

Plastic Omnium fully geared up to face Covid-19

In response to the Covid-19 pandemic, Plastic Omnium is implementing all measures to protect the Group's 32,000 employees, ensure the continuity of its operations by liaising closely with customers, and maintain the robustness of its financial structure.

The Group's first priority is the health of its employees. Across all of its plants, on a global level, Plastic Omnium has put in place a series of rigorous measures to avoid contact between employees and reduce the risk of contamination:

- Home office is in place for all jobs where this is possible;
- Body temperature is electronically checked whenever a person enters a plant;
- Production has been organized to avoid any contact between groups of employees when changing shifts;
- Workstations and common areas are disinfected between each change of shift;
- The number of employees is restricted in common areas (canteens, break rooms) with one meter distancing fully respected;
- All travel is forbidden and outside visitors are not allowed to enter the Group's sites.

In strict compliance with the measures taken by the authorities in each country where the Group has facilities and based on the shutdowns of carmakers' production chains, Plastic Omnium is forced to close its own production centers:

- These shutdowns started to impact all Chinese facilities at the beginning of February 2020. These plants have all recently started up production again, including facilities located in Hubei Province (Wuhan). The utilization rate of these plants is increasing: from approximately 20% at start-up, it is now about 50% and should increase further in coming weeks.
- The Group's European plants have been gradually shut down since mid-March, based on carmakers' plant closure announcements. These shutdowns firstly concerned France and Spain and then gradually affected all European facilities, which will be closed by the middle of this week for the minimum periods announced thus far by carmakers i.e. two weeks to a month.
- The North and South American plants, also impacted by client shutdowns, will stop operating in the coming days.

The situation is monitored on a daily basis, plant by plant. Agile and efficient, Plastic Omnium is overseeing the actions required to adapt to the new situation with the greatest possible degree of flexibility:

- Partial unemployment measures are being put in place in European and American plants;
- They will also be applied in all of the Group's R&D and administrative centers, with the exception of China;
- The Group's executives, more mobilized than ever to deal with the situation, will be contributing to the Group's efforts by reviewing compensation downwards during the period shutdown of operations. They are not concerned by short-term working measures.

Anticipating a significant fall in automotive production ahead of the Covid-19 pandemic, the Group was able to begin setting up an extremely efficient organizational system several months ago with a view to cutting costs, controlling investments, optimizing working capital requirement, and protecting all means to generate cash. This organizational system is now allowing the Group to act very quickly in order to strengthen these measures:

- All non-essential spending commitments are suspended with the application of this decision being strictly controlled;
- Cost cutting plans are subject of daily reports;
- Cash flow is being monitored on a daily basis, thanks to the global cash-pooling in place within the Group;
- Against this backdrop, Plastic Omnium, as a responsible group, is scrupulously respecting all commitments made to suppliers;

Teams are totally committed. The measures implemented are swift and effective. The Group's financial structure is very robust.

Plastic Omnium has undertaken stress tests concerning its cash in the event of the pandemic spreading. These simulations confirm that all of the measures taken and the large-scale cash flow which can be mobilized on a short-term basis will enable the Group to deal with a global shutdown of production until at least the end of the first semester while respecting all payment dates.

The group will provide an update on its situation when releasing its Q1 sales, on April 21, 2020, once we have a better outlook on the automotive market evolution.

Confident in its ability to cope with this major crisis and cognizant of its responsibilities towards its stakeholders, Plastic Omnium is already working on the health measures required to ensure the protection of its employees in order to be able to resume operations of its plants as soon as possible, while guaranteeing the highest level of safety for all.