SAINT-GOBAIN

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2020 results and evolution in governance

Record free cash flow[1] in 2020

Record operating margin[2] and recurring net income[3] in H2 2020

- Responsible management of the health crisis with regard to all of the Group's stakeholders; solid achievements in ESG[4], with new commitments for 2030
- Successful completion of "Transform & Grow", a year earlier than planned
- Strong 4.8% organic growth in sales in H2, accelerating to 6.4% in Q4
- Sharp rebound in operating income in H2 2020 up 22.4% like-for-like, with a record operating margin of 10% (up 160 bps versus H2 2019)
- Increase of 20 bps in the EBITDA margin[5] to 11.6% for the full year, and of 200 bps in H2
- Record recurring net income[3] in H2, up 23.4% to €1,198 million
- Record free cash flow[1] of €3,044 million in 2020 (up 64%), and net debt reduced to €7.2 billion
- Reduction in the number of shares outstanding, to 530 million from 542 million at end-2019
- 2020 dividend at €1.33 per share, to be paid wholly in cash
- Evolution in Saint-Gobain governance with effect from July 1st, 2021

(€m)	**2019**	**2020**	**Change**	**Change** like-for-like	**Change** H2 2020/H2 2019 like-for-like
Sales	42,573	**38,128**	**-10.4%**	**-3.8%**	**+4.8%**
EBITDA[6]	4,870	**4,415**	**-9.3%**		
Operating income	3,390	**2,855**	**-15.8%**	**-12.3%**	**+22.4%**
Recurring net income[3]	1,915	**1,470**	**-23.2%**		
Free cash flow[1]	1,857	**3,044**	**+63.9%**		

1. *Free cash flow = EBITDA less depreciation of right-of-use assets, plus net financial expense, plus income tax, less capital expenditure excluding additional capacity investments, plus changes in working capital requirement.*
2. *Operating margin = Operating income divided by sales.*
3. *Recurring net income = Net attributable income excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions.*
4. *ESG = Environmental, Social and Governance.*
5. *EBITDA margin = EBITDA divided by sales.*
6. *EBITDA = Operating income, plus operating depreciation and amortization, less non-operating costs.*

Evolution in Saint-Gobain governance

In line with best corporate governance practices, the Board of Directors of Compagnie de Saint-Gobain has been working extensively since 2019 under the responsibility of the Lead Independent Director and the Nomination and Remuneration Committee, and with the assistance of an independent recruitment firm, on preparing the succession of Pierre-André de Chalendar, Chairman and Chief Executive Officer since 2010.

As a result of this process, the Board of Directors deems it essential for Saint-Gobain that there is a seamless transition, which is achieved by separating the roles of Chairman and Chief Executive Officer. Acting on the recommendation of Pierre-André de Chalendar, the Board has unanimously decided to appoint Benoit Bazin as Chief Executive Officer with effect from July 1, 2021. Pierre-André de Chalendar will continue to serve as Chairman of the Board of Directors. The Board has also decided to recommend to the June 3, 2021 Annual General Meeting to appoint Benoit Bazin, as a director of Saint-Gobain.

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

"The record results of the Group for second-half 2020, in a year in which the world suffered its worst crisis in decades, confirms the pertinence of the Group's differentiation strategy and the success of its profound transformation begun several years ago. Its new decentralized organization closely aligned with its markets and customers gives it the agility, efficiency and responsiveness it needs to capture all opportunities and maximize synergies. In reshaping its portfolio, the Group is focusing its energies on businesses offering the highest potential for profitable, sustainable growth. Our record free cash flow generation, the result of operational improvements and strict financial discipline, has enabled us to significantly reduce our debt despite the difficult economic environment. I would like to sincerely thank the teams for these excellent results achieved and for their unwavering commitment and solidarity.

Exceeding our operating and financial objectives reinforces our commitment and action in favor of a more sustainable and responsible world, which is at the heart of Saint-Gobain's business model and values. Our comprehensive range of innovative solutions promoting energy efficiency, along with our extensive exposure to the renovation market, ideally position the Group to benefit from plans launched across the globe to support the energy transition imperative.

For this new chapter, I am delighted to be soon handing over the executive role to Benoit, who has in-depth knowledge of the Group, has shown his leadership in the different strategic and operating roles he has held, and has managed, with the success we see today, critical projects like our transformation plan "Transform & Grow" or the acquisition of Continental Building Products. He perfectly embodies the Group's values and its future, and will successfully steer the Group forward in the best interests of its shareholders and all of its stakeholders."

Benoit Bazin, Chief Operating Officer of Saint-Gobain, commented:

"The Group's performance in 2020 testifies to the impressive reaction of our teams in our new organization by country and by market, who took the right health decisions from the very outset of the crisis, and then in the second half successfully seized all opportunities for growth. Over the year as a whole, we unlocked significant savings of €690 million, with a strong contribution from "Transform & Grow" which met its target of €250 million in structural gains in 2019-2020 a year earlier than planned, significant reductions in discretionary spending at the peak of the crisis, the successful roll-out of our operational excellence programs, and the launch of additional adaptation measures to lower the break-even point of our businesses where the recovery is more uncertain. In parallel, we actively pursued our portfolio optimization strategy despite the health crisis, as illustrated by the agreements signed for the sale of Lapeyre and the Distribution business in the Netherlands and Spain. With more than €4.6 billion in sales sold or signed since the launch of "Transform & Grow", Saint-Gobain has significantly exceeded its initial objectives announced at the end of 2018. On the acquisitions side, we are extremely satisfied with the swift integration of Continental Building Products and synergies have exceeded expectations; 12 other acquisitions were also finalized last year. Overall, the Group has emerged stronger from its profound transformation process launched at the end of 2018, and will pursue its portfolio optimization in order to continuously enhance its growth and profitability profile going forward.

I feel very honored that the Board has appointed me to take over as Group Chief Executive Officer and I would like to thank them for their trust. I would also like to particularly thank Pierre-André, with whom I have worked for many years: he launched the profound transformation of the Group – the benefits of which we are seeing today – and put me in a position where I could play a leading role in this process alongside him. I look forward to serving as Chief Executive Officer under his Chairmanship. I firmly believe that thanks to the quality and engagement of our teams, Saint-Gobain has significant growth and profitability potential while being ideally placed to play a decisive role in meeting today's global challenges of climate change, protection of natural resources and inclusion."

Biography of Benoit Bazin:

After studying in France and in the United States, and spending four years at the Treasury department within the French Ministry of Finance, Benoit Bazin joined Saint-Gobain in 1999. He held various positions in France and, starting in 2002, in the United States – in a general management role within High-Performance Materials, before taking the Chief Financial Officer role of Compagnie de Saint-Gobain in 2005. From 2009 to the end of 2015, Benoit Bazin headed the Building Distribution Sector. In 2010, he was named Senior Vice President of Compagnie de Saint-Gobain. From 2016 to the end of 2018, Benoit Bazin headed the Construction Products Sector. During 2017, he was President and CEO of CertainTeed Corporation in the United States. Since January 1, 2019, he has been Chief Operating Officer of the Saint-Gobain Group.

Operating performance

Like-for-like sales climbed **4.8% in the second half**, with a marked improvement in all segments after the steep 12.3% contraction in the first half, helping to limit the full-year decline to 3.8%. After hitting a low in April with trading at 60% of prior-year levels, the Group's sales steadily rallied, back to normal levels in most countries as from June. There was good momentum in volumes (up 3.4%) and in prices (up 1.4%) in the second half (down 4.7% and up 0.9%, respectively, over the full year).

On a reported basis, sales came in at **€38,128 million**. The **currency effect** was a negative 2.7% over the year, including a negative 4.1% in the second half due notably to the depreciation of the Brazilian real and other emerging country currencies, the US dollar, and the Norwegian krone.

Changes in **Group structure** had a negative 3.9% impact on sales over the year, and a negative 3.2% impact in the second half, as a result of the divestments carried out as part of "Transform & Grow", with negative structure impacts for the year of 10.0% in Northern Europe (in Germany with the Raab Karcher Distribution business and Glassolutions; in Denmark with the Optimera generalist distribution business), 3.2% in Southern Europe - Middle East & Africa (in France with DMTP civil engineering materials distribution and K par K, and with the expanded polystyrene business; in the Netherlands with Glassolutions) and 9.3% in Asia-Pacific (in South Korea with Hankuk Glass Industries, an upstream glass business). The Group structure impact also reflects acquisitions carried out to consolidate our strong positions (Continental Building Products in North America as from February), develop new niche technologies (HTMS in HPS) or services, and expand 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 sales, is excluded from the like-for-like analysis.

Operating income rose 15.8% on a reported basis in the second half to €2,028 million, and 22.4% like-for-like, helping to limit the full-year decline to 15.8% at €2,855 million as reported and 12.3% like-for-like.

The Group's **operating margin** rose to a record level of **10.0% in second-half 2020** from 8.4% in second-half 2019, standing at 7.5% for the full year compared to 8.0% in full-year 2019.

In the second half of 2020, the Group benefited from:

- Good momentum in volumes, reinforced in the post-pandemic period by increased demand on the renovation market, which the Group was able to take full advantage of thanks to its new organization close to customers in each country or market;
- Upward trends in sales prices, generating a positive price-cost spread of €110 million in the second half (after €50 million in the first half);
- Structural improvement in its profitable growth profile as part of "Transform & Grow": (1) €50 million in additional recurring and structural savings, allowing the Group to meet its savings target of €250 million at the end of 2020, a year earlier than planned; (2) successful optimization of the portfolio through divestments and acquisitions (particularly Continental Building Products), with a positive impact on the operating margin;
- €50 million in cost savings resulting from additional adaptation measures launched in order to lower the break-even point of businesses where the recovery is more uncertain;
- €45 million temporary decrease in discretionary spending (after €65 million in the first half);
- €165 million resulting from the continuation of the operational excellence program, which offset wage inflation and other fixed costs.

Over full-year 2020, the Group took strong action on costs, achieving €690 million in cost savings:

- €130 million in recurring and structural savings under "Transform & Grow";
- €190 million to mitigate the impact of the health crisis during the lockdown periods, thanks to the temporary reduction in discretionary spending and partial employment measures (net of additional Covid costs); €50 million resulting from the additional adaptation measures launched;
- €320 million relating to the continuation of the operational excellence program, which aims to offset the various impacts of inflation on costs.

Segment performance (like-for-like sales)

High Performance Solutions (HPS): sequential improvement

HPS sales edged down 1.9% in the second half and advanced 0.8% in the fourth quarter (down 10.1% over the full year). HPS benefited from a recovery in most industrial markets in the second half of 2020. Against this backdrop, the operating margin was 11.1% for the second half (versus 12.5% in second-half 2019), a clear improvement on the six months to June 30, 2020 at 7.4%, and 9.4% for the full year (versus 12.7% for full-year 2019).

- **Mobility** sales stabilized in the second half, and even progressed in the fourth quarter against an easier comparison basis. Sales for the year remained sharply down, affected by the second quarter (market contraction of 17% in 2020 in terms of volumes). Although Europe was down in the second half, sales to China and the Americas were up sharply. Mobility once again outperformed the automotive market throughout the year, due mainly to its increasing exposure to products for electric vehicles.
- **Industry** sales remained down in the second half, but showed a clear improvement on the six months to June 30. Activities linked to consumable goods, particularly in Do-It-Yourself (DIY) markets, rallied steadily, delivering growth in emerging countries. However, the slowdown in our customers' investment cycles took a heavy toll on related activities throughout the year.
- Activities serving the **Construction Industry** held up well over the full year, with sales virtually stable and significant gains in market share. The upturn was pronounced in the second half, especially for external thermal insulation solutions (ETICS), leading to double-digit growth in the fourth quarter.
- **Life Sciences** continued to enjoy good growth momentum in the pharmaceutical and medical sector, benefiting from its recent capacity investments.

Northern Europe: sales growth in the second half; significant rise in margin

Northern Europe progressed 2.0% in the second half and 3.8% in the fourth quarter (down 3.1% over the full year), with a return to good market trends across the Region and robust trading in the month of December.

Nordic countries delivered a solid performance, posting sales growth in each quarter in 2020, thanks notably to Distribution, which continued to outperform the market thanks to its successful omnichannel digital strategy and benefited largely from its exposure to the renovation market, despite less dynamic new construction. UK sales, which were down by nearly half in the second quarter, picked up in the second half, driven by a good fourth-quarter performance in Distribution, bolstered by network optimization efforts. Germany limited its decline over the full year and leveraged its successful local organization to bounce back in the second half, led by all of its light construction solutions in the fourth quarter. Eastern Europe was up slightly over the full year, enjoying a good dynamic in its main markets in the fourth quarter.

The Region's operating margin for 2020 was back at 2019 levels (6.2% versus 6.3%), thanks to a significant advance in the second half, up to 7.9% (from 6.6% in second-half 2019), supported by the full impact of "Transform & Grow" with portfolio divestments and structural cost reductions, along with post-coronavirus cost adaptation measures, a clear positive raw material and energy cost-price spread, and an upturn in volumes.

Southern Europe - Middle East & Africa: significant upturn in sales in the second half; strong margin growth

Sales for the Southern Europe - Middle East & Africa Region rebounded 6.7% in the second half (down 4.9% over the full year), with a good performance in both the third and fourth quarters led by upbeat renovation markets and additional activity in December.

France drove the momentum for the entire Region in the second half, reporting a sharp rise in renovation projects with high levels of orders, fueling growth in the Distribution business in particular. The Group's efforts in terms of training trade professionals in the full range of Saint-Gobain's solutions, common referrals for different product categories, positioning in energy-efficient renovation solutions and intermediation with its other activities within the scope of the Group's new organization, have created significant opportunities for growth and market share gains. The website "La Maison Saint-Gobain", for example, reported a 60% jump in work requests in the fourth quarter. Excluding the Netherlands which was down slightly, other European countries advanced in the second half, with Spain and Italy in particular seeing the full benefits of the new organization on their performance. Lastly, the Middle East and Africa also delivered growth in the second half of 2020, despite a different pace of recovery from one country to the next.

The operating margin for the Region in 2020 was close to last year's figure, at 5.2% (versus 5.4% in 2019), lifted by a very strong performance in the second half, at 8.0% (versus 5.8% in second-half 2019), here again benefiting from the full impact of "Transform & Grow" – with successful portfolio divestments and structural cost reductions, a clear positive raw material and energy price-cost spread, and good volume growth.

Americas: sales growth over the year; sharp rise in operating income

The Americas delivered 15.7% organic growth in the second half, with an acceleration in the fourth quarter at 20.6%, resulting in a 4.7% advance over the full year.

- North America rebounded sharply by 11.2% in the second half (up 2.8% over the full year), driven by renovation volumes and new residential construction, and by an effective pricing strategy. Thanks to the successful integration of Continental Building Products, the profit target was exceeded, as well as the expected synergies, with USD 20 million in synergies unlocked during 2020. Combined with the benefits of the new organization, this acquisition broadly strengthens the Group's positions in construction businesses in North America, which delivered a very good performance.
- Latin America enjoyed vigorous momentum in second-half sales, up 25.3% (after the major disruptions in the second quarter), buoyed by strong local sales synergies and significant market share gains.

There was a significant rise in the Region's operating margin, at 11.5% for the year (versus 10.1% in 2019), lifted by the 15.4% margin recorded in the second half (11.2% in second-half 2019), supported mainly by double-digit growth in volumes and a clear positive raw material and energy cost-price spread.

Asia-Pacific: return to sales growth in the fourth quarter; margin up slightly over the full year

The Asia-Pacific Region saw 2.1% organic growth in the second half, driven by the 7.6% rebound in the fourth quarter (down 7.1% over the full year), with a month-on-month improvement in a more favorable pricing environment.

From the second quarter on, China enjoyed bullish trading, with double-digit growth, a marked improvement in the margin, and a significant advance for all of our construction solutions, which continued to capture market share. In India following a marked contraction in the second and third quarters, trading rallied towards the end of the year, driven by both volumes and prices – particularly for building solutions. South-East Asia reported a mixed picture over the year, with growth in Vietnam spurred by gains in market share, and an improvement in other countries in the second half, although this was not enough to fully offset the sharp downturn reported in first-half 2020.

The Region's operating margin was up slightly, at 10.7% over the year (from 10.6% in 2019), despite the drop in sales, supported by a strong second-half increase, up to 13.5% (from 11.6% in second-half 2019), on the back of a sharp decrease in costs and a clear positive raw material and energy price-cost spread.

Analysis of the 2020 consolidated financial statements

The 2020 consolidated financial statements were approved and adopted by Saint-Gobain's Board of Directors at its meeting of February 25, 2021. The consolidated financial statements were audited and certified by the statutory auditors.

in € million	2019 (A)	2020 (B)	% change (B)/(A)
Sales	**42,573**	**38,128**	**-10.4%**
Operating income	**3,390**	**2,855**	**-15.8%**
Operating depreciation and amortization	1,901	1,902	0.1%
Non-operating costs	(421)	(342)	-18.8%
EBITDA	**4,870**	**4,415**	**-9.3%**
Capital gains and losses on disposals, asset write-downs and impact of changes in Group structure	(416)	(1,081)	n.s.
Business income	**2,553**	**1,432**	**-43.9%**
Net financial expense	(496)	(453)	-8.7%
Dividends received from investments (Sika)	28	34	21.4%
Income tax	(631)	(526)	-16.6%
Share in net income (loss) of associates	0	2	n.s.
Net income before non-controlling interests	**1,454**	**489**	**-66.4%**
Non-controlling interests	48	33	-31.3%
Net attributable income	**1,406**	**456**	**-67.6%**
Earnings per share[2] (in €)	2.59	0.85	-67.2%
Recurring net income[1]	**1,915**	**1,470**	**-23.2%**
Recurring earnings per share[2] (in €)	3.53	2.74	-22.4%
EBITDA	**4,870**	**4,415**	**-9.3%**
Depreciation of right-of-use assets	(682)	(675)	-1.0%
Net financial expense	(496)	(453)	-8.7%
Income tax	(631)	(526)	-16.6%
Capital expenditure	(1,818)	(1,236)	-32.0%
o/w additional capacity investments	*536*	*371*	*-30.8%*
Change in working capital requirement	78	1,148	n.s.
Free cash flow[3]	**1,857**	**3,044**	**63.9%**
Free cash flow conversion[4]	**44.3%**	**81.4%**	
Lease investments	955	833	-12.8%
Investments in securities[5]	297	1,343	n.s.
Divestments	1,052	2,567	n.s.
Consolidated net debt	**10,491**	**7,181**	**-31.6%**

1. Recurring net income = net attributable income (loss) excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions.
2. Calculated based on the weighted average number of shares outstanding (536,452,195 shares in 2020, versus 542,079,771 shares in 2019).
3. Free cash flow = EBITDA less depreciation of right-of-use assets, plus net financial expense, plus income tax, less capital expenditure excluding additional capacity investments, plus changes in working capital requirements.
4. Free cash flow conversion = free cash flow divided by EBITDA less depreciation of right-of-use assets.
5. Investments in securities: €1,343 million in 2020, of which €1,240 million in controlled companies.

Consolidated **sales** were up 4.8% **like-for-like** in the second half (including a positive 3.4% volume impact and a positive 1.4% price effect), helping to limit the full-year decline to 3.8%. On a reported basis, sales retreated 2.5% in the second half (down 10.4% over the full year), with a negative 4.1% **currency effect** (negative 2.7% for the full year) and a negative 3.2% **Group structure impact** (negative 3.9% for the full year), reflecting divestments carried out as part of "Transform & Grow" and the acquisition of Continental Building Products.

Operating income progressed in the second half, up 15.8% on a reported basis to €2,028 million and up 22.4% like-for-like, helping to limit the full-year decline to 15.8% and 12.3%, respectively. The consolidated **operating margin** increased to **10.0%** of sales in **second-half 2020** (versus 8.4% in second-half 2019), and 7.5% for the full year (8.0% for 2019).

EBITDA climbed 13.3% in the second half to €2,780 million, helping to limit the full-year decline to 9.3%. The Group's **EBITDA margin improved to 13.7% in the second half** (11.7% in second-half 2019), and to 11.6% **for the full year** (versus 11.4% in 2019).

Non-operating costs improved, at €342 million versus €421 million in 2019, mainly due to the discontinuation of the accrual to the provision for asbestos-related litigation involving CertainTeed in the US (€88 million accrual in 2019). The amount for 2020 includes €42 million in restructuring costs associated with cost savings measures linked to "Transform & Grow".
The net balance of capital gains and losses on disposals, asset write-downs and impacts of changes in Group structure represented an expense of €1,081 million compared to an expense of €416 million in 2019. This item consists mainly of a write-down of intangible assets in the UK Distribution business (€571 million), and write-downs taken against operations held for sale (including Lapeyre) or related to new post-coronavirus adaptation measures.
Business income totaled €1,432 million compared to €2,553 million in 2019.

Net financial expense excluding Sika dividends fell to €453 million (from €496 million in 2019). Dividends received from equity investments (Sika) totaled €34 million.
Income tax was €526 million compared to €631 million in 2019. The tax rate on recurring net income was 28% (25% in 2019), and 23% in the second half (25% in second-half 2019), after a first half which included several exceptional items.

Recurring net income (excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions) was down 23.2% at €1,470 million. **In second-half 2020, it hit a record high of €1,198 million**, a rise of 23.4% versus second-half 2019.
Net attributable income amounted to €456 million for the year, compared to €1,406 million in 2019.

Investments in property, plant and equipment and intangible assets (capital expenditure) fell 32.0% to €1,236 million, exceeding the target reduction of over €500 million, and as a percentage of sales were down to 3.2% from 4.3% in 2019. However, the Group took care to continue investing in additional capacity in order to prepare for future growth, with an outlay of €371 million in the year, mainly in the following areas: Construction Industry and Life Sciences, façade and gypsum solutions in emerging countries (Mexico, India and China).

Free cash flow soared 63.9% to an **all-time high of €3,044 million** (8.0% of sales compared to 4.4% in 2019), with a rise in the free cash flow conversion ratio at 81% (44% in 2019), thanks mainly to a significant improvement in working capital requirement (WCR), the reduction in capital expenditure, and the fall in non-operating costs. Operating WCR represented a historic low of 18 days' sales at December 31, 2020, versus 27 days' sales at end-December 2019, attributable in equal proportions to a structural gain and a one-off gain.

Investments in securities totaled €1,343 million (€297 million in 2019) and mainly included the acquisition of Continental Building Products. Continental Building Products reported USD 480 million in 12-month pro forma sales and USD 112 million in 12-month pro forma EBITDA, representing an EBITDA margin of 23.3%. The amount of synergies generated has exceeded initial expectations, at USD 20 million in 2020. Expectations for value creation in year three are confirmed. In all, the Group made 13 acquisitions in 2020, representing around €500 million in full-year sales and €110 million in EBITDA.
Divestments totaled €2,567 million (€1,052 million in 2019), and mainly related to the sale of Sika shares.

Net debt fell sharply to €7.2 billion at December 31, 2020 compared to €10.5 billion at end-December 2019, thanks mainly to sharp growth in free cash flow generation, the accounting classification of debt carried by entities in the process of being sold within liabilities held for sale for €0.15 billion, and proceeds from disposals net of acquisitions for around €1.2 billion. In fact, the sale of the 10.75% stake in Sika for €2.4 billion generated a net cash gain of €1.5 billion. Excluding IFRS 16, net debt fell to €4.1 billion at December 31, 2020, compared to €7.3 billion at December 31, 2019. Net debt represents 39% of consolidated equity compared to 53% at end-December 2019. The **net debt to EBITDA ratio** came in at 1.6 (1.1 excluding IFRS 16) compared to 2.2 (1.8 excluding IFRS 16) at December 31, 2019.

Shareholder return policy

In the second half of 2020, the Group **reduced the number of shares outstanding to 530 million** at December 31, 2020 from 542 million at end-December 2019.

At today's meeting, Saint-Gobain's Board of Directors decided to confirm its recommendation for the Shareholders' Meeting of June 3, 2021 to pay a cash **dividend of €1.33 per share**. This dividend represents **48% of recurring net income** and a dividend yield of 3.5% based on the closing share price at December 31, 2020 (€37.50). The ex-dividend date has been set at June 7 and the dividend will be paid on June 9, 2021.

The Board has moreover confirmed that it will maintain its policy of privileging a dividend in cash targeting a normalized dividend payout rate representing between 35% and 40% of recurring net income, a rate that will be exceeded for the dividend payable in respect of 2020 in the context of the pandemic.

Completion of "Transform & Grow"

The Group's "Transform & Grow" initiative has brought a profound transformation of the Group thanks to a lean, agile and customer-focused organization and to accelerated portfolio rotation to secure profitable and sustainable growth.

Structural cost savings:
The new organization by country and by market had generated cost savings of €250 million by end-2020, meeting its target a year earlier than planned, with savings of €120 million in 2019 and €130 million in 2020. The positive operating margin impact is around **60 basis points**.

This structural improvement in the Group's cost base results mainly from Europe (around 70%), High Performance Solutions (15%), the Americas (10%) and Asia-Pacific (5%). It was driven by simplified organizations (around 55% of cost savings), streamlined central structures and support functions (around 25% of cost savings), as well as synergies and optimizations within each country and market (around 20% of cost savings).

Ongoing accelerated rotation of the portfolio:
With **€3.4 billion** in sales divested as of the end of 2020, the Group has already exceeded its initial target: the positive full-year impact on the operating margin is **more than 40 basis points**.

Saint-Gobain continues to optimize its portfolio, and its total divestments now represent sales in excess of **€4.6 billion** (for over €1 billion in total divestments), of which around €1.2 billion in additional sales is in the process of being divested, with Lapeyre (€641 million) and Distribution Netherlands (€522 million).

These local optimization measures should continue, depending on the strengths and weakness identified by management teams in each country or market.

A stronger growth outlook:
Having aligned its organization more closely with its customers in each country or market, the Group has improved its growth profile, by offering a comprehensive range of integrated solutions for each segment of the construction (individual homes, apartment blocks, hospitals, schools) and industry sectors.

Environment, Social, Governance (ESG) performance

The Group's ESG performance continued to progress well in 2020:

- Confirmation of the upward trends in our safety score: Total Recordable Accident Rate (TRAR) at 1.8 (versus 2.2 in 2019).
- Further progress in the fight against climate change:
  - First milestone of our ambitious 2030 roadmap towards carbon neutrality in 2050 successfully completed:
    - 4% (0.4 million tons) reduction in scope 1 and 2 CO_2 emissions, to 10.4 million tons versus 2019, and 22.2% reduction versus 2017, in line with our 2030 target of a 33% reduction;
    - 19% increase in extractions of natural resources avoided versus 2019;
    - 14% reduction in non-recovered production waste versus 2019.
  - Reporting in line with TCFD (Task Force on Climate-related Financial Disclosures) and SASB (Sustainability Accounting Standards Board) standards and publication of carbon scenarios.
- 2020 diversity target met: 25% of women managers (24% in 2019).
- Implementation of the "CARE by Saint-Gobain" social welfare program for all of the Group's employees and their families:
  - In all countries, the length of maternity or adoption leave with guaranteed full pay is at least 14 weeks;
  - The roll-out of health and personal risk insurance is in line with the target of having all employees insured by the end of 2022.
- Stronger ties with local communities in order to support inclusive growth:
  - Nearly €10 million in donations for local philanthropic initiatives;
  - Development of training for young adults ("CFA" apprenticeship training center in France for instance) and tradespeople in order to promote the use of sustainable products and accelerate building renovation;
  - Participation in local schemes to facilitate access to decent housing for vulnerable populations, combat energy poverty, and help people move into the world of work.
- Strong employee engagement during the health crisis: engagement rate of 82%, confirming our employees' pride, loyalty and satisfaction with the Group (79% in 2019).
- Ongoing compliance training, once again in 2020 exceeding a 90% completion rate for those concerned.

The Group unveiled new goals in 2020:

- In embedding social and environmental criteria in its businesses, with its new purpose: "*Making the World a better Home*", devised as a result of a collective process involving almost 15,000 employees.
- In fighting against climate change, with the publication of its 2030 roadmap to reach carbon neutrality by 2050 ("Net Zero Carbon"):
  - New CO_2 targets validated by the Science-Based Targets initiative (SBTi):
    - 33% reduction in absolute terms in its direct and indirect CO_2 emissions (scopes 1 and 2), compared to 2017;
    - 16% reduction in absolute terms in its scope 3 CO_2 emissions for all relevant categories for Saint-Gobain, compared to 2017.
  - Increase in carbon prices used internally to €50 per ton for investment decisions (versus €30 previously) and to €150 per ton (versus €100 previously) for R&D investments in disruptive technologies.
  - In order to meet its carbon neutrality targets, each year through to 2030 the Group will allocate around €100 million to selective capital spending and R&D.
- In basing a larger proportion of executive long-term compensation plans on CSR criteria (Corporate social responsibility), with 20% of plans now determined by CSR criteria compared to 15% previously, and a weighting of 10% for CO_2 targets versus 5% previously.
- In linking its responsible procurement program to the "Net Zero Carbon" roadmap for evaluating and reducing scope 3 CO_2 emissions.
- In looking to constantly improve inclusion and diversity: new target of having women make up 30% of the Group's Executive Committee by the end of 2025 (25% in 2020).

2021 outlook

In a macroeconomic and health environment which remains affected by uncertainties, the dynamic in our main markets proved upbeat – especially renovation in Europe and construction in the Americas – in second-half 2020 and the start of 2021. In this market environment, and provided there is no new impact relating to the coronavirus pandemic, Saint-Gobain expects the following trends for its segments:

- **High Performance Solutions**: continued sequential improvement in most industrial markets. Businesses related to customer investment should rally steadily during the year, although are expected to remain down on the good level recorded in 2018;
- **Northern Europe**: continued outperformance in construction and support from stimulus programs; Nordic countries and Germany should benefit from good momentum in renovation, except in the event of strict new lockdown measures; the UK should bounce back though the environment remains uncertain;
- **Southern Europe - Middle East & Africa**: continued outperformance in construction thanks to strong residential renovation markets and support from national and European stimulus plans which should particularly benefit the Group's energy-efficient renovation solutions, notably in France, although certain markets such as new construction remain down;
- **Americas**: market growth, particularly new residential construction, in both North America – as expected – and Latin America;
- **Asia-Pacific**: market growth, with continued good momentum in China and a sharp rebound expected in India.

2021 priorities:

1) Improvement in the Group's profitable growth profile, driven by:

- the **continuation of its portfolio optimization** (divestments and acquisitions) and growth in plasterboard in North America fueled by Continental Building Products;
- **outperformance versus the markets** thanks to its **range of integrated solutions** for customers in each country and end market, meeting the full breadth of needs of the construction world and industry;
- **strategy of differentiation and innovation** to develop solutions for sustainability and performance.

2) Rise of more than 100 basis points in the operating margin compared to the 2018 margin of 7.7%, and ongoing strong discipline in terms of free cash flow generation:

- **constant focus on the price-cost spread**, thanks to strong pricing discipline, amid inflation in raw material and energy costs;
- **reduction in costs as part of additional post-coronavirus adaptation measures**, which should generate €150 million in cost savings in 2021, following €50 million in second-half 2020;
- continuation of the **operational excellence program** aimed at offsetting inflation (excluding raw material and energy costs);
- **maintaining the structural drivers for improvement in operating working capital requirement**;
- **capital expenditure** of around **€1.5 billion**, with investments in additional capacity focused on high-growth markets; ongoing digital transformation;
- continued reduction in **non-operating costs**.

For 2021, the Group is targeting a significant like-for-like increase in operating income, with an improvement of more than 100 basis points in the operating margin compared to the 7.7% margin in 2018 (assuming that volumes return to their 2018 levels), confirming the success of "Transform & Grow".

The Group's extensive exposure to the renovation market means it is ideally placed to benefit from stimulus plans focused on the energy transition across the globe, which in turn should drive Saint-Gobain's structural growth.

Saint-Gobain's medium and long-term outlook are robust thanks to its successful strategic and organizational choices and its development of a range of integrated solutions for each country and end market. The strategy of differentiation and innovation means that Saint-Gobain is well placed to provide its customers with solutions for sustainability and performance. This strategy is perfectly in step with the Group's purpose of "***Making the World a better Home***".

Financial calendar

- An information meeting for analysts and investors will be held behind closed doors at *8:30am* (GMT+1) *on February 26, 2021* and will be broadcast live on: https://www.saint-gobain.com/en/full-year-2020-results

- Sales for the first quarter of 2021: *April 29, 2021*, after close of trading on the Paris Bourse.

- First-half 2021 results: *July 29, 2021*, after close of trading on the Paris Bourse.

- **Investor Day: October 6, 2021.**

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*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 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.*

All indicators contained in this press release (not defined in the footnote) are explained in the notes to the 2020 consolidated financial statements, available by clicking here: https://www.saint-gobain.com/en/full-year-2020-results

The glossary below shows the notes in which you can find an explanation of each indicator.

Glossary:

EBITDA	*Note 4*
Net debt	*Note 9*
Non-operating costs	*Note 4*
Operating income	*Note 4*
Net financial expense	*Note 9*
Recurring net income	*Note 4*
Business income	*Note 4*
Working capital requirement	*Note 4*

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, 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.

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Appendix 1: Results by Segment

I. SALES	2019 (in €m)	2020 (in €m)	Change on an actual structure basis	Change on a comparable structure basis	Like-for-like change
High Performance Solutions	7,584	6,544	-13.7%	-13.5%	-10.1%
Northern Europe	15,058	12,807	-14.9%	-4.9%	-3.1%
Southern Europe - ME & Africa	13,624	12,454	-8.6%	-5.4%	-4.9%
Americas	5,555	5,697	+2.6%	-4.6%	+4.7%
Asia-Pacific	1,888	1,520	-19.5%	-10.2%	-7.1%
Internal sales and misc.	*(1,136)*	*(894)*	*n.s.*	*n.s.*	*n.s.*
Group Total	**42,573**	**38,128**	**-10.4%**	**-6.5%**	**-3.8%**

Industry Europe	10,115	9,240	-8.7%	-6.8%	-5.5%
Distribution Europe	19,006	16,347	-14.0%	-4.2%	-3.2%

II. OPERATING INCOME	2019 (in €m)	2020 (in €m)	Change on an actual structure basis	2019 (in % of sales)	2020 (in % of sales)
High Performance Solutions	966	613	-36.5%	12.7%	9.4%
Northern Europe	946	788	-16.7%	6.3%	6.2%
Southern Europe - ME & Africa	736	644	-12.5%	5.4%	5.2%
Americas	562	656	+16.7%	10.1%	11.5%
Asia-Pacific	200	163	-18.5%	10.6%	10.7%
Misc.	(20)	(9)	n.s.	n.s.	n.s.
Group Total	**3,390**	**2,855**	**-15.8%**	**8.0%**	**7.5%**

Industry Europe	933	752	-19.4%	9.2%	8.1%
Distribution Europe	749	680	-9.2%	3.9%	4.2%

III. BUSINESS INCOME	2019 (in €m)	2020 (in €m)	Change on an actual structure basis	2019 (in % of sales)	2020 (in % of sales)
High Performance Solutions	794	407	-48.7%	10.5%	6.2%
Northern Europe	574	73	-87.3%	3.8%	0.6%
Southern Europe - ME & Africa	537	479	-10.8%	3.9%	3.8%
Americas	410	516	+25.9%	7.4%	9.1%
Asia-Pacific	260	151	-41.9%	13.8%	9.9%
Misc.	(22)	(194)	n.s.	n.s.	n.s.
Group Total	**2,553**	**1,432**	**-43.9%**	**6.0%**	**3.8%**

IV. EBITDA	**2019 (in €m)**	**2020 (in €m)**	**Change on an actual structure basis**	**2019 (in % of sales)**	**2020 (in % of sales)**
High Performance Solutions	1,211	810	-33.1%	16.0%	12.4%
Northern Europe	1,455	1,305	-10.3%	9.7%	10.2%
Southern Europe - ME & Africa	1,244	1,153	-7.3%	9.1%	9.3%
Americas	666	872	+30.9%	12.0%	15.3%
Asia-Pacific	292	245	-16.1%	15.5%	16.1%
Misc.	2	30	n.s.	n.s.	n.s.
Group Total	**4,870**	**4,415**	**-9.3%**	**11.4%**	**11.6%**

V. FREE CASH FLOW	**2019 (in €m)**	**2020 (in €m)**	**Change on an actual structure basis**	**2019 (in % of sales)**	**2020 (in % of sales)**
High Performance Solutions	664	549	-17.3%	8.8%	8.4%
Northern Europe	415	1,064	+156.4%	2.8%	8.3%
Southern Europe - ME & Africa	222	524	+136.0%	1.6%	4.2%
Americas	417	690	+65.5%	7.5%	12.1%
Asia-Pacific	169	258	+52.7%	9.0%	17.0%
Misc.	(30)	(41)	n.s.	n.s.	n.s.
Group Total	**1,857**	**3,044**	**+63.9%**	**4.4%**	**8.0%**

VI. CAPITAL EXPENDITURE	**2019 (in €m)**	**2020 (in €m)**	**Change on an actual structure basis**	**2019 (in % of sales)**	**2020 (in % of sales)**
High Performance Solutions	424	262	-38.2%	5.6%	4.0%
Northern Europe	475	329	-30.7%	3.2%	2.6%
Southern Europe - ME & Africa	418	291	-30.4%	3.1%	2.3%
Americas	316	216	-31.6%	5.7%	3.8%
Asia-Pacific	139	99	-28.8%	7.4%	6.5%
Misc.	46	39	n.s.	n.s.	n.s.
Group Total	**1,818**	**1,236**	**-32.0%**	**4.3%**	**3.2%**

Appendix 2: Results by Segment - Second Half

I. SALES	H2 2019 (in €m)	H2 2020 (in €m)	Change on an actual structure basis	Change on a comparable structure basis	Like-for-like change
High Performance Solutions	3,722	3,442	-7.5%	-7.7%	-1.9%
Northern Europe	7,332	6,717	-8.4%	+0.1%	+2.0%
Southern Europe - ME & Africa	6,613	6,786	+2.6%	+5.9%	+6.7%
Americas	2,781	3,027	+8.8%	+1.0%	+15.7%
Asia-Pacific	993	865	-12.9%	-3.5%	+2.1%
Internal sales and misc.	*(545)*	*(473)*	*n.s.*	*n.s.*	*n.s.*
Group Total	**20,896**	**20,364**	**-2.5%**	**+0.7%**	**+4.8%**
Industry Europe	4,961	4,895	-1.3%	+0.6%	+2.7%
Distribution Europe	9,189	8,789	-4.4%	+4.3%	+5.2%

II. OPERATING INCOME	H2 2019 (in €m)	H2 2020 (in €m)	Change on an actual structure basis	H2 2019 (in % of sales)	H2 2020 (in % of sales)
High Performance Solutions	464	382	-17.7%	12.5%	11.1%
Northern Europe	486	532	+9.5%	6.6%	7.9%
Southern Europe - ME & Africa	386	545	+41.2%	5.8%	8.0%
Americas	312	466	+49.4%	11.2%	15.4%
Asia-Pacific	115	117	+1.7%	11.6%	13.5%
Misc.	(11)	(14)	n.s.	n.s.	n.s.
Group Total	**1,752**	**2,028**	**+15.8%**	**8.4%**	**10.0%**
Industry Europe	472	534	+13.1%	9.5%	10.9%
Distribution Europe	400	543	+35.8%	4.4%	6.2%

III. BUSINESS INCOME	H2 2019 (in €m)	H2 2020 (in €m)	Change on an actual structure basis	H2 2019 (in % of sales)	H2 2020 (in % of sales)
High Performance Solutions	336	247	-26.5%	9.0%	7.2%
Northern Europe	324	481	+48.5%	4.4%	7.2%
Southern Europe - ME & Africa	228	409	+79.4%	3.4%	6.0%
Americas	236	418	+77.1%	8.5%	13.8%
Asia-Pacific	179	109	-39.1%	18.0%	12.6%
Misc.	(3)	(183)	n.s.	n.s.	n.s.
Group Total	**1,300**	**1,481**	**+13.9%**	**6.2%**	**7.3%**

IV. EBITDA	**H2 2019 (in €m)**	**H2 2020 (in €m)**	**Change on an actual structure basis**	**H2 2019 (in % of sales)**	**H2 2020 (in % of sales)**
High Performance Solutions	571	458	-19.8%	15.3%	13.3%
Northern Europe	717	798	+11.3%	9.8%	11.9%
Southern Europe - ME & Africa	634	785	+23.8%	9.6%	11.6%
Americas	370	574	+55.1%	13.3%	19.0%
Asia-Pacific	161	157	-2.5%	16.2%	18.2%
Misc.	0	8	n.s.	n.s.	n.s.
Group Total	**2,453**	**2,780**	**+13.3%**	**11.7%**	**13.7%**

V. FREE CASH FLOW	**H2 2019 (in €m)**	**H2 2020 (in €m)**	**Change on an actual structure basis**	**H2 2019 (in % of sales)**	**H2 2020 (in % of sales)**
High Performance Solutions	399	300	-24.8%	10.7%	8.7%
Northern Europe	211	385	+82.5%	2.9%	5.7%
Southern Europe - ME & Africa	65	216	+232.3%	1.0%	3.2%
Americas	392	318	-18.9%	14.1%	10.5%
Asia-Pacific	104	190	+82.7%	10.5%	22.0%
Misc.	(4)	(43)	n.s.	n.s.	n.s.
Group Total	**1,167**	**1,366**	**+17.1%**	**5.6%**	**6.7%**

VI. CAPITAL EXPENDITURE	**H2 2019 (in €m)**	**H2 2020 (in €m)**	**Change on an actual structure basis**	**H2 2019 (in % of sales)**	**H2 2020 (in % of sales)**
High Performance Solutions	259	160	-38.2%	7.0%	4.6%
Northern Europe	306	213	-30.4%	4.2%	3.2%
Southern Europe - ME & Africa	268	212	-20.9%	4.1%	3.1%
Americas	194	120	-38.1%	7.0%	4.0%
Asia-Pacific	81	59	-27.2%	8.2%	6.8%
Misc.	28	25	n.s.	n.s.	n.s.
Group Total	**1,136**	**789**	**-30.5%**	**5.4%**	**3.9%**

Appendix 3: Sales by Segment - Fourth Quarter

SALES	**Q4 2019 (in €m)**	**Q4 2020 (in €m)**	**Change on an actual structure basis**	**Change on a comparable structure basis**	**Like-for-like change**
High Performance Solutions	1,863	1,764	-5.3%	-5.4%	+0.8%
Northern Europe	3,303	3,314	+0.3%	+1.3%	+3.8%
Southern Europe - ME & Africa	3,383	3,468	+2.5%	+5.2%	+6.0%
Americas	1,322	1,474	+11.5%	+4.1%	+20.6%
Asia-Pacific	500	461	-7.8%	+1.8%	+7.6%
Internal sales and misc.	*(269)*	*(244)*	*n.s.*	*n.s.*	*n.s.*
Group Total	**10,102**	**10,237**	**+1.3%**	**+1.8%**	**+6.4%**
Industry Europe	2,451	2,449	-0.1%	+1.9%	+4.5%
Distribution Europe	4,331	4,428	+2.2%	+4.0%	+5.2%

Appendix 4: Consolidated Balance sheet

in € million	Dec 31, 2019	Dec 31, 2020
Assets		
Goodwill	10,029	10,028
Other intangible assets	2,709	2,505
Property, plant and equipment	11,707	11,072
Right-of-use assets	2,954	2,902
Investments in equity-accounted companies	437	462
Deferred tax assets	833	665
Other non-current assets	3,511	845
Non-current assets	**32,180**	**28,479**
Inventories	6,200	5,362
Trade accounts receivable	4,813	4,597
Current tax receivable	194	147
Other receivables	1,609	1,269
Assets held for sale	0	329
Cash and cash equivalents	4,987	8,443
Current assets	**17,803**	**20,147**
Total assets	**49,983**	**48,626**
Equity and Liabilities		
Capital stock	2,179	2,131
Additional paid-in capital and legal reserve	5,551	5,104
Retained earnings and consolidated net income	12,518	13,687
Cumulative translation adjustments	(1,467)	(2,857)
Fair value reserves	743	(48)
Treasury stock	(108)	(125)
Shareholders' equity	**19,416**	**17,892**
Non-controlling interests	364	311
Total equity	**19,780**	**18,203**
Non-current portion of long-term debt	10,286	10,179
Non-current portion of long-term lease liabilities	2,552	2,442
Provisions for pensions and other employee benefits	2,648	2,629
Deferred tax liabilities	448	360
Other non-current liabilities and provisions	1,126	965
Non-current liabilities	**17,060**	**16,575**
Current portion of long-term debt	1,751	1,846
Current portion of long-term lease liabilities	665	656
Current portion of other liabilities and provisions	343	361
Trade accounts payable	6,000	5,897
Current tax liabilities	156	175
Other payables	4,004	3,911
Liabilities held for sale	0	501
Short-term debt and bank overdrafts	224	501
Current liabilities	**13,143**	**13,848**
Total equity and liabilities	**49,983**	**48,626**

Appendix 5: Consolidated Cash Flow Statement

in € miilion	2019	2020
Operating Income	**3,390**	**2,855**
Operating depreciation and amortization	1,901	1,902
Non-operating costs	(421)	(342)
EBITDA	**4,870**	**4,415**
Depreciation of right-of-use assets	(682)	(675)
Net financial expense	(496)	(453)
Income tax	(631)	(526)
Investments in property, plant and equipment and intangible assets	(1,818)	(1,236)
o/w additional capacity investments	536	371
Changes in working capital requirement	78	1,148
o/w changes in inventories	(55)	410
o/w changes in trade accounts receivable and payable, and other accounts receivable and payable	25	685
o/w changes in tax receivable and payable	108	53
Free cash flow	**1,857**	**3,044**
Changes in deferred taxes and provisions for other liabilities and charges	(16)	86
Additional capacity investments	(536)	(371)
Increase (decrease) in amounts due to suppliers of fixed assets	(30)	(54)
Depreciation of right-of-use assets	682	675
Purchases of right-of-use assets	(955)	(833)
Other operating cash items	(1)	41
Net cash from (used in) operating activities after additional capacity investments and IFRS16	**1,001**	**2,588**
Acquisitions of shares in controlled companies	(168)	(1,240)
Debt acquired	(16)	(109)
Acquisitions of other investments	(120)	(74)
Financial investments	**(304)**	**(1,423)**
Disposals of property, plant and equipment and intangible assets	157	213
Disposals of shares in controlled companies, net of net debt divested	820	(45)
Disposals of other investments	1	2,389
(Increase) decrease in amounts receivable on sales of fixed assets	74	10
Divestments	**1,052**	**2,567**
Increase (decrease) in investment-related liabilities	(7)	(8)
(Increase) decrease in loans and deposits	58	97
Net cash from (used in) financial investments and divestments activities	**799**	**1,233**
Issues of capital stock	165	139
(Increase) decrease in treasury stock	(273)	(658)
Dividends paid	(716)	0
Capital increases in non-controlling interests	35	10
Changes in investment-related liabilities following the exercice of put options of minority interests	(3)	(5)
Acquisitions of minority interests without gain of control	(9)	(29)
Dividends paid to non-controlling interests	(37)	(44)
Change in dividends payable	(13)	0
Net cash from (used in) financing activities	**(851)**	**(587)**
Net effect of exchange rate changes on net debt	(54)	10
Net effect of changes in fair value on net debt	10	(31)
Net debt classified as assets and liabilities held for sale	(197)	147
Impact of remeasurements of lease liabilities	(10)	(50)
Increase (decrease) in net debt	**698**	**3,310**
Net debt excluding lease liabilities at beginning of period	**(8,114)**	**(7,274)**
Lease liabilities at beginning of period	**(3,075)**	**(3,217)**
Net debt at beginning of period	**(11,189)**	**(10,491)**
Net debt excluding lease liabilities at end of period	**(7,274)**	**(4,083)**
Lease liabilities at end of period	**(3,217)**	**(3,098)**
Net debt at end of period	**(10,491)**	**(7,181)**

Appendix 6: Debt at December 31, 2020

Amounts in €bn		Comments
Amount and structure of net debt	**€bn**	
Gross debt excluding lease liabilities	**12.5**	
Lease liabilities	3.1	At end-December 2020 **83%** of gross debt excluding lease liabilities was at **fixed interest rates** and its **average cost** was 2.0%
Cash & cash equivalents	-8.4	
Net debt	**7.2**	

Breakdown of gross debt excluding lease liabilities	**12.5**	
Bond debt and perpetual notes	**11.1**	
March 2021	0.8	
June 2021	0.7	
March 2022	0.9	
October 2022	0.1	
April 2023	0.7	
September 2023	0.5	
December 2023	0.4	
March 2024	0.7	
June 2024	0.1	
November 2024	0.3	(GBP 0.3bn)
March 2025	0.8	
After 2025	5.1	
Other long-term debt	**0.5**	(including €0.3bn long-term securitization)
Short-term debt	**0.9**	*(excluding bonds)*
Negotiable European Commercial Paper (NEU CP)	0.0	Maximum amount of issuance program: €4bn
Securitization	0.4	USD securitization and current portion of EUR securitization
Local debt and accrued interest	0.5	Frequent rollover; many different sources of financing

Credit lines, cash and cash equivalents	**12.4**	
Cash and cash equivalents	8.4	
Back-up credit-lines	4.0	See breakdown below

Breakdown of back-up credit lines and short term line	**4.0**

All lines are confirmed and **undrawn, with no Material Adverse Change (MAC) clause**

		Expiry	Covenants
Syndicated line:	€2.5bn	December 2024	None
Syndicated line:	€1.5bn	December 2024	None

Appendix 7: External sales by Segment and geographic area

FY 2020, in % of total

	High Performance Solutions	Northern Europe	Southern Europe - ME & Africa	Americas	Asia-Pacific	Total
France	1.4%		24.2%			**25.6%**
Spain - Italy	1.1%		3.6%			**4.7%**
Germany - Austria	1.3%	3.4%				**4.7%**
United Kingdom - Ireland	0.3%	9.3%				**9.6%**
Nordics	0.3%	13.8%				**14.1%**
Other western European countries	0.4%	2.5%	2.6%			**5.5%**
Eastern Europe	1.9%	3.8%				**5.7%**
Middle East & Africa	0.1%		1.4%			**1.5%**
North America	4.8%			10.7%		**15.5%**
Latin America	1.8%			4.0%		**5.8%**
Asia-Pacific	3.5%				3.8%	**7.3%**
Total	**16.9%**	**32.8%**	**31.8%**	**14.7%**	**3.8%**	**100.0%**

Appendix 8: Breakdown of organic sales growth and external sales

FY 2020, in % of total	Like-for-like change		% Group
High Performance Solutions	**-10.1%**		**16.9%**
Mobility		*-13.3%*	*6.6%*
Other industries		*-7.9%*	*10.3%*
Northern Europe	**-3.1%**		**32.8%**
Nordics		*+2.8%*	*13.8%*
United Kingdom - Ireland		*-13.2%*	*9.3%*
Germany - Austria		*-2.3%*	*3.4%*
Southern Europe - ME & Africa	**-4.9%**		**31.8%**
France		*-4.7%*	*24.2%*
Spain - Italy		*-8.5%*	*3.6%*
Americas	**+4.7%**		**14.7%**
North America		*+2.8%*	*10.7%*
Latin America		*+8.8%*	*4.0%*
Asia-Pacific	**-7.1%**		**3.8%**
Group Total	**-3.8%**		**100.0%**

H2 2020, in % of total	Like-for-like change		% Group
High Performance Solutions	**-1.9%**		**16.7%**
Mobility		*+0.7%*	*6.9%*
Other industries		*-3.7%*	*9.8%*
Northern Europe	**+2.0%**		**32.1%**
Nordics		*+2.0%*	*12.9%*
United Kingdom - Ireland		*+1.9%*	*9.9%*
Germany - Austria		*+1.4%*	*3.2%*
Southern Europe - ME & Africa	**+6.7%**		**32.5%**
France		*+7.7%*	*24.9%*
Spain - Italy		*+2.4%*	*3.7%*
Americas	**+15.7%**		**14.6%**
North America		*+11.2%*	*10.3%*
Latin America		*+25.3%*	*4.3%*
Asia-Pacific	**+2.1%**		**4.1%**
Group Total	**+4.8%**		**100.0%**

Q4 2020, in % of total	Like-for-like change		% Group
High Performance Solutions	**+0.8%**		**17.0%**
Mobility		*+4.7%*	*7.1%*
Other industries		*-1.9%*	*9.9%*
Northern Europe	**+3.8%**		**31.5%**
Nordics		*+3.5%*	*13.1%*
United Kingdom - Ireland		*+4.1%*	*9.5%*
Germany - Austria		*+5.0%*	*3.1%*
Southern Europe - ME & Africa	**+6.0%**		**33.0%**
France		*+6.8%*	*25.4%*
Spain - Italy		*+1.3%*	*3.6%*
Americas	**+20.6%**		**14.2%**
North America		*+18.1%*	*9.9%*
Latin America		*+25.5%*	*4.3%*
Asia-Pacific	**+7.6%**		**4.3%**
Group Total	**+6.4%**		**100.0%**

Appendix 9 : Contribution of Prices and Volumes to organic sales growth by Segment

FY 2020	Like-for-like change	Prices	Volumes
High Performance Solutions	-10.1%	+0.5%	-10.6%
Northern Europe	-3.1%	+0.3%	-3.4%
Southern Europe - ME & Africa	-4.9%	+1.1%	-6.0%
Americas	+4.7%	+2.3%	+2.4%
Asia-Pacific	-7.1%	-0.8%	-6.3%
Group Total	**-3.8%**	**+0.9%**	**-4.7%**

H2 2020	Like-for-like change	Prices	Volumes
High Performance Solutions	-1.9%	+0.6%	-2.5%
Northern Europe	+2.0%	+0.7%	+1.3%
Southern Europe - ME & Africa	+6.7%	+1.1%	+5.6%
Americas	+15.7%	+4.8%	+10.9%
Asia-Pacific	+2.1%	-0.4%	+2.5%
Group Total	**+4.8%**	**+1.4%**	**+3.4%**

Q4 2020	Like-for-like change	Prices	Volumes
High Performance Solutions	+0.8%	+1.0%	-0.2%
Northern Europe	+3.8%	+0.9%	+2.9%
Southern Europe - ME & Africa	+6.0%	+1.3%	+4.7%
Americas	+20.6%	+6.6%	+14.0%
Asia-Pacific	+7.6%	+0.5%	+7.1%
Group Total	**+6.4%**	**+1.8%**	**+4.6%**