



# 2018 RESULTS

LEVALLOIS, FEBRUARY 14<sup>TH</sup>, 2019

AUTOMOTIVE  
LONG TERM  
TRANSFORMATION

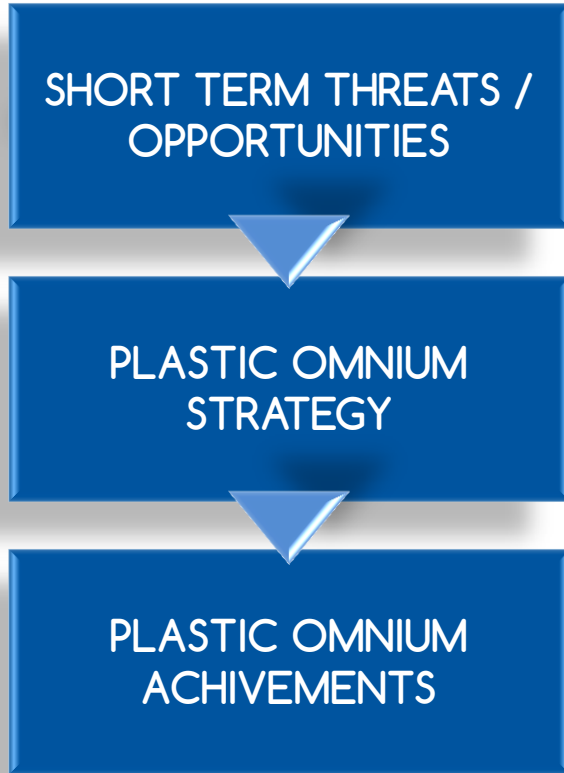
PLASTIC OMNIUM  
STRATEGY

2018 MILESTONES



Connected  
Autonomous  
Shared  
Electric

- Independent family group
  - Automotive pure player with leadership positions
  - Innovation focused
- 
- Family control from 57.57% to 58.51%
  - Disposal of the Environment division & HBPO takeover
  - Technological alliances & creation of PO New Energies



- Volatility and uncertainties
- 1<sup>st</sup> decrease in the automotive production since 2009
- Opportunities for potential strategic & technological investments
  
- Flat market assumption
- Anticipation rather than adaptation
- Industrial excellence
  
- Global industrial footprint: investments at 6% of sales for 2019/2020/2021
- Cost reduction programme implemented in Q4 2018
- On-going 4.0 deployment

## GROWTH & OUTPERFORMANCE

- €8.2Bn of economic sales (€9Bn proforma): +7.6%
- Outperformance of the auto production: +3.4pts
- Growth in each geographical area

## SOLID P&L AND BALANCE SHEET

- Operating margin: €610m, 8.4% of sales
- Net result - Group share: €533m, +25%
- Free cash-flow: €218m, +24%
- Net debt = 0.8x EBITDA



## FREEDOM FOR STRATEGY

# 2018 Highlights



## Takeover

**HBPO**  
world leader  
in front-end modules

- Increase in stake from 1/3 to 2/3
- €350m enterprise value for 1/3
- 2018: €2Bn of sales; 2021: €3Bn
- 6 million of front-end modules assembled in 25 sites



## Disposal

**ENVIRONMENT  
DIVISION**

- Closing on December 18, 2018
- €220m enterprise value



## PLASTIC OMNIUM INDUSTRIES

Intelligent Exterior  
Systems



Clean Energy  
Systems



Production activities  
99 plants - 22 countries

Capital intensive

## PLASTIC OMNIUM MODULES

**HBPO**  
THE MODULE COMPANY



Assembly activities  
25 sites - 11 countries

High ROCE

# A new organization to serve our customers

+ 4 new customers in 2018



+1 customer  
in North America



+3 customers  
in Asia



GENESIS



Zhonghua

A total of 83 customers worldwide



# A global industrial footprint: 124 plants in 26 countries



+4 plants  
in North America



San Luis Potosi



Greer



Aguascalientes



Smyrna

2017

2018



+4 plants  
in Asia



Changchun



Chongqing



Hansalpur



Shenyang

Benefiting from the ramp-up of 8 plants started in 2017/2018



MAINTENANCE

from reaction  
to  
**Prediction**



- Maintenance cost ↓
- ↓ of downtimes



QUALITY

from basic analysis  
to  
**Big Data**



- Paint scrap ↓
- 100% right first time



AUTOMATIZATION

from man operation  
to  
**Digital Industry**



- Operators ↓
- Optimized inventory ↓

Total investment of €200m  
Full deployment by 2022



capital employed ↓  
margin ↗

## TAILGATES & SPOILERS



### Produced in 2018

71 programs  
13 customers  
3.6m tailgates & spoilers produced in 2018

### Awarded in 2018

30 new contracts  
4 new customers  
o.w 2 new EV customers

## SCR SYSTEMS



35 programs  
14 in Europe, 17 in North America & 4 in Asia  
10 customers  
1.4m SCR produced in 2018

7 new contracts  
1 new customer

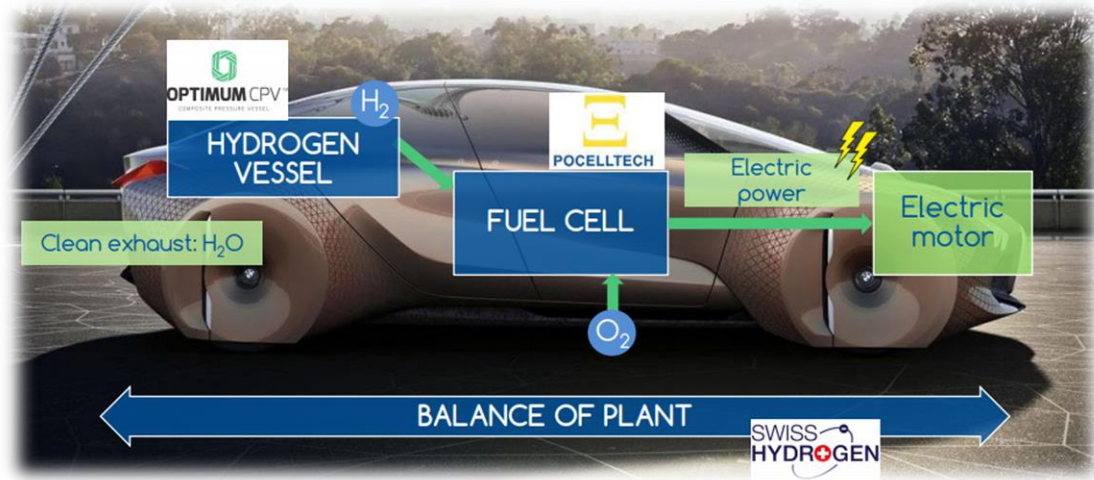
## PLUG-IN HYBRID



4 programs in Asia  
2 customers  
40k PHEV produced in 2018

8 new contracts  
in Europe, North America & China  
4 new customers

A dedicated team & investment program for New Energies:  
Plastic Omnium New Energies created in January 2018



**€200 M**  
2018 - 2022 PROGRAM



Innovative co-development project to develop an all-new side door system



Innovative co-development project on integrated solutions, combining exterior body parts and lighting





RESPONSIBLE  
ENTREPRENEURSHIP

**Ethics:**  
Tolerance Zero



ATTENTION TO  
EMPLOYEES

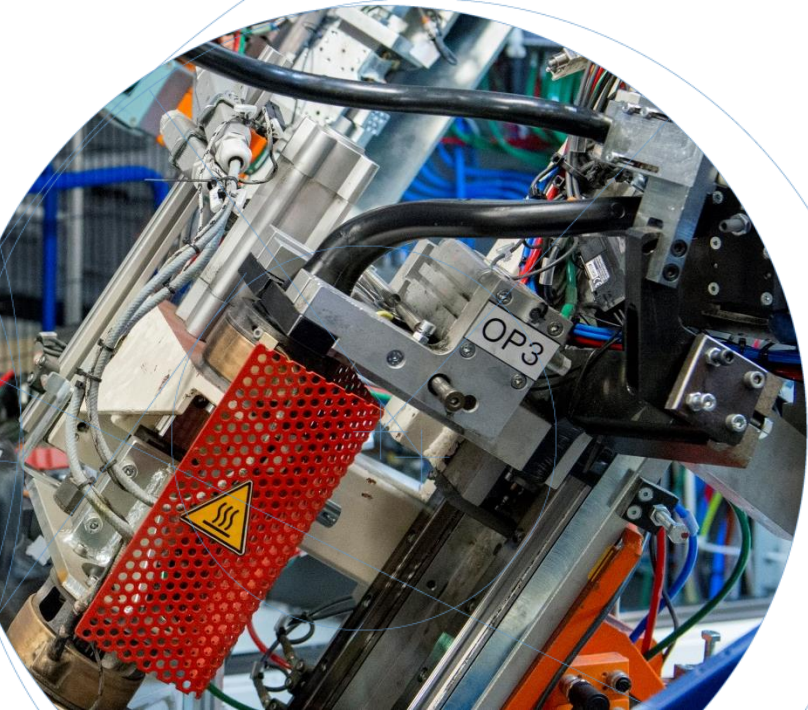
**Gender and compensation equality:**  
increase of executive women  
from 12% to 20% by 2025



SUSTAINABLE  
PRODUCTION

**CO<sub>2</sub> emissions:**  
reduction by 20% by 2025

# 2018 Annual Results



## Auto production

2018: **91.3** million of vehicles

2017: **92.3** million of vehicles

-1.0%

## Plastic Omnium sales

at constant perimeter and exchange rate

+2.4%

Outperformance:  
**+3.4pts**





# 2018 sales by business

In €m	2017	2018	$\Delta$ in %	$\Delta$ at constant perimeter & exchange rate
PO Industries	6,924.9	6,833.6	-1.3%	+2.8%
PO Modules	740.3	1,410.3	+90.5%	+0.5%
<b>Economic sales</b>	<b>7,665.1</b>	<b>8,243.9*</b>	<b>+7.6%</b>	<b>+2.4%</b>
PO Industries	6,433.0	6,287.8	-2.3%	+2.0%
PO Modules	0.0	956.9	na	na
<b>Consolidated sales</b>	<b>6,433.0</b>	<b>7,244.6</b>	<b>+12.6%</b>	<b>+1.6%</b>

# Outperformance per region

NORTH AMERICA	
Outperformance <b>+1.8pt</b>	
Auto production	-0.7%
PO sales	+1.1%

EUROPE	
Outperformance <b>+3.5pt</b>	
Auto production	-1.8%
PO sales	+1.7%

CHINA	
Outperformance <b>+14.3pt</b>	
Auto production	-3.5%
PO sales	+10.8%

SOUTH AMERICA	
Outperformance <b>-0.6pt</b>	
Auto production	+2.7%
PO sales	+2.1%

ASIA (excl. CHINA)	
Outperformance <b>+0.7pt</b>	
Auto production	+2.1%
PO sales	+2.8%

Plastic Omnium economic sales at constant perimeter and exchange rate

## Americas

27  
launches

o/w.



## Europe

65  
launches

o/w.

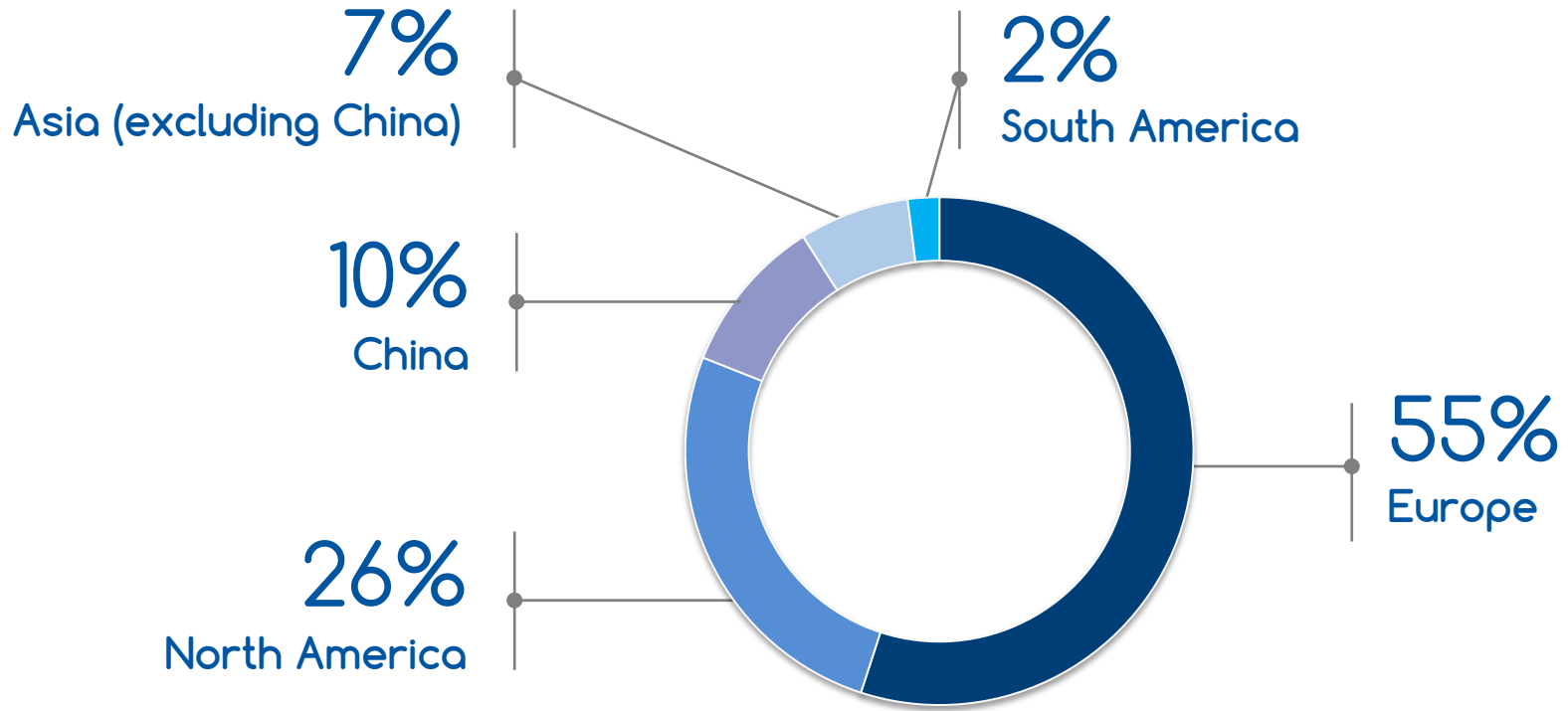


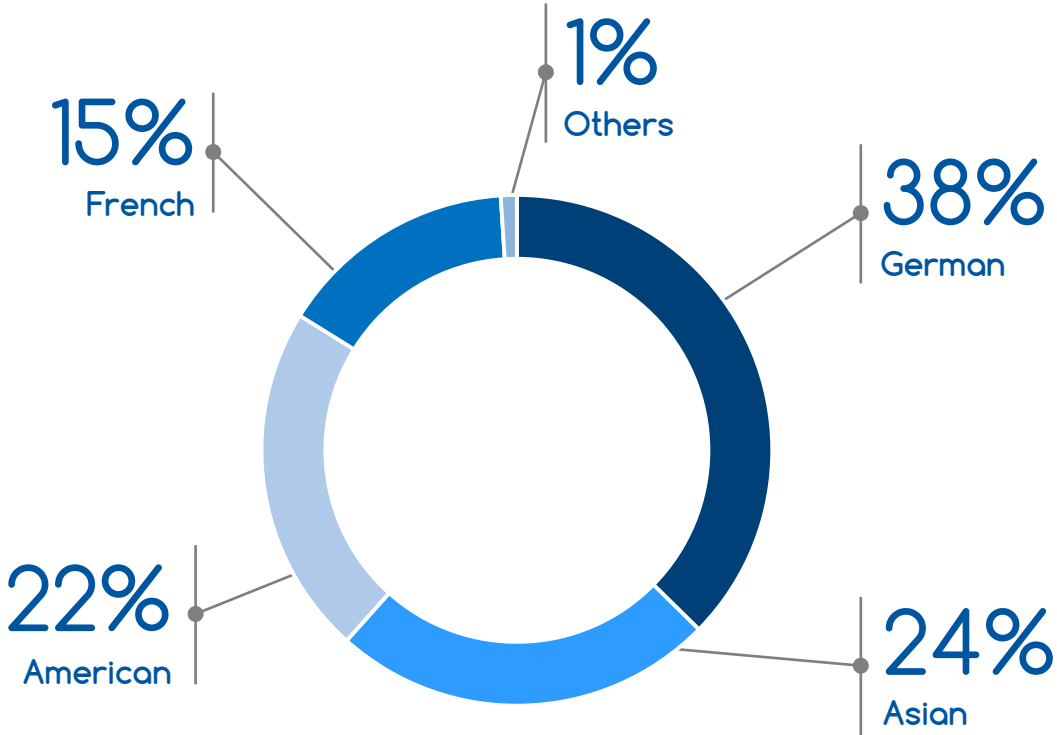
## Asia

86  
launches

o/w.







## TOP 10 CUSTOMERS

1	PSA	10.0%
2	GM	9.1%
3	Volkswagen	8.3%
4	Ford	8.3%
5	Audi	7.8%
6	BMW	7.1%
7	Daimler	7.0%
8	Jaguar Land Rover	5.8%
9	Chrysler	5.0%
10	Renault	5.0%

# Sharp disparity between H1 and H2

Plastic Omnium revenue (in €m)	H1 2017	H1 2018	Change LFL	Automotive production	Surperformance vs auto prod
Total	3,894.3	3,820.9	+4.8%	+2.3%	+2.5%
o.w China	337.8	362.8	+13.7%	+4.5%	+9.2%
o.w Germany	644.7	656.6	+3.5%	-1.9%	+5.4%

Plastic Omnium revenue (in €m)	H2 2017	H2 2018	Change LFL	Automotive production	Surperformance vs auto prod
Total	3,771.0	4,423.1	+0.3%	-4.3%	+4.6%
o.w China	383.0	430.7	+8.5%	-10.4%	+18.9%
o.w Germany	668.0	782.3	-12.6%	-15.1%	+2.5%

Acceleration of the outperformance

# 2018 Profitability by business

In €m	2017	% sales	2018	% sales	Δ in %
<b>Consolidated sales</b>	6,433.0	100%	7,244.6	100%	+12.6%
PO Industries	6,433.0	100%	6,287.8	87%	-2.3%
PO Modules	0.0	0%	956.9	13%	na
<b>EBITDA</b>	892.5	13.9%	918.2	12.7%	+2.9%
PO Industries	877.4	13.6%	864.8	13.8%	-1.4%
PO Modules	15.1	na	53.4	5.6%	na
<b>Operating Result</b>	614.7	9.6%	610.1	8.4%	-0.8%
PO Industries	599.7	9.3%	577.6	9.2%	-3.7%
PO Modules	15.1	na	32.5	3.4%	na

# 2018 Profit & Loss account

In €m	2017	2018	Δ in %
<b>Consolidated sales</b>	6,433.0	7,244.6	+12.6%
<b>Operating margin</b>	614.7	610.1	-0.8%
<i>In % of sales</i>	9.6%	8.4%	
Other operating expenses	-57.3	+114.4	
Financial expenses	-65.7	-70.2	
Income Tax	-81.3	-113.0	
<i>Effective tax rate</i>	-18.9%	-18.8%	
<b>Net Result</b>	430.5	542.8	+26.1%
<i>In % of sales</i>	6.7%	7.5%	
<b>Net Result - Group Share</b>	425.2	533.3	+25.4%
<i>In % of sales</i>	6.6%	7.4%	



2018 proforma figures i.e. taking into account HBPO fully consolidated as of January 1<sup>st</sup>, 2018

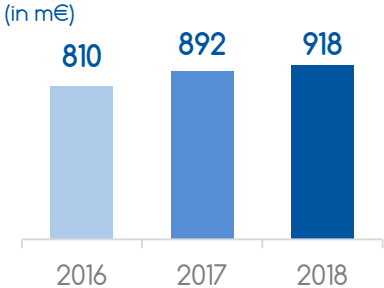
In €m	2018 Proforma
Economic Sales	8,955.7
Consolidated Sales	8,259.5
Operating Result <i>In % of consolidated sales</i>	628.1 7.6%
Net Result Group share	537.5
EBITDA <i>In % of consolidated sales</i>	953.3 11.5%

# 2018 Cash-flow statement

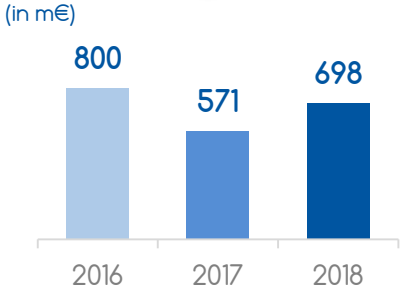
In €m	2017	2018
Sales	6,433	7,245
Net Debt (beginning of the period)	-811	-571
Net Operating Cash Flow	+823	+797
<i>in % of sales</i>	<i>12.8%</i>	<i>11.0%</i>
Taxes & Net Financial Interest paid	-165	-149
<b>Capex and development</b>	<b>-447</b>	<b>-562</b>
<i>in % of sales</i>	<i>7.0%</i>	<i>7.8%</i>
Change in WCR	-34	+132
<b>Free Cash Flow</b>	<b>+176</b>	<b>+218</b>
<i>in % of sales</i>	<i>2.7%</i>	<i>3.0%</i>
M&A	+146	-166
Dividends	-73	-101
Treasury shares	-42	-71
Currency/Other	+32	-7
<b>Net Debt (end of the period)</b>	<b>-571</b>	<b>-698</b>

# 2018 Key financial metrics

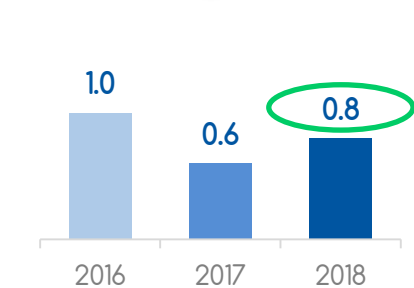
## EBITDA



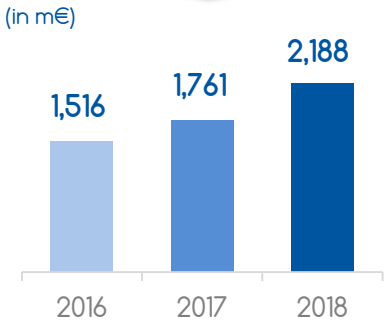
## NET DEBT



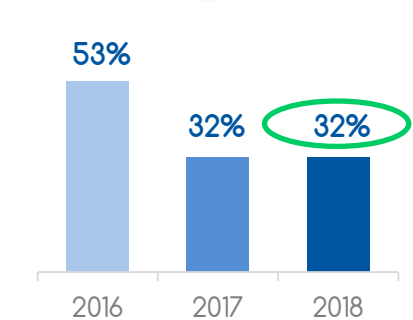
## NET DEBT/EBITDA



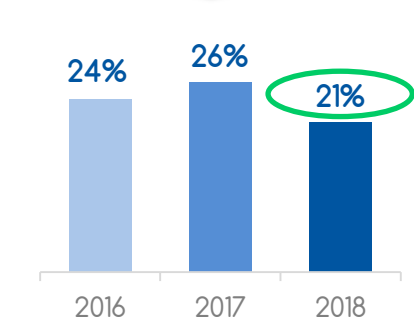
## SHAREHOLDER'S EQUITY



## GEARING

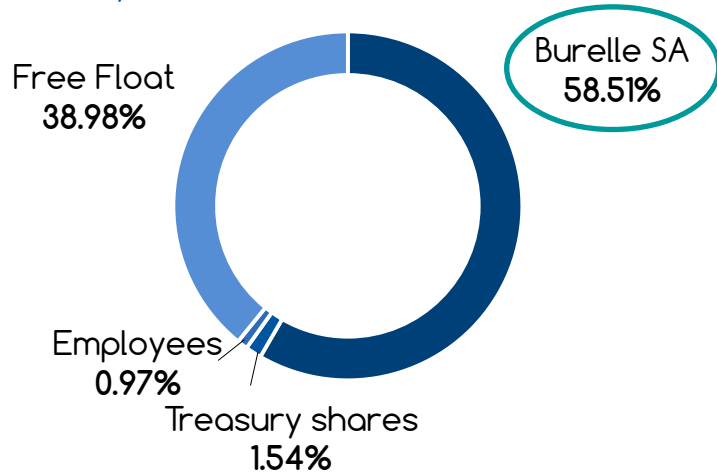


## ROCE



## FAMILY CONTROL REINFORCEMENT

Plastic Omnium capital structure  
as of December 31<sup>st</sup>, 2018



- Shares Buy-back : 2.11 million of shares for €78.8m
- Burelle SA's stake from 57.57% to 58.51%

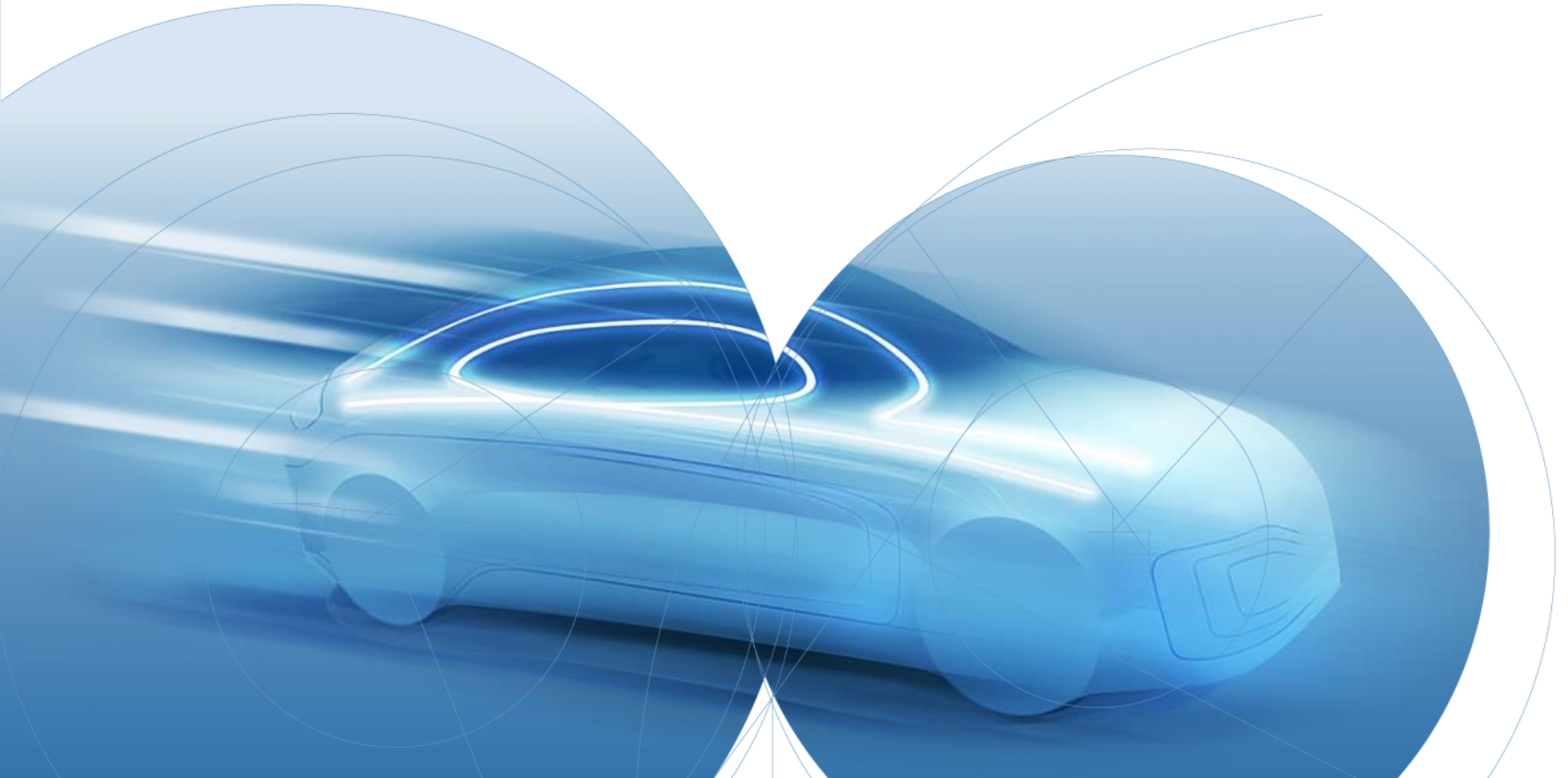
## BENCHMARK PRIVATE PLACEMENT

- €300m Schuldscheindarlehen  
(private placement under German law)
- 7 years – 1.6% fixed coupon
- No covenant – No rating

## €3BN LIQUIDITY

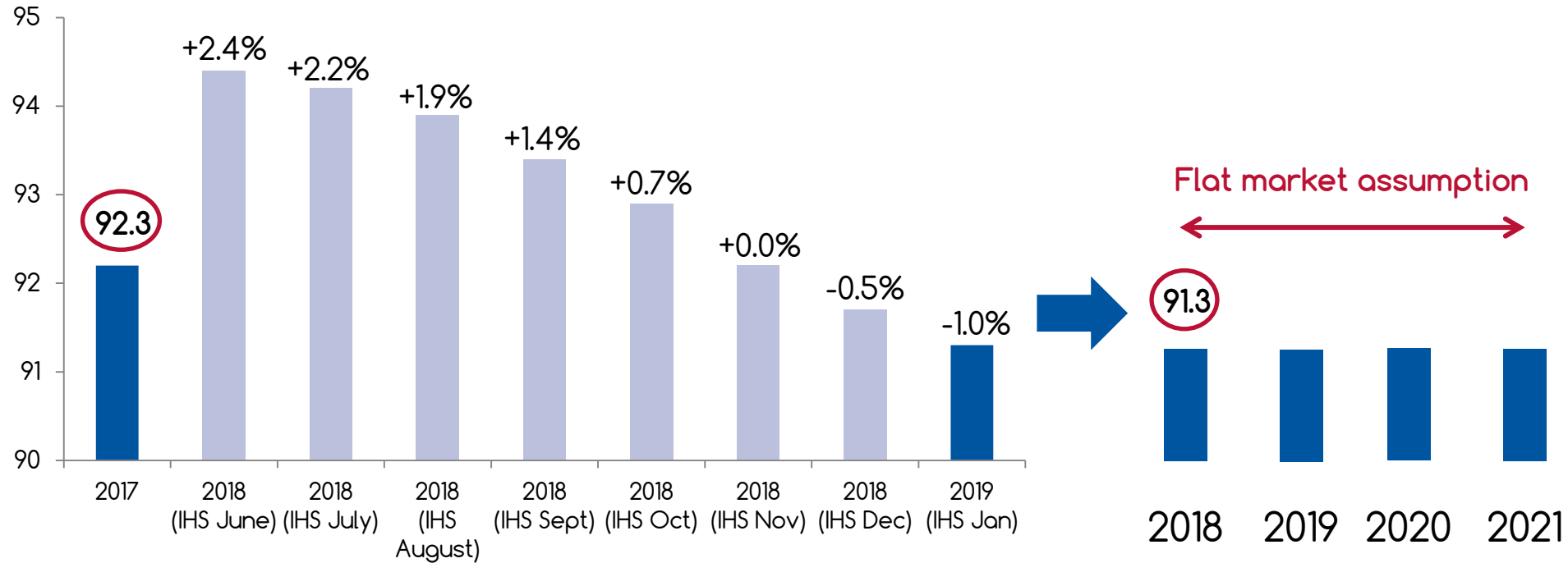
- Undrawn confirmed lines of credit: €1.2bn
- Cash available: €1.8bn

Prepare the future



# Lack of visibility → management assumption of a flat market

2018 automotive production forecast, regularly downgraded since July 2018, to end at -1.0%



More  
free-cash  
flow

Capex ~6% of sales

More  
cost  
reduction

Total flex

More  
industrial  
excellence

4.0 deployment

# Selective industrial capex to gain market shares

2019

2020

2021

INTELLIGENT  
EXTERIOR  
SYSTEMS



India  
*Pune*



Morocco  
*Kenitra*



Slovakia  
*Hlohovec*



China  
*Hangzhou*

CLEAN ENERGY  
SYSTEMS



Malaysia  
*Kuala Lumpur*

+9 plants

MODULES



Mexico  
*Saltillo*



Germany  
*Vaihingen*



China  
*Nanjing*



Germany  
*Saarbrücken*





Brussels, Belgium  
Advanced Research center  
*New Energies*



- Prepare the future



Wuhan, China  
New R&D center  
*Clean Energy Systems*



- Support the growth in Asia
- Positioning PO in the Chinese hydrogen market



Lyon, France  
Expansion & digitalization  
of the global R&D center  
*Intelligent Exterior Systems*



- Grow the content per car
- Increase added value

**FLEX**

CONTINUOUS OPERATION ADAPTATION

**REDUCE**

INDIRECT & STRUCTURE COSTS

**PRESERVE**

6% OF SALES DEDICATED TO R&D

2019 Guidance in the framework of our 2019-2021 strategic plan presented on December 13, 2018

Economic  
Sales

Consolidated  
Sales

Operating  
Result

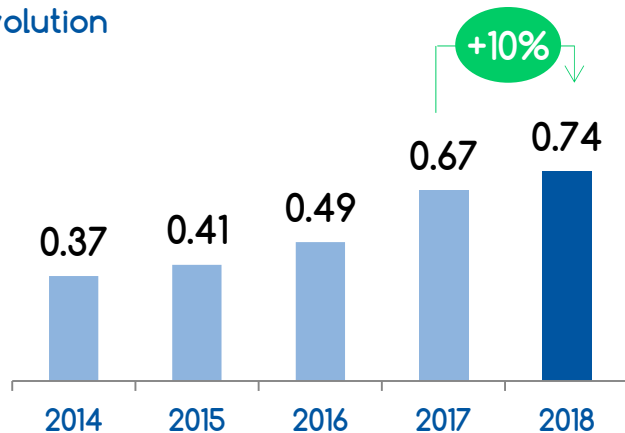
Free  
cash-flow

5 points outperformance  
vs auto production

Increase in value

>€200m free cash-flow after 6% investments

Dividend evolution  
(in €)



Proposed dividend of  
€0.74 per share  
**+10%**  
20% payout

- Shareholders' meeting on April 25<sup>th</sup>, 2019 at 5pm (Pavillon Dauphine - Paris)
- Payable on May 6<sup>th</sup>, 2019
- Compagnie Plastic Omnium (SA) transformation into a European Company (SE) proposed to the Annual Shareholders' Meeting



# 2018 RESULTS

LEVALLOIS, FEBRUARY 14<sup>TH</sup>, 2019

# Glossary

- The **economic revenue** reflects the Group's operational and managerial reality. It corresponds to the consolidated sales plus the sales of the Group's joint ventures at the Group's percentage stake: BPO (50%) and YFPO (50%) and HBPO for 33.33% until its full consolidation on July 1st, 2018.
- The **consolidated revenue** doesn't include:
  - the share of joint ventures, which are consolidated using the equity method pursuant to IFRS 10-11-12;
  - revenue for Plastic Omnium Environment for the 2017 and 2018 fiscal years, pursuant to IFRS 5.
- 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.
- **EBITDA** corresponds to the operating margin, which includes the share of the results of associates and joint ventures before depreciation charges and operating provisions.
- **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).
- **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.
- **Like-for-like** (scope and exchange):
  - The currency effect is calculated by applying the exchange rate of the previous period to the revenue of the current period.
  - The scope effect is calculated:
    - by eliminating, over the ongoing period, the revenue of companies acquired during the previous period (Changchun for Plastic Omnium Industries for - €12.7 million);
    - in cases of change in interest percentage (HBPO for Plastic Omnium Modules): by applying the method of consolidation for the ongoing period to the previous period (full consolidation as from July 1, 2017), i.e. an impact of €687.3 million in 2017;
    - by eliminating the revenue (as from the effective date of disposal) over the comparable period of companies disposed of during the ongoing period (Plastic Recycling for Plastic Omnium Industries and - €1.2 million) and the previous period (Trucks for Plastic Omnium Industries for - €83.5 million).

Note: pursuant to IFRS 5 for the Environment Division, the revenue is restated on January 1st of each reported period.