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CONSOLIDATED FINANCIAL statements 2020

AFR

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Financial indicators

In the context of its financial communication, the Group uses financial indicators based on aggregates taken from the consolidated financial statements prepared in accordance with IFRS, as adopted in the European Union.

As indicated in Note 3.1 of the consolidated financial statements at December 31, 2020, on segment information, the Group uses the notion of “economic revenue” for its operational management, which corresponds to the consolidated revenue of the Group and its joint ventures at their percentage stake: Yanfeng Plastic Omnium, the Chinese leader in exterior body parts, SHB Automotive modules, the leading Korean front-end module company and BPO, a major player in the Turkish exterior equipment market.

Reconciliation of economic revenue with consolidated revenue

In thousands of euros	2020	2019
Economic revenue	7,732,070	9,182,632
<i>Including revenue from joint ventures at the Group's percentage stake</i>	<i>658,843</i>	<i>689,082</i>
Consolidated revenue	7,073,227	8,493,550



Comments on the financial year and outlook

5.1 COMMENTS ON THE FINANCIAL YEAR AND OUTLOOK

5.1.1 COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

<i>In millions of euros</i>	2019	2020	Change
Economic revenue	9,183	7,732	-15.8%
Consolidated revenue	8,494	7,073	-16.7%
Operating margin	511	118	-€393 million
% of consolidated revenue	6.0%	1.7%	-4.3 pts
Impairment of assets	-	-255	-
Net result group share	258	-251	-€509 million
EBITDA	1,005	648	-€357 million
% of consolidated revenue	11.8%	9.2%	-2.6 pts
Investments	512	374	-€138 million
Real estate divestment	-129	-	-
Free cash-flow	347	34	-€313 million
Net debt at 31/12	739	807	+€68 million
Net debt/equity	32%	41%	+9 pts
Net debt/EBITDA	0.7	1.2	+0.5 pts

Plastic Omnium's financial performance differed greatly between the first and second semesters of 2020.

In the first half of the year, the Group's results were strongly affected by the slump in worldwide automotive production (down 32.8% in the first half, including a 43.7% drop in the second quarter).

In the second half of 2020, worldwide automotive production was stable year-on-year and recovered more quickly than expected. This amplified the positive impact of plans to cut costs and boost cash generation. As a result, the Group's results improved relative to the second half of 2019.

<i>In millions of euros</i>	H1 2020	H2 2020	H2 2019
Economic revenue	3,233	4,499	4,572
Consolidated revenue	2,962	4,111	4,225
Operating margin	-116	234	230
% of consolidated revenue	-3.9%	5.7%	5.4%
Net result group share	-404	152	103
EBITDA	171	477	494
% of consolidated revenue	5.8%	11.6%	11.7%
Investments	-226	-148	-204
Free cash-flow	-572	606	316
of which real estate divestment	-	-	129
Net debt at end of period	1,410	807	739
Net debt/equity	78%	41%	32%
Net debt/EBITDA (on a rolling 12-month basis)	2.1	1.2	0.7
Net debt/EBITDA (based on annualized half-year figures)	4.1	0.8	0.7

REVENUE

By business line <i>In millions of euros</i>	2019	2020	Change	Like-for-like change
Plastic Omnium Industries	6,919	5,628	-18.7%	-17.1%
Plastic Omnium Modules	2,264	2,104	-7.0%	-3.8%
ECONOMIC REVENUE	9,183	7,732	-15.8%	-13.8%
Joint ventures	689	659	-4.4%	-1.5%
Plastic Omnium Industries	6,398	5,143	-19.6%	-18.2%
Plastic Omnium Modules	2,096	1,931	-7.9%	-4.6%
CONSOLIDATED REVENUE	8,494	7,073	-16.7%	-14.8%

In 2020, worldwide automotive production fell by 14.4 million vehicles (down 16.8%), from 86.0 million to 71.6 million vehicles.

Plastic Omnium generated **economic revenue** of €7,732 million, down 15.8% compared with 2019 and down 13.8% at constant exchange rates. The figure includes a negative exchange-rate effect of €181 million. The Group achieved outperformance of 3 points relative to worldwide automotive production, driven by Plastic Omnium Modules (outperformance of 13.0 points).

Plastic Omnium's **consolidated revenue** totaled €7,073 million in 2020, down 16.7% or 14.8% at constant exchange rates, including a negative exchange-rate effect of €161 million.

Plastic Omnium's business activities fared significantly better than total production in Europe (outperformance of +8.3 points), China (outperformance of +6.0 points) and in Asia excluding China (outperformance of +9.7 points). They also outperformed by 2.0 points in North America.

The Group's geographical mix led to a **3-point outperformance** at the Group level.

Breakdown by geographical zone <i>In millions of euros and as a % of economic revenue</i>	2019	2020	Change	Like-for-like change	Outperformance/ automotive production
Europe	4,799 52.3%	4,131 53.4%	-13.9%	-13.7%	+8.3 pts
North America	2,630 28.6%	2,045 26.4%	-22.2%	-18.7%	+2.0 pts
China	857 9.3%	847 11.0%	-1.2%	+0.5%	+6.0 pts
Asia excluding China	624 6.8%	537 6.9%	-13.9%	-10.3%	+9.7 pts
Other	273 3.0%	1,72 2.3%	-36.8%	-22.6%	-0.2 pt
ECONOMIC REVENUE	9,183	7,732	-15.8%	-13.8%	+3 PTS
Joint ventures	689	659	-4.4%	-1.5%	-
CONSOLIDATED REVENUE	8,494	7,073	-16.7%	-14.8%	+2 PTS

In **Europe**, Plastic Omnium's revenue amounted to €4,131 million in 2020. Revenue in the region fell 13.7%, against a 22.0% decline in automotive production. This outperformance of 8.3 points was driven by Germany, Spain, France and Eastern Europe. The Group especially benefited from the successful positioning on new electric vehicle programs (Porsche and Volkswagen), and from the extension of its modules offering, which have increased its content per vehicle.

In **North America**, Plastic Omnium's revenue totaled €2,045 million in 2020. Revenue for the region fell 18.7% at constant exchange rates, while industry production was down 20.7%. The ramp-up of the 5 new plants opened in the last 3 years is now complete.

In **Asia excluding China**, revenue came to €537 million in 2020, down 10.3% at constant exchange rates. Against a market decline of 20.0%, this represented an outperformance of 9.7 points. Business benefited from a strong recovery in South Korea, India and Thailand.

In **China**, which accounts for 11% of Group economic revenue, Plastic Omnium posted revenue of €847 million. Revenue was stable (up 0.5% at constant exchange rates), which represented an outperformance of 6.0 points. This was thanks to market share gains and growth in the modules business, which launched in China in 2018.

In the **fourth quarter of 2020** more specifically, worldwide automotive production started growing again (up 2.1%) and Plastic Omnium generated economic revenue of €2,402 million, up 3.1% or 6.8% at constant exchange rates, representing an **outperformance of 4.7 points**. Per region, Plastic Omnium outperformed by 6.5 points in Europe, 8.7 points in China and 18.6 points in Asia excluding China. In North America, business was in line with automotive production.

COST FLEXIBILITY AND REDUCTION PROGRAM: LIMITING THE IMPACT OF PRODUCTION DROP ON OPERATING INCOME IN THE FIRST HALF AND ALLOWING THE GROUP TO BENEFIT FROM THE SHARP UPTURN IN ACTIVITY IN THE SECOND HALF

Consolidated gross income totaled €642 million in 2020, down from €1,093 million in 2019. It represented 9.1% of consolidated revenue vs 12.2% in 2019.

Already expecting a significant drop in automotive production in 2020, the Group started implementing **cost reduction and industrial footprint flexibility plans** in late 2019. It stepped up all of those measures as soon as production stoppages were announced in the first quarter of 2020, first affecting China and then the rest of the world. Those measures were managed site-by-site and on a daily basis, and then adjusted as closely as possible to local conditions in order to support the resumption of activity, which varied widely between regions. In the second half, the faster-than-expected rebound in worldwide automotive production amplified the positive effects of these measures.

Consolidated revenue and operating income by business <i>In millions of euros</i>	2019			2020		
	Revenue	Operating margin	% of revenue	Revenue	Operating margin	% of revenue
Plastic Omnium Industries	6,398	460	7.2%	5,143	100	1.9%
Plastic Omnium Modules	2,096	50	2.4%	1,931	19	1.0%
TOTAL	8,494	511	6.0%	7,073	118	1.7%

Against a background of ongoing market volatility, Plastic Omnium is continuing to find ways to gain flexibility in its cost structure.

Along with these cost flexibility measures, the Group is adjusting its industrial facilities to take account of a market scenario in which worldwide automotive production is not expected recover to pre-crisis levels (92 million vehicles) before 2024 or 2025. Thus, the Group will achieve €40 million of annual cost savings by the end of 2022 by closing three plants (in Germany, Spain and Argentina), streamlining the German R&D footprint within the Intelligent Exterior Systems business, mothballing

In 2020 as a whole, staff costs were reduced by 12% (down €153 million), while production costs and general expenses were cut by 10% (down €87 million).

Gross R&D spend was €310 million, representing 4.4% of consolidated revenue (€383 million and 4.5% in 2019). Net R&D spend, *i.e.* after deduction of capitalized development costs and amounts recharged to customers, was €266 million (3.8% of consolidated revenue) compared to €253 million in 2019 (3.0% of consolidated revenue).

Selling costs totaled €34 million (0.5% of consolidated revenue) versus €37 million (0.4% of consolidated revenue) in 2019.

Administrative expenses fell from €248 million in 2019 to €230 million in 2020, and represent 3.3% of consolidated revenue vs 2.9% in 2019.

Amortization of intangible assets acquired in business combinations represented an expense of €22 million in 2020 compared to €27 million in 2019.

The Group's share of the income of associates and joint ventures was €29 million versus €36 million in 2019.

In 2020, the Group's **operating margin** amounted to €118 million and represented 1.7% of consolidated revenue: €100 million for Plastic Omnium Industries (1.9% of revenue) and €19 million for Plastic Omnium Modules (1.0% of revenue).

In the second half of 2020, the Group's operating income amounted to €234 million and represented **5.7% of revenue (7.0%** for Plastic Omnium Industries and **2.5%** for Plastic Omnium Modules). Operating margin improved relative to the second half of 2019 (5.4% of revenue including 6.5% for Plastic Omnium Industries and 2.3% for Plastic Omnium Modules), while business levels were slightly lower (consolidated revenue down 2.7%).

certain paint lines and achieving synergies in the organization of our Asian head office.

The action plan at the Greer plant in the United States is also moving forward as announced. During the plant shutdown in the second quarter, the Group completed work to transform its industrial and logistics processes, which has improved all industrial indicators. The plant is now operating at high output rates, and is delivering the quality and service expected by customers. **The Group confirms its target for the Greer plant to return to breakeven in 2021.**

NET RESULT GROUP SHARE: -€251 MILLION AFTER €255 MILLION OF ASSET IMPAIRMENT CHARGES

The Group recorded €334 million of **non-recurring expenses** in 2020. These included €255 million of impairment charges booked over the year, due to the slump in volumes caused by the Covid-19 pandemic and the assumption of a slow recovery in worldwide automotive production, which in the medium term will remain significantly below pre-crisis forecasts.

Net financial expense amounted to €69 million in 2020 (1.0% of revenue) as opposed to €78 million in 2019, as a result of a lower average cost of debt.

In 2020, the Group recorded **tax income** of €31 million versus an expense of €90 million in 2019, mainly because of the impact of deferred taxes.

As a result, the Group released a **net result group share** of -€251 million compared to €258 million in 2019. In the second half of the year, the Group generated a net result group share of €152 million (3.7% of revenue) compared to €103 million in the second half of 2019 (2.4% of revenue).

POSITIVE FREE CASH GENERATION IN 2020 AS A WHOLE

EBITDA totaled €648 million in 2020 (9.2% of consolidated revenue) versus €1,005 million (11.8% of consolidated revenue) in 2019. In the second half of the year, EBITDA amounted to €477 million (11.6% of revenue) as opposed to €494 million in the second half of 2019 (11.7% of revenue) and €171 million in the first half of 2020 (5.8% of revenue).

Investments totaled €374 million or 5.3% of consolidated revenue (€512 million or 6.0% of consolidated revenue in 2019), a **reduction of €138 million (-27%)**. After an extensive capital expenditure program in recent years, the Group's current installed capacity is sufficient to support its future growth. As a result, investments will equal less than 6% of revenue in the coming years, even as the Group pursues its large-scale innovation program.

The **working capital requirement (WCR)** fell by €45 million year-on-year. In the first half of 2020, it deteriorated by €415 million due to the slump in business levels in Europe and North America in the second quarter. In the second half of the year, the WCR improved by €370 million relative to the first half as business levels recovered.

- Inventories and overdue receivables were reduced by €82 million through strict control.
- Sales of receivables amounted to €327 million at December 31, 2020, up €107 million compared with June 30, 2020 (€220 million) and similar to the end-2019 figure (€315 million).

- The difference between trade payables and trade receivables net of sales of receivables amounted to €557 million as opposed to €699 million at December 31, 2019 (€229 million at June 30, 2020).

In 2020, the Group generated **free cash-flow of €34 million, equal to 0.5% of consolidated revenue**. After an outflow of €572 million in the first half of the year, Plastic Omnium achieved positive free cash-flow of €606 million in the second half. In 2019, the Group's free cash-flow totaled €347 million, including €129 million from the disposal of non-industrial real-estate assets to Sofiparc. Excluding that disposal, it amounted to €218 million.

SOLID FINANCIAL POSITION

At December 31, 2020, net debt totaled €807 million, quite similar to the end-2019 figure of €739 million.

On May 29, 2020, the Group repaid €500 million bonds as expected. During the year, it also obtained €560 million of new credit facilities from its banking partners.

In 2020, Compagnie Plastic Omnium SE paid €71 million of dividends with respect to 2019 (dividend of €0.49 per share, down 34% from the €0.74 dividend paid in the previous year and initially proposed with respect to 2019).

At the end of 2020, the Group's net debt represented 41% of equity and 1.2 times 2020 EBITDA. It equaled 0.8 times annualized EBITDA for the second half of 2020.

At December 31, 2020, the Group had €2.6 billion of liquidity, up €200 million compared with December 31, 2019, including:

- €730 million of available cash (€1.2 billion at December 31, 2019);
- €1.87 billion of confirmed, undrawn credit facilities, with an average maturity of 4.4 years and without any covenants (€1.2 billion at December 31, 2019 with an average maturity of 3.6 years).

5.1.2 INVESTMENTS

After an extensive capital expenditure program in recent years, the Group's current installed capacity is sufficient to support its future growth. As a result, investments will equal less than 6% of revenue in the coming years, even as the Group pursues its large-scale innovation program.

5.1.3 OUTLOOK AND SUBSEQUENT EVENTS

No event likely to have a material impact on the Group's business, financial position, earnings, assets or liabilities at December 31, 2020 has occurred since the closing date.

2021 FINANCIAL OUTLOOK

In 2021 as a whole, worldwide automotive production is forecasting to grow by 14% to 81.5 million vehicles. For its own business planning purposes, Plastic Omnium is applying a 5% discount to that forecast.

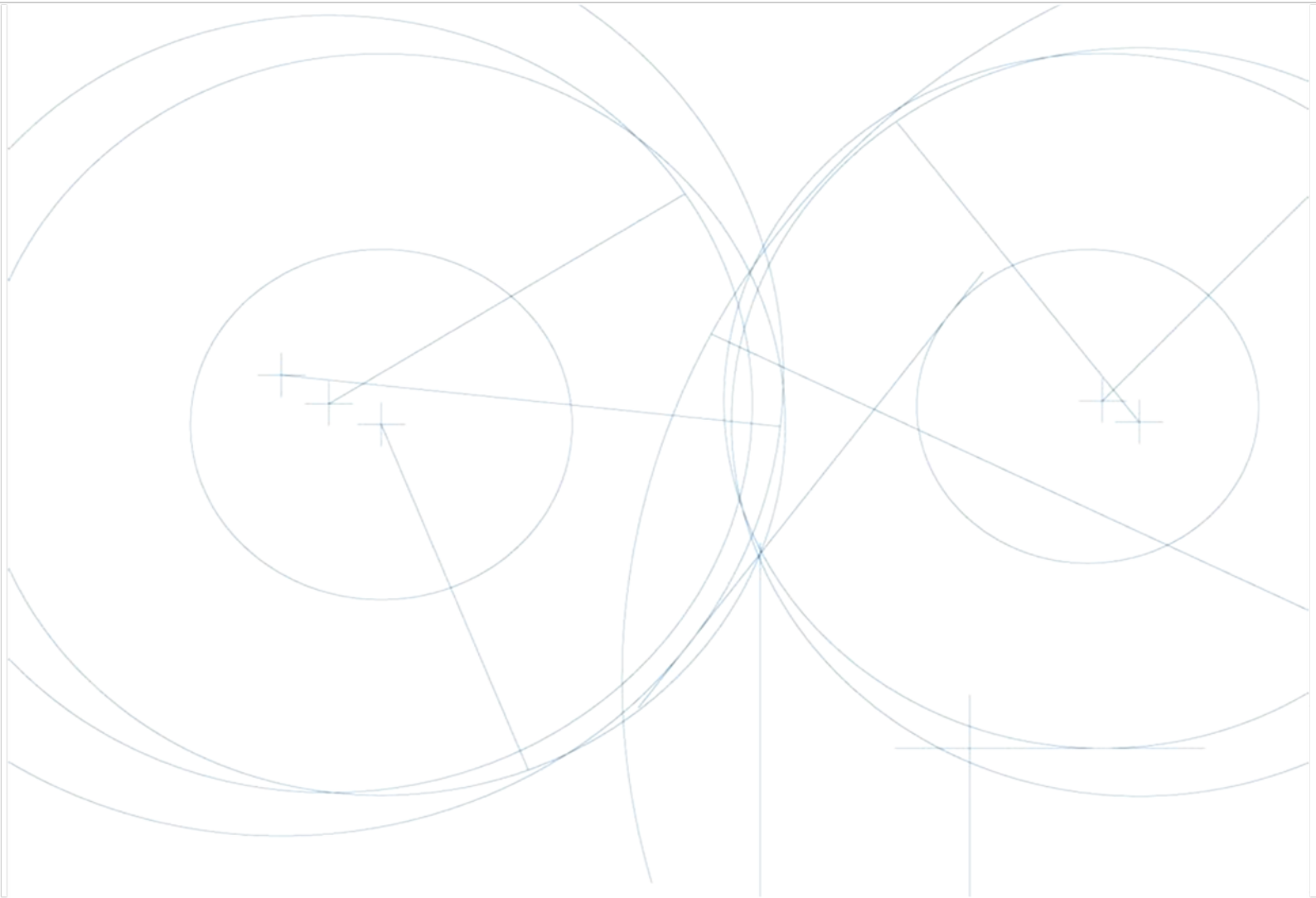
For 2021, Plastic Omnium expects:

- a strong rebound in revenue;
- operating margin of 6%, similar to the level seen in 2019;
- free cash-flow of more than €220 million, higher than the 2019 figure.

Supply disruptions, especially of semiconductor components, are currently leading many OEMs to cut production. Plastic Omnium, indirectly affected, manages the situation on a daily basis and site by site. The evolution of the situation will be the subject of regular information from the Group.

COMPAGNIE PLASTIC OMNIUM
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CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2020



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BALANCE SHEET

In thousands of euros	Notes	December 31, 2020	December 31, 2019
ASSETS			
Goodwill	5.1.1	1 014 369	1 017 830
Other intangible assets	5.1.2	560 847	724 745
Property, plant and equipment	5.1.3	1 676 189	1 958 919
Investment property	5.1.4	30	30
Equity method and non-consolidated investments	5.1.5	180 342	195 129
Non-current financial assets ⁽¹⁾	5.1.6	18 062	70 958
Deferred tax assets	5.1.10	128 471	106 108
TOTAL NON-CURRENT ASSETS		3 578 310	4 073 719
Inventories	5.1.7	656 812	735 846
Finance receivables ⁽¹⁾	5.1.8	6 340	13 100
Trade receivables	5.1.9.2	814 400	818 799
Other receivables	5.1.9.3	318 307	328 757
Other financial assets and financial receivables ⁽¹⁾	5.1.8	301	55 127
Hedging instruments ⁽¹⁾	5.2.7	7 625	5 027
Cash and cash equivalents ⁽¹⁾	5.1.11	829 989	1 142 953
TOTAL CURRENT ASSETS		2 633 774	3 099 609
Assets held for sale		-	750
TOTAL ASSETS		6 212 084	7 174 078
EQUITY AND LIABILITIES			
Capital	5.2.1.1	8 914	8 914
Treasury stock		- 61 339	- 54 071
Additional paid-in capital		17 389	17 389
Consolidated reserves		2 156 759	2 014 390
Net income for the period		- 251 112	258 197
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		1 870 611	2 244 819
Attributable to non-controlling interests		69 677	98 774
TOTAL EQUITY		1 940 288	2 343 593
Non-current borrowings ⁽¹⁾	5.2.6.7	1 307 681	1 334 713
Provisions for pensions and other post-employment benefits	5.2.5	100 331	107 670
Provisions	5.2.4	30 926	29 970
Non-current government grants		9 781	3 769
Deferred tax liabilities	5.1.10	43 477	54 859
TOTAL NON-CURRENT LIABILITIES		1 492 196	1 530 981
Bank overdrafts ⁽¹⁾	5.1.11.2	12 277	9 875
Current borrowings and financial debt ⁽¹⁾	5.2.6.7	349 160	678 762
Hedging instruments ⁽¹⁾	5.2.7	116	3 268
Provisions for liabilities and expenses	5.2.4	87 888	70 362
Current government grants		-	4 207
Trade payables	5.2.8.1	1 371 750	1 518 204
Other operating liabilities	5.2.8.2	958 409	1 014 826
TOTAL CURRENT LIABILITIES		2 779 600	3 299 504
TOTAL EQUITY AND LIABILITIES		6 212 084	7 174 078

(1) Components of net financial debt. Net financial debt stands at €807 million at December 31, 2020 compared with €740 million at December 31, 2019 (see Note 5.2.6.7).

INCOME STATEMENT

In thousands of euros	Notes	2020	%	2019	%
Consolidated sales (revenue)		7 073 227	100.0%	8 493 550	100.0%
Cost of goods and services sold	4.2	-6 431 646	-90.9%	-7 454 127	-87.8%
Gross profit		641 581	9.1%	1 039 423	12.2%
Research and Development costs	4.1 - 4.2	- 266 064	-3.8%	- 253 249	-3.0%
Selling costs	4.2	- 33 714	-0.5%	- 37 280	-0.4%
Administrative expenses	4.2	- 230 237	-3.3%	- 247 506	-2.9%
Operating margin before amortization of intangible assets acquired in business combinations and before share of profit of associates and joint ventures		111 567	1.6%	501 388	5.9%
Amortization of intangible assets acquired in business combinations	4.4	- 22 393	-0.3%	- 27 210	-0.3%
Share of profit/loss of associates and joint ventures	4.5	29 101	0.4%	36 454	0.4%
Operating margin		118 275	1.7%	510 632	6.0%
Other operating income	4.6	27 234	0.4%	167 694	2.0%
Other operating expenses	4.6	- 361 025	-5.1%	- 234 731	-2.8%
Borrowing costs	4.7	- 59 836	-0.8%	- 77 068	-0.9%
Other financial income and expenses	4.7	- 8 701	-0.1%	- 697	-0.0%
Profit from continuing operations before income tax and after share of profits of associates and joint ventures		- 284 053	-4.0%	365 830	4.3%
Income tax	4.8	31 002	0.4%	- 89 860	-1.1%
Net income		- 253 051	-3.6%	275 970	3.2%
Net profit attributable to non-controlling interests	4.9	- 1 940	-0.0%	17 773	0.2%
Net profit attributable to owners of the parent company		- 251 112	-3.6%	258 197	3.0%
Earnings per share attributable to owners of the parent company	4.10				
Basic earnings per share (in euros) ⁽¹⁾		-1.72		1.77	
Diluted earnings per share (in euros) ⁽²⁾		-1.72		1.76	

(1) Basic earnings per share are calculated using the weighted average number of ordinary shares outstanding, less the average number of shares held in treasury stock.

(2) Diluted earnings per share take into consideration the average number of treasury shares deducted from equity and shares related to the exercise of stock option programs.

**STATEMENT OF COMPREHENSIVE NET INCOME AND GAINS AND LOSSES RECOGNIZED
DIRECTLY IN EQUITY**

In thousands of euros	December 31, 2020			December 31, 2019		
	Total	Gross	Tax	Total	Gross	Tax
Net profit for the period attributable to owners of the parent ⁽¹⁾	- 251 112	- 283 411	32 300	258 197	341 297	- 83 100
Reclassified to the income statement	- 45 877	- 45 044	- 833	6 480	6 242	238
Reclassified in the period	165	261	- 96	302	315	- 13
Exchange differences on translating foreign operations	-	-	-	-	-	-
Cash flow hedges	165	261	- 96	302	315	- 13
Reclassified at a later date	- 46 042	- 45 305	- 737	6 178	5 927	251
Exchange differences on translating foreign operations	- 48 160	- 48 160	-	7 004	7 004	-
Cash flow hedges	2 118	2 855	- 737	- 826	- 1 077	251
Gains/(losses) for the period - Interest rate instruments	-	-	-	-	-	-
Gains/(losses) for the period – Exchange rate instruments	2 118	2 855	- 737	- 826	- 1 077	251
Cannot be reclassified to the income statement at a later date	- 302	- 1 163	861	7 087	7 087	-
Actuarial gains/(losses) relating to defined benefit plans	- 2 852	- 3 713	861	- 12 194	- 12 194	-
Revaluation of long-term investments in equity instruments and funds	- 4 031	- 4 031	-	10 290	10 290	-
Revaluation of assets and liabilities due to hyperinflation in Argentina	6 581	6 581	-	8 991	8 991	-
Total gains and losses recognized directly in equity - Group share	- 46 179	- 46 207	28	13 567	13 329	238
Net income and gains and losses recognized directly in equity - Group share⁽²⁾	- 297 291	- 329 618	32 328	271 764	354 626	- 82 862
Net profit for the period attributable to non-controlling interests	- 1 940	- 642	- 1 298	17 773	24 534	- 6 761
Reclassified to the income statement	- 4 736	- 4 736	-	1 865	1 865	-
Reclassified at a later date	- 4 736	- 4 736	-	1 865	1 865	-
Exchange differences on translating foreign operations	- 4 736	- 4 736	-	1 865	1 865	-
Cannot be reclassified to the income statement at a later date	-	-	-	- 83	- 83	-
Actuarial gains/(losses) relating to defined benefit plans	-	-	-	- 83	- 83	-
Total gains and losses recognized directly in equity - Non-controlling interests	- 4 736	- 4 736	-	1 782	1 782	-
Net income and gains and losses recognized directly in equity - Non-controlling interests	- 6 676	- 5 378	- 1 298	19 556	26 317	- 6 761
Net income and gains and losses recognized directly in equity	- 303 967	- 334 996	31 030	291 320	380 943	- 89 623

(1) Net profit for the period attributable to owners of the parent amounted to -€251 112 thousand at December 31, 2020 compared with €258 197 thousand at December 31, 2019.

(2) Net comprehensive income for the period attributable to owners of the parent amounted to -€297 291 thousand at December 31, 2020 compared with €271 764 thousand at December 31, 2019.

STATEMENT OF CHANGES IN EQUITY

								Shareholders' equity		Total equity
	Number of shares	Capital	Capital reserve	Treasury stock	Other reserves ⁽¹⁾	Translation adjustment	Net profit for the period	Attributable to owners of the parent	Attributable to non-controlling interests	
Equity at December 31, 2018	148 566	8 914	17 389	- 49 850	1 617 609⁽¹⁾	- 41 497	533 296	2 085 861	96 138	2 181 999
1st application of IFRS 16					-			-	-	-
1st application of IFRIC 23					- 2 500			- 2 500		- 2 500
Equity at January 1, 2019	148 566	8 914	17 389	- 49 850	1 615 109⁽¹⁾	- 41 497	533 296	2 083 361	96 138	2 179 499
Appropriation of net profit at December 31, 2018	-	-	-	-	533 296	-	- 533 296	-	-	-
Net profit at December 31, 2019	-	-	-	-	-	-	258 197	258 197	17 773	275 970
Total gains and losses recognized directly in equity	-	-	-	-	2 455	11 112	-	13 567	1 782	15 349
<i>Exchange differences on translating foreign operations</i>	-	-	-	-	- 4 108	11 112	-	7 004	1 865	8 869
<i>Actuarial gains/(losses) relating to defined benefit plans</i>	-	-	-	-	- 12 194	-	-	- 12 194	- 83	- 12 277
<i>Cash flow hedges - Interest rate instruments</i>	-	-	-	-	302	-	-	302	-	302
<i>Cash flow hedges - Currency instruments</i>	-	-	-	-	- 826	-	-	- 826	-	- 826
<i>Change in the fair value adjustment of long-term investments in equity instruments and funds</i>	-	-	-	-	10 290	-	-	10 290	-	10 290
<i>Revaluation of assets and liabilities due to hyperinflation in Argentina</i>	-	-	-	-	8 991	-	-	8 991	-	8 991
Net income and gains and losses recognized directly in equity	-	-	-	-	535 751	11 112	- 275 099	271 764	19 556	291 320
Treasury stock transactions	-	-	-	- 4 221	215	-	-	- 4 006	-	- 4 006
Dividends paid by Compagnie Plastic Omnium	-	-	-	-	- 108 169	-	-	- 108 169	-	- 108 169
Dividends paid by other Group companies	-	-	-	-	-	-	-	-	- 16 920	- 16 920
Stock option costs	-	-	-	-	2 492	-	-	2 492	-	2 492
Deferred tax on stock option and share purchase plans	-	-	-	-	- 622	-	-	- 622	-	- 622
Equity at December 31, 2019	148 566	8 914	17 389	- 54 071	2 044 775⁽¹⁾	- 30 385	258 197	2 244 819	98 774	2 343 593
Appropriation of net profit at December 31, 2019	-	-	-	-	258 197	-	- 258 197	-	-	-
Net profit at December 31, 2020	-	-	-	-	-	-	- 251 112	- 251 112	- 1 940	- 253 051
Total gains and losses recognized directly in equity	-	-	-	-	4 640	- 50 819	-	- 46 179	- 4 736	- 50 915
<i>Exchange differences on translating foreign operations</i>	-	-	-	-	2 659	- 50 819	-	- 48 160	- 4 736	- 52 896
<i>Actuarial gains/(losses) relating to defined benefit fees</i>	-	-	-	-	- 2 852	-	-	- 2 852	-	- 2 852
<i>Cash flow hedges - Interest rate instruments</i>	-	-	-	-	165	-	-	165	-	165
<i>Cash flow hedges - Currency instruments</i>	-	-	-	-	2 118	-	-	2 118	-	2 118
<i>Change in the fair value adjustment of long-term investments in equity instruments and in funds</i>	-	-	-	-	- 4 031	-	-	- 4 031	-	- 4 031
<i>Revaluation of assets and liabilities due to hyperinflation in Argentina</i>	-	-	-	-	6 581	-	-	6 581	-	6 581
Net income and gains and losses recognized directly in equity	-	-	-	-	262 837	- 50 819	- 509 309	- 297 291	- 6 676	- 303 967
Treasury stock transactions	-	-	-	- 7 268	667	-	-	- 6 601	-	- 6 601
Change in scope of consolidation and reserves	-	-	-	-	-	-	-	-	1 157	1 157
Dividends paid by Compagnie Plastic Omnium	-	-	-	-	- 71 221	-	-	- 71 221	-	- 71 221
Dividends paid by other Group companies	-	-	-	-	-	-	-	-	- 23 578	- 23 578
Stock option costs	-	-	-	-	1 408	-	-	1 408	-	1 408
Deferred tax on stock option and share purchase plans	-	-	-	-	- 504	-	-	- 504	-	- 504
Equity at December 31, 2020	148 566	8 914	17 389	- 61 339	2 237 962⁽¹⁾	- 81 204	- 251 112	1 870 611	69 677	1 940 288

(1) See Note 5.2.1.2 for breakdown of "Other reserves".

(2) The dividend per share distributed in 2020 by Compagnie Plastic Omnium in respect of the 2019 fiscal year is €0,49 compared with €0,74 on 2019 in respect of the 2018 fiscal year (see Note 5.2.2 on dividends voted and paid).

STATEMENT OF CASH FLOWS

In thousands of euros	Notes	2020	2019
I - CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	3.1.1	- 253 051	275 970
Dividends received from associates and joint ventures		35 473	31 567
Non-cash items		776 941	602 553
Share of profit/(loss) of associates and joint ventures	4.5	- 29 101	- 36 454
Stock option plan expense	5.2.3	1 408	2 492
Other adjustments		4 676	6 581
Depreciation and provisions for impairment of fixed assets		472 593	297 498
Amortization and provisions for impairment of intangible assets		288 313	200 431
Changes in provisions		12 861	- 7 238
Net (gains)/losses on disposals of non-current assets		584	- 17 924
Operating grants recognized in the income statement		- 825	- 991
Current and deferred taxes	4.8.1	- 31 002	89 860
Cost of net debt		57 434	68 298
CASH GENERATED BY OPERATIONS (before cost of net debt and tax) (A)		559 363	910 090
Change in inventories and work-in-progress – net		52 740	7 937
Change in trade receivables – net		- 10 329	36 513
Change in trade payables		- 43 988	- 99 549
Change in other operating assets and liabilities - net		- 43 510	38 381
CHANGE IN WORKING CAPITAL REQUIREMENTS (B)		- 45 088	- 16 718
TAXES PAID (C)		- 39 676	- 95 849
Interest paid		- 70 603	- 74 166
Interest received		4 010	6 230
NET FINANCIAL INTEREST PAID (D)		- 66 593	- 67 936
NET CASH GENERATED BY OPERATING ACTIVITIES (A+B+C+D)		408 006	729 586
II – CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment	3.1.3	- 217 654	- 333 697
Acquisitions of intangible assets	3.1.3	- 143 018	- 199 798
Disposals of property, plant and equipment		2 651	134 397
Disposals of intangible assets		1 046	6 644
Net change in advances to suppliers of fixed assets		- 20 028	10 839
Investment grants received		2 758	- 1 415
NET CASH USED IN OPERATIONS-RELATED INVESTING ACTIVITIES (E)		- 374 245	- 383 031
FREE CASH FLOW (A + B + C + D + E)		33 761	346 555
Acquisitions of shares in subsidiaries and associates, investments in associates and joint ventures, and related investments	5.1.12	- 812	23
Acquisitions of non-consolidated equity instruments		-	- 320
Acquisitions of long-term investments in equity instruments and funds	5.1.6.1	- 7 107	- 26 307
Disposals of long-term investments in listed equity instruments and funds	5.1.6.1	50 337	8 485
Impact of changes in scope of consolidation - cash and cash equivalents contributed by companies entering the scope of consolidation	5.1.12	1 418	-
NET CASH FROM FINANCIAL TRANSACTIONS (F)		43 836	- 18 119
NET CASH FROM INVESTING ACTIVITIES (E+F)		- 330 410	- 401 150
III - CASH FLOWS FROM FINANCING ACTIVITIES			
Purchases/sales of treasury stock		- 6 601	- 4 006
Dividends paid by Compagnie Plastic Omnium SE to Burelle SA		- 42 788	- 64 619
Dividends paid to other shareholders ⁽¹⁾		- 51 502	- 58 917
Increase in financial debt		566 866	267 939
Repayment of financial debt and lease contracts liabilities, net ⁽²⁾		- 845 347	- 247 049
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES (G)		- 379 372	- 106 652
Assets held for sale (and discontinued operations) (H)		-	-
Effect of exchange rate changes (I)		- 13 590	- 358
NET CHANGE IN CASH AND CASH EQUIVALENTS (A + B + C + D + E + F + G + H + I)		- 315 365	221 426
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	5.1.11.2 - 5.2.6.7	1 133 078	911 652
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5.1.11.2 - 5.2.6.7	817 712	1 133 078

(1) In 2020, the €28 443 thousands in dividends paid by Compagnie Plastic Omnium SE to shareholders other than Burelle SA (compared with €43 549 thousand in 5.1.1), bringing the total dividends paid by Compagnie Plastic Omnium SE to €71 221 thousand (compared with €108 169 thousand in 5.1.1). See note 5.2.2 « Dividends approved and paid by Compagnie Plastic Omnium SE ».

At December 31, 2020, dividends paid to other shareholders do not take into account the dividend approved but not yet paid to minority shareholders of a Group subsidiary for an amount of €2 million (compared to €2 million at December 31, 2019).

(2) During 2020, the change of net debt from lease contracts amounted to + €2 million, including +€68 millions in increase related to new contracts and -€69 millions related to repayment on active assets contracts versus a change of net debt of -€15 millions in 2019 (+€57 millions on new contracts and -€72 millions in repayments on active contracts).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

On February 17, 2021 the Board of Directors of the Plastic Omnium Group approved the consolidated financial statements for the year ended December 31, 2020, which will be submitted to the Combined Shareholders' Meeting on April 22, 2021.

PRESENTATION OF THE GROUP

Compagnie Plastic Omnium, a company governed by French law, was set up in 1946. The bylaws set its duration until April 24, 2112. It is registered in the Lyon Trade and Companies Register under number 955 512 611 and its registered office is at 19, boulevard Jules Carteret, 69007 Lyon, France.

Compagnie Plastic Omnium became a European company following a decision of the Shareholders' Meeting of April 25, 2019. From this decision, the generic term designating the company is: Compagnie Plastic Omnium SE.

The terms "Compagnie Plastic Omnium", "the Group" and "the Plastic Omnium Group" refer to the group of companies comprising Compagnie Plastic Omnium SE and its consolidated subsidiaries.

The Plastic Omnium Group is a global leader in the transformation of plastic materials for the automotive market for body parts, storage systems and fuel supply systems ("Industries" segment) and front-end modules ("Modules" segment).

The Group has organized its business into two operating segments:

- **Industries:**
 - *Intelligent Exterior Systems (IES)*, dedicated to complex and intelligent body systems;
 - *Clean Energy Systems (CES)*, dedicated to clean energy storage systems and emission reduction systems.
- **Modules:** module design, development and assembly (HBPO).

Plastic Omnium Group shares have been traded on the Paris Stock Exchange since 1965. The Group has been listed on Eurolist compartment A since January 17, 2013 and is included in the SBF 120 and the CAC Mid 60 indices. The main shareholder is Burelle SA, which held 58.78% of the Group (59.92% excluding treasury stock) with a voting rights of 72.77 % at December 31, 2020.

The unit of measurement used in the Notes to the consolidated financial statements is thousand euros, unless otherwise indicated.

1. ACCOUNTING POLICIES, ACCOUNTING RULES AND PRINCIPLES

1.1. Accounting policies

The accounting policies used to prepare the consolidated financial statements remain the same as those applied by the Group at December 31, 2019.

They comply with IFRS standards and interpretations as adopted by the European Union at December 31, 2020 and available on the European Commission website.

IFRS includes the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as well as the International Financial Reporting Interpretations Committee (IFRIC). These accounting principles do not differ significantly from the mandatory standards and interpretations as of December 31, 2020, as published by the IASB.

The Group has not applied in advance standards, interpretations and amendments that are not mandatory at December 31, 2020.

1.2. Scope of consolidation

1.2.1. Consolidation principles

Companies in which the Group holds more than 50% of the voting rights and in which governance arrangements allow the Group to have control over the companies, are fully consolidated. Companies in which the Group holds less than 50% but over which the Group exercises control in substance are also fully consolidated.

Companies over which the Group exercises joint control with other shareholders, regardless of the size of the holding, treated as "joint ventures" insofar as the Group has no joint operations, as well as companies over which the Group exercises significant influence (significant influence is presumed when the Group holds more than 20% of the voting rights in a company), and classified as "Interests in associates", are accounted for using the equity method.

The Group mainly reviews the following elements and criteria in order to assess whether joint control or significant influence is exercised over an entity:

- governance: representation of the Group on governance bodies, majority rules, veto rights;
- the determination of substantive or protective rights granted to shareholders, particularly related to the relevant businesses of the entity, namely those that have a significant impact on the entity's variable returns;
- the consequences of a conflict resolution clause;
- the right / exposure of the Group to the entity's variable returns.

1.2.2. Non-controlling interests

Non-controlling interests represent the share of interest that is not held by the Group. They are presented as a separate item in the income statement and under equity in the consolidated balance sheet, distinct from the profit and equity attributable to owners of the parent.

Non-controlling interests may be either measured at fair value on the acquisition date (i.e. with a share of goodwill) or for their share in the fair value of identifiable net assets acquired. This choice can be made on a transaction-by-transaction basis.

Changes in a parent's ownership interest in a subsidiary that do not change control are recognized as equity transactions. As such, in the event of an increase (or decrease) in the percentage ownership interest of the Group in a controlled entity, without change in control, the difference between the acquisition cost (or transfer price) and the carrying amount of the share of net assets acquired (or sold) is recognized in equity.

The changes that trigger a takeover have the following consequences.

- a theoretical sale of the historically held equity holding, with recognition of the gain or loss on disposal at the date of acquisition;
- accounting for the business combinations under IFRS 3R "Business Combinations".

1.2.3. Translation of the financial statements of foreign subsidiaries

Plastic Omnium Group uses the euro as its presentation currency in its financial statements. The financial statements of foreign companies are prepared in their functional currency, i.e. in the currency of the economic environment in which the entity operates; usually the functional currency corresponds to the local currency, except for some foreign subsidiaries such as the Mexican and Polish subsidiaries which carry out the majority of their transactions in another currency. These financial statements are translated into the Group's presentation currency, as follows:

- translation of balance sheet items, other than equity, at the closing rate;
- translation of income statement items at the average rate for the period;
- translation differences are recognized in consolidated equity.

Goodwill arising from business combinations with foreign companies is recognized in the functional currency of the acquired entity. They are subsequently translated into the Group's presentation currency at the closing rate, with the translation difference recognized in equity.

On disposal of the entire interest in a foreign company, the related translation differences are initially recognized in equity, then reclassified in profit and loss.

1.2.4. Business combinations

Business combinations are recognized by applying the acquisition method. Identifiable assets, liabilities and contingent liabilities acquired are recognized at their fair value on the purchase date.

The surplus of the sum of the price paid to the seller and, where appropriate, the value of the non-controlling interest in the company acquired against the net balance of the assets acquired and the identifiable liabilities assumed is recognized in goodwill.

Where the takeover is carried out through successive purchases, the consideration also includes the acquisition-date fair value of the acquirer's previously held equity interest in the acquired company. The previously held equity interest is measured at fair value through profit or loss.

Acquisition costs are recorded as expenses.

The fair value adjustments of assets acquired and liabilities assumed are offset against goodwill adjustments on the basis of information obtained during the allocation period, i.e. within twelve months of the acquisition. Changes in value after that date are recognized in profit or loss, including any changes in deferred tax assets and liabilities, if they are related to new items that have occurred since the change of control. If they result from new information relating to facts existing at acquisition date and collected during the 12 months following this date, they are an offset to the acquisition's goodwill.

1.3. Operational items

1.3.1. Segment information

Segment information is presented on the basis of the segments identified in the Group's internal reporting and notified to the management in order to decide on the allocation of resources and to analyze performance.

The Group has two operating segments: "Industries" and "Modules".

1.3.2. Revenue / "Revenue from contracts with customers"

Since January 1, 2018, the Group has applied IFRS 15 "Revenue from Contracts with Customers".

Sales of parts

Agreements signed with customers in the context of the development and supply of parts do not meet the criteria of a contract within the meaning of IFRS 15; in general, only firm orders received from customers are analyzed as contracts creating a performance obligation.

Sales of parts are recognized when the significant risks and rewards of ownership of the goods are transferred to the buyer, usually upon delivery of the goods, and measured at the fair value of the consideration received, net of discounts, rebates and other taxes on sales and customs duties.

Services and creation of specific tooling

The project phase corresponds to the period during which the Group is working on the development of the part to be produced, on the design and manufacture of specific tooling to be used in production as well as on the organization of future production processes and logistics. It begins with the selection of the Group for the vehicle and the product concerned and is completed when the normal production volume is reached.

The accounting treatment applied is based on the identification by the Group in most cases of two performance obligations, distinct from the production of parts, under the Design business and the supply of certain specific tooling whose control is transferred to clients.

Products, including those explicitly included in the part price, are recognized at the start of production life. Payments received before the start of series life are recorded in customer advances. The costs related to these two performance obligations are recognized in inventories during the project phase and then in expenses when their control is transferred to the client, i.e. when series production is launched.

1.3.3. Operating margin

The Group presents an operating margin in the income statement before taking into account the following items:

- the amortization of intangible assets related to acquisitions as part of business combinations; and
- the share of income of associates and joint ventures

The Group also presents an operating margin after taking these elements into account.

The first aggregate corresponds to revenue less direct selling costs, Research and Development, selling and administrative costs. The "Net Research and Development expenses" include tax credits related to the research effort of the Group and its subsidiaries. These tax credits are included in the operating margin under the item "Net Research and Development expenses", see Notes 4.1 "Research and Development expenses" and 4.2 "Costs of goods and services sold, development, selling and administrative costs").

The second aggregate includes the share of income of associates and joint ventures presented on a separate line and the impacts related to the amortization of customer contracts and brands acquired in the context of business combinations also presented on a separate line of the income statement.

The Group main operating indicator used after taking into account the amortization of intangible assets related to acquisitions and the share of income of associates and joint ventures, is the "operating margin" in the income statement.

The operating margin does not include other operating income and expenses (see Note 1.3.4).

1.3.4. Other income and expenses

Other operating income and expenses essentially include:

- the results of the disposal of property, plant, equipment and intangible assets;
- provisions for the impairment of property, plant, equipment and intangible assets, including any impairment of goodwill;
- exchange rate differences arising from different currency rates between those used to recognize operating receivables and payables and those recorded when these receivables and debts are settled;
- unusual items corresponding to non-customary income and expenses due to their frequency, nature or amount, such as profits and losses realized in the context of changes in the scope of operations, pre-start-up costs for large new plants, restructuring costs and those related to employee downsizing measures.

1.3.5. Recognition of transactions in foreign currencies

Transactions in foreign currencies are initially recorded in the functional currency at the rate on the transaction date. On the closing date, monetary assets and liabilities are revalued at the rates prevailing at the closing date. Non-monetary assets and liabilities are valued at historic cost, prevailing at the transaction date (for example: goodwill, property, plant and equipment, inventories). Non-monetary assets and liabilities at fair value are valued at the rates prevailing at the date when fair value is determined.

For monetary items, exchange rate differences arising from changes in foreign exchange rates are recorded in the income statement, as other operating income and expenses, when they relate to operations and as financial income/expenses when they relate to financial transactions.

1.3.6. Inventories and work in progress

1.3.6.1. Raw materials inventories and other supplies

Raw materials and other supplies are measured at the lower of cost and net realizable value.

At the end of the fiscal year, a provision for impairment is recorded when the estimated sales price of the finished products for which they are used in the normal course of business, less the residual estimated marketing, production and processing costs, is less than the carrying amount of the raw materials or supplies.

1.3.6.2. Finished and semi-finished product inventories

Finished and semi-finished products are valued on the basis of standard production costs, revised annually. Cost includes raw materials and direct and indirect production costs. These costs do not include any administrative overheads or IT not linked to production, Research and Development costs or selling costs. In addition, they do not include the cost of below-normal capacity utilization.

1.3.6.3. Project inventories - Tools and development

These inventories correspond to costs incurred by the Group in order to satisfy a performance obligation in connection with automotive projects.

The cost of inventories is compared at the balance sheet date to the net realizable value. If it exceeds the net realizable value, an impairment loss is recorded to bring the inventories to their net realizable value.

1.3.7. Receivables

Receivables are recorded at their fair value at the time they are recorded. The fair value generally corresponds to the nominal value of the receivable as long as the sale has been carried out with normal payment terms. Impairment losses are booked to cover expected credit losses and identified risks of non-recovery. The amount of impairment is calculated on a statistical basis for credit risk and counterparty by counterparty, on an individual basis for non-recovery risk.

Finance receivables mainly correspond to development and tooling sales for which the Group has signed an agreement enabling customers to pay in installments (for example: “development unit” prices contractually agreed by customers). These receivables have initial payment periods of more than one year and may bear interest in the framework of an asset financing agreement signed with the customer. The income related to these receivables is recognized in revenue. These finance receivables are deducted when calculating the Group’s net debt.

Receivables sold to third parties, which are removed from the balance sheet, meet the following criteria:

- the rights attached to receivables are transferred to third parties;
- substantially all the risks and rewards of ownership are transferred to third parties.

The risks taken into account are the following:

- credit risk,
- risks related to payment arrears both for the duration and amounts,
- the transfer of interest rate risk, which is fully assumed by the buyer.

1.3.8. Grants

The grants received are recognized as liabilities in the balance sheet; they correspond to grants to finance investments in new sites, production equipments or research and development programs.

Grants are recognized in profit or loss at the gross margin level, as and when the assets acquired through these grants are depreciated or the associated research expenses are recognized.

1.4. Staff costs and employee benefits

1.4.1. Share-based payment

Options granted under employee share purchase and subscription plans are measured at their fair value at the date of grant by the Board of Directors, using the Black & Scholes mathematical model.

The fair value is recognized in “Employee benefits expense” on a straight-line basis over the vesting period, with a corresponding adjustment to reserves.

When options are exercised, the cash amount received by the Group in respect of the exercise price is recorded in cash and cash equivalents with a corresponding adjustment to consolidated reserves.

1.4.2. Provisions for pensions and other post-employment benefits

All Group employees are covered by pensions and other long-term post-employee benefits. Pension plans comprise defined-contribution plans or defined-benefit plans.

1.4.2.1. Defined contribution plans

The cost of defined-contribution plans, corresponding to salary-based contributions to national bodies responsible for pension and death/disability insurance plans made in accordance with local laws and practices in each country, is recognized as an operating expense. The Group has no legal or implicit obligation to pay additional contributions or future benefits. Consequently, no actuarial liability is recorded under these defined-contribution plans.

1.4.2.2. Defined benefit plans

Defined benefit plans are mainly related to post-employment benefit plans and correspond to the following commitments:

- pension plans for French employees;
- other pension and supplementary pension plans, mainly in the US, France and Belgium;
- plans to cover healthcare costs in the US.

Defined benefit plans are subject to provisions for staff benefits calculated on the basis of actuarial valuations carried out by independent actuaries using the projected unit credit method.

These assessments take into account assumptions specific to each plan such as:

- retirement dates determined according to the terms of the legislation and, in particular for French employees, a voluntary retirement assumption when full benefit rights have been acquired;
- mortality;
- the probability of active employees departing before retirement age;
- estimates of salary increases up to retirement age;
- discount rates and inflation.

When defined benefit plans are funded, the commitments under these plans are reduced by the market value of plan assets at the reporting date. The valuation builds in long-term profitability assumptions for the invested assets, calculated on the basis of the discount rate used to value company commitments.

Changes in provisions for defined-benefit obligations are recognized over the benefit acquisition period, in the income statement under “Operating expenses”, except for:

- the effect of the reversal of discounting of the commitments recognized in financial expenses;
- actuarial gains and losses on post-employment benefit obligations recognized in equity.

1.4.2.3. Other long-term benefits

Other long-term benefits correspond mainly to long-service awards for French employees.

Actuarial gains and losses on “Other long-term benefits” (mainly long-service awards) are recognized immediately in profit or loss.

1.5. Other provisions

1.5.1. Provisions for employee downsizing

The cost of employee downsizing plans is recognized in the period in which a detailed plan is drawn up and announced to the employees concerned or their representatives, thus creating a well-founded expectation that the Group will implement this plan.

1.5.2. Provisions for onerous contracts

Provisions are booked when there are obligations to third parties leading to a likely outflow of resources for the benefit of these third parties without a counterparty of at least equivalent value expected for the Group. Losses identified on onerous contracts, i.e. contracts whose unavoidable costs relating to their obligations are greater than the expected economic benefits, are subject to provisions. These provisions are recognized in current or non-current liabilities depending on whether they are short- or medium/long-term in nature.

1.6. Goodwill, property, plant and equipment and intangible assets

1.6.1. Goodwill

Goodwill is measured annually at cost, less any accumulated impairment representing loss of value. Impairments on goodwill are irreversible.

Negative goodwill (badwill) is recorded in the income statement during the year of acquisition.

1.6.2. Intangible assets

1.6.2.1. Research and development costs

Development costs incurred during the project phase and related to the execution of a contract with a customer not fulfilling a performance obligation are recognized as intangible assets. These internal and external costs relate to the work on the organization of purchasing, logistics and industrial processes to produce the parts that will be ordered by customers.

These costs are recognized as intangible assets in progress during the development phase and amortized on a straight-line basis over the estimated life of the series production, i.e. generally three years for exterior parts, five years for fuel systems and the “Modules” business.

The amortization of development hours is booked under Research and Development costs.

These assets are subject to annual impairment tests and then to the impairment index from the time that they enter service.

Assets under construction are subject to annual impairment tests. As of their commissioning, impairment tests are carried out as soon as signs of impairment are identified.

The accounting treatment of costs that satisfy a performance obligation is described in Note 1.3.2 "Revenue / Revenue from contracts with customers".

Furthermore, under IFRS 15, only the costs of obtaining contracts that would not exist in the absence of a contract are credited to the assets and depreciated over the expected production period; costs incurred prior to the selection of the Group, whether or not the contract is obtained, are recognized as an expense for the period.

1.6.2.2. Other Research and Development costs

Other Research and Development costs are expenses for the fiscal year.

1.6.2.3. Other intangible assets

Other intangible assets are measured at cost less accumulated amortization and impairment losses. They are amortized according to the linear method over their estimated useful lives.

They mainly included the “Ford-Milan,” “Faurecia Exterior Systems business” and “HBPO” customer contracts in 2018.

1.6.3. Property, plant and equipment

1.6.3.1. Assets owned outright

Gross values

Property, plant and equipment are initially recorded at their acquisition cost, at their cost of production when they are manufactured by the company for its own use (or subcontracted) or at their fair value for those acquired without consideration.

Property, plant and equipment may be specific tooling developed by the Group in connection with production contracts signed with customers without transfer of control to customers, for which the Group will receive an integrated remuneration in the part price, where appropriate. In this case, the remuneration is recorded in revenue over the series’ production term.

If fixed assets have been sold or transferred within the Group, any gains and losses are eliminated in the consolidated financial statements.

Property, plant and equipment are later recognized at cost less total depreciation based on their lifespan and total impairment.

Maintenance and repair costs for fixed assets to restore or maintain the future economic benefits that the company can expect in terms of the estimated level of performance at the time of acquisition are recognized as an expense as incurred.

Future expenditures are capitalized only if it is probable that the future economic benefits associated with the expenditure benefit the Group, for example, by an increase in the performance or effectiveness of the asset concerned.

Buildings	20 and 40 years
Real estate fixtures	10 years
Presses and transformation machines	7 - 10 years
Machining, finishing and other equipment	3 - 10 years

The Group applies the components approach to its property assets and major functional assemblies.

1.6.3.2. Lease contracts

Since January 1, 2019, the Group has applied IFRS 16 "Leases" and has chosen to apply for the transition the simplified retrospective method providing for the application of the new accounting treatment to leases in force on January 1, 2019.

As part of the implementation of this standard, the Group assesses whether a contract is a lease under IFRS 16 by assessing on the entry date of said contract, whether the latter relates to a specific asset, and whether the Group obtains almost all of the economic benefits linked to the use of the asset and the ability to control the use of this asset.

The two capitalization exemptions proposed by the standard for contracts with an initial term of less than or equal to twelve months and goods of low unit value when new, which the Group has defined as being less than or equal to €5,000, have been used.

The accounting treatment is as follows:

- recognition as property, plant and equipment of rights to use assets under leases that meet the capitalization criteria defined by IFRS 16;
- recognition of a financial debt in respect of the obligation to pay rent during the term of these contracts;
- recognition of a depreciation charge for the right to use the asset and a financial charge relating to interest on the rental debt which partially replaces the operating charge previously recorded in respect of the rental income. The amortization period of the right of use is determined on the basis of the duration of the contract, taking into account an option of renewal or termination when its exercise is reasonably certain;
- in the cash flow statement, debt repayment payments affect financing flows.

The discount rate used to calculate the rental debt is determined, for each property, according to the marginal debt rate at the start date of the contract. This rate corresponds to the interest rate that the lessee would obtain, at the start of the lease, to finance the acquisition of the leased asset. This rate is obtained by adding the rate on government bonds with terms similar to the leased assets and the entity's credit spread.

The Group has adopted a tool allowing it to carry out, for each contract meeting the IFRS 16 capitalization criteria, an assessment of the rights of use and the related financial debt and of all the impacts on the income statement and balance sheet in accordance with IFRS 16. This tool is used by all consolidated companies.

The amounts recognized as right of use assets and as financial debts mainly relate to property leases of industrial sites, storage and administrative premises; the remainder mainly corresponds to industrial equipment and vehicles.

1.6.4. Impairment of goodwill, property, plant and equipment and intangible assets

1.6.4.1. Impairment of goodwill

Plastic Omnium Group goodwill is not amortized but is tested for impairment at least annually, at year-end, as well as during the current year when there is evidence of impairment.

Impairment tests are carried out at the level of the cash-generating units (CGU) or groups of cash-generating units, which are:

- “Industries”
- “Modules”

The net carrying amount of all assets (including goodwill), comprising each cash-generating unit, is compared to its recoverable amount, i.e. the higher of the fair value less disposal costs and the value in use determined using the discounted cash flow method.

The cash flow forecast is based on the Group's medium-term plans, which are prepared for the next five years, revised as necessary to reflect the most recent market conditions. Beyond this timeframe, a terminal value is calculated based on the capitalization of the projected cash flows for the last year covered by the business plan, using a long-term growth rate that reflects the outlook for the market. These cash flow projections are then discounted.

The assumptions used to determine the discount rates take into account:

- an industry risk premium;
- an industry financing “spread” to value the cost of debt;
- the rates used by comparable companies in each segment.

Sensitivity tests with an increase in the discount rate of 0.5% or a reduction of 0.5% in the long-term growth rate or a reduction of 0.5% in the operating margin rate are systematically carried out. In the current context, a 1-point sensitivity has also been achieved, without impact on the test results.

1.6.4.2. Impairment of depreciable property, plant and equipment and intangible assets

Depreciable property, plant and equipment and intangible assets are subject to impairment tests from the time they enter service in the context of signs of impairment such as recurring losses for an entity, decisions to stop commercializing production, or site closures. Intangible assets in progress are also subject to a value test annually at year-end.

1.6.5. Investment property

The items in the “Investment property” section of the Group’s balance sheet assets are not included in ordinary operations. These assets, which belong to the Group, correspond to real estate:

- not occupied on the balance sheet date and whose use is unspecified;
- or held by the Group for their long-term appreciation and which are leased under operating leases.

The Group may, where appropriate, decide to use all or part of a property whose use is unspecified (in which case the relevant part would be reclassified as operating property) or lease them under one or more operating leases.

Investment property is measured at fair value at the balance sheet date, with changes in fair value recognized in profit or loss. The land on which the buildings are constructed follows the same accounting treatment. An independent appraiser makes regular valuations as part of the year-end closing process. Between two valuations, the Group ensures that the real estate market has not undergone any significant change. The fair value determined by the expert is assessed by direct reference to observable prices in an active market (level 2 fair value).

Following the sale of the Nanterre and Lyon Gerland real estate complexes at the end of 2019, the Group has an immaterial amount of investment property (see Note 5.1.4).

1.7. Non-current assets held for sale and discontinued operations

The following items are classified as “Assets held for sale” on the balance sheet, as soon as the assets or groups of assets are available-for-sale in their current state and the sale is highly probable:

- non-current assets held pending their sale;
- a group of assets held for sale and not for continuing use;
- businesses or companies acquired with a view to subsequent sale.

Liabilities related to these assets, groups of assets, businesses and companies held for sale are also presented as a separate item under liabilities in the balance sheet, “Liabilities directly related to assets held for sale”.

Assets (or groups of assets) classified in this category are no longer depreciated. They are valued at the lower of their carrying amount and selling price, less selling costs. Any impairment losses are recognized by the Group under “Other operating expenses”.

On the balance sheet, data related to “Assets and activities held for sale” shown separately in the financial statements do not give rise to the restatement of prior years in terms of presentation.

In the income statement, the profit/loss (from the period and from the sale) of business operations or entities that meet the definition of a discontinued operation are reported as a separate line item entitled “Net income from discontinued operations” in each of the fiscal years presented.

1.8. Financial items

1.8.1. Financial assets (excluding derivatives)

1.8.1.1. Shares and funds

These investments (Equity investments and funds) also correspond to shares in listed companies as well as to shares subscribed for in venture capital funds and companies. On the acquisition date, they are measured at fair value plus transaction costs directly attributable to their acquisition.

In accordance with IFRS 9:

- changes in the fair value of listed companies are accounted for using the alternative method provided by IFRS 9 in "Other comprehensive income in equity" (OCI) without recycling in profit or loss;
- changes in long-term investments funds, and mutual funds, are recognized in profit or loss.

The impact of the application of this standard is not material for the Plastic Omnium Group.

1.8.1.2. Other financial assets

Other financial assets include loans, security deposits and surety bonds. They are measured at amortized cost. Whenever there is objective evidence of impairment, i.e. a negative difference between the carrying amount and the recoverable amount, an impairment provision is recognized through profit or loss. This impairment may be reversed if the recoverable amount subsequently increases.

Other financial assets also include marketable securities that do not meet the criteria for classification as cash equivalents. They are valued at their fair value on the closing date, and changes in fair value are recorded in financial income.

1.8.2. Cash and cash equivalents

Cash and cash equivalents presented in the statement of cash flows include short-term, highly liquid cash items, readily convertibles into known amounts of cash and subject to a negligible risk of change in value. Cash comprises cash and cash equivalents, short-term deposits and bank balances, with the exception of those authorized to cover short- or medium-term cash needs arising from day-to-day operations. Cash equivalents correspond to short-term investments and are subject to a negligible risk of changes in value in the context of the temporary use of cash surpluses (money market funds, negotiable debt securities, etc.). Changes in the fair value of these assets are recognized in profit or loss.

1.8.3. Current and non-current borrowings

Current and non-current borrowings are valued using the amortized cost method and the effective interest rate.

Borrowings in foreign currencies contracted by a subsidiary from the Group and whose repayment is neither planned nor likely in the foreseeable future are considered to be part of the net investment of the Plastic Omnium Group in this foreign business. The corresponding translation differences are recognized in equity.

1.8.4. Derivatives and hedge accounting

In order to manage its interest rate risk, the Group uses OTC derivative instruments. These hedging instruments are valued and recognized in the balance sheet at their fair value.

Changes in the fair value of instruments described as "Cash flow hedges" are recorded under "Other comprehensive income" (equity) for the effective parts and in financial income for the ineffective parts in application of IFRS 9.

Changes in the fair value of derivatives that do not qualify for hedge accounting are recognized in profit or loss.

1.9. Income tax

In France, the entity Compagnie Plastic Omnium maintained the option for the ordinary law tax consolidation system for itself and the French subsidiaries at least 95% controlled, as set out in Article 223 A of the French Tax Code.

In addition, the Group applies optional national consolidation or tax consolidation plans in Germany, Spain and the United States.

The Plastic Omnium Group recognizes deferred taxes relating to temporary differences between the tax values and the carrying amount of assets and liabilities on the consolidated balance sheet without discounting.

Deferred taxes are calculated using the liability method, applying the last tax rate enacted (or the quasi-adopted rate) at the balance sheet date and applicable to the period in which the temporary differences reverse.

Tax credits and deferred tax assets on tax loss carryforwards and temporary differences are only recognized when the probability of their utilization within a relatively short period of time is proven.

1.10. Shareholders' equity and earnings per share

1.10.1. Treasury stock

The Plastic Omnium Group's treasury stock is recorded as soon as it is acquired as a deduction from equity, regardless of the purpose for which it is being held.

The proceeds from the sale of these securities are recognized directly as an increase in the Group's equity, any gain or loss on the sales having no impact on the income statement for the fiscal year.

1.10.2. Earnings per share

Basic earnings per share are calculated using the weighted average number of ordinary shares outstanding, less the weighted average number of shares held in treasury stock.

Diluted earnings per share take into consideration the average number of treasury shares deducted from equity and shares which might be issued in respect of the fiscal year under stock option programs.

1.11. Estimates and judgements

In preparing its financial statements, the Plastic Omnium Group uses estimates and assumptions to assess some of its assets, liabilities, income, expenses and commitments. Senior management reviews these estimates and assumptions periodically. The amounts in the future financial statements of the Group may include changes in estimates or assumptions in the consideration of past experience and changes in economic conditions.

In general, the estimates and assumptions used during the fiscal year were based on the information available at the balance sheet date. Estimates may be revised depending on changes in the underlying assumptions. These assumptions mainly concern:

Deferred taxes

Recognition of deferred tax assets depends on the probability of sufficient taxable earnings being generated to permit their utilization. This leads the Group to make regular estimates of future taxable earnings, particularly as part of the medium-term plans established within the Group. These estimates take into account the recurring or non-recurring nature of certain losses, expenses, etc.

See Note 2.1.3 "Deferred tax assets" on the consequences linked to the Covid-19 crisis.

Provisions

Provisions for pensions and other post-employment benefits

In the case of defined-benefit plans, the Group, assisted by independent actuaries, adopts assumptions (see Notes 1.4.2 and 5.2.5 “Provisions for pensions and other post-employment benefits”) on:

- discount rates for pension and other long-term benefits;
- rates of increases in healthcare costs for the United States;
- employee turnover and future salary increases.

Other provisions

Estimates also cover provisions, particularly those relating to employee downsizing, litigation, customer guarantees, legal and tax risks for which, in some cases, the Legal Department may be required to employ specialized lawyers.

Asset impairment tests

Impairment tests are carried out each year, in particular on goodwill and development costs relating to automotive projects, but also during the year on these same assets as well as on industrial assets if signs of impairment are identified.

As part of these tests, for the determination of the recoverable amount, the concepts of fair value net of disposal costs and value in use obtained by the discounted cash flow method are used. These tests are based on assumptions about future operating cash flows and discount rates.

Assumptions that could have a material impact on the financial statements concern, in particular, the discount rates and growth rates (see Note 2.1.2 "Asset impairment tests").

Sensitivity tests are performed on the long-term growth rate and discount rate assumptions for tests relating to goodwill and on the level of operating margin for tests relating to industrial assets.

Lease contracts (IFRS 16)

The discount rate is a key assumption in determining accounting impacts related to the application of IFRS 16 on leases. It is used to calculate the right of use and the lease liability for each leased asset (see Note 1.1).

Other uncertainties

To date, the main uncertainty likely to impact significantly the assumptions is the "Covid-19 pandemic".

2. SIGNIFICANT EVENTS OF THE PERIOD

Covid-19 pandemic and impact on the financial statements

The Covid-19 pandemic, which emerged in January 2020 in China and March 2020 in the rest of the world, led to the sudden shutdown of the Group's plants and Research and Development centers, to the extent that its customers, the automotive manufacturers, shut their production lines.

After a gradual recovery and reopening of all the Group's plants in June 2020, the majority of plants resumed normal production rates in the second half of the year despite the continuation of the pandemic in the second half of 2020.

A specific note is dedicated to the impacts and uncertainties related to this crisis: see Note 2.1 "Management by the Group of the Covid-19 crisis and the impacts on the Group's financial statements".

International context and change in the automotive market:

The impact of the Covid-19 pandemic on the worldwide automotive production in 2020 compared to 2019 is presented below:

<i>In thousands of vehicles</i>	<i>Source: IHS ⁽¹⁾</i>	2020	2019	Change	%
Vehicle production		71,573	86,005	-14,431	-16.8%

(1) IHS: "IHS Markit", an Anglo-American specialist economic information company, which publishes trends and forecasts, particularly for the automotive sector. Publication : " IHS database as of Jan 15th. 2021 – [0;3.5t PC + LCV]".

2.1. Management by the Group of the Covid-19 pandemic and impacts on the Group's financial statements

During the first-half of 2020, the Group was forced to close its production facilities in strict compliance with the provisions taken by the authorities of each country where the Group operates and in line with the automotive manufacturers' production line shutdowns:

The impacts directly linked to Covid-19 are described in the following notes.

2.1.1. Reduction of plant activity

The table below shows the change in activity in the Group's plants, which explains in particular the Group's performance during the first half of 2020.

1st Half year	<i>In units</i>	End January 2020		End February 2020		End March 2020		End April 2020		End May 2020		End June 2020	
	Number of plants	Operating	Shut down	Operating	Shut down	Operating	Shut down	Operating	Shut down	Operating	Shut down	Operating	Shut down
Group Total		131		131		131		131		131		131	
By geographic area		131	-	131	-	50	81	50	81	120	11	131	-
<i>Europe and Africa</i>		58	-	58	-	14	44	14	44	56	2	58	-
<i>Asia</i>		46	-	46	-	36	10	36	10	45	1	46	-
<i>North America</i>		21	-	21	-	-	21	-	21	14	7	21	-
<i>South America</i>		6	-	6	-	-	6	-	6	5	1	6	-

The Group sales ramped up gradually as customers resumed production in June 2020, achieving a normal production rate in the second half of 2020.

2.1.2. Asset impairment tests

Indicators of impairment were identified during the fiscal year in connection with the global Covid-19 pandemic:

- decreases in revenue across all Group entities in connection with site closings and a reduction in global production estimated by IHS at around -16.8% for the full year compared to 2019 (please refer to the introductory note on the “Covid-19 crisis and the impact on the presentation of the financial statements”);
- performance for 2020 and the following years significantly lower than forecasted before the crisis.

In this context and in application of IAS 36 "Impairment of assets", impairment tests were carried out to verify that intangible and tangible assets, including assets in progress, are recognized at a value not exceeding their recoverable value.

Thus, the following assets were tested for impairment in June 2020:

- goodwill for "Modules" and "Industries" activities and their components "Intelligent Exterior Systems" and "Clean Energy Systems";
- customer contracts;
- project assets;
- non-current assets of certain industrial sites and entities; the sites or entities for which the 2019 enterprise value reduced by 40% remains higher than the capital employed were not tested, unless specific risks had been identified, because the Group considered that the probability of the recoverable amount being lower than the net carrying amount was very low.

The tests performed as of June 30, 2020 resulted in the recognition of €261,7 million in impairment losses against €250,2 million as of December 31, 2020. The update of the impairment tests at the end of the fiscal year does not materially affect the impairment losses recognized as of June 30, 2020. Indeed, the impact is a €11.5 million net reversal of impairment losses, including €8.6 million with respect to HBPO customer contracts. The breakdown of the impairment from June to December is as follows:

In millions of euros	2020		
	June, 30	Change over the 2nd semester	December, 31
Industrial assets	176.6	-6.0	170.6
Project assets	53.1	3.1	56.2
Customer contracts	32.0	-8.6	23.4
Total	261.7	-11.5	250.2

These impairments are mainly due to the significant volume reductions due to the Covid-19 crisis and the assumption that the worldwide automotive market will remain below pre-crisis forecasts for the foreseeable future and will therefore not lead to a satisfactory load factor for the plants.

These tests were updated at the end of the year on the basis of forecast data from the Group's medium-term plans finalized in November 2020, established for the period 2021-2025, revised if necessary to take into account the latest developments.

The assumptions made are based on IHS estimates and on volume forecasts received from vehicle manufacturers, discounted where applicable based on the history and knowledge of each program. On this basis, the recovery in global automobile production is, over several years, both moderate and marked by strong geographic disparities, and is reflected in:

- A return to pre-crisis turnover no later than 2023 for the Industry activity and from 2021 for HBPO;
- A total annual savings plan of €240 million up to 2022 which will allow the Group to return to 2019's operating profit level as of 2021.

The WACC was maintained at 9%, with adjustments where necessary, to take into account country-specific characteristics (India).

The growth rate, used to calculate the terminal value, was set at 1.5%. This rate was adjusted in the US (2%) and in India (3%).

In accordance with the Group's accounting principles, these impairments are recognized in "Other operating expenses" (see Note 4.6).

Sensitivity on Goodwill tests:

Sensitivity tests on the discount rate, long-term growth, and Operating Margin rate assumptions used in determining the terminal value were performed. The conclusion of this test is that neither a 0.5% increase in the discount rate, a decrease in the long-term growth rate nor a 1 point decrease in the CGU margin rate would not call into question the conclusion of the tests. Likewise, a one-year delay in the hypothesis of a return to a pre-crisis level of production would not call into question the conclusion of the tests.

Sensitivity on intangible and tangible asset tests:

Sensitivity analyzes were carried out on the tests which led to the most significant impairments in the United States and in Germany. These impairments represent more than 60% of the total impairment of industrial assets and projects.

In this context, the Operating Margin was retained as a key assumption since it reflects the impact of the following two effects:

- The change in revenue, in particular the impact of a drop in sales that would not be offset by a reduction in costs and / or;
- A difference in the expected profitability of plants

A 10% change in the operating margin used over the term of the plan (2021-2025) and in the determination of the terminal value would have the following consequences:

- A €15 million change in the impairments recognized on assets in the United States;
- A €10 million change in impairments recognized on assets in Germany.

2.1.3. Deferred tax assets

The Group's tax position has been analyzed taking into account the estimated effects of the Covid-19 crisis on future results.

In accordance with the Group's accounting principles, "Tax credits and deferred tax assets on tax loss carryforwards and temporary differences are only recognized when the probability of their utilization within a relatively short period of time is proven" (please refer to Note 1.9 "Income Tax" in the accounting policies). Thus, taking into account lower future results, impairments deferred tax assets amounted to €79.1 million for the period.

Impacts over the fiscal year 2020 are explained in Note 4.8 "Income tax".

2.1.4. Implementation of part-time activity and State aid

From March, as the Covid-19 crisis was recognized as a pandemic (which emerged in January 2020 in China), the Group gradually closed all of its production sites as its automotive manufacturer customers shut down their own sites. In the second half of 2020, the plants remained open and in operation with maximum use of remote working (home office).

Protective measures have led the Group to promote remote working (home office) whenever possible and essential, and to set up part-time activity in strict compliance with the legislation and the provisions taken by the authorities of each country where the Group is established.

At December 31, 2020, State aid received in the context of partial activity amounted to €31.7 million and was recognized as a reduction in staff costs (see Note 4.3 "Staff costs").

2.1.5. Other costs related to Covid-19

The Group has implemented very strict health measures ranging from protective equipment for employees, hydro-alcoholic gels, temperature-taking equipment, regular disinfection of premises, floor markings and the display of instructions, etc.

Total additional costs resulting from the Covid-19 crisis amounted to €13.4 million recognized in operating expenses at the operating margin level.

2.1.6. Other commitments made by the Group following Covid-19

As part of its Corporate Social Responsibility (CSR) policy Act for All™, the Group has committed to an amount of €1 million to help charities in favor of the elderly, isolated people, medical staff and all occupations engaged on the front line facing Covid-19.

At December 31, 2020, the cost of actions taken amounted to €0.7 million.

2.1.7. Going concern

The Group's business recovery and the improved sales in the second half of the year, despite the ongoing pandemic, confirmed the Group's resilience:

- Sales improvement in the 2nd half of 2020 compared to the drop in the 1st half:
 - 2nd half of 2020: the Group's sales compared to the same period in the previous year dropped by -2.7% (+0.8 % like-for-like) while the automotive market in volume terms (IHS information ⁽¹⁾) changed by -0.4%;
 - 1st half of 2020: the Group's sales compared to the same period in the previous year dropped by -30.6% (-30.3 % like-for-like) while the automotive market in volume terms (IHS information ⁽¹⁾) changed by -32.8%;
- Based on information known as of December 31, 2020, IHS projections forecast a return to the pre-pandemic level of worldwide vehicle production, i.e. around 87 million vehicles in 2023;
- As of December 31, 2020, the Group's balance sheet remains solid with a "Gearing" which amounted to 41.4 % (see Note 6.1 « Capital management »);
- The Group's liquidity as of December 31, 2020 was strengthened since the end of the previous year and with no major maturities before 2023 (see Note 5.2.6 « Current and non-current borrowings » and 6.4.2 « Liquidity risk by maturity »);
- Cash forecasts for 2021, at the publication date of financial statements at December 31, 2020, show positive free cash flow generation.

(1) IHS for "IHS Markit", an Anglo-American specialist economic information company, which publishes trends and forecasts, particularly for the automotive sector. Publication: IHS database as of Jan 15th, 2021 – [0:3.5t PC + LCV].

2.2. Other significant events of the period

2.2.1. Financing transactions

2.2.1.1. Implementation of credit lines and utilization during the period

During the fiscal year, The Group negotiated additional €560 million of credit lines with its banking partners.

See Notes 5.1.11 "Cash and cash equivalents", 5.2.6.6 "Confirmed medium-term credit lines" and 5.2.6.7 "Reconciliation of gross and net financial debt".

2.2.1.2. Issuance of "Negotiable European Commercial Paper" (Neu-CP)

During the 2020 fiscal year, the Group issued "Neu-CP" maturing in less than one year to European investors for €200.5 million as of December 31, 2020.

The terms of these issuances are provided in Note 5.2.6.5 "Short-term borrowings: issuance of "Negotiable European commercial paper" (Neu-CP)".

See also Note 5.2.6.7 "Reconciliation of gross and net financial debt".

2.2.1.3. Compagnie Plastic Omnium SE repayment of the €500 million bond issued in 2013

On May 29, 2020, Compagnie Plastic Omnium SE repaid the €500 million bond issued without covenant or rating on May 21, 2013 to European investors.

See Notes 5.2.6.2 "Borrowings: private placement notes and bonds" and 5.2.6.7 "Reconciliation of gross and net financial debt".

2.2.1.4. Maturity of negotiable medium-term notes and sale of investments in UCITS of Compagnie Plastic Omnium SE

The last negotiable medium-term note (NMTN), subscribed on February 24, 2015 by Compagnie Plastic Omnium SE, matured in the first-half of 2020.

Compagnie Plastic Omnium SE also sold its investments in UCITS (Undertaking for Collective Investment in Transferable Securities) with a nominal value of €50 million purchased in 2017.

See Notes 5.2.6.4 "Loans, negotiable debt securities and other financial assets" and 5.2.6.7 "Reconciliation of gross and net financial debt".

2.2.2. Change in the scope of consolidation during the fiscal year 2020 and monitoring of previous changes in the scope of consolidation

2.2.2.1. Partnership signed in 2020 with the German group ElringKlinger AG with effect from 2021: "EKPO" and "EKAT"

The Plastic Omnium group and ElringKlinger AG, a German family-owned, stock exchange-listed group, manufacturer of automotive spare parts headquartered in Dettingen (Bavaria), signed an agreement on October 28, 2020 to create a joint venture, EKPO Fuel Cell Technologies.

The new EKPO Fuel Cell Technologies joint venture will be dedicated to the development, production and marketing of fuel cells for carbon-free mobility and its head office will be in Dettingen / Erms (Baden-Württemberg).

The ElringKlinger group will contribute its business, its technology and will own 60% of the new company. The Plastic Omnium group will provide its technological expertise in hydrogen storage and hydrogen systems, its portfolio of international customers and a development capacity of up to €100 million for a 40% holding.

In addition, the two partners signed on the same day an agreement for the acquisition by the Plastic Omnium group of 100% of the Austrian subsidiary of ElringKlinger specializing in integrated hydrogen systems, ElringKlinger Fuelcell Systems Austria GmbH (EKAT), for an enterprise value of €15 million.

Both agreements are subject to competition authorities and customary legal requirements. They should be validated during the first quarter of 2021.

The company "EKPO" will be consolidated in the financial statements of Plastic Omnium group using the equity method and the company "EKAT" will be fully consolidated.

2.2.2.2. The takeover of HBPO Hicom in Malaysia

HBPO GmbH acquired on October 1, 2020, for an amount of €0.8 million, 11% of HBPO Hicom in Malaysia, increasing its stake from 40% to 51%. With this additional equity investment, the Group controls Hicom (percentage of interest at 34%).

Before the transaction, HBPO Hicom was consolidated using the equity method. As of December 31, 2020, it is fully consolidated.

The transaction led to the recognition of €2.3 million in income deriving from the revaluation of the 40% share held before the take-over on the basis of its fair value, recognized in the income statement in "Other operating income and expenses" (see note 4.6). This income corresponds to the difference between the carrying amount of the investment on the date control is taken and the fair value of this investment.

2.2.2.3. Sale of the Group's equity investment in PO-CellTech

On June 3, 2020, Plastic Omnium Group sold its equity investment in PO-CellTech, a start-up focusing on fuel cells and supercapacitors, to its partner, the Israeli company ELBIT Systems.

PO-CellTech was recognized in the Group's financial statements using the equity method, respectively in "Share of profit/loss of associates and joint ventures" and "Investments in associates and joint ventures" in the income statement and balance sheet (respectively see Notes 4.5 and 5.1.5).

The transaction had no impact on the net income of the period.

2.2.2.4. Memorandum of understanding related to the disposal of the Environment Division (Sulo SAS)

On April 6, 2020, Compagnie Plastic Omnium SE signed a settlement agreement related to the disposal by Compagnie Plastic Omnium SE of the Environment Division (which became Sulo SAS) on December 18, 2018 to the consortium "Latour Capital / Bpifrance (Public investment bank)".

As such, an amount of €0.4 million, fully provisioned in the financial statements at December 31, 2019, was paid to the buyer.

2.2.3. Monitoring of 2019 financial investments in AP Ventures

During the fiscal year 2020, as co-sponsor and member of the investment advisory committee, Compagnie Plastic Omnium SE paid AP Ventures, a London-based venture capital firm specializing in hydrogen and fuel cells, a total of €2.7 million (equivalent to \$3.1 million).

Compagnie Plastic Omnium SE committed to invest \$30 million over the life of the fund. The Group's total payment amounted to €3.9 million (equivalent to \$4.8 million) as at December 31, 2020 (see Note 5.1.6.1 "Long-term investments in equities and funds").

2.2.4. Change in the international economy and impacts on the Group's financial statements

2.2.4.1. "Brexit": exit of the United Kingdom from the European Union

The United Kingdom left the European Union (EU) on December 31, 2020 following the referendum of June 23, 2016. Plastic Omnium Group operates two subsidiaries in the UK, "Plastic Omnium Automotive Ltd" and "HBPO UK Ltd":

- For fiscal years 2019 and 2020, the two companies held contributed to 5% of the Group's revenues;
- The Group anticipated the implementation of customs control formalities and increased its inventories to secure production and does not expect any significant impact related to Brexit; and
- Change in the pound sterling over the last two years (closing rate):
 - December 31, 2019: 1 euro is exchanged for 0.851 pound
 - December 31, 2020: 1 euro is exchanged for 0.899 pound

2.2.4.2. Monitoring of hyperinflation in Argentina and impacts on the Group's financial statements

The economic crisis in Argentina continues and is combined with the effects of the Covid-19 pandemic.

The Argentine peso exchange rate has dropped by 53% since December 31, 2019.

At December 31, 2020, the assets of the three subsidiaries Plastic Omnium Auto Inergy Argentina SA (Clean Energy Systems), Plastic Omnium Argentina and Plastic Omnium Automotive Argentina (Intelligent Exterior Systems) were revalued. The impacts related to hyperinflation on the main income statement aggregates and recognized at December 31, 2020 are as follows:

<i>In thousands of euros</i>	2020	2019
Impact on the Group's revenue	+ € 3,814	+ € 594
Impact on the Group's operating margin	+ € 77	- € 31
Impact on the Group's financial income	- € 713	- € 984
Impact on the Group's other operating expense	- € 858	+ € 76
Impact on the Group's tax expense	+ € 290	- € 79
Impact on the Group's net income	- € 604	- € 1,019

3. SEGMENT INFORMATION

3.1. Information by operating segment

The Group uses the concept “Economic revenue” for its operational management, which corresponds to the consolidated revenue of the Group and its joint ventures at their percentage stake: Yanfeng Plastic Omnium, the Chinese leader in exterior body parts, SHB Automotive modules, the leading Korean front-end module company and BPO, a major player in the Turkish market for exterior equipment.

The Group organizes its Automotive businesses into two operating segments (see Note on "Presentation of the Group"): “Industries” and “Modules”.

The columns in the tables below show the amounts by segment. The “Unallocated items” column groups together inter-segment eliminations and amounts that are not allocated to a specific segment (in particular, holding company activity) allowing for the reconciliation of segment data with the Group’s financial statements. Financial results, taxes and the share of profit/(loss) of associates are monitored at Group level and are not allocated to segments. Transactions between segments are carried out on an arm’s length basis.

3.1.1. Income statement by operating segment

In thousands of euros	2020			
	Industries	Modules	Unallocated items ⁽²⁾	Total
Economic revenue ⁽¹⁾	5,627,787	2,104,283	-	7,732,070
<i>Including revenue from joint ventures consolidated at the Group's percentage stake</i>	485,237	173,606	-	658,843
External sales to Segment	5,167,497	1,905,730	-	7,073,227
Inter-segment sales	(24,947)	24,947	-	-
Consolidated revenue	5,142,550	1,930,677	-	7,073,227
<i>% of segment revenue - Total</i>	72.7%	27.3%	-	100.0%
Operating margin before amortization of intangible assets acquired and before share of profit/(loss) of associates and joint ventures	80,247	31,320	-	111,567
<i>% of segment revenue</i>	1.6%	1.6%	-	1.6%
Amortization of intangible assets acquired	(7,889)	(14,504)	-	(22,393)
Share of profit/(loss) of associates and joint ventures	27,409	1,692	-	29,101
Operating margin	99,767	18,508	-	118,275
<i>% of segment revenue</i>	1.9%	1.0%	-	1.7%
Other operating income	23,535	3,699	-	27,234
Other operating expenses	(327,711)	(33,314)	-	(361,025)
<i>% of segment revenue</i>	-5.9%	-1.5%	-	-4.7%
Financing costs				(59,836)
Other financial income and expenses				(8,701)
Profit/(loss) from continuing operations before income tax and after share in associates and joint ventures				(284,053)
Income tax				31,002
Net income				(253,051)

In thousands of euros	2019			
	Industries	Modules	Unallocated items ⁽²⁾	Total
Economic revenue ⁽¹⁾	6,918,963	2,263,669	-	9,182,632
<i>Including revenue from joint ventures consolidated at the Group's percentage stake</i>	521,211	167,871	-	689,082
External sales to Segment	6,427,789	2,065,761	-	8,493,550
Inter-segment sales	(30,037)	30,037	-	-
Consolidated revenue	6,397,752	2,095,798	-	8,493,550
<i>% of segment revenue - Total</i>	75.0%	25.0%	-	100.0%
Operating margin before amortization of intangible assets acquired and before share of profit/(loss) of associates and joint ventures	435,288	66,100	-	501,388
<i>% of segment revenue</i>	6.8%	3.1%	-	5.9%
Amortization of intangible assets acquired	(9,663)	(17,547)	-	(27,210)
Share of profit/(loss) of associates and joint ventures	34,566	1,888	-	36,454
Operating margin	460,191	50,441	-	510,632
<i>% of segment revenue</i>	7.2%	2.4%	-	6.0%
Other operating income	165,865	1,829	-	167,694
Other operating expenses	(232,305)	(2,427)	-	(234,731)
<i>% of segment revenue</i>	-1.0%	-	-	-0.8%
Financing costs				(79,363)
Other financial income and expenses				1,598
Profit/(loss) from continuing operations before income tax and after share in associates and joint ventures				365,830
Income tax				(89,860)
Net income				275,970

(1) Economic revenue corresponds to revenue of the Group and its joint ventures consolidated at their percentage of ownership.

(2) "Unallocated items" corresponds to intra-group eliminations and amounts that are not allocated to a specific segment (for example, holding company activities). This column is included to enable segment information to be reconciled with the consolidated financial statements.

3.1.2. Balance sheet aggregate data by operating segment

December 31, 2020				
In thousands of euros	Industries	Modules	Unallocated items	Total
Net amounts				
Goodwill	486,643	527,726	-	1,014,369
Intangible assets	431,700	124,394	4,753	560,847
Property, plant and equipment	1,495,594	148,162	32,433	1,676,189
Investment property	-	-	30	30
Inventories	602,910	53,902	-	656,812
Trade receivables	632,522	183,384	-1,506	814,400
Other receivables	248,511	21,885	47,911	318,307
Finance receivables (C)	6,340	-	-	6,340
Current accounts and other financial assets (D)	-1,046,879	3,226	1,053,707	10,054
Long-term investments in equity instruments and funds - FMEA 2 (F)	4,086	-	4,223	8,309
Hedging instruments (E)	-	-	7,625	7,625
Net cash and cash equivalents (A) ⁽¹⁾	90,919	36,679	690,114	817,712
Segment assets	2,952,346	1,099,358	1,839,290	5,890,994
Borrowings and financial debt (B)	265,472	67,294	1,324,191	1,656,957
Segment liabilities	265,472	67,294	1,324,191	1,656,957
Segment net financial debt = (B - A - C - D - E - F) ⁽²⁾	1,211,006	27,389	-431,478	806,917
December 31, 2019				
In thousands of euros	Industries	Modules	Unallocated items	Total
Goodwill	493,035	524,795	-	1,017,830
Intangible assets	550,467	168,357	5,921	724,745
Property, plant and equipment	1,792,295	133,857	32,767	1,958,919
Investment property	-	-	30	30
Inventories	674,341	61,505	-	735,846
Trade receivables	682,714	132,230	3,855	818,799
Other receivables	239,765	31,565	57,417	328,747
Finance receivables (C)	13,100	-	-	13,100
Current accounts and other financial assets (D)	-1,101,226	3,103	1,167,906	69,783
Long-term investments in equity instruments and funds - FMEA 2 (F)	142	-	56,160	56,302
Hedging instruments (E)	-	-	5,027	5,027
Net cash and cash equivalents (A) ⁽¹⁾	124,545	64,711	943,822	1,133,078
Total segment assets	3,469,178	1,120,123	2,272,905	6,862,205
Borrowings and financial debt (B)	334,313	50,018	1,632,412	2,016,742
Segment liabilities	334,313	50,018	1,632,412	2,016,742
Segment net financial debt = (B - A - C - D - E - F) ⁽²⁾	1,297,752	-17,796	-540,503	739,453

(1) Net cash and cash equivalents as reported in the Statement of Cash Flows. See also 5.1.11.2 "Net cash and cash equivalents at end of period".

(2) See Notes 5.2.6.1 "Definition of debt instruments within the Group" and 5.2.6.7 "Reconciliation of gross and net financial debt".

3.1.3. Other information by operating segment

2020	Industries	Modules	Unallocated items	Total
In thousands of euros				
Acquisitions of intangible assets	127,230	14,691	1,097	143,018
Capital expenditure including acquisitions of investment property	193,178	23,510	966	217,654
2019	Industries	Modules	Unallocated items	Total
In thousands of euros				
Acquisitions of intangible assets	175,231	22,381	2,186	199,798
Capital expenditure including acquisitions of investment property	304,311	26,452	2,934	333,697

3.1.4. Revenue - Information by geographic region and country of sales

The information given in the following tables corresponds to the revenue generated by the subsidiaries in the sales regions or countries as indicated below:

3.1.4.1. Information by sales region

2020		
In thousands of euros	Totals	%
France	486,408	6.3%
North America	2,045,101	26.4%
Europe excluding France	3,644,253	47.1%
South America	81,755	1.1%
Africa	90,562	1.2%
Asia	1,383,991	17.9%
Economic revenue	7,732,070	100%
<i>Including revenue from joint ventures at the Group's percentage stake</i>	658,843	
Consolidated revenue	7,073,227	

2019		
In thousands of euros	Totals	%
France	725,146	7.9%
North America	2,629,725	28.6%
Europe excluding France	4,073,847	44.4%
South America	174,798	1.9%
Africa	98,210	1.1%
Asia	1,480,906	16.1%
Economic revenue	9,182,632	100%
<i>Including revenue from joint ventures at the Group's percentage stake</i>	689,082	
Consolidated revenue	8,493,550	

3.1.4.2. Information for the top ten contributing countries

2020		
In thousands of euros	Totals	%
Germany	1,363,338	17.6%
United States	1,016,997	13.2%
Mexico	935,581	12.1%
China	847,184	11.0%
Spain	616,941	8.0%
France	486,408	6.3%
Slovakia	483,982	6.3%
United Kingdom	386,216	5.0%
Korea	283,264	3.7%
Hungary	265,255	3.4%
Other	1,046,904	13.4%
Economic revenue	7,732,070	100%
<i>Including revenue from joint ventures at the Group's percentage stake</i>	658,843	
Consolidated revenue	7,073,227	

2019		
In thousands of euros	Totals	%
Germany	1,447,331	15.8%
United States	1,274,576	13.9%
Mexico	1,220,653	13.3%
China	857,265	9.3%
France	725,146	7.9%
Spain	679,964	7.4%
Slovakia	512,123	5.6%
United Kingdom	503,920	5.5%
Korea	297,004	3.2%
Hungary	294,877	3.2%
Other	1,369,773	14.9%
Economic revenue	9,182,632	100%
<i>Including revenue from joint ventures at the Group's percentage stake</i>	689,082	
Consolidated revenue	8,493,550	

3.1.4.3. Information by automotive manufacturer

2020		
Automotive manufacturers	Totals	
In thousands of euros	Totals	% of total automotive revenue
Volkswagen-Porsche	2,002,539	25.9%
Daimler	883,665	11.4%
PSA Peugeot Citroën	818,323	10.6%
General Motors	639,606	8.3%
BMW	637,233	8.2%
Total – main manufacturers	4,981,365	64.4%
Other automotive manufacturers	2,750,704	35.6%
Total economic revenue	7,732,070	100.0%
<i>Including revenue from joint ventures at the Group's percentage stake</i>	658,843	
Total consolidated revenue	7,073,227	

2019		
Automotive manufacturers	Totals	
In thousands of euros	Totals	% of total automotive revenue
Volkswagen-Porsche	2,306,112	25.1%
PSA Peugeot Citroën	948,606	10.3%
General Motors	883,677	9.6%
Daimler	864,560	9.4%
BMW	768,805	8.4%
Total – main manufacturers	5,771,760	62.9%
Other automotive manufacturers	3,410,873	37.1%
Total economic revenue	9,182,632	100%
<i>Including revenue from joint ventures at the Group's percentage stake</i>	689,082	
Total consolidated revenue	8,493,550	

3.2. Non-current assets by country

In thousands of euros	France	Europe excluding France	North America	Asia	South America	Others ⁽²⁾	Total
December 31, 2020							
Goodwill	213,274	714,923	73,296	2,931 ⁽¹⁾	9,945	-	1,014,369
<i>including translation adjustment</i>	-	-	-6,758	-	366	-	-6,392
Intangible assets	86,569	268,954	115,799	73,147	7,230	9,147	560,847
Property, plant and equipment	201,195	704,546	458,055	249,078	16,306	47,009	1,676,189
<i>including capital expenditure for the year</i>	28,111	85,196	53,437	39,464	1,292	10,154	217,654
Investment property	30	-	-	-	-	-	30
Total non-current fixed assets	501,068	1,688,423	647,150	325,156	33,481	56,156	3,251,435

(1) See note 2.2.2.2 in "Significant events of the period" on the Group's October 1, 2020 takeover of HBPO Hicom.

(2) The "Other" region includes South Africa and Morocco.

In thousands of euros	France	Europe excluding France	North America	Asia	South America	Others ⁽¹⁾	Total
December 31, 2019							
Goodwill	213,274	714,923	80,054	-	9,579	-	1,017,830
<i>including translation adjustment</i>	-	-	1,509	-	592	-	2,100
Intangible assets	98,533	363,543	161,538	84,150	8,200	8,781	724,745
Property, plant and equipment	206,624	825,882	576,751	273,786	33,902	41,974	1,958,919
<i>including capital expenditure for the year</i>	23,007	144,416	67,370	71,442	1,437	26,025	333,697
Investment property	30	-	-	-	-	-	30
Total non-current fixed assets	518,461	1,904,348	818,343	357,936	51,681	50,755	3,701,524

(1) The "Other" region includes South Africa and Morocco.

4. NOTES TO THE INCOME STATEMENT

Introduction to the Notes to the Income Statement - Impacts due to Covid-19

Over a fiscal year impacted by the Covid-19 pandemic with the sudden and large-scale shutdown of most of the Group's plants worldwide. The entire income statement was impacted by the sharp decrease in automotive activity.

The impairment of assets and the restructuring costs have been recorded in the "Other operating income and expenses" item (see Note 2.1 "Management by the Group of the Covid-19 crisis and the impacts on the Group's financial statements") in accordance with the Group's accounting principles.

4.1. Breakdown of Research and Development costs

The percentage of Research and Development costs is expressed in relation to the amount of revenue.

In thousands of euros	2020	%	2019	%
Research and Development costs after developments sold	-240,271	-3.4%	-293,132	-3.5%
Capitalized development costs	136,936	1.9%	187,314	2.2%
Depreciation of capitalized development costs	-173,171	-2.4%	-160,764	-1.9%
Research tax credit	9,504	0.1%	11,650	0.1%
Other (including grants and contributions received)	938	0.0%	1,683	0.0%
Research and Development costs	-266,064	-3.8%	-253,249	-3.0%

4.2. Cost of goods and services sold, development, selling and administrative costs

In thousands of euros	2020	2019
Cost of goods and services sold includes:		
Material consumptions (purchases and changes in inventory) ⁽¹⁾	-4,979,203	-5,923,749
Direct production outsourcing	-13,650	-14,892
Utilities and fluids	-89,160	-108,254
Salary and benefits	-684,338	-757,126
Other production costs	-370,943	-387,977
Depreciation and amortization	-275,086	-266,890
Provisions	-19,266	4,760
Total	-6,431,646	-7,454,127
Research and Development costs include:		
Salary and benefits	-196,149	-222,276
Depreciation, amortization and provisions	-195,057	-178,945
Other	125,142	147,972
Total	-266,064	-253,249
Selling costs include:		
Salary and benefits	-24,451	-25,713
Depreciation, amortization and provisions	-2,371	-699
Other	-6,892	-10,869
Total	-33,714	-37,280
Administrative costs include:		
Salary and benefits	-149,972	-153,797
Other administrative expenses	-62,317	-73,723
Depreciation and amortization	-18,348	-19,896
Provisions	400	-90
Total	-230,237	-247,506

(1) Including charges and reversals of provisions for inventories amounting to :

- €5,548 thousand in 2020;
- €8,223 thousand in 2019.

4.3. Staff costs

Following the partial activity due to Covid-19 health pandemic in several countries where the Group operates (see Note 2.1.4 in the “Significant events of the period”), the Group received aid from several States, for €31.7 million, which reduced personnel costs.

In thousands of euros	2020	2019
Wages and salaries	-782,963	-835,462
Payroll taxes ⁽¹⁾	-224,490	-248,762
Non-discretionary profit-sharing	-13,916	-19,213
Share-based payments	-1,408	-2,492
Pension and other post-employment benefit costs	-9,376	-5,626
Other employee benefits expenses	-22,757	-47,356
Total employee benefits expense excluding temporary staff costs	-1,054,910	-1,158,911
Temporary staff costs	-98,875	-147,890
Total employee benefits expenses	-1,153,785	-1,306,801

(1) This item includes social contributions on the new stock option subscription and / or performance free share plans for an amount of:

- -€1 thousand in 2020 (of which - €3 thousand for Executive Directors);
- -€84 thousand in 2019 (of which - €7 thousand for Executive Directors);

4.4. Amortization of intangible assets acquired

This item corresponds mainly to:

- the amortization over six years of contractual customer relationships recognized on the takeover in July 2016 of the Faurecia Group Exterior Systems business;
- the amortization over seven years of contractual customer relationships and over 15 years for the brand recognized on the takeover of HBPO in July 2018; and
- the end of amortization (over nine years), in May 2020, of contractual customer relationships recognized in 2011 on Ford’s fuel tank business in the United States.

As part of impairment tests of assets following the decline in activity due to the Covid-19 crisis (see Note 2.1.2 "Asset impairment tests"), the Group recognized impairments on HBPO customer contracts at December 31, 2020 for -€23.4 million (see Note 4.6 "Other operating income and expenses").

In thousands of euros	2020	2019
Amortization of brands	-547	-547
Amortization of contractual customer relationships	-21,846	-26,663
Total amortization of intangible assets acquired	-22,393	-27,210

4.5. Share of profit/(loss) of associates and joint ventures

The associates Chengdu Faway Yanfeng Plastic Omnium and Dongfeng Plastic Omnium Automotive Exterior are included in the YFPO joint ventures.

Share of profit/(loss) of associates and joint ventures breaks down as follows (please refer to Note 5.1.5 for "Non-consolidated interests and investments in associates and joint ventures accounted for by the equity method" in the Balance Sheet):

In thousands of euros	2020 % Interest	2019 % Interest	2020	2019
HBPO - SHB Automotive Modules	33.34%	33.34%	1,601	1,805
HICOM HBPO Sdn Bhd ⁽¹⁾	26.66%	26.66%	91	82
JV Yanfeng Plastic Omnium and its subsidiaries - joint venture	49.95%	49.95%	22,451	28,370
B.P.O. AS - joint venture	49.98%	49.98%	4,958	6,320
PO-CellTech ⁽²⁾	23.00%	23.00%	-	-123
Total share of profit/(loss) of associates and joint ventures			29,101	36,454

(1) HBPO Hicom was accounted using the equity method until the end of September 2020. With the takeover by the Group on October 1, 2020, the company is now fully consolidated.

See Note 2.2.2.2 in the "Significant events of the period"

(2) The Group sold its equity investment in PO-CellTech on June 3, 2020. See Note 2.2.2.3 under the "Significant events of the period".

4.6. Other operating income and expenses

In thousands of euros	2020	2019
Pre-start-up costs at new plants ⁽¹⁾	-1,551	-13,490
Reorganization costs ⁽²⁾	-52,079	-48,372
Impairment of non-current assets ⁽³⁾	-250,236	-5,455
Impairment and write-offs on current assets	-4,430	-
Impairment of investments and financial receivables (net)	-144	2,326
Provisions for litigations and expenses ⁽⁴⁾	-7,294	-14,052
Foreign exchange gains and losses on operating activities ⁽⁵⁾	-12,927	-11,480
Change in scope of consolidation - HICOM ⁽⁶⁾	2,282	-
Argentina hyperinflation	-2,858	276
Retirement pension plan : change in the plans	-	14,160
Gains/Losses on disposals of non-current assets	-2,533	17,924
Other ⁽⁷⁾	-2,022	-8,875
Total operating income and expenses	-333,791	-67,037
- of which total income	27,234	167,694
- of which total expense	-361,025	-234,731

At December 31, 2020

(1) Pre-start costs at new plants:

All of the costs incurred in 2020 relate to Intelligent Exterior Systems plants.

(2) Reorganization costs:

Reorganization costs relate primarily to significant restructuring in the « Industries » segment in Germany, in Belgium and the United States.

(3) Impairment of non-current assets:

Impairment of non-current assets mainly relates to production and project assets as follows:

- "Industries" : Germany, Belgium, China, South Korea, United States, India, France, Mexico and Poland; and
- "Modules": Germany.

The summary of assets impaired during fiscal year 2020 following the Covid-19 crisis are provided in Note 2.1.2 "Asset impairment tests".

(4) Provisions for litigations and expenses:

This item mainly includes provisions for quality disputes with several car manufacturers unrelated to Covid-19 and, labor disputes.

(5) Foreign exchange gains and losses on operating activities:

Virtually all foreign exchange losses are realized by the "Industries" segment, mainly related to the US dollar.

(6) Change in scope of consolidation of Hicom:

Group takeover of HBPO Hicom in Malaysia (stake increased from 40% to 51%) and revaluation of the 40% share held before the takeover based on fair value for an income of €2,3 million.

(7) Other:

Non-material amounts taken individually.

At December 31, 2019

Refer to the Consolidated financial statements at December 31, 2019 for details of transactions in the previous fiscal year.

4.7. Net financial income

In thousands of euros	2020	2019
Finance costs	-46,667	-63,607
Interest on lease liabilities ⁽¹⁾	-7,817	-8,773
Financing fees and commissions	-5,352	-4,688
Borrowing costs	-59,836	-77,068
Exchange gains or losses on financing activities	-4,635	-3,177
Gains or losses on interest rate and currency hedges ⁽²⁾	2,626	4,471
Interest on post-employment benefit obligations	-1,449	-2,295
Other ⁽³⁾	-5,243	304
Other financial income and expenses	-8,701	-697
Total	-68,537	-77,765

(1) See Notes 5.1.3 "Property, plant and equipment" and 5.2.6.7 "Reconciliation of gross and net financial debt".

(2) The Group no longer has any interest rate instrument contracts. This item includes an amount of -€61 thousand corresponding to the amortization of the balance on the 2018 bond loan (see the statement of changes in equity) and income of +€2,893 thousand corresponding to the impact of currency hedges.

See Note 5.2.7.1.2 "Impact of unsettled foreign exchange hedges on net income and equity".

(3) In 2020, this item includes in particular:

The impact of the disposal of UCITS with a nominal value of €50 million held by the Group as of December 31, 2019, i.e. a net loss of -€1,506 thousand (including the reversal of the provision of +€197 thousand in the balance sheet at December 31, 2019).

See Note 5.2.6.4 "Loans, negotiable debt securities and other financial assets"

And the financial impact of hyperinflation in Argentina for -€3,713 thousand.

4.8. Income tax

In line with the significant decrease expected in future results, the income tax expense for the period takes into account both the non-recognition of deferred tax assets on some entities' losses during the period, and the impairment of part of the stock of deferred tax assets recognized in the financial statements at January 1, 2020 and part of the deferred taxes relating to 2020 activity.

4.8.1. Income tax recognized in the income statement

The income tax expense breaks down as follows:

In thousands of euros	2020	2019
Current taxes on continuing activities	-4,550	-117,763
Current income tax income/(expense)	5,755	-118,101
Tax expense/(income) on non-recurring items	-10,305	338
Deferred taxes on continuing activities	35,552	27,903
Deferred tax income/(expense) on timing differences arising or reversed during the period	36,434	27,130
Expense/(income) resulting from changes in tax rates or the introduction of new taxes	-882	773
Income tax income (expense) on continuing activities recorded in the consolidated income statement	31,002	-89,860

4.8.2. Income tax analysis - Tax proof

Analysis of the income tax expense includes the following:

In thousands of euros	2020		2019	
	Totals	% ⁽¹⁾	Totals	% ⁽¹⁾
Consolidated loss (profit) on continuing activities before tax and share of profit/(loss) of associates and joint ventures (A)	-313,154		329,376	
Tax rate applicable in France (B)		32.02%		34.43%
Theoretical tax income (expense) (C) = (A) x (-B)	100,272		-113,404	
Difference between the theoretical tax expense and the current and deferred tax expense excluding tax assessed on net interim profit on continuing activities (D)	-69,270	22.1%	23,544	7.1%
Tax credits	34,015	-10.9%	51,145	15.5%
Permanent differences between accounting profits and taxable profits	-7,245	2.3%	-11,730	-3.6%
Change in unrecognized deferred taxes	-79,174	25.3%	-27,324	-8.3%
Impact on deferred tax of a tax rate change	-882	0.3%	773	0.2%
Impact of differences in foreign tax rates	-12,149	3.9%	21,377	6.5%
Contribution to Value Added	-5,100	1.6%	-6,700	-2.0%
Other impacts	1,265	-0.4%	-3,997	-1.2%
Total current and deferred tax income (expense) on continuing activities (E) = (C) + (D)	31,002		-89,860	
Effective tax rate (ETR) on continuing activities (E)/(A)	9.9%		27.3%	

(1) Percentage expressed in relation to the consolidated profit on continuing activities before tax and share of profit/(loss) of associates and joint ventures (C)

The Group's effective tax rate was 9.9% in 2020 (27.3% for 2019).

In 2020, the tax recognized was €31 million of tax income for a theoretical tax income of €100 million, based on a tax rate of 32.02%.

In 2019, the tax recognized was €0 million of tax expense for a theoretical tax expense of €13 million, based on a tax rate of 34.43%.

The difference between the tax recognized and the theoretical tax mainly reflects:

- €4 million in specific tax reductions or tax credits mainly in North America, Belgium, Asia and France (€1 million for at December 31, 2019);
- a -€12 million impact from lower taxes, mainly in Asia (China, Thailand), the United States and Europe (excluding France and Belgium) (€21 million at December 31, 2019). The difference between the tax rate in France and countries with lower tax rates has a favorable impact on profits and an opposite effect when loss-making. Over the period, the losses linked to the collapse in activity due to the Covid-19 crisis had an unfavorable impact on the ETR;
- a -€79 million effect through the effect of losses or other assets generated in the year but not recognized, net of those previously not capitalized but used or recognized during the year (-€7 million at December 31, 2019) - Please refer to Note 2.1.3 "Deferred tax assets" in "Significant events of the period"; and
- -€7 million in permanent differences between accounting profits and taxable income (-€12 million at December 31, 2019 mainly due to taxable dividends).

4.9. Net profit attributable to non-controlling interests

The net profit attributable to non-controlling interests corresponds to the share of minority interests in the profit/loss of fully consolidated entities controlled by the Group. It breaks down as follows:

In thousands of euros	2020	2019
HBPO GmbH and its subsidiaries ⁽¹⁾	-6,197	10,265
Beijing Plastic Omnium Inergy Auto Inergy Co. Ltd	631	3,636
Plastic Omnium Auto Inergy Manufacturing India Pvt Ltd	333	718
DSK Plastic Omnium Inergy	3,475	3,201
DSK Plastic Omnium BV	-182	-47
Total attributable to non-controlling interests	-1,940	17,773

(1) The Group took over HBPO Hicom on October 1, 2020. See Note 2.2.2.2 in "Significant events of the period".

4.10. Earnings per share and diluted earnings per share

Net profit attributable to owners of the parent	2020	2019
Basic earnings per share (in euros)	-1.72	1.77
Diluted earnings per share (in euros)	-1.72	1.76
Weighted average number of ordinary shares outstanding at end of period	148,566,107	148,566,107
- Treasury stock	-2,949,477	-2,400,104
Weighted average number of ordinary shares, undiluted	145,616,630	146,166,003
- Impact of dilutive instruments (stock options)	155,478	122,180
Weighted average number of ordinary shares, diluted	145,772,108	146,288,183
Weighted average price of the Plastic Omnium share during the period		
- Weighted average share price	20.62	23.78

5. NOTES TO THE BALANCE SHEET

5.1. Assets

5.1.1. Goodwill

For the 2020 fiscal year, the assumptions for impairment tests (see Note 1.6.1) carried out at the level of the cash-generating units (CGU) or groups of cash generating units (business segments), namely "Industries" and "Modules" were:

The WACC was maintained at 9% and is adjusted where necessary to take account of country specificities (India).

The growth rate, used in determining the terminal value, is set at 1.5%; This rate has been adjusted in the United States (2%) and India (3%).

These assumptions are identical to those used for the 2019 fiscal year.

The tests conducted did not lead to the recording of any impairment of the Group's goodwill at December 31, 2020. An increase in the discount rate of 0.5% or a reduction of 0.5% in the long-term growth rate or 1 point decrease in the operating margin rate would have no impact on the test results.

GOODWILL In thousands of euros	Gross Value	Impairment	Net value
Goodwill at January 1, 2019	1,015,730	-	1,015,730
Translation differences	2,100	-	2,100
Goodwill at December 31, 2019	1,017,830	-	1,017,830
Goodwill HBPO Hicom ⁽¹⁾	2,931	-	2,931
Translation differences	-6,392	-	-6,392
Goodwill at December 31, 2020	1,014,369	-	1,014,369

(1) HBPO GmbH took over HBPO Hicom in Malaysia on October 1st, 2020 and acquired for an amount of €0.8 million euros 11% of interests, increasing its stake from 40% to 51%. See Note 2.2.2.2 in the "Significant events of the period".

5.1.2. Other intangible assets

Impairment tests on assets led to the recognition of impairment of intangible assets during the period (see Notes 2.1.2 "Asset impairment tests" and 4.6 "Other operating income and expenses").

In thousands of euros	Patents and brands	Software	Development assets	Customer contracts	Other	Total
Carrying amount published at December 31, 2019	12,466	21,300	579,031	111,946	2	724,745
Capitalized development	-	-	136,936	-	-	136,936
Increases	188	2,629	3,265	-	-	6,082
Disposals - net	-	-	-1,321	-	-	-1,321
Changes in scope of consolidation ⁽¹⁾	-	-	299	-	-	299
Other reclassifications	1,536	2,496	-3,200	-	-	832
Amortization for the period	-4,210	-9,591	-173,171	-21,846	-	-208,818
Impairments recognized and reversed ⁽²⁾	-	-379	-55,716	-23,400	-	-79,495
Translation adjustment	-64	-373	-17,956	-20	-	-18,413
Carrying amount at December 31, 2020	9,916	16,082	468,167	66,680	2	560,847

(1) HBPO GmbH took over HBPO Hicom in Malaysia on October 1st, 2020 and acquired for €0.8 million euros, 11% of interests increasing its stake from 40% to 51%. See Note 2.2.2.2.

(2) During the period, this item mainly concerns impairment recognized, following the indications of impairment losses linked to the Covid-19 crisis. Please refer to Notes 2.1.2 "Asset impairment tests" and 4.6 "Other operating income and expenses".

In thousands of euros	Patents and licenses	Software	Development assets	Customer contracts	Other	Total
Carrying amount published at December 31, 2018	14,078	20,203	555,347	138,518	2	728,150
Capitalized development	-	-	187,314	-	-	187,314
Increases	200	7,624	4,660	-	-	12,484
Disposals - net	-273	-8	-7,667	-	-	-7,948
Other reclassifications	2,497	5,791	-7,820	-	-	468
Amortization for the period	-4,098	-12,313	-160,764	-26,662	-	-203,837
Impairments recognized and reversed	-	-	3,406	-	-	3,406
Translation adjustment	62	3	4,555	90	-	4,710
Carrying amount published at December 31, 2019	12,466	21,300	579,031	111,946	2	724,745

In thousands of euros	Patents and licenses	Software	Development costs	Customer contracts	Other	Total
Analysis of carrying amount at December 31, 2019						
Cost	47,609	158,020	1,205,499	293,809	2	1,704,939
Accumulated amortization	-30,885	-136,720	-610,011	-181,863	-	-959,479
Impairment	-4,258	-	-16,457	-	-	-20,715
Carrying amount at December 31, 2019	12,466	21,300	579,031	111,946	2	724,745
Analysis of carrying amount at December 31, 2020						
Cost	49,260	161,142	1,253,980	291,543	2	1,755,927
Accumulated amortization	-35,086	-144,682	-715,140	-201,463	-	-1,096,371
Impairment	-4,258	-378	-70,673	-23,400	-	-98,709
Carrying amount at December 31, 2020	9,916	16,082	468,167	66,680	2	560,847

5.1.3. Property, plant and equipment

Property, plant and equipment corresponds to tangible assets owned but also, since January 1, 2019, to rights-of-use related to leases of tangible assets following the application of IFRS 16 "Leases".

Impairment tests on assets led to the recognition of impairment of tangible assets over the period (see Notes 2.1.2 "Asset impairment tests" and 4.6 "Other operating income and expenses").

In thousands of euros	Land	Buildings	Tech. eq. & tool.	Property, plant and equipment under construction	Other property, plant and equipment	Total
Carrying amount at December 31, 2019: Property, plant and equipment in full ownership	101,258	566,150	638,016	179,579	247,200	1,732,204
Acquisitions ⁽¹⁾	468	14,528	46,333	120,013	36,311	217,654
Disposals	-9	-481	-961	-	-2,696	-4,148
Change in consolidation scope	-	-	-	-	1,385	1,385
Other reclassifications	-1,420	21,050	63,795	-148,510	64,754	-331
Impairments and reversals ⁽²⁾	-1,875	-30,923	-89,018	-3,868	-25,114	-150,797
Depreciation for the period	-1,541	-31,300	-126,321	-	-92,205	-251,367
Translation adjustment	-4,285	-23,225	-26,921	-4,346	-9,580	-68,357
Property, plant and equipment in full ownership: Carrying amount at December 31, 2020 (A)	92,597	515,801	504,921	142,868	220,057	1,476,244

Carrying amount at December 31, 2019: Lease right-of-use assets	1,917	186,923	22,904	-	14,972	226,715
Acquisitions ⁽¹⁾	3	46,446	7,941	-	6,134	60,524
Decrease ⁽³⁾	-	-10,921	-431	-	-564	-11,916
Depreciation for the period	-291	-35,050	-7,720	-	-7,543	-50,604
Impairments and reversals ⁽²⁾	-923	-11,024	-7,363	-	-516	-19,826
Other reclassifications	-	-2	-2	-	-6	-10
Translation adjustment	-54	-3,635	-888	-	-366	-4,943
Right-of-use assets for leases: Carrying amount at December 31, 2020 (B)	652	172,738	14,443	-	12,112	199,945

Property, plant and equipment: Carrying amount at December 31, 2020 (C) = (A)+ (B)	93,249	688,539	519,364	142,868	232,169	1,676,189
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- (1)-(3) This item mainly includes:
 * the exercise of the option to purchase the "Adrian" site by the Clean Energy Systems Division in the United States;
 * as well as the acknowledgement of the longer terms of certain leases of French companies for €8 million.

The Group has not significantly reviewed its leases contracts with lessors following the Covid-19 crisis. Movements for the period correspond to flows as forecast for the period.

- (2) In 2020, these items mainly cover impairment following impairment tests carried out during the period. Please refer to Notes 2.1.2 "Asset impairment tests" and 4.6 "Other operating income and expenses".

Information on rental expense resulting from uncapitalized leases:

Rental expense on uncapitalized leases amounted to -€1.4 million at December 31, 2020 compared with -€2.4 million at December 31, 2019.

The table below for the previous year, combines the "Full ownership fixed assets" and the "Rights of use of leased assets".

In thousands of euros	Land	Buildings	Tech. eq. & tool.	Tangible assets under construction	Other tangible assets	Total
Carrying amount at January 1, 2019	105,517	473,079	581,347	326,915	166,170	1,653,028
Impact of IFRS 16 application ⁽⁴⁾	852	196,682	14,162	-	18,561	230,257
Acquisitions	2,583	110,105	80,949	109,634	82,799	386,070
Disposals	-3,584	-22,013	-3,149	-	-6,048	-34,794
Changes in consolidation scope	-	-	6	-	-	6
Other reclassifications	-1,246	57,531	123,752	-259,936	85,155	5,256
Impairments recognized and reversed	-264	101	-3,128	-	-853	-4,144
Depreciation for the period	-2,103	-68,451	-138,412	-	-84,388	-293,354
Translation adjustment	1,420	6,039	5,393	2,966	776	16,594
Carrying amount at December 31, 2019	103,175	753,073	660,920	179,579	262,172	1,958,919

(4) Related to finance leases agreements capitalized in the financial statements at December 31, 2018 in accordance with IAS 17 "Leases" and IFRS16, reclassified since January 1, 2019 as "Right-of-use of leased assets".

In thousands of euros	Land	Buildings	Tech. eq. & tool.	Tangible assets under construction	Other tangible assets	Total
Analysis of carrying amount at January 1 2020						
Gross value	114,846	1,106,388	1,920,713	179,596	689,128	4,010,671
Depreciation	-11,405	-341,945	-1,249,816	-	-413,567	-2,016,733
Impairment	-266	-11,370	-9,977	-17	-13,389	-35,019
Carrying amount at January 1, 2020	103,175	753,073	660,920	179,579	262,172	1,958,919
Analysis of carrying amount at December 31, 2020						
Gross value	108,821	1,126,388	1,914,958	146,234	739,298	4,035,699
Depreciation	-12,594	-388,192	-1,293,581	-	-470,840	-2,165,207
Impairment	-2,978	-49,657	-102,012	-3,365	-36,289	-194,302
Carrying amount at December 31, 2020	93,249	688,539	519,364	142,868	232,169	1,676,189

"Tech. eq. & tool.": technical installations, equipment and tooling

5.1.4. Investment property

At December 31, 2020, as for December 31, 2019, the Group no longer held investment property except for one land valued €30 thousand in the Lyon region.

5.1.5. Non-consolidated interests and investments in associates and joint ventures consolidated by the equity method

Non-consolidated interests:

The non-consolidated interests relate to:

- immaterial dormant companies; and
- shares in which the Group's small stake doesn't allow it to exercise at least a significant influence (Tactotek OY).

In the context of the first-time application of IFRS 9 "Financial Instruments", the Group opted to recognize changes in value of non-consolidated interests in the income statement.

Investments in associates and joint ventures consolidated by the equity method:

Investments in associates and joint ventures correspond to investments by the Group in the following companies:

In thousands of euros	2020 % interest	2019 % interest	December 31, 2020	December 31, 2019
HBPO - SHB Automotive Modules ⁽¹⁾	33.34%	33.34%	15,088	16,346
HICOM HBPO Sdn Bhd ⁽²⁾	-	26.66%	-	559
JV Yanfeng Plastic Omnium and its subsidiaries - joint venture ⁽³⁾	49.95%	49.95%	151,668	164,683
B.P.O. AS - joint venture	49.98%	49.98%	13,416	13,342
PO-CellTech ⁽⁴⁾	-	23.00%	-	-
Total investments in associates and joint ventures			180,172	194,930
Equity investments in Tactotek OY ⁽⁵⁾			-	-
Other non-consolidated equity investments			170	199
Total non-consolidated equity investments			170	199
Total investments consolidated by the equity method and non-consolidated equity instruments			180,342	195,129

(1) This relates to HBPO's Joint venture.

(2) See note 2.2.2.2 in "Significant events of the period" on the Group's October 1, 2020 takeover of HBPO Hicom.

(3) The Yanfeng Plastic Omnium sub-group had three new entities in 2019: Ningde, Daqing (activity not yet started) and Yangkang Rugao following an acquisition.

(4) The Group sold its equity investment in PO-CellTech on June 3, 2020. See Note 2.2.2.3 in "Significant events of the period".

(5) The equity investment in the Finnish company Tactotek OY was fully impaired at the end of 2019.

Investments in these entities include goodwill by segment for the following amounts:

In thousands of euros	December 31, 2020	December 31, 2019
Goodwill in associates and joint ventures - Industries segment	21,080	21,414
Goodwill in associates and joint ventures - Modules segment	4,257	5,236
Total goodwill in associates and joint ventures	25,337	26,650

In view of the individual contribution of less than 10% of joint ventures and associates to the Group's main financial indicators, the summary balance sheet and income statement aggregates of the joint ventures are as follows:

- the joint venture YFPO and its subsidiaries after elimination of internal transactions;
- the Samlip associate of HBPO; and
- the BPO joint-venture.

In thousands of euros	December 31, 2020	December 31, 2019
Non-current assets	388,991	424,981
Current assets	1,163,324	1,030,412
Total assets	1,552,315	1,455,393
Shareholders' equity	275,321	289,925
Non-current liabilities	96,952	109,145
Current liabilities	1,180,042	1,056,323
Total equity and liabilities	1,552,315	1,455,393
Revenue	1,509,849	1,541,006

5.1.6. Non-current financial assets

The financial assets recognized under this item correspond to long-term investments in equities and funds as well as other assets such as deposits and surety bonds grouped as follows:

5.1.6.1. Long-term investments in equities and funds

- investments in listed companies, funds or equivalents and investments in securities of listed companies, including funds invested in the “Aster” venture capital company;
- the Group’s investments in the “FMEA 2” fund as part of the support of the Automotive Division sub-contractors and in shell companies.

In the context of the application of IFRS 9 “Financial Instruments, the Group opted to recognize changes in the value of listed shares in non-recyclable profit and loss and changes in investments funds, such as “Aster”, “Tactotek OY” and “FMEA” funds, in the income statement.

In thousands of euros	December 31, 2020			December 31, 2019		
	Subscribed amounts	Non-called-up amounts	Net	Subscribed amounts	Non-called-up amounts	Net
Financial investments in the FMEA 2 fund ^{(1) - (2)}	4,000	-3,563	437	4,000	-3,171	829
Financial investments in listed securities ^{(1) - (3)}	-	-	-	-	-	50,530
Financial investments in the venture capital AP Ventures ^{(1) - (4)}	26,896	-22,986	3,910	26,896	-25,395	1,501
Investment in the venture capital company Aster ^{(1) - (5)}	20,000	-16,214	3,786	20,000	-16,700	3,300
Other ⁽¹⁾	-	-	176	-	-	142
Long-term investments in equities and funds			8,309			56,302

- (1) Financial investments in the FMEA 2 fund and investments in shares in listed companies are listed under long-term financial receivables in Note 5.2.6.7 “Reconciliation of gross and net financial debt”.
- (2) The net value of FMEA 2 at each end of the period corresponds to the fair value of the Group’s investments in the fund. Uncalled amounts include distributions of income as well as fair value adjustments.
- (3) During the fiscal year, the Group sold its financial investments of listed securities (See Cash Flow Statement).
- (4) The total paid to the Group in AP Ventures, a venture capital fund dedicated to hydrogen, amounted to \$4.8 million (equivalent of €3.9 million) as of December 31, 2020 versus \$1.7 million at December 31, 2019. See Note 2.2.3 in “Significant events of the period”.
The Group has committed up to \$30 million over the life of the fund.
- (5) During the period, the Group paid €1.530 million and received €1.024 million as distribution of income (recognized in the balance sheet over the period of full payment the amount subscribed).

5.1.6.2. Other non-current financial assets

In thousands of euros	December 31, 2020	December 31, 2019
Loans	1,488	1,807
Deposits and surety bonds	8,265	12,849
Other non-current assets and financial receivables (see Note 5.2.6.7)	9,753	14,656
Finance receivables related to Automotive contracts	-	-
Non-current financial receivables (see Note 5.2.6.7)	-	-
Total	9,753	14,656

Deposits and surety bonds mainly concern deposits relating to leased offices and receivables sale programs.

5.1.7. Inventories and Inventories in progress

In thousands of euros	December 31, 2020	December 31, 2019
Raw materials and supplies		
At cost (gross)	178,817	213,190
Net realizable value	160,463	197,729
Molds, tooling and engineering		
At cost (gross)	359,196	381,744
Net realizable value	350,811	375,797
Maintenance inventories		
At cost (gross)	74,207	72,142
Net realizable value	58,234	59,655
Goods		
At cost (gross)	1,646	2,008
Net realizable value	1,209	1,664
Semi-finished products		
At cost (gross)	54,466	62,765
Net realizable value	50,357	59,637
Finished products		
At cost (gross)	39,831	45,282
Net realizable value	35,738	41,364
Total net	656,812	735,846

5.1.8. Current financial receivables

In thousands of euros	December 31, 2020	December 31, 2019
	Carrying amount	Carrying amount
Current financial receivables (see Note 5.2.6.7)	6,340	13,100
<i>of which Customer receivables</i>	<i>6,340</i>	<i>13,100</i>
Other current financial assets and financial receivables (see Note 5.2.6.7)	301	55,127
<i>of which Current accounts</i>	<i>-</i>	<i>2</i>
<i>of which Negotiable debt securities⁽¹⁾</i>	<i>-</i>	<i>5,000</i>
<i>of which UCITS⁽¹⁾</i>	<i>-</i>	<i>49,809</i>
<i>of which Other</i>	<i>301</i>	<i>316</i>
Total current financial receivables	6,641	68,227

(1) The Group's last negotiable debt security matured during the first-half of 2020 and the UCITS investment was sold. See Notes 2.2.1.4 in "Significant events of the period" and 5.2.6.4 "Loans, negotiable debt securities and other financial assets".

5.1.9. Trade and other receivables
5.1.9.1. Sale of receivables

Compagnie Plastic Omnium SE and some of its European and United States subsidiaries have set up several commercial receivables sale programs with French financial institutions. These programs have an average maturity of more than two years.

These non-recourse programs transfer substantially all the risks and rewards of ownership to the buyer of the sold receivables; for these programs, only the non-material dilution risk is not transferred to the buyer.

Receivables sold under these programs, which are therefore no longer included in the balance sheet, totaled €327 million at December 31, 2020 versus €315 million at December 31, 2019.

5.1.9.2. Trade receivables – Gross values, impairment and carrying amounts

In thousands of euros	December 31, 2020			December 31, 2019		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Trade receivables	824,214	-9,814	814,400	823,843	-5,044	818,799

The Group has not identified any significant non-provisioned customer risk over the two periods (see Note 6.3.1 "Customer risk").

5.1.9.3. Other receivables

In thousands of euros	December 31, 2020	December 31, 2019
Sundry receivables	89,031	88,560
Prepayments to suppliers of tooling and prepaid development costs	26,529	40,734
Income tax receivables	94,722	93,990
Other tax receivables	96,242	90,655
Employee advances	3,310	3,837
Prepayments to suppliers of non-current assets	8,473	10,980
Other receivables	318,307	328,757

5.1.9.4. Trade and other receivables by currency

In thousands of currency units	December 31, 2020			December 31, 2019		
	Local currency	Euro	%	Local currency	Euro	%
EUR Euro	500,699	500,699	44%	579,439	579,439	50%
USD US dollar	393,438	320,624	28%	276,384	246,025	21%
CNY Chinese yuan	1,120,250	139,638	12%	831,066	106,268	9%
GBP Pound sterling	59,970	66,705	6%	56,899	66,877	6%
Other Other currencies		105,041	9%		148,947	13%
Total		1,132,707	100%		1,147,556	100%
<i>Of which:</i>						
• Trade receivables		814,400	72%		818,799	71%
• Other receivables		318,307	28%		328,757	29%

Sensitivity tests on movements in currencies of "Trade and other receivables" give the following results:

In thousands of currency units	Sensitivity tests on receivables at December 31, 2020						Sensitivity tests on receivables at December 31, 2019					
	Base		Increase all currencies		Decrease all currencies		Base		Increase all currencies		Decrease all currencies	
	Local currency	Exchange rate	+10%	+20%	-10%	-20%	Local currency	Exchange rate	+10%	+20%	-10%	-20%
			%	%	%	%			%	%	%	%
EUR Euro	500,699	1.0000	42%	40%	47%	50%	579,439	1.0000	48%	46%	53%	56%
USD US dollar	393,438	0.8149	29%	31%	27%	25%	276,384	0.8902	22%	23%	20%	19%
CNY Chinese yuan	1,120,250	0.1247	13%	13%	12%	11%	831,066	0.1279	10%	10%	9%	8%
GBP Pound sterling	59,970	1.1123	6%	6%	6%	5%	56,899	1.1754	6%	6%	6%	5%
Other Other currencies	-	-	10%	10%	8%	9%	-	-	14%	14%	12%	11%
Total in euros		1,132,707	1,195,913	1,259,114	1,069,511	1,006,310		1,147,556	1,204,356	1,261,169	1,090,734	1,033,923
<i>Of which:</i>												
• Trade receivables		814,400	859,841	905,282	768,960	723,520		818,799	859,334	899,872	778,263	737,727
• Other receivables		318,307	336,072	353,832	300,551	282,790		328,757	345,022	361,297	312,471	296,196

Exchange rate sensitivity tests on "Trade and other receivables and other receivables" and "Trade payables and other operating liabilities by currency" (see Note 5.2.8.3) show a low sensitivity of this item to variations in exchange rates.

5.1.10. Deferred taxes

As mentioned in Note 1.9 of the accounting rules and principles, deferred tax assets on tax loss carryforwards, temporary differences and tax credits are assessed according to their probability of future use. For this purpose, estimates were made as part of the closing of the accounts and led to the recognition of assets based on probable use within a relatively short period of time reflecting a prudent approach given the current economic environment.

As of December 31, 2020, analyses were performed in the specific context of the Covid-19 crisis. See Note 2.1.3 "Deferred tax assets".

Deferred taxes break down as follows:

In thousands of euros	December 31, 2020	December 31, 2019
Intangible assets	8,052	-38,556
Property, plant and equipment	-29,811	-40,293
Employee benefit obligations	23,245	26,204
Provisions	52,773	41,413
Financial instruments	-1,990	-497
Tax loss carryforwards and tax credits	187,662	140,528
Other	34,228	39,270
Impairment of deferred tax assets	-189,165	-116,820
Total	84,994	51,249
<i>Of which:</i>		
<i>Deferred tax assets</i>	<i>128,471</i>	<i>106,108</i>
<i>Deferred tax liabilities</i>	<i>43,477</i>	<i>54,859</i>

Unrecognized tax assets in respect of tax losses amount to €10 million at December 31, 2020 against €85 million at December 31, 2019 and have the following characteristics:

In thousands of euros	December 31, 2020	December 31, 2019
Indefinite tax loss carryforwards	90,263	72,247
Tax loss carryforwards available for more than 5 years	8,253	5,256
Tax loss carryforwards available for up to 5 years	3,221	3
Tax loss carryforwards available for up to 4 years	151	578
Tax loss carryforwards available for up to 3 years	57	6,912
Tax loss carryforwards available for less than 3 years	7,575	483
Total	109,520	85,479

The change over the fiscal year is mainly due to changes in Germany.

5.1.11. Cash and cash equivalents

5.1.11.1 Gross cash and cash equivalents

In thousands of euros	December 31, 2020	December 31, 2019
Cash at banks and in hand	827,196	1,130,587
Short-term deposits	2,794	12,366
Total cash and cash equivalents on the balance sheet	829,989	1,142,953

Cash and cash equivalents break down as follows:

In thousands of euros	December 31, 2020	December 31, 2019
Cash and cash equivalents of the Group's captive reinsurance company ⁽¹⁾	62,926	18,000
Cash and cash equivalents in countries with exchange controls ⁽²⁾	44,792	95,176
Available cash	722,272	1,029,777
Total cash and cash equivalents on the balance sheet	829,989	1,142,953

- (1) During the period, the Group sold its investments in securities of listed companies carried by its captive reinsurance company. See Note 5.1.6.1 "Long-term investments in equities and funds".
- (2) "Countries with exchange controls" include Brazil, China, India, Chile, Argentina, South Korea & Malaysia.

The different categories of the above table are presented on the balance sheet under current assets in the absence of any general restriction on these amounts.

5.1.11.2. Net cash and cash equivalents at end of period

In thousands of euros	December 31, 2020	December 31, 2019
Cash and cash equivalents	829,989	1,142,953
Short-term bank loans and overdrafts	-12,277	-9,875
Net cash and cash equivalents in the statement of cash flows	817,712	1,133,078

5.1.12. Statement of cash flows - Acquisitions and disposals of financial assets, non-controlling interests and related investments

5.1.12.1 Acquisitions of equity interests, non-controlling interests and related investments

The Group's financial acquisitions are as follows:

a – acquisitions of equity interests in consolidated companies, investments leading to a change in control, equity investments in associates, joint ventures and related investments

These are recorded under "Cash flows from investments" in the Consolidated statement of cash flows.

At December 31, 2020:

The amount of -€0,8 million under the heading "Acquisitions of equity interests of consolidated companies and takeovers" corresponded to the acquisition during the fiscal year 2020 of 11% equity investment in "Hicom" for €0,8 million with a cash contribution of €1,4 million.

At December 31, 2019:

None

5.2. Liabilities and Equity

5.2.1. Group shareholders' equity

5.2.1.1 Share capital of Compagnie Plastic Omnium SE

In euros	December 31, 2020	December 31, 2019
Share capital at January 1 of the period	8,913,966	8,913,966
Share capital at end of period, made up of ordinary shares with a per value of €0.06 each over the two periods	8,913,966	8,913,966
Treasury stock	170,054	143,310
Total share capital net of treasury stock	8,743,912	8,770,656

	December 31, 2020	December 31, 2019
Voting rights of Burelle SA	72.77%	72.85%

Shares registered on behalf of the same holder for at least two years shall have double voting rights.

Capital structure at December 31, 2020

At December 31, 2020, the share capital of Compagnie Plastic Omnium SE remains the same as at December 31, 2019. Treasury stock amounted to 2,834,235 of its own shares, i.e. 1.91 % of the share capital, compared with 2,388,499 own shares, i.e. 1.61% of the share capital at December 31, 2019.

Capital structure at December 31, 2019

At December 31, 2019, the share capital of Compagnie Plastic Omnium SE remains the same as at December 31, 2018. Treasury stock amounted to 2,388,499 of its own shares, i.e. 1.61 % of the share capital, compared with 2,290,930 own shares, i.e. 1.54% of the share capital at December 31, 2018.

In 2019, the parent company Burelle SA strengthened its control of Compagnie Plastic Omnium SE, bringing it from 58.51% to 58.78% before cancellation of treasury shares (see Note 2.6.1 in the "Significant events of the period" to the consolidated financial statements at December 31, 2019).

5.2.1.2 Breakdown of "Other reserves" in the consolidated statement of changes in equity

<i>In thousands of euros</i>	Actuarial gains/(losses) relating to defined benefit plans	Cash flow hedges – interest rate instruments	Cash flow hedges – currency instruments	Fair value adjustments	Retained earnings and other reserves	Attributable to owners of the parent
December 31, 2018	-50,026	-1,856	-1,281	18,604	1,652,168	1,617,609
First-time application of IFRIC 23	-	-	-	-	-2,500	-2,500
At January 1, 2019	-50,026	-1,856	-1,281	18,604	1,649,668	1,615,109
Movements in 2019	-12,194	302	-826	10,290	432,094	429,666
At December 31, 2019	-62,220	-1,554	-2,107	28,894	2,081,762	2,044,775
Movements in 2020	-2,852	165	2,118	-4,031	197,787	193,187
At December 31, 2020	-65,072	-1,389	11	24,863	2,279,549	2,237,962

5.2.1.3 Breakdown of “Changes in the scope of consolidation and reserves” in the “Consolidated statement of changes in equity”

The takeover of HBPO Hicom, fully consolidated from October 1, 2020, had no impact on the reserves “Attributable to the owners of the parent” but led to the recognition of minority interests

In thousands of euros	Shareholders' equity		Total shareholders' equity
	Attributable to owners of the parent	Attributable to non-controlling interests	
None			
Changes in the scope of consolidation at December 31, 2019	-	-	-
Takeover of HBPO Hicom with consolidation of minority interests	-	1,157	1,157
Changes in the scope of consolidation at December 31, 2020	-	1,157	1,157

5.2.2. Dividends approved and paid by Compagnie Plastic Omnium SE

Amounts in thousands of euros Dividends per share in euros Number of shares in units	December 31, 2020		December 31, 2019	
	Number of shares in 2019	Dividend	Number of shares in 2018	Dividend
Dividends per share (in euros)		0.49 ⁽¹⁾		0.74 ⁽¹⁾
Total number of shares outstanding at the end of the previous year	148,566,107		148,566,107	
Total number of shares held in treasury on the dividend payment date	3,216,987 ⁽²⁾		2,392,281 ⁽²⁾	
Total number of shares held in treasury at year-end (for information)	2,388,499 ⁽²⁾		2,290,930 ⁽²⁾	
Dividends on ordinary shares		72,797		109,939
Dividends on treasury stock (unpaid)		-1,576 ⁽²⁾		-1,770 ⁽²⁾
Total net dividends		71,221		108,169

(1) In 2020, Compagnie Plastic Omnium SE paid a dividend of €0.49 per share on the fiscal year 2019 net profit, versus €0.74 per share in 2019 on the fiscal year 2018 net profit.

In 2019, Compagnie Plastic Omnium paid a dividend of €0.67 per share on the 2018 net profit.

(2) **At December 31, 2020:** 2,388,499 treasury shares were taken into account at December 31, 2019 to determine the provisional total dividend. The number of treasury shares at the time of the dividend's payment during 2020 amounted to 3,216,987 shares, increasing the dividends attached to these shares from €1,170 thousand to €1,576 thousand.

At December 31, 2019: 2,290,930 treasury shares were taken into account at December 31, 2018 to determine the provisional total dividend. The number of treasury shares at the time of the dividend's payment during 2019 amounted to 2,392,281 shares, increasing the dividends attached to these shares from €1,695 thousand to €1,770 thousand.

Distribution of a dividend of €0.49 per share in respect of 2020 (total amount of €72,797 thousand corresponding to 148,566,107 outstanding shares before subtracting treasury shares at December 31, 2020) will be proposed to the Combined Shareholders' Meeting on April 22, 2021.

5.2.3. Share-based payments

Stock options plan:

2019 and 2020: no new stock option plans were introduced in the 2019 and 2020 fiscal years.

Performance share grants:

Plan of May, 2, 2019:

A performance share grant (valued using IFRS 2 accounting principles) was awarded by the Board of Directors of February 19, 2019 to employees and Executive Corporate Officers of Compagnie Plastic Omnium, related companies, or groups linked to Compagnie Plastic Omnium, subject to performance conditions, and vesting starting on May 2, 2023, following a 4-year vesting period.

Plan of December, 11, 2020:

A performance share grant was awarded by the Board of Directors of December 11, 2020, with retroactive effect from April 30, 2020, to employees and Executive Corporate Officers of Compagnie Plastic Omnium, related companies, or groups linked to Compagnie Plastic Omnium, subject to performance conditions, and vesting starting on April 30, 2024, following a 4-year vesting period.

The main assumptions used for this valuation using the principles of IFRS 2 were as follows:

Valuation of December 11, 2020 plan <i>In euros</i> <i>In units for the number of shares</i>	Valuation of the number of shares allocated and valuation on April 30, 2020		
	Initial	Renunciations in 2020	Final positions
Number of shares allocated to the performance share plan	228,373 shares	0 share	228,373 shares
Market conditions	Not subject to market conditions		
Plastic Omnium share price at the performance plan award date	€17.36		
Average value of one share	€15.00		
Number of shares attributable after application of an employee turnover rate	188,113 shares		
Estimated overall cost of the plan on the award date of allocation - (Accounting expense with adjustment to reserves)	€3,425,595		

The overall cost of the plan was subject to a valuation when implemented and then revalued based on achievement of the performance conditions for the 2020 financial year. Based on this new estimate, the overall plan amounts to - €3,425,595. The expense is amortized on a straight-line basis over the vesting period of four years (of which €470,283 as of December 31, 2020).

The performance share plan is subject to a 20% social security contribution for the employer, as a French subsidiary. This contribution is due the month following the date of vesting by the beneficiary, i.e. in May 2024. It is subject to a provision, calculated on the nominal value of the shares according to the market price of the award date, spread over the term of the plan, ie four years. As of December 31, 2020, the provision for accrued expenses amounted to €1.7 thousand.

Other information	Plan of December 11, 2020	
Total number of beneficiaries	55	
<i>of which</i>	Number of beneficiaries	Number of shares
<i>Corporate Officers</i>	2	45,373
<i>Employees</i>	53	183,000

Outstanding options at the end of the fiscal year and expense for the period of option plans

The vesting period of each plan is four years.

Outstanding options Stock options <i>In euros</i> <i>In units for the number of options</i>	Options outstanding at January 1, 2020	Revaluations/adjustments	Increases Options granted during the period	Decreases		Cost for the period	Options outstanding at December 31, 2020	
				Options forfeited during the period	Options exercised during the period		Total	Of which, options exercisable at December 31, 2020

August 7, 2013 plan								
Number of options	176,800			-110,000	-66,800			-
Share price at the grant date	17.71							
Exercise price	16.17							
Term	7 years							
Unrecognized cost at period-end	-							
Remaining life	0.6 year							

August 6, 2015 plan								
Number of options	1,055,000			-102,000	-65,960		887,040	None
Share price at the grant date	26.33						26.33	
Exercise price	24.72						24.72	
Term	7 years						7 years	
Unrecognized cost at period-end	-						-	
Remaining life	2.6 years						1.6 year	

March 10, 2017 plan								
Number of options	485,000			-121,500			363,500	None
Share price at the grant date	33.71						33.71	
Exercise price	32.84						32.84	
Term	7 years			-			7 years	
Unrecognized cost at period-end	910,380			-910,380			-	
Remaining life	4.2 years			-			3.2 years	

Outstanding options Performance share Plan <i>In euros</i>	Options outstanding at January 1, 2020	Revaluations/adjustments	Increases Options granted during the period	Decreases		Cost for the period	Options outstanding at December 31, 2020	
				Options forfeited during the period	Options exercised during the period		Total	Of which, options exercisable at December 31, 2020
<i>In units for the number of options</i>								
May 2, 2019 plan								
Number of shares	346,560	-50,000		-63,560			233,000	None
Number of shares after application of the real abandons ⁽¹⁾	337,750	-41,190		-63,560			233,000	
Share price at the grant date	26.65						26.65	
Average share value	23						23.00	
Term	4 years						4 years	
Unrecognized cost at period-end	6,473,542	-947,370		-1,461,880		-938,209	3,126,083	
Remaining life	3.3 years						3.3 years	

(1) Used to determine "Diluted earnings per share".

Outstanding options Performance share Plan <i>In euros</i>	Options outstanding at January 1, 2020	Revaluations/adjustments	Increases Options granted during the period	Decreases		Cost for the period	Options outstanding at December 31, 2020	
				Options forfeited during the period	Options exercised during the period		Total	Of which, options exercisable at December 31, 2020
<i>In units for the number of options</i>								
December 11, 2020 plan ⁽¹⁾								
Number of shares			228,373				228,373	None
Number of shares after application of the headcount turnover rate (22%) applied to the Plan concerning the employees ⁽²⁾		-40,260	228,373				188,113	
Share price at the grant date			17.36				17.36	
Average share value			15.00				15.00	
Term			4 years				4 years	
Unrecognized cost at period-end		-603,900	3,425,595			-470,283	2,351,412	
Remaining life			4 years				3.3 years	
Total expense for the fiscal year						1,408,491 in euros		

(1) December 11, 2020 plan has a retroactive effect from April 30, 2020.

(2) Used to determine "Diluted earnings per share".

5.2.4. Provisions

In thousands of euros	December 31, 2019	Allocations	Utilizations	Releases of surplus provisions	Reclassifications	Actuarial gains/(losses)	Translation adjustment	December 31, 2020
Customer warranties	33,974	11,662	-8,806	-7,670	42	-	-489	28,713
Reorganization plans ⁽¹⁾	31,015	26,827	-8,875	-310	-338	-	-53	48,266
Provisions for taxes and tax risks	804	224	-74	-	-	-	-	954
Contract risks	20,113	16,267	-9,919	-4,176	127	-	-150	22,262
Provisions for claims and litigation ⁽²⁾	7,964	4,881	-1,157	-122	427	-	-724	11,269
Other	6,460	2,976	-1,265	-237	-384	-	-203	7,348
Provisions	100,332	62,837	-30,096	-12,515	-126	-	-1,619	118,814
Provisions for pensions and other post-employment benefits	107,670	-2,153	-5,774	-	-	3,659 ⁽³⁾	-3,071	100,331
TOTAL	208,002	60,684	-35,870	-12,515	-126	3,659	-4,690	219,145

- (1) Provisions for reorganization relate primarily to significant restructuring in the « Industries » segment in Germany and in Belgium.
- (2) The increase during the period corresponds to operating disputes unrelated to the Covid-19 crisis and labor disputes.
- (3) The increase of the actuarial difference during the period is mainly explained by the decrease of the discount rate in the two main regions i.e. Europe (decrease from 0.75% to 0.60%) and the United States (decrease from 3.20% to 3.11%) over the period.

In thousands of euros	December 31, 2018	Allocations	Utilizations	Releases of surplus provisions	Reclassifications	Actuarial gains/(losses)	Translation adjustment	December 31, 2019
Customer warranties	26,898	17,554	-6,002	-5,169	628	-	65	33,974
Reorganization plans	15,438	21,971	-6,408	-	45	-	-31	31,015
Provisions for taxes and tax risks	6,363	602	-6,450	-	289	-	-	804
Contract risks ⁽¹⁾	29,654	9,123	-14,747	-4,417	416	-	84	20,113
Provisions for claims and litigation	4,277	4,520	-435	-230	-19	-	-149	7,964
Other	8,082	4,249	-3,169	-1,387	-1,360	-	46	6,460
Provisions	90,712	58,019	-37,211	-11,203	-	-	15	100,332
Provisions for pensions and other post-employment benefits	105,184	3,055	-3,488	-13,497 ⁽²⁾	-	15,532 ⁽³⁾	884	107,670
TOTAL	195,896	61,074	-40,699	-24,700	-	15,532	899	208,002

- (1) The changes in 2019 concerned loss-making contracts in the "Industries" segment.
- (2) The reversal of surplus provisions in 2019 was mainly due to the transition to a defined contribution pension plan of the US subsidiary Plastic Omnium Auto Energy LLC (see Note 4.6 "Other operating income and expenses" to the consolidated financial statements at December, 31, 2019).
- The change in actuarial gains and losses in 2019 was explained by the decrease in discount rates in 2019 from 1.6% to 0.75% for the euro zone and from 4.25% to 3.2% for the United States zone.
- (3) Please refer to Note 5.2.5 "Provisions for pensions and other post-employment benefits" to the consolidated financial statements at December 31, 2019.

5.2.5. Provisions for pensions and other post-employment benefits

Post-employment benefits:

The generic term "post-employment benefits" covers both pension and other employee benefits.

Provisions for pensions:

Provisions for pensions mainly concern:

- end of career benefits;
- supplementary pension plans; and
- healthcare coverage plans.

In France, social benefits relate to supplementary pension plans only for Executive Corporate Officers and end-of-career benefits ("IFC"). Supplementary pension plans, when they related to the other geographical regions, concern all employees.

Plans for the payment of healthcare costs mainly concern North America region (United States)

Other long-term employee benefits:

Other long-term employee benefits cover long-service awards and other service awards within the Group.

Post-employment benefit plans are subject to the regulations applicable in each country. The benefits recognized in the financial statements are therefore not a function of the number of employees by region.

The regions identified and presented are those for which the regulations are consistent, allowing data to be aggregated. Where no such aggregation is possible, no reference actuarial rate is given as a discrepancy in the parameters does not enable an average to be calculated. Similarly, sensitivity tests are carried out on significant, homogeneous data by and region.

5.2.5.1 Actuarial Assumptions

The decrease in interest rates in 2020 led the Group to revalue its employee-related commitments for the Euro zone and the United States. The rates used at December 31, 2020 were respectively:

- 0.35% for the Euro zone (0.75% at December 31, 2019)
- 2.46% for the United States (3.2% at December 31, 2019)

In 2019, the Group opted for a “defined contribution” plan for the only American subsidiary that operated a “defined-benefit” plan (see Notes 4.6 “Other operating income and expenses” and 5.2.4 “Provisions” in the Consolidated Statements as of December 31, 2019).

The main actuarial assumptions used to value post-retirement and long-term benefits are the following:

	December 31, 2020		December 31, 2019	
	France	United States	France	United States
	Managers and non-managers		Managers and non-managers	
Minimum age for receiving a full pension	60 - 62 years	65 years	60 - 62 years	65 years
Age from which no reduction applies	65 - 67 years		65 - 67 years	
Discount rate – post-employment benefits	0.35%	2.46%	0.75%	3.20%
Discount rate – long-service awards	0.25%		0.30%	
Inflation rate	1.70%	2.00%	1.70%	2.00%
Rate of future salary increases	2.70%	3.50%	2.70%	3.50%
Rate of increases in healthcare costs				
		8.00%		8.00%
		5.50%		5.50%
Expected long-term rate of return on pension plan assets	0.35%	2.46%	0.75%	3.20%

Annual discount rate of post-employment benefits:

The Group uses, as a reference, the rate of bonds issued by good quality (AA) commercial and industrial companies and with maturity equal to the length of the commitment being valued.

Inflation rates:

In France, benefits are linked to inflation rates. The impact of inflation rates is not material in the United States.

Average rate of future salary increases:

The average rates of future salary increases are weighted between "managers" and "non-managers" and the age of employees.

Expected long-term return on pension plan assets:

These rates are based on long-term market forecasts and take account of each plan's asset allocation. For other foreign subsidiaries, rate differentials are determined based on local conditions.

5.2.5.2. Changes in balance sheet commitments and benefit costs corresponding to defined-benefit plans

The balance sheet amounts for these benefits are as follows:

In thousands of euros	Post-employment benefit plans			Other long-term benefits			Total		
	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2020	December 31, 2019	December 31, 2018
Projected benefit obligation at January 1	172,547	154,484	154,399	3,691	3,233	4,323	176,238	157,717	158,722
Service cost	6,857	8,055	9,560	285	272	232	7,142	8,327	9,792
Interest cost	2,980	4,016	3,846	15	66	46	2,995	4,082	3,892
Curtailments, settlements and other	-2,409	-14,160	-	-	-	-	-2,409	-14,160	-
Actuarial gains and losses	9,835	21,839	-4,801	-	433	-117	9,835	22,272	-4,918
<i>Of which, experience adjustments</i>	<i>-1,042</i>	<i>58</i>	<i>2,009</i>	<i>-158</i>	<i>71</i>	<i>-74</i>	<i>-1,200</i>	<i>129</i>	<i>1,935</i>
Benefits paid from plan assets	-786	-1,685	-979	5	5	5	-781	-1,680	-974
Benefits paid by the Company	-4,792	-1,501	-700	-180	-327	-121	-4,972	-1,828	-821
Change in scope	-	-	-	-	-	-0	-	-	-0
Consolidation of "Modules"	-	-	964	-	-	-	-	-	964
IFRS 5 Reclassifications	-	-	-11,421	-	-	-1,157	-	-	-12,578
Translation adjustment	-7,832	1,499	3,616	-48	9	23	-7,880	1,508	3,639
Projected benefit obligation at December 31	176,400	172,547	154,484	3,768	3,691	3,233	180,168	176,238	157,717
<i>Change in projected benefit obligation</i>	<i>3,853</i>	<i>18,063</i>	<i>85</i>	<i>77</i>	<i>458</i>	<i>-1,090</i>	<i>3,930</i>	<i>18,521</i>	<i>-1,005</i>
Fair value of plan assets at January 1	68,568	52,533	52,206	-	-	-	68,568	52,533	52,206
Return on plan assets	1,546	1,787	1,581	-	-	-	1,546	1,787	1,581
Employer contributions	11,711	7,727	1,179	-	-	-	11,711	7,727	1,179
Actuarial gains and losses	5,966	6,740	-2,480	209	-	-	6,175	6,740	-2,480
Benefit payments funded by plan assets	-3,355	-845	-829	-	-	-	-3,355	-845	-829
IFRS 5 Reclassifications	-	-	-707	-	-	-	-	-	-707
Translation adjustment	-4,808	624	1,583	-	-	-	-4,808	624	1,583
Fair value of plan assets at December 31	79,628	68,568	52,533	209	-	-	79,837	68,568	52,533
<i>Change in fair value of plan assets</i>	<i>11,060</i>	<i>16,035</i>	<i>327</i>	<i>209</i>	-	-	<i>11,269</i>	<i>16,035</i>	<i>327</i>
Excess of projected benefit obligation over plan assets = net provision recorded in the balance sheet	96,772	103,979	101,951	3,559	3,691	3,233	100,331	107,670	105,184
- of which France	47,473	48,064	43,372	2,252	2,270	2,283	49,725	50,334	45,655
- of which Europe excluding France	10,651	12,069	9,303	747	750	428	11,398	12,819	9,731
- of which United States	25,458	31,257	38,296	560	670	522	26,018	31,927	38,818
- of which other regions	13,190	12,589	10,980	-	-	-	13,190	12,589	10,980

The present value of partially hedged commitments amounted to €21,220 thousand at December 31, 2020, including €7,351 thousand for French plans and €1,166 thousand the United States plans. At December 31, 2019, it amounted to €17,067 thousand, including €16,363 thousand for France and €7,977 thousand for the United States plans.

In 2020:

At December 31, 2020, the Group reviewed the valuation methods of one of the Belgian plans, which only excluded in the pension plan, the residual obligation of the employer and excluded that of the insurer. However, this plan retains its nature as a "defined contribution" plan similar to a "defined benefit" plan because of the underlying guarantee on the returns on the contributions paid. The change in the valuation method had an impact of -€1.6 thousand on the total Belgian commitment recognized in actuarial gains and losses under the "Other income items".

In 2020 and in 2019:

The increase in the value of commitments is due to the decrease of discount rates in the two regions of Europe and United States.

5.2.5.3 Analysis of net obligations by region

Details of net obligations by region are presented in the table below:

In thousands of euros	December 31, 2020				December 31, 2019			
	France	Europe excluding France	United States	Other	France	Europe excluding France	United States	Other
Post-employment benefit plans								
Indemnity payable on retirement	44,557	2,188	-	13,042	45,873	1,955	-	12,589
Supplementary pension plans	2,916	8,463	21,349	-	2,191	10,114	26,626	-
Healthcare plans			4,109	148			4,631	-
Total post-employment benefit obligations	47,473	10,651	25,458	13,190	48,064	12,069	31,257	12,589
Other long-term benefits	2,252	747	560	-	2,270	750	670	-
Total other post-employment benefit obligations	2,252	747	560	-	2,270	750	670	-
Net obligations recognized in the balance sheet	49,725	11,398	26,018	13,190	50,334	12,819	31,927	12,589

		December 31, 2020		December 31, 2019	
		France	United States	France	United States
Average maturity of obligations	In years	13	19	13	20
Amount of obligations	In thousands of euros	59,292	81,169	59,382	77,977
<i>of which:</i>					
Retirement obligations		-	54,242	-	6,991
Vested deferred obligations		-	16,328	-	11,256
Active obligations		59,292	10,599	59,382	59,730

5.2.5.4 Sensitivity tests on retirement obligations

The retirement obligation sensitivity-tests on the main external variable, the discount rate, in 2020 and in 2019 show the following impacts:

In thousands of euros	December 31, 2020					December 31, 2019				
	Basis	Increase		Decrease		Basis	Increase		Decrease	
		+ 0.25%	- 0.25%	+ 0.25%	- 0.25%		+ 0.25%	- 0.25%	+ 0.25%	- 0.25%
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
France										
Effect on service cost and interest cost	3,604	3,541	-1.75%	3,505	-2.77%	3,808	3,704	-2.74%	3,679	-3.40%
Effect on projected benefit obligation	57,049	55,231	-3.19%	58,399	2.36%	57,127	55,473	-2.89%	58,853	3.02%
United States										
Effect on service cost and interest cost	2,346	2,421	3.21%	2,258	-3.76%	2,842	2,882	1.40%	2,793	-1.74%
Effect on projected benefit obligation	81,009	77,334	-4.54%	84,867	4.76%	79,086	75,497	-4.54%	82,854	4.76%

5.2.5.5 Changes in net balance sheet benefit positions

Changes in net balance sheet positions related to the full range of benefits are as follows:

In thousands of euros	Post-employment benefit plans			Other long-term benefits			Total		
	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2020	December 31, 2019	December 31, 2018
Net projected benefit obligation at January 1	103,979	101,950	102,194	3,691	3,234	4,323	107,670	105,183	106,517
<u>Expense/income for the year</u>									
Service cost	6,857	8,055	9,560	285	272	232	7,142	8,327	9,792
Curtailments, settlements and other	-2,409	-14,160	-	-	-	-	-2,409 ⁽¹⁾	-14,160	-
Benefits paid by the Company	-4,792	-1,500	-700	-180	-328	-121	-4,972	-1,828	-821
Actuarial gains and losses	-	-	-	-	-	-153	-	-	-153
Benefit payments funded by assets	2,569	-840	-150	5	5	5	2,574	-835	-145
Employer contributions	-11,711	-2	-1,179	-	-	-	-11,711	-2	-1,179
Net non-recurring post-employment benefit plan costs recorded in operating expenses	-9,486	-8,447	7,530	110	-51	-37	-9,376	-8,498	7,493
Interest cost	2,980	4,016	3,846	15	66	46	2,995	4,082	3,892
Expected return on plan assets	-1,546	-1,787	-1,581	-	-	-	-1,546	-1,787	-1,581
Interest costs of post-employment benefit obligations ⁽¹⁾	1,434	2,229	2,265	15	66	46	1,449⁽¹⁾	2,295	2,311
<u>Balance sheet impact</u>									
Pension plan asset contribution	-	-7,727	-	-	-	-	-	-7,727	-
Change in scope	-	-	964	-	-	-	-	-	964
IFRS 5 reclassification	-	-	-10,714	-	-	-1,157	-	-	-11,871
Actuarial gains and losses	3,868	15,099	-2,321	-209	433	36	3,659	15,532	-2,285
Translation adjustment	-3,023	875	2,032	-48	9	23	-3,071	884	2,055
Balance sheet impact	845	8,247	-10,039	-257	442	-1,098	588	8,689	-11,137
Net projected benefit obligation at December 31	96,772	103,979	101,950	3,559	3,691	3,234	100,331	107,670	105,183

(1) See "Interest on post-employment benefit obligations" in Note 4.7 on "Net Financial Income".

5.2.5.6 Healthcare cost sensitivity tests in the United States

The following table shows the impact of a 1-point change in the rate of increase of health care costs in the United States:

In thousands of euros	December 31, 2020		December 31, 2019	
	Increase	Decrease	Increase	Decrease
Effect on provisions for post-employment benefit obligations	597	-758	669	-847

5.2.5.7 Breakdown of plan assets by category

The funded plan assets at fair value break down by category as follows:

In thousands of euros	December 31, 2020	December 31, 2019
Equities	36,812	33,853
Bonds	22,558	19,843
Real estate	5,128	1,199
Other	15,339	13,673
Total	79,837	68,568

5.2.5.8 Contributions paid in respect of defined contribution plans

Contributions paid in respect of defined contribution plans amounted to €10,196.7 thousand in 2020 compared with €10,027.1 thousand in 2019.

5.2.6. Current and non-current borrowings

5.2.6.1 Definition of debt within the Group

Net debt is an important notion for the day-to-day management of Plastic Omnium’s treasury cash. It is used to determine the Group’s debit or credit position in relation to third parties and outside of the operating cycle. Net debt is determined as:

- long-term borrowings:
 - drawdowns on traditional lines of credit,
 - private placement notes,
 - bonds;
- minus loans, negotiable debt securities and other long-term financial assets (*see Note 5.2.6.4 “Loans, negotiable debt securities and other financial assets”*);
- plus short-term loans;
- plus overdraft facilities; and
- minus cash and cash equivalents.

5.2.6.2 Borrowings: private placement notes and bonds

During the period:

On May 29, 2020, Compagnie Plastic Omnium SE repaid the €500 million bond issued on May 21, 2013 to European investors.

See Note 2.2.1.3 in “Significant events of the period”.

At December 31, 2020:

The main terms of the bonds and private placements as at December 31, 2020 are summarized in the following table:

December 31, 2020	"Schuldscheindarlehen" private placement of 2016	Private placement bond issue of June 2017	"Schuldscheindarlehen" private placement of December 21, 2018
Issue - Fixed rate (in euros)	300,000,000	500,000,000	300,000,000
Interest rate / annual coupon	1.478%	1.25%	1.6320%
Investors	International (Asian, German, Dutch, Swiss, Luxembourg, Belgian) and French investors	European investors	International (German, Chinese, Belgian, Swiss, Austrian) and French investors
	No covenant or rating obligations		
Maturity	June 17, 2023	June 26, 2024	December 21, 2025

5.2.6.3 Bank loans

The Group drew down several credit lines totalling €87 million in the first half of 2020 to finance its operations and negotiated €60 million of additional lines of credit with credit institutions.

As of December 2020, the €87 million of drawn down had been fully repaid.

See Note 2.2.1.1 in “Other significant events of the period”.

5.2.6.4 Loans, negotiable debt securities and other financial assets

Maturity of the €5 million negotiable medium-term note purchased on February 24, 2015:

During the period, the €5 million negotiable medium-term note (NMTN) purchased by the Group on February 24, 2015 matured.

Disposal of the €50 million investment in UCITS:

In addition, the Group sold its investment in UCITS composed of bonds and medium-term cash, with a nominal value of €50 million.

See Note 2.2.1.4 "Maturity of NMTN and sale of investments in UCITS of Compagnie Plastic Omnium SE" in "Significant events of the period".

As of December 31, 2020, the Group no longer had any NMTN or UCITS in its financial investments.

Changes in the fair value of marketable securities that do not meet the criteria of classification as cash equivalents are recognized in financial income. Completion of these financial investments impacted the financial net income of the period (Note 4.7) by -€1,506 thousand (including the reversal of impairment for -€197 thousand as recorded in the balance sheet at December 31, 2019).

5.2.6.5. Short-term borrowings: issuance of "Negotiable European commercial paper" (Neu-CP)

In addition, during the fiscal year 2020, the Group issued "Negotiable European Commercial Paper" (Neu-CP), whose terms are presented in the table below:

December 31, 2020		Neu-CP during the period
Issuance - fixed rate	in euros	200,500,000
Terms		European investors
Maturity		Less than 1 year

5.2.6.6 Confirmed medium-term credit lines

During the fiscal year 2020, the Group negotiated additional credit lines and at December 31, 2020, had access to several confirmed bank lines of credit exceeding the Group's financing requirements.

At December 31, 2020, these confirmed bank lines of credit amounted to €1,960 million (including €0 million confirmed for HBPO) with an average maturity of five years, compared with €1,400 million (including €60 million confirmed for HBPO) at December 31, 2019.

5.2.6.7 Reconciliation of gross and net financial debt

In thousands of euros	December 31, 2020			December 31, 2019		
	Total	Current portion	Non-current portion	Total	Current portion	Non-current portion
Finance lease liabilities	222,013	48,330	173,683	228,565	56,582	171,983
Bonds and bank loans	1,434,828	300,830	1,133,998	1,784,909	622,180	1,162,729
<i>of which the 2018 "Schuldscheindarlehen" private placement</i>	299,120	148	298,972	298,960	135	298,825
<i>of which the bond issue in 2017</i>	500,375	3,238	497,137	500,099	3,750	496,349
<i>of which the 2016 "Schuldschein" private placement</i>	301,843	2,405	299,438	301,607	2,393	299,214
<i>of which the bond issue in 2013⁽¹⁾</i>	-	-	-	508,110	508,110	-
<i>of which Neu-CP⁽²⁾</i>	200,500	200,500	-	-	-	-
<i>of which bank lines of credit⁽³⁾</i>	132,990	94,539	38,451	176,133	107,792	68,341
Current and non-current borrowings and other debt (+)	1,656,841	349,160	1,307,681	2,013,475	678,762	1,334,713
Hedging instruments - liabilities (+) ⁽⁴⁾	116	116		3,268	3,268	
Total borrowings (B)	1,656,957	349,276	1,307,681	2,016,743	682,030	1,334,713
Long-term investments in equity instruments and funds (-) ⁽⁵⁾	-8,309		-8,309	-56,302		-56,302
Other financial assets (-)	-16,093	-6,340	-9,753	-27,756	-13,100	-14,656
<i>of which non-current financial receivables⁽⁶⁾</i>	-9,753		-9,753	-14,656		-14,656
<i>of which finance receivables⁽⁶⁾⁽⁷⁾</i>	-6,340	-6,340	-	-13,100	-13,100	-
Other current financial assets and financial receivables (-) ⁽⁷⁾	-301	-301		-55,127	-55,127	
<i>of which negotiable debt securities and UCITS⁽⁸⁾</i>	-	-		-54,809	-54,809	
Hedging instruments - assets (-) ⁽⁴⁾	-7,625	-7,625		-5,027	-5,027	
Total financial receivables (C)	-32,328	-14,266	-18,062	-144,212	-73,254	-70,958
Gross debt (D) = (B) + (C)	1,624,629	335,010	1,289,619	1,872,531	608,776	1,263,755
Cash and cash equivalents (-) ⁽⁹⁾	829,989	829,989		1,142,953	1,142,953	
Short-term bank loans and overdrafts (+)	-12,277	-12,277		-9,875	-9,875	
Net cash and cash equivalents as recorded in the statement of cash flows (A)⁽¹⁰⁾	-817,712	-817,712		-1,133,078	-1,133,078	
NET FINANCIAL DEBT (E) = (D) + (A)	806,917	-482,702	1,289,619	739,453	-524,302	1,263,755

(1) See Note 5.2.6.2 "Bonds: private placement notes and bonds"

(2) See Note 5.2.6.5 "Short-term borrowings: issuance of "Negotiable European Commercial Paper" (Neu-CP)"

(3) See Notes 2.2.1.1 in the "Significant events of the period", 5.2.6.3 "Bank loans" and 5.2.6.6 "Confirmed medium-term credit lines"

(4) See Note 5.2.7 "Interest rate and currency hedges"

(5) See Note 5.1.6.1 "Long-term investments in equity instruments and funds"

(6) See Note 5.1.6.2 "Other non-current financial assets"

(7) See Notes 5.1.8 "Current financial receivables" and 5.2.6.3 for the principal amount

(8) See Note 5.2.6.4 "Loans, negotiable debt securities and other financial assets"

(9) See Note 5.1.11.1 "Gross cash and cash equivalents"

(10) See Note 5.1.11.2 "Net cash and cash equivalents at end of period"

5.2.6.8 Analysis of gross financial debt by currency

The table below shows the gross financial debt after taking into account the swap transactions that allowed the conversion from euros into foreign currency.

<i>As a % of total debt</i>	December 31, 2020	December 31, 2019
Euro	48%	60%
US dollar	39%	28%
Chinese yuan	7%	6%
Pound sterling	2%	3%
Brazilian real	1%	1%
Indian rupee	1%	1%
Polish zloty	1%	-
Other currencies ⁽¹⁾	1%	1%
Total	100%	100%

(1) “Other currencies” concerns various currencies, which taken individually account for less than 1% of total financial debt over the two periods.

5.2.6.9 Analysis of gross financial debt by type of interest rate

<i>As a % of total debt</i>	December 31, 2020	December 31, 2019
Hedged variable rates	-	-
Unhedged variable rates	19%	6%
Fixed rates	81%	94%
Total	100%	100%

5.2.7. Interest rate and currency hedges

The last interest rate swap contract signed by the Group expired in February 2019.

<i>In thousands of euros</i>	December 31, 2020		December 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Exchange rate derivatives	7,625	-116	5,027	-3,268
Total balance sheet	7,625	-116	5,027	-3,268

5.2.7.1 Currency hedges

The Group uses derivatives to hedge its exposure to currency risk.

The Group has chosen an hedging policy to cover the highly probable future transactions in its entities’ foreign currencies. Hedging instruments implemented in this respect are forward purchases of foreign currencies. The Group has applied to these instruments the accounting treatment of cash flow hedges as planned by the applicable IFRS: instruments are measured at fair value and changes in value are recognized in equity for the effective portion. These amounts recognized in equity are reported in profit or loss when the hedged cash flows affect the income.

At December 31, 2020, the fair value of the instruments subscribed and thus recognized was €7,509 thousand, including €83 thousand recognized in equity.

Changes in the fair value of currency hedging instruments are recognized in net financial income.

5.2.7.1.1. Portfolio of currency hedges

	December 31, 2020				December 31, 2019			
	Fair value (in thousands of euros)	Notional amount (in thousands of currency units)	Medium- term exchange rate	Exchange rate at December 31, 2020	Fair value (in thousan ds of euros)	Notional amount (in thousands of currency units)	Medium- term exchange rate	Exchange rate at December 31, 2019
			Currency / Euro	Currency / Euro			Currency / Euro	Currency / Euro
Net sell position (net buy position if >0)								
USD / EUR - Forward exchange contract	+91	-1,922	1.1667	1.2271	-2,861	-74,181	1.1805	1.1234
JPY / EUR - Forward exchange contract	-	-	-	-	-88	-329,595	126.0400	121.9400
GBP / EUR - Forward exchange contract	-8	-3,952	0.9050	0.8990	-	-	-	-
USD / EUR - Forward currency swap	+5,868	-529,300	1.2110	1.2271	+5,001	-416,300	1.1110	1.1234
GBP / EUR - Forward currency swap	+14	-30,000	0.8987	0.8990	-39	-24,000	0.8520	0.8508
CHF / EUR - Forward currency swap	-43	-9,750	1.0851	1.0802	-39	-7,240	1.0915	1.0854
RUB / EUR - Forward currency swap	+18	-58,100	89.1435	91.4671	-20	-48,000	7.8765	69.9563
CNY / EUR - Forward currency swap	+1,232	-438,000	7.9219	8.0225	-72	-238,000	7.9177	7.8205
CNY / USD - Forward currency swap	-42	-87,707	6.5945	6.9760	-123	-94,084	7.0740	6.9615
JPY / EUR - Forward currency swap	+379	-3,600,000	124.8294	126.4900	-	-	-	-
TOTAL	+7,509				+1,759			

5.2.7.1.2. Impact of unsettled foreign exchange hedges on income and equity

In thousands of euros	December 31, 2020	December 31, 2019
Impact of change in foreign exchange hedging portfolio on income (ineffective portion) ⁽¹⁾	2,893	4,781
Impact of change in foreign currency hedging portfolio on equity (effective portion)	2,855	-1,077
Total	5,748	3,704

(1) See “Gains or losses on interest rate and currency hedges” in Note 4.7 “Net financial income”.

5.2.8. Operating and other liabilities

5.2.8.1. Trade payables

In thousands of euros	December 31, 2020	December 31, 2019
Trade payables	1,278,933	1,368,188
Due to suppliers of fixed assets	92,817	150,016
Total	1,371,750	1,518,204

5.2.8.2. Other operating liabilities

In thousands of euros	December 31, 2020	December 31, 2019
Employee benefits expense	164,095	167,813
Income taxes	17,888	57,605
Other taxes	128,337	153,552
Other payables	328,378	282,921
Customer prepayments - Deferred revenues	319,711	352,936
Total	958,409	1,014,826

5.2.8.3. Trade payables and other operating liabilities by currency

In thousands of currency units		Liabilities at December 31, 2020			Liabilities at December 31, 2019		
		Local currency	Euro	%	Local currency	Euro	%
EUR	Euro	1,354,833	1,354,833	58%	1,413,809	1,413,809	56%
USD	US dollar	595,983	485,684	21%	576,873	513,507	20%
GBP	Pound sterling	115,655	128,644	6%	127,186	149,490	6%
CNY	Chinese yuan	1,296,548	161,614	7%	1,422,557	181,901	7%
BRL	Brazilian real	161,472	25,335	1%	122,648	27,160	1%
Other	Other currencies		174,049	7%		247,163	10%
Total			2,330,159	100%		2,533,030	100%
<i>Of which:</i>							
• Trade payables			1,371,750	59%		1,518,204	60%
• Other liabilities			958,409	41%		1,014,826	40%

Sensitivity tests on changes in foreign exchange rates of “Trade payables and other liabilities” give the following results:

In thousands of currency units	Sensitivity tests on liabilities at December 31, 2020						Sensitivity tests on liabilities at December 31, 2019						
	Base		Increase – all currencies		Decrease – all currencies		Base		Increase – all currencies		Decrease – all currencies		
			+10%	+20%	-10%	-20%			+10%	+20%	-10%	-20%	
	Local currency	Conversion rate	%	%	%	%	Local currency	Conversion rate	%	%	%	%	
EUR	Euro	1,354,833	1.0000	56%	54%	61%	63%	1,413,812	1.0000	53%	51%	58%	61%
USD	US dollar	595,983	0.8149	22%	23%	20%	18%	576,873	0.8902	21%	22%	19%	18%
GBP	Pound sterling	115,655	1.1123	6%	6%	5%	5%	127,186	1.1754	6%	7%	6%	5%
CNY	Chinese yuan	1,296,548	0.1247	7%	8%	7%	6%	1,422,557	0.1279	9%	8%	7%	6%
BRL	Brazilian real	161,472	0.1569	1%	1%	1%	1%	122,648	0.2214	1%	1%	1%	1%
Other	Other currencies			8%	8%	7%	6%			10%	11%	9%	9%
Total in euros			2,330,159	2,427,690	2,525,223	2,232,625	2,135,093		2,533,030	2,644,376	2,756,246	2,420,638	2,308,768
<i>Of which:</i>													
• Trade payables			1,371,750	1,429,167	1,486,584	1,314,333	1,256,917		1,518,204	1,584,940	1,651,991	1,450,840	1,383,789
• Other operating liabilities			958,409	998,523	1,038,639	918,292	878,176		1,014,826	1,059,436	1,104,255	969,798	924,979

Foreign exchange sensitivity tests on “Trade payables and other liabilities” and “Trade and other receivables” (see Note 5.1.9) show an immaterial net sensitivity to exchange rate fluctuations as of December 31, 2020.

6. CAPITAL MANAGEMENT AND MARKET RISKS

Compagnie Plastic Omnium has set up a global cash management system centralized within its subsidiary Plastic Omnium Finance, which manages liquidity, currency and interest rate risks on behalf of all subsidiaries. The market risk strategy, which may take the form of on- and off-balance sheet commitments, is validated quarterly by the Group's Senior management.

6.1. Capital management

The Group's objective is to have, at all times, sufficient financial resources to enable it to carry out its current business, fund the investments required for its development and also to respond to any exceptional events.

This goal is achieved through the use of the capital markets, leading to capital and financial debt management.

As part of its capital management strategy, the Group compensates its shareholders primarily through the payment of dividends and may make adjustments in line with changes in economic conditions.

The capital structure may be adjusted by paying ordinary or special dividends, through share buybacks and cancellation of treasury stock, returning a portion of capital to shareholders or issuing new shares and/or securities giving rights to capital.

Consequences following the impacts of Covid-19:

By a vote of the Compagnie Plastic Omnium SE Shareholders' Meeting on April 23, 2020, the dividend paid in 2020 based on 2019 results was reduced by 34%, i.e. an amount of €36 million.

Taking into account the uncertainties of the global Covid-19 crisis, starting in March 2020 the Group negotiated and obtained additional credit lines of €60 million to strengthen its liquidity. This early action enabled the Group to maintain the same credit line drawdown capacity it had at the year-end closing on December 31, 2019 (see Note 5.2.6.6 "Confirmed medium-term credit lines").

In addition, the Group issued €200.5 million under its "Negotiable European Commercial Paper" (Neu-CP) program at December 31, 2020.

Finally, the Group sold its €50 million investment in UCITS in order to increase its liquidity (see Note 2.2.1.4 "Maturity of NMTM and disposal of investments in UCITS of Compagnie Plastic Omnium SE").

Gearing:

The Group uses the gearing ratio, corresponding to the ratio of consolidated net debt to equity, as an indicator of the Group's leverage. The Group includes in net debt all financial liabilities and commitments, other than operating payables, interest-bearing liabilities, less cash and cash equivalents and other non-operating financial assets, such as marketable securities and loans.

At December 31, 2020 and December 31, 2019, the gearing ratio was as follows:

In thousands of euros	December 31, 2020	December 31, 2019
Net financial debt ⁽¹⁾	806,917	739,453
Equity (including non-current grants)	1,950,069	2,347,363
Gearing ratio	41.38%	31.50%

(1) See Note 5.2.6.7 "Reconciliation of gross and net financial debt".

None of the Group's bank loans or financial liabilities contains covenants providing for early repayment in the event of non-compliance with financial ratios.

As part of its capital management, the liquidity account shows the following positions:

- at December 31, 2020:
 - 12,500 securities (shares);
 - and €6,241,823 in cash

- at December 31, 2019:
 - 113,614 securities (shares);
 - and €3,490,024 in cash

6.2. Commodities risk - Exposure to plastics risk

Plastic Omnium’s business requires the purchase of large quantities of plastic, steel, paint and other raw materials subject to price changes that could have an impact on its operating margin.

To limit the risks associated with such price fluctuations, the Group has negotiated selling price indexation clauses with most of its automotive customers or, failing that, regularly renegotiates selling prices.

In view of these measures, the Group considers that raw materials price fluctuations do not have a material impact on its operating margin.

6.3. Credit risk

Credit risk covers customer credit risk and bank counterparty risk.

6.3.1. Customer risk

At December 31, 2020, 3.8% of the Group’s trade receivables were past due, versus 7.7% at December 31, 2019. Trade receivables break down as follows:

Ageing analysis of net receivables:

At December 31, 2020:

In thousands of euros	Total outstanding	Not yet due	Due and past due	Less than 1 month	1-6 months	6-12 months	More than 12 months
Industries	632,522	602,093	30,428	17,780	5,789	5,643	1,216
Modules	183,384	182,668	717	275	442	-	-
Unallocated items	-1,506	-1,506	-	-	-	-	-
Total	814,400	783,255	31,145	18,055	6,231	5,643	1,216

At December 31, 2019:

In thousands of euros	Total outstanding	Not yet due	Due and past due	Less than 1 month	1-6 months	6-12 months	More than 12 months
Industries	682,714	624,178	58,536	28,004	18,957	6,983	4,592
Modules	132,230	127,714	4,517	793	3,724	-	-
Unallocated items	3,855	3,855	-	-	-	-	-
Total	818,799	755,747	63,053	28,797	22,681	6,983	4,592

The risk of non-recovery of trade receivables is low and involves only a immaterial amount of receivables more than twelve months past due.

6.3.2. Bank counterparty risk

The Group invests its cash surplus with leading banks and/or in highly-rated securities.

6.4. Liquidity risk

The Group must at all times have sufficient financial resources to finance the current business and the investments required to support its development, but also to withstand any exceptional events.

This objective is mainly achieved by using medium-term lines of credit with banking institutions but also by short-term bank resources.

The cash position of the Group is monitored daily for each business division and at central level, and a weekly summary report is submitted to the Group's Senior management.

6.4.1. Other long-term financial receivables - carrying amounts and undiscounted values

Undiscounted values can be reconciled with the information in the table in Note 6.4.2 on "Liquidity risks by maturity". None at December 31, 2020.

6.4.2. Liquidity risk by maturity

Liquidity risk by maturity is calculated on the basis of the undiscounted contractual cash flows of financial assets and liabilities. The liquidity risk analysis shows the following:

At December 31, 2020:

In thousands of euros	December 31, 2020	Less than 1 year	1 to 5 years	More than 5 years
FINANCIAL ASSETS				
Non consolidated equity interests	170	-	170	-
Long-term investments in equities and funds	8,309	-	8,309	-
Other financial assets	9,753	-	9,753	-
Finance receivables ⁽¹⁾	6,340	6,340	-	-
Trade receivables ⁽²⁾	814,400	813,184	1,216	-
Other current financial assets and financial receivables	301	301	-	-
Hedging instruments	7,625	7,625	-	-
Cash and cash equivalents	829,989	829,989	-	-
Total financial assets	1,676,887	1,657,439	19,448	-
FINANCIAL LIABILITIES				
Non-current borrowings ⁽³⁾	1,357,663	-	1,295,567	62,096
Bank overdrafts	12,277	12,277	-	-
Current borrowings ⁽⁴⁾	371,844	371,844	-	-
Hedging instruments	116	116	-	-
Trade payables	1,371,750	1,371,750	-	-
Total financial liabilities	3,113,650	1,755,987	1,295,567	62,096
Financial assets and financial liabilities - net⁽⁵⁾	-1,436,763	-98,548	-1,276,119	-62,096

- (1) Undiscounted amounts (see Notes 5.1.8 "Current financial receivables" and 6.4.1 "Other long-term financial receivables").
- (2) "Trade receivables" includes €31,145 thousand past due at December 31, 2020 against €63,053 thousand at December 31, 2019. See Note 6.3.1 on "Customer risk".
- (3) "Non-current borrowings" includes the amounts reported in the balance sheet and interest payable over the remaining life of the borrowings.
- (4) "Current borrowings" includes the amounts reported in the balance sheet and interest due within one year.
- (5) See Note 5.2.6.6 on confirmed medium-term credit lines compared to usage : in 2020 and 2019, the confirmed and unused bank lines amply covered the Group's cumulative medium-term financing requirements.

At December 31, 2019:

In thousands of euros	December 31, 2019	Less than 1 year	1 to 5 years	More than 5 years
FINANCIAL ASSETS				
Non consolidated equity interests	199	-	199	-
Long-term investments in equities and funds	56,302	-	56,302	-
Other financial assets	14,656	-	14,656	-
Finance receivables ⁽¹⁾	13,100	13,100	-	-
Trade receivables ⁽²⁾	818,799	814,207	4,592	-
Other current financial assets and financial receivables	55,127	55,127	-	-
Hedging instruments	5,027	5,027	-	-
Cash and cash equivalents	1,142,953	1,142,953	-	-
Total financial assets	2,106,163	2,030,414	75,749	-

FINANCIAL LIABILITIES				
Non-current borrowings ⁽³⁾	1,403,692	82	1,036,967	366,644
Bank overdrafts	9,875	9,875	-	-
Current borrowings ⁽⁴⁾	712,611	712,611	-	-
Hedging instruments	3,268	3,268	-	-
Trade payables	1,518,204	1,518,204	-	-
Total financial liabilities	3,647,650	2,244,040	1,036,967	366,644
Financial assets and financial liabilities - net⁽⁵⁾	-1,541,487	-213,626	-961,218	-366,644

- (1) Undiscounted amounts (see Notes 5.1.8 “Current financial receivables” and 6.4.1 “Other long-term financial receivables”).
- (2) “Trade receivables” includes €63,053 thousand past due at December 31, 2019, against €59,960 thousand at December 31, 2018. See Note 6.3.1 on “Customer risk”.
- (3) “Non-current borrowings” includes the amounts reported in the balance sheet and interest payable over the remaining life of the borrowings.
- (4) “Current borrowings” includes the amounts reported in the balance sheet and interest due within one year.
- (5) See Note 5.2.6.6 on confirmed medium-term credit lines compared to usage: in 2019 and 2018, the confirmed and unused bank lines amply cover the Group's cumulated medium-term financing requirements.

6.5. Currency risk

Plastic Omnium’s business is based for the most part on local plants: by producing locally what is sold locally, the Group has little exposure to currency fluctuations, except for the translation of financial statements of companies whose functional currency is not the euro.

The Group’s policy is to minimize the currency risk arising from transactions that will result in future payment or future revenue. If a transaction does give rise to a material currency risk, it is hedged with a forward currency contract. The subsidiary involved places this hedge with the Group Treasury Department or, with the latter’s approval, locally.

6.6. Interest rate risk

Interest rate risk relates to the possibility of an increase in variable rates for variable rate debt, which would adversely affect net financial income. Interest rate risk is managed on the basis of the Group’s consolidated debt with the main objective of maintaining a durably low consolidated financing cost in light of the Group’s operating profitability.

At December 31, 2020 as at December 31, 2019, the Group’s core funding was at fixed rates (see Notes 5.2.6.9 “Analysis of debt by type of interest rate”).

Financial transactions, particularly interest rate hedges, are carried out with a broad panel of leading financial institutions. A competitive bidding process is carried out for any significant financial transactions and maintaining a satisfactory diversification of resources and participants is a selection criterion.

6.7. Additional information about financial assets and liabilities

Most derivatives are traded over-the-counter for which there are no listed prices. Therefore, their valuation is based on models commonly used by traders to value these financial instruments (models for discounting future cash flows or option valuation models).

Financial assets and liabilities by category and fair value break down as follows:

2020									
In thousands of euros	At amortized cost	At fair value			Total carrying amount	Valued at cost	Instrument listed on an active market (level 1)	Valuations based on observable market data (level 2)	Valuations based on unobservable market data (level 3)
		Through profit or loss	Through shareholders' equity	Through shareholders' equity (CFH) ⁽²⁾					
ASSETS									
Non-consolidated equity interests	-	-	170	-	170	170	-	-	-
Long-term investments in equities and funds	-	-	8,309	-	8,309	-	8,309	-	-
Other non-current financial assets	9,753	-	-	-	9,753	-	-	-	-
Finance receivables	6,340	-	-	-	6,340	-	-	-	-
Trade receivables	814,400	-	-	-	814,400	-	-	-	-
Other current financial assets and receivables	301	-	-	-	301	-	-	-	-
Hedging instruments	-	7,625	-	-	7,625	-	-	7,625	-
Cash and cash equivalents	-	829,989	-	-	829,989	-	-	829,989	-

In thousands of euros	At amortized cost	At fair value			Total carrying amount	Valued at cost	Instrument listed on an active market (level 1)	Valuations based on observable market data (level 2)	Valuations based on unobservable market data (level 3)
		Through profit or loss	Through shareholders' equity	Through shareholders' equity (CFH) ⁽²⁾					
LIABILITIES									
Non-current borrowings ⁽¹⁾	1,307,681	-	-	-	1,307,681	-	-	-	-
Bank overdrafts	12,277	-	-	-	12,277	-	-	-	-
Current borrowings	349,160	-	-	-	349,160	-	-	-	-
Hedging instruments	-	2,971	-	-2,855	116	-	-	116	-
Trade payables	1,371,750	-	-	-	1,371,750	-	-	-	-

In 2020, as in 2019, there was no transfer between fair value levels.

2019									
In thousands of euros	At amortized cost	At fair value			Total carrying amount	Valued at cost	Instrument listed on an active market (level 1)	Valuations based on observable market data (level 2)	Valuations based on unobservable market data (level 3)
		Through profit or loss	Through shareholders' equity	Through shareholders' equity (CFH) ⁽²⁾					
ASSETS									
Non-consolidated equity interests	-	-	199	-	199	199	-	-	-
Long-term investments in equities and funds	-	-	56,302	-	56,302	-	56,302	-	-
Other non-current financial assets	14,656	-	-	-	14,656	-	-	-	-
Finance receivables	13,100	-	-	-	13,100	-	-	-	-
Trade receivables	818,799	-	-	-	818,799	-	-	-	-
Other current financial assets and receivables	5,318	49,809	-	-	55,127	-	49,809	-	-
Hedging instruments	-	5,027	-	-	5,027	-	-	5,027	-
Cash and cash equivalents	-	1,142,953	-	-	1,142,953	-	-	1,142,953	-

In thousands of euros	At amortized cost	At fair value			Total carrying amount	Valued at cost	Instrument listed on an active market (level 1)	Valuations based on observable market data (level 2)	Valuations based on unobservable market data (level 3)
		Through profit or loss	Through shareholders' equity	Through shareholders' equity (CFH) ⁽²⁾					
LIABILITIES									
Non-current borrowings ⁽¹⁾	1,334,713	-	-	-	1,334,713	-	-	-	-
Bank overdrafts	9,875	-	-	-	9,875	-	-	-	-
Current borrowings	678,762	-	-	-	678,762	-	-	-	-
Hedging instruments	-	2,191	-	1,077	3,268	-	-	3,268	-
Trade payables	1,518,204	-	-	-	1,518,204	-	-	-	-

- (1) See Note 5.2.6.7 "Reconciliation of gross and net financial debt". This item includes "Finance lease liabilities" and "Bonds and bank loans".
- (2) CFH: "Cash Flow Hedge".

In 2019, as in 2018, there was no transfer between fair value levels.

The fair value of financial assets and liabilities at amortized cost was close to the carrying amount, except for borrowings.

In thousands of euros	Balance sheet values at December 31, 2020			Fair value at December 31, 2020		
	Total	Current	Non-current	Total	Current	Non-current
Bonds and bank loans ⁽¹⁾	1,434,828	300,830	1,133,998	1,463,608	300,970	1,162,638

In thousands of euros	Balance sheet values at December 31, 2019			Fair value at December 31, 2019		
	Total	Current	Non-current	Total	Current	Non-current
Bonds and bank loans ⁽¹⁾	1,784,909	622,180	1,162,729	1,815,892	628,335	1,187,557

(1) See Note 5.2.6.7 “Reconciliation of gross and net debt”.

Methods for measuring fair value:

- The fair value of listed bonds is determined on the basis of quoted prices (level 1). The fair value of other borrowings is determined for each loan by discounting future cash flows at a rate corresponding to the Euribor yield curve at year-end, corrected for the Group’s credit risk (level 2).
- The fair value of monetary and non-monetary UCITS is measured according to their last known net asset value (level 1). The fair value of interest rate products (certificates of deposit, time-deposit accounts, negotiable medium-term notes, etc.) is based on discounted future cash flows from coupons and coupons excluding accrued interest (principal and interest) for the remaining duration of the product on the balance sheet date (level 2). The discount rate used in this case is the market rate matching the maturity and products’ characteristics.
- Other financial assets and financial receivables: items consisting mainly of financial receivables recorded on the basis of a discounted value when their maturity is more than one year.
- Most of the derivatives are traded over-the-counter, for which there are no listed prices. As a result, their valuation is based on models commonly used by traders to evaluate financial instruments using discounted cash flow models or option valuation models (level 2).

7. ADDITIONAL INFORMATION

7.1. Headcount at end of year of controlled companies

	December 31, 2020			December 31, 2019			
	Excluding temporary	Temporary	Total	Excluding temporary	Temporary	Total	Changes/Total
France	2,850	389	3,239	2,897	517	3,414	-5%
%	12.6%	10.3%	12.3%	12.5%	12.5%	12.5%	
Europe excluding France	10,949	1,839	12,788	11,217	1,892	13,109	-2%
%	48.4%	48.6%	48.4%	48.4%	45.9%	48.0%	
North America	5,358	581	5,939	5,453	790	6,243	-5%
%	23.7%	15.4%	22.5%	23.5%	19.2%	22.9%	
Asia and South America ⁽¹⁾	3,479	974	4,453	3,612	923	4,535	-2%
%	15.4%	25.7%	16.9%	15.6%	22.4%	16.6%	
Total	22,636	3,783	26,419	23,179	4,122	27,301	-3%

(1) The “Asia and South America” region includes Turkey, South Africa and Morocco.

7.2. Off-balance sheet commitments

7.2.1. Commitments granted / received

At December 31, 2020:

In thousands of euros	Total	On intangible assets	On property, plant and equipment	On financial assets and liabilities	On other non-financial current assets/liabilities
Surety bonds granted ⁽¹⁾	-22,979	-	-1,548	-15,668	-5,763
Commitments to purchase assets ⁽²⁾	-24,894	-8	-24,886	-	-
Other off-balance sheet commitments ⁽³⁾	-8,079	-	-6,698	-1,381	-
Total commitments given	-55,952	-8	-33,132	-17,049	-5,763
Total commitments – net	-55,952	-8	-33,132	-17,049	-5,763

At December 31, 2019:

In thousands of euros	Total	On intangible assets	On property, plant and equipment	On financial assets and liabilities	On other non-financial current assets/liabilities
Surety bonds granted ⁽⁴⁾	-17,059	-	-1,434	-13,814	-1,811
Commitments to purchase assets ⁽⁵⁾	-29,235	-13	-29,222	-	-
Other off-balance sheet commitments ⁽⁶⁾	-8,570	-	-8,570	-	-
Total commitments given	-54,864	-13	-39,226	-13,814	-1,811
Surety bonds received ⁽⁷⁾	2,927	-	2,927	-	-
Total commitments received	2,927	-	2,927	-	-
Total commitments – net	-51,937	-13	-36,299	-13,814	-1,811

At December 31, 2020:

(1) The surety bond given are mainly related to:

- €9.9 million from Compagnie Plastic Omnium SE to Société Générale Frankfurt ;
- €6.0 million on financial assets and liabilities of HBPO Germany GmbH to Deutsche Bank ;
- €5.8 million on other non-financial current assets/ liabilities of Plastic Omnium Auto Exteriors (India) Pvt Ltd to Credit Agricole CIB ;
- €1.1 million on tangible fixed asset of Plastic Omnium Auto Exteriors SP Z.O.O to BNP Paribas.

(2) The commitments to purchase assets are mainly related to:

- €12.1 million from Plastic Omnium Auto Inergy (USA) LLC ;
- €6.5 million from Plastic Omnium Auto Exterieur SA ;
- €3.3 million from Plastic Omnium Equipamientos Exteriores SA.

(3) The other off-balance sheet commitments are mainly:

- €4.4 million of credit letter for Plastic Omnium Auto Exteriors S.R.O.;
- €2.3 million of credit letter for Plastic Omnium Auto Exteriors (India) Pvt Ltd.

At December 31, 2019:

(4) The surety bonds given are mainly related to:

- €7.5 million of Compagnie Plastic Omnium SE to Société Générale Frankfurt ;
- €6.0 million on financial assets and liabilities of HBPO Germany GmbH to Deutsche Bank ;

- €1.4 million on other non-financial current assets/ liabilities of Plastic Omnium Auto Exteriors (India) Pvt Ltd to Crédit Agricole CIB ;
- €1.2 million on other non-financial current assets/ liabilities of Plastic Omnium Auto Exteriors SP Z.O.O to BNP Paribas.

(5) The commitments to purchase assets are mainly related to:

- €1 million from Plastic Omnium Auto Inergy (USA) LLC ;
- €3.3 million from Plastic Omnium Equipamientos Exteriores SA ;
- €1.6 million from Plastic Omnium Auto Inergy Mexico SA de CV.

(6) The other off-balance sheet commitments are mainly:

- €5.8 million of letters of credit regarding Plastic Omnium Auto Exteriors S.R.O.;
- €2.3 million of letters of credit regarding for the purchase of molds for Plastic Omnium Auto Exteriors (India) Pvt Ltd.

(7) The surety bonds received are mainly related to:

- €2.2 million from Crédit Agricole CIB for Plastic Omnium Auto Exteriors S.R.O.

7.3. Related-party transactions

7.3.1. Compensation paid to senior executives and corporate officers

Senior executives are, in accordance with IAS 24 “Persons with the authority and responsibility for planning, directing and controlling the activities” of Compagnie Plastic Omnium and its subsidiaries.

The Board of December 11, 2020 granted 45,373 shares to Executive Directors as part of the Performance Share grant with retroactive effect from April 30, 2020 (see Note 5.2.3 "Share-based payments").

The total amount of compensation paid to members of the Board of Directors and senior executives is presented in the table below:

<i>In thousands of euros</i>	Paid or payable by...	2020	2019
Directors' fees	Paid by Compagnie Plastic Omnium	172	103
Directors' fees	Paid by companies controlled by Compagnie Plastic Omnium (excl. Compagnie Plastic Omnium) and by Burelle SA	284	191
Gross compensation	Payable by the Plastic Omnium Group	5,742	5,806
Supplementary pension plans	Payable by the Plastic Omnium Group ⁽¹⁾	124	1,423
Cost of stock option plans and performance shares plan	Payable by the Plastic Omnium Group	310	235
	<i>Cost to be spread over the vesting period</i>	174	186
	<i>Social contributions related to the new plan of the period⁽²⁾</i>	136	49
Total compensation		6,632	7,758

(1) These are social contributions over the entire vesting period of each plan rights, ie four years. The cost over the period is €23 thousand.

7.3.2. Transactions with Sofiparc SAS, Burelle SA and Burelle Participations SA

At December 31, 2020:

In thousands of euros	Direct and indirect costs	Royalties and management fees	Proceeds from disposal of tangible assets including Investment property	Other Operating income and expenses	Financial income and expenses	Current accounts	Deposits	Trade payables	Trade receivables	Other receivables	Other debtors
Sofiparc SAS	-	-6,148	2	-184	8	-	1,254	1,955	5	-	1,583
Burelle SA	2	-139	-	-	9	-	-	592	-	-	11
Burelle Participations SA	-	120	-	-	7	-	-	-	-	-	-

At December 31, 2019:

In thousands of euros	Direct and indirect costs	Royalties and management fees	Proceeds from disposal of tangible assets including Investment property	Gain on disposal of tangible assets including Investment property	Financial income and expenses	Net book value of Investment Property	Net book value of Operating Property	Current accounts	Deposits	Trade payables	Trade receivables	Other receivables	Other debtors
Sofiparc SAS	374	-4,796	128,955	19,937	5	-93,968	-15,052	-	1,104	5	28	-	54
Burelle SA	2	-6,879	-	-	10	-	-	-	-	1,966	-	-	11
Burelle Participations SA	-	120	-	-	10	-	-	-	-	-	-	-	-

7.4. Fees paid to the Statutory Auditors

In thousands of euros	2020		
	Mazars	EY	Total
Audit services	-2,162	-2,225	-4,387
<i>of which:</i>			
<i>Compagnie Plastic Omnium SE</i>	<i>-451</i>	<i>-451</i>	<i>-902</i>
<i>Subsidiaries</i>	<i>-1,711</i>	<i>-1,774</i>	<i>-3,485</i>
Fees other than certification of financial statements⁽¹⁾	-189	-354	-543
<i>of which:</i>			
<i>Compagnie Plastic Omnium SE</i>	<i>-183</i>	<i>-</i>	<i>-183</i>
<i>Subsidiaries</i>	<i>-6</i>	<i>-354</i>	<i>-360</i>
Total	-2,352	-2,579	-4,930

(1) The "Fees other than certification of financial statements" are related to the review of the consolidated social, environmental and societal information provided in the management report, tax compliance audit, the certificates, the agreed procedures, and due diligence.

In thousands of euros	2019		
	Mazars	EY	Total
Audit services	-2,335	-2,301	-4,636
<i>of which:</i>			
<i>Compagnie Plastic Omnium</i>	-482	-578	-1,060
<i>Subsidiaries</i>	-1,853	-1,723	-3,576
Fees other than certification of financial statements⁽¹⁾	-105	-372	-477
<i>of which:</i>			
<i>Compagnie Plastic Omnium</i>	-89	-37	-126
<i>Subsidiaries</i>	-16	-335	-351
Total	-2,440	-2,673	-5,113

(1) The "Fees other than certification of financial statements" are related to the review of the consolidated social, environmental and societal information provided in the management report, the certificates, the agreed procedures, and due diligence.

7.5. Consolidating entity

Burelle SA holds 59.92% of Compagnie Plastic Omnium, after the cancellation of Compagnie Plastic Omnium's treasury stock (58.78% before cancellation of treasury stock), and fully consolidates Company Plastic Omnium SE.

Burelle SA - 19 Boulevard Jules Carteret
69342 Lyon Cedex 07

7.6. Subsequent events

No event likely to have a material impact on the Group's business, financial position, earnings or assets and liabilities at December 31, 2020 has occurred since the closing date.

LIST OF CONSOLIDATED COMPANIES AT DECEMBER 31, 2020

Legal name	Reportable segment			December 31, 2020			December 31, 2019			Tax group
	Industries	Modules	Un-allocated	Method of Consolidation	% control	% interest	Method of Consolidation	% control	% interest	
<u>France</u>										
COMPAGNIE PLASTIC OMNIUM SE			*	Parent company			Parent company			1
PLASTIC OMNIUM GESTION SNC			*	FC	100	100	FC	100	100	1
PLASTIC OMNIUM FINANCE SNC			*	FC	100	100	FC	100	100	1
SIGNALISATION FRANCE SA			*	FC	100	100	FC	100	100	1
INERGY AUTOMOTIVE SYSTEMS FRANCE SAS	*			FC	100	100	FC	100	100	1
PLASTIC OMNIUM AUTO EXTERIEUR SERVICES SAS	*			FC	100	100	FC	100	100	1
PLASTIC OMNIUM AUTO EXTERIORS SA	*			FC	100	100	FC	100	100	1
PLASTIC OMNIUM AUTO INERGY SAS	*			FC	100	100	FC	100	100	1
PLASTIC OMNIUM AUTO INERGY MANAGEMENT SAS	*			FC	100	100	FC	100	100	1
PLASTIC OMNIUM AUTO EXTERIEUR SAS	*			FC	100	100	FC	100	100	1
PLASTIC OMNIUM COMPOSITES SA	*			FC	100	100	FC	100	100	1
PLASTIC OMNIUM AUTO INERGY SERVICES SAS	*			FC	100	100	FC	100	100	1
PLASTIC OMNIUM AUTO INERGY FRANCE SAS	*			FC	100	100	FC	100	100	1
PLASTIC OMNIUM AUTO INERGY EUROPE SAS	*			FC	100	100	FC	100	100	1
PLASTIC OMNIUM MODULES SAS		*		FC	100	100	FC	100	100	1
PLASTIC OMNIUM MANAGEMENT 4			*	FC	100	100	FC	100	100	1
<u>South Africa</u>										
PLASTIC OMNIUM AUTO INERGY SOUTH AFRICA (PROPRIETARY) Ltd	*			FC	100	100	FC	100	100	
<u>Germany</u>										
PLASTIC OMNIUM GmbH			*	FC	100	100	FC	100	100	2
PLASTIC OMNIUM AUTO COMPONENTS GmbH	*			FC	100	100	FC	100	100	2
PLASTIC OMNIUM AUTO INERGY GERMANY GmbH	*			FC	100	100	FC	100	100	2
PLASTIC OMNIUM COMPOSITES GmbH	c2020		*	FC	100	100	FC	100	100	2
PLASTIC OMNIUM AUTOMOTIVE EXTERIORS GmbH	*			FC	100	100	FC	100	100	2
HBPO BETEILIGUNGSGESELLSCHAFT GmbH		*		FC	66.67	66.67	FC	66.67	66.67	5
HBPO RASTATT GmbH		*		FC	66.67	66.67	FC	66.67	66.67	5
HBPO GERMANY GmbH		*		FC	66.67	66.67	FC	66.67	66.67	5
HBPO GmbH		*		FC	66.67	66.67	FC	66.67	66.67	5
HBPO INGOLSTADT GmbH		*		FC	66.67	66.67	FC	66.67	66.67	5
HBPO REGENSBURG GmbH		*		FC	66.67	66.67	FC	66.67	66.67	5
HBPO VAIHINGEN Enz. GmbH		*		FC	66.67	66.67	FC	66.67	66.67	5
HBPO Saarland GmbH	a2019		*	FC	66.67	66.67	FC	66.67	66.67	5
<u>Argentina</u>										
PLASTIC OMNIUM AUTO INERGY ARGENTINA SA	*			FC	100	100	FC	100	100	
PLASTIC OMNIUM SA	*			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTOMOTIVE ARGENTINA	*			FC	100	100	FC	100	100	
<u>Belgium</u>										
PLASTIC OMNIUM ADVANCED INNOVATION AND RESEARCH NV	*			FC	100	100	FC	100	100	6
PLASTIC OMNIUM AUTO INERGY BELGIUM SA	*			FC	100	100	FC	100	100	6
PLASTIC OMNIUM AUTOMOTIVE BELGIUM	*			FC	100	100	FC	100	100	6
OPTIMUM CPV BVBA	*			FC	100	100	FC	100	100	6
PLASTIC OMNIUM NEW ENERGIES SA	*			FC	100	100	FC	100	100	6

CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2020 – COMPAGNIE PLASTIC OMNIUM

Legal name	Reportable segment			December 31, 2020			December 31, 2019			Tax group
	Industries	Modules	Un-allocated	Method of Consolidation	% control	% interest	Method of Consolidation	% control	% interest	
<u>Brazil</u>										
PLASTIC OMNIUM AUTO INERGY	*			FC	100	100	FC	100	100	
PLASTIC OMNIUM DO BRASIL Ltda	*			FC	100	100	FC	100	100	
HBPO BRASIL AUTOMOTIVE SERVICIOS Ltda		*		FC	66.67	66.67	FC	66.67	66.67	
<u>Canada</u>										
HBPO CANADA INC.		*		FC	66.67	66.67	FC	66.67	66.67	
<u>China</u>										
PLASTIC OMNIUM HOLDING (SHANGHAI) Co. Ltd			*	FC	100	100	FC	100	100	
WUHAN PLASTIC OMNIUM AUTO INERGY Co. Ltd	*			FC	100	100	FC	100	100	
PLASTIC OMNIUM INERGY (SHANGHAI) CONSULTING Co. Ltd	*			FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS CONSULTING (BEIJING) Co. Ltd	*			FC	100	100	FC	100	100	
BEIJING PLASTIC OMNIUM AUTO INERGY Co. Ltd	*			FC	60	60	FC	60	60	
CHONGQING PLASTIC OMNIUM AUTO INERGY Co. Ltd	*			FC	100	100	FC	100	100	
GUANGZHOU PLASTIC OMNIUM AUTO INERGY Co. Ltd	*			FC	100	100	FC	100	100	
NINGBO PLASTIC OMNIUM AUTO INERGY Co. Ltd	*			FC	100	100	FC	100	100	
SHENYANG PLASTIC OMNIUM AUTO INERGY Co. Ltd	*			FC	100	100	FC	100	100	
YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	*			EM_ifrs	49.95	49.95	EM_ifrs	49.95	49.95	
YANFENG PLASTIC OMNIUM (SHANGHAI) AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	*			EM_ifrs	49.95	49.95	EM_ifrs	49.95	49.95	
YANFENG PLASTIC OMNIUM YIZHENG AUTOMOTIVE EXTERIOR SYSTEM Co. Ltd	*			EM_ifrs	49.95	49.95	EM_ifrs	49.95	49.95	
YANFENG PLASTIC OMNIUM (SHENYANG) AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	*			EM_ifrs	49.95	49.95	EM_ifrs	49.95	49.95	
YANFENG PLASTIC OMNIUM NINGBO AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	*			EM_ifrs	49.95	49.95	EM_ifrs	49.95	49.95	
YANFENG PLASTIC OMNIUM WUHAN AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	*			EM_ifrs	49.95	49.95	EM_ifrs	49.95	49.95	
YANFENG PLASTIC OMNIUM HARBIN AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	*			EM_ifrs	49.95	49.95	EM_ifrs	49.95	49.95	
YANFENG PLASTIC OMNIUM HANGZHOU AUTO EXTERIOR SYSTEMS Co. Ltd	*			EM_ifrs	49.95	49.95	EM_ifrs	49.95	49.95	
YANFENG PLASTIC OMNIUM NINGDE AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	a2019	*		EM_ifrs	49.95	49.95	EM_ifrs	49.95	49.95	
YANKANG AUTO PARTS RUGAO Co. Ltd	a2019	*		EM_ifrs	49.95	49.95	EM_ifrs	49.95	49.95	
YANFENG PLASTIC OMNIUM (DAQING) AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	a2019	*		EM_ifrs	49.95	49.95	EM_ifrs	49.95	49.95	
CHONGQING YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR FAWAY Co. Ltd	*			EM_ifrs	49.95	25.47	EM_ifrs	49.95	25.47	
GUANGZHOU ZHONGXIN YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR TRIM Co. Ltd	*			EM_ifrs	49.95	25.47	EM_ifrs	49.95	25.47	
CHENGDU FAWAY YANFENG PLASTIC OMNIUM Co. Ltd	*			EM	24.48	24.48	EM	24.48	24.48	
DONGFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	*			EM	24.98	24.98	EM	24.98	24.98	
CHANGCHUN HUAZHONG YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIORS Co. Ltd	*			EM_ifrs	49.95	24.98	EM_ifrs	49.95	24.98	
GUANGZHOU ZHONGXIN YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR SYSTEMS Co., Ltd	a2020	*		MEE_ifrs	49.95	25.47	-	-	-	
HBPO CHINA BEIJING Co. Ltd		*		FC	66.67	66.67	FC	66.67	66.67	
HBPO Nanjin Co. Ltd	a2019	*		FC	66.67	66.67	FC	66.67	66.67	
<u>South Korea</u>										
PLASTIC OMNIUM Co. Ltd	*			FC	100	100	FC	100	100	
PLASTIC OMNIUM KOREA NEW ENERGIES Co. Ltd	a2020	*		FC	100	100	-	-	-	
SHB AUTOMOTIVE MODULES		*		EM_ifrs	33.34	33.34	EM_ifrs	33.34	33.34	
HBPO PYEONGTAEK Ltd		*		FC	66.67	66.67	FC	66.67	66.67	
HBPO ASIA HQ Ltd	c2020	*		FC	66.67	66.67	FC	66.67	66.67	

CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2020 – COMPAGNIE PLASTIC OMNIUM

Legal name	Reportable segment			December 31, 2020			December 31, 2019			Tax group
	Industr ies	Module s	Un- allocat ed	Method of Consolidation	% control	% interest	Method of Consolidation	% control	% interest	
<u>Spain</u>										
PLASTIC OMNIUM EQUIPAMIENTOS EXTERIORES SA	*			FC	100	100	FC	100	100	3
PLASTIC OMNIUM AUTO INERGY SPAIN SA	*			FC	100	100	FC	100	100	3
PLASTIC OMNIUM COMPOSITES ESPANA SA	*			FC	100	100	FC	100	100	3
PLASTIC OMNIUM AUTOMOTIVE ESPANA	*			FC	100	100	FC	100	100	3
HBPO AUTOMOTIVE SPAIN SL		*		FC	66.67	66.67	FC	66.67	66.67	
<u>United States</u>										
PLASTIC OMNIUM Inc.			*	FC	100	100	FC	100	100	4
PLASTIC OMNIUM INDUSTRIES Inc.			*	FC	100	100	FC	100	100	4
PLASTIC OMNIUM AUTO EXTERIORS LLC	*			FC	100	100	FC	100	100	4
PLASTIC OMNIUM AUTO INERGY (USA) LLC	*			FC	100	100	FC	100	100	4
HBPO NORTH AMERICA Inc.		*		FC	66.67	66.67	FC	66.67	66.67	
<u>Hungary</u>										
HBPO MANUFACTURING HUNGARY Kft		*		FC	66.67	66.67	FC	66.67	66.67	
HBPO AUTOMOTIVE HUNGARIA Kft		*		FC	66.67	66.67	FC	66.67	66.67	
HBPO SZEKESFEHERVAR Kft	a2019	*		FC	66.67	66.67	FC	66.67	66.67	
<u>India</u>										
PLASTIC OMNIUM AUTO EXTERIORS (INDIA) PVT Ltd	*			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY INDIA PVT Ltd	*			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY MANUFACTURING INDIA PVT Ltd	*			FC	55	55	FC	55	55	
<u>Israel</u>										
POCellTech	c2020	*		EM	50	23	EM	50	23	
<u>Japan</u>										
PLASTIC OMNIUM KK		*		FC	100	100	FC	100	100	
<u>Malaysia</u>										
HICOM HBPO SDN BHD	b2020	*		FC	51	34	EM	26.66	26.66	
PO AUTOMOTIVE SDN BHD MALAYSIA	a2019	*		FC	100	100	FC	100	100	
<u>Morocco</u>										
PLASTIC OMNIUM AUTO INERGY (MOROCCO) SARL		*		FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO EXTERIEUR		*		FC	100	100	FC	100	100	
<u>Mexico</u>										
PLASTIC OMNIUM INDUSTRIAL AUTO EXTERIORES RAMOS ARIZPE SA DE CV		*		FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY MEXICO SA DE CV		*		FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO EXTERIORES SA DE CV		*		FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INDUSTRIAL SRL DE CV		*		FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY INDUSTRIAL SA DE CV		*		FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY SERVICIOS SA DE CV	a2019	*		FC	100	100	FC	100	100	
HBPO MEXICO SA DE CV		*		FC	66.67	66.67	FC	66.67	66.67	
HBPO SERVICES MEXICO SA DE CV		*		FC	66.67	66.67	FC	66.67	66.67	
HBPO MANAGEMENT SERVICES MEXICO SA DE CV		*		FC	66.67	66.67	FC	66.67	66.67	

CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2020 – COMPAGNIE PLASTIC OMNIUM

Legal name	Reportable segment			December 31, 2020			December 31, 2019			Tax group
	Industries	Modules	Un-allocated	Method of Consolidation	% control	% interest	Method of Consolidation	% control	% interest	
<u>Netherlands</u>										
DSK PLASTIC OMNIUM BV	*			FC	51	51	FC	51	51	
PLASTIC OMNIUM AUTO INERGY NETHERLANDS HOLDING BV	*			FC	100	100	FC	100	100	
<u>Poland</u>										
PLASTIC OMNIUM AUTO INERGY POLAND Sp Z.O.O	*			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO EXTERIORS Sp Z.O.O	*			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO Sp Z.O.O	*			FC	100	100	FC	100	100	
<u>Czech Republic</u>										
HBPO CZECH S.R.O.		*		FC	66.67	66.67	FC	66.67	66.67	
<u>Romania</u>										
PLASTIC OMNIUM AUTO INERGY ROMANIA SRL	*			FC	100	100	FC	100	100	
<u>United Kingdom</u>										
PLASTIC OMNIUM AUTOMOTIVE Ltd	*			FC	100	100	FC	100	100	
HBPO UK Ltd		*		FC	66.67	66.67	FC	66.67	66.67	
<u>Russia</u>										
POAI Russia	*			FC	100	100	FC	100	100	
DSK PLASTIC OMNIUM INERGY	*			FC	51	51	FC	51	51	
<u>Slovakia</u>										
PLASTIC OMNIUM AUTO EXTERIORS S.R.O.	*			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY SLOVAKIA S.R.O.	*			FC	100	100	FC	100	100	
HBPO SLOVAKIA S.R.O.		*		FC	66.67	66.67	FC	66.67	66.67	
<u>Switzerland</u>										
PLASTIC OMNIUM RE AG			*	FC	100	100	FC	100	100	
SWISS HYDROGEN	*			FC	100	100	FC	100	100	
<u>Thailand</u>										
PLASTIC OMNIUM AUTO INERGY THAILAND Co. Ltd	*			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTOMOTIVE Co. Ltd	*			FC	100	100	FC	100	100	
<u>Turkey</u>										
B.P.O. AS	*			EM_ifrs	50	49.98	EM_ifrs	50	49.98	

Consolidation method and special features:

FC:	Full consolidation
EM:	Companies that were already consolidated by the equity method before the application of the new consolidation standards at January 1, 2014.
EM_IFRS:	Companies consolidated by the equity method since the application of the new consolidation standards at January 1, 2014

Movements for the period:

a2020:	Companies acquired or created during fiscal year 2020
b2020:	Takeover of HBPO Hicom in 2020
c2020:	Companies sold or merged during fiscal year 2020
a2019:	Companies acquired or created in 2019

Tax Group

1	Plastic Omnium France tax group
2	Germany Plastic Omnium GmbH tax group
3	Spain tax group
4	United States tax group
5	Germany HBPO tax group
6	Belgium tax group