

Levallois, October 08, 2019, 18:30pm

**Despite strong activity and a buoyant backlog, operational difficulties affecting the start-up of the new Greer plant (South Carolina) have led the Group to review its financial outlook for 2019**

Over the first nine months of 2019, Plastic Omnium Group activity was very strong. Economic revenue amounted to €6,852 million (€6,356 million in consolidated revenue), up 17.0%. At constant scope and exchange rates, the rise was 2.7% compared to September 30, 2018, i.e. outperformance of 8.7 points compared to automotive production estimated to be down 6.0% over the period\*.

At the same time as this strong business, Plastic Omnium experienced significant operating difficulties in the ramp-up of its North American Greer plant (South Carolina). The difficulties encountered relate to the size of the plant, the complexity of the process and the acceleration of volumes since summer 2019. A detailed action plan covering the 2019-2020 period has been put in place across the entire industrial footprint in South Carolina.

The impact of these difficulties has led the Group to review its operating margin outlook for 2019, which is now expected to be around 6% of revenue.

### **2019 outlook**

With the exception of this plant, Plastic Omnium's entire industrial network is continuing to demonstrate its customary manufacturing efficiency.

The Group's fundamentals are sound and the business momentum is strong while the cost reduction and free cash-flow generation programs have been strengthened.

For FY 2019, the Group:

- confirms outperformance of at least five points compared to worldwide automotive production estimated to be down by more than 5%\*;
- revises its operating margin outlook, now expected to be around 6.0% of revenue;
- confirms that its 2019 EBITDA will exceed its 2018 EBITDA;
- expects free cash-flow generation of approximately €300 million, including the impact of the real estate disposal project already announced.

Order intake is dynamic and, thanks to its solid backlog, the Group forecasts to once again outperform the automotive production by more than five points in 2020.

The Group will release details of its Q3 2019 revenue on October 24, 2019.

\*Source: IHS, September 2019