



## Saint-Gobain

Market-leading, globally diversified building materials company

### FIRST BOUGHT

Since fund inception.

### WHAT TYPE OF COMPANY IS IT?

Globally diversified building materials manufacturer with a market leading position, headquartered in France, with a growing edge in sustainable construction solutions.

### WHY DID WE INITIATE A POSITION?

In line with our philosophy and process, we started a position on the back of a troughing market cycle and idiosyncratic challenges which led to negative share price sentiment. Saint-Gobain's growth trajectory faced a cyclical trough in 2014 given its exposure to the European construction cycle with output and PMIs reaching multi-decade lows during this period. The company's attempted acquisition of Sika and legal procedures that ensued from the takeover battle which stretched to 2018 had also weighed on market sentiment.

### HOW DOES THE COMPANY EXHIBIT FUNDAMENTAL QUALITY?

Over the years, Saint-Gobain has been able to execute a multi-year transformation, positioning itself as a more streamlined business with a sharpened strategic focus. The company upgraded and simplified its product portfolio, reduced corporate overheads, improved capital allocation and made decision making processes more efficient. Saint-Gobain has also continued to execute on operational enhancements and value creation initiatives to improve its operating margin profile.

To optimise its product portfolio, Saint-Gobain exited low-margin, underperforming assets and reinvested proceeds into higher yielding assets. The company also invested in its sustainable construction business which offers Light Construction Systems and Eco-Designed Materials, that has served as a key growth engine for the business. Saint-Gobain has also embraced digital enablement through the roll-out of digital tools such as its InteWall digital design app that helps customers to conduct an online evaluation of product configuration and design suitability. These solutions help to provide synergies with its existing product line-up and are poised to aid with cross-selling across product verticals.

### WHAT STRUCTURAL TAILWINDS ARE SUPPORTING LONG-TERM GROWTH?

We believe that the historic €500 billion infrastructure fund in Germany, which serves as part of a broader €1 trillion fiscal package<sup>1</sup>, is set to boost construction volumes across transport, energy, and digital sectors in Europe. This stimulus should help to support demand for Saint-Gobain's sustainable and high-performance materials.

Other European Union (EU) regulatory initiatives such as the Renovation Wave and revisions to the Energy Performance of Buildings Directive are also expected to drive sustained demand for carbon-efficient building solutions, including heat recovery ventilation systems<sup>2</sup>. Saint-Gobain should be well-positioned to benefit, with over 60% of its revenues now derived from positive impact solutions<sup>3</sup>.

### KEY POINTS FOR SAINT-GOBAIN

- Company has streamlined product portfolio and optimised business processes.
- A strong growth outlook driven by investment needed to reduce emissions in renovations and construction and support the energy transition.
- Committed to sustainability, aiming to become worldwide leader in light and sustainable construction.

### CONSIDER THE RISKS

Investors should consider the risks that may impact their capital, before investing. The value of your investment may fluctuate from the time of the original investment. Please refer to the risks section enclosed. A decision to invest should take account of all the characteristics and objectives described in the prospectus and KIID/KID and/or offering documents. Please refer to the sustainability related disclosures for information on the commitments of the portfolio: [www.wellington.com/en/legal/sfdr](http://www.wellington.com/en/legal/sfdr).

<sup>1</sup> Bundesministerium der Finanzen as of 24/06/2025

<sup>2</sup> European Commission as of 24/07/2025

<sup>3</sup> Saint-Gobain as of 31/07/2025

### FOR PROFESSIONAL, ACCREDITED INVESTORS AND WHOLESALE CLIENTS ONLY.

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Please refer to the fund prospectus and KIID/KID for a full list of risk factors and pre-investment disclosures.

The Wellington Focused European Equity Fund is actively managed and seeks long-term total returns in excess of the MSCI Europe Index. The Fund invests in companies where the investment manager believes that markets have overreacted to unexpected or prolonged negative news, which has caused share prices to excessively discount near-term information, or where the stock is priced as though the business will never improve.

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