

PRESS RELEASE

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Record organic growth in Q1 2021: up 14.3% on Q1 2020 and up 9.0% on Q1 2019

- Strong volume growth, up 11.7% versus Q1 2020 and up 5.8% versus Q1 2019, reflecting good momentum on underlying markets and market share gains
- Acceleration in the price increase to 2.6% on Q1 2020 in a more inflationary cost environment
- Negative currency impact of 3.8% and positive Group structure impact of 0.4% versus Q1 2020

	Q1 2020 (in €m)	Q1 2021 (in €m)	2021-2020			2021-2019
			Change on an actual structure basis	Change on a comparable structure basis	Like-for-like change	Like-for-like change
High Performance Solutions	1,712	1,811	+5.8%	+5.5%	+11.8%	+2.7%
Northern Europe	3,219	3,387	+5.2%	+4.9%	+5.1%	+4.8%
Southern Europe - ME & Africa	2,983	3,526	+18.2%	+18.9%	+19.7%	+9.5%
Americas	1,370	1,512	+10.4%	+7.3%	+22.3%	+23.9%
Asia-Pacific	337	417	+23.7%	+23.9%	+31.8%	+15.4%
<i>Internal sales and misc.</i>	-258	-274	---	---	---	---
Group Total	9,363	10,379	+10.9%	+10.5%	+14.3%	+9.0%

Sales rose sharply **like-for-like**, up 14.3% against a first-quarter 2020 comparison basis that was already affected by the coronavirus (down 4.9% versus first-quarter 2019) and up 9.0% versus first-quarter 2019. This acceleration in organic growth was supported by the Group's comprehensive **solutions for sustainability and performance**. It reflects market share gains and the good dynamic across all of our segments, particularly renovation in Europe, and construction in the Americas and in Asia-Pacific. Overall, industrial markets continued their sequential improvement. Group volumes were up by 11.7% over the quarter and by 5.8% on first-quarter 2019, continuing the supportive trends of fourth-quarter 2020 (up 4.6%). The first quarter also benefited from a volume anticipation effect in March in light of price increase announcements. The price increase accelerated to 2.6% amid increased energy and raw material cost inflation.

On a reported basis, **sales** totaled **€10,379 million**, with a negative **currency effect** of 3.8%, related mainly to the depreciation of the US dollar, Brazilian real and other emerging country currencies. **Changes in Group structure** added 0.4% to sales, primarily reflecting the integration of Continental Building Products in North America as from February 2020. The portfolio optimization continues apace, with the announcement of the sale of a majority stake in the Pipe business in China in mid-April. A total of more than €4.8 billion in sales has now been sold or signed since the launch of “Transform & Grow”. Note that 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.

Segment performance (like-for-like sales)

High Performance Solutions (HPS): continued sequential improvement

HPS sales rose 11.8% in the quarter and 2.7% versus first-quarter 2019, buoyed by an overall improvement in industrial markets.

- **Mobility** reported double-digit growth against a comparison basis which had been affected in March 2020 by a sharp downturn in sales following the gradual shutdown of automotive manufacturing plants around the world. Current supply chain tensions related to the scarcity of semi-conductors had only a limited impact on the quarter. Compared to the first quarter of 2019, trading was down only slightly, solely due to Europe, while sales for the Chinese and Americas markets were up sharply. Mobility continued to outperform the automotive market in this period, thanks mainly to its increasing exposure to products intended for electric vehicles and to high value-added products.
- **Industry** also rebounded with double-digit growth against a weak 2020 comparison basis, and was up slightly compared to the first quarter of 2019. Activities linked to consumable goods were notably led by Do-It-Yourself (DIY) markets, whereas industrial markets reported only a gradual improvement in Europe and the US. Activities related to our customers’ investment cycles continued their sequential improvement, but are still down on first-quarter 2019.
- Activities serving the **Construction Industry**, which reported growth in first-quarter 2020, continued to perform well, delivering double-digit growth compared to first-quarter 2019. They benefited from further gains in market share and upbeat trends in external thermal insulation solutions (ETICS).
- **Life Sciences**, also up in first-quarter 2020, continued to enjoy good momentum with double-digit growth in the pharmaceutical and medical sector, buoyed by its recent capacity investments.

Northern Europe: sales growth driven by renovation

Northern Europe progressed 5.1% in the quarter and 4.8% compared to first-quarter 2019 in a Region only slightly impacted overall by the coronavirus pandemic in the same period in 2020. First-quarter 2021 benefited from a volume anticipation effect in March in light of price increase announcements, and more generally, from a reallocation of household savings towards renovation spending.

Nordic countries, Germany and Eastern Europe, which progressed in first-quarter 2020, continued to deliver a solid performance and sales growth. In Nordic countries, Distribution in particular enjoyed ongoing good momentum thanks to the success of its omnichannel digital strategy in a supportive renovation market, despite a decline in new construction. The acquisition of Brüggemann in Germany – offering innovative modular turnkey timber construction solutions – fuels the Group’s growth in light and sustainable construction. The UK rallied strongly over the quarter, after a sharp downturn right at the end of first-quarter 2020, and was stable versus first-quarter 2019, with slight growth in Distribution despite the impact of store closures related to the optimization of the network.

Southern Europe - Middle East & Africa: strong sales momentum in the renovation market

The Southern Europe - Middle East & Africa Region enjoyed strong trading momentum, with sales rebounding 19.7% against a first-quarter 2020 comparison basis affected in March by lockdown measures across most of the Region. Sales increased by 9.5% compared to the first quarter of 2019, reflecting the Group's outperformance on bullish renovation markets. The quarter benefited from a volume anticipation effect in March in light of price increase announcements, and more generally, from a reallocation of household savings towards renovation spending.

France contributed strongly to the Region's growth, reporting market share gains and a double-digit rise compared to the pre-Covid period of first-quarter 2019, owing to strong demand for renovation work which benefited the Group's energy-efficient solutions, both manufactured and sold through the Group's Distribution network or via its digital intermediation solutions. The success of the household stimulus package *MaPrimeRenov* for home renovation is starting to be felt. Spain and Italy delivered significant growth overall, particularly Italy which also benefited from support for energy-efficient renovation in the form of tax credits. Only Benelux posted more moderate growth, in light of the growth recorded in the same period in 2020 and the lockdown measures in the Netherlands. The acquisition of Strikolith in this country has enhanced the Group's offering in the fast-growing exterior insulation systems market. The Middle East and Africa progressed strongly, but with a different pace of recovery from one country to the next.

Americas: significant sales growth on supportive markets

The Americas posted organic growth of 22.3% over the quarter and of 23.9% compared to first-quarter 2019 in very dynamic markets. The quarter also benefited from a volume anticipation effect in light of the price increase announcements.

- North America rose by 17.5% and 19.5%, respectively, over the two periods, driven by particularly strong demand and an acceleration in prices in a more inflationary environment. Offering the Group's full range of solutions for customers through its local organization is paying off and accelerating the growth in sales. This extremely agile local organization enabled us to overcome strong tensions on supply chains and on production in an environment still affected by the coronavirus pandemic, leading all of our main businesses to report significant sales growth. Interior solutions delivered another very strong performance thanks to the successful integration of Continental Building Products, which enhances the Group's positions in construction businesses in North America.
- Latin America continued to enjoy the vigorous momentum seen at the end of 2020 attributable to both volumes and prices which kept pace with inflation. Despite a challenging health situation at the end of the period, particularly in Brazil, it delivered impressive sales growth of 34.8% over the quarter and of 33.0% versus first-quarter 2019. Thanks to the local organization and an approach in which the Group's full range of solutions can be offered to customers, the region continues to see sales synergies and market share gains.

Asia-Pacific: return to strong structural sales growth

The Asia-Pacific Region saw sales growth of 31.8% over the quarter and of 15.4% versus first-quarter 2019.

China, which was the first country to be affected by the coronavirus and the first to have fully recovered, doubled its sales against a weak comparison basis. It reported vigorous growth compared to first-quarter 2019 thanks to an upbeat market and to market share gains in construction solutions. The recovery is picking up pace in India where, thanks to market share gains, Saint-Gobain delivered double-digit growth compared to pre-Covid levels, driven by both volumes and prices, despite a deteriorating health situation at the end of the first quarter. South-East Asia reported a mixed picture in terms of recovery, buoyed by growth in Vietnam which continued to capture market share, but with most other countries not yet back to 2019 levels.

2021 outlook

The Group confirms its outlook for full-year 2021:

In a macroeconomic and health environment which remains affected by uncertainties, the dynamic in our main markets proved upbeat at the start of 2021 – especially renovation in Europe as well as construction in the Americas and in Asia-Pacific – and the Group's operating performance is robust. In this 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 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; 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 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.

The Group recalls its priorities:

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

- the **continuation of its portfolio optimization** (divestments and acquisitions) and growth in interior solutions in North America fueled by Continental Building Products;
- **outperformance versus the market** 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**;
- **ongoing solid achievements in ESG** (Environment, Social, Governance), particularly with the deployment of the 2030 roadmap towards carbon neutrality in 2050.

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 strong 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

- First-half 2021 results: *July 29, 2021*, after close of trading on the Paris Bourse.
- Investor Day: *October 6, 2021*.

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A conference call will be held at 6:30pm (Paris time) on April 29, 2021: +33 1 72 72 74 03, dial-in code: 87891343#.

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 indicators for the year under review and those for the previous year based on identical foreign exchange rates for the previous year (currency impact);
- changes in applicable accounting policies.

Operating income: see Note 4 to the 2020 consolidated financial statements, available by clicking here: <https://www.saint-gobain.com/en/full-year-2020-results>

EBITDA = operating income + operating depreciation and amortization - non-operating costs.

Free cash flow = EBITDA - depreciation of right-of-use assets + net financial expense + income tax - capital expenditure excluding additional capacity investments + 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). 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

Q1 2021	Like-for-like change	Prices	Volumes
High Performance Solutions	+11.8%	+0.4%	+11.4%
Northern Europe	+5.1%	+2.3%	+2.8%
Southern Europe - ME & Africa	+19.7%	+1.9%	+17.8%
Americas	+22.3%	+7.0%	+15.3%
Asia-Pacific	+31.8%	+2.6%	+29.2%
Group Total	+14.3%	+2.6%	+11.7%

Appendix 2: Breakdown of organic sales growth and external sales

Q1 2021	Like-for-like change 2021-2020	Like-for-like change 2021-2019	% Group
High Performance Solutions	+11.8%	+2.7%	17.2%
<i>Mobility</i>	+10.3%	-1.2%	6.8%
<i>Other industries</i>	+12.6%	+5.2%	10.4%
Northern Europe	+5.1%	+4.8%	31.6%
<i>Nordics</i>	+2.0%	+6.4%	12.8%
<i>United Kingdom - Ireland</i>	+9.2%	-0.3%	10.0%
<i>Germany - Austria</i>	+3.5%	+4.5%	3.3%
Southern Europe - ME & Africa	+19.7%	+9.5%	33.1%
<i>France</i>	+21.8%	+10.7%	25.5%
<i>Spain - Italy</i>	+13.5%	+2.2%	3.5%
Americas	+22.3%	+23.9%	14.3%
<i>North America</i>	+17.5%	+19.5%	10.3%
<i>Latin America</i>	+34.8%	+33.0%	4.0%
Asia-Pacific	+31.8%	+15.4%	3.8%
Group Total	+14.3%	+9.0%	100%

Appendix 3: Industry and Distribution Europe

	Sales Q1 2020 (in €m)	Sales Q1 2021 (in €m)	2021-2020			2021-2019
			Change on an actual structure basis	Change on a comparable structure basis	Like-for- like change	Like-for- like change
Industry Europe	2,360	2,608	+10.5%	+7.0%	+8.6%	+3.5%
Distribution Europe	3,926	4,416	+12.5%	+14.2%	+13.8%	+9.0%