



PLASTIC OMNIUM

# LETTER TO OUR SHAREHOLDERS

MARCH 2017



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2016 was an exceptional year for Plastic Omnium and the outlook for 2017 leads us to believe that it will be an exciting year too

LAURENT BURELLE  
CHAIRMAN AND  
CHIEF EXECUTIVE OFFICER

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1946 - 2016





# MESSAGE

from the Chairman and Chief Executive Officer



You can find the presentation of the 2016 annual results at [www.plasticomnium.com](http://www.plasticomnium.com)



**€6.9 billion**  
revenue  
**+16%**

**€558 million**  
operating  
margin  
**+19%**

**€312 million**  
net profit,  
group share  
**+21%**

**€810 million**  
EBITDA  
**+17%**

**€241 million**  
free cash-flow  
**+19%**

**€0.49**  
dividend  
per share  
**+20%**



## DEAR OUR SHAREHOLDERS,

2016 was an exceptional year for Plastic Omnium and the outlook for 2017 leads us to believe that it will be an exciting year too.

Once again, our results reached historic levels with another double-digit increase in all our financial aggregates. Our growth considerably exceeds the increase in worldwide automotive production.

From a strategic point of view, Plastic Omnium completed the largest acquisition in its history, in its Exterior Systems business. This large-scale transaction has given the Group a new dimension that will enable it to increase its customer portfolio and its technological potential.

From a commercial point of view, business has been very buoyant, confirming the success of our profitable growth strategy. At the same time, Plastic Omnium has continued to modernize and optimize its industrial footprint in order to drive the growth.



Once again our results reached historic levels

**LAURENT BURELLE**  
CHAIRMAN AND  
CHIEF EXECUTIVE OFFICER

With regard to innovation, Plastic Omnium is preparing for changes in the mobility and energy solutions of the future automotive industry, with the creation of a start-up in the field of fuel cells and supercapacitors, E-POCellTech, and with the launch of construction of an advanced research and innovation center for new energies, Δ-Deltatech.

Buoyed by these results and these significant steps forward, we are looking forward to 2017 with confidence, fully assured of our ability to pursue our profitable growth strategy.

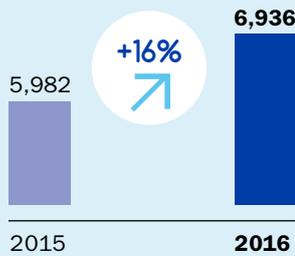
Thank you for your support.



### 2016 annual results

2016, a record and structuring year

#### Change in economic revenue in millions of euros

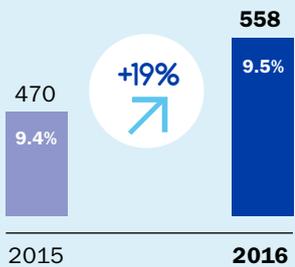


#### Strong growth in the activities of Plastic Omnium Automobile

Plastic Omnium Automobile's revenue was €6,566.8 million. It increased by 17.3% and by 12.8% at constant scope and exchange rates, in a worldwide automotive production up by 4.8% in the year 2016, thus **outperforming the market by 8.0 points**.

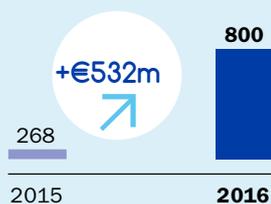
#### Operating margin

in millions of euros and as a percentage of consolidated revenue



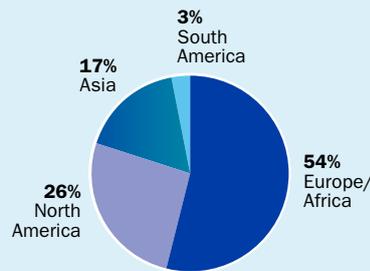
In 2016, **operating margin increased by 18.7% to €557.8 million, or 9.5% of consolidated revenue**. In spite of the dilutive effect of the acquired business, the automotive division benefited from a high utilization rate of its production capacities, from the operational excellence deployed with the 160 new launches, from strict control of costs and from the preliminary effects of the measures to turn around the acquired business.

#### Net debt in millions of euros



**Net debt** was €800 million, including the acquisition of Faurecia's Exterior Systems business at an enterprise value of €665 million. The Group's net debt now represents **53% of equity capital and 1.0 x EBITDA**.

#### Distribution of revenue by region



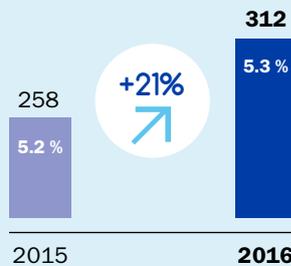
#### Business was buoyant in all geographical areas.

In Europe, business was particularly strong in 2016, driven by the opening in the UK of the Warrington-Liverpool plant for Jaguar Land Rover and by sales

of SCR depollution systems for diesel vehicles (+50% for the year). Business in North America grew by 7.7% at constant scope and exchange rates, benefiting from major exposure on SUV models. In Asia, business increased by 22.9% at constant scope and exchange rates, driven by China where the Group continues to win market share, particularly with Chinese carmakers.

#### Net profit — Group share

in millions of euros and as a percentage of consolidated revenue



**Net profit, Group share was €312.1 million** (or 5.3% of consolidated revenue), **an increase of 20.8%**.

#### Outlook

In 2017, the Group will record strong growth thanks to the full 12-month integration of the new expanded scope of business and to recurring outperformance from automotive production worldwide expected to grow by 1 to 2% in 2017.

In 2017, Plastic Omnium will pursue its strategy of profitable growth generating cash, and post a rise in its operating margin and net profit - Group share results.



# HIGHLIGHTS

At the heart of current Group news



## SEPTEMBER 2016

### — NOMINATION

Ronan Stephan has been appointed as Scientific Director. He will report to General Management and is a member of Plastic Omnium's Management Committee. He was a member of the CNRS Executive Committee and Research and Innovation Director-General within the State Department for Higher Education and Research.

### — PLANT OPENING

In Leon (Mexico) for the supply of fuel systems for GM, Daimler and Nissan.



## OCTOBER 2016

### — PARIS MOTOR SHOW

With a presence at the Paris Motor Show for the first time, the Group unveiled its emission reduction solution, which simultaneously promote freedom of design, driver comfort and connectivity.



## NOVEMBER 2016

### — CONTRACT IN CHINA WITH NEXTEV

First contract with NextEv in China for the supply of front and rear bumpers and fenders, and also tailgate and spoiler for electric vehicles.

### — WORLD SAFETY DAY

November 15 was World Safety Day at all our sites. More than 30,000 employees participated in the event.



### DID YOU KNOW?

**4,143 employees**  
recruited in 2016

**160 car program launches**  
in 2016

**70 brands of car**  
are Plastic Omnium customers



## NOVELTY...

### DECEMBER 2016



— POLLUTEC SHOW IN LYON  
From November 29 to December 2, the Environment Division exhibited its know-how at the Pollutec show in Lyon.



— CONTRACT WITH DAIMLER IN GERMANY  
100,000 bumper systems produced per year for the new Mercedes S-Class.



— FIRST FUEL TANK FOR PLUG-IN HYBRID VEHICLES  
Launch of production for Hyundai in South Korea.



### SITE VISIT — WELCOMING OUR SHAREHOLDERS

For the first time, Plastic Omnium organized a visit for shareholders in the international R&D center,  $\alpha$ -Alphatech (Compiègne, France). Inaugurated by French President François Hollande in April 2016, this center is dedicated to the fuel systems and depollution technologies.

On November 9, 2016, 30 privileged shareholders discovered “Alphalab”, where development tests are undertaken and “Alphavision” our virtual reality room.

Our experts took them through the details and complexity of a fuel system and explained the most advanced Plastic Omnium solutions for NOx depollution .

To build on this successful day, Plastic Omnium will be organizing other shareholders' visits in 2017.



### Alphavision virtual reality room





## DECIPHERING THE DATA

These events are making history for the Group



Laurent Burelle visits  $\Xi$ -POCellTech in Caesarae (Israël) in the presence of Yehuda Borenstein, CEO  $\Xi$ -POCellTech, and Michael Federmann, Founding President of Elbit Systems.



## INNOVATION IS AT THE HEART OF THE GROUP'S STRATEGY

Along with industrial investments in growth areas, innovation is one of the drivers of the Group's growth. Plastic Omnium will accelerate its efforts in the area of Research & Development.

Technological innovations make a major contribution to the Group's growth: they are supported by legislation which, on a global level, is increasingly restrictive in terms of polluting emissions (CO<sub>2</sub>) and nitrogen oxide (NOx). Plastic Omnium is developing solutions to reduce such emissions using two principal levers: making vehicles lighter and more aerodynamic, and depollution systems.

Plastic Omnium is also conscious of the necessity to prepare for changes in the car industry, and is positioning itself in the area of hydrogen-propulsion and fuel cell vehicles. Thus, in September 2016, Plastic Omnium announced the formation of a start-up with the Israeli company ELBIT Systems in the field of fuel cells and supercapacitors,  $\Xi$ -POCellTech. Plastic Omnium's know-how

is being combined with the developments already made by ELBIT Systems of a fuel cell with very low precious metal content, and of a new range of supercapacitors.

At the Paris Motor Show in October 2016, the Group also presented a high-pressure hydrogen storage prototype capable of providing great autonomy with a recharge time of only 3 minutes, compared to several hours for electric vehicles.

Finally, the Group has announced the construction of an Advanced Research and Innovation Center focused on new energies,  $\Delta$ -Deltatech. Based in Brussels, it is due to open in 2019, it will employ 200 engineers and will require an investment of €50 million.

## FOCUS ON INNOVATION



Bac Bi-Flux (dual compartment containers), for optimised dual-compartment collection



A single container for two types of waste: reduction of collection and processing costs.

Single operator collection for greater safety.

Space-saving for the user.



- 180 L container divided into two volumes (60% and 40%), enabling the collection of two types of waste.
- A Plastic Omnium patented solution.

- A product manufactured in France, at Langres.
- Single-operator lateral waste collection, which is safer for operators – satisfies the stricter safety recommendations.



## YOUR NEXT RENDEZ-VOUS



### AUTOMOTIVE



**CHINA**  
**Auto Shanghai**  
April 21 to 28, 2017  
Hall 5.2



67th IAA Cars  
Frankfurt/Main, 14. - 24. September 2017

### GERMANY IAA

September 14 to 24, 2017



On the occasion of its 70th anniversary Plastic Omnium presents:

## THE HERITAGE OF INNOVATION

at the Grand Palais in Paris on June 6, 2017

Plastic Omnium exhibits its products of yesterday and today under the Nave of the Grand Palais. This exhibition is open to shareholders from 3pm to 5pm.

The number of places is limited, please be so kind as to register by email at the following address [investor.relations@plasticomnium.com](mailto:investor.relations@plasticomnium.com)

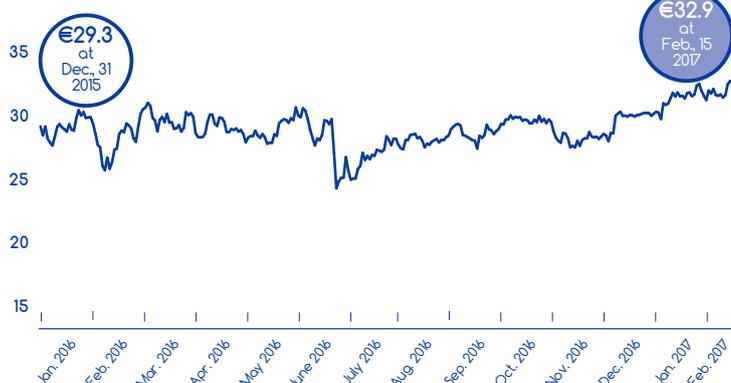


# SHAREHOLDER INFORMATION

Plastic Omnium & You



## Change in share price in euros



**The stock symbol of Plastic Omnium shares** is listed on the NYSE and on Euronext Paris (Compartment A) and is a component of the SBF 120, CAC Mid 60 and SRD indices (ISN code: FR0000124570).

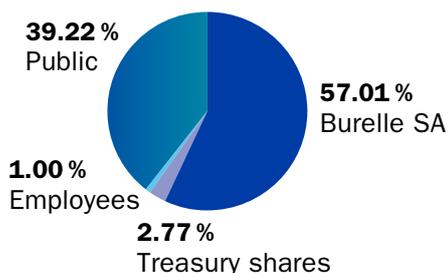
## Key trading data at December 31, 2016

Market capitalization  
**€4,625m**

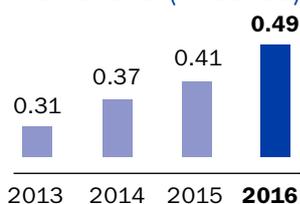
Closing price  
**€30.33**

Number of shares  
**152,476,720**

## Distribution of share capital at December 31, 2016



## Dividend performance Per share (in euros)



## FINANCIAL AGENDA

<b>APRIL 25, 2017</b> Quarterly information from 1 <sup>st</sup> quarter 2017	<b>JULY 21, 2017</b> First-Half results for 2017	<b>OCTOBER 24, 2017</b> Quarterly information from 3 <sup>rd</sup> quarter 2017
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## SHAREHOLDER AGENDA

<b>APRIL 27, 2017</b> Shareholders' Meeting 2017, Pavillon Gabriel in Paris	<b>JUNE 6, 2017</b> 70 year anniversary, Grand Palais in Paris
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## COMBINED SHAREHOLDERS' MEETING AT THE PAVILLON GABRIEL, PARIS, AT 5 P.M. ON APRIL 27 2017

All information in relation to the Shareholders' Meeting will be available via the « Shareholders » area of our website from April 5, 2017.



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