

LETTER TO SHAREHOLDERS

2019 RESULTS

SIGNIFICANT IMPROVEMENT

SALES

€42.6bn

+2.4%

like-for-like

OPERATING INCOME

€3.39bn

+4.7%

like-for-like

RECURRING NET INCOME

€1.91bn

+10.0%

FREE CASH FLOW

€1.86bn

+50.2%

OPERATING MARGIN

8.0%

+30 basis points

DIVIDEND

INCREASED TO

€1.38 per share

Paid wholly in cash

Amount to be recommended to the AGM
on June 4, 2020

CIRCULAR ECONOMY

ECO-DESIGN
FOR BUILDING
SUSTAINABLY

THE VIRTUOUS HOUSING CIRCLE

2019 RESULTS

PAGES 2 & 3

**CIRCULAR
ECONOMY**

PAGES 4 & 5

A FEW WORDS

FROM PIERRE-ANDRE DE CHALENDAR

Chairman and Chief Executive Officer

"Saint-Gobain has delivered another significant improvement in its annual results, despite a less supportive market environment in the second half. Our strategic decisions are paying off, with the Group's positioning in the buoyant markets of energy-efficient renovation and other high value-added segments, and the swift and rigorous execution of our transformation plan. We have exceeded our commitments in terms of disposals, with around €3.3 billion in sales divested at the end of 2019 for over €1 billion. We continue to optimize our portfolio, with both divestments and value-creating acquisitions in the context of the new organization. For 2020, in a more uncertain market environment, Saint-Gobain should continue to benefit from its attractive positioning and from the results of its "Transform & Grow" initiative, and is targeting a further like-for-like increase in operating income with an uncertainty about the impact of the coronavirus."

AND FROM BENOIT BAZIN

Chief Operating Officer

"Our teams worked hard to make the roll-out of the new organization a great success, providing us with added agility and growth, along with increased efficiency for our customers. Thanks to the accelerated implementation of our cost savings plan, we were able to unlock €120 million in 2019 compared to over €80 million as previously announced. The rotation in our portfolio helped enhance the Group's growth and profitability profile, thanks both to the success of our divestment program and the completion of 18 selective acquisitions. The acquisition of Continental Building Products was finalized quickly on February 3, 2020 and the integration plan is already in place. It will strengthen our positioning on the dynamic North American construction market."

The Group's 2019 **sales** totaled **€42,573 million**, up 1.9% on a reported basis and up **2.4% like-for-like**, with prices up 1.8% in a less inflationary environment for raw material and energy costs. Volumes were up 0.6% in a less supportive market environment overall.

Changes in Group structure had a negative 1.2% impact on sales, and a particularly negative impact of 4.7% in the fourth quarter, reflecting the acceleration in the divestment program.

Sales growth benefited from a positive 0.7% **currency effect**, resulting mainly from the appreciation of the US dollar against the euro, despite the depreciation of Nordic krona and the Brazilian real.

Operating income rose once again in 2019, up 5.7% as reported and 4.7% like-for-like over the year, including a rise of 1.6% in the second half. The Group's operating margin increased to 8.0% from 7.7% in 2018 (7.5% as reported prior to the IFRS 16 adjustment), with 8.4% in the second half (versus 8.1% in second-half 2018).

Acceleration in the Group's transformation continues apace:

- Divestments completed to date for an amount of over €1 billion represent sales of approximately €3.3 billion, exceeding the initial target of more than €3 billion by the end of 2019. The full-year operating margin impact is an improvement of more than 40 basis points, reaching the "Transform & Grow" target. In 2019 alone, the positive operating margin impact was 15 basis points.
- The program to unlock €250 million in additional cost savings over the period 2019-2021 thanks to the new organization is producing results faster than initially expected, with an accelerated timetable: a €120 million impact on operating income in 2019 (versus over €80 million estimated at the end of July), and overall savings of €200 million in 2020 and €250 million in 2021.

2020 PRIORITIES

1) Improvement in the Group's profitable growth profile, driven by:

- the **continuation of its portfolio optimization** (divestments and acquisitions); the integration of Continental Building Products;
- the **strategy of differentiation and innovation**, to improve our customers' productivity, develop sustainable solutions and contribute to the wellbeing of all;

2) Increased free cash flow generation and further increase in operating margin, driven by:

- **constant focus on the price-cost spread** thanks to strong pricing discipline;
- the continuation of the **cost savings program** in the context of "Transform & Grow", unlocking **additional savings of €80 million in 2020** (representing total savings of €200 million over the 2019-2020 period);
- a **decrease in property, plant and equipment and intangible assets investments** (capital expenditure) to around **€1.6 billion** after an investment peak and thanks to continued optimization of maintenance capital expenditure;
- the continuation of the **operational excellence** program, aimed at offsetting inflation (excluding raw material and energy costs): around **€300 million in additional cost savings** in 2020 (calculated on the 2019 cost base); continued discipline on cost structure.

For 2020, the Group is targeting a further like-for-like increase in operating income with an uncertainty about the impact of the coronavirus.

RESULTS BY SEGMENT

HIGH PERFORMANCE SOLUTIONS

+0.4%
like-for-like

18% OF GROUP SALES, o/w:*

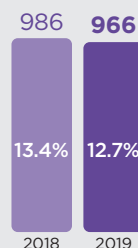
Mobility (7%): **+0.5%**
Other industries (11%): **+0.3%**

SALES

€7,584m

OPERATING INCOME (€m) AND MARGIN (%)

€966m



NORTHERN EUROPE

+1.7%
like-for-like

34% OF GROUP SALES, o/w:*

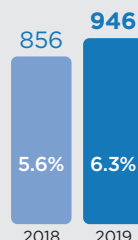
Nordics (13%): **+3.4%**
UK - Ireland (10%): **-1.2%**
Germany - Austria (6%): **+2.0%**

SALES

€15,058m

OPERATING INCOME (€m) AND MARGIN (%)

€946m



SOUTHERN EUROPE - ME & AFRICA

+3.3%
like-for-like

31% OF GROUP SALES, o/w:*

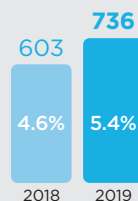
France (24%): **+3.1%**
Spain - Italy (4%): **+7.6%**

SALES

€13,624m

OPERATING INCOME (€m) AND MARGIN (%)

€736m



AMERICAS

+2.9%
like-for-like

13% OF GROUP SALES, o/w:*

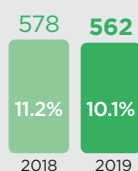
North America (9%): **+2.1%**
Latin America (4%): **+4.6%**

SALES

€5,555m

OPERATING INCOME (€m) AND MARGIN (%)

€562m



ASIA-PACIFIC

+4.1%
like-for-like

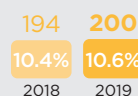
4% OF GROUP SALES

SALES

€1,888m

OPERATING INCOME (€m) AND MARGIN (%)

€200m



CIRCULAR ECONOMY: AN ANTI-WASTE ISSUE

In a world in which the accumulation of waste and the scarcity of natural resources continue to grow, we need to rethink our way of doing things. Whether we are consumers or a business, a new type of economy is called for.

Saint-Gobain, one of the world's leading industrial groups, is committed to the circular economy, taking into account the entire product life cycle.

“

The challenge is to build properly from the outset, without waste, and to design for deconstruction, by seeing buildings as genuine repositories of materials.

”

Pierre-André de CHALENDAR

WHAT IS THE CIRCULAR ECONOMY ?

The notion of a circular economy gained traction at the French environment forum (*Grenelle de l'environnement*) in 2007 and stands for a new way of producing and consuming involving stakeholders at all levels of society.

A circular economy functions as a loop and targets zero waste. Its aim is to produce products and services while significantly limiting consumption, along with raw material and non-renewable energy waste.

Nothing is wasted, everything is transformed...

Every year, humanity consumes more than the planet can provide. In order to address this problem, businesses must choose to move from a linear logic to a circular logic by transforming the way they operate.

The fight against waste: an ecological challenge

The building sector is far from being top of the class in sustainability: it consumes an enormous quantity of resources and generates substantial waste. **Forty percent of global resources are used in the manufacture of building materials**, particularly sand for the manufacturing of cement. **The building sector alone produces 40% of the world's solid waste.**

THE CIRCULAR ECONOMY IN THE BUILDING SECTOR



Anyone who has undertaken work on their home realizes this. A significant amount of material is wasted: bigger quantities than required, poor installation, difficult-to-access recycling centers, and so on. And the manufacture of these materials is mostly dependent on finite natural resources. Today's challenge is to build or renovate a greater number of buildings more efficiently and with fewer materials, while at the same time reducing resource waste. The ecological and economic stakes are high.

THE CIRCULAR ECONOMY AT SAINT-GOBAIN

Thanks to its capacity for innovation, the Saint-Gobain Group brings tangible, sustainable solutions to the various challenges posed by the transition to a circular economy. As manufacturer and distributor of building materials, the Group is an important stakeholder in the construction sector. Managing and reducing the impact of resource consumption through the life cycle of its products and services is

therefore among the Group's primary responsibilities. In this respect, our efforts are focused on:

- Improving the design of our products and systems in order to minimize their environmental footprint throughout their life cycle;
- Optimizing our resource consumption;
- Reducing and recovering internal waste generated by our industrial processes;
- Reducing and recovering our products during the installation phase and at the end of their life;
- Developing regional and geographical sustainable economy networks;
- Ensuring data transparency for construction stakeholders.

To improve, you first have to measure

Life Cycle Analysis (LCA) is the main tool used by Saint-Gobain to measure the environmental footprint of products and solutions. Rigorous and comprehensive, LCAs are the most widely used standardized methodology in the sustainable construction market today.

LCAs show where a product has its main environmental impacts, and therefore help Saint-Gobain identify its main priorities for product improvement.

Sustainable Resource Management

In the face of this challenge, in 2015 Saint-Gobain established its Sustainable Resource Management policy aimed at facilitating the transition to a circular economy. **Three main avenues were identified: ensuring maximum recycled content in products, generating minimum worksite waste, and recovering residual waste.** Saint-Gobain set itself the target of halving its unrecovered production waste by 2025 compared to 2010.

To support this approach, the Group is developing in-house tools. SCORE¹, for example, assesses construction product performance in terms of sustainability. SCORE indicators are divided into five categories, including energy and climate, health and the circular economy. This helps the Group identify pathways to innovation, enabling it to develop new, more

sustainable products or improve existing ones.

TO FIND OUT
MORE ABOUT
SCORE



Designing sustainable materials

To reduce material waste:

- Products need to be improved at the design stage;
- Materials need to be rethought considering their uses before, during, and after their life, so that they can be adapted to the cities of the future;
- Products with an extended lifespan need to be on offer for more sustainable buildings;
- Old practices (make-use-discard) need to be replaced by new models (reduce, repurpose, reuse, recycle).

Saint-Gobain uses eco-design to build more flexible and adaptable buildings allowing straightforward customization, without wasting resources.

A few examples: the possibility of removing the glass from a window without having to remove the frame. Walls or ceilings that are removable and easily reusable. Focusing on custom production which also limits the amount of waste generated on worksites, e.g., Lean by Placo, a bespoke plasterboard pre-cutting service. And above all, reinventing uses for buildings to optimize them over time and make every transformation possible.

Materials that can be endlessly recycled

There will always be waste after a building job, but it can be reduced. Closed-loop working and the reintegration into the production chain of materials and products from construction and deconstruction is possible. Industrial processes enable primary natural raw materials to be replaced with recycled materials.



“

We consider that tomorrow's buildings will be more comfortable, affordable, low-carbon and resource-efficient. Buildings will be designed and used in such a manner as to become genuine repositories of materials.

Emmanuel NORMANT

Vice-President, Sustainable Development – Saint-Gobain Group

”

Saint-Gobain exploits this potential with glass, cast iron, and plaster.

Collecting waste to create new materials

In many countries, Saint-Gobain offers to recover waste from its customers. This allows waste from one customer to become the raw materials of another!

Sand is a natural resource that is becoming scarce. By recovering the broken glass from waste, cullet is produced. This cullet can replace sand in the manufacture of glass products, for example flat glass for construction and automotive applications, and glass wool.

In 2008, the Group created France's first recycling system for plaster-based waste. Today, **the plaster recycling system is used in 18 countries** and is being adapted to tackle local issues.

In France, nearly 50,000 tons of plaster are collected and recycled each year through the Placorecycling® service.

In addition to closed-loop recycling, we should also mention “**downcycling**”²: in South Africa, Saint-Gobain Gyproc **recycles plaster waste from its plants to convert it into fertilizer**. Besides dramatically reducing volumes of waste, this solution largely benefits local agriculture and food production.

The circular economy remains dependent on consumption patterns, infrastructure, and the industrial fabric, but also on the legal environment and the conditions in which waste is managed. For this reason, the Group adjusts its policy on a local basis, in close contact with each region. ■

TO FIND OUT
MORE ABOUT
SAINT-GOBAIN'S
CIRCULAR ECONOMY
STRATEGY



¹ SCORE: Sustainability at the CORE of our business.

² Downcycling is the process where unused products are used to produce new products of lesser quality or value.

SAINT-GOBAIN STRENGTHENS ITS PRESENCE STATESIDE



On January 30, 2020, Saint-Gobain announced that Continental Building Products (NYSE: CBPX) obtained shareholder approval to be acquired by Saint-Gobain and that the US anti-trust authorities had approved the transaction. The deal closed on February 3, 2020.

Saint-Gobain acquired all the outstanding shares of Continental Building Products for **US\$37.00 per share**, in cash, for a **total enterprise value of €1,287 million**.

Continental Building Products, a highly respected plasterboard player in North America, employs 645 people and in 2019 had **revenue of US\$505 million** and adjusted EBITDA of US\$126 million, before the generation of at least US\$50 million in synergies by 2022 on a full-year basis. ■

STRATEGIC BENEFITS OF THIS TRANSACTION



Broadens Saint-Gobain's asset portfolio and enhances the Group's ability to provide innovative solutions to a wider customer base.

The combination will allow customers to benefit from an enriched product portfolio supported by Saint-Gobain's global R&D and product development teams.



Increases Saint-Gobain's presence in growth regions in the United States.

Continental Building Products provides a strong geographic complement to Saint-Gobain's North American operations, good positioning in growth regions in the East and Southeast United States, and strong profitability.



Similar culture and shared values.

The integration of both companies will be enabled by similar business cultures and operational models, which will allow the acceleration of value creation for our shareholders and our customers.



Creates opportunities for at least US\$50 million in estimated cost synergies and performance improvements.

These cost synergies are expected by the end of the third year following transaction close (i.e., full-year 2022, one year ahead of the initial schedule). Saint-Gobain expects the synergies will be captured through the integration of Continental Building Products' operations into Saint-Gobain's North America gypsum business.

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

“We are excited to have quickly received all necessary approvals to finalize the acquisition of Continental Building Products. This transaction will allow us to become a leading player in plasterboard and construction solutions across North America. It will enable the Group to enhance its growth and profitability profile, in line with the objectives of our “Transform & Grow” program, and will create value for our shareholders.”

Benoit Bazin, Chief Operating Officer, added

“By combining forces with Continental Building Products, we have a unique opportunity to deliver innovative products to growth markets across North America, while maintaining a superior level of customer service. We are delighted that key leaders of Continental Building Products will be joining our plasterboard business in the US. Our integration plan is on track and we are confident in our ability to deliver the expected synergies.”

SAINT-GOBAIN NEWS



ACQUISITION SAINT-GOBAIN ACQUIRES HIGH TECH METAL SEALS

Saint-Gobain has enriched its portfolio of High Performance Solutions by acquiring High Tech Metal Seals (HTMS), a **designer and manufacturer of engineered metal seals for the industrial, energy and aerospace markets**. This acquisition completes the Group's product range in offering tailor-made solutions for the sealing industry.

The transaction follows the early-2019 acquisition of American Seal and Engineering Co., a leader in technical sealing solutions also used in the energy and aerospace industries as well as in transportation. Created in 1999, HTMS has developed a unique and differentiated niche. It employs about 50 people at its site in Belgium.

DEVELOPMENT SAINT-GOBAIN OPENS ITS FIRST PLANT IN ANGOLA



The new Weber plant located in Luanda, the country's capital in Northwest Angola, has been **manufacturing various types of tile adhesives and grout** since the end of June 2019. Currently, these products are mostly sold on the domestic market but are also expected to be exported to neighboring countries in the long term. The site was built in a record time of two months.

This investment, the result of a joint venture with a local partner, **reflects Saint-Gobain's intention to develop its presence on the African continent**. Angola is the third largest economy in the sub-Saharan African region, after Nigeria and South Africa.

With this brand new Angolan production plant manufacturing mortar-based products, **the Group is now present in 68 countries**.

ACHIEVEMENT SAINT-GOBAIN LAUNCHES ITS NEW ADVERTISING CAMPAIGN, "MISSION TO EARTH"



On November 3, 2019, the Saint-Gobain Group launched its new "MISSION TO EARTH" advertising campaign **designed to promote the positive impact of its solutions, which help protect the planet while also improving the quality of life and wellbeing of all of us** in numerous areas of daily life such as housing, mobility and health.

Through its materials, Saint-Gobain is deeply committed to providing solutions to the major challenges facing the world, such as housing, transport, and ensuring the health of almost 10 billion people by 2050 while also protecting the planet.

This new campaign is based on a video starring an exploration robot, alone on its planet, reminding us that there is nothing more beautiful and important than our life here on Earth. The story features all of Saint-Gobain's businesses (housing, mobility, health, etc.) fulfilling their role of improving the wellbeing of each of us and protecting the future of us all.

Last September, Pierre-André de Chalendar, Chairman and Chief Executive Officer of Saint-Gobain, announced **Saint-Gobain's commitment to achieving zero net carbon emissions by 2050**. While Saint-Gobain materials contribute to space exploration (satellites, rockets, robots and astronomical space observatories), it is clearly here on Earth that they perform their most important role.

To watch the clip:

<https://www.youtube.com/watch?v=0mo6VU8RuQ0>

ACHIEVEMENT SAINT-GOBAIN IN AFRICA'S TALLEST BUILDING



Saint-Gobain is proud to have played a key role in the construction of the Leonardo tower in Johannesburg (South Africa) which, **at a height of 234 meters**, is now the continent's tallest building.

More than 24,000 Gyproc Habito® plasterboards, the equivalent of nine rugby pitches, were installed in the tower. This board was selected based on its significant advantages that simplified the construction process: a combination of lightweight application, robustness, high-level finishing, and speed of installation. Besides these plasterboards installed in the interior walls of the building, **other Saint-Gobain materials were also chosen for this project, including Gyproc metal frames, Isover glass wool, as well as Weber tile adhesives and grouts**.

HEALTHCARE SAINT-GOBAIN DELIVERS A SEAL FOR DEXCOM'S G6® SYSTEM

Saint-Gobain has delivered a seal for Dexcom's G6® system, a **wearable glucose monitoring system that simplifies the daily lives of patients**.

Monitoring blood glucose levels is a constant concern for people with Type 1 diabetes because it allows them to determine if levels are within a normal and safe range, or if they are at risk. The introduction of Dexcom's G6® glucose monitoring system, a wearable, easy-to-use monitor which eliminates the need for finger pricks throughout the day, therefore meets the high demand from patients. Saint-Gobain's Life Sciences medical team played an active role, co-developing a component in the new G6® glucose monitoring system and thereby helping Dexcom cater to this demand.

Saint-Gobain was selected for its prototyping skills, its proven ability to drive an idea through the design stage and into high-volume production, and its expertise in micro-molding.



1. The small sensor used to measure blood sugar levels
2. The transmitter, connected to the sensor, which sends the data remotely
3. The receiver, a separate box or app that can be consulted by smartphone

SAINT-GOBAIN
STEPS UP ITS
TRANSFORMATION



SEE THE
CORPORATE
BROCHURE
TO FIND OUT
MORE



SHAREHOLDER'S NOTEBOOK

DATES FOR YOUR DIARY

STORE VISITS

Tuesday April 7, 2020 - 2:00pm to 4:00pm

Envie de Salle de Bain store
Champagne-au-Mont-d'Or (69)

Tuesday May 26, 2020 - 10:00am to midday

Enseigne Point.P store
Paris 15 (75)

SITE VISITS

Thursday May 14, 2020 - 9:30am to 12:30pm

Saint-Gobain Weber
Bonneuil-sur-Marne (94)

SIGN UP FOR THE E-LETTER TO SHAREHOLDERS

To receive your copy of the Letter to Shareholders and keep abreast of all the latest Saint-Gobain news, sign up for the e-Letter to Shareholders in the Shareholders section of www.saint-gobain.com or send an e-mail to actionnaires@saint-gobain.com



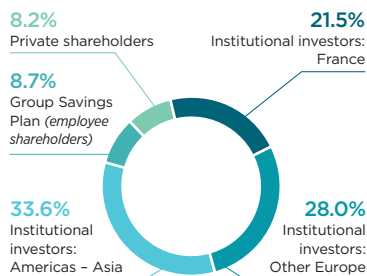
NUMBER OF SHARES OUTSTANDING

(at December 31, 2019)

542,087,728

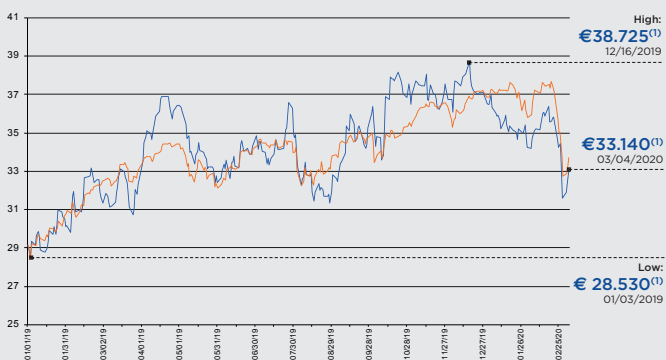
OWNERSHIP STRUCTURE

(at December 31, 2019 - %, estimated)



SAINT-GOBAIN SHARE PERFORMANCE

12/31/2018 TO 03/04/2020



— (1) Saint-Gobain share price

— CAC 40

| Recent performance at 03/04/2020 (%) | Saint-Gobain share price | CAC 40 |
|--------------------------------------|--------------------------|--------|
| Trailing month | -4.6% | -7.9% |
| Trailing 3 months | -10.8% | -5.8% |
| Trailing 6 months | +0.9% | -1.2% |
| Trailing 12 months | +4.1% | +3.4% |
| Since 12/31/2018 | +13.6% | +15.5% |

YOUR CONTACTS

Saint-Gobain's Shareholder Relations Department will be pleased to answer any enquiries. Please feel free to contact them:

• By dialing:

0 800 32 33 33  from France (calls free of charge from landlines)

or **0033 (0)1 47 62 33 33** from outside France

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• By e-mail, at actionnaires@saint-gobain.com

• Via the Saint-Gobain Shareholder App



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