



PLASTIC OMNIUM

# FY 2023 RESULTS

FEBRUARY 22, 2024



# EXECUTIVE SUMMARY



**Laurent Favre**  
Chief Executive Officer

# Executive summary

2023 in-line with our operational strategic priorities

## Historical businesses

from strength to strength



Consolidating the ambition in **Hydrogen** and accelerating industrial development

## Main achievements

Significant improvement in first year of **Lighting**



Additional initiatives to **carbon neutrality** roadmap

# Executive summary

2023, year of excellent execution



## Strong revenue growth

**+20.3%**

vs. 2022

**+13.4%**

of organic growth

**+3.7 pts**

outperformance vs. market\*

ORDER



## Solid order book reflecting customers' trust

equivalent to

**2 years of revenue**

in 2023



## Financial performance above adjusted targets

**Operating margin**

of **€395m**

**Free Cash Flow**

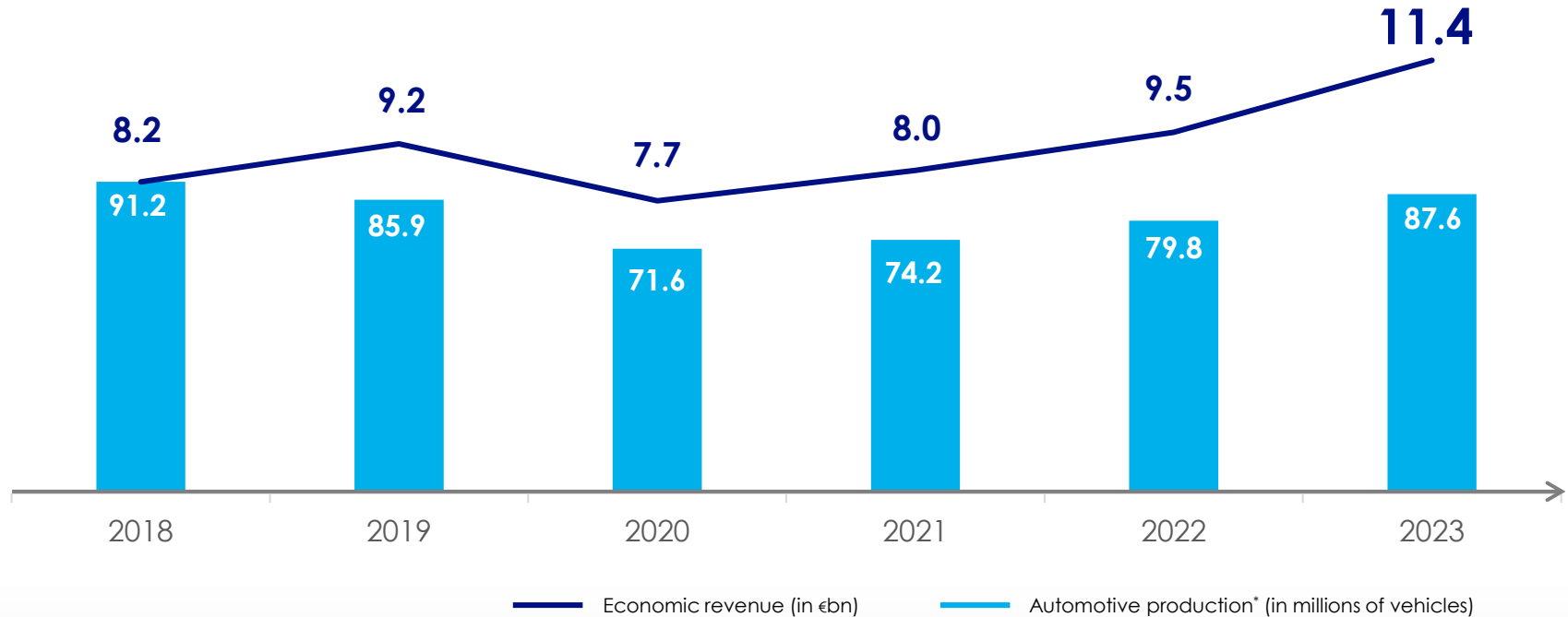
of **€227m**

\* Source: S&P Global Mobility automotive production published in February 2024 - [0:3.5f PC + LCV]

# For the first time, revenue exceeds €10bn





Up +38% since 2018, of which 2/3 is organic growth...

...while automotive production is down -4%



\* Source: S&P Global Mobility automotive production published in February 2024 - [0:3.5f PC + LCV]

# Outperforming the market by +3.7pts

					
FY 2023 vs. FY 2022	TOTAL	EUROPE	NORTH AMERICA	CHINA	ASIA (EXCL. CHINA)
% of Plastic Omnium 2023 revenue	100%	51%	28%	9%	8%
Automotive production*	+9.7%	+12.2%	+9.9%	+10.2%	+8.6%
Plastic Omnium LFL**	+13.4%	+16.4%	+10.8%	+0.5%	+16.1%
PERFORMANCE vs. market	+3.7pts	+4.2pts	+0.9pts	-9.7pts	+7.5pts

**Strong growth outperforming the market** mainly driven by IES and Modules

Performance **in-line with the market** despite the headwind of the UAW strike

Market growth mainly driven by **EV vehicles and local players**. JV YFPO in-line with market; Modules and CES underperformed

**Excellent performance** vs. market production mostly driven by **South Korea and India**

\* Source: S&P Global Mobility automotive production published in February 2024 by source plant region - [0:3.5t PC + LCV]  
 \*\* Economic revenue at constant scope and foreign exchange differences

# BUSINESS AND STRATEGIC HIGHLIGHTS



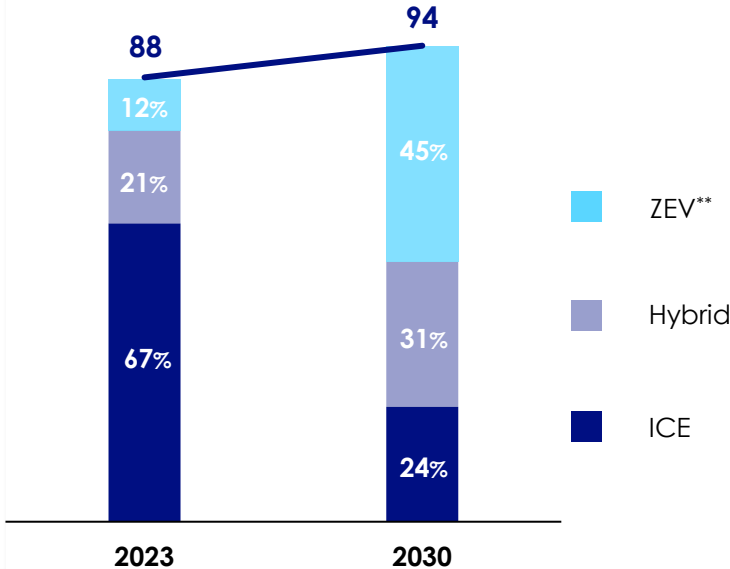
**Laurent Favre**  
Chief Executive Officer

**Félicie Burelle**  
Managing Director

# Plastic Omnium well-positioned to address market evolution

## Automotive production market\*

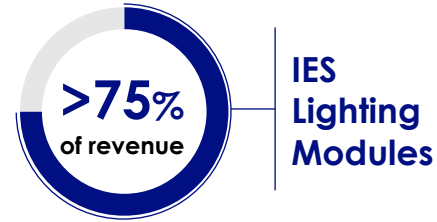
In millions of vehicles



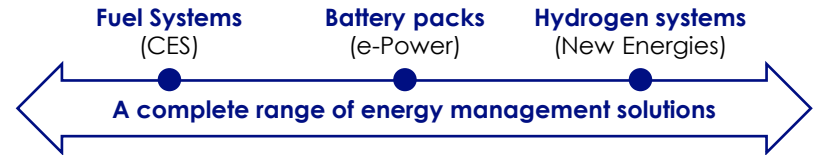
\*Source: S&P global Powertrain forecast January 2024 – PC+LCV [0-3.5T]  
 \*\*Zero-Emission Vehicles (BEV+FCEV)

## Plastic Omnium product portfolio

3 divisions agnostic to powertrain evolution



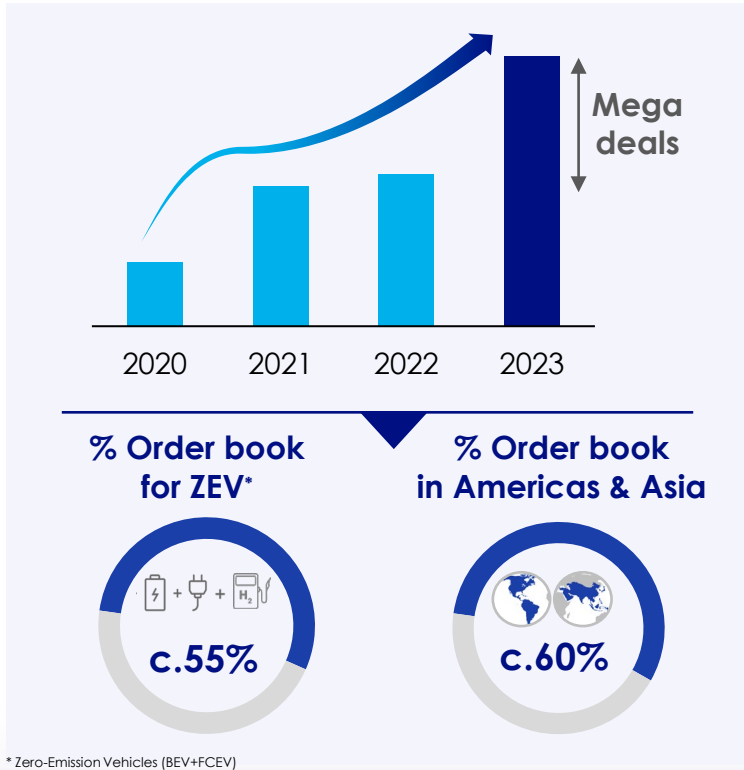
## Expanded range of powertrain solutions





# Robust order intake reflecting customers' trust

Strengthening our geographical footprint and powertrain diversification



## Intelligent Exterior Systems

- Increasing tailgate activity: significant awards for major European and American OEMs

## Lighting

- Solid order book of €1.6bn for the first year of integration, reflecting customers' trust

## Modules

- More balanced geographical footprint: c.80% of order intake in Americas and Asia

## Clean Energy Systems

- Order intake > revenue in 2023

## New Energies

- Heavy and commercial mobility >90% of the order intake

# Diversifying our customer base

In-line with market evolution

## 2023

 **15% BEV in total revenue**

New comers  
& Chinese OEMs  
**24%**



Mass market  
**33%**

Premium  
**43%**

 **Premium clients** stand for **c.40%** of revenue

 Implementation of capacities for **hydrogen mobility**



## Next steps



Increasing business with **EV players** to diversify our customer portfolio



**Award January 2024**

Major US EV Player  
Plastic tailgate

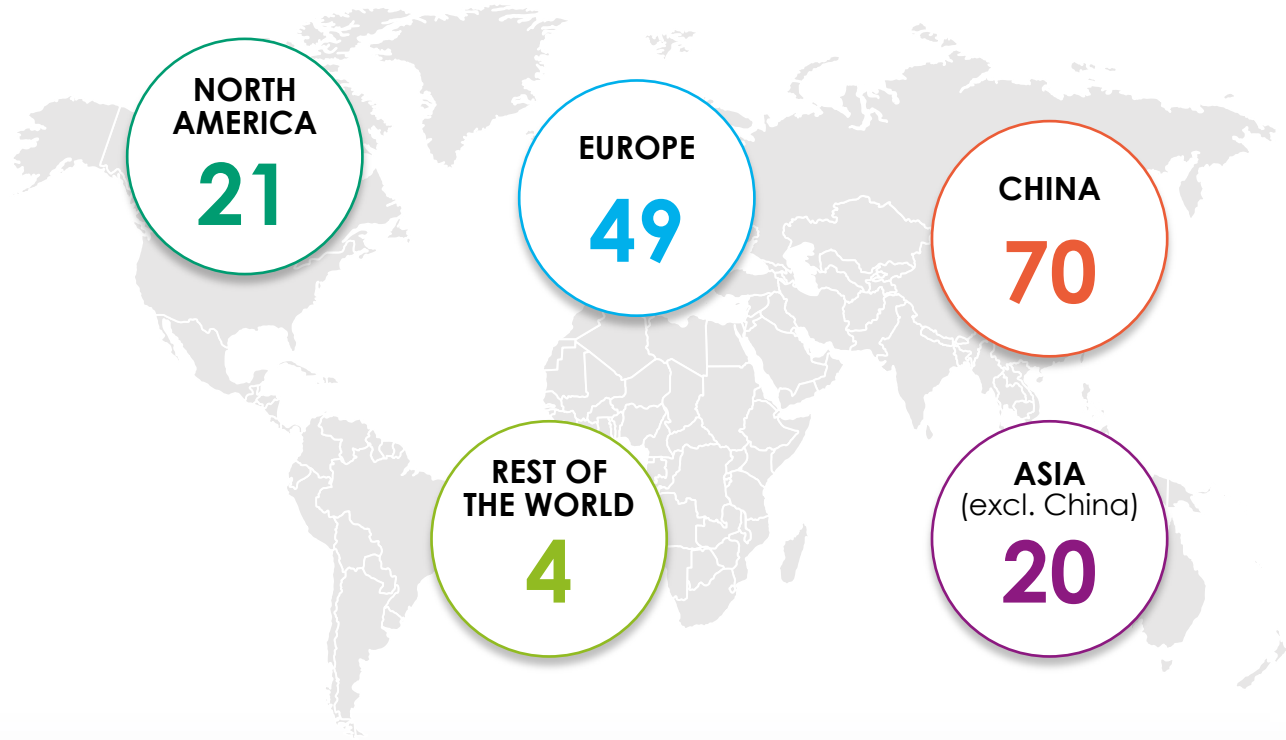
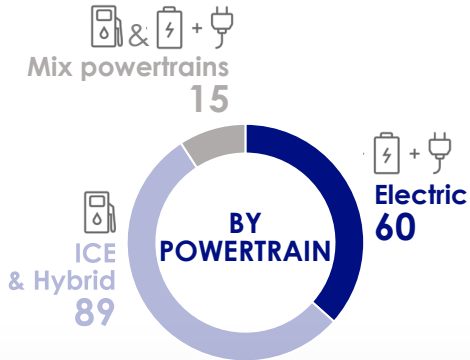
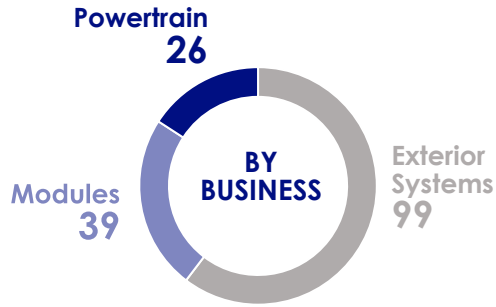


**Premium customers** will remain a solid part of our portfolio



Accelerating our diversification in **heavy and commercial mobility**, through hydrogen

# 164 flawless launches in 2023 across all divisions



# Evolution of segment information

Aligned with the strategic roadmap and the product portfolio



# Unique offer of fully integrated exterior solutions

Increase our content per vehicle through cross-divisions synergies



Plastic Omnium is offering a **unique technological offer**: fully integrated exterior systems through the combination of **Intelligent Exterior Systems, Lighting** and **Modules**

## First awards

- **Illuminated panels**  
(exterior part with integrated lighting)



## Next steps

- **Smart Tailgates** with higher added value, smart, lightweight, distinctive and adaptable to manufacturers' requirements
- **Extended scope**: to enhance on-boarded intelligence, boost vehicle efficiency and improve manufacturing competitiveness



# Success of the first year for Lighting

Strong order intake and significant reduction in cost base

## Operational efficiency in 2023



**REDUCTION** in scrap



**OPTIMIZATION** of sites



**-30%** inventories



**-20%** labor costs

## Solid order book of €1.6bn in 2023

### Innovation Award at CES 2024



BMW – MINI Cooper  
Electric Dynamic interior  
dashboard projection

### Diversified product portfolio

- **Head & rear lamps**
- **Modules / electronics**
- **Bodyshells**

(bumpers with integrated lighting)



# Next steps for Lighting

## Key priorities to improve growth and profitability

### Operational priorities

2024-2025

- **Increase order intake** with current customers 
- **Diversify customer** base

- **Reduce break-even point** to adapt to lower volumes 

- **Accelerate vertical integration** to internalize electronic production 




### Medium-term outlook

2026 and beyond

- **Revenue growth** confirmed by current order intake 
- **More diversified customer** portfolio and more **balanced geographical footprint**

- **Profitability in-line with the Group's** operating margin rate 

- **Increase content** per vehicle through extended value chain 

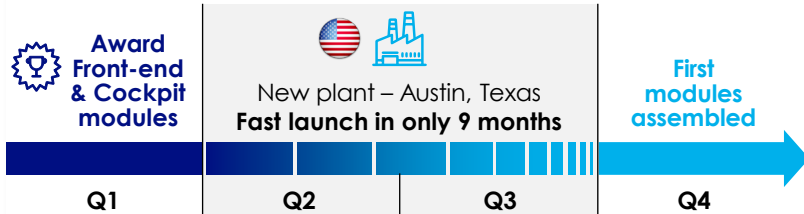
# Moving forward with priorities for Modules

Improving profitability through operational excellence

## 2023

- **Strong performance in H1 2023**
  - volumes increasing sharply, particularly in Europe
- **Operating margin in H2 2023**
  - lower volumes (stop&go and delays in BEV)
  - launches of plants, with positive effects in 2024

### • Accelerating diversification in 2023



## Operational priorities

2024-2025

- **Better adaptation to market environment,** notably in Europe
- Increase **customer and geographical diversification**



EUROPE



NORTH AMERICA



ASIA

- **Contribute to integrated offer** through high-end solutions to enhance vehicle assembly and global efficiency





# Complete range of energy management systems

For all types of powertrains: ICE, hybrid, battery and hydrogen electric vehicles

## Clean Energy Systems (including e-Power)



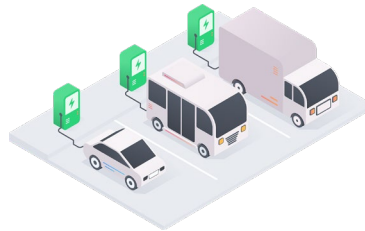
### INTERNAL COMBUSTION ENGINE



FUEL SYSTEMS  
SCR



### ELECTRIC VEHICLE



BATTERY 48V  
BATTERY HIGH VOLTAGE



### HYDROGEN



HIGH PRESSURE SYSTEMS  
FUEL CELL STACKS

# Clean Energy Systems strongly consolidates its leadership and develops electrification

## Operational priorities

### Internal Combustion Engine activity

Strengthen **market leader position**

**#1**  
worldwide



EUROPE



NORTH AMERICA



ASIA  
(EXCL. CHINA)

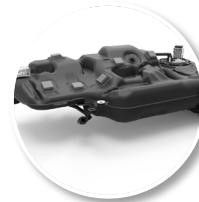
Further consolidate **additional business opportunities** with countries / customers where ICE and Hybrid remain predominant

**Focus on fixed costs** and break-even point reduction



**30%**

**market share\* in fuel systems by 2028**



### Electrification activity (e-Power)

**Incubate electrification** activity through 48V battery pack business



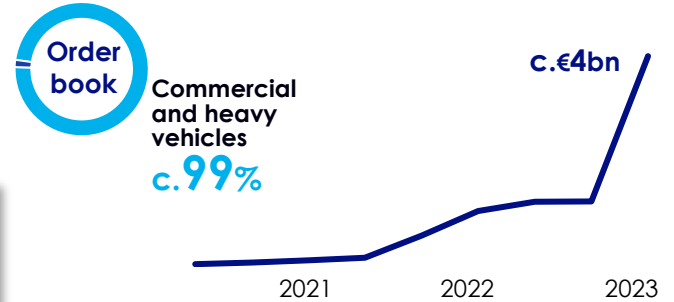
\* Plastic fuel systems addressable market

# Our strengths in Hydrogen mobility

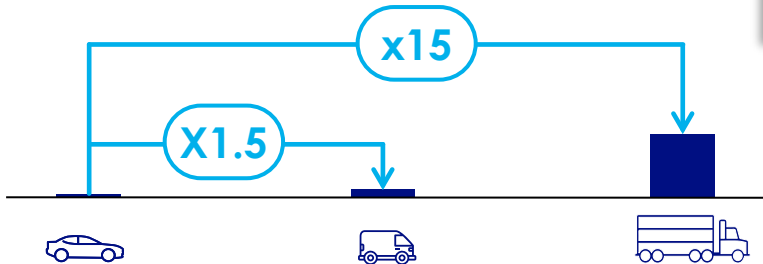
## Strong interest in hydrogen from OEMs



## Significant and well-positioned order book

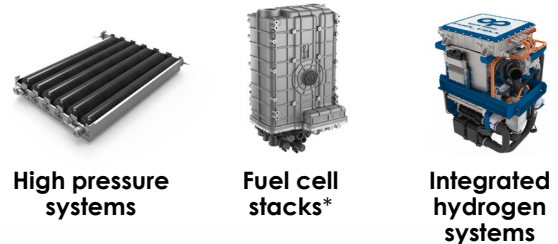


## Higher value in commercial vehicles



€3bn  
revenue  
in 2030

## Well-diversified product portfolio



\* From JV EKPO

# Hydrogen capacities ramping up

## Next launches of activity



### SOUTH KOREA

Wanju **2025**  
up to **30,000** vessels



### FRANCE

Lachelle **2025**  
up to **80,000** vessels



### CHINA

Shanghai **2026**  
up to **60,000** vessels



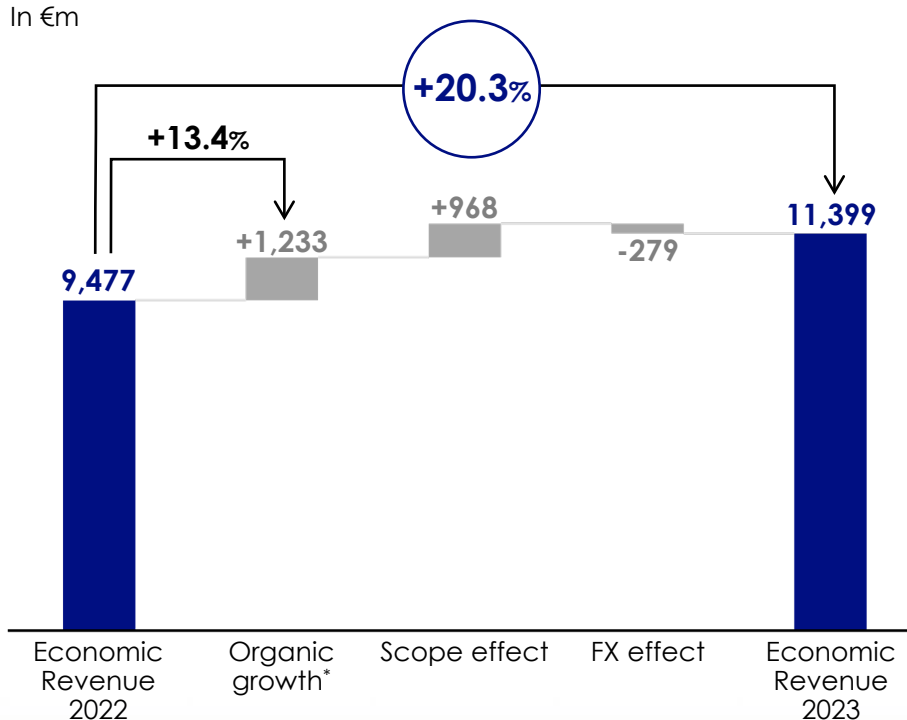
Investments adapted to the volumes' ramp-up,  
with an **average of €100m per year** until 2030

# FINANCIALS

**Stéphanie Laval**  
VP Investor Relations

# Strong economic revenue growth of +20.3%

Driven by all businesses



\* LFL at constant scope and foreign exchange differences

## Exterior Systems

**+32.5%**

(+16.6%\*)

- Solid performance of IES thanks to high level of order intake in recent years and 5 additional launches vs. 2022
- Full year of Lighting activity

## Modules

**+20.6%**

(+18.2%\*)

- Notable growth in activity in 2023, especially in Europe
- Q4 2023 benefiting from the first modules assembled in the new plant in Austin, Texas

## Powertrain

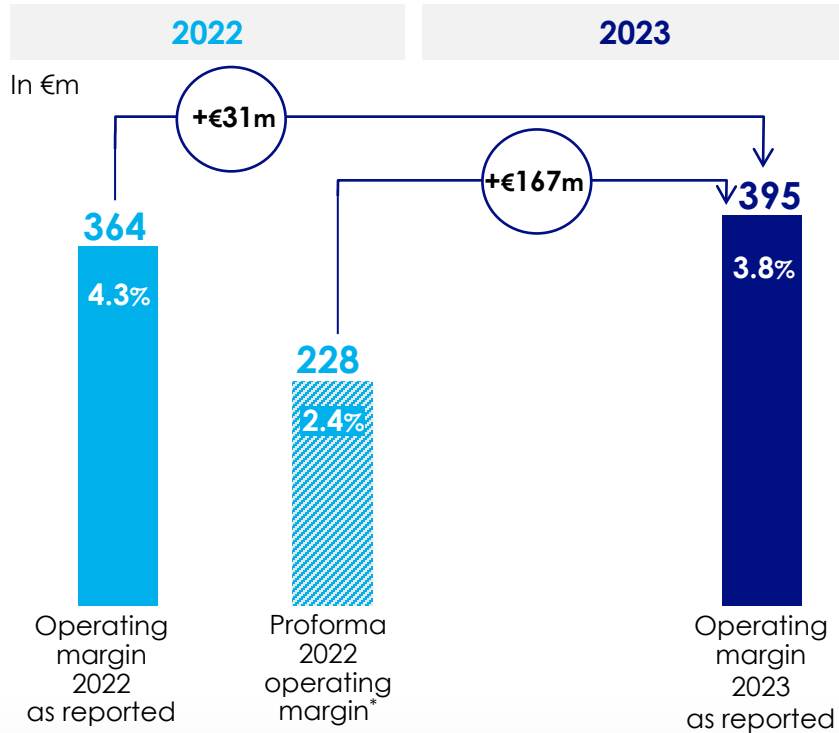
**+0.8%**

(+3.7%\*)

- CES ICE activity maintained at a high level confirming leading position
- New Energies posted revenues coming from its JVs EKPO and PO-Rein

# Material improvement in quality of operating margin

Significant impact of Lighting turnaround whilst pursuing ramp-up in New Energies



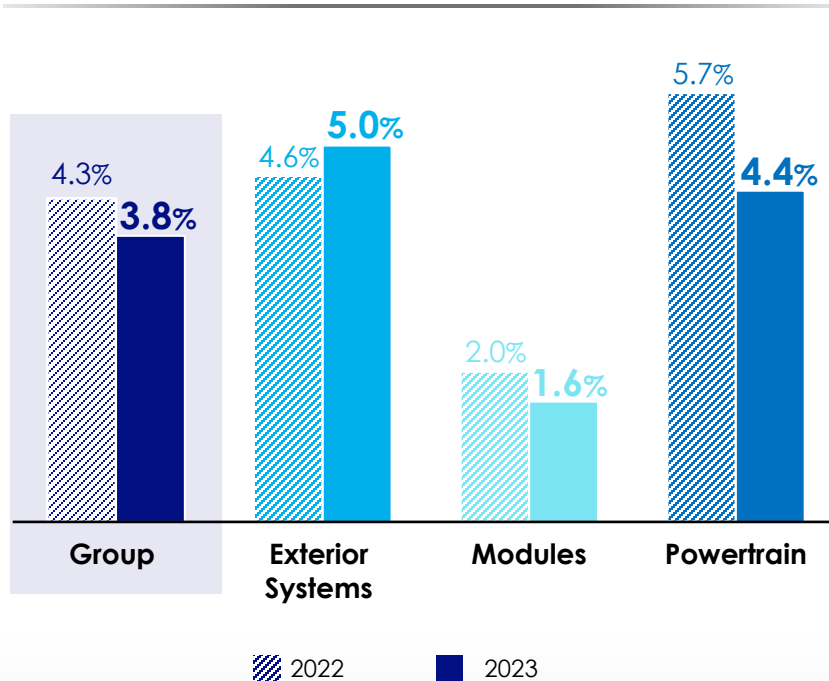
- **Operating margin of €395m in 2023**  
up +€31m vs. 2022 as reported
- **Operating margin is up +€167m vs. 2022 proforma**, i.e. considering acquisitions with a full-year impact in 2022 and 2023
- Positive impact of the **turnaround of Lighting**
- **Hydrogen and electrification** activities pursue their development in-line with the Group's strategic roadmap

\* Proforma 2022 operating margin as if all acquisitions had taken place on January 1, 2022. See URD 2022 p.272.

# Operating margin at 3.8%

As per new operating segments

## OPERATING MARGIN RATE



## EXTERIOR SYSTEMS

- Activity growth and strong operational excellence for IES in 2023
- Sharp improvement in Lighting

## MODULES

- Slowdown in volumes in second half only partially offset by flexibility
- Launch costs of new plants

## POWERTRAIN

- CES ICE once again posted the highest operating margin of the Group
- New Energies and e-Power continue their ramp-up in-line with the Group's strategic roadmap



# Stable net result Group share at €163m

In a context of high interest rates

In €m	FY 2022	FY 2023
<b>Operating margin</b>	<b>364</b>	<b>395</b>
<i>In % of revenue</i>	4.3%	3.8%
Other operating expenses	-64	-64
Financial result	-62	-105
Income tax	-60	-63
<b>Net result Group share</b>	<b>168</b>	<b>163</b>
<i>In % of revenue</i>	2.0%	1.6%

## OPERATING MARGIN

- Increase in operating margin partially offsetting the rise in financial expenses in an environment of high interest rates

## NON-RECURRING ITEMS

- Amounted to -€64m, stable against 2022, including restructuring and currency effects

## FINANCIAL RESULT

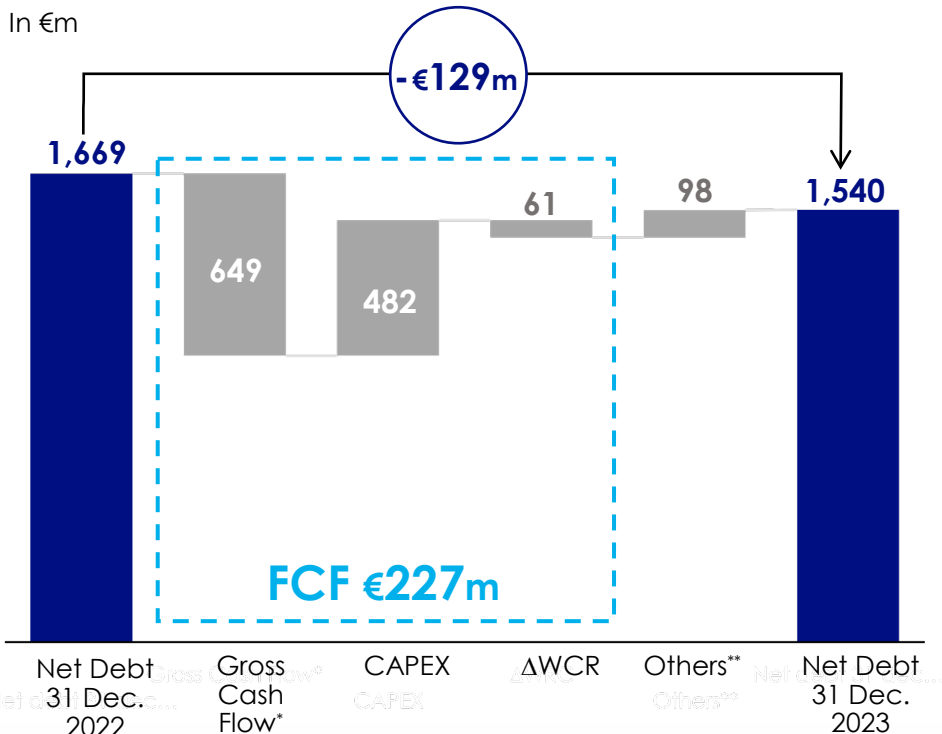
- Impacted by the increase in interest rates
- Financial costs representing 1% of total revenue

## INCOME TAX

- Representing 0.6% of revenue, down -10bps vs. 2022

# Solid Free Cash Flow generation and debt reduction

## Improvement in working capital and carefully monitored CAPEX



### NET DEBT

- Further reduction in Group net debt of -€129m in-line with continuous deleveraging

### FREE CASH FLOW

- FCF of €227m, above adjusted guidance
- Representing 2.2% of consolidated revenue

### CAPEX

- Voluntary CAPEX increase vs. 2022 to support growth and new acquisitions
- Representing 4.7% of revenue, < 5% capital allocation framework
- Focus on strategic investments

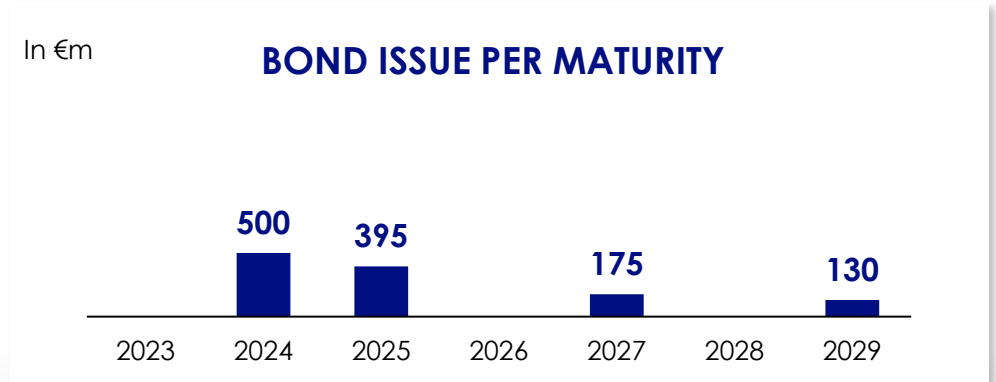
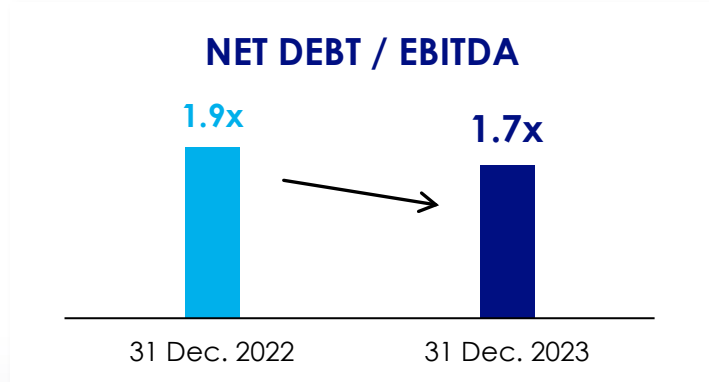
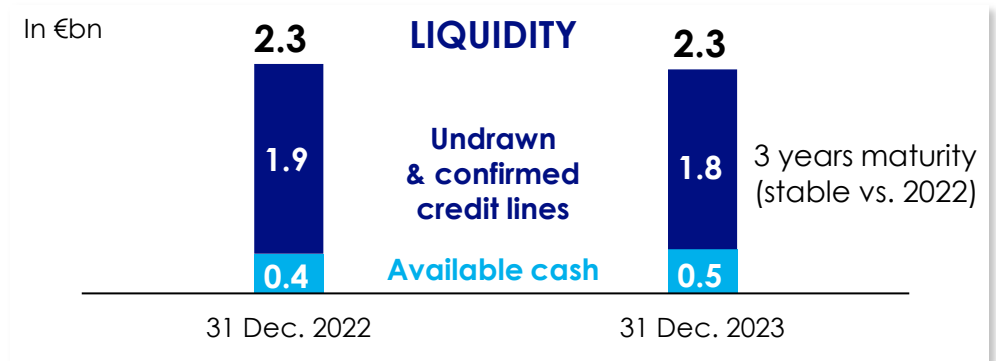
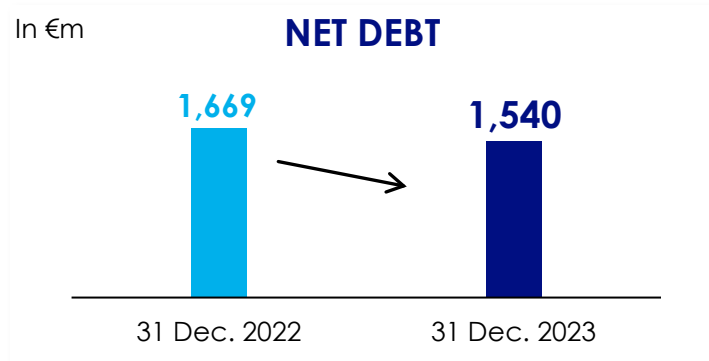
### ΔWCR

- Inventories reduction
- Decline in customer receivables, mainly in Lighting

\* EBITDA – taxes, interest & non-recurring cash items  
 \*\* Including dividends (-€60m), IFRS 16 (-€91m) and others (+€52m)

# Continued debt reduction while pursuing growth

## Solid financial structure



# SUSTAINABILITY



**Laurent Favre**  
Chief Executive Officer

# Our commitment to carbon neutrality

Continued to roll out its plan to achieve its objectives



## OUR AMBITION

**Operational activities** (scopes 1 & 2)  
**Neutral in 2025\***

**Upstream and downstream activities** (scope 3)  
**-30% in 2030 vs. 2019**

**Full neutrality in 2050**



Objectives recognized by SBTi  
as aligned with Paris Agreement

\* For acquisitions realized in 2022, scopes 1 & 2 neutral in 2027



## ACHIEVEMENTS IN 2023 (excl. Lighting)

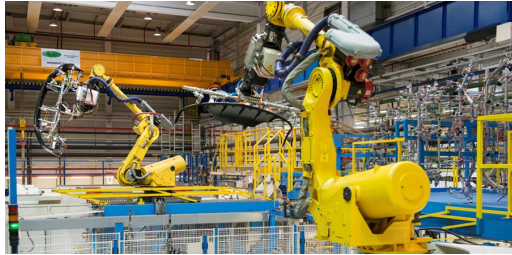
**-19.7% vs. 2019**  
(scopes 1 & 2)

**-30.3% vs. 2019**  
(scope 3)



# 2023 milestones achieved in carbon neutrality

## Initiatives to improve the carbon footprint



### ENERGY EFFICIENCY

Improvement by:

**+10.2% vs. 2022**

**+20.9% vs. 2019**



### DECARBONIZING SITES

13  
sites

End 2022



23  
sites

End 2023



### ENERGY MIX

**Commitment with the EDF group**  
to cover 50% of the Group's  
renewable electricity needs  
in France in 2025

**20-year power purchase  
agreement**

# Strong improvement in ESG ratings

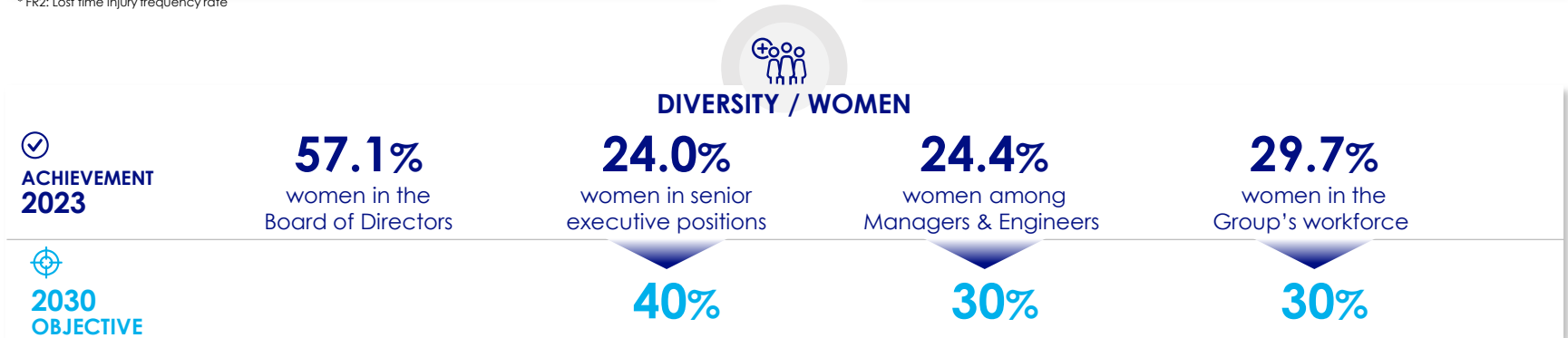
Demonstrating the Group's growing awareness of climate issues

	2022	2023	
	A-	<b>A</b>	<b>Highest score</b> recognizing our <b>ambitious roadmap</b> and carbon neutrality objectives
	80/100	<b>80/100</b>	<b>Platinum status</b> and among <b>top 1%</b> of companies assessed
	C	<b>C+</b>	<b>Among leaders</b> in its industry
	A	<b>A</b>	<b>Leads most industry peers</b> on significant ESG risks and opportunities
	Included in the <b>CAC SBT 1.5 index</b>		

# On track to meet our sustainability targets



\* FR2: Lost time injury frequency rate



 **Sustainability objective** in the variable compensation accounting for **20%**



# OUTLOOK



**Laurent Favre**  
Chief Executive Officer

# Continuous return to shareholder

A solid track record of dividend distribution

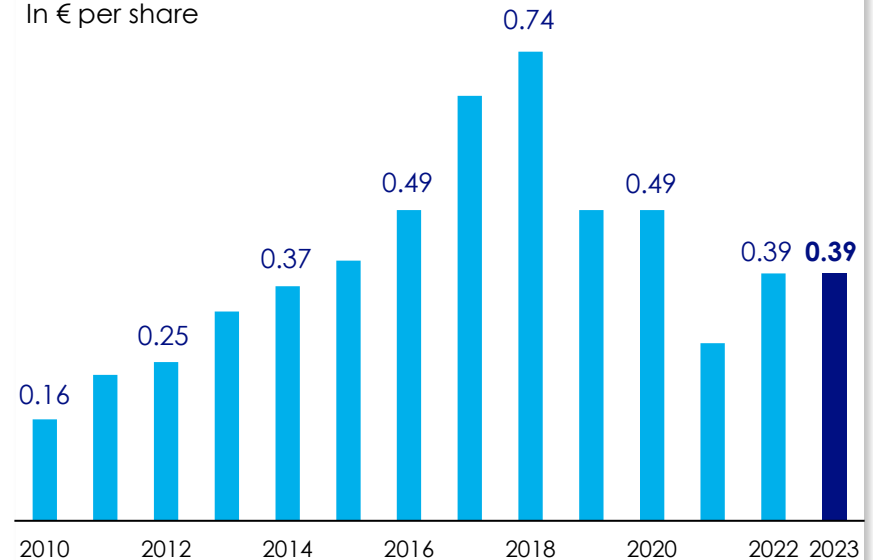
## Shareholders' proposed dividend\*

**€0.39**  
per share

**34.5%**  
payout

## Historic evolution of dividend per share

In € per share



\* Subject to approval at the General Meeting on April 24, 2024

# Outlook



## Expected market conditions in 2024

Automotive production expected to be flattish (S&P\* estimates -0.7%)

EV ramp-up may not go as fast as expected in Europe and North America

Uncertain environment with inflation and interest rates remaining high



## Group's objectives for 2024



**Outperform automotive production**



**Increase operating margin with strong monitoring of fixed costs**



**Increase net result Group share**



**Increase Free Cash Flow with close management of investments**



**Further reduction in net debt**

\* Source: S&P Global Production forecast February 2024 - PC+LCV [0-3.5T]

# Conclusion

## Group's strategy remaining a key pillar for its long-term growth



2023, first full year of **execution of our strategic roadmap** post acquisitions highlighted by **strong commercial momentum** and **solid financial performance**



**Operational excellence of historical businesses** and acceleration of the strategy through our **new activities: lighting, electrification and hydrogen**



**Record level of order intake** across all divisions securing **future dynamic growth** and demonstrating **customers' trust** and the **relevance of our offer**



**Solid free cash flow generation** enabling us to continue to **invest in growth drivers** and to **deleverage**

# QUESTIONS & ANSWERS



# UPCOMING EVENTS



23 April 2024

**2024 first  
quarter revenue**

24 April 2024

**General meeting  
of shareholders**

23 July 2024

**2024 half-year  
results**

28 October 2024

**2024 third  
quarter revenue**

# APPENDIX

# Revenue per business

In €m	2022	2023	Change	LFL* change
Exterior Systems	4,210	5,579	+32.5%	+16.6%
Modules	2,580	3,112	+20.6%	+18.2%
Powertrain	2,687	2,707	+0.8%	+3.7%
<b>Economic Revenue</b>	<b>9,477</b>	<b>11,399</b>	<b>+20.3%</b>	<b>+13.4%</b>
<i>Joint Ventures</i>	<i>939</i>	<i>1,084</i>	<i>+15.5%</i>	<i>+13.1%</i>
Exterior Systems	3,507	4,860	+38.6%	+17.3%
Modules	2,347	2,751	+17.2%	+18.6%
Powertrain	2,684	2,703	+0.7%	+3.6%
<b>Consolidated Revenue</b>	<b>8,538</b>	<b>10,314</b>	<b>+20.8%</b>	<b>+13.4%</b>

\* LFL at constant scope and foreign exchange differences



# Cash flow statement

In €m	2022	2023
Operating margin	364	395
EBITDA	864	900
<b>Gross Cash Flow</b>	<b>666</b>	<b>649</b>
<i>In % of revenue</i>	<i>7.8%</i>	<i>6.3%</i>
Capex and development	-351	-482
<i>In % of revenue</i>	<i>-4.1%</i>	<i>-4.7%</i>
Change in WCR	-72	+61
<b>Free Cash Flow</b>	<b>243</b>	<b>227</b>
Dividends	-52	-60
Treasury shares	-16	3
IFRS 16	-40	-91
Acquisition impacts & others	-950	55
<b>Net debt (end of the period)</b>	<b>1,669</b>	<b>1,540</b>

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