

Levallois, 27 October 2021,

13.4% increase in revenue in first nine months of 2021, in a challenging environment

Reinforcement in third quarter of cost-saving measures to tackle accelerated deterioration of market

In the third quarter of 2021:

- Economic revenue down 14.4%¹ against a 19.5% market² decrease,
- Strong cost reduction measures, reducing the impact of production stoppages linked to semiconductor shortages,
- Priority on cash generation,
- Significant breakthroughs in the commercial pipeline for hydrogen storage systems,
- Reinforcement of Group's position in electric vehicles,
- High number of production starts and order intakes.

In the first nine months of 2021:

- Economic revenue up 13.4%¹ versus a 9.7%² increase in global automotive production,
- Growth in all geographical areas, including:
 - Europe, driven by a successful first half of 2021, a large number of production starts in Q3 and positive momentum in electric vehicles,
 - China and the Rest of Asia, thanks to a strong recovery from COVID and a lower relative impact from the semiconductor shortages.

Outlook:

- Updated guidance for FY 2021 demonstrating a strong adaptation capacity in the face of the semiconductor crisis and supported by solid financial fundamentals.

The third quarter of 2021 has witnessed an exceptionally volatile market, based on the ongoing supply shortage of semiconductors. This has led to unforeseeable stops-and-starts in production on the basis of last minute notifications by car manufacturers. The subsequent and unforeseeable sharp reduction in production volumes is evidenced by IHS' drastic revision to worldwide automotive output for 2021.

Our agility and solid financial fundamentals give us confidence in our ability to manage this difficult period together with our customers. Our teams are doing a remarkable job of increasing the flexibility of our production facilities and adapting our operations. As of now, IHS foresees some recovery in the second half of 2022 – and we will be ready for it, supported by a solid backlog. Moreover, we are significantly sharpening our focus on cost reduction and cash generation.

We are continuing to lay the groundwork to support our long-term growth strategy which aims to increase the content per vehicle, expand our customer base, and accelerate our strategy to promote clean mobility. We see sustainability not as a constraint, but as a competitive advantage and driver of change. On December 8, we will present our objectives in relation to our sustainability roadmap.

Laurent Favre, Chief Executive Officer of Compagnie Plastic Omnium SE

Revenue - Q3 2021

Following a rebound in first-half revenues (+31.9% like-for-like), Plastic Omnium's economic revenue³ for the third quarter of 2021 came in at €1,792 million, down 14.4%¹ versus Q3 2020. This compares to a significant year on year fall of 19.5%² in worldwide automotive production for the same period.

The drop of 19.5% in worldwide automotive production versus Q3 2020 equates to a 16.8 point correction versus IHS's initial July projections of a mere 2.7% drop and shows significant disparity between regions. Production fell in Europe, North America, China, and Asia, excluding China, respectively by -30.1%, -25.5% -15.3% and -12.6%.

In € million	Q3 2020	Q3 2021	Change	LFL change ¹
Per business				
Plastic Omnium Industries	1,497	1,335	-10.8%	-10.7%
Plastic Omnium Modules	600	457	-23.9%	-23.6%
Economic revenue³	2,097	1,792	-14.6%	-14.4%
JVs	177	183	+3.1%	-0.20%
Consolidated revenue⁴	1,920	1,609	-16.2%	-15.7%

In a declining market, Plastic Omnium delivered a robust performance in all major geographies, thanks in particular, to a large number of production starts.

This is especially the case in France, which started production on front bumpers for the Citroën DS4 and fuel systems for the new Peugeot 308 in both conventional and Plug-in Hybrid Electric Vehicle (PHEV) systems. In Poland, the Group also started production on the Seat Cupra Born tailgate and in Belgium, on fuel systems for the Toyota Yaris Cross. In Mexico, the Group started, for the first time in North America, production of fuel tanks equipped with proprietary technology Inwin for the Ford Maverick in both classic and PHEV versions. Again in Mexico, production started for front and rear bumpers and the tailgate for the Californian electric sedan Lucid Air.

In Asia, excluding China, the business recorded strong growth (up 7%¹) despite the ongoing downturn in automotive production (-12.6%). Plastic Omnium outperformed the sector by 19.6 points, driven by Japan and India and underpinned by the successful starts of the new SCR Compact+ solution for the Toyota Fortuner in Thailand and the first plastic tailgate for the Mahindra XUV700 in India.

Revenue in China held up better than the market, declining 10.5%, against a market that dropped quarter-on-quarter by 15.3%, thanks in particular to the many new projects put into production by the Group's joint venture YFPO. In addition, the Company's premium positioning with Cadillac, BMW and Mercedes has helped maintain a strong level of sales over the period.

In € million by region	Q3 2020	Q3 2021	Change	LFL Change ¹	Automotive Production ²	Outperformance
Europe	1,072	882	-17.7%	-17.9%	-30.1%	+12.2 pts
North America	626	500	-20.1%	-18.0%	-25.5%	+7.5 pts
Asia excluding China	127	135	+6.2%	+7.0%	-12.6%	+19.6 pts
China	231	216	-6.4%	-10.5%	-15.3%	+4.8 pts
South America	23	35	+52.1%	+72.0%	-12.7%	+84.7 pts
Africa	19	24	+28.4%	+18.7%	-0.3%	+19.0 pts
Economic revenue³	2,097	1,792	-14.6%	-14.4%	-19.5%	+5.1 pts
JVs	177	183	3.1%	-0.20%		
Consolidated revenue⁴	1,920	1,609	-16.2%	-15.7%	-19.5%	+3.8 pts

Revenue - nine months YTD

Worldwide automotive production increased by 4.8 million vehicles to 53.8 million (+9.7%) over the first nine months of 2021. The overall growth includes an unforeseen and significant downturn in Q3 of 19.5%.

Amidst this challenging backdrop, Plastic Omnium's economic revenue stood at €5,930 million, up 13.4% like-for-like compared to the first nine months of 2020.

In € million	9M 2020	9M 2021	Change	LFL change ¹
Per business				
Plastic Omnium Industries	3,891	4,327	+11.2%	+13.5%
Plastic Omnium Modules	1,439	1,602	+11.4%	+12.9%
Economic revenue³	5,330	5,930	+11.3%	+13.4%
JVs	449	537	+19.6%	+19.4%
Consolidated revenue⁴	4,881	5,393	+10.5%	+12.8%

While Plastic Omnium surpassed automotive production in all regions, its geographic mix resulted in an outperformance at the Group level of 3.7 points¹.

In € million by region	9M 2020	9M 2021	Change	LFL Change ¹	Automotive Production ²	Outperformance
Europe	2,842	3,159	+11.1%	+11.2%	+5.1%	+6.1 pts
North America	1,485	1,529	+3.0%	+9.6%	+6.5%	+3.1 pts
Asia excluding China	342	418	+22.1%	+25.5%	+14.3%	+11.2 pts
China	557	649	+16.7%	+14.9%	+9.1%	+5.8 pts
South America	52	90	+71.1%	+108.7%	+28.7%	+80.0 pts
Africa	51	85	+66.8%	+59.7%	+16.6%	+43.1 pts
Economic revenue³	5,330	5,930	+11.3%	+13.4%	+9.7%	+3.7 pts
JVs	449	537	+19.6%	+19.4%		
Consolidated revenue⁴	4,881	5,393	+10.5%	+12.8%	+9.7%	+3.1 pts

In Europe, Plastic Omnium's revenue for the first nine months of 2021 amounted to €3,159 million. Revenue for the region increased 11.2%¹, against a 5.1% rise in automotive production. This outperformance of 6.1 points like-for-like can be accounted for by the solid H1 2021 growth and the large number of production starts in Q3.

In North America, Plastic Omnium's revenue totalled €1,529 million for the first nine months of the year. Revenue for the region rose by 9.6%¹, while industry production was up 6.5%. The Group's good positioning in light trucks, for which production with customers has been dynamic, supports this outperformance.

In Asia, excluding China, revenue came to €418 million for the first nine months of the year, up 25.5%¹ against a market rise of 14.3% and representing an outperformance of 11.2 points. Business benefited from strong momentum in India, Japan and Thailand.

In China, which accounts for 11% of Group economic revenue, Plastic Omnium delivered revenue of €649 million, up 14.9%¹ for the first nine months of the year and representing an outperformance of 5.8 points. The modules business, which launched in China in 2018, has strengthened its market share through the award of five new projects since the start of 2021. The Joint Venture with YFPO has grown 21.3% year-on-year as of September YTD despite the slowdown due to the chip shortage. New awards in electric vehicles for American and Chinese blue-chip car manufacturers have also supported growth in China.

Reinforcement of cost reduction programs and strong attention on cash generation

Alongside the impact of the semiconductor shortage in the automotive industry and the strong rebound in global demand following the pandemic, supply disruptions and depletion of inventories have driven up raw material prices and transportation costs worldwide.

This inflationary environment, coupled with a lack of visibility on future production, has led the Group to reinforce cost reduction measures and actively negotiate with its suppliers to mitigate the rising costs.

Furthermore, having already hedged against rises in gas and electricity prices from 2020 up until the end of 2022, Plastic Omnium has just extended part of its hedges until the end of 2023. The Omega transformation programme, which has 3,000 initiatives currently running, is on track to deliver 100 million euros in savings by the end of 2021.

Free cash-flow generation remains a priority for the Group, with strict control over capital expenditure in order to allocate reduced financial resources towards priority programs in an agile manner. In a difficult environment where stops and starts in production impact inventories, working capital requirements remains a core focus with ongoing reinforced reviews.

Continued improvement in performance in Greer, South Carolina

After having achieved operational breakeven ahead of schedule in H1 2021, the Greer plant has now achieved a position of recurring profitability. The plant continues to increase its profitability month on month driven by the continuing momentum in operational performance and strong production load.

New orders with General Motors and Honda for electric vehicles, for which production will start in 2022 and 2023, confirm the future growth of the Group's operations in South Carolina.

Plastic Omnium, poised to harness growth in electric mobility

Continuing deployment of the hydrogen strategy

Plastic Omnium's unique position in the full hydrogen value chain combined with the EKPO JV has enabled the Group to secure significant breakthroughs in storage tanks, fuel cells and integrated systems. Several clients have selected Plastic Omnium to equip both heavy vehicles (buses, trains, trucks) and passenger vehicles.

- **Signature of a major contract with Hyundai for hydrogen storage systems**

Korean OEM Hyundai Motor Company (HMC) has selected Plastic Omnium to supply innovating hydrogen storage systems for its new range of STARIA vehicles.

Under the contract, Plastic Omnium will supply HMC with 700-bar Type IV high-pressure vessels (HPVs) from 2023 to 2027, for a total volume of 33,000 units per year. The HPVs will be developed and produced at the Group's plant in Gyeong-Ju, Korea. This plant, currently used for the production of fuel tanks, will be partly transformed to produce hydrogen tanks.

- **Opening of the Group to the railway sector with Alstom**

Alstom, a world-leader in sustainable rail transport, and Plastic Omnium have signed a memorandum of understanding to create high-end hydrogen storage systems for the rail industry.

At the end of the development phases already initiated, the partnership will be able to launch hydrogen storage solutions as early as 2022 for regional trains in France and Italy. These trains will be able to make direct trips on non-electrified lines without using fossil fuels, while meeting the challenges of sustainable development.

These significant successes in the third quarter of 2021 are productive steps towards realising the Group's hydrogen objectives of €300 million in revenues in 2025 and €3 billion in 2030.

Strong positioning in battery electric vehicles (BEV)

Numerous new programs for electric vehicles are coming on stream, which represent an opportunity for Plastic Omnium to increase its content per vehicle and broaden its customer base.

The modules business HBPO was awarded its first order for its new electric charging lid module with a leading EV American car manufacturer. The same OEM continues to place its trust in HBPO with the sharp and rapid ramp-up of production in Suzhou, China, with volumes tripling between Q1 and Q3 2021.

The Intelligent Exterior Systems (IES) business division continued its growth in order intake for 100% electric vehicles, notably with General Motors and Honda in the United States, SAIC, GAC-Honda and NIO in China. In September, the Group launched the construction of its new plant in the suburbs of Shanghai, which will be dedicated to an American 100% electric vehicle manufacturer.

The joint venture YFPO successfully acquired two new significant BEV programs with both DongFeng-Honda and GAC-Honda for the supply of tailgates for which production is expected to start in the first semester of 2024.

A third quarter particularly rich new orders and production starts

In addition to the successes in electric vehicles, the Group experienced a dynamic quarter elsewhere in terms of order intake with the likes of BMW X3, the Ford Edge, the Peugeot 2008 and the Jeep Junior 516.

As some starts of production were delayed at the beginning of the year, numerous productions were consequently launched this quarter such as :

- Intelligent Exterior Systems - front and rear bumpers for the Volkswagen Nivus, Tiguan and Jetta in Europe and Mexico, and the BMW iX3 and i5 in China,
- Clean Energy Systems - Toyota Landcruiser in Japan, Nissan Navara in South Africa,
- HBPO - Jeep Compass and VW Tiguan in Mexico.

Ongoing innovation policy: strategic partnership in disruptive radar technology

Thanks to an exclusive partnership with Greenerwave, a start-up originating from the Institut Langevin in Paris, the Group will co-develop a new generation of 4D imaging radar capable of detecting with increased precision, obstacles in the vehicle's environment at long range.

After presenting the prototypes in 2022, this new technology should help increase security and accelerate the development of truly autonomous vehicles starting in 2025.

Sustainability, a core element and driver of change

While the volatile market backdrop puts operations for all actors in the automotive industry under stress, the focus on safety and operational excellence remain uncompromised.

Sustainability remains a cornerstone of the business, and Management continues to strategise around implementing targets and measures to achieve meaningful traction on the path to carbon neutrality for 2050. The Group will present its carbon neutral roadmap on the 8th December 2021.

Outlook 2021

While the market had expected to see a turnaround in the third quarter of 2021, production stoppages in plants around the world have led to sharp revisions in worldwide automotive production, as supported by IHS Markit's revised forecasts in October. In the fourth quarter, worldwide automotive production will hinge on developments in the semiconductor crisis, car manufacturer's announced production strategies, and how they intend to manage their year-end inventories. Visibility remains limited at this point in time.

For the full year 2021, Plastic Omnium confirms its guidance based on no further deterioration in the current operating environment and a worldwide production output of between 71 to 73 million vehicles.

- Growth in revenue compared to 2020
- Operating margin of 4-5%
- Free cash flow of at least €220 million

Calendar

- December 8 2021, presentation of the Group's Sustainability Roadmap
- February 22, 2022 Full-year 2021 results

Conference call

A conference call will be held today at 8:00 a.m. (Paris time) during which Laurent Favre, Chief Executive Officer, and Kathleen Wantz-O'Rourke, Group Chief Financial Officer and Chief Information Officer, will comment on the third quarter revenue and outlook.

The conference call will be held in English.

To access the conference call, please dial one of the following access numbers

- France - Tel: +33 1 72 72 74 03
 - Germany - Tel: +49 69 22 22 25 429
 - Spain - Tel: +34 911 140 101
 - United Kingdom - Tel: +44 207 194 3759
 - United States - Tel: +1646 722 4916
- PIN Code: 30373390#**

Glossary

1. Like-for-like = at constant scope of consolidation and exchange rates:
 - a. The currency effect is calculated by applying the exchange rate of the current period to the revenue of the previous period. In the first nine months of 2021, there was an unfavourable impact of €99 million on economic revenue and a €100 million impact on consolidated revenue;
 - b. Scope effects were not material in the first nine months of 2021.
2. Source: IHS, October 2021 -0;3.5t PC + LCV
3. Economic revenue reflects the Group's operating and management reality. It corresponds to consolidated revenue plus the revenue of the Group's joint ventures in proportion to their percentage interest: BPO (50%) and YFPO (50%) for Plastic Omnium Industries and SHB Automotive modules (33%) for Plastic Omnium Modules.
4. Consolidated revenue does not include the Group's share of joint ventures accounted for by the equity method in accordance with IFRS 10-11-12.

About Plastic Omnium

For 75 years, Plastic Omnium has supported the mutations of the automotive industry. In an environment of accelerated transformation towards sustainable mobility, Plastic Omnium is leveraging its entrepreneurial spirit and innovation to design and produce complex and interactive body systems, emission reduction and energy storage systems. Its sustained investments in hydrogen since 2015 have built a comprehensive offer of hydrogen storage vessels, fuel cells and hydrogen systems. All of these assets and innovations position Plastic Omnium as a partner of choice for all clean mobility stakeholders.

With €7.7 billion economic revenues in 2020, a global network of 135 plants and 25 R&D centers in close proximity with customers, Plastic Omnium's 31,000 men and women are committed to meet the challenges of zero-carbon mobility.

Plastic Omnium is listed on Euronext Paris, compartment A, and is included in the SRD and the SBF 120 and CAC Mid 60 indices (ISIN code: FR0000124570). www.plasticomnium.com

Contacts :

Press : Myriam Malak
myriam.malak@plasticomnium.com

Investor Relations : Kathleen Wantz-O'Rourke
investor.relations@plasticomnium.com

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