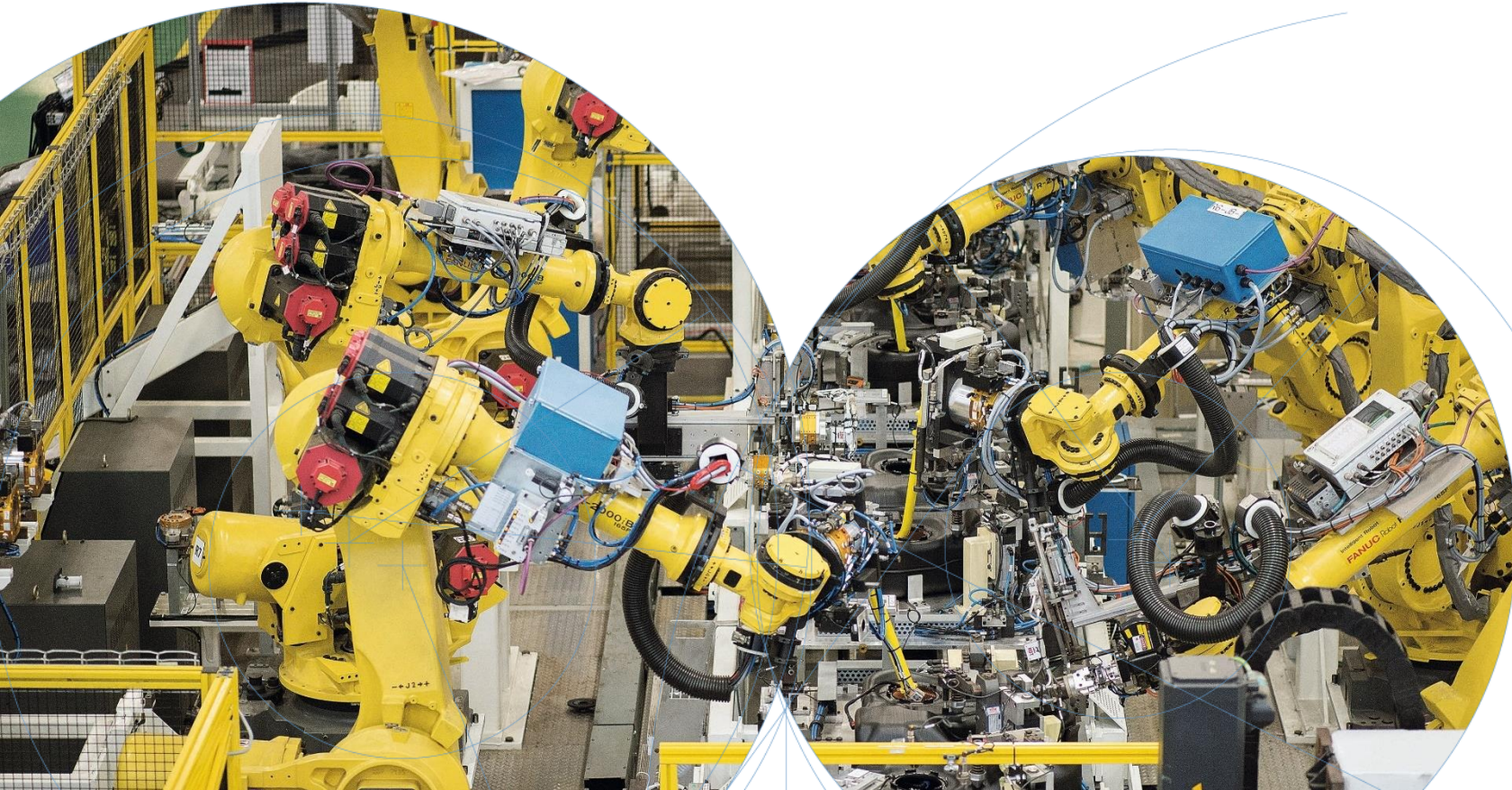
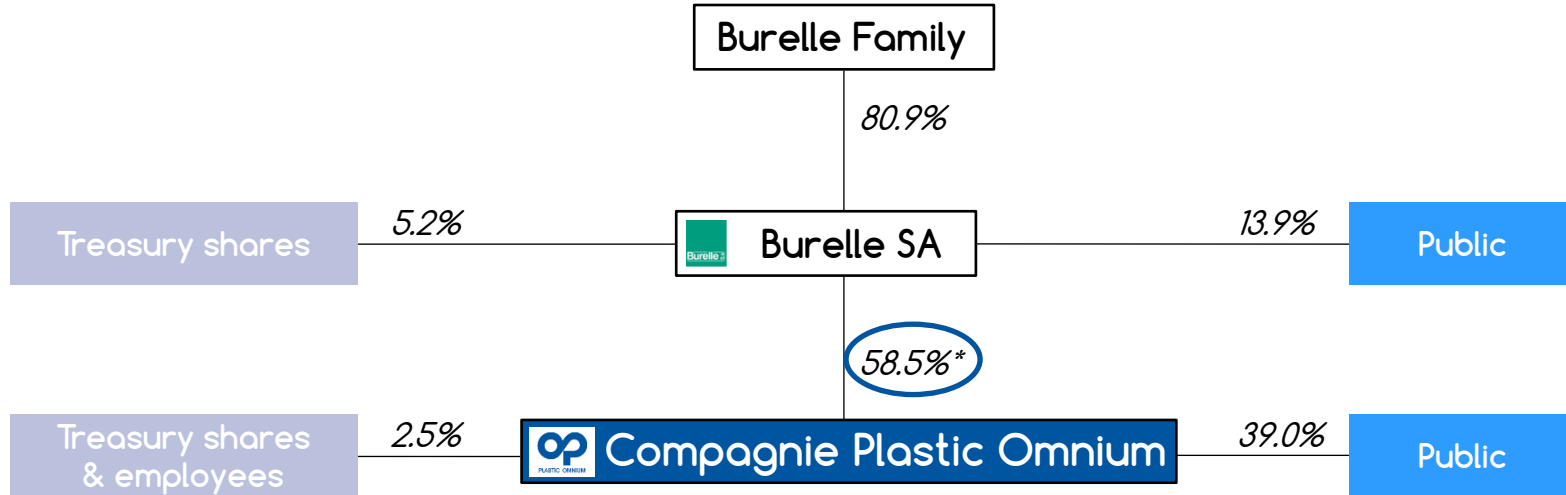


# INVESTOR DAY

α-ALPHATECH - DECEMBER 13, 2018

# Long term strategy





## Continuous family control reinforcement

- Burelle SA's stake from 51.7% in 2001 to 58.51% end of 2018
- 2018: 2.11 m of shares buy back (€78.8 m); cancellation of 2.4 m of shares

# Maintain Independence & Grow profitably: our track record



**2001 to 2017:**  
+80 plants invested  
+€3Bn organic growth  
+€3bn external growth



**2018:**  
Solid financial structure:  
Net debt / equity < 50%  
Net debt / EBITDA < 1

>€1.5Bn of free cash flow generated

## Pursue our Independent & Profitable Growth



- Disposal of the Environment division
- HBPO takeover



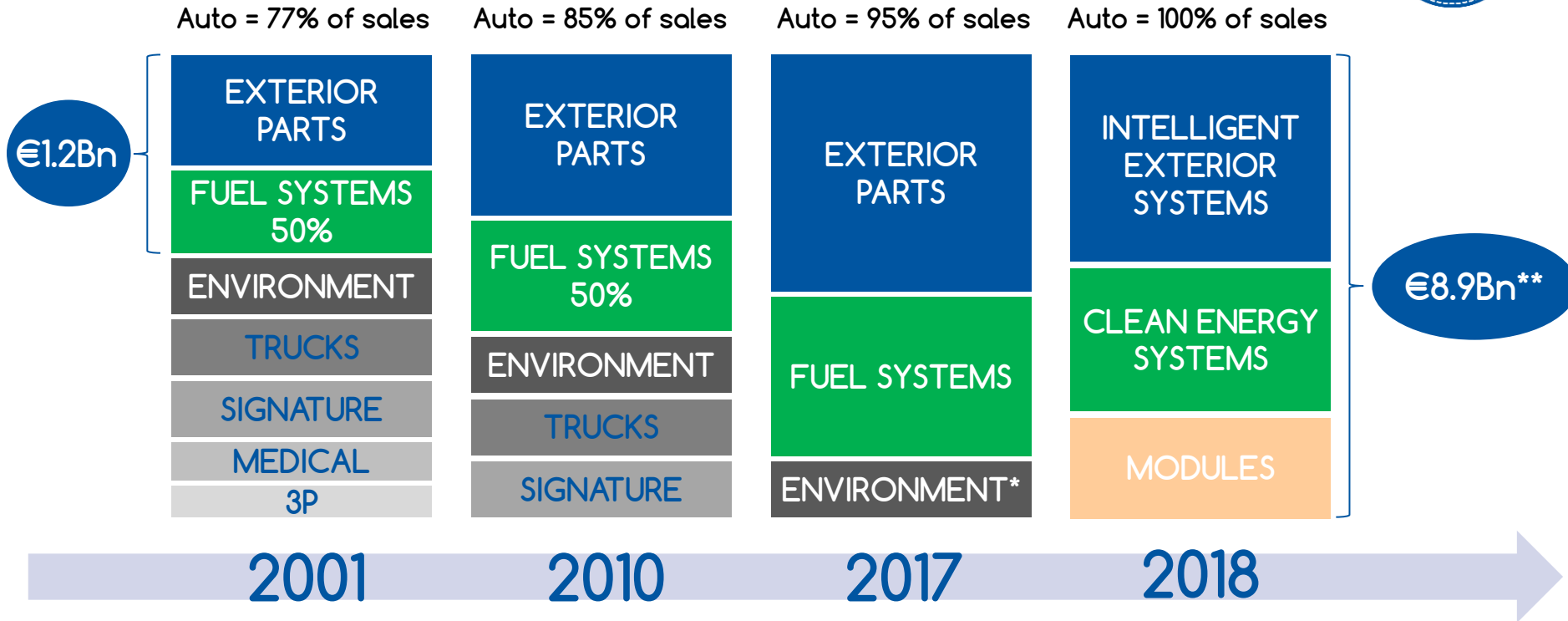
- 2 different business models
  - Global & local
  - 83 customers



- Increase in content per car
- New systems & solutions
- Technological partnerships

# Long-term Strategy : be an Automotive pure player

A pure player automobile



\* Closing of the Environment division disposal: December 17, 2018

\*\* Proforma economic sales including HBPO fully consolidated as of January 1, 2018





2018 Sales\*: €8.9Bn

PLASTIC OMNIUM INDUSTRIES

Intelligent Exterior  
Systems



**45%** of sales  
**#1** worldwide  
**16%** market share

Clean Energy  
Systems



**30%** of sales  
**#1** worldwide  
**22%** market share

PLASTIC OMNIUM MODULES

**HBPO**  
THE MODULE COMPANY



**25%** of sales  
**#1** worldwide  
**17%** market share

# 2 different business models

A  
well-balanced  
company

8

## PLASTIC OMNIUM INDUSTRIES

Intelligent Exterior  
Systems



Clean Energy  
Systems



Production activities  
98 plants - 22 countries

Dynamic margin  
Capital intensive

## PLASTIC OMNIUM MODULES

**HBPO**  
THE MODULE COMPANY



Assembly activities  
24 sites - 11 countries

Low margin  
High ROCE



# Diversification of Geography & Customers



## Economic sales per geographical area\*

Europe	53%
including France	7%
North America	27%
Asia	16%
including China	8%
South America	3%
Africa	1%

**26 countries**  
**Increasing penetration in Asia**

## Top 10 Brands\*

1	VW	11%
2	PSA	11%
3	GM	10%
4	Ford	8%
5	BMW	8%
6	Daimler	8%
7	Audi	7%
8	Chrysler	7%
9	Jaguar Land Rover	5%
10	Renault	5%

**83 automotive brands**  
**+63 new brands in 10 years**

# New innovative systems & higher content per car

A solution to technological disruption

10

PLASTIC OMNIUM INDUSTRIES

## Intelligent Exterior Systems



From bumpers  
to  
**intelligent body**

## Clean Energy Systems



From tanks  
to  
**electrified solutions\***

PLASTIC OMNIUM MODULES

## HBPO

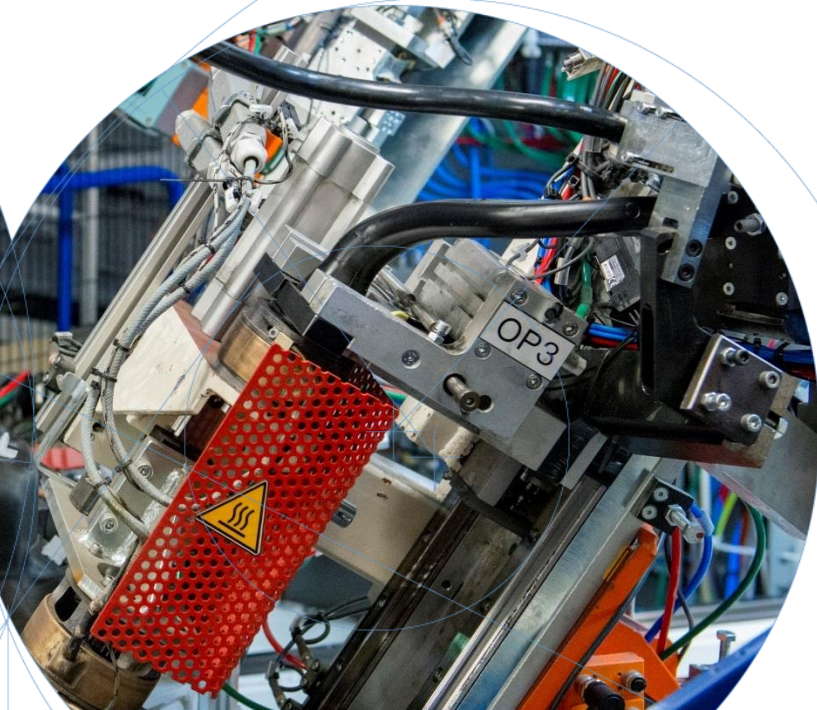
THE MODULE COMPANY



From front-end  
to  
**complex modules**

# 2018-2021

## A challenging market



Trade  
War

Brexit

Raw  
Materials

Interest  
Rates

Currencies

Volatility

Stricter  
regulations

Volatile  
volumes

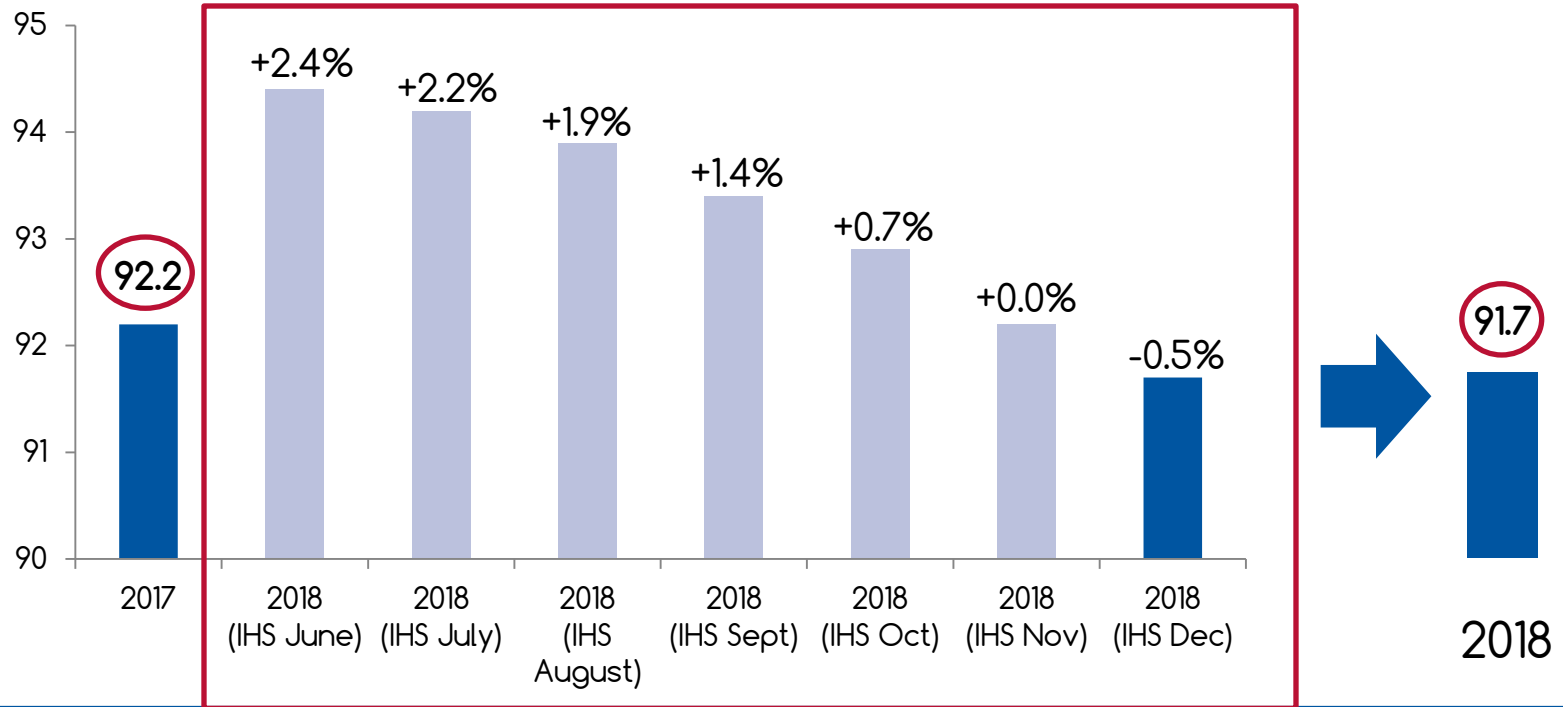
Diesel  
decline

Technological  
disruption  
financing

Automotive  
industry vs  
mobility

New decision  
centers

2018 automotive production forecast, regularly downgraded since July 2018, is now expected at -0.5%



More  
free-cash  
flow

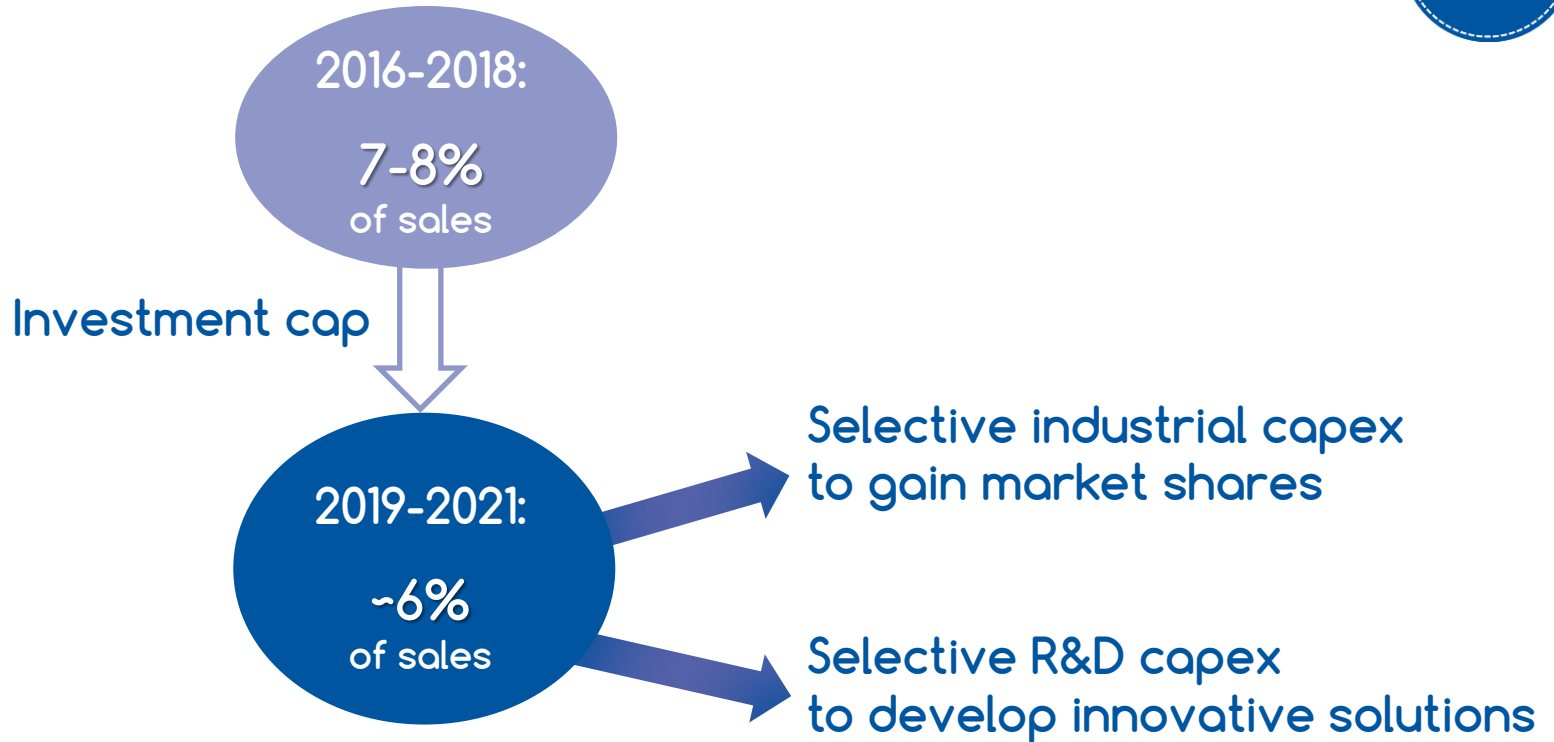
Capex ~6% of sales

More  
cost  
reduction

Total flex

More  
industrial  
excellence

4.0 deployment





# Selective industrial capex to gain market shares

More  
free-cash  
flow

17

2019

2020

2021

INTELLIGENT  
EXTERIOR  
SYSTEMS



India  
*Pune*



Morocco  
*Kenitra*



Slovakia  
*Hlolovec*



China  
*Hangzhou*


CLEAN ENERGY  
SYSTEMS



Malaysia  
*Kuala Lumpur*

+10 plants

MODULES



Mexico  
*Aguascalientes*



Mexico  
*Saltillo*



Germany  
*Vaihingen*



China  
*Nanjing*



Germany  
*Saarbrücken*

# Selective R&D capex to develop innovative solutions

More  
free-cash  
flow

18



Brussels, Belgium  
Advanced Research center  
*New Energies*



- Transform the business



Wuhan, China  
New R&D center  
*Clean Energy Systems*



- Support the growth in Asia
- Positioning PO in the Chinese hydrogen market



Lyon, France  
Expansion & digitalization  
of the global R&D center  
*Intelligent Exterior Systems*



- Grow the content per car
- Increase added value

# Technological alliances to develop innovative solutions

More  
free-cash  
flow

19



**aster**

Venture fund on  
energy transition and  
mobility of the future

Startups Ecosystem

Investments



wluper

T-Waves  
Technologies

Proof of Concepts

**brose**  
Technik für Automobile

+



=

Innovative co-development  
project to develop  
an all-new side door system

And more to come...



# 4.0 industry deployment



MAINTENANCE

from reaction  
to  
Prediction



- Maintenance cost ↓
- ↓ of downtimes



QUALITY

from basic analysis  
to  
Big Data



- Paint scrap ↓
- 100% right first time



AUTOMATIZATION

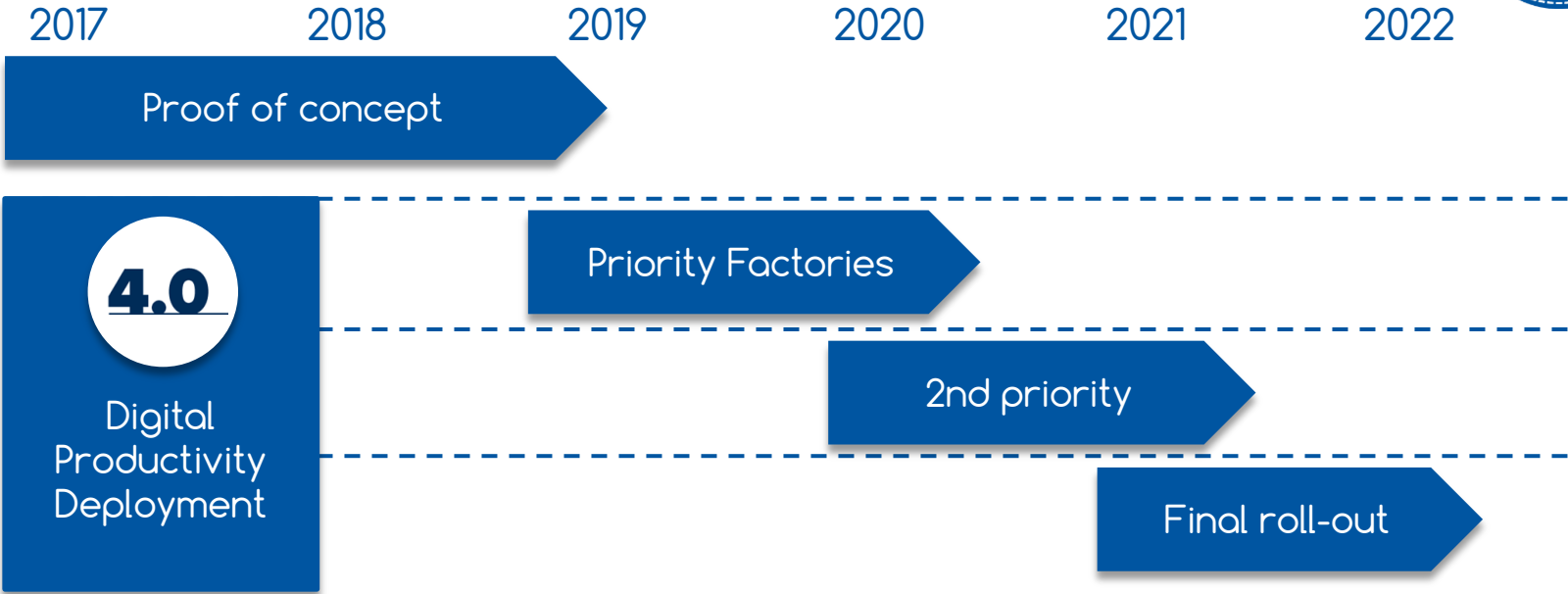
from man operation  
to  
Digital Industry



- Operators ↓
- Optimized inventory ↓

4.0 industry = less capital employed and more margin

# Roadmap for implementation of Industry 4.0



A total investment of €200m to boost our performance

# 2018-2021

## Solid fundamentals

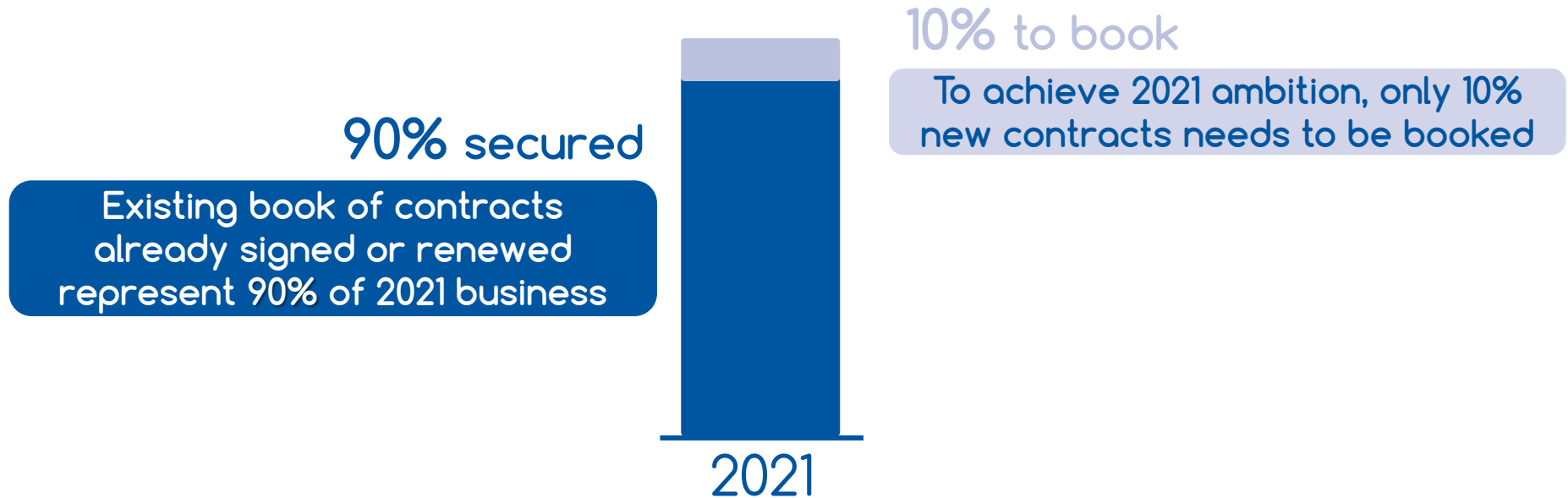


# Our business model gives mid-term visibility

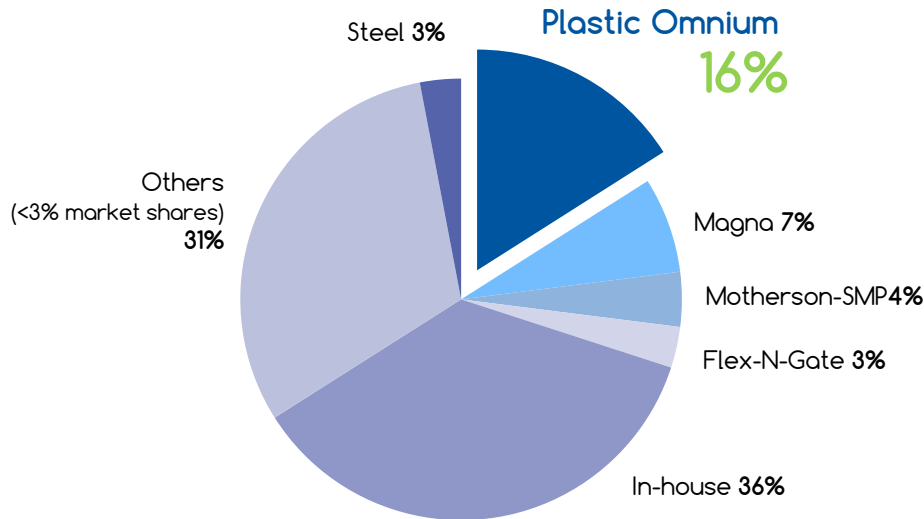




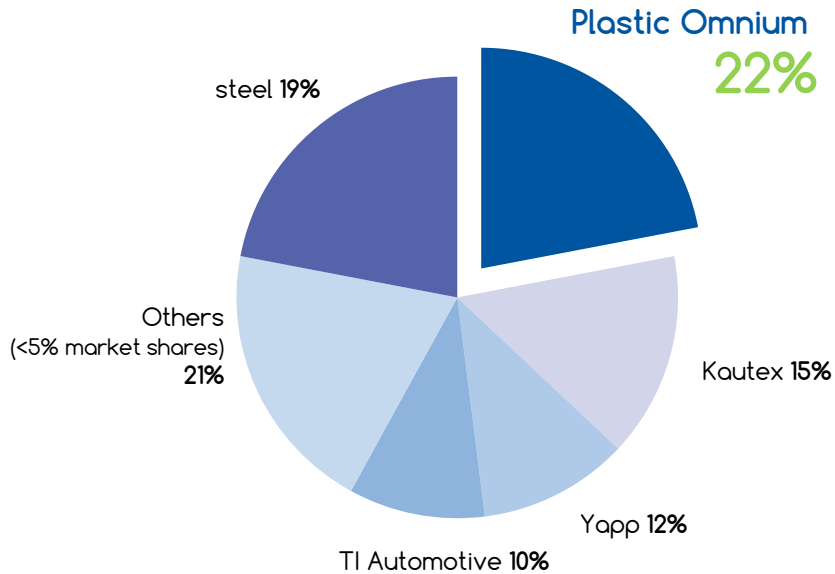
# Resulting in 90% of our orderbook secured in 2021



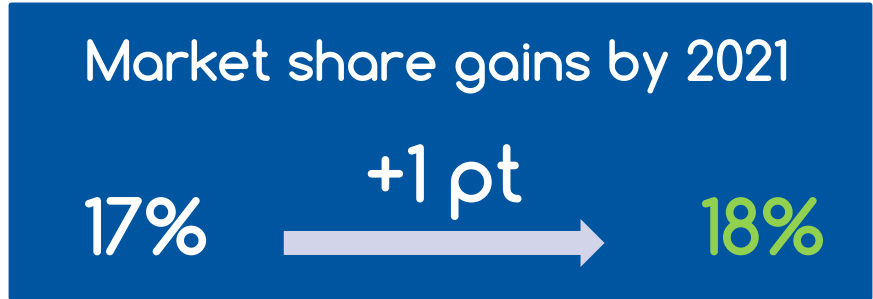
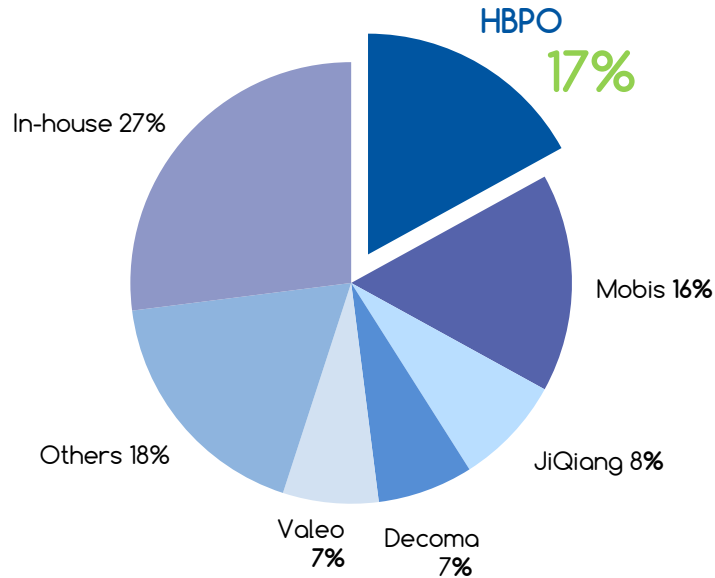
## BUMPER 2018 Global market shares

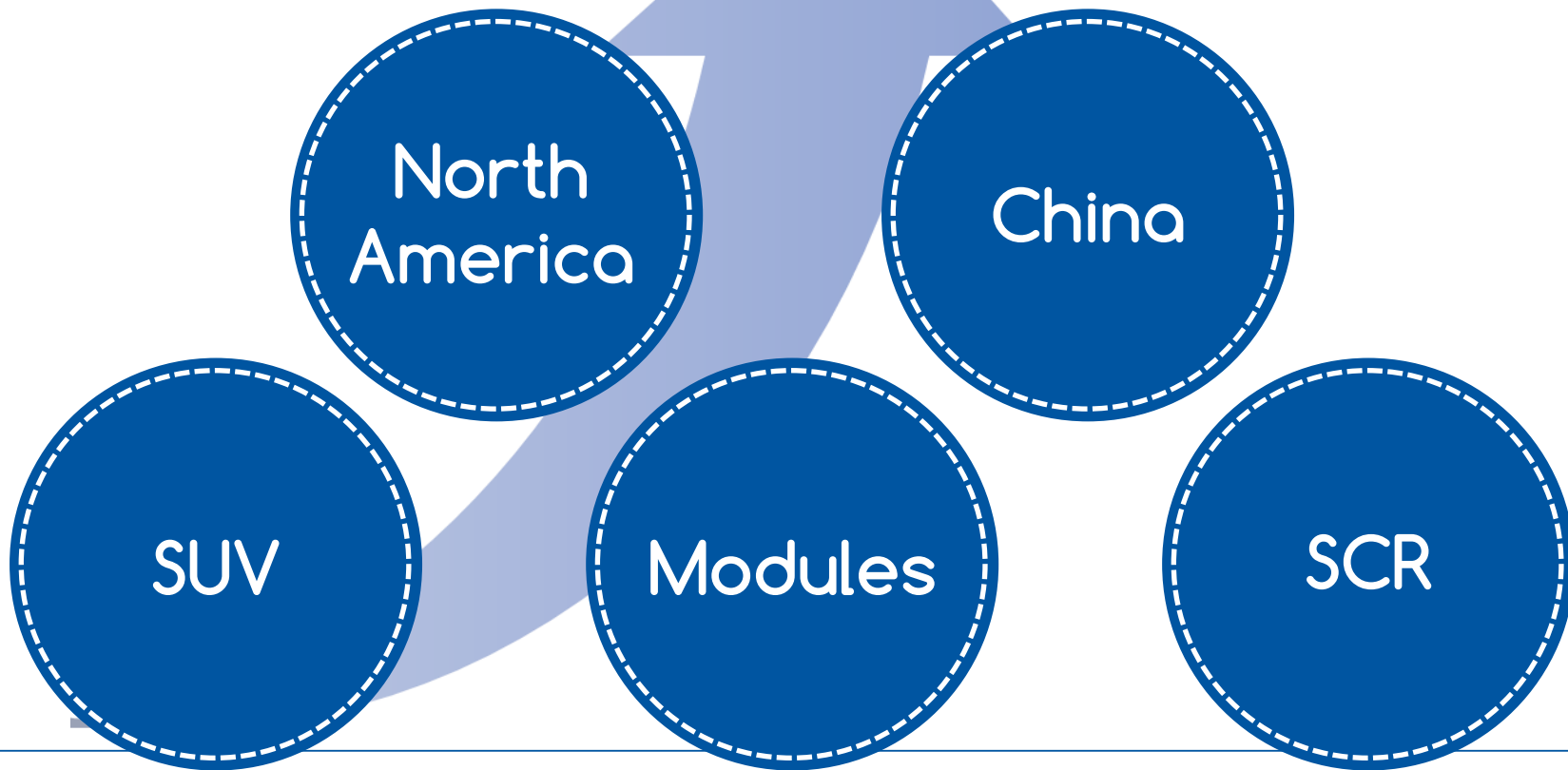


## FUEL SYSTEMS 2018 Global market shares

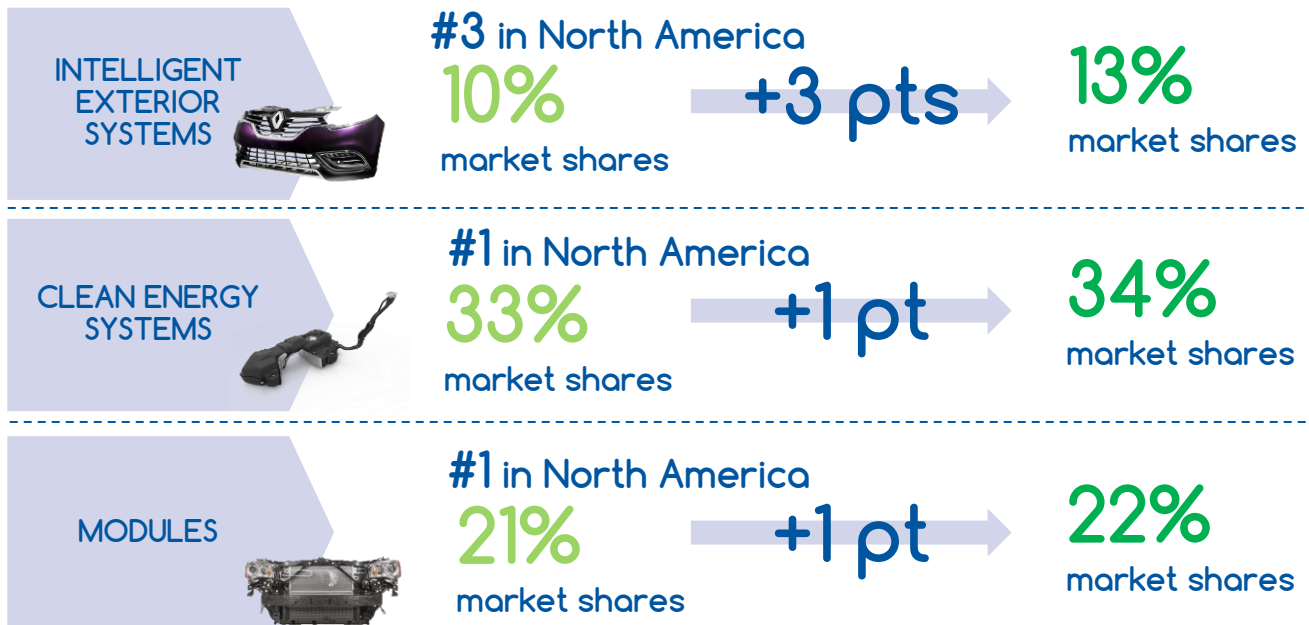


## FRONT-END MODULES 2018 Global market shares

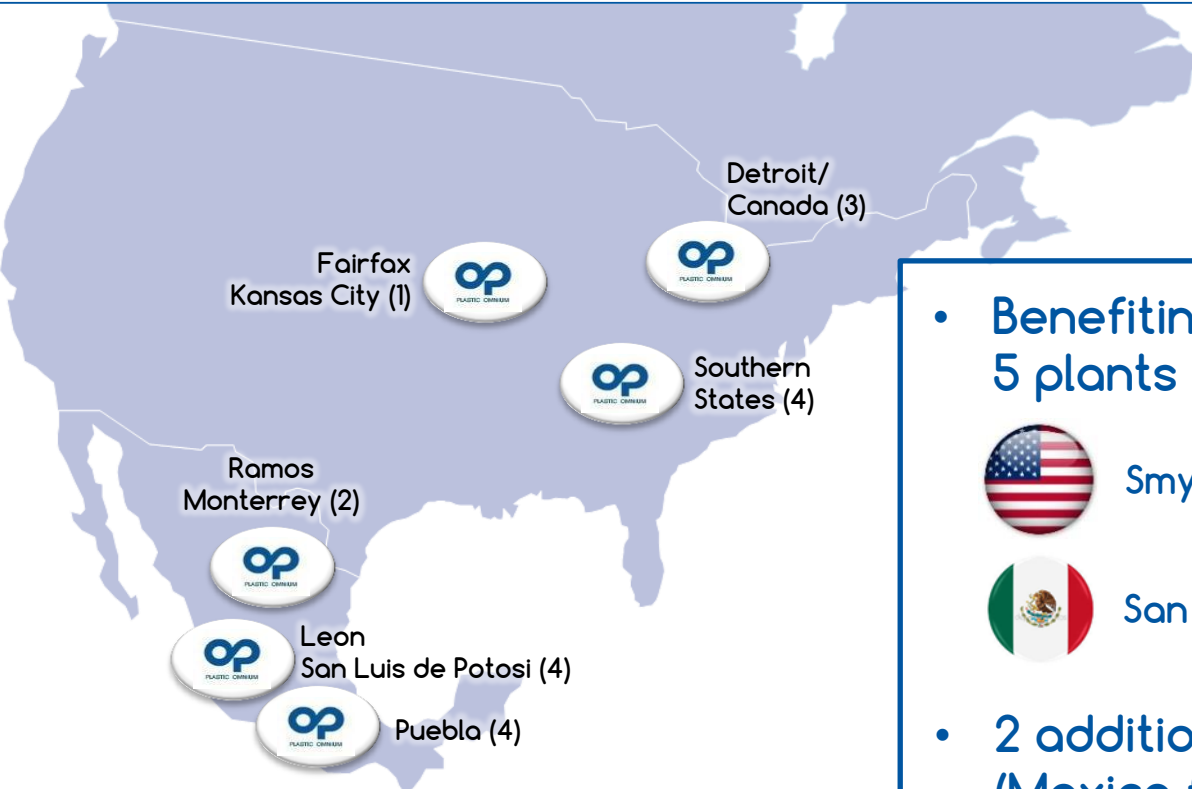




# Plastic Omnium will grow faster than the North American market



# Plastic Omnium will grow faster than the North American market



- Benefiting from the ramp-up of 5 plants built over the last 3 years:
  -  Smyrna, Greer
  -  San Jose Chiapa, Leon, San Luis Potosi
- 2 additional units under construction (Mexico for HBPO)



# Plastic Omnium will grow faster than the Chinese market

China

32

INTELLIGENT  
EXTERIOR  
SYSTEMS



#1 in China

26%

market shares

+2 pts →

28%

market shares

CLEAN ENERGY  
SYSTEMS



#2 in China

9%

market shares

+7 pts →

16%

market shares

MODULES



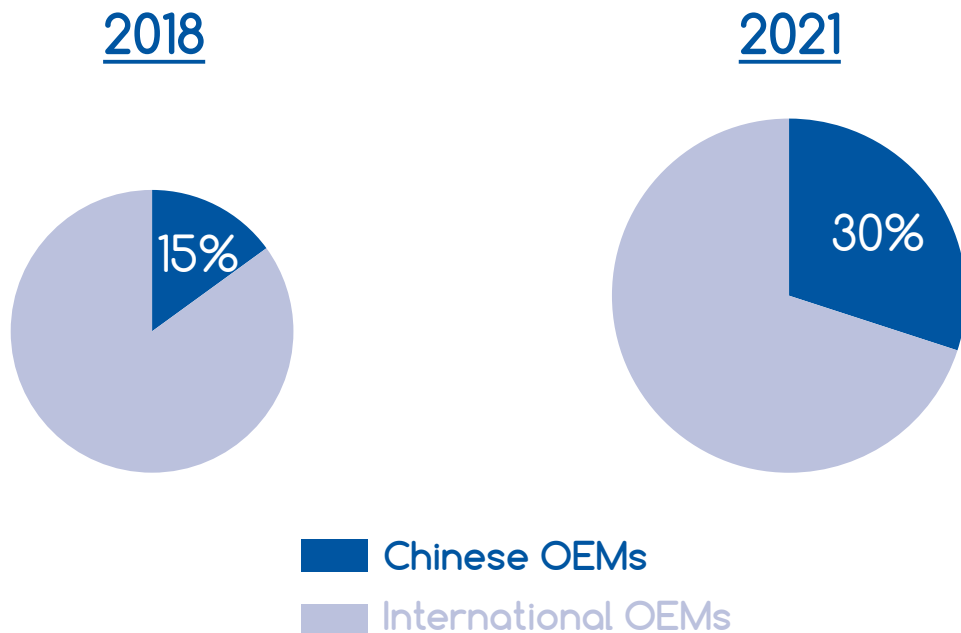
1<sup>st</sup> assembly facility in 2017

3 new assembly facilities targeted in 2021



# Plastic Omnium will grow faster than the Chinese market

The customer portfolio will continue its diversification



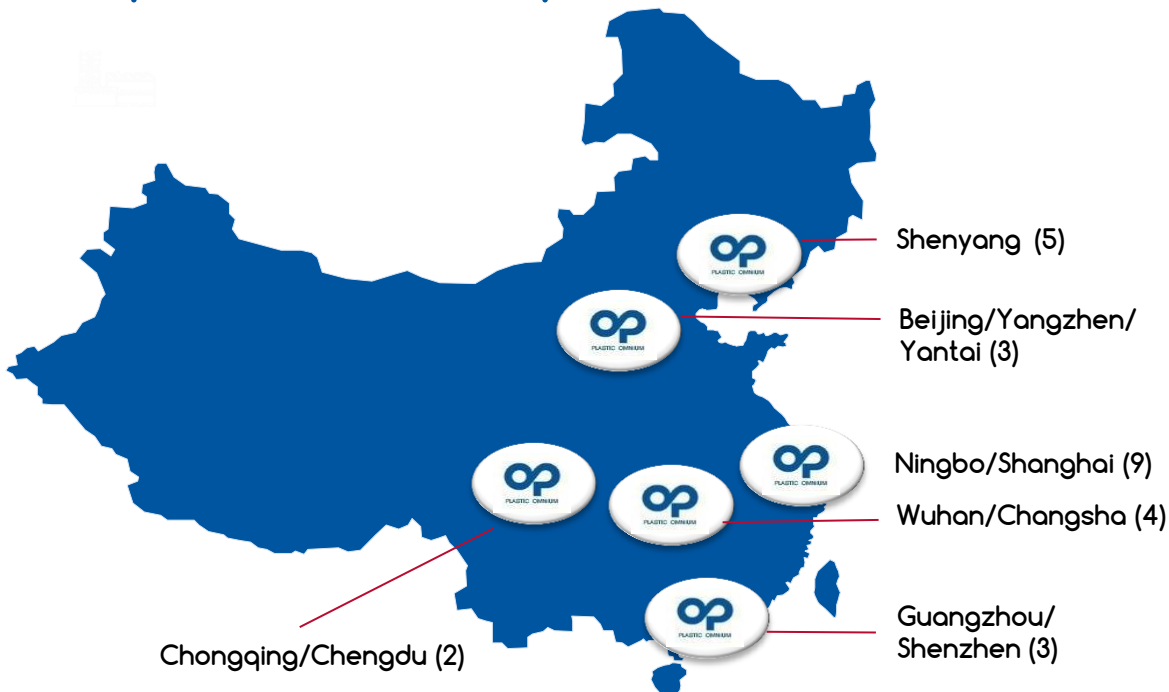
## 24 Chinese customers



# Plastic Omnium will grow faster than the Chinese market



## 26 plants built in 11 years



Operations in every automotive cluster




Footprint almost completed

# Plastic Omnium will grow faster than the SUVs segment

SUV

35

SUV SHARE

	2018		2021
Worldwide auto production	35%	+4 pts →	39%
<b>Plastic Omnium</b>			
INTELLIGENT EXTERIOR SYSTEMS 	39%	+9 pts →	48%
CLEAN ENERGY SYSTEMS 	33%	+5 pts →	38%
MODULES 	38%	+4 pts →	42%

# Plastic Omnium will grow faster thanks to modules

**HBPO**  
THE MODULE COMPANY



€2 Bn  
2018

€3 Bn  
2021

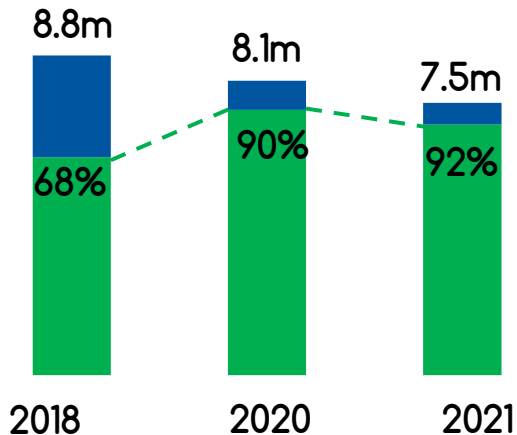
# Plastic Omnium will continue to grow in SCR



Increased penetration of SCR



Increased market shares for PO SCR by 2021



■ SCR equipment rate in Europe vs European diesel production (in million of vehicles produced)



<u>SCR Sales</u>		
2018	2020	2021
€400m	€550m	€500m

# PO manage cautiously this declining technology



SCR: generic product sold

Guaranteed payment on development cost

Limited industrial risk with only 1 facility in Poland

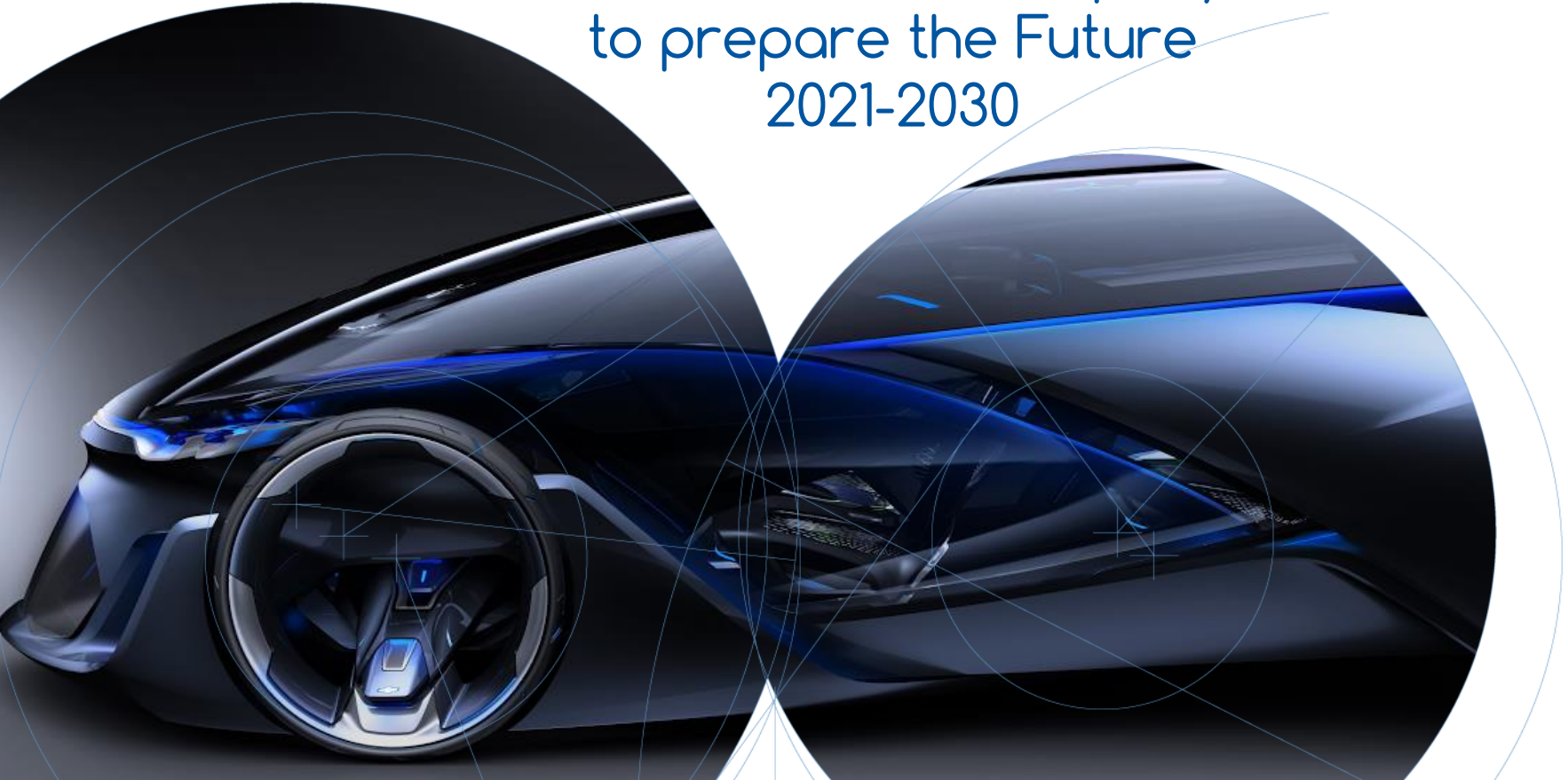
Potential in non-regulated markets (China, India...)

	<u>2017 IFRS 5</u>		<u>2018</u>
Economic Sales	€7,665m	⇒	>+5% growth
Consolidated Sales	€6,433m	⇒	>+10% growth
Operating Result	€615m	⇒	comparable
Net Result	€425m	⇒	sharp increase
Free cash-flow	€176m	⇒	3-digit

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Economic Sales	5 points outperformance vs auto production		
Consolidated Sales			
Operating Result	Continuous Increase (in value)		
Free cash-flow	>€200m free cash-flow per year		
Balance sheet	Continuous improvement (at constant perimeter)		



And beyond...  
Transform the Company  
to prepare the Future  
2021-2030



## The future car

Autonomous

A wireframe car model is shown on a yellow background. A dotted arrow points from the car towards the right, indicating a transition or flow.

## PO's answer

Intelligent  
Exterior Systems

A blue background with white geometric patterns, including circles and lines, surrounding the text 'Intelligent Exterior Systems'.

from **Bumpers...** to



## Intelligent body



WHY  
DOES THE  
INDUSTRY  
NEED  
INTELLIGENT  
BODIES

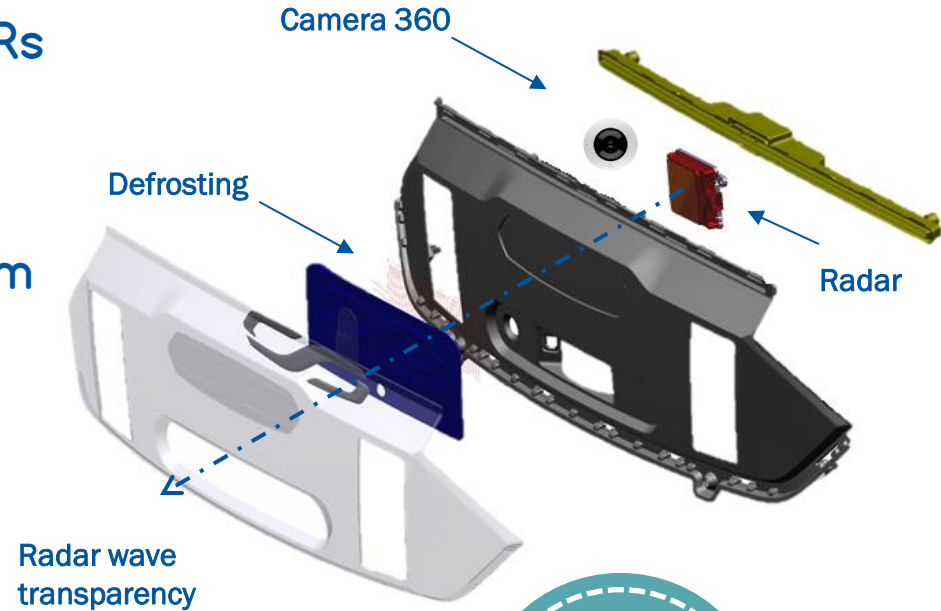


Autonomous cars need to

SEE

## HOW DOES PLASTIC OMNIUM RESPOND

- Radars & LIDARs functionalities preserved
- Design freedom



Smart front panel

SEE

WHY  
DOES THE  
INDUSTRY  
NEED  
INTELLIGENT  
BODIES



Surrounding  
environment

Reliability  
and  
Robustness



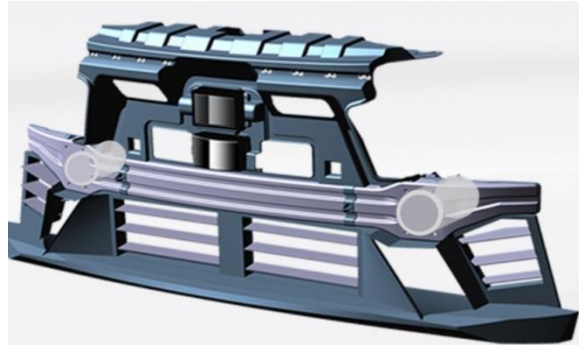
Autonomous cars need to



PROTECT

## HOW DOES PLASTIC OMNIUM RESPOND

Crash & ADAS module



- Environment, vibration protection
- Radars & LIDARs integration



Smart protection



WHY  
DOES THE  
INDUSTRY  
NEED  
INTELLIGENT  
BODIES



Autonomous cars need to

COMMUNICATE



HOW DOES  
PLASTIC  
OMNIUM  
RESPOND

## Smart tailgate

Communication panel  
Touch & Open



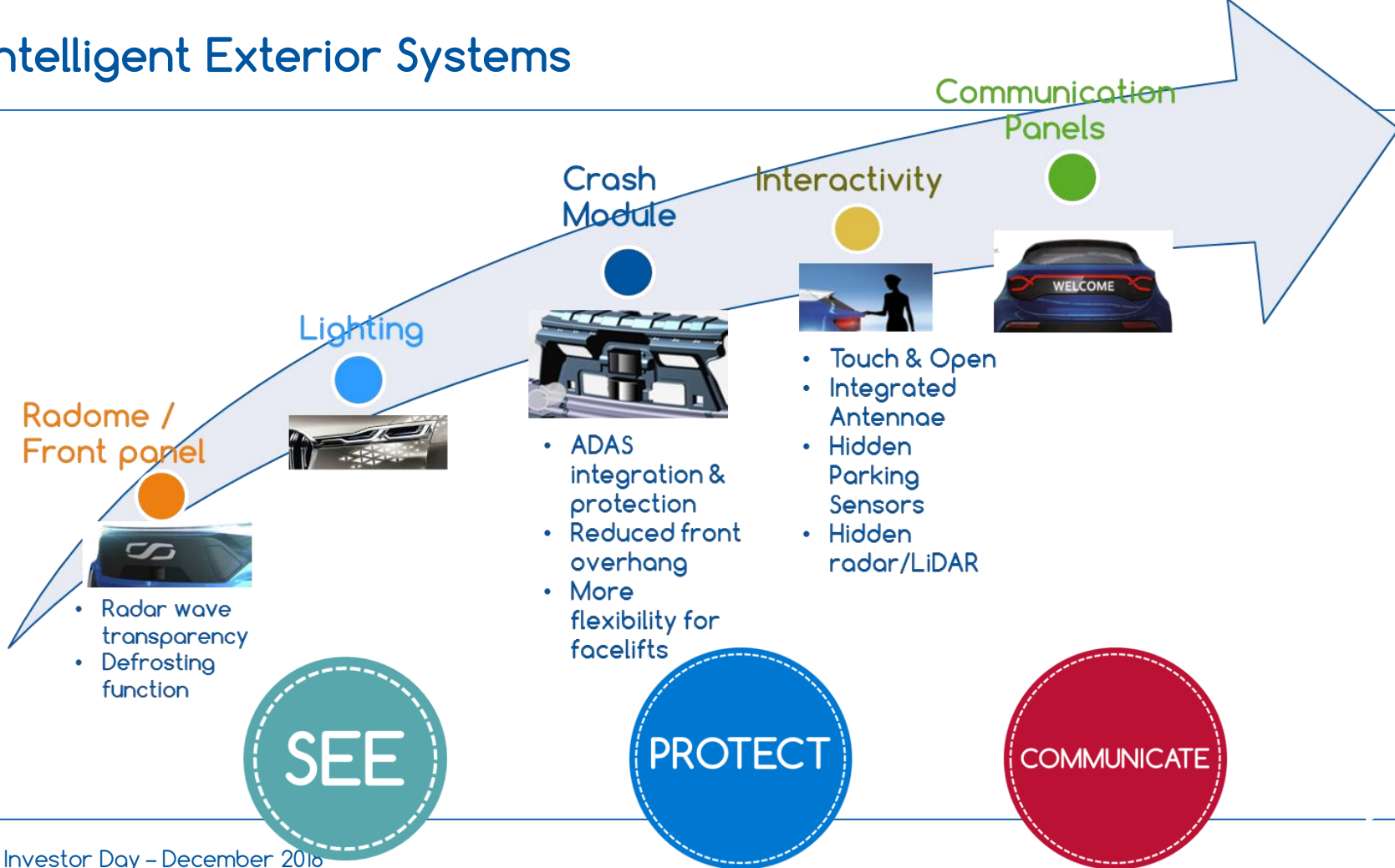
## Smart bumper

Dynamic light signature  
Perfect fit and finish



COMMUNICATE

Intelligent & Interactive



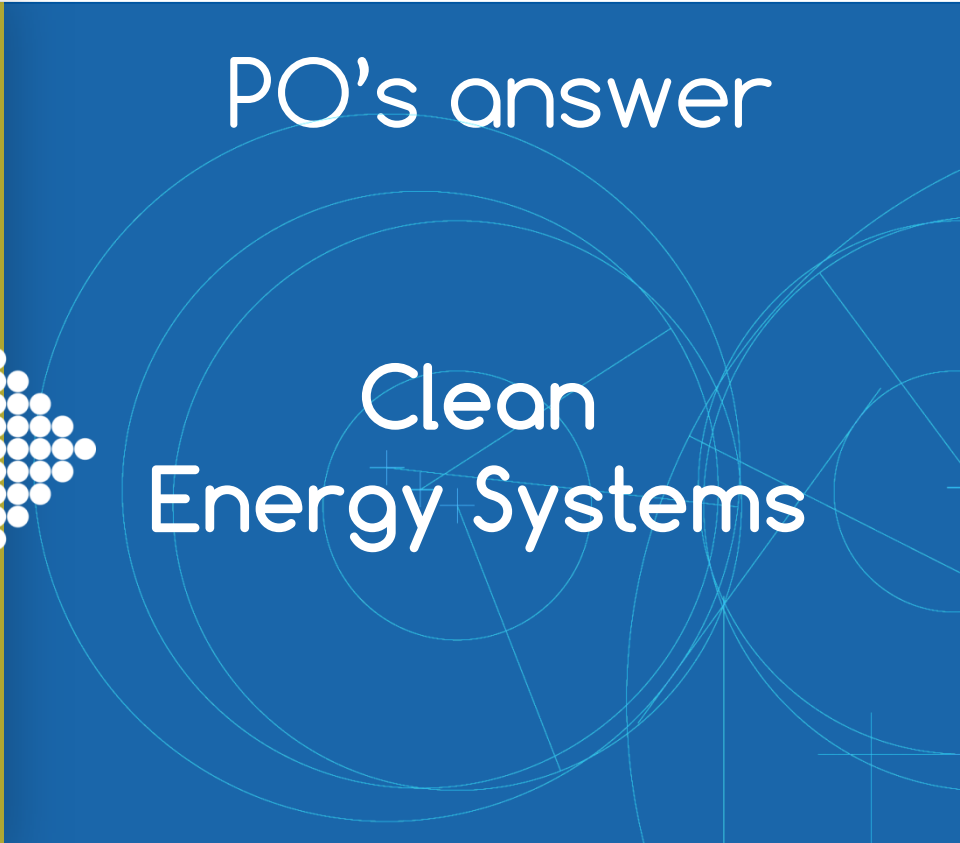
## The future car

Clean

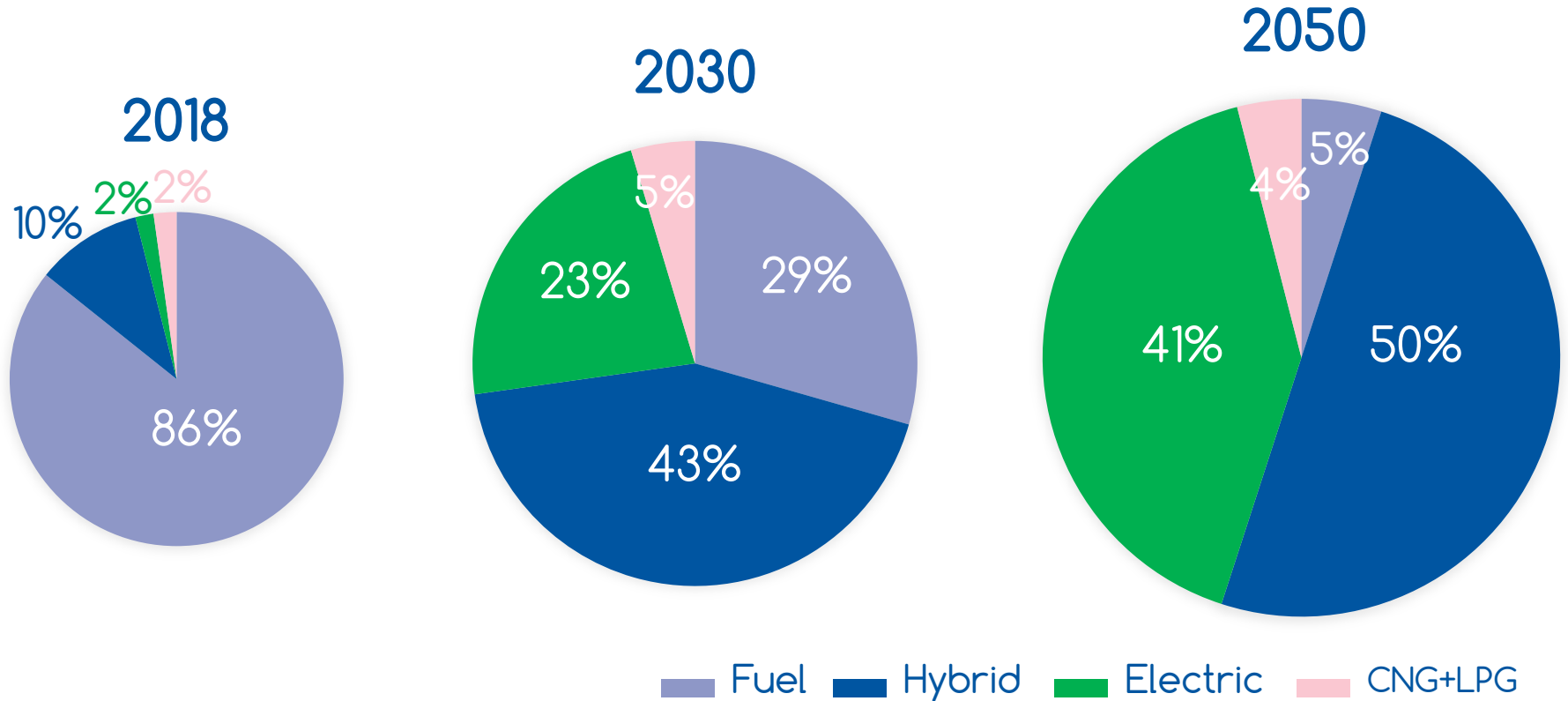
A wireframe car model is shown on a yellow background. A dotted arrow points from the car towards the right side of the slide.

## PO's answer

Clean  
Energy Systems

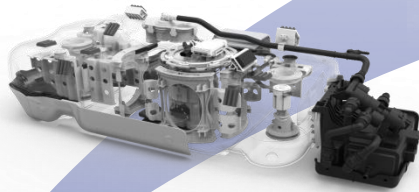
The text 'Clean Energy Systems' is centered on a blue background. The background features faint, overlapping circular patterns and a grid of lines.

# The powertrain mix will change significantly in the next 30 years...

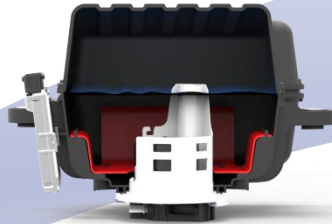


# Our offer for each type of powertrain

Smart electronic controlled systems



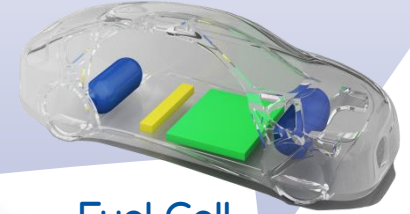
Pressurized Tank for PHEV



Water Injection System for ICE



Hydrogen Vessels



Fuel Cell for EV

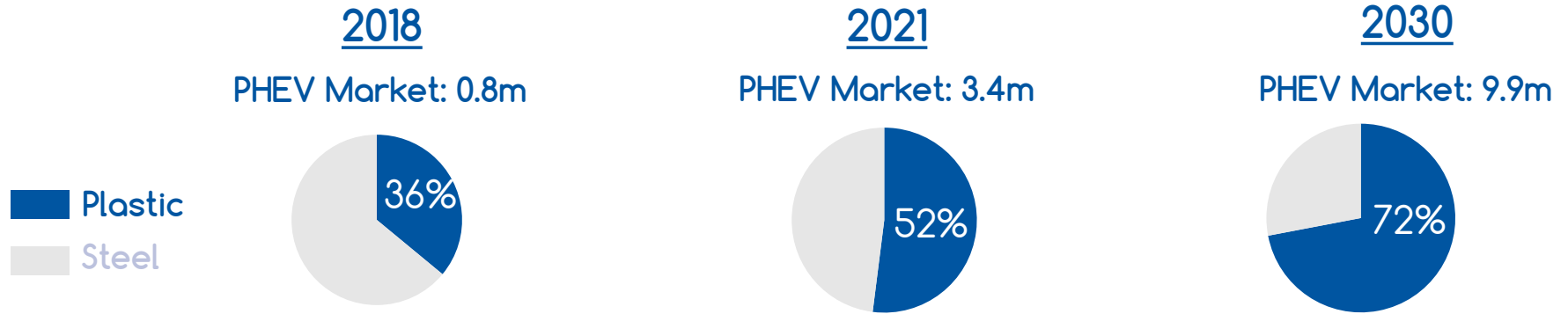
## The hybrid solution

We will substitute our traditional fuel systems with plug-in hybrid tanks with more content



**TankTronic**  
Solution  
for  
Hybrid  
Vehicles

PHEV : the market is growing & substitution from metal to plastic is speeding up



In that growing market, Plastic Omnium is gaining significant market share



## Improving traditional motorization efficiency

Disruptive concept that sprays water into engine combustion chamber

- Addressable market in 2025: 5 million units
- Price range: 150€-300€



## Water Injection System

Solution for ICE turbocharging vehicles



UP TO  
**-15%**  
CO<sub>2</sub>

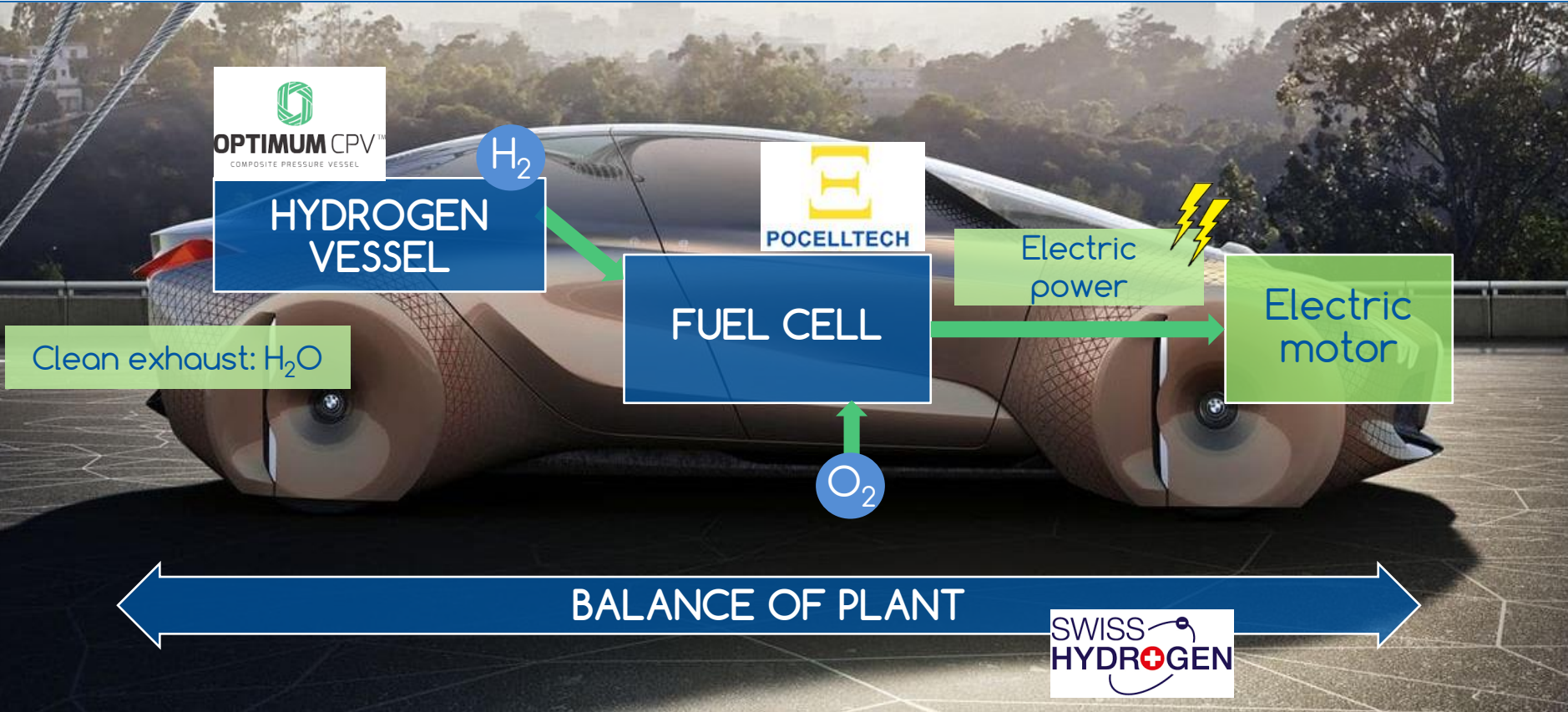
**+10%**  
MORE POWER

UP TO  
**-15%**  
FUEL CONSUMPTION



## WHY FUEL CELL?

	RANGE	RECHARGING	COST
 <b>BATTERY</b>	< 300 km	40 min – 8 hours	2017: \$14k 2030: \$8k
 <b>FUEL CELL</b>	> 500 km	< 5 min	2017: \$55k 2030: \$5k



## Dedicated organization

New Energies



€200 M

2018 - 2022 PROGRAM



100 engineers



100 engineers

TO BE HIRED BY 2020

## The future car

Modular



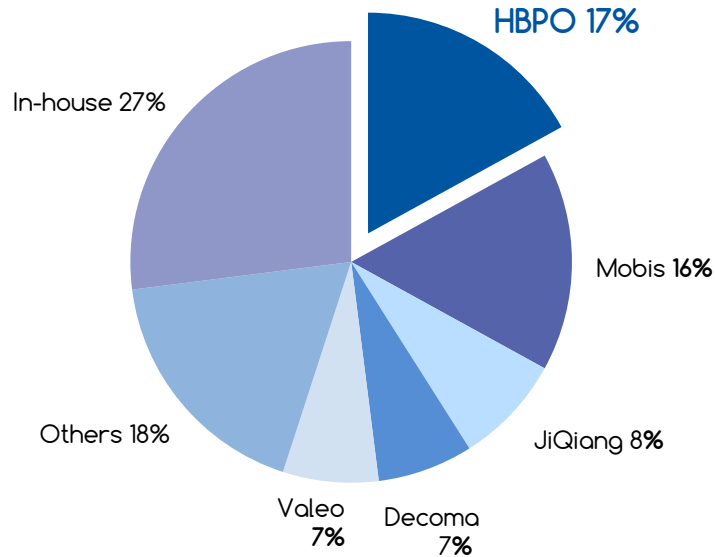
## PO's answer

Plastic Omnium  
Modules

# HBPO: a business of complex modules assembly



## 2018 Global market shares



**#1** worldwide with 17% market share

**6 M** front-end modules / year

**1/5** vehicle equipped by Plastic Omnium

Revenue

26%

## NORTH AMERICA

4 plants



Mexico	3
Canada	1

Revenue

61% o/w 30% Germany

## EUROPE

11 plants



Western Europe	6
Eastern Europe	5

Revenue

13%

## ASIA

9 plants



China	1
Malaysia	3
South Korea	5

24 plants  
8 Sales and Development Centers

2017 economic sales

# HBPO: a portfolio of 24 customers

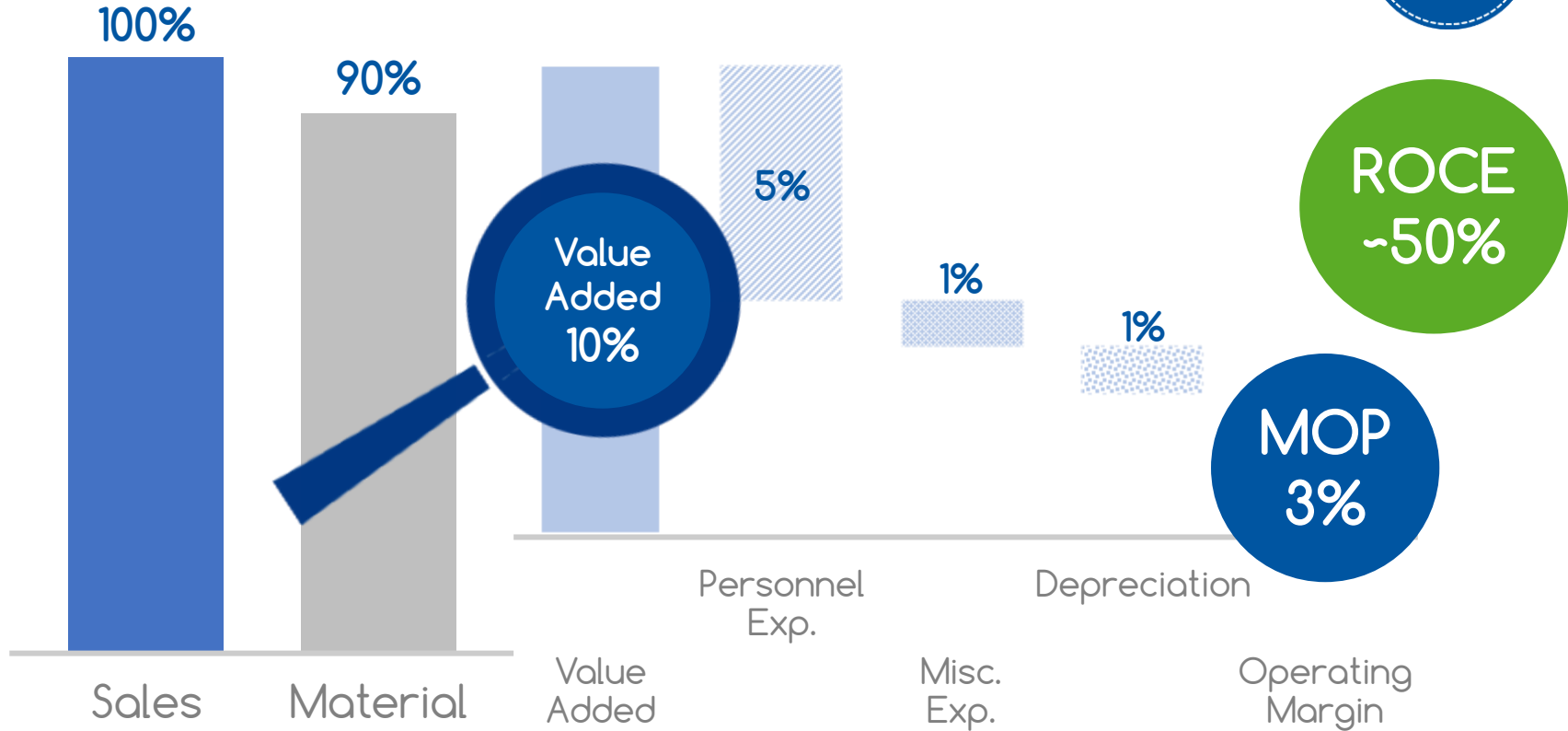


## TOP CUSTOMERS

1	Audi	22%
2	Volkswagen	19%
3	Daimler	19%
4	Chrysler	13%
5	BMW	10%
6	Hyundai	7%
7	Others <5%	10%



# HBPO : Financial business model



from **Front End Module...** to



# The Module Company





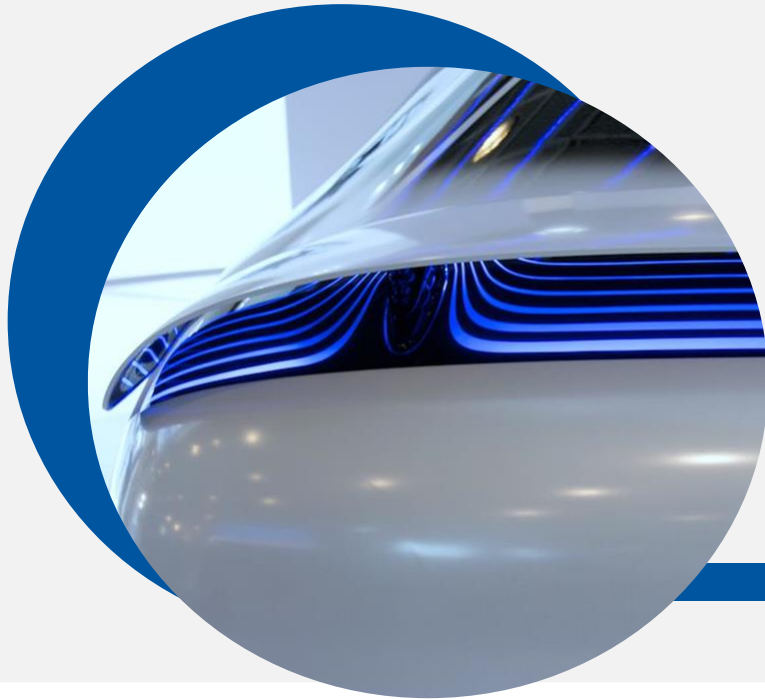
PLASTIC OMNIUM

## Now, Tomorrow and Beyond...

PO has a clear long-term growth  
and profitable strategy

PO faces the volatility of the market  
thanks to solid fundamentals

PO anticipates the disruption of the market  
with leadership ambitions



# INVESTOR DAY

$\alpha$ -ALPHATECH - DECEMBER 13, 2018