

Business¹ in the first quarter of 2018: up 2.8%

Further improvement in results expected in first semester 2018

Compagnie Plastic Omnium's economic revenue² amounted to €1,942 million in the first quarter of 2018, up 2.8% at constant perimeter and exchange rates.

The Automotive Division posted growth of 3.1%, while worldwide automotive production was down 0.6% over the period.

"As expected, our business¹ outperformed worldwide automotive production by almost 4 points. The second quarter will see much stronger growth. Our results will continue to improve in the first semester and throughout the year.

Meanwhile, we're stepping up our innovation program and technological developments, geared towards clean and connected mobility."

Laurent Burelle, Chairman and Chief Executive Officer

In €m, by business sector	Q1		Change	Change at constant scope & exchange rates
	2017	2018		
Automotive	1,957.1	1,863.7	-4.8%	+3.1%
Environment	82.2	78.4	-4.7%	-4.3%
Economic revenue²	2,039.4	1,942.1	-4.8%	+2.8%
Joint ventures	296.9	305.8	+3.0%	+5.0%
Consolidated revenue³	1,742.5	1,636.3	-6.1%	+2.5%

In €m and % of revenue, by region	Q1		Change	Change at constant scope & exchange rates
	2017	2018		
Europe/Africa	1,126.4 55%	1,118.3 58%	-0.7%	+3.1%
North America	523.5 26%	449.4 23%	-14.2%	-0.3%
South America	62.4 3%	54.1 3%	-13.3%	+10.1%
Asia	327.1 16%	320.3 16%	-2.1%	+5.4%
Economic revenue²	2,039.4 100%	1,942.1 100%	-4.8%	+2.8%
Joint ventures	296.9	305.8	+3.0%	+5.0%
Consolidated revenue³	1,742.5 100%	1,636.3 100%	-6.1%	+2.5%

Worldwide automotive production outperformed by almost 4 points

Compagnie Plastic Omnium's economic revenue² amounted to €1,942 million in the first quarter of 2018, up 2.8% at constant perimeter and exchange rates. This figure includes €109 million in negative currency effects and €44 million relating to the negative impact of changes in the consolidation scope⁴.

Consolidated revenue³, excluding joint ventures, amounted to €1,636 million, up 2.5% at constant perimeter and exchange rates.

In the first quarter of 2018, Plastic Omnium's automotive revenue² amounted to €1,864 million, up 3.1% at constant perimeter and exchange rates, compared to a worldwide automotive production down 0.6% (23.4 million vehicles manufactured worldwide), i.e. an outperformance of 3.7 points. Business in the first quarter of 2018 is compared to a particularly strong first quarter in 2017 (up 16.8% at constant perimeter and exchange rates versus the first quarter of 2016), which benefited from strong growth in worldwide automotive production (up 5.9%) and a catch-up effect of Group activities in North America.

Business¹ in Europe, which represents 55% of total automotive revenue², increased by 3.3% at constant perimeter and exchange rates, compared to an automotive production down 0.1%. This outperformance of 3.4 points is especially the result of very strong business in France.

Business¹ in North America was stable in the first quarter of the year, with automotive production down 2.7 points.

Business¹ in Asia, including China, increased by 5.8%, at constant scope and exchange rates. In China, which contributes revenue¹ of €176 million, i.e. 9% of total revenue, business increased by 11.5% in the first quarter of 2018 at constant perimeter and exchange rates, compared to a 1.9% decline in automotive production. This outperformance of 13.4 points is the result of market share gains in our two businesses, and strong investment made in recent years to develop the industrial footprint.

Major milestones in a profitable and independent growth strategy

- New orders

The first quarter of 2018 was marked by strong business activity:

- new orders:
 - a bumper and spoiler production contract for the Volkswagen CrossBlue SUV in the United States (Chattanooga plant),
 - contracts for the production of exterior body parts in China with General Motors, Skoda and a number of Chinese manufacturers (SAIC, BAIC, Zotye, GAC, BYD and FAW),
 - two contracts renewed with BMW in the United Kingdom for the assembly of front-end modules for the Mini BEV and Mini Clubman;
 - two contracts for the production of fuel systems for Ford in Thailand, South Africa and Argentina and for Opel in Spain,
 - the renewal of a contract for fuel systems of PSA models 308, DS4 and C5 in France;

- confirmation of the success of our portfolio of innovative products:
 - the first composite tailgate order (with integrated spoiler) placed by the Volkswagen group for the Mosel Seat plant in Germany,
 - three orders for pressurized tanks for plug-in hybrid electric vehicles (PHEV) for FCA in the United States, as well as Geely and GAC in China, thereby confirming the trend towards electric hybrid,
 - a new contract for the next generation of SCR systems intended for two PSA group platforms and a SCR systems contract for Toyota in Thailand;
 - news clients, including Proton/Geely in Malaysia and Mitsubishi in Japan, bringing the number of automotive brands the Group works with to 80.
- [New plants](#)

In the first quarter of 2018, the fuel systems production site in Hansalpur, India was inaugurated. This plant is the Group's fourth in India, and will provide fuel systems for Suzuki's Swift and Baleno models.

Seven plants are currently under construction: one in India, one in Slovakia, one in Morocco, two in China, and two in the United States, including the Greer pilot plant (South Carolina) for the Group's Industry 4.0 program.

- [Acceleration of R&D](#)

By stepping up its innovation strategy, and in order to meet the challenges of the carbon-free car, the Group created "Plastic Omnium New Energies", a subsidiary of Plastic Omnium Auto Inergy dedicated to the development of the energies of the future, specifically fuel cells and hydrogen propulsion. Its development was stepped up following the acquisition of two companies with high technological content in December 2017: Swiss Hydrogen, a Swiss company specializing in the design and production of energy management and control solutions for fuel cell systems ("balance of plant"), and Optimum CPV, a Belgian company specializing in the design and production of tanks in filament composite for the storage of pressurized hydrogen.

With the launch of the construction of Δ-Deltatech, a new advanced research center dedicated to new energies based in Brussels, Plastic Omnium is aiming to position itself as a major player in automotive storage and propulsion systems.

In connected cars, the acquisition of an equity stake in February 2018 in Finnish plastronics company Tactotek strengthened the Group's capacity to integrate and protect radars and sensors, and confirms Plastic Omnium as a leader of intelligent exterior systems and modules.

- [Projects of disposal of Plastic Omnium Environment and of strengthening of the front-end module business](#)

At the end of 2017, Plastic Omnium launched the project of disposal of its Environment division, which is currently ongoing. The division posted revenue of €78.4 million in the first quarter of 2018.

On March 1, 2018, the Group announced its plan to increase its equity stake in HBPO to 66.66%, the world leader in front-end modules, by purchasing an additional 33.33% shareholding from the German automotive supplier Mahle. This acquisition for an enterprise

value of €350 million is currently being examined by competition authorities. In the first quarter of 2018, HBPO contributed 33.33% or €180 million to Plastic Omnium's economic revenue.

HBPO's size, with estimated revenue of €2.1 billion in 2018, technological expertise, and some 21 customers in 13 countries, enables Plastic Omnium to step up its development in the modularization and design of the smart car bodies of the future, faced with the technological challenges presented by autonomous and connected cars.

If these planned disposal and acquisition are carried out this year, Plastic Omnium's 2018 pro-forma economic revenue will amount to over €9 billion.

Further improvement in results expected in the first semester

In the second quarter of 2018, worldwide automotive production is expected to grow by more than 5%. On this basis, Plastic Omnium's business¹, at constant perimeter and exchange rates, will grow even further.

Backed by strong business levels, its order book, new plant openings and the streamlining of its business portfolio, Plastic Omnium will post further improvement in its results in the first semester 2018.

Calendar

April 26, 2018	Shareholders' Meeting – Pavillon Dauphine, Paris, 5.00 pm
May 4, 2018	Dividend payment date, set at €0.67
July 20, 2018	Half-year results for 2018

1. Economic revenue at constant perimeter and exchange rates.
2. Economic revenue corresponds to consolidated revenue, plus revenue from the Group's joint ventures, consolidated at their percentage of ownership. This metric reflects the operating and managerial realities of the Group.
3. Consolidated revenue, pursuant to IFRS Standards 10-11-12, does not include the share of joint ventures, which are consolidated using the equity method.
4. Perimeter effect: €54 million from the disposal of truck businesses in 2017, and -€9 million from the acquisition in 2017 of the Changchun plant in China.

Application of IFRS 15

Pursuant to IFRS 15 on January 1, 2018 set out in the 2017 consolidated financial statements (Section 1.1. Accounting policies, accounting rules and principles – available at www.plasticomnium.com), revenue from operations generated during the project phase (tooling and development) under automotive contracts is now recognized at the start of the production life.