Saint-Gobain PAM Deutschland GmbH	Germany	Full consolidation	100.00%
Saint-Gobain Glassolutions Augustdorf*	Germany	Full consolidation	99.99%
Saint-Gobain Brüggemann Holzbau GmbH, Neuenkirchen*	Germany	Full consolidation	100.00%
Brüggemann Effizienzhaus GmbH, Neuenkirchen*	Germany	Full consolidation	100.00%
SG Formula GmbH*	Germany	Full consolidation	100.00%
SG Beteiligungen Gmbh*	Germany	Full consolidation	100.00%
Saint-Gobain Austria GmbH	Austria	Full consolidation	100.00%
Saint-Gobain Denmark A/S	Denmark	Full consolidation	100.00%
Saint-Gobain Distribution Denmark	Denmark	Full consolidation	100.00%
Optimera Estonia A/S (currently AS Famar-Desi)	Estonia	Full consolidation	100.00%
Saint-Gobain Finland OY	Finland	Full consolidation	100.00%
Dahl Suomi OY	Finland	Full consolidation	100.00%
Saint-Gobain Construction Products (Ireland) Limited	Ireland	Full consolidation	100.00%
Glava As	Norway	Full consolidation	100.00%
Saint-Gobain Byggevarer AS	Norway	Full consolidation	100.00%
Brødrene Dahl As (Norway)	Norway	Full consolidation	100.00%
Optimera As	Norway	Full consolidation	100.00%
Saint-Gobain Polska Sp Zoo	Poland	Full consolidation	99.98%
Saint-Gobain Construction Products Polska Sp Zoo	Poland	Full consolidation	100.00%
Saint-Gobain Construction Products CZ AS	Czechia	Full consolidation	100.00%
Saint-Gobain Construction Products Romania Srl	Romania	Full consolidation	100.00%
Saint-Gobain Glass Romania Srl	Romania	Full consolidation	100.00%
Saint-Gobain Glass (United Kingdom) Limited	United Kingdom	Full consolidation	100.00%
Saint-Gobain Construction Products United Kingdom Ltd	United Kingdom	Full consolidation	100.00%
Saint-Gobain Construction Products Russia ooo	Russia	Full consolidation	100.00%
SG Construction Products S.R.O.	Slovakia	Full consolidation	100.00%
Saint-Gobain Ecophon AB	Sweden	Full consolidation	100.00%
Saint-Gobain Sweden AB	Sweden	Full consolidation	100.00%
Dahl Sverige AB	Sweden	Full consolidation	100.00%
Vetrotech Saint-Gobain International	Switzerland	Full consolidation	100.00%
Saint-Gobain Weber AG	Switzerland	Full consolidation	100.00%
Sanitas Troesch Ag	Switzerland	Full consolidation	100.00%

Southern Europe – ME & Africa	Country	Consolidation method	Percentage held directly and indirectly
Saint-Gobain Construction Products South Africa (Pty) Ltd	South Africa	Full consolidation	100.00%
Saint-Gobain Construction Products Belgium	Belgium	Full consolidation	100.00%
SG Glass Egypte S.A.E.	Egypt	Full consolidation	70.00%
Saint-Gobain Cristaleria S.L	Spain	Full consolidation	99.83%
Saint-Gobain Placo Iberica	Spain	Full consolidation	99.83%
Saint-Gobain Idaplac, S.L.	Spain	Full consolidation	99.83%
Saint-Gobain Distribucion Construccion, S.L	Spain	Full consolidation	99.83%
SG PAM Espana S.A.	Spain	Full consolidation	99.83%
SG Isover Iberica S.L	Spain	Full consolidation	99.83%
SG Weber Cemarksa S.A.	Spain	Full consolidation	99.83%
Saint-Gobain Glass Solutions Menuisiers Industriels	France	Full consolidation	100.00%
Saint-Gobain Glass France	France	Full consolidation	100.00%
Eurofloat	France	Full consolidation	100.00%
Placoplatre SA	France	Full consolidation	99.80%
Saint-Gobain Isover	France	Full consolidation	100.00%
Saint-Gobain Weber	France	Full consolidation	100.00%
Saint-Gobain PAM Canalisation	France	Full consolidation	100.00%
Distribution Sanitaire Chauffage	France	Full consolidation	100.00%
Saint-Gobain Distribution Bâtiment France	France	Full consolidation	100.00%
SG Eurocoustic	France	Full consolidation	100.00%
SG Vitrage Bâtiment	France	Full consolidation	100.00%
Saint-Gobain Glass Italia S.p.a	Italy	Full consolidation	100.00%
Saint-Gobain Italia S.p.a	Italy	Full consolidation	100.00%
Saint-Gobain Construction Products Nederland BV	Netherlands	Full consolidation	100.00%
Izocam Ticaret VE Sanayi A.S.	Turkey	Full consolidation	50.00%

Asia-Pacific	Country	Consolidation method	Percentage held directly and indirectly
SG Innovation Materials (Changxing) Co., Ltd	China	Full consolidation	100.00%
Saint-Gobain India Private Limited	India	Full consolidation	99.03%
Mag-Isover K.K.	Japan	Full consolidation	99.98%
Saint-Gobain Vietnam Ltd	Vietnam	Full consolidation	100.00%

Americas	Country	Consolidation method	Percentage held directly and indirectly
Saint-Gobain Argentina S.A	Argentina	Full consolidation	100.00%
Cebrace Cristal Plano Ltda	Brazil	Full consolidation	50.00%
Saint-Gobain Do Brasil Produtos Industriais e Para Construçao Ltda	Brazil	Full consolidation	100.00%
Saint-Gobain Canalizaçao Ltda	Brazil	Full consolidation	100.00%
Saint-Gobain Distribuiçao Brasil Ltda	Brazil	Full consolidation	100.00%
Placo Do Brasil Ltda	Brazil	Full consolidation	68.62%
Saint-Gobain Mexico	Mexico	Full consolidation	99.83%
CertainTeed Canada, Inc.	Canada	Full consolidation	100.00%
Certain Teed LLC	United States	Full consolidation	100.00%
Kaycan Ltd	Canada	Full consolidation	100.00%
KP Building Products Ltd	Canada	Full consolidation	100.00%
GCP Applied Technologies, Inc.	United States	Full consolidation	100.00%
Saint-Gobain Gypsum USA, Inc.	United States	Full consolidation	100.00%
CertainTeed Ceilings Corporation	United States	Full consolidation	100.00%

* *German consolidated subsidiary or sub-group with corporate or limited liability status and meeting the criteria under Articles 264 paragraph 3, 264b and 291 of the German Commercial Code (HGB) exempting the relevant entities and sub-groups from publishing their statutory and consolidated financial statements or notes to the financial statements and management reports (entities or sub-groups above or below the €100 million threshold).*

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Til generalforsamlingen i Brødrene Dahl AS

Uavhengig revisors beretning

Konklusjon

Vi har revidert årsregnskapet for Brødrene Dahl AS som består av balanse per 31. desember 2023, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening

- oppfyller årsregnskapet gjeldende lovkrav, og
- gir årsregnskapet et rettvisende bilde av selskapets finansielle stilling per 31. desember 2023, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet i samsvar med kravene i relevante lover og forskrifter i Norge og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Styret og daglig leder (ledelsen) er ansvarlige for informasjonen i årsberetningen og annen øvrig informasjon som er publisert sammen med årsregnskapet. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Vår konklusjon om årsregnskapet ovenfor dekker verken informasjonen i årsberetningen eller annen øvrig informasjon.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese årsberetningen og annen øvrig informasjon. Formålet er å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom årsberetningen, annen øvrig informasjon og årsregnskapet og den kunnskap vi har opparbeidet oss under revisjonen av årsregnskapet, eller hvorvidt informasjon i årsberetningen og annen øvrig informasjon ellers fremstår som vesentlig feil. Vi har plikt til å rapportere dersom årsberetningen eller annen øvrig informasjon fremstår som vesentlig feil. Vi har ingenting å rapportere i så henseende.

Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi at årsberetningen

- er konsistent med årsregnskapet og
- inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettvisende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder

Offices in:

Oslo, Alta, Arendal, Bergen, Bodø, Drammen, Elverum, Finnsnes, Hamar, Haugesund, Knarvik, Kristiansand, Mo i Rana, Molde, Sandefjord, Stavanger, Stord, Straume, Tromsø, Trondheim, Tynset, Ulsteinvik, Ålesund

KPMG

vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

Som del av en revisjon i samsvar med ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og vurderer vi risikoen for vesentlig feilinformasjon i regnskapet, enten det skyldes misligheter eller utilsiktede feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes utilsiktede feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av internkontroll.

- opparbeider vi oss en forståelse av intern kontroll som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll.

- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.

- konkluderer vi på om ledelsens bruk av fortsatt drift-forutsetningen er hensiktsmessig, og, basert på innhentede revisjonsbevis, hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape tvil av betydning om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifiserer vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet frem til datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke kan fortsette driften.

- evaluerer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettvisende bilde.

Vi kommuniserer med styret blant annet om det planlagte innholdet i og tidspunkt for revisjonsarbeidet og eventuelle vesentlige funn i revisjonen, herunder vesentlige svakheter i intern kontroll som vi avdekker gjennom revisjonen.

Oslo, 16. mai 2024
KPMG AS

Øyvind Skorgevik
Statsautorisert revisor
(elektronisk signert)

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Skorgevik, Øyvind
Statsautorisert revisor
På vegne av: KPMG AS
Serienummer: no_bankid:9578-5993-4-2747679
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Brødrene Dahl AS

Foretaksnr. 945 757 280

Årsrapport 2023

ÅRSBERETNING 2023

Virksomhetens art og lokalisering

Brødrene Dahl AS er en ledende teknisk handelsvirksomhet, med produkter og konsepter innen VVS, Vann og miljøteknikk, industri og fiskeoppdrett. Selskapet betjener sine respektive markedssegmenter gjennom en effektiv landsdekkende distribusjon, en desentralisert organisering med 54 service-senter, som både sikrer lokal tilstedeværelse og nærhet til den enkelte kunde.

Brødrene Dahl er en del av det internasjonale konsernet Saint-Gobain, som har 160 000 medarbeidere i 76 land, med en omsetning over 550 mrd. Det er i 2022 og 2023 gjennomført endring av juridisk konsernstruktur. Fra og med mai 2023 er Saint-Gobain Distribution Norway AS overordnet holding-selskap for alle juridiske enheter innen Saint-Gobain distribusjon i Norge.

Virksomheten i 2023
Brødrene Dahl har hatt en salgsreduksjon på nær 3% i sin kjernevirksomhet i et svakt bygg- og anleggsmarked. Til tross for salgsnedgangen opprettholder Brødrene Dahl sin ledende markedsposisjon med et sterkt prosjektsalg, en fortsatt økning i elektronisk handel samt et sterkt salg til våre større kunder. Sentrallageret har opprettholdt sin meget stabile service- og leveringspresisjon. Samtidig har selskapet videreført arbeidet med utvikling av nye produkter, løsninger og konsepter.

Styret forventer at igangsatte driftsprosjekter, herunder oppkjøp av ny virksomhet de seneste år, vil gi grunnlag for fortsatt lønnsom vekst og god resultatutvikling for virksomheten.

Redegjørelse for årsregnskapet
Det fremlagte regnskap er avlagt under forutsetning om fortsatt drift, og styret bekrefter at denne forutsetning er til stede. Etter styrets oppfatning gir årsregnskapet per 31.12.2023 en rettvisende beskrivelse av resultatet av virksomheten samt av selskapets økonomiske stilling.

Resultatregnskap
Selskapets driftsinntekter i 2023 ble MNOK 8.115, mot MNOK 8.404 i 2022, noe som tilsvarer en salgsreduksjon på nær 3%. Selskapets driftsresultat i 2023 ble MNOK 317, mot MNOK 473 i 2022, som utgjør 3,9% av omsetningen. Ordinært resultat før skatt ble MNOK 308 i 2023, mot MNOK 1.014 i 2022. Årsresultat for 2023 ble MNOK 239 sammenlignet med MNOK 909 i 2022. Hovedårsaken til endringen fra 2023 til 2022 gjelder utbytte fra Optimera AS på MNOK 458 i 2022.

Kontantstrøm
Kontantstrøm fra operasjonelle aktiviteter i 2023 ble MNOK 555 mot MNOK 476 i 2022. Kontantstrøm fra investeringsaktiviteter i 2023 ble MNOK -162 mot MNOK -208 MNOK i 2022.
Selskapet inngår i konsernkontoordning der Saint-Gobain Nordic A/S er eier av konsernkontoen. Selskapet samlede trekkrettigheter er MNOK 1.350 pr 31.12.2023, hvorav MNOK 55 er benyttet ved årsskifte. Likviditeten overvåkes kontinuerlig, og vurderes som tilfredsstillende.

Kapitalstruktur

Selskapet har per 31.12.2023 en totalkapital på MNOK 3.007. Egenkapitalen er MNOK 779, som utgjør 26% av totalkapitalen. Soliditeten til selskapet er god.

Styret forslår at resultatet disponeres slik:

(Tall i TNOK)	
Overført til annen egenkapital	238 979
Sum overføringer og disponeringer	238 979

Hendelser etter balansedagen
Det har ikke inntruffet vesentlige hendelser etter balansedagen som påvirker tallene i regnskapet for 2023.

Arbeidsmiljø
Selskapet jobber aktivt for å skape et godt arbeidsmiljø. Respekt for hverandre, samhandling, lederutvikling og kompetanseutvikling er i fokus. Tilpasning av utstyr og hjelpemidler på arbeidsplassen og tilrettelegging av ulike former for fysisk trening og lokale bedriftsidrettslag er viktig. Det avholdes løpende møter i bedriftens Arbeids- og Miljøutvalg.

Per 31.12.2023 har Brødrene Dahl AS 962 ansatte. Av disse er 19% kvinner. Styret består av 4 menn og 2 kvinner. Både styret og selskapets ledelse har kontinuerlig fokus på å rekruttere flere kvinner til selskapet. Styret anser arbeidsmiljøet i selskapet å være godt, noe som underbygges av resultatene i den årlige medarbeiderundersøkelsen.

Sykefraværet er i 2023 redusert til 4,7% mot 4,8% i 2022. Opplæring av ansatte innenfor alle deler av organisasjonen har hatt sterkt fokus også i 2023.

Helse, miljø og sikkerhet (HMS)
Styret, ledelsen og selskapets eiere har fokus på helse, miljø og sikkerhet. Det er iverksatt tiltak for å forebygge og etterleve HMS for ansatte og lokalmiljøet i tilknytning til selskapets virksomhet. Selskapet hadde ingen alvorlige arbeidsulykker i 2023.

Likestilling
Diskrimineringslovens formål er å fremme likestilling, sikre like muligheter og rettigheter og å hindre diskriminering på grunn av etnisitet, nasjonal opprinnelse, språk og livssyn. Selskapet har kartlagt lønnsforskjeller mellom kvinner og menn totalt og på ulike stillingsnivå. Den viser at lønn fastsettes uten hensyn til kjønn. Brødrene Dahl er bundet av ulike tariffavtaler og lønnsfastsettelse styres til dels av disse. I de tilfeller tariffavtale ikke er premissgiver for lønnsfastsettelse skjer den ved vurdering av erfaring, kompetanse og sammenligning av andre stillinger internt og i markedet. Selskapet arbeider aktivt for å fremme lovens formål innenfor de ulike virksomhetsområdene Aktivitetene omfatter blant annet rekruttering, lønns- og arbeidsvilkår, utviklingsmuligheter og beskyttelse mot trakassering.

Forskning og utvikling
Selskapet har i 2023 ikke vært involvert i større forsknings- og utviklingsprosjekter.

Aksjonærforhold
Brødrene Dahl AS er et heleid datterselskap Saint-Gobain Distribution Norway AS, som igjen er heleid av Saint-Gobain Distribution Nordic AB.

Ytre miljø
Brødrene Dahl har høyt fokus på miljøtiltak. Brødrene Dahl er ISO14001 og ISO 9001 sertifisert og har gjennom de siste årene ytterligere forsterket vår innsats for å verne om det ytre miljø.
Brødrene Dahl sørger for helhetlig kontroll av mellom annet avfallshåndtering, transport, energiforbruk og innkjøpspraksis.

Brødrene Dahl stiller strenge krav til leverandører hva gjelder arbeidstakerrettigheter, sporbarhet, EPD, digitaliserte miljødata, dokumentasjon og gjennom dette får kontroll på våre produkters totale miljøbelastning. Dette gjelder også tiltak for effektiv varetransport, og krav om redusert bruk av emballasje og plast. I arbeidet med utvikling av nye konsepter og løsninger, er en vesentlig del av innsatsen rettet mot energibesparende løsninger og produkter som utnytter fornybar energi. Detaljer om våre prioriterte tiltak og målsetninger ligger i Bærekraftsrapport 2023 som er tilgjengelig på våre nettsider.

Åpenhetsloven og aktsomhetsvurderinger
Åpenhetsloven skal sikre at virksomheter i Norge respekterer og informerer om håndtering av negative forhold tilknyttet menneskerettigheter og arbeidsforhold ved produksjon av varer og tjenester.
Brødrene Dahl har et stort vare- og tjenestespekter. Uansett hva kundene våre kjøper skal de være trygge på at leveransene er i samsvar med den nye loven. I henhold til loven vil selskapet innen 30. juni 2024 offentligjøre en årlig redegjørelse for vårt arbeid med aktsomhetsvurderinger på våre hjemmesider. Fremover vil vi fortsette vårt arbeid med å bidra til å forebygge menneskerettighetsbrudd og uanstendig arbeidsforhold hos forretnings-forbindelser og i leverandørkjeden vår. Vi er tilknyttet FNs Global Compact gjennom vår eier Saint Gobain og legger til grunn FNs bærekraftsmål i dette arbeidet. Vi ser loven som et velkomment bidrag til å sikre alle større virksomheter innsats for å gjøre livet bedre for mennesker over hele verden.

Ytterligere detaljer på våre nettsider: https://www.dahl.no/virksomheten/apenhetsloven

Ansvarsforsikring
Selskapet har en ansvarsforsikring for styrets medlemmer og daglig leder gjennom et ansvarsforsikringsprogram i Saint-Gobain. Forsikringen omfatter alle nåværende, fremtidige og tidligere styremedlemmer og daglig ledere i Saint-Gobain-selskapene og dets datterselskaper.

Risiko
Gjennom sine aktiviteter eksponeres selskapet for ulike former for finansiell risiko; markedsrisiko (herunder endringer i valutakurser, virkelig verdi renterisiko og prisrisiko), kredittrisiko, likviditetsrisiko og kontantstrømrisiko. Selskapets overordnede plan for risikostyring fokuserer på uforutsigbarheten i finansmarkedene og søker å minimalisere potensielle uheldige følger for konsernets finansielle resultater. En andel av selskapets kunder er mindre virksomheter med varierende finansiell styrke. Det tas derfor en kalkulert kredittrisiko i den løpende forretningsvirksomheten. Kredittrisikoen vurderes å ha vært stabil i 2023. Selskapets kredittpolicy fokuserer på betalingsbetingelser, kredittvurdering og sikkerhetsstillelser for å begrense risikoen for tap.

Selskapet er utsatt for valutarisiko ved innkjøp av varer i fremmed valuta, i hovedsak EUR, USD, SEK og DKK. Selskapet er inkludert i Saint-Gobain sin treasury-struktur, og følger konsernets hedging-policy for en redusert valutarisiko. Risikostyring er underlagt prinsipper utarbeidet av ledelsen. Styret gir retningslinjer for overordnet styring av finansiell risiko.

Markedsutvikling og framtidsutsikter
Selskapets virksomhet er i stor grad korrelert med utviklingen i bygg- og anleggsbransjen. For 2024 forventes det en litt lavere aktivitet enn i 2023, hvor konkurransen i markedet forventes å forsterkes

videre i 2024, med tilhørende press på priser og marginer. Selskapet har løpende fokus på prosessforbedringer og digitalisering, for å videreutvikle selskapet og styrke videre lønnsom vekst.

Styret anser derfor at selskapet er godt posisjonert og forberedt til å møte og tilpasse seg de utfordringer og muligheter markedet vil gi i 2024.

Oslo, 7. mai 2024
Styret i Brødrene Dahl AS

Endre Fløystad
Styrets leder

Jørgen Hannestad
Jørgen Hannestad (May 8, 2024 12:01 GMT+2)
Jørgen Hannestad
Styremedlem

Sabina Lerne
Sabina Lerne (May 8, 2024 13:05 GMT+2)
Sabina Lerne
Styremedlem

Xhesa Kika Coktas
Styremedlem

Lafaiete Jorge Gomes Neiva
Styremedlem

Usman Naeem
Usman Naeem (May 14, 2024 13:26 GMT+2)
Usman Naeem
Styremedlem

Lars Tendal
Adm. Dir.

BRØDRENE DAHL AS
FORETAKSNR. 945 757 280

Resultatregnskap 1. januar - 31. desember
(i 1 000 NOK)

	Note	2023	2022
Driftsinntekter			
Salgsinntekter	2	8 115 325	8 403 735
Sum driftsinntekter		**8 115 325**	**8 403 735**
Driftskostnader			
Varekostnad		5 936 241	6 166 295
Lønnskostnad	3,4,5	903 096	863 971
Avskrivning varige driftsmidler	6	77 331	85 235
Annen driftskostnad	3,7,8,9	881 533	814 927
Sum driftskostnader		**7 798 200**	**7 930 429**
Driftsresultat		**317 124**	**473 306**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap	10	0	552 487
Inntekt på investering i tilknyttet selskap	11	0	-11
Renteinntekt fra foretak i samme konsern	10	0	0
Annen renteinntekt		21	137
Annen finansinntekt		4 143	1 884
Nedskrivning av andre finansielle anleggsmidler	11	0	0
Rentekostnad til foretak i samme konsern	10	11 036	12 919
Annen rentekostnad		987	182
Annen finanskostnad		830	802
Netto finansposter		**-8 689**	**540 594**
Ordinært resultat før skattekostnad		**308 436**	**1 013 900**
Skattekostnad på ordinært resultat	12	69 456	104 495
Årsresultat		**238 979**	**909 405**
Disponeringer og overføringer:			
Avsatt til utbytte	13	0	408 209
Avgitt konsernbidrag	13	0	8 814
Overført til annen egenkapital	13	238 979	492 382
Sum disponeringer og overføringer		**238 979**	**909 405**

BRØDRENE DAHL AS
FORETAKSNR. 945 757 280

Balanse
(i 1 000 NOK)

	Note	31.12.2023	31.12.2022
Eiendeler			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	12	13 399	6 274
Goodwill		14 139	16 067
Sum immaterielle eiendeler		**27 538**	**22 340**
Tomter	6	9 398	9 398
Bygninger	6	33 681	35 083
Maskiner, inventar og transportmidler	6	288 062	288 759
Sum varige driftsmidler		**331 141**	**333 240**
Finansielle anleggsmidler			
Investeringer i datterselskap	11	77 107	2 423 923
Investeringer i andre aksjer og andeler	11	29	29
Pensjonsmidler	5	0	166
Langsiktige fordringer	14	0	2 366
Sum finansielle anleggsmidler		**77 136**	**2 426 485**
Sum anleggsmidler		**435 815**	**2 782 065**
Omløpsmidler			
Varer	15	**1 007 987**	**1 065 057**
Fordringer			
Kundefordringer	7	834 793	1 060 442
Andre fordringer	10	34 415	33 704
Fordringer på selskap i samme konsern	10	694 053	1 320 522
Sum fordringer		**1 563 261**	**2 414 669**
Bankinnskudd, kontanter o.l.	17	**0**	**0**
Sum omløpsmidler		**2 571 248**	**3 479 726**
Sum eiendeler		**3 007 063**	**6 261 792**

	Note	31.12.2023	31.12.2022
Egenkapital og gjeld			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	13	22 422	22 422
Overkurs		1 778 043	1 778 043
Sum innskutt egenkapital		**1 800 465**	**1 800 465**
Opptjent egenkapital			
Annen egenkapital	13	-1 021 881	1 174 548
Sum opptjent egenkapital		**-1 021 881**	**1 174 548**
Sum egenkapital		**778 584**	**2 975 013**
Gjeld			
Avsetning for forpliktelser			
Pensjonsforpliktelser	5	0	0
Utsatt skatt	12	0	0
Andre avsetninger for forpliktelser	8	59 579	48 337
Sum avsetninger for forpliktelser		**59 579**	**48 337**
Annen langsiktig gjeld			
Gjeld til konsernselskaper	18, 10	55 333	666 819
		55 333	**666 819**
Annen kortsiktig gjeld			
Gjeld til konsernselskaper	18, 10	115 658	91 841
Leverandørgjeld	10	1 598 032	1 673 275
Betalbar skatt	12	51 312	95 458
Skyldige offentlige avgifter	16	176 537	148 447
Skyldig utbytte	13	0	408 209
Annen kortsiktig gjeld	19	172 029	154 393
Sum kortsiktig gjeld		**2 113 568**	**2 571 623**
Sum gjeld		**2 228 479**	**3 286 778**
Sum egenkapital og gjeld		**3 007 063**	**6 261 792**

Oslo, 07. mai 2024
Styret for Brødrene Dahl AS

Endre Fløystad, Styrets leder

Lafaiete Jorge Gomes Neiva, Styremedlem

Usman Naeem
Usman Naeem (May 14, 2024 13:26 GMT+2)
Usman Naeem, Styremedlem

Lars Tendal, Daglig leder

Jørgen Hannestad
Jørgen Hannestad (May 8, 2024 12:01 GMT+2)
Jørgen Hannestad, Styremedlem

Xhesa Kika Coktas, Styremedlem

Sabina Lerne
Sabina Lerne (May 8, 2024 13:05 GMT+2)
Anna Sabina Lerne, Styremedlem

BRØDRENE DAHL AS

FORETAKSNR. 945 757 280

Kontantstrømoppstilling

(i 1 000 NOK)

		2023	2022
	Kontantstrømmer fra operasjonelle aktiviteter		
	Resultat før skattekostnad	308 436	1 013 900
-	Periodens betalte skatter	-95 458	-70 314
-/+	Gevinst/tap ved salg av anleggsmidler	2 262	544
+	Ordinære avskrivninger	77 331	85 235
+	Nedskrivning anleggsmidler	0	0
+/-	Endring i varelager	57 070	-134 558
+/-	Endring i kundefordringer	225 649	-289 897
+/-	Endring i leverandørgjeld	-75 243	283 431
+/-	Endringer i andre fordringer	1 656	41
+/-	Forskjell mellom kostn.ført pensj. og inn-/utbet. i pensj.ordn.	863	1 008
+/-	Endring i andre tidsavgrensningsposter	51 985	-413 830
=	**Netto kontantstrøm fra operasjonelle aktiviteter**	**554 551**	**475 562**
	Kontantstrømmer fra investeringsaktiviteter		
+	Innbetalinger ved salg av varige driftsmidler	5 149	4 414
+	Innbetalinger ved salg av aksjer og andeler i andre foretak	0	0
-	Utbetalinger ved kjøp av varige driftsmidler	-76 017	-141 504
-	Utbetalinger ved kjøp av aksjer, obligas. / konsernbidrag til DS	-91 048	-71 900
=	**Netto kontantstrøm fra investeringsaktiviteter**	**-161 916**	**-208 991**
	Kontantstrømmer fra finansieringsaktiviter		
+	Innbetalinger ved økning i langsiktig gjeld til konsernselskaper	-611 486	366 438
+	Innbetalinger ved reduksjon i langsiktige fordring på konsernselskaper	0	0
-	Utbetalinger ved nedbetaling av kortsiktig gjeld til konsernselskaper	591	-170
+/-	Innbetaling/utbetaling ved endring i kortsiktige fordringer på konsernselska	626 469	-157 799
+/-	Utbetalinger til utbytte	-408 209	-475 040
=	**Netto kontantstrøm fra finansieringsaktiviteter**	**-392 635**	**-266 571**
+	Beholdning av kontanter og kontantekvivalenter ved periodens begynnelse	0	0
+/-	Netto endring av kontanter og kontantekvivalenter	0	0
=	**Kontanter og kontantekvivalenter ved periodens slutt**	**0**	**0**

BRØDRENE DAHL AS

FORETAKSNR. 945 757 280

Noter til regnskapet for 2023

(i 1 000 NOK)

Generelt

Brødrene Dahl AS er et heleid datterselskap av Saint Gobain Distribution Norway AS som er eid av SG Distribution Nordic AB. I hht. Regnskapsloven § 3-7 er det ikke utarbeidet konsernregnskap ettersom selskapet inngår i et større internasjonalt konsern, som selv utarbeider konsernregnskap. SG Distribution Nordic AB er en del av det børsnoterte Compagnie de Saint-Gobain med hovedkontor i Frankrike. Adresse:
Saint-Gobain, Les Miroirs 18, Avenue d`Alsace, F-92400 Courbevoie.

Konsernregnskapet fåes ved henvendelse til Saint Gobain Distribution Norway AS.

Note 1 - Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapsloven og er utarbeidet etter norske regnskaps-standarder og anbefalinger til god regnskapsskikk.

Eiendeler knyttet til varekretsløpet er klassifisert som omløpsmidler. Tilsvarende er gjeld knyttet til varekretsløpet klassifisert som kortsiktig gjeld. Fordringer og gjeld som ikke knytter seg til varekretsløpet er klassifisert som omløpsmidler/kortsiktig gjeld hvis de forfaller innen ett år etter regnskapsavslutningstidspunktet.
Øvrige eiendeler er klassifisert som anleggsmidler, og øvrig gjeld er klassifisert som langsiktig.

Kundefordringer
Kundefordringer er ført i balansen etter fradrag for avsetning til dekning av påregnelig tap.

Immaterielle eiendeler
Immaterielle eiendeler som forventes å gi fremtidige inntekter, som forskning og utvikling, goodwill og patenter, aktiveres. Avskrivninger beregnes lineært over eiendelens økonomiske levetid.

Varige driftsmidler og avskrivninger
Varige driftsmidler er vurdert til historisk kost etter fradrag for "bedriftsøkonomiske avskrivninger" som er beregnet på grunnlag av kostpris og antatt økonomisk levetid. Det er brukt lineære avskrivninger.

Leasing/leieavtaler
Leieavtaler som overfører det vesentligste av risiko og kontroll, er betraktet som finansieringsavtaler. Ved finansielle leieavtaler behandles driftsmidlet som eiendel og aktiveres i balansen og motposten behandles som gjeld. Ved andre leieavtaler kostnadsføres leien over leieperioden.

Varelager og varekostnad
Beholdningen av handelsvarer vurderes til det laveste av kostpris og antatt salgspris.
For råvarer og varer i arbeid beregnes netto salgsverdi til salgsverdien av ferdige tilvirkede varer redusert for gjenværende tilvirkningskostnader og salgskostnader.
Årets varekostnad består av kostpris solgte varer med tillegg av nedskrivning i samsvar med god regnskapsskikk.

Pensjonsforpliktelser og pensjonskostnad
Selskapets pensjonsordning er innskuddsbasert. De med lønn over 12G har en ytelsesbasert ordning.
Ansatte på innskuddspensjon er dekket for uføre via forsikringer.
Selskapet oppfyller kravene til obligatorisk tjenestepensjon.

Ytelsesbaserte pensjonsforpliktelser (rett til avtalte fremtidige pensjonsytelser), beregnes etter lineær opptjening på basis av forutsetninger om antall opptjeningsår, diskonteringsrente, fremtidig avkastning på pensjonsmidler, fremtidig regulering av lønn, pensjoner og ytelser fra folketrygden og aktuarmessige forutsetninger om dødelighet, frivillig avgang, osv. Pensjonsmidlene vurderes til virkelig verdi. Netto pensjonsforpliktelse består av brutto pensjonsforpliktelse fratrukket virkelig verdi av pensjonsmidler. Netto pensjonsforpliktelser på underfinansierte ordninger er balanseført som langsiktig rentefri gjeld, mens netto pensjonsmidler på overfinansierte ordninger er balanseført som langsiktig rentefri fordring dersom det er sannsynlig at overfinansieringen kan utnyttes.

Endringer i forpliktelsen og pensjonsmidlene som skyldes estimatavvik føres direkte mot egenkapitalen. Denne valgadgangen følger av NRS 6.
Netto pensjonskostnad, som er brutto pensjonskostnad fratrukket estimert avkastning på pensjonsmidlene, klassifiseres som ordinær driftskostnad, og er presentert sammen med lønn og andre ytelser.

Selskapet er en del av et konsern som avlegger konsernregnskap etter IFRS. Brødrene Dahl AS benytter IAS 19 vedrørende pensjoner.

Valuta (finansiell markedsrisiko)
Fordringer og gjeld i utenlandsk valuta er omregnet til kurs på balansedagen. Netto agio føres mot varekost dersom det er knyttet til varekretsløpet, mens annen agio inngår i finansposter.
Transaksjoner i resultatregnskapet blir ført til den enhver tid gjeldende valutakurs.
Selskapet inngår terminkontrakter for å sikre handel i valuta. Terminkontraktene er vurdert til virkelig verdi.

Salgsinntekter
Inntekt resultatføres når den er opptjent. Inntektsføring skjer følgelig normalt på leveringstidspunktet ved salg av varer og tjenester. Salgsinntekter er definert som fakturert salg med fradrag for bonus.

Selskapet driver i hovedsak virksomhet innenfor kun ett virksomhetsområde
(tekniske produkter til VVS-, VA- og Industri-kunder). Se note 3 for geografisk segmentinformasjon.

Kostnader
Utgifter sammenstilles med og kostnadsføres samtidig med de inntekter utgiftene kan henføres til.
Utgifter som ikke kan henføres direkte til inntekter, kostnadsføres når de påløper.

Andre driftsinntekter (-kostnader)
Vesentlige inntekter og kostnader som ikke har sammenheng med den ordinære virksomheten, klassifiseres som andre driftsinntekter og -kostnader. Poster som er uvanlige, uregelmessige og vesentlige presenteres som særskilte poster på egne linjer.

Utsatt skatt og skattekostnad
Utsatt skatt beregnes på bakgrunn av midlertidige forkjeller mellom regnskapsmessige og skattemessige verdier ved utgangen av regnskapsåret. Ved beregningen benyttes nominell skattesats. Positive og negative forskjeller vurderes mot hverandre innenfor samme tidsintervall.
Visse poster vurderes likevel særskilt, herunder pensjonsforpliktelser. Utsatt skattefordel oppstår dersom en har midlertidige forskjeller som gir opphav til skattemessige fradrag i fremtiden.
Årets skattekostnad består av endring i utsatt skatt og utsatt skattefordel, sammen med betalbar skatt for inntektsåret, eventuelt korrigert for feil i tidligere års beregninger.

Kontantstrømoppstilling
Kontantstrømoppstillingen er utarbeidet etter den indirekte metoden. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige, likvide plasseringer som umiddelbart og med uvesentlig kursrisiko kan konverteres til kjente kontantbeløp og med forfallsdato kortere enn tre måneder fra anskaffelsesdato.

Aksjebasert avlønning
Saint Gobain (ultimate mor til Brødrene Dahl AS) tilbyr et aksjeprogram til de ansatte. Dette innebærer at de ansatte har mulighet til å kjøpe aksjer i det børsnoterte selskapet Saint Gobain til rabattert pris. I tillegg til dette får de ansatte tilskudd til aksjekjøpet fra Brødrene Dahl AS.
Tilskuddet føres som en ordinær lønnskostnad.

Note 2 - Salgsinntekter

Selskapet har i det alt vesentlige salgsinntekter i Norge. Virksomheten er landsdekkende og selskapet er en ledende aktør over hele landet. I mindre utstrekning forekommer også salg til utenlandske markeder. Dette gjelder hovedsakelig produkter til skipsbygging.

Note 3 - Styret, særskilte avtaler m.v.

Det er ikke utbetalt særskilt styregodtgjørelse i 2023.

Ytelser til adm.direktør i 2023:

Lønn og annen godtgjørelse	4 741
Bonus	
Annen godtgjørelse	1 509
Pensjonspremie	138

Det er ikke tilknyttet noen ytterligere forpliktelser grunnet et eventuelt opphør av arbeidsforholdet. Adm. direktør har en bonusavtale, og denne baserer seg på målekriterier i forhold til selskapets resultater.

Kostnader vedrørende revisor er belastet i regnskapet med TNOK 2.508 i lovpålagt revisjon, TNOK 0 i andre attestasjonstjenester, TNOK 0 i skatterådgivning og TNOK 271 i andre tjenester utenfor revisjon. Beløpene er ekskl. mva.

Note 4 - Lønnskostnad og antall årsverk

	2023	**2022**
Lønninger	737 189	672 484
Arbeidsgiveravgift	112 428	103 142
Pensjonskostnad	45 780	43 274
Andre ytelser	7 699	45 071
Sum	**903 096**	**863 971**

Samtlige ansatte i selskapet har i 2023 hatt muligheten til å kjøpe aksjer i Saint-Gobain til rabattert pris. I tillegg får de ansatte et tilskudd fra bedriften i fht hva som investeres. Tilskuddet gis i form av ytterligere aksjer. Det er knyttet en bindingstid på 5 år til aksjekjøpet. Disfavøren ved bindingstiden er beregnet og fratrukket fordelen som er beregnet og innberettet.
Tilskuddet de ansatte har mottatt i denne sammenhengen er ført som ordinær lønn.

Antall årsverk som er sysselsatt pr. 31.12.	886	940

Note 5 - Pensjoner og pensjonsforpliktelser

I henhold til regnskapsstandarden skal deler av selskapets pensjonsordning behandles som en ytelsesplan. Selskapet har fra 2006 hatt en stor gruppe ansatte i ordinær ytelsesbasert ordning. Denne ordningen er avviklet i 2015 til fordel for innskuddsbasert pensjon på lik linje med øvrige ansatte (se note 2).
Den resterende ytelsesbaserte ordningen er for ytelser som overstiger 12G.
Den ytelsesbaserte pensjonsordningen omfatter i alt 11 personer (herav 3 pensjonister), og denne gir rett til definerte fremtidige ytelser. Disse er i hovedsak avhengig av antall opptjeningsår, lønnsnivå ved oppnådd pensjonsalder og størrelsen på ytelsen fra folketrygden. Selskapet har for øvrig medlemmer i AFP-ordningen.
971 personer inngår i ordningen for innskuddspensjon. Selskapet oppfyller kravene til obligatorisk tjenestepensjon.

Selskapet er en del av et IFRS-rapporterende konsern. Og anvender IAS 19 under norsk regnskapslovgivning (NRS 6). Selskapet har valgt å benytte prinsippet om regnskapsføring av uamortisert estimatavvik direkte mot EK.

Periodens pensjonskostnad:	**2023**	**2022**
Nåverdi av årets pensjonsopptjening	2 772	1 038
Rentekostnad av pensjonsforpliktelsen	495	244
Avkastning på pensjonsmidler	-501	-274
Årets kostnad ytelsesbasert pensjonsordning	**2 766**	**1 008**
Årets kostnad innskuddsbasert pensjonsordning	43 008	42 266
Årets totale pensjonskostnader	**45 774**	**43 274**
Pensjonsforpliktelser:		
Nåverdi av påløpte pensjonsforpliktelser	13 574	13 634
Verdi av pensjonsmidler	14 642	13 800
Forskjell pensjonsforpliktelser og -midler	-936	-145
Ikke resultatførte overgangsbeløp/Asset ceiling	1 068	0
Arbeidsgiveravgift	-132	-21
Total pensjonsforpliktelse	**0**	**-166**
Estimatavvik ført direkte mot egenkapitalen	697	316
Økonomiske forutsetninger:		
Diskonteringsrente (OMF)	4,40 %	3,70 %
Forventet lønnsregulering	3,25 %	2,00 %
Inflasjon/G-regulering	3,25 %	2,00 %
Pensjonsregulering	2,40 %	0,00 %

Det er benyttet dødelighetstabell K2013 og uføretarifftabell KU for samtlige ordninger.
En diskonteringsrente basert på 10-årig norske statsobligasjoner har siden medio 2011 syntes unaturlig lav som følge av den finansielle uroen i Europa. Norsk Regnskapsstiftelse (NRS) gav for 2012 retningslinjer for å kunne å benytte en rentefastsettelse basert på et tilstrekkelig dypt marked av norske obligasjoner med fortrinnsrett, såkalte OMF - obligasjoner. I et langsiktig perspektiv skal ikke forventet langsiktig lønnsvekst være høyere enn diskonteringsrenten. Diskonteringsrenten basert på 10-årige norske statsobligasjoner var betydelig lavere enn forventet langsiktig lønnsvekst pr 31.12.12. Selskapet har derfor fra 2012 besluttet å benytte en diskonteringsrente basert på OMF - obligasjoner i henhold til retningslinjer fra NRS.

Note 6 - Varige driftsmidler og Goodwill

Kostpris og ordinære avskr.	**Maskiner inventar transp.**	**Bygninger**	**Tomter**	**Sum 2023**	**Sum 2022**
Kostpris 01.01	860 012	52 606	9 398	922 016	877 246
+ tilgang i året	75 934	83	0	76 017	90 354
- avgang i året	77 884			77 884	45 584
Kostpris 31.12	858 062	52 689	9 398	920 149	922 016
Akk. ordinære avskrivninger					
Akk. avskrivninger 01.01	570 979	17 795	0	588 775	547 452
+ årets avskrivninger	73 699	1 211	0	74 910	82 022
- akk. avskrivninger solgte	74 679		0	74 679	40 699
Akk. avskrivninger 31.12	569 999	19 006	0	589 006	588 775
Regnskapsmessig verdi 31.12	**288 063**	**33 681**	**9 398**	**331 142**	**333 240**
Lineære avskrivninger	3-20 år	25-50 år			

Kostpris og ordinære avskr.	**SGDN**	**Hywer**	**GSY**	**Goodwill 2023**	**Goodwill 2022**
Kostpris 01.01	7 685	14 336	19 280	41 301	22 021
+ tilgang i året	0	0		0	19 280
Kostpris 31.12	7 685	14 336	19 280	41 301	41 301
Akk. ordinære avskrivninger					
Akk. avskrivninger 01.01	7 685	14 336	3 213	25 234	22 021
+ årets avskrivninger	0	0	1 928	1 928	3 213
Akk. avskrivninger 31.12	7 685	14 336	5 141	27 162	25 234
Regnskapsmessig verdi 31.12	**0**	**0**	**14 139**	**14 139**	**16 067**
Lineære avskrivninger	5 år	5 år	10 år		

Goodwill avskrives over forventet levetid ut fra at dette gir beste estimat på sammenstilling med de inntekter som goodwillen genererer. På bakgrunn av ovennevnte benytter selskapet normalt forventet levetid på 10 år ved selskapets goodwill-beregninger.

Note 7 - Kundefordringer

Balanse pr. 31.12	**2023**	**2022**
Kundefordringer pålydende	855 038	1 076 938
Regnskapsmessig avsetning for mulig tap	20 245	16 496
Kundefordringer i balansen	**834 793**	**1 060 442**
Resultatregnskapet		
Realisert tap	20 404	15 850
Innkommet av tidligere tapsført	-250	-544
Endring i avsetning til tap	20 975	1 102
Resultatført tap på fordringer	**41 130**	**16 408**

Selskapet har ikke kundefordringer som forfaller senere enn ett år fra balansedato.

Note 8 - Garantiavsetning

	2023	2022
Garantiavsetninger	59 579	48 337

Garantiavsetningen skal dekke eventuelt reklamasjonsansvar ovenfor kunder.

Note 9 - Leiekontrakter

Selskapet har for tiden ingen finansielle leieavtaler.
Den fremtidige forpliktelsen på leie av lokaler, lager og kontor utgjør tilsammen TNOK 994,171
Avtalen av lengst varighet utløper i år 2034. Det er i løpet av 2023 kostnadsført TNOK 201.649 i husleie.
De fremtidige forpliktelsene for husleie er ikke neddiskontert.
Den fremtidige forpliktelsen på andre leiekontrakter utgjør tilsammen TNOK 9.696
Disse kontraktene gjelder leiebiler, gaffeltrucker, komprimatorer, kaffemaskiner etc.
Avtalen av lengst varighet utløper i år 2031. Det er i løpet av 2023 kostnadsført TNOK 39.836

Note 10 - Mellomværende med selskap i samme konsern

	Kortsiktig fordring		Langsiktig fordring	
	31.12.23	31.12.22	31.12.23	31.12.22
Saint-Gobain Nordic A/S	694 053	862 935	0	0
Hywer				
Flisekompaniet				
Ventistål AS	0	0	0	0
Optimera	0	457 587		
Sum	**694 053**	**1 320 522**	**0**	**0**

Det er tegnet låneavtaler for både kortsiktige og langsiktige fordringer.

	Kortsiktig gjeld		Annen langsiktig gjeld	
	31.12.23	31.12.22	31.12.23	31.12.22
Saint-Gobain Nordic A/S	1 381	793	55 333	666 819
Hywer AS	49 563	75 431	0	0
Saint-Gobain Autover AS		11 300	0	0
Saint Gobain Distribution Norway AS	18 129	4 317		
Saint Gobain Distribution Nordic AB		408 209		
Flisekompaniet AS	46 582			
Sum	**115 654**	**500 050**	**55 333**	**666 819**

Det er tegnet låneavtaler for både kortsiktig og langsiktig gjeld mot Saint-Gobain Nordic. Øvrig kortsiktig gjeld vedrører konsernbidrag som utbetales i 2024. Annen langsiktig gjeld forfaller og reforhandles i mars 2025.

	2023	2022
Renteinntekt konsern	4 143	0
Rentekostnad konsern	11 036	12 919
Mottatt utbytte fra Ventistål AS	0	87 000
Mottatt utbytte fra Bergersen Flis AS	0	7 900
Avsatt utbytte fra Optimera AS		457 587

Det er et begrenset antall transaksjoner med selskap i samme konsern. Det foreligger markedsmessige vilkår vedrørende mellomværende med konsernselskapene.

Note 11 - Aksjer i andre selskaper

Aksjer i andre selskaper, både datterselskaper og andre investeringer, vurderes til anskaffelseskost i selskapsregnskapet når ikke annet er angitt.
Tallene for EK og årsresultat 31.12. er basert på operasjonell rapportering desember 2023.

Datterselskaper	Kontorsted	Andel og stemmer	EK 31.12.2023	Årsresultat 2023
Klaro Renseanlegg Norge AS	Oslo	100 %	25 543	5 570

Note 12 - Skatter

Betalbar skatt fremkommer slik:	**2023**	**2022**
Ordinært resultat før skattekostnad	308 436	1 013 900
Permanente forskjeller	5 990	-542 309
Endring midlertidige forskjeller	32 390	53 672
Årets endring i estimatavvik pensjon ført direkte mot EK	697	-316
Grunnlag betalbar skatt	347 513	524 946
Skatt 22% / 22%	76 453	115 488
Betalbar skatt på årets resultat	76 453	115 488
Årets skattekostnad fremkommer slik:		
Betalbar skatt på årets resultat	76 453	115 488
Brutto endring utsatt skatt	-6 972	-11 738
For lite avsatt skatt tidligere år	-24	745
Årets totale skattekostnad	**69 456**	**104 495**
Betalbar skatt i balansen fremkommer slik:		
Betalbar skatt på årets resultat	76 453	115 488
Betalbar skatt på avgitt konsernbidrag	-25 141	-20 031
Sum betalbar skatt	**51 312**	**95 458**

Spesifikasjon av grunnlag for utsatt skatt/utsatt skattefordel:

Forskjeller som utlignes:	**2023**	**2022**	**Endring**
Anleggsmidler	37 221	28 760	8 460
Omløpsmidler	-12 515	20 601	-33 116
Gjeld / forpliktelser	-85 612	-78 044	-7 568
Pensjonsforpliktelse balanseført	0	166	-166
Sum midlertidige forskjeller	**-60 907**	**-28 517**	**-32 390**
Estimatavvik pensjon ført direkte mot EK	697	-316	697
Grunnlag utsatt skatt (-skattefordel)	**-60 907**	**-28 517**	**-31 693**
Utsatt skatt (-skattefordel)	**-13 399**	**-6 274**	**-6 972**

Sammenheng mellom skattekostnad og skatt beregnet som gjennomsnittlig nominell skattesats på resultat før skatt:

Skatt beregnet som gjennomsnittlig nominell skattesats	**2023**	**2022**
på resultat før skatt	67 856	223 058
Effekt av permanente forskjeller	1 318	-119 308
For lite avsatt skatt tidligere år	282	745
Skattekostnad i henhold til resultatregnskap	**69 456**	**104 495**

Note 13 - Egenkapital	**Aksje-kapital**	**Overkurs**	**Annen egenkap.**	**Sum egenkap.**
Egenkapital 31.12.2022	22 422	1 778 042	1 174 549	2 975 013
Årets resultat			238 979	238 979
Effekt av fusjon				-
Estimatavvik pensjon			544	544
Tingsutbytte aksjer			-2 346 816	-2 346 816
Fordel ansatte kjøp av aksjer				-
Avsatt til utbytte				-
Avgitt konsernbidrag			-89 136	-89 136
Egenkapital 31.12.2023	**22 422**	**1 778 042**	**-1 021 880**	**778 584**

Aksjekapitalen er på TNOK 22.422, fordelt på 22.400 aksjer. Alle pålydende TNOK 1, det er kun ordinære aksjer. Selskapet er heleid av Saint Distribution Norway AS. Se for øvrig note 0.
Aksjene i Dahl Optimera Norge AS er delt ut som ut som et tingsutbytte fra Brødrene Dahl A/S til Saint-Gobain Distribution Nordic i 2023.
Aksjene i Flisekompaniet AS, Ventistål AS, Optimera AS and Hywer AS er delt ut som et tingsubytte til Saint-Gobain Distribution Norway AS i 2023

Note 14 - Lån/sikkerhetsstillelse for ansatte/styremedl./aksjonærer

Brødrene Dahl AS har ikke gitt lån til ansatte i 2023.
Det er ikke ytet lån til daglig leder.

Note 15 - Varelager

Varebeholdningen er vurdert til anskaffelseskost.
Det er i tillegg foretatt regnskapsmessig nedskrivning til virkelig verdi etter laveste verdis prinsipp.

Balanse pr. 31.12	**2023**	**2022**
Anskaffelseskost varelager	1 085 224	1 133 095
Regnskapsmessig nedskrivning for ukurans	-77 237	-68 037
Varelager i balansen	**1 007 987**	**1 065 057**

Note 16 - Pantstillelser, Garantiansvar o.l.

Garantiansvar:	**2023**	**2022**
Kontraktsgarantier	66 572	66 678
Betalingsgarantier	1 384	1 295
Skattetrekksgaranti Oslo Kommune	45 000	45 000
Remburs	542	564
Datterselskapsgaranti (påkravsgaranti)	6 393	6 393
Sum	**119 891**	**119 929**

Note 17 - Bundne midler

Brødrene Dahl AS har ingen bundne midler. Selskapet har imidlertid en bankgaranti som gjelder skyldig skattetrekk til Oslo kommune jfr. note 16.
Eierskapet til selskapets bankkonti er avgitt til fordel for konsernkontoordning i Danske Bank.
Det innebærer at saldo på selskapets bankkonti som inngår i ordningen er å anse som kortsiktig fordring eller gjeld mot Saint-Gobain Nordic A/S som er eier av ordningen og eneansvarlig ovenfor bankforbindelser tilknyttet ordningen.
Selskap i konsernkontoordningen har et solidaransvar ovenfor alle utestående beløp i ordningen.

Note 18 - Rentebærende gjeld

Internlånene har renteavtaler på fra 1 til 3 mnd. Rentefastsettelsen følger EURIBOR med marginpåslag.

Note 19 - Kassekreditt

Selskapet har tilgjengelig kassekreditt i Danske Bank. Selskapets bankkonti inngår i konsernets cashpool.
Selskapet finansieres også kortsiktig via konsernkontoordning.

	2023	**2022**	**2021**
Tilgjengelig kassekreditt Danske Bank	83 650	81 669	80 142
Benyttet kassekreditt Danske Bank	0	0	0
Tilgjengelig kreditt konsernkonto	650 000	550 000	550 000
Benyttet kreditt konsernkonto	0	0	0
Totalt tilgjengelig kreditt 31.12.	733 650	631 669	630 142

Note 20 - Nærstående parter

Selskapet er en del av konsernet Saint-Gobain. Selskaper tilhørende konsernet fremkommer av Saint-Gobain sitt konsernregnskap. Samtlige transaksjoner i konsernet er i henhold til armlengdes avstands prinsipp og er på forretningsmessige vilkår.

Note 21 - Finansiell markedsrisiko

Selskapet benytter seg av terminkontrakter i forbindelsen med styringen av finansiell risiko knyttet til kundefordringer og leverandørgjeld, som for øvrig er vurdert til dagskurs 31.12
Selskapet har for tiden ingen øvrig finansiell risiko som må sikres på tilsvarende måte.

Selskapet har pr 31.12 inngått terminkontrakter som forplikter selskapet til å kjøpe
TNOK 143.618 i EUR, TNOK 17.014 i SEK, TNOK 731 i GBP, TNOK 1.052 i DKK og TNOK 1.383 i USD
Totalt TNOK 163.796 i kjøp av valuta.
Selskapet har ingen valutakontrakter for salg pr 31.12.23

Selskapet har pr. 31.12. balanseført TNOK 5.307 i urealisert tap knyttet til ikke realiserte terminkontrakter. Det er i 2023 resultatført netto TNOK 13.441 i valutatap.

Note 22 - Økonomiske forholdstall

Benyttet/ubenyttet kreditt i flg note 12 er hensyntatt ved beregningen av likviditetsgrad 1 og 2.

	2023	2022	2021
1. Resultat før skatt i % av driftsinntekt	3,80 %	12,06 %	5,91 %
2. Egenkapitalrentabilitet før skatt	16,43 %	55,24 %	58,87 %
3. Totalkapitalrentabilitet	6,91 %	21,48 %	13,09 %
4. Totalkapitalens omløpshastighet	1,75	1,76	2,20
5. Netto driftsmargin	3,91 %	5,63 %	5,42 %
6. Likviditetsgrad 1	1,56	1,60	1,34
7. Likviditetsgrad 2	1,09	1,19	0,94
8. Arbeidskapital (1000 kr)	457 681	908 104	155 074
9. Arbeidskapital i % av driftsinnt.	5,64 %	10,81 %	2,07 %
10. Egenkapital i % av totalkapital	25,89 %	47,51 %	20,77 %
11. Gjeldsgrad	2,86	1,10	3,81

1. Resultatgrad før skatt
   Resultat før skatt i % av Sum driftsinntekter
2. Egenkapitalrentabilitet før skatt
   Resultat før skatt i % av Gjennomsnittlig sum egenkapital
3. Totalkapitalrentabilitet
   (Resultat før skatt + finanskostnader) i % av Gjennomsnittlig Totalkapital
4. Totalkapitalens omløpshastighet
   Sum driftsinntekter / Gjennomsnittlig Totalkapital
5. Netto driftsmargin
   Driftsresultat i % av Sum driftsinntekter
6. Likviditetsgrad 1
   (Sum omløpsmidler + ubenyttet kreditt) / Sum kortsiktig gjeld - benyttet kreditt (se note 12)
7. Likviditetsgrad 2
   (Omløpsmidler - varelager + ubenyttet kreditt) / Sum kortsiktig gjeld - benyttet kreditt (se note 12)
8. Arbeidskapital (1000 kr.)
   (Sum omløpsmidler - Kortsiktig gjeld)
9. Arbeidskapital i % av driftsinntekter
   (Sum omløpsmidler - Sum kortsiktig gjeld) i % av Sum driftsinntekter
10. Egenkapital i % av totalkapital
   Sum egenkapital i % av Totalkapital
11. Gjeldsgrad
   Sum gjeld / Sum egenkapital