



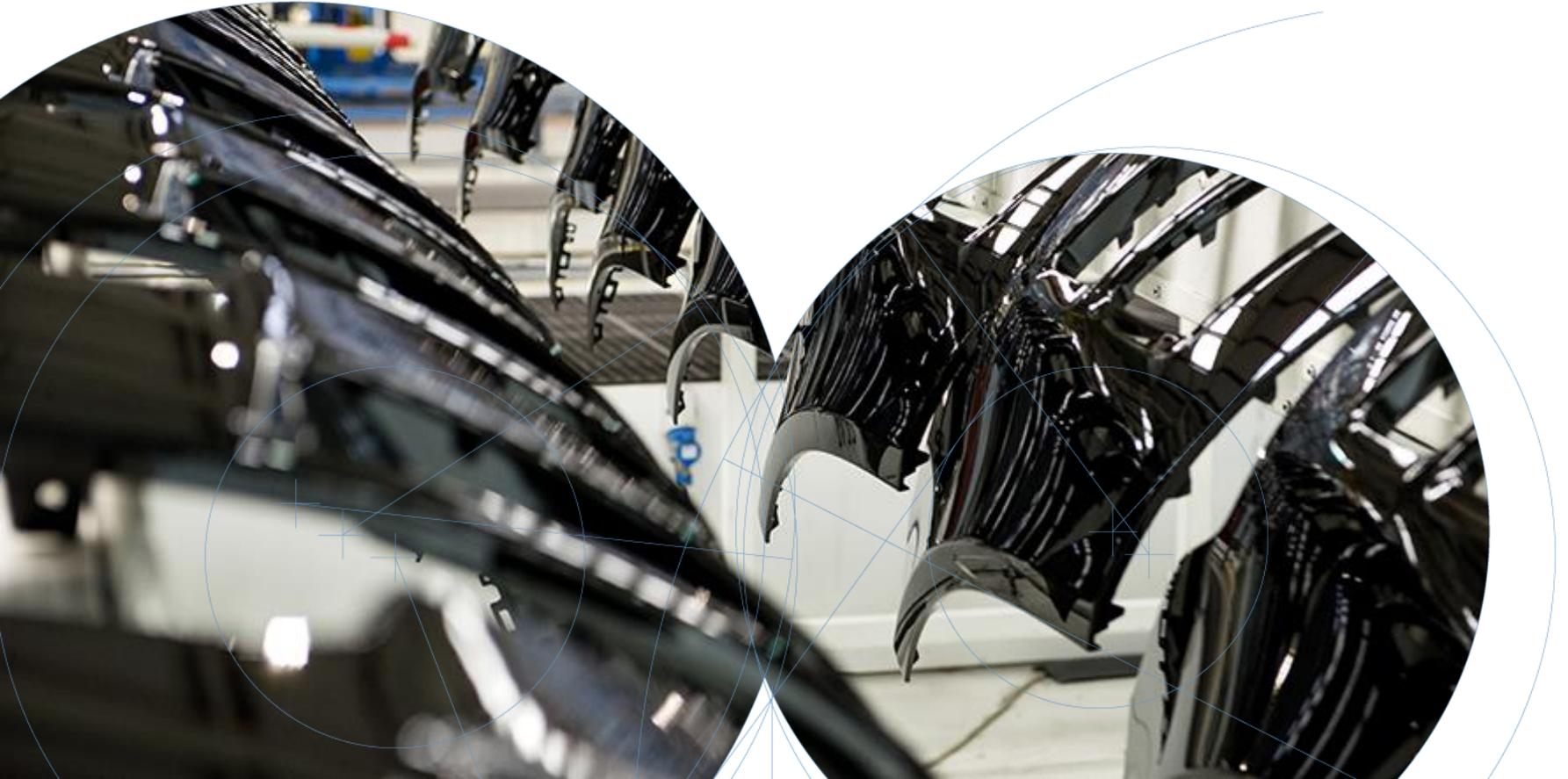
2017 HALF-YEAR RESULTS

LEVALLOIS, JULY 21TH, 2017

- Outperformance of the auto production: **+10pts**
- Double digit increase of all P&L aggregates
 - Rationalization of the acquired exterior business on track
 - Continuous improvement of the industrial performance
 - Portfolio optimization
- Liquidity increase with significant debt reduction and benchmark bond emission
- Reinforcement and diversification of the orderbook

- €2.5 billion self-financed investment program (2017-2021)
- Ambitious 4.0 Industry program
- Additional milestones in the innovation pathway

H1 2017 Highlights



Auto production

H1 2017: **45.8** million of vehicles

H1 2016: **44.6** million of vehicles

+2.8%

Plastic Omnium Auto sales

at constant perimeter and exchange rates

+12.6%

**Outperformance:
+10pts**

Economic sales	:	€4,062m	+28%
Consolidated sales	:	€3,455m	+30%
Operating margin	:	€325m	+22%
		9.4% of sales	
EBITDA	:	€469m	+22%
		13.6% of sales	
Net profit, group share	:	€210m	+35%
Free Cash Flow	:	€101m	+10%
Net debt	:	€622m	- €178m

Already achieved

- **Merge of the 2 organizations completed**
- **Program portfolio restructuring**
- **3 plant closures in the Americas:** (2 USA, 1 Brazil)
- **2 paint line closures in Germany**
- **Headcount reduction: - 800 people as per June 30**
- **Consolidation of the €1bn sales of business acquired: Mercedes Class S and Audi A6 renewals**



- **Rationalization to be continued in H2**
- **€200m investment program (2017-2021)**
- **Industrial turnaround confirmed**

Following European Commission decision

- As part of the takeover of exterior business acquired in July 2016
 - Sale of 7 European sites
(4 in France, 2 in Germany, 1 in Spain)
 - Effective March 31, 2017
- Enterprise value: €200m

Non strategic assets disposal

- Truck composites business with sales of €200m and 1,500 people
 - 9 production sites
(France: 5 ; Germany: 1, Mexico: 1, China: 2)
 - Effective June 30, 2017
- Accretive impact on Group's profitability

2 new plants invested

SOP April 2017



Mexico,
San Luis Potosi
Bumpers



SOP 2018



China,
Chongqing
Fuel systems



1 plant acquired

May 2017
Acquisition of 50% of a JV with a local partner



China,
Changchun
Bumpers



NORTH AMERICA
19 Plants

USA	7
Mexico	11
Canada	1

SOUTH AMERICA
6 Plants

Argentina	3
Brazil	3

EUROPE & AFRICA
60 Plants

Western Europe	43
Eastern Europe	15
Africa	2

ASIA
39 Plants

Of which	
China	26
South Korea	6
India	3
Japan	1

→ 124 plants in 31 countries
→ 74 auto customers (20 Chinese)

As of June 30, 2017

- New clients

LUCID

Exterior parts



Increased penetration with newcomers in EV
3 pure EV customers in total



众泰汽车
ZOTYE AUTO

Exterior parts



Increased penetration with pure Chinese OEMs
20 Chinese customers in total



GAC MOTOR

Fuel systems



Fuel systems



Benefiting from the strong relationship with JLR in the bumper business

- New plants for new contracts



Kenitra (Morocco) :
New contract for PSA's new plant
SOP 2019. Full year sales : €50m



Hlovec (Slovakia):
New contract for JLR's Nitra new plant
SOP 2019. Full year sales : €170m



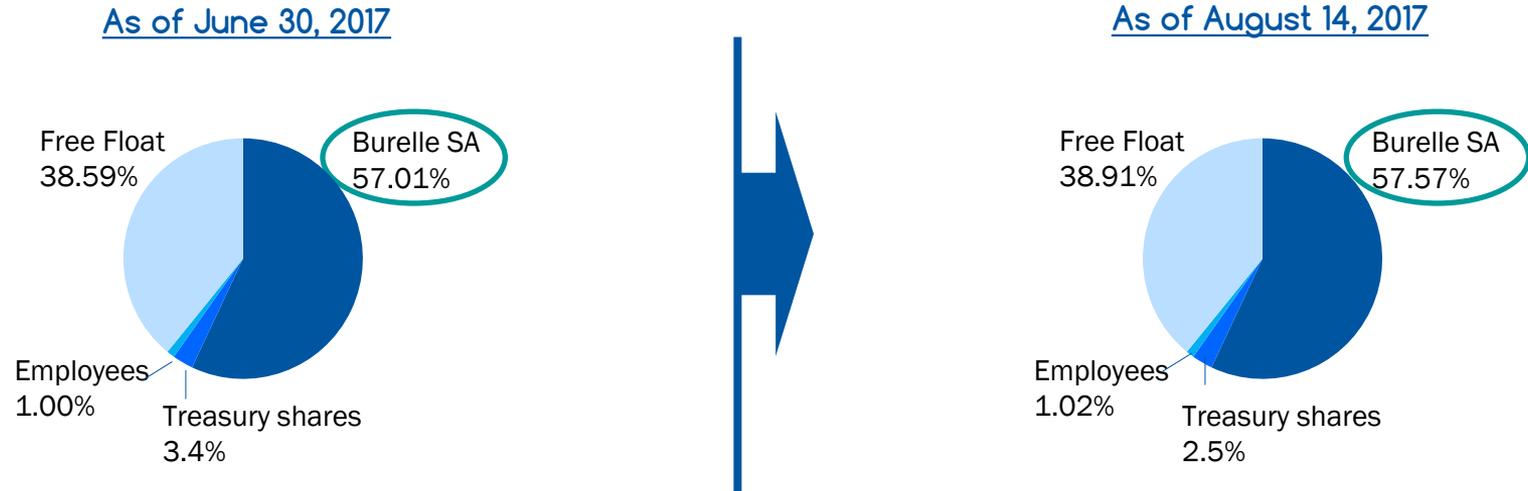
○ New product lines

- Tailgates :
 - 5 additional OEMs in the portfolio : American OEM, SGM, Dongfeng, Lucid, Next EV
 - 14 programs in development, 50% in China
 - 35 programs in production in 2020
- Pressurized tanks for EV (Plug in Hybrid)
 - Another Hyundai PHEV in China
 - 2 programs already in production in Korea and China

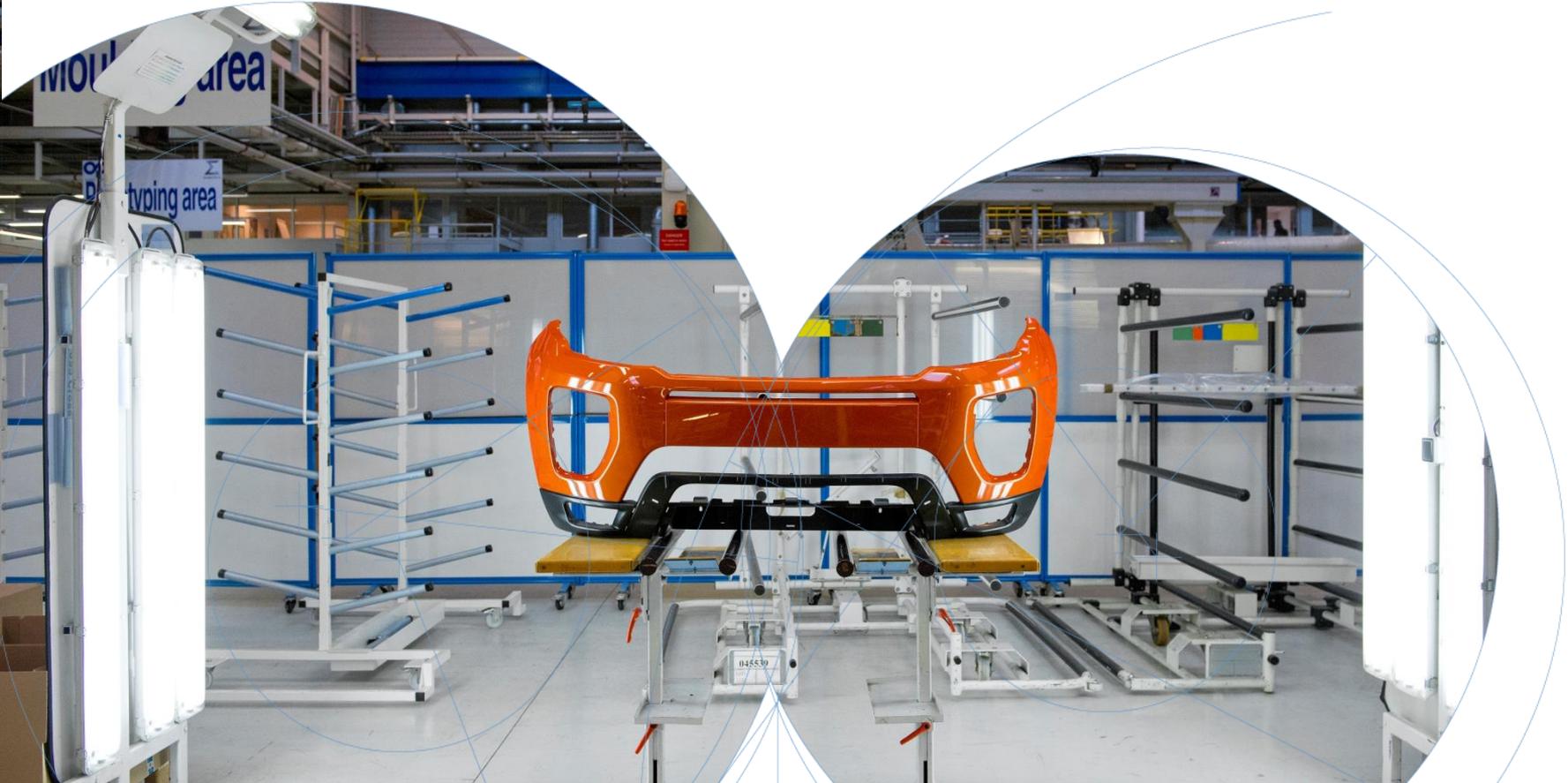
- Plastic Omnium will outperform the SCR market growth
- Market shares gain :
 - 6 OEMs in the portfolio in **2017** 16% worldwide market share
 - 16 OEMs in the portfolio in **2021** 24% worldwide market share
- Est. 2017 ~ €400m in sales, +30% vs 2016
- Est. 2021 ~ €600m in sales

Plastic Omnium capital structure

- H1 2017 Shares Buy-back : 1.38m of shares for €46.5m
- Share capital reduction of €1.5m of shares (1% of share capital) on August 14, 2017



2017 Half-Year Results



H1 2017 sales by business

In €m	H1 2016	% sales	H1 2017	% sales	Δ in %	Δ at constant perimeter & exchange rate
Automotive	2,992.8	94%	3,894.2	96%	+30.1%	+12.6%
Environment	186.7	6%	168.0	4%	-10.0%	+7.4%
Economic sales	3,179.5	100%	4,062.2	100%	+27.8%	+12.3%
Consolidated sales	2,660.0	100%	3,454.9	100%	+29.9%	+11.3%

North/South America

14
launches



Europe

25
launches



Asia

31
launches



H1 2017 performance per region vs auto production

NORTH AMERICA

Auto production	-1.0%
PO sales *	+22.5%
Outperformance	+23.5pt

EUROPE & AFRICA

Auto production	+2.0%
PO sales *	+3.5%
Outperformance	+1.5pt

ASIA (excl. CHINA)

Auto production	+4.2%
PO sales *	+15.8%
Outperformance	+11.6pt

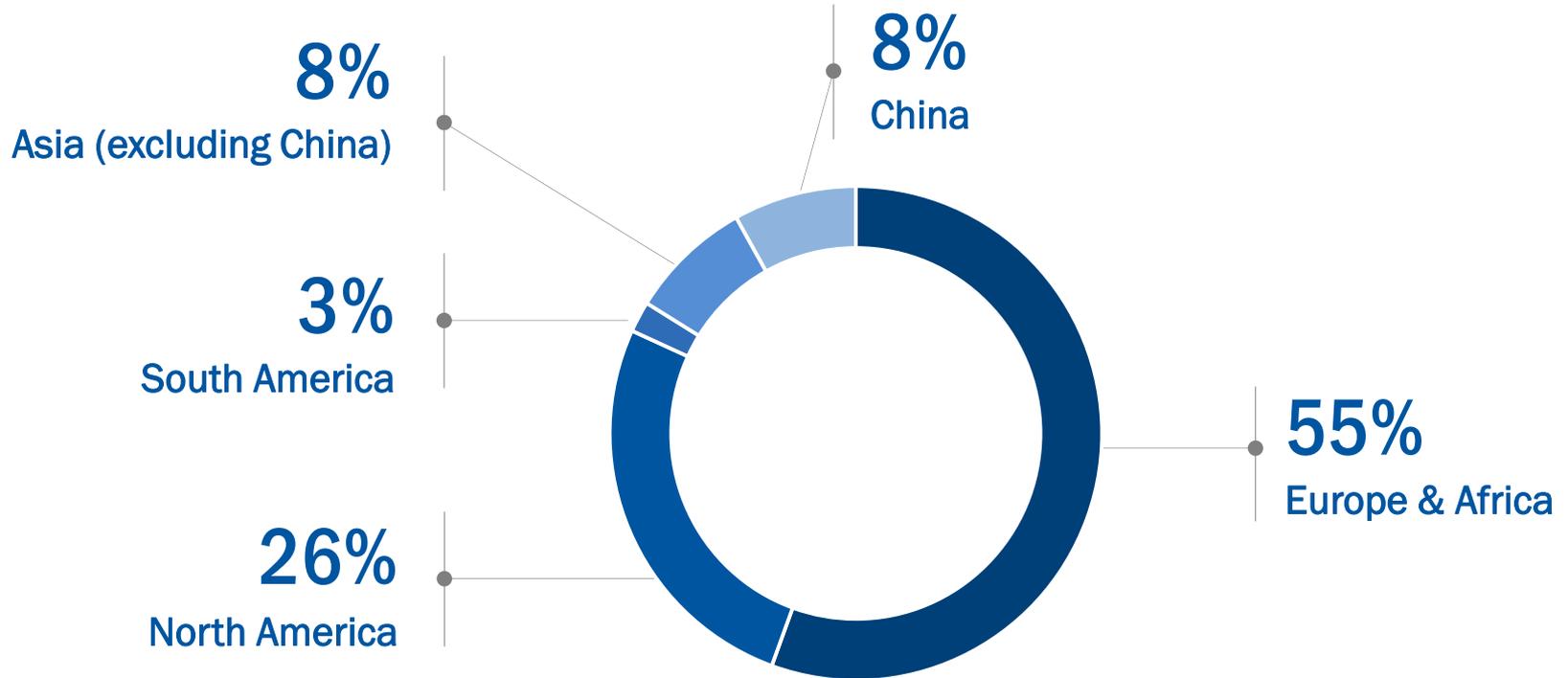
SOUTH AMERICA

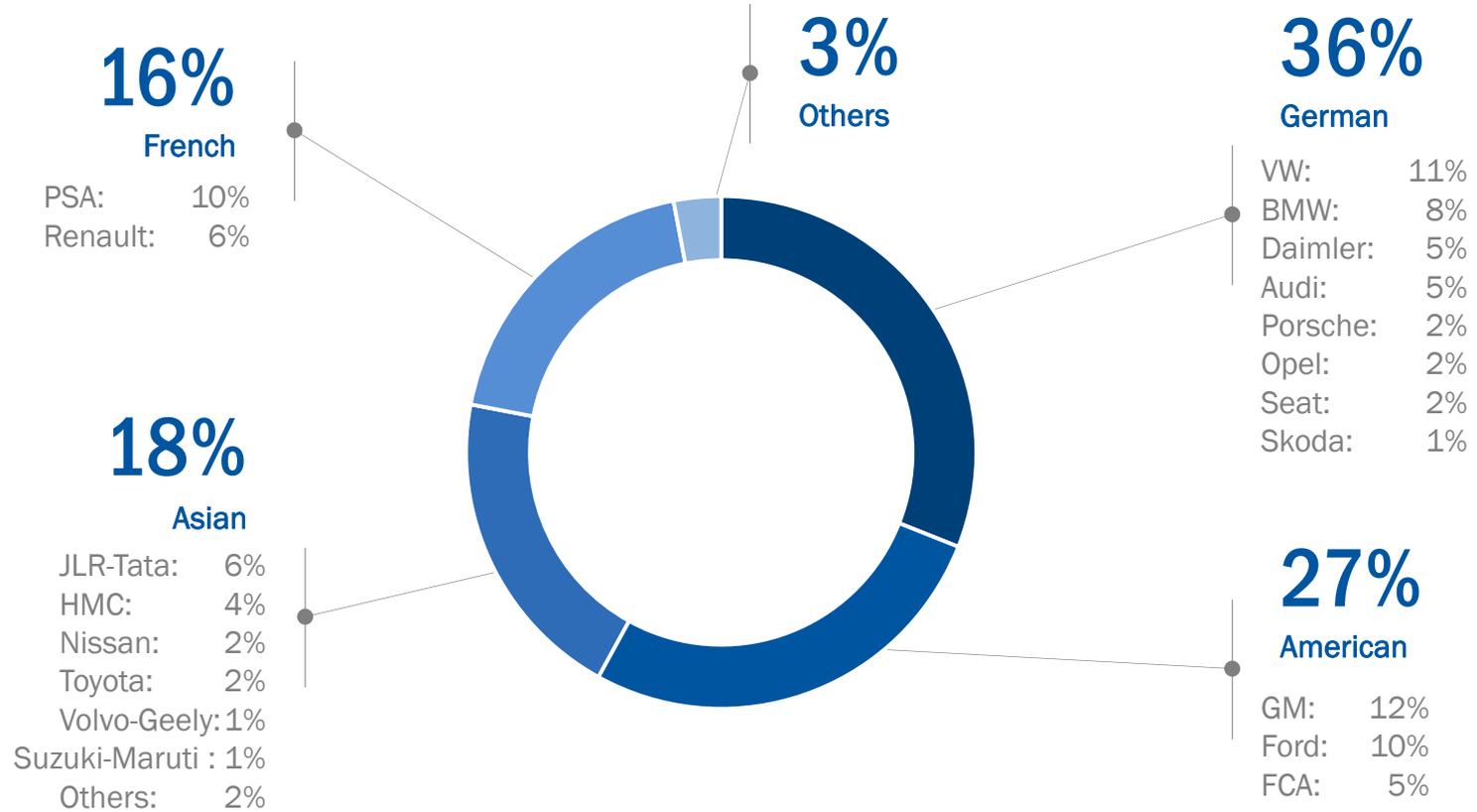
Auto production	+17.6%
PO sales *	+32.6%
Outperformance	+15.0pt

CHINA

Auto production	+3.6%
PO sales *	+26.7%
Outperformance	+23.1pt

* Plastic Omnium economic automotive sales at constant exchange rate

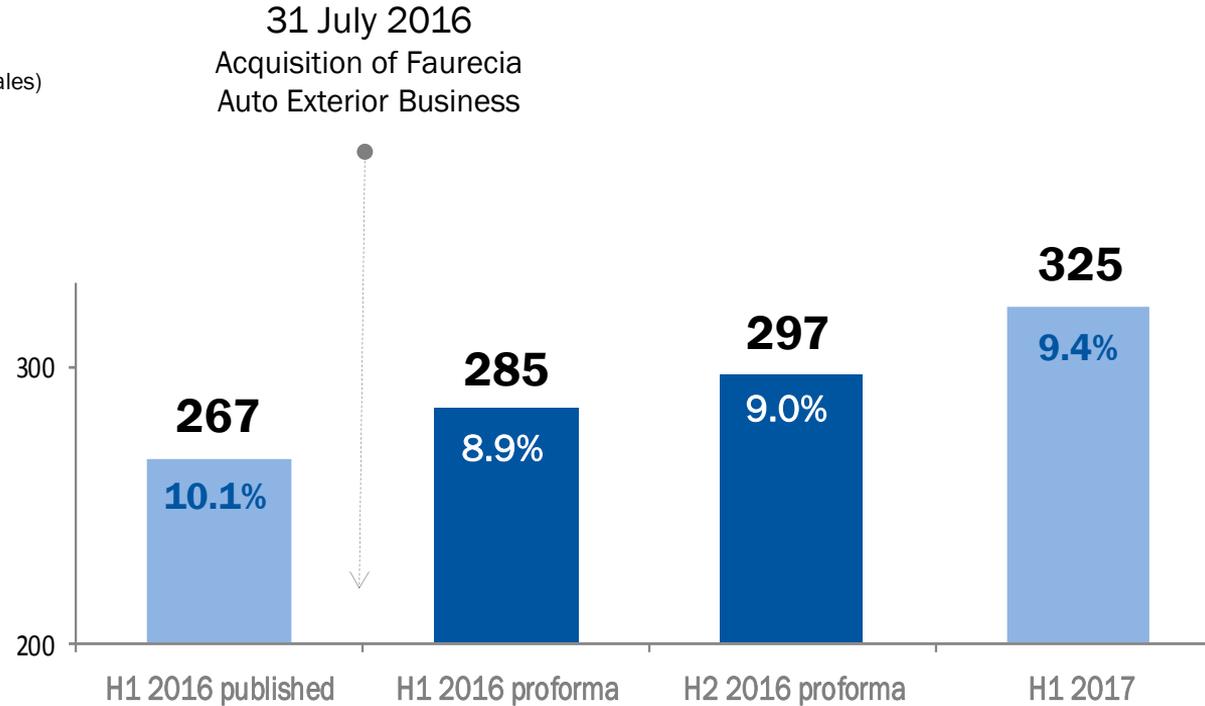




H1 2017 Profitability by division

In €m	H1 2016	% sales	H1 2017	% sales	Δ in %
Consolidated sales	2,660.0	100%	3,454.9	100%	+29.9%
Automotive	2,473.4	93%	3,286.9	95%	+32.9%
Environment	186.7	7%	168.0	5%	-10.0%
EBITDA	383.3	14.4%	468.6	13.6%	+22.2%
Automotive	363.8	14.7%	452.1	13.8%	+24.3%
Environment	19.5	10.5%	16.5	9.8%	-15.4%
Operating Margin	267.4	10.1%	325.0	9.4%	+21.5%
Automotive	255.3	10.3%	314.3	9.6%	+23.1%
Environment	12.1	6.5%	10.6	6.3%	-12.4%

(in €m and % of consolidated sales)



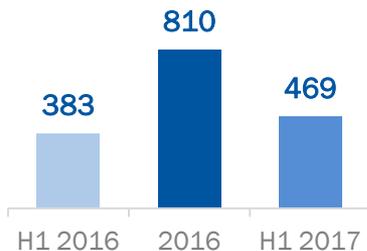
In €m	H1 2016	H1 2017	Δ in %
Consolidated sales	2,660.0	3,454.9	+29.9%
Operating margin	267.4	325.0	+21.5%
<i>In % of sales</i>	10.1%	9.4%	
Other operating expenses	-33.2	-23.5	
Financial expenses	-31.4	-31.8	
<i>In % of sales</i>	-1.2%	-0.9%	
Income Tax	-44.3	-56.6	
Net Result	158.4	213.0	+34.5%
<i>In % of sales</i>	6.0%	6.2%	
Net Result - Group Share	155.3	210.3	+35.4%
<i>In % of sales</i>	5.8%	6.0%	

H1 2017 Cash Flow statement

In €m	H1 2016	H1 2017
Sales	2,660	3,455
Net Debt (beginning of the period)	-268	-800
Net Operating Cash Flow	+347	+415
<i>in % of sales</i>	13.1%	12.0%
Taxes & Net Financial Interest paid	-77	-102
Capex and R&D capitalized	-174	-207
<i>in % of sales</i>	6.5%	6.0%
Change in WCR	-5	-5
Free Cash Flow	+92	+101
M&A	-3	+162
Dividends	-61	-73
Treasury shares	-33	-45
Currency/Other	9	+33
Net Debt (end of the period)	-263	-622

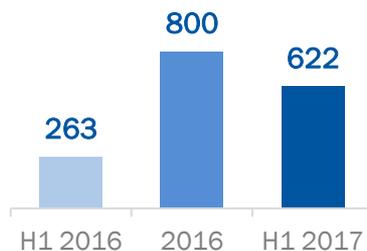
EBITDA

(in m€)

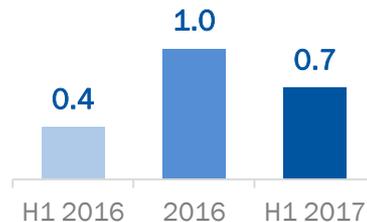


NET DEBT

(in m€)

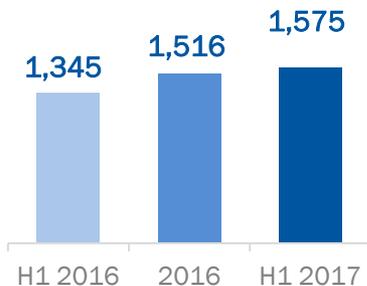


NET DEBT/EBITDA

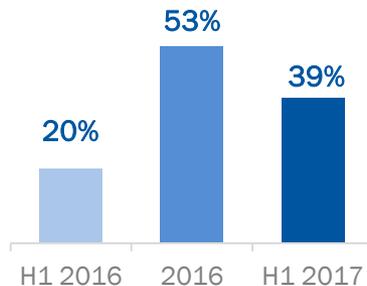


SHAREHOLDER'S EQUITY

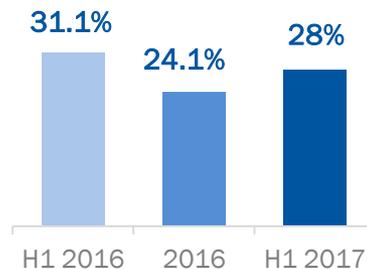
(in m€)



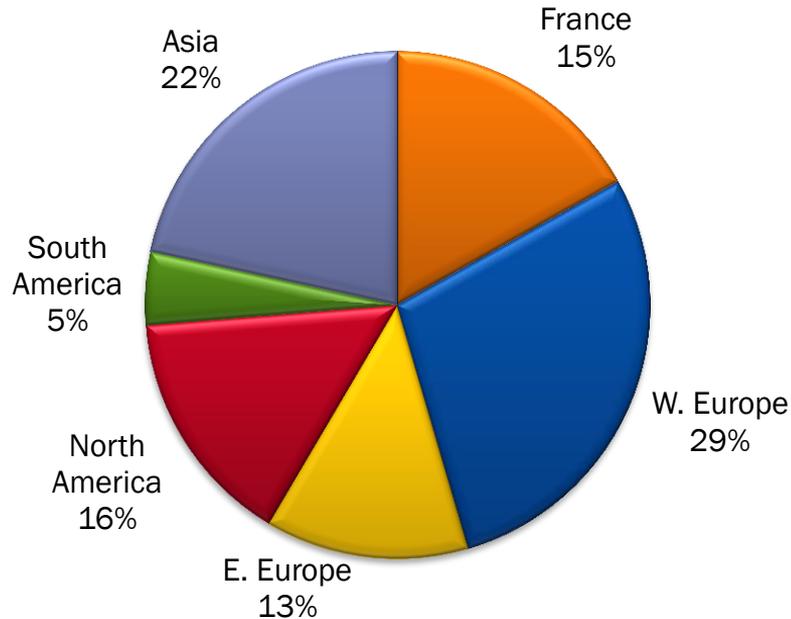
GEARING



ROCE



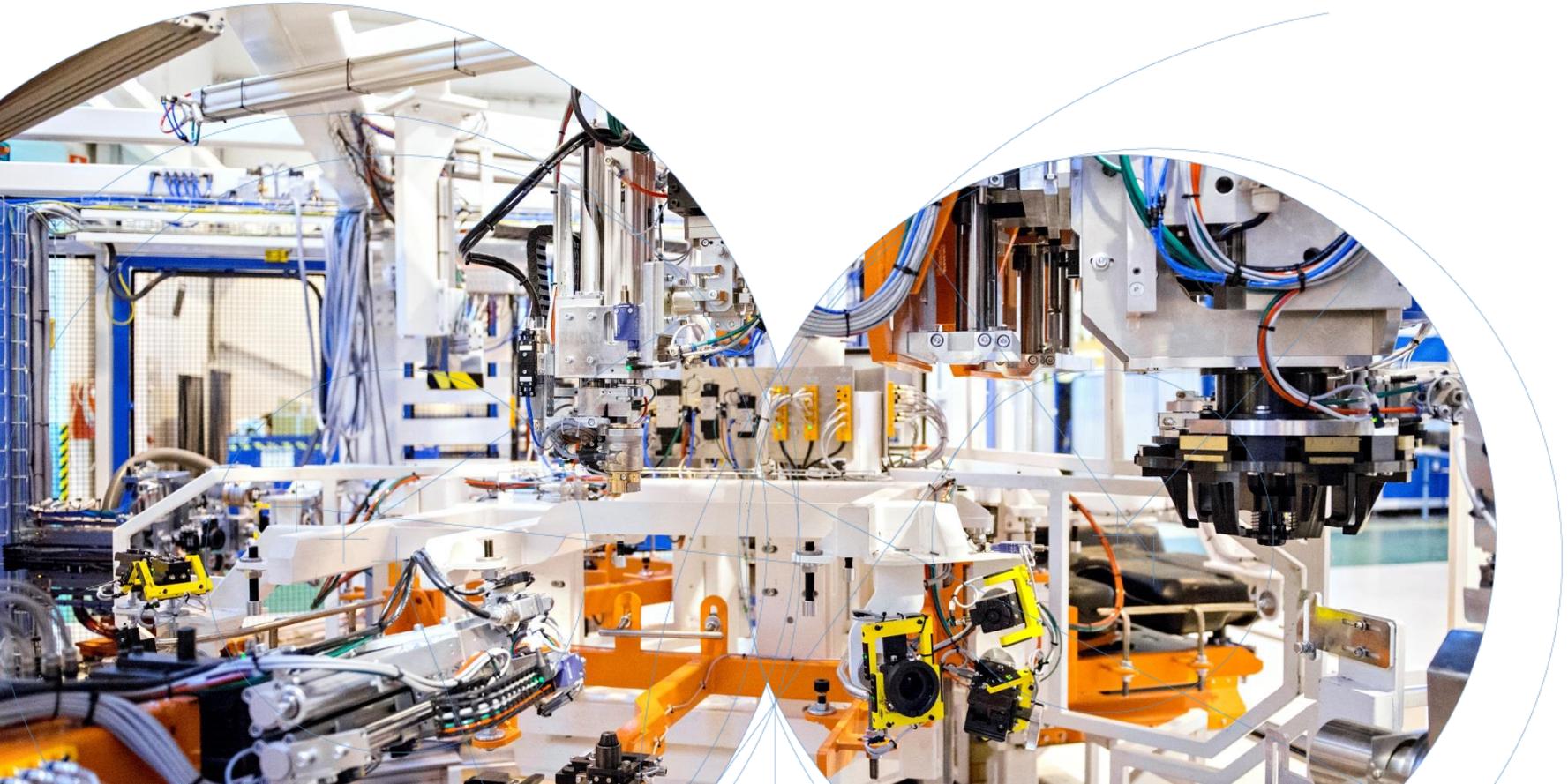
31,900 employees worldwide



- **573 Managers & Engineers recruited in H1 2017**
- **Benchmark Injury Frequency Rate (IFR2) of 2.80**
 - **Divided by 3 in 5 years**
- **Corporate Social Responsibility:**
 - Plastic Omnium part of Top 600 European companies being evaluated by RobecoSAM
 - Materiality matrix under definition to assess stakeholder expectations

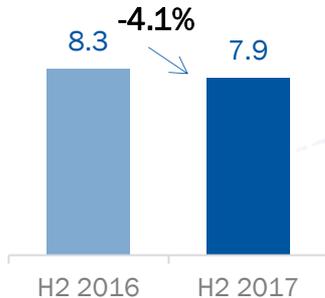
Frequency rate = number of accidents with and without lost-time per 1 million hours worked

Outlook



H2 2017 Auto production: ~ +1% ➡ FY 2017 : +1.5% to +2%

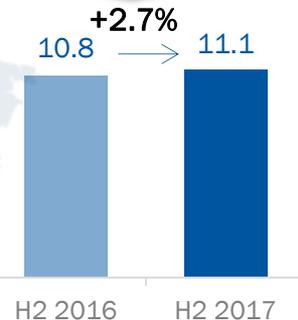
NORTH AMERICA



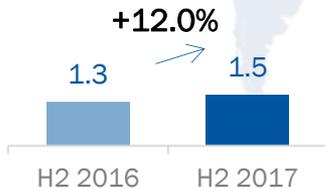
EUROPE & AFRICA



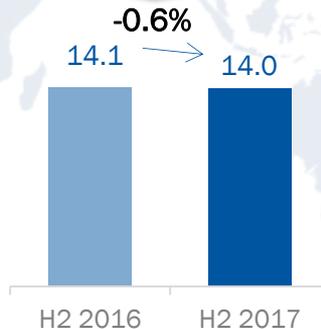
ASIA (excl. CHINA)



SOUTH AMERICA



CHINA



North/South America

11
launches



Europe/Africa

27
launches

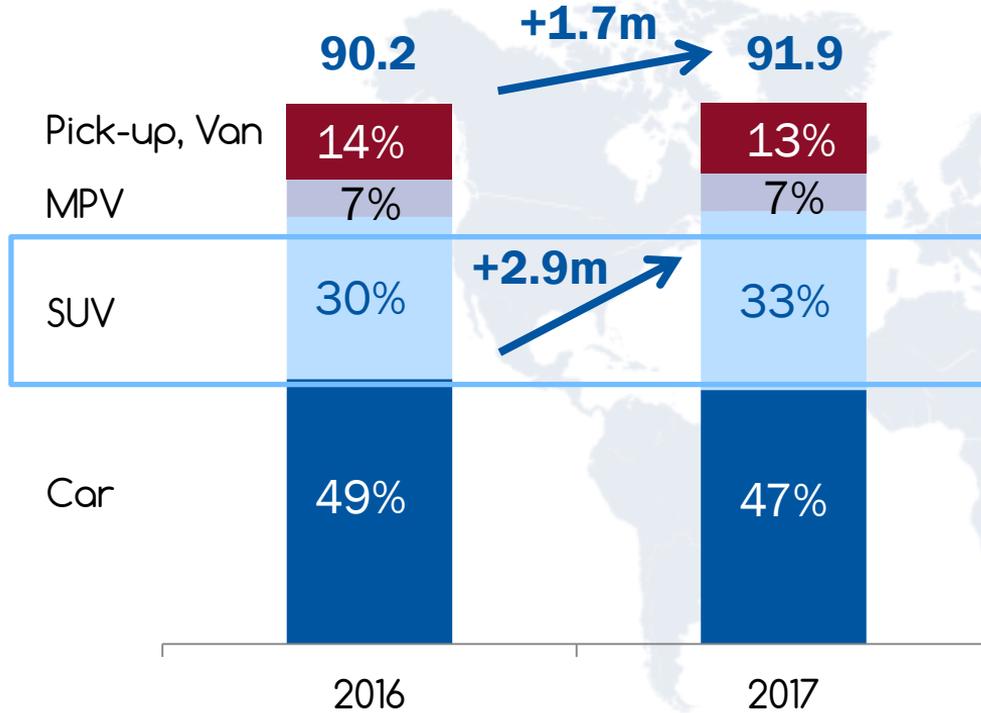


Asia

25
launches



World Automotive production segment mix



PO auto sales

- **40%** exposure to SUV
- Content per car on SUV:
>> compared to Sedan car

6 new plants

2018

2019



USA
Greer

USA
Smyrna

India,
Hansalpur

India,
Pune

Morocco,
Kenitra

Slovakia,
Hlohovec

Bumpers

Fuel systems

Fuel systems

Bumpers

Bumpers

Bumpers



1st 4.0 plant

	 Decrease Production costs	 Maximize use of our Capex	 Answer growing complexity
Challenges	<ul style="list-style-type: none">• Reduce CNQ & Scraps• Reduce inventories<ul style="list-style-type: none">• Energy saving• Manpower optimization	<ul style="list-style-type: none">• Increase OEE• Maximize paint capacity	<ul style="list-style-type: none">• Mass customization more variants & models<ul style="list-style-type: none">• New products
Solutions 4.0	<ul style="list-style-type: none">• Predictive quality• Traceability RFID• Big data analytics<ul style="list-style-type: none">• Robotics	<ul style="list-style-type: none">• Predictive maintenance<ul style="list-style-type: none">• Health monitoring• Robotics	<ul style="list-style-type: none">• Advanced Planning & Scheduling (APS)• Traceability RFID
	Increase MOP	Improve ROCE	Match customers needs

R&D at Plastic Omnium :

- 3,500 Engineers
 - 23 R&D Centers
 - 4,000 patents
 - 6% of sales spent yearly
- 141 filed in 2016
€500m in 2017
- €50m investment in Δ -Deltatech (2019),
R&D center on new energies





2017

- ▶ Outperformance of the auto production
- ▶ **Sales \geq €8 Bn**
- ▶ Strong increase in financial results
- ▶ Further improvement of the financial structure

2017 - 2021

- €2.5 Bn investment program to reach **Sales > €10 Bn by 2021**
- Profitability improvement
- Significant free cash flow generation

- 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.

