



Acquisition of Varroc's automotive lighting business

Creating an integrated Lighting
player enabling differentiating
solutions for exterior systems

April [29th], 2022



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Plastic Omnium, a world-leading automotive supplier well-positioned to actively participate in market consolidation

Founded in 1946 and majority owned by the founding family through Burelle SA (59.3%)

2021 Eco. Revenue

€8.0bn

+4.6% LFL

137 plants

31 R&D centers

30,000 employees

in 25 countries

93

automotive customer brands



A strong **ESG** commitment

2021
**OPERATING
MARGIN**

€303M

4.2% of sales

x 2.6 vs. 2020

2021
**FREE
CASH-FLOW**

€251M

3.5% of sales

x 7.4 vs. 2020

2021
**NET DEBT/
EBITDA**

1.1x

1.2x in 2020

Creating an integrated Lighting player enabling differentiating solutions for exterior systems

Varroc Lighting, a **recognized Lighting supplier** with c.€0.8bn of sales

Attractive manufacturing and R&D facilities in strategically located best-cost country (BCC)

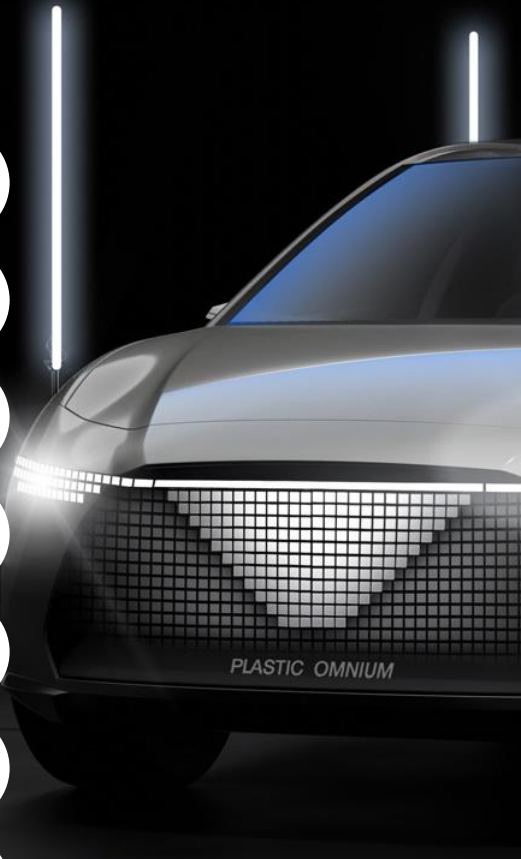
Innovative technology in Optic System Development, Lighting Electronic Control and Software, equipping main OEMs with strong exposure to BEV platforms

Integration and recovery plans to restore Varroc Lighting's margins towards Plastic Omnium's standards

A **highly complementary acquisition** following the recent announcement of Plastic Omnium's intention to acquire AMLS from AMS-Osram

A **differentiating offering of smart exterior solutions for OEMs**, from design and engineering, to manufacturing and delivery

Value creation and EPS accretive within **12-24 months** with limited impact on capital structure





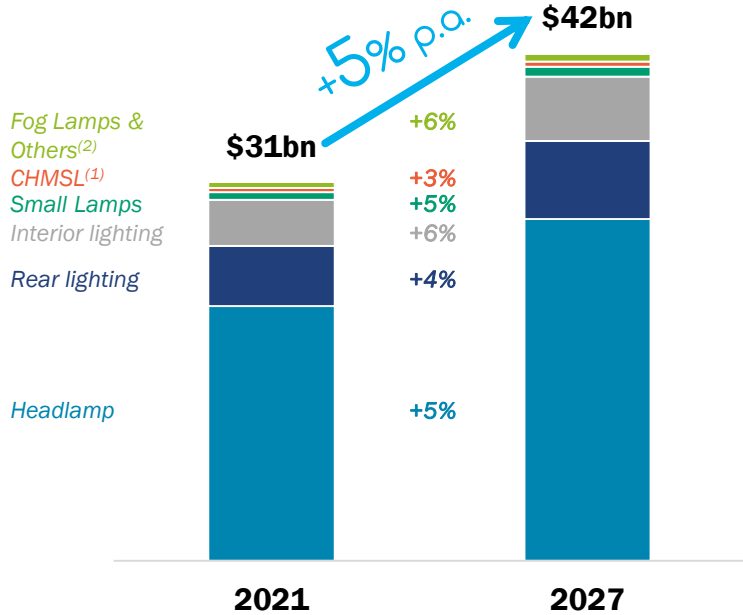
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**Varroc Lighting,
a recognized
Lighting player
in a growing
market**



Lighting market segment supported by megatrends with superior growth



Global Lighting market growth of +5% p.a.
vs. Automotive production market growth of +4% p.a.



Key for **brand identity** and **aesthetics**



Agnostic to powertrain mix



Plays a key role in **safety** and **communication**

STYLE & DESIGN



ELECTRIFICATION



ACTIVE SAFETY



Varroc Lighting, a strategic development of the Group's portfolio

Varroc Lighting, a key **automotive Lighting Tier 1 supplier**

Comprehensive product portfolio with **advanced Lighting solution technologies in head and rear lamps**

Diversified customer portfolio equipping **main OEMs** and **notably BEV vehicles**

A strategic best-cost country engineering and manufacturing footprint

Recognized player with **c.€0.8bn** of Sales (2021)



c.6.5k employees



Global industrial manufacturing and R&D capacity



8 manufacturing facilities (including 1 site under construction)

Technology-oriented supplier

8 R&D centers



150+ patents granted

Long standing **relationships** with **key OEMs**



Varroc Lighting equips a number of iconic vehicles



Volkswagen ID.4



Ford Mustang Mach-E



Skoda Kodiaq



Land Rover Range Rover



Renault e-Mégane



Rivian R1T



Citroën DS 7 Crossback

Well-positioned solutions to efficiently address Lighting market trends

LIGHTING TRENDS



Increasing importance of **cost competitiveness**



VARROC LIGHTING POSITIONING

Strong best-cost footprint with **competitive solutions** and **technologies**



Growth of **Advanced Front Lighting Technologies / Systems (AFLS)**



Key in-house technologies and **innovation** includes Matrix LED, Flex LED, LED Pixel and micro-LED



Development of **high resolution & intelligent Lighting**



Significant investment and further R&D exploration on Optic System Development, Lighting Electronic Control and Software



LED technologies



Surface-LED



LED with AFS
(Advanced Frontlighting Systems)



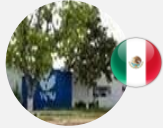
Matrix LED

Strategically located best-cost country footprint with attractive manufacturing and R&D facilities

MANUFACTURING FACILITIES

AMERICAS

Monterrey, N.L., Mexico (1982)



Sorocaba, Brazil (2017)



Plant opened less than 5 years ago

EUROPE

Rychvald, Czech Republic (1969)



Novy Jicin, Czech Republic (1979)



Niemce, Poland (2018)



MIDDLE EAST NORTH AFRICA

Tuzla, Turkey (2006)

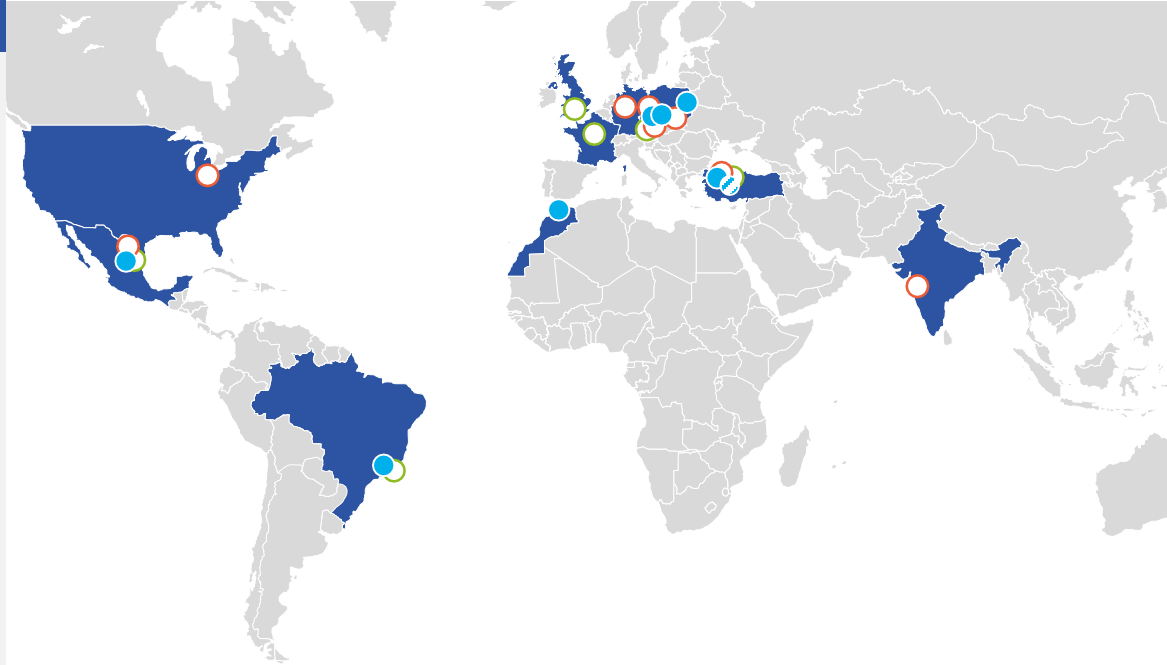


Dilovasi, Turkey (SOP starting 2023)

Under construction



Tangier, Morocco (2018)



● **Varroc Lighting footprint in 11 countries**

● 7 Manufacturing facilities

○ 8 Technical (R&D) centers

➤ 1 Manufacturing site under construction

● 6 Sales centers

Strong engineering capabilities aligned with automotive trends...



SAFETY & COMFORT

Maximum Lighting with minimum blinding light for other drivers
Identification of road users
Advanced Driver Assist Systems (ADAS)



STYLE & CUSTOMIZATION

Larger lit surface at front and back
Surface LED and **Dark Lamp**



COMMUNICATION

Clear communication of **vehicle intention** with **signal projection**
Environment sensing with integration of **sensor and software** into front & rear lamp



SUSTAINABILITY

CO₂ emission and power consumption reduction
Energy savings



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2 Plan to unlock Varroc Lighting's full potential

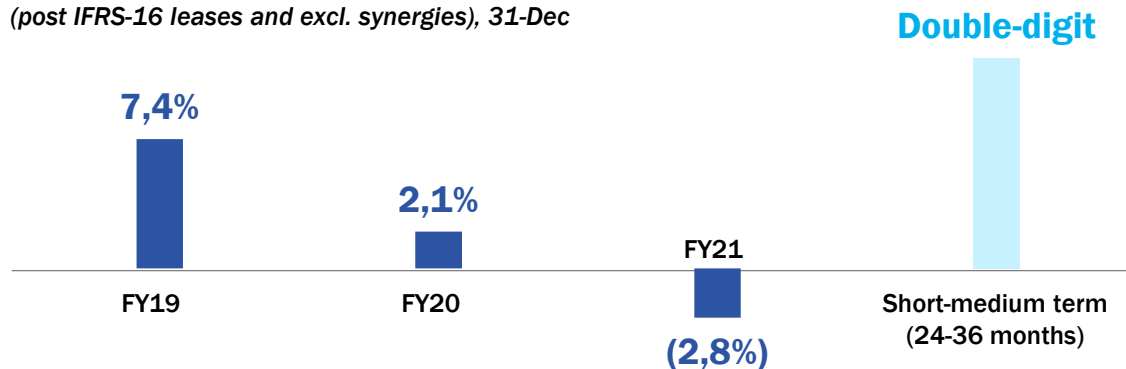


Clear levers to unlock Varroc Lighting's full potential and return to profitability



Objective to restore Varroc Lighting's margins towards Plastic Omnium's standards in the short to medium term

Varroc Lighting EBITDA margin
(post IFRS-16 leases and excl. synergies), 31-Dec



→ Limited impact on Group's operating margin on a proforma basis in 2022

→ EPS accretive within 12-24 months post closing

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Plastic Omnium's strengths to support recovery

Strong customer commitment

Operational excellence and quality processes

Cash optimization

Three levers for a successful integration

Experienced integration team fully dedicated to the plan as of day 1 post closing

1 Strong customer commitment

- Fulfilling growing demand from **OEMs** for comprehensive **product offering**
- **Positively perceived by OEMs**
- **Plastic Omnium customer intimacy and commercial discipline**

2 Operational excellence and quality processes

- **Alignment with Plastic Omnium's quality and industrial standards**
- **R&D efficiency** leveraging on both **Plastic Omnium's and AMLS' capabilities**
- **Leverage Plastic Omnium's purchasing power**

3 Cash optimization

- Improved working **capital management** (specific focus on inventories)
- **Stabilized payables and receivables processes**
- Strict **capex discipline**

Plastic Omnium to restore Varroc Lighting's full potential thanks to its commercial and operational track-record, financial support and its long-term strategy to optimize utilisation rate

3

**Towards a
comprehensive
Tier 1 Lighting
player**



Plastic Omnium, a comprehensive player for innovative Lighting solutions

**LED
MODULES**



AMLS

**LIGHT
MODULES**



AMLS

**INTERIOR
LIGHTING**



AMLS

LAMPS



VARROC LIGHTING

**End-to-end
Lighting
value chain**

ams OSRAM AMLS at a glance

An innovation driver of automotive Lighting solutions

AML5, technology leader in the automotive lighting market

Technology available for **projection, front and rear lighting, interior and body shell lighting**

Strong **innovation portfolio**

Established and recognized player



Revenue of c.€148M
of Sales (2021)

Global industrial manufacturing capacities in 3 regions

3 manufacturing facilities

Technology-oriented supplier

770 employees

5 R&D centers

>50 patents granted since 2018

Long standing **relationships** with **key OEMs** and large OEM customers portfolio



Complementary acquisitions propelling Plastic Omnium as a key Tier 1 Lighting player

VARROC LIGHTING



Strong product portfolio



Strong customer base



Best-cost country manufacturing capabilities



Engineering competencies

Comprehensive product portfolio and innovation pipeline supported by world-class engineering and manufacturing capabilities covering a broad market need, from mass market to premium segment

AMLS

High tech product portfolio (projection, front and rear lighting, interior and body shell lighting)



Software competence



R&D excellence





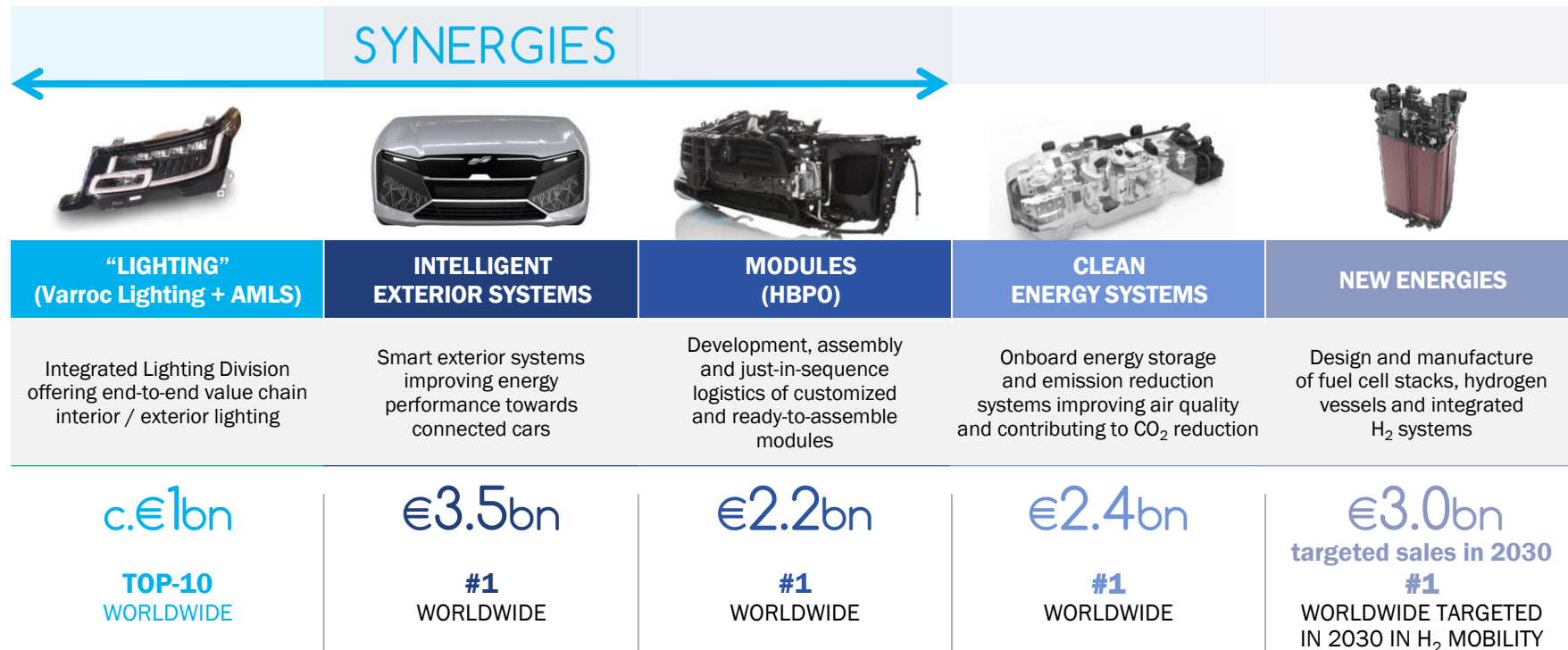
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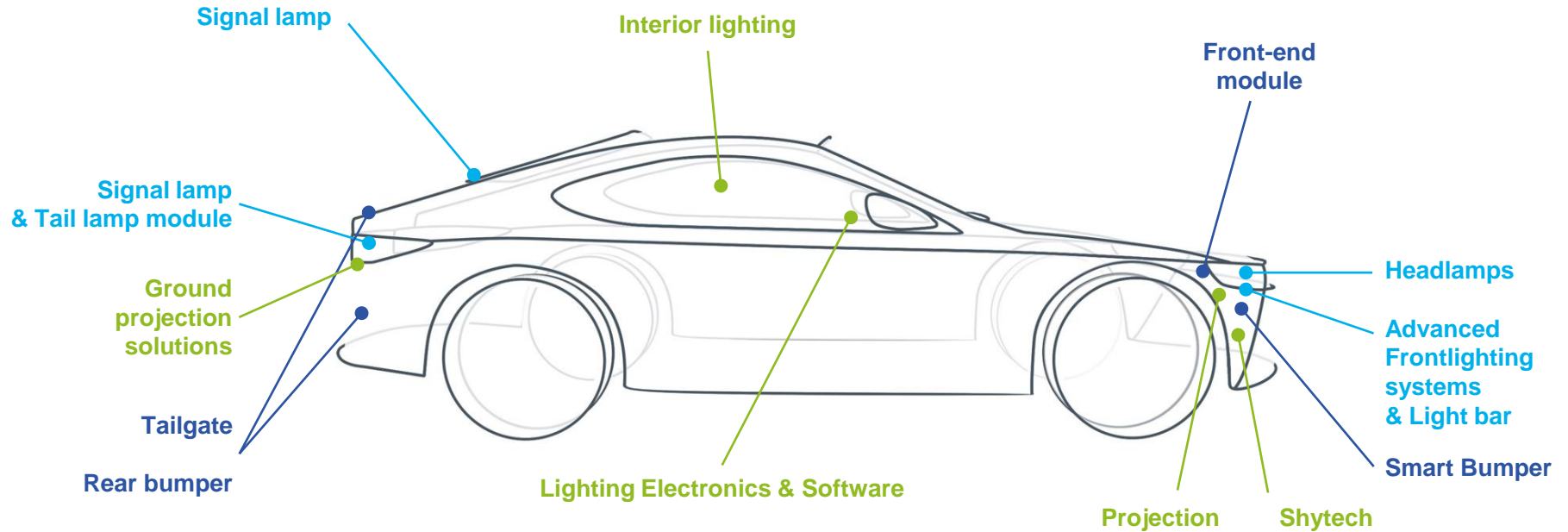
Smart exterior solutions for OEMs



A 5th division highly complementary with current activities, increasing the scale of Plastic Omnium



Technological complementarity addressing comprehensive customer needs



● Plastic Omnium

● Varroc Lighting

● AMLS

Plastic Omnium, a front-runner offering smart exterior solutions for OEMs

from design and engineering, to manufacturing and delivery

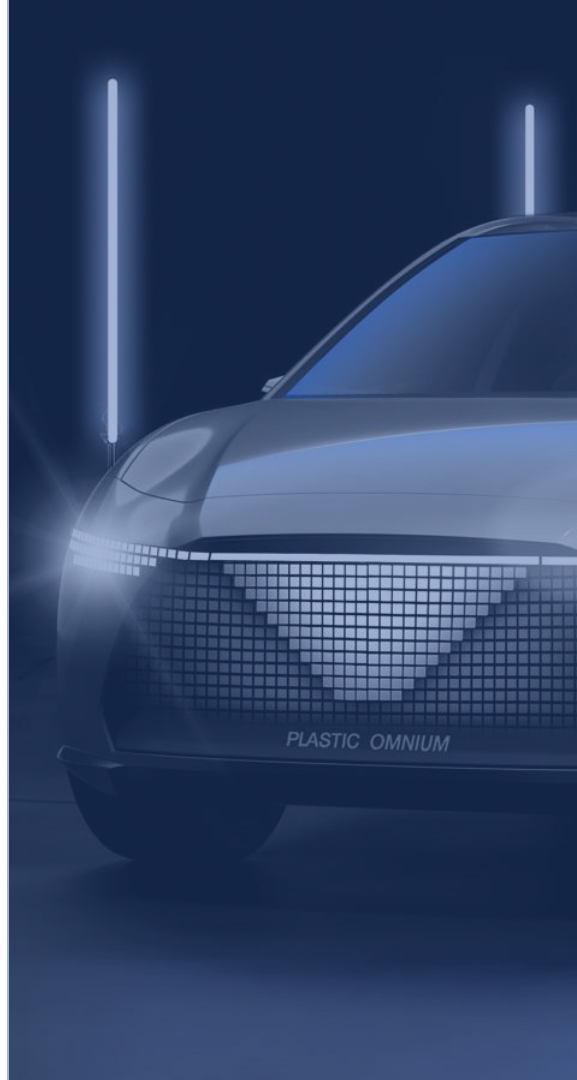


ABILITY TO DELIVER ASSEMBLED AND INTEGRATED SOLUTIONS



KEY BENEFITS FOR PLASTIC OMNIUM CUSTOMERS

- ✓ **Full offer** from components to systems and solutions
- ✓ Provide **comprehensive complex front & back-ends** for electric, ICE and connected vehicles
- ✓ **Increased content and value per vehicle**, by fulfilling growing demand by OEMs for comprehensive solutions
- ✓ Optimized **time-to-market**
- ✓ Customized **Lighting** and **styling** to create a **distinct identity**
- ✓ Enhanced **design** for **manufacturing** and **assembly**
- ✓ Potential for **further modularization**
- ✓ Boost in **innovation capacity**



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Solid transaction parameters for Varroc Lighting acquisition



Key transaction parameters



ENTERPRISE VALUE

100% enterprise value: €600m

→ Implied multiple of c.0.75x FY21 Sales



TRANSACTION PERIMETER AND STRUCTURE

Acquisition of **100% of the shares of Varroc Lighting companies** located in **Europe, Americas and North Africa**

Acquisition of an **Indian R&D center (Pune)**



FINANCING

To be paid in **cash by Compagnie Plastic Omnium SE**

Sufficient funds are available to self-finance this addition to the Group



STRONG VALUE CREATION

Differentiating exterior solutions along with commercial synergies

Turnaround potential leveraging on Plastic Omnium's **operational excellence** and **Varroc Lighting's attractive manufacturing and R&D facilities**

Next steps to closing



KEY MILESTONES

- **Creation of a dedicated Lighting Division**
- **Experienced integration team fully dedicated to the plan as of day 1 post closing**
- **Closing expected in H2 2022 post customary closing conditions and antitrust approvals**



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Key Takeaways



Key takeaways



Highly complementary acquisition enabling Plastic Omnium to become a comprehensive Lighting player



Strong market position with a **clear roadmap** to increase content and value per vehicle



Attractive Lighting manufacturing footprint and strong R&D competencies in strategically located best-cost country (BCC)



Clear path to **best-in-class operating performance**



Strong value creation based on **differentiating exterior solutions and turnaround potential leveraging on Plastic Omnium's operational excellence**



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STRATEGIC ACQUISITION

reinforcing Plastic Omnium's strategy to strengthen value-added through a differentiating offering of exterior solutions



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