Recent Results and Outlook

October 2018
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
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)

H1/H1: +0.5%
H2/H2: +2.3%
H1/H1: +2.9%
H2/H2: +0.3%

*excl. Verallia as from Q2-2015
SALES TRENDS BY BUSINESS SECTOR, at end-September


Innovative Materials

25%*

Flat Glass: +3.4%
HPM: +7.3%

Construction Products

29%*

Interior Solutions: +5.9%
Exterior Solutions: +5.3%

Building Distribution

46%*

Flat Glass: +3.4%

+4.3% like-for-like

* breakdown of 9M-2018 sales
SALES TRENDS BY REGION, at end-September


North America
+6.8%

Asia & emerging countries
+7.9%

France
+3.1%

Other Western Europe
+3.0%

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: €20.8bn
- Like-for-like: +4.9%

Operating income

€1,469m

- Actual: €1,469m
- Like-for-like: +1.7%

Operating margin: 7.1%, -10bp

Recurring net income

€802m

- Actual: €802m
- Like-for-like: +6.8%

EPS: €1.47, +8.9%

Net attributable income

€1,219m

- Actual: €1,219m
- Like-for-like: +61.7%

Net debt

€9,294m

- Actual: 2.2x EBITDA
- Like-for-like: +61.7%

Changes based on H1-18 vs H1-17
ORGANIC GROWTH AT 4.9% IN H1; 8.0% IN Q2

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)

1,368
1,465
1,469

H1-2016
H1-2017
H1-2018

+1.7%
like-for-like

+0.3% on a reported basis
Group margin: 7.1%
OPERATING INCOME BY BUSINESS SECTOR

(€m and % of sales)

**Innovative Materials (IM)**

- **Flat Glass**
  - H1-16: 234 €m (8.8%)
  - H1-17: 359 €m (17.3%)
  - H1-18: 422 €m (10.2%)
- **HPM**
  - H1-16: 318 €m (14.0%)
  - H1-17: 359 €m (15.0%)
  - H1-18: 229 €m (8.4%)

**Construction Products (CP)**

- **Exterior Solutions**
  - H1-16: 229 €m (8.0%)
  - H1-17: 337 €m (10.2%)
  - H1-18: 353 €m (9.9%)
- **Interior Solutions**
  - H1-16: 564 €m (9.4%)
  - H1-17: 586 €m (9.3%)
  - H1-18: 560 €m (8.6%)

**Building Distribution**

- H1-16: 253 €m (2.8%)
- H1-17: 248 €m (2.7%)
- H1-18: 254 €m (2.7%)
OPERATING INCOME BY REGION
(E€m and % of sales)

<table>
<thead>
<tr>
<th>Region</th>
<th>H1-2016</th>
<th>H1-2017</th>
<th>H1-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>124</td>
<td>133</td>
<td>185</td>
</tr>
<tr>
<td>Other Western Europe</td>
<td>513</td>
<td>521</td>
<td>487</td>
</tr>
<tr>
<td>North America</td>
<td>310</td>
<td>334</td>
<td>310</td>
</tr>
<tr>
<td>Asia and emerging countries</td>
<td>421</td>
<td>477</td>
<td>487</td>
</tr>
</tbody>
</table>

- France: 2.4% to 3.3%
- Other Western Europe: 5.9% to 5.4%
- North America: 11.6% to 11.8%
- Asia and emerging countries: 10.6% to 10.8%
## INCOME STATEMENT
(€m)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating income</strong></td>
<td>1,465</td>
<td>1,469</td>
<td>+0.3%</td>
</tr>
<tr>
<td>Non-operating costs</td>
<td>(166)</td>
<td>(54)</td>
<td></td>
</tr>
<tr>
<td>o/w provision for asbestos-related litigation</td>
<td>(45)</td>
<td>(45)</td>
<td></td>
</tr>
<tr>
<td>Other business income (expenses)</td>
<td>7</td>
<td>(296)</td>
<td></td>
</tr>
<tr>
<td><strong>Business income</strong></td>
<td>1,306</td>
<td>1,119</td>
<td>-14.3%</td>
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<tr>
<td>Net financial income (expense)</td>
<td>(231)</td>
<td>392</td>
<td></td>
</tr>
<tr>
<td>- o/w Sika</td>
<td></td>
<td>601</td>
<td></td>
</tr>
<tr>
<td>- o/w finance costs</td>
<td>(231)</td>
<td>(209)</td>
<td></td>
</tr>
<tr>
<td>Average cost of gross debt (at June 30)</td>
<td>2.7%</td>
<td>2.5%</td>
<td></td>
</tr>
<tr>
<td>Income tax</td>
<td>(297)</td>
<td>(265)</td>
<td></td>
</tr>
<tr>
<td>Tax rate on recurring net income</td>
<td>27%</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td><strong>Net attributable income</strong></td>
<td>754</td>
<td>1,219</td>
<td>+61.7%</td>
</tr>
<tr>
<td>EPS (€)</td>
<td>1.36</td>
<td>2.23</td>
<td>+64.0%</td>
</tr>
<tr>
<td>Recurring net income</td>
<td>751</td>
<td>802</td>
<td>+6.8%</td>
</tr>
<tr>
<td>Recurring EPS (€)</td>
<td>1.35</td>
<td>1.47</td>
<td>+8.9%</td>
</tr>
</tbody>
</table>
CASH FLOW FROM OPERATIONS * AND CAPEX
(€m and % of sales)

Free cash flow -14.9%

**H1-2017**

- **1,410**
  - **6.9%** Op. cash flow
  - **427** Capex 2.1%

**H1-2018**

- **1,398**
  - **6.7%** Op. cash flow
  - **561** Capex 2.7%

*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
H1 2018: MAIN FINANCIAL TRANSACTIONS

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)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net debt</th>
<th>Shareholders’ equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>06-2016</td>
<td>6.6</td>
<td>18.4</td>
</tr>
<tr>
<td>12-2016</td>
<td>5.6</td>
<td>19.1</td>
</tr>
<tr>
<td>06-2017</td>
<td>6.8</td>
<td>18.8</td>
</tr>
<tr>
<td>12-2017</td>
<td>6.0</td>
<td>18.9</td>
</tr>
<tr>
<td>06-2018</td>
<td>9.3</td>
<td>19.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Metric</th>
<th>06-2016</th>
<th>12-2016</th>
<th>06-2017</th>
<th>12-2017</th>
<th>06-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net debt/shareholders’ equity</td>
<td>36%</td>
<td>29%</td>
<td>36%</td>
<td>32%</td>
<td>48%</td>
</tr>
<tr>
<td>Net debt/EBITDA*</td>
<td>1.7</td>
<td>1.4</td>
<td>1.7</td>
<td>1.4</td>
<td>2.2</td>
</tr>
</tbody>
</table>

Strong balance sheet maintained

* EBITDA = Operating income + operating depreciation/amortization over a 12-month period
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2018 OUTLOOK

**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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