



Recent Results and Outlook

April 2017



- 
- A modern office interior featuring curved balconies with glass railings and large windows. The space is bright and airy, with a white ceiling and walls. The balconies are illuminated from below, creating a warm glow. The large windows on the left side offer a view of the outdoors. The overall design is clean and contemporary.
- 1. FIRST-QUARTER 2017 SALES**
 2. 2016 RESULTS
 3. OUTLOOK

ROBUST ORGANIC GROWTH OF 7.6%



WESTERN EUROPE

- » France improving, led by new-builds
- » Further growth in all other main countries



NORTH AMERICA

- » Growth led by construction markets
- » Industrial markets up slightly overall



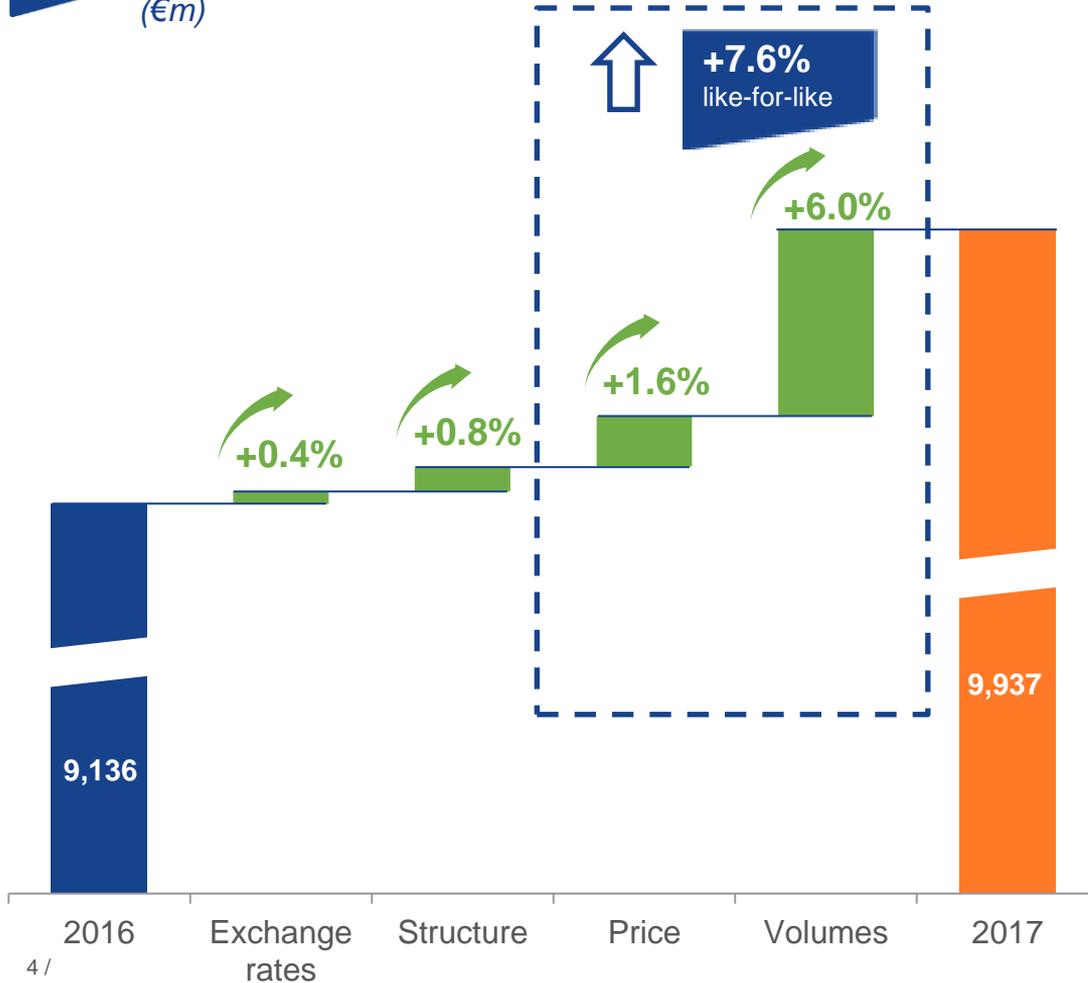
ASIA & EMERGING COUNTRIES

- » Robust growth in all regions, despite Brazil remaining slightly down

FIRST-QUARTER SALES

(€m)

Group +8.8%
on an actual basis



- Depreciation of the euro against the **Brazilian real** and the **US dollar** and fall of the **pound sterling**
- Impact of the **acquisitions**
- Continuing **increase in prices: +1.6%**, amid rising raw material and energy costs
- **Clear improvement in volumes: +6.0%** in all Business Sectors and regions, with a favorable calendar impact of around 3%

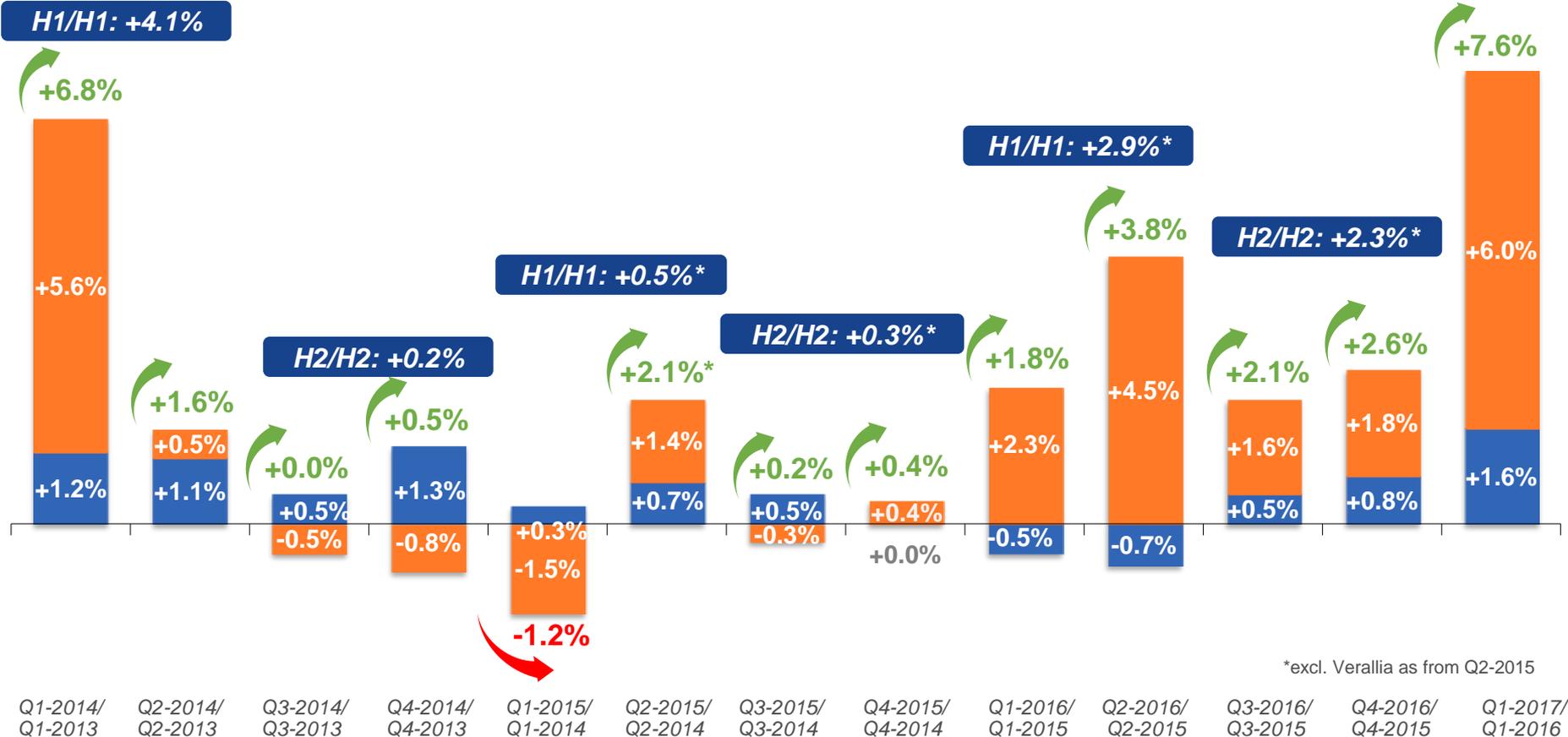
QUARTERLY ORGANIC GROWTH

(% change in like-for-like sales)

Price



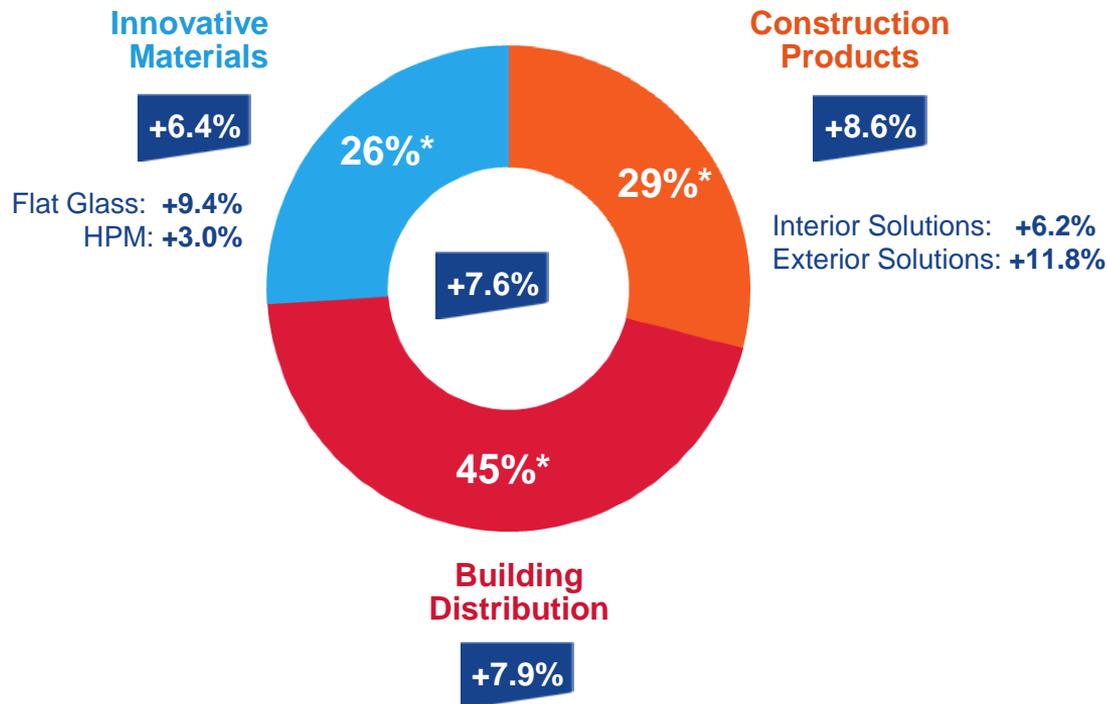
Volume



NET SALES BY BUSINESS SECTOR, at end of March

(% change in 2017/2016 like-for-like sales)

+7.6%
like-for-like



NET SALES BY REGION, at end of March

(% change in 2017/2016 like-for-like sales)

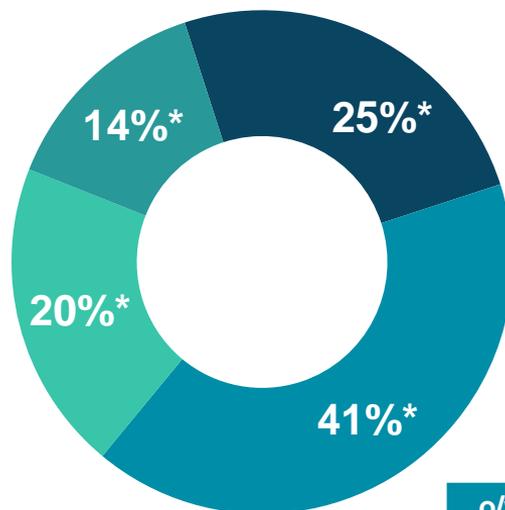
+7.6%
like-for-like

North America
+8.2%

Asia & emerging countries
+10.5%

France
+4.6%

Other Western Europe
+8.3%



o/w:

Asia (8%):	+8.2%
Latin America (6.5%):	+13.4%
Eastern Europe (4%):	+11.3%
Africa & Middle-East (1.5%):	+10.8%

o/w:

Scandinavia (13%):	+13.5%
UK (11%):	+7.5%
Germany (8%):	+4.2%
Southern Europe (4%):	+9.3%

- 
- A modern office interior featuring curved balconies with glass railings and large windows on the left side. The space is bright and airy, with a white ceiling and walls. The balconies are illuminated with warm lights. The large windows on the left provide a view of the outdoors.
1. FIRST-QUARTER 2017 SALES
 2. **2016 RESULTS**
 3. OUTLOOK

2016 KEY FIGURES

Sales
€39.1bn



Operating income
€2,818m

Operating margin: 7.2%, +50bp



Recurring net income
€1,398m
EPS: €2.53, +21.1%



Free cash flow
€1,258m



Net debt
€5,644m

1.4x
EBITDA



Changes based on 2016 vs 2015



WESTERN EUROPE

- » France stabilizing, led by new-builds
- » Growth in all other main countries, including the UK



NORTH AMERICA

- » Good momentum in construction markets
- » Favorable weather impact in Q2
- » Industrial markets down slightly



ASIA & EMERGING COUNTRIES

- » Robust growth in all regions, despite the contraction in Brazil

- » **Organic growth of 2.6%** driven by **volumes; prices stable over the year** and **up 0.6%** in **H2**
- » **Significant 2.9% negative currency impact** and **1.0% negative Group structure impact**
- » Further rise in **operating income**, up **10.8%** like-for-like, and in the **operating margin**, up to **7.2%** from **6.7%**, with **€270m in cost savings** versus 2015
- » Further sharp rise in **recurring net income (up 20%)** and **free cash flow (up 29%)**
- » **Acquisitions** accelerated in **H2**, totaling **€362m** over the year

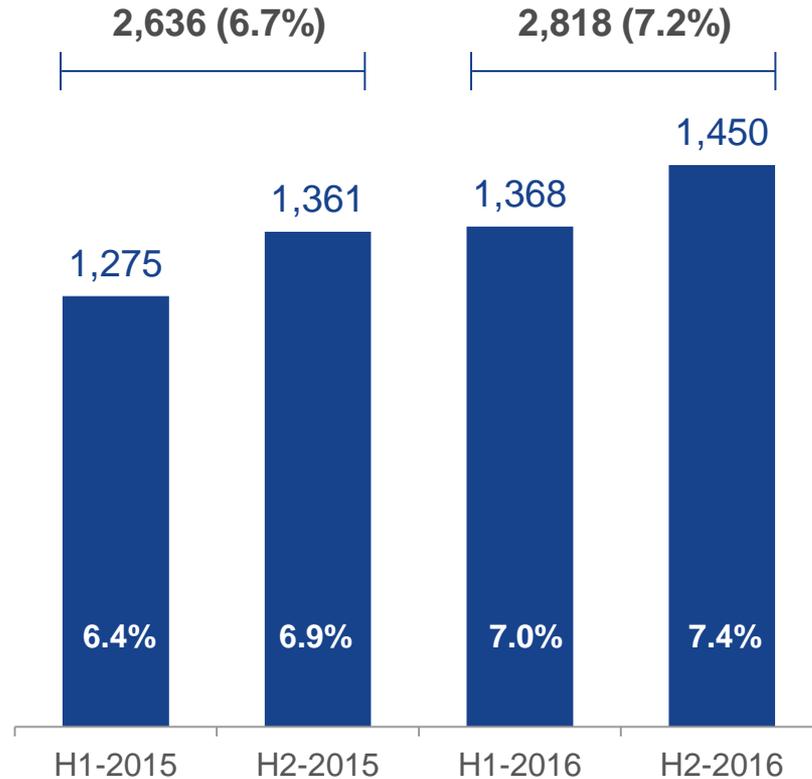
OPERATING INCOME

(€m and % of sales)

2016/2015

+10.8 %

like-for-like

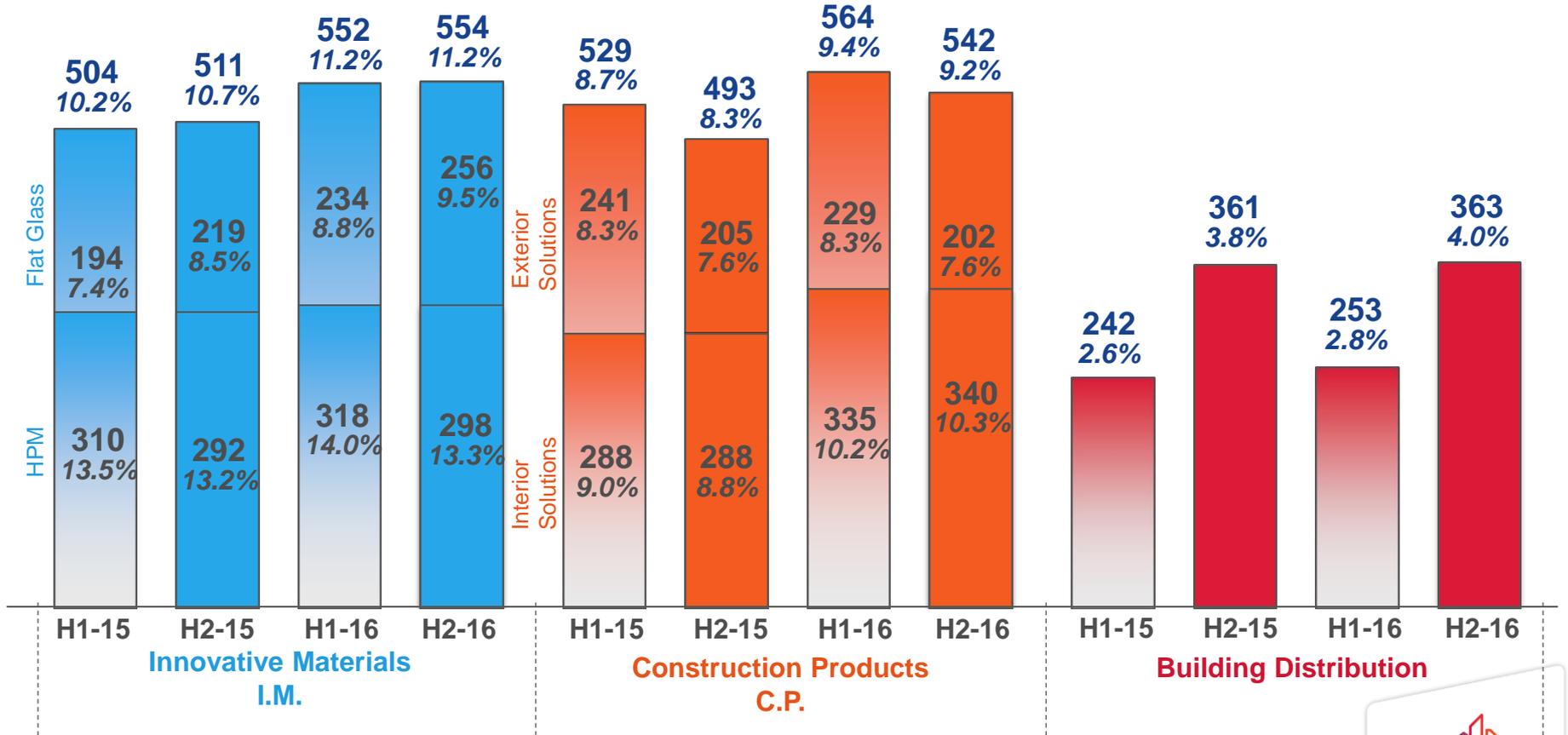


- **Operating income up 6.9%** on an actual basis
- **Improved Group margin** at 7.2%, up in all Business Sectors



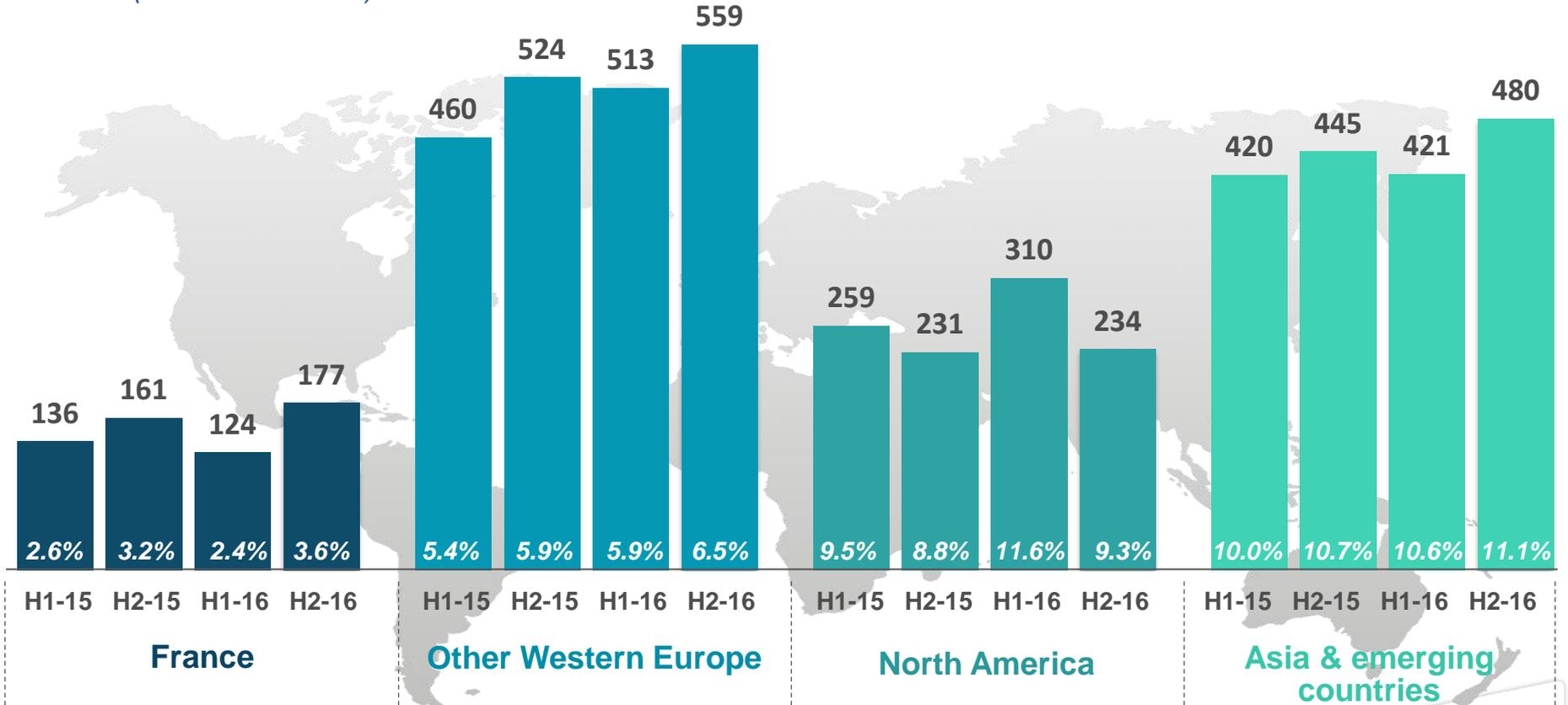
OPERATING INCOME BY BUSINESS SECTOR AND DIVISION

(€m and % of sales)



OPERATING INCOME BY REGION

(€m and % of sales)



INCOME STATEMENT

(€m)

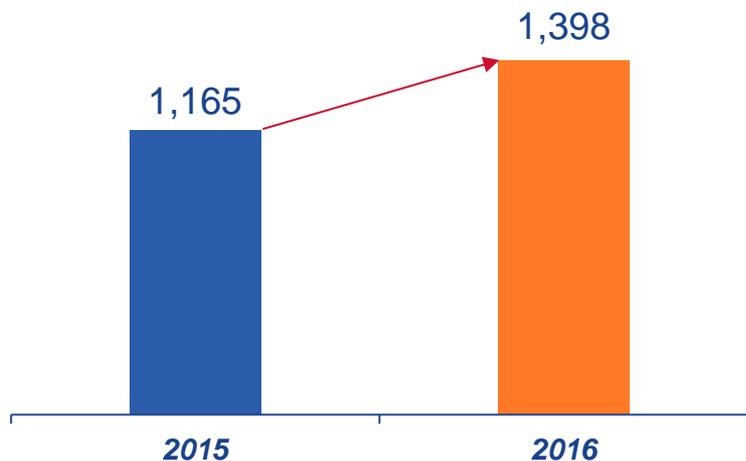
	2015	2016	2016/ 2015
Operating income	2,636	2,818	+6.9%
Non-operating costs	(344)	(312)	
<i>o/w provision for asbestos-related litigation</i>	<i>(90)</i>	<i>(90)</i>	
Other operating expenses	(998)	(202)	
Business income	1,294	2,304	+78.1%
Net financial expense	(629)	(541)	
<i>Average cost of gross debt</i>	<i>3.9%</i>	<i>3.4%</i>	
Income tax	(248)	(416)	
<i>Tax rate on recurring net income</i>	<i>29%</i>	<i>27%</i>	
Net attributable income	1,295	1,311	+1.2%
<i>EPS (€)</i>	<i>2.32</i>	<i>2.36</i>	<i>+1.7%</i>
Recurring net income*	1,165	1,398	+20.0%
<i>Recurring EPS (€)</i>	<i>2.09</i>	<i>2.53</i>	<i>+21.1%</i>

* from continuing operations

RECURRING NET INCOME*

(€m)

2016/2015: +20.0%

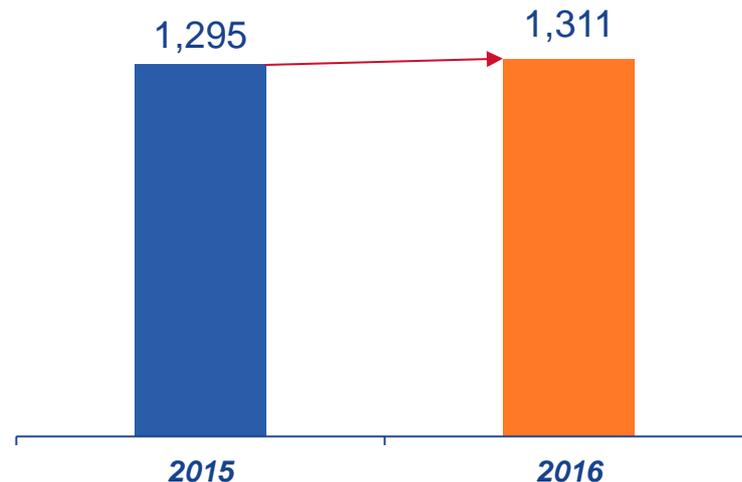


Recurring EPS*: €2.53 (+21.1%)

NET INCOME**

(€m)

2016/2015: +1.2%



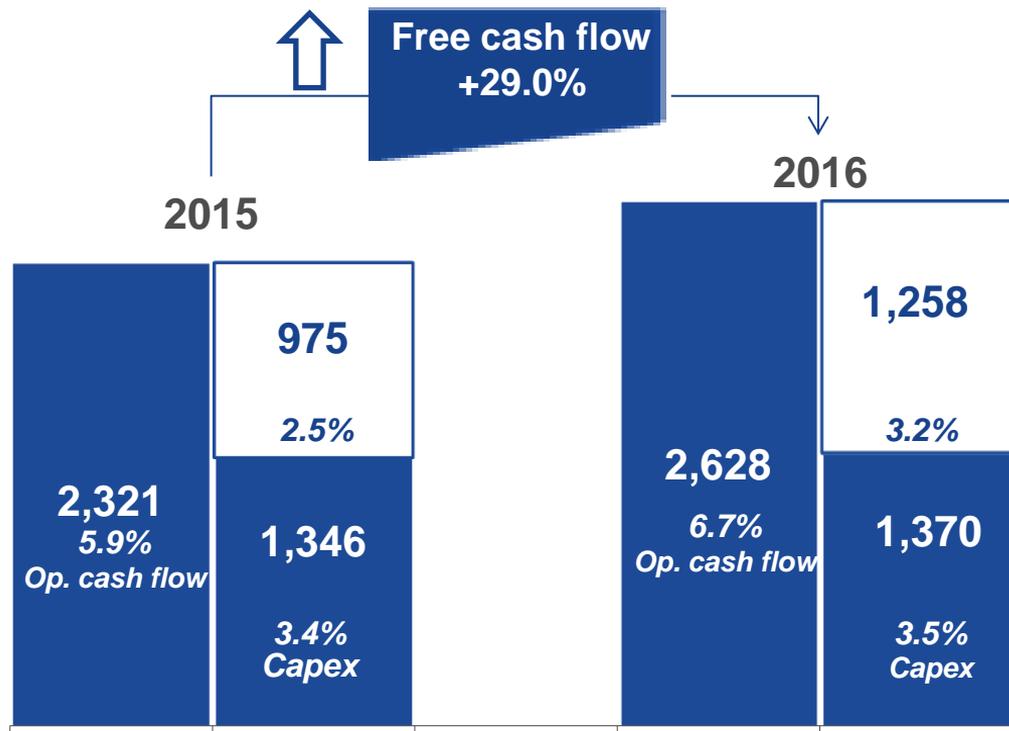
EPS: €2.36 (+1.7%)

* net income from continuing operations excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions

** net attributable income

CASH FLOW FROM OPERATIONS* AND CAPEX

(€m and % of sales)

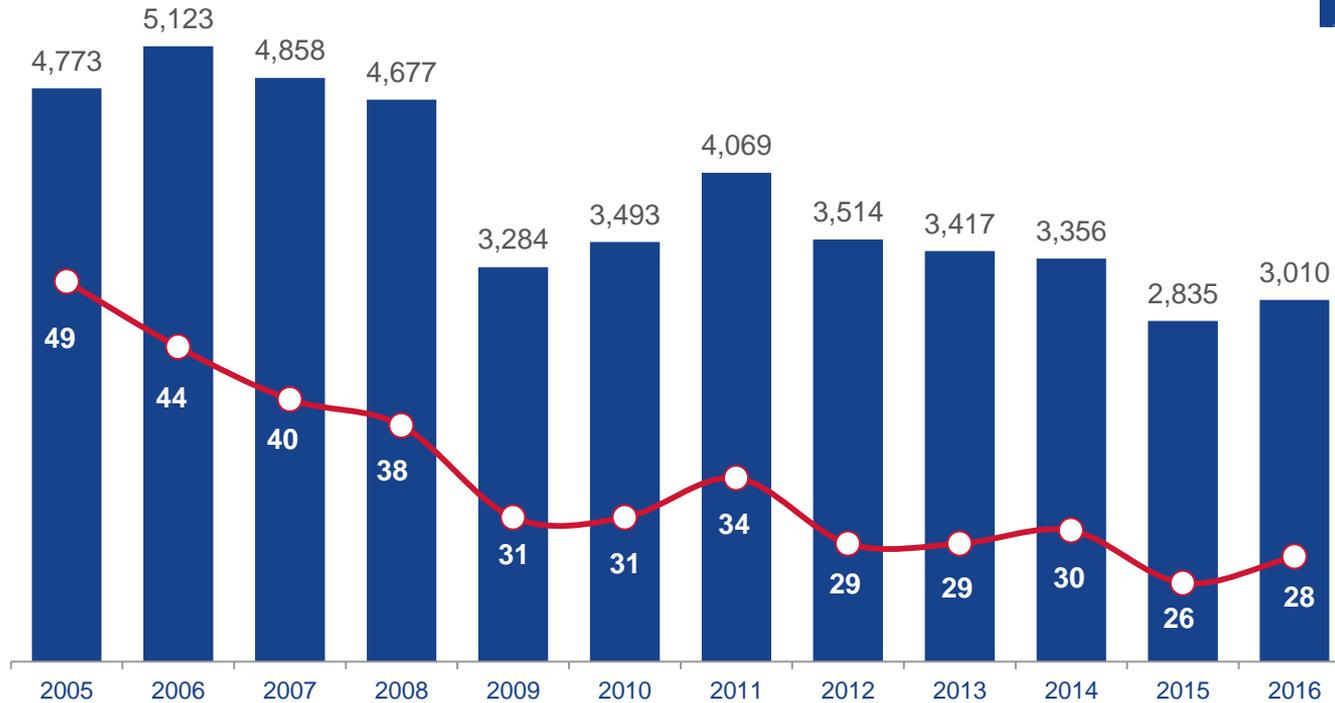


* excluding the tax impact of capital gains and losses on disposals, asset write-downs and material non-recurring provisions

OPERATING WCR

(at December 31, €m and no. of days)

+1.7 days over
12 months



Ongoing tight rein on operating WCR

MAJOR FINANCIAL TRANSACTIONS

€362m in acquisitions, *over 30* (*up 59% on 2015*)

- » Acceleration of bolt-on acquisitions in line with the Group's strategic objectives:
 - » **Niche technologies and services**
Plastics: H-Old in Italy
Flat Glass: France Pare-Brise
Insulation: Isonat in France
 - » **New growth regions**
South-East Asia: Emix (Mortars)
Latin America: Solcrom (Mortars - Chile), Archer (Ceramics - Paraguay)
Africa: LPM (Gypsum - Morocco)
 - » **Reinforcement of strong positions**
Building Distribution: 19 bolt-on acquisitions, especially in Nordic countries
Flat Glass: Pietta in Romania

Ongoing plan to acquire a controlling interest in Sika

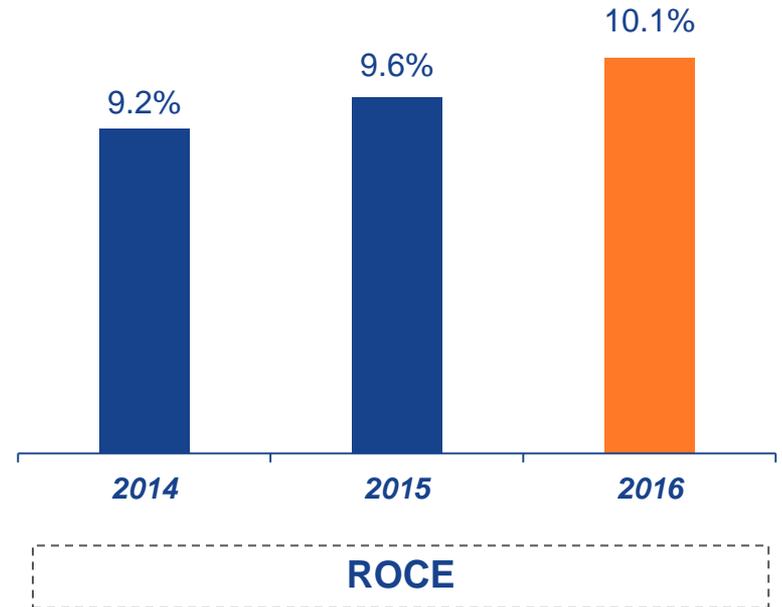
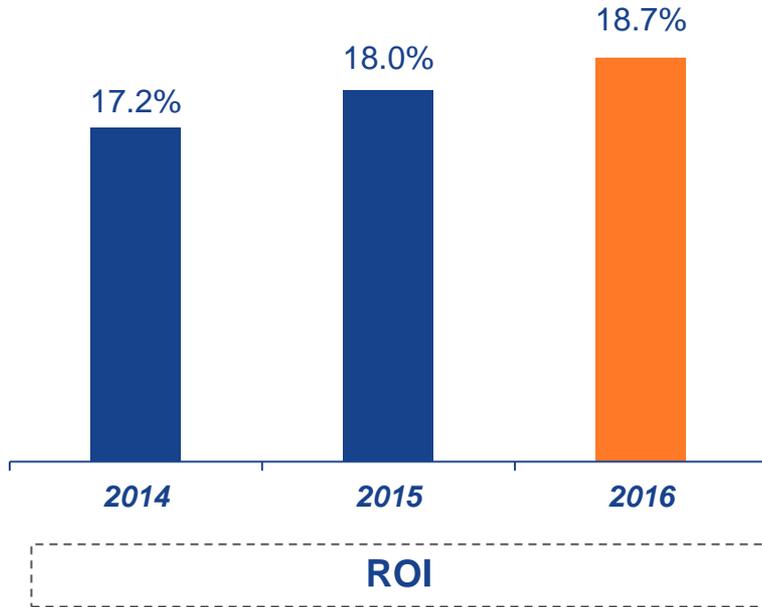
- » The Group is confident that SWH's rights will be restored

€418m in share buybacks

- » 10.9 million shares bought back in line with the Group's long-term objectives
- » Cancellation of 11 million shares

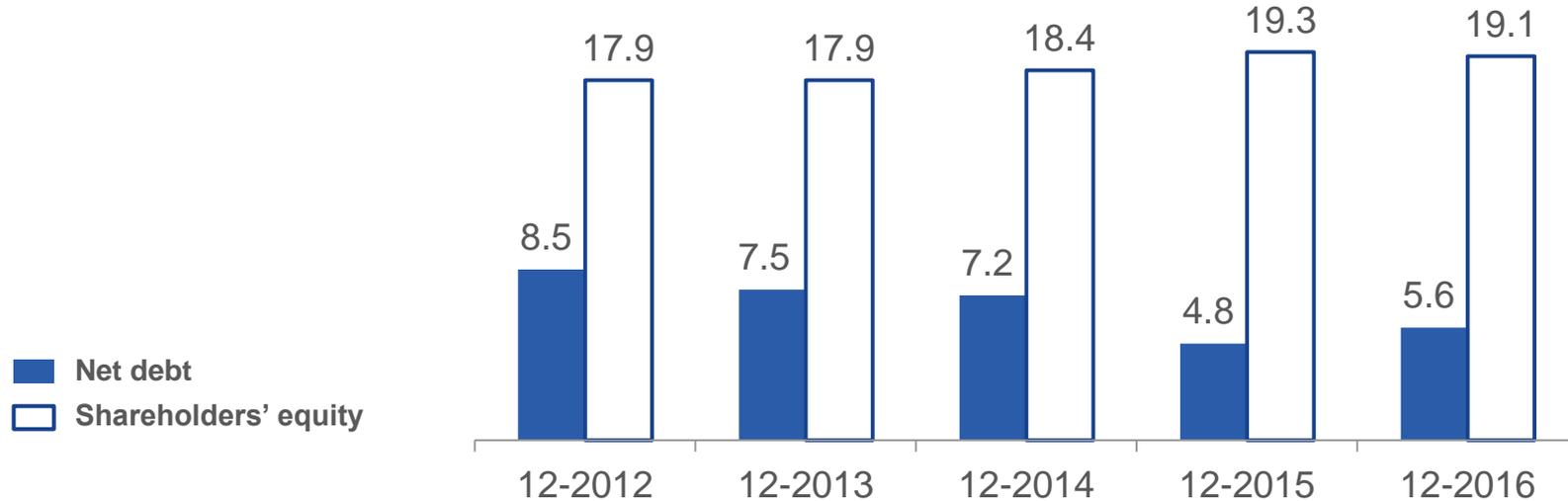
CONTINUED IMPROVEMENT IN ROI AND ROCE

(excluding Verallia, before tax)



NET DEBT AND SHAREHOLDERS' EQUITY

(€bn)



Net debt/shareholders' equity	47%	42%	39%	25%	29%
Net debt/EBITDA*	1.9	1.8	1.8	1.2	1.4

Persistently strong balance sheet

* EBITDA = operating income + operating depreciation/amortization over a 12-month period

- 
- A modern office interior featuring curved balconies with glass railings and large windows. The space is bright and airy, with a white ceiling and walls. The balconies are illuminated from below, creating a warm glow. The large windows on the left side offer a view of the outdoors. The overall design is clean and contemporary.
1. FIRST-QUARTER 2017 SALES
 2. 2016 RESULTS
 3. **OUTLOOK**

2016 DIVIDEND

(Board's recommendation to the June 8, 2017 AGM)

€1.26 PER SHARE

(vs 1.24 for 2015 dividend)

- » Dividend yield at Dec. 30, 2016: **2.85%**
- » Payout ratio based on recurring net income: **50%**

PAYMENT:

- » **In cash**

CALENDAR:

- » **June 8, 2017:** AGM
- » **June 12, 2017:** Ex-dividend date
- » **June 14, 2017:** Payment date

ECONOMIC CLIMATE

- Gradual improvement in **France**, led by new-builds
- Further growth in **other Western European countries**, despite less visibility in the UK
- Growth in construction markets in **North America**, excluding the exceptional weather impacts of 2016
- Robust organic growth in **Asia & emerging countries**

GROUP BUSINESSES

- **Innovative Materials:** further growth; improved profitability for Flat Glass and continued good margins for HPM
- **Construction Products:** better volumes and further cost savings should more than offset the exceptional weather impacts in Roofing in 2016
- **Building Distribution:** should benefit from volume growth in Western Europe

2017 PRIORITIES

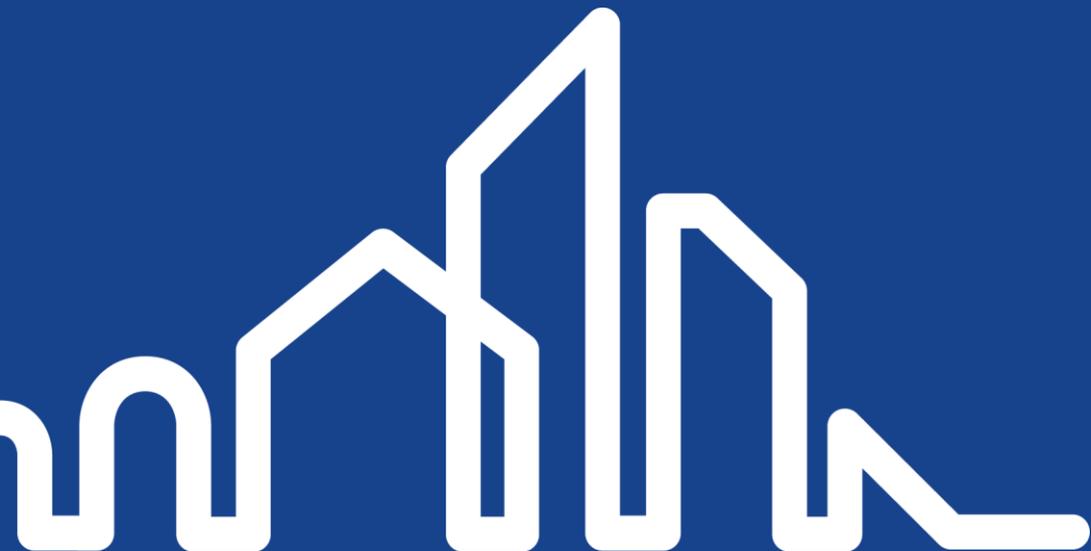
- **Focus on sales prices** amid an uptick in inflation
- **Additional cost savings of around €270m over the year** (calculated on the 2016 cost base)
- **Capital expenditure program of around €1,600m**, with a focus on growth capex outside Western Europe and also on productivity and digital transformation
- **Ongoing commitment to invest in R&D** to support our differentiated, high value-added strategy
- **Focus on high free cash flow generation**

The Group is targeting a further like-for-like increase in operating income in 2017

Saint-Gobain will hold an Investor Day to discuss its strategy on May 17, 2017.

IMPORTANT DISCLAIMER – FORWARD-LOOKING INFORMATION

This presentation contains forward-looking statements with respect to Saint-Gobain's financial condition, results, business, strategy, plans and outlook. Forward-looking statements are generally identified by the use of the words "expect", "anticipate", "believe", "intend", "estimate", "plan" and similar expressions. Although Saint-Gobain believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions as at the time of publishing this document, investors are cautioned that these statements are not guarantees of its future performance. Actual results may differ materially from the forward-looking statements as a result of a number of known and unknown risks, uncertainties and other factors, many of which are difficult to predict and are generally beyond the control of Saint-Gobain, including but not limited to the risks described in Saint-Gobain's registration document available on its website (www.saint-gobain.com). Accordingly, readers of this document are cautioned against relying on these forward-looking statements. These forward-looking statements are made as of the date of this document. Saint-Gobain disclaims any intention or obligation to complete, update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. This presentation does not constitute any offer to purchase or exchange, nor any solicitation of an offer to sell or exchange securities of Saint-Gobain. No representation or warranty, express or implied, is made by Saint-Gobain or its managers, corporate officers, employees, contractors, representatives or advisors as to the accuracy or completeness of the information or opinions contained in this presentation.



Recent Results and Outlook

April 2017

