

2022
INTERIM
FINANCIAL
REPORT

**REINVENTING
INVENTING**
PLASTIC OMNIUM ACCELERATES
MOBILITY INNOVATIONS



COMPAGNIE PLASTIC OMNIUM

2022 INTERIM FINANCIAL REPORT

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DECLARATION BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

I declare that, to the best of my knowledge, the condensed interim consolidated financial statements of Compagnie Plastic Omnium SE for the half-year period have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of both the Company and all consolidated companies, and that the interim business report herewith presents a true picture of major events occurring during the first six months of the accounting period, of their impact on financial statements and of the major transactions between related parties, and that it describes the main risks and uncertainties for the remaining six months of the year.

Levallois, July 22, 2022

Laurent Favre
Chief Executive Officer

INTERIM BUSINESS REPORT

KEY EVENTS IN THE FIRST HALF OF 2022

New orders

Over the first half of 2022, Plastic Omnium enjoyed a record level of order intake, higher than the level reached in the second half of 2021 in particular thanks to the commercial successes in electrification and hydrogen.

- USA: fuel system for the Ford Transit;
- China: tailgates for the Nio ES5 Orio, bumpers for the Didi Mona, spoilers for the F30 Xpeng Motor and fuel systems for the Toyota Camry;
- Europe: front and rear bumpers for the Audi e-Tron GT (Germany), front and rear bumpers, modules and front panels for the Porsche Cayenne (Slovakia), front bumpers and polycarbonate grilles for the Renault 4ever (France), front and rear bumpers for the Stellantis smart car (Slovakia), SCR systems for the Stellantis Expert, Jumpy, Pro-Ace and Vivaro models (Belgium).

In addition, the order book for Hydrogen increased twofold over the past six months, with orders in Europe and America confirming the Group's revenue ambition of €300 million from 2025 and €3 billion in 2030.

A repositioning of the group's portfolio through acquisitions

The first half of 2022 was rich in acquisitions projects consistent with the Group's long-term growth and transformation strategy. The strategic plan, presented at the Capital Markets Day in May 2022, includes two pillars aimed at seizing the opportunities of a transforming mobility market.

The first pillar targets at strengthening the Group's leadership through increased content and value per vehicle through the complementarity of its activities: it will allow the development of a new integrated, unique exterior systems offering. The second pillar is based on focused diversification fully in-line with major market trends in businesses with high potential for synergies with existing activities, such as lighting, battery systems and power electronics.

Lighting: creation of a new division

On July 1st, the Group created a Lighting division which will combine the activities of AMLS and Varroc Lighting Systems, once this acquisition is completed (Q4 2022)¹.

Consequently, Plastic Omnium will take a pole position across the entire lighting value chain with a comprehensive range of products, from components to complete headlights, and a well-balanced geographical footprint.

Plastic Omnium Lighting generated pro-forma economic revenue of €1 billion in 2021, with 11 plants worldwide and 7,000 employees. Looking forward, the new division is targeting economic revenue of €1.5 billion by 2027.

The acquisition of 100% of AMLS (Automotive Lighting Systems) business of the ams OSRAM group specializing in automotive lighting was finalized on July 1st, 2022. AMLS is consolidated in the Plastic Omnium financial statements from July 1st 2022.

¹ Subject to clearance by relevant merger control authorities and other customary regulatory approvals

An agreement was signed on April 29 for the acquisition of Varroc Lighting Systems (VLS), a business of Varroc Engineering Limited Group, which is expected to be finalized in the fourth quarter of 2022¹. The enterprise value is €600 million.

Electric mobility: expansion of Plastic Omnium's offer to accelerate its growth strategy

Capitalizing on its recognized industrial know-how, CES launched the development of electric battery systems in 2019 and is now accelerating this activity through its industrial partnership with Verkor and the acquisition of ACTIA Power¹. This will enable the Group to meet the needs of all types of electric vehicles, whether hybrid, rechargeable hybrid, battery, or fuel cell.

On March 29, 2022, Plastic Omnium announced a €20 million investment in Verkor, a French manufacturer of low-carbon, high-efficiency battery cells. This investment is complemented by an industrial partnership to develop production and marketing capabilities for electric battery modules and packs for passengers and commercial vehicles, as well as for stationary energy storage solutions.

In addition, on June 27, 2022, Plastic Omnium agreed with ACTIA Group to acquire 100% of the ACTIA Power division for an enterprise value of €52.5 million, with a closing scheduled in the third quarter of 2022. It will provide Plastic Omnium with a new technological platform and cutting-edge R&D capabilities in electronic components design, electric power storage and management systems, as well as access to a strong customers' portfolio in heavy mobility.

¹ *Subject to clearance by relevant merger control authorities and other customary regulatory approvals*

CONSOLIDATED INTERIM 2022 RESULTS

These 2022 half-year results reflect a significant improvement in the Group's performance and its robustness compared to H2 2021. Free cash-flow generation totaled €134 million (3.4% of revenue), demonstrating, once again, the strength of the Group's management model.

In € million	H1 2021	H1 2022
Economic revenue ¹	4,138	4,318
Consolidated revenue ¹	3,784	3,921
Operating margin ¹	234	179
% of consolidated revenue	6.2%	4.6%
Net result, Group share	142	104
EBITDA ¹	461	414
% of consolidated revenue	12.2%	10.6%
Investments	149	154
Free cash-flow ¹	151	134
Net debt at June 30, 2022 ¹	890	851
Net debt/Equity	44%	39.1%
Net debt/EBITDA	0.9x	1.2x

Economic revenue growth of 11.3% in the first semester of 2022 compared to the second semester of 2021: sharp upturn in activity despite a market that remains unsettled

In the first half of 2022, worldwide automotive production continued to be affected by production stoppages linked to the chip shortage, the war in Ukraine and a further lockdown in China. The impact of the chip shortage increased over the first half-year: 3.4 million vehicles were lost compared to the S&P Global Mobility forecast beginning of 2022.

However, overall production volumes increased slightly by 2.7% during this first semester of 2022 compared to the second semester of 2021, with 37.3 million vehicles manufactured² (vs. 36.6 million in H2 2021). This represents, nonetheless, a drop of 1.2% compared to the first semester of 2021 (37.8 million vehicles).

In this context, Plastic Omnium's **economic revenue** came in at €4,318 million, **up 6.6%** at constant scope and exchange rates compared to the second half of 2021. It is up versus the first half of 2021 (+0.4% at constant scope and exchange rates), which recorded a significant upturn following the end of successive global lockdowns due to the pandemic.

Group economic revenue was up 4.3% as reported in the first half of 2022 vs. the first half of 2021. The Modules business enjoyed a strong development with a +4.6% growth in revenue in the first half of 2022 compared to the first half of 2021, whereas the Industries' business posted a +4.2% revenue growth as reported. This performance was, however, supported by a positive foreign exchange impact linked to the weakness of the Euro vs. the US Dollar and the Renminbi. At constant scope and exchange rates, the Industries' business revenue remains stable.

Plastic Omnium **consolidated revenue**, excluding joint ventures, amounted to €3,921 million in the first half of 2022, up 3.6% as reported and is stable at constant scope and exchange rates compared to the first half of 2021.

¹ See glossary on p. 11

² Source: S&P Global Mobility Report of July 2022

In € million by business	H1 2021	H1 2022	Change	LFL change ¹
Plastic Omnium Industries	2,992	3,119	+4.2%	0.0%
Plastic Omnium Modules	1,146	1,198	+4.6%	+1.6%
Economic revenue¹	4,138	4,318	+4.3%	+0.4%
<i>Joint ventures</i>	354	397	+12.1%	+6.0%
Plastic Omnium Industries	2,739	2830	+3.3%	-0.5%
Plastic Omnium Modules	1,045	1091	+4.3%	+1.1%
Consolidated revenue¹	3,784	3,921	+3.6%	-0.1%

1.6 point outperformance relative to worldwide automotive production, driven by North America and Asia (excluding China)

With economic revenue increasing by +0.4% at constant scope and exchange rates, the Group outperformed worldwide automotive production (down -1.2%) by 1.6 points² in the first half of 2022 compared to the first half of 2021.

In € million by region	H1 2021	H1 2022	LFL change	Change in automotive production ²
Europe	2,277	2,138	-6.3%	-11.4%
North America	1,030	1,263	+11.3%	+4.3%
China	434	445	-6.8%	+3.5%
Asia excluding China	283	331	+16.1%	-1.7%
Other	116	141	+16.8%	+2.4%
Economic revenue	4,138	4,318	+0.4%	-1.2%
Joint ventures	354	397	+6.0%	n/a
Consolidated revenue	3,784	3,921	-0.1%	-1.2%

In **Europe**, Plastic Omnium reported revenue of €2,138 million for the first half of 2022, down 6.3% like-for-like compared to the first semester of 2021, in an automotive market down 11.4% compared to the first semester of 2021. This equates to an outperformance of 5.1 points. Revenue was, nonetheless, up 10.3% like-for-like compared to the second half of 2021. Germany remains the largest contributor to Group revenue, accounting for 15% of total sales but was however affected in the period by the war in Ukraine.

In **North America**, Plastic Omnium revenue totaled €1,263 million in the first half of 2022, up 11.3% at constant scope and exchange rates vs. the first half of 2021. It grew like-for-like at 11% against the second semester of 2021. Overall, revenue came in well above automotive production (+4.3% vs. the first half of 2021, +13.6% vs. the second half of 2021). The American market was less impacted by the war in Ukraine and the chip shortages.

In **China**, which accounts for 10% of Group economic revenue, Plastic Omnium reported revenue totaled €445 million, down 6.8% on a like-for-like basis on the first half of the year, underperforming automotive production which increased 3.5 points during the half-year (compared to the first half of 2021). Growth of 3.4% of YFPO revenue, the Group's joint-venture with Yangfeng, is in-line with market

¹ See glossary on p. 11

² Source: S&P Global Mobility Report of July 2022

growth over the period. Fuel storage solutions and Modules activities were heavily impacted by customers' production stoppages.

In **Asia excluding China**, revenue totaled €331 million in the first half of 2022, up 16.1% at constant scope and exchange rates compared to the first half of 2021. Relative to the market drop of 1.7% year-on-year, this represented an outperformance of 17.8 points. In addition, revenues are up +13.7% like-for-like compared to the second half of 2021 benefiting from a dynamic activity in Thailand and India, particularly thanks to new launches.

Operating margin at 4.6% of revenue (thereof 5.6% in Plastic Omnium Industries) thanks to flexing and cost-reduction efforts

Flexing and inflation mitigation measures were stepped up to absorb the consequences of production stoppages linked to chip shortages, the war in Ukraine and the lockdown in China. The combination of production stoppages and inflation impacted the Group's margin by approximately €150 million (gross before mitigation), with inflation representing €90 million. Mitigation effects helped reduce the inflation impact which accounted for only approximately €30 million net.

The Group continued to work on industrial efficiency measures as well as on its OMEGA transformation plan. This plan is meant to streamline the organization by simplifying processes and developing transversality as well as digital transformation. 4,100 initiatives have been launched so far, allowing the Group to confirm cost reductions of €137 million to date.

Group **operating income** is therefore €179 million for the first half of 2022, equal to 4.6% of revenue.

Plastic Omnium Industries achieved an operating margin of 5.6% of revenue, including operating expenditure for the New Energies Division for approximately €15 million.

In € million and as a % of revenue by business	H1 2021	H2 2021	H1 2022
Consolidated revenue	3,784	3,449	3,921
Plastic Omnium Industries	2739	2501	2830
Plastic Omnium Modules	1045	948	1091
Operating margin <i>as a % of consolidated revenue</i>	234 6.2%	69 2.0%	179 4.6%
Plastic Omnium Industries <i>as a % of consolidated revenue</i>	209 7.6%	62 2.5%	159 5.6%
Plastic Omnium Modules <i>as a % of consolidated revenue</i>	25 2.4%	7 0.7%	20 1.9%

Net result, group share: €104 million

Other operating expenses totaled €17 million in H1 2022 compared to -€21 million in H1 2021.

Net financial expenses amounted to -€24 million vs. -€25.6 million in H1 2021.

Income tax expense is -€30 million, representing an effective tax rate of 26%.

Net result, group share amount to €104 million or 2.7% of consolidated revenue.

Free cash-flow of €134 million, equal to 3.4% of consolidated revenue. Strengthened financial structure with a net debt/EBITDA ratio of 1.2x

EBITDA amounted to €414 million in the first half of 2022, representing 10.6% of consolidated revenue (and 12.8% of revenue in Plastic Omnium Industries) compared to €461 million and 12.2% of consolidated revenue in the first half of 2021. This represents a marked improvement compared to the second half of 2021 with an EBITDA margin of 10.6% in the first half of 2022 vs. 9.0% in the second half of 2021.

In the first half of 2022, the Group invested €154 million, or 3.9% of revenue, compared to €149 million and €144 million in the first and second halves of 2021 respectively. 10% of capital invested was allocated to New Energies. In addition, R&D expenditure remained contained in the first half of the year at 3.2% of consolidated revenue. Over the entire year 2022, investments are likely to equal between 4% to 4.5% of revenue, including New Energies.

At the same time, **Working Capital Requirement** reached -€447 million at the end of June 2022, vs. -€498 million at the end of December 2021. This increase of €51 million is due to supply difficulties for logistics chains and “stop-and-go” in production. It is also linked to the seasonality of starts of production which will take place in the second half of 2022.

In the first half of 2022, the Group generated €134 million of **free cash-flow**, equal to 3.4% of consolidated revenue.

The company invested €20 million in the French company Verkor whose ambition is to accelerate low-carbon battery production in France. The Group distributed €49 million of dividends. **Net debt is at €851 million per June 30, 2022**, improved €3 million compared to December 31, 2021. The gearing ratio is at 38% and the leverage ratio at 1,2x.

On June 30, 2022, the Group's liquidity amounts to €2.8 billion. It comprises available cash of €0.9 billion and confirmed and undrawn credit facilities of €1.9 billion, with an average maturity of 3.5 years with no covenants. A new Schuldschein Darlehen private placement was successfully completed in May. This issuance particularly allows the early refinancing of the €300 million Schuldschein Darlehen facility expiring in June 2023. The net impact on the Group's liquidity at the end of June was €259 million.

2022 OUTLOOK

The worldwide automotive market remains highly disrupted with trends differing from one region to another. The situation in Ukraine is accentuating the already high inflation and tensions on European supply chains, which continue to be impeded by the chip shortage. Supply chain disruptions continue to trigger decline in production at several automotive manufacturers and suppliers. In addition, restrictions related to the return of Covid-19 in China since late March remain an element of uncertainty. The combination of these factors accentuates the lack of visibility.

Plastic Omnium is monitoring the situation closely and continues to plan its operations based on worldwide automotive production figures published by S&P Global Mobility in February 2022, less 5%, that is 77 million cars for full-year 2022.

On this assumption and given the effectiveness of flexing and cost reduction programs, the Group confirms its guidance for 2022 at constant scope and exchange rates:

- Economic revenue outperformance relative to worldwide automotive production growth,
- Operating margin of between 5% and 6% of revenue,
- Free cash-flow generation in excess of €260 million.

RELATED PARTIES

Related parties remain unchanged from the 2021 Universal Registration Document, filed on March 15, 2022 with the French Financial Markets Authority (AMF - Autorité des Marchés Financiers).

RISKS IN H2 2022

The main risk factors for Compagnie Plastic Omnium SE remain those identified in the 2021 Universal Registration Document, filed on March 15, 2022 with the French Financial Markets Authority (AMF - Autorité des Marchés Financiers).

Glossary

- **Economic revenue** corresponds to consolidated revenue plus revenue from investments, by controlled subsidiaries, in joint ventures and associates consolidated at their percentage holding: BPO (50%), YFPO (50%), EKPO (40%) for Plastic Omnium Industries and SHB Automotive modules (33%) for Plastic Omnium Modules.

This definition was modified on January 1st, 2022, to take account of the shift in the Group's growth model towards a model where partnerships will contribute more to its activity. This modification results in the inclusion of the revenue of the associate EKPO, acquired on March 1st, 2021; the impact on revenue is not material.

- **Consolidated revenue** does not include the Group's share of revenue from joint ventures, which is consolidated using the equity method in accordance with IFRS 10, 11 and 12.

- **LFL** (Like-for-Like): at constant scope and exchange rates

a. The currency effect is calculated by applying the exchange rates of the current period to the revenue of the previous period. In the first half of 2022, currency effects had a €160.5 million positive impact on economic revenue and €139.9 million positive impact on consolidated revenue.

b. Scope effects were not material in the period.

- **Operating margin** includes the Group's share of income from companies consolidated using the equity method and amortization of intangible assets acquired, before other operating income and expense.

- **EBITDA** corresponds to operating income, which includes the Group's share of income from associates and joint ventures, before depreciation, amortization, and operating provisions.

- **Free cash-flow** corresponds to operating cash-flow less expenditure on property, plant and equipment and intangible assets net of disposals, taxes and net interest paid, plus or minus the change in the working capital requirement. Net debt includes all long-term borrowings, short-term loans, and bank overdrafts less loans, marketable debt instruments and other non-current financial assets, and cash and cash equivalents.

- **Net debt** includes all long-term borrowings, short-term loans, and bank overdrafts less loans, marketable debt instruments and other non-current financial assets, and cash and cash equivalents.

Assumption adopted for worldwide automotive production in 2022: S&P Global Mobility (formerly IHS Markit) February 2022 - |0; 3.5t PC + LCV| 81 million vehicles, -5%, at constant scope and exchange rates.

Worldwide or regional automotive production data refers to S&P Global Mobility (formerly-IHS Markit) forecasts for July 2022 (passenger vehicles segment < 3.5 metric tons and commercial light vehicles).

CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS

AT JUNE 30, 2022

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 June 30, 2022, on segment information, the Group uses the notion of “economic revenue” for its operational management.

The definition of “economic revenue” has been modified as of January 1, 2022 to take into account the evolution of the Group's development model towards one where partnerships will contribute more to its activity. The impact of this change is the inclusion of the revenues of the “EKPO Fuel Cell Technologies” joint venture, acquired on March 1, 2021. The impact of this change is not significant.

“Economic revenue” corresponds to the consolidated sales of the Group and its joint ventures and associates at their percentage stake: Yanfeng Plastic Omnium, the Chinese leader in exterior body parts, SHB Automotive modules, the leading Korean front-end module company, BPO, a major player in the Turkish exterior equipment market, and EKPO Fuel Cell Technologies, a specialist in the development and series production of fuel cells for hydrogen mobility.

Reconciliation of economic revenue with consolidated sales

In thousands of euros	First-half 2022	First-half 2021
Economic sales	4,317,832	4,138,238
<i>Including revenue from joint ventures and associates at the Group's percentage stake</i>	<i>396,896</i>	<i>353,912</i>
Consolidated sales	3,920,936	3,784,326

BALANCE SHEET

In thousands of euros			
	Notes	June 30, 2022	December 31, 2021
ASSETS			
Goodwill	5.1.1	1,034,109	1,026,872
Other intangible assets	5.1.2	546,417	538,777
Property, plant and equipment	5.1.3	1,656,894	1,638,908
Investment property		30	30
Equity method investments, non-consolidated investments and convertible bonds	5.1.4	315,848	304,413
Non-current financial assets ⁽¹⁾	5.1.5	77,348	87,422
Deferred tax assets		114,034	126,321
TOTAL NON-CURRENT ASSETS		3,744,680	3,722,743
Inventories	5.1.6	713,370	637,678
Finance receivables ⁽¹⁾	5.1.7	1,536	3,000
Trade receivables	5.1.8	886,167	734,277
Other receivables	5.1.8	321,697	354,395
Other financial assets and financial receivables ⁽¹⁾	5.1.7	194	43
Hedging instruments ⁽¹⁾	5.2.6	-	91
Cash and cash equivalents ⁽¹⁾	5.1.9	1,018,755	892,636
TOTAL CURRENT ASSETS		2,941,719	2,622,120
Assets held for sale		-	-
TOTAL ASSETS		6,686,399	6,344,863
SHAREHOLDERS' EQUITY AND LIABILITIES			
Capital	5.2.1.1	8,827	8,827
Treasury stock		-55,770	-47,759
Additional paid-in capital		17,389	17,389
Consolidated reserves		2,014,487	1,871,433
Net income for the period		104,242	126,372
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		2,089,176	1,976,262
Attributable to non-controlling interests		69,795	68,671
TOTAL SHAREHOLDERS' EQUITY		2,158,970	2,044,933
Non-current borrowings ⁽¹⁾	5.2.5.6	1,403,036	1,323,182
Provisions for pensions and other post-employment benefits		65,544	86,552
Provisions	5.2.4	45,963	34,235
Non-current government grants		15,740	13,321
Deferred tax liabilities		29,661	40,428
TOTAL NON-CURRENT LIABILITIES		1,559,944	1,497,718
Bank overdrafts ⁽¹⁾	5.1.9.2	10,133	11,264
Current borrowings and financial debt ⁽¹⁾	5.2.5.6	525,784	500,929
Hedging instruments ⁽¹⁾	5.2.6	9,775	1,434
Provisions for liabilities and expenses	5.2.4	52,909	63,820
Current government grants		671	700
Trade payables	5.2.7.1	1,431,491	1,264,426
Other operating liabilities	5.2.7.2	936,722	959,639
TOTAL CURRENT LIABILITIES		2,967,485	2,802,212
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		6,686,399	6,344,863

(1) Components of net financial debt (see Note 5.2.5.6).

INCOME STATEMENT

In thousands of euros	Notes	First-half 2022	%	First-half 2021	%
Consolidated sales (revenue)		3,920,936	100.0%	3,784,326	100.0%
Cost of goods and services sold	4.2	-3,476,084	-88.7%	-3,292,226	-87.0%
Gross profit		444,852	11.3%	492,100	13.0%
Research and Development costs	4.1 - 4.2	-124,699	-3.2%	-126,599	-3.3%
Selling costs	4.2	-22,313	-0.6%	-20,486	-0.5%
Administrative expenses	4.2	-132,091	-3.4%	-117,670	-3.1%
Operating margin before amortization of intangible assets acquired in business combinations and before share of profit (loss) of associates and joint ventures		165,750	4.2%	227,345	6.0%
Amortization of intangible assets acquired in business combinations	4.3	-9,850	-0.3%	-10,095	-0.3%
Share of profit (loss) of associates and joint ventures	4.4	23,539	0.6%	16,775	0.4%
Operating margin		179,439	4.6%	234,025	6.2%
Other operating income	4.5	14,792	0.4%	4,615	0.1%
Other operating expenses	4.5	-31,577	-0.8%	-25,304	-0.7%
Borrowing costs	4.6	-24,570	-0.6%	-24,672	-0.7%
Other financial income and expenses	4.6	569	0.0%	-954	-0.0%
Profit from continuing operations before income tax and after share of profit (loss) of associates and joint ventures		138,652	3.5%	187,710	5.0%
Income tax	4.7	-29,906	-0.8%	-38,289	-1.0%
Net profit (loss)		108,745	2.8%	149,421	3.9%
Net profit (loss) attributable to non-controlling interests	4.8	4,502	0.1%	7,180	0.2%
Net profit (loss) attributable to owners of the parent company		104,242	2.7%	142,241	3.8%
Earnings per share attributable to owners of the parent company	4.9				
Basic earnings per share (in euros)		0.72		0.98	
Diluted earnings per share (in euros)		0.72		0.98	

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

In thousands of euros	First-half 2022			First-half 2021		
	Total	Gross	Tax	Total	Gross	Tax
Net profit for the period attributable to owners of the parent ⁽¹⁾	104,243	132,252	-28,009	142,241	177,244	-35,003
Reclassified to the income statement	45,820	45,898	-78	15,995	16,905	-910
Reclassified in the period	96	129	-33	98	132	-34
Cash-flow hedges	96	129	-33	98	132	-34
Reclassified at a later date	45,724	45,769	-45	15,897	16,773	-876
Translation differences	45,455	45,455	-	15,733	15,733	-
Cash-flow hedges	269	314	-45	164	1,040	-876
Gains/(losses) for the period – Exchange rate instruments	269	314	-45	164	1,040	-876
Cannot be reclassified to the income statement at a later date	11,366	20,663	-9,297	15,464	19,286	-3,822
Actuarial gains/(losses) relating to defined benefit plans	19,052	25,007	-5,955	11,574	15,396	-3,822
Revaluation of long-term investments in equities instruments and funds	-14,967	-14,967	-	2,983	2,983	-
Revaluation due to hyperinflation in Argentina	2,002	2,002	-	907	907	-
Other changes	5,279	8,621	-3,342	-	-	-
Total gains and losses recognized directly in equity attributable to owners of the parent	57,186	66,561	-9,375	31,459	36,191	-4,732
Net profit (loss) and gains and losses recognized directly in equity attributable to owners of the parent ⁽²⁾	161,429	198,813	-37,384	173,700	213,435	-39,735
Net profit (loss) for the period attributable to non-controlling interests	4,502	6,400	-1,898	7,180	10,466	-3,286
Reclassified to the income statement	5,424	5,424	-	1,466	1,466	-
Reclassified at a later date	5,424	5,424	-	1,466	1,466	-
Exchange differences on translating foreign operations	5,424	5,424	-	1,466	1,466	-
Total gains and losses recognized directly in equity - Non-controlling interests	5,424	5,424	-	1,466	1,466	-
Net profit (loss) and gains and losses recognized directly in equity - Non-controlling interests	9,926	11,824	-1,898	8,646	11,932	-3,286
Net profit (loss) and gains and losses recognized directly in equity	171,355	210,637	-39,282	182,346	225,367	-43,021

(1) - (2) Regarding the "Net profits" and the "Net comprehensive income" attributable to owners of the parent company on the two periods of June 30, 2022 and June 30, 2021, see Note 5.2.1.3.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In thousands of euros
In thousand units for the number of shares

Shareholders' equity

	Number of shares	Capital	Capital reserve	Treasury stock	Other reserves	Translation differences	Net profit for the period	Attributable to owners of the parent	Attributable to non-controlling interests	Total Shareholders' equity
Shareholders' equity at January 1, 2021	148,566	8,914	17,389	-61,339	2,241,085	(1) -81,204	-251,112	1,873,732	69,677	1,943,411
Appropriation of net profit at December 31, 2020	-	-	-	-	-251,112	-	251,112	-	-	-
Net profit at June 30, 2021	-	-	-	-	-	-	142,241	142,241	7,180	149,421
Total gains and losses recognized directly in equity	-	-	-	-	15,387	16,072	-	31,459	1,466	32,925
<i>Exchange differences on translating foreign operations</i>	-	-	-	-	-339	16,072	-	15,733	1,466	17,199
<i>Actuarial gains/(losses) relating to defined benefit plans</i>	-	-	-	-	11,574	-	-	11,574	-	11,574
<i>Cash-flow hedges - Interest rate instruments</i>	-	-	-	-	98	-	-	98	-	98
<i>Cash-flow hedges - Currency instruments</i>	-	-	-	-	164	-	-	164	-	164
<i>Change in the fair value adjustment of long-term investments in equities instruments and funds</i>	-	-	-	-	2,983	-	-	2,983	-	2,983
<i>Revaluation due to hyperinflation in Argentina</i>	-	-	-	-	907	-	-	907	-	907
Net profit (loss) and gains and losses recognized directly in equity	-	-	-	-	-235,725	16,072	393,353	173,700	8,646	182,345
Treasury stock transactions	-	-	-	23,113	-32,929	-	-	-9,816	-	-9,816
Capital reduction (cancellation of treasury stock)	-1,444	-87	-	-	-	-	-	-87	-	-87
Dividends paid by Compagnie Plastic Omnium	-	-	-	-	-71,287	-	-	-71,287	-	-71,287
Dividends paid by other Group companies	-	-	-	-	-	-	-	-	-10,821	-10,821
Stock option and share purchase plans	-	-	-	-	1,338	-	-	1,338	-	1,338
Deferred tax on stock option and share purchase plans	-	-	-	-	-345	-	-	-345	-	-345
Shareholders' equity at June 30, 2021	147,122	8,827	17,389	-38,226	1,902,137	(1) -65,132	142,241	1,967,236	67,502	2,034,739
Net profit of the second-half 2021	-	-	-	-	-	-	-15,869	-15,869	2,026	-13,843
Total gains and losses recognized directly in equity	-	-	-	-	7,288	26,670	-	33,958	1,970	35,928
<i>Exchange differences on translating foreign operations</i>	-	-	-	-	-5,300	26,670	-	21,370	1,970	23,340
<i>Actuarial gains/(losses) recognized in equity</i>	-	-	-	-	309	-	-	309	-	309
<i>Cash flow hedges - Interest rate instruments</i>	-	-	-	-	95	-	-	95	-	95
<i>Cash flow hedges - Currency instruments</i>	-	-	-	-	-465	-	-	-465	-	-465
<i>Change in the fair value adjustment of long-term investments in equities instruments and funds</i>	-	-	-	-	9,549	-	-	9,549	-	9,549
<i>Revaluation due to hyperinflation in Argentina</i>	-	-	-	-	3,100	-	-	3,100	-	3,100
Net profit (loss) and gains and losses recognized directly in equity	-	-	-	-	7,288	26,670	-15,869	18,089	3,996	22,085
Treasury stock transactions	-	-	-	-42,576	33,043	-	-	-9,533	-	-9,533
Capital reduction (cancellation of treasury stock)	-	-	-	33,043	-33,043	-	-	-	-	-
Dividends paid by Compagnie Plastic Omnium ⁽²⁾	-	-	-	-	-	-	-	-	-	-
Stock option and share purchase plans	-	-	-	-	634	-	-	634	-	634
Deferred tax on stock option and share purchase plan	-	-	-	-	-164	-	-	-164	-	-164
Shareholders' equity at December 31, 2021	147,122	8,827	17,389	-47,759	1,909,895	(1) -38,462	126,372	1,976,262	68,671	2,044,933
Appropriation of net profit at December 31, 2021	-	-	-	-	126,372	-	-126,372	-	-	-
Net profit at June 30, 2022	-	-	-	-	-	-	104,243	104,243	4,502	108,745
Total gains and losses recognized directly in equity	-	-	-	-	11,817	45,369	-	57,186	5,424	62,610
<i>Exchange differences on translating foreign operations</i>	-	-	-	-	86	45,369	-	45,455	5,424	50,879
<i>Actuarial gains/(losses) relating to defined benefit fees</i>	-	-	-	-	19,052	-	-	19,052	-	19,052
<i>Cash-flow hedges - Interest rate instruments</i>	-	-	-	-	96	-	-	96	-	96
<i>Cash-flow hedges - Currency instruments</i>	-	-	-	-	269	-	-	269	-	269
<i>Change in the fair value adjustment of long-term investments in equities instruments and in funds</i>	-	-	-	-	-14,967	-	-	-14,967	-	-14,967
<i>Revaluation due to hyperinflation in Argentina</i>	-	-	-	-	2,002	-	-	2,002	-	2,002
<i>Other changes⁽³⁾</i>	-	-	-	-	5,279	-	-	5,279	-	5,279
Net profit (loss) and gains and losses recognized directly in equity	-	-	-	-	138,189	45,369	-22,129	161,429	9,926	171,355
Treasury stock transactions	-	-	-	-8,011	-	-	-	-8,011	-	-8,011
Dividends paid by Compagnie Plastic Omnium ⁽²⁾	-	-	-	-	-40,586	-	-	-40,586	-	-40,586
Dividends paid by other Group companies	-	-	-	-	-	-	-	-	-8,802	-8,802
Stock option and share purchase plans	-	-	-	-	111	-	-	111	-	111
Deferred tax on stock option and share purchase plans	-	-	-	-	-29	-	-	-29	-	-29
Shareholders' equity at June 30, 2022	147,122	8,827	17,389	-55,770	2,007,579	(1) 6,907	104,243	2,089,175	69,795	2,158,970

(1) See Note 5.2.1.4 for breakdown of "Other reserves".

(2) Regarding the dividends per share distributed by Compagnie Plastic Omnium SE in 2022 in respect of the 2021 fiscal year and in 2021 in respect of the 2020 fiscal year, see Note 5.2.2 on dividends voted and paid.

(3) Adjustments to amortization of previous fiscal years, see Note 5.1.2 "Other intangible assets"

STATEMENT OF CASH-FLOWS

In thousands of euros	Notes	First-half 2022	2021	First-half 2021
I - CASH-FLOWS FROM OPERATING ACTIVITIES				
Net profit (loss)	3.1.1	108,745	135,578	149,421
Dividends received from associates and joint ventures		37,291	31,553	30,619
Non-cash items		254,450	522,348	272,244
<i>Share of profit (loss) of associates and joint ventures</i>	4.4	-23,539	-42,803	-16,775
<i>Stock option plan expense</i>		114	1,970	1,338
<i>Other adjustments</i>		2,389	-4,382	-614
<i>Depreciation and provisions for impairment of property, plant and equipment</i>		137,038	287,134	142,098
<i>Amortization and provisions for impairment of intangible assets</i>		87,655	183,331	88,644
<i>Changes in provisions</i>		2,430	-20,207	-7,682
<i>Net (gains)/losses on disposals of non-current assets</i>		-1,949	9,852	6,357
<i>Operating grants recognized in the income statement</i>		-792	-1,427	-590
<i>Current and deferred taxes</i>	4.7.1	29,907	60,263	38,289
<i>Cost of net debt</i>		21,197	48,617	21,179
CASH GENERATED BY OPERATIONS (before cost of net debt and tax) (A)		400,486	689,479	452,284
Change in inventories and work-in-progress – net		-55,068	40,718	-92,358
Change in trade receivables – net		-126,253	125,485	24,199
Change in trade payables		99,879	-170,872	-32,332
Change in other operating assets and liabilities - net		9,847	-66,805	-7,753
CHANGE IN WORKING CAPITAL REQUIREMENTS (B)		-71,595	-71,474	-108,244
TAXES PAID (C)		-18,401	-30,676	-19,280
Interest paid		-24,966	-44,815	-24,967
Interest received		1,631	2,406	859
NET FINANCIAL INTEREST PAID (D)		-23,335	-42,409	-24,108
NET CASH GENERATED BY OPERATING ACTIVITIES (A+B+C+D)		287,156	544,920	300,652
II – CASH-FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property, plant and equipment	3.1.3	-89,111	-160,101	-70,829
Acquisitions of intangible assets	3.1.3	-73,031	-145,195	-65,885
Disposals of property, plant and equipment		3,024	7,245	1,758
Disposals of intangible assets		91	946	943
Net change in advances to suppliers of fixed assets		2,310	-2,322	-16,079
Investment grants received		3,166	5,497	644
NET CASH USED IN OPERATIONS-RELATED INVESTING ACTIVITIES (E)		-153,551	-293,930	-149,449
FREE CASH-FLOW (A + B + C + D + E)		133,605	250,990	151,203
Acquisitions of equity investments in subsidiaries, investments leading to a change in control, investments in associates and joint ventures, and related investments	2.2.1.1.1 - 5.1.10.a	-30,000	-43,486	-43,489
Acquisitions of non-consolidated equity instruments and convertible bonds into shares	2.2.2.1 - 5.1.10.b	-20,077	-	-
Acquisitions of long-term investments in equities instruments and funds	5.1.5.1	-10,215	-57,549	-49,511
Disposals of long-term investments in listed equities instruments and funds	5.1.5.1	5,000	237	277
Impact of changes in scope of consolidation - cash and cash equivalents contributed by companies entering the scope of consolidation		-	406	373
NET CASH FROM FINANCIAL TRANSACTIONS (F)		-55,291	-100,392	-92,349
NET CASH FROM INVESTING ACTIVITIES (E+F)		-208,842	-394,322	-241,798
III - CASH-FLOWS FROM FINANCING ACTIVITIES				
Increases/reductions in share capital and premiums	5.2.1.1	-	-87	-87
Purchases/sales of treasury stock		-8,011	-19,349	-9,816
Dividends paid by Compagnie Plastic Omnium SE to Burelle SA	5.1.11	-24,450	-42,788	-42,788
Dividends paid to other shareholders	5.1.11	-24,938	-44,243	-40,009
Increase in financial debt	5.2.5.6	787,800	618,298	309,658
Repayment of financial debt and lease contracts liabilities, net		-688,402	-596,968	-467,714
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES (G)		41,999	-85,137	-250,758
Effect of exchange rate changes (I)		6,869	-1,801	1,167
NET CHANGE IN CASH AND CASH EQUIVALENTS (A + B + C + D + E + F + G + H + I)		127,249	63,660	-190,737
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	5.1.9.2 - 5.2.5.6	881,372	817,712	817,712
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5.1.9.2 - 5.2.5.6	1,008,621	881,372	626,975

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated half-yearly financial statements of the Plastic Omnium Group for the six months ended June 30, 2022 were approved by the Board of Directors on July 20, 2022.

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 General Meeting of Shareholders 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 energy storage systems, emission reduction systems.
 - *New Energies (NE)*, dedicated to development of low-carbon mobility, such as hydrogen fuel cells and fuel tanks.

- **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 59.35% of the Group (60.42% excluding treasury stock) with voting rights of 73.29 % at June 30, 2022.

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

1. ACCOUNTING STANDARDS APPLIED, ACCOUNTING RULES AND METHODS

1.1. Basis of preparation

The Group's condensed consolidated financial statements for the six months ended June 30, 2022 have been prepared in accordance with IAS 34 "Interim Financial Reporting".

These condensed half-yearly consolidated financial statements do not include all the information required for annual financial statements and should be read in conjunction with the consolidated financial statements at December 31, 2021.

The accounting principles used for their preparation are those applied by the Group at December 31, 2021 and described in Note 1 "Accounting standards applied, accounting rules and methods" to the 2021 consolidated financial statements, with the exception of new applicable texts, including in particular those relating to the following two points, which are taken into account as of January 1, 2022:

- The amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", which specify that the costs to be used to determine whether a contract is onerous must include both the incremental costs of performing the contract and an allocation of other costs directly related to the performance of the contract. However, it should be noted that there is no impact as the aggregate currently used by the Group in the analysis of onerous contracts is gross profit.
- The clarification issued by IFRIC in April 2021 regarding the accounting treatment of the costs of configuring and adapting software acquired in SaaS mode, at June 30, 2022.

These changes have no significant impact on the consolidated financial statements.

The Group has not applied in advance any standards, interpretations and amendments that are not mandatory at January 1, 2022.

1.2. Special features in the preparation of interim financial statements

▪ Income tax

The tax expense (current and deferred) for the period is determined based on the estimated annual tax rate, applied to profit before tax for the period excluding significant non-recurring items.

See Note 2.1.6 the "Deferred tax assets" on the consequences linked to the Covid-19 crisis and to the war in Ukraine.

▪ Employee benefits

The change in interest rates during the first half of 2022 led the Group to reassess its employee benefits commitments in Europe and the United States. The rates used at June 30, 2022 in the main zones are respectively:

- 3.20% for the euro zone, compared to 0.90% at December 31, 2021 and an inflation rate 2.25% compared to 1.7 % at December 31, 2021; and
- 4.50% for the United States compared to 2.73% at December 31, 2021. The commitments in the United States are not sensitive to changes in inflation.

Similarly, given market developments, the value of assets dedicated to financing social commitments was updated at the end of the half-year.

These changes generated significant impacts on the relevant balance sheet aggregates and shareholders' equity. These impacts are discussed in the Notes 5.2.4 "Provisions" and 5.2.1.4 "Breakdown of other reserves in the Consolidated Statement of Changes in Shareholders' Equity".

The half-yearly expense for post-employment benefits corresponds to half of the budgeted net expense for the 2022 fiscal year, determined on the basis of the actuarial data and assumptions used at December 31, 2021, after taking into account, where applicable, special events such as plan changes.

▪ **Impairment tests**

At June 30, 2022, the Group updated, where necessary, the impairment tests performed at the end of 2021 and performed additional tests on a number of sites where there were indications of impairment (see intangible assets and property, plant and equipment in Note 2.1.5 “Asset impairment tests”).

1.3. Use of estimates and assumptions

In preparing its financial statements, the Plastic Omnium Group uses estimates and assumptions to assess some of its assets, liabilities, income, expenses and commitments. These estimates and assumptions, which are reviewed periodically by Senior Executives, may lead to a material adjustment to the carrying amount of assets and liabilities. At June 30, 2022, they mainly concerned:

- deferred taxes;
- impairment tests on cash-generating units (CGUs) or groups of CGUs showing signs of impairment (according to the same methods as those described in the financial statements at December 31, 2021);
- provisions:
 - retirement commitments and other employee benefits; and
 - other provisions (workforce adjustment, litigation, customer guarantees, legal and tax risks, etc.);
- lease contracts (IFRS 16):

The use of the discount rate in determining the right of use and the lease debt for the leased property;

- Other estimation

At June, 30, 2022, the main uncertainties likely to significantly impact the assumptions are the impact on production of the “Shortage of semi-conductors” at car manufacturers, the development of the “Covid-19 pandemic”, supply-chain difficulties due to the war in Ukraine and the increase in inflation in several regions where the Group operates.

2. SIGNIFICANT EVENTS OF THE PERIOD

2.1. Troubled international context and impacts on the Group's activity

Plastic Omnium's activities in the first half of 2022 will be affected by the following events:

- The continuation of Covid-19 worldwide, with a limited impact on the Group's activity;
- The war between Ukraine and Russia;
- The disruption of the supply chain for materials and components, leading to stoppages in the production lines of car manufacturers to whom the Group is adapting its activity;
- Rising inflation worldwide, particularly in materials, energy and labor costs.

2.1.1. Resilience of the Plastic Omnium Group's activity in the first half of 2022

The tables below present the volumes achieved by the automotive industry as published by S&P Global Mobility in 2021, as well as the Group's activity over the same period.

In thousands of vehicles	Source: S&P Global Mobility	2020		2021		2022	
		1st Half-year	2nd Half-year	1st Half-year	2nd Half-year	1st Half-year	2nd Half-year
Vehicle production released by S&P Global Mobility at December, 15, 2021		29,196	42,342	37,782	34,746	38,583	40,689
Change by semester: S&P Global Mobility release at December, 15, 2021		-33.0%	-0.2%	29.4%	-17.9%	2.1%	17.1%
Vehicle production released by S&P Global Mobility at June, 15, 2022		29,196	42,342	37,799	36,347	36,621	40,878
Change by semester: S&P Global Mobility release at June, 15, 2022		-33.0%	-0.2%	29.5%	-14.2%	-3.1%	12.5%
Vehicle production and forecasts released by S&P Global Mobility at July, 14, 2022		29,196	42,342	37,796	36,340	37,329	40,754
Change by semester: S&P Global Mobility release at July, 14, 2022				29.5%	-14.2%	-1.2%	12.1%

Plastic Omnium Group	In thousand of euros	1st Half-year	2nd Half-year	1st Half-year	2nd Half-year	1st Half-year	2nd Half-year
Plastic Omnium Group Consolidated Sales released per semester		2,962	4,111	3,784	3,449	3,921	
Change per semester of Plastic Omnium Group released Consolidated Sales		-30.6%	-2.7%	27.8%	-16.1%	3.6%	

2.1.2. Impacts of inflation, additional costs caused by the international context on the Group's Operating Margin and mitigation measures as a leverage effect for the Group

In the first half of 2022, Plastic Omnium will use several levers to mitigate the various effects on its operating margin that have emerged since the start of Covid-19, in addition to the disruptions caused by the war in Ukraine, rising inflation and in particular soaring raw material costs (the Group is hedged against energy costs, which will have very little impact in 2022):

- pursuing flexibility and cost-control plan launched several years ago;
- applying contractual provisions for indexing the purchase price of materials such as resin;
- and discussions with all players in the automotive sector aimed at limiting the impact of inflation and customer production stoppages linked to successive crises.

See the elements in the table below, which are provided by half-year:

Impacts of crisis context on the Group's key figures <i>In %</i>	2020		2021		2022
	1st half-year	2nd half-year	1st half-year	2nd half-year	1st half-year
Change in the Consolidated Sales of the period compared with the same period one year before ⁽¹⁾	-30.6%	-2.7%	27.8%	-16.2%	3.6%
Weight of the Operating Margin (MOP) in relation to the Consolidated Sales per period	-3.9%	5.7%	6.2%	2.0%	4.6%

(1) Changes explained in 2020 by the Covid-19 pandemic and in 2021 mainly by the closure of plants due to customer shutdowns (shortage of semiconductors).

2.1.3. War in Ukraine: Impact on the Group's activity

The Group does not operate in Ukraine.

In Russia, non-current assets (real estate and industrial assets) amounted to €17 million (attributable to owners of the parent company) at June 30, 2022. The contribution of Russian businesses to the Group's revenue before the current crisis is not significant (less than 1%).

Activity in Russia was stopped from April and partially resumed from the end of June 2022.

2.1.4. Continuation of the Covid-19 health crisis during the first half of 2022 and adaptation of measures implemented by the Group to protect its employees

During the first half of 2022, the Group has not suffered any production interruptions (except in China in April-May) directly related to Covid-19. The Group has maintained, while adapting to the situations in each country where it operates, the health measures to protect employees (hydro-alcoholic gels, temperature-taking equipment, regular disinfection of premises, floor markings and instruction displays etc.).

2.1.5. Asset impairment tests

As part of the preparation of the interim financial statements and in accordance with IAS 36 "Impairment of assets", the results of the work carried out for the closing of the interim financial statements at June 30, 2022 are summarized in the following notes.

Goodwill:

The Group's analysis at the end of June 2022 concluded that the medium-long-term outlook of the latest strategic plan, which was used for the impairment tests at December 31, 2021, was not called into question, and no impairment test was carried out on goodwill as part of the preparation of the June 30, 2022 interim financial statements.

Industrial assets/non-current assets:

As the Group has identified impairment indicators for certain entities, impairment tests were carried out on the assets of these entities as part of the first-half 2022 closing. These tests are based on the latest forecast data, currently being prepared as part of the new strategic plan.

In addition to the usual approach, additional sensitivity analyses and stress tests were carried out, in particular on project assets, to assess the impact of a 10% decrease in volumes and/or inflation that would not be fully mitigated.

The discount rates used are unchanged compared to last year, *i.e.* 9% and adjusted where necessary to take into account country specifics (India: 16%). Similarly, the perpetual growth rate, *i.e.* 1.5%, used to determine the terminal value which takes into account local specifics (India and USA: 2.5%).

During the half-year, the tests and analyses carried out did not result in the recognition of additional impairments; on the other hand, a reversal of €10 million of the 2020 impairment on the industrial assets of the IES Division's India subsidiary was recognized at June 30, 2022, reflecting the significant development expected from this entity over the coming years.

The cumulative amounts of impairments recognized in "Other operating income and expenses" since the start of Covid-19 (March 17, 2020) evolved as follows:

In millions of euros	2020	2021			2022		
	December, 31	Change over the first-half	June 30	Change over the second-half	December, 31	Change over the first-half	June 30
Industrial assets	170.6	-0.3	170.3	-2.5	167.8	-10.4	157.4
Project assets	56.2	-3.9	52.3	2.3	54.6	0.0	54.6
Customer contracts	23.4	0.0	23.4	0.0	23.4	0.0	23.4
Total	250.2	-4.2	246.0	-0.2	245.8	-10.4	235.4

In accordance with the Group's accounting principles, changes in impairment of property, plant and equipment and intangible assets are recognized under "Other operating expenses" (see Note 4.5).

2.1.6. Deferred tax assets

The Group's tax position has been analyzed taking into account the production shutdowns as a result of its customers' shortage of semiconductors and components, the continuation of the Covid-19 health crisis and the war in Ukraine, in line with the assumptions used to assess other assets.

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.

The impacts on the recognition of deferred tax assets over the last two fiscal years are as follows:

- a net impairment of -€12.8 million, for the first half of 2022;
- a net impairment of -€22.4 million for the 2021 fiscal year; and
- a net capitalization of +€3.8 million, for the first half of 2021.

Impacts over the first half of 2022 are explained in Note 4.7 "Income tax".

2.2. Other significant events of the period

2.2.1. Follow-up of 2021 fiscal year changes in the scope of consolidation and the ongoing acquisitions in 2022

2.2.1.1. Follow-up of changes in the scope of consolidation in 2021

2.2.1.1.1 : Finalization of the allocation of the acquisition price of the Group's 40% stake in the creation of the "EKPO Fuel Cell Technologies" joint venture

As part of the subscription to a capital increase carried out by EKPO Fuel Cell Technologies, a leading company in development and series production of fuel cells, the Plastic Omnium Group acquired 40% of the shares for €100

million on March 1, 2021, to accelerate growth in low-carbon mobility. Its partner ElringKlinger holds 60%. Please refer to Note 2.2.2.1 to the Consolidated Financial Statements of December 31, 2021.

The allocation of the acquisition price to the acquired assets and liabilities identified at December 31, 2021 a “Technology” intangible asset, valued at €131 million (*i.e.* €2 million for the share held by the Plastic Omnium Group), resulting in a €17 million revaluation of the intangible assets recognized by the entity.

At December 31, 2021, the 40% stake held by the Group, recognized in “Investments in associates and joint ventures”, included goodwill of €6.9 million, and after taking into account a deferred tax liability of €35.1 million related to this intangible asset.

The opening balance sheet was finalized within twelve months of the acquisition, *i.e.* on March 31, 2022. This finalization resulted in a few adjustments that impacted the Net Position by -€1.2 million (Group share at -€0.5 million). This finalization had no impact on the value of the “Technology” intangible asset recognized under “Intangible assets in progress” at June 30, 2022.

At June 30, 2022:

- The 40% stake held by the Group recognized in “Investments in associates and joint ventures” includes goodwill of €7.4 million;
- In addition, in the first half of 2022, an amount of €30 million for the purchase price of the shares of “EKPO Fuel Cell Technologies” (see Note 2.2.2.1.1 “Purchase price” to the Consolidated Financial Statements of December 31, 2021) was paid by the Group as planned in the payment schedule. The outstanding balance at June 30, 2022 amounts to €40 million, of which €20 million will be due in 2023 and 2024 respectively.

2.2.1.1.2 : Finalization of the allocation of the purchase price of “ElringKlinger Fuel Cell Systems Austria GmbH (EKAT)”

On March 1, 2021, Plastic Omnium Group acquired all of the shares in the Austrian subsidiary of ElringKlinger, “ElringKlinger Fuel Cell Systems Austria GmbH (EKAT)”, a specialist in integrated hydrogen systems, to complete its global hydrogen offering. The acquisition price was €13.4 million.

“ElringKlinger Fuel Cell Systems Austria GmbH (EKAT)” was renamed “Plastic Omnium New Energies Wels GmbH”.

The opening balance sheet was finalized on March 1, 2022 without any adjustment compared to December 31, 2021.

The final opening balance sheets as well as the allocation of the acquisition prices of the two entities are presented below:

Allocation of the acquisition prices to the acquired assets and liabilities				
In thousands of euros	EKPO Fuel Cell Technologies		Plastic Omnium New Energies Wels GmbH	Total of the Group acquisitions finalized at March, 1, 2022
	Equity of the entity finalized at March 1, 2022 and the allocation of acquisition price	Share of equity of the Group in the opening balance sheet finalized at March 1, 2022 and allocation of the acquisition price	Equity acquired in the opening balance sheet finalized at March 1, 2022	
Calculation basis	100.00%	40.00%	100.00%	
Deferred tax rate	30.00%	30.00%	25.00%	
<i>Equity acquired</i>	25,905	10,362	526	
<i>Other adjustments</i>	2,137	855	-	
<i>Deferred taxes related to the other adjustments</i>	-3,355	-1,342	-	
<i>Intangible asset : technology</i>	116,975 ⁽¹⁾	46,790	8,816	
<i>Deferred taxes related to the intangible asset of "Technology"</i>	-35,093	-14,037	-2,204	
Equity (after adjustments) (A)	106,569	42,628	7,138	49,766
Contribution of Plastic Omnium Group (B)	100,040	40,016		40,016
Equity after capital increase (C) = (A + B)	206,610	82,644		
Goodwill (D) = (E - C)	43,490	17,396 ⁽²⁾	6,311 ⁽³⁾	23,707 ⁽⁴⁾
Total acquisition price (E)	250,100	100,040	13,449	113,489

- (1) This amount comprises a revaluation of €17 million recognized as part of the allocation of the acquisition price.
- (2) This goodwill is a component of the value of the "EKPO Fuel Cell Technologies" investments in associates accounted for the equity method in the Group consolidated Balance Sheet. See Note 5.1.4.
- (3) This amount is recognized in the "Goodwill" item in the Group Consolidated Balance Sheet. See Note 5.1.1.
- (4) This amount is broken down in "Investments in associates accounted for the equity method" for €17,396 thousand and for €6,311 thousand in "Goodwill" in the Group Consolidated Balance Sheet. See Notes 5.1.1 and 5.1.4.

2.2.1.2. Agreements and acquisitions of the Group during the first half of 2022 with effect from the second half

2.2.1.2.1 : Plastic Omnium Group signs an agreement with ACTIA Group for the acquisition of the "ACTIA Power" Division

On June 27, 2022, the Plastic Omnium Group signed an agreement with the ACTIA Group to acquire 100% of the ACTIA Power Division for an enterprise value of €2.5 million. The agreement follows the Group's announcement on March 29, 2022, that it had entered into exclusive negotiations with ACTIA.

ACTIA Power is a specialist in the design and manufacture of on-board batteries, power electronics and electrification systems intended primarily for the electric mobility of trucks, buses and coaches, trains and construction machinery.

Today, ACTIA Power employs around 200 people in France, Germany, the United Kingdom and the United States, with revenue of €22 million in 2021.

The acquisition is expected to close in the third quarter of 2022, subject to obtaining antitrust clearances and other customary regulatory approvals.

2.2.1.2.2 : Planned acquisition by Plastic Omnium of Varroc Lighting Systems (VLS) from Varroc Engineering Limited (Maharashtra, India)

On April 29, 2022, Plastic Omnium entered into an agreement with Varroc Engineering Limited (Maharashtra, India) to acquire its automotive lighting business, Varroc Lighting Systems (VLS) in Europe, the Americas and North Africa as well as the Pune R&D unit in India, for an enterprise value of €600 million:

- Annual revenue amounted to approximately €0.8 billion in 2021;
- 8 plants with balanced locations in cost-competitive countries;
- 6,500 people, including 800 R&D employees based in eight dedicated centers.

Varroc Lighting Systems has a broad product portfolio, which includes advanced lighting solutions for headlights and tail lights, innovative technologies in the development of optical systems and electronic control and lighting software. Varroc Lighting Systems thus has strong engineering capabilities to meet the requirements of active safety lighting, style and electrification.

Varroc Lighting Systems brings a balanced global industrial presence, strong engineering expertise and a strong portfolio of products and customers.

The acquisition (the “Closing”) is scheduled to close during the second half of 2022 and is subject to the usual antitrust and regulatory approvals.

2.2.2. Follow-up of equity investments and investments in venture capital companies and start-ups specializing in future mobility solutions

2.2.2.1. Group investment in the French company, Verkor, a specialist in the manufacture of batteries for future mobility

On February 22, 2022, the Group subscribed for €20 million in convertible bonds (the total issue size is €200 million) in the Grenoble-based company Verkor, a specialist in the manufacture of high-efficiency, low-carbon battery cells.

The investment pays interest at 5%, capitalized with payment due on June 30, 2024 in the event that the Group chooses repayment rather than conversion into shares.

The investment is complemented by an industrial partnership that will give Verkor and Plastic Omnium the means to develop production and marketing capabilities for electric battery modules and packs for individual and commercial vehicles and for stationary energy storage.

The investment is recognized in the balance sheet under “Investments in associates and joint ventures, non-consolidated securities and convertible bonds”.

2.2.2.2. Equity investment by the Plastic Omnium Group in the seed fund Fonds d’Amorçage Industriel Métropolitain S.L.P. (FAIM) for sustainable industry

During the first half of 2022, the Group invested in the *Fonds d’Amorçage Industriel Métropolitain* (FAIM). This is a venture capital-type *Société de Libre Partenariat* (SLP) of nearly €40 million, intended to promote the emergence of young innovative industrial companies that pollute less, consume less energy and create jobs.

The fund covers many industrial sectors such as clean energy, new materials, green chemistry, agri-food, smart textiles, mobility, etc.

The Group has committed €5 million for a period of twelve months from the first call for funds, extendable twice.

At June 30, 2022, the Group had paid €0.3 million. See Note 5.1.5.1 “Long-term investments in equities and funds”.

2.2.2.3. Payment by Compagnie Plastic Omnium SE to AP Ventures funds during the first half of 2022

During the first half of 2022, as co-sponsor and member of the investment advisory committee, the Group paid AP Ventures, a London-based venture capital firm specializing in hydrogen and fuel cells, a total of €1.2 million (equivalent to \$1.3 million).

The Group committed to invest \$30 million over the life of the fund. The Group's total payment amounted to €1.9 million (equivalent to \$12.4 million) at June 30, 2022 (see Note 5.1.5.1 “Long-term investments in equities and funds”).

2.2.3. Receipt during the first half of 2022 of a “carry-back” repayment in the United States

The Group received from the tax authorities in the United States a repayment of the carry-back of €7.4 million (\$30 million) requested in 2021. See Note 5.1.8.3 “Other receivables”.

2.2.4. Financing transactions**2.2.4.1. Completion of a “Schuldschein” private placement – Amount: €400 million**

On May 24, 2022, the Group completed a “Schuldschein” private placement, without covenants, for €400 million (divided into six tranches of different maturities and interest rates) with mainly private investors (French, German, Swiss, Slovak) and the following characteristics:

- maturities: 3, 5 and 7 years;
- fixed rate portion: €159 million;
- floating rate portion: €241 million;
- average financing rate: 1.58%.

In parallel with this transaction, the Group repaid €141 million on the Schuldschein of June 16, 2016 issued for a total amount of €300 million, which is due on June 17, 2023.

For these two transactions, see Notes 5.2.5.2 “Borrowings: private placement notes and bonds” and 5.2.5.6 “Reconciliation of gross and net financial debt”.

2.2.4.2. Change in Negotiable European Commercial Paper (Neu-CP) issuance during the first half of 2022

During the first half of 2022, the Group slightly decreased its “Neu-CP” program. At June 30, 2022, it amounted to €238.0 million compared to €322.5 million at December 31, 2021.

The terms of these issuances are provided in Note 5.2.5.4 “Short-term borrowings: issuance of ‘Negotiable European commercial paper’ (Neu-CP)”.

See also Note 5.2.5.6 “Reconciliation of gross and net financial debt”.

2.2.5. European Parliament vote on the change in combustion engines

The European Parliament voted in favor of banning the sale of new gasoline or diesel vehicles in Europe from 2035. This announcement is in line with the intentions of several European countries, including France, which had already announced a similar measure from 2040.

The Group and the CES Division had adjusted their investment policy several years ago by committing to a program to convert to other low-carbon activities such as hydrogen and electrification into growth drivers.

Given the current investment policy, the dates of commissioning of industrial sites and assets and the depreciation periods applied (10-12 years maximum for industrial equipment), the net value of the industrial assets affected by this regulatory change will be insignificant at this timeframe.

2.2.6. Group subsidiaries in hyperinflationary regions and impacts on the Group's financial statements

2.2.6.1. Impacts of hyperinflation in Argentina and Turkey on the Group's financial statements

Impacts of Argentine hyperinflation:

The Argentine peso exchange rate has dropped by 12.3% since June 30, 2021.

At June 30, 2022, the assets of the two subsidiaries Plastic Omnium Auto Inergy Argentina SA (Clean Energy Systems) and Plastic Omnium Argentina (Intelligent Exterior Systems) were revalued.

At June 30, 2022, the impacts on the main income statement aggregates related to hyperinflation are not material.

Impacts of Turkish hyperinflation:

Over the past 12 months, inflation in Turkey has been close to 70%, with almost half of this figure for the first half of 2022, putting Turkey on the list of hyperinflationary countries.

The reduction in policy rates from 19% to 14% in the last quarter of 2021 contributed in part to the decline in the exchange rate of the Turkish lira, which, against the euro, aggravated by the impacts of the war in Ukraine, has changed as follows:

- December 31, 2020: TRL 9.11 versus €
- December 31, 2021: TRL 15.23 versus €
- June 30, 2022: TRL 17.32 versus €, i.e. a devaluation of -13.7% over the half-year

IAS 29 “*Financial reporting in hyperinflationary economies*” therefore applies to BPO AS, the Group's only Turkish entity, 50%-owned (Intelligent Exterior Systems Division), and consolidated using the equity method with the Turkish lira as its functional currency. The impact of the application of IAS 29 was not material at June 30, 2022.

The share of BPO AS's income and its weight in the Group's Operating Margin over the last half-years does not exceed 2% and the weight of the asset (investment in associates and joint ventures) in the Plastic Omnium Group's total balance sheet does not exceed 0.1%.

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 sales of the Group and its joint ventures and associates at their percentage stake: Yanfeng Plastic Omnium, the Chinese leader in exterior body parts, SHB Automotive Modules, the leading Korean company in front-end modules, and BPO, a major player in the Turkish exterior equipment market, including since January 1, 2022, EKPO Fuel Cell Technologies (40%), a leader in the development and series production of fuel cells for hydrogen mobility.

The change in definition is intended to account for the evolution of the Group's development model towards one where partnerships will contribute more to its activity.

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

First-half 2022				
In thousands of euros	Industries	Modules	Unallocated items ⁽²⁾	Total
Economic revenue ⁽¹⁾	3,119,370	1,198,462	-	4,317,832
<i>Including revenue from joint ventures and associates consolidated at the Group's percentage stake</i>	289,118	107,778	-	396,896
External sales to Segment	2,850,881	1,093,059	(23,004)	3,920,936
Inter-segment sales	(20,629)	(2,375)	23,004	-
Consolidated sales	2,830,252	1,090,684	-	3,920,936
<i>% of segment revenue - Total</i>	72.2%	27.8%	-	100.0%
Operating margin before amortization of intangible assets acquired and before share of profit (loss) of associates and joint ventures	140,464	25,286	-	165,750
<i>% of segment revenue</i>	5.0%	2.3%	-	4.2%
Amortization of intangible assets acquired	(3,336)	(6,514)	-	(9,850)
Share of profit (loss) of associates and joint ventures	21,982	1,557	-	23,539
Operating margin	159,110	20,329	-	179,439
<i>% of segment revenue</i>	5.6%	1.9%	-	4.6%
Other operating income	14,792	-	-	14,792
Other operating expenses	(30,948)	(629)	-	(31,577)
<i>% of segment revenue</i>	-0.6%	-0.1%	-	-0.4%
Financing costs				(24,570)
Other financial income and expenses				569
Profit/(loss) from continuing operations before income tax and after share in associates and joint ventures				138,652
Income tax				(29,906)
Net profit (loss)				108,745

First-half 2021				
In thousands of euros	Industries	Modules	Unallocated items ⁽²⁾	Total
Economic revenue ⁽¹⁾	2,992,331	1,145,907	-	4,138,238
<i>Including revenue from joint ventures and associates consolidated at the Group's percentage stake</i>	253,484	100,428	-	353,912
External sales to Segment	2,752,884	1,047,134	(15,692)	3,784,326
Inter-segment sales	(14,037)	(1,655)	15,692	-
Consolidated sales	2,738,847	1,045,479	-	3,784,326
<i>% of segment revenue - Total</i>	72.4%	27.6%	-	-
Operating margin before amortization of intangible assets acquired and before share of profit/(loss) of associates and joint ventures	197,477	29,868	-	227,345
<i>% of segment revenue</i>	7.2%	2.9%	-	6.0%
Amortization of intangible assets acquired	(3,580)	(6,515)	-	(10,095)
Share of profit (loss) of associates and joint ventures	15,410	1,365	-	16,775
Operating margin	209,307	24,718	-	234,025
<i>% of segment revenue</i>	7.6%	2.4%	-	6.2%
Other operating income	4,615	-	-	4,615
Other operating expenses	(24,775)	(529)	-	(25,304)
<i>% of segment revenue</i>	-0.7%	-0.1%	-	-0.5%
Financing costs				(24,672)
Other financial income and expenses				(954)
Profit (loss) from continuing operations before income tax and after share in associates and joint ventures				187,710
Income tax				(38,289)
Net profit (loss)				149,421

- (1) Economic revenue corresponds to revenue of the Group and its joint ventures and associates 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

June 30, 2022				
In thousands of euros	Industries	Modules	Unallocated items	Total
Net amounts				
Goodwill	506,082	527,726	301	1,034,109
Intangible assets	434,587	106,393	5,437	546,417
Property, plant and equipment	1,481,480	138,901	36,513	1,656,894
Investment property	-	-	30	30
Inventories	628,754	84,616	-	713,370
Trade receivables	705,027	179,181	1,959	886,167
Other receivables	247,604	32,939	41,154	321,697
Finance receivables (C)	1,536	-	-	1,536
Current accounts and other financial assets (D)	-996,535	2,714	1,003,034	9,213
Long-term investments in equities instruments and funds - FMEA 2 (F)	12,080	-	56,250	68,330
Hedging instruments (E)	-	-	-	-
Net cash and cash equivalents (A) ⁽¹⁾	129,435	71,766	807,420	1,008,621
Segment assets	3,150,050	1,144,236	1,952,098	6,246,384
Borrowings and financial debt (B)	240,597	69,860	1,628,138	1,938,596
Segment liabilities	240,597	69,860	1,628,138	1,938,596
Segment net financial debt = (B - A - C - D - E - F) ⁽²⁾	1,094,081	-4,620	-238,566	850,895
December 31, 2021				
In thousands of euros / Net amounts	Industries	Modules	Unallocated items	Total
Goodwill	499,146	527,726	-	1,026,872
Intangible assets	421,548	111,626	5,603	538,777
Property, plant and equipment	1,457,405	143,474	38,029	1,638,908
Investment property	-	-	30	30
Inventories	575,871	61,807	-	637,678
Trade receivables	587,072	137,047	10,158	734,277
Other receivables	264,249	34,781	55,365	354,395
Finance receivables (C)	3,000	-	-	3,000
Current accounts and other financial assets (D)	-955,443	2,468	962,369	9,394
Long-term investments in equities instruments and funds - FMEA 2 (F)	9,970	-	68,101	78,071
Hedging instruments (E)	-	-	91	91
Net cash and cash equivalents (A) ⁽¹⁾	101,102	78,387	701,883	881,372
Total segment assets	2,963,920	1,097,316	1,841,629	5,902,865
Borrowings and financial debt (B)	303,817	71,305	1,450,423	1,825,545
Segment liabilities	303,817	71,305	1,450,423	1,825,545
Segment net financial debt = (B - A - C - D - E - F) ⁽²⁾	1,145,188	-9,550	-282,021	853,617

(1) Net cash and cash equivalents as reported in the Statement of Cash Flows. See also 5.1.9.2 "Net cash and cash equivalents at end of period".

(2) See Note 5.2.5.1 "Definition of debt within the Group" and Note 5.2.5.6 "Reconciliation of gross and net financial debt".

3.1.3. Other information by operating segment

First-half 2022				
In thousands of euros	Industries	Modules	Unallocated items	Total
Acquisitions of intangible assets	63,903	8,307	821	73,031
Capital expenditure including acquisitions of investment property	80,831	6,815	1,465	89,111
First-half 2021				
In thousands of euros	Industries	Modules	Unallocated items	Total
Acquisitions of intangible assets	56,230	7,878	1,777	65,885
Capital expenditure including acquisitions of investment property	57,615	8,768	4,446	70,829

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

The breakdown of revenue by region is based on the location of the Plastic Omnium subsidiaries generating the sales.

3.1.4.1. Information by sales region

First-half 2022			First-half 2021		
In thousands of euros	Totals	%	In thousands of euros	Totals	%
France	260,308	6.0%	France	270,866	6.5%
North America	1,263,148	29.3%	North America	1,029,547	24.9%
Europe excluding France	1,877,872	43.5%	Europe excluding France	2,005,716	48.5%
South America	76,922	1.8%	South America	55,196	1.3%
Africa	63,622	1.5%	Africa	60,566	1.5%
Asia	775,960	18.0%	Asia	716,348	17.3%
Economic revenue	4,317,832	100%	Economic revenue	4,138,238	100%
<i>Including revenue from joint ventures and associates at the Group's percentage stake</i>	396,896		<i>Including revenue from joint ventures and associates at the Group's percentage stake</i>	353,912	
Consolidated sales	3,920,936		Consolidated sales	3,784,326	

3.1.4.2. Information for the top ten contributing countries

First-half 2022			First-half 2021		
In thousands of euros	Totals	%	In thousands of euros	Totals	%
Germany	634,039	14.7%	Germany	676,567	16.3%
Mexico	608,351	14.1%	United States	518,601	12.5%
United States	605,540	14.0%	Mexico	488,890	11.8%
China	444,734	10.3%	China	433,504	10.5%
Spain	296,431	6.9%	Spain	323,290	7.8%
Slovakia	282,226	6.5%	Slovakia	310,956	7.5%
France	260,308	6.0%	France	270,866	6.5%
United Kingdom	185,503	4.3%	United Kingdom	174,819	4.2%
Poland	154,453	3.6%	Poland	153,389	3.7%
Korea	153,335	3.6%	Korea	148,120	3.6%
Other	692,912	16.0%	Other	639,236	15.6%
Economic revenue	4,317,832	100%	Economic revenue	4,138,238	100%
<i>Including revenue from joint ventures and associates at the Group's percentage stake</i>	396,896		<i>Including revenue from joint ventures and associates at the Group's percentage stake</i>	353,912	
Consolidated sales	3,920,936		Consolidated sales	3,784,326	

3.1.4.3. Information by car manufacturer

First-half 2022			First-half 2021		
In thousands of euros	Totals	% of total automotive revenue	In thousands of euros	Totals	% of total automotive revenue
Volkswagen Group	1,088,146	25.2%	Volkswagen Group	1,116,216	27.0%
Stellantis	719,823	16.7%	Stellantis	679,734	16.4%
Daimler	448,650	10.4%	Daimler	449,568	10.9%
General Motors	399,129	9.2%	BMW	361,693	8.7%
BMW	365,332	8.5%	General Motors	301,145	7.3%
Total – main manufacturers	3,021,079	70.0%	Total – main manufacturers	2,908,356	70.3%
Other car manufacturers	1,296,753	30.0%	Other car manufacturers	1,229,882	29.7%
Total economic revenue	4,317,832	100.0%	Total economic revenue	4,138,238	100%
<i>Including revenue from joint ventures and associates at the Group's percentage stake</i>	396,896		<i>Including revenue from joint ventures and associates at the Group's percentage stake</i>	353,912	
Total consolidated sales	3,920,936		Total consolidated sales	3,784,326	

4. NOTES TO THE INCOME STATEMENT**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	First-half 2022	%	First-half 2021	%
Research and Development costs after developments sold	-129,340	-3.3%	-117,447	-3.1%
Capitalized development costs	68,279	1.7%	60,788	1.6%
Depreciation of capitalized development costs	-73,164	-1.9%	-76,663	-2.0%
Research tax credit	8,222	0.2%	5,009	0.1%
Other (including grants and contributions received)	1,304	0.0%	1,714	0.0%
Research and Development costs	-124,699	-3.2%	-126,599	-3.4%

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

In thousands of euros	First-half 2022	First-half 2021
Cost of goods and services sold includes:		
Material consumption (purchases and changes in inventory) ⁽¹⁾	-2,756,251	-2,627,582
Direct production outsourcing	-6,621	-6,193
Utilities and fluids	-47,712	-45,365
Salary and benefits	-385,982	-366,731
Other production costs	-146,957	-122,105
Depreciation and amortization	-133,469	-128,797
Provisions	908	4,547
Total	-3,476,084	-3,292,226
Research and Development costs include:		
Salary and benefits	-102,506	-101,736
Depreciation, amortization and provisions	-82,473	-86,928
Other	60,280	62,065
Total	-124,699	-126,599
Selling costs include:		
Salary and benefits	-15,347	-14,559
Depreciation, amortization and provisions	-413	-438
Other	-6,553	-5,489
Total	-22,313	-20,486
Administrative costs include:		
Salary and benefits	-86,053	-80,308
Other administrative expenses	-37,419	-28,777
Depreciation and amortization	-8,903	-8,776
Provisions	284	191
Total	-132,091	-117,670

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

· +€1,605 thousand at June 30, 2022

· +€1,405 thousand at June 30, 2021

4.3. 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 fifteen years for the brand recognized on the takeover of HBPO in July 2018.

The “Technology” intangible asset of the Austrian company “Plastic Omnium New Energies Wels GmbH” acquired on March 1, 2021 (see Note 2.2.1.1.2 “Finalization of the allocation of the purchase price of EKAT” in “Other significant events of the period”) will be amortized over twelve years from the start of series production.

In thousands of euros	First-half 2022	First-half 2021
Amortization of brands	-273	-273
Amortization of contractual customer relationships	-9,577	-9,822
Total amortization of intangible assets acquired	-9,850	-10,095

4.4. 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 as well as the EKPO Fuel Cell Technologies joint venture since March 1, 2021 (see Note 2.2.1.1.1 in “Other significant events of the period”).

Share of profit (loss) of associates and joint ventures breaks down as follows (please refer to Note 5.1.4 for “Equity investments in associates and joint ventures” in the Balance Sheet):

In thousands of euros	First-half 2022 % Interest	First-half 2021 % Interest	First-half 2022	First-half 2021
HBPO - SHB Automotive Modules	33.34%	33.34%	1,557	1,365
JV Yanfeng Plastic Omnium and its subsidiaries - joint venture	49.95%	49.95%	20,335	16,197
B.P.O. AS - joint venture	49.98%	49.98%	2,442	1,985
EKPO Fuel Cell Technologies	40.00%	40.00%	-796	-2,772
Total share of profit/(loss) of associates and joint ventures			23,539	16,775

4.5. Other operating income and expenses

In thousands of euros	First-half 2022	First-half 2021
Reorganization costs ⁽¹⁾	-4,152	-6,564
Impairment of non-current assets ⁽²⁾	9,856	-3,096
Provisions for litigations and expenses ⁽³⁾	-7,563	-7,620
Foreign exchange gains and losses on operating activities ⁽⁴⁾	-3,447	-2,801
Fees and expenses related to changes in the scope of consolidation ⁽⁵⁾	-14,368	-782
Gains/Losses on disposals of non-current assets	2,063	-308
Other	826	482
Total operating income and expenses	-16,785	-20,689
- of which total income	14,792	4,615
- of which total expense	-31,577	-25,304

At First-half 2022

(1) Reorganization costs:

Reorganization costs relate primarily to significant restructuring in the “Industries” segment in Germany and France.

(2) Impairment of non-current assets:

The net impact of asset impairment tests over the period is +€0.4 million, with +10.0 million recognized under this heading compared with -€1.9 million for the first half of 2021 (see Note 2.1.5 “Asset impairment tests” in “Significant events of the period”).

The difference of +€0.4 million is related to gains and losses on the disposal of assets previously impaired and disposed of during the period, charged to “Gains/losses on disposals of non-current assets”.

(3) Provisions for litigation and expenses:

This item mainly includes provisions for disputes related to vehicle recalls with several car manufacturers.

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

Over the period, foreign exchange gains and losses on operating activities mainly concern the Mexican peso and the Argentine peso (negative impacts), and the US dollar and Russian ruble (positive impacts).

(5) Fees and expenses related to changes in the scope of consolidation:

Fees related to acquisitions over the period.

At First-half 2021

Please refer to the Consolidated financial statements at June 30, 2021 for details of transactions in the previous fiscal year.

4.6. Net financial income (expense)

In thousands of euros	First-half 2022	First-half 2021
Finance costs	-17,793	-17,593
Interest on lease liabilities ⁽¹⁾	-3,374	-3,626
Financing fees and commissions	-3,403	-3,453
Borrowing costs	-24,570	-24,672
Exchange gains or losses on financing activities	9,800	10,628
Gains or losses on interest rate and currency hedges ⁽²⁾	-8,873	-10,691
Interest on post-employment benefit obligations	-602	-758
Other ⁽³⁾	244	-133
Other financial income and expenses	569	-954
Total	-24,001	-25,626

(1) See Notes 5.1.3 "Property, plant and equipment" and 5.2.5.6 "Reconciliation of gross and net financial debt".

(2) This item includes an amount of -€8,747 thousand corresponding to the impact of currency hedges. The Group does not have any interest rate instrument contracts.

See Note 5.2.6.1.2 "Impact of unsettled foreign exchange hedges on net income and equity".

(3) In the first half of 2022, this item corresponds to the financial impact of hyperinflation in Argentina for €244 thousand, compared to -€133 thousand for the first half of 2021.

4.7. Income tax

4.7.1. Income tax expense recognized in the income statement

The income tax expense breaks down as follows:

In thousands of euros	First-half 2022	First-half 2021
Current taxes on continuing activities	-37,502	-47,698
Current tax income/(expense)	-34,724	-43,633
Tax income/(expense) on non-recurring items	-2,778	-4,065
Deferred taxes on continuing activities	7,596	9,409
Deferred tax income/(expense) on timing differences arising or reversed during the period	7,249	9,410
Income/(expense) resulting from changes in tax rates or the introduction of new taxes	347	-1
Tax income (expense) on continuing activities recorded in the consolidated income statement	-29,906	-38,289

4.7.2. Income tax analysis - Tax proof

Analysis of the income tax expense includes the following:

In thousands of euros	First-half 2022		First-half 2021	
	Totals	% ⁽¹⁾	Totals	% ⁽¹⁾
Consolidated loss (profit) on continuing activities before tax and share of profit (loss) of associates and joint ventures (A)	115,110		170,935	
Tax rate applicable in France (B)		25.82%		28.40%
Theoretical tax expense (income) (C) = (A) x (-B)	-29,721		-48,543	
Difference between the theoretical tax expense and the current and deferred tax expense excluding tax assessed on net interim profit on continuing activities (D)	-185	-0.2%	10,254	6.0%
Tax credits	18,493	16.1%	18,069	10.6%
Permanent differences between accounting profits and taxable profits	-3,573	-3.1%	-4,691	-2.7%
Change in unrecognized deferred taxes	-12,773	-11.1%	3,781	2.2%
Impact on deferred tax of a tax rate change	347	0.3%	-1	0.0%
Impact of differences in foreign tax rates	628	0.5%	5,292	3.1%
Contribution to Value Added	806	0.7%	-2,378	-1.4%
Other impacts	-4,113	-3.6%	-9,818	-5.7%
Total current and deferred tax expense (income) on continuing activities (E) = (C) + (D)	-29,906		-38,289	
Effective tax rate (ETR) on continuing activities (E)/(A)	26.0%		22.4%	

(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 is 26.0% in the first half of 2022 (compared to 22.4% for first half of 2021).

In the first half of 2022, the tax expense recognized was -€29.9 million for a theoretical tax expense of -€29.7 million, based on a tax rate of 25.8%.

In the first half of 2021, the tax expense recognized was -€38.3 million for theoretical tax expense of -€48.5 million, based on a tax rate of 28.4%.

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

- €18.5 million in specific tax reductions or tax credits mainly in North America, Belgium, Asia and France (€18.1 million for the first half of 2021);
- a €0.6 million impact from lower taxes, mainly in Asia (China, Thailand), the United States and Europe (excluding France and Belgium) (€5.3 million for the first half of 2021). The difference between the tax rate in France and countries with lower tax rates has a favorable impact on profits and an unfavorable effect on losses;
- a -€1.8 million 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 (€3.8 million for the first half of 2021) – Please refer to Note 2.1.6 “Deferred tax assets” in “Significant events of the period”; and
- -€3.6 million in permanent differences between accounting profits and taxable income (-€4.7 million for the first half of 2021).

4.8. Net profit (loss) attributable to non-controlling interests

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

In thousands of euros	First-half 2022	First-half 2021
HBPO GmbH and its subsidiaries	4,288	4,510
Beijing Plastic Omnium Inergy Auto Inergy Co. Ltd	-66	777
Plastic Omnium Auto Inergy Manufacturing India Pvt Ltd	190	246
DSK Plastic Omnium Inergy	122	1,659
DSK Plastic Omnium BV	-33	-13
Total attributable to non-controlling interests	4,502	7,180

4.9. Earnings per share and diluted earnings per share

Net profit attributable to owners of the parent	First-half 2022	First-half 2021
Basic earnings per share (in euros)	0.72	0.98
Diluted earnings per share (in euros)	0.72	0.98
Weighted average number of ordinary shares outstanding at end of period	147,122,153	147,560,924
- Treasury stock	-2,192,147	-2,102,769
Weighted average number of ordinary shares, undiluted	144,930,006	145,458,155
- Impact of dilutive instruments (stock options)	303,608	386,753
Weighted average number of ordinary shares, diluted	145,233,614	145,844,908
Weighted average price of the Plastic Omnium share during the period		
- Weighted average share price	17.92	29.96

5. NOTES TO THE BALANCE SHEET**5.1. Assets****5.1.1. Goodwill**

Despite some indications of impairment in certain entities, the analysis carried out at the end of June 2022 did not call into question the medium- to long-term outlook of the latest strategic plan. No impairment test has therefore been carried out on goodwill in respect of the interim financial statements for the period ending June 30, 2022. See Note 2.1.5 “Asset impairment tests” in “Significant events of the period”.

GOODWILL In thousands of euros	Gross Value	Impairment	Net value
Goodwill at January 1, 2021	1,014,369	-	1,014,369
Goodwill on acquisition of Plastic Omnium New Energies Wels GmbH ⁽¹⁾	6,311	-	6,311
Translation differences	6,192	-	6,192
Goodwill at December 31, 2021	1,026,872	-	1,026,872
Translation differences	7,237	-	7,237
Goodwill at June 30, 2022	1,034,109	-	1,034,109

- (1) The Group acquired the company Plastic Omnium New Energies Wels GmbH on March 1, 2021. The opening balance sheet was finalized on March 1, 2022. See Note 2.2.1.1.2 in "Other significant events of the period".

5.1.2. Other intangible assets

In thousands of euros	Patents and brands	Software	Development assets	Customer contracts	Other	Total
Carrying amount published at December 31, 2021	7,471	15,081	467,797	48,425	2	538,777
Capitalized development	-	-	68,279	-	-	68,279
Increases	8	495	4,248	-	-	4,751
Disposals - net	-	-	-91	-	-	-91
Reclassifications	-	1,728	-1,048	-	-	680
Amortization for the period	-1,092	-3,820	-73,164	-9,578	-	-87,655
Adjustments to amortization from prior periods ⁽¹⁾	8,621	-	-	-	-	8,621
Translation adjustment	155	132	12,769	-	-	13,056
Carrying amount at June 30, 2022	15,162	13,616	478,789	38,847	2	546,417

- (1) This net adjustment is an income of €5,279 thousand recognized in reserves at June 30, 2022, after taking into account deferred tax of -€3,342 thousand.

5.1.3. Property, plant and equipment

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

Impairment tests on assets led to the updating of impairment of property, plant and equipment over the period (see Notes 2.1.5 "Asset impairment tests" and 4.5 "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 January 1, 2022 : Property, plant and equipment owned outright	95,009	521,373	483,855	140,401	196,149	1,436,787
Acquisitions	61	966	9,827	73,049	5,208	89,111
Disposals	-3	-290	-834	-	45	-1,082
Other reclassifications	568	9,038	22,027	-54,495	23,413	551
Depreciation for the period	-783	-15,598	-60,180	-	-46,278	-122,839
Impairment and reversals	-	-	499	-	9,856	10,355
Translation adjustment	4,041	18,438	15,496	6,155	4,552	48,682
Wholly-owned property, plant and equipment: Carrying amount at June 30, 2022 (A)	98,893	533,927	470,690	165,110	192,945	1,461,565

Carrying amount at January 1, 2022: Lease right-of-use assets	573	171,538	18,618	-	11,392	202,121
Acquisitions	-	15,825	1,628	-	2,521	19,974
Decreases	-	-4,942	-1,111	-	-101	-6,154
Depreciation for the period	-55	-17,472	-3,386	-	-3,641	-24,554
Other reclassifications	-	2	309	-	-4	307
Translation adjustment	20	2,791	677	-	147	3,635
Lease-right-of-use assets: Carrying amount at June 30, 2022 (B)	538	167,742	16,735	-	10,314	195,329

Property, plant and equipment: Carrying amount at June 30, 2022 (C) = (A)+ (B)	99,431	701,669	487,425	165,110	203,259	1,656,894
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5.1.4. Non-consolidated interests and equity investments in associates and joint ventures

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 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.

Shares in equity-accounted investments in associates and joint ventures:

These are equity investments in associates and joint ventures

Convertible Bonds:

These are the Group's investments in the form of bonds for which the Group has the choice, at the time of settlement, of either repayment or conversion into shares. Investment in Verkor in the first half of 2022: see Note 2.2.2.1 under “Other significant events of the period”.

Details of all these assets are provided in the table below:

In thousands of euros	2022 % interest	2021 % interest	June 30, 2022	December 31, 2021
HBPO - SHB Automotive Modules	33.34%	33.34%	13,951	16,405
JV Yanfeng Plastic Omnium and its subsidiaries - joint venture	49.95%	49.95%	178,371	184,138
B.P.O. AS - joint venture	49.98%	49.98%	7,061	7,263
EKPO Fuel Cell Technologies ⁽¹⁾	40.00%	40.00%	96,253	96,471
Total investments in associates and joint ventures			295,635	304,277
Other non-consolidated equity investments			213	136
Total non-consolidated equity investments			213	136
Verkor convertible bonds ⁽²⁾			20,000	-
Total convertible bonds			20,000	-
Total investments consolidated by the equity method and non-consolidated equity instruments			315,848	304,413

(1) See note 2.2.1.1 "Finalization of the allocation of the acquisition price of the Group's stake in the EKPO joint venture" in "Other significant events of the period" and Note 4.4 "Share of profit (loss) of associates and joint ventures".

(2) See note 2.2.2.1 "Group investment in the French company, Verkor, a specialist in the manufacture of batteries for future mobility" in "Other significant events of the period".

5.1.5. 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:

5.1.5.1. 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", "AP Ventures" and "FAIM" venture capital companies;
- 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 in the income statement.

In thousands of euros	June 30, 2022			December 31, 2021		
	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	-3,903	97	4,000	-3,903	97
Financial investments in listed securities ^{(1) - (3)}	42,720	-	42,720	57,687	-	57,687
Financial investments in the venture capital AP Ventures ^{(1) - (4)}	28,882	-16,985	11,897	26,488	-16,690	9,798
Investment in the venture capital company Aster ^{(1) - (5)}	20,000	-6,882	13,118	20,000	-9,682	10,318
Investment in the venture capital company FAIM ⁽⁶⁾	5,000	-4,685	315	-	-	-
Other ⁽¹⁾	-	-	183	-	-	173
Long-term investments in equities and funds			68,330			78,071

- (1) Financial investments in the FMEA 2 fund and investments in shares in listed companies are listed under long-term financial receivables in Note 5.2.5.6 “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 period, the Group invested in listed securities (See Statement of Cash-Flows).
- (4) Total Group investments in AP Ventures, a venture capital fund dedicated to hydrogen, amounted to \$12.4 million, equivalent to €1.9 million (versus \$11.1 million, equivalent to €9.8 million at December 31, 2021).

The Group has committed to \$30 million over the life of the fund.

- (5) During the period, the Group paid €2.8 million and did not receive any financial income in return (recognized in the balance sheet over the period of full payment the amount subscribed).
- (6) The Group has committed to €5 million. See Note 2.2.2.2 in the "Other significant events of the period".

5.1.5.2. Other non-current financial assets

In thousands of euros	June 30, 2022	June 30, 2021
Loans	1,269	1,359
Deposits and surety bonds	7,749	7,992
Other non-current assets and financial receivables (see Note 5.2.5.6)	9,018	9,351

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

5.1.6. Inventories and inventories in progress

In thousands of euros	June 30, 2022	December 31, 2021
Raw materials and supplies		
At cost (gross)	233,933	202,541
Net realizable value	215,476	184,728
Molds, tooling and engineering		
At cost (gross)	325,989	311,217
Net realizable value	323,155	306,972
Maintenance inventories		
At cost (gross)	84,063	78,835
Net realizable value	65,034	61,673
Goods		
At cost (gross)	1,664	1,771
Net realizable value	1,246	1,309
Semi-finished products		
At cost (gross)	72,002	55,417
Net realizable value	68,176	51,132
Finished products		
At cost (gross)	43,507	34,636
Net realizable value	40,281	31,865
Total net	713,370	637,678

5.1.7. Current financial receivables

In thousands of euros	June 30, 2022	December 31, 2021
	Carrying amount	Carrying amount
Current financial receivables (see Note 5.2.5.6)	1,536	3,000
<i>of which Finance receivables</i>	<i>1,536</i>	<i>3,000</i>
Other current financial assets and financial receivables (see Note 5.2.5.6)	194	43
<i>of which Other</i>	<i>194</i>	<i>43</i>
Total current financial receivables	1,730	3,043

5.1.8. Trade and other receivables
5.1.8.1. 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 €408 million at June 30, 2022 versus €351 million at December 31, 2021.

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

In thousands of euros	June 30, 2022			December 31, 2021		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Trade receivables	897,927	-11,760	886,167	745,954	-11,677	734,277

The Group has not identified any significant non-provisioned customer risk over the two periods (see Note 6.2.1 "Customer risk").

5.1.8.3. Other receivables

In thousands of euros	June 30, 2022	December 31, 2021
Sundry receivables	120,908	142,733
Prepayments to suppliers of tooling and prepaid development costs	11,384	13,356
Income tax receivables ⁽¹⁾	66,881	83,197
Other tax receivables	111,662	103,219
Employee advances	5,700	6,777
Prepayments to suppliers of non-current assets	5,162	5,113
Other receivables	321,697	354,395

(1) Repayment of €27.4 million (\$30 million) by the United States Tax Administration of part of the carry-back requested in 2021. See note 2.2.3 in the "Other significant events of the period".

5.1.8.4. Trade and other receivables by currency

In thousands of currency units	June 30, 2022			December 31, 2021		
	Local currency	Euro	%	Local currency	Euro	%
EUR Euro	517,186	517,186	43%	458,834	458,834	42%
USD US dollar	373,994	360,060	30%	380,352	335,822	31%
CNY Chinese yuan	809,360	116,247	10%	966,108	134,281	12%
GBP Pound sterling	49,282	57,425	5%	24,546	29,212	3%
Other Other currencies		156,946	13%		130,523	12%
Total		1,207,864	100%		1,088,672	100%
<i>Of which:</i>						
• Trade receivables		886,167	73%		734,277	67%
• Other receivables		321,697	27%		354,395	33%

5.1.9. Cash and cash equivalents
5.1.9.1 Gross cash and cash equivalents

In thousands of euros	June 30, 2022	December 31, 2021	June 30, 2021
Cash at banks and in hand	982,202	865,002	612,740
Short-term deposits	36,553	27,634	23,094
Total cash and cash equivalents on the assets side of the balance sheet	1,018,755	892,636	635,834

Cash and cash equivalents break down as follows:

In thousands of euros	June 30, 2022	December 31, 2021	June 30, 2021
Cash and cash equivalents of the Group's captive reinsurance company	10,411	14,088	13,507
Cash and cash equivalents in countries with exchange controls ⁽¹⁾	72,907	67,907	64,059
Available cash	935,436	810,641	558,268
Total cash and cash equivalents on the assets side of the balance sheet	1,018,755	892,636	635,834

(1) "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.

5.1.9.2. Net cash and cash equivalents at end of period

In thousands of euros	June 30, 2022	December 31, 2021	June 30, 2021
Cash and cash equivalents	1,018,755	892,636	635,834
Short-term bank loans and overdrafts	-10,133	-11,264	-8,859
Net cash and cash equivalents in the Statement of Cash-Flows	1,008,621	881,372	626,975

5.1.10. Statement of cash-flows – Acquisitions and disposals of financial assets, non-controlling interests and related investments and non-consolidated equity interests
5.1.10.1 Acquisitions of equity interests, non-controlling interests and related investments

The Group's financial acquisitions were as follows:

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

These are recorded under "Financial transactions" in the Statement of Cash-Flows.

At June 30, 2022:

The amount of -€30 million in “Acquisitions of equity investments in subsidiaries and investments leading to a change in control” corresponds to the amount paid out during the first half according to the debt repayment schedule for the 40% equity investment in EKPO Fuel Cell Technologies. The balance at June 30, 2022 stood at €40 million. See Note 2.2.1.1.1 in “Other significant events of the period”.

At December 31, 2021 and at June, 30, 2021:

The amount of -€43.5 million in “Acquisitions of equity investments in subsidiaries and investments leading to a change in control” corresponds to the amounts paid out for the acquisition of a 40% stake in the company EKPO Fuel Cell Technologies and the acquisition of Plastic Omnium New Energies Wels GmbH during the fiscal year.

The Plastic Omnium Group has undertaken to pay, according to a contractual schedule, an amount of €70 million by September 2024 corresponding to the remaining balance of the purchase price of the shares. See the detail in Note 2.2.2.1.1 “Acquisition price” under “Other significant events of the period”. The total value of the shares acquired therefore amounts to €13.5 million.

Plastic Omnium New Energies Wels GmbH contributed to €373 thousand of cash included in the opening balance sheet.

b - Investment in Convertible bonds

This concerns:

- the Group’s investment in Verkor. See Note 2.2.2.1 in “Other significant events of the period”; and
- and the investment of the New Energies Division in February 2022 in the American company “Noble Gas Systems Inc.” for €77 thousand (\$85 thousand).

5.1.11 Impact of dividends paid in the Statement of Cash-Flows***5.1.11.1 Impact on the Statement of Cash-Flows of dividends paid by the Compagnie Plastic Omnium Group***

In the first half of 2022, the dividend paid by Compagnie Plastic Omnium SE to shareholders other than Burelle SA amounted to €16,136 thousand (compared to €28,499 thousand in the first half of 2021), bringing the total amount of the dividend thus paid by Compagnie Plastic Omnium SE to €40,586 thousand (compared to €71,287 thousand in fiscal year 2021).

See the corresponding amount in the Statement of Changes in Shareholders’ Equity and in Note 5.2.2 “Dividends approved and paid by Compagnie Plastic Omnium SE”.

5.1.11.2 Impacts in the Statement of Cash-Flows of dividends paid by other Group companies

At June 30, 2022, the amount of dividends of the other Group companies, voted and approved, amounted to €8,802 thousand compared to €10,821 thousand at June 30, 2021 and is shown in the Statement of Changes in Shareholders’ Equity.

The amount of dividends paid by the other Group companies, shown in the Statement of Cash-Flows at June 30, 2022, amounted to €24,938 thousand (including the amount paid by Compagnie Plastic Omnium SE) compared to €40,009 thousand at June 30, 2021.

In the first half of 2021, the difference in the Statement of Changes in Shareholders’ Equity and the Statement of Cash-Flows corresponded to the net change in the dividend in transit and approved but not yet paid to the non-controlling interests of a Group subsidiary for €589 million.

5.2. Liabilities and Shareholders' Equity
5.2.1. Group shareholders' equity
5.2.1.1 Share capital of Compagnie Plastic Omnium SE

In euros	June 30, 2022	December 31, 2021
Share capital at January 1 of the period	8,827,329	8,913,966
Capital reduction during the period	-	-86,637
Share capital at end of period, made up of ordinary shares with a par value of €0.06 each over the two periods	8,827,329	8,827,329
Treasury stock	156,498	123,685
Total share capital net of treasury stock	8,670,831	8,703,644

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

Capital structure at June 30, 2022

At June 30, 2022, the share capital amounted to €8,827,329.18 comprising 147,122,153 shares with a par value of €0.06 per share.

Treasury stock amounted to 2,608,300 shares, *i.e.* 1.77% of the share capital, compared to 2,061,413 shares, or 1.40% of the share capital at June 30, 2021.

Capital structure at December 31, 2021

At December 31, 2021, Compagnie Plastic Omnium's share capital was made up of shares with a par value of €0.06, bringing the Company's share capital to €8,827,329.18, with 2,061,413 treasury shares, representing 1.40% of the share capital, compared with 2,834,235 shares, representing 1.91% of the share capital at December 31, 2020.

5.2.1.2 Voting rights of the main shareholder Burelle SA in Compagnie Plastic Omnium SE

The voting rights of the main shareholder Burelle SA over the reference periods are presented as follows:

	June 30, 2022	December 31, 2021
Voting rights of Burelle SA	73.29%	73.28%

5.2.1.3 Note to the Statement of Other Comprehensive Income – Net profit (loss) of the period attributable to owners of the parent Compagnie Plastic Omnium SE
Net profit (loss) of the period:

Net profit of the period attributable to owners of the parent amounted to:

- €2,984 at June 30, 2022;
- €7,076 thousand at December 31, 2021;
- €5,401 thousand at June 30, 2021.

Net other comprehensive income of the period:

Net other comprehensive income in the period attributable to owners of the parent amounted to:

- €7,535 at June 30, 2022;
- €15,455 thousand at December 31, 2021;
- €104,289 thousand at June 30, 2021

5.2.1.4 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
At January 1, 2021	-65,072	-1,389	11	24,863	2,282,672	2,241,085
Movements in First-half 2021	11,574	98	164	2,983	-353,766	-338,947
At June 30, 2021	-53,498	-1,291	175	27,846	1,928,906	1,902,138
Movements in second-half 2021	309	95	-465	9,549	-1,731	7,757
At December 31, 2021	-53,189	-1,196	-290	37,395	1,927,175	1,909,895
Movements in First-half 2022	19,052	96	269	-14,967	93,235	97,684
At June 30, 2022	-34,137	-1,100	-21	22,428	2,020,410	2,007,579

5.2.1.5 Breakdown of “Changes in the scope of consolidation and reserves” in the “Consolidated Statement of Changes in Equity”

No changes occurred during first-half of 2022.

5.2.2. Dividends approved and paid by Compagnie Plastic Omnium SE

<i>Amounts in thousands of euros</i> <i>Dividends per share in euros</i> <i>Number of shares in units</i>	June 30, 2022		December 31, 2021	
	Number of shares in 2021	Dividend	Number of shares in 2020	Dividend
Dividends per share (in euros)		0.28 ⁽¹⁾		0.49 ⁽¹⁾
Total number of shares outstanding on the dividend payment date	147,122,153 ⁽²⁾		147,122,153 ⁽²⁾	
Total number of shares outstanding at the end of the previous year	147,122,153		148,566,107	
Total number of shares held in treasury on the dividend payment date	2,172,481 ⁽³⁾		1,637,740 ⁽³⁾	
Total number of shares held in treasury at year-end (for information)	2,061,413 ⁽³⁾		2,834,235 ⁽³⁾	
Dividends on ordinary shares		41,194		72,090
Dividends on treasury stock (unpaid)		-608 ⁽²⁾		-803 ⁽²⁾
Total net dividends		40,586		71,287

(1) During the first half of 2022, Compagnie Plastic Omnium paid a dividend of €0.28 per share on the fiscal year 2021 net profit, versus €0.49 per share at June 30, 2021 on the fiscal year 2020 net profit.

(2) **At June 30, 2022:** 2,061,413 treasury shares were taken into account at December 31, 2021 to determine the provisional total dividend. The number of treasury shares at the time of the dividend’s payment during the first-half of 2022 amounted to 2,172,481 shares, increasing the dividends attached to these shares from €577 thousand to €608 thousand.

At December 31, 2021: 2,834,235 treasury shares were taken into account at December 31, 2020 to determine the provisional total dividend. The number of treasury shares at the time of the dividend’s payment during the first half of 2021 amounted to 1,637,740 shares, decreasing the dividends attached to these shares from €1,389 thousand to €803 thousand.

5.2.3. Share-based payments
Plan of April 22, 2022:

A performance share grant was awarded by the Board of Directors of February 17, 2022, to executive corporate officers of Compagnie Plastic Omnium (two beneficiaries), with a three-year vesting period ending on April 22, 2025 at the end of the General Meeting of Shareholders in 2025 called to approve the 2024 financial statements.

The main assumptions used for the valuation of the plans using the principles of IFRS 2 are provided in the following table:

Valuation of April 22, 2022 plan <i>In euros</i> <i>In units for the number of shares</i>	Valuation of the number of shares awarded and valuation on April, 22, 2022		
	Initial	Renunciations during the first half of 2022	Final positions
Number of shares allocated to the performance share plan	95,602 shares	0 share	95,602 shares
Market conditions	Not subject to market conditions		
Plastic Omnium share price at the performance plan on the award date	€15.58		
Average value of one share	€4.00		
Number of shares to be awarded after application of an employee turnover rate	95,602		
Estimated overall cost of the plan on the award date of allocation - (Accounting expense with adjustment to reserves)	€1,338,428		

The overall cost of the plan was valued at the time of its implementation for the June 30, 2022 financial statements. The overall expense amounts to €1,338,428, amortized on a straight-line basis over the three-year vesting period, of which €85,406 at June 30, 2022 (for an annual expense of €446,143).

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 in 2025. It is subject to a provision for expenses, calculated on the nominal value of the shares according to the market price at the award date, spread over the term of the plan, *i.e.* three years. As of June 30, 2022, the provision for expenses in this regard, amounted to €85,406 thousand.

5.2.4. Provisions

In thousands of euros	Au December 31, 2021	Allocations	Utilizations	Releases of surplus provisions	Reclassifi- cations	Actuarial gains/(los ses)	Changes in scope of consolidati on	Translatio n adjustmen t	June 30, 2022
Customer warranties	29,532	20,540	-6,283	-3,111	662	-	-	253	41,593
Reorganization plans ⁽¹⁾	24,579	461	-9,570	-646	-	-	-	-7	14,817
Provisions for taxes and tax risks	4,656	44	-	-	-214	-	-	428	4,914
Contract risks	22,542	7,597	-6,751	-1,991	816	-	-	-72	22,141
Provisions for claims and litigation	10,230	341	-638	-	-	-	-	241	10,174
Other	6,514	522	-264	-356	-1,211	-	-	26	5,231
Provisions	98,055	29,505	-23,506	-6,104	53	-	-	869	98,872
Provisions for pensions and other post-employment benefits ⁽²⁾	86,552	4,760	-2,224	-	-	-24,430	-	886	65,544
TOTAL	184,607	34,265	-25,730	-6,104	53	-24,430	-	1,755	164,416

(1) The utilizations of reorganization provisions mainly concern significant restructuring occurred in Germany and Belgium from the “Industries” segment.

(2) The decrease in the actuarial difference during the period is mainly explained by the increase in the discount rate in the two main regions i.e. Europe (up from 0.90% to 3.2%) and the United States (up from 2.73% to 4.5%).

In thousands of euros	December 31, 2020	1st time applicati on of IFRIC June 2021 - IAS 19	January 1, 2021	Allocation	Utilizati ons	Releases of surplus provisi ons	Reclassif i- cations	Actuarial gains/(loss es)	Change in scope of consolidat ion (derecogni tion)	Transla tion adjustm ent	Decembe r 31, 2021
Customer warranties	28,713	-	28,713	21,719	-13,118	-7,331	-709	-	-	258	29,532
Reorganization plans ⁽²⁾	48,266	-	48,266	3,520	-27,219	-	-	-	-	12	24,579
Provisions for taxes and tax risks	954	-	954	4,049	-387	-	-43	-	-	83	4,656
Contract risks	22,262	-	22,262	14,008	-8,908	-4,958	-99	-	-	237	22,542
Provisions for claims and litigation	11,269	-	11,269	1,222	-1,692	-639	-	-	-	70	10,230
Other	7,348	-	7,348	1,617	-2,125	-193	-131	-	-	-2	6,514
Provisions	118,814	-	118,814	46,135	-53,449	-13,121	-982	-	-	658	98,055
Provisions for pensions and other post- employment benefits	100,331	-3,466	96,865	11,433	-10,025	-	-	-13,361	4	1,636	86,552
TOTAL	219,145	-3,466	215,679	57,568	-63,474	-13,121	-982	-13,361	4	2,294	184,607

(1) See from the 2021 Annual report, Notes 1.1 “Accounting standards applied”, 1.4.2 “Provisions for pensions and similar” and 5.2.5 “Provisions for pensions and other post-employment benefits”.

(2) The uses of reorganization provisions mainly concerned significant restructurings in Germany and Belgium from the “Industries” segment.

(3) The decrease in the actuarial difference during the period was mainly explained by the increase in the discount rate in the two main regions i.e. Europe (up from 0.35% to 0.90%) and the United States (up from 2.46% to 2.73%).

5.2.5. Current and non-current borrowings

5.2.5.1 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;
- plus short-term loans;
- plus overdraft facilities; and
- minus cash and cash equivalents.

5.2.5.2 Borrowings: private placement notes and bonds

In the first half of 2022:

On May 24, 2022, the Group completed a "Schuldschein" private placement, without covenants, for €400 million (divided into six tranches with different terms and interest rates). See Note 2.2.4.1 in "Significant events of the period".

- maturities: 3, 5 and 7 years;
- fixed rate portion: €159 million;
- floating rate portion: €241 million;
- average financing rate: 1.58%.

In parallel with this transaction, the Group repaid €41 million on the Schuldschein of June 16, 2016 issued for a total amount of €300 million, which was due on June 17, 2023.

The main terms of the bonds and private placements as at June 30, 2022 are summarized in the following table:

June 30, 2022	"Schuldscheindarlehen" " private placement of June 16, 2016	Private placement bond issue of June 26, 2017	"Schuldscheindarlehen" " private placement of December 21, 2018	"Schuldschein" private placement of May 24, 2022
Issue - Fixed rate (in euros)	300,000,000	500,000,000	300,000,000	159,000,000 ⁽²⁾
Issue - variable rate (in euros)				241,000,000 ⁽²⁾
Interest rate / annual coupon	1.478%	1.250%	1.632%	1.580%
Investors	International (Asian, German, Dutch, Swiss, Luxembourg, Belgian) and French investors	European investors	International (German, Chinese, Belgian, Swiss, Austrian) and French investors	Foreign investors (German, Swiss, Slovak etc.) and French
	No covenant or rating obligations			
Maturity	June 17, 2023	June 26, 2024	December 21, 2025	May, 23, 2029

(1) : Early reimbursement during the first half 2022, of an amount of 141 million euros, on the initial amount of the placement of €300 million.

(2) See also Note 2.2.4.1 in the "Other significant events of the period".

5.2.5.3 Bank loans

The Group has not made any new drawdowns in the first half of 2022 compared to December 31, 2021. It retains the same lines as those negotiated on December 31, 2021.

5.2.5.4. Short-term borrowings: issuance of "Negotiable European Commercial Paper" (Neu-CP)

The Group reduced its issuance of Negotiable European Commercial Paper (Neu-CP) over the first half of 2022.

The characteristics are presented in the table below:

June 30, 2022	Neu-CP during the period
Issuance (in euros)	238,000,000
Investors	European investors
Maturity	Less than 1 year

5.2.5.5 Confirmed medium-term credit lines

At June 30, 2022, the Group benefited from several confirmed bank credit lines whose amount exceeds the Group's needs.

At June 30, 2022, these confirmed bank lines of credit amounted to €1,930 million, nearly all of which was undrawn, as at December 31, 2021. The average maturity is 3.5 years at June 30, 2022 compared to four years at December 31, 2021.

5.2.5.6 Reconciliation of gross and net financial debt

In thousands of euros	June 30, 2022			December 31, 2021		
	Total	Current portion	Non-current portion	Total	Current portion	Non-current portion
Finance lease liabilities ⁽¹⁾	205,421	50,151	155,270	214,730	48,750	165,980
Bonds and bank loans	1,683,399	465,633	1,217,766	1,539,381	422,179	1,117,202
<i>of which the 2022 "Schuldschein" private placement ⁽²⁾</i>	399,166	661	398,505	-	-	-
<i>of which the 2018 "Schuldscheindarlehen" private placement</i>	301,753	2,575	299,178	299,257	148	299,109
<i>of which the bond issue in 2017</i>	498,429	87	498,342	501,177	3,238	497,939
<i>of which the 2016 "Schuldschein" private placement</i>	158,955	158,955	-	302,069	2,405	299,664
<i>of which Neu-CP ⁽³⁾</i>	238,000	238,000	-	322,500	322,500	-
<i>of which bank lines of credit ⁽⁴⁾</i>	87,095	65,354	21,741	114,377	93,888	20,490
Current and non-current borrowings and other debt (+)	1,888,820	515,784	1,373,036	1,754,111	470,929	1,283,182
Other current and non-current debt related to the acquisition of a stake in EKPO (+) ⁽⁵⁾	40,000	10,000	30,000	70,000	30,000	40,000
Hedging instruments - liabilities (+) ⁽⁶⁾	9,775	9,775	-	1,434	1,434	-
Total borrowings (B)	1,938,595	535,559	1,403,036	1,825,545	502,363	1,323,182
Long-term investments in equity instruments and funds (-) ⁽⁷⁾	-68,330	-	-68,330	-78,071	-	-78,071
Other financial assets (-)	-10,554	-1,536	-9,018	-12,351	-3,000	-9,351
<i>of which non-current financial receivables ⁽⁸⁾</i>	-9,018	-	-9,018	-9,351	-	-9,351
<i>of which financial receivables ⁽⁹⁾</i>	-1,536	-1,536	-	-3,000	-3,000	-
Other current financial assets and receivables (-) ⁽⁹⁾	-194	-194	-	-43	-43	-
Hedging instruments - assets (-) ⁽⁶⁾	-	-	-	-91	-91	-
Total financial receivables (C)	-79,078	-1,730	-77,348	-90,555	-3,133	-87,422
Gross debt (D) = (B) + (C)	1,859,517	533,829	1,325,688	1,734,990	499,230	1,235,760
Cash and cash equivalents (-) ⁽¹⁰⁾	1,018,755	1,018,755	-	892,636	892,636	-
Short-term bank loans and overdrafts (+)	-10,133	-10,133	-	-11,264	-11,264	-
Net cash and cash equivalents as recorded in the Statement of Cash-Flows (A) ⁽¹¹⁾	-1,008,621	-1,008,621	-	-881,372	-881,372	-
NET FINANCIAL DEBT (E) = (D) + (A)	850,895	-474,793	1,325,688	853,618	-382,142	1,235,760

(1) During the first half 2022, the change of net debt from lease contracts amounted to -€2.3 million, including +€2.7 million in increases related to new contracts and -€8.0 million related to repayment on active assets contracts versus a change in net debt of -€3.7 million during the first half 2021 (+€6.9 million on new contracts and -€0.6 million in repayments on active contracts).

(2) See Notes 2.2.4.1 in "Other significant events of the period" and 5.2.5.2 "Borrowings: private placement notes and bonds".

(3) See Notes 2.2.4.2 in "Other significant events of the period" and 5.2.5.4 "Short-term borrowings: issuance of "Negotiable European Commercial Paper" (Neu-CP)".

(4) See Notes 5.2.5.3 "Bank loans" and 5.2.5.5 "Confirmed medium-term credit lines".

(5) See Note 2.2.2.1.1 "The acquisition price" in "Other significant events of the period".

(6) See Note 5.2.6 "Interest rate and currency hedges".

(7) See Note 5.1.5.1 "Long-term investments in equity instruments and funds".

(8) See Note 5.1.5.2 "Other non-current financial assets".

(9) See Notes 5.1.7 "Current financial receivables".

(10) See Note 5.1.9.1 "Gross cash and cash equivalents".

(11) See Note 5.1.9.2 "Net cash and cash equivalents at end of period".

5.2.5.7 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 financial debt</i>	June 30, 2022	December 31, 2021
Euro	69%	58%
US dollar	20%	29%
Chinese yuan	6%	7%
Pound sterling	2%	2%
Japanese yen	1%	1%
Brazilian real	1%	1%
Indian rupee	1%	1%
Other currencies ⁽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.

5.2.5.8 Analysis of gross financial debt by type of interest rate

<i>As a % of financial debt</i>	June 30, 2022	December 31, 2021
Hedged variable rates	-	-
Unhedged variable rates	31%	27%
Fixed rates	69%	73%
Total	100%	100%

5.2.6. Interest rate and currency hedges

The Group does not have any interest rate contracts.

<i>In thousands of euros</i>	June 30, 2022		December 31, 2021	
	Assets	Liabilities	Assets	Liabilities
Exchange rate derivatives	-	-9,775	91	-1,434
Total balance sheet	-	-9,775	91	-1,434

5.2.6.1 Currency hedges

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

At June 30, 2022, the fair value of the instruments implemented and thus recognized was -€9,775 thousand of which -€149 thousand was recognized in equity.

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

5.2.6.1.1. Portfolio of currency hedges

	June 30, 2022				December 31, 2021			
	Fair value (in thousands of euros)	Notional amount (in thousands of currency units)	Medium-term exchange rate	Exchange rate at June 30, 2022	Fair value (in thousands of euros)	Notional amount (in thousands of currency units)	Medium-term exchange rate	Exchange rate at December 31, 2021
			Currency / Euro	Currency / Euro			Currency / Euro	Currency / Euro
Net sell position (net buy position if >0)								
USD / EUR - Forward exchange contract	-149	-2,938	1.1267	1.0387	-40	-885	1.2004	1.1326
GBP / EUR - Forward exchange contract	-	-	-	-	-282	-2,973	0.9134	0.8403
USD / EUR - Forward currency swap	-8,373	-393,300	1.0681	1.0387	-973	-317,300	1.1375	1.1326
GBP / EUR - Forward currency swap	-178	-29,000	0.8628	0.8582	+6	-5,000	0.8394	0.8403
CHF / EUR - Forward currency swap	-48	-2,000	1.0203	0.9960	-21	-2,500	1.0419	1.0331
RUB / EUR - Forward currency swap	-	-	-	-	+5	-22,000	83.9385	85.3004
CNY / EUR - Forward currency swap	-812	-390,000	7.1057	6.9624	-117	-390,000	7.2475	7.1947
CNY / USD - Forward currency swap	-11	+13,300	6.7015	6.7030	+25	-85,067	6.3960	6.3524
JPY / EUR - Forward currency swap	-200	-3,295,000	142.7644	141.5400	+55	-1,450,000	129.7406	130.3800
IDR / EUR - Forward currency swap	-5	-16,205,000	15,882.0000	15,552.0000	+0	-16,205,000	16,300.0000	16,100.4200
TOTAL	-9,775				-1,342			

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

In thousands of euros	June 30, 2022	December 31, 2021
Impact of change in foreign exchange hedging portfolio on income (ineffective portion) ⁽¹⁾	-8,747	-8,447
Impact of change in foreign currency hedging portfolio on equity (effective portion)	314	-405
Total	-8,433	-8,852

(1) See “Gains or losses on interest rate and currency hedges” in Note 4.6 “Net financial income”.

5.2.7. Operating and other liabilities
5.2.7.1. Trade payables

In thousands of euros	June 30, 2022	December 31, 2021
Trade payables	1,381,527	1,190,948
Due to suppliers of fixed assets	49,964	73,478
Total	1,431,491	1,264,426

5.2.7.2. Other operating liabilities

In thousands of euros	June 30, 2022	December 31, 2021
Employee benefits expense	183,354	169,061
Income taxes	20,628	24,992
Other taxes	113,028	130,824
Other payables	332,170	323,088
Customer prepayments - Deferred revenues	287,542	311,674
Total	936,722	959,639

5.2.7.3. Trade payables and other operating liabilities by currency

In thousands of currency units		Liabilities at June 30, 2022			Liabilities at December 31, 2021		
		Local currency	Euro	%	Local currency	Euro	%
EUR	Euro	1,282,820	1,282,820	54%	1,211,802	1,211,802	54%
USD	US dollar	635,278	611,609	26%	605,714	534,799	24%
GBP	Pound sterling	64,258	74,875	3%	88,557	105,390	5%
CNY	Chinese yuan	972,290	139,649	6%	1,099,715	152,851	7%
BRL	Brazilian real	269,245	49,650	2%	225,527	35,741	2%
Other	Other currencies		209,610	9%		183,482	8%
Total			2,368,213	100%		2,224,065	100%
<i>Of which:</i>							
• <i>Trade payables</i>			1,431,491	60%		1,264,426	57%
• <i>Other operating liabilities</i>			936,722	40%		959,639	43%

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 Executives.

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.

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 June 30, 2022 and December 31, 2021, the gearing ratio was as follows:

In thousands of euros	June 30, 2022	December 31, 2021
Net financial debt ⁽¹⁾	850,895	853,618
Equity (including non-current grants)	2,174,709	2,058,254
Gearing ratio	39.13%	41.47%

(1) See Note 5.2.5.6 "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 June 30, 2022:
 - 231,594 shares
 - and 1,370,217 in cash
- at **December 31, 2021**:
 - 139,000 shares
 - and €3,004,264 in cash
- at June 30, 2021:
 - 117,824 shares
 - and €3,310,492 in cash.

6.2. Credit risk

Credit risk covers customer credit risk and bank counterparty risk.

6.2.1. Customer risk

At June 30, 2022, the 3.4% of the Group’s “Trade receivables” was past due versus 3.6% at December 31, 2021. Trade receivables break down as follows:

Ageing analysis of net receivables:

At June 30, 2022:

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	705,027	677,804	27,223	16,276	5,413	1,665	3,869
Modules	179,181	178,201	980	55	925	-	-
Unallocated items	1,959	1,877	82	-	33	49	-
Total	886,167	857,882	28,285	16,331	6,371	1,714	3,869

At June 30, 2021:

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	587,072	561,645	25,427	9,107	5,657	8,227	2,435
Modules	137,047	136,198	849	99	750	-	-
Unallocated items	10,158	10,158	-	-	-	-	-
Total	734,277	708,001	26,276	9,206	6,407	8,227	2,435

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

6.2.2. Bank counterparty risk

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

6.3. 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 goal 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 Executives.

At June 30, 2021:

In thousands of euros	June 30, 2022	Less than 1 year	1 to 5 years	More than 5 years
FINANCIAL LIABILITIES				
Non-current borrowings ⁽¹⁾	1,452,613	-	1,268,289	184,324
Bank overdrafts	10,133	10,133	-	-
Current borrowings ⁽²⁾	552,189	552,189	-	-
Hedging instruments	9,775	9,775	-	-
Trade payables	1,431,491	1,431,491	-	-
Total financial liabilities	3,456,201	2,003,588	1,268,289	184,324

- (1) "Non-current borrowings" includes the amounts reported in the balance sheet and interest payable over the remaining life of the borrowings.
- (2) "Current borrowings" includes the amounts reported in the balance sheet and interest due within one year.

At December 31, 2021:

In thousands of euros	December 31, 2021	Less than 1 year	1 to 5 years	More than 5 years
FINANCIAL LIABILITIES				
Non-current borrowings ⁽¹⁾	1,358,561	-	1,302,370	56,191
Bank overdrafts	11,264	11,264	-	-
Current borrowings ⁽²⁾	516,509	516,509	-	-
Hedging instruments	1,434	1,434	-	-
Trade payables	1,264,426	1,264,426	-	-
Total financial liabilities	3,152,194	1,793,633	1,302,370	56,191

- (1) "Non-current borrowings" includes the amounts reported in the balance sheet and interest payable over the remaining life of the borrowings.
- (2) "Current borrowings" includes the amounts reported in the balance sheet and interest due within one year.

7. ADDITIONAL INFORMATION

7.1. Consolidating entity

Burelle SA holds 60.42% of Compagnie Plastic Omnium SE after the cancellation of the treasury stock (59.35% before cancellation of treasury stock) and fully consolidates Company Plastic Omnium SE.

Burelle SA - 19 Boulevard Jules Carteret
69342 Lyon Cedex 07 - France

7.2. Subsequent events

7.2.1. Acquisition by the Group on July 1, 2022 of the AMLS Division (Automotive Lighting Systems GmbH)

On March 25, 2022, the Plastic Omnium Group signed an agreement with Munich-based AMS OSRAM to acquire 100% of the Automotive Lighting Systems GmbH (AMLS) Division, a fast-growing German multinational automotive lighting player, for an enterprise value of €65 million.

The AMLS Division provides a complementary technology brick that should give the Plastic Omnium Group leading-edge expertise in lighting systems, electronics and software to develop innovative intelligent lighting solutions for the automotive industry. It generated revenue of €148 million in 2021 and employs around 770 people, including 120 in R&D. It provides a portfolio of high-tech products to a global customer base, covering the key areas of front lighting, interior lighting, advanced projection solutions and body lighting, satisfying new trends in styling, safety and electrification. These products are manufactured in five locations in the United States, Europe and China.

The acquisition closed on July 1, 2022 after the approval of the French Competition Authorities. AMLS entities are consolidated according to the full consolidation method from July 1, 2022.

7.2.2. Other

No other event likely to have a material impact on the Group's business, financial position, earnings or assets and liabilities at June 30, 2022 has occurred since the closing date.

LIST OF CONSOLIDATED COMPANIES AT JUNE 30, 2022

Except for newly-created companies in the table below, the scope remained unchanged compared to December 31, 2021.

Consolidation method and special features:

FC: Full consolidation

EM_IFRS: Companies consolidated by the equity method since the application of the new consolidation standards at January 1, 2014

Movements for the period:

a2022: Companies acquired and/or created during first half of 2022

Legal name	Reportable segment			June 30, 2022			December 31, 2021			June 30, 2021		
	Industries	Modules	Un-allocated	Method of Consolidation	% control	% interest	Method of Consolidation	% control	% interest	Method of Consolidation	% control	% interest
<u>China</u>												
YANFENG PLASTIC OMNIUM (LINGGANT) AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	a2022	*		EM_ifrs	49.95	49.95	-	-	-	-	-	-
YANFENG PLASTIC OMNIUM (HEFEI) AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	a2022	*		EM_ifrs	49.95	49.95	-	-	-	-	-	-
YANFENG PLASTIC OMNIUM (NEW DADONG) AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	a2022	*		EM_ifrs	49.95	49.95	-	-	-	-	-	-
HBPO AUTO COMPONENTS (Shanghai) Ltd	a2022		*	FC	66.67	66.67	-	-	-	-	-	-
<u>Hungary</u>												
HBPO PROFESSIONAL SERVICES Kft	a2022		*	FC	66.67	66.67	-	-	-	-	-	-

COMPAGNIE PLASTIC OMNIUM S.E.
**Statutory Auditors' Review Report on the
Half-yearly Financial Information**

For the period from January 1, 2022 to June 30, 2022

This is a free translation into English of the statutory auditors' report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Compagnie Plastic Omnium S.E.

Statutory Auditors' Review Report on the Half-yearly Financial Information

For the period from January 1, 2022 to June 30, 2022

To the Shareholders

In compliance with the assignment entrusted to us by your annual general meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (“Code monétaire et financier”), we hereby report you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Compagnie Plastic Omnium SE, for the period from January 1, 2022 to June 30, 2022.
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I - Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II – Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, July 22, 2022

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit

Philippe Vincent

**ERNST & YOUNG ET
AUTRES**

May Kassis-Morin
