PRESS RELEASE

Paris, October 29, 2020, 5:45pm

Sales for the first nine months of 2020

Strong recovery in trading in Q3 2020
Targets revised upwards

- Strong rally in organic growth, at 3.2% in Q3 (negative 7.2% for the nine-month period and negative 12.3% for H1)
- Clear improvement in volumes in all segments, up 2.3% in Q3 (down 7.8% for the nine-month period)
- Prices up 0.9% in Q3 (up 0.6% for the nine-month period)
- Targets revised upwards with an increase in like-for-like operating income expected in H2 2020 versus H2 2019, excluding a major new impact from the recent deterioration in the health situation
- 9 million shares bought back in the second half to date of the 12 million shares target, allowing the Group to reach at end-2020 the medium-term objective of a reduction in the number of its shares outstanding fixed at 530 million, from 542 million at December 31, 2019

€m	**Sales Q3 2019**	**Sales Q3 2020**	Change on an actual structure basis	Change on a comparable structure basis	**Like-for-like change**
High Performance Solutions	1,859	1,678	-9.7%	-10.0%	-4.6%
Northern Europe	4,029	3,403	-15.5%	-1.1%	+0.3%
Southern Europe - ME & Africa	3,230	3,318	+2.7%	+6.7%	+7.4%
Americas	1,459	1,553	+6.4%	-1.8%	+11.4%
Asia-Pacific	493	404	-18.1%	-8.9%	-3.6%
Internal sales and misc.	*-276*	*-229*	---	---	---
Group Total	**10,794**	**10,127**	**-6.2%**	**-0.5%**	**+3.2%**

€m	**9-month 2019 sales**	**9-month 2020 sales**	Change on an actual structure basis	Change on a comparable structure basis	**Like-for-like change**
High Performance Solutions	5,721	4,780	-16.4%	-16.1%	-13.6%
Northern Europe	11,755	9,493	-19.2%	-6.8%	-5.3%
Southern Europe - ME & Africa	10,241	8,986	-12.3%	-8.9%	-8.6%
Americas	4,233	4,223	-0.2%	-7.2%	-0.3%
Asia-Pacific	1,388	1,059	-23.7%	-14.6%	-12.5%
Internal sales and misc.	*-867*	*-650*	---	---	---
Group Total	**32,471**	**27,891**	**-14.1%**	**-9.3%**	**-7.2%**

Sales for the third quarter were up 3.2% **like-for-like**, with a clear improvement in all segments after the 12.3% decrease in the first half, helping to limit the decline for the nine-month period to 7.2%. After hitting a low in April when they stood at 60% of 2019 levels, Group sales rallied steadily, returning to normal levels in most countries in the third quarter, which saw a 2.3% rise in volumes and a 0.9% increase in prices in a slightly deflationary environment for industrial businesses.

On a reported basis, sales for the nine months to September 30 were **€27,891 million**, with a negative **currency effect** of 2.1% over the nine-month period and of 3.7% in the third quarter, mainly reflecting the depreciation of the Brazilian real, other emerging country currencies and the Norwegian krone. The deterioration in the third quarter results from the depreciation of emerging country currencies as well as the US dollar.

Changes in Group structure had a negative impact on sales of 4.8% over the nine-month period and of 5.7% in the third quarter, resulting from disposals carried out as part of "Transform & Grow", with negative structure impacts over the nine-month period of 12.4% in Northern Europe (Distribution and Glassolutions in Germany; Optimera in Denmark), 3.4% in Southern Europe - Middle East & Africa (in France with DMTP and K par K in Distribution and with the expanded polystyrene business; in the Netherlands with Glassolutions) and 9.1% in Asia-Pacific (Hankuk Glass Industries in South Korea). The structure impact also reflects acquisitions carried out to consolidate our strong positions (Continental Building Products in North America as from February), the addition of new niche technologies and services (HTMS), and expansion in emerging countries (gypsum and mortars in Latin America). Note that 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.

Saint-Gobain continues to enhance its profitable growth profile as part of "Transform & Grow", thanks to the optimization of its portfolio and the success of the cost savings program, with the Group meeting its €250 million target at the end of 2020, a year earlier than planned. **Thanks to these two drivers, the structural improvement of more than 100 basis points in the Group's operating margin[1] compared to 2018 (7.7%) should materialize in 2021 assuming volumes return to 2018 levels.**

Segment performance (like-for-like sales)

High Performance Solutions (HPS): improvement in sales in the third quarter
HPS sales fell just 4.6% in the third quarter (down 13.6% over the nine-month period), with industrial markets gradually recovering but remaining down overall compared to 2019.

- **Mobility** sales saw a moderate decline in the third quarter, rebounding sharply compared to the second quarter. Europe remained significantly down, while sales to China and North America rose sharply. Mobility continued to outperform the automotive market in all regions during the quarter, thanks mainly to its increasing exposure to high value-added products and electric vehicles.
- Activities serving **Industry** again reported a marked fall in sales in the third quarter, although there was a clear improvement compared to the second quarter. In the context of the coronavirus crisis, the slowdown in our customers' investment cycles is particularly impacting related activities. In contrast, activities relating to consumables rallied gradually, and returned to growth in emerging countries.
- Activities serving the **Construction Industry** held up well in the nine-month period, and in the third quarter when sales were virtually stable thanks notably to external thermal insulation solutions (ETICS).
- **Life Sciences** continued to enjoy a good growth dynamic in the pharmaceutical and medical sector, benefiting from its recent capacity investments.

1. Operating margin = Operating income divided by sales.

Northern Europe: trading getting back to normal and slight growth in sales in the third quarter

Sales for Northern Europe were up 0.3% in the third quarter (down 5.3% over the nine-month period), and were virtually back to normal levels across the Region as a whole.

Nordic countries were up slightly over the nine-month period and in the third quarter thanks to Distribution, which continued to increase its market share and significantly benefited from its exposure to the renovation market, despite a less dynamic market for new construction. After a second quarter where sales were down by nearly half compared to 2019, the UK was almost flat in the third quarter, buoyed by a catch-up effect and a good performance from Distribution on the back of the swift reorganization and store network optimization. Germany limited its nine-month decline thanks to trading in the third quarter getting closer to last year's level despite the contraction in prices and volumes in the manufacturing base serving Mobility markets, whereas the construction market returned to 2019 levels. Eastern Europe progressed slightly, led by Poland.

Southern Europe - Middle East & Africa: clear upturn in sales in the third quarter

Southern Europe - Middle East & Africa saw a sharp 7.4% rise in sales in the third quarter (down 8.6% over nine months), led by the rally in construction markets.

France spearheaded the Region's momentum with energy efficiency solutions and Distribution, reporting double-digit growth, benefiting from gains on a supportive renovation market and a catch-up effect following the second-quarter downturn. Spain, Italy and Belgium also saw a clear improvement, with sales growth in the third quarter. Only the Netherlands reported a small contraction in sales in the quarter. The Middle East and Africa returned to growth, despite different paces of recovery from one country to the next.

Americas: strong sales growth with a double-digit rise in the third quarter

The Americas reported 11.4% organic growth in the third quarter, with an acceleration in volumes and prices, helping the Region to regain stability over the nine-month period (down 0.3%).

North America posted strong growth driven by volumes in exterior solutions and gypsum in a much better environment for prices, which were up overall. The strong success of the Continental Building Products integration enables the Group to exceed its initial synergies target, with more than USD 15 million for 2020 as a whole.

Latin America returned to growth over the nine-month period, led by a very strong dynamic in all businesses in terms of both volumes and prices, with a sharp increase in the third quarter which capitalized fully on market share gains on the back of significant local sales synergies.

Asia-Pacific: gradual rally with sales growth in September

Asia-Pacific posted like-for-like sales declines of 3.6% in the third quarter and 12.5% over the nine-month period, improving month after month in a persistently competitive pricing environment. September saw a return to growth across the Region, led by further double-digit advances in China and a gradual improvement in India.

In the third quarter, China continued on the growth trajectory already observed in the second quarter, driven by a sharp increase in gypsum which continued to capture market share over other building solutions. In India, despite another significant contraction in the third quarter, the situation is improving month by month. South-East Asia reported a mixed picture over the quarter, with ongoing growth in Vietnam but a more fragile situation in Thailand and Indonesia.

Priorities and outlook for 2020

The Group recalls its **priorities**:

1) Ensure the health and safety of all in a health environment which remains very challenging.

2) Enhance the Group's profitable and sustainable growth profile, driven by:
- the **continuation of its portfolio optimization** as part of "Transform & Grow" (divestments and acquisitions), according to market conditions;
- the **strategy of differentiation and innovation** with enhanced data, digital and customer productivity, as well as new services to adapt our solutions to the needs of the post-coronavirus world;
- a **comprehensive portfolio of green solutions** produced or distributed by Saint-Gobain.

3) Continue to implement operational measures to optimize earnings and the operating margin:
- **unlock sales synergies** made possible by the new organisation under "Transform & Grow";
- continue to **optimize the price-cost spread**;
- **reduce costs in the context of additional post-coronavirus adaptation measures**, which should generate €200 million in full-year savings by 2021, including €50 million in second-half 2020;
- generate **€130 million in additional cost savings in 2020** (of which €50 million in the second half), thanks to the successful "**Transform & Grow**" program, after €120 million in 2019, enabling the Group to meet its €250 million target a year earlier than planned;
- continue the **operational excellence program** aimed at offsetting wage inflation and other fixed costs: around **€300 million** in additional cost savings in 2020 (of which €155 million in the first half) calculated on the 2019 cost base; continued discipline on cost structure.

4) Increase free cash flow generation by:
- **reducing capital expenditure by more than €500 million** in 2020 versus 2019 which saw an investment peak and thanks to continued optimization of maintenance capital expenditure in the context of the pandemic;
- continuing to **optimize working capital requirement**.

5) Maintain a strong balance sheet. In light of its robust cash position, at the end of September the Group cancelled the short-term syndicated credit line it had arranged in March 2020 for an initial amount of €2.5 billion, which had been subsequently reduced to €1.0 billion (undrawn) at the end of June.

In fourth-quarter 2020, amid a lack of visibility as to the impact of the coronavirus pandemic, Saint-Gobain should benefit from ongoing favorable trends on most of its markets, particularly renovation, which accounts for around half of the Group's sales and is a market on which the Group is strategically very well positioned. The catch-up effect reported in certain countries in the third quarter should however diminish. The Group remains cautious as to the outlook for the UK ahead of Brexit, and for industrial markets, which are expected to remain down on 2019.

In terms of profitability, the price increases implemented in the summer should result in an ongoing positive price-cost spread; the adaptation measures taken in the automotive segment in Europe and in the UK are progressing well.

Based on our sales and results growth in the third quarter, the Group now expects a like-for-like increase in operating income for second-half 2020 compared to second-half 2019, excluding a major new impact from the recent deterioration in the health situation.

The Group's extensive exposure to the renovation market means it is ideally placed to benefit from national and European stimulus plans focused on the energy transition, which should support Saint-Gobain's structural growth.

Saint-Gobain's medium and long-term outlook is robust thanks to its successful strategic and organizational choices: sustainability – thanks to our solutions to protect our planet while offering comfort and wellbeing – and enhanced customer performance. This strategy is perfectly in tune with the Group's purpose: **"Making the world a better home"**.

Financial calendar

- 2020 results: *February 25, 2021*, after close of trading on the Paris Bourse.

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A conference call will be held on October 29, 2020 at 6:30pm (GMT + 1): dial +33 1 72 72 74 03 followed by the code 84352912#

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

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 Universal Registration Document available on its website (www.saint-gobain.com) and the main risks and uncertainties for the second-half 2020, presented within the half-year 2020 financial report. 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: Contribution of prices and volumes to organic sales growth by Segment

Q3 2020	Like-for-like change	Prices	Volumes
High Performance Solutions	-4.6%	+0.2%	-4.8%
Northern Europe	+0.3%	+0.5%	-0.2%
Southern Europe - ME & Africa	+7.4%	+1.0%	+6.4%
Americas	+11.4%	+3.1%	+8.3%
Asia-Pacific	-3.6%	-1.3%	-2.3%
Group Total	**+3.2%**	**+0.9%**	**+2.3%**

9-month 2020	Like-for-like change	Prices	Volumes
High Performance Solutions	-13.6%	+0.4%	-14.0%
Northern Europe	-5.3%	+0.2%	-5.5%
Southern Europe - ME & Africa	-8.6%	+1.0%	-9.6%
Americas	-0.3%	+0.9%	-1.2%
Asia-Pacific	-12.5%	-1.3%	-11.2%
Group Total	**-7.2%**	**+0.6%**	**-7.8%**

Appendix 2: Breakdown of organic sales growth and external sales

Q3 2020	Like-for-like change	% Group
High Performance Solutions	**-4.6%**	**16%**
Mobility	*-3.3%*	*7%*
Other industries	*-5.5%*	*9%*
Northern Europe	**+0.3%**	**33%**
Nordics	*+0.5%*	*13%*
United Kingdom - Ireland	*-0.1%*	*10%*
Germany - Austria	*-1.8%*	*3%*
Southern Europe - ME & Africa	**+7.4%**	**32%**
France	*+8.7%*	*25%*
Spain-Italy	*+3.6%*	*4%*
Americas	**+11.4%**	**15%**
North America	*+5.3%*	*11%*
Latin America	*+25.2%*	*4%*
Asia-Pacific	**-3.6%**	**4%**
Group Total	**+3.2%**	**100%**

9-month 2020	Like-for-like change	% Group
High Performance Solutions	**-13.6%**	**17%**
Mobility	*-19.2%*	*6%*
Other industries	*-9.9%*	*11%*
Northern Europe	**-5.3%**	**33%**
Nordics	*+2.6%*	*14%*
United Kingdom - Ireland	*-18.5%*	*9%*
Germany - Austria	*-4.5%*	*4%*
Southern Europe - ME & Africa	**-8.6%**	**31%**
France	*-8.6%*	*24%*
Spain-Italy	*-11.5%*	*4%*
Americas	**-0.3%**	**15%**
North America	*-1.7%*	*11%*
Latin America	*+3.0%*	*4%*
Asia-Pacific	**-12.5%**	**4%**
Group Total	**-7.2%**	**100%**

Appendix 3: Industry and Distribution Europe

€m	9-month 2019 sales	9-month 2020 sales	Change on an actual structure basis	Change on a comparable structure basis	Like-for-like change
Industry Europe	7,664	6,791	-11.4%	-9.5%	-8.6%
Distribution Europe	14,675	11,919	-18.8%	-6.9%	-6.0%