



2018  
TRENDS &  
PERFORMANCE





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Around the world, the automobile sector faces the challenges of new regulations, new types of mobility and new consumption patterns. As an independent family enterprise focused on long-term growth, Plastic Omnium is investing the full range of its material and human resources in the changing automobile, sharpening its competitive edge and enlisting its innovators in a collective push for sustainable mobility.

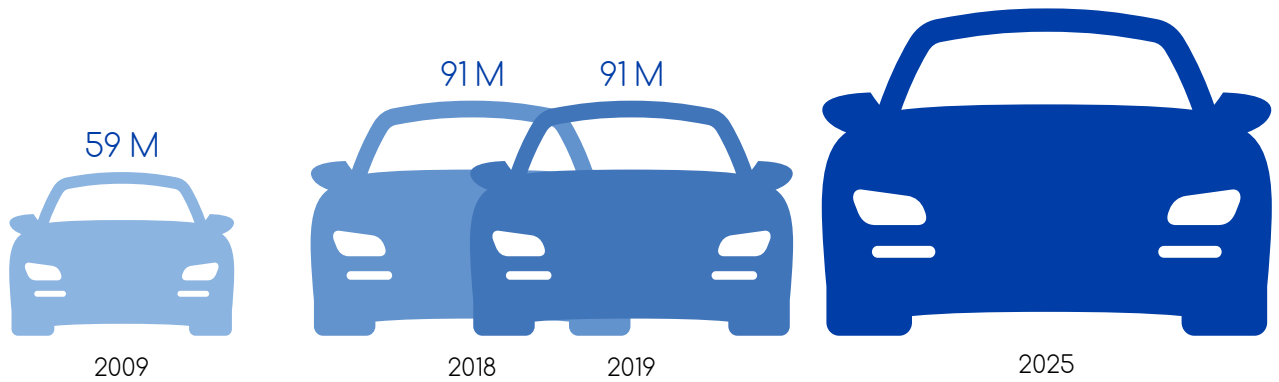
# A changing market

One thing is certain: demand for mobility is going to increase. But what kind of mobility? We know it will be different: clean, even emission free; connected, even self-driving, and 100% safe; and shared, with the “car on demand.”

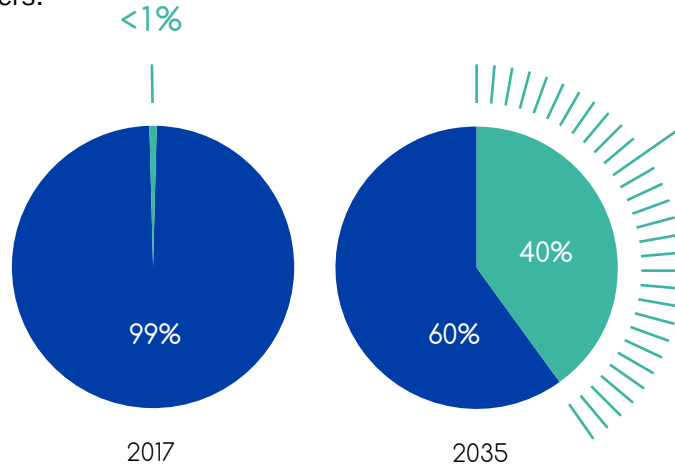
# THE NEW WORLD MARKET REALITY

— Though the short-term demand picture is not clear-cut, worldwide demand will continue to grow and will exceed 100 million vehicles in 2025.

**105**  
million vehicles  
produced worldwide in  
the 2025 timeframe



— The penetration of autonomous, connected and electric vehicles is challenging the models of traditional automakers.

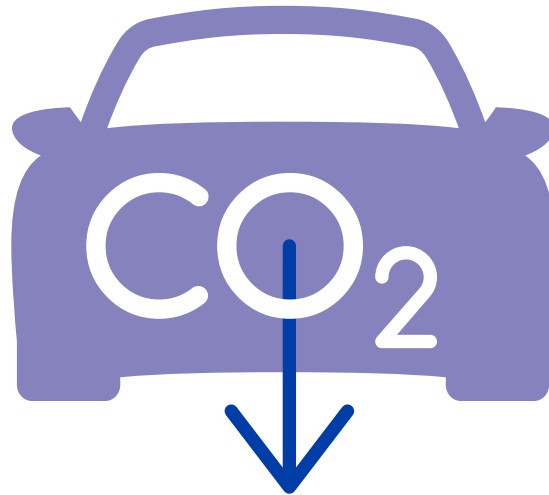


By 2035<sup>(1)</sup>  
**40%**  
of market  
value will be in  
new products  
and service lines

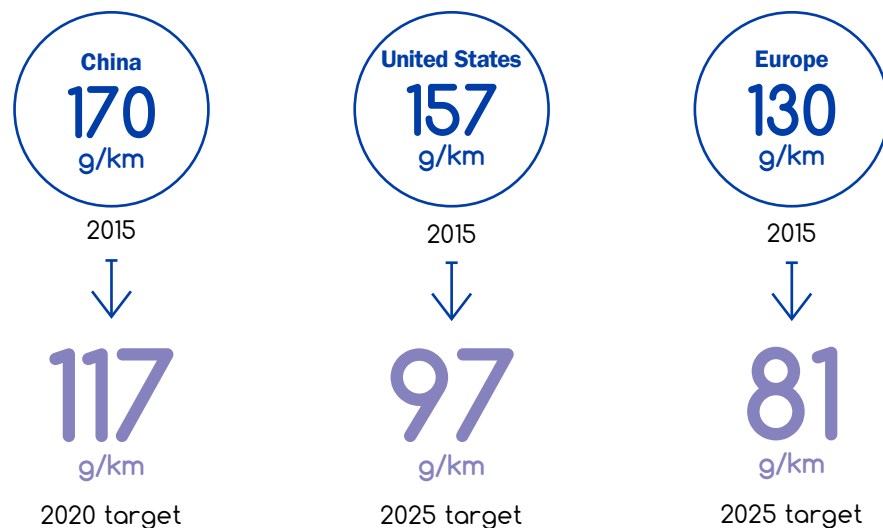
(1) Source: BCG study, August 2018.

# ECOLOGICAL TRANSITION

Over the past 10 years, carbon emissions have been substantially cut. Breakthrough solutions are needed to meet the new tighter regulations and more precise measuring methods.



Regulations are tightening around the world

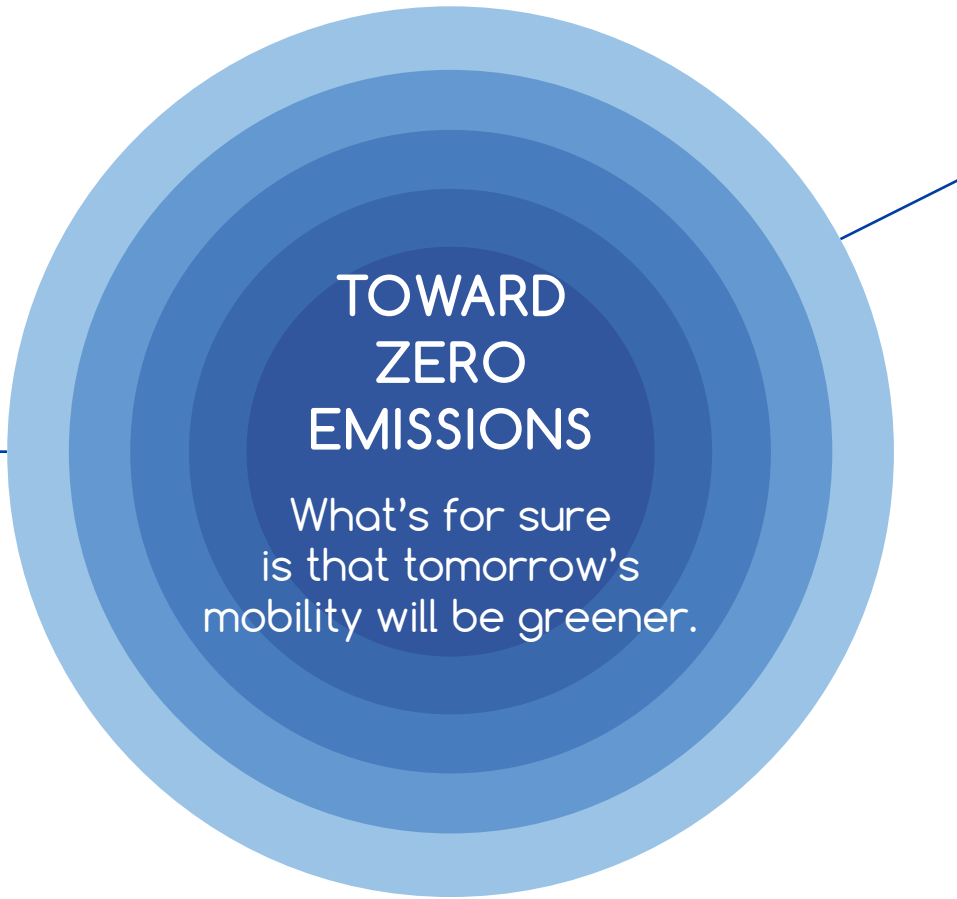


## CO<sub>2</sub>: the new WLTP/RDE standard

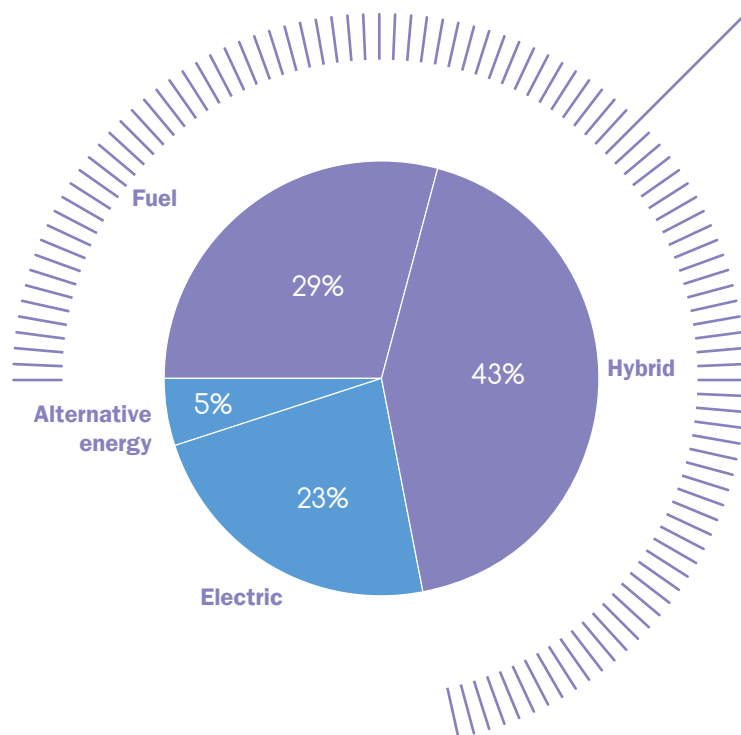
— The new method for measuring CO<sub>2</sub> emissions in the laboratory and on the road provides a better picture of the real use of the vehicle, but makes vehicle CO<sub>2</sub> audit more difficult and complicates the work of the industry players involved.

**The Worldwide Harmonized Light Vehicle Test Procedure (WLTP)** is used to measure CO<sub>2</sub> in the laboratory and closely approximates real-world fuel consumption and CO<sub>2</sub> emissions.

**The Real Driving Emissions (RDE) test** is an on-road test that measures CO<sub>2</sub> emitted by cars to closely approximate real-world conditions.



**NOx**  
↓



**72%**  
of the world vehicle fleet will still have a fuel tank in 2030<sup>(1)</sup>

(1) Source: BIPE March 2018 and "Hydrogen Council" study.

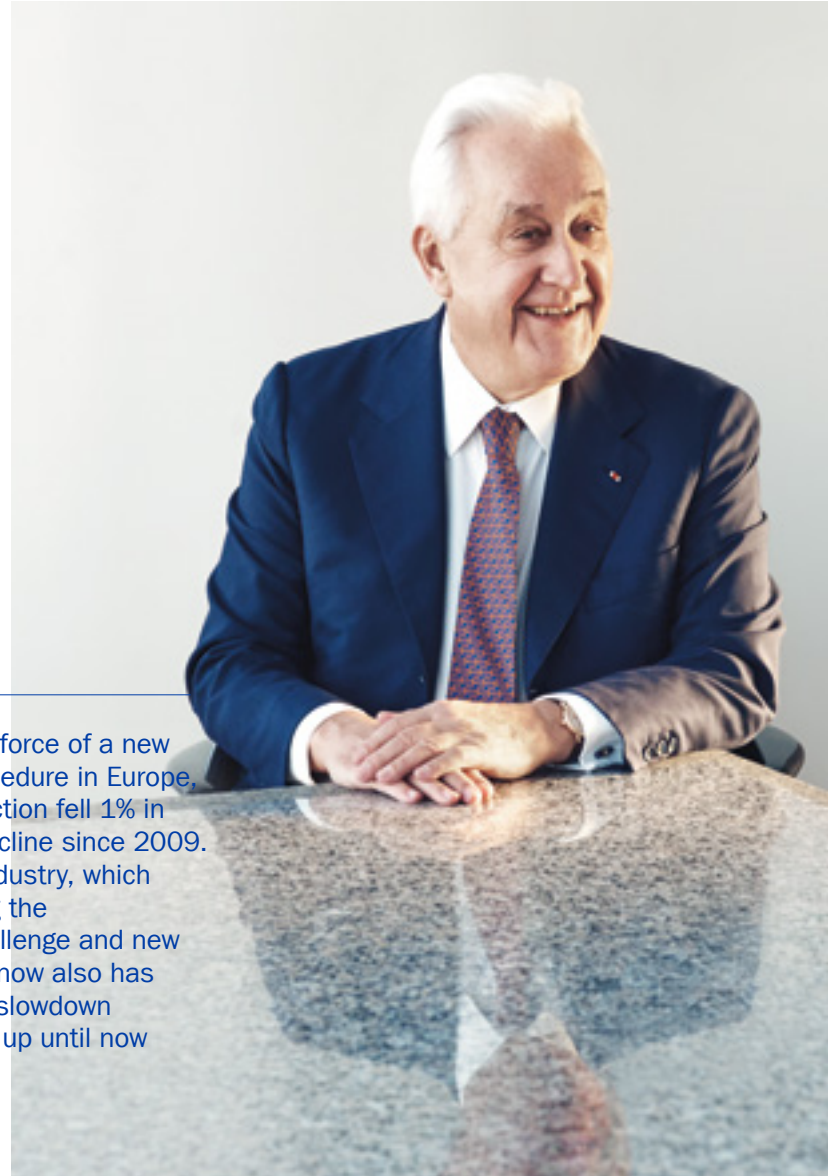
# INTERVIEW WITH LAURENT BURELLE, CHAIRMAN AND CEO

## A market under pressure

**Brexit, the US-China trade war, tighter regulations and new consumption patterns are putting the automotive industry to the test. How have they impacted Plastic Omnium?**

We have indeed been facing headwinds in a number of areas for several months now. Driven by protectionist trends, the slowdown in the Chinese economy

and the entry into force of a new type-approval procedure in Europe, automobile production fell 1% in 2018 – its first decline since 2009. The automotive industry, which was already facing the environmental challenge and new consumer habits, now also has to contend with a slowdown in the market that up until now had been growing.



## Sound fundamentals

**How can Plastic Omnium weather the slowdown, and for how long?**

First, let's keep in mind that despite the complex environment, we continued to grow and to outperform the world automotive market. Our 2018 results are sound, and so is our financial structure. Following record capital investments, our cash flow generation has reached very high levels. Beyond these results, we draw

our strength from our ability to plan ahead. To be on the safe side, we have decided to manage the group based on stable global automobile production over the coming three-year period. We will continue to invest and to take advantage of our well-filled order book, but we will strengthen our emphasis on frugality, flexibility and selective order-taking.



## Strong technological options

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### **What are Plastic Omnium's key choices in the technological and social revolution set to disrupt the sector?**

We're enthusiastic about the revolution, which gives us additional opportunities for growth.

In exterior systems, we will opt for increasingly "smart" solutions, with different styling and broader functionalities. We also believe that the car of the future will be

designed on the basis of increasingly complex modules.

This led us to take control of our HBPO subsidiary.

Lastly, Plastic Omnium has come to the conclusion that electricity is the most compelling alternative solution, provided it can be generated within the vehicle.

We're therefore currently making significant investments in fuel cells and hydrogen.

## Long-term strategy

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### **Burelle SA now holds a 58.51% stake in Compagnie Plastic Omnium. Should it remain a family-owned company in the new global economy? And how can you preserve the independence that underpins the "PO Way"?**

Within a decade and a half, Plastic Omnium's revenue increased from €1.7 billion to €9 billion, its net income from €75 million to €533 million, and family control from 51.6% to 58.51%. Our goal is to continue

these trends over the long haul.

The strategy calls for leadership and innovation. With the divestment of the Environment division, Plastic Omnium has become a pure player in the automotive sector, where it has world leadership in three businesses with increased technology content. The other factors that underpin our independence are diversification of geographical locations and customers, and financial discipline.

## Shared commitment

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**If you were asked to reassure all the stakeholders – investors, shareholders, employees, partners and customers – with a single argument, what would it be?**

Commitment – commitment to clean, sustainable mobility; commitment to the ethics and transparency rules shared by our 32,000 employees; commitment to the industry.

83 automotive  
brands have  
opted for  
Plastic Omnium



# 83 AUTOMOTIVE BRANDS HAVE OPTED FOR PLASTIC OMNIUM

## For our expertise

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We are the world leader in design and production of exterior systems and clean energy systems and in design and assembly of complex modules.



### Intelligent Exterior Systems

— Smart bumpers and tailgates, functional integration



**1 in 6**

Worldwide, one in every six vehicles produced is equipped with Plastic Omnium bumpers – a total of 29 million bumpers per year



### Clean Energy Systems

— Storage and pollution reduction solutions for all types of propulsion systems



**1 in 4**

Worldwide, one in every four vehicles produced is equipped with a Plastic Omnium energy storage system – a total of 22 million fuel tanks per year



### Modules

— HBPO: front-end module development, assembly and logistics



**6 million**

front-end modules assembled per year

## For our strong R&D

Three research centers explore major trends and 21 testing and development centers roll out innovations suited to the individual markets.

**Σ-Sigmattech**  
Lyon, France

— Developing the intelligent exterior systems of the future.

**Α-Alphatech**  
Compiègne, France

— Designing new-generation of clean energy systems.

**Δ-Deltatech**  
Brussels, Belgium

— Exploring new energy sources.

**3,000**

engineers

**24**

R&D centers

**3,725**

patents

## For our industrial plant and equipment

Located close to manufacturers, Plastic Omnium's industrial plant and equipment produces and delivers more than 60 million parts, systems and modules on a just-in-time basis.

**+9**

further plants to be opened in 2019-2020 to gain market share

**124**  
plants in  
26 countries

**20**

North America

**6**

South America



**26**

China

**16**

Rest of Asia

**56**

Europe and Africa

# “OUR CURRENT OPERATIONS ARE THRIVING, OUR FUTURE IS EXCITING.”

**Jean-Michel Szczerba, Co-Chief Executive Officer**



“The takeover of HBPO and the divestment of the Environment division open a new chapter in the history of Plastic Omnium. The Group is concentrating its resources on the automotive market and boosting its leadership there against a backdrop of unprecedented technological change.”

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“Ever more quality at best cost is the secret to our sales success and the reason for our investment in Industry 4.0.”

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“Calling on all young engineers who want to help Plastic Omnium invent the zero-pollution, zero-accident and zero-immobility car.”

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“Tomorrow’s mobility demands commitment today. Plastic Omnium is backing hydrogen with fuel cells and increasing technological content per car.”

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“Against the current backdrop of widespread uncertainty and volatility, being an independent family group gives us a huge advantage. Our long-term vision guides our choices, our senior management is totally committed, and our focus on entrepreneurship, work and recognition comes into its own.”

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2018

**A leading automotive pure player**

**Leadership strengthened**  
by an order book that is 90% filled in the 2021 timeframe

**Acquisition of a controlling stake in HBPO**, world leader in front-end modules, in July 2018

**Environment division sold** to the Latour Capital/BpiFrance consortium on December 18, 2018

**Accelerated optimization of plant and equipment**

Successful launch of the pilot  
**Industry 4.0 plant**  
in Greer, SC, United States: €150 million invested in a combination of technologies

**9**  
**new production plants and 3 R&D centers**  
to be opened in 2019-2020

**Industry 4.0**  
to be rolled out across all plants around the world within the 2022 timeframe, resulting in a sharp increase in performance

**A raft of new capabilities**

**Data science, electrochemistry, plastronics and mechatronics**  
Plastic Omnium is introducing new jobs and new careers

**1st Innovation Awards presented in 2019**  
in the Products, Operational Excellence and Open Innovation categories

**3,000 engineers**  
to be hired by 2021

**At the heart of technological transformation**

**Type approval of the first Plastic Omnium hydrogen tank**  
in 2019



**Co-development with Brose of an innovative hybrid door system**

**Strategic partnership with Hella**  
to produce an innovative integrated car body lighting system

**The commitment of a global, family-operated group**

**Workplace safety**  
The target of **Fr2 = 1** is within reach

**20%**  
reduction target for CO<sub>2</sub> emissions per kilo of processed material by 2025

**A CSR strategy with three focuses:**

- Responsible entrepreneurship
- Attention to employees
- Sustainable production

# E x p e

United Plastic Omnium teams





# r t i s e



Calling on all enterprising engineers with a passion for automobiles and challenges.

# THE BOARD OF DIRECTORS OVERSEES

## 1 — Laurent Burelle

Since 1981  
Chairman and Chief Executive Officer

## 2 — Jean-Michel Szczerba

Since 2012  
Co-Chief Executive Officer

## 3 — Paul Henry Lemarié

Since 1987  
Chief Operating Officer

## 4 — Éliane Lemarié

Since 2009  
Representative of Burelle SA  
Member of the Appointments  
Committee

## 5 — Jean Burelle

Since 1970  
Honorary Chairman

## 6 — Vincent Labruyère

Since 2002  
Director  
Chairman of the Audit Committee

## 7 — Anne-Marie Couderc

Since 2010  
Independent Director  
Chairwoman of the Compensation  
Committee and of the  
Appointments Committee

## 8 — Jérôme Gallot

Since 2006  
Director

## 9 — Prof. Dr. Bernd Gottschalk

Since 2009  
Independent Director  
Member of the Compensation  
Committee

## 10 — Anne Asensio

Since 2011  
Independent Director  
Member of the Audit Committee

## 11 — Amélie Oudéa-Castéra

Since 2014  
Independent Director  
Member of the Compensation  
Committee

## 12 — Lucie Maurel-Aubert

Since 2015  
Independent Director  
Member of the Audit Committee and  
of the Appointments Committee

## 13 — Félicie Burelle

Since 2017  
Director

## 14 — Cécile Moutet

Since 2017  
Director

## 15 — Alexandre Mérieux

Since 2018  
Independent Director





# THE EXECUTIVE COMMITTEE SUPPORTS AND LEADS



**1 — Laurent Burelle**  
Chairman and  
Chief Executive Officer



**2 — Jean-Michel Szczerba**  
Co-Chief Executive Officer

**3 — Paul Henry Lemarié**  
Chief Operating Officer



**4 — Félicie Burelle**  
Senior Executive Vice-President,  
Strategy and Development

**5 — Rodolphe Lapillonne**  
Senior Executive Vice-President,  
Chief Financial Officer  
and Chief Information Officer



6



7



8



9

**6 — Mark Sullivan**  
President and CEO  
Intelligent Exterior Systems

**7 — Stéphane Noël**  
President and CEO  
Clean Energy Systems

**8 — Martin Schüler**  
President and CEO, HBPO

**9 — Damien Degos**  
President and CEO New Energies



10



11

**10 — Jean-Sébastien Blanc**  
Executive Vice-President  
Human Resources

**11 — Adeline Mickeler**  
Executive Vice-President  
Communications



12



13

**12 — Jean-Luc Petit**  
Corporate Secretary, Executive  
Vice-President Legal Affairs,  
Chairman of the Internal Control  
Committee

**13 — Ronan Stephan**  
Scientific Director

# NEW EXPERTISE FRONT AND CENTER

— Day by day, Plastic Omnium's employees tackle major challenges. They are designing smart mobility solutions in a highly digitized R&D center. They are working with experts at an Israeli startup to make progress on the fuel cell. And they are writing a new chapter in the history of the worldwide Industry 4.0 revolution.



To acquire  
new  
expertise

# 816

managers hired in 2018,  
of which 20% recent  
graduates and 24% women



New  
profiles

Experts in such areas as  
mechatronics, plasronics,  
electrochemistry, software  
engineering, big data  
analysis and digital  
manufacturing

International  
induction seminar  
for 335 new hires,  
March 2018.



# DEVELOP AND RETAIN TALENTS

— Training is strategically essential to the development of expertise and skills, which must evolve to keep pace with the rapid transformation of business activities.

Plastic Omnium has developed several training programs that have improved the skills of more than 900 managers and engineers in the space of three years.

In 2018, Plastic Omnium set up regional campuses to provide several training courses at the same place, making them more easily accessible for personnel.



To spread  
expertise

# 10%

of managers were  
transferred in 2018

# 67%

of directors are appointed  
internally



North America  
training campus,  
October 2018.

# I n n o v

Three businesses in full swing

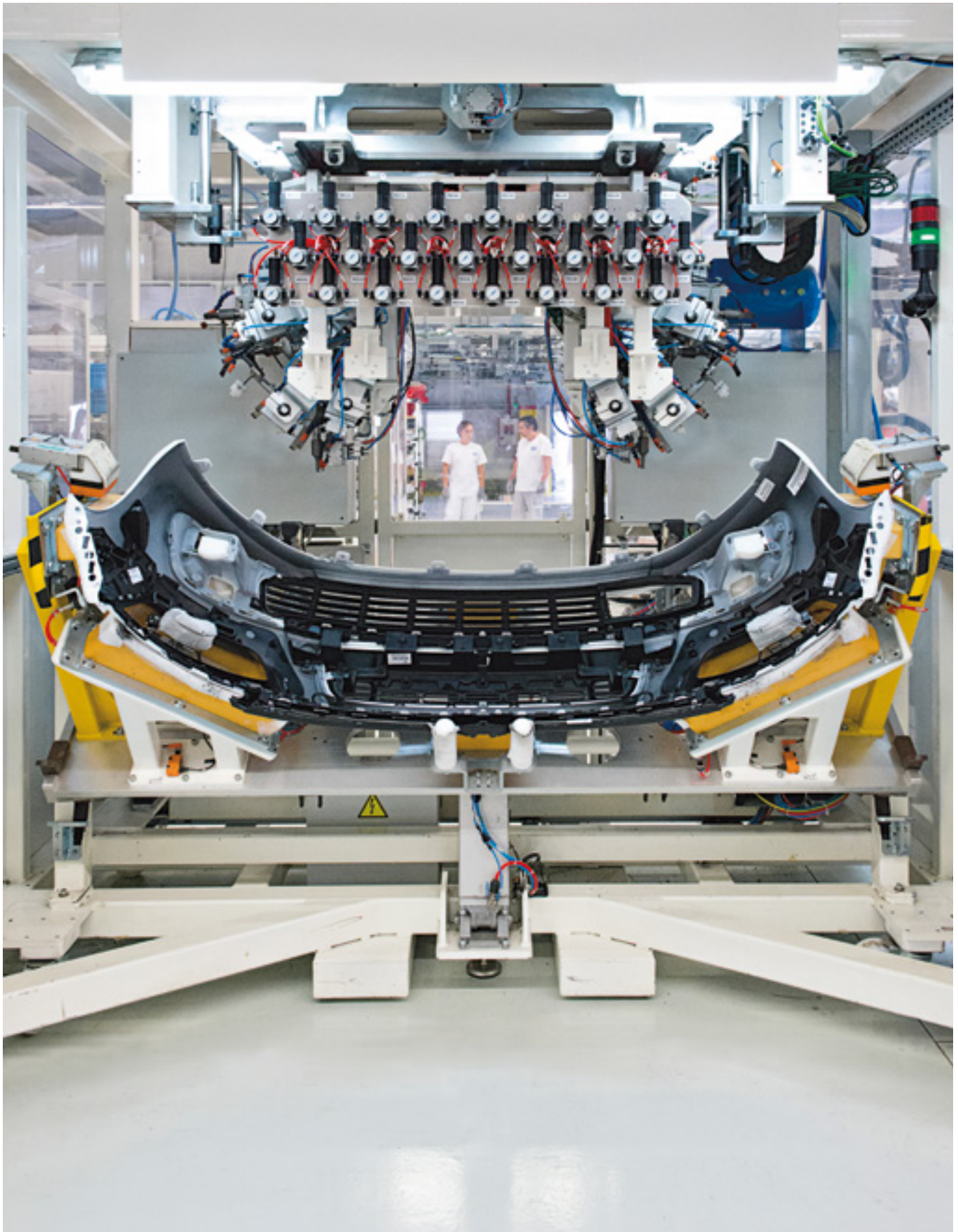




# at i o n



**Focus on clean  
and connected mobility,  
with leadership in its  
three businesses.**



Intelligent exterior systems with incorporated innovations are here, from bumpers that protect pedestrians during an impact to bumpers that detect possible impacts and put on the brakes before the driver.

**See, communicate, protect:** Plastic Omnium's answer for the autonomous car is here.

**The Smart Bumper** has integrated radar and lidar that make driving safer by communicating with the environment thanks to electromagnetic-wave permeable plastics. Made of new-generation materials, the bumper's impact absorption systems provide protection when needed. The entire component is designed with a stylish freedom that breathes new life into the automotive dream.

**In the rear, the Smart Tailgate** communicates with the driver – a simple touch on the conductive paint is enough to open it – and also with the driver in the car behind, thanks to its LED screen.

# INTELLIGENT EXTERIOR SYSTEMS



**2,485**  
patents in the 2018  
portfolio

**1st**  
smart bumper to be tested  
and approved on the vehicle



Plastic Omnium offers **storage solutions for all engines**, notably hybrid and plug-in hybrid with Tanktronic®.

**Its water injection and SCR systems reduce gasoline and diesel pollution.**

The Group is investing in all that is required **to conquer the electric vehicle market with the fuel cell-hydrogen tandem**. It has set up a dedicated New Energies unit, is opening a high-tech research center in Brussels in 2019 and reinvesting €200 million over a five-year period.

# CLEAN ENERGY SYSTEMS



1,240

patents in the 2018  
portfolio

1st

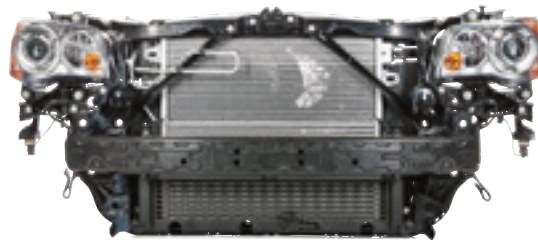
Plastic Omnium hydrogen  
tank type approved in 2019

Customization is the future of the automotive dream and the **big puzzler for automakers**. As an engine partner, Plastic Omnium decided to simplify life for them by supplying ready-to-integrate customized complex modules.

It starts with an **all-in-one front-end module** that incorporates the impact absorption beam, active front grille flaps, lighting and engine cooling systems, radars, and driving assistance sensors.

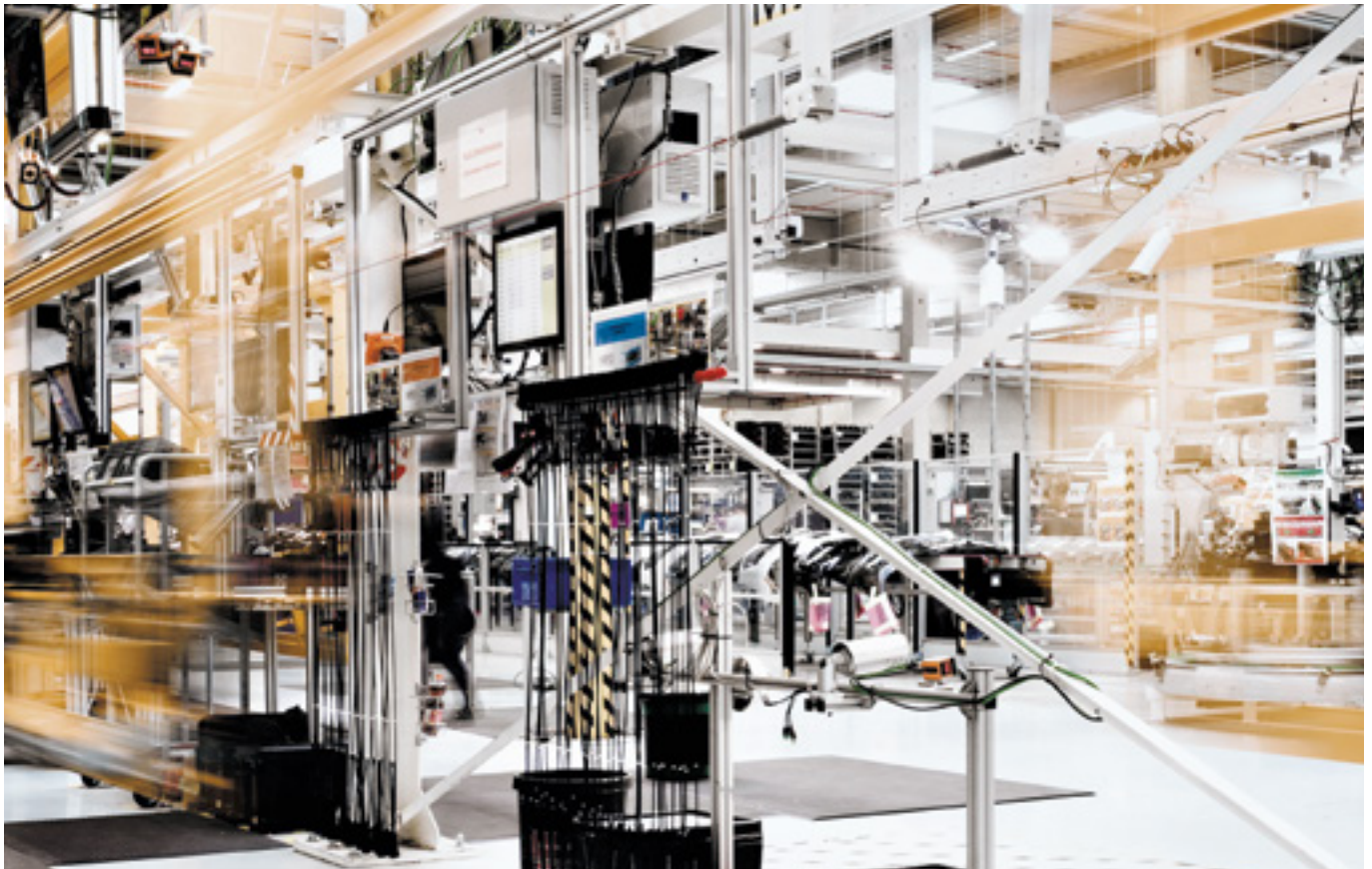
Plastic Omnium is now world leader in front-end modules, **covering the entire process** from design to production and just-in-time delivery to its customers' automotive manufacturing lines. Once ready-to-assemble modules include hoods, roofs and finally rear modules, Plastic Omnium will be there to provide them.

# MODULES



Up to  
**70**  
parts assembled to form  
a module

Up to  
**3,000**  
possible combinations  
for a vehicle



# C o m p e t i

New-generation capabilities





# t i v e n e s s

REAR BUMPER  
ASSEMBLY

**Industrial 4.0 excellence  
and social and environmental  
performance underpin  
Plastic Omnium's long-term  
success.**

## INDUSTRY 4.0: OUR AMBITION

— The startup of the Industry 4.0 plant in Greer, SC, was a focus of attention for Plastic Omnium employees around the world. As the Group's first 4.0 pilot plant, it combines the latest technologies (big data, advanced robotics, augmented reality, industrial Internet of Things, etc.) and generates an overall move to enhanced skills. Its success kicks off a steady incremental rollout across all Plastic Omnium plants, which is set for completion in 2022.

**The teams have enthusiastically adopted it.**

**“Predictive maintenance reduces downtime and we're aiming for zero defects by using big data.”**

**“Proof of concept carried out at all plants and the prospect of 4.0 have touched off a wave of very positive initiatives around the world.”**

**“Plastic Omnium has invested €150 million in learning from the Greer plant test and €200 million in rolling it out – this is what Plastic Omnium excellence costs!”**





# RESPONSIBILITY & COMMITMENTS

— All Group innovations help reduce the amount of pollution emitted by vehicles in an important contribution to the fight against climate change. The Group's family identity has always driven the attention it pays to its employees and its requirement of absolute workplace safety. In 2018, the Group decided to set out its three-focus CSR strategy and to circulate it at all sites as a vector for further progress. The involvement of the Executive Committee members in implementing the action plans and the inclusion of CSR targets in manager appraisals have already brought **new progress**.



**In 2018, the Group decided to extend its worldwide Safety Day to the other focuses of its CSR strategy. October 23, 2019 will see the first-ever edition of its Act for All day, which will involve all employees and the three CSR focuses below.**

## Attention to employees

Fr2 reduced to 2.12 and equal opportunity boosted.

## Responsible entrepreneurship

Anticorruption compliance program reinforced.

## Sustainable production

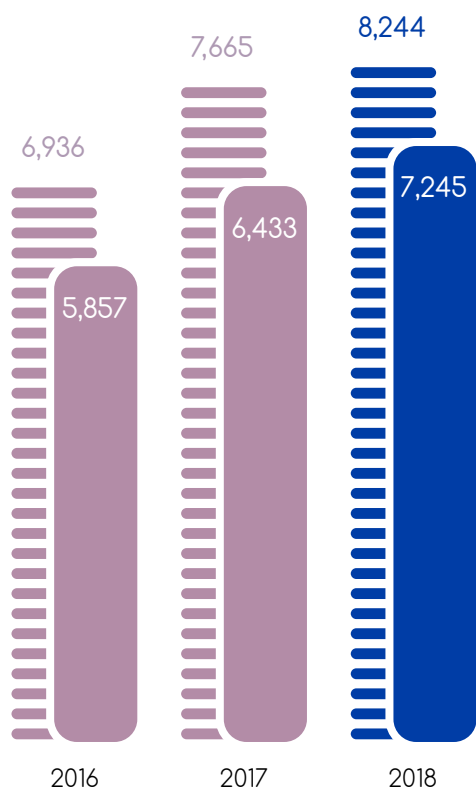
First measurement of the Group's overall carbon footprint and life-cycle analysis of four flagship products.





The PSA Group awarded its 2018 CSR Trophy to Plastic Omnium in recognition of its environmental, social and ethical performance and its management of the subcontractor chain.

# FINANCIAL PERFORMANCE

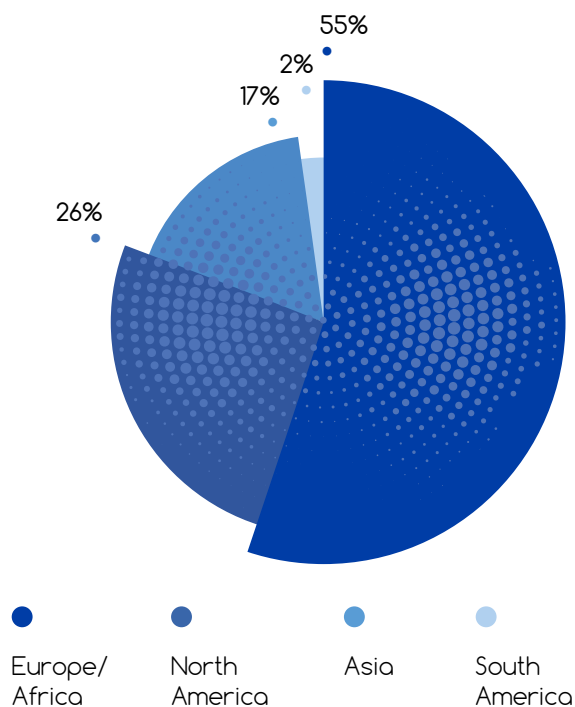


## Revenue

(in € millions)

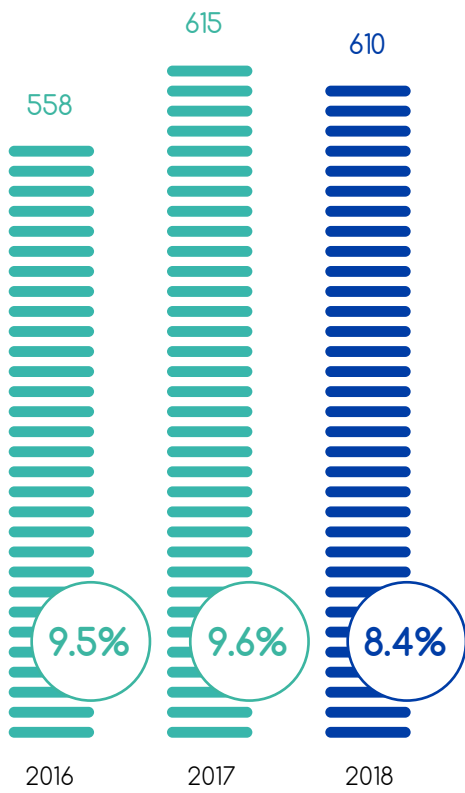
- Consolidated
- ▨ Economic

Economic revenue corresponds to consolidated revenue plus the Group's share of revenue from joint ventures based on the ownership percentage in each.



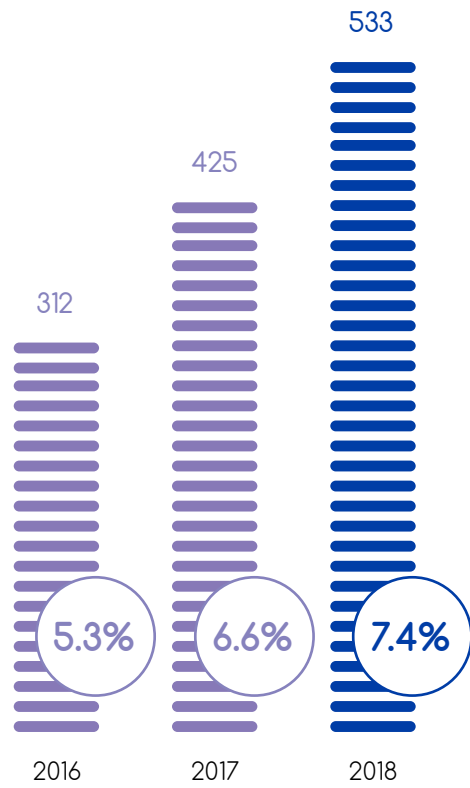
## Revenue by geographic area

(as % of economic revenue)



**Operating margin**

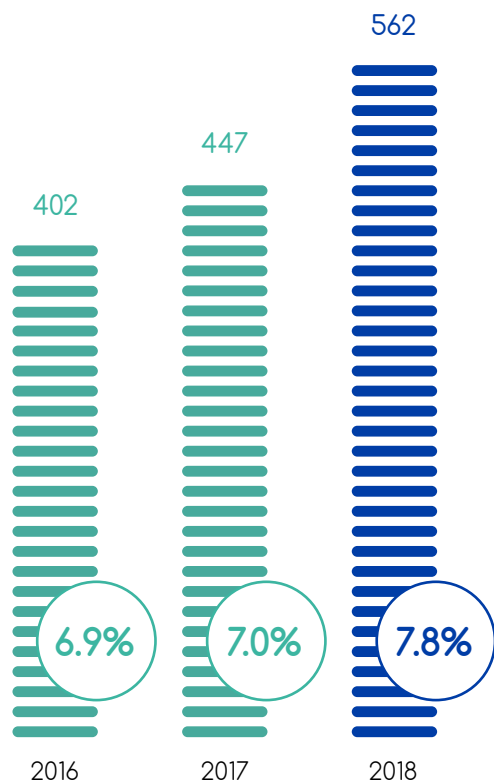
(in € millions and as % of consolidated revenue)



**Net income, Group share**

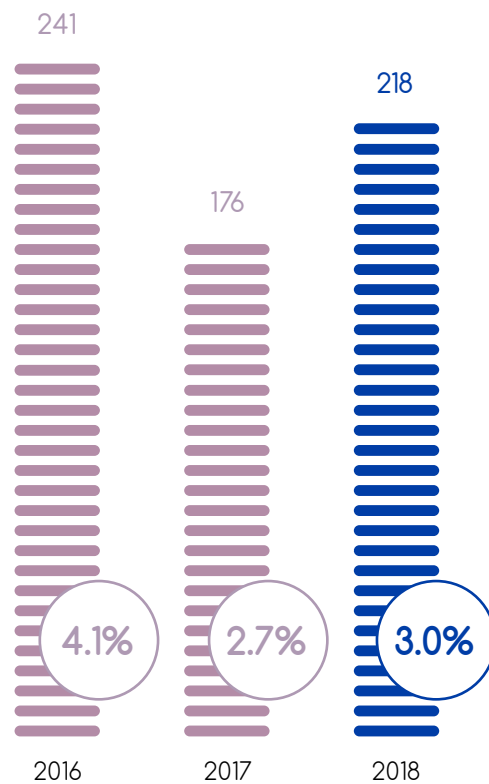
(in € millions and as % of consolidated revenue)

# FINANCIAL PERFORMANCE



## Capital expenditure and projects

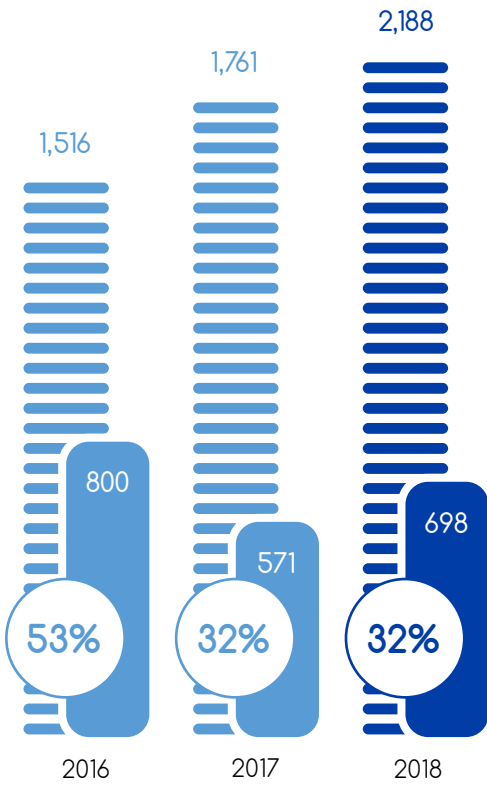
(in € millions and as % of consolidated revenue)



## Free cash flow

(in € millions and as % of consolidated revenue)

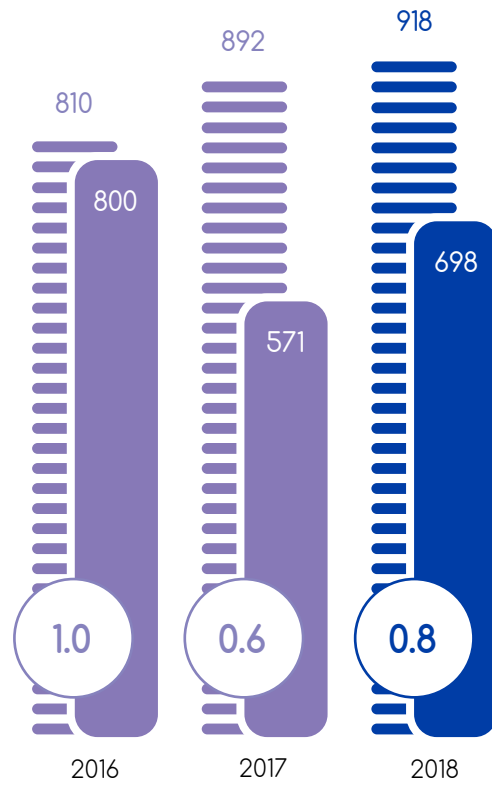




**Net debt/equity**

(in € millions)  
(net debt/equity as %)

- Net debt
- ≡ Equity

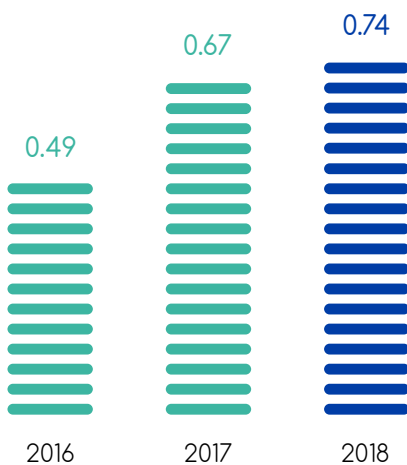


**Net debt/EBITDA**

(in € millions)  
(net debt/EBITDA ratio)

- Net debt
- ≡ EBITDA

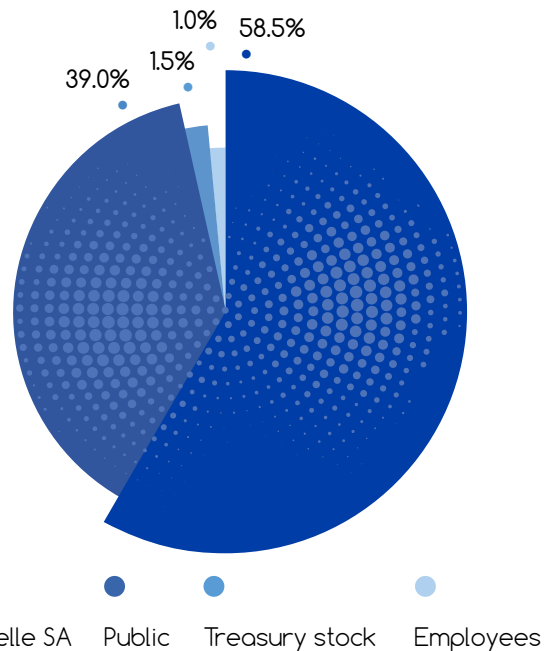
# SHARE PERFORMANCE



**Dividend per share**  
(in euros)

## Shareholder communication: a trophy for Plastic Omnium

— 2018 Bronze Trophy for “Best shareholder services” of the SBF 120 companies, awarded by *Le Revenu* magazine. The distinction recognizes the company’s transparency and communications program, including the shareholder letter, site visits, website, toll-free number, etc.



**Shareholding structure**  
(at December 31, 2018 as %)

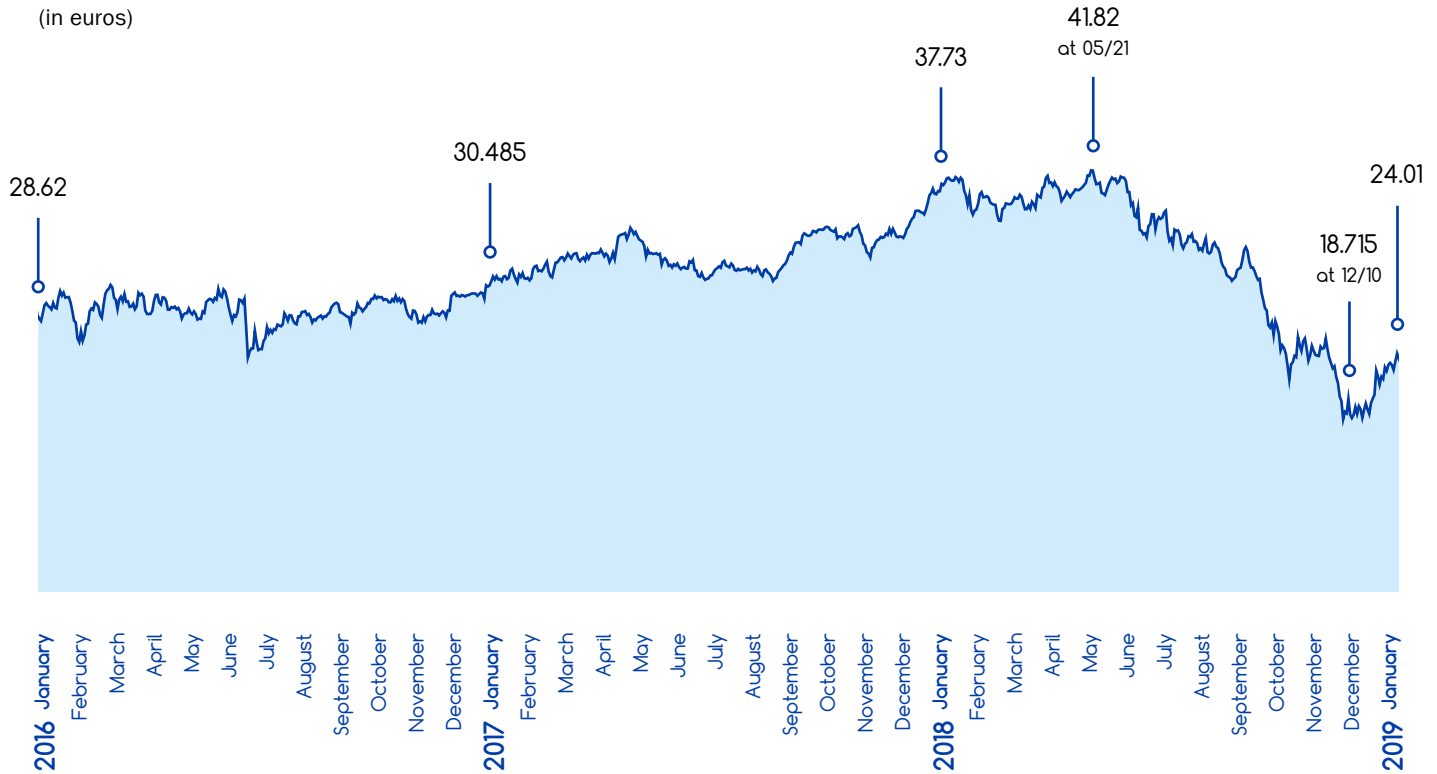
## Open house for our shareholders at the international Σ-Sigmattech R&D center

— In November 2018, 21 shareholders visited the Σ-Sigmattech R&D center in Lyon, France, to learn about the innovation programs developed for our intelligent exterior systems business. They were guided by a group of engineers working at the center and given an overview of our extensive expertise in industrial processes and innovation.



## Plastic Omnium share price

(in euros)



### Main 2018 share data

#### Share price

High: €41.82  
Low: €18.715  
At December 31: €20.17

#### Number of shares making up the capital stock

at December 31:  
148,566,107 shares

#### Market capitalization

at December 31:  
€2,996.57 million

### Listing information

#### Exchange

Euronext Paris,  
Compartment A

#### Code

FR0000124570

#### Share indices

CAC Mid60 – SBF 120

#### Other information

Eligible for the SRD

#### Tickers

Reuters: PLOF.PA  
Bloomberg: POM : FP

### 2019 calendar

#### Financial publications

2018 annual results  
February 14, 2019

2019 Q1 Revenue  
April 23, 2019

2019 half-year results  
July 19, 2019

2019 Q3 Revenue  
October 24, 2019

#### Annual Shareholders' Meeting

April 25, 2019

Dividend payment  
May 6, 2019

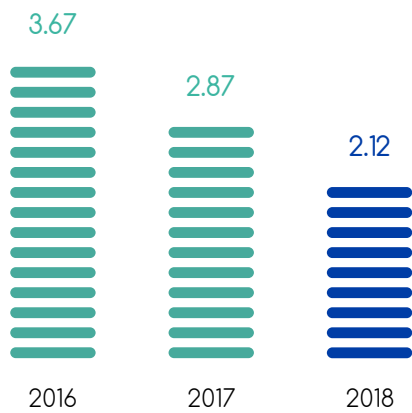
### Shareholder Department

0 800 777 889 Service & appel gratuits

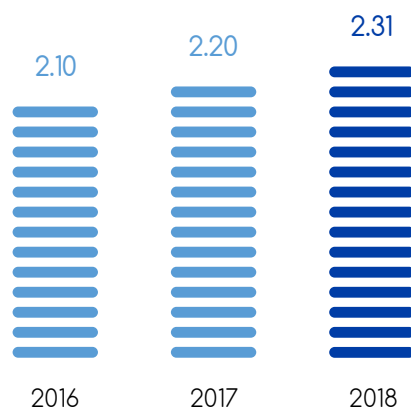
#### Management of registered shares:

BNP Paribas Securities  
Services  
Tel.: +33 08 26 10 91 19

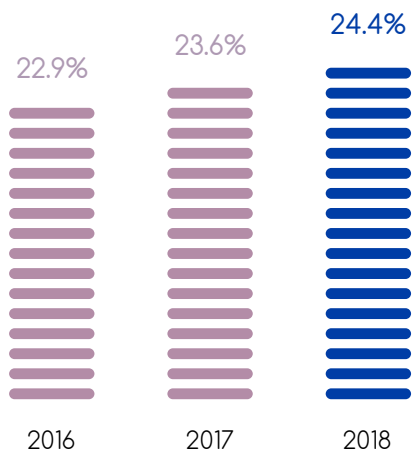
# SOCIAL AND ENVIRONMENTAL PERFORMANCE



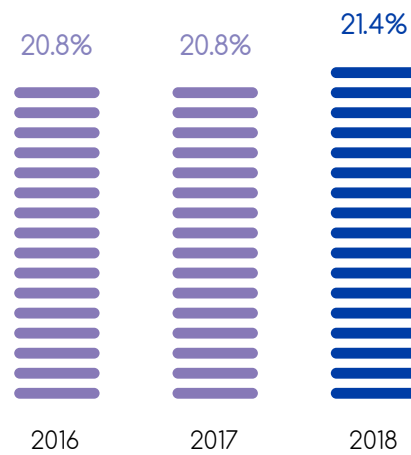
**Workplace accident frequency rate with and without lost time – Fr2**  
(in number of accidents per million hours worked)



**Number of Top Safety visits**  
(per employee per year)



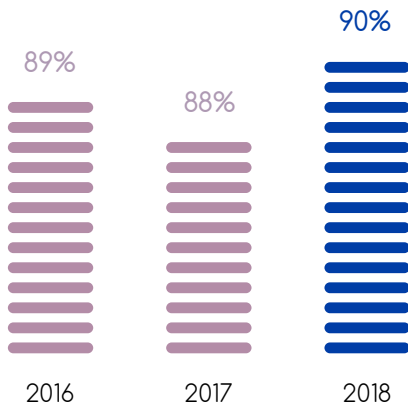
**Percentage of women in the workforce**



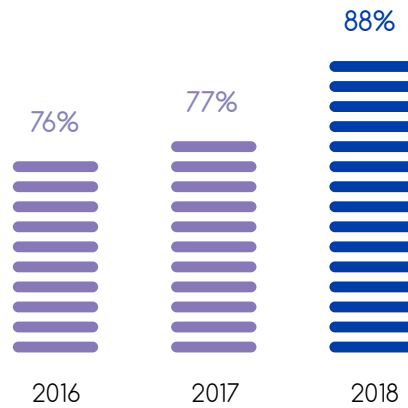
**Percentage of women managers in the workforce**

# 63/100

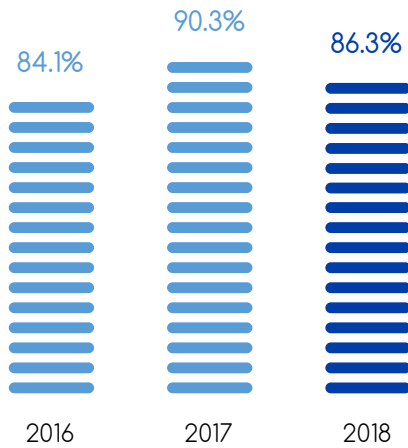
Plastic Omnium's CSR policy was rated 63/100 by RobecoSAM, ranking it seventh in its business sector.



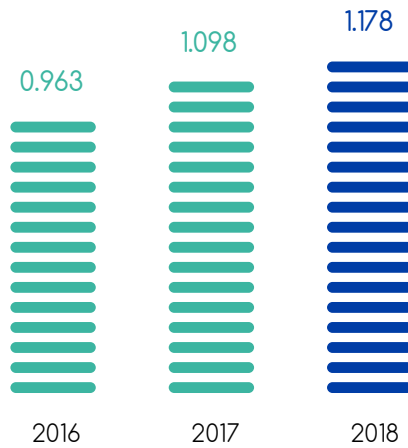
**Percentage of ISO 14001 certified sites**



**Percentage of OHSAS 18001 certified sites**



**Percentage of employees having undergone at least one training course during the year**



**Greenhouse gas emissions**  
(in kg CO<sub>2</sub>-eq per kg processed material)

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1, allée Pierre-Burelle – 92593 Levallois-Perret Cedex – France  
Tel.: +33 (0)1 40 87 64 00 – Fax: +33 (0)1 47 39 78 98

[www.plasticomnium.com](http://www.plasticomnium.com)

**COMPAGNIE PLASTIC OMNIUM**

Incorporated in France with limited liability and issued capital of €8,913,966.42  
Headquarters: 19, boulevard Jules-Carteret – 69007 Lyon – France  
955 512 611 RCS Lyon – APE: 6420 Z

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1, allée Pierre-Burelle  
92593 Levallois-Perret Cedex  
France

Tel.: +33 (0)1 40 87 64 00  
Fax: +33 (0)1 47 39 78 98

[www.plasticomnium.com](http://www.plasticomnium.com)