



Investor Day Strategy and Innovation

Laurent Burelle, Chairman & CEO
Jean-Michel Szczerba, Board Member & Co-CEO

Levallois - December 13, 2016

CONTENTS



- An independent family group with a strong DNA
- Markets and positioning
- Strategy & financial outlook by 2020
- Our answers beyond 2020

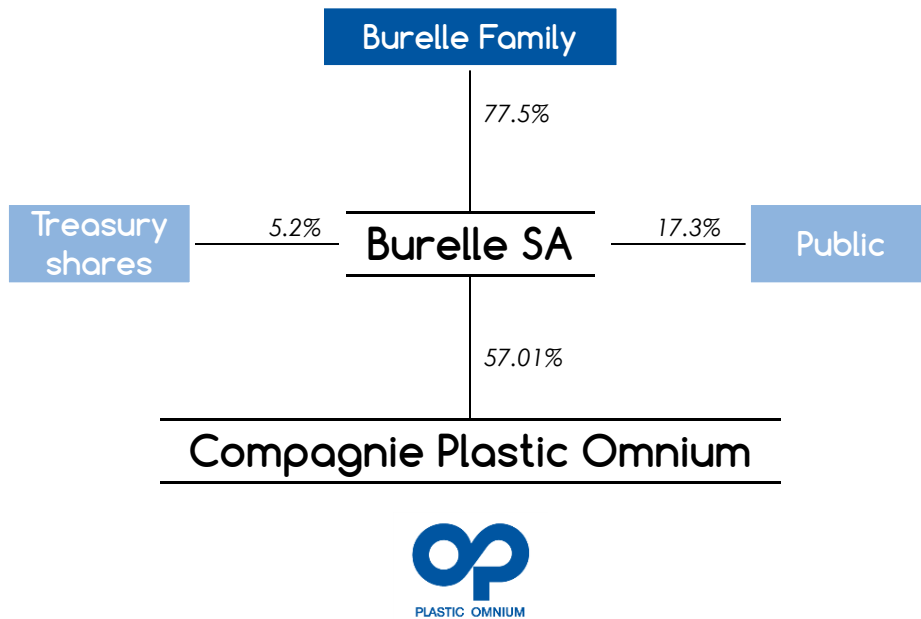


An independent family group with a strong DNA

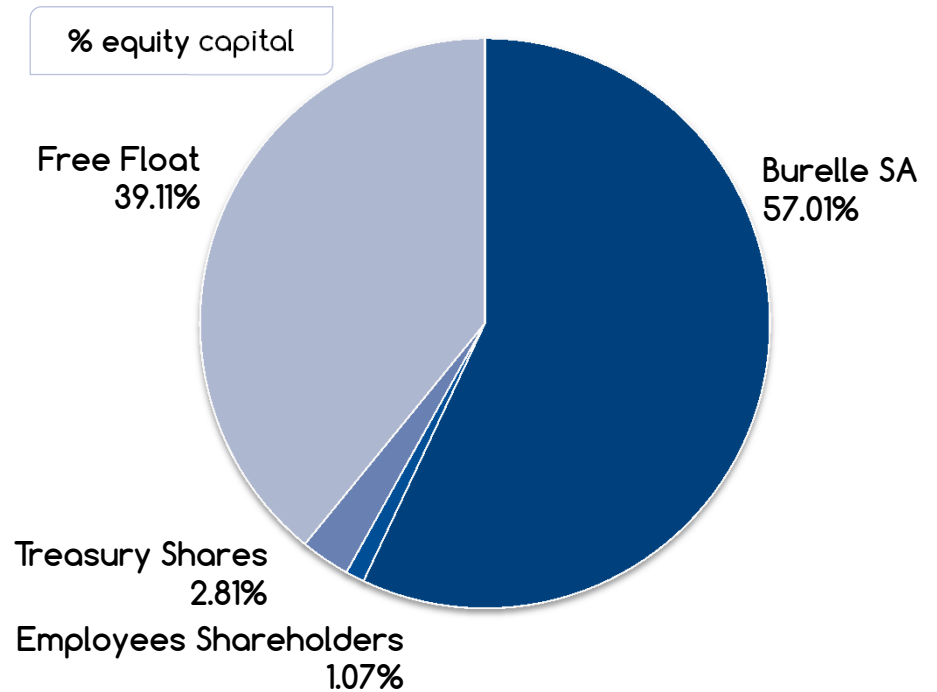
A worldwide leader in the automotive industry
and in municipality services,
majority owned by the founding family,
operationally committed to long term development
through industrial excellence and innovation



Organization chart



Shareholding structure of Compagnie Plastic Omnium as of June 30th 2016







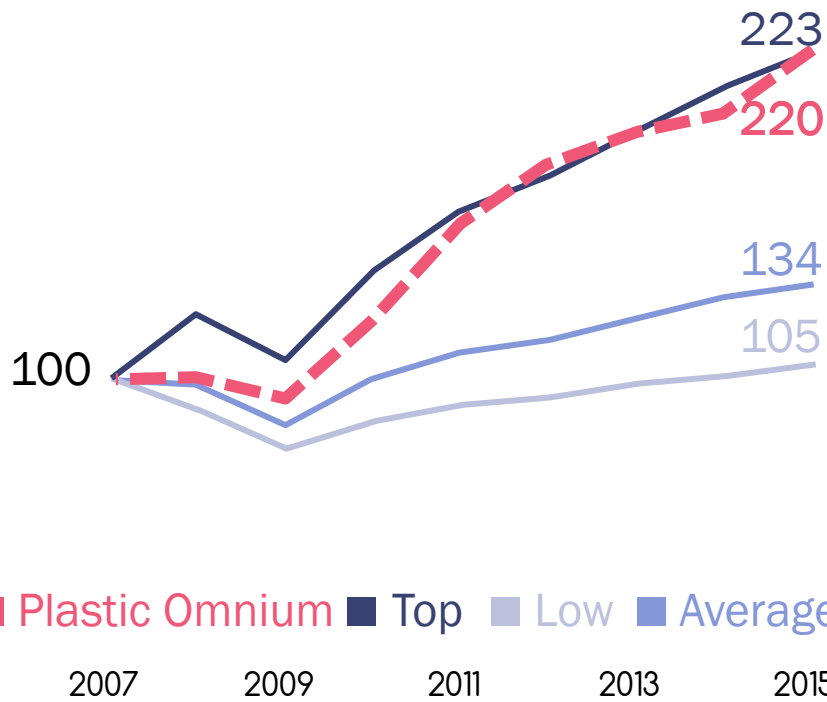
A Worldwide Leader

With a Global Footprint

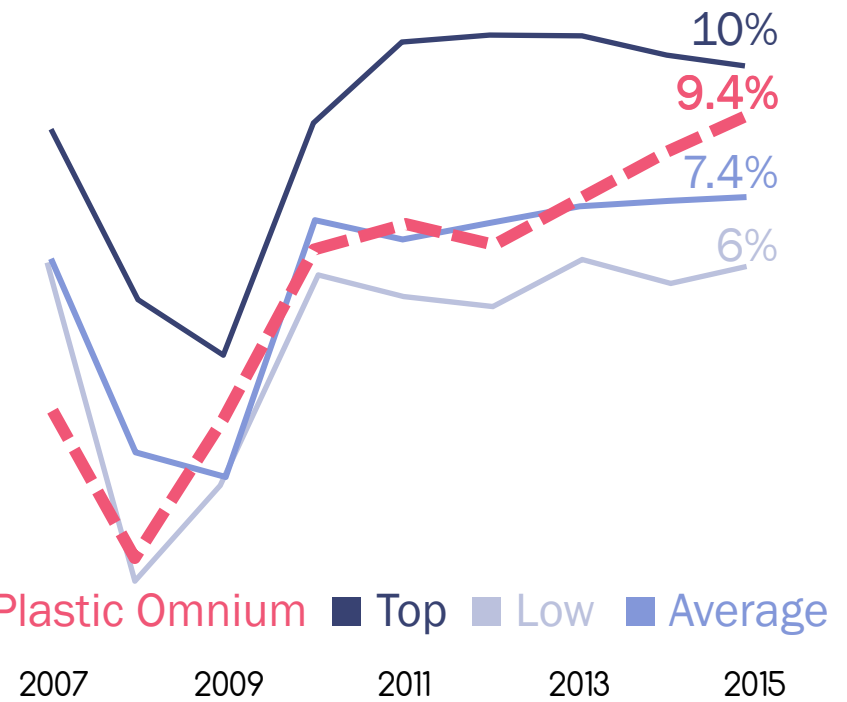
& Focused on Innovation

A FAST GROWING AND PROFITABLE COMPANY

PO & WW SUPPLIERS REVENUE GROWTH
(base 100 – 2007)



PO & WW SUPPLIERS EBIT GROWTH



2016 Proforma Economic Sales: ~€7.5bn

- including the acquisition of Faurecia Auto Exterior (proforma contribution for 2016)
- including the Group's joint ventures, consolidated at their percentage of ownership:



HBPO (33%): €685M€
Front-End Modules - #1 Worldwide

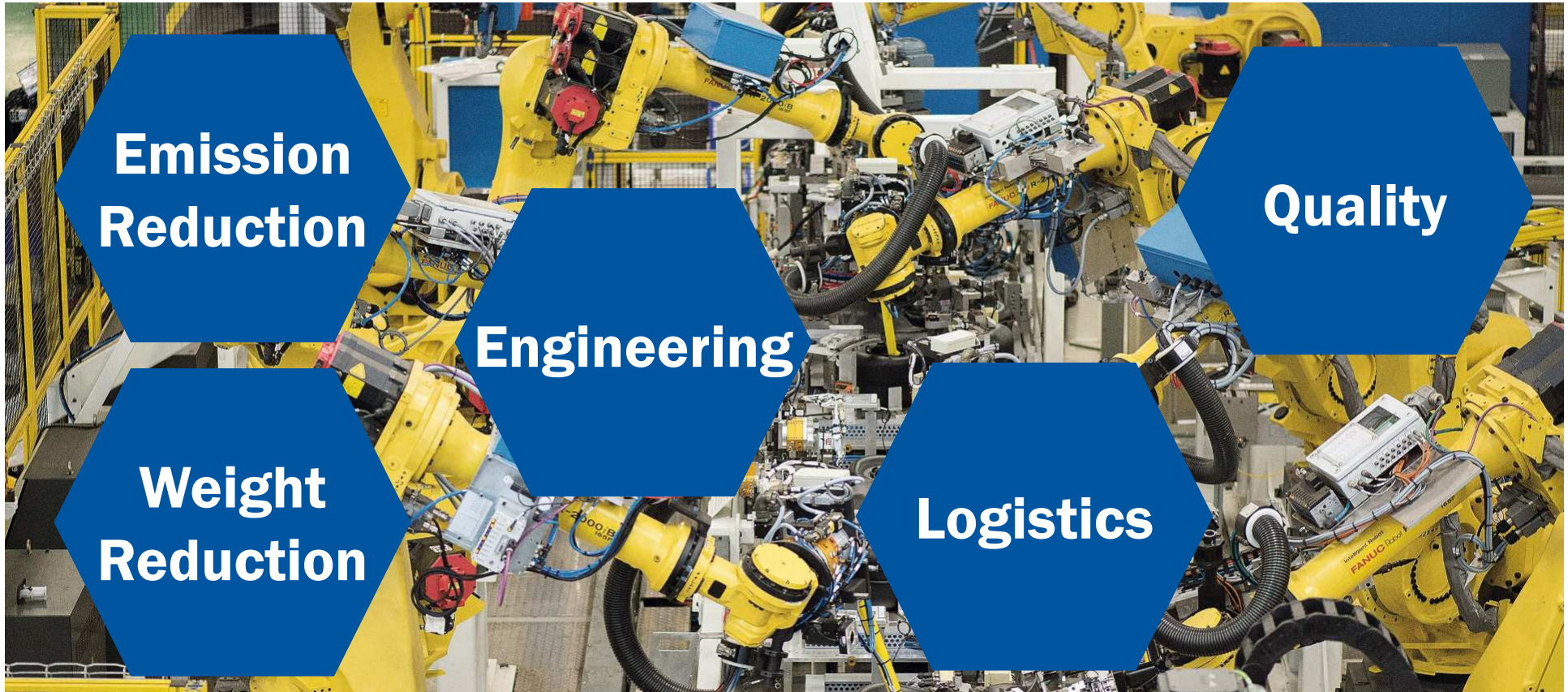


YFPO (50%): €350M
Bumpers - #1 in China










BPO (50%): €35M
Bumpers - #1 in Turkey

2016 Proforma Consolidated Sales: ~€6.4bn



WHAT WE DO

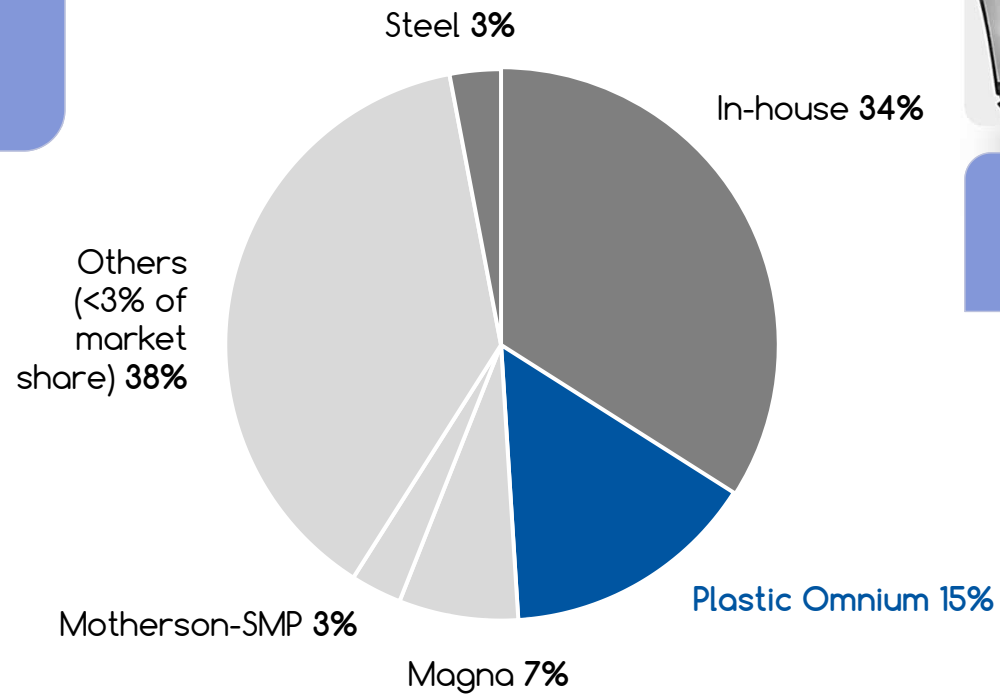
CUSTOMIZED MULTI-MATERIAL SOLUTIONS OF EXTERIOR COMPONENTS AND MODULES			ONBOARD FLUID MANAGEMENT SYSTEMS	
INNOVATION	Production in million units/year	Bumpers <u>27M units</u>	Front-End Modules <u>5M units</u>	Fuel systems <u>19M units</u>
				
	Tailgates <u>1.2M units</u>	Fenders: <u>1.5M units</u> Spoilers: <u>1M units</u>	Composite structural parts <u>3M units</u>	SCR systems <u>1M units</u>
				

EMISSION REDUCTION

LEADERSHIP POSITION IN THE BUMPER BUSINESS

#1 worldwide
#1 in Europe
#3 in North America
#1 in China

Global Market Share (2016)



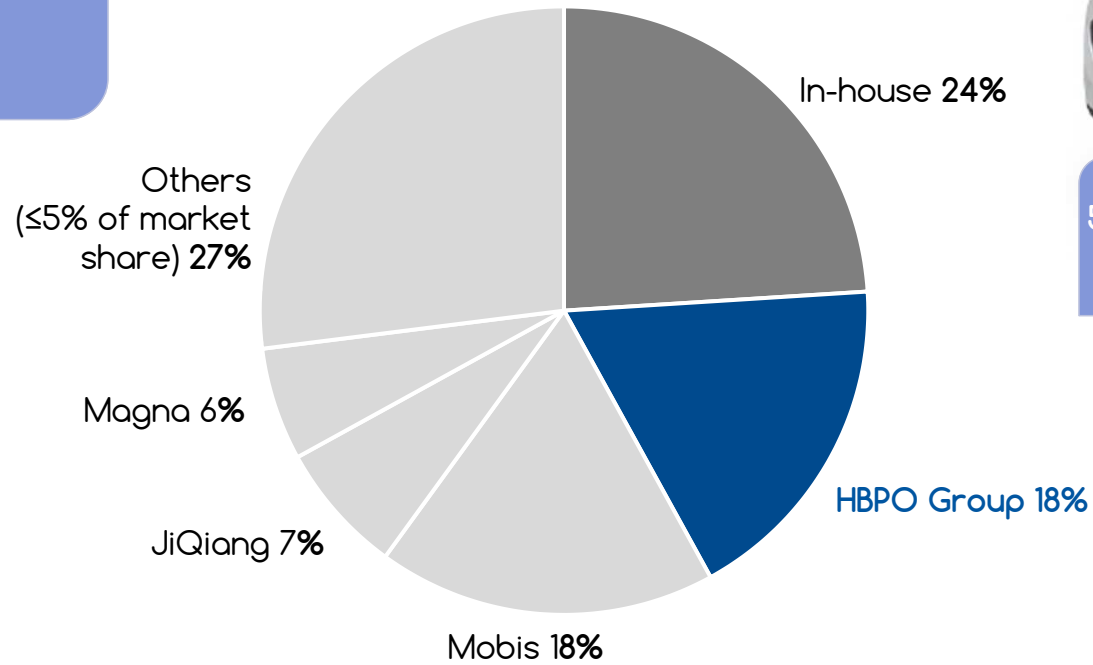
27 million bumpers/year
1 vehicle in 7
equipped worldwide

HBPO
THE MODULE COMPANY
#1 worldwide

HBPO Joint-Venture:
1/3 Plastic Omnium
1/3 Hella
1/3 Mahle-Behr

Key figures
2016 Sales: €2 Bn
2,000 employees
22 assembly facilities
11 countries

Global Market Share (2016)

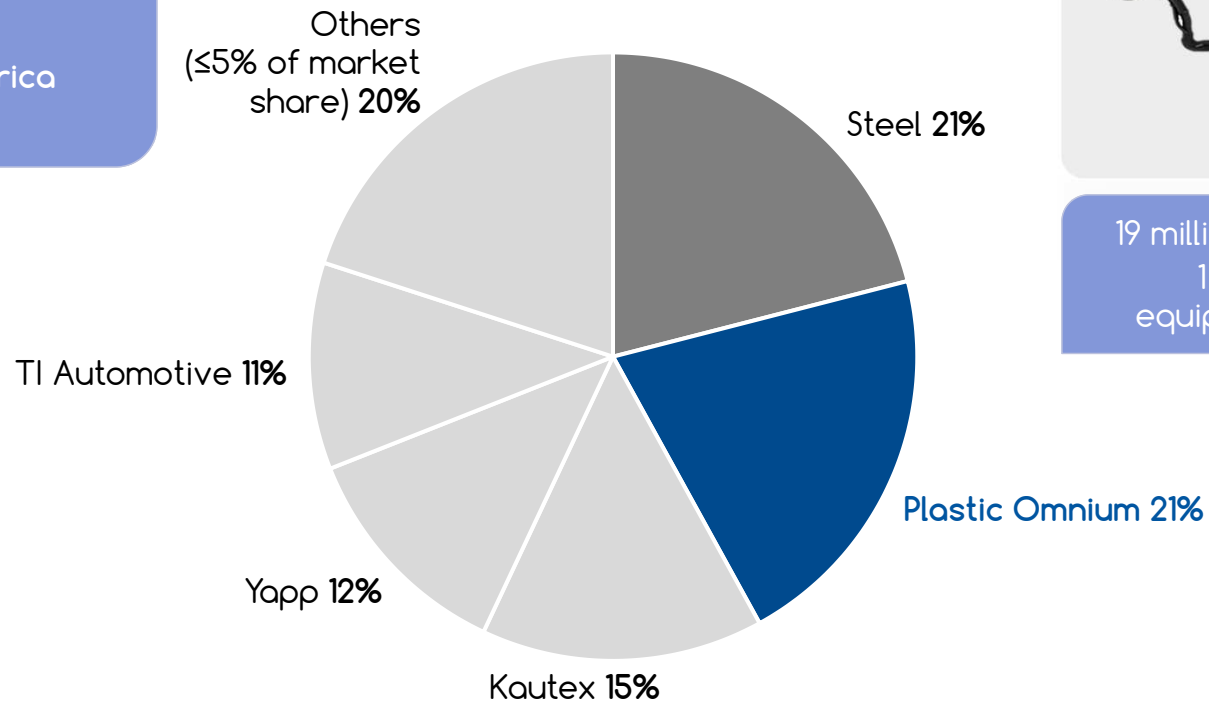


5.4 million assembled and sequenced annually

LEADERSHIP POSITION IN THE FUEL SYSTEMS BUSINESS

#1 worldwide
#1 in Europe
#1 in North America
#2 in China

Global Market Share (2016)



19 million systems/year
1 vehicle in 5
equipped worldwide

WASTE CONTAINER SOLUTIONS FOR LOCAL COMMUNITIES AND COMPANIES

#1 worldwide
100 million
waste containers
installed worldwide

- Equipment for waste containerisation
- Service of installation, maintenance, washing
- Hardware and software solutions for waste management
- Urban design

4 million bins and containers
installed per year



WASTE REDUCTION

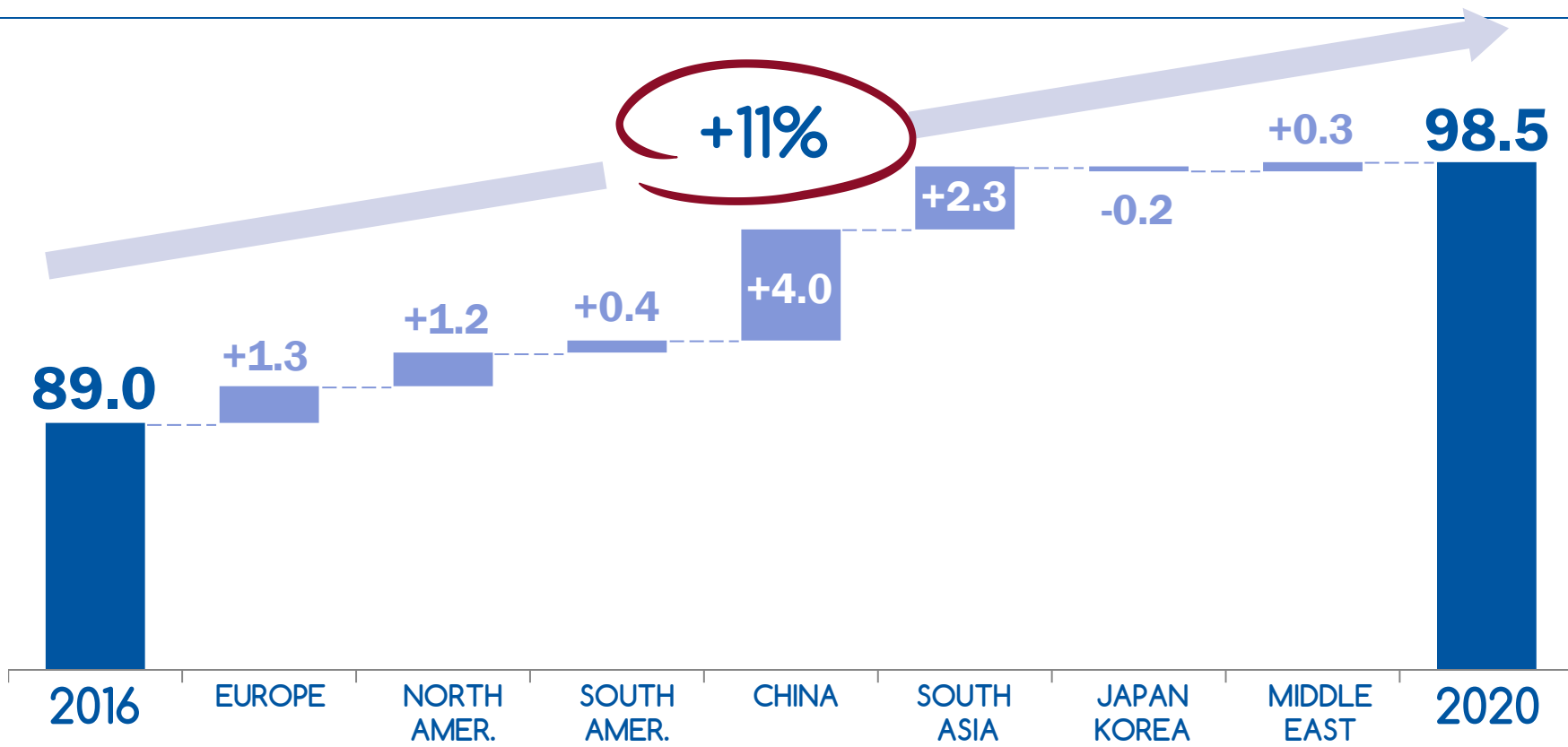


Market and positioning

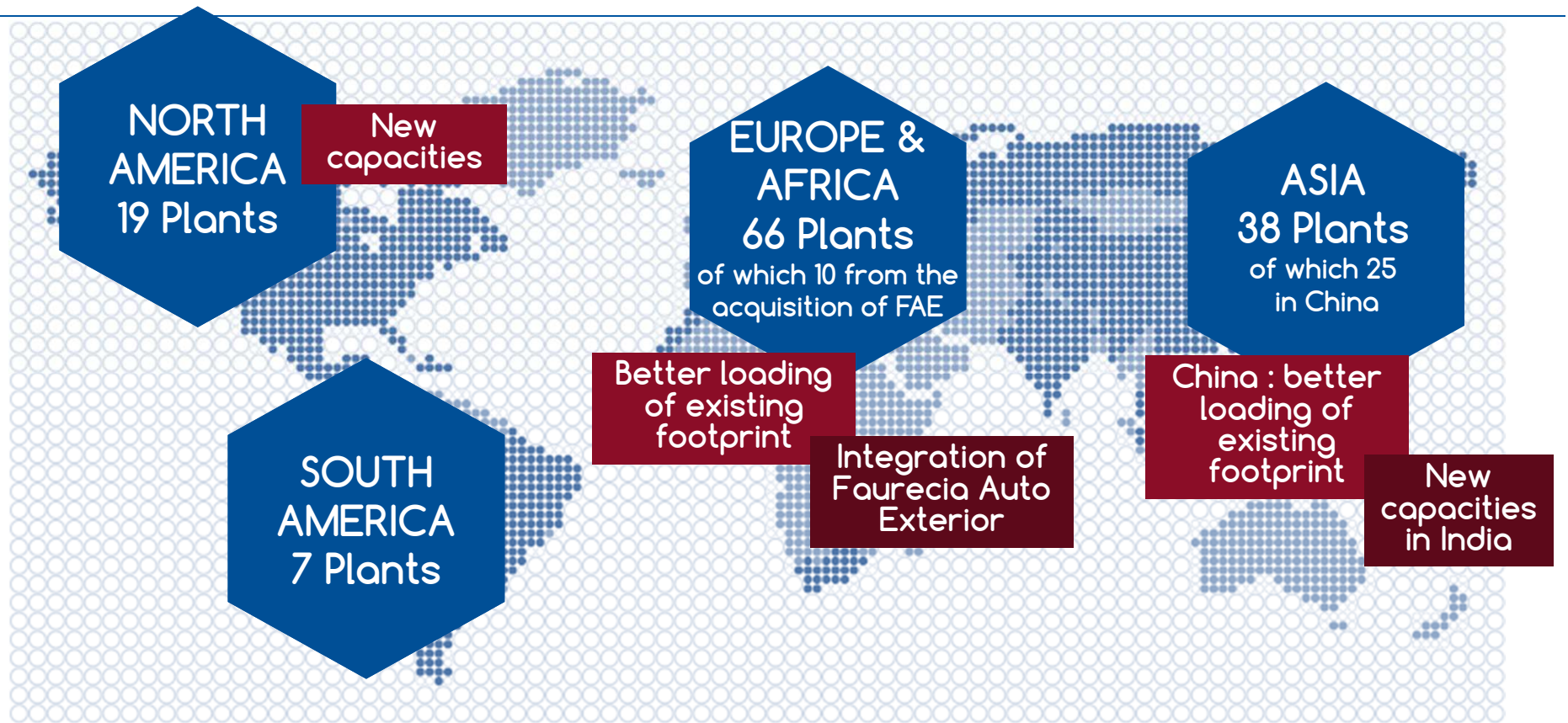
A GROWING MARKET



2016-2020 WORLDWIDE AUTOMOTIVE PRODUCTION: +11%



Source: IHS November 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
 - 2 plants in the USA
- Headcount reduction: -600 people by end of 2016

WHAT WILL BE IMPLEMENTED

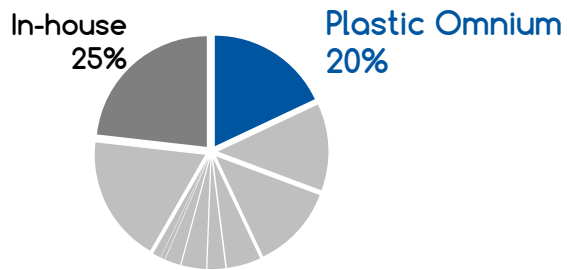
- Implementation of Plastic Omnium's manufacturing system 
- Continuous reduction of break-even point
- Manufacturing excellence step change (CNQ, absenteeism, Right first time, ppm...)
- Investment program of €200M confirmed in Europe over the next 4 years
- Develop commercial synergies

TURNAROUND THE BUSINESS BY 2019

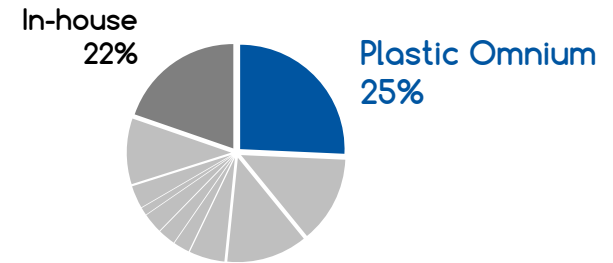
STRONG MARKET SHARES GAINS IN CHINA

2016

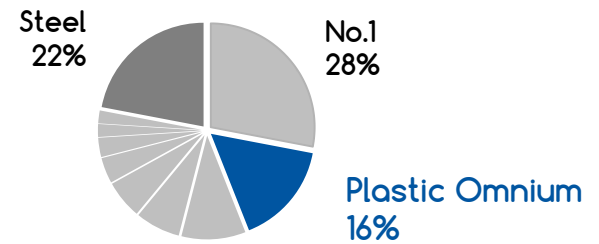
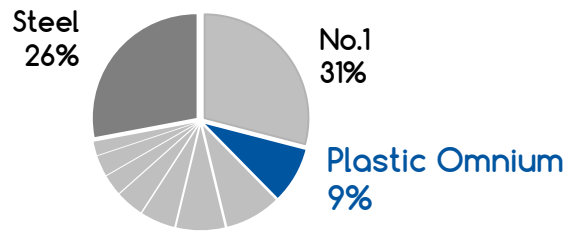
Bumpers



2020

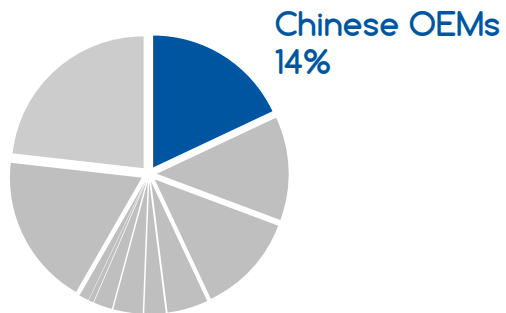


Fuel Systems

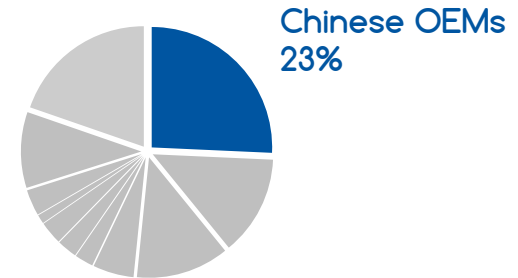


INCREASED PENETRATION WITH CHINESE OEMS

2016



2020

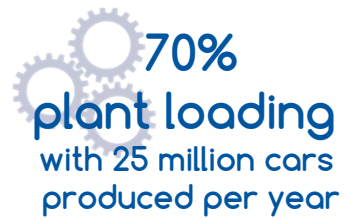


PO's Chinese customers : BAIC, Brilliance, GAC, Geely, Haitec, JAC, Luxgen, NextEV, Qiantu Auto, SAIC

A STRONG OPERATING LEVERAGE THANKS TO BETTER LOADING

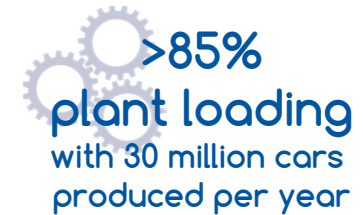
2016

25
plants



2020

26
plants



NEW CAPACITIES UNDER CONSTRUCTION



Mexico - Leon
Fuel systems for **Daimler**,
General Motors and **Nissan**



China - Chongqing
Fuel systems for **HMC**



United States - Smyrna
Fuel systems for **Nissan**

2016

2017

2018

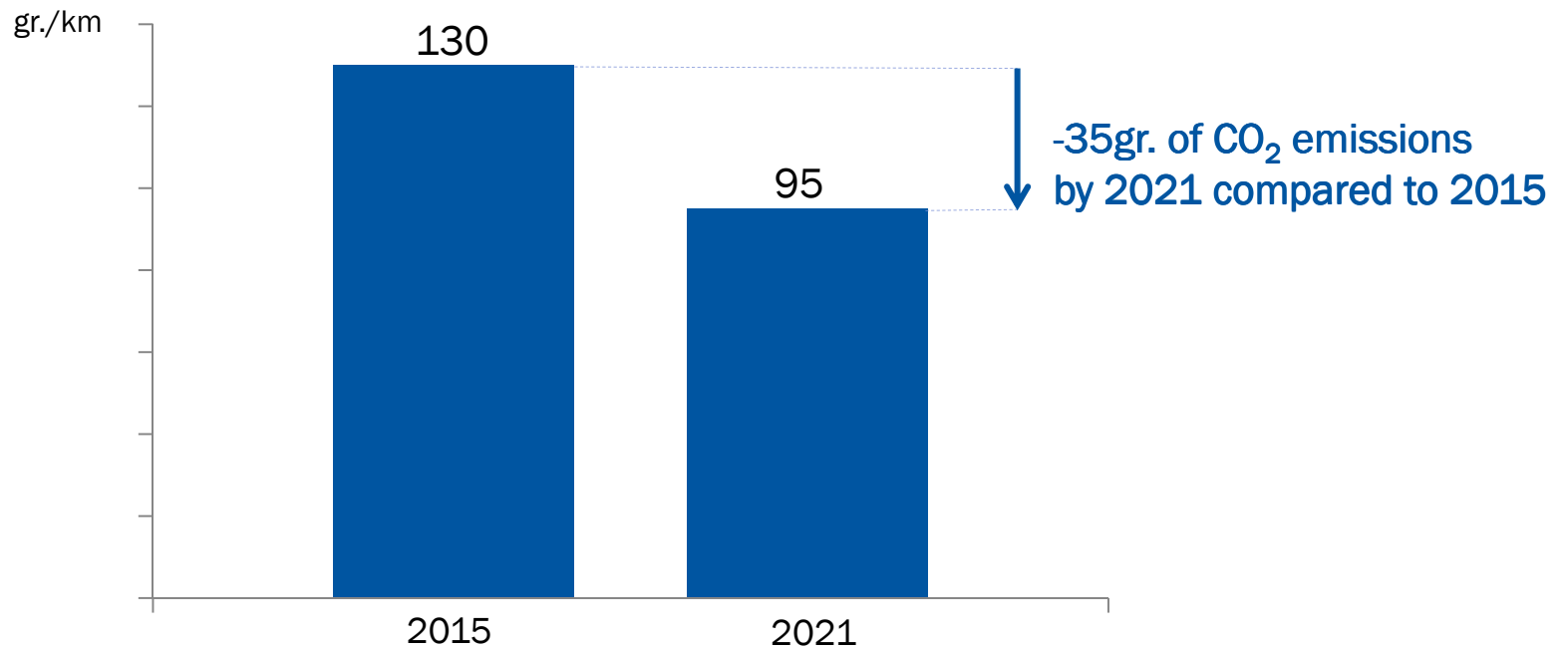


Mexico - San Luis Potosi
Bumpers for **General Motors**
and **Daimler**



India - Hansalpur
Fuel systems for **Suzuki**

AVERAGE NEW VEHICLE CO₂ EMISSIONS (gr./km) - REGULATIONS IN EUROPE

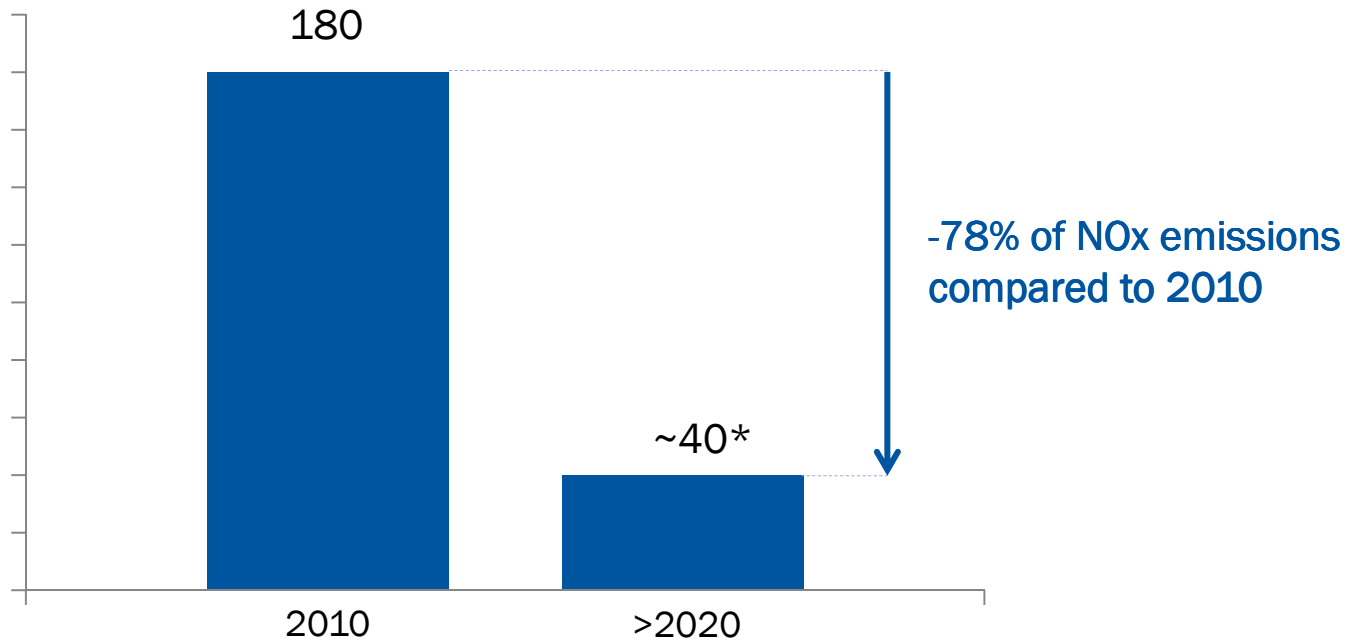


Plastic Omnium Offer:
Lightweighting and Aerodynamism



20gr. CO₂ SAVED

AVERAGE NEW VEHICLE NO_x EMISSIONS (mg/km) – REGULATIONS IN EUROPE



* Not yet completely defined

Plastic Omnium Offer:
SCR systems



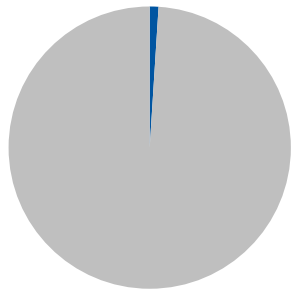
Up to -95%
of NO_x emission

WELL POSITIONED IN THE SCR BUSINESS

Global Market Share

2010

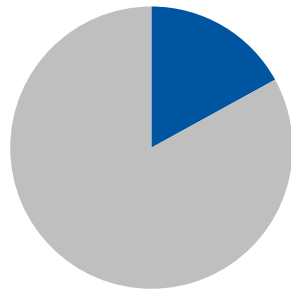
Plastic Omnium
0.1%



Total Market: 0.2 M units

2016

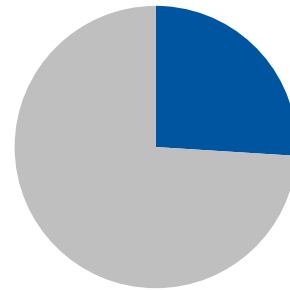
Plastic Omnium
17%



Total Market: 6 M units

2020

Plastic Omnium
26%



Total Market: 11 M units



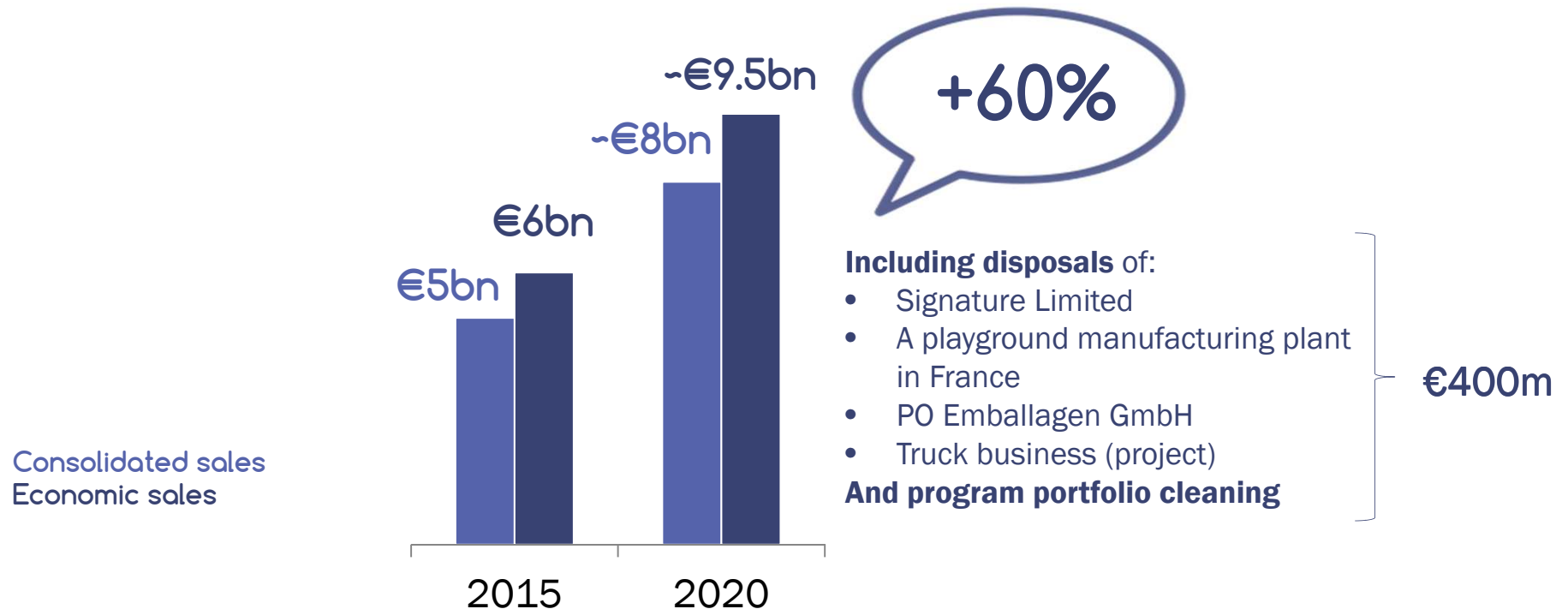
Sales in m€	2016	2020
SCR Systems/TSBM/INWIN	500	1,000
Tailgates / Spoilers / Structural Parts	200	400
TOTAL	700	1,400





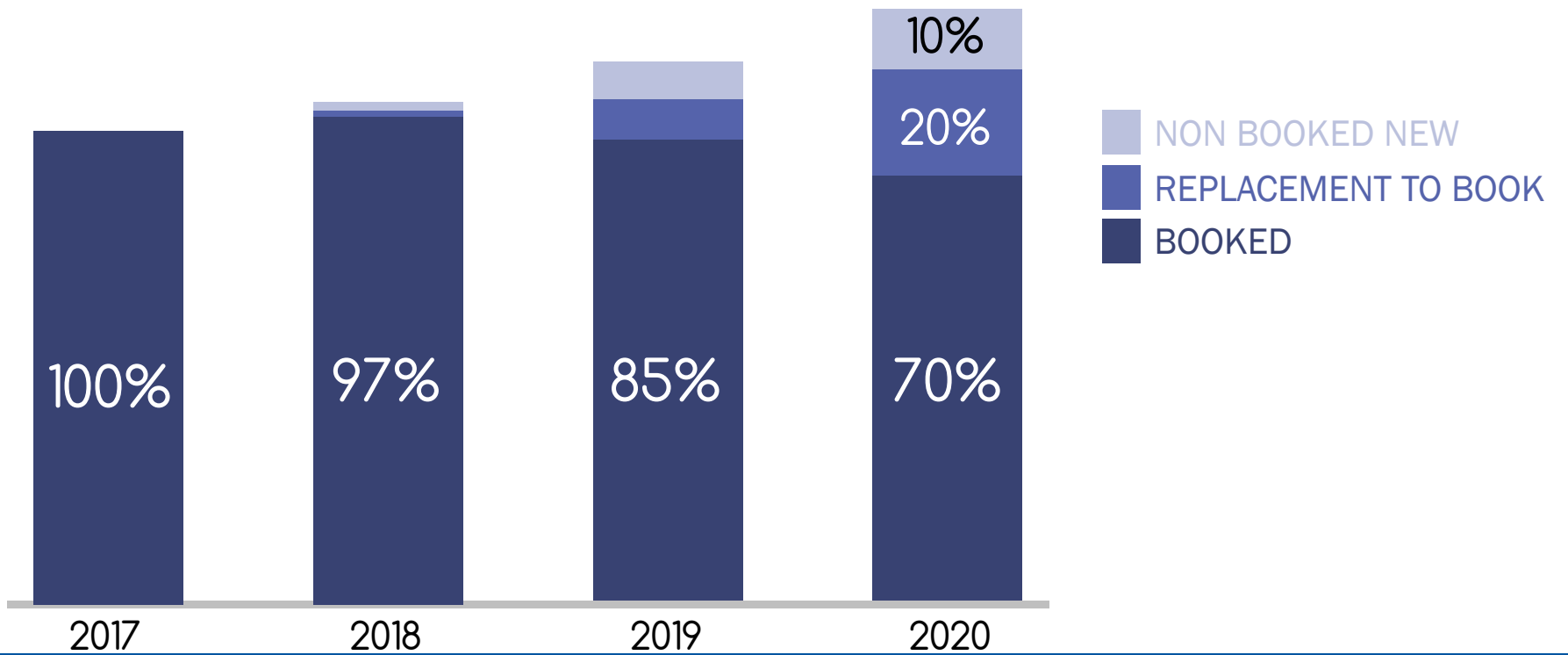
Outlook for 2020

CONSOLIDATED & ECONOMIC SALES



STRONG VISIBILITY ON OUR ACTIVITY

ORDER BOOK: 90% OF 2020 SALES ALREADY SECURED




GAIN IN MARKET SHARES

	2016	2020
Bumpers	15%	19%
Fuel systems	21%	25%



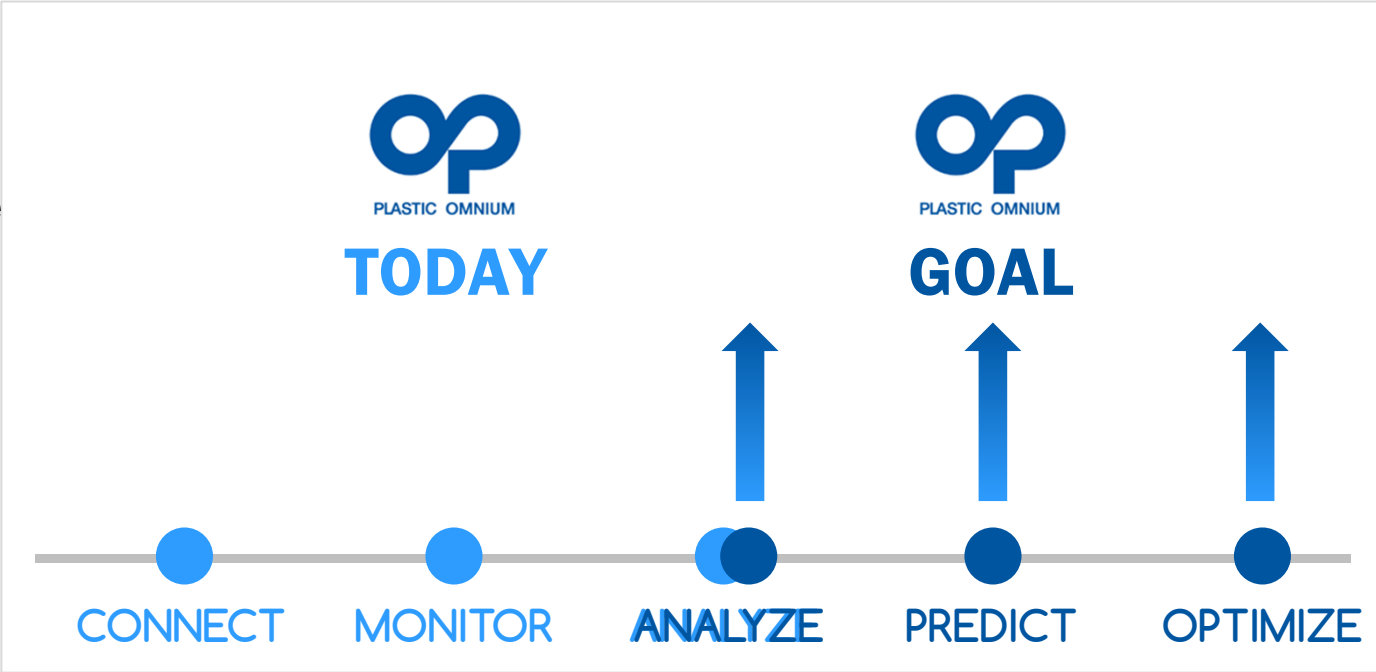
- AMBITIOUS INVESTMENT POLICY OF €2.5BN OVER THE 2016-2020 PERIOD WHILE MAINTAINING A SIGNIFICANT FREE CASH-FLOW
- DEVELOP INDUSTRY 4.0 THROUGH DIGITALIZATION
- ENLARGE THE INNOVATION CAPABILITIES & PORTFOLIO



MARKET EXPECTATIONS	TRADITIONAL RESPONSES	ADDITIONAL RESPONSE
○ Quality	○ 0 default mindset ○ Lessons learned	 <p>INDUSTRY 4.0 DIGITALIZATION</p>
○ Cost	○ Continuous improvement ○ Low cost sourcing	
○ Speed	○ Standardization ○ Early staffing	

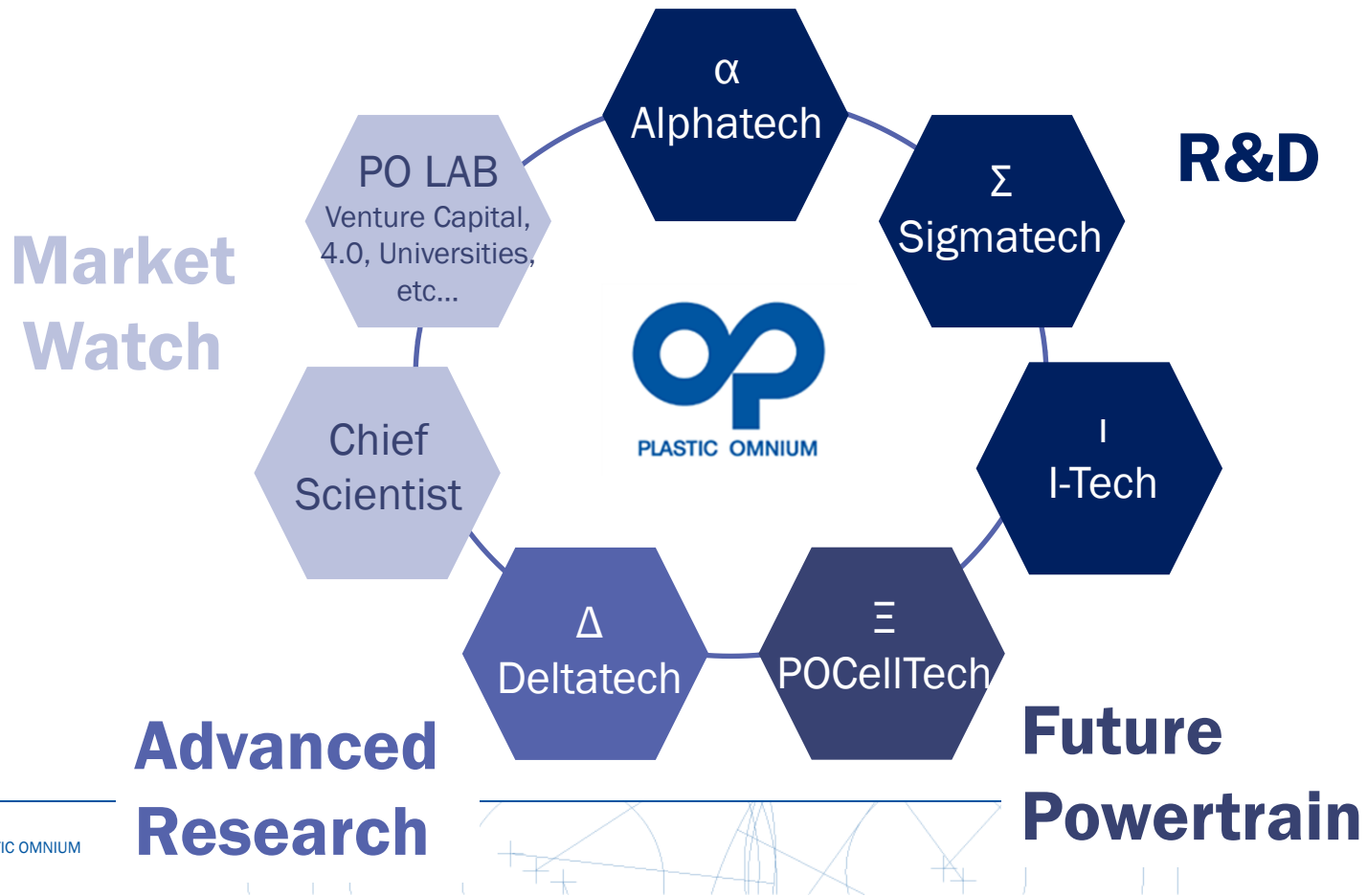
Move from reporting to prediction to make a breakthrough

REDUCE COSTS AND CAPITAL EMPLOYED

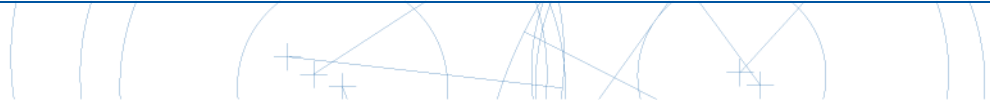




Our answers beyond 2020



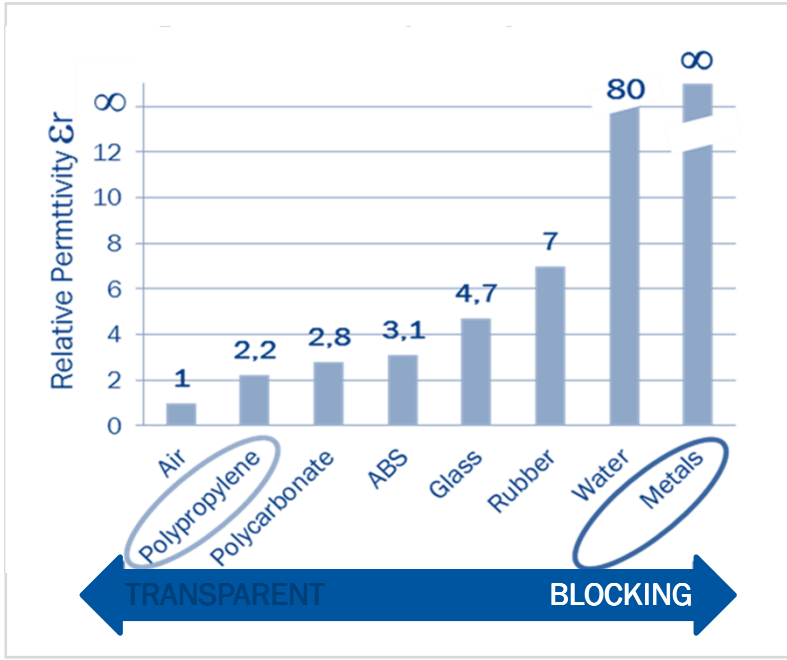
WHATEVER TOMORROW'S CAR IS, IT WILL ALWAYS HAVE AN ENVELOPE MORE AND MORE...



ADVANTAGES OF PLASTIC TO RESPOND TO OUR CHALLENGES

PLASTIC IS CONFORMABLE AND ADAPTABLE FOR A FREEDOM OF DESIGN

PLASTIC IS THE BEST MATERIAL DUE TO ITS TRANSPARENCY TO RADAR WAVES



THIS ENVELOPE WILL BE INTELLIGENT

Plastic Omnium Offer:
a smarter body panel to be
developed within 5 years

Shape memory materials

Luminous panels

De-icing panels

Embedded electronics

➔ Envelope full of technological functionality




Plastic Omnium Offer:
integration and architecture of
complex active and interactive modules



toward more functions integration
and production of full subsets

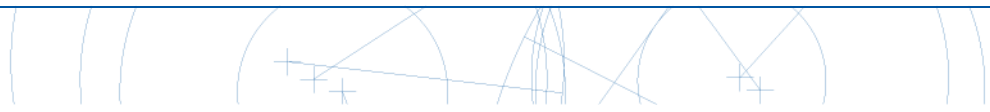
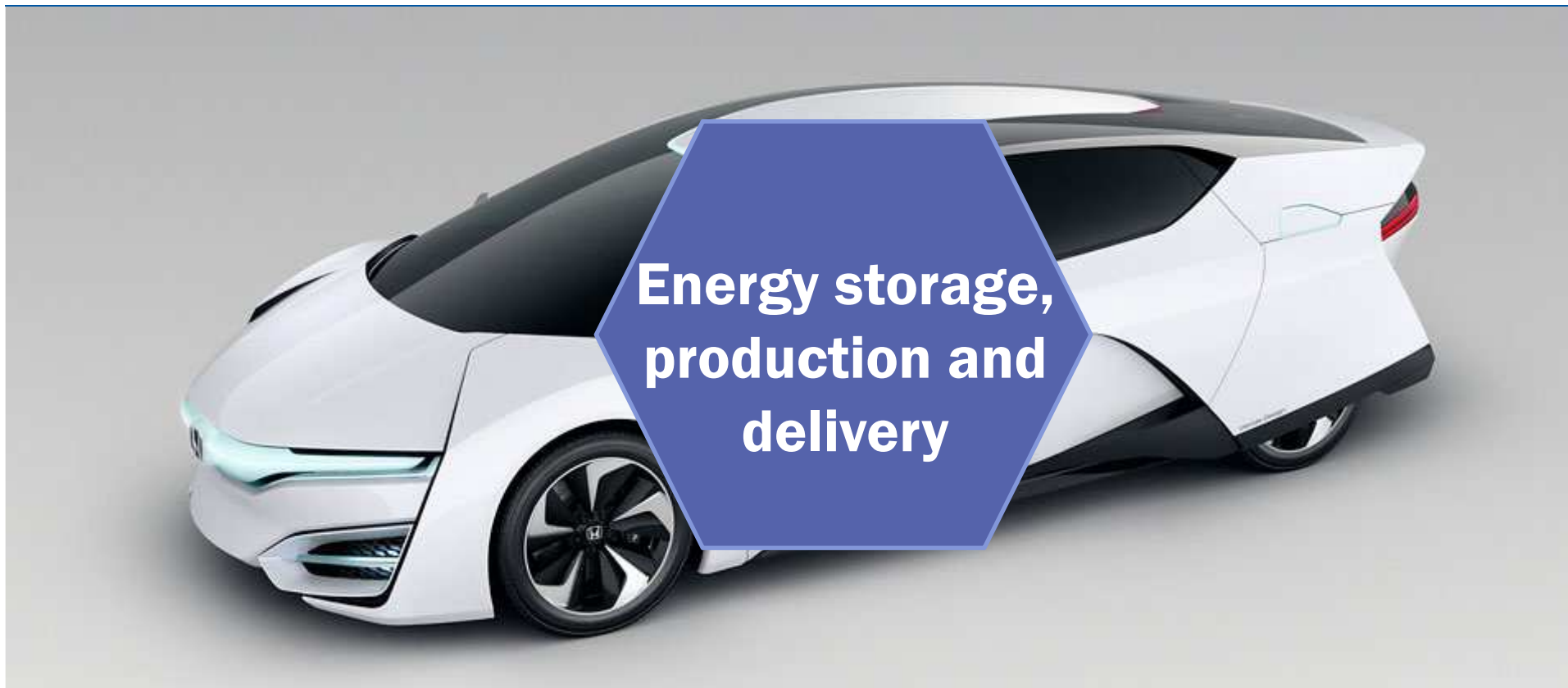


 **NEW** skills in complex module integration
system/conception/architecture, mechatronic,
electronic, motorization, lighting...

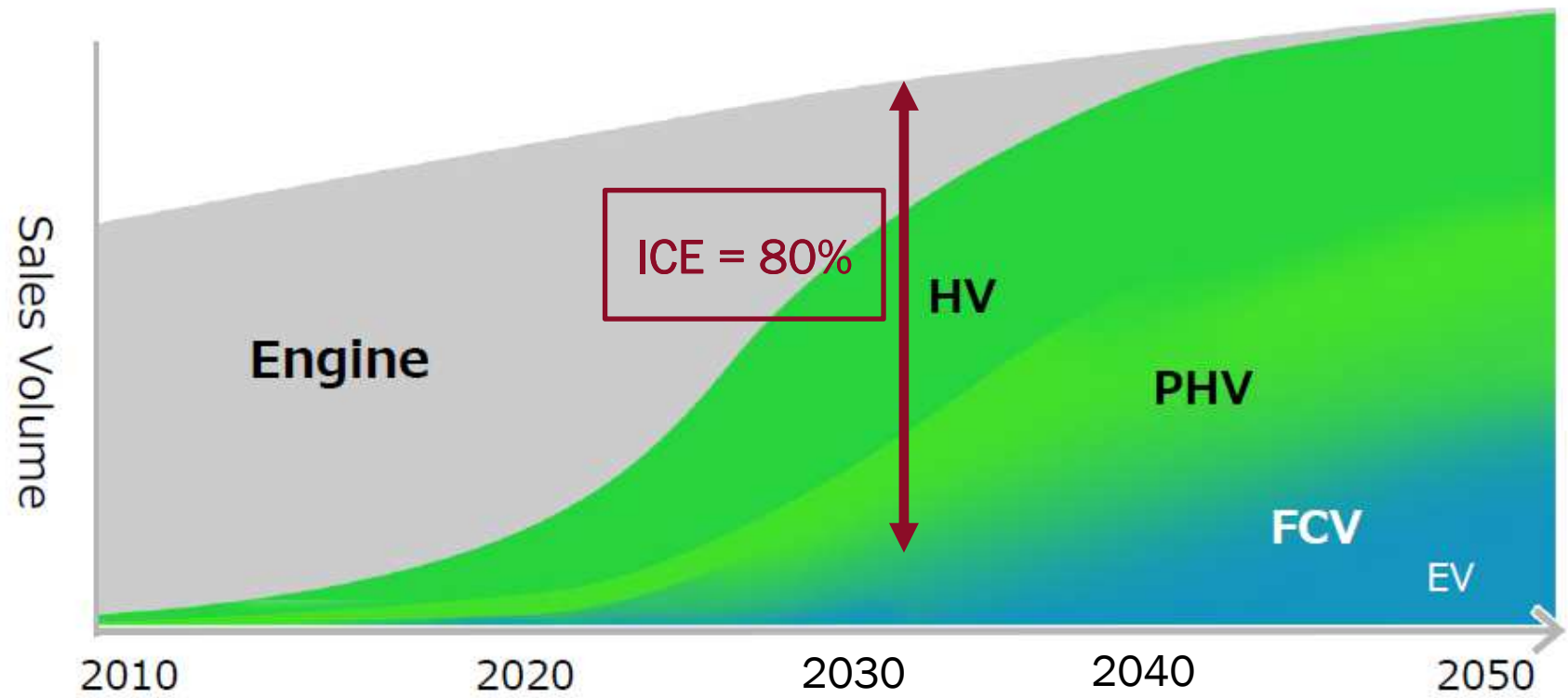
 **NEW** and bigger
plastic parts
hood, roof, doors,
chassis frame...

 **NEW** materials
carbon fiber,
smart materials...





EXPECTED POWERTRAIN MIX IN THE FUTURE



Source: external and PO's reports

DEVELOPMENT OF HIGH PRESSURIZED SYSTEMS FOR PLUG-IN HYBRID VEHICLES

- **Plug-in hybrid (PEHV): growing market**
- **Substitution benefit from metal to plastic**
- **8 models for 4 different carmakers in backlog**
- **Start of production in December 2016**



ON-GOING TRANSFORMATION OF THE BUSINESS

ADDRESSING THE SUSTAINABILITY CHALLENGE
WE PREPARE OURSELVES TO BECOME A **LEADER FOR
ENERGY STORAGE, PRODUCTION AND DELIVERY**



AUTONOMY

How far the car can go
on a full charge



CHARGE TIME

How long it takes to
(re-)charge the car



COST

To OEMs and
thus to consumers



FUEL CELL VERSUS PURE ELECTRIC

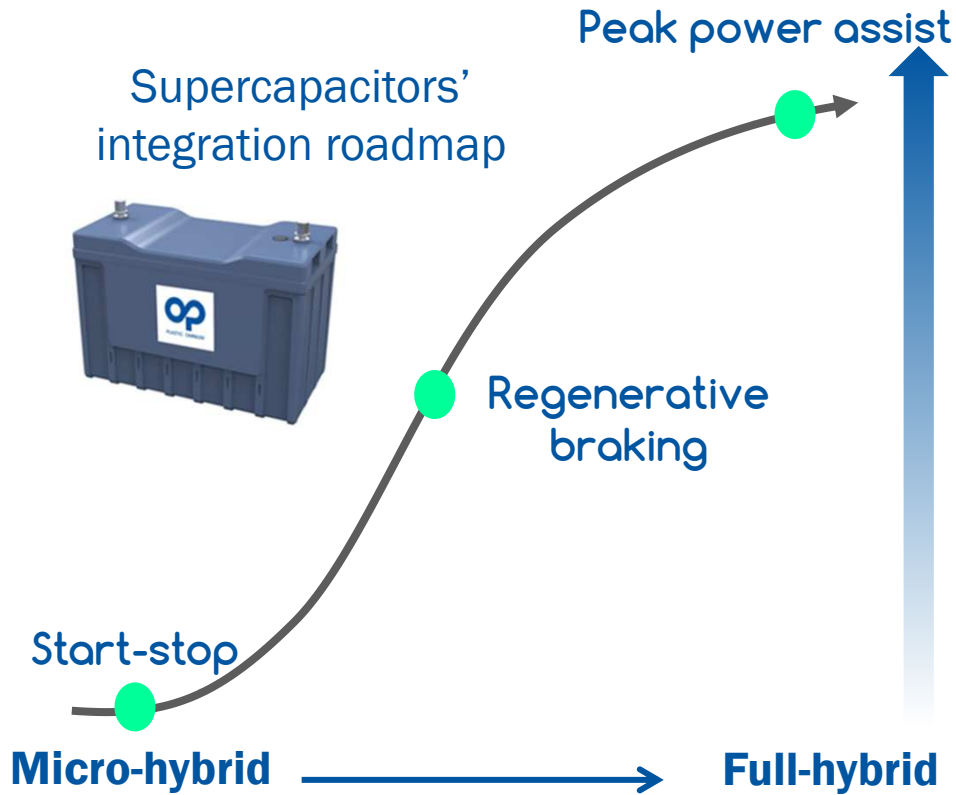
	ENGINE	PURE ELECTRIC AS OF TODAY	FUEL CELL AS OF TODAY	FUEL CELL FUTURE
Maximum range	600 km	400 km	600 km	800 km
Weight of system	200 kg	700 kg	270 kg	270 kg
Time needed to refill / recharge	3-4 minutes	30 mn to 10 hours depending on charger	3-4 minutes	3-4 minutes
Cost	\$4,000	\$15,500	\$12,000	\$4,000

ENERGY STORAGE & FAST DELIVERY: THE SUPERCAPACITOR

WE ARE WORKING ON A NEW SUPERCAPACITOR



Supercapacitors' integration roadmap



PEAK POWER ASSIST

- **Advantages**
 - Full recuperation of brake energy
 - Maximum boost

Example : Toyota TS040 (Le Mans LMP1 series)

REGENERATIVE BRAKING

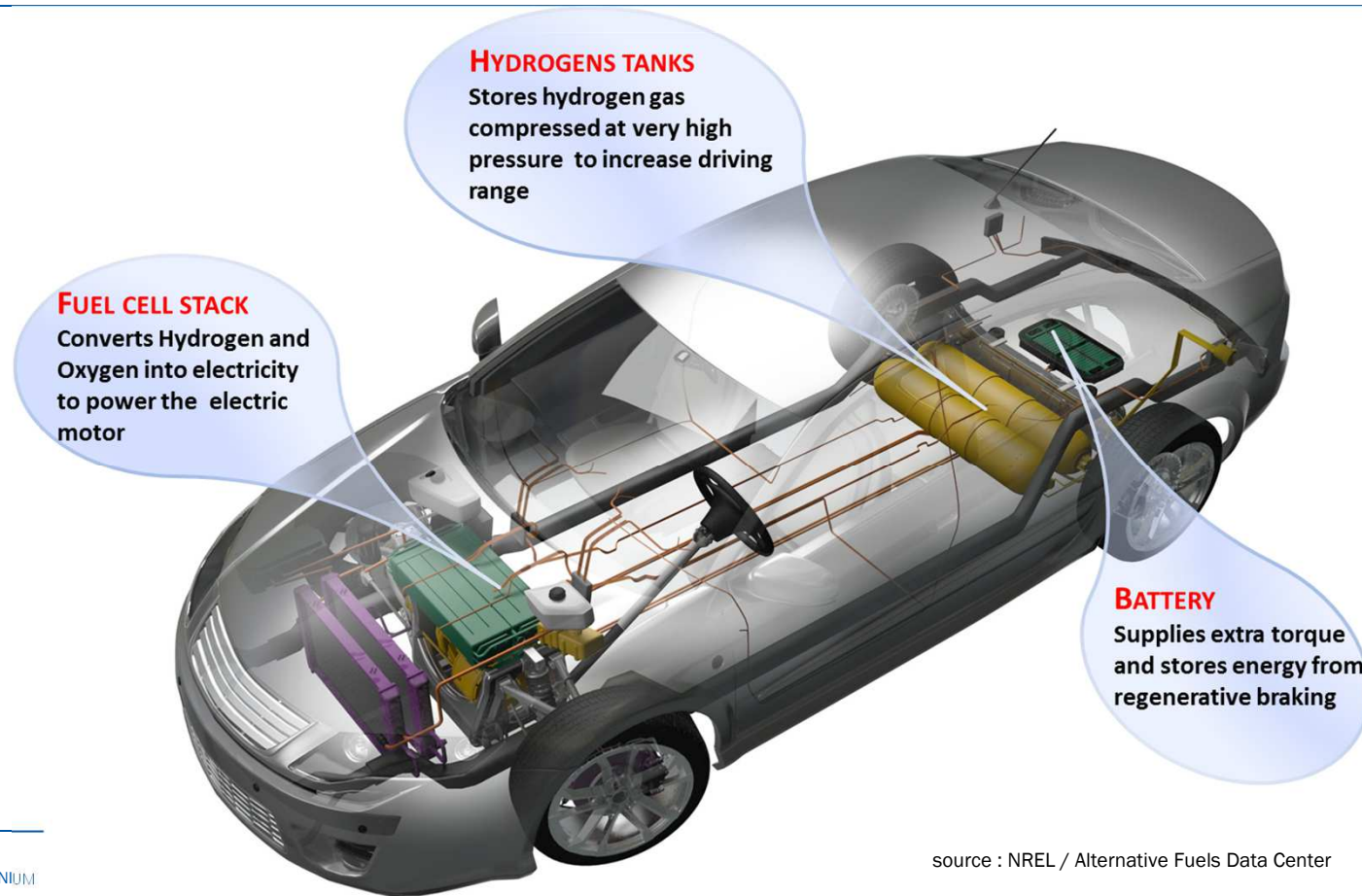
- **Advantages**
 - All advantages of Start-Stop
 - + CO₂ reduction (up to 10% in city drive)

Example : Mazda e-LOOP

START-STOP

- **Advantages**
 - Battery life time increased (doubled)
 - Smaller lead battery possible (66% less lead)
 - Better performance in cold weather

Example : PSA e-HDI



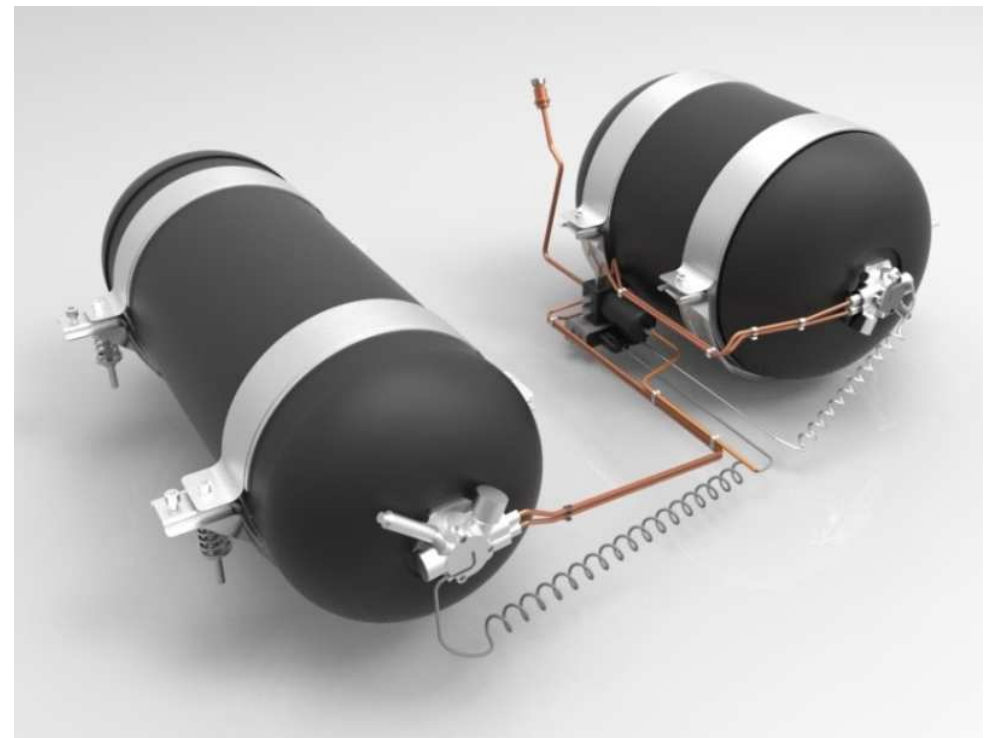
WE ARE WORKING ON A H2 STORAGE SYSTEM

2 vessels made from wound carbon fiber

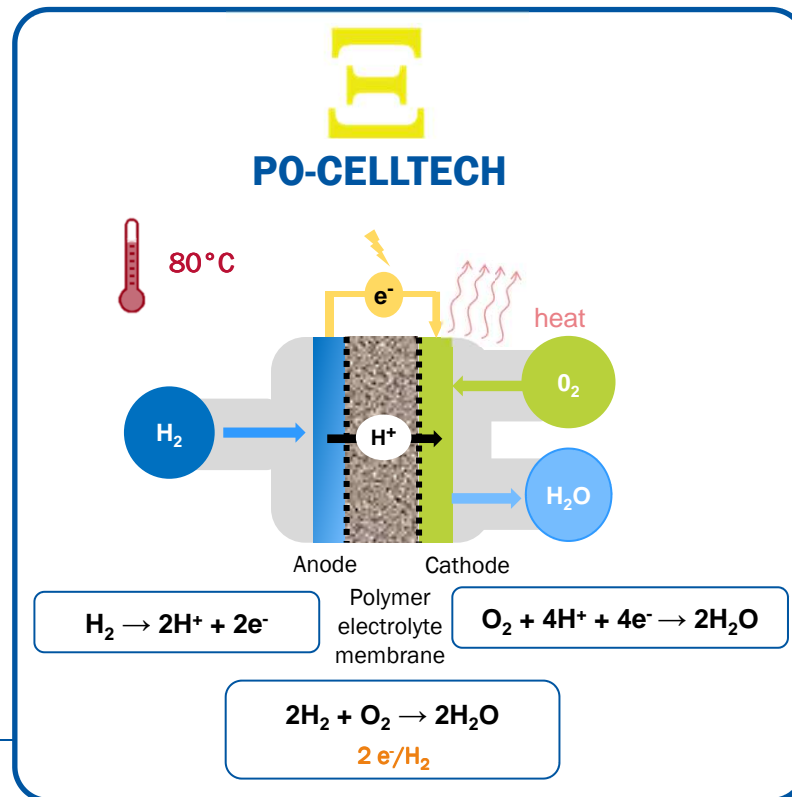
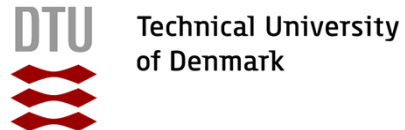
Safety valves & pressure regulator

Must support 700 bars of pressure

Charge time: 3 minutes



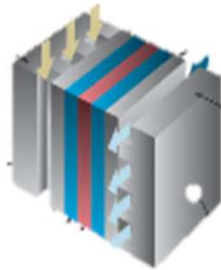
SOLUTION OF TOMORROW: WE ARE WORKING ON A NEW FUEL CELL





SUPERCAPACITOR

FUEL CELL



- Start-up with ELBIT Systems, an Israeli company
- Pure research
- Focused primarily on fuel cells and supercapacitors
- Already 100 engineers in Belgium and Israel dedicated to the project

IN SHORT: PLASTIC OMNIUM WILL BE READY FOR NEW ENERGIES



The **NEW** Brussels based
Advanced Innovation & Research Center

€50 M investment
200 engineers

- **Continue to deliver ambitious growth and to outperform the market**
- **Continue to generate benchmark EBITDA and ROCE**
- **Continue to increase earnings to distribute a growing dividend at a constant 25% pay-out**
- **Pursue a policy of occasional share buybacks based on availability and opportunities**
- **Develop an aggressive mid-term innovation policy to seize market opportunities and meet the needs of car manufacturers**





Investor Day Strategy and Innovation

Levallois - December 13, 2016