



Recent Results and Outlook

October 2017



- 
1. **9 MONTH SALES**
 2. **H1 2017 RESULTS**
 3. **OUTLOOK**

GOOD ORGANIC GROWTH AT 4.2% FOR THE NINE-MONTH PERIOD



WESTERN EUROPE

- » France continued to **improve**
- » Other Western European countries delivered further **good growth**, led by the Nordics; continued lack of visibility in the UK; Germany remained hesitant



NORTH AMERICA

- » **Upbeat activity** in construction markets
- » Industrial markets up overall



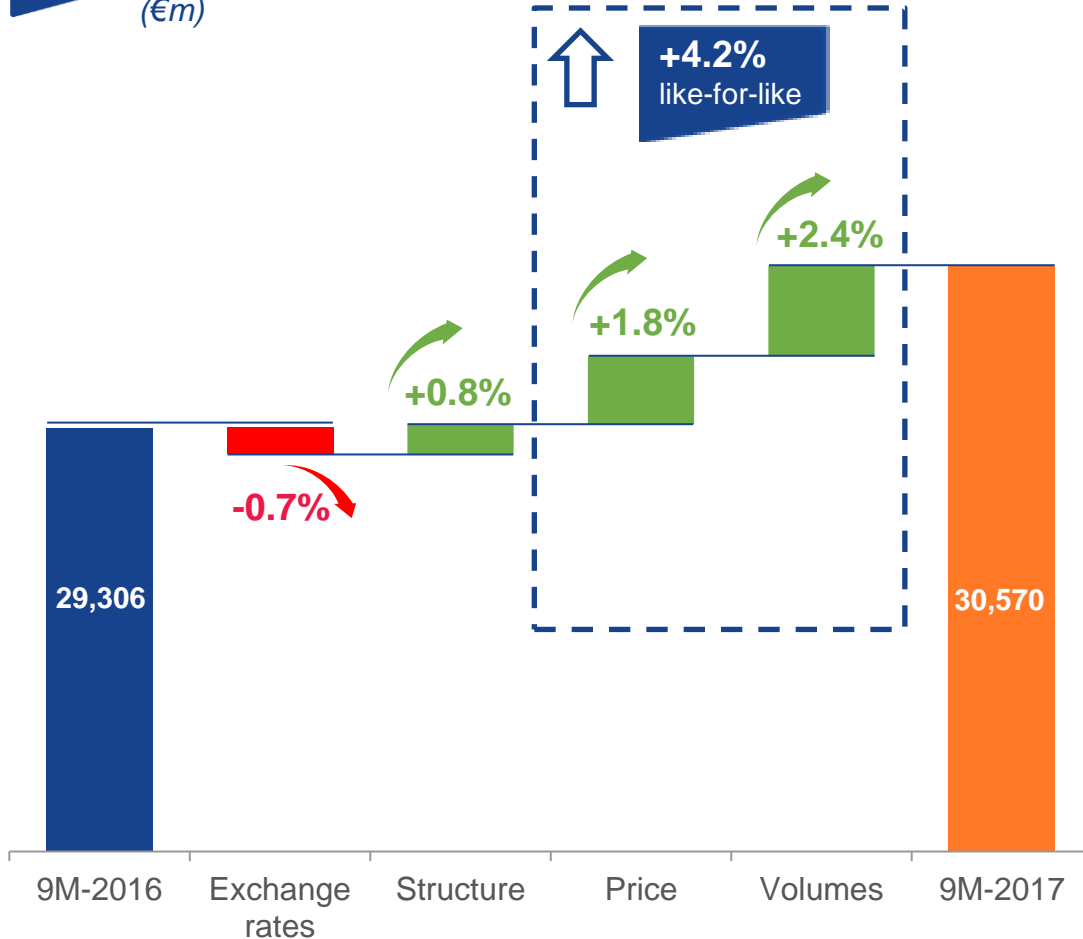
ASIA & EMERGING COUNTRIES

- » **Good growth** in all regions: Asia, Latin America, Eastern Europe, Africa & Middle East

NINE-MONTH SALES

(€m)

Group **+4.3%**
actual



- Depreciation of the **pound sterling** and some currencies in Asia and emerging countries against the euro; **US dollar turning negative in Q3**
- Impact of acquisitions made in **Asia and emerging countries**, in new **niche technologies** and services, and in **Building Distribution**
- **Continuing rise** in raw material and energy costs
- **Better volumes** in all Business Sectors and regions

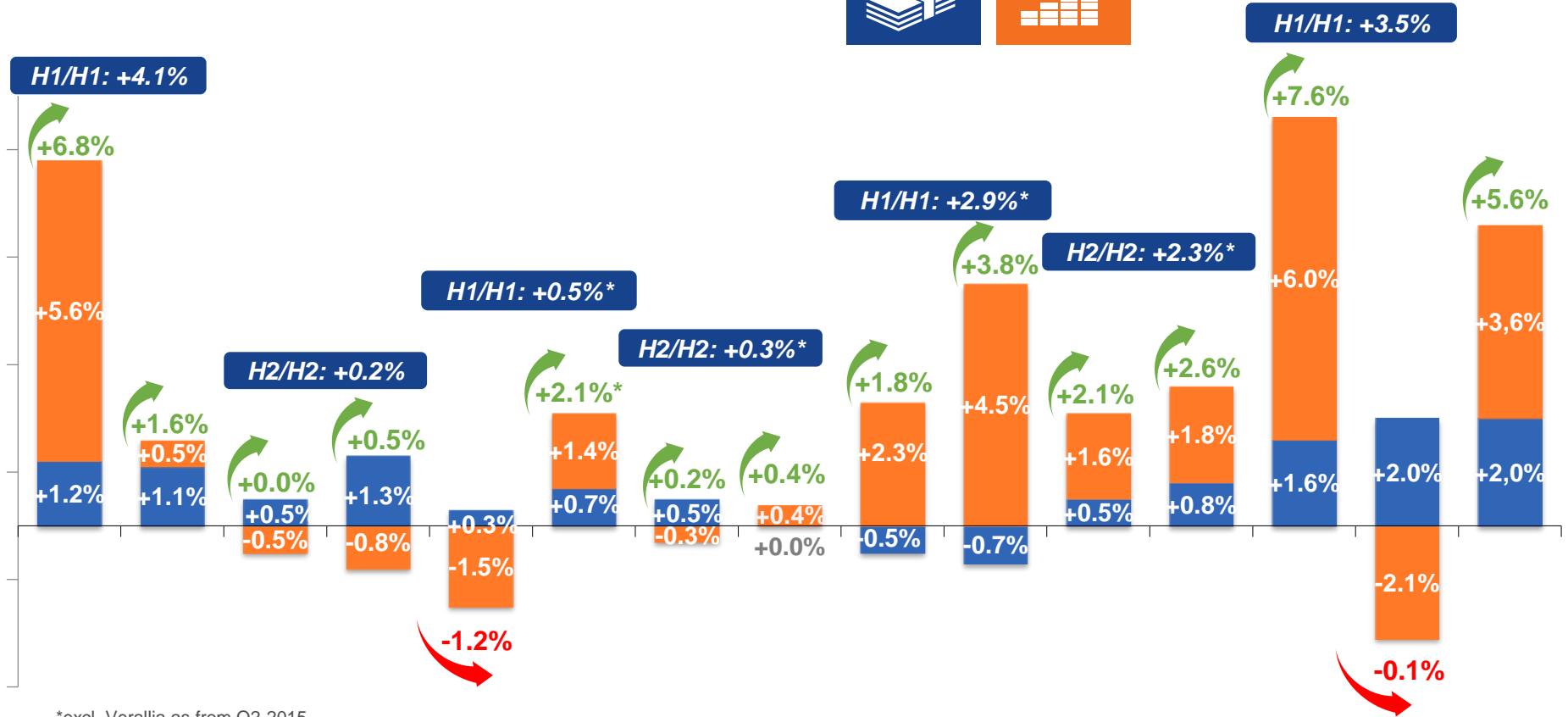
QUARTERLY ORGANIC GROWTH

(% change in sales on a like-for-like basis)

Price



Volumes



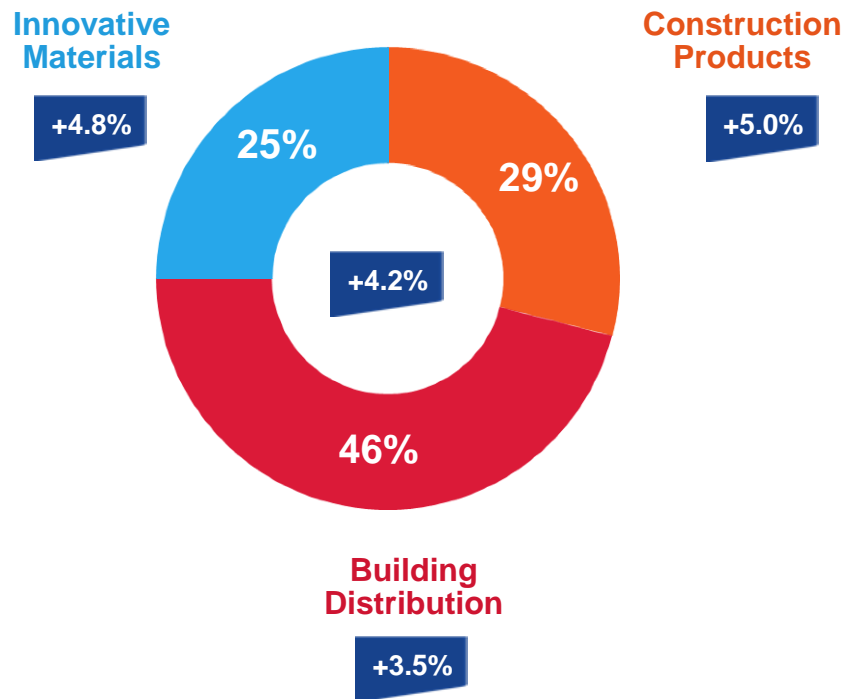
*excl. Verallia as from Q2-2015

Q1-14/
Q1-13 Q2-14/
Q2-13 Q3-14/
Q3-13 Q4-14/
Q4-13 Q1-15/
Q1-14 Q2-15/
Q2-14 Q3-15/
Q3-14 Q4-15/
Q4-14 Q1-16/
Q1-15 Q2-16/
Q2-15 Q3-16/
Q3-15 Q4-16/
Q4-15 Q1-17/
Q1-16 Q2-17/
Q2-16 Q3-17/
Q3-16

BREAKDOWN OF SALES at end of September

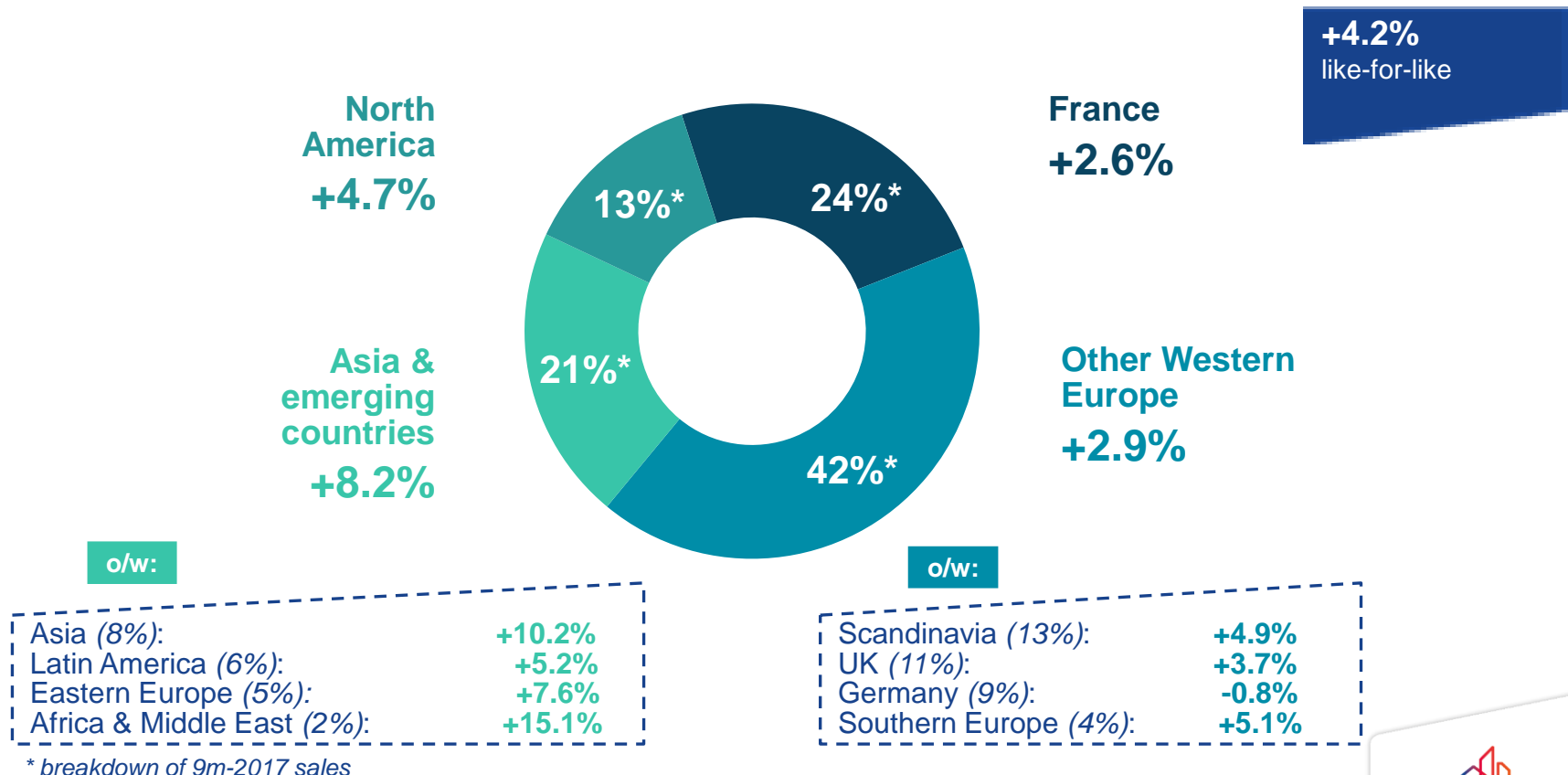
9M-2017 Sales

% organic growth and
% Business Sector sales vs Group sales



SALES TRENDS BY REGION

(% change in 9m-2017/9m-2016 like-for-like sales)



- 
1. 9 MONTH SALES
2. H1 2017 RESULTS
3. OUTLOOK

SAINT-GOBAIN

H1 2017 KEY FIGURES

Sales
€20.4bn

Actual Like-for-like

+4.4%

+3.5%



Operating income
€1,465m

Actual Like-for-like

+7.1%

+6.6%



Operating margin: **7.2%**, +20 bp

Recurring net income
€751m

EPS: **€1.35**, +19.5%

Actual

+20.4%



Free cash flow
€983m

+19.4%



Net debt
€6,816m

1.7x
EBITDA

=



Changes based on H1-17 vs H1-16

JUNE 27, 2017 CYBER-ATTACK

- » 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 intensity of the attack
- » Nevertheless we experienced the following negative impacts:
 - » Estimated at **€220m on sales** and **€65m on operating income** for H1-2017, equivalent to 1.1% of organic sales growth and 4.4% of operating income
 - » Full-year 2017 estimate: **< €250m** on sales and **€80m** on operating income
 - » Areas particularly impacted:
 - » Western Europe (Nordics, Germany, France)
 - » Building Distribution and Construction Products
- » IT infrastructure rebuilt in record time with strong reinforcement of our protection measures



WESTERN EUROPE

- » France improving, led by new-builds
- » Further growth in all other main countries except Germany, down slightly
- » Margin growth



NORTH AMERICA

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



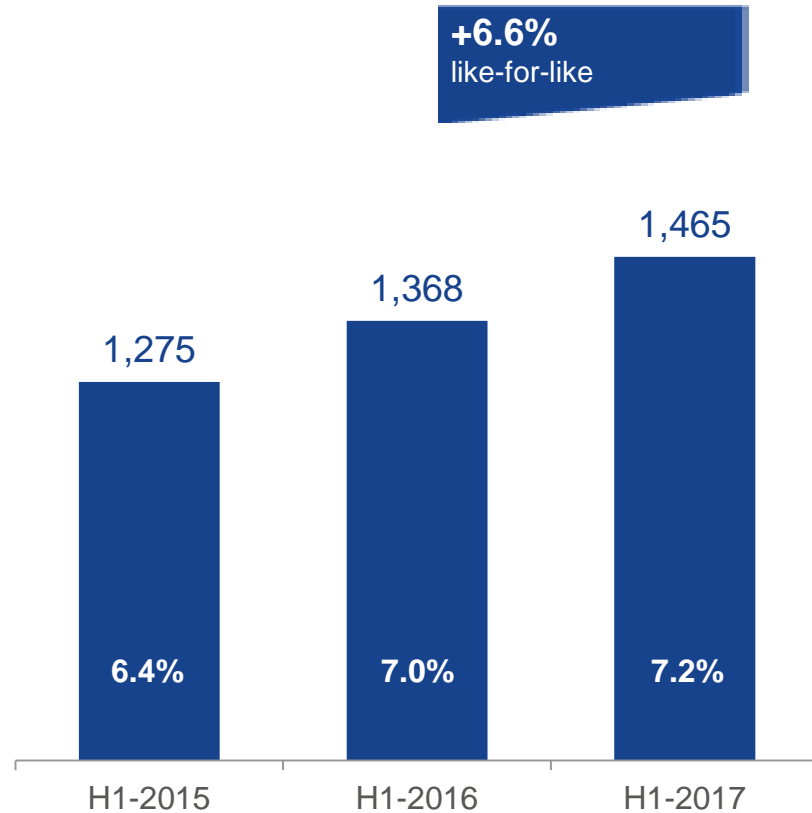
ASIA & EMERGING COUNTRIES

- » Robust growth in all regions, despite the ongoing slowdown in Brazil
- » Margin growth

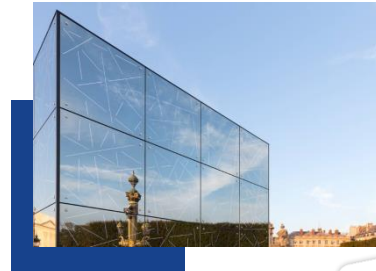
- » **€170 million in additional cost savings** versus first-half 2016
- » **18 acquisitions in the first half** and **6 being finalized in July**, including Glava, Kirson and TekBond
- » **Buyback of 3.5 million shares** in the first half, in line with the Group's long-term objectives

OPERATING INCOME

(€m and % of sales)

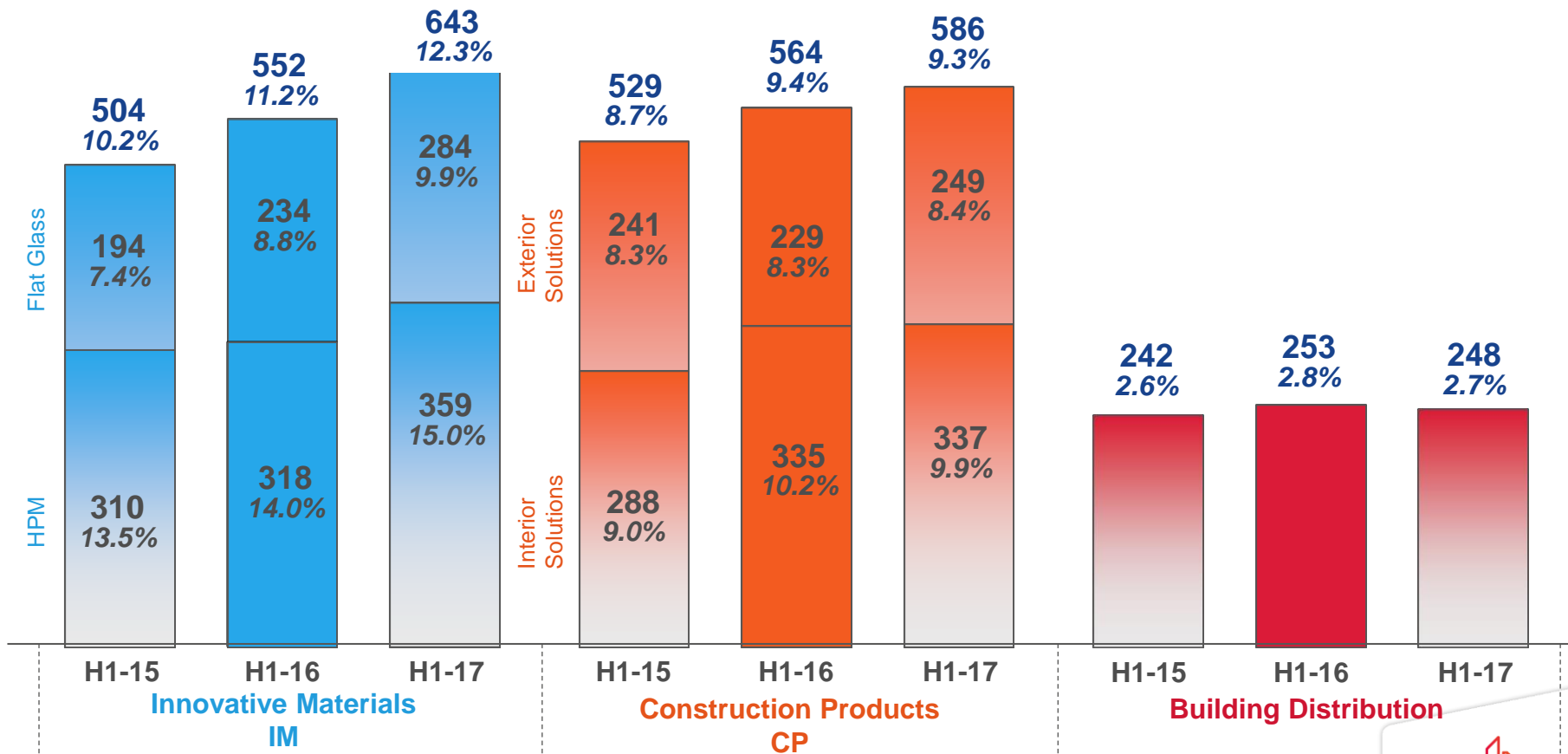


- **Operating income up 7.1% on a reported basis**
- **Further growth in Group margin**



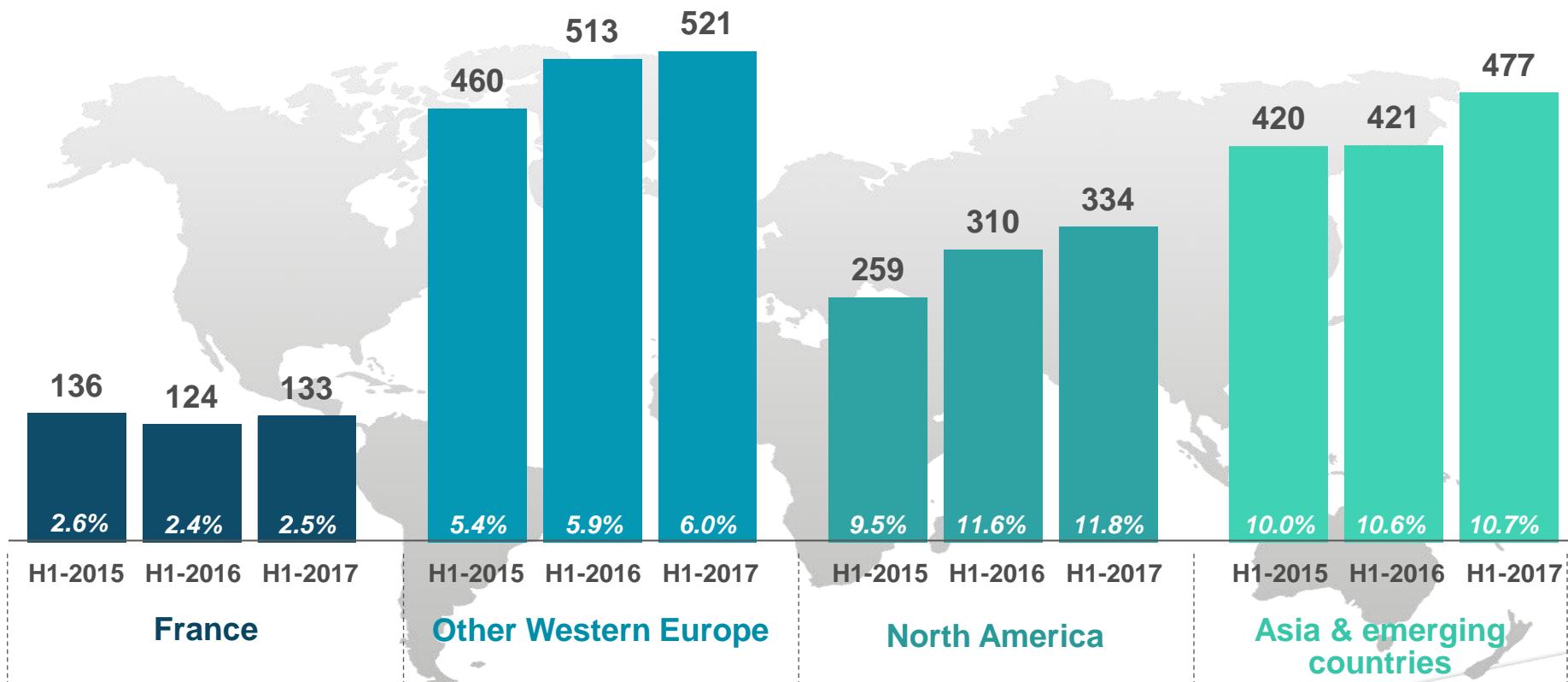
OPERATING INCOME BY BUSINESS SECTOR

(€m and % of sales)



OPERATING INCOME BY REGION

(€m and % of sales)



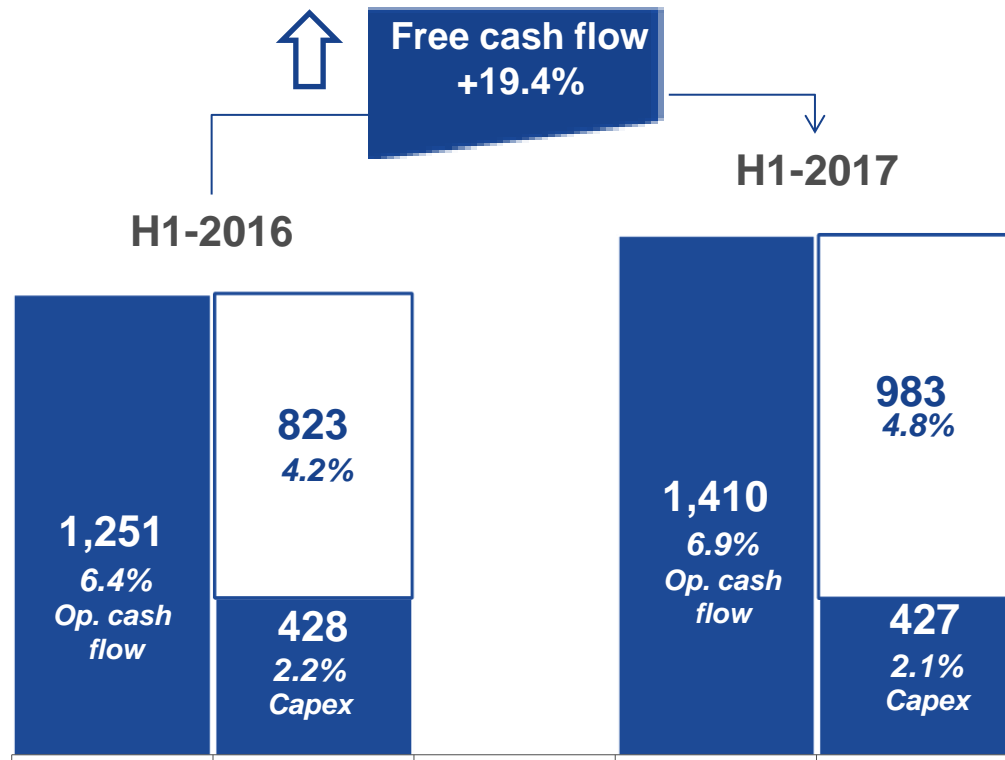
INCOME STATEMENT

(€m)

	H1-2016	H1-2017	H1-2017/ H1-2016
Operating income	1,368	1,465	+7.1%
Non-operating costs	(180)	(166)	
<i>o/w provision for asbestos-related litigation</i>	(45)	(45)	
Other operating income (expenses)	(32)	7	
Business income	1,156	1,306	+13.0%
Net financial expense	(287)	(231)	
<i>Average cost of gross debt (at June 30)</i>	3.9%	2.7%	
Income tax	(261)	(297)	
<i>Tax rate on recurring net income</i>	30%	27%	
Net attributable income	596	754	+26.5%
<i>EPS (€)</i>	<i>1.08</i>	<i>1.36</i>	<i>+25.9%</i>
Recurring net income	624	751	+20.4%
<i>Recurring EPS (€)</i>	<i>1.13</i>	<i>1.35</i>	<i>+19.5%</i>

CASH FLOW FROM OPERATIONS* AND CAPEX

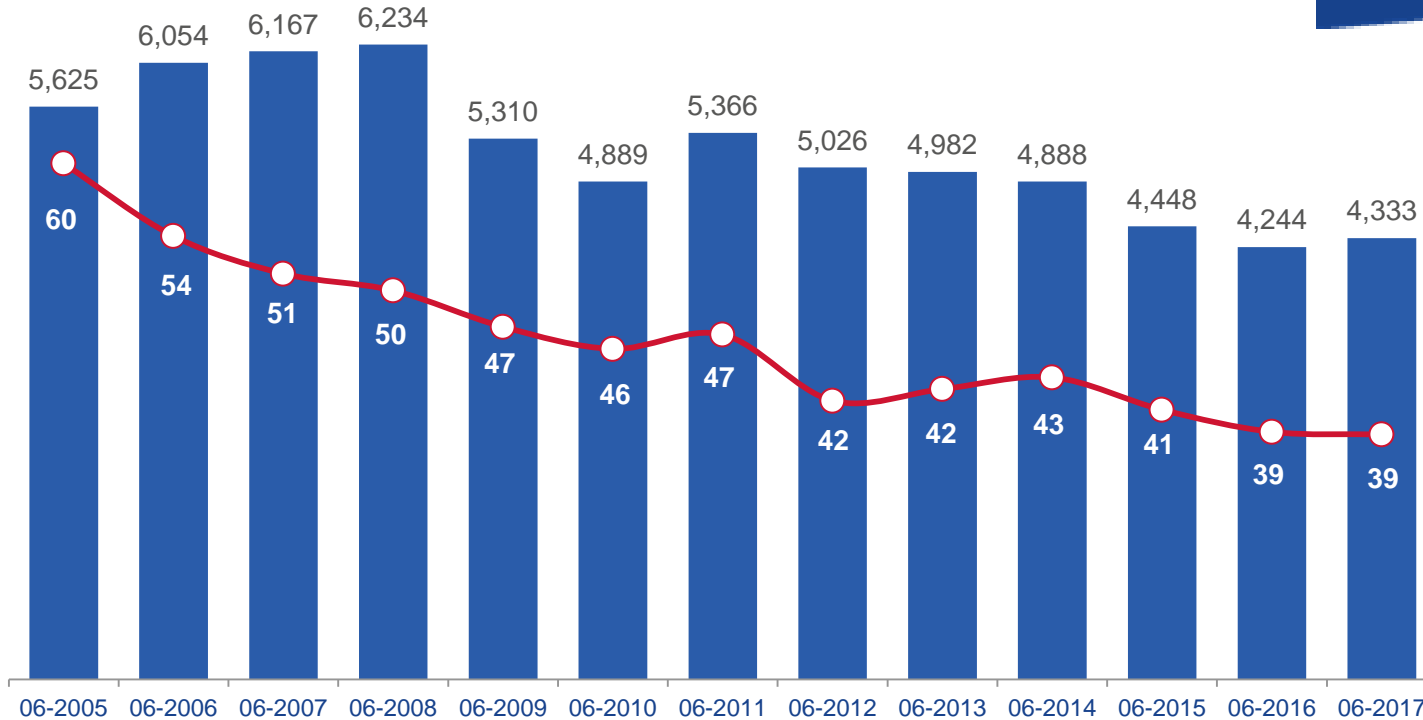
(€m and % of sales)



TIGHT REIN ON OPERATING WCR

(at June 30, €m and no. of days)

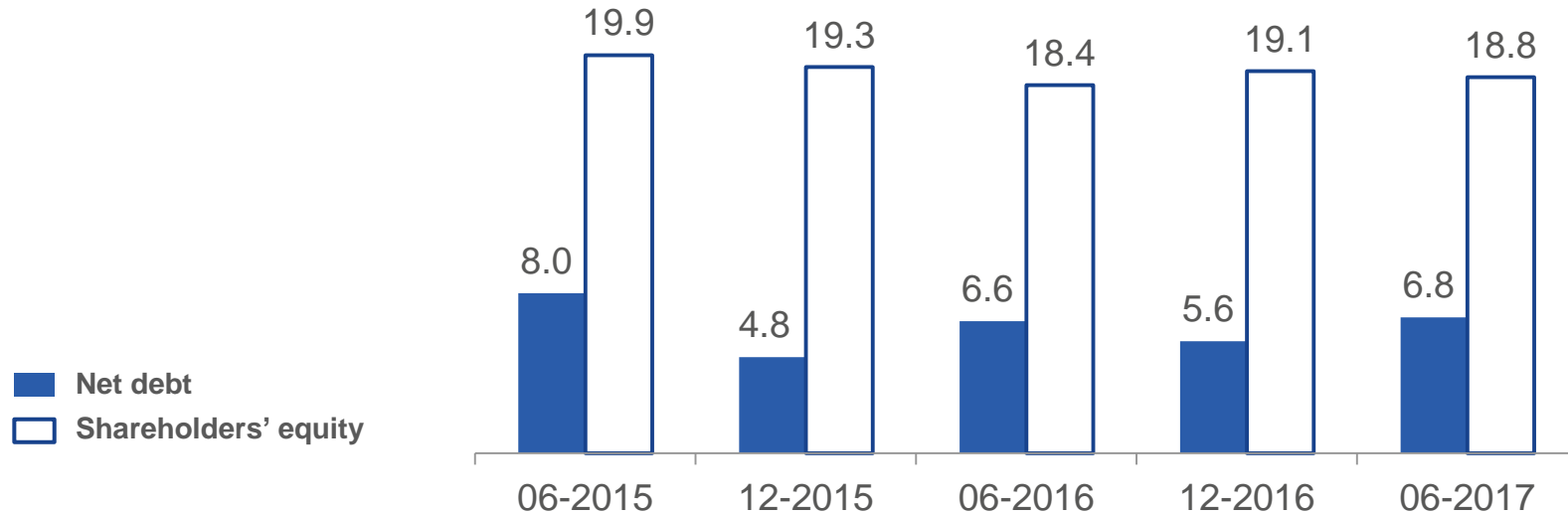
Stable in days vs
end-June 2016



Ongoing tight rein on operating WCR

NET DEBT AND SHAREHOLDERS' EQUITY

(€bn)



Net debt/shareholders' equity	40%	25%	36%	29%	36%
Net debt/EBITDA*	2.1	1.2	1.7	1.4	1.7

Persistently strong balance sheet

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

- 
1. 9 MONTH SALES
 2. H1 2017 RESULTS
 3. **OUTLOOK**

ECONOMIC CLIMATE

- Gradual improvement of construction markets in **France**
- Continued upbeat trends in other **Western European countries**, despite less visibility in the UK and Germany still hesitant
- Positive market conditions in **North American** construction
- Good organic growth in **Asia and emerging countries**
- Ongoing **inflationary pressure** on costs

GROUP BUSINESSES

- **Innovative Materials:** further growth and improved profitability
- **Construction Products:** volume growth and continued focus on the price-cost spread
- **Building Distribution:** should benefit from volume growth in Western Europe

Saint-Gobain confirms its full-year 2017 objective of a like-for-like increase in operating income and expects a like-for-like increase for second-half 2017 to be above the level achieved in first-half 2017 despite ongoing inflationary pressure on costs

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

October 2017

