PLASTIC OMNIUM

Levallois, July 20, 2018,

First-half 2018:
Further improvement in results
Major strategic advances
Proposed disposal of the Environment business

- **Revenue[1]: 3,820.9 million euros, growth of 4.8% like-for-like (exchange rate and scope)**
- **Operating margin: 323.8 million euros, or 10.2% of revenue versus 9.5% (proforma first-half 2017)**
- **Net income: 230.1 million euros, growth of 9.4%**
- **Free cash flow: 109 million euros after investments amounting to 271 million euros**
- **Net debt: 992 million euros, representing 54% equity and 1.1x EBITDA, after 350 million euros of investment in 33.33% of HBPO**
- **Outlook 2018: revenue and full-year results for 2018 expected to grow**

Plastic Omnium, an innovative company employing more than 3,200 engineers in 24 R&D centers worldwide, dedicates 6.4% of revenue to Research & Development, supplemented by a further 1.5% spent on investment in technologies. Over the next two years, the Group will therefore be allocating 1.2 billion euros in R&D for a safer, more connected and cleaner car.

Now exclusively focused on the development of automotive activity after the expected sale of its Environment business in the second half-year, Plastic Omnium is also underpinning its leadership through structuring acquisitions, the latest in line being the operational controlling stake, in the second half-year, in the German company, HBPO THE MODULE COMPANY, the world leader in the production of front-end modules posting revenue of over 2 billion euros.

Backed by a wide-ranging client portfolio (82 client brands), worldwide presence (122 plants in 26 countries) and technologies, Plastic Omnium is speeding up its profitable growth strategy for the production of intelligent exterior systems and clean energy systems, together with the assembly of complex modules for the car of the future.

Looking to the future with confidence, the Group can confirm that 2018 results will again show further growth.

Laurent Burelle, Chairman and Chief Executive Officer

Proposed disposal of our Environment business

On July 19, 2018, Compagnie Plastic Omnium signed a put option with the consortium made up of Latour Capital and Bpifrance (Banque publique d'investissement) for the sale of its subsidiary Plastic Omnium Environment BV. The closing of this operation is expected by the end of 2018. (cf. press release of July 19, 2018).

Further improvement in results over the first-half 2018

The Board of Directors of Compagnie Plastic Omnium met on July 19, 2018, under the Chairmanship of Laurent Burelle, and approved the consolidated financial statements as at June 30, 2018.

Pursuant to IFRS 5 and taking into account the planned disposal of the Environment Division now underway, the results from this activity are presented on a special line headed "net income from discontinued operations".

The first half-year 2017 financial statements have been restated to provide a proforma with comparable scope for the first half-year 2018 pursuant to IFRS 5.

In €m Group	First-half 2017 published	First-half 2017proforma to IFRS 5	First half-year 2018 IFRS 5	Change vs proforma	
Economic revenue[1]	4,062.2	3,894.2	3,820.9	*- 1.9%*	*
Consolidated revenue[2]	3,454.9	3,286.9	3,189.6	*- 3.0%*	**
Operating margin[3] *in % of consolidated revenue*	325.0 *9.4%*	311.8 *9.5%*	323.8 ***10.2%***	*+ 3.8%* *+ 0.7 pt*	
Net profit - Group share	210.3	210.3	**230.1**	*+ 9.4%*	
EBITDA[4] *in % of consolidated revenue*	468.6 *13.6%*	449.5 *13.7%*	457.0 *14.3%*	*+ 1.7%* *+ 0.6 pt*	
Investments	207	204	271	*+ 33.0%*	
Free cash flow[5]	101	104	109	*+ €5m*	
Net debt[6] as at 06/30 Net debt/shareholders' equity Net debt/EBITDA	622 39% 0.7	630 40% 0.7	992 54% 1.1	*+€362m*	

* + 4.8% like-for-like (scope and exchange)

** + 4.6% like-for-like (scope and exchange)

Growth in revenue[1] of 4.8% (like-for-like, scope and exchange), i.e. outperformance of 3 points over automotive production

Further to the reclassification of the Environment Business as discontinued operations, Plastic Omnium Group revenue relates to the Automotive Business only.

The economic revenue[1] recorded by Compagnie Plastic Omnium stood at 3,820.9 million euros as at June 30, 2018 and takes account of negative impacts of 186 million euros from exchange rates and 97 million euros from scope, i.e. a total negative impact of minus 283 million euros.

On a like-for-like basis (exchange and scope), growth stands at 4.8% compared with worldwide automotive production up by 1.8%, i.e. outperformance of 3 points.

Consolidated revenue[2], excluding joint ventures, came to 3,189.6 million euros, up by 4.6% on a like-for-like basis (scope and exchange). It takes account of negative impacts of 161 million euros from exchange rates and 84 million euros from scope, i.e. a total negative impact of minus 245 million euros.

All our regions played a part in the growth of business[7].

In €m and % of economic revenue, per region	**First-half 2017 published**	**First-half 2017 proforma to IFRS 5**	**First-half 2017 IFRS 5**	Change vs proforma	Change like-for-like (scope & exchange)
Europe/Africa	2,235.0 *55%*	2,080.2 53%	2,120.0 *55%*	+ 1.9%	+ 5.1%
North America	1,048.0 *26%*	1,043.5 27%	943.2 *25%*	- 9.6%	+ 1.9%
South America	129.1 *3%*	124.4 3%	101.4 *3%*	- 18.5%	+ 7.3%
Asia	650.1 *16%*	646.1 17%	656.3 *17%*	+ 1.6%	+ 8.2%
Economic revenue[1]	**4,062.2** *100%*	**3,894.2** *100%*	**3,820.9** *100%*	**- 1.9%**	**+ 4.8%**
Consolidated revenue[2]	**3,454.9**	**3,286.9**	**3,189.6**	**- 3.0%**	**+ 4.6%**

Business[7] in Europe, which accounts for 55% of total revenue[2], was up by 5.1% on a like-for-like basis (scope and exchange) while automotive production rose by 2.2%. This outperformance of 2.9 points is mainly explained by brisk business in Eastern Europe.

Business[7] recorded in North America was up by 1.9% over the first half of the year, while automotive production fell by 2.6 points, giving outperformance of 4.5 points. Business has benefited from new facilities that have been in production for three years (two plants commissioned in 2015 in the United States, then three plants in Mexico in 2016-2017). Moreover, in North America, the Group benefited from its strong exposure to the SUV/Light Truck segment which accounts for around 80% of its business.

Business in Asia, including China, increased by 8.2%, at constant scope and exchange rates. In China, which accounts for revenue[1] of 362.8 million euros, or 9.5% of total revenue, growth in business on a like-for-like basis (scope and exchange) amounted to 13.7% over the first-half 2018 while automotive production rose by 3.3%. This outperformance of 10.4 points is explained by gains in market shares achieved by our two business divisions and by strong investments made in recent years to grow our industrial footprint. Plastic Omnium has 25 local brands in its customer portfolio, which represent a growing share of revenue produced in China, particularly with SUVs. In the rest of Asia, growth in business amounted to 2.4% like-for-like, in comparison with automotive production up by 2.1%.

Operating margin: 10.2% of revenue
Net income: 230.1 million euros, growth of 9.4%

In the first-half 2018, **the operating margin** totaled 323.8 million euros, or **10.2% of consolidated revenue**, versus 311.8 million euros proforma over the first-half 2017. **The operating margin improved significantly, rising from 9.5% proforma in the first-half 2017 to 10.2% in the first-half 2018.**
As a result, the Group has recovered the double-digit level of profitability that it first achieved in the first-half 2016, just prior to the acquisition of the Faurecia exterior parts business, whose turnaround was engineered more quickly than originally announced.

In the first-half 2018, Plastic Omnium recorded net non-current expenses of 9.9 million euros (versus 23.9 million euros in the first-half 2017).

As at June 30, 2018, the net financial loss was -36.8 million euros versus -31.3 million euros over the first-half 2017.

As at June 30, 2018, the amount of income tax came to -50.9 million euros, i.e. an effective rate of 21.0%, versus -52.8 million euros as at June 30, 2017 (an effective rate of 23.3%).

Net income from continued operations thus rose by 11.0% to 226.2 million euros and represents 7.1% of consolidated revenue.

Net income from discontinued operations came to 6.6 million euros.

Net profit amounted to 232.7 million euros (i.e. 7.3% of consolidated revenue), growth of 9.2%.

Net profit - Group share came to **230.1 million euros** (i.e. 7.2% of consolidated revenue), **giving growth of 9.4%**.

Sustained investments and strong generation of cash

The Group sped up investments over the first-half 2018. Levels were up by 33.0% to reach 271 million euros, or 8.5% of consolidated revenue (versus 204 million euros or 6.2% of consolidated revenue in the first-half 2017).

They covered, most notably:
- the Group's 4th factory in India, commissioned in the course of the first-half period, which produces fuel systems for Suzuki's Swift and Baleno models;
- seven plants under construction: one in India, one in Slovakia, one in Morocco, two in China and two in the United States, including the Greer pilot plant (South Carolina) for the Group's Industry 4.0 program;
- the building or extension of three R&D centers:
    - the creation of an advanced research center for new energies, Δ-Deltatech, due to open in Brussels mid 2019,
    - the building of a new development and testing center for fuel systems in Wuhan (China) in 2019,
    - the digitalization and enlargement of the world R&D center for exterior body parts in Lyon by the year 2020.

This sustained investment program is extensively financed by **EBITDA,** which amounted to 457 million euros in the first-half 2018 (**14.3%** of consolidated revenue versus 449.5 million euros and 13.7% of consolidated revenue in proforma data over the first-half 2017).

As at June 30, 2018, the Group is clearing **free cash flow of 109 million euros**, i.e. 3.4% of consolidated revenue.

Sound financial structure

The net financial debt totaled 992 million euros as at June 30, 2018, up by 421 million euros compared with December 31, 2017, and by 362 million euros compared with June 30, 2017.

It includes an enterprise value of 350 million euros for the takeover of HBPO, the world leader for front-end modules, 99 million euros in dividends and a net amount of 25 million euros for the purchase of treasury shares.

The Group's financial position is very sound with the Group's net debt representing **54% of equity capital and 1.1x EBITDA**.

Furthermore, at their meeting of July 19, 2018, the Board of Directors voted to cancel 1,110,613 treasury shares as of July 25, 2018. After this cancellation, the percentage of control of Burelle SA will go from 57.57% to 58%.

Financial outlook

In 2018, worldwide automotive production is expected to grow by around 2%.

In this context together with the integration of HBPO during the second half-year, Plastic Omnium will post growth in revenue[1] to reach around 9 billion euros in proforma figures.

The Group hereby confirms that 2018 results will show growth.

The Group will be pursuing its investment program with some 600 million euros invested in 2018 whilst clearing three-digit free cash-flow.

Strategic advances and new presentation of Compagnie Plastic Omnium business activities

The Group is now an automotive pure player with the planned disposal of our Environment Division, which should materialize over the second half-year.

Growth potential has been strengthened by the takeover, during the second half-year, of HBPO, the world leader for front-end modules. Plastic Omnium now holds a 66.67% stake in HBPO further to the acquisition of the 33.33% shareholding from the German group Mahle in the HBPO joint venture, up to then held equally by Plastic Omnium, Hella and Mahle-Behr.

As from July 1, 2018, Plastic Omnium is to present its business activity around two operational sectors, each with very different industrial approaches, capital requirements, levels of profitability and ROCE:

- Plastic Omnium Industries: production activities with significant investment in plants and long cycles;
- Plastic Omnium Modules: assembly activities with low levels of capital employed.

- ***Plastic Omnium Industries*** pools all **production** activities, with 98 plants in 22 countries:
    - ***Intelligent Exterior Systems***, dedicated to complex and intelligent exterior systems

    This activity is the world leader with a wide range of complex exterior assemblies: bumpers and energy absorption systems, tailgates, spoilers, fenders and floor modules. Operating in a market producing parts with paintwork and slick design, the goal is to propose customized multi-material solutions with high added value, designed along a growing rationale of integrating functions and safety in order to lighten vehicles and reduce CO_2 emissions. Additionally, backed by expertise in the integration of functions and unique performance in the electromagnetic transparency of plastics, Plastic Omnium is contributing to the development of tomorrow's smart cars. Its exterior parts will include numerous radar and other sensors, with ever-improving design and protection.

    - ***Clean Energy Systems***, dedicated to clean energy storage systems

    This activity leads the world for the production of fuel systems. It is developing new product lines such as SCR depolluting systems for diesel-powered vehicles, and fuel systems for plug-in hybrid vehicles (PHEVs).
    The Group has created "Plastic Omnium New Energies" dedicated to the development of energies of the future, specifically in the fields of fuel cells and hydrogen propulsion. After the creation of ΞPO-CellTech in 2016, development is now in the fast lane with the acquisition in December 2017 of two companies with a strong technological content: Swiss Hydrogen, a Swiss enterprise based in Fribourg specializing in the design and production of energy management and control solutions

in fuel cell systems ("balance of plant"), and Optimum CPV, a Belgian company based in Zonhoven specializing in the design and production of composite filament vessels for high-pressure hydrogen storage.

- ***Plastic Omnium Modules*** pools all module **assembly** activities with 24 sites located in 11 countries:
  - HBPO THE MODULE COMPANY dedicated to front-end modules

    This activity is the world leader in the development, assembly and logistics of front-end modules. HBPO provides just-in-time delivery of nearly 6 million front-end modules from assembly units located close to the plants of major automotive manufacturers. A front-end module is a complex assembly at the front of a vehicle which, on the basis of a technical front-end, integrates the impact beam, lighting and engine cooling systems, active grille shutters and driving-aid radar and sensor systems.

On December 13, 2018, the Group will be presenting its strategic plan within this newly defined perimeter.

Webcast presentation of the annual results

The presentation of half-year results, with simultaneous translation, will take place on Friday July 20, 2018 at 11:00 a.m. Paris time.

It will also be accessible by webcast on the website of Groupe Plastic Omnium and by telephone to:

- France: +33 (1) 70 71 01 59
- United Kingdom: +44 207 194 3759
- Germany: +49 692 2222 5429
- Spain: +34 911 140 101
- United States: +1 646 722 4916

Access codes:

- French: 34866962#
- English: 69762546#

More detailed financial information can be found on the website, at www.plasticomnium.com.

Calendar

October 25, 2018 – 3rd quarter revenue, 2018

December 13, 2018 - Investor Day

Glossary

(1) Economic revenue relates to consolidated revenue (excluding Plastic Omnium Environment) plus revenue from the Group's joint ventures up to its holding percentage: BPO, HBPO and YFPO as at June 30, 2018. The figure reflects the operational and managerial realities of the Group.

(2) Consolidated revenue does not include:

   a. the share of joint ventures, which are consolidated using the equity method pursuant to IFRS 10-11-12;

   b. the revenue of Plastic Omnium Environment, pursuant to IFRS 5 as at January 1, 2018.

(3) The operating margin includes the share of the results of companies which have been consolidated using the equity method, and the amortization of the intangible assets acquired, before other operating income and expenses.

(4) EBITDA corresponds to the operating margin plus the share of profit of associates and joint ventures before depreciation and operating provisions.

(5) Free cash flow corresponds to the operating cash flow, less tangible and intangible investments net of disposals, taxes and net interest paid +/- variation of the working capital requirements (cash surplus from operations).

(6) 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.

(7) Business activity relates to economic revenue on a like-for-like basis (scope and exchange rates).

Status of financial statements with respect to the audit

As at the date of this release, the accounts have been subject to a limited review and the Statutory Auditors' have issued their limited review report.

This press release is published in French and in English. In case of a discrepancy between these versions, the original version drafted in French shall prevail.