



2016 Annual Results

February 23rd, 2017



2016 Annual Results

Laurent Burelle, Chairman & CEO

Paul-Henry Lemarié, Director & COO

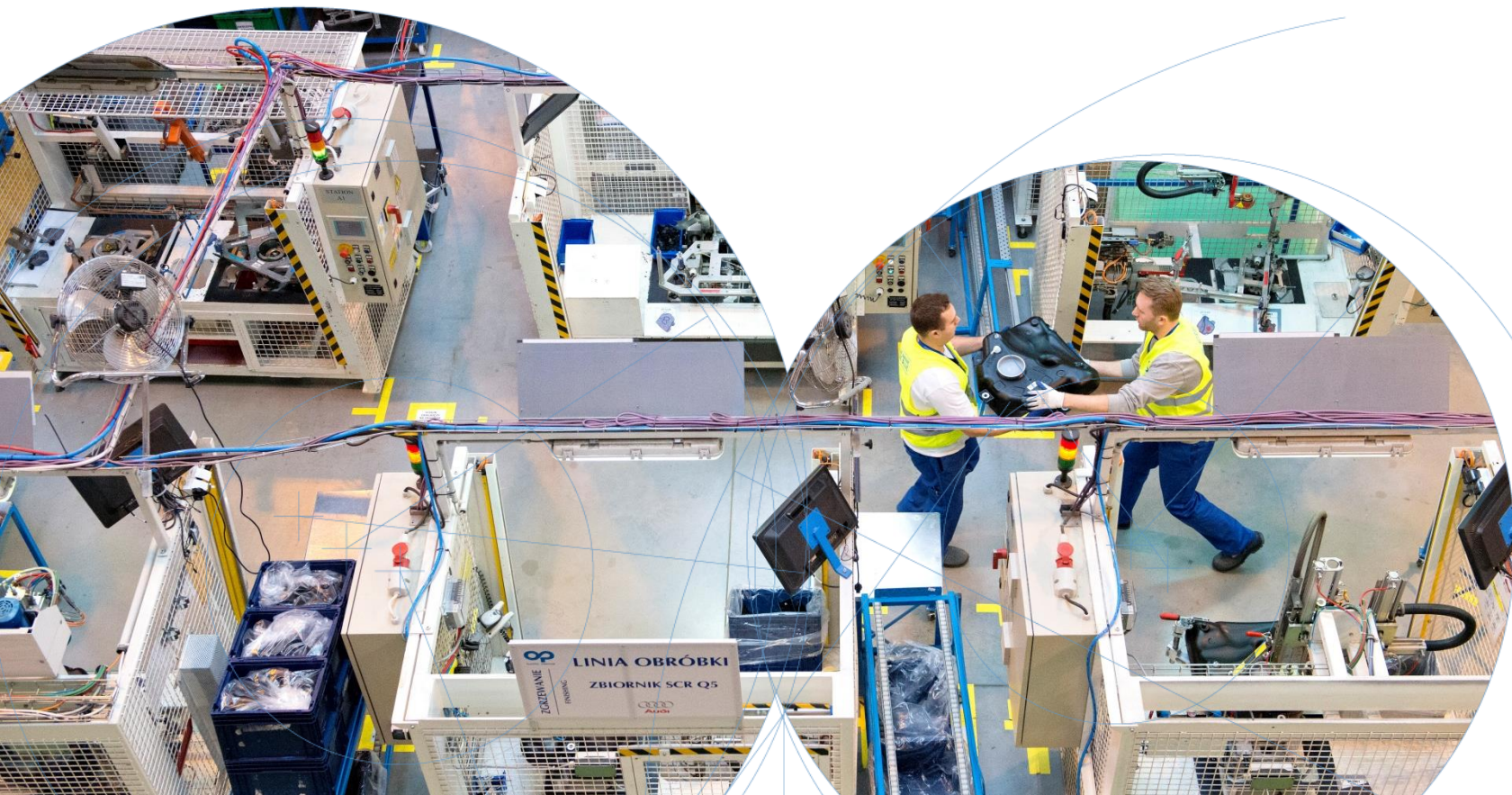
Jean-Michel Szczerba, Director & Co-CEO

Levallois, February 23rd, 2017

- Outperformance of the auto production: +8pts
- Record financial results
- The biggest acquisition
- Focus on core businesses
- A strong order intake
- An optimized footprint

- 2020 Economic sales: €9.5bn
- A robust self-financed investment program: €2.5bn for 2016-2020
- A technology-driven company preparing the future

2016 Highlights



Auto production

2015: **86.0** million of vehicles

2016: **90.1** million of vehicles

+4.8%

Outperformance:

+8 pts

Plastic Omnium Auto sales*

at constant perimeter & exchange rate

+12.8%

Economic sales	:	€6,936m	+16%
Consolidated sales	:	€5,857m	+17%
Operating margin	:	9.5% of sales	+19%
EBITDA	:	13.8% of sales	+17%
Net profit, group share	:	€312m	+21%
Free Cash Flow	:	€241m	+19%
Net debt	:	€800m	+€532m

July 2016: acquisition of €1.9bn in sales of Faurecia Auto Exterior business, for an enterprise value of €665m

- **€0.7bn** of sales to be disposed following the European Commission decision (2016 EBITDA proforma : **€50m**)
- **€0.2bn** of immediate portfolio cleaning
- **€1.0bn** of sales integrated by Plastic Omnium (2016 EBITDA proforma : **€65m**)

December 2016: binding offer received from Flex|N|Gate for the acquisition of the business to be disposed for a **€200m** of enterprise value (closing expected in 1st semester 2017)

Automotive Division

- **Truck business**
(closing expected in 1st semester 2017)

Environment Division

- **Signature Limited** (UK subsidiary, specialized in highway signage) sold in August 2016
- A playground manufacturing plant in Montauban (France) sold in March 2016
- **Emballagen GmbH** (German subsidiary, specialized in the production of metal drums for the chemical industry) sold in September 2016

→ Total annual sales: €250m

→ Total enterprise value: €40m

Seizing the growth and optimizing the footprint

NORTH AMERICA
18 Plants

- +2 acquisitions
- 2 portfolio cleanings
- 1 plant closure
- +2 new plants

EUROPE & AFRICA
65 Plants

- +10 acquisitions
- 1 plant closure
- +1 new plant
- 5 non strategic disposals

ASIA
39 Plants
of which
26 in China

- +1 new plant

SOUTH AMERICA
6 Plants

- +2 acquisitions
- 1 plant closure (synergies)

→ **128 plants in 31 countries**

As of February 23, 2017

Record number of car model launches

North/South America

28
launches



Europe

57
launches



Asia

75
launches



160 successful launches in 2016 with 33 in innovative products

Significant orders in 2016

Growth driver



490,000 SCR systems per year



First contract with NextEv in China for electric cars (bumpers, fenders, tailgate & spoiler)



Contract with Lucid for electric cars (bumpers, tailgate & body panels)



Fuel systems for plug-in hybrid vehicles :
orders for 8 models for 4 different carmakers



Bumpers for the Mercedes Class S and the Audi A6



Success of aerodynamic offer with a mobile spoiler order for Porsche



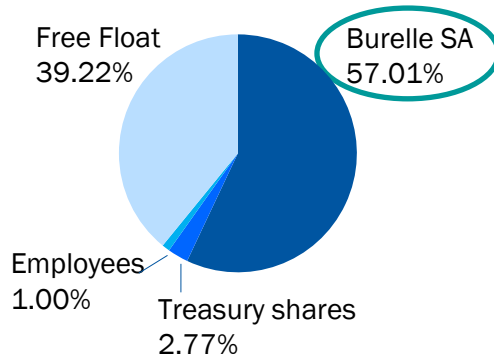
Contracts with Chinese customers:
BAIC, Brilliance, GAC, Geely, Haitec, JAC, Luxgen, NextEV, Qiantu Auto, SAIC

A global player working with 70 customers worldwide

Commercial



Plastic Omnium capital structure



Buy-back shares in 2016: €49m

Burelle SA reinforcement from 56.6% to 57.01% through share capital reduction

Liquidity as per 31/12/2016

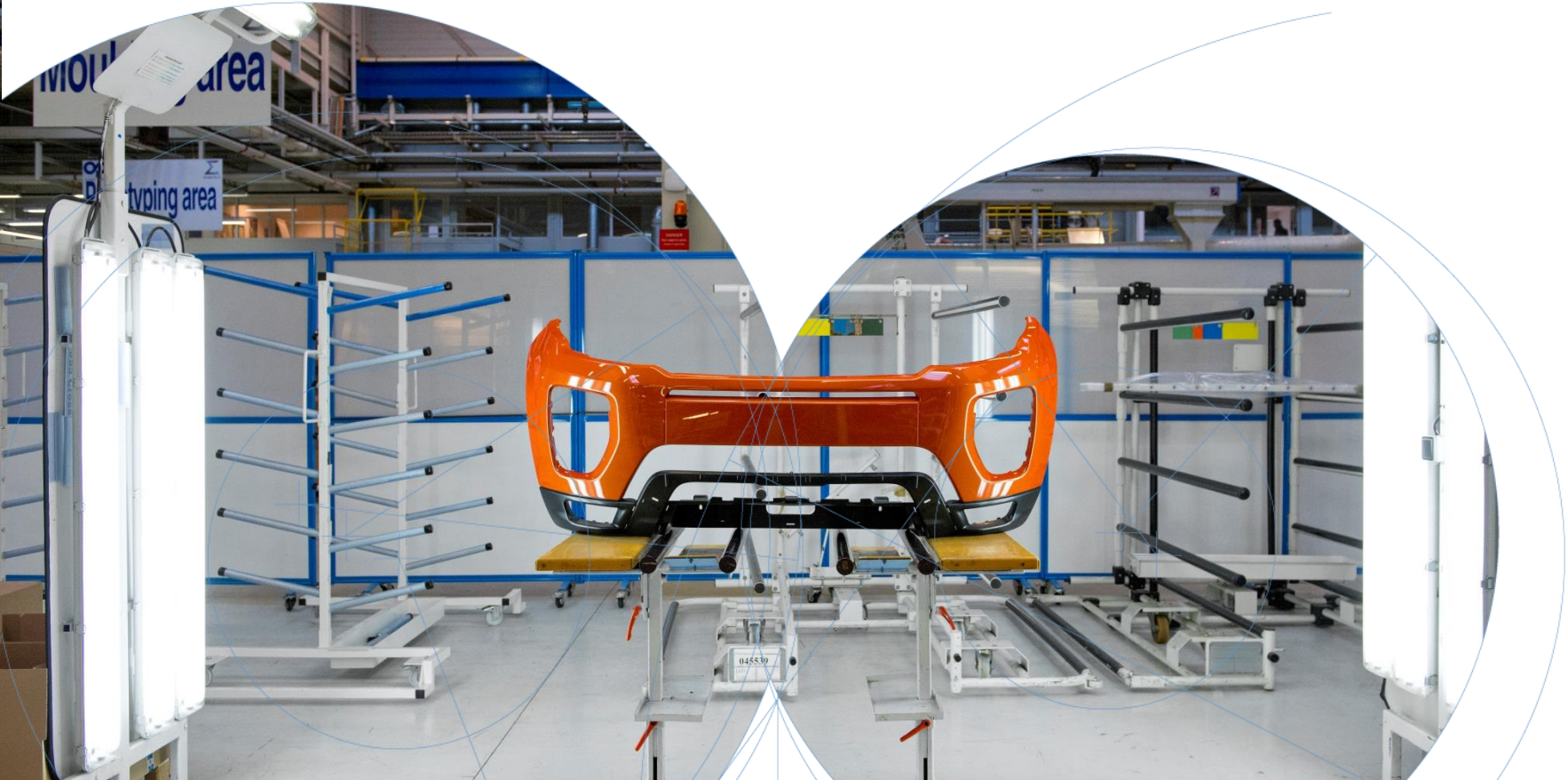
Undrawn confirmed lines of credit: €1.2bn

Cash available: €0.3bn

→ Total €1.5bn



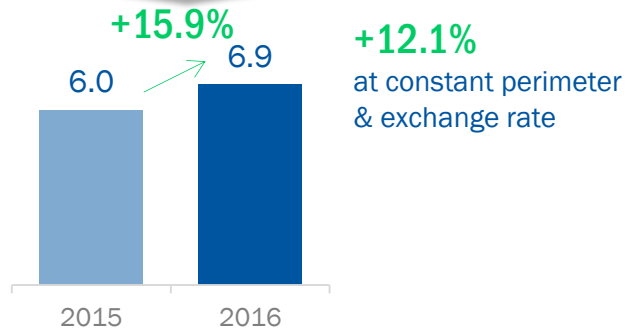
2016 Results



Another record year

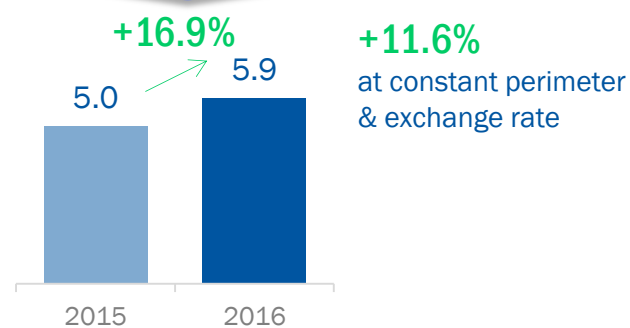
ECONOMIC SALES

(in €bn)



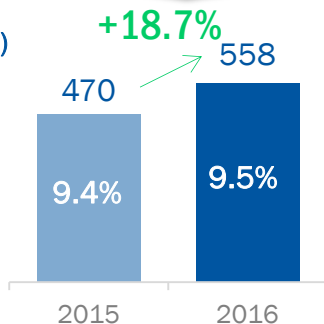
CONSOLIDATED SALES

(in €bn)



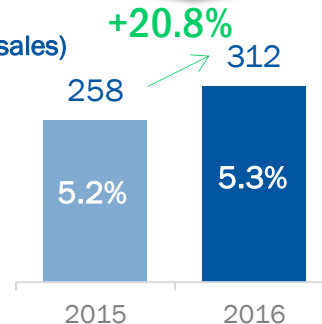
OPERATING MARGIN

(in €m and
% of consolidated sales)



NET PROFIT, GROUP SHARE

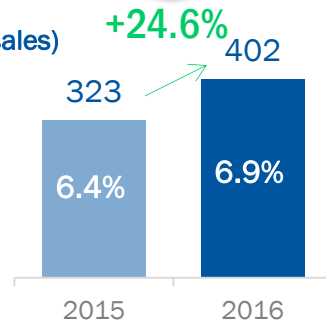
(in €m and
% of consolidated sales)



Another record year

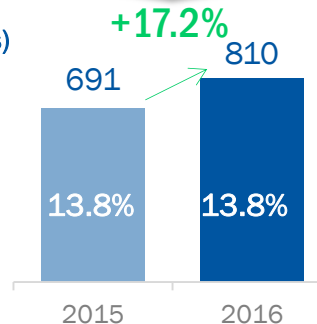
CAPEX

(in €m and
% of consolidated sales)



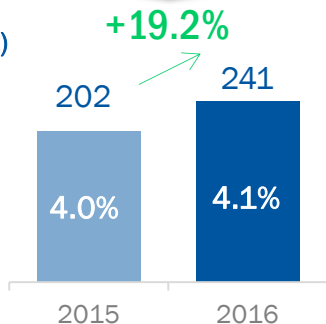
EBITDA

(in €m and
% of consolidated sales)



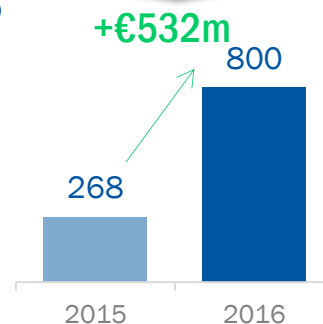
FREE CASH FLOW

(in €m and
% of consolidated sales)



NET DEBT

(in €m)

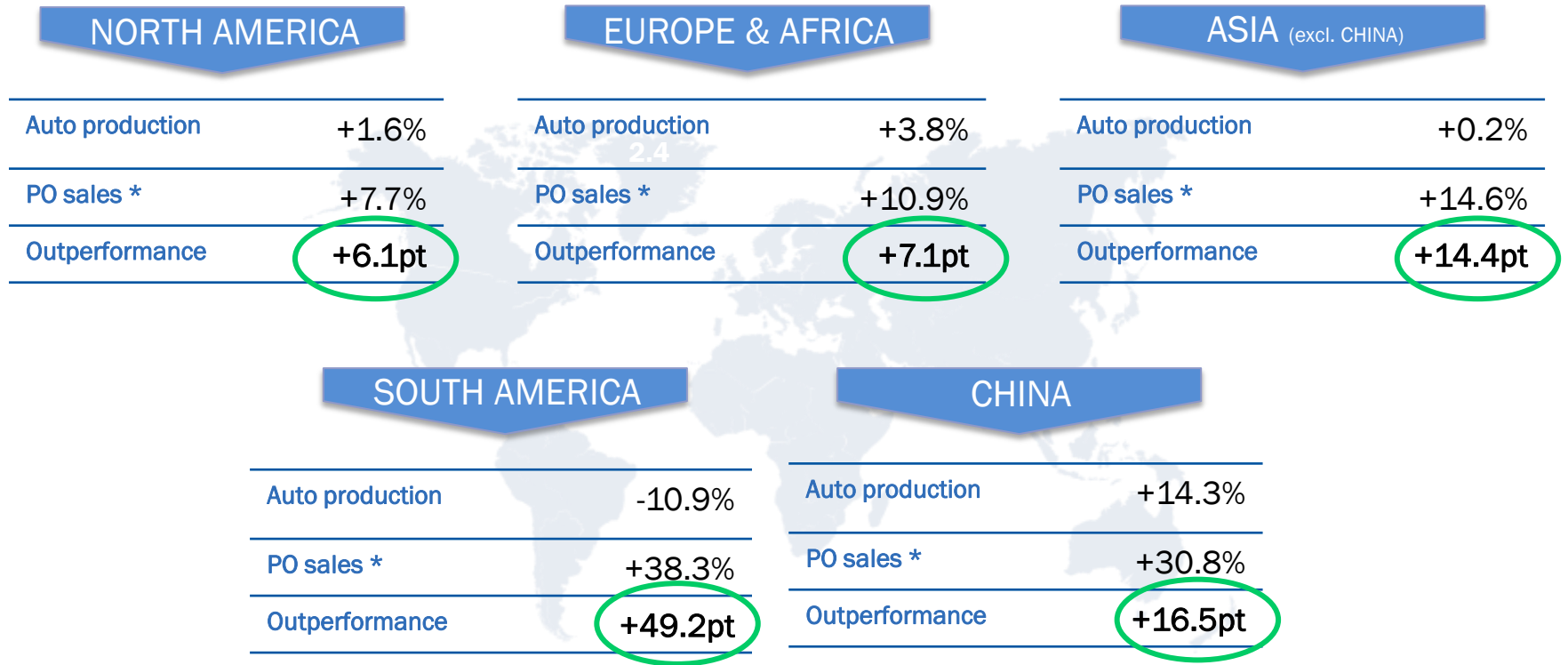


including the acquisition of
Faurecia Auto Exterior for a
€665m enterprise value

2016 Sales by business

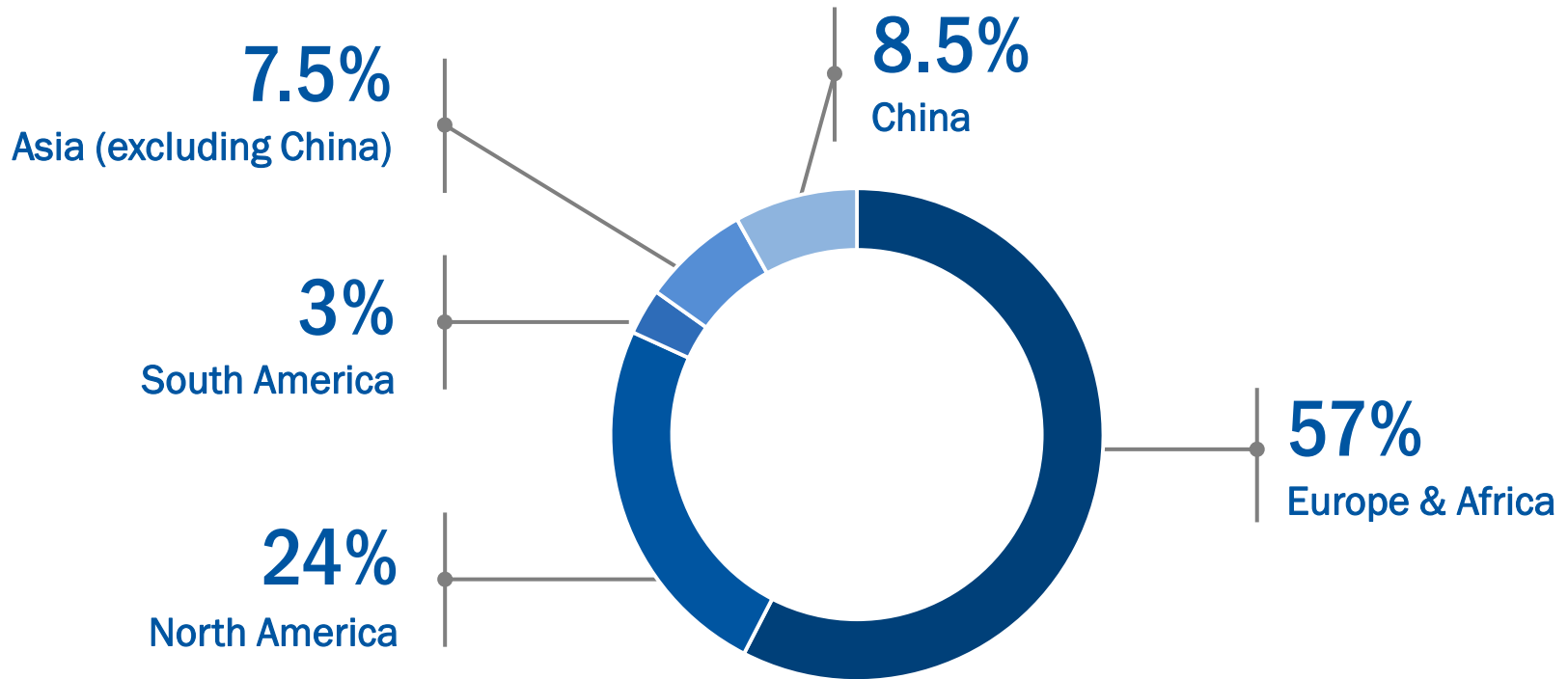
In €m	2015	% sales	2016	% sales	Δ in %	Δ at constant perimeter & exchange rate
Automotive	5,596.7	94%	6,566.8	95%	+17.3%	+12.8%
Environment	385.8	6%	368.9	5%	-4.4%	+0.9%
Economic sales	5,982.5	100%	6,935.7	100%	+15.9%	+12.1%
Joint-ventures	972.6		1,078,5		+10.9%	+14.8%
Consolidated sales	5,009.9		5,857.3		+16.9%	+11.6%

2016 Performance per region vs auto production

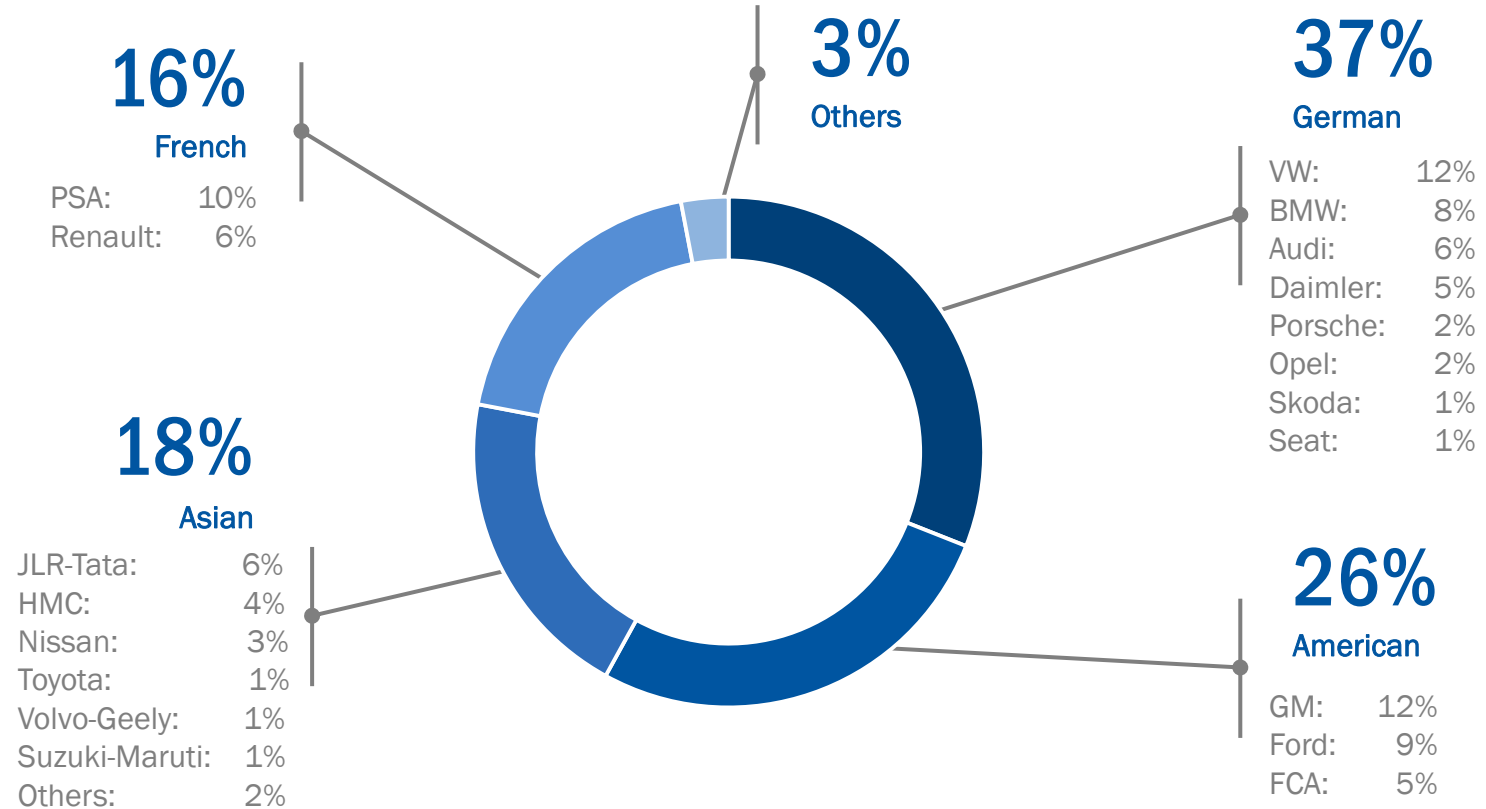


* Plastic Omnium economic automotive sales at constant exchange rate and perimeter

2016 Economic estimated proforma sales per region



2016 Auto economic estimated proforma sales by customer

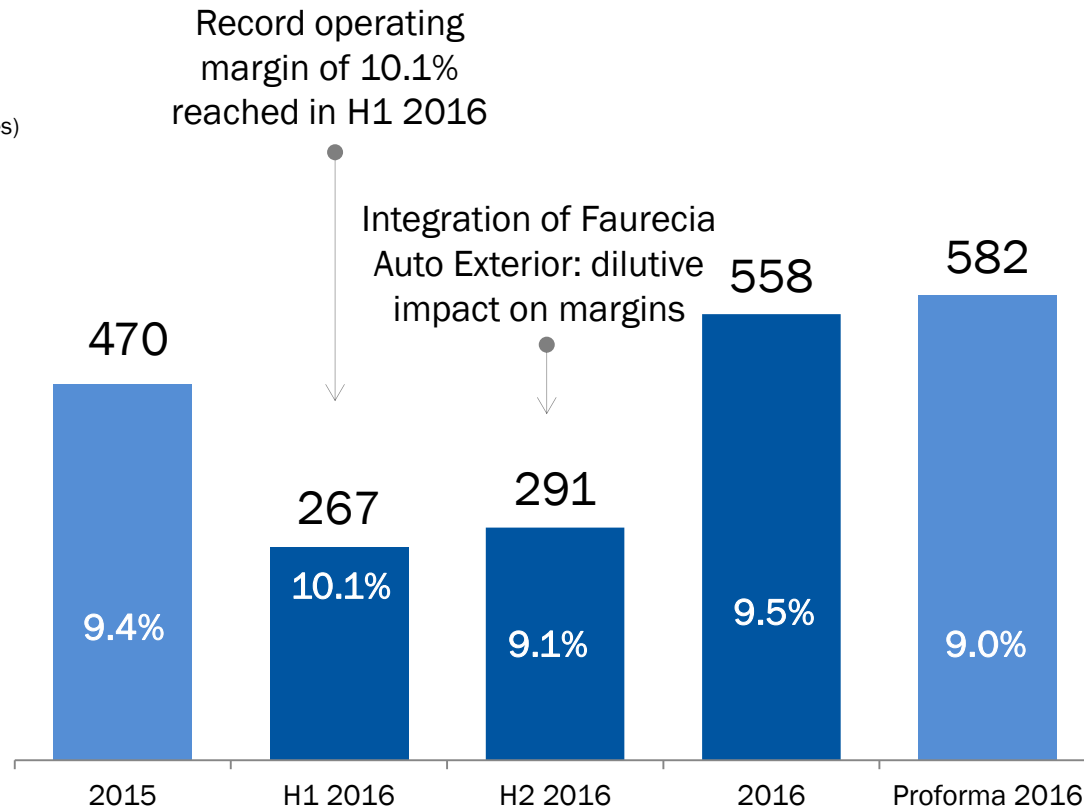


2016 Profitability by division

In €m	2015	% sales	2016	% sales	Δ in %	Δ at constant perimeter & exchange rate
Consolidated sales	5,009.9	100%	5,857.3	100%	+16.9%	+11.6%
Automotive	4,624.1	92%	5,488.3	94%	+18.7%	+12.4%
Environment	385.8	8%	368.9	6%	-4.4%	+0.9%
EBITDA	691.1	13.8%	810.0	13.8%	+17.2%	
Automotive	653.0	14.1%	769.4	14.0%	+17.8%	
Environment	38.1	9.9%	40.6	11.0%	+6.7%	
Operating Margin	469.7	9.4%	557.8	9.5%	+18.7%	
Automotive	446.7	9.7%	533.3	9.7%	+19.4%	
Environment	23.0	6.0%	24.4	6.6%	+6.3%	

Focus on operating margin

(in €m and % of consolidated sales)



Objective: turnaround the Faurecia Auto Exterior business (integrated as of August 1st, 2016)

WHAT HAS BEEN ALREADY ACHIEVED

- **Merge of the 2 organizations completed**
- **Program portfolio cleaning**
- **3 plant closures in the Americas:**
 - 1 plant in Brazil (February 2017)
 - 2 plants in the USA (end of 2016)
- **Headcount reduction: -600 people**

WHAT WILL BE IMPLEMENTED

- **Implementation of Plastic Omnium's manufacturing system** The logo for POMS manufacturing system, featuring the letters 'POMS' in a bold, sans-serif font with a blue globe icon to the right, and the text 'manufacturing system' in a smaller font below it.
- **Continuous reduction of break-even point**
- **Manufacturing excellence step change (CNQ, absenteeism, Right first time, ppm...)**
- **Investment program of €200m confirmed in Europe over the next 4 years**
- **Develop commercial synergies**

2016 Profit & Loss account

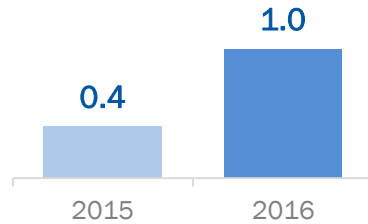
In €m	2015	2016	Δ in %
Consolidated sales	5,009.9	5,857.3	+16.9%
Operating margin	469.7	557.8	+18.7%
<i>In % of sales</i>	9.4%	9.5%	
Non recurring expenses	-75.5	-85.3	
Financial expenses	-56.2	-67.9	
<i>In % of sales</i>	-1.1%	-1.2%	
Income Tax	-75.2	-86.3	
Net Result	262.8	318.3	+21.1%
<i>In % of sales</i>	5.2%	5.4%	
Net Result - Group Share	258.4	312.1	+20.8%
<i>In % of sales</i>	5.2%	5.3%	

2016 Cash Flow statement

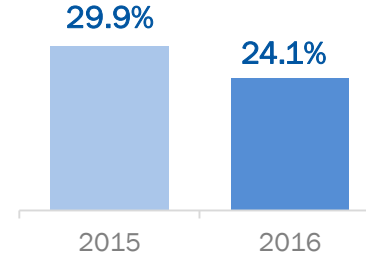
In €m	2015	2016
Sales	5,010	5,857
Net Debt (beginning of the period)	-390	-268
Net Operating Cash Flow	606	733
<i>in % of sales</i>	12.1%	12.5%
Taxes & Net Financial Interest paid	-115	-150
Capex and R&D capitalized	-323	-402
<i>in % of sales</i>	6.4%	6.9%
Change in WCR	+34	+60
Free Cash Flow	+202	+241
M&A impact		-670
Dividends	-57	-63
Treasury shares	-17	-37
Perimeter/Currency/Other	-6	-3
Net Debt (end of the period)	-268	-800

2016 Key financial metrics

NET DEBT/EBITDA

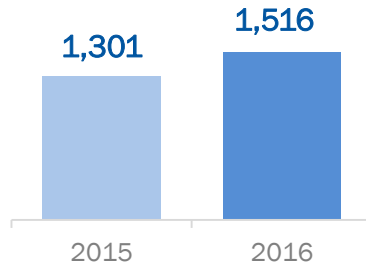


ROCE

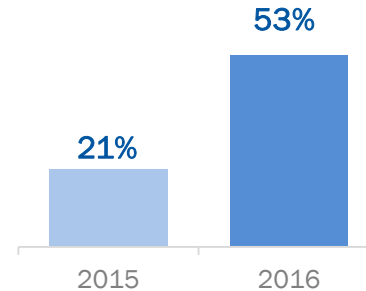


SHAREHOLDER'S EQUITY

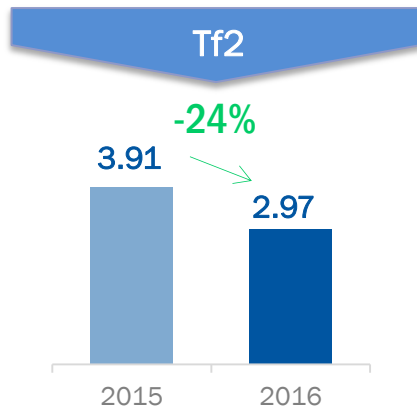
(in m€)



GEARING



Safety First

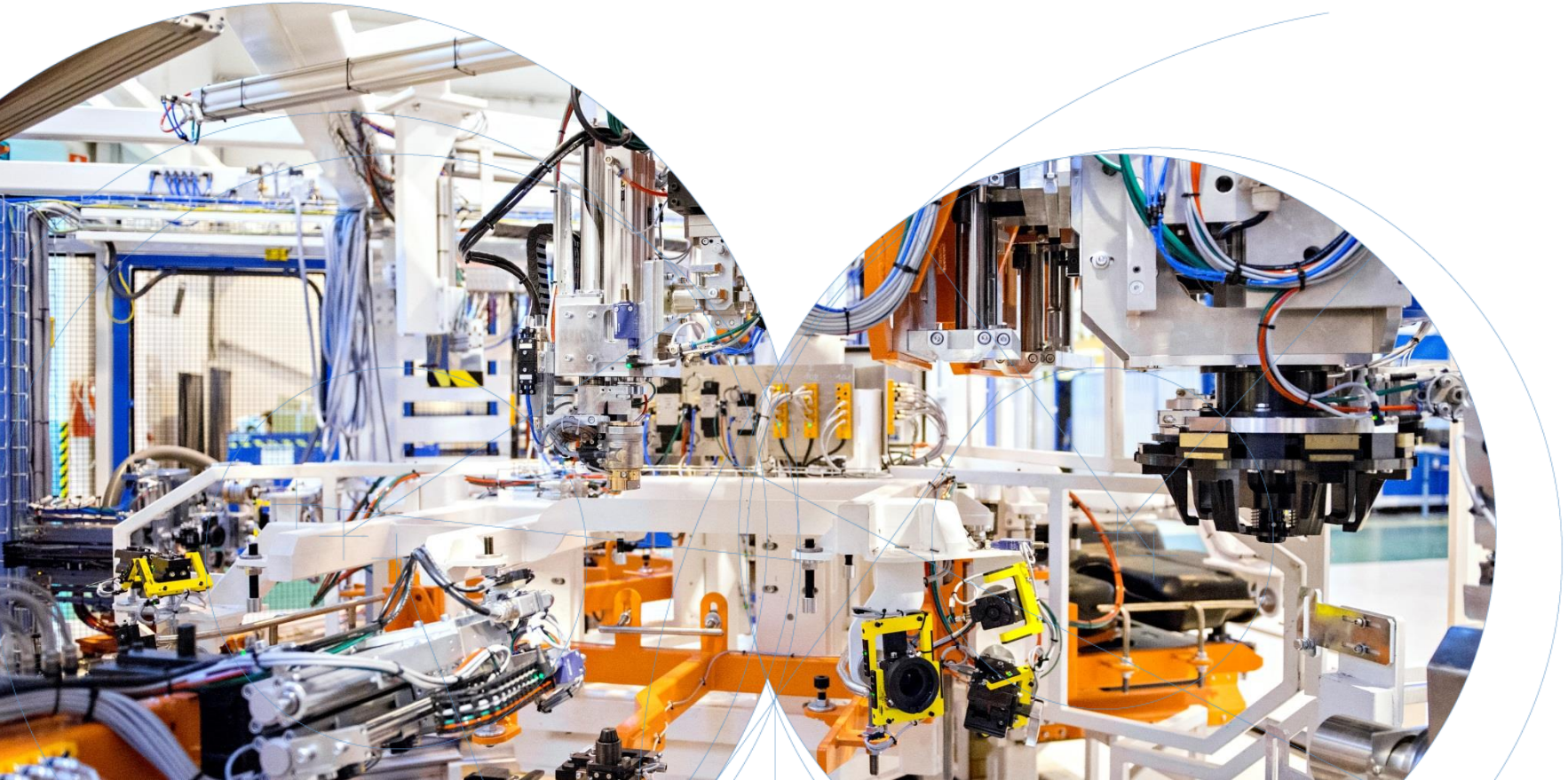


Frequency rate = number of accidents with and without lost-time per 1 million hours worked

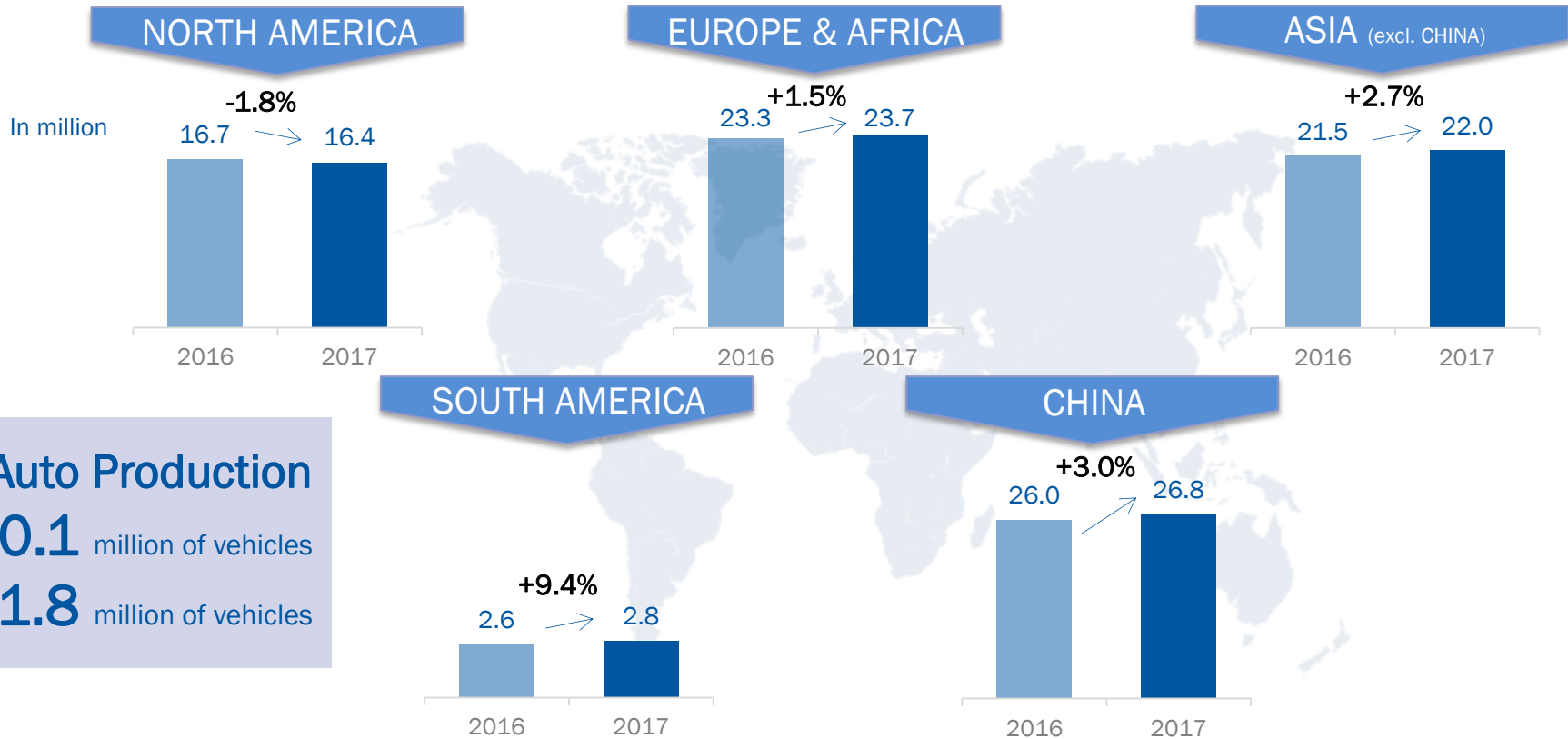
Responsible employer

- 4,143 recruitments in 2016
- 25 hours of training by employee in the year
- Certified ISO 14001 sites: 108
- Certified OHSAS 18001 sites: 92

2017-2020 Outlook



2017 auto production: +1.8% vs 2016

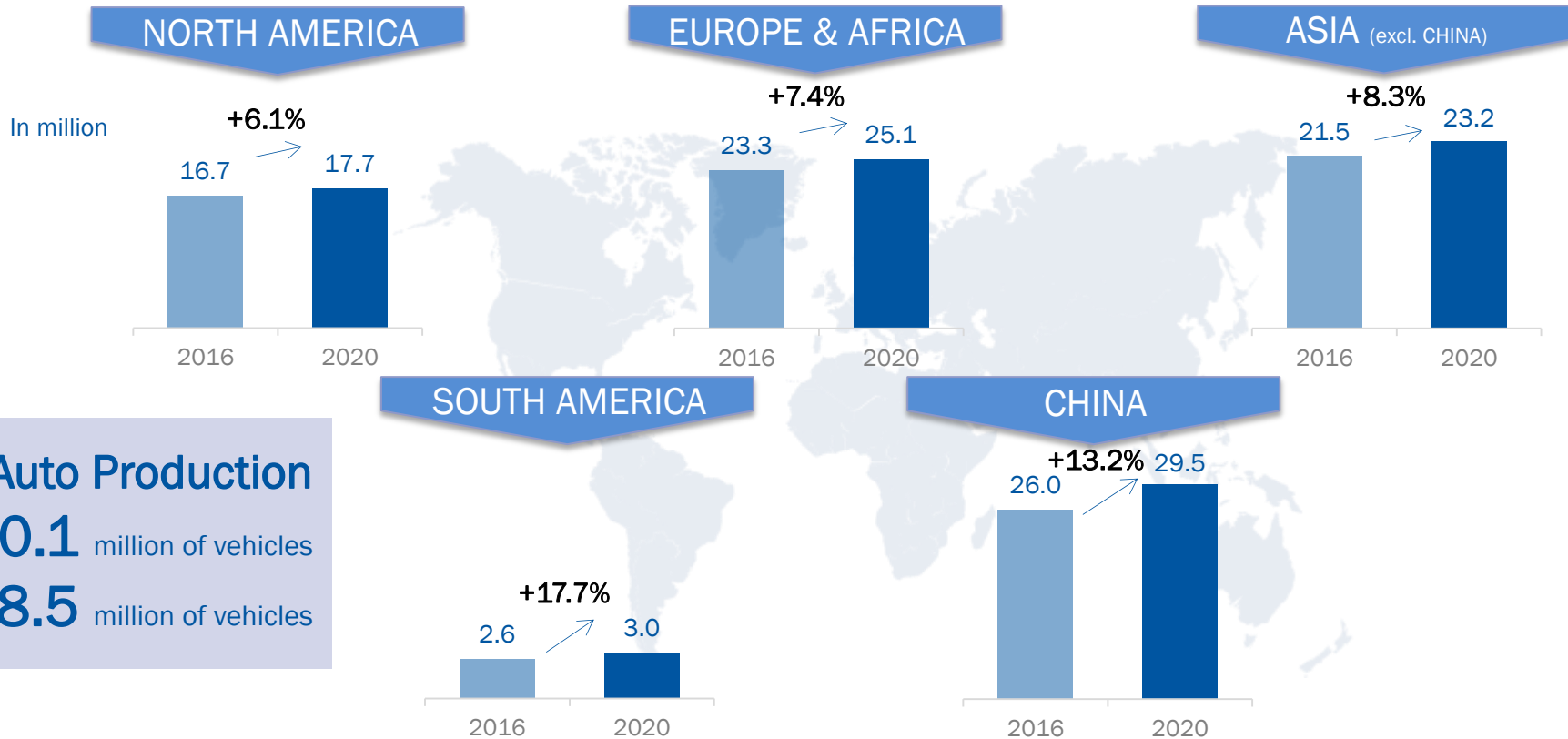


WW Auto Production

2016: **90.1** million of vehicles

2017: **91.8** million of vehicles

2016-2020 auto production: +9.3%



WW Auto Production

2016: **90.1** million of vehicles

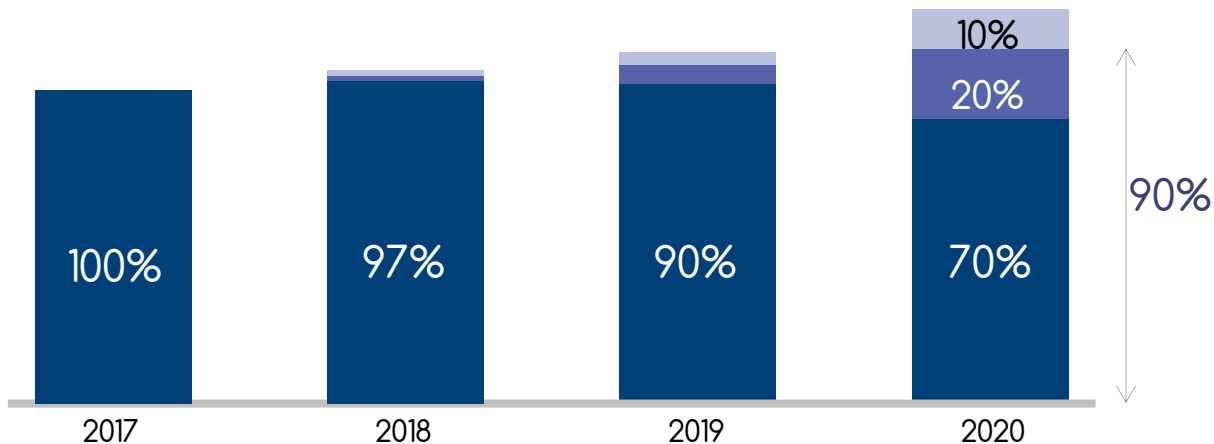
2020: **98.5** million of vehicles

Source: IHS February 2017

Strong order intake to improve our visibility

Growth driver

Order book



- NON BOOKED NEW
- REPLACEMENT TO BOOK
- BOOKED

5 plants under construction

2017



Mexico,
San Luis Potosi
Bumpers



China,
Chongqing
Fuel systems



India,
Hansalpur
Fuel systems



2018



USA
Tennessee
Fuel systems

Japanese
OEM



USA
Greer
Bumpers

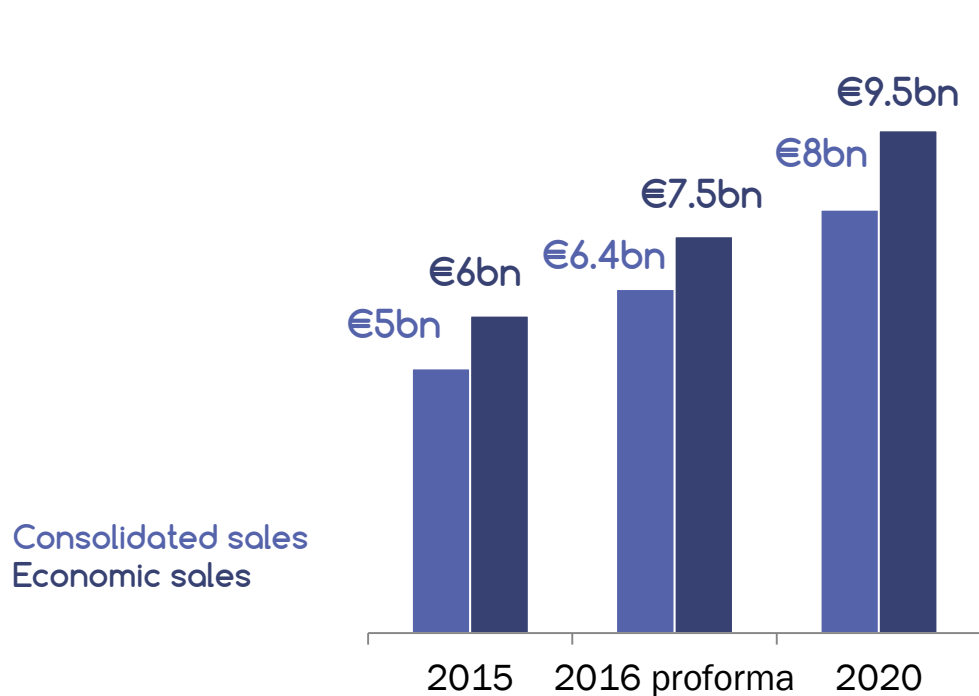




2017 Financial Outlook

- **Strong growth thanks to the full-year integration of the new perimeter of activity and a recurring outperformance of the automotive production.**
The Group will continue to grow in all geographical areas
- **Plastic Omnium will pursue its profitable cash-generating growth strategy in 2017 and will see an increase in operating results and net result group share.**

CONSOLIDATED & ECONOMIC SALES



2015-2020:
+60%*

The Group will continue its self-financed €2.5bn investment program over the 2016-2020 period

Proposed dividend
of **€0.49** per share
(+20%)

Payout: 24%

- **Agenda**



- Shareholders' meeting on April 27th, 2017 at 5pm (Pavillon Gabriel - Paris)
- Payable on May 5th, 2017

- 1) Economic sales corresponds to sales including the share from joint ventures in proportion to the Group's shareholding (BPO, HBPO and YFPO for Plastic Omnium Automotive). It reflects the Group's operational and managerial position.
- 2) In accordance with IFRS 10, 11 and 12, consolidated sales does not include the share of revenue from jointly-controlled entities accounted for under the equity method.
- 3) Operating Margin corresponds to operating income before other income and expense and includes share in net earnings of equity-accounted companies and amortization of Price Purchase Allocation (PPA)
- 4) EBITDA corresponds to Operating Margin, which includes share in net earnings of equity-accounted companies, before depreciation, amortization and other operating expenses
- 5) Free cash flow refers to operating cash flow less expenditure on property, plant and equipment and intangible assets net of disposals, and net disbursements for taxes and financial interest, +/-change in net working capital (net cash generated by operating activities).
- 6) Net debt equals all long-term borrowings, current loans and bank overdrafts less loans, marketable debt instruments and other non-current financial assets, and cash and cash equivalents.



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