



Recent Results and Outlook

October 2018



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- A photograph of a modern, multi-story glass building with a complex, angular facade. The building features large glass panels and white structural elements. The Saint-Gobain logo is visible on the lower part of the building. People are walking on the sidewalk in front of the building. The background shows other city buildings.
1. **9 MONTH SALES**
 2. **H1 2018 RESULTS**
 3. **OUTLOOK**

ORGANIC GROWTH AT 4.3% FOR THE NINE-MONTH PERIOD



WESTERN EUROPE

- » France: further good momentum
- » Other Western European countries: growth, despite uncertain environment in the UK



NORTH AMERICA

- » Construction and industrial markets remain robust
- » High comparison basis in Q3



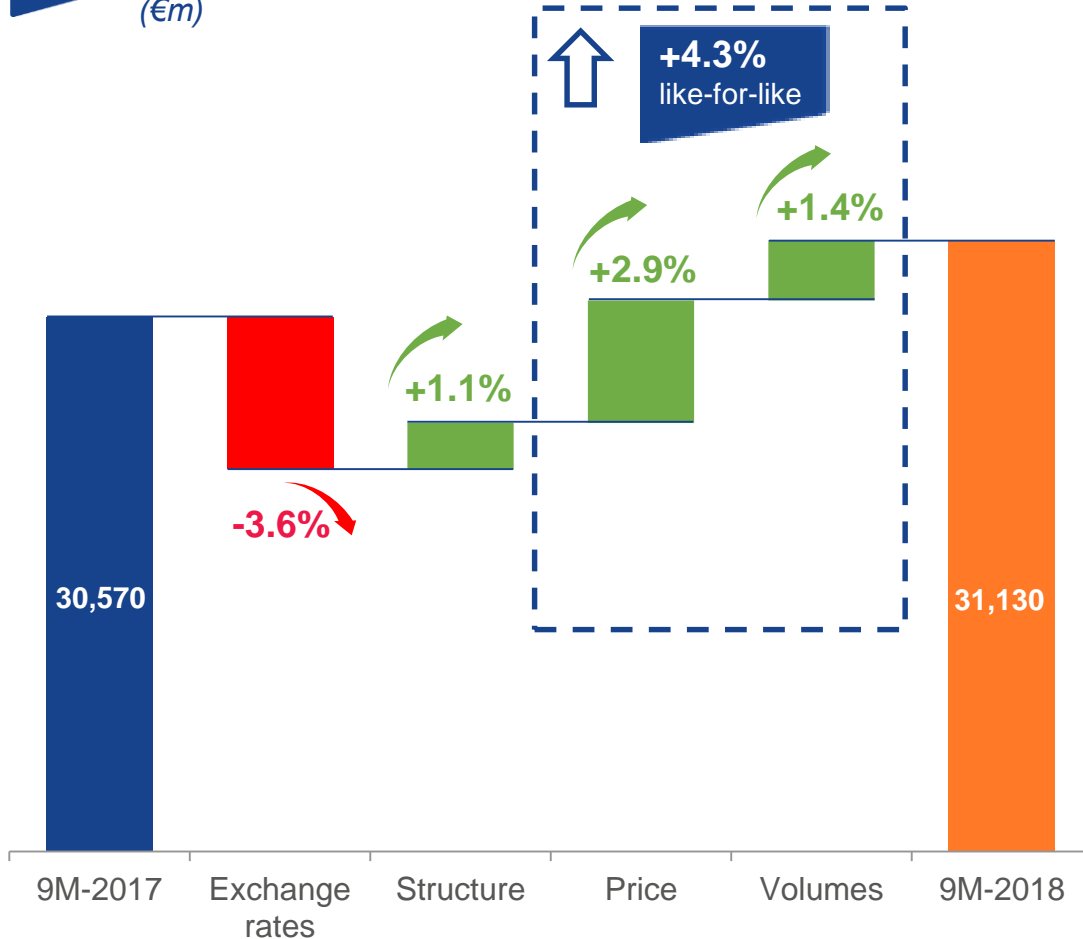
ASIA & EMERGING COUNTRIES

- » Ongoing good momentum
- » Growth in all regions

NINE-MONTH SALES

(€m)

Group +1.8%
actual



- Depreciation against the euro of **US dollar** (but less than in H1) and of the **Brazilian real**, the **Nordic krona** and other Asia and emerging country currencies
- Impact of acquisitions made in **Asia and emerging countries**, in new **niche technologies** and services, and to **consolidate** our strong positions
- **Acceleration in pricing** amid continued cost inflation
- **Better volumes** in all Business Sectors and regions

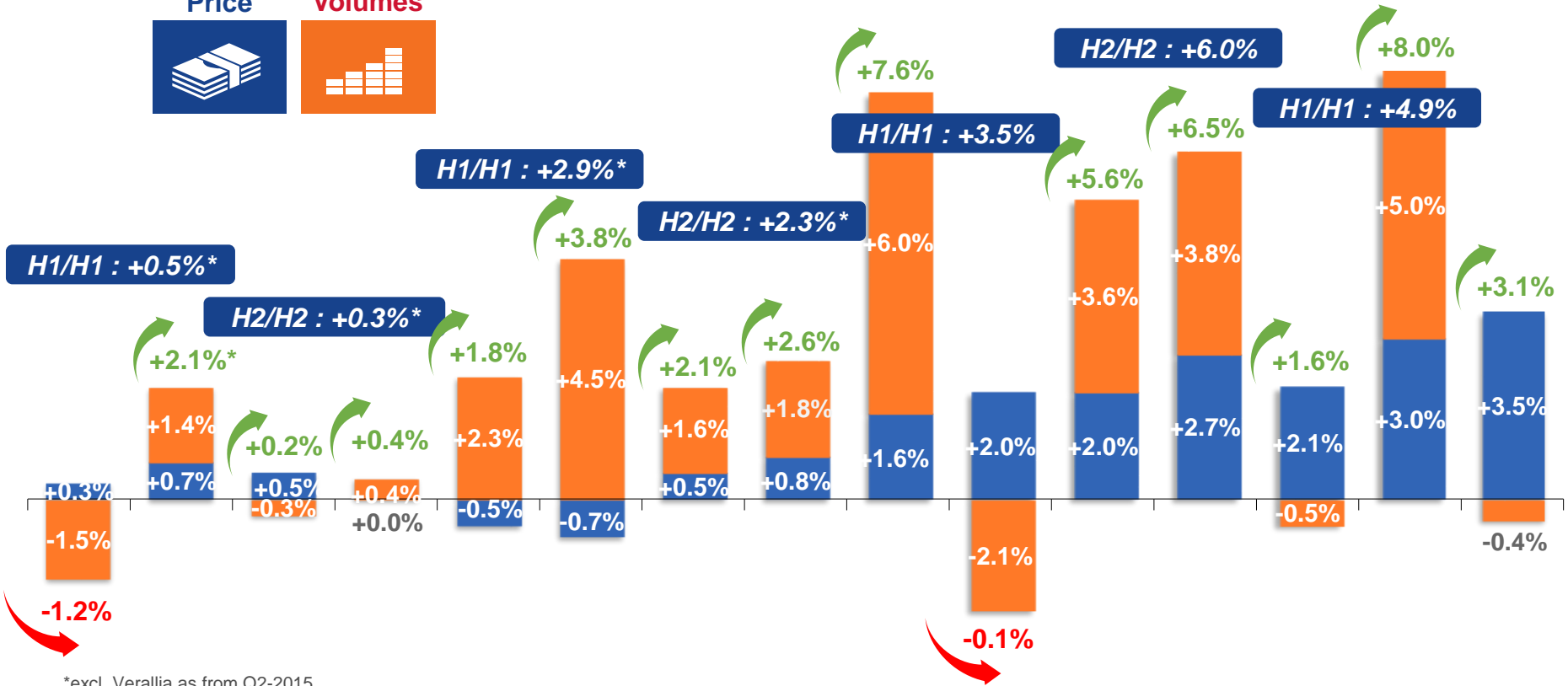
QUARTERLY ORGANIC GROWTH

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

Price



Volumes

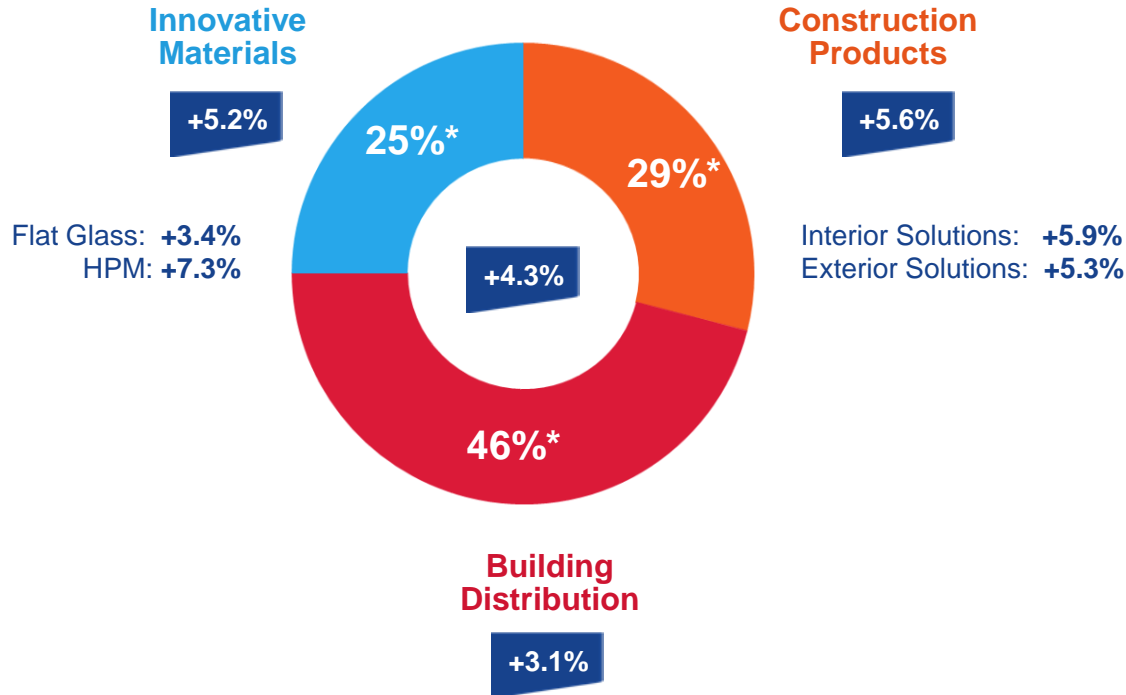


Q1-2015/
Q1-2014 Q2-2015/
Q2-2014 Q3-2015/
Q3-2014 Q4-2015/
Q4-2014 Q1-2016/
Q1-2015 Q2-2016/
Q2-2015 Q3-2016/
Q3-2015 Q4-2016/
Q4-2015 Q1-2017/
Q1-2016 Q2-2017/
Q2-2016 Q3-2017/
Q3-2016 Q4-2017/
Q4-2016 Q1-2018/
Q1-2017 Q2-2018/
Q2-2017 Q3-2018/
Q3-2017

SALES TRENDS BY BUSINESS SECTOR, at end-September

% 9M-2018/9M-2017 organic growth

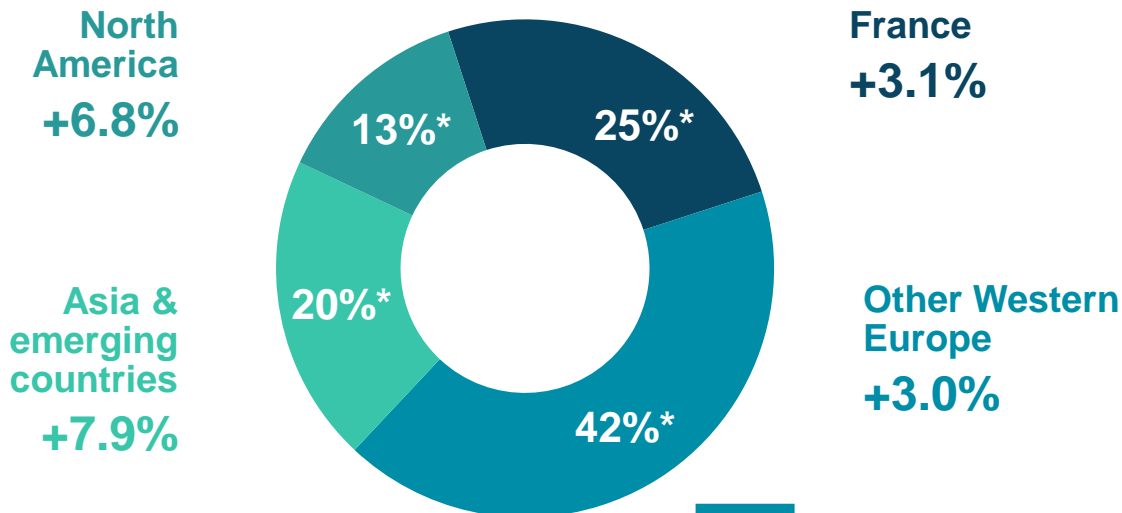
+4.3%
like-for-like



SALES TRENDS BY REGION, at end-September

% 9M-2018/9M-2017 organic growth

+4.3%
like-for-like



o/w:

Asia (7%):	+3.3%
Latin America (6%):	+14.2%
Eastern Europe (5%):	+5.9%
Africa & Middle East (2%):	+12.9%

o/w:

Nordics (13%):	+3.7%
UK (10%):	+1.5%
Germany (9%):	+0.2%
Southern Europe (5%):	+7.6%

* breakdown of 9m-2018 sales

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H1 2018 KEY FIGURES

Sales
€20.8bn

Actual

+1.9%

Like-for-like

+4.9%



Operating income
€1,469m

Actual

+0.3%

Like-for-like

+1.7%



Operating margin: 7.1%, -10bp

Recurring net income
€802m

EPS: €1.47, +8.9%

Actual

+6.8%



Net attributable income
€1,219m

+61.7%



Net debt
€9,294m

2.2x
EBITDA



Changes based on H1-18 vs H1-17



WESTERN EUROPE

- » France: good growth, particularly in Q2
- » Other Western European countries: further growth driven by the uptick in Q2



NORTH AMERICA

- » Strong momentum in industrial markets
- » Robust growth in construction businesses



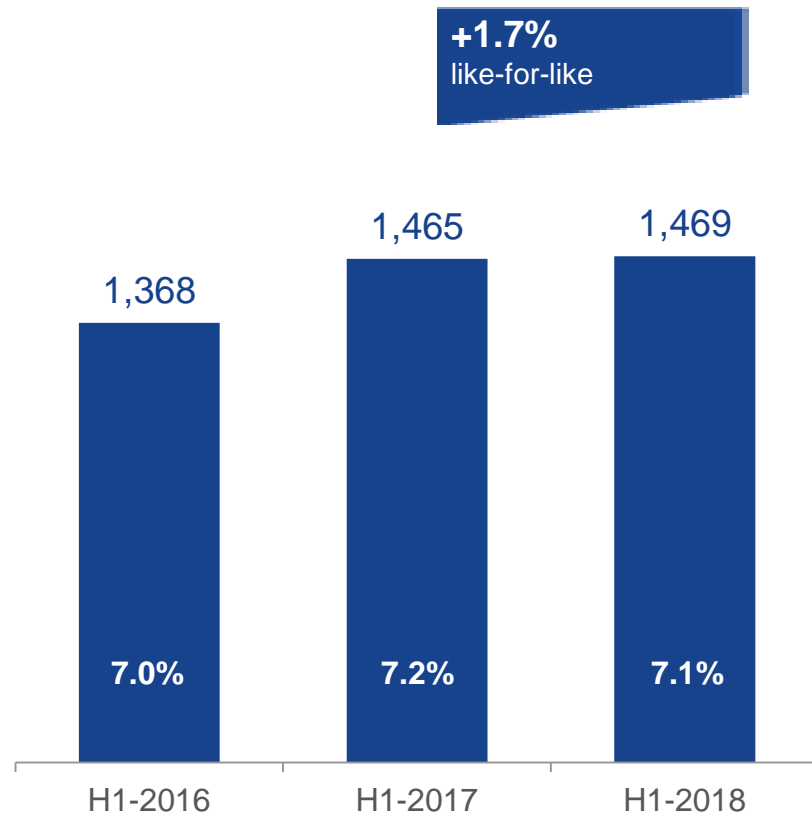
ASIA AND EMERGING COUNTRIES

- » Acceleration in growth across all regions, including Latin America, despite the May strike in Brazil

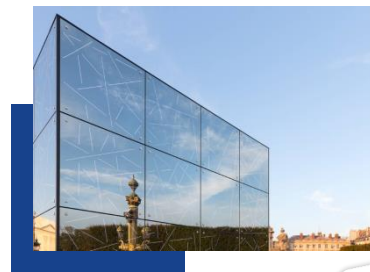
- » **Acquisition of 10.75% of Sika's capital on excellent financial terms (€781m in net income)**
- » **13 acquisitions in H1** and **3 being finalized** in July
- » **Capital expenditure** focused on growth capex **in emerging countries, productivity and digital transformation**
- » **€150m in cost savings** versus H1 2017
- » **8.8 million shares bought back** in H1, an acceleration versus 2017 (8.3 million shares bought back in 2017 as a whole)

OPERATING INCOME

(€m and % of sales)

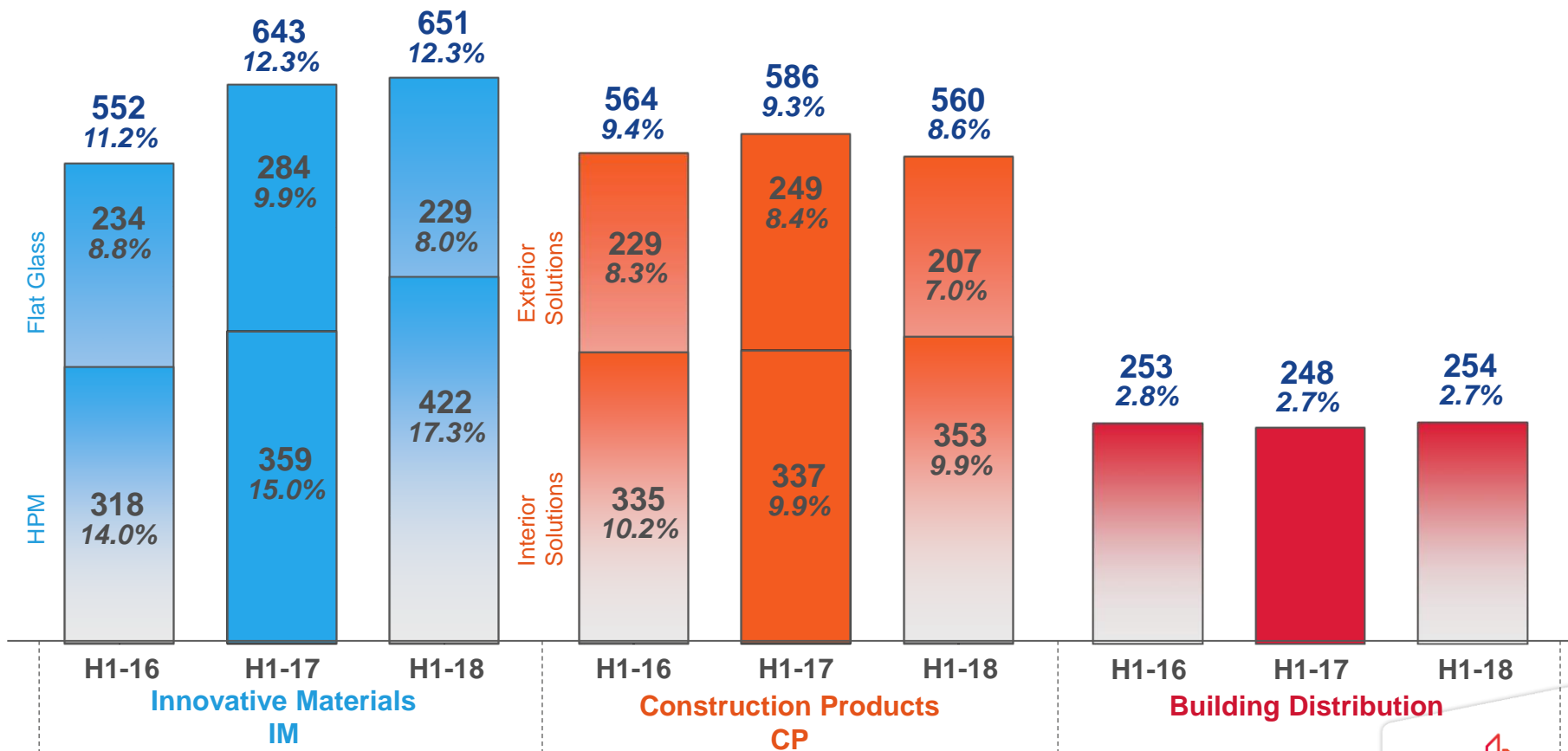


- **+0.3%** on a reported basis
- Group **margin: 7.1%**



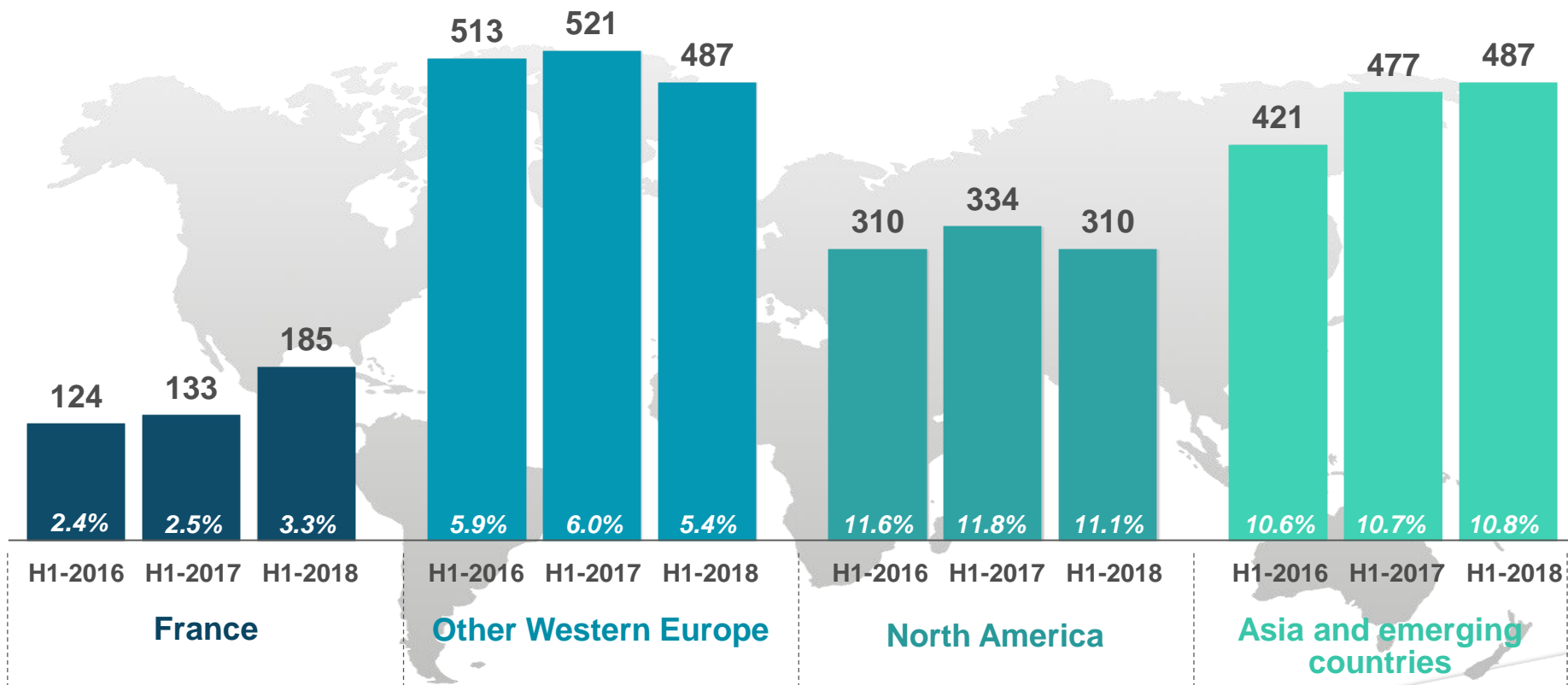
OPERATING INCOME BY BUSINESS SECTOR

(€m and % of sales)



OPERATING INCOME BY REGION

(€m and % of sales)



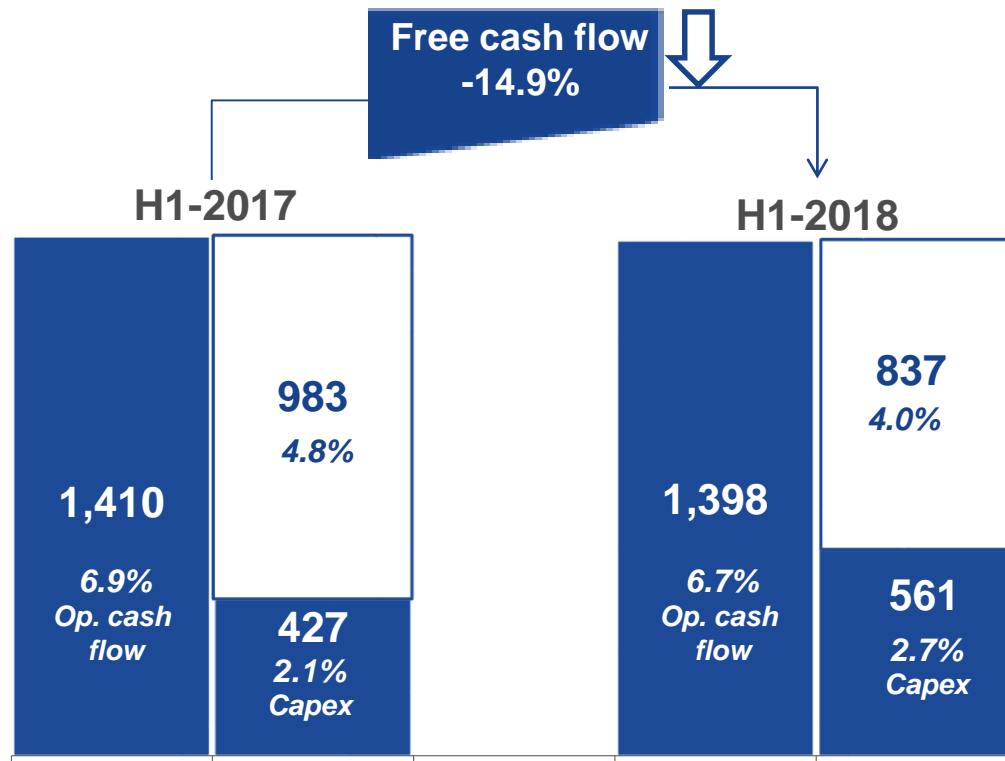
INCOME STATEMENT

(€m)

	H1-2017	H1-2018	H1-2018/ H1-2017
Operating income	1,465	1,469	+0.3%
Non-operating costs	(166)	(54)	
<i>o/w provision for asbestos-related litigation</i>	(45)	(45)	
Other business income (expenses)	7	(296)	
Business income	1,306	1,119	-14.3%
Net financial income (expense)	(231)	392	
- <i>o/w Sika</i>		601	
- <i>o/w finance costs</i>	(231)	(209)	
<i>Average cost of gross debt (at June 30)</i>	2.7%	2.5%	
Income tax	(297)	(265)	
<i>Tax rate on recurring net income</i>	27%	25%	
Net attributable income	754	1,219	+61.7%
<i>EPS (€)</i>	1.36	2.23	+64.0%
Recurring net income	751	802	+6.8%
<i>Recurring EPS (€)</i>	1.35	1.47	+8.9%

CASH FLOW FROM OPERATIONS* AND CAPEX

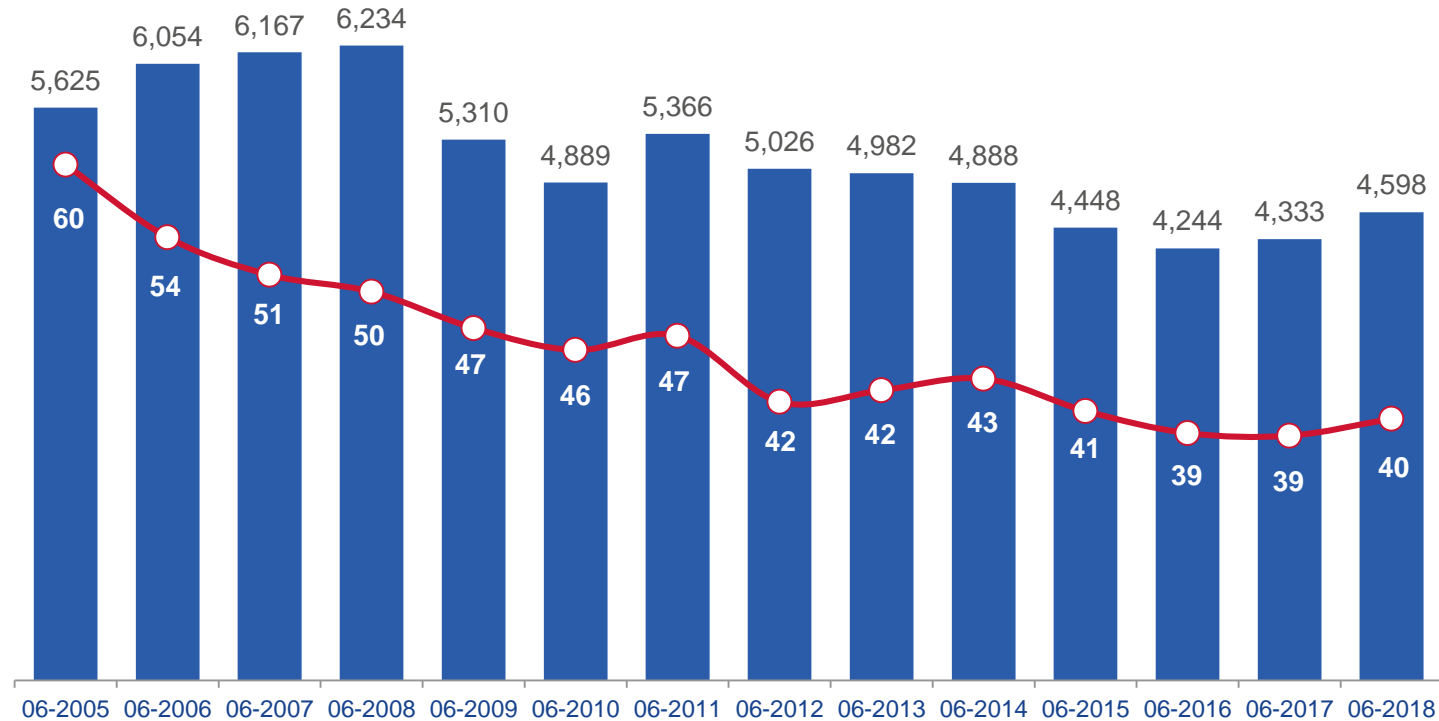
(€m and % of sales)



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

TIGHT REIN ON OPERATING WCR

(at June 30, €m and no. of days)



Ongoing tight rein on operating WCR

Sika transaction on excellent financial terms

- » Acquisition of 10.75% of Sika for a total cash amount of €0.93bn (market value at 26/7/2018: €1.87bn)
- » Changes in the value of the Sika share price after May 11, 2018 are recorded in equity
- » Saint-Gobain now Sika's top shareholder
- » Impact on 2018 financial statements: increase of €781m in net income

€356m in investments in securities excluding Sika

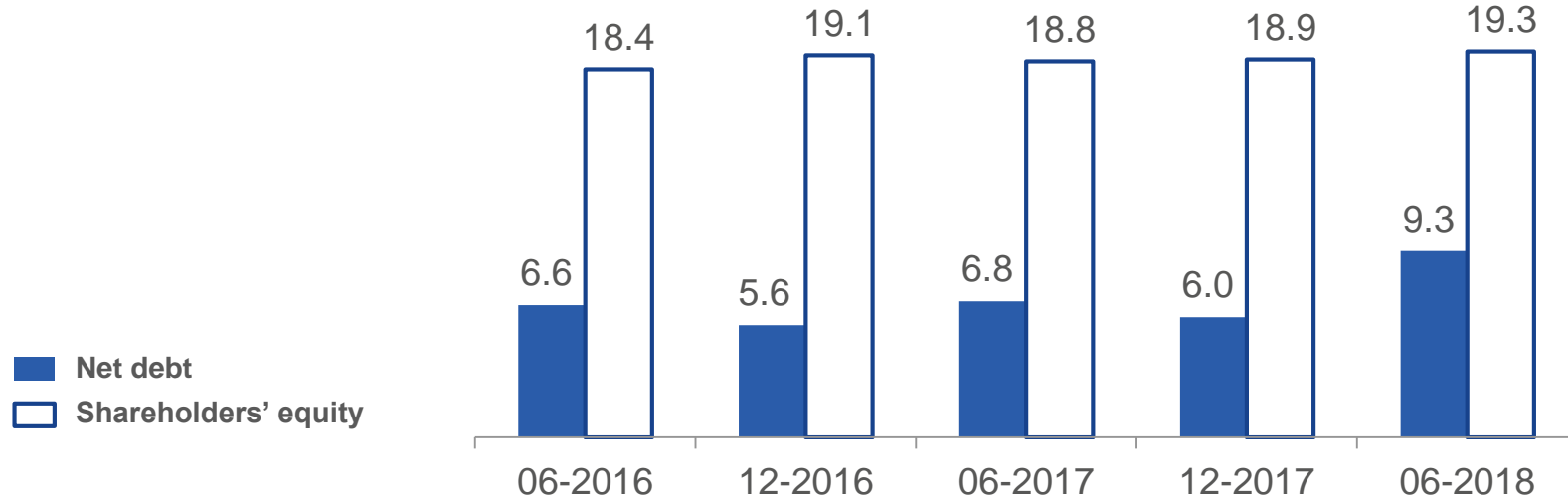
- » +162% on H1 2017
- » 13 acquisitions

€389m in share buybacks

- » In line with the Group's objectives, buyback of 8.8 million shares
- » Cancellation of 6 million shares
- » Reduction in the number of outstanding shares to 546.9 million at June 30, 2018 (versus 554.4 million at June 30, 2017)

NET DEBT AND SHAREHOLDERS' EQUITY

(€bn)



Net debt/shareholders' equity	36%	29%	36%	32%	48%
Net debt/EBITDA*	1.7	1.4	1.7	1.4	2.2

Strong balance sheet maintained

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

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ECONOMIC CLIMATE

- **France** to continue to enjoy robust momentum in construction markets
- 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

Saint-Gobain confirms its objective for full-year 2018 of a like-for-like increase in operating income and for the second half expects the like-for-like increase to be clearly above the level achieved in the first half

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