Recent Results and Outlook

April 2018
1. FIRST-QUARTER 2018 SALES
2. 2017 RESULTS
3. STRATEGY
4. OUTLOOK
ORGANIC GROWTH OF 1.6%

WESTERN EUROPE
- France improved excluding the calendar impact despite the harsh weather conditions, led by new-builds and renovation
- In all other main countries: negative calendar impact and harsh weather conditions, but underlying trends remain well-oriented, with the exception of the UK

NORTH AMERICA
- Construction markets continued to trend well
- Ongoing good momentum in industrial markets

ASIA & EMERGING COUNTRIES
- Robust growth in all regions, including Brazil which improved overall
**FIRST-QUARTER SALES**

(€m)

- Depreciation of the **US dollar** and certain Asian and emerging country currencies
- Impact of **acquisitions**
- Continued **increase in prices**: +2.1%, against a higher comparison basis
- **Volumes declined 0.5%**, hit by a negative calendar impact of around 2% and by harsh weather conditions, especially in Europe

- 2017: **9,937**
- 2018: **9,755**

**Exchange rates**

- +1.6% like-for-like

**Structure**

- +1.3%

**Price**

- +2.1%

**Volumes**

- -0.5%

**Group -1.8% on an actual basis**
QUARTERLY ORGANIC GROWTH
(% change in sales on a like-for-like basis)

H1/H1: +4.1%
H1/H1: +3.5%
H1/H1: +2.9%
H1/H1: +0.5%
H2/H2: +0.2%
H2/H2: +0.3%
H2/H2: +2.3%
H2/H2: +6.0%
H2/H2: +6.0%* 

*excl. Verallia as from Q2-2015

Volumes
Price

Q1-14/ Q2-14/ Q3-14/ Q4-14/ Q1-15/ Q2-15/ Q3-15/ Q4-15/ Q1-16/ Q2-16/ Q3-16/ Q4-16/ Q1-17/ Q2-17/ Q3-17/ Q4-17/ Q1-18/ Q2-18/ Q3-18/ Q4-18/ Q1-19/ Q2-19/ Q3-19/ Q4-19/ Q1-20/
NET SALES BY BUSINESS SECTOR, at end of March
(% change in 2018/2017 like-for-like sales)

Innovative Materials
+3.7%
Flat Glass: +0.9%
HPM: +7.3%

Construction Products
+3.2%
Interior Solutions: +4.6%
Exterior Solutions: +1.6%

Building Distribution
45%

-0.7%

* breakdown of Q1-2018 sales
NET SALES BY REGION, at end of March
(% change in 2018/2017 like-for-like sales)

- North America: +4.6%
- Asia & emerging countries: +6.8%
- France: +1.3%
- Other Western Europe: -1.1%

* breakdown of Q1-2018 sales

- Asia (8%): +5.6%
- Latin America (6%): +7.8%
- Eastern Europe (5%): +3.9%
- Africa & Middle-East (2%): +20.6%

- Nordics (12%): -2.1%
- UK (10%): -2.9%
- Germany (8%): -3.4%
- Southern Europe (5%): +5.6%
1. FIRST-QUARTER 2018 SALES
2. 2017 RESULTS
3. STRATEGY
4. OUTLOOK
# 2017 Key Figures

<table>
<thead>
<tr>
<th>Sales</th>
<th>Actual</th>
<th>Like-for-like</th>
<th>Changes based on 2017 vs 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>€40.8bn</td>
<td>+4.4%</td>
<td>+4.7%</td>
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<table>
<thead>
<tr>
<th>Operating income</th>
<th>Actual</th>
<th>Like-for-like</th>
<th>Changes based on 2017 vs 2016</th>
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</thead>
<tbody>
<tr>
<td>€3,028m</td>
<td>+7.5%</td>
<td>+9.6%</td>
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**Operating margin:** 7.4%, +20bp

<table>
<thead>
<tr>
<th>Recurring net income</th>
<th>Actual</th>
<th>Changes based on 2017 vs 2016</th>
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</thead>
<tbody>
<tr>
<td>€1,631m</td>
<td>+16.7%</td>
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**EPS:** €2.96, +17.0%

<table>
<thead>
<tr>
<th>Free cash flow</th>
<th>+7.6%</th>
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<tr>
<td>€1,353m</td>
<td></td>
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<table>
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<tr>
<th>Net debt</th>
<th>1.4x</th>
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<tbody>
<tr>
<td>€5,955m</td>
<td>EBITDA</td>
<td>= EBITDA</td>
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</table>

*Changes based on 2017 vs 2016*
Saint-Gobain experienced an **important cyber-attack** on June 27, impacting the majority of our systems.

Thanks to the rapid reaction of all Saint-Gobain teams:

- Limited impact on production and on customers
- Quick recovery despite the intensity of the attack

**Impacts on FY 2017:**

- **Operating income**: -€80m
- **Areas particularly impacted:**
  - Western Europe (Nordic countries, Germany, France)
  - Building Distribution and Construction Products

IT infrastructure rebuilt in record time and protection measures reinforced
GOOD ORGANIC GROWTH DYNAMIC IN SUPPORTIVE MARKETS OVERALL

WESTERN EUROPE
» France confirmed its recovery, with dynamic new-build activity and progress in renovation
» Other Western European countries delivered further good growth; continued lack of visibility in the UK; Germany remains hesitant

NORTH AMERICA
» Construction volumes continued to trend well
» Good improvement overall in industry

ASIA AND EMERGING COUNTRIES
» Robust organic growth in all regions: Asia, Latin America, Eastern Europe, Africa & Middle East
HIGHLIGHTS

» **Solid organic growth** in all Business Sectors and regions *(up 4.7%)*; **acceleration in H2** *(up 6.0%)* and in Q4 *(up 6.5%)*

» **Positive trends** in **sales prices**, **up 2.0%**; **acceleration in H2** *(up 2.3%)* and in Q4 *(up 2.7%)*

» **Further rise in operating income**, **up 9.6%** like-for-like *(up 12.4% in H2)*, and in **operating margin**, **up to 7.4% from 7.2%** with €290m in cost savings *(versus 2016)*

» **Further strong increase in recurring net income**, **up 16.7%**

» **12.3% rise in capex to €1,538m** and **7.6% increase in free cash flow to €1,353m**

» **Acceleration in acquisitions**: **28 acquisitions** of small and mid-sized companies for €641 million

» **Further rise in ROI** to **20.8%** and in **ROCE** to **11.2%**

» **Buyback of 8.3 million shares** and dividend up at €1.30 per share, to be paid wholly in cash
2016-2017 QUARTERLY PRICE EVOLUTION BY BUSINESS SECTOR

Innovative Materials
- 2016: Q1 (+2.2%), Q2 (+2.0%), Q3 (+1.9%), Q4 (+1.7%)
- 2017: Q1 (+1.6%), Q2 (+2.2%)

Construction Products
- 2016: Q1 (-1.8%), Q2 (-1.9%), Q3 (+0.8%), Q4 (+2.5%)
- 2017: Q1 (+3.1%), Q2 (+3.6%)

Building Distribution
- 2016: Q1 (+0.5%), Q2 (-0.4%), Q3 (-0.4%), Q4 (+1.1%)
- 2017: Q1 (+1.8%), Q2 (+1.5%), Q3 (+2.3%)

Group total
- 2016: Q1 (+3.3%), Q2 (+2.0%), Q3 (+1.3%), Q4 (+1.6%)
- 2017: Q1 (+2.2%), Q2 (+2.0%), Q3 (+1.3%), Q4 (+2.7%)
Operating income up 7.5% on an actual basis

Improved Group margin at 7.4%
OPERATING INCOME BY BUSINESS SECTOR AND DIVISION
(€m and % of sales)

Innovative Materials (I.M.)
- H1-16: 552 (11.2%)
- H2-16: 554 (11.2%)
- H1-17: 284 (9.9%)
- H2-16: 287 (10.2%)

Construction Products (C.P.)
- H1-16: 564 (9.4%)
- H2-16: 542 (9.2%)
- H1-17: 229 (8.3%)
- H2-17: 202 (7.6%)

Building Distribution
- H1-16: 586 (9.3%)
- H2-16: 249 (8.4%)
- H1-17: 242 (8.4%)
- H2-17: 253 (4.0%)
- H1-17: 363 (4.1%)
- H2-17: 248 (2.7%)

HPM
- H1-16: 318 (14.0%)
- H2-16: 298 (13.3%)
- H1-17: 359 (15.0%)
- H2-17: 356 (15.1%)

Interior Solutions
- H1-16: 335 (10.2%)
- H2-16: 340 (10.3%)
- H1-17: 337 (9.9%)
- H2-17: 315 (9.1%)

Exterior Solutions
- H1-16: 229 (8.3%)
- H2-16: 202 (7.6%)
- H1-17: 249 (8.4%)
- H2-17: 253 (4.0%)

OPERATING INCOME BY REGION
(€m and % of sales)

France
- H1-16: 124 (2.4%)  
- H2-16: 177 (3.6%)  
- H1-17: 133 (2.5%)  
- H2-17: 198 (3.8%)

Other Western Europe
- H1-16: 513 (5.9%)  
- H2-16: 559 (6.5%)  
- H1-17: 521 (6.0%)  
- H2-17: 513 (5.8%)

North America
- H1-16: 310 (11.6%)  
- H2-16: 234 (9.3%)  
- H1-17: 334 (11.8%)  
- H2-17: 277 (10.7%)

Asia & emerging countries
- H1-16: 421 (10.6%)  
- H2-16: 480 (11.1%)  
- H1-17: 477 (10.7%)  
- H2-17: 575 (12.2%)
## INCOME STATEMENT

(€m)

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<thead>
<tr>
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<tbody>
<tr>
<td><strong>Operating income</strong></td>
<td>2,818</td>
<td>3,028</td>
<td>+7.5%</td>
</tr>
<tr>
<td>Non-operating costs</td>
<td>(312)</td>
<td>(337)</td>
<td></td>
</tr>
<tr>
<td>o/w provision for asbestos-related litigation</td>
<td>(90)</td>
<td>(90)</td>
<td></td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>(202)</td>
<td>(180)</td>
<td></td>
</tr>
<tr>
<td><strong>Business income</strong></td>
<td>2,304</td>
<td>2,511</td>
<td>+9.0%</td>
</tr>
<tr>
<td><strong>Net financial expense</strong></td>
<td>(541)</td>
<td>(448)</td>
<td></td>
</tr>
<tr>
<td><em>Average cost of gross debt</em></td>
<td>3.4%</td>
<td>2.8%</td>
<td></td>
</tr>
<tr>
<td><strong>Income tax</strong></td>
<td>(416)</td>
<td>(438)</td>
<td></td>
</tr>
<tr>
<td><em>Tax rate on recurring net income</em></td>
<td>27%</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td><strong>Net attributable income</strong></td>
<td>1,311</td>
<td>1,566</td>
<td>+19.5%</td>
</tr>
<tr>
<td><strong>EPS (€)</strong></td>
<td>2.36</td>
<td>2.84</td>
<td>+20.3%</td>
</tr>
<tr>
<td><strong>Recurring net income</strong></td>
<td>1,398</td>
<td>1,631</td>
<td>+16.7%</td>
</tr>
<tr>
<td><strong>Recurring EPS (€)</strong></td>
<td>2.53</td>
<td>2.96</td>
<td>+17.0%</td>
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</tbody>
</table>
**RECURRING NET INCOME (€m)**

2017/2016: +16.7%

- 2016: 1,398
- 2017: 1,631

**Recurring EPS: €2.96 (+17.0%)**

*Net attributable income excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions*

**NET INCOME (€m)**

2017/2016: +19.5%

- 2016: 1,311
- 2017: 1,566

**EPS: €2.84 (+20.3%)**

*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)

Stable in no. of days over 12 months

Ongoing tight rein on operating WCR
FURTHER IMPROVEMENT IN ROI AND ROCE
(before tax)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
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<tbody>
<tr>
<td>ROI</td>
<td>18.0%</td>
<td>18.7%</td>
<td>20.8%</td>
</tr>
<tr>
<td>ROCE</td>
<td>9.6%</td>
<td>10.1%</td>
<td>11.2%</td>
</tr>
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2015 2016 2017
**NET DEBT AND SHAREHOLDERS’ EQUITY**

(€bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net debt/shareholders’ equity</th>
<th>Net debt/EBITDA*</th>
</tr>
</thead>
<tbody>
<tr>
<td>12-2012</td>
<td>47%</td>
<td>1.9</td>
</tr>
<tr>
<td>12-2013</td>
<td>42%</td>
<td>1.8</td>
</tr>
<tr>
<td>12-2014</td>
<td>39%</td>
<td>1.8</td>
</tr>
<tr>
<td>12-2015</td>
<td>25%</td>
<td>1.2</td>
</tr>
<tr>
<td>12-2016</td>
<td>29%</td>
<td>1.4</td>
</tr>
<tr>
<td>12-2017</td>
<td>32%</td>
<td>1.4</td>
</tr>
</tbody>
</table>

- **Strong balance sheet maintained**

*EBITDA = operating income + operating depreciation/amortization over a 12-month period*
1. FIRST-QUARTER 2018 SALES
2. 2017 RESULTS
3. STRATEGY
4. OUTLOOK
IN LINE WITH THE GROUP’S STRATEGIC ROADMAP

1. Growth

2. Cost savings

3. Digital transformation

4. Acquisitions
GROWTH ACCELERATING

- Growth driven by a recovery in our markets
  - France: up 3.5% in 2017 versus 1.9% GDP growth
  - North America: up 6.0% in 2017 versus 2.3% GDP growth

- Growth driven by innovation
  - More resistant Habito board: up ~100% (m²) in 2017
  - SageGlass electrochromic glass: up ~75% (m²) in 2017

- Growth driven by greater penetration of our solutions in Asia & emerging countries
  - Organic growth:
    - up 9.2% in 2017
    - up 11.4% in H2, with an improvement in Brazil
  - Major and growing contribution to the Group’s operating income:
    - 21% in 2012 ➔ 35% in 2017
CAPEX FOCUSED ON PROFITABLE GROWTH

Supporting growth in the most attractive markets and regions

Carving out a decisive competitive edge in digital and logistics excellence, particularly in Building Distribution

Rolling out Industry 4.0 in our plants and increasing our productivity

Continuing our efforts to reduce the unit cost of investments

Growth in Capex by type

- **2016**: €1.4bn
  - Growth
  - Digital & logistics
  - Productivity
  - Maintenance, EHS & other

- **2017**: €1.5bn
  - 2/3

- **2018**: ~€1.7bn
  - 1/3

Capex yielding good returns, remaining within the range announced (3.5% - 4.5%)
IN LINE WITH THE GROUP’S STRATEGIC ROADMAP

1. Growth ✓
2. Cost savings ✓
3. Digital transformation
4. Acquisitions
NEW COST CUTTING INITIATIVES ARE STARTING TO BEAR FRUIT

- **Number of plants** accredited “Bronze” and “Silver” for operational excellence
  - up ~20% in 2017

- **Number of robots** in our plants
  - up ~10% in 2017

- **Number of sites** running big data/smart data projects
  - up ~100% in 2017

- **Productivity investments** (industry)
  - up ~70% between 2016 and 2018
IN LINE WITH THE GROUP’S STRATEGIC ROADMAP

1. Growth  
2. Cost savings  
3. Digital transformation  
4. Acquisitions
PROGRESS IN ALL OUR DIGITAL INITIATIVES

» Number of products covered by PIM*
  » up 140% in 2017

» Roll-out of BIM**
  » 38 BIM projects in progress at end-2017

» Intermediation leads
  » x 5 in 2017

» IT expenditure (Capex and Opex) in Building Distribution
  » up 12% in 2017

» Expenditure related to cyber-security
  » up 30% between 2016 and 2018

* Product Information Management
** Building Information Modeling
Dahl Norway: Expanded and automated warehouse in Langhus - Oslo
IN LINE WITH THE GROUP’S STRATEGIC ROADMAP

1. Growth ✓
2. Cost savings ✓
3. Digital transformation ✓
4. Acquisitions ✓
SIGNIFICANT ACCELERATION IN SMALL AND MID-SIZED ACQUISITIONS

**Small and mid-sized acquisitions**
Financial investments, €m

- 2011: 750
- 2012: 500
- 2013: 250
- 2014: 0
- 2015: 250
- 2016: 500
- Obj. 2017-2020: 750
- 2017: 750

**≤ 7 x EBITDA including full-year synergies**

*2017 acquisitions*
THREE COMPLEMENTARY STRATEGIC AXES

Bolt-on acquisitions

Swiftly unlock cost synergies

Acquisition of SimTek in the US (Siding)

Also: Glava, Kirson, Biolink, etc.

New geographies

Accelerate penetration of high value-added solutions in emerging markets

Acquisition of Megaflex in Argentina (Waterproofing)

Also: Isoroc, KIMMCO*, Tumelero, etc.

Technological niches

Break new ground thanks to new technologies or business models

Acquisition of Tekbond in Brazil (Adhesives)

Also: Maris, Scotframe, etc.

* Acquisition finalized in January 2018
1. FIRST-QUARTER 2018 SALES
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SHAREHOLDER RETURNS

2017 DIVIDEND  (Board’s recommendation to the June 7, 2018 AGM)

€1.30 PER SHARE  (vs dividend of €1.26 per share in 2016)

- Dividend yield at Dec. 29, 2017: 2.8%
- Payout ratio based on recurring net income: 44%

PAYMENT

- in cash

CALENDAR

- June 7, 2018: AGM
- June 11, 2018: Ex-dividend date
- June 13, 2018: Payment date

€403m in SHARE BUYBACKS

- In line with the Group’s long-term objectives, buyback of 8.3 million shares
- Cancellation of 7 million shares
ECONOMIC CLIMATE

- Further growth in **France**, led by the new-build market and by progress in renovation.
- Progression in **other Western European countries**, despite continued uncertainty in the UK.
- Growth in **North America** in both construction markets and industry.
- Good momentum in **Asia and emerging countries**.

GROUP BUSINESSES

- **Innovative Materials**: continued growth and good margin level.
- **Construction Products**: better volumes and prices, focus on the price-cost spread.
- **Building Distribution**: should benefit from volume growth in Western Europe.
2018 PRIORITIES

- **Focus on sales prices** amid continued inflationary pressure on costs

- **Continuation of the cost cutting program, targeting cost savings of around €300m over the year** (calculated on the 2017 cost base)

- **Capital expenditure program of around €1.7bn** (representing around 4% of sales), with a focus on growth capex outside Western Europe and also on productivity (Industry 4.0) and digital transformation, particularly in Building Distribution

- **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 2018
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.