



# 2019 HALF-YEAR RESULTS

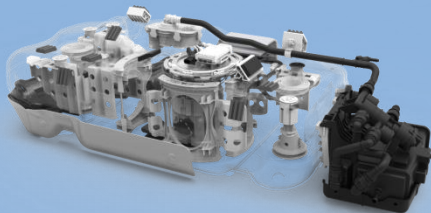
LEVALLOIS, JULY 19<sup>TH</sup>, 2019

## INDUSTRIES

INTELLIGENT EXTERIOR SYSTEMS



CLEAN ENERGY SYSTEMS



PLASTIC OMNIUM

## MODULES

PLASTIC OMNIUM MODULES



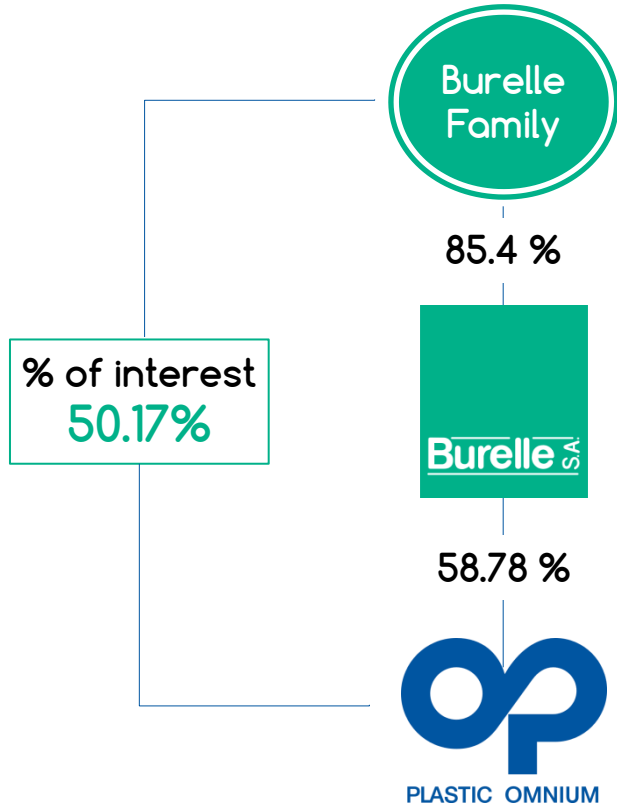
**HBPO**  
THE MODULE COMPANY

## MARKET

- Economic and political environment unstable
- Environmental pressure & regulations accelerating
- Large investments in electric and connected vehicles
- Auto production – 6.9% (-14.4% China; -11.4% Germany) with high volatility

## PLASTIC OMNIUM PERFORMANCE

- Anticipated market downturn with cost reductions
- Outperformance of the auto production : +7.1 points
- Operating margin in line with H2 2018 : €281m, +6.6% of sales
- Solid financial structure and strong liquidity



- Cancellation of 95,692 controlled shares on May 20th 2019  
→ *Control increased from 80.9% to 85.4%*
- Purchase by Burelle SA of 400,000 PO shares in March 2019
- Cancellation by PO of 2.4m treasury shares in 2018  
→ *Control increased from 57.57% to 58.78%*



↑  
Sell to  
↓

**Sofiparc**

## Potential transaction

- Plastic Omnium intends to reorganise its non-industrial real estate.
- On the basis of an independent assessment, Plastic Omnium could sell its tertiary real estate assets to the real estate corporation Sofiparc.
- Sofiparc is owned at 100% by Burelle SA, which is the controlling holding of Plastic Omnium.

Economic Sales	:	€4,611m	+20.7%
Consolidated Sales	:	€4,268m	+33.8%
Operating Margin	:	€281m	6.6% of sales
EBITDA	:	€511m	12.0% of sales
Net Result – Group Share	:	€155m	3.6% of sales
Free Cash-Flow	:	€30m	0.7% of sales
Net Debt	:	€1,021m	

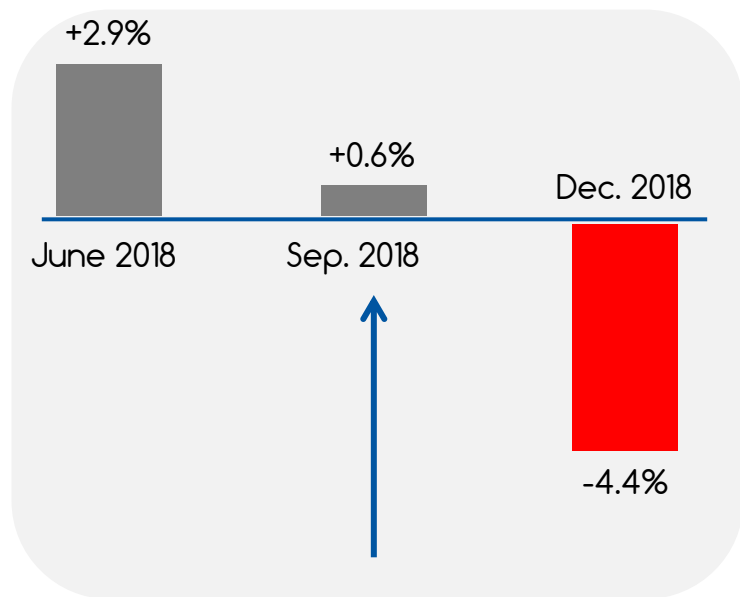
# 2019 Half-Year Highlights



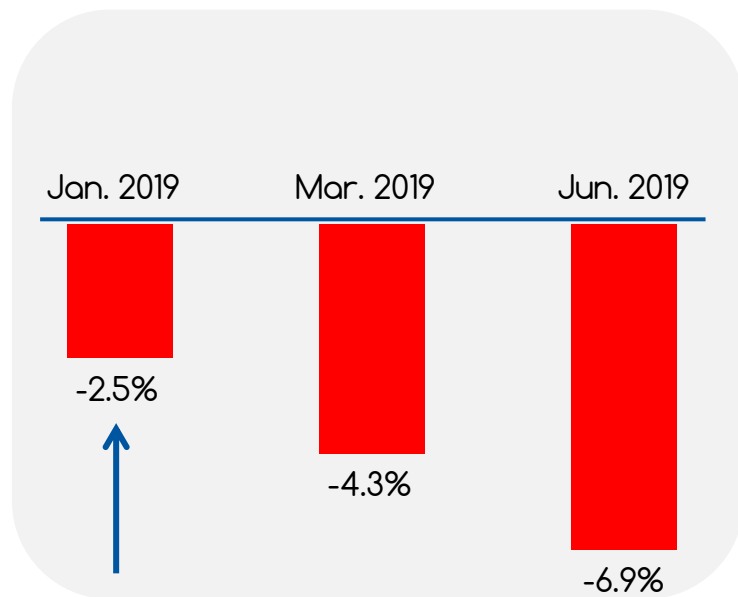
# Managing market uncertainty →

*Anticipated volume drop with cost reduction programmes*

### H2 2018 Auto production Forecast



### H1 2019 Auto production Forecast



**Cost reduction Programme launched**

**Cost reduction Programme reinforced**





# Managing market uncertainty →

## *Cost reduction programmes*

### VARIABLE COST

- Plant flex : direct headcount & temps ↓
- Strict control of production cost

Annualized  
Impact

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-€50m

### FIXED COST

- Headcount reductions : indirect & structure
- Strong effort in R&D maintained

-€50m

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-€100m

# Generating free cash-flow → *Investments capped at 6% of sales*

## H1 Investments

- 6 new plants
- 3 new R&D centers

**H1 =**

→ 7.2% of sales  
→ €30m free cash-flow

## H2 Investments

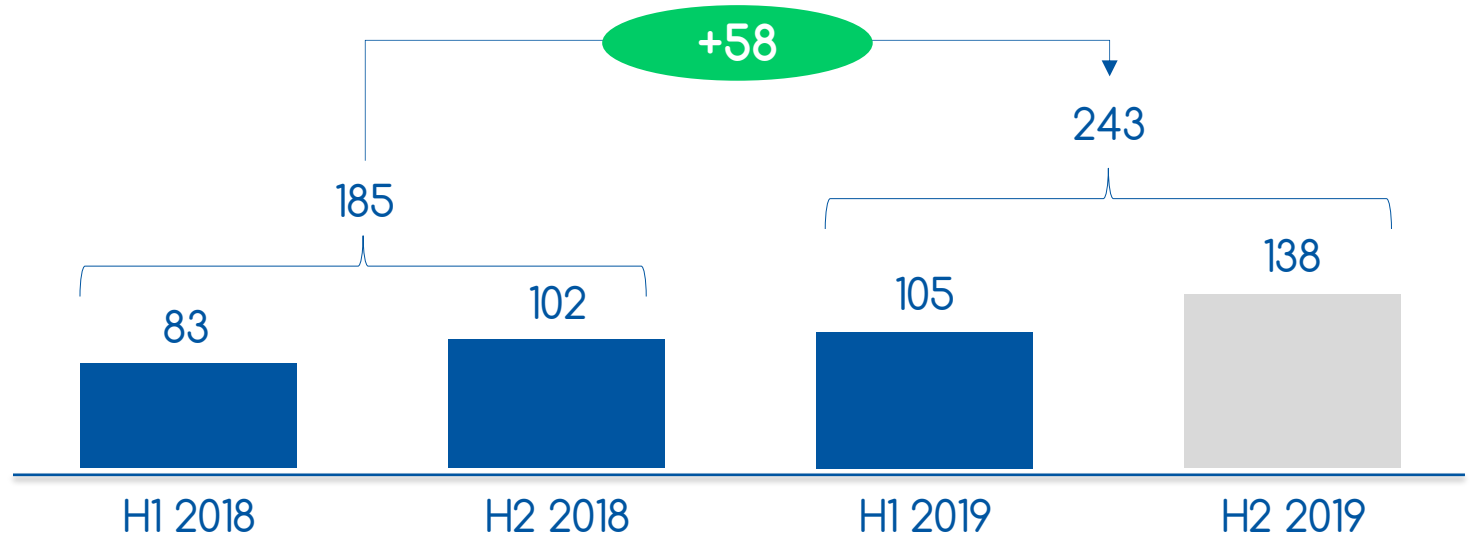
- 0 new plants
- 0 new R&D centers

**2019 =**

→ 6% of sales  
→ €200m free cash-flow

# Delivering outperformance →

Record SOP in H1 and H2



Americas

7

26

13

16

Europe

37

29

37

47

Asia

39

47

55

75

*o/w China*

*28*

*40*

*45*

*60*

# Delivering outperformance →

*New plants launched : Industries*



Kenitra, Morocco



Bhamboli, India



Hlohovec, Slovakia



Greer, USA



128 plants globally ... + 6 added in H1 2019

# Delivering outperformance →

*New plants launched : Modules*



Vaihingen, Germany



PORSCHE



Saltillo, Mexico



DODGE

128 plants globally ... + 6 added in H1 2019

# Delivering outperformance →

*New R&D centers opened*

## DELTATECH

*Brussels, BELGIUM :  
Advanced Research Center*



- 140 engineers & scientists
- Surface : 15,500m<sup>2</sup>
- Clean energies research

## OMEGATECH

*Wuhan, CHINA :  
Asia R&D Center*



- 150 engineers & scientists
- Surface : 16,000m<sup>2</sup>
- Supporting China growth
- Chinese Hydrogen lab

## SIGMATECH (Extension)

*Lyon, FRANCE :  
Global R&D and Digital Center*



- 500 engineers
- + 4,000 m<sup>2</sup>
- Connectivity integration lab

# Delivering outperformance → Pushing Open Innovation

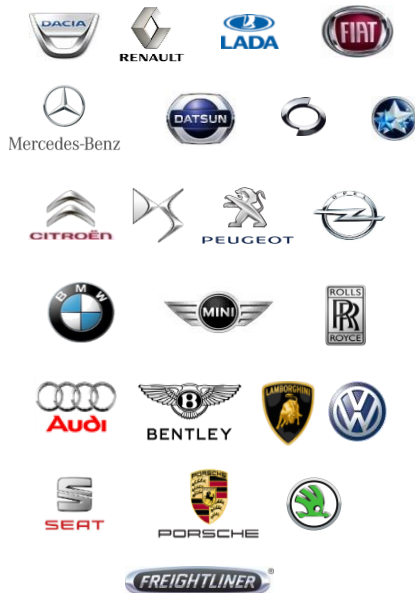


# Delivering outperformance → New customers

## AMERICAS 15



## EUROPE 23



## ASIA 20



## CHINA 34



92 customers globally ... + 9 added in H1 2019



# 2019 Half-Year Results



# Economic sales: +0.2% at constant change and perimeter

In €m	H1 2018	H1 2019	$\Delta$ in %	$\Delta$ at constant perimeter & exchange rate
PO Industries	3,445.7	3,458.3	+0.4%	-1.2%
PO Modules	375.1	1,152.7	na	+4.7%
<b>Economic sales</b>	<b>3,820.9</b>	<b>4,611.0</b>	<b>+20.7%</b>	<b>+0.2%</b>
JVs	631.3	342.7	na	+4.5%
<b>Consolidated sales</b>	<b>3,189.6</b>	<b>4,268.3</b>	<b>+33.8%</b>	<b>-0.1%</b>

## Auto production

H1 2019: **43.7** million vehicles

H1 2018: **47.0** million vehicles

**-6.9%**

## Plastic Omnium sales

at constant perimeter and exchange rate

**+0.2%**

Outperformance:  
**+7.1pts**

# Outperformance in each region

## NORTH AMERICA

*Outperformance +10.2pt*

Auto production -2.9%

PO sales +7.3%

## EUROPE

*Outperformance +4.9pt*

Auto production -8.0%

PO sales -3.1%

## CHINA

*Outperformance +13.5pt*

Auto production -14.4%

PO sales -0.9%

## SOUTH AMERICA

*Outperformance +2.7pt*

Auto production -2.9%

PO sales -0.2%

## ASIA (excl. CHINA)

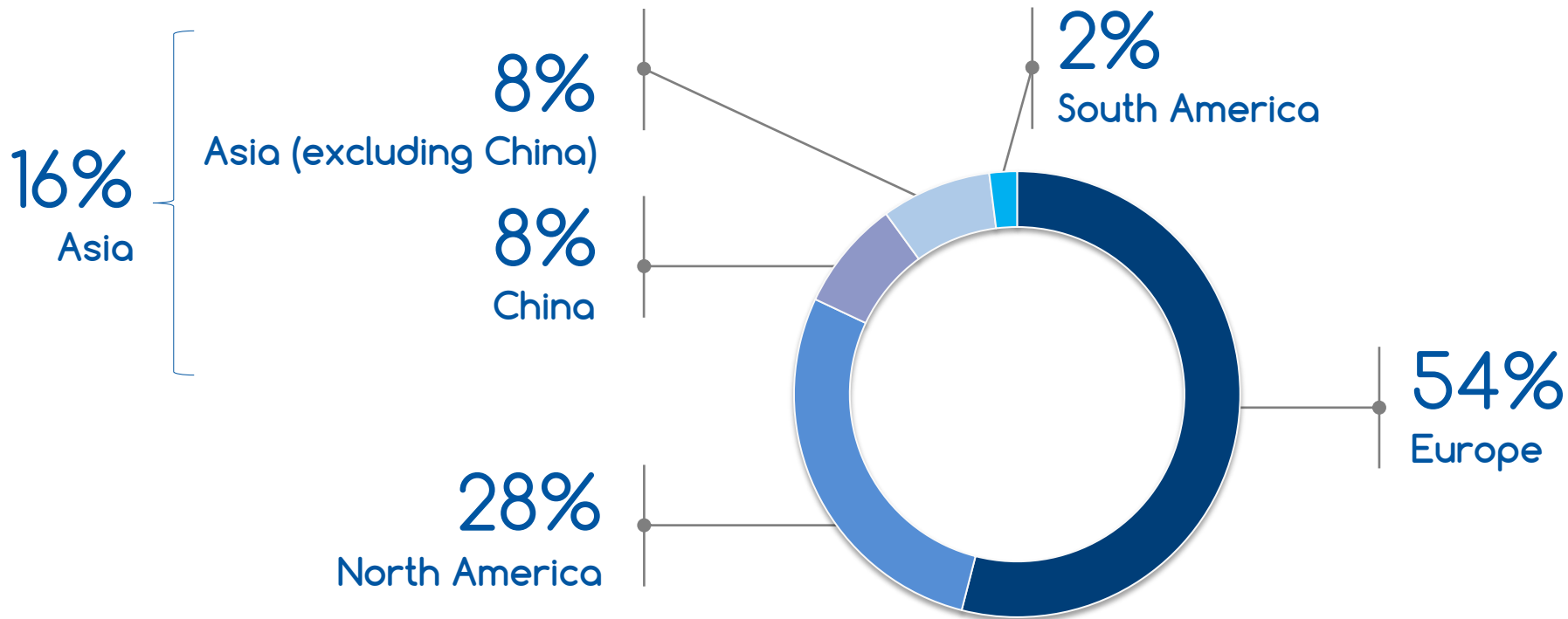
*Outperformance +3.8pt*

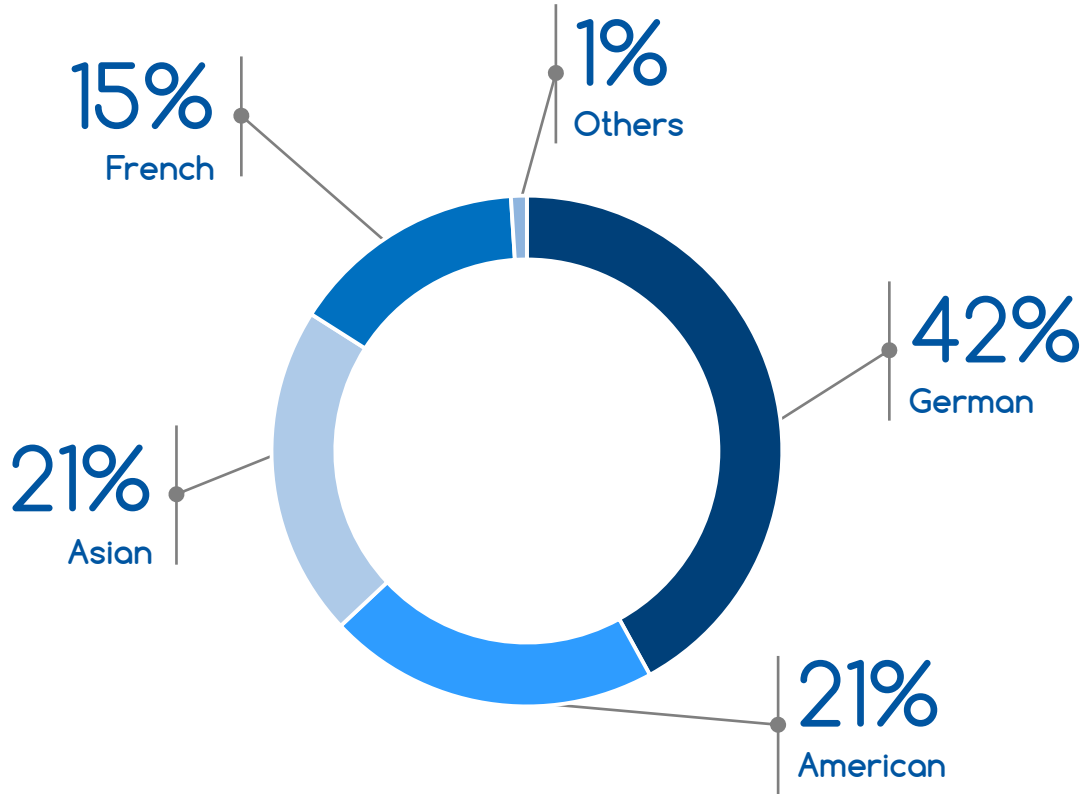
Auto production -0.4%

PO sales +3.4%

\* Plastic Omnium economic sales at constant perimeter and exchange rate

# H1 2019 Economic sales per region





## TOP 10 CUSTOMERS

1	Audi	9.4%
2	PSA	8.9%
3	Volkswagen	8.6%
4	BMW	8.2%
5	General Motors	7.9%
6	Daimler	7.8%
7	Ford	6.8%
8	Chrysler	6.6%
9	Renault	6.0%
10	Jaguar Land Rover	4.9%

# H1 2019 Profitability by business

In €m	H1 2018	% sales	H2 2018	% sales	H1 2019	% sales
Consolidated sales	3,189.6	100%	4,055.0	100%	4,268.3	100%
PO Industries	3,189.6	100%	3,098.2	76%	3,207.5	75%
PO Modules	0.0	0%	956.9	24%	1,060.7	25%
<b>Operating Result</b>	<b>324</b>	<b>10.2%</b>	<b>286</b>	<b>7.1%</b>	<b>281</b>	<b>6.6%</b>
PO Industries	315	9.9%	263	8.5%	254	7.9%
PO Modules	9	na	24	2.5%	27	2.5%
<b>EBITDA</b>	<b>457</b>	<b>14.3%</b>	<b>461</b>	<b>11.4%</b>	<b>511</b>	<b>12.0%</b>
PO Industries	448	14.1%	417	13.4%	457	14.2%
PO Modules	9	na	45	4.7%	54	5.1%

In €m	H1 2018	H1 2019
<b>Economic sales</b>	<b>3,820.9</b>	<b>4,611.0</b>
<b>Consolidated sales</b>	<b>3,189.6</b>	<b>4,268.3</b>
<b>EBITDA</b>	<b>457.0</b>	<b>510.7</b>
<i>In % of sales</i>	<i>14.3%</i>	<i>12.0%</i>
<b>Operating margin</b>	<b>323.8</b>	<b>281.0</b>
<i>In % of sales</i>	<i>10.2%</i>	<i>6.6%</i>
Other operating expenses	-9.9	-25.0
<i>In % of sales</i>	<i>-0.3%</i>	<i>-0.6%</i>
Financial expenses	-36.8	-36.9
<i>In % of sales</i>	<i>-1.2%</i>	<i>-0.9%</i>
Income Tax	-50.9	-55.6
<b>Net Result</b>	<b>232.7</b>	<b>163.5</b>
<i>In % of sales</i>	<i>7.3%</i>	<i>3.8%</i>
<b>Net Result - Group Share</b>	<b>230.1</b>	<b>155.0</b>
<i>In % of sales</i>	<i>7.2%</i>	<i>3.6%</i>

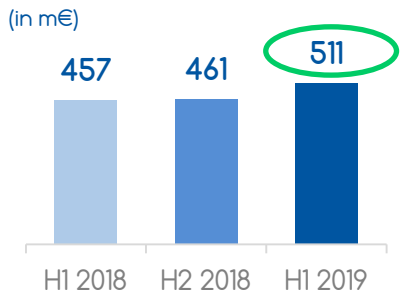


# H1 2019 Cash-flow statement

In €m	H1 2018	H1 2019
Consolidated Sales	3,189.6	4,268.3
Net Debt (beginning of the period)	-571	-698
Net Operating Cash Flow <i>in % of sales</i>	+422 <i>+13.2%</i>	+464 <i>+10.9%</i>
Taxes & Net Financial Interest paid	-83	-73
Capex and development <i>in % of sales</i>	-271 <i>-8.5%</i>	-308 <i>-7.2%</i>
Change in WCR	+41	-53
<b>Free Cash Flow</b>	<b>+109</b>	<b>+30</b>
M&A	-372	-
Dividends	-99	-123
Treasury shares	-25	-5
IFRS 16	-	-248
Currency/Other	-34	+23
<b>Net Debt (end of the period)</b>	<b>-992</b>	<b>-1,021</b>

# H1 2019 Key financial metrics after IFRS16 impact of €234m

## EBITDA



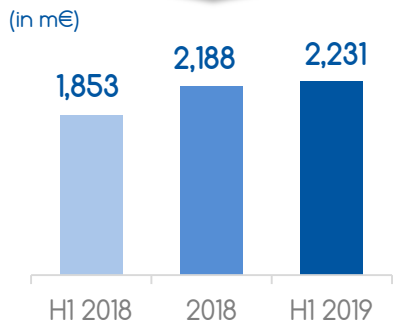
## NET DEBT



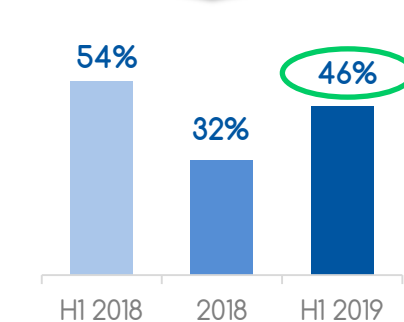
## NET DEBT/EBITDA



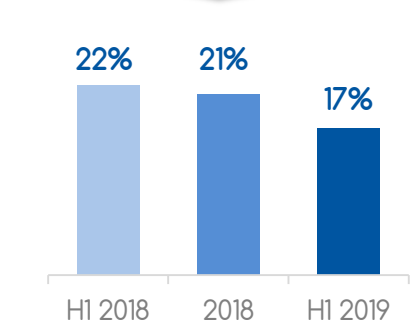
## SHAREHOLDERS' EQUITY



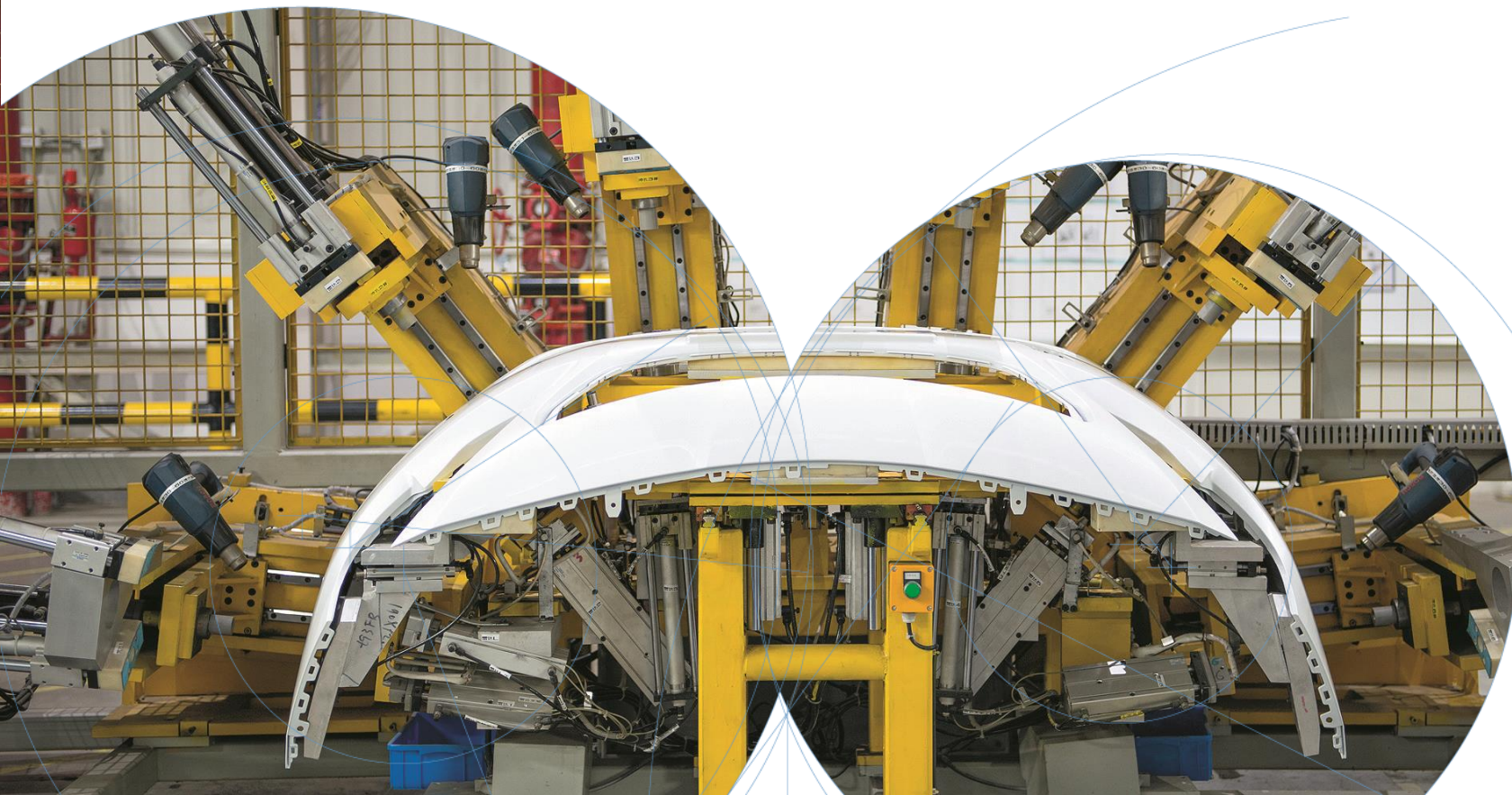
## GEARING



## ROCE

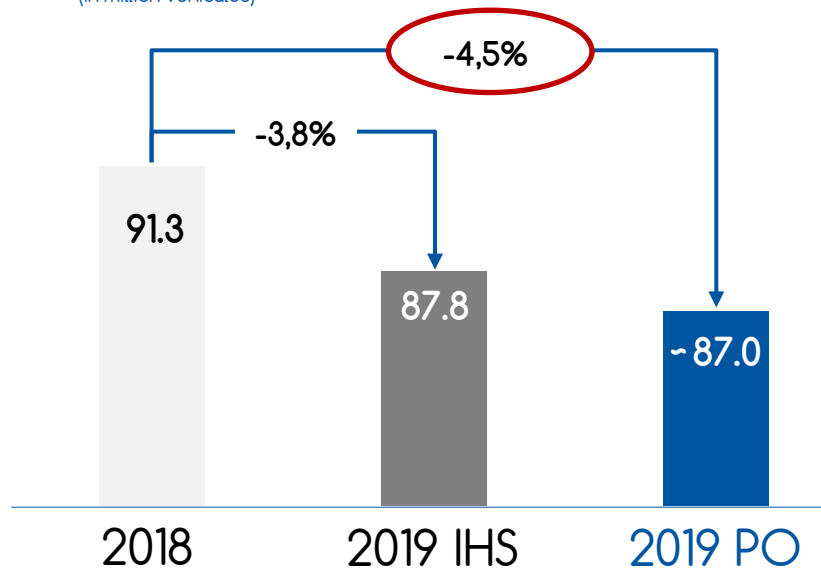


# 2019 Outlook



## Automotive Production assumptions :

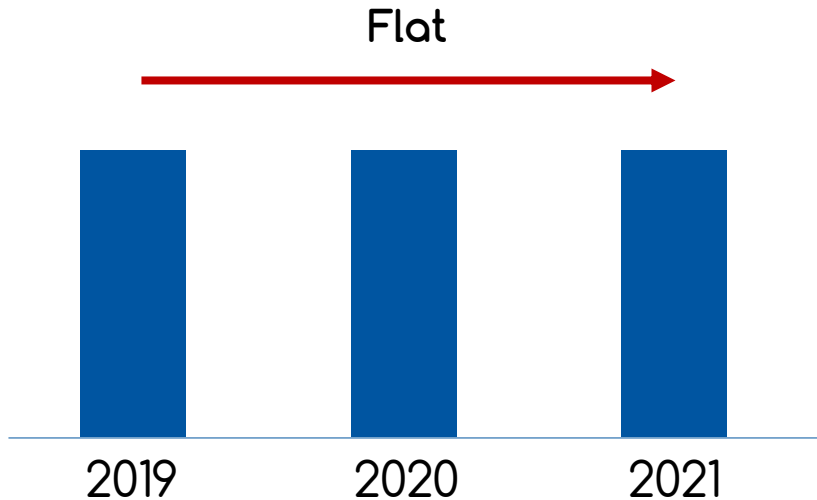
(In million vehicles)



## 2019 Financial outlook

- ✓ Outperformance > 5 points
- ✓ Operating margin slightly below 2018 (€610m)
- ✓ EBITDA 2019 > EBITDA 2018
- ✓ €200m free cash flow after 6% investments

## Plastic Omnium market assumptions:



No market rebound expected in  
the next 2 + years

- ✓ Delivering 5 points outperformance
- ✓ Ongoing cost reduction programmes
- ✓ Investments capped at 6% of sales
- ✓ Free cash flow > €200m / year



# 2019 HALF-YEAR RESULTS

LEVALLOIS, JULY 19<sup>TH</sup>, 2019