

LEVALLOIS, 24 JULY 2014



PLASTIC OMNIUM

# 2014 Interim Results

**Laurent Burelle**

Chairman and Chief Executive Officer

**Paul Henry Lemarié**

Director, Chief Operating Officer

**Jean-Michel Szczerba**

Director, Chief Operating Officer



*In order to give the accurate picture of the Group's business and operational position, the 2014 interim financial statements were prepared using the same accounting methods as the 2013 audited consolidated financial statements. These financial statements, which have been reviewed by the statutory auditors, are used for all the Group's external financial communications and form the basis for the comments in this presentation.*

*The IFRS financial statements can be found at [www.plasticomnium.com](http://www.plasticomnium.com)*



PLASTIC OMNIUM

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**First-Half 2014 Highlights**

2014 Interim Results

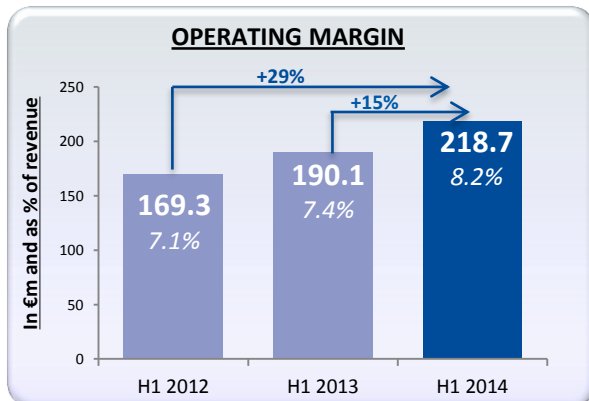
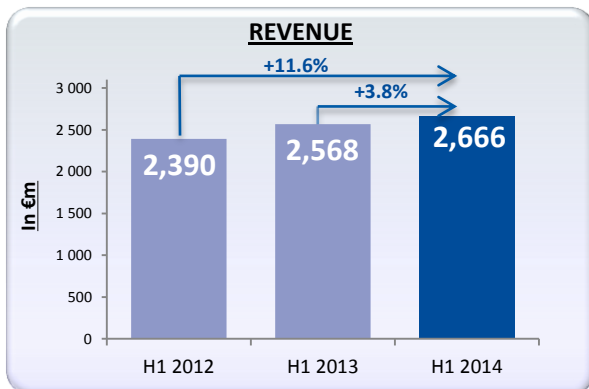
2014 Outlook

## FIRST-HALF 2014 HIGHLIGHTS

### SUMMARY

<b>Revenue</b>	:	<b>€2,666m</b>	<b>+3.8%</b>
<b>Operating Margin</b>	:	<b>8.2% of revenue</b>	<b>+15%</b>
<b>EBITDA</b>	:	<b>12.0% of revenue</b>	<b>+9%</b>
<b>Net Profit, Group share</b>	:	<b>€108m</b>	<b>+12%</b>
<b>Free Cash Flow</b>	:	<b>€38m</b>	<b>1.4% of revenue</b>

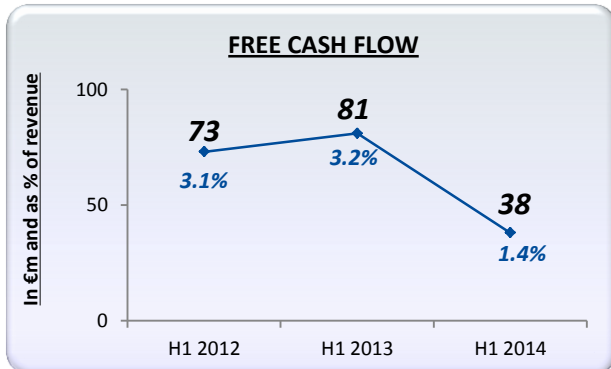
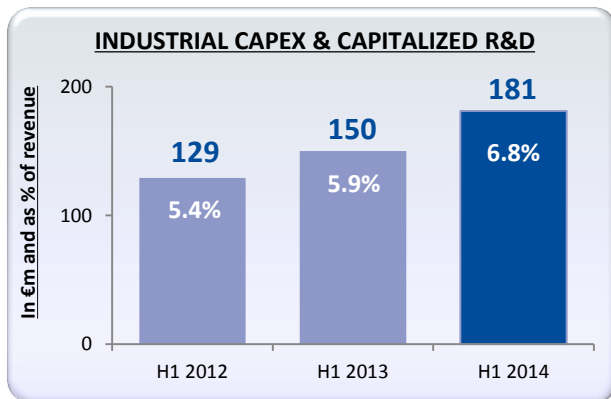
## FIRST-HALF 2014 HIGHLIGHTS



## FINANCIAL PERFORMANCE

- **7.3%** revenue growth, excluding -€90 million currency effect
- Tight **cost control**
- **Full impact** of mid-2013 **Automotive restructuring** in Europe
- **Success of the "2013 PO Environment" plan** amid falling activity in France

## FIRST-HALF 2014 HIGHLIGHTS



## FINANCIAL PERFORMANCE

- Strong Capex: **6.8%** of revenue
- Funds from Operations : **€303 million, 11.4%** of revenue
- Free Cash Flow: **€38 million, 1.4%** of revenue

## FIRST-HALF 2014 HIGHLIGHTS

### 17 automotive plants in North America



## STRONG ORDER INTAKE - AUTOMOTIVE

- **Two new plants in the United States :**
  - Body components and modules: **Chattanooga** (Tennessee) for Volkswagen in 2015
  - Fuel systems: **Fairfax** (Kansas) for General Motors in 2015
  - Total investment: \$70 million in 2014-2015 to generate revenue of \$140 million
- **One new plant under construction in Russia** (St Petersburg)
- **Five new plants** under construction in China

## FIRST-HALF 2014 HIGHLIGHTS



## STRONG ORDER INTAKE - ENVIRONMENT

### Major contract wins in first-half 2014 :

#### Wheeled bins

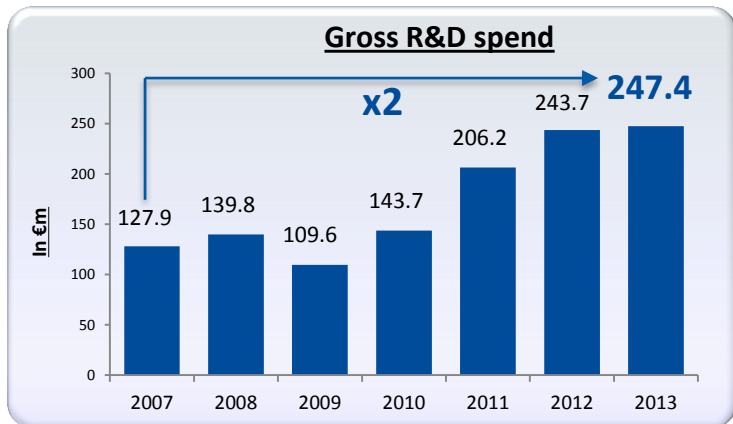
- Communauté Urbaine de Bordeaux
- Chartres
- Saint Denis de la Réunion
- Greater Copenhagen District

#### Underground containers

- Lac du Bourget
- Hamburg, Berlin
- Brussels



## FIRST-HALF 2014 HIGHLIGHTS



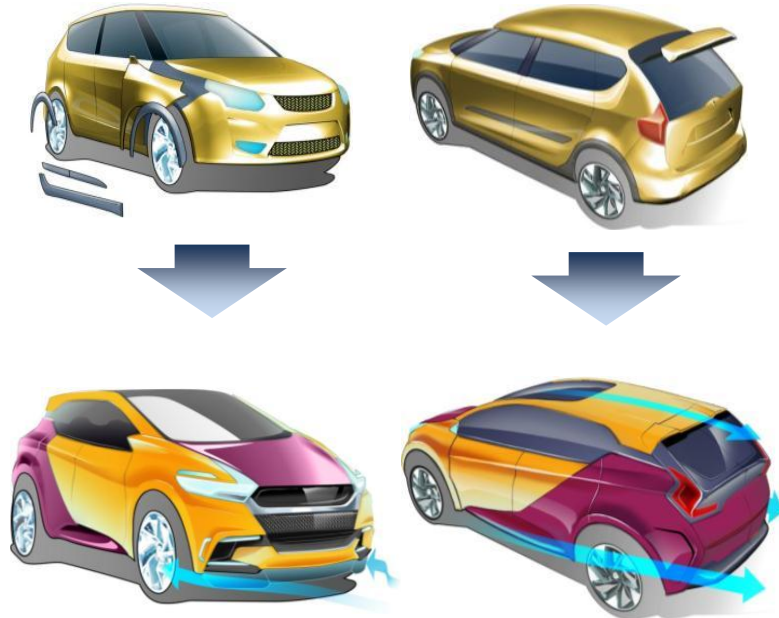
### α-Alphatech, Compiègne (France)



## STRENGTHENED R&D - AUTOMOTIVE

- **R&D spend doubled** in six years
  - **5.2%** of Automotive sales
  - **2,000 people**, 9% of employees
  - **22 R&D centers**, including two newly opened at end-2013 (China and Slovakia)
  
- **α-Alphatech opening** in September 2014
  - **€65 million** investment
  - **450 employees**

## FIRST-HALF 2014 HIGHLIGHTS

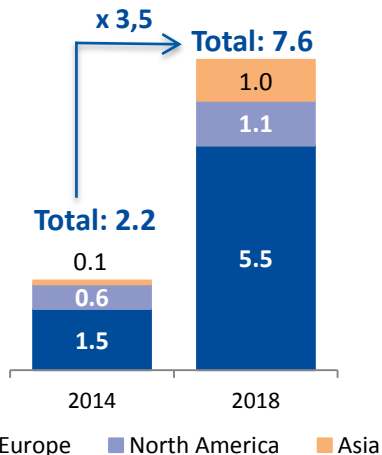


## INNOVATION AS GROWTH DRIVER

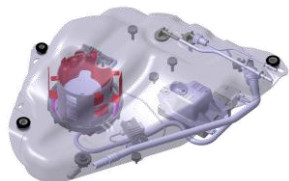
- **New products, new functions**
  - **Aerodynamics** (reduced CO<sub>2</sub> by improved Cx)
  - **Integration** of functions (sensors, electronics, etc.)
  - **Weight reduction** (thermoplastics, carbon fiber, etc.)
  - **Design** (greater freedom in styling, complex shapes, etc.)

## FIRST-HALF 2014 HIGHLIGHTS

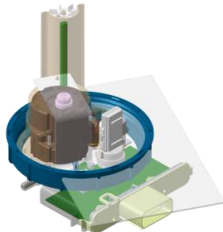
### SCR market (millions of systems)



**DINOx** PREMIUM



**DINOx** COMPACT



## INNOVATION AS GROWTH DRIVER

### • Cleaner diesel (SCR)

- A strong growing market driven by **standards**:
  - Europe: Euro 6.1 (2014) and 6.2 (2017)
  - North America: Lev 3 (2018)
- **Seven customers** on the order book
- **Market share of over 20%** by 2016 (vs. 10% today)
- Development of a **new generation** of SCR (compact SCR) to bring this technology to the mass market

## FIRST-HALF 2014 HIGHLIGHTS

New underground container ranges  
with customizable design

### *Geneva contract*



### *Origami range for paper recycling*



## INNOVATION AS GROWTH DRIVER

- Ongoing **growth in voluntary deposit**
- **Target of #1 position** in Europe reached
- **Sustained innovation for underground containers :**
  - New designed pillars
  - **Optifill** : fill in-measurement system



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## FIRST-HALF 2014 REVENUE

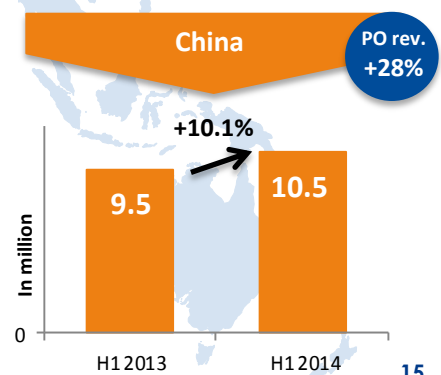
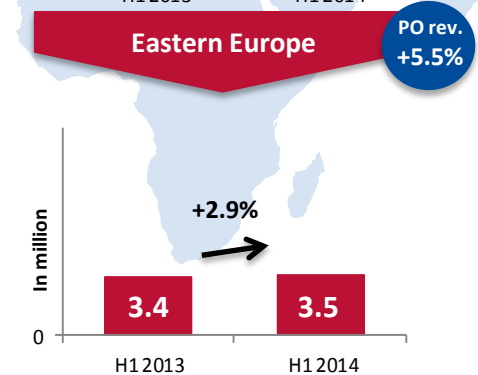
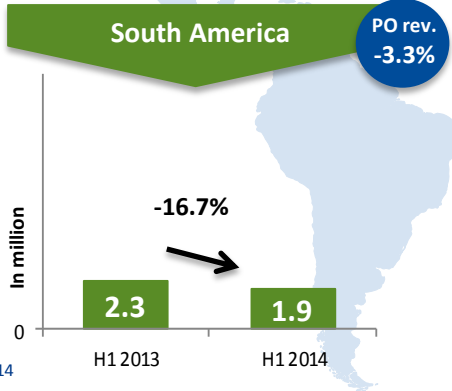
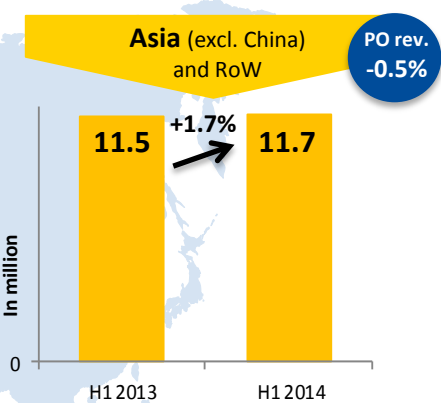
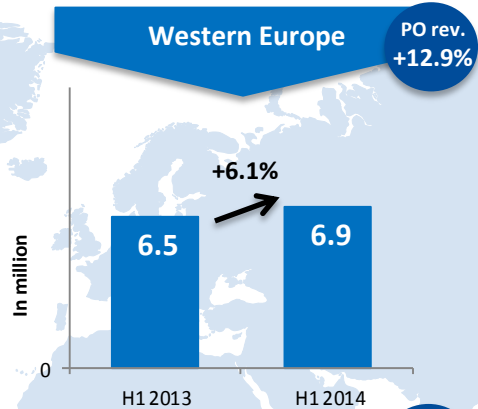
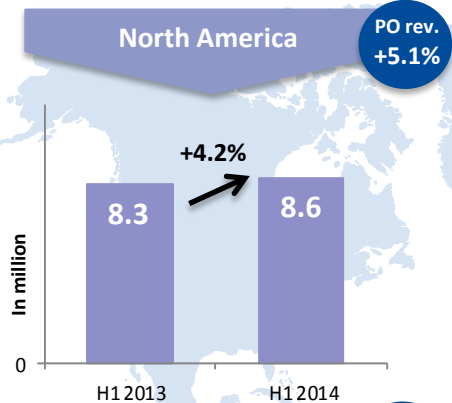
### By business

In €m	06.30.2013	06.30.2014	Change	At constant exchange rates
Automotive division	2,339	2,450	+4.7%	+8.5%
<i>% of revenue</i>	<i>91%</i>	<i>92%</i>		
Environment division	229	216	-5.5%	-5.3%
<i>% of revenue</i>	<i>9%</i>	<i>8%</i>		
<b>Revenue</b>	<b>2,568</b>	<b>2,666</b>	<b>+3.8%</b>	<b>+7.3%</b>

# FURTHER OUTPERFORMANCE

H1 2014 Automobile production: +1.6m (+3.8%), PO Automobile revenue **+8.5%**

H1 2014 : **43.1** million vehicles  
H1 2013 : **41.5** million vehicles



# 44 AUTOMOTIVE PROGRAM LAUNCHES IN H1 2014

## North America 6 launches

Incl:



## Western Europe 14 launches

Incl:



## Eastern Europe 3 launches

Incl:



## Asia 19 launches

Incl:



## South America 2 launches

Incl:

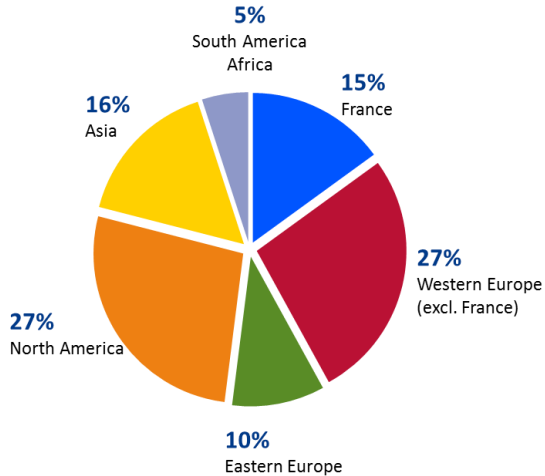




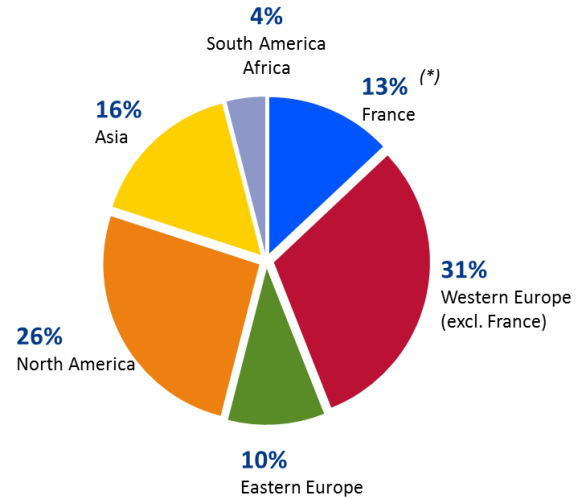
# FIRST-HALF 2014 REVENUE

## By Region

**H1 2013: €2,568 m**



**H1 2014: €2,666 m**

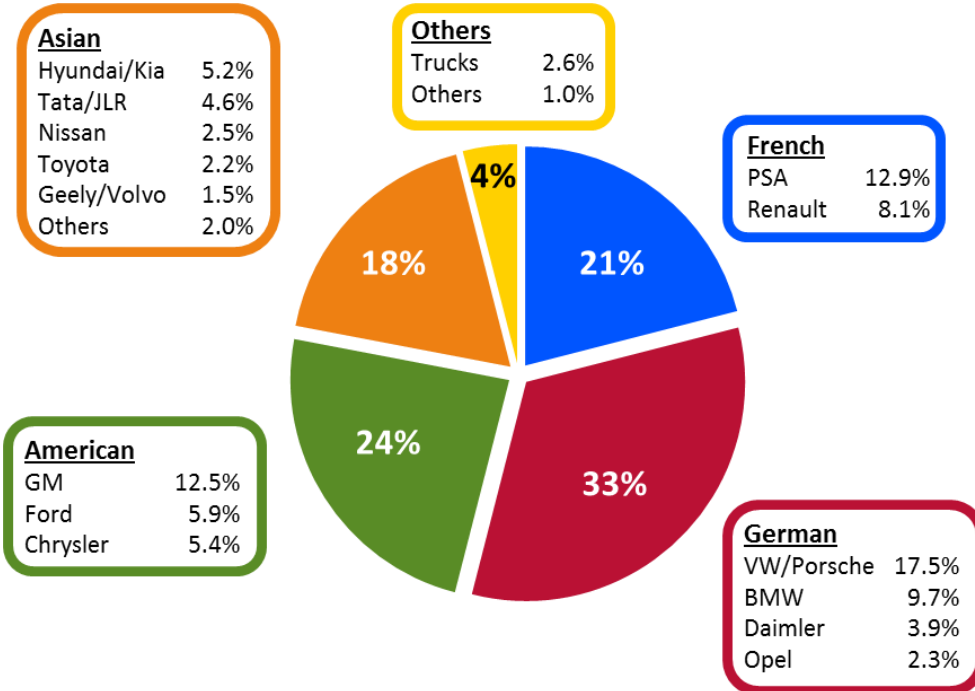


(\*) 10.6% of Automotive revenue

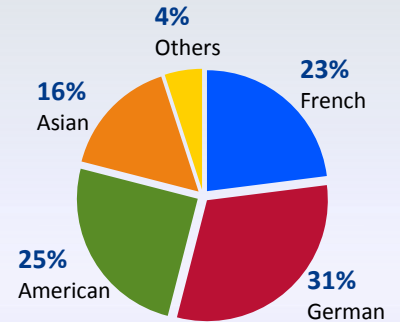
# FIRST-HALF 2014 AUTOMOTIVE REVENUE

## By clients

**H1 2014: €2,449.6m**



## By nationality at 30 June 2013

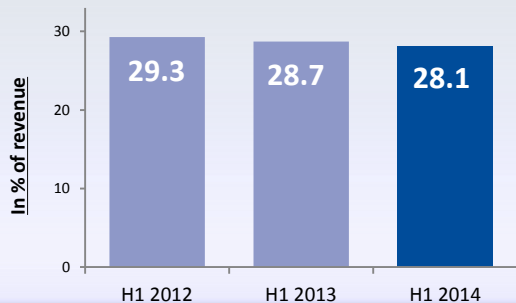


## INCOME STATEMENT

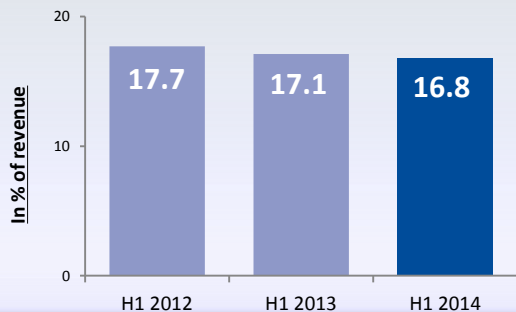
In €m	06.03.2013	06.30.2014	Change
<b>Revenue</b>	2,567.9	2,665.6	<b>+3.8%</b>
Operating margin	190.1	<b>218.7</b>	<b>+15.0%</b>
<i>% of revenue</i>	7.4%	8.2%	
Automotive	183.7	<b>206.2</b>	<b>+12.3%</b>
<i>% of revenue</i>	7.9%	8.4%	
Environment	6.4	<b>12.5</b>	<b>+95.3%</b>
<i>% of revenue</i>	2.8%	5.8%	
<b>EBITDA</b>	293.0	<b>320.4</b>	<b>+9.4%</b>
<i>% of revenue</i>	11.4%	12.0%	
Financial income	-27.4	<b>-31.2</b>	
<i>% of revenue</i>	-1.1%	-1.2%	
Other operating expenses	-23.8	<b>-31.9</b>	
Income tax	-34.6	<b>-38.6</b>	
<b>Net profit</b>	104.3	<b>117.0</b>	<b>+12.2%</b>
<i>% of revenue</i>	4.1%	4.4%	
Net profit, Group share	96.4	<b>108.4</b>	<b>+12.4%</b>
<i>% of revenue</i>	3.8%	4.1%	

## INCOME STATEMENT

### Production and structure costs



### Labor cost

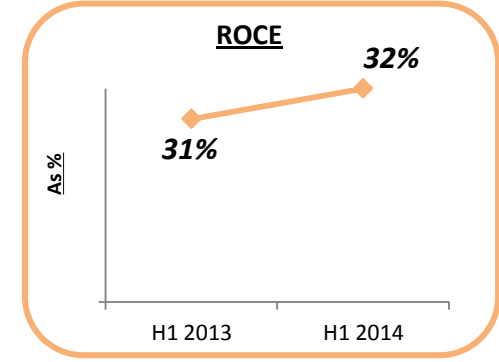
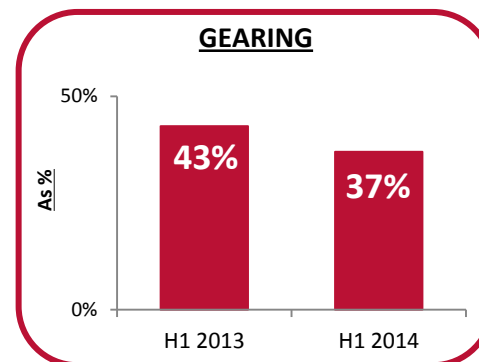
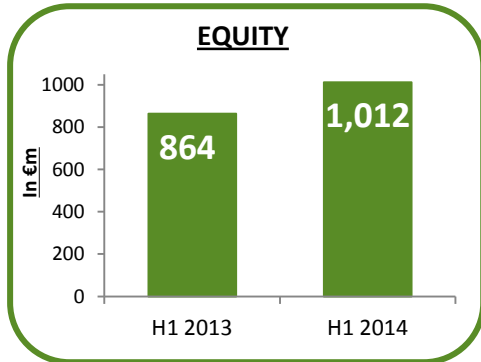
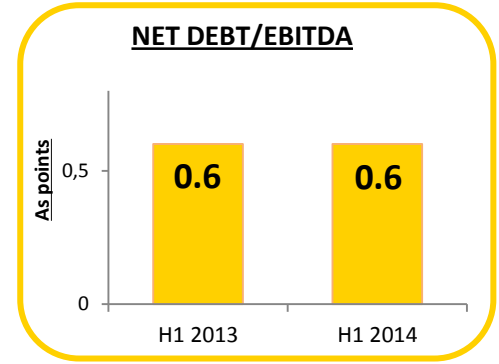
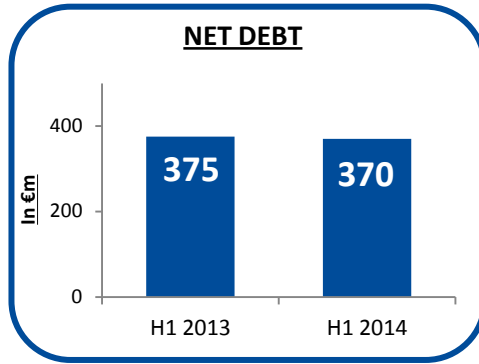
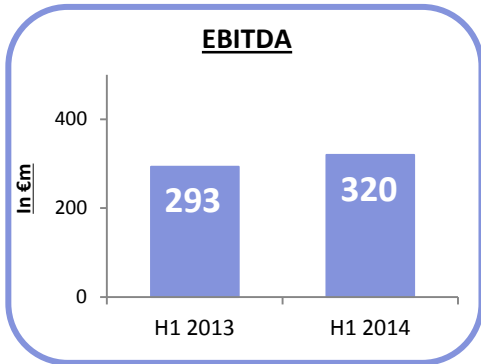


- **Good utilization rate**
- **€17 million restructuring costs** in H1 2014 vs. €23 million in FY2013 and €42 million in FY2012
- Headcount unchanged at **22,000**

## FINANCIAL STRUCTURE

In €m	06.30.2013	12.31.2013	06.30.2014
<b>Debt at the beginning of the period</b>	-390	-390	<b>-355</b>
Funds from operations	+272	+537	<b>+303</b>
Taxes and interest paid	-59	-115	<b>-68</b>
Capital expenditure	-150	-338	<b>-181</b>
Change in working capital requirement	+18	+28	<b>-16</b>
<b>Free cash flow</b>	<b>+81</b>	<b>+112</b>	<b>+38</b>
Dividends/Treasury stock	-48	-57	<b>-52</b>
Change in scope of consolidation, exchange rates and others	-18	-20	<b>-1</b>
<b>Debt at the end of the period</b>	<b>-375</b>	<b>-355</b>	<b>-370</b>

# FINANCIAL STRUCTURE





PLASTIC OMNIUM

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First-Half 2014 highlights

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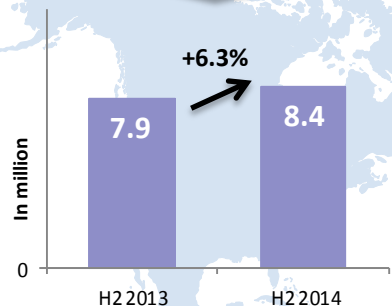
**2014 Outlook**

# FURTHER MARKET IMPROVEMENT

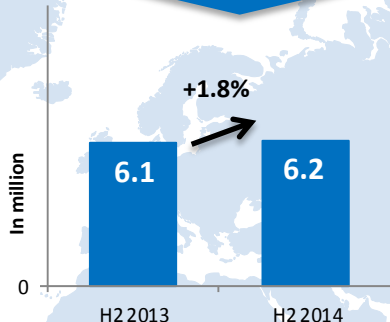
H2 2014 Automobile production: +1.3m (+3.3%)

H2 2014: **42.6** million vehicles  
H2 2013: **41.3** million vehicles

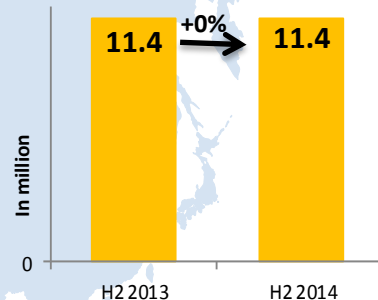
North America



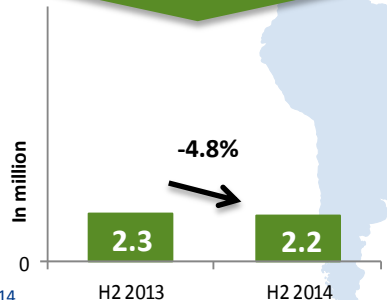
Western Europe



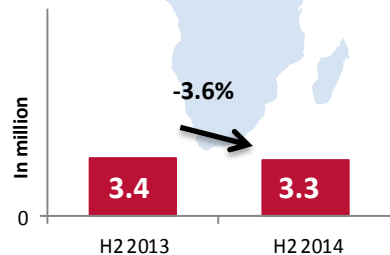
Asia (excl. China) and RoW



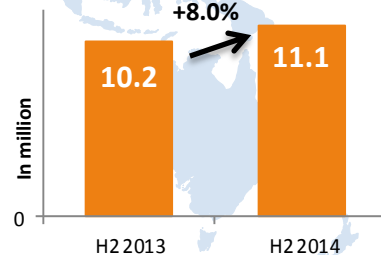
South America



Eastern Europe



China





# 52 AUTOMOTIVE PROGRAM LAUNCHES IN 2014

North America  
5 launches



Eastern Europe  
2 launches



Western Europe  
7 launches



South America  
3 launches



Asia  
35 launches



## CONCLUSION

### 2014 OUTLOOK

- **Growth in all financial aggregates over full-year 2014**
- **Speed up overseas Capex**
- **Strengthen technological leadership**

LEVALLOIS, 24 JULY 2014



PLASTIC OMNIUM

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