PLASTIC OMNIUM

Levallois, February 15, 2018,

2017: Strong growth and record results

- Revenue up 15% to €8 billion
- Strong growth in revenue across all regions
- 15% increase in operating margin, amounting to 9.5% of revenue (vs. 9.0% in 2016, proforma)
- Sharp rise in net profit - Group share to €425 million, an increase of 36%
- 37% increase in dividend to €0.67
- Further improvement in results expected for 2018

"Plastic Omnium once again achieved a record year.

In 2017, we outperformed the global automotive market by nine points and posted growth across all operating regions. We successfully consolidated the businesses acquired in 2016 and continued to improve our industrial performance.

With our financial solidity and confidence in our capacity to continue to develop our activities and increase our profitability, we are stepping up our innovation program in order to address the challenges of tomorrow's carbon-free, connected and autonomous cars. We are investing in new research centers, developing and acquiring new technologies, and training and recruiting tomorrow's skills.

Our success remains underpinned by our industrial excellence and total quality for our customers.

In a mixed global environment, we are enthusiastic as we move into 2018 with the outlook of a further improvement in results."

Laurent Burelle, Chairman and Chief Executive Officer of Compagnie Plastic Omnium

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Strong growth in revenue and results, and reinforcement of the financial structure in 2017

The Board of Directors of Compagnie Plastic Omnium met on February 14, 2018, under the Chairmanship of Laurent Burelle, and approved the consolidated financial statements as at December 31, 2017.

In €m Group	2016	2017	Change
Economic revenue[1]	6,935.7	8,000.6	+15.4%
Consolidated revenue[2]	5,857.3	6,768.5	+15.6%
Operating margin[3] *in % of consolidated revenue*	557.8 *9.5%*	641.0 *9.5%*	+14.9%
Net profit - Group share	312.1	425.2	+36.2%
EBITDA[4] *in % of consolidated revenue*	810.0 13.8%	933.0 13.8%	+15.2%
Investments	402.1	457.1	+13.7%
Free cash flow[5]	240.7	185.8	-
Net debt[6] at 12/31 Net debt/shareholders' equity Net debt/EBITDA	800 53% 1.0	563 32% 0.6	-€237m -21pt -0.4pt

Strong growth in revenue

In €m, by business segment	2016	2017	Change	% change Like-for-like
Automotive	6,566.8	7,665.1	+16.7%	+10.8%
Environment	368.9	335.5	-9.1%	+2.5%
Economic[1] revenue	**6,935.7**	**8,000.6**	**+15.4%**	**+10.4%**
Automotive	5,488.3	6,433.0	+17.2%	+10.0%
Environment	368.9	335.5	-9.1%	+2.5%
Consolidated revenue[2]	**5,857.3**	**6,768.5**	**+15.6%**	**+9.6%**

As at December 31, 2017, the economic revenue[1] of Compagnie Plastic Omnium amounted to €8,000.6 million, up by 15.4%. Over the year, exchange rates reduced revenue by €98.6 million. Acquisitions and disposals had a positive net impact of €707.7 million on revenue, compared to 2016.

This sharp increase is attributable to:

- organic growth of 10.8% in the automotive business, which outperformed global automotive production by 8.6 points;
- the exterior systems acquired on July 29, 2016.

Consolidated revenue[2] reported by Compagnie Plastic Omnium amounted to €6,768.5 million as at December 31, 2017, growth of 15.6% and of 9.6% at constant scope and exchange rates.

Furthermore, at the end of 2017, Plastic Omnium launched the project of disposal of its Environment division, whose revenue amounted to €335.5 million as at December 31, 2017, up by 2.5% at constant scope and exchange rates.

Automotive Division: sharp growth across all regions in 2017

In €m and % of economic revenue, by region Automotive Division	2016	2017	Change	% change Like-for-like
Europe/Africa	3,396.4 *52%*	4,050.1 *53%*	+19.2%	+6.3%
North America	1,804.8 *27%*	2,035.5 *27%*	+12.8%	+15.3%
South America	187.7 *3%*	261.4 *3%*	+39.3%	+26.5%
Asia	1,177.9 *18%*	1,318.2 *17%*	+11.9%	+14.3%
Automotive economic revenue[1]	**6,566.8** *100%*	**7,665.1** *100%*	**+16.7%**	**+10.8%**

The economic revenue[1] of Plastic Omnium Automotive reached €7,665.1 million. It was up by 16.7% as reported and by **10.8%** at constant scope and exchange rates, versus a 2.2% increase in worldwide automotive production in 2017 *(source: IHS January 2018)*, thus **outperforming the market by 8.6 points**. This growth is attributable to market share gains, the ramp-up of new production capacities, and the success of the innovative products launched. The sharp growth in revenue stemmed from all operating regions.

Business was sustained in **Europe**, which accounts for 53% of total automotive sector revenue[1]. It rose by 19.2%, boosted by the acquisition of Exterior Systems, a business which is mainly European. In a dynamic context of a 3.3% production increase, Plastic Omnium grew by 6.3%, at constant scope and exchange rates. In 2017, business was particularly strong in **France** (+12.0% at constant scope and exchange rates), in the **UK** (+14.1% at constant scope and exchange rates) partly due to the commissioning of the exterior parts plant of Warrington-Liverpool for Jaguar Land Rover in June 2016, and in **Germany** (+8.3% at constant scope and exchange rates).

Business in **North America** grew by 12.8% (**15.3%** at constant scope and exchange rates) over the year, **outperforming** automotive production **by 19.8 points**. The business benefited from the new capacities that have come on stream over the past 3 years (2 plants commissioned in the United States in 2015, followed by 3 plants in Mexico in 2016–2017), and the expected ramp-up of SCR systems to reduce diesel vehicle emissions in the United States. Moreover, in North America, the Group benefited from its strong exposure to the SUV/Light Truck segment which accounts for around 80% of its business.

Business in Asia, including China, increased by 14.3%, at constant scope and exchange rates. **In China,** which represents economic revenue of €721 million, i.e. 9% of total revenue, business growth at constant exchange rates amounted to **17.0%** for the year in an automotive production that rose by 2.7%, i.e. an **outperformance of 14.3 points**. The Group benefited from the strong investments made over the past 3 years to develop its industrial footprint – consisting of 26 plants – and win market share, particularly with Chinese auto-makers. Plastic Omnium has 25 local brands in its portfolio, which account for a growing share of the revenue earned in China (currently 16%), in particular with SUVs.
In the rest of Asia, business growth was 11.2% at constant scope and exchange rates, driven by Japan, India and South Korea.

The innovation portfolio, which also contributes to the Group's ongoing growth, was further reinforced, especially with the following:

- the development of SCR systems for reducing diesel vehicle emissions, which continues to expand worldwide, with a surge of 28% over the year, taking revenue up to €390 million. Eight new contracts recorded in 2017, including four with new customers for China, India and Thailand;
- the range of tailgate and spoiler products, which represented revenue of €255 million in 2017, was enhanced with 21 new contracts including five additional customers (of which three new electric players);
- production of the first pressurized tanks for plug-in hybrid vehicles started in December 2016 in South Korea for Hyundai. In addition, a second contract entered production in January 2018, for Geely/Volvo in China. Five new programs are under development in Asia and North America, comprising two additional customers. With this technology, the Group is in a good position to cater to the strong global growth of hybrid electric vehicles in the coming years.

Strong increase in operating margin and net profit

In 2017, **the operating margin posted a hike of 14.9%** and rose to €641.0 million, i.e. 9.5% of consolidated sales, versus €557.8 million in 2016, i.e. 9.5% of consolidated revenue.

Proforma*, the operating margin improved significantly, rising **from 9.0% in 2016 to 9.5% in 2017**.

In €m	2016 Published data	2016 Proforma data	2017
Group Operating Margin	**557.8**	**581.7**	**641.0**
In % of consolidated revenue	9.5%	9.0%	9.5%

*2016 proforma data: includes Exterior Systems at January 1, 2016, without restating the non-strategic disposals made in 2016 and 2017

The automotive operating margin stood at €619.8 million at December 31, 2017, representing 9.6% of consolidated sales (versus 9.1% for 2016, proforma). On a like-for-like basis, the automotive division improved its operating margin thanks to:

- a high production capacity utilization rate worldwide (85%, based on three teams per day, five days a week);
- the operational excellence employed during the 126 launches of new programs completed throughout the year;
- a strict cost control;
- and the earlier than expected success of the recovery measures to turn around the Exterior Systems business acquired in July 2016 (merging the two organizations, adjusting the program portfolio, closing plants in the United States in 2016 and in Brazil in early 2017, closing two paint lines in Germany in 2017, streamlining the workforce, etc.).

The operating margin of Plastic Omnium Environnement amounted to €21.1 million in 2017, representing 6.3% of consolidated revenue, versus €22.7 million and 6.8% in 2016 (proforma, taking into account disposals of non- strategic operations in highway signage and metal drums).

Moreover, in 2017, Plastic Omnium recognized net non-current expenses of €59.2 million (compared to €85.3 million in 2016).

Net profit thus rose by 35.2% to €430.5 million, or 6.4% of consolidated sales. **Net profit - Group share** came to **€425.2 million** (i.e. 6.3% of consolidated sales), **growth of 36.2**%.

Sustained investments and strong generation of cash

Group **EBITDA** topped €933.0 million (**13.8%** of consolidated revenue) up by 15.2%, and net cash from operations came to €859.4 million (12.7% of consolidated revenue), an increase of 17.3%.

Engaged in a sustained investment program totaling €2.5 billion over the 2017-2021 period, the Group invested €457.1 million in 2017, i.e. 6.8% of consolidated revenue (versus €402.0 million i.e. 6.9% of consolidated revenue in 2016), a rise of 13.7%. The exterior body parts plant of San Luis Potosi (Mexico) and the fuel systems plant of Chongqing (China) have come on stream. Six plants are under construction: two in India, one in Slovakia, one in Morocco and two in the United States, including the Greer pilot plant (South Carolina) for the Group's Industry 4.0 program.

A €100 million program was launched for the development of R&D capacities: creation of a new advanced research center focused on new energies, due to open in Brussels in mid-2019, a new development and testing center for fuel systems in Wuhan (China) in 2019, and digitization and extension by 2020 of the global R&D center for exterior body parts in Lyon.

In this context of robust investment, the Group generated **free cash flow of €185.8 million** in 2017, i.e. 2.7% of consolidated sales.

Sound financial structure

Net debt amounted to €563 million at December 31, 2017, down by €237 million compared with December 31, 2016, after the payment of €73 million in dividends and the buyback of treasury shares for a net amount of €42 million. The Group's net debt now represents **32% of equity** and **0.6x EBITDA.**

As a reminder, on March 31, 2017 in accordance with the decision of the European Commission, the Group finalized the disposal of the French exteriors systems and the German front-end modules businesses acquired in 2016, at an enterprise value of €200 million. Additionally, on June 30, 2017, Plastic Omnium sold its truck composites business, which produced annual revenues of about €200 million in France, Mexico and China.

Furthermore, on June 19, 2017, Compagnie Plastic Omnium placed a €500 million bond issue with European investors (7-year bond with a 1.25% coupon, without covenant or rating).

Acceleration of the innovation program

To step up its innovation strategy, the Group has created Plastic Omnium New Energies – a subsidiary of Plastic Omnium Auto Inergy – dedicated to the development of the energies of the future, in particular fuel cells and hydrogen propulsion.

In this regard, in December 2017, the Group completed the acquisition of two high-tech companies for a total enterprise value of some €20 million:

- Swiss Hydrogen, a Swiss company based in Fribourg, specialized in the design and production of solutions for the management and control of energy in fuel cell systems dedicated to mobility (balance of plant);
- Optimum CPV, a Belgian company based in Zonhoven, specialized in the design and production of tanks in filament composite for the storage of pressurized hydrogen.

With the set-up of the Israeli company ΞPO-CellTech in 2016 in the field of fuel cells, and the Group becoming a member of the Hydrogen Council's steering committee, Plastic Omnium has positioned itself as an electric propulsion player.

Plastic Omnium New Energies – an entity which is due to be reinforced in the coming months – currently has over 130 engineers and annual research and operating costs of around €20 million, in addition to the €50 million spent on acquisitions in 2016 and 2017.

Moreover, in 2017, Plastic Omnium undertook to invest €20 million in the Aster venture capital fund, specialized in energy transition and vehicles of the future.

Dividend per share up 37% to €0.67

The Board of Directors will propose, at the Shareholders' Meeting of April 26, 2018, a dividend of €0.67 per share, an increase of 37% over the preceding year.

The dividend will be paid on May 4, 2018, after approval by the Shareholders' Meeting.

Financial outlook

In 2018, with an expected slight rise of around 2% in global automotive production, the Group should see a further improvement in results.

For the 2017-2021 period, Plastic Omnium confirms its financial outlook announced in December 2017:

- its automotive activities should continue to outperform global automotive production by an average of around 5 points per year over the period, reaching revenue of €10 billion in 2021 (including €1.7 billion from joint ventures);
- the Group's operating margin should continue to steadily increase throughout the period;
- the Group will pursue its investment program of €2.5 billion over the 2017-2021 period while generating free cash flow of over €1 billion.

The Group is actively preparing for the upcoming changes in the automotive industry, by investing in innovation, research and high-tech acquisitions.

Webcast presentation of the annual results

The presentation of the results, with simultaneous translation, will take place on Thursday February 15, 2018 at 9:15 a.m. Paris time.

It will also be accessible by webcast on the website of Groupe Plastic Omnium and by telephone to:

- France (FR): +33 1 70 71 01 59;
- France (EN): +33 1 72 72 74 03;
- United Kingdom: +44,207,194 3759;
- Germany: +49,692,222 2542;
- Spain: +34,911,140,099;
- United States: +1,844,286 0643.

Access codes:

- French: 88204856#;
- English: 81038753#.

More detailed financial information can be found on the website, at www.plasticomnium.com.

Calendar

April 24, 2018 – Revenue from first quarter 2018

April 26, 2018 – Shareholders' Meeting

July 20, 2018 – Results for the first half-year 2018

Glossary

(1) Economic revenue corresponds to consolidated revenue, plus revenue from the Group's joint ventures, consolidated at their percentage of ownership: BPO, HBPO and YFPO for Plastic Omnium Automobile. The figure reflects the operational and managerial realities of the Group.

(2) Consolidated revenue, in implementation of IFRS Standards 10-11-12, does not include the share of joint ventures, which are consolidated using the equity method.

(3) The operating margin includes the share of the results of companies which have been consolidated using the equity method, and the amortization of the intangible assets acquired, before other operating income and expenses.

(4) EBITDA corresponds to the operating margin, which includes the share of the results of associates and joint ventures before depreciation charges and operating provisions.

(5) Free cash flow corresponds to the operating cash flow, less tangible and intangible investments net of disposals, taxes and net interest paid +/- variation of the working capital requirements (cash surplus from operations).

(6) Net financial debt includes all of the long-term borrowings, short-term loans and bank overdrafts, less loans, marketable debt instruments and other non-current financial assets, and cash and cash equivalents.

Status of financial statements with respect to the audit

As at the date of this release, the audit procedures for financial statements have been completed and the Statutory Auditors' report has been issued.