

COMPAGNIE PLASTIC OMNIUM SE

2020 INTERIM FINANCIAL REPORT

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DECLARATION BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

I declare that, to the best of my knowledge, the condensed interim consolidated financial statements of Compagnie Plastic Omnium SE for the past six months have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of both the Company and all consolidated companies, and that the interim business report herewith presents a true picture of major events occurring during the six months of the fiscal year, of their incidence on financial statements and of the major transactions between related parties, and that it describes the main risks and uncertainties for the remaining six months of the year.

Levallois, July 22, 2020

Laurent Favre
Chief Executive Officer

INTERIM BUSINESS REPORT

HIGHLIGHTS OF THE FIRST HALF-YEAR 2020

Changes in the governance of Compagnie Plastic Omnium SE

In September 2019 the Group announced changes in its governance with effect from January 1, 2020. At the proposal of Laurent Burelle, in order to continue the Group's long-term growth by seizing the opportunities associated with the transformation of the automotive market, the Board of Directors of Compagnie Plastic Omnium SE decided to put in place a new management team and change the governance structure.

Laurent Burelle, Chairman and Chief Executive Officer since July 2001, became Chairman of the Group's Board of Directors with effect from January 1, 2020. Laurent Favre was appointed Chief Executive Officer and director. At the proposal of Laurent Favre, Félicie Burelle was appointed Managing Director, reporting to the CEO.

Furthermore, as of January 1, 2020, Stéphane Noël and Christian Kopp were appointed Chief Executive Officer of Intelligent Exterior Systems and Chief Executive Officer of Clean Energy Systems, respectively.

Plastic Omnium: fully mobilized to face Covid-19

Faced with the Covid-19 pandemic, Plastic Omnium has implemented all measures to protect the Group's 32,000 employees, ensure its business continuity in close collaboration with its customers and preserve the strength of its financial structure.

The Group's first priority is the health of its employees. At all of its sites worldwide, Plastic Omnium has implemented systematic measures to avoid contact between employees and reduce the risk of contamination.

Strictly complying with the measures taken by the authorities in each country where the Company operates and in response to carmakers' production line shutdowns, Plastic Omnium has been forced to close production facilities:

- These closures began by affecting all the Chinese plants from the end of January 2020;
- In mid-March, the Group's European plants were gradually shut down;
- North and South American plant closures started in late March.

The Group's plants then gradually re-opened with reduced utilization rates. On June 24, 2020, all 131 plants had resumed activity.

Developments in the situation have been and continue to be managed daily, on a site-by-site basis.

Agile and efficient, the Plastic Omnium Group has taken the necessary actions to adapt with maximum flexibility:

- Partial unemployment measures were implemented in the plants that have been shut down;
- They were also applied in the Group's R&D and administrative centers;
- The 305 Group's executives, as well as all members of the Group's Board of Directors, mobilized more than ever before to manage the situation, have contributed to the collective effort. The compensation of senior managers was reduced by 15% during the business shutdown (-20% for members of the Executive Committee and -25% for executive directors) and the annual compensation of directors was reduced, at their initiative, by 15%.

Expecting an already significant drop in automotive production even before the Covid-19 pandemic, the Group set up an extremely efficient organization to reduce its costs, control its investments, optimize its working capital requirement and preserve its cash generation. This organization currently makes it possible to act very quickly to strengthen all of these measures:

- all non-essential expense commitments were eliminated and the implementation of this measure strictly controlled;
- cost reduction plans are reported daily;
- cash is also monitored daily, thanks to the global cash-pooling in place across the Group;
- in this way, Plastic Omnium acts responsibly to scrupulously respect all of its commitments to suppliers.

The teams are fully committed. The measures put in place are rapid and efficient. The Group's financial structure is very solid.

Acceleration of launches for electric vehicles and hydrogen strategy

Numerous new programs for 100% electric vehicles are coming on stream. In recent months, Plastic Omnium has had many commercial successes with the new 100% electric range of its regular customers, in particular:

- Taycan - Porsche: front-end modules and first cockpit modules (Germany);
- E-tron - Audi: front and rear bumpers (Belgium and China) and front-end modules (Belgium);
- ID-3/ID-4 - Volkswagen: front-end modules, innovative active grille systems and center consoles (Germany) and front and rear bumpers and rear tailgates (China - ID4);
- new electric SUV - Mercedes: front and rear bumpers, front-end modules, spoilers, wheel arches and rocket panels (Germany).

The Group is also positioning itself among 100% electric players:

- Tesla models: front and rear bumpers (China) and front-end modules (North America and China);
- Polestar 1 and Polestar 2: front and rear bumpers (China);
- Lucid - Air: front and rear bumpers (United States);
- Rivian: front-end modules for the pick-ups and front grille systems for vans (Canada).

In terms of hybrid vehicles, Plastic Omnium has won:

- its first pre-development contract with an American OEM for a Tanktronic® pressurized tank (fuel system designed to withstand increases in gasoline vapor pressure when the vehicle is running in electric mode), which will be used in a new plug-in hybrid vehicle (PHEV) produced in Europe;
- a second pre-development Tanktronic® contract with an Asian OEM. Initially dedicated to the architecture of a PHEV vehicle, it will be rolled out in 2021 across all the carmaker's hybrid vehicles.

In the area of hydrogen storage solutions, Plastic Omnium obtained certification for its 700-bar vessel at the end of 2019 and certification for its 350-bar vessel in the first quarter of 2020. The Group also won its first contract to develop vessels with a German customer.

Plastic Omnium is positioning itself as the leader in low-carbon hydrogen mobility in trucks and passenger vehicles. The Group expects that by 2030 hydrogen will represent a market of 2 million vehicles and is targeting 25% market share in the energy storage segment and 10% in the energy production segment by 2030.

An ambitious corporate social responsibility policy as a performance driver

- **Creation of a Covid-19 ACT FOR ALL™ solidarity fund**

In April, Plastic Omnium created the Covid-19 ACT FOR ALL™ solidarity fund, to enable each of its sites, in line with the situation on the ground locally, to help and support populations impacted by the coronavirus health crisis. With a budget of €1 million, it is intended to support recognized local associations. Priority has been given to helping medical personnel and vulnerable people. In total, 113 causes in 23 countries have been supported to date.

- **Award received for the change in the percentage of women in teams**

Convinced that diversity in business leads to success and high performance, Plastic Omnium set the target of having 25% of management roles held by women by 2025. Training and awareness-raising initiatives for senior managers and the creation of the Women@PO network, designed to promote gender diversity and women's careers within the Group, support this commitment.

The Group currently has 47% women on the Board of Directors, 27% on the Executive Committee, and 14% women managers.

This policy was recognized in March 2020 by the Wave (Women and Vehicles in Europe) association, which awarded Plastic Omnium the Trophy for Best Progress in France 2017-2020 for the percentage of women in the Executive Committee, the TOP 100 and the overall workforce.

In June 2020, Plastic Omnium was also awarded first place in the 2019 Awards for the number of women in governance bodies in SBF 120 automotive industry companies in the ranking established by the Secretary of State responsible for Gender Equality (25th place in the overall rankings, up 20 places compared to the 2018 ranking).

- **Carbon neutrality target**

Plastic Omnium's objective is to reach carbon neutrality in 2050.

The Group is currently working on a methodology and budget related to a medium-term carbon neutrality target on scopes 1, 2 and 3 (upstream). The organization will be strengthened accordingly.

Plastic Omnium in 20th place among patent filers at INPI in 2019 and 7th place in the automotive industry

INPI (The French National Institute of Industrial Property) published its annual ranking of the 50 leading patent filers, with Plastic Omnium in 20th place in the overall ranking, moving up 8 places compared to the 2018 ranking. In the automotive industry sector, Plastic Omnium ranked 7th among the leading patent filers.

These awards attest to the Group's proactive innovation strategy to develop the clean and connected car of tomorrow, capitalizing on its 26 global R&D centers located as close as possible to its 93 customers. The Company thus recently signed strategic partnerships for body parts connectivity and approved hydrogen fuel tanks, winning the first contracts in this area and confirming Plastic Omnium as a major player in the energy transition.

34% reduction of the dividend to €0.49

Aware of its responsibilities to all of its stakeholders, the Board of Directors of Compagnie Plastic Omnium SE met by conference call on March 31, 2020 and unanimously decided to reduce the proposed dividend for 2019 by 34% to €0.49 per share, versus €0.74 per share as initially proposed. This was approved at the Compagnie Plastic Omnium SE Shareholders' Meeting, held in camera on April 23, 2020.

CONSOLIDATED INTERIM 2020 RESULTS

Plastic Omnium had a strong start to 2020. In the first quarter of 2020, despite a 22% drop in automotive production, the Group's revenue stood at €2.1 billion, a level comparable to that of the first quarter of 2019. Net profit was positive.

In the second quarter of 2020, the Group faced a slump of 46% in worldwide automotive production, which reduced its revenue to €1.1 billion, led to significant operating losses despite rapidly implemented savings plans and generated high working capital requirements.

- Economic revenue: €3,233 million (-29.9% and -29.5% like-for-like),
i.e. outperformance of 4.3 pts*
- Consolidated revenue: €2,962 million (-30.6% and -30.3% like-for-like),
i.e. outperformance of 3.5 pts*
- EBITDA: €171 million, 5.8% of consolidated revenue
- Operating margin: -€116 million, -3.9% of consolidated revenue
- Net profit – Group share: -€179 million, excluding impairment of assets net of tax
-€404 million, after -€267 million in impairments of assets

Given the slump in volumes due to the Covid-19 pandemic and an assumption of slow recovery in worldwide automotive production, which in the medium term is set to remain significantly below pre-crisis forecasts, the Group wrote off €267 million in tangible and intangible assets.

- Free cash-flow: -€572 million
-€157 million, before -€415 in change in WCR
- Net debt: €1,410 million, representing 78% of shareholders' equity
and 2.1 times EBITDA
- Liquidities: €1.9 billion at June 30, 2020

* vs a 33.8% drop in worldwide automotive production in the first half of 2020

In € millions	1 st half 2019	1 st half 2020	Change
Economic revenue	4,611	3,233	-29.9 %
Consolidated revenue	4,268	2,962	-30.6 %
Operating margin as % of consolidated revenue	281 6.6%	-116 -3.9%	-€397m -10.5 pts
Net profit - Group share, excluding impairments of assets net of tax	155	-179	-€334m
Net result - Group share	155	-404	-€559m
EBITDA as % of consolidated revenue	511 12.0%	171 5.8%	-€340m -6.2 pts
Investments	308	226	-€82m
Free cash-flow	30	-572	-€602m
Net debt at June 30	1,021	1,410	+€389m
Net debt/equity	54%	78%	
Net debt/EBITDA	1.1x	2.1x	

Change in revenue

In € millions by business	1 st half 2019	1 st half 2020	Change	Change LFL*
Plastic Omnium Industries	3,458	2,395	-30.8%	-30.7%
Plastic Omnium Modules	1,153	838	-27.3%	-25.7%
Economic revenue	4,611	3,233	-29.9%	-29.5%
Joint ventures	343	271	-20.8%	-19.2%
Plastic Omnium Industries	3,207	2,203	-31.3%	-31.4%
Plastic Omnium Modules	1,061	759	-28.4%	-26.9%
Consolidated revenue	4,268	2,962	-30.6%	-30.3%

*Like-for-like: constant scope and exchange rates

Over the first six months of 2020, worldwide automotive production fell by 14.7 million vehicles (a 33.8% decline), dropping from 43.6 million vehicles in the first half of 2019 to 28.8 million vehicles in the first half of 2020.

In this context, economic revenue for Compagnie Plastic Omnium SE stands at at €3,233 million, down 29.9% compared to the first half of 2019 (-29.5% like-for-like). Outperformance compared to worldwide automotive production is 4.3 points, of which 3.1 points for Plastic Omnium Industries and 8.1 points for Plastic Omnium Modules.

Consolidated revenue for Compagnie Plastic Omnium SE was €2,962 million in the first half of 2020, down 30.6% (-30.3% like-for-like). Outperformance compared to worldwide automotive production was 3.5 points.

The drop in production in the first quarter of 2020 (-22.4%), mainly impacted by China (-49%), accelerated during the second quarter (-45.6%) in line with the spread of the Covid-19 pandemic in Europe and the Americas and the sudden shutdown of related automotive production lines.

In this market, Plastic Omnium generated economic revenue of €2,137 million in the first quarter of 2020, comparable to the first quarter of 2019, with a 19.6 point outperformance over worldwide automotive production.

The Group, which generated 84% of its revenue in Europe and the Americas, was heavily impacted in the second quarter of 2020, with economic revenue of €1,097 million, a 52.7% drop.

In € millions and as a % of revenue By region	Q1 2019	Q1 2020	Change LFL*	Change in automotive production	Outperformance
Europe	1,206	1,182	-2.2%	-18.1%	15.9 pts
North America	599	648	+5.8%	-11.0%	16.8 pts
Asia	371	258	-30.0%	-29.9%	-0.1 pts
of which China	185	121	-34.0%	-46.4%	12.4 pts
South America	37	24	-18.9%	-16.8%	-2.1 pts
Africa	23	25	+11.7%	+13.7%	-2 pts
Economic revenue	2,236	2,137	-4.8%	-22.4%	17.6 pts
Joint ventures	161	108	-32.0%		
Consolidated revenue	2,075	2,029	-2.7%	-22.4%	19.7 pts

In € millions and % of revenue By region	Q2 2019	Q2 2020	Change LFL*	Change in automotive production	Outperformance
Europe	1,239	563	-54.3%	-62.8%	8.5 pts
North America	712	205	-69.6%	-69.2%	-0.4 pt
Asia	357	310	-11.7%	-25.3%	13.6 pts
of which China	200	214	+8.9%	+6.2%	2.7 pts
South America	44	6	-77.3%	-81.5%	4.2 pts
Africa	23	13	-33.4%	-38.5%	5.1 pts
Economic revenue	2,375	1,096	-52.7%	-45.6%	-7.1 pts
Joint ventures	181	164	-7.9%		
Consolidated revenue	2,193	933	-56.4%	-45.6%	-10.8 pts

*Like-for-like: constant scope and exchange rates

In € millions and % of revenue By region	1 st half 2019	1 st half 2020	Change LFL*	Change in automotive production	Outperformance
Europe	2,445	1,745	-28.6%	-40.3%	+11.7pts
North America	1,311	852	-35.1%	-40.2%	+5.1pts
Asia	728	567	-21.0%	-27.7%	+6.7pts
of which China	385	336	-11.8%	-21.3%	+9.5pts
South America	82	30	-50.6%	-50.8%	+0.2pt
Africa	45	38	-10.9%	-12.7%	+1.8pts
Economic revenue	4,611	3,233	-29.5%	-33.8%	+4.3 pts
Joint ventures	343	271	-19.2%		
Consolidated revenue	4,268	2,962	-30.3%	-33.8%	+3.5 pts

*Like-for-like: constant scope and exchange rates

In **Europe**, which represents 54% of Group economic revenue, automotive production was hit by total production stoppages among OEMs between mid-March and the beginning of May. It finished the first half of 2020 down 40.3%, with Q2 down 62.8%. In this context, revenue for Plastic Omnium stood at €1,745 million, down 28.6%, resulting in outperformance of 11.7 points. It continues to benefit from the success of the SCR emissions control system and the expansion of its range of modules.

In **North America**, which accounts for 26% of Group economic revenue, automotive production shut down completely between late March and mid-May. It finished the first half of 2020 down 40.2%, with Q2 down 69.2%. In this context, revenue for Plastic Omnium stood at €852 million, down 35.1% on a like-for-like basis, resulting in outperformance of 5.1 points, thanks to the ramp-up of new American and Mexican plants.

China, which accounts for 10% of Group economic revenue, was the first country hit by Covid-19 and by production stoppages among carmakers starting in late January. Automotive production fell 46.4% in Q1 2020, following which it rose 6.2% in Q2, based on favorable prior-year comparatives. It was down 21.3% on a like-for-like basis over the first half of the year. In this context, revenue for Plastic Omnium stood at €336 million, down 11.8%, resulting in outperformance of 9.5 points, thanks to the strength of its order book.

In **Asia excluding China**, which accounts for 8% of Group economic revenue, activity was down 31.4% on a like-for-like basis, in a market that was down 33.9%.

Major cost reductions to limit the impact of the significant drop in business on operating results

Expecting a significant drop in automotive production in 2020, the Group implemented cost reduction and industrial footprint flexibility plans since the end of 2019. Learning from the business shutdown in China during the first quarter, these plans were strengthened to deal with the production shutdowns in the rest of the world from mid-March. They were rolled out extremely quickly and managed daily, site by site.

- The Group's payroll, which represented 15% of revenue in 2019, dropped 40% during the shutdown thanks to:

- Partial unemployment measures implemented rapidly, in accordance with applicable provisions, in all Group plants, R&D and administrative centers as soon as they closed;
- the termination of the contracts of temporary employees, representing 20% of the workforce, in the countries concerned.

The Group has ensured the protection of its employees by supplementing, country by country, the legal provisions through agreements with trade unions (particularly in France, Germany and Spain) or through unilateral actions in countries without employee representation, such as the United States and Mexico.

Furthermore, the compensation of Group's executives was reduced by 15% during the business shutdown (-20% for members of the Executive Committee and -25% for executive directors) and the annual compensation of directors was reduced, at their initiative, by 15%.

- Production costs and overheads, representing 6% of revenue in 2019, dropped 30% over the period. All non-essential expense commitments have been cancelled.

In total, over the first half of the year, the Group reduced personnel expenses by 14%, for savings of €94 million. Production costs and overheads have been reduced by 23 million. All costs will continue to decline significantly in the second half.

In the first half of 2020, the Group's operating result stood at -€116 million and represented -3.9% of consolidated revenue, of which -€106 million for Plastic Omnium Industries (-4.8% of revenue) and -€11 million for Plastic Omnium Modules (-1.4% of revenue).

In addition, the ongoing action plan for the Greer plant in the United States is expected to restore operating breakeven in 2021 as announced.

Net result - Group share

The Group recorded €313 million of non-current expenses in the first half of 2020. These include €267 million in impairment of tangible and intangible assets, given the slump in volumes due to the Covid-19 pandemic and an assumption of slow recovery in worldwide automotive production, which in the medium term will remain significantly below pre-crisis forecasts.

The net financial loss stood at -€35 million at June 30, 2020 versus a loss of -€37 million at June 30, 2019.

In the first half of 2020, the Group recorded tax income of €47 million versus an expense of €56 million in the first half of 2019 (effective rate of 28%) mainly related to the impact of deferred taxes.

At June 30, 2020, the net profit - Group share, excluding asset impairments net of taxes, amounted to a loss of -€179 million. After these impairments, it was -€404 million.

EBITDA and free cash-flow

EBITDA stood at €171 million in the first half of 2020 (i.e. 5.8% of consolidated revenue) versus €511 million and 12.0% of consolidated revenue in the first semester of 2019.

In the first half of 2020, the Group invested €226 million versus €308 million, i.e. a drop of 27% and €82 million. These investments will be further reduced and will represent a decline of around 30% over the year compared to the €512 million invested in 2019. They will amount to less than 6% of consolidated revenue in 2020.

The working capital requirement deteriorated by €415 million due to the slump in business in Europe and North America in the second quarter. This caused:

- a €95 million decrease in sales of receivables, which amounted to €220 million at June 30, 2020 (versus €315 million at December 31, 2019);
- a reduction in the difference between trade payables and trade receivables net of sales of receivables, which amounted to €694 million at December 31, 2019 compared to €224 million at June 30, 2020.

At June 30, 2020, free cash-flow stood at -€572 million.

Sound financial structure

Net debt stood at €1,410 million at June 30, 2020, versus €1,021 million at June 30, 2019 and €739 million at December 31, 2019

The Group's net debt represents 78% of shareholders' equity and 2.1x EBITDA.

On May 29, 2020, the Group repaid, as expected, a €500-million bond. It also obtained new five-year credit lines from banking partners for €560 million.

In the first half of 2020, the Group paid €71 million in dividends on its 2019 results (dividend of €0.49 per share, down 34% from the €0.74 dividend paid in the previous year and initially proposed).

The Group had €1.9 billion of liquidity at June 30, 2020, including:

- €620 million in available cash;
- €1.25 billion in confirmed, undrawn credit lines, with an average maturity of five years and without any covenants.

Cost reduction program and transformation plan

Based on production assumptions of 64 million vehicles in 2020 and 70 million vehicles in 2021 (compared with 86 million vehicles in 2019), the Group is continuing to rationalize its industrial footprint and is accelerating the reduction in indirect production costs and overheads:

- the composites business of Arevalo's Spanish site (Intelligent Exterior Systems) will cease in the second half of 2020;
- in the Clean Energy Systems business, the Eisenach plant in Germany will close in the first half of 2021;
- some underused paint lines will be shut down;
- in Germany, Intelligent Exterior Systems production business is reorganized and the R&D system is being rationalized;
- HBPO Asia's regional headquarters in Seoul will be closed at the end of 2020 to be combined with that in Shanghai.

These measures will save a combined €40 million annually.

The Group is continuing to review additional measures to size its production capacities and costs to the moderate recovery in worldwide automotive production weighted by an estimated 5 points of outperformance in the coming years.

Plastic Omnium has also initiated a transformation plan, called Omega, whose objective is to:

- rethink and make the Group's organization more agile across all its functions;
- simplify processes;
- accelerate digitization.

Thanks to this Transformation plan, Plastic Omnium is targeting annual savings totaling €200 million by the end of 2022.

In total, the Group will achieve €240 million in annual savings by the end of 2022.

RELATED PARTIES

Related party transactions correspond to transactions with Sofiparc, Burelle SA and Burelle Participations. Some of the contracts between the Group and these companies were amended during the first half of 2020.

Specifically, from January 1, 2020, Compagnie Plastic Omnium SE no longer has an agreement with Burelle Group companies for the compensation of its Chairman of the Board of Directors. This is now paid directly by Plastic Omnium Group, following approval by the Board of Directors and the Shareholders' Meeting, whereas its payment was previously governed by an agreement whereby Burelle SA rebilled a majority share of the Senior management services to Compagnie Plastic Omnium SE. Mr. Laurent Burelle ceased to occupy the position of Chief Executive Officer of Compagnie Plastic Omnium SE on January 1, 2020.

The compensation of senior managers and corporate officers has been modified compared to December 31, 2018.

On the one hand, the executive directors have changed. Mr. Laurent Favre and Mrs. Félicie Burelle respectively became Chief Executive Officer and Managing Director of Compagnie Plastic Omnium SE, from January 1, 2020. At the same date, Mr. Laurent Burelle ceased to occupy the position of Chief Executive Officer, while Mr. Jean-Michel Szczerba ceased his functions as Chief Operating Officer on September 24, 2019.

Corporate officer compensation during the first half of 2020 was paid in accordance with the decision by the Board of Directors of Compagnie Plastic Omnium SE on December 13, 2019, as set out on p 82 et seq. of Compagnie Plastic Omnium SE's 2019 Universal Registration Document.

Fixed compensation for Mr. Laurent Favre, Chief Executive Officer since January 1, 2020

The Board of Directors set the gross amount of the Chief Executive Officer's annual fixed compensation at €900,000. Moreover, strictly as compensation for the loss of variable compensation received by Mr. Laurent Favre in his previous positions, an exceptional bonus in the amount of €400,000 gross would be paid to him in August 2020, subject to a presence condition.

The Chief Executive Officer also benefits from standard benefits in kind (company car, annual medical check-up, sports club membership, life insurance plan in accordance with Group policy). Mr. Laurent Favre also benefits from tax assistance, assistance with relocation and moving expenses up to a maximum of 40,000 euros, as well as payment of the rent for his main residence if rent is paid on two properties at the same time, for a maximum period of eight months.

Fixed compensation for Mrs. Félicie Burelle, Managing Director since January 1, 2020

Félicie Burelle receives annual fixed compensation of €500,000 gross. Mrs. Félicie Burelle, Managing Director, also benefits from standard benefits in kind (company car, annual medical check-up, sports club membership, life insurance plan in accordance with Group policy).

With regard to variable compensation, at its meeting of December 13, 2019, the Board of Directors of Compagnie Plastic Omnium SE, acting on the recommendation of the Compensation Committee and the Appointments Committee, decided on the following items:

Variable compensation for Mr. Laurent Favre, Chief Executive Officer since January 1, 2020

The annual bonus is defined in such a way as to align the executive officer's compensation with the Group's annual performance and to promote the implementation of its strategy year after year. The Board of Directors wishes to encourage the executive corporate officer to both maximize performance in each fiscal year and to ensure that it is regularly repeated year after year. The annual bonus may reach 100% of the annual fixed compensation if the objectives defined by the Board are met, i.e. €900,000. However, for fiscal year 2020, Mr. Laurent Favre's bonus is guaranteed at 50% of the maximum defined above. In application of Article L. 225-100 of the French Commercial Code, the payment of the annual bonus is subject to approval from the Annual Shareholders' Meeting called to approve the financial statements for the 2020 fiscal year.

Allocation of free shares to Mr. Laurent Favre, Chief Executive Officer since January 1, 2020

In accordance with Article L. 225-197-1 of the French Commercial Code and the authorization of the Combined Shareholders' Meeting of April 26, 2018, the Board of Directors decided to implement a new Performance Share Award Plan. The allocation decided for Mr. Laurent Favre, Chief Executive Officer, shall comply with the AFEP-MEDEF Code recommendations of January 2020 and, in particular, the recommendation on the value of the shares allocated: the value of the allocation (estimated using IFRS) should represent approximately 50% of the corporate executive officer's total compensation, without exceeding 60%.

Mr. Laurent Favre would also be required to hold in registered form until the termination of his duties 50% of the shares that would be freely granted to him at the end of the vesting period. The allocation of performance shares to Mr. Laurent Favre in respect of fiscal year 2020 is capped at a number of shares whose value should not exceed €400,000. The vesting of these shares is subject to the fulfillment of performance conditions which would be noted at the end of a vesting period of four years from the grant date. Half of the number of shares vested would depend on the growth in net earnings per share (excluding treasury shares); and the other half on the change in cumulative free cash-flow, at constant consolidation scope. The calculation would be based on the average of the four full years of the vesting period. The first full year taken into account for the assessment of the performance conditions for this grant would be 2020.

Variable compensation for Mrs. Félicie Burelle, Managing Director since January 1, 2020

Mrs. Félicie Burelle's annual bonus may reach 100% of her annual fixed compensation if she achieves the objectives defined in chapter 3.1.2.4 of the 2019 Universal Registration Document, i.e. €500,000 gross. For the 2020 fiscal year, the maximum bonus will be limited to 50% of the gross annual fixed compensation.

Pursuant to Article L. 225-100 of the French Commercial Code, payment of the annual variable compensation will be subject to the approval of the Shareholders' Meeting called to approve the financial statements for fiscal year 2020.

Allocation of performance shares to Mrs. Félicie Burelle, Managing Director since January 1, 2020

The Board of Directors has decided to implement a new Performance Share Plan under the authorization requested from the Combined Shareholders' Meeting of April 26, 2018. The allocation to Mrs. Félicie Burelle, Managing Director, shall comply with the AFEP-MEDEF Code recommendations of January 2020 and in particular the recommendation relating to the value of the shares allocated: the

value of the grant (estimated under IFRS), should represent approximately 50% of the executive corporate officer's total compensation, without exceeding 60%.

Mrs. Félicie Burelle would also be required to hold in registered form until the termination of her duties 50% of the shares that would be freely granted to her at the end of the vesting period.

The allocation of performance shares to Mrs. Félicie Burelle in respect of fiscal year 2020 would be capped at a number of shares whose value should not exceed €250,000.

The vesting of these shares is subject to the fulfillment of performance conditions which would be noted at the end of a vesting period of four years from the grant date.

Half of the number of shares vested would depend on the growth in net earnings per share (excluding treasury shares); and the other half on the change in cumulative free cash-flow, at constant consolidation scope. The first full year taken into account for the assessment of the performance conditions for this grant would be 2020.

OUTLOOK

In the context of a general recovery in activity, worldwide automotive production remains difficult to predict due to changes in the global health and economic situation.

In the second half of 2020, Plastic Omnium has assumed a 15% drop in worldwide automotive production.

Over 2020 as a whole, worldwide automotive production is now expected to be 64 million vehicles. This assumption does not take account of a possible second wave of Covid-19.

In these market conditions, the Group will continue to lower its breakeven point.

In the second half of 2020, it anticipates:

- an operating margin of at least 4%;
- EBITDA of at least 10%;
- free cash-flow of at least €250 million.

Over 2020 as a whole, and depending on the pace of recovery in each key automotive market and the effect of different national and regional measures to support the automotive sector, the Group anticipates:

- market outperformance of at least 5-points;
- EBITDA higher than 8% of consolidated revenue;
- a positive operating margin.

For 2021, Plastic Omnium assumes a slow recovery in worldwide automotive production with 70 million vehicles, compared with 86 million in 2019 and 64 million in 2020. This management assumption, which is well below the 76 million vehicles for 2021 projected by the main forecasting institutes, will be used to resize the Group's cost structure.

In this context, the Group is set to outperform worldwide automotive production by at least 5 points. Thanks to this growth combined with the initial effects of the new plan to generate annual savings of €240 million by the end of 2022, Plastic Omnium will significantly improve its results and cash generation over the period.

RISKS OVER THE SECOND HALF-YEAR

The main risk factors for Compagnie Plastic Omnium SE remain those identified in the 2019 Universal Registration Document.

Glossary

1. Economic revenue reflects the Group's operational and managerial reality. It corresponds to the consolidated revenue plus the revenue of the Group's joint ventures at the Group's percentage interest: BPO (50%) and YFPO (50%) for Plastic Omnium Industries and SHB Automotive Modules (Samlip) (33%) for Plastic Omnium Modules.
2. Consolidated revenue does not include the share of joint ventures, which are consolidated using the equity method, in implementation of IFRS 10-11-12.
3. The operating margin includes the share of the results of companies which have been consolidated using the equity method, and the amortization of 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 +/- change in 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. Like-for-like: constant scope and exchange rates:
 - a. the currency effect is calculated by applying the exchange rate of the previous period to the revenue of the current period. In the first half of 2020, it is a positive €19.5 million on economic revenue and €13.5 million on consolidated revenue;
 - b. during the first half of 2020, there was no scope effect.

CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS

AT JUNE 30, 2020

Financial indicators

In the context of its financial communication, the Group uses financial indicators based on aggregates taken from the consolidated financial statements prepared in accordance with IFRS, as adopted in the European Union.

As indicated in Note 3.1 of the consolidated financial statements at June 30, 2020, on segment information, the Group uses the notion of “economic revenue” for its operational management, which corresponds to the consolidated revenue of the Group and its joint ventures at their percentage stake: Yanfeng Plastic Omnium, the Chinese leader in exterior body parts, SHB Automotive modules, the leading Korean front-end module company and BPO, a major player in the Turkish exterior equipment market.

Reconciliation of economic revenue with consolidated revenue:

In thousands of euros	First-half 2020	First-half 2019
Economic revenue	3,233,086	4,610,965
<i>Including revenue from joint ventures at the Group's percentage stake</i>	<i>271,351</i>	<i>342,713</i>
Consolidated revenue	2,961,735	4,268,252

BALANCE SHEET

In thousands of euros			
	Notes	June 30, 2020	December 31, 2019
ASSETS			
Goodwill	5.1.1	1,018,247	1,017,830
Other intangible assets	5.1.2	592,603	724,745
Property, plant and equipment	5.1.3	1,734,107	1,958,919
Investment property		30	30
Equity method and non-consolidated investments	5.1.4	184,872	195,129
Non-current financial assets ⁽¹⁾	5.1.5	70,819	70,958
Deferred tax assets		161,994	106,108
TOTAL NON-CURRENT ASSETS		3,762,672	4,073,719
Inventories	5.1.6	728,252	735,846
Finance receivables ⁽¹⁾	5.1.7	8,710	13,100
Trade receivables	5.1.8	784,305	818,799
Other receivables	5.1.8	332,409	328,757
Other financial assets and financial receivables ⁽¹⁾	5.1.7	175	55,127
Hedging instruments ⁽¹⁾	5.2.5	6,531	5,027
Cash and cash equivalents ⁽¹⁾	5.1.9	631,010	1,142,953
TOTAL CURRENT ASSETS		2,491,392	3,099,609
Assets held for sale		750	750
TOTAL ASSETS		6,254,814	7,174,078
EQUITY AND LIABILITIES			
Capital	5.2.1.1	8,914	8,914
Treasury stock		-66,440	-54,071
Additional paid-in capital		17,389	17,389
Consolidated reserves		2,175,113	2,014,390
Net income for the period		-403,512	258,197
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		1,731,464	2,244,819
Attributable to non-controlling interests		64,185	98,774
TOTAL EQUITY		1,795,649	2,343,593
Non-current borrowings ⁽¹⁾	5.2.4.7	1,310,194	1,334,713
Provisions for pensions and other post-employment benefits		118,501	107,670
Provisions	5.2.3	42,946	29,970
Non-current government grants		9,356	3,769
Deferred tax liabilities		68,442	54,859
TOTAL NON-CURRENT LIABILITIES		1,549,439	1,530,981
Bank overdrafts ⁽¹⁾	5.1.9.2	7,852	9,875
Current borrowings and financial debt ⁽¹⁾	5.2.4.7	809,281	678,762
Hedging instruments ⁽¹⁾	5.2.5	41	3,268
Provisions for liabilities and charges	5.2.3	70,212	70,362
Grants		-	4,207
Trade payables	5.2.6.1	1,013,408	1,518,204
Other operating liabilities	5.2.6.2	1,008,932	1,014,826
TOTAL CURRENT LIABILITIES		2,909,726	3,299,504
TOTAL EQUITY AND LIABILITIES		6,254,814	7,174,078

(1) Components of net financial debt. Net financial debt stands at € 1410.1 million at June 30, 2020 compared with €739.5 million at December 31, 2019 (see Note 5.2.4.7).

INCOME STATEMENT

In thousands of euros	Notes	First-half 2020	%	First-half 2019	%
Consolidated sales (revenue)		2,961,735	100.0%	4,268,252	100.0%
Cost of goods and services sold	4.2	-2,797,094	-94.4%	-3,728,693	-87.4%
Gross profit		164,641	5.6%	539,559	12.6%
Research and Development costs	4.1 - 4.2	-141,952	-4.8%	-121,523	-2.8%
Selling costs	4.2	-16,905	-0.6%	-19,207	-0.4%
Administrative expenses	4.2	-117,857	-4.0%	-124,776	-2.9%
Operating margin before amortization of intangible assets acquired in business combinations and before share of profit of associates and joint ventures		-112,073	-3.8%	274,052	6.4%
Amortization of intangible assets acquired in business combinations	4.3	-13,366	-0.5%	-13,583	-0.3%
Share of profit/loss of associates and joint ventures	4.4	9,272	0.3%	20,524	0.5%
Operating margin		-116,168	-3.9%	280,993	6.6%
Other operating income	4.5	4,493	0.2%	22,409	0.5%
Other operating expenses	4.5	-317,826	-10.7%	-47,364	-1.1%
Borrowing costs	4.6	-32,775	-1.1%	-37,472	-0.9%
Other financial income and expenses	4.6	-2,509	-0.1%	527	0.0%
Profit from continuing operations before income tax and after share of profits of associates and joint ventures		-464,785	-15.7%	219,093	5.1%
Income tax	4.7	46,931	1.6%	-55,599	-1.3%
Net income		-417,855	-14.1%	163,494	3.8%
Net profit attributable to non-controlling interests	4.8	-14,343	-0.5%	8,488	0.2%
Net profit attributable to owners of the parent company		-403,512	-13.6%	155,006	3.6%
Earnings per share attributable to owners of the parent company	4.9				
Basic earnings per share (in euros) ⁽¹⁾		-2.77		1.06	
Diluted earnings per share (in euros) ⁽²⁾		-2.77		1.06	

(1) Basic earnings per share are calculated using the weighted average number of ordinary shares outstanding, less the average number of shares held in treasury stock.

(2) Diluted earnings per share take into consideration the average number of treasury shares deducted from equity and shares which might be issued under stock option programs.

STATEMENT OF COMPREHENSIVE INCOME

In thousands of euros	First-half 2020			First-half 2019		
	Total	Gross	Tax	Total	Gross	Tax
Net profit for the period attributable to owners of the parent ⁽¹⁾	-403,512	-447,385	43,873	155,006	207,440	-52,434
Reclassified to the income statement	-21,057	-20,333	-724	6,351	6,516	-165
Reclassified in the period	130	130	-	175	191	-16
Exchange differences on translating foreign operations - reclassified to the income statement	-	-	-	-	-	-
Cash flow hedges - Interest rate instruments reclassified to the income statement	130	130	-	175	191	-16
Reclassified at a later date	-21,187	-20,463	-724	6,176	6,325	-149
Exchange differences on translating foreign operations	-23,268	-23,268	-	5,850	5,850	-
Cash flow hedges	2,081	2,805	-724	326	475	-149
Gains/(losses) for the period - Interest rate instruments	-	-	-	-	-	-
Gains/(losses) for the period – Exchange rate instruments	2,081	2,805	-724	326	475	-149
Cannot be reclassified to the income statement at a later date	-5,886	-8,237	2,351	1,435	-857	2,292
Actuarial gains/(losses) recognized in equity	-8,148	-10,499	2,351	-5,737	-8,029	2,292
Adjustment for change in fair value of long-term investments in equity instruments and funds	-752	-752	-	7,172	7,172	-
Revaluation of assets and liabilities due to hyperinflation in Argentina	3,015	3,015	-	-	-	-
Profit/loss from continuing activities recognized directly in equity	-26,943	-28,570	1,627	7,786	5,659	2,127
Comprehensive income attributable to owners of the parent⁽²⁾	-430,455	-475,955	45,500	162,792	213,099	-50,307
Net profit for the period attributable to non-controlling interests	-14,343	-17,401	3,058	8,488	11,653	-3,165
Reclassified to the income statement	-3,696	-3,696	-	1,451	1,451	-
Reclassified at a later date	-3,696	-3,696	-	1,451	1,451	-
Exchange differences on translating foreign operations	-3,696	-3,696	-	1,451	1,451	-
Other comprehensive income	-3,696	-3,696	-	1,451	1,451	-
Comprehensive income attributable to non-controlling interests	-18,039	-21,097	3,058	9,939	13,104	-3,165
Total comprehensive income	-448,494	-497,052	48,558	172,731	226,203	-53,472

(1) Net profit for the period attributable to owners of the parent amounted to -€242,269 thousand at June 30, 2020 compared with €92,632 thousand at June 30, 2019.

(2) Net comprehensive income for the period attributable to owners of the parent amounted to -€258,447 thousand at June 30, 2020 compared with €97,284 thousand at June 30, 2019.

CHANGES IN EQUITY

 In thousands of euros
 In thousand units for the number of shares

Shareholders' equity

	Number of shares	Capital	Additional paid-in capital	Treasury stock	Other reserves	(1)	Translation adjustment	Net profit for the period	Attributable to owners of the parent	Attributable to non-controlling interests	Total equity
Equity at December 31, 2018	148,566	8,914	17,389	-49,850	1,617,609	⁽¹⁾	-41,497	533,296	2,085,861	96,138	2,181,999
1st application of IFRS 16	-	-	-	-	-	-	-	-	-	-	-
1st application of IFRIC 23	-	-	-	-	-2,500	-	-	-	-2,500	-	-2,500
Equity at January 1, 2019	148,566	8,914	17,389	-49,850	1,615,109	⁽¹⁾	-41,497	533,296	2,083,361	96,138	2,179,499
Appropriation of net profit at December 31, 2018	-	-	-	-	533,296	-	-	-533,296	-	-	-
Net profit at June 30, 2019	-	-	-	-	-	-	-	155,006	155,006	8,488	163,494
Other comprehensive income	-	-	-	-	-660	-	8,446	-	7,786	1,451	9,237
<i>Exchange differences on translating foreign operations</i>	-	-	-	-	-2,596	-	8,446	-	5,850	1,451	7,301
<i>Actuarial gains/(losses) recognized in equity</i>	-	-	-	-	-5,737	-	-	-	-5,737	-	-5,737
<i>Cash flow hedges - Interest rate instruments</i>	-	-	-	-	175	-	-	-	175	-	175
<i>Cash flow hedges - Currency instruments</i>	-	-	-	-	326	-	-	-	326	-	326
<i>Change in the fair value adjustment of long-term investments in equity instruments and funds</i>	-	-	-	-	7,172	-	-	-	7,172	-	7,172
<i>Revaluation of assets and liabilities due to hyperinflation in Argentina</i>	-	-	-	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	532,636	-	8,446	-378,290	162,792	9,939	172,731
Treasury stock transactions	-	-	-	-4,380	-877	-	-	-	-5,257	-	-5,257
Dividends paid by Compagnie Plastic Omnium	-	-	-	-	-108,168	-	-	-	-108,168	-	-108,168
Dividends paid by other Group companies	-	-	-	-	-	-	-	-	-	-15,121	-15,121
Stock option costs	-	-	-	-	1,141	-	-	-	1,141	-	1,141
Deferred tax on stock option and share purchase plans	-	-	-	-	43	-	-	-	43	-	43
Equity at June 30, 2019	148,566	8,914	17,389	-54,230	2,039,884	⁽¹⁾	-33,051	155,006	2,133,911	90,955	2,224,865
Net profit of the second-half 2019	-	-	-	-	-	-	-	103,191	103,191	9,285	112,476
Other comprehensive income	-	-	-	-	3,115	-	2,666	-	5,781	331	6,112
<i>Exchange differences on translating foreign operations</i>	-	-	-	-	-1,512	-	2,666	-	1,154	414	1,568
<i>Actuarial gains/(losses) recognized in equity</i>	-	-	-	-	-6,457	-	-	-	-6,457	-83	-6,540
<i>Cash flow hedges - Interest rate instruments</i>	-	-	-	-	127	-	-	-	127	-	127
<i>Cash flow hedges - Currency instruments</i>	-	-	-	-	-1,152	-	-	-	-1,152	-	-1,152
<i>Change in the fair value adjustment of long-term investments in equity instruments and funds</i>	-	-	-	-	3,118	-	-	-	3,118	-	3,118
<i>Revaluation of assets and liabilities due to hyperinflation in Argentina</i>	-	-	-	-	8,991	-	-	-	8,991	-	8,991
Comprehensive income	-	-	-	-	3,115	-	2,666	103,191	108,972	9,616	118,588
Treasury stock transactions	-	-	-	159	1,092	-	-	-	1,251	-	1,251
Dividends paid by other Group companies	-	-	-	-	-	-	-	-	-	-1,799	-1,799
Stock option costs	-	-	-	-	1,351	-	-	-	1,351	-	1,351
Deferred tax on stock option and share purchase plan	-	-	-	-	-665	-	-	-	-665	-	-665
Equity at December 31, 2019	148,566	8,914	17,389	-54,071	2,044,775	⁽¹⁾	-30,385	258,197	2,244,819	98,774	2,343,593
Appropriation of net profit at December 31, 2019	-	-	-	-	258,197	-	-	-258,197	-	-	-
Net profit at June 30, 2020	-	-	-	-	-	-	-	-403,512	-403,512	-14,343	-417,855
Other comprehensive income	-	-	-	-	-3,002	-	-23,941	-	-26,943	-3,696	-30,639
<i>Exchange differences on translating foreign operations</i>	-	-	-	-	673	-	-23,941	-	-23,268	-3,696	-26,964
<i>Actuarial gains/(losses) recognized in equity</i>	-	-	-	-	-8,148	-	-	-	-8,148	-	-8,148
<i>Cash flow hedges - Interest rate instruments</i>	-	-	-	-	130	-	-	-	130	-	130
<i>Cash flow hedges - Currency instruments</i>	-	-	-	-	2,081	-	-	-	2,081	-	2,081
<i>Change in the fair value adjustment of long-term investments in equity instruments and in funds</i>	-	-	-	-	-752	-	-	-	-752	-	-752
<i>Revaluation of assets and liabilities due to hyperinflation in Argentina</i>	-	-	-	-	3,015	-	-	-	3,015	-	3,015
Comprehensive income	-	-	-	-	255,195	-	-23,941	-661,709	-430,455	-18,039	-448,494
Treasury stock transactions	-	-	-	-12,369	-636	-	-	-	-13,005	-	-13,005
Dividends paid by Compagnie Plastic Omnium ⁽²⁾	-	-	-	-	-71,221	-	-	-	-71,221	-	-71,221
Dividends paid by other Group companies	-	-	-	-	-	-	-	-	-	-16,550	-16,550
Stock option costs	-	-	-	-	1,212	-	-	-	1,212	-	1,212
Deferred tax on stock option and share purchase plans	-	-	-	-	114	-	-	-	114	-	114
Equity at June 30, 2020	148,566	8,914	17,389	-66,440	2,229,440	⁽¹⁾	-54,326	-403,512	1,731,464	64,185	1,795,649

(1) See Note 5.2.1.2 for breakdown of "Other reserves".

(2) The dividend per share distributed on June 30, 2020 by Compagnie Plastic Omnium in respect of the 2019 fiscal year is €0.49 compared with €0.74 on June 30, 2019 in respect of the 2018 fiscal year (see Note 5.2.2 on dividends voted and paid).

STATEMENT OF CASH FLOWS

In thousands of euros	Notes	First-half 2020	2019	First-half 2019
I - CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	3.1.1	-417,855	275,970	163,494
Dividends received from associates and joint ventures		15,085	31,567	19,011
Non-cash items		528,107	602,553	281,669
<i>Share of profit/(loss) of associates and joint ventures</i>	4.4	-9,272	-36,454	-18,609
<i>Stock option plan expense</i>		1,212	2,492	1,141
<i>Other adjustments</i>		-747	6,581	-4,811
<i>Depreciation and provisions for impairment of fixed assets</i>		338,705	297,498	140,763
<i>Amortization and provisions for impairment of intangible assets</i>		197,330	200,431	95,685
<i>Changes in provisions</i>		15,065	-7,238	-20,764
<i>Net (gains)/losses on disposals of non-current assets</i>		728	-17,924	191
<i>Operating grants recognized in the income statement</i>		-415	-991	-480
<i>Current and deferred taxes</i>	4.7.1	-46,931	89,860	55,602
<i>Interest expense</i>		32,434	68,298	32,952
CASH GENERATED BY OPERATIONS (A)		125,338	910,090	464,174
Change in inventories and work-in-progress – net		-8,856	7,937	-71,139
Change in trade receivables – net		26,460	36,513	-111,434
Change in trade payables		-393,060	-99,549	121,888
Change in other operating assets and liabilities - net		-39,087	38,381	7,925
CHANGE IN WORKING CAPITAL REQUIREMENTS (B)		-414,544	-16,718	-52,760
TAXES PAID (C)		-13,330	-95,849	-30,383
Interest paid		-46,341	-74,166	-44,547
Interest received		3,189	6,230	1,587
NET FINANCIAL INTEREST PAID (D)		-43,152	-67,936	-42,960
NET CASH GENERATED BY OPERATING ACTIVITIES (A+B+C+D)		-345,687	729,586	338,071
II – CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property, plant and equipment	3.1.3	-116,096	-333,697	-167,050
Acquisitions of intangible assets	3.1.3	-70,201	-199,798	-102,957
Disposals of property, plant and equipment		856	134,397	2,901
Disposals of intangible assets		823	6,644	4,265
Net change in advances to suppliers of fixed assets		-43,139	10,839	-45,385
Investment grants received		1,828	-1,415	441
NET CASH USED IN OPERATIONS-RELATED INVESTING ACTIVITIES (E)		-225,929	-383,031	-307,786
FREE CASH FLOW (A + B + C + D + E)		-571,616	346,555	30,286
Acquisitions of shares in subsidiaries and associates, investments in associates and joint ventures, and related investments		-	23	-
Acquisitions of non-consolidated equity instruments		-	-320	-309
Acquisitions of long-term investments in equity instruments and funds		-4,957	-26,307	-9,885
Disposals of long-term investments in listed equity instruments and funds		-	8,485	8,485
NET CASH FROM FINANCIAL TRANSACTIONS (F)		-4,957	-18,119	-1,709
NET CASH FROM INVESTING ACTIVITIES (E+F)		-230,886	-401,150	-309,495
III - CASH FLOWS FROM FINANCING ACTIVITIES				
Purchases/sales of treasury stock		-13,005	-4,006	-5,257
Dividends paid by Compagnie Plastic Omnium to Burelle SA		-42,788	-64,619	-64,619
Dividends paid to other shareholders ⁽¹⁾		-44,983	-58,917	-58,672
Increase in financial debt		930,787	267,939	204,996
Repayment of financial debt		-753,127	-247,049	-222,565
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES (G)		76,884	-106,652	-146,118
Assets held for sale (and discontinued operations) (H)		-	-	-
Effect of exchange rate changes (I)		-10,228	-358	2,061
NET CHANGE IN CASH AND CASH EQUIVALENTS (A + B + C + D + E + F + G + H + I)		-509,920	221,426	-115,479
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	5.1.9.2 - 5.2.4.7	1,133,078	911,652	911,652
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5.1.9.2 - 5.2.4.7	623,158	1,133,078	796,174

(1) During the first-half 2020, the €28,433 thousand in dividends paid to other shareholders (compared with €43,549 thousand in 2019) by Compagnie Plastic Omnium SE, brought the total dividends paid by Compagnie Plastic Omnium SE to €71,221 thousand (compared with €108,169 thousand in 2019). See Note 5.2.2 “Dividends voted and paid by Compagnie Plastic Omnium”.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements of the Plastic Omnium Group for the six months ended June 30, 2020 were approved by the Board of Directors on July 22, 2020.

PRESENTATION OF THE GROUP

Compagnie Plastic Omnium, a company governed by French law, was set up in 1946. The bylaws set its duration until April 24, 2112. It is registered in the Lyon Trade and Companies Register under number 955 512 611 and its registered office is at 19, boulevard Jules Carteret, 69007 Lyon, France.

Compagnie Plastic Omnium became a European company following a decision of the Shareholders' Meeting of April 25, 2019. From this decision, the generic term designating the company is: Compagnie Plastic Omnium SE.

The terms "Compagnie Plastic Omnium", "the Group" and "the Plastic Omnium Group" refer to the group of companies comprising Compagnie Plastic Omnium SE and its consolidated subsidiaries.

The Plastic Omnium Group is a global leader in the transformation of plastic materials for the automotive market for body parts, storage systems and fuel supply systems ("Industries" segment) and front-end modules ("Modules" segment).

The Group has organized its business into two operating segments:

• **Industries:**

- *Intelligent Exterior Systems (IES)*, dedicated to complex and intelligent body systems;
- *Clean Energy Systems (CES)*, dedicated to clean energy storage systems and emission reduction systems.

• **Modules:** module design, development and assembly (HBPO).

Plastic Omnium Group shares have been traded on the Paris Stock Exchange since 1965. The Group has been traded on Eurolist subfund A since January 17, 2013 and is listed on the SBF 120 and the CAC Mid 60 indices. The main shareholder is Burelle SA, which held 58.78% of the Group (60.04% excluding treasury stock) with a voting rights at 72.75 % at June 30, 2020 .

The unit of measurement used in the Notes to the consolidated financial statements is thousand euros, unless otherwise indicated.

1. ACCOUNTING POLICIES, ACCOUNTING RULES AND PRINCIPLES

1.1. Basis of preparation

The Group's condensed consolidated financial statements for the six months ended June 30, 2020 have been prepared in accordance with IAS 34 "Interim Financial Reporting".

These condensed half-yearly consolidated financial statements do not include all the information required for annual financial statements and should be read in conjunction with the consolidated financial statements at December 31, 2019.

The accounting policies used are those applied by the Group at December 31, 2019 and described in Note 1 "Accounting policies, accounting rules and principles" of the 2019 consolidated financial statements.

The Group has not early applied any standards, interpretations and amendments that are not mandatory at January 1, 2020.

The Group applied the accounting principles described in the consolidated financial statements at December 31, 2019 without any change.

1.2. Preparation of interim financial statements

▪ Income tax

The tax expense (current and deferred) for the period is determined based on the estimated annual tax rate, applied to profit before tax for the period excluding significant non-recurring items.

See Note 2.1.3 the "Deferred tax assets" on the consequences linked to the Covid-19 crisis.

▪ Employee benefits

The change in interest rates during the first half of 2020 led the Group to reassess its employee benefits obligations in the United States. The rates used at June 30, 2020 in the main zones are respectively:

- 0.75% for the euro zone, rate unchanged since December 31, 2019; and
- 2.70% for the United States (3.20 % at December 31, 2019).

The half-year expense for post-employment benefits corresponds to half of the budgeted net expense for the 2020 fiscal year, determined on the basis of the actuarial data and assumptions used at December 31, 2019, after taking into account, where applicable, special events such as plan changes.

▪ Impairment testing

At June 30, 2020, the Group has identified signs of impairment due to the fall in activity, the decline in profitability over the period and the less favorable outlook following the Covid-19 crisis. The Group has carried out impairment tests on goodwill, tangible and intangible assets (see Note 2.1.2 "Asset impairment tests").

1.3. Use of estimates and assumptions

In preparing its financial statements, the Plastic Omnium Group uses estimates and assumptions to assess some of its assets, liabilities, income, expenses and commitments. These estimates and assumptions, which are reviewed periodically by Senior Management, may lead to a material adjustment to the carrying amount of assets and liabilities. At June 30, 2020, they mainly concerned:

- deferred taxes;
- impairment tests on goodwill, intangible and tangible assets

The tests performed by the Group as part of the preparation of the consolidated financial statements at June 30, 2020, given the indications of impairment, are based on the value in use, the latter being calculated as the present value of future cash flows. These tests involve assumptions about future operating cash flows and discount rates. The assumptions that could have a significant impact on the financial statements relate in particular to discount rates and growth rates (see Note 2.1.2 "Asset impairment tests"). Sensivity tests were performed on the basis of the two key aggregates of Revenue and Operating Margin.

- provisions:

- retirement commitments and other employee benefits; and

- other provisions (workforce adjustment, litigation, customer guarantees, legal and tax risks, etc.);

- leases (IFRS 16):

- The use of the discount rate in determining the right of use and the lease liability for the leased property.

2. SIGNIFICANT EVENTS OF THE PERIOD

Covid-19 crisis and impact on the financial statements

The Covid-19 crisis, which emerged in January 2020 in China and March 2020 in the rest of the world, led to the sudden shutdown of the Group's plants and Research and Development centers, which gained momentum as its customers, the automotive manufacturers, shut their production lines. A specific Note is dedicated to the impacts and uncertainties related to this crisis: see Note 2.1 "Management by the Group of the Covid-19 crisis and the impacts on the Group's financial statements".

International context and change in the automotive market:

The impact of the Covid-19 crisis on the global automotive industry in terms of vehicle volume during the first-half of 2020 compared to the first-half of 2019 is presented below:

<i>In thousands of vehicles</i>	<i>Source: IHS ⁽¹⁾</i>	First-half 2020	First-half 2019	Change	%
Vehicle production forecasts		28,850	43,560	-14,710	-33.8%

(1) IHS: "IHS Markit", an American company specialized in economic information, which publishes trends and forecasts, particularly for the automotive sector. July 2020 publication.

Forecast change in the global automotive market in the second half of 2020:

Forecast of the global automotive market in the second half of 2020 compared to the same period last year is presented below:

<i>In thousands of vehicles</i>	<i>Source: IHS ⁽¹⁾</i>	Second-half 2020	Second-half 2019	Change	%
Vehicle production forecasts		37,890	42,430	-4,540	-10.7%

(1) IHS: "IHS Markit", an American company specialized in economic information, which publishes trends and forecasts, particularly for the automotive sector. July 2020 publication.

2.1. Management by the Group of the Covid-19 crisis and impacts on the Group's financial statements

The Group was obliged to close production centers in strict compliance with the provisions taken by the authorities of each country where the Group operates and in line with the automotive manufacturers' production line shutdowns:

The impacts directly linked to Covid-19 are described in the following Notes.

2.1.1. Reduction of plant activity

The table below shows the change in activity in the Group's plants and Research and Development centers, which explains in particular the Group's performance over the first-half of 2020.

<i>In units</i>	March 31, 2020		April 30, 2020		May 31, 2020		June 30, 2020	
Number of plants	Under operation	Shut down						
Group Total	131		131		131		131	
By geographic area	50	81	50	81	120	11	131	-
<i>Europe and Africa</i>	14	44	14	44	56	2	58	
<i>Asia</i>	36	10	36	10	45	1	46	
<i>North America</i>	-	21	-	21	14	7	21	
<i>South America</i>	-	6	-	6	5	1	6	

The ramp-up of plants when they reopened was gradual. The highly variable average production rate at the end of June is presented below:

June 30, 2020	Production capacity used in %		
	Intelligent Exterior Systems Division	Clean Energy Systems Division	Modules Division
Europe and Africa	68%	53%	95%
Asia	70% - 83%	54% - 68%	100%
North America	78%	62%	91%
South America	24%	25%	

2.1.2. Asset impairment tests

Indicators of impairment were identified in the first half-year in connection with the global Covid-19 pandemic:

- decreases in revenue across all Group entities in connection with site closings and a reduction in global production estimated by IHS at around 22% for the full year compared to 2019 (please refer to the introductory note on the “Covid-19 crisis and the impact on the presentation of the financial statements”);
- performance for 2020 and the following years significantly lower than forecasted before the crisis.

In this context and in application of IAS 36 "Impairment of assets", impairment tests were carried out to verify that intangible and tangible assets, including assets in progress, are recognized at a value not exceeding their recoverable value.

Thus, the following assets were tested:

- goodwill for "Modules" and "Industries" activities and their components "Intelligent Exterior Systems" and "Clean Energy Systems";
- customer contracts for HBPO and Faurecia;
- project assets;
- non-current assets of certain industrial entities; entities for which the 2019 enterprise value reduced by 40% remains higher than the capital employed were not tested, unless specific risks had been identified, the Group having considered that the probability of the recoverable amount being lower than the net carrying amount was very low at June 30, 2020.

The procedures for carrying out the tests during the first half-year 2020 were identical to those used in previous years, taking into account the following elements, however:

- the "Strategic Plan" exercise of detailed forecasts for the 2020-2025 horizon will be carried out in the second half-year;
- forecasts are difficult to make, given the lack of visibility on the exit of the crisis and the economic recovery.

In this context, the Group relied on the following elements:

- the forecasts made by the Divisions to determine revenue and validated by the Executive Committee; these forecasts indicate that 2019 production levels will be attained in 2025;
- cost reduction plans and profitability targets determined by Senior management;
- a 9.0% discount rate and 1.5% long-term growth rate, with the exception of India and the United States, for which discount and long-term growth rates were adapted to the local context. Thus, a discount rate of 16.0% and a long-term growth rate of 3.0% were used in India and a long-term growth rate of 2.0% was used in the United States.

The main operational assumptions used in the impairment tests were approved by Senior management for the closing accounts at June, 30, 2020.

The tests carried out led to the recognition of the following impairments:

- - €53 million on project assets (see Note 5.1.2 "Other intangible assets");
- -€177 million on industrial assets of the "Industries" segment (see Note 5.1.3 "Property, plant and equipment");
- -€32 million on HBPO customer contracts, "Modules" segment (see Note 5.1.2 "Other intangible assets").

These impairments are mainly the result of the significant reduction in volumes given the Covid-19 crisis and the assumption of a global automotive market that will remain well below pre-crisis forecasts in the coming years and consequently will not provide satisfactory plant utilization rates.

In accordance with the Group's accounting principles, these impairments are recognized in "Other operating expenses" (see Note 4.5).

The tests carried out indicate that there is no impairment of goodwill. Sensitivity tests were performed on the basis of the two key aggregates of Revenue and Operating Margin. These tests show that a downward revision of annual revenue by 5% would have no impact on the results of the tests; a deterioration of 5% in the HBPO Operating Margin, and of 5% in the Industries Operating Margin would also have no impact.

2.1.3. Deferred tax assets

The Group's tax position has been analyzed taking into account the estimated effects of the Covid-19 crisis on future results.

In accordance with the Group's accounting principles, "Tax credits and deferred tax assets on tax loss carryforwards and temporary differences are only recognized when the probability of their utilization within a relatively short period of time is proven" (please refer to Note 1.9 "Income Tax" to the consolidated financial statements of December, 31, 2019). Thus, taking into account significantly lower future results, deferred tax assets impairment amounted to -€80.4 million for the half-year.

Impacts over the first-half of 2020 are explained in Note 4.7 "Income tax".

2.1.4. Implementation of part-time activity and personnel expenses

From March, as the Covid-19 crisis was recognized as a pandemic (which emerged in January 2020 in China), the Group gradually closed all of its production sites as its automotive manufacturer customers shut down their own sites.

Protective measures have led the Group to favor remote working (home office) whenever possible and essential, and to set up part-time activity in strict compliance with the legislation and the provisions taken by the authorities of each country where the Group is established.

As of June 30, 2020, State aid received amounted to €18.1 million recorded as a reduction in personnel costs.

2.1.5. Other costs related to Covid-19

The Group has implemented very strict health measures ranging from protective equipment for employees, hydro-alcoholic gels, temperature-taking equipment, regular disinfection of premises, floor markings and the displaying of instructions, etc.

Moreover, two production lines, one in France and one in Mexico, have been dedicated for the production of masks for all Group employees since May 2020.

Total additional costs resulting from the crisis (excluding IT network extensions for organizing remote working, providing laptops, etc.) are estimated at €6.7 million recognized in operating expenses at the operating margin level.

2.1.6. Other commitments made by the Group following Covid-19

As part of its Corporate Social Responsibility (CSR) policy Act for All™, the Group has committed to an amount of €1 million to help charities in favor of the elderly, isolated people, medical staff and all occupations engaged on the front line facing Covid-19.

2.2. Other significant events of the period

2.2.1. Financing operations

2.2.1.1. Implementation of additional credit lines and utilization during the period

The Group has drawn down €587 million on existing credit lines and, at the same time, negotiated additional credit lines with its banking partners for an amount of €560 million over the six-month period.

See Notes 5.1.9 "Cash and cash equivalents", 5.2.4.6 "Undrawn medium-term credit lines" and 5.2.4.7 "Reconciliation of gross and net financial debt".

2.2.1.2. Issuance of "Negotiable European Commercial paper" (Neu-CP)

During the first-half of 2020, the Group issued "Neu-CP" maturing in less than one year to European investors, amounted to €99.5 million as of June 30.

The characteristics of these issuances are provided in Note 5.2.4.5 "Short-term borrowings: issuance of "Negotiable European commercial paper" (Neu-CP)".

See also Note 5.2.4.7 "Reconciliation of gross and net financial debt".

2.2.1.3. Compagnie Plastic Omnium SE reimbursement of the €500 million bond issued in 2013

On May 29, 2020, Compagnie Plastic Omnium SE reimbursed the €500 million bond issued without covenant or rating on May 21, 2013 to European investors.

See Notes 5.2.4.2 "Borrowings: private placement notes and bonds" and 5.2.4.7 "Reconciliation of gross and net financial debt".

2.2.1.4. Maturity of negotiable medium-term bonds and sale of investments in UCITS of Compagnie Plastic Omnium SE

The last negotiable medium-term bond (NMTN), subscribed on February 24, 2015 by Compagnie Plastic Omnium SE, matured in the first-half of 2020.

Compagnie Plastic Omnium SE also sold its investments in UCITS (Undertaking for Collective Investment in Transferable Securities) with a nominal value of €50 million subscribed in 2017.

See Notes 5.2.4.4 "Loans, negotiable debt securities and other financial assets" and 5.2.4.7 "Reconciliation of gross and net financial debt".

2.2.2. Change in the scope of consolidation in first-half 2020 and monitoring of previous changes in the scope of consolidation

2.2.2.1. Sale of the Group equity investment in PO-CellTech

On June, 3, 2020, Plastic Omnium Group sold its equity investment in PO-CellTech, a start-up focusing on fuel cells and supercapacitors, to its partner, the Israeli company ELBIT Systems.

PO-CellTech was recognized in the Group's financial statements using the equity method, respectively in "Share of profit/loss of associates and joint ventures" and "Investments in associates and joint ventures" in the income statement and balance sheet (see Notes 4.4 and 5.1.4).

The transaction had no impact on the net income of the period.

2.2.2.2. Settlement agreement related to the disposal of the Environment Division (Sulo SAS)

On April 6, 2020, Compagnie Plastic Omnium SE signed a Settlement agreement related to the sale by Compagnie Plastic Omnium SE of the Environment Division (which became Sulo SAS) on December 18, 2018 to the consortium "Latour Capital / Bpifrance (Public investment bank)".

As such, over the first-half of 2020, an amount of €0.4 million, fully provisioned in the accounts at December 31, 2019, was paid to the buyer.

2.2.3. Monitoring of the financial investments in AP Ventures during 2019

During the first-half of 2020, as co-sponsor and member of the advisory investment committee, Compagnie Plastic Omnium SE paid AP Ventures, a London-based venture capital firm specializing in hydrogen and fuel cells, a total of €1.1 million (equivalent to \$1.2 million).

Compagnie Plastic Omnium SE committed to invest \$30 million over the life of the fund. The Group's payment amounted to €2.6 million (equivalent to \$2.8 million) at June 30, 2020 (see Note 5.1.5.1 "Long-term investments in equities and funds").

2.2.4. Change in the international economy and impacts on the Group's financial statements

2.2.4.1. "Brexit" or "British exit": exit of the United Kingdom from the European Union and impact on the Group's financial statements

The United Kingdom left the European Union (EU) on January 31, 2020 following the referendum of June 23, 2016 and is not asking for any extension of the transition period.

During the first-half of 2020, effects of the Covid-19 crisis are combined with those potentially linked to Brexit. The Group's vigilance remains high on its British subsidiaries, "Plastic Omnium Automotive Ltd" and "HBPO UK Ltd", whose business is mainly domestic.

The fluctuations of the pound sterling as well as the activity carried out in the United Kingdom are presented below.

The exchange rate of the pound sterling during the last three years has changed as follows (closing rates):

- June 30, 2019: 1 euro is exchanged for 0.897 pound;
- December 31, 2019: 1 euro is exchanged for 0.851 pound;
- June 30, 2020: 1 euro is exchanged for 0.912 pound.

The combined revenue and results of these two companies over the last two half-years represent respectively:

	June 2019	June 2020
As a percentage of Group revenue	5.43%	4.39%
As a percentage of Group operating margin	5.20%	5.30%
As a percentage of Group net income	6.45%	1.38%

2.2.4.2. Monitoring of hyperinflation in Argentina and impacts on the Group's financial statements

The economic crisis in Argentina continues and is combined with the effects of the Covid-19 crisis.

The Argentine peso exchange rate has dropped by 17.8% since December 31, 2019.

At June 30, 2020, the assets of the three subsidiaries Plastic Omnium Auto Inergy Argentina SA (Clean Energy Systems), Plastic Omnium Argentina and Plastic Omnium Automotive Argentina (Intelligent Exterior Systems) were revalued. The impacts related to hyperinflation on the main income statement aggregates and recognized over the first-half of 2020 are as follows:

	First-half 2020
Impact on the Group's revenue	+€467 thousand
Impact on the Group's operating margin	-€432 thousand
Impact on the Group's financial income	-€1,301 thousand
Impact on the Group's other operating expense	-€964 thousand
Impact on the Group's tax expense	-€159 thousand
Impact on the Group's net income	-€2,856 thousand

3. SEGMENT INFORMATION

3.1. Information by operating segment

The Group uses the concept “Economic revenue” for its operational management, which corresponds to the consolidated revenue of the Group and its joint ventures at their percentage stake: Yanfeng Plastic Omnium, the Chinese leader in exterior body parts, SHB Automotive modules, the leading Korean front-end module company and BPO, a major player in the Turkish market for exterior equipment.

The Group organizes its Automotive businesses into two operating segments (see Note on "Group Presentation"): “Industries” and “Modules”.

The columns in the tables below show the amounts by segment. The “Unallocated items” column groups together inter-segment eliminations and amounts that are not allocated to a specific segment (in particular, holding company activity) allowing for the reconciliation of segment data with the Group’s financial statements. Financial results, taxes and the share of profit/(loss) of associates are monitored at Group level and are not allocated to segments. Transactions between segments are carried out on an arm’s length basis.

3.1.1. Income statement by operating segment

In thousands of euros	First-half 2020			
	Industries	Modules	Unallocated items ⁽²⁾	Total
Economic revenue ⁽¹⁾	2,394,829	838,257	-	3,233,086
<i>Including revenue from joint ventures consolidated at the Group's percentage stake</i>	193,242	78,109	-	271,351
External sales to third parties	2,201,587	760,148	-	2,961,735
Inter-segment sales	(1,043)	1,043	-	-
Consolidated revenue	2,200,544	761,191	-	2,961,735
<i>% of segment revenue - Total</i>	74.3%	25.7%	-	100.0%
Operating margin before amortization of intangible assets acquired and before share of profit/(loss) of associates and joint ventures	(109,600)	(2,473)	-	(112,073)
<i>% of segment revenue</i>	-5.0%	-0.3%	-	-3.8%
Amortization of intangible assets acquired	(4,593)	(8,773)	-	(13,366)
Share of profit/(loss) of associates and joint ventures	8,609	663	-	9,272
Operating margin	(105,585)	(10,583)	-	(116,168)
<i>% of segment revenue</i>	-4.8%	-1.4%	-	-3.9%
Other operating income	3,338	1,155	-	4,493
Other operating expenses	(273,284)	(44,542)	-	(317,826)
<i>% of segment revenue</i>	-12.3%	-5.7%	-	-10.6%
Financing costs				(32,775)
Other financial income and expenses				(2,509)
Profit/(loss) from continuing operations before income tax and after share in associates and joint ventures				(464,785)
Income tax				46,931
Net income				(417,855)

In thousands of euros	First-half 2019			
	Industries	Modules	Unallocated items ⁽²⁾	Total
Economic revenue ⁽¹⁾	3,458,252	1,152,713	-	4,610,965
<i>Including revenue from joint ventures consolidated at the Group's percentage stake</i>	250,711	92,002	-	342,713
External sales to third parties	3,207,541	1,060,711	-	4,268,252
Inter-segment sales	(987)	987	-	-
Consolidated revenue	3,206,554	1,061,698	-	4,268,252
<i>% of segment revenue - Total</i>	75.1%	24.9%	-	100.0%
Operating margin before amortization of intangible assets acquired and before share of profit/(loss) of associates and joint ventures	239,295	34,757	-	274,052
<i>% of segment revenue</i>	7.5%	3.3%	-	6.4%
Amortization of intangible assets acquired	(4,805)	-8,778	-	(13,583)
Share of profit/(loss) of associates and joint ventures	19,467	1,057	-	20,524
Operating margin	253,957	27,036	-	280,993
<i>% of segment revenue</i>	7.9%	2.5%	-	6.6%
Other operating income	20,362	2,047	-	22,409
Other operating expenses	(45,229)	(2,135)	-	(47,364)
<i>% of segment revenue</i>	-0.8%	-	-	-0.6%
Financing costs				(37,472)
Other financial income and expenses				527
Profit/(loss) from continuing operations before income tax and after share in associates and joint ventures				219,093
Income tax				(55,599)
Net income				163,494

(1) Economic revenue corresponds to revenue of the Group and its joint ventures consolidated at their percentage of ownership.

(2) "Unallocated items" corresponds to intra-group eliminations and amounts that are not allocated to a specific segment (for example, holding company activities). This column is included to enable segment information to be reconciled with the consolidated financial statements.

3.1.2. Balance sheet aggregate data by operating segment

June 30, 2020				
In thousands of euros	Industries	Modules	Unallocated items	Total
Net amounts				
Goodwill	493,452	524,795	-	1,018,247
Intangible assets	465,268	122,190	5,145	592,603
Property, plant and equipment	1,558,169	145,872	30,066	1,734,107
Investment property	-	-	30	30
Inventories	658,826	69,426	-	728,252
Trade receivables	590,638	191,823	1,845	784,305
Other receivables	267,081	21,116	44,212	332,409
Finance receivables (C) ⁽¹⁾	8,710	-	-	8,710
Current accounts and other financial assets (D)	-1,541,932	2,976	1,549,653	10,697
Long-term investments in equity instruments and funds - FMEA 2 (F)	2,695	-	57,602	60,297
Hedging instruments (E)	-	-	6,531	6,531
Net cash and cash equivalents (A) ⁽²⁾	193,108	45,563	384,487	623,158
Segment assets	2,696,015	1,123,761	2,079,571	5,899,346
Borrowings and financial debt (B)	250,540	151,722	1,717,254	2,119,516
Segment liabilities	250,540	151,722	1,717,254	2,119,516
Segment net financial debt = (B - A - C - D - E - F) ⁽³⁾	1,587,959	103,183	-281,019	1,410,123
December 31, 2019				
In thousands of euros	Industries	Modules	Unallocated items	Total
Goodwill	493,035	524,795	-	1,017,830
Intangible assets	550,467	168,357	5,921	724,745
Property, plant and equipment	1,792,295	133,857	32,767	1,958,919
Investment property	-	-	30	30
Inventories	674,341	61,505	-	735,846
Trade receivables	682,714	132,230	3,855	818,799
Other receivables	239,765	31,565	57,427	328,757
Finance receivables (C) ⁽¹⁾	13,100	-	-	13,100
Current accounts and other financial assets (D)	-1,101,226	3,103	1,167,906	69,783
Long-term investments in equity instruments and funds - FMEA 2 (F)	142	-	56,160	56,302
Hedging instruments (E)	-	-	5,027	5,027
Net cash and cash equivalents (A) ⁽²⁾	124,545	64,711	943,822	1,133,078
Total segment assets	3,469,178	1,120,123	2,272,915	6,862,215
Borrowings and financial debt (B)	334,313	50,018	1,632,412	2,016,742
Segment liabilities	334,313	50,018	1,632,412	2,016,742
Segment net financial debt = (B - A - C - D - E - F) ⁽³⁾	1,297,752	-17,796	-540,503	739,453

(1) At June 30, 2020, "Finance receivables" amounted to €8,710 thousand vs. €13,100 thousand at December 31, 2019.

(2) Net cash and cash equivalents as reported in the Statement of Cash Flows. See also 5.1.9.2 "Net cash and cash equivalents at end of period".

(3) See Notes 5.2.4.1 "Definition of debt instruments within the Group" and 5.2.4.7 "Reconciliation of gross and net debt".

3.1.3. Other information by operating segment

First-half 2020				
In thousands of euros	Industries	Modules	Unallocated items	Total
Acquisitions of intangible assets	62,236	7,585	380	70,201
Capital expenditure including acquisitions of investment property	103,154	12,417	525	116,096
First-half 2019				
In thousands of euros	Industries	Modules	Unallocated items	Total
Acquisitions of intangible assets	90,489	11,383	1,085	102,957
Capital expenditure including acquisitions of investment property	155,583	10,827	640	167,050

3.1.4. Revenue - Information by geographic region and country of sales

The information given in the following tables corresponds to the revenue generated by the subsidiaries in the sales regions or countries as indicated below:

3.1.4.1. Information by sales region

First-half 2020			First-half 2019		
In thousands of euros	Totals	%	In thousands of euros	Totals	%
France	214,250	6.6%	France	378,655	8.2%
North America	852,285	26.4%	North America	1,310,608	28.4%
Europe excluding France	1,530,597	47.3%	Europe excluding France	2,066,669	44.8%
South America	30,253	0.9%	South America	81,789	1.8%
Africa	38,254	1.2%	Africa	45,348	1.0%
Asia	567,444	17.6%	Asia	727,896	15.8%
Economic revenue	3,233,086	100%	Economic revenue	4,610,965	100%
<i>Including revenue from joint ventures at the Group's percentage stake</i>	271,351		<i>Including revenue from joint ventures at the Group's percentage stake</i>	342,713	
Consolidated revenue	2,961,735		Consolidated revenue	4,268,252	

3.1.4.2. Information for the top ten contributing countries

First-half 2020			First-half 2019		
In thousands of euros	Totals	%	In thousands of euros	Totals	%
Germany	566,382	17.5%	Germany	743,570	16.1%
United States	439,243	13.6%	United States	666,707	14.5%
Mexico	368,861	11.4%	Mexico	575,901	12.5%
China	335,731	10.4%	China	384,628	8.3%
Spain	282,153	8.7%	France	378,655	8.2%
France	214,250	6.6%	Spain	352,162	7.6%
Slovakia	188,299	5.8%	Slovakia	257,431	5.6%
United Kingdom	148,497	4.6%	United Kingdom	244,625	5.3%
Korea	128,546	4.0%	Korea	161,269	3.5%
Hungary	110,631	3.4%	Hungary	143,919	3.1%
Other	450,494	14.0%	Other	702,098	15.3%
Economic revenue	3,233,086	100%	Economic revenue	4,610,965	100%
<i>Including revenue from joint ventures at the Group's percentage stake</i>	271,351		<i>Including revenue from joint ventures at the Group's percentage stake</i>	342,713	
Consolidated revenue	2,961,735		Consolidated revenue	4,268,252	

3.1.4.3. Information by automotive manufacturer

First-half 2020		
Automotive manufacturers	Totals	
In thousands of euros	Totals	% of total automotive revenue
Volkswagen-Porsche	830,190	25.7%
PSA Peugeot Citroën	343,173	10.6%
Daimler	323,002	10.0%
General Motors	283,861	8.8%
BMW	281,976	8.7%
Total – main manufacturers	2,062,201	63.8%
Other automotive manufacturers	1,170,885	36.2%
Total economic revenue	3,233,086	100.0%
<i>Including revenue from joint ventures at the Group's percentage stake</i>	271,351	
Total consolidated revenue	2,961,735	

First-half 2019		
Automotive manufacturers	Totals	
In thousands of euros	Totals	% of total automotive revenue
Volkswagen-Porsche	1,223,507	26.5%
PSA Peugeot Citroën	465,476	10.1%
General Motors	428,254	9.3%
BMW	379,247	8.2%
Daimler	370,559	8.0%
Total – main manufacturers	2,867,043	62.2%
Other automotive manufacturers	1,743,922	37.8%
Total economic revenue	4,610,965	100%
<i>Including revenue from joint ventures at the Group's percentage stake</i>	342,713	
Total consolidated revenue	4,268,252	

4. NOTES TO THE INCOME STATEMENT

Introduction to the Notes to the Income Statement - Impacts due to Covid-19

Over a six-month period impacted by the Covid-19 crisis with the sudden and large-scale shutdown of most of the Group's plants worldwide, the entire income statement was impacted by the sharp decrease in automotive activity.

The impairment of assets and the restructuring costs have been recorded in the "Other operating income and expenses" item (see Note 2.1 "Management by the Group of the Covid-19 crisis and the impacts on the Group's financial statements") in accordance with the Group's accounting principles.

4.1. Breakdown of Research and Development costs

The percentage of Research and Development costs is expressed in relation to the amount of revenue.

In thousands of euros	First-half 2020	%	First-half 2019	%
Research and Development costs after developments sold	-122,715	-4.1%	-148,762	-3.5%
Capitalized development costs	67,601	2.3%	96,901	2.3%
Depreciation of capitalized development costs	-91,907	-3.1%	-76,595	-1.8%
Research tax credit	4,846	0.2%	6,394	0.1%
Other (including grants and contributions received)	223	-	539	-
Research and Development costs	-141,952	-4.8%	-121,523	-2.8%

4.2. Cost of goods and services sold, development, selling and administrative costs

In thousands of euros	First-half 2020	First-half 2019
Cost of goods and services sold includes:		
Raw materials (purchases and changes in inventory) ⁽¹⁾	-2,114,210	-3,039,071
Direct production outsourcing	-6,752	-7,428
Utilities and fluids	-41,008	-56,200
Employee benefits expenses	-337,943	-384,172
Other production costs	-145,036	-122,196
Depreciation and amortization	-146,500	-125,674
Provisions	-5,645	6,048
Total	-2,797,094	-3,728,693
Research and Development costs include:		
Employee benefits expenses	-98,268	-113,569
Depreciation, amortization and provisions	-101,970	-84,843
Other	58,286	76,889
Total	-141,952	-121,523
Selling costs include:		
Employee benefits expenses	-12,363	-13,298
Depreciation, amortization and provisions	-1,650	-326
Other	-2,892	-5,583
Total	-16,905	-19,207
Administrative costs include:		
Employee benefits expenses	-75,785	-79,207
Other administrative expenses	-32,729	-36,055
Depreciation and amortization	-9,433	-9,840
Provisions	91	326
Total	-117,857	-124,776

- (1) Including charges and reversals of provisions for inventories amounting to :
- -€10,241 thousand at June 30, 2020;
 - -€4,560 thousand at June 30, 2019.

4.3. Amortization of intangible assets acquired

This item corresponds mainly to:

- the amortization over six years of contractual customer relationships recognized on the takeover in July 2016 of the Faurecia Group Exterior Systems business;
- the amortization over seven years of contractual customer relationships and over 15 years for the brand recognized on the takeover of HBPO in July 2018; and
- the end of amortization (over nine years), in May 2020, of contractual customer relationships recognized in 2011 on Ford's fuel tank business in the United States.

As part of impairment tests of assets following the decline in activity due to the Covid-19 crisis (see Note 2.1.2 "Asset impairment tests"), the Group recognized impairments on HBPO customer contracts at June 30, 2020 for -€32 million (see Note 4.5 "Other operating income and expenses").

In thousands of euros	First-half 2020	First-half 2019
Amortization of brands	-273	-276
Amortization of contractual customer relationships	-13,093	-13,307
Total amortization of intangible assets acquired	-13,366	-13,583

4.4. Share of profit/(loss) of associates and joint ventures

The associates Chengdu Faway Yanfeng Plastic Omnium and Dongfeng Plastic Omnium Automotive Exterior are included in the YFPO joint ventures.

Share of profit/(loss) of associates and joint ventures breaks down as follows (please refer to Note 5.1.4 for "Non-consolidated interests and investments in associates and joint ventures accounted for by the equity method" in the Balance Sheet):

In thousands of euros	First-half 2020 % Interest	First-half 2019 % Interest	First-half 2020	First-half 2019
HBPO - SHB Automotive Modules	33.34%	33.34%	652	1,049
HICOM HBPO Sdn Bhd	26.66%	26.66%	11	8
JV Yanfeng Plastic Omnium and its subsidiaries - joint venture	49.95%	49.95%	5,942	15,745
B.P.O. AS - joint venture	49.98%	49.98%	2,667	3,844
PO-CellTech ⁽¹⁾	23.00%	23.00%	-	-122
Total share of profit/(loss) of associates and joint ventures			9,272	20,524

(1) The Group sold its equity investment in PO-CellTech on June 3, 2020. See Note 2.2.2.1 under the "Significant events of the period".

4.5. Other operating income and expenses

In thousands of euros	First-half 2020	First-half 2019
Pre-start-up costs at new plants	-1,072	-8,584
Reorganization costs ⁽¹⁾	-15,567	-14,094
Impairment of non-current assets ⁽²⁾	-262,014	-1,635
Impairment and write-offs on current assets	-5,142	-
Impairment of investments and financial receivables (net)	-328	-
Provisions for charges and litigation ⁽³⁾	-11,722	-3,094
Foreign exchange gains and losses on operating activities ⁽⁴⁾	-12,652	-4,080
Argentina hyperinflation	-964	-
Results of long-term investments in equity instruments and funds	1,621	841
Retirement pension plan: change in plan	-	13,375
Gains/losses on disposals of non-current assets	-776	-187
Other ⁽⁵⁾	-4,718	-7,496
Total operating income and expenses	-313,333	-24,955
- of which total income	4,493	22,409
- of which total expenses	-317,826	-47,364

First-half 2020

(1) Reorganization costs:

Reorganization costs relate primarily to significant restructuring in the « Industries » segment in Germany and the United States.

(2) Impairment of non-current assets:

Impairment of non-current assets mainly relates to production and project assets by segment as follows:

- "Industries" : Belgium, China, France, Germany, India, Mexico, Poland, South Korea and the United States; and
- "Modules": Germany.

The details of the assets impaired during the first-half of 2020 following the Covid-19 crisis are provided in Note 2.1.2 "Asset impairment tests".

(3) Provisions for charges and litigation:

This item mainly includes provisions for quality disputes with several automotive manufacturers unrelated to the Covid-19 crisis and to labor disputes.

(4) Foreign exchange gains and losses on operating activities:

Almost all of the foreign exchange losses are mostly related to fluctuations in the US dollar and the Mexican peso.

(5) Other:

Non-material amounts taken individually.

First-half 2019

Refer to the consolidated financial statements at first-half 2019 for details of operations in the last fiscal year.

4.6. Net financial income

In thousands of euros	First-half 2020	First-half 2019
Finance costs	-26,357	-30,580
Interest on lease liabilities ⁽¹⁾	-3,922	-4,519
Financing fees and commissions	-2,496	-2,373
Borrowing costs	-32,775	-37,472
Exchange gains or losses on financing activities	-131	-1,164
Gains or losses on interest rate and currency hedges ⁽²⁾	1,796	2,648
Interest on post-employment benefit obligations	-791	-1,179
Other ⁽³⁾	-3,383	222
Other financial income and expenses	-2,509	527
Total	-35,284	-36,945

- (1) See Notes 5.1.3 "Property, plant and equipment" and 5.2.4.7 "Reconciliation of gross and net financial debt".
- (2) The Group no longer has any interest rate instrument contracts. This item includes an amount of -€130 thousand corresponding to the amortization of the balance on the 2018 bond loan (see the Statement of Changes in equity) and income of +€1,926 thousand corresponding to the impact of currency hedges.

See Note 5.2.5.1.2 "Impact of unsettled foreign exchange hedges on income and equity".

- (3) During the first-half of 2020, this item includes in particular:
- The impact of the sale of UCITS with a nominal value of €50 million held by the Group as of December 31, 2019, i.e. a net loss of -€1,506 thousand (including the reversal of the provision of +€197 thousand in the balance sheet at December 31, 2019).

See Note 5.2.4.4 "Loans, negotiable debt securities and other financial assets";

- and the financial impact of hyperinflation in Argentina for -€1,301 thousand (see Note 2.2.4.2 under "Significant events of the period").

4.7. Income tax

In view of the significant decrease expected in future results, the tax income of the period takes into account both the non-recognition of deferred tax assets on some entities' losses during the period, and the impairment of part of the stock of deferred tax assets recognized at January 1, 2020 and part of those relating to activity in the first six months of 2020.

4.7.1. Income tax recorded in the income statement

The income tax expense breaks down as follows:

In thousands of euros	First-half 2020	First-half 2019
Current taxes on continuing activities	3,186	-59,275
Current income tax income/(expense)	5,465	-55,793
Tax expense/(income) on non-recurring items	-2,279	-3,482
Deferred taxes on continuing activities	43,745	3,676
Deferred tax income/(expense) on timing differences arising or reversed during the period	46,530	4,786
Expense/(income) resulting from changes in tax rates or the introduction of new taxes	-2,785	-1,110
Income tax income (expense) on continuing activities recorded in the consolidated income statement	46,931	-55,599

4.7.2. Income tax analysis - Tax proof

Analysis of the income tax expense includes the following:

In thousands of euros	First-half 2020		First-half 2019	
	Totals	% ⁽¹⁾	Totals	% ⁽¹⁾
Consolidated loss (profit) on continuing activities before tax and share of profit/(loss) of associates and joint ventures (A)	-474,056		198,569	
Tax rate applicable in France (B)		32.02%		32.20%
Theoretical tax income (expense) (C) = (A) x (-B)	151,793		-63,939	
Difference between the theoretical tax expense and the current and deferred tax expense excluding tax assessed on net interim profit on continuing activities (D)	-104,862	22.1%	8,340	4.2%
Tax credits	3,176	-0.7%	19,565	9.9%
Permanent differences between accounting profits and taxable profits	-4,779	1.0%	-5,851	-2.9%
Change in unrecognized deferred taxes	-80,392	17.0%	-8,202	-4.1%
Impact on deferred tax of a tax rate change	-2,276	0.5%	-1,110	-0.6%
Impact of differences in foreign tax rates	-22,972	4.8%	13,755	6.9%
Contribution to Value Added	-3,529	0.7%	-2,959	-1.5%
Other impacts	5,910	-1.2%	-6,858	-3.5%
Total current and deferred tax income (expense) on continuing activities (E) = (C) + (D)	46,931		-55,599	
Effective tax rate (ETR) on continuing activities (E)/(A)	9.9%		28.0%	

(1) Percentage expressed in relation to the consolidated profit on continuing activities before tax and share of profit/(loss) of associates and joint ventures (C)

The Group's effective tax rate in first half 2020 was 9.9% (28.0% for first half 2019).

In the first half of 2020, the Group recognized tax income of €46.9 million for a theoretical tax of €151.8 million, based on a tax rate of 32.02%.

During the first half of 2019, the tax recognized was an expense of €55.6 million for a theoretical tax of €63.9 million, based on a tax rate of 32.20%.

The difference between the tax recognized and the theoretical tax mainly reflects:

- €3.2 million in specific tax reductions or credits mainly in North America, Asia and France (€19.6 million for first half 2019);
- a -€23.0 million impact from lower tax rates, mainly in Asia (China, Thailand), the United-States and Europe (excluding France and Belgium) (€13.8 million for first half 2019). The difference between the tax rate in France and countries with lower tax rates has a favorable effect in a profit situation and an opposite effect in a loss situation. Over the period, the losses linked to the collapse in activity due to the Covid-19 crisis had an unfavorable impact on the ETR;
- a -€80.4 million effect of losses or other assets generated in the year but not recognized, net of those previously not activated but used or recognized in the year (-€8.2 million for first half 2019) - Please refer to Note 2.1.3 "Deferred tax assets" in "Significant events of the period"; and
- €4.8 million in permanent differences between accounting profits and taxable profits (-€5.8 million for first half 2019 mainly due to taxable dividends).

4.8. Net profit attributable to non-controlling interests

The net profit attributable to non-controlling interests corresponds to the share of minority interests in the profit/loss of fully consolidated entities controlled by the Group. It breaks down as follows:

In thousands of euros	First-half 2020	First-half 2019
HBPO GmbH and its subsidiaries	-15,686	5,859
Beijing Plastic Omnium Inergy Auto Inergy Co. Ltd	-157	796
Plastic Omnium Auto Inergy Manufacturing India Pvt Ltd	-13	300
DSK Plastic Omnium Inergy	1,558	1,547
DSK Plastic Omnium BV	-45	-14
Total attributable to non-controlling interests	-14,343	8,488

4.9. Earnings per share and diluted earnings per share

Net profit attributable to owners of the parent	First-half 2020	First-half 2019
Basic earnings per share (in euros)	-2.77	1.06
Diluted earnings per share (in euros)	-2.77	1.06
Weighted average number of ordinary shares outstanding at end of period	148,566,107	148,566,107
- Treasury stock	-2,910,190	-2,398,486
Weighted average number of ordinary shares, undiluted	145,655,917	146,167,621
- Impact of dilutive instruments (stock options)	22,813	69,001
Weighted average number of ordinary shares, diluted	145,678,730	146,236,622
Weighted average price of the Plastic Omnium share during the period		
- Weighted average share price	18.94	23.79

5. NOTES TO THE BALANCE SHEET

5.1. Assets

5.1.1. Goodwill

At June 30, 2020, indications of impairment due to the consequences of the Covid-19 crisis led the Group to perform impairment tests on the basis of the assumptions detailed under “Significant events of the period” in Note 2.1.2 “Asset impairment tests”.

The tests performed at the level of the cash-generating units (CGU) or groups of cash-generating units (the “Industries” and “Modules” business segments) did not lead to the recognition of any impairment of goodwill. As a reminder, the rate assumptions were:

- a perpetual growth rate of 1.5% (except United States: 2.0% and India: 3.0%); and
- a 9.0% after-tax discount rate (except India: 16.0%).

GOODWILL In thousands of euros	Gross Value	Impairment	Net value
Goodwill at January 1, 2019	1,015,730	-	1,015,730
Translation differences	2,100	-	2,100
Goodwill at December 31, 2019	1,017,830	-	1,017,830
Translation differences	417	-	417
Goodwill at June 30, 2020	1,018,247	-	1,018,247

5.1.2. Other intangible assets

Impairment tests on assets following the impact of the Covid-19 crisis led to the recognition of impairment of intangible assets during the period (see Notes 2.1.2 “Asset impairment tests” and 4.5 “Other operating income and expenses”).

In thousands of euros	Patents and brands	Software	Development assets	Customer contracts	Other	Total
Carrying amount published at December 31, 2019	12,466	21,300	579,031	111,946	2	724,745
Capitalized development	-	-	67,601	-	-	67,601
Increases	54	1,118	1,428	-	-	2,600
Disposals - net	-	-2	-821	-	-	-823
Other reclassifications	-	1,216	-5	-	-	1,211
Amortization for the period	-2,076	-5,112	-91,907	-13,093	-	-112,188
Impairments recognized and reversed ⁽¹⁾	-	-36	-53,106	-32,000	-	-85,142
Translation adjustment	-18	-288	-5,118	25	-	-5,399
Carrying amount at June 30, 2020	10,426	18,196	497,101	66,878	2	592,603

(1) During the period, this item mainly concerns impairment recognized, following the indications of impairment losses linked to the Covid-19 crisis. Please refer to Notes 2.1.2 “Asset impairment tests” and 4.5 “Other operating income and expenses”.

5.1.3. Property, plant and equipment

Property, plant and equipment corresponds to tangible assets owned but also, since January 1, 2019, to rights-of-use related to leases of tangible assets following the application of IFRS 16 “Leases”.

Impairment tests on assets following the impact of the Covid-19 crisis led to the recognition of impairment of tangible assets over the period (see Notes 2.1.2 “Asset impairment tests” and 4.5 “Other operating income and expenses”).

In thousands of euros	Land	Buildings	Tech. eq. & tool.	Property, plant and equipment under construction	Other property, plant and equipment	Total
Carrying amount at December 31, 2019: Property, plant and equipment in full ownership	101,258	566,150	638,016	179,579	247,200	1,732,204
Acquisitions ⁽¹⁾	288	9,052	16,326	77,077	13,354	116,096
Disposals	-	-139	-706	-	-612	-1,457
Other reclassifications	32	6,008	57,423	-65,535	1,297	-775
Impairments and reversals ⁽²⁾	-2,906	-36,766	-103,687	-1,621	-10,606	-155,586
Depreciation for the period	-783	-16,684	-69,707	-	-46,085	-133,259
Translation adjustment	-1,463	-6,438	-8,316	-1,760	-2,386	-20,363
Property, plant and equipment in full ownership: Carrying amount at June 30, 2020 (A)	96,426	521,182	529,349	187,740	202,162	1,536,859

Carrying amount at December 31, 2019: Lease right-of-use assets	1,917	186,923	22,904	-	14,972	226,715
Acquisitions	-	23,450	2,507	-	3,071	29,028
Decrease ⁽³⁾	-	-8,012	-39	-	-193	-8,244
Depreciation for the period	-217	-18,507	-4,551	-	-3,848	-27,123
Impairments and reversals ⁽²⁾	-775	-11,110	-7,349	-	-1,589	-20,823
Translation adjustment	-37	-1,486	-523	-	-262	-2,307
Right-of-use assets for leases: Carrying amount at June 30, 2020 (B)	888	171,259	12,949	-	12,151	197,247

Property, plant and equipment: Carrying amount at June 30, 2020 (C) = (A)+ (B)	97,315	692,441	542,298	187,740	214,313	1,734,107
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(1)-(3) This amount includes the exercise of the "Adrian" site option by the Clean Energy Systems Division in the United States. The Group has acquired the site.

(2) During the period, these items mainly cover impairment recorded following indications of impairment losses linked to the Covid-19 crisis. Please refer to Notes 2.1.2 "Asset impairment tests" and 4.5 "Other operating income and expenses".

5.1.4. Non-consolidated interests and investments in associates and joint ventures accounted for by the equity method

Non-consolidated securities relate to shell companies, non-significant dormant companies and small stakes (Tactotek OY) for which changes in value are recognized in the income statement (IFRS 9 "Financial instruments").

Investments in associates and joint ventures correspond to investments by the Group in the following companies:

In thousands of euros	2020 % interest	2019 % interest	June 30, 2020	December 31, 2019
HBPO - SHB Automotive Modules ⁽¹⁾	33.34%	33.34%	13,896	16,346
HICOM HBPO Sdn Bhd ⁽¹⁾	26.66%	26.66%	551	559
JV Yanfeng Plastic Omnium and its subsidiaries - joint venture ⁽²⁾	49.95%	49.95%	155,897	164,683
B.P.O. AS - joint venture	49.98%	49.98%	14,329	13,342
PO-CellTech ⁽³⁾	-	23.00%	-	-
Total investments in associates and joint ventures			184,673	194,930
Equity investments in Tactotek OY ⁽⁴⁾			-	-
Other non-consolidated equity investments			199	199
Total non-consolidated equity investments			199	199
Total investments consolidated by the equity method and non-consolidated equity instruments			184,872	195,129

(1) This relates to HBPO's two joint ventures.

(2) The Yanfeng Plastic Omnium sub-group had three new entities in 2019: Ningde, Daqing (activity not yet started) and Yangkang Rugao following an acquisition.

(3) The Group sold its equity investment in PO-CellTech on June 3, 2020. See Note 2.2.2.1 in "Significant events of the period".

(4) The equity stake in the Finnish company Tactotek OY was fully impaired at the end of 2019.

5.1.5. Non-current financial assets

The financial assets recognized under this item correspond to long-term investments in equities and funds as well as other assets such as deposits and surety bonds grouped as follows:

5.1.5.1. Long-term investments in equities and funds

In thousands of euros	June 30, 2020			December 31, 2019		
	Subscribed amounts	Non-called-up amounts	Net	Subscribed amounts	Non-called-up amounts	Net
Financial investments in the FMEA 2 fund and AP Ventures ⁽¹⁾⁻⁽³⁾	-	-	3,228	-	-	2,330
Financial investments in listed securities ⁽¹⁾	-	-	52,591	-	-	50,530
Investment in the venture capital company Aster ⁽¹⁾⁻⁽²⁾	20,000	-15,636	4,364	20,000	-16,700	3,300
Other	-	-	114	-	-	142
Long-term investments in equities and funds			60,297			56,302

- (1) Financial investments in the FMEA 2 fund and investments in shares in listed companies are listed under long-term financial receivables in Note 5.2.4.7 "Reconciliation of gross and net financial debt".
- (2) Payment of €1.1 million during the period.
- (3) The total financing of the Group in AP Ventures, a venture capital fund dedicated to hydrogen, amounted to \$2.8 million as of June, 30, 2020 versus \$1.7 million at December, 31, 2019 . See Note 2.2.3 in "Significant events of the period".

5.1.5.2. Other non-current financial assets

In thousands of euros	June 30, 2020	December 31, 2019
Loans	1,693	1,807
Deposits and surety bonds	8,829	12,849
Other non-current assets and financial receivables (see Note 5.2.4.7)	10,522	14,656
Finance receivables related to Automotive contracts	-	-
Non-current financial receivables (see Note 5.2.4.7)	-	-
Total	10,522	14,656

Deposits and surety bonds mainly concern deposits relating to leased offices and assignment of receivables programs.

5.1.6. Inventories and Inventories in progress

Despite the drop in sales due to the Covid-19 crisis, the inventory level remained under control thanks to the closure of most plants.

In thousands of euros	June 30, 2020	December 31, 2019
Raw materials and supplies		
At cost (gross)	209,664	213,190
Net realizable value	190,052	197,729
Molds, tooling and engineering		
At cost (gross)	394,938	381,744
Net realizable value	386,212	375,797
Maintenance inventories		
At cost (gross)	75,744	72,142
Net realizable value	62,413	59,655
Goods		
At cost (gross)	1,625	2,008
Net realizable value	1,227	1,664
Semi-finished products		
At cost (gross)	56,099	62,765
Net realizable value	52,079	59,637
Finished products		
At cost (gross)	41,708	45,282
Net realizable value	36,269	41,364
Total net	728,252	735,846

5.1.7. Current financial receivables

In thousands of euros	June 30, 2020	December 31, 2019
	Carrying amount	Carrying amount
Current financial receivables (see Note 5.2.4.7)	8,710	13,100
<i>of which Customer receivables</i>	<i>8,710</i>	<i>13,100</i>
Other current financial assets and financial receivables (see Note 5.2.4.7)	175	55,127
<i>of which Current accounts</i>	<i>7</i>	<i>2</i>
<i>of which Negotiable debt securities⁽¹⁾</i>	<i>-</i>	<i>5,000</i>
<i>of which UCITS⁽¹⁾</i>	<i>-</i>	<i>49,809</i>
<i>of which Other</i>	<i>168</i>	<i>316</i>
Total current financial receivables	8,885	68,227

(1) The Group's last negotiable debt security matured during the first-half of 2020 and the UCITS investment was sold. See Notes 2.2.1.4 in "Significant events of the period" and 5.2.4.4 "Loans, negotiable debt securities and other financial assets".

5.1.8. Trade and other receivables

5.1.8.1. Sale of receivables

Compagnie Plastic Omnium SE and some of its European and United States subsidiaries have set up several commercial receivables sale programs with French banks. These programs have an average maturity of more than two years. These non-recourse programs transfer substantially all the risks and rewards of ownership to the buyer of the sold receivables; for these programs, only the non-material dilution risk is not transferred to the buyer. Receivables sold under these programs, which are therefore no longer included in the balance sheet, totaled €220 million at June 30, 2020 versus €315 million at December 31, 2019. The sharp drop in the first-half of 2020 is directly linked to the decrease in activity (plant shutdowns and part-time activity) of the entities concerned following the Covid-19 crisis.

5.1.8.2. Trade receivables – Gross values, impairment and carrying amounts

In thousands of euros	June 30, 2020			December 31, 2019		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Trade receivables	788,933	-4,628	784,305	823,843	-5,044	818,799

The Group has not identified any significant non-provisioned customer risk over the two periods (see Note 6.2.1 "Customer risk").

5.1.8.3. Other receivables

In thousands of euros	June 30, 2020	December 31, 2019
Sundry receivables	96,869	88,560
Prepayments to suppliers of tooling and prepaid development costs	36,277	40,734
Income tax receivables	74,248	93,990
Other tax receivables	97,993	90,655
Employee advances	7,655	3,837
Prepayments to suppliers of non-current assets	19,367	10,980
Other receivables	332,409	328,757

5.1.8.4. Trade and other receivables by currency

In thousands of currency units	June 30, 2020			December 31, 2019		
	Local currency	Euro	%	Local currency	Euro	%
EUR Euro	603,965	603,965	54%	579,439	579,439	50%
USD US dollar	285,147	254,641	23%	276,384	246,025	21%
CNY Chinese yuan	977,469	123,388	11%	831,066	106,268	9%
GBP Pound sterling	23,865	26,155	2%	56,899	66,877	6%
Other Other currencies		108,565	10%		148,947	13%
Total		1,116,714	100%		1,147,556	100%
<i>Of which:</i>						
• Trade receivables		784,305	70%		818,799	71%
• Other receivables		332,409	30%		328,757	29%

5.1.9. Cash and cash equivalents

5.1.9.1 Gross cash and cash equivalents

In thousands of euros	June 30, 2020	December 31, 2019	June 30, 2019
Cash at banks and in hand	567,448	1,130,587	780,491
Short-term deposits	63,562	12,366	23,144
Total cash and cash equivalents on the balance sheet	631,010	1,142,953	803,635

Cash and cash equivalents break down as follows:

In thousands of euros	June 30, 2020	December 31, 2019	June 30, 2019
Cash and cash equivalents of the Group's captive reinsurance company	12,132	18,000	33,721
Cash and cash equivalents in countries with exchange controls ⁽¹⁾	42,212	95,176	76,580
Available cash	576,666	1,029,777	693,334
Total cash and cash equivalents on the balance sheet	631,010	1,142,953	803,635

(1) "Countries with exchange controls" include Brazil, China, India, Chile, Argentina and South Korea.

The different categories of the above table are presented under current assets in the absence of any general restriction on these amounts.

5.1.9.2. Net cash and cash equivalents at end of period

Compared to December 31, 2019, the Group did not increase its use of bank overdrafts in the first-half of 2020.

In thousands of euros	June 30, 2020	December 31, 2019	June 30, 2019
Cash and cash equivalents	631,010	1,142,953	803,635
Short-term bank loans and overdrafts	-7,852	-9,875	-7,461
Net cash and cash equivalents in the statement of cash flows	623,158	1,133,078	796,174

5.2. Liabilities

5.2.1. Group shareholders' equity

5.2.1.1 Share capital of Compagnie Plastic Omnium

In euros	June 30, 2020	December 31, 2019
Share capital at January 1 of the period	8,913,966	8,913,966
Capital reduction during the period	-	-
Share capital at end of period, made up of ordinary shares with a par value of €0.06 each over the two periods	8,913,966	8,913,966
Treasury stock	187,271	143,310
Total share capital net of treasury stock	8,726,695	8,770,656

Shares registered on behalf of the same holder for at least two years have double voting rights.

Voting rights of the main shareholder Burelle SA over the reference periods:

	June 30, 2020	December 31, 2019	June 30, 2019
Voting rights of Burelle SA	72.75%	72.85%	72.85%

Capital structure at June 30, 2020

At June 30, 2020, the share capital of Compagnie Plastic Omnium remained unchanged compared to December 31, 2019. Treasury shares amounted to 3,121,189 own shares, i.e. 2.10% of the share capital, against 2,388,499, i.e. 1.61% of the share capital at December 31, 2019.

Capital structure at December 31, 2019

At December 31, 2019, the share capital of Compagnie Plastic Omnium, consisted of shares with a par value of €0.06 amounted to €8,913,966.42, including 2,388,499 treasury shares, i.e. 1.61% of the share capital, against 2,290,930, i.e. 1.54% of the share capital, at December 31, 2018.

5.2.1.2 Breakdown of "Other reserves" in the consolidated statement of changes in equity

<i>In thousands of euros</i>	Actuarial gains/(losses) recognized in equity	Cash flow hedges – interest rate instruments	Cash flow hedges – currency instruments	Fair value adjustments	Retained earnings and other reserves	Attributable to owners of the parent
December 31, 2018	-50,026	-1,856	-1,281	18,604	1,652,168	1,617,609
First-time application of IFRIC 23	-	-	-	-	-2,500	-2,500
At January 1, 2019	-50,026	-1,856	-1,281	18,604	1,649,668	1,615,109
Movements in first-half 2019	-5,737	175	326	7,172	422,839	424,775
At June 30, 2019	-55,763	-1,681	-955	25,776	2,072,507	2,039,884
Movements in second-half 2019	-6,457	127	-1,152	3,118	9,255	4,891
At December 31, 2019	-62,220	-1,554	-2,107	28,894	2,081,762	2,044,775
Movements in first-half 2020	-8,148	130	2,081	-752	191,354	184,665
At June 30, 2020	-70,368	-1,424	-26	28,142	2,273,116	2,229,440

5.2.1.3 Breakdown of “Changes in the scope of consolidation and reserves” in the “Consolidated statement of changes in equity”

No changes occurred in 2019 and first-half 2020.

5.2.2. Dividends voted and paid by Compagnie Plastic Omnium SE

<i>Amounts in thousands of euros</i> <i>Dividends per share in euros</i> <i>Number of shares in units</i>	June 30, 2020		December 31, 2019	
	Number of shares in 2019	Dividend	Number of shares in 2018	Dividend
Dividends per share (in euros)		0.49 ⁽¹⁾		0.74 ⁽¹⁾
Total number of shares outstanding at the end of the previous year	148,566,107		148,566,107	
Total number of shares held in treasury on the ex-dividend date	3,216,987 ⁽²⁾		2,392,281 ⁽²⁾	
Total number of shares held in treasury at year-end (for information)	2,388,499 ⁽²⁾		2,290,930 ⁽²⁾	
Dividends on ordinary shares		72,797		109,939
Dividends on treasury stock (unpaid)		-1,576 ⁽²⁾		-1,770 ⁽²⁾
Total net dividends		71,221		108,169

(1) During first-half 2020, Compagnie Plastic Omnium paid a dividend of €0.49 per share on the 2019 net profit, against €0.74 per share on the 2018 net profit during first-half 2019.

(2) **At June 30, 2020:** 2,388,499 treasury shares were taken into account at December 31, 2019 to determine the provisional total dividend. The number of treasury shares at the time of the dividend’s payment during the first-half of 2020 amounted to 3,216,987 shares, increasing the dividends attached to these shares from €1,170 thousand to €1,576 thousand.

At December 31, 2019: 2,290,930 treasury shares were taken into account at December 31, 2018 to determine the provisional total dividend. The number of treasury shares at the time of the dividend’s payment during the first-half of 2019 amounted to 2,392,281 shares, increasing the dividends attached to these shares from €1,695 thousand to €1,770 thousand.

5.2.3. Provisions

In thousands of euros	December 31, 2019	Allocations	Utilizations	Releases of surplus provisions	Reclassifications	Actuarial gains/(losses)	Translation adjustment	June 30, 2020
Customer warranties	33,974	9,802	-5,979	-535	371	-	-194	37,439
Reorganization plans	31,015	6,243	-4,256	-	-338	-	-52	32,612
Provisions for taxes and tax risks	804	-	-	-	-371	-	-	433
Contract risks	20,113	7,480	-6,576	-252	204	-	-96	20,873
Provisions for claims and litigation ⁽¹⁾	7,964	8,365	-227	-71	438	-	-681	15,788
Other	6,460	571	-633	-1	-304	-	-82	6,011
Provisions	100,332	32,461	-17,671	-859	-	-	-1,105	113,158
Provisions for pensions and other post-employment benefits	107,670	1,721	-916	-	-	10,285 ⁽²⁾	-259	118,501
TOTAL	208,002	34,182	-18,587	-859	-	10,285	-1,364	231,659

(1) The increase in the period corresponds to operating disputes unrelated to the Covid-19 crisis and labor disputes.

(2) The change in the actuarial difference during the period is explained mainly by the decrease in the discount rate in the United States. It stood at 2.70% at June 30, 2020 versus 3.20% at December 31, 2019.

In thousands of euros	December 31, 2018	Allocations	Utilizations	Releases of surplus provisions	Reclassifications	Actuarial gains/(losses)	Translation adjustment	December 31, 2019
Customer warranties	26,898	17,554	-6,002	-5,169	628	-	65	33,974
Reorganization plans	15,438	21,971	-6,408	-	45	-	-31	31,015
Provisions for taxes and tax risks	6,363	602	-6,450	-	289	-	-	804
Contract risks ⁽¹⁾	29,654	9,123	-14,747	-4,417	416	-	84	20,113
Provisions for claims and litigation	4,277	4,520	-435	-230	-19	-	-149	7,964
Other	8,082	4,249	-3,169	-1,387	-1,360	-	46	6,460
Provisions	90,712	58,019	-37,211	-11,203	-	-	15	100,332
Provisions for pensions and other post-employment benefits	105,184	3,055	-3,488	-13,497 ⁽²⁾	-	15,532 ⁽³⁾	884	107,670
TOTAL	195,896	61,074	-40,699	-24,700	-	15,532	899	208,002

(1) The changes in 2019 concerned loss-making contracts in the "Industries" segment.

(2) The reversal of surplus provisions in 2019 was explained mainly by the transition to a defined-contribution pension plan of the US subsidiary Plastic Omnium Auto Energy LLC (see Note 4.6 "Other operating income and expenses" to the consolidated financial statements at December, 31, 2019).

The change in actuarial gains and losses in 2019 was explained by the decrease in discount rates in 2019 from 1.6% to 0.75% for the euro zone and from 4.25% to 3.2% for the United States zone.

(3) Please refer to Note 5.2.5 "Provisions for pensions and other post-employment benefits" to the consolidated financial statements at December, 31, 2019.

5.2.4. Current and non-current borrowings

5.2.4.1 Definition of debt within the Group

Net debt is an important notion for the day-to-day management of Plastic Omnium's treasury cash. It is used to determine the Group's debit or credit position in relation to third parties and outside of the operating cycle. Net debt is determined as:

- long-term borrowings:
 - drawdowns on traditional lines of credit,
 - private placement notes,
 - bonds;
- less loans, negotiable debt securities and other long-term financial assets (*see Note 5.2.4.4 "Loans, negotiable debt securities and other financial assets"*);
- plus short-term loans;
- plus overdraft facilities; and
- less cash and cash equivalents.

5.2.4.2 Borrowings: private placement notes and bonds

During the 1st half-year 2020:

On May 29, 2020, Compagnie Plastic Omnium SE reimbursed the €500 million bond issued on May 21, 2013 to European investors. This bond issue was carried out without covenant or rating obligations.

See Note 2.2.1.3 in "Significant events of the period".

At June 30, 2020:

The main features of the bonds and private placements as at June 30, 2020 are summarized in the following table:

June 30, 2020	"Schuldscheindarlehen" private placement of 2016	Private placement bond issue of June 2017	"Schuldscheindarlehen" private placement of December 21, 2018
Issue - Fixed rate (in euros)	300,000,000	500,000,000	300,000,000
Interest rate / annual coupon	1.478%	1.25%	1.6320%
Features	International (Asian, German, Dutch, Swiss, Luxembourg, Belgian) and French investors	European investors	International (German, Chinese, Belgian, Swiss, Austrian) and French investors
	No covenant or rating obligations		
Maturity	June 17, 2023	June 26, 2024	December 21, 2025

5.2.4.3 Bank loans

During the first-half, Compagnie Plastic Omnium SE has drawn down €587 million on existing credit lines.

See Note 2.2.1.1 in "Other significant events of the period".

5.2.4.4 Loans, negotiable debt securities and other financial assets

Maturity of the €5 million negotiable medium-term bond subscribed on February 24, 2015:

During the first half of the year, the €5 million negotiable medium-term bond (NMTN) subscribed by the Group on February 24, 2015 matured.

Disposal of the investment in UCITS of €50 million:

In addition, the Group sold its investment in UCITS composed of bonds and medium-term cash, with a nominal value of €50 million.

See Note 2.2.1.4 "Maturity of NMTN and sale of investments in UCITS of Compagnie Plastic Omnium SE" in "Significant events of the period".

As of June 30, 2020, the Group no longer had any NMTN or UCITS in its financial investments.

Changes in the fair value of marketable securities that do not meet the criteria for classification as cash equivalents are recognized in financial income. The closing of these financial investments impacted the other financial expense of the period (Note 4.6) by -€1,506 thousand (including the reversal of impairment for -€197 thousand as recorded in the balance sheet at December 31, 2019).

5.2.4.5. Short-term borrowings: issuance of "Negotiable European commercial paper" (Neu-CP)

In addition, during the first-half of 2020, the Group issued "Negotiable European commercial paper" (Neu-CP), which features are presented in the table below:

June 30, 2020	Neu-CP during the first half of 2020
Issuance - fixed rate	99,500,000
Features	European investors
Maturity	Less than 1 year

5.2.4.6 Undrawn medium-term credit lines

During the first-half of 2020, the Group negotiated additional credit lines and at June 30, 2020, had access to several confirmed bank lines of credit exceeding the Group's financing requirements.

At June 30, 2020, these confirmed bank lines of credit amounted to €1,960 million (including €90 million confirmed for HBPO) with an average maturity of five years, compared with €1,400 million (including €60 million confirmed for HBPO) at December 31, 2019.

5.2.4.7 Reconciliation of gross and net financial debt

In thousands of euros	June 30, 2020			December 31, 2019		
	Total	Current portion	Non-current portion	Total	Current portion	Non-current portion
Finance lease liabilities	222,322	49,638	172,684	228,565	56,582	171,983
Bonds and bank loans	1,897,153	759,643	1,137,510	1,784,909	622,180	1,162,729
<i>of which the 2018 "Schuldscheindarlehen" private placement</i>	301,543	2,649	298,894	298,960	135	298,825
<i>of which the bond issue in 2017</i>	497,462	719	496,743	500,099	3,750	496,349
<i>of which the bond issue in 2013⁽¹⁾</i>	-	-	-	508,110	508,110	-
<i>of which the 2016 "Schuldschein" private placement</i>	299,495	170	299,325	301,607	2,393	299,214
<i>of which Neu-CP⁽²⁾</i>	99,500	99,500	-	-	-	-
<i>of which bank lines of credit⁽³⁾</i>	699,153	656,605	42,548	176,133	107,792	68,341
Current and non-current borrowings and other debt (+)	2,119,475	809,281	1,310,194	2,013,475	678,762	1,334,713
Hedging instruments - liabilities (+) ⁽⁴⁾	41	41	-	3,268	3,268	-
Total borrowings (B)	2,119,516	809,322	1,310,194	2,016,743	682,030	1,334,713
Long-term investments in equity instruments and funds (-) ⁽⁵⁾	-60,297	-	-60,297	-56,302	-	-56,302
Other financial assets (-)	-19,232	-8,710	-10,522	-27,756	-13,100	-14,656
<i>of which non-current financial receivables⁽⁶⁾</i>	-10,522	-	-10,522	-14,656	-	-14,656
<i>of which finance receivables⁽⁶⁾⁽⁷⁾</i>	-8,710	-8,710	-	-13,100	-13,100	-
Other current financial assets and financial receivables (-) ⁽⁷⁾	-175	-175	-	-55,127	-55,127	-
<i>of which negotiable debt securities and UCITS⁽⁸⁾</i>	-	-	-	-54,809	-54,809	-
Hedging instruments - assets (-) ⁽⁴⁾	-6,531	-6,531	-	-5,027	-5,027	-
Total financial receivables (C)	-86,235	-15,416	-70,819	-144,212	-73,254	-70,958
Gross debt (D) = (B) + (C)	2,033,281	793,906	1,239,375	1,872,531	608,776	1,263,755
Cash and cash equivalents (-) ⁽⁹⁾	631,010	631,010	-	1,142,953	1,142,953	-
Short-term bank loans and overdrafts (+)	-7,852	-7,852	-	-9,875	-9,875	-
Net cash and cash equivalents as recorded in the statement of cash flows (A)⁽¹⁰⁾	-623,158	-623,158	-	-1,133,078	-1,133,078	-
NET FINANCIAL DEBT (E) = (D) + (A)	1,410,123	170,748	1,239,375	739,453	-524,302	1,263,755

(1) See Note 5.2.4.2 "Bonds: private placement notes and bonds"

(2) See Note 5.2.4.5 "Short-term borrowings: issuance of "Negotiable European commercial paper" (Neu-CP)"

(3) See Notes 2.2.1.1 in the "Significant events of the period", 5.2.4.3 "Bank loans" and 5.2.4.6 "Undrawn medium-term credit lines"

(4) See Note 5.2.5 "Interest rate and currency hedges"

(5) See Note 5.1.5.1 "Long-term investments in equity instruments and funds"

(6) See Note 5.1.5.2 "Other non-current financial assets"

(7) See Notes 5.1.7 "Current financial receivables" and 5.2.6.3 for the principal amount

(8) See Note 5.2.4.4 "Loans, negotiable debt securities and other financial assets: Maturity of the €5 million negotiable medium-term bond subscribed on February 24, 2015"

(9) See Note 5.1.9.1 "Gross cash and cash equivalents"

(10) See Note 5.1.9.2 "Net cash and cash equivalents at end of period"

5.2.4.8 Analysis of gross financial debt by currency

The table below shows the gross financial debt after taking into account the swap transactions that allowed the conversion from euros into foreign currency.

<i>As a % of total debt</i>	June 30, 2020	December 31, 2019
Euro	62%	60%
US dollar	28%	28%
Chinese yuan	6%	6%
Pound sterling	1%	3%
Brazilian real	1%	1%
Indian rupee	1%	1%
Other currencies ⁽¹⁾	1%	1%
Total	100%	100%

(1) “Other currencies” concerns various currencies, which taken individually account for less than 1% of total financial debt over the two periods.

5.2.4.9 Analysis of gross financial debt by type of interest rate

<i>As a % of total debt</i>	June 30, 2020	December 31, 2019
Hedged variable rates	-	-
Unhedged variable rates	12%	6%
Fixed rates	88%	94%
Total	100%	100%

5.2.5. Interest rate and currency hedges

The last interest rate swap contract signed by the Group expired in February 2019.

<i>In thousands of euros</i>	June 30, 2020		December 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Interest rate derivatives	-	-	-	-
Exchange rate derivatives	6,531	41	5,027	-3,268
Total balance sheet	6,531	41	5,027	-3,268

5.2.5.1 Currency hedges

The Group uses derivatives to hedge its exposure to currency risk.

At June 30, 2020, the fair value of the instruments implemented and thus recognized was €6,490 thousand of which €32 thousand was recognized in equity.

Changes in the fair value of other currency hedging instruments are recognized in net financial income.

5.2.5.1.1. Portfolio of currency hedges

	June 30, 2020				December 31, 2019			
	Fair value (in thousands of euros)	Notional amount (in thousands of currency units)	Medium- term exchange rate	Exchange rate at June 30, 2020	Fair value (in thousands of euros)	Notional amount (in thousands of currency units)	Medium- term exchange rate	Exchange rate at December 31, 2019
			Currency / Euro	Currency / Euro			Currency / Euro	Currency / Euro
Net sell position (net buy position if >0)								
USD / EUR - Forward exchange contract	-11	-1,038	1.1395	1.1198	-2,861	-74,181	1.1805	1.1234
JPY / EUR - Forward exchange contract	-	-	-	-	-88	-329,595	126.0400	121.9400
GBP / EUR - Forward exchange contract	+43	-979	0.8802	0.9124	-	-	-	-
USD / EUR - Forward currency swap	+5,586	-726,800	1.1110	1.1198	+5,001	-416,300	1.1110	1.1234
GBP / EUR - Forward currency swap	+103	-13,300	0.9061	0.9124	-39	-24,000	0.8520	0.8508
CHF / EUR - Forward currency swap	-24	-8,250	1.0681	1.0651	-39	-7,240	1.0915	1.0854
RUB / EUR - Forward currency swap	+29	-76,500	77.4029	79.6300	-20	-48,000	7.8765	69.9563
CNY / EUR - Forward currency swap	+609	-438,000	7.9137	7.9219	-72	-238,000	7.9177	7.8205
CNY / USD - Forward currency swap	+21	+13,300	7.1180	7.0775	-123	-94,084	7.0740	6.9615
JPY / EUR - Forward currency swap	+134	-3,230,000	120.0588	120.6600	-	-	-	-
TOTAL	+6,490				+1,759			

5.2.5.1.2. Impact of unsettled foreign exchange hedges on income and equity

In thousands of euros	June 30, 2020	December 31, 2019
Impact of change in foreign exchange hedging portfolio on income (ineffective portion) ⁽¹⁾	1,926	4,781
Impact of change in foreign currency hedging portfolio on equity (effective portion)	2,805	-1,077
Total	4,731	3,704

(1) See “Gains or losses on interest rate and currency hedges” in Note 4.6 “Net financial income”.

5.2.6. Operating and other liabilities
5.2.6.1. Trade payables

In thousands of euros	June 30, 2020	December 31, 2019
Trade payables	930,143	1,368,188
Due to suppliers of fixed assets	83,264	150,016
Total	1,013,408	1,518,204

5.2.6.2. Other operating liabilities

In thousands of euros	June 30, 2020	December 31, 2019
Employee benefits expense	172,435	167,813
Income taxes	16,756	57,605
Other taxes	133,996	153,552
Other payables	301,443	282,921
Customer prepayments - Deferred revenues	384,302	352,936
Total	1,008,932	1,014,826

5.2.6.3. Trade payables and other operating liabilities by currency

In thousands of currency units	Liabilities at June 30, 2020			Liabilities at December 31, 2019		
	Local currency	Euro	%	Local currency	Euro	%
EUR Euro	1,219,293	1,219,293	60%	1,413,809	1,413,809	56%
USD US dollar	376,183	335,938	17%	576,873	513,507	20%
GBP Pound sterling	118,580	129,961	6%	127,186	149,490	6%
CNY Chinese yuan	1,126,525	142,204	7%	1,422,557	181,901	7%
BRL Brazilian real	129,391	21,171	1%	122,648	27,160	1%
Other Other currencies		173,773	9%		247,163	10%
Total		2,022,340	100%		2,533,030	100%
<i>Of which:</i>						
• <i>Trade payables</i>		1,013,408	50%		1,518,204	60%
• <i>Other liabilities</i>		1,008,932	50%		1,014,826	40%

6. CAPITAL MANAGEMENT AND MARKET RISKS

Compagnie Plastic Omnium has set up a global cash management system with its subsidiary Plastic Omnium Finance, which manages liquidity, currency and interest rate risks on behalf of all subsidiaries. The market risks strategy, which may result in entering balance sheet and off-balance sheet commitments, is approved every quarter by the Senior management.

6.1. Capital management

The Group's objective is to have, at all times, sufficient financial resources to enable it to carry out its current business, fund the investments required for its development and also to respond to any exceptional events.

This goal is achieved through the use of capital markets, leading to capital and financial debt management.

As part of its capital management strategy, the Group compensates its shareholders primarily through the payment of dividends and may make adjustments in line with changes in economic conditions.

The capital structure may be adjusted by paying ordinary or special dividends, through share buybacks and cancellation of treasury stock, returning a portion of capital to shareholders or issuing new shares and/or securities giving rights to capital.

Consequences following the impacts of Covid-19:

By a vote of the Compagnie Plastic Omnium SE Shareholders' Meeting on April 23, 2020, the dividend paid in 2020 based on 2019 results was reduced by 34%, i.e. an amount of €36 million.

Taking into account the uncertainties of the global Covid-19 crisis, starting in March 2020 the Group negotiated and obtained additional credit lines of €560 million to strengthen its liquidity. This anticipation enabled the Group to maintain the same credit line drawdown capacity it had at the year-end closing at December 31, 2019 (see Note 5.2.4.6 "Undrawn medium-term credit lines").

In addition, the Group issued €99.5 million euros under its "Negotiable European Commercial Paper" (Neu-CP) program at June 30, 2020.

Finally, the Group sold its investments in UCITS with a nominal value of €50 million in order to increase its liquidity (see Note 2.2.1.4 "Maturity of NMTM and disposal of investments in UCITS of Compagnie Plastic Omnium SE").

Gearing:

The Group uses the gearing ratio, corresponding to the ratio of consolidated net debt to equity, as an indicator of the Group's leverage. The Group includes in net debt all financial liabilities and commitments, other than operating payables, interest-bearing liabilities, less cash and cash equivalents and other non-operating financial assets, such as marketable securities and loans. At June 30, 2020 and December 31, 2019, the gearing ratio was as follows:

In thousands of euros	June 30, 2020	December 31, 2019
Net financial debt ⁽¹⁾	1,410,123	739,453
Equity (including non-current grants)	1,805,005	2,347,363
Gearing ratio	78.12%	31.50%

(1) See Note 5.2.4.7 "Reconciliation of gross and net financial debt".

None of the Group's bank loans or financial liabilities contains covenants providing for early repayment in the event of non-compliance with financial ratios.

6.2. Credit risk

Credit risk covers customer credit risk and bank counterparty risk.

6.2.1. Customer risk

At June 30, 2020, 5.7% of the Group's trade receivables were past due, versus 7.7% at December 31, 2019. Trade receivables break down as follows:

Ageing analysis of net receivables:

The change in the aged balance is consistent with the decrease in revenue in the first half-year. It shows regular payments from customers with a significant decrease in receivables past due for more than one year. The increasing portion corresponds to sales of less than a month and thus to current receivables.

At June 30, 2020:

In thousands of euros	Total outstanding	Not yet due	Due and past due	Less than 1 month	1-6 months	6-12 months	More than 12 months
Industries	590,637	546,218	44,419	16,701	19,737	6,007	1,973
Modules	191,823	191,281	542	177	366	-	-
Unallocated items	1,845	1,845	-	-	-	-	-
Total	784,305	739,344	44,961	16,878	20,103	6,007	1,973

At December 31, 2019:

In thousands of euros	Total outstanding	Not yet due	Due and past due	Less than 1 month	1-6 months	6-12 months	More than 12 months
Industries	682,714	624,178	58,536	28,004	18,957	6,983	4,592
Modules	132,230	127,714	4,517	793	3,724	-	-
Unallocated items	3,855	3,855	-	-	-	-	-
Total	818,799	755,747	63,053	28,797	22,681	6,983	4,592

The risk of non-recovery of trade receivables is low and involves only a non-material amount of receivables more than twelve months past due.

6.2.2. Bank counterparty risk

The Group invests its cash surplus with leading banks and/or in senior securities.

6.3. Liquidity risk

The Group must at all times have sufficient financial resources to finance the current business and the investments required to support its development, but also to withstand any exceptional events.

This objective is mainly achieved by using medium-term lines of credit with banking institutions but also by short-term bank resources.

The cash position of the Group is monitored daily for each business division and at central level, and a weekly summary report is submitted to the Group's Senior management.

At June 30, 2020:

In thousands of euros	June 30, 2020	Less than 1 year	1 to 5 years	More than 5 years
Financial liabilities				
Non-current borrowings ⁽¹⁾	1,365,638	-	1,028,952	336,686
Bank overdrafts	7,852	7,852	-	-
Current borrowings ⁽²⁾	844,494	844,494	-	-
Hedging instruments	41	41	-	-
Trade payables	1,013,408	1,013,408	-	-
Total financial liabilities	3,231,433	1,865,795	1,028,952	336,686

(1) "Non-current borrowings" includes the amounts reported in the balance sheet and interest payable over the remaining life of the debt.

(2) "Current borrowings" includes the amounts reported in the balance sheet and interest due within one year.

At December 31, 2019:

In thousands of euros	December 31, 2019	Less than 1 year	1 to 5 years	More than 5 years
Financial liabilities				
Non-current borrowings ⁽¹⁾	1,403,692	82	1,036,967	366,644
Bank overdrafts	9,875	9,875	-	-
Current borrowings ⁽²⁾	712,611	712,611	-	-
Hedging instruments	3,268	3,268	-	-
Trade payables	1,518,204	1,518,204	-	-
Total financial liabilities	3,647,650	2,244,040	1,036,967	366,644

(1) "Non-current borrowings" includes the amounts reported in the balance sheet and interest payable over the remaining life of the debt.

(2) "Current borrowings" includes the amounts reported in the balance sheet and interest due within one year.

7. ADDITIONAL INFORMATION

7.1. Consolidating entity

Burelle SA holds 60.04% of Compagnie Plastic Omnium, after the cancellation of Compagnie Plastic Omnium's treasury stock (58.78% before cancellation of treasury stock), and fully consolidates Company Plastic Omnium SE.

Burelle SA - 19 Boulevard Jules Carteret
69342 Lyon Cedex 07

7.2. Subsequent events

No event likely to have a material impact on the Group's business, financial position, earnings or assets and liabilities at June 30, 2020 has occurred since the closing date.

LIST OF CONSOLIDATED COMPANIES AT JUNE 30, 2020

The only change to the consolidated scope since December 31, 2019 was the sale of the Group's investment in PO-CellTech.

COMPAGNIE PLASTIC OMNIUM SE

Statutory Auditors' Review Report on the Half-yearly Financial Information

This is a translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Period from January 1st to June 30th, 2020

ERNST & YOUNG et Autres

MAZARS

ERNST & YOUNG et Autres
Tour First – TSA 14444
92037 Paris-La Défense Cedex
S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

MAZARS
61, rue Henri Regnault
92075 Paris-La Défense Cedex
S.A. au capital de € 8.320.000

Société Anonyme d'Expertise Comptable
et de Commissariat aux Comptes
à Directoire et Conseil de Surveillance

Compagnie Plastic Omnium SE

Period from January 1st to June 30th, 2020

Statutory auditors' review report on the half-yearly financial information

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Compagnie Plastic Omnium SE, for the period from January 1st to June 30th, 2020,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements were prepared under the responsibility of the Board of Directors on July 22th, 2020 on the basis of the information available at that date in the evolving context of the crisis related to Covid-19 and of difficulties in assessing its impact and future prospects. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without modifying our conclusion, we draw your attention to the matter set out in note 2.1 to the condensed half-yearly consolidated financial statements, which describes the management by the Group of the Covid-19 crisis and the impacts on the Group's financial statements.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review prepared on July 22th, 2020.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense, July 22th, 2020

The Statutory Auditors
French original signed by

MAZARS

ERNST & YOUNG et Autres

Juliette Decoux

May Kassis-Morin