PRESS RELEASE

Paris, October 24, 2019, at 5:45pm

Sales for the first nine months of 2019

Organic growth at 3.4% for the nine-month period
2019 objectives confirmed

- Organic growth at 3.4% for the nine-month period and at 3.1% in Q3
- Volumes up 1.4% for the nine-month period and up 1.7% in Q3
- Prices up 2.0% for the nine-month period and up 1.4% in Q3 in a less inflationary cost environment
- Positive currency impact of 0.7% for the nine-month period and of 1.0% in Q3; positive Group structure impact of 0.2% for the nine-month period and of 0.3% in Q3
- 8.5 million shares bought back at the end of September 2019

€m	**9-month 2018 sales**	**9-month 2019 sales**	Change on an actual structure basis	Change on a comparable structure basis	**Like-for-like change**
High Performance Solutions	5,500	5,721	+4.0%	+3.0%	+0.9%
Northern Europe	11,414	11,755	+3.0%	+2.5%	+3.0%
Southern Europe - ME & Africa	9,836	10,241	+4.1%	+4.1%	+4.2%
Americas	3,900	4,233	+8.5%	+7.6%	+3.8%
Asia-Pacific	1,377	1,388	+0.8%	+8.6%	+5.8%
Internal sales and misc.	*-897*	*-867*	---	---	---
Group Total	**31,130**	**32,471**	**+4.3%**	**+4.1%**	**+3.4%**

€m	**Sales Q3 2018**	**Sales Q3 2019**	Change on an actual structure basis	Change on a comparable structure basis	**Like-for-like change**
High Performance Solutions	1,794	1,859	+3.6%	+3.1%	+0.8%
Northern Europe	3,955	4,029	+1.9%	+1.3%	+1.9%
Southern Europe - ME & Africa	3,107	3,230	+4.0%	+4.0%	+3.7%
Americas	1,309	1,459	+11.5%	+10.7%	+6.1%
Asia-Pacific	465	493	+6.0%	+8.6%	+4.7%
Internal sales and misc.	*-287*	*-276*	---	---	---
Group Total	**10,343**	**10,794**	**+4.4%**	**+4.1%**	**+3.1%**

Consolidated sales for the first nine months of 2019 were **€32,471 million** compared to €31,130 million for the first nine months of 2018.
The **currency impact** was positive at 0.7% over the nine-month period and 1.0% in the third quarter, resulting mainly from the appreciation of the US dollar against the euro, despite the depreciation of the Nordic krona.
The **Group structure impact** added 0.2% to growth over the nine-month period and 0.3% in the third quarter, reflecting the integration of acquisitions in new niche technologies and services (Kaimann in technical insulation), in Asia and emerging countries (Join Leader in adhesives), and to consolidate our strong positions (Hunter Douglas in specialty ceilings). The acceleration in our divestment program is only partially reflected in the nine-month period given the deconsolidation dates, in particular for the Pipe business in Xuzhou, China, the silicon carbide business, glazing installation operations in the UK and glass processing in Sweden and Norway. After the recent finalization of new divestments, the Group is deconsolidating its Distribution business in Germany, Optimera in Denmark and K par K in France for the fourth quarter of 2019.

Like-for-like sales rose 3.4% over the nine-month period and 3.1% in the third quarter. Despite a less supportive market overall, volumes were up 1.4% in the nine-month period, including a rise of 1.7% in the third quarter with a positive 1.5% calendar impact. Prices contributed 2.0% to growth over the nine-month period and 1.4% in the third quarter in a less inflationary environment for raw material and energy costs and with a higher prior-year comparison basis.

The acceleration in the Group's transformation within the scope of its new organization continues apace:

- Divestments completed or signed by Saint-Gobain to date in order to enhance its growth and profitability profile represent sales of over €3.1 billion. The Group is continuing its divestment program even though the initial target of over €3 billion in sales divested by the end of the year has already been met. The full-year operating margin impact is more than 40 basis points, ahead of the target of the "Transform & Grow" program of a gain of 40 basis points in the operating margin.
- The program to unlock €250 million in additional cost savings by 2021 thanks to the new organization is producing results faster than initially expected, allowing for an accelerated timetable: over €80 million in cost savings for 2019 (versus an initial target of over €50 million), of which €35 million in first-half 2019, and overall savings of €150 million in 2020 (versus €120 million initially).

Segment performance (like-for-like sales)

High Performance Solutions (HPS) sales rose 0.9% over the nine-month period and 0.8% in the third quarter in hesitant industrial markets.

- **Mobility** sales grew slightly in an automotive market environment that remained difficult but benefited from an easier comparison basis in third-quarter 2018. The differentiating strategy prioritizing high value-added products, in particular those destined for electric vehicles, continues to pay off.
- Activities serving **Industry** reported a small decrease in sales in the quarter in a slightly more uncertain environment in most regions.
- Activities serving the **Construction industry** continued to rise on both the Americas and European markets, buoyed by gains in market share, good trends in external thermal insulation solutions (ETICS) and recent acquisitions.
- **Life Sciences** continued to enjoy a strong growth dynamic.

Northern Europe advanced 3.0% over the nine-month period and 1.9% in the third quarter with a favorable calendar effect. Distribution progressed, along with the industrial businesses and especially Gypsum, while Building Glass stabilized.
Sales in Nordic countries continued to rise, particularly in Distribution, benefiting from their exposure to the renovation market, albeit at a slower pace than in the first half of the year. The UK contracted amid a difficult economic environment, particularly in Distribution in the third quarter. Sales in Germany were up slightly despite a slowdown in volumes in the quarter; Eastern Europe continued to advance.

Southern Europe - Middle East & Africa increased 4.2% over the nine-month period and 3.7% in the third quarter with a favorable calendar impact. Distribution continued to drive growth; industrial businesses progressed, particularly Insulation, Gypsum and Mortars, along with Building Glass to a lesser extent. Pipe continued its successful efforts to improve competitiveness in a difficult export market.
France had a good quarter, buoyed by a construction market where renovation remained supportive and despite a lower contribution from new construction; Distribution continued to grow, along with Insulation which reported further double-digit growth on the back of strong demand for energy-efficiency renovation. Other European countries posted further growth, led by Spain. The Middle East and Africa declined once again, particularly in Turkey in a very tough environment.

The **Americas** posted 3.8% organic growth over the nine-month period, including 6.1% in the third quarter.
North America rallied in the quarter on a weaker comparison basis in terms of volumes but a much more difficult basis for comparison in terms of pricing. Exterior Products posted strong volume-driven growth, while prices decreased after the sharp rise in the prior-year period. The pricing environment was favorable in Insulation, but remained challenging in Gypsum, while volumes improved slightly overall. After a good first half, Latin America saw a significant slowdown in the quarter with weak overall growth, particularly in Brazil in Building Glass in a more uncertain macroeconomic environment.

Asia-Pacific delivered 5.8% organic growth over the nine-month period and 4.7% in the third quarter, led by Gypsum and Mortars in particular. Glass declined owing to lower plant utilization rates given the contraction in the automotive market.
India posted robust growth, especially in Gypsum which continued to deliver double-digit growth and in Building Glass to a lesser extent. Regarding other Asian countries, China recorded a good quarter, notably benefiting from the start-up of a new plaster plant in the first half and strong growth in Mortars. South-East Asia was driven by higher volumes but continued to face a fiercely competitive environment putting pressure on sales prices.

Strategic priorities and outlook for 2019

The Group expects the following trends for the fourth quarter:

- **High Performance Solutions**: in more hesitant markets, the automotive sector is expected to remain difficult in Europe and China but against an easier comparison basis;
- **Northern Europe**: less favorable trends overall, with a particularly difficult environment in the UK; deconsolidation of the Distribution business in Germany;
- **Southern Europe - Middle East & Africa**: overall growth expected for the region, with a lower contribution from new construction and a solid renovation market, in particular in France;
- **Americas**: stabilization in North America and a more uncertain environment in Latin America;
- **Asia-Pacific**: further growth.

The Group's **action priorities** as defined in February remain:

- its **focus on sales prices**;
- its **cost savings program** with the aim of unlocking additional savings for the year of around **€300 million** (calculated on the 2018 cost base), in addition to **more than €80 million in 2019** as part of the "Transform & Grow" program;
- its **property, plant and equipment and intangible assets investments program** close to the 2018 level, with a focus on growth capex outside Western Europe and also on productivity and continued digital transformation;
- its **commitment to invest in R&D** to support its differentiated, high value-added strategy;
- its **focus on high levels of free cash flow generation**.

Saint-Gobain confirms its objectives for full-year 2019 and for the second half expects a like-for-like increase in operating income compared to second-half 2018.

Glossary:

*Indicators of **organic growth** and **like-for-like changes in sales/operating income** reflect the Group's underlying performance excluding the impact of:*

- *changes in Group structure, by calculating indicators for the year under review based on the scope of consolidation of the previous year (Group structure impact);*
- *changes in foreign exchange rates, by calculating the indicators for the year under review and those for the previous year based on identical foreign exchange rates for the previous year (currency impact);*
- *changes in applicable accounting policies.*

***Operating income**: see Note 4 to the financial statements in the interim financial report, available by clicking here:* https://www.saint-gobain.com/en/finance/regulated-information/half-yearly-financial-report

***EBITDA** = operating income plus operating depreciation and amortization, less non-operating costs excluding Sika*

***Free cash flow** = EBITDA less depreciation of right-of-use assets, plus net financial expense excluding Sika, plus income tax, less investments in property, plant and equipment and intangible assets excluding additional capacity investments, plus changes in working capital requirement.*

Financial calendar

- 2019 results: *February 27, 2020*, after close of trading on the Paris Bourse.

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A conference call will be held at 6:30pm (Paris time) on October 24, 2019: dial +33 (0) 1 72 72 74 03 followed by the code 32825992#.

For further information, please visit www.saint-gobain.com

Appendix 1: Contribution of price and volumes to organic sales growth by Segment

9-month 2019	**Like-for-like change**	**Price effect**	**Volume effect**
High Performance Solutions	+0.9%	+1.9%	-1.0%
Northern Europe	+3.0%	+1.8%	+1.2%
Southern Europe - ME & Africa	+4.2%	+1.9%	+2.3%
Americas	+3.8%	+3.5%	+0.3%
Asia-Pacific	+5.8%	-0.2%	+6.0%
Group Total	**+3.4%**	**+2.0%**	**+1.4%**

Appendix 2: Breakdown of organic sales growth and external sales

9-month 2019	**Like-for-like change**		**% Group**	
High Performance Solutions	**+0.9%**		**17%**	
Mobility		*+0.6%*		*7%*
Other industries		*+1.2%*		*10%*
Northern Europe	**+3.0%**		**35%**	
Nordics		*+5.4%*		*12%*
UK		*+0.7%*		*10%*
Germany		*+2.0%*		*8%*
Southern Europe - ME & Africa	**+4.2%**		**31%**	
France		*+3.9%*		*23%*
Spain-Italy		*+9.4%*		*4%*
Americas	**+3.8%**		**13%**	
North America		*+2.6%*		*9%*
Latin America		*+6.2%*		*4%*
Asia-Pacific	**+5.8%**		**4%**	
Group Total	**+3.4%**		**100%**	

Appendix 3: Industry and Distribution Europe

€m	**9-month 2018 sales**	**9-month 2019 sales**	Change on an actual structure basis	Change on a comparable structure basis	**Like-for-like change**
Industry Europe	7,461	7,664	+2.7%	+2.9%	+3.1%
Distribution Europe	14,096	14,675	+4.1%	+3.7%	+4.0%