
PRESS RELEASE

Paris, April 23, 2020, 5:45pm

First-quarter 2020 sales

**€9,363 million:
down 4.9% like-for-like**

- Volumes down 5.5% as a result of disruptions related to the coronavirus pandemic, with very different situations from one country to the next
- Prices holding up well, up 0.6% in a slightly inflationary cost environment
- Negative currency impact of 0.5% and negative Group structure impact of 4.4%, reflecting disposals carried out in the context of “Transform & Grow” and the consolidation of Continental Building Products
- No dividend distribution in respect of 2019
- General Shareholders’ Meeting to be held behind closed doors on June 4, 2020 and streamed live on the Group’s website

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

“In the unprecedented context of the coronavirus pandemic, Saint-Gobain has reacted firmly and efficiently thanks to the new organization by country and by market, taking decisions locally and coordinating internationally. Our priorities are clear. First and foremost, we want to protect the health and safety of the Group’s employees and other stakeholders across the globe. Secondly, we have further strengthened our liquidity and cash with new financing facilities, significantly cut planned investments and are strictly monitoring working capital. In addition to this financial solidity, the Group is adapting its production by reducing costs and using the available government-backed measures, particularly in terms of partial unemployment. Together with Benoit Bazin, Chief Operating Officer, I would like to thank all of our teams for their commitment and their responsiveness, and for leading by example. In the current context, the Board of Directors has today decided not to recommend any dividend distribution to the June 4, 2020 Shareholders’ Meeting. Depending on how the situation evolves, it will review the Group’s shareholder return policy by the end of the year.

Given the impact of the global economic crisis caused by the coronavirus, the Group expects a challenging second quarter 2020 before a recovery in the second half. Due to the scale of the current uncertainties and the very different patterns of recovery from one country to the next, the Group is not currently in a position to give an earnings outlook for 2020.”

| € million | Sales Q1 2019 | Sales Q1 2020 | Change on an actual structure basis | Change on a comparable structure basis | Like-for-like change |
|---------------------------------|------------------|------------------|--|---|-------------------------|
| High Performance Solutions | 1,893 | 1,712 | -9.6% | -8.5% | -8.4% |
| Northern Europe | 3,660 | 3,219 | -12.0% | -0.9% | -0.2% |
| Southern Europe - ME & Africa | 3,386 | 2,983 | -11.9% | -8.9% | -8.9% |
| Americas | 1,307 | 1,370 | +4.8% | -2.2% | -0.5% |
| Asia-Pacific | 426 | 337 | -20.9% | -11.6% | -12.7% |
| <i>Internal sales and misc.</i> | -294 | -258 | --- | --- | --- |
| Group Total | 10,378 | 9,363 | -9.8% | -5.4% | -4.9% |

Sales were down 4.9% on a **like-for-like** basis. Despite a good start to the year in the European Regions and in the Americas, March saw the effects of the coronavirus spread beyond Asia-Pacific to the rest of the world. Volumes contracted 5.5% while prices rose 0.6% amid low inflation in energy and raw material costs.

On a reported basis, **sales** totaled **€9,363 million**, with a negative **currency effect** of 0.5% related mainly to the depreciation of the Brazilian real and Nordic krona. Note that the depreciation of these currencies was more pronounced in March alone (down 2.2%), along with that of the pound sterling and other emerging country currencies.

Changes in Group structure had a negative 4.4% impact on sales, chiefly reflecting disposals carried out as part of “Transform & Grow”, with negative structure impacts of 11.1% in Northern Europe (Distribution in Germany, Optimera in Denmark), 3.0% in Southern Europe - Middle East & Africa (in France with DMTP and K par K in distribution and expanded polystyrene, in the Netherlands with Glassolutions) and 9.3% in Asia-Pacific (Hankuk Glass Industries in South Korea). The structure impact also reflects the consolidation of our strong positions (Continental Building Products in North America as from February), and acquisitions in new niche technologies and services (American Seal), as well as in emerging countries (gypsum and mortars in Latin America). In light of the hyperinflationary environment in Argentina, this country which represents less than 1% of the Group’s consolidated sales, is excluded from the like-for-like analysis.

Segment performance (like-for-like sales)

High Performance Solutions (HPS) sales fell 8.4%, hit by slowing industrial markets and the initial impacts of the coronavirus, particularly in the automotive market in March.

- **Mobility** continued to outperform the automotive market, thanks mainly to its exposure to high value-added products and electric vehicles. After a good start to the year, it reported a sharp decline in sales in March following the gradual shutdown of automotive manufacturing plants around the world. Only the Chinese business saw its situation improve in March compared to the start of the year.
- As from mid-March, **Industry** also saw a sharp slowdown in industrial markets in most regions.
- Activities serving the **Construction Industry** saw further growth, including in March, buoyed by gains in market share and upbeat trends in external thermal insulation solutions (ETICS).
- **Life Sciences** continued to enjoy a strong growth dynamic in the pharmaceutical and medical sector, benefiting from recent investments in additional capacity. The business is also engaged in the fight against the coronavirus, prioritizing components for critical medical devices (silicone membranes, flexible tubes, filters, connectors and fixings) used in respirators, ventilators and infusion pumps in particular.

Northern Europe stabilized over the quarter, slipping 0.2%, thanks to a good start to the year in January and February and a limited coronavirus impact in March, except in the UK during the last week of the month.

Nordic countries reported good sales growth over the quarter, including in March, particularly in Distribution which benefited from good momentum in the renovation market. Germany and Eastern Europe progressed over the quarter as well as in March, with local construction activities relatively unscathed except glass towards the end of the month, which is adapting its production in line with the drop in demand. Only UK sales suffered over the quarter, experiencing a sharp downturn at the end of the period with all operations at a virtual standstill.

Southern Europe - Middle East & Africa reported an 8.9% decrease in sales. After a good start to the year in January-February, March was affected by the lockdown measures put in place across much of the Region.

France delivered robust growth at the beginning of the year, buoyed by a dynamic renovation market which benefited Distribution and energy efficiency solutions. In March, France came to a standstill for several days after lockdown measures were introduced, before business partially resumed as from March 23. Spain, Italy, the Middle East and Africa saw their operations penalized to an increasing extent by the restrictions put in place in March. Only the Netherlands reported quarterly and March sales that remained relatively unaffected by the coronavirus.

Sales in the **Americas** remained virtually stable, slipping 0.5%, thanks to a good start to the year in January and February. North America benefited from stable volumes over the quarter and from slightly higher prices in a dynamic construction market before the impact of the coronavirus. Gypsum delivered double-digit like-for-like volume growth over the quarter. The integration of Continental Building Products is progressing well, in line with expectations, and allows the Group to considerably strengthen its geographic footprint. In March, most plants remained operational in the US, with most states considering construction an essential industry. Latin America had a good start to the year in January-February, before disruptions hit construction markets in March due to the quarantine measures introduced in various countries and certain Brazilian states, where construction activity was generally no longer permitted.

Asia-Pacific reported a 12.7% contraction in sales.

As the first country to be affected by the coronavirus, the Group's operations in China hit a low in February, before resuming all production in early March to meet the gradual increase in demand observed throughout the month, which accelerated significantly in the last few days of March. This rally allowed local construction businesses to reach their prior-year levels as from mid-April. Other Asian countries have seen varying degrees of disruption, with very limited effects in Japan and South Korea and increasingly more pronounced effects in South-East Asia. After two months of double-digit growth supported by productivity solutions (plaster and mortars), India was placed under total lockdown on March 24, leading to the shutdown of industry.

Update on operations as of mid-April

Prioritizing the health and safety of all of our employees and other stakeholders, the Group is working to achieve operational continuity in each country by quickly adapting to changes in demand depending on the health situation and on local government decisions.

- **High Performance Solutions (HPS):** automotive activities have significantly adjusted their production and, with the exception of China which has seen operations resume, are manufacturing only very small volumes in light of plant shutdowns by their customers. These activities are expected to gradually resume in line with the recovery in automotive production. Adjustments were also made in other activities serving industrial markets, although most sites remain operational and continue to serve their customers. After hitting a low point in the second quarter, all these industrial activities should see a gradual recovery. Elsewhere, the Construction Industry and Life Sciences businesses continue to show further growth.

- **Northern Europe:** disruptions across the Region vary widely from one country to the next. While Nordic countries, Germany and Eastern Europe all reported a good level of trading in the first quarter and remain, relatively speaking, little affected, the UK has been at a virtual standstill since the end of March and is in the process of starting up again.
- **Southern Europe - Middle East & Africa:** the Region has seen substantial disruptions, although trends point to a gradual resumption of business. After a shutdown of several days in France in the week of March 23 so that new operating and health procedures could be put in place, the majority of Distribution outlets have reopened and reported a constant improvement in trading, up from 25% of 2019 levels at the end of March to more than 50% already by mid-April, in line with industrial activities. Most of Italy remains shut down, while operations have resumed in Spain. Operations in the Netherlands remain relatively unaffected, while the Middle East and Africa have been impacted in varying degrees. After significant disruptions in the second quarter, construction markets should show a substantial improvement.
- **Americas:** the situation across North America is mixed, depending on each state, with business slowing in April but almost all plants generally able to continue operating, with the construction sector often considered an essential industry. Latin America is trading at approximately 40% of its 2019 level, with the situation varying widely depending on the business and type of market; after coming to an abrupt halt at the end of March, the construction sector is ramping up again in Brazil. After an overall decline in the second quarter, markets should return to some degree of normality.
- **Asia-Pacific:** after the gradual restart of all of its production sites in China in March, construction sales in the country accelerated and at mid-April had reached the level recorded for the same period in 2019. India remains at a standstill. Other Asian countries have seen varying degrees of disruption, which are limited in Thailand and Vietnam. After a challenging second quarter outside China, Asia-Pacific should show a substantial improvement.

Measures put in place to address the coronavirus pandemic

Since the start of the pandemic, Saint-Gobain has taken all necessary steps in real time to limit its impacts as far as possible. The Group's new organization by country and by market, put in place within the scope of "Transform & Grow", has given it the agility and flexibility it needs to take decisions quickly at the local level and to coordinate internationally by sharing the experience of its different countries. The Group has the following priorities:

Ensure employee health and safety:

Since the outbreak of the health crisis in China, the Group has taken the necessary measures to protect the health of its employees and other stakeholders, by putting in place strict hygiene measures adapted to its different businesses, encouraging working from home wherever possible and cooperating with the authorities in each country where it is present.

Strengthen liquidity:

The Group has a very solid financial position in terms of cash and financing. At March 31, 2020, the Group's cash and cash equivalents represented an estimated €3.8 billion, before taking into account the €1.5 billion bond issue at the end of March (proceeds received on April 3). In light of the current environment, the Group also recently reinforced its financing sources:

- A €1.5 billion bond issue on March 26, consisting of €750 million with a 3 year maturity and a 1.75% coupon, and €750 million with a 7½ year maturity and a 2.375% coupon;
- A syndicated credit line totaling €2.0 billion, including €1.0 billion drawn for a bond repayment of the same amount at the end of March, in addition to the confirmed and undrawn back-up credit lines of €4.0 billion;
- Access to the new commercial paper Pandemic Emergency Purchase Program (PEPP) launched by the European Central Bank on March 18, 2020.

Preserve cash:

- Swiftly adapting production (reduction of teams or stoppages) to local demand on a site-by-site basis, thanks to permanent contact with our customers;
- Reducing costs and discretionary spending and using the appropriate local measures, in particular in terms of employment and partial unemployment, in addition to the cost savings planned for 2020 as part of “Transform & Grow”;
- Focusing constantly on the price-cost spread, with strict pricing discipline;
- Reduction in capital expenditure in 2020 of more than €500 million compared to 2019;
- Strict monitoring of working capital, with the aim of limiting inventory levels and tracking inflows of customer payments on a daily basis;
- Cancellation of the dividend: given the current context of the coronavirus pandemic and the introduction of partial unemployment measures, the Board of Directors has today decided not to recommend any dividend distribution to the June 4, 2020 Shareholders’ Meeting. Although the Group recently further strengthened its liquidity, the Board of Directors considered that this exceptional decision was in the best interests of the Group and its stakeholders, given the uncertainty as to the impact and duration of the crisis, and the caution required at this time. Depending on how the situation evolves, it will review the Group’s shareholder return policy by the end of the year.

Decision by Pierre-André de Chalendar, Benoit Bazin and the Directors of the Board to reduce their compensation

Pierre-André de Chalendar, Chairman and Chief Executive Officer of Saint-Gobain, and Benoit Bazin, Chief Operating Officer, wish to show their solidarity with the efforts being made by the Group’s employees and stakeholders impacted by this unprecedented crisis. Consequently, they have informed the Board of Directors of their decision to waive 25% of their compensation to be paid in 2020 for as long as the Group’s employees are subject to partial employment in the context of the emergency measures taken by the Government to halt the spread of the coronavirus epidemic. Saint-Gobain will donate the unpaid compensation to the Paris public hospitals foundation (*Fondation de l’Assistance Publique – Hôpitaux de Paris, AP-HP*).

In a similar move of solidarity, the Directors of the Board have decided to join this effort by also waiving 25% of their compensation for the same period. Saint-Gobain will donate the unpaid compensation to charities, with the aim of supporting fragile populations impacted by the coronavirus.

Outlook

Given the impact of the global economic crisis caused by the coronavirus, the Group expects a challenging second quarter 2020 before a recovery in the second half. Due to the scale of the current uncertainties and the very different patterns of recovery from one country to the next, the Group is not currently in a position to give an earnings outlook for 2020.

Saint-Gobain’s medium and long-term outlook remains robust thanks to its enhanced profile as part of “Transform & Grow” and to its successful strategic choices. The strategy of differentiation and innovation puts Saint-Gobain in the best position to benefit from its three profitable growth drivers: sustainability, productivity and well-being.

Financial calendar

- First-half 2020 results: *July 30, 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 April 23, 2020: +33 1 72 72 74 03, dial-in code: 53318217#

Glossary:

Indicators of **organic growth** and **like-for-like changes in sales** 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.

Important disclaimer – forward-looking statements:

This press release 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 press release does not constitute any offer to purchase or exchange, nor any solicitation of an offer to sell or exchange securities of Saint-Gobain.

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

Appendix 1: Prices and Volumes on organic growth sales by Segment

| First-quarter 2020 | Like-for-like change | Prices | Volumes |
|-------------------------------|----------------------|--------------|--------------|
| High Performance Solutions | -8.4% | +1.5% | -9.9% |
| Northern Europe | -0.2% | -0.2% | +0.0% |
| Southern Europe - ME & Africa | -8.9% | +0.9% | -9.8% |
| Americas | -0.5% | +0.4% | -0.9% |
| Asia-Pacific | -12.7% | -1.3% | -11.4% |
| Group Total | -4.9% | +0.6% | -5.5% |

Appendix 2: Breakdown of organic sales growth and external sales

| First-quarter 2020 | Like-for-like change | % Group |
|--|----------------------|-------------|
| High Performance Solutions | -8.4% | 18% |
| <i>Mobility</i> | -10.5% | 8% |
| <i>Other industries</i> | -7.0% | 10% |
| Northern Europe | -0.2% | 34% |
| <i>Nordics</i> | +4.2% | 12% |
| <i>United Kingdom - Ireland</i> | -8.7% | 10% |
| <i>Germany - Austria</i> | +1.0% | 4% |
| Southern Europe - ME & Africa | -8.9% | 31% |
| <i>France</i> | -9.3% | 23% |
| <i>Spain - Italy</i> | -10.2% | 4% |
| Americas | -0.5% | 14% |
| <i>North America</i> | +0.3% | 10% |
| <i>Latin America</i> | -2.1% | 4% |
| Asia-Pacific | -12.7% | 3% |
| Group Total | -4.9% | 100% |

Appendix 3: Industry and Distribution Europe

| € million | Sales Q1 2019 | Sales Q1 2020 | Change on an actual structure basis | Change on a comparable structure basis | Like-for-like change |
|---------------------|---------------|---------------|-------------------------------------|--|----------------------|
| Industry Europe | 2,520 | 2,360 | -6.3% | -4.6% | -4.6% |
| Distribution Europe | 4,640 | 3,926 | -15.4% | -4.9% | -4.3% |