
PRESS RELEASE

November 12, 2019

SAINT-GOBAIN ENTERS INTO DEFINITIVE AGREEMENT TO ACQUIRE CONTINENTAL BUILDING PRODUCTS

Saint-Gobain and Continental Building Products (NYSE: CBPX) today announce that they have entered into a definitive agreement pursuant to which Saint-Gobain will acquire all of the outstanding shares of Continental Building Products for \$37.00 per share, in cash, in a transaction valued at approximately \$1.4 billion (approximately €1.3 billion). **The business combination has been unanimously approved by the Board of Directors of Saint-Gobain and by Continental Building Products' Board of Directors.**

Continental Building Products, a highly respected plasterboard player in North America, employs 645 people and is expected to generate 2019 revenues of approximately \$510 million and adjusted EBITDA of approximately \$130 million per broker consensus. The business has strong geographic complementarity with Saint-Gobain's North American operations, good positioning in growth regions in the East and South-East of the United States and strong profitability.

Strategic Benefits

- **Broadens Saint-Gobain's asset portfolio and enhances ability to provide wider customer base with innovative solutions.** Continental Building Products has developed a top-tier platform in plasterboard in North America with strong customer relationships. The combination will allow customers to benefit from an enriched product portfolio supported by Saint-Gobain's global R&D and product development infrastructure.
- **Increases Saint-Gobain's presence in growth regions in the United States.** The geographical complementarity of the production sites will allow better commercial coverage and more efficient logistics services, in particular in high growth regions in the United States.
- **Creates opportunity for approximately \$50 million in cost synergies and performance improvements.** These cost synergies are expected by the end of the third year following transaction close. Saint-Gobain expects the synergies will be captured through the integration of Continental Building Products' operations into Saint-Gobain's North America gypsum business. The categories of benefits include logistics optimization, purchasing, operations and SG&A efficiencies. In addition, Saint-Gobain expects to benefit from additional sales thanks to an enlarged commercial platform and its ability in transversal innovation, to the benefit of North American consumers.
- **Similar culture and shared values.** Continental Building Products' teams will be integrated into the Group's gypsum business in North America, which will in turn be able to lean on their expertise and know-how. Continental Building Products' continuous operational improvement program, Bison Way, rests on the same pillars as the World Class Manufacturing program at Saint-Gobain. The integration of both companies will be enabled by close business cultures and operational models, which will allow the acceleration of value creation for our shareholders and our customers.

The agreed upon price represents a premium of 34.4% to the volume weighted average price for the 60 trading days ending November 11, 2019, a multiple (before synergies) of approximately 11.0x Continental Building Product's 2019E adjusted EBITDA of \$130 million per broker consensus estimates and a **multiple of 7.9x EBITDA post run-rate synergies**. Saint-Gobain will largely finance the acquisition using the proceeds from divestments made by the Group. Saint-Gobain expects the transaction to be value creative by the third year following transaction close, in line with the Group's acquisition criteria.

Edward Bosowski, Chairman of Continental Building Products and Jay Bachmann, Chief Executive Officer, commented:

"This is an exciting day for Continental Building Products, our shareholders, customers and employees and represents the culmination of the hard work of our highly talented workforce. Saint-Gobain is the ideal strategic partner with the resources to support our development, commitment to operational excellence and global platform that will enable us to continue to provide outstanding customer service. We believe this is a terrific outcome for our shareholders and thank the teams at Continental Building Products for the fantastic work they have done over many years."

Pierre-André de Chalendar, Chairman and Chief Executive Officer of Saint-Gobain, and Benoit Bazin, Chief Operating Officer, commented:

"The acquisition of Continental Building Products is a unique opportunity allowing Saint-Gobain to move to the forefront of plasterboard and construction solutions in North America. With the very strong industrial platform and expert teams that Continental Building Products brings, Saint-Gobain will be able to accelerate the deployment of its innovative product offering in order to better serve customers. We are very impressed by the quality of work accomplished by the Continental Building Products' teams over many years and are very happy to welcome them to Saint-Gobain. We share the same industrial and commercial cultures as the Continental Building Products' teams and are confident that together we can leverage our expertise and know-how to drive sustainable and profitable growth, to the benefit of our customers and the end consumer. This transaction will enable Saint-Gobain to enhance its growth and profitability profile, in line with the 'Transform & Grow' program, and to create value for our shareholders."

This transaction is part of Saint-Gobain's portfolio optimization strategy, one of the two pillars of the transformation program "Transform & Grow". Divestments completed or signed by the Group to date represent sales of around €3.3 billion with cash proceeds of over €1 billion, for an EBITDA multiple of around 10x and an operating income multiple of around 15x. The full-year operating margin impact is more than 40 basis points, ahead of the target of the "Transform & Grow" program of a gain of 40 basis points in the operating margin. Saint-Gobain is continuing its divestment program even though the initial target of over €3 billion in sales divested by the end of the year has already been met.

With regard to acquisitions, the Group has closed 12 transactions since the beginning of the year including Pritex (Mobility, acoustic solutions), Plaka Mexico (plasterboard), Celima (Mortars in Peru), as well as transactions to optimize our positioning in Distribution in Nordic countries.

Closing of the transaction is subject to Continental Building Products shareholders' approval, U.S. antitrust approval and fulfillment of other customary closing conditions with expected closing in the second half of 2020.

Lazard and Morgan Stanley are acting as financial advisors, and Cleary Gottlieb Steen & Hamilton is acting as legal counsel to Saint-Gobain in connection with the transaction.

ABOUT SAINT-GOBAIN

Saint-Gobain designs, manufactures and distributes materials and solutions which are key ingredients in the wellbeing of each of us and the future of all. They can be found everywhere in our living places and our daily life: in buildings, transportation, infrastructure and in many industrial applications. They provide comfort, performance and safety while addressing the challenges of sustainable construction, resource efficiency and climate change.

€41.8 billion in sales in 2018
Operations in 68 countries
More than 180,000 employees

For more information about Saint-Gobain

Visit www.saint-gobain.com

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Analyst/Investor Conference Call on November 13, 2019 at 8:00 a.m. Paris time (GMT + 1)

Dial-in: + 33 (0) 1 72 72 74 03 or +1 646 722 4916 (code 32935652#)

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

Replay: +33 (0) 1 70 71 01 60 or +1 646 722 4969 (code 418887531#), from 10:30 a.m. Paris time until December 13, 2019

A presentation regarding the transaction will be available before the conference call on Saint-Gobain's website at:

<https://www.saint-gobain.com/en/finance/events-and-financial-results>

Forward-Looking Statements

This press release contains forward-looking statements. Forward-looking statements may be identified by the use of words such as "anticipate", "believe", "expect", "estimate", "plan", "outlook", and "project" and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters.

Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved.

Forward-looking statements are based on historical information available at the time the statements are made and are based on management's reasonable belief or expectations with respect to future events, and are subject to risks and uncertainties, many of which are beyond the Company's control, that could cause actual performance or results to differ materially from the belief or expectations expressed in or suggested by the forward-looking statements.

Forward-looking statements speak only as of the date on which they are made and the Company undertakes no obligation to update any forward-looking statement to reflect future events, developments or otherwise, except as may be required by applicable law.

Investors are referred to information published by the Company on its web site (www.saint-gobain.com) and filed with the Autorité des marchés financiers, including its Annual Report and its Quarterly Reports for additional information regarding the risks and uncertainties that may cause actual results to differ materially from those expressed in any forward-looking statement.

This communication does not constitute an offer to purchase, sell or exchange, or the solicitation of an offer to purchase, sell or exchange, any securities.

