



PRESS RELEASE

Paris, April 25, 2019

First-quarter 2019 sales

€10,378 million
Organic growth of 5.7%

- Positive pricing dynamic of 2.6%
- Strong volume growth of 3.1%
- Positive 0.6% currency impact and positive 0.1% Group structure impact, with acquisitions offset by the disposal program

On a like-for-like basis, sales grew by 5.7%, driven by both prices and volumes against a weak comparison basis, with Europe affected by harsh weather conditions in first-quarter 2018. Prices continued to progress along the lines of last year's upbeat trends in a slightly lower inflationary environment.

On a reported basis, **sales** totaled **€10,378 million**, with a positive 0.6% **currency impact** notably due to the appreciation of the US dollar against the euro, despite the depreciation of the Brazilian real, Nordic krona and other Asian and emerging country currencies.

The **Group structure impact** was virtually stable at a positive 0.1%, with acquisitions offset by the disposal program, in particular the Pipe business in Xuzhou, China. Acquisitions reflect the integration of companies in new niche technologies and services (Kaimann), in Asia and emerging countries (Join Leader), and the consolidation of our strong positions (Hunter Douglas). It should be noted that in light of the now hyperinflationary environment in Argentina, this country which represents less than 1% of the Group's consolidated sales, has been excluded from the like-for-like analysis since July 1, 2018.

€ million	Sales Q1 2018	Sales Q1 2019	Change on an actual structure basis	Change on a comparable structure basis	Like-for-like change
High Performance Solutions	1,784	1,893	+6.1%	+4.4%	+2.4%
Northern Europe	3,396	3,660	+7.8%	+7.3%	+7.8%
Southern Europe - ME & Africa	3,223	3,386	+5.1%	+4.8%	+5.0%
Americas	1,210	1,307	+8.0%	+7.9%	+4.6%
Asia-Pacific	442	426	-3.6%	+10.2%	+7.7%
Internal sales and misc	-300	-294	---	---	---
Group Total	9,755	10,378	+6.4%	+6.3%	+5.7%

Segment like-for-like sales performance

High Performance Solutions (HPS) sales rose 2.4% on the back of supportive industrial markets, despite weakness in the automotive market.

- **Mobility** proved resilient amid a difficult automotive market environment. Despite the ongoing contraction in Europe and China, trading was supported in particular by market share gains thanks to the differentiating strategy focused on high value-added products.
- **Industry** stabilized. The level of activity in Ceramics is in line with second-half 2018. As a result, North America was slightly down, while Asia and emerging countries continued to grow.
- Activities serving the **construction industry** progressed sharply in the main regions of Europe and the Americas.
- **Life Sciences** continued to enjoy strong growth momentum.

Northern Europe rose 7.8% against a weak comparison basis in 2018, benefiting from good market conditions in the main countries of the region. Distribution had a very good start to the year and Industrial businesses advanced, particularly Gypsum and Mortars, with a more modest increase in Building Glass.

Sales in Nordic countries were strong at the start of the year in all businesses and major countries, particularly in Distribution which posted a double-digit increase; the construction market maintained good momentum. The UK continued to grow in an economic environment that remains uncertain. Sales in Germany progressed sharply, continuing the upward trend reported since the second half of 2018. Eastern Europe continues to advance in all of its main businesses and countries.

Southern Europe - Middle East & Africa was up 5.0% against a weak prior-year comparison basis in Europe. Growth was led by Distribution; Industrial businesses progressed, particularly Gypsum, Insulation and Mortars. Pipe reported a slight increase in sales and continued its efforts to improve its competitiveness.

France maintained its growth momentum with a very good start to the year, still supported by the two drivers of the construction market: renovation and new construction; Insulation continued to benefit from strong demand for energy-efficiency renovation. Among other countries, Spain posted robust growth, Benelux and Italy progressed. The Middle East and Africa were down in the first quarter, particularly in Turkey.

The **Americas** reported 4.6% growth. North America benefited from a good price effect at the expense of volumes, in a context of continued raw material cost inflation. Despite a high comparison basis, Exterior Products stabilized thanks to a strong price effect. Latin America enjoyed continued strong growth momentum, particularly in Building Glass and Mortars; the rally in Brazil gathered pace.

Asia-Pacific posted 7.7% organic growth, spurred by robust momentum in Building Glass and Gypsum. India was boosted by additional sales following the start-up of its fifth float line, and Gypsum continued to deliver strong growth. Among other Asian countries, China was up.

2019 outlook

The Group confirms its outlook for full-year 2019:

- **High Performance Solutions:** industrial markets should remain supportive, particularly in the US, despite uncertainties on the automotive market in Europe and China;
- **Northern Europe:** should progress despite an uncertain environment in the UK;
- **Southern Europe - Middle East & Africa:** overall growth expected for the region, with a construction market in France which should be supported by renovation while new construction could be down from the second half;
- **Americas:** market growth in both North and Latin America;
- **Asia-Pacific:** further growth.

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

- its **focus on sales prices** amid continued inflationary pressure on costs;
- its **cost savings program** with the aim of unlocking additional savings of around **€300 million** (calculated on the 2018 cost base), as well as **more than €50 million in 2019** as part of the "Transform & Grow" program;
- its **capital expenditure 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**.

In line with our objective as announced in February, **the Group is targeting a further like-for-like increase in operating income in 2019.**

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 the 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: details are given in Note 4 to the financial statements in the 2018 Registration Document, available on: https://www.saint-gobain.com/sites/sgcom.master/files/ddr2018_va.pdf

Free cash flow: cash flow excluding the tax impact of capital gains and losses on disposals, asset write-downs and material non-recurring provisions, less capital expenditure.

Capital expenditure: investments in property, plant and equipment.

Financial calendar

- First-half 2019 results: *July 25, 2019*, 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 25, 2019: +33 1 72 72 74 03, dial-in code: 48629596#

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.

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

Appendix 1: Price and volume effect on organic sales growth by Segment

First-quarter 2019	Like-for-like change	Price effect	Volume effect
Segments:			
High Performance Solutions	+2.4%	+2.3%	+0.1%
Northern Europe	+7.8%	+1.9%	+5.9%
Southern Europe - ME & Africa	+5.0%	+2.2%	+2.8%
Americas	+4.6%	+6.7%	-2.1%
Asia-Pacific	+7.7%	+0.7%	+7.0%
Group Total	+5.7%	+2.6%	+3.1%

Appendix 2: Sales by geography

€ million	Sales Q1 2018	Sales Q1 2019	Change on an actual structure basis	Change on a comparable structure basis	Like-for- like change
Geographic areas:					
France	2,673	2,797	+4.6%	+4.5%	+4.5%
Other Western European countries	4,166	4,471	+7.3%	+6.4%	+6.6%
North America	1,275	1,420	+11.4%	+9.9%	+1.9%
Emerging countries and Asia	2,184	2,236	+2.4%	+5.2%	+6.6%
<i>Internal sales</i>	-543	-546	---	---	---
Group Total	9,755	10,378	+6.4%	+6.3%	+5.7%
Industry Europe	2,409	2,520	+4.6%	+5.0%	+5.6%
Distribution Europe	4,305	4,640	+7.8%	+7.1%	+7.3%