



Levallois, November 25, 2020

## Plastic Omnium aims for world leadership in hydrogen mobility

During today's online conference at 2:00 PM CET, Plastic Omnium will present its strategic vision for hydrogen mobility:

- an industrialized and competitive offer across the entire value chain: hydrogen vessels, fuel cell stack and integrated hydrogen system
- a rapidly expanding market from 2025 climbing to at least 2 million vehicles by 2030
- €3 billion in revenue for Plastic Omnium in 2030 following an annual investment of €100 million over the coming years.

Given the faster-than-expected recovery in global automobile production and the effectiveness of Plastic Omnium's cost-cutting measures, the Group will also comment the upgrading of its second-half 2020 targets and on the outlook for its return, as of 2021, to levels of profitability and free cash-flow comparable to those of 2019.

Laurent Favre, CEO, says: *"Despite the uncertainties surrounding short-term prospects for the automotive market, we are firmly confident and are looking toward the future and the transformation of our businesses in favor of clean and connected mobility. As a responsible and innovative industrial company, we are playing our part in the energy transition and already offer advanced technology and production capacity in every segment of the hydrogen value chain. Longer term, we see a very bright future for our hydrogen business and the human and technological resources we are deploying reflect that."*

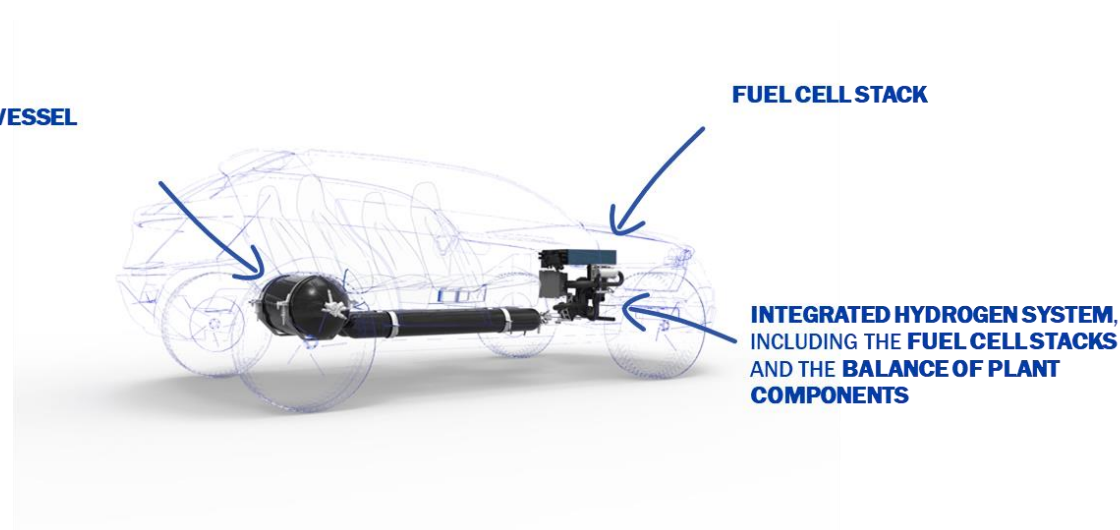
### **Significant commitment to hydrogen-powered clean mobility since 2015: €200 million already invested, and an additional €115 million recently announced for the fuel cell stack**

Convinced that hydrogen will play a key role in tomorrow's clean mobility, Plastic Omnium has invested €200 million in hydrogen technologies since 2015. Over the past five years, the Group has built up research and development resources in Europe and China, acquired Optimum CPV (hydrogen vessel) and Swiss Hydrogen (integrated hydrogen system), and created an open innovation ecosystem (venture capital with AP Ventures, Hydrogen Council membership, etc.) to extend its expertise in each segment of the hydrogen industry.

More recently, the Group announced the creation, with the German supplier ElringKlinger, of a joint venture called EKPO Fuel Cell Technologies, specializing in fuel cell stacks, and the acquisition of ElringKlinger's subsidiary in Austria specializing in integrated hydrogen system. These two transactions, for a total investment of €115 million, complement Plastic Omnium's offer. They put the Group well ahead technologically and industrially, since it is currently the only company able to deliver the complete hydrogen value chain with its production capacity already in place. A hydrogen vessel production line recently came on stream in Belgium to supply the first bus and truck contracts starting in 2021, and the EKPO joint venture is able to produce 10,000 fuel cell stacks annually at its German facility.

### **An industrialized and competitive offer across the entire value chain: hydrogen vessels, fuel cell stack and integrated hydrogen system**

This value chain comprises three segments: hydrogen vessels, fuel cell stack and integrated hydrogen system. Plastic Omnium will be in a position to sell each segment individually or as an ensemble depending on customers' preferences.



Plastic Omnium aims to be the leader in each of these segments by developing an offer that is technologically and commercially competitive. For 2030, the Group is targeting 25% of the hydrogen vessel market, between 10% and 15% of the fuel cell stack business, and 10% of the integrated hydrogen system segment.

The competitiveness of Plastic Omnium's offer will depend on reducing the technology costs in each of the three segments:

- the Group aims to cut hydrogen vessel costs by 30% by 2030; and
- to divide by 5 the cost for fuel cell stack and integrated hydrogen system within the same timeframe.

These significant cost reductions will be achieved by automating the industrial processes, leveraging the volume effect and improving on both design and materials, including lowering the carbon fiber and precious metal content.

By 2030, the total cost of the hydrogen system for a passenger car will be around €6,000 to €8,000, bringing this technology within reach of the mass market.

### **2030 ambition: €3 billion revenue in a market of at least 2 million vehicles**

The hydrogen mobility market is based on exponential volume growth: from 200,000 hydrogen vehicles in 2025, there will be more than 2 million by 2030. The bus, truck and utility vehicle market will develop first, followed by the passenger car segment. There will be 500,000 and 1.5 million vehicles respectively for each category by 2030. In terms of the geographic spread, Asia will be the foremost market in 2030 with 75% of hydrogen vehicles' production, followed by Europe and North America.

Plastic Omnium is aiming for revenue of around €300 million in this market by 2025 and €3 billion by 2030.

To achieve these targets, the Group will be investing around €100 million a year over the coming years, directly or through its EKPO Fuel Cell Technologies joint venture, to build industrial capacity in all regions with around 15 production lines installed by 2030 at existing or new plants.

The Group also intends to create a major Hydrogen Hub at the  $\alpha$ -Alphatech R&D center in Compiègne, France. Around 100 engineers will bolster the existing teams of 500 people, and close to €30 million will be invested in laboratory and research equipment over the coming two to three years.

### **Improving market and effective cost-cutting measures: second-half 2020 targets upgraded and outlook for profitability and free cash-flow generation back to 2019 levels as of 2021**

During the conference, Plastic Omnium will also address its situation in the current market environment.

The Group rapidly rolled out all the necessary measures to adapt its cost structure and protect its cash position: these measures put Plastic Omnium in a position to deal with the 33% drop in automobile production in first-half 2020 and to benefit from the faster-than-expected recovery in global automobile production, down just an estimated 3% compared with the 10% to 15% initially expected.

In this more favorable context, while not overlooking the uncertainties surrounding automobile production in Europe as the year draws to a close, Plastic Omnium revises up its second-half 2020 targets:

- **operating margin above 5% (compared with the previous 4%)**
- **free cash-flow above €400 million (compared with the previous €250 million).**

At end-October 2020, Group liquidity stood at €2.2 billion, similar to the 2019 year-end figure and higher than the €1.9 billion at June 30, 2020.

The programs to rationalize costs and transform the organization are ongoing. For Plastic Omnium, 2021 looks like seeing a sharp upturn in business, and profitability and free cash flow generation climbing back to 2019 levels.

The eConference will be held on November 25, starting at 2:00 PM CET. Use this link to join the conference:

<https://www.hydrogen-revolution.plasticomnium.com/>