

## Significant recovery in Q3 2020

### In Q3 2020:

- Revenue: €2,097 million (down 3.1%\*)
- Faster-than-expected recovery in worldwide automotive production, which was down 4.3% (versus a decline of 33% in the first half-year), magnifying the positive effects of the cost-saving and cash generation plans
- Confirmation of operational improvement at the Greer plant in line with targets

### For the first nine months of 2020:

- Revenue of €5,330 million (down 20.9%\*)
- Worldwide automotive production: down 23.9%
- Outperformance across all regions, with:
  - 9 points in Europe, driven by the Group's successful positioning in electric vehicles and development of more content per vehicle
  - 6 points in China, with market share gains
  - Outperformance of 3 points worldwide

### More ambitious goals:

- 2020 financial performance confirmed
- Group transformation to boost efficiency through its Omega program
- Innovation strategy accelerated to achieve clean and sustainable mobility

*"Plastic Omnium's team have accomplished outstanding work to enhance the flexibility of our industrial facilities and adapt our operations to volatile automotive production, which will slowly recover over the years to come. The program to cut costs and increase cash generation is starting to produce results. Together with its Omega transformation plan to improve operational efficiency, the Group can plan on rapidly returning to its profitability benchmarks.*

*Plastic Omnium has created an opportunity out of this unprecedented crisis to strengthen its fundamentals.*

*The Group is unquestionably a leader in clean and connected mobility. Through its high involvement in 100% electric programs, Plastic Omnium has increased its content per vehicle and broadened its customer portfolio. At the same time, the Group is accelerating its strategy to develop clean mobility. At a special conference scheduled for November 25, we will present our global approach for the entire value chain of hydrogen solutions, from storage to fuel cell systems."*

**Laurent Favre, Chief Executive Officer of Compagnie Plastic Omnium SE**

\*Like-for-like change in economic revenue

## Change in Q3 2020 revenue

In the third quarter of 2020 and after a 33% decline in the first half of the year, worldwide automotive production recovered significantly, with a limited decline of 4.3%. Plastic Omnium's economic revenue<sup>1</sup> of €2,097 million outperformed the market by 1.2 point.

| In € millions<br>By business            | Q3<br>2019   | Q3 2020      | Change       | Like-for-like<br>change <sup>3</sup> |
|---|--------------|--------------|--------------|--------------------------------------|
| Plastic Omnium Industries               | 1,699        | 1,497        | -11.9%       | -9.3%                                |
| Plastic Omnium Modules                  | 542          | 600          | +10.8%       | +16.2%                               |
| <b>Economic revenue<sup>1</sup></b>     | <b>2,241</b> | <b>2,097</b> | <b>-6.4%</b> | <b>-3.1%</b>                         |
| Joint ventures                          | 153          | 177          | +15.9%       | +21.1%                               |
| <b>Consolidated revenue<sup>2</sup></b> | <b>2,088</b> | <b>1,920</b> | <b>-8.1%</b> | <b>-4.9%</b>                         |

The drop in worldwide automotive production was not as steep as initially expected but showed considerable disparity between regions:

- In Europe, production fell 7.6% (355,000 fewer vehicles). Plastic Omnium outperformed the sector by 3.2 points, driven primarily by the robust modules business in Germany and the Group's good positioning in Spain. It also continues to benefit from the success of SCR emissions reduction systems (total of €130 million, up 16.6% like for like in Q3 2020).
- In North America, production remained stable (down 0.3%). Adjusted for higher tooling invoicing due to numerous launches in Q3 2019, Plastic Omnium's business is consistent the evolution of the production.
- In Asia, business resumed growth (up 7.9% like for like) despite the ongoing downturn (down 3.1%). Plastic Omnium outperformed the sector by 11 points, driven by South Korea, India and Thailand. Revenue in China enjoyed a sustained market recovery, with like-for-like growth of 6.9%.

| In € millions and as a % of<br>revenue<br>By region | Q3 2019      | Q3 2020      | Change       | Like-for-like<br>change* | Automotive<br>production <sup>4</sup> |
|---|--------------|--------------|--------------|--------------------------|---------------------------------------|
| Europe  | 1,119        | 1,067        | -4.7%        | -4.4%                    | -7.6%                                 |
| North America                                       | 697          | 621          | -10.9%       | -4.8%                    | -0.3%                                 |
| Asia  | 355          | 367          | +3.4%        | +7.9%                    | -3.1%                                 |
| of which China                                      | 221          | 229          | +3.6%        | +6.9%                    | +8.4%                                 |
| South America                                       | 47           | 23           | -51.9%       | -30.9%                   | -20.5%                                |
| Africa  | 23           | 20           | -14.5%       | -5.0%                    | -4.6%                                 |
| <b>Economic revenue<sup>1</sup></b>                 | <b>2,241</b> | <b>2,097</b> | <b>-6.4%</b> | <b>-3.1%</b>             | <b>-4.3%</b>                          |
| Joint ventures                                      | 153          | 177          | +15.9%       | +21.1%                   |                                       |
| <b>Consolidated revenue<sup>2</sup></b>             | <b>2,088</b> | <b>1,920</b> | <b>-8.1%</b> | <b>-4.9%</b>             | <b>-4.3%</b>                          |

## Change in revenue for the first nine months of the year

Over the first nine months of 2020, worldwide automotive production fell by 15.3 million vehicles (down 23.9%), dropping from 63.9 million vehicles to 48.7 million vehicles.

In this context, Plastic Omnium's economic revenue stood at €5,330 million, down 22.2% compared to the first nine months of 2019 (down 20.9% like for like). Outperformance compared to worldwide automotive production was 3 points, driven by Plastic Omnium Modules (outperformance of 11.6 points).

| In € millions<br>By business            | 9 months<br>2019 | 9 months<br>2020 | Change        | Like-for-like<br>change <sup>3</sup> |
|---|------------------|------------------|---------------|--------------------------------------|
| Plastic Omnium Industries               | 5,157            | 3,891            | -24.5%        | -23.7%                               |
| Plastic Omnium Modules                  | 1,695            | 1,439            | -15.1%        | -12.3%                               |
| <b>Economic revenue<sup>1</sup></b>     | <b>6,852</b>     | <b>5,330</b>     | <b>-22.2%</b> | <b>-20.9%</b>                        |
| Joint ventures                          | 496              | 449              | -9.5%         | -6.8%                                |
| <b>Consolidated revenue<sup>2</sup></b> | <b>6,356</b>     | <b>4,881</b>     | <b>-23.2%</b> | <b>-22.0%</b>                        |

While Plastic Omnium significantly surpassed automotive production in most regions, its geographic mix led it to outperform at Group level by 3 points. Europe and North America, the regions most heavily impacted by the drop in production volumes, accounted for 80% of the Group's economic revenue but represented 40% of worldwide automotive production.

| In € millions and as a % of<br>revenue<br>By region | 9 months<br>2019 | 9 months<br>2020 | Change        | Like-for-like<br>change* | Automotive<br>production <sup>4</sup> |
|---|------------------|------------------|---------------|--------------------------|---------------------------------------|
| Europe  | 3,564            | 2,811            | -21.1%        | -21.0%                   | -29.8%                                |
| North America                                       | 2,007            | 1,473            | -26.6%        | -24.6%                   | -26.9%                                |
| Asia  | 1,083            | 935              | -13.7%        | -11.5%                   | -19.4%                                |
| of which China                                      | 606              | 565              | -6.7%         | -5.0%                    | -10.8%                                |
| South America                                       | 129              | 53               | -58.9%        | -43.4%                   | -40.5%                                |
| Africa  | 68               | 58               | -15.3%        | -8.9%                    | -5.1%                                 |
| <b>Economic revenue<sup>1</sup></b>                 | <b>6,852</b>     | <b>5,330</b>     | <b>-22.2%</b> | <b>-20.9%</b>            | <b>-23.9%</b>                         |
| Joint ventures                                      | 496              | 449              | -9.5%         | -6.8%                    |                                       |
| <b>Consolidated revenue<sup>2</sup></b>             | <b>6,356</b>     | <b>4,881</b>     | <b>-23.2%</b> | <b>-22.0%</b>            | <b>-23.9%</b>                         |

\* Like-for-like change: at constant scope and exchange rates

In **Europe**, Plastic Omnium's revenue for the first nine months of the year amounted to €2,811 million. Revenue for the region fell 21%, against a 29.8% decline in automotive production. This outperformance of 8.8 points was driven by Germany, Spain, France and Slovakia. The Group benefited from the successful positioning of its modules business in new electric vehicle programs (Porsche and Volkswagen), the extension of its modules offering, along with the strong contribution from sales of SCR emissions reduction systems, which have increased its content per vehicle.

In **North America**, Plastic Omnium's revenue totaled €1,473 million for the first nine months of the year. Revenue for the region fell 24.6% at constant exchange rates, while industry production was down 26.9%. After ramping up production at its new plants in recent years (five plants launched operations in three years), the Group's position in the North American industrial footprint has reached its target size.

In **Asia**, revenue came to €935 million for the first nine months of the year, down 11.5%. Against a market decline of 19.4%, this represented an outperformance of 7.9 points. Business benefited from a strong recovery in China, Korea, India and Thailand. More specifically in **China**, which accounts for 11% of Group economic revenue, Plastic Omnium posted revenue of €565 million. The figure was down 5% like for like for the first nine months of the year, but represented an outperformance of 5.8 points. This was due to market share gains and growth in the modules business, which launched in China in 2018.

### The cost-saving program has started to produce results

With ongoing market volatility, Plastic Omnium continues to find ways to gain flexibility in its cost structure.

Along with these flexible cost measures, the Group is adapting its industrial facilities to accommodate the assumption that worldwide automotive production will not regain pre-crisis levels (92 million vehicles) before 2024 or 2025. The plan is to save €40 million per year by the end of 2022.

**These measures, combined with a stronger-than-expected recovery, have already begun to produce results on the Group's profitability and cash generation in the third quarter.**

Additionally, the Omega transformation plan will improve the Group's agility, organizational operation and industrial efficiency by simplifying processes, accelerating digitization, and facilitating a more cross-functional approach. Omega's first two phases are currently in progress, focusing on indirect purchases and on project design and development. Savings of €200 million per year are forecast by the end of 2022.

**The target of this overall plan is to save €240 million per year by the end of 2022. This will enable the Group to return to its profitability benchmarks before production resumes its 2019 levels.**

### Greer plant (South Carolina) in line with targets

The action plan at the Greer plant in the United States is moving forward as announced. During the plant shutdown in the second quarter, the Group completed work to transform its industrial and logistics processes, which has improved all industrial indicators. Currently operating at high output rates, the plant now delivers the quality and service expected by customers.

**The Group confirms its target for the Greer plant to return to break even in 2021.**

## Plastic Omnium, poised to harness growth in electric vehicles

- **Strong positioning in battery electric vehicles**

Numerous new programs for 100% electric vehicles are coming on stream. They represent an opportunity for Plastic Omnium to increase its content per vehicle and broaden its customer base. For example, Plastic Omnium equips the following recently launched vehicles:

- ID3 (Volkswagen): front-end module and center console (Germany), and front and rear bumpers and tailgate (China);
- ID4 (Volkswagen): front-end module and center console (Germany), and front and rear bumpers (United States);
- Model 3 (Tesla): front and rear bumpers (China);
- Model Y (Tesla): front and rear bumpers (China) and front-end modules (North America and China).

**In 2022, Plastic Omnium will generate 11% of its revenue from battery electric vehicles (BEVs). That is twice as much as the BEV penetration rate in the market mix of types of engines forecast on that timeline.**

- **Accelerating the Group's hydrogen strategy**

The Group has registered the following advances in hydrogen storage solutions over the past few months:

- Plastic Omnium obtained certifications for its 200-, 350- and 700-bar vessels;
- The Group won its first contract to develop vessels for buses with a German customer, with production set to start in late 2021. It also signed a contract to develop and manufacture hydrogen storage systems for Dutch heavy-duty truck builder VDL. This collaboration is part of the European project H2HAUL, which aims to deploy zero-emission mobility in road transport using hydrogen power;
- Plastic Omnium has become a partner in MissionH24 and exclusive supplier of hydrogen storage systems for cars competing in the 24 Hours of Le Mans race as of 2024.

**On November 25, Plastic Omnium will hold a virtual conference to present its strategy and goals as a leader in carbon-free, hydrogen-powered mobility.**

## An ambitious corporate social responsibility policy to drive performance

Plastic Omnium remains committed to CSR. On November 24, the Group's 31,000 employees will unite to support its global program, "Act for All". Held across all sites, the day-long event will focus on the issues of health, ethics, the environment and gender equality. At this seventh edition, employees will be active stakeholders in promoting Plastic Omnium's corporate social responsibility goals.

## 2020 Outlook

Clear signs of recovery were observed in the third quarter. But the direction of the automotive market remains uncertain in the short term and uneven from one region to another. Worldwide automotive production, particularly in the fourth quarter, will hinge on developments in the health crisis, the impact of support measures taken by national governments and how automakers manage their year-end inventories.

For the full year 2020, Plastic Omnium expects its business to moderately outperform worldwide automotive production, which remains extremely volatile according to estimates from the main forecasting institutes.

In current market conditions and taking a prudent approach, the Group confirms:

### For the second half of 2020:

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

### For the full year 2020:

- EBITDA higher than 8% of consolidated revenue;
- a positive operating margin.

## Calendar

|                   |  |
|-------------------|--|
| November 25, 2020 | Virtual conference on Plastic Omnium's hydrogen strategy |
| February 18, 2021 | 2020 Annual results                                      |

## Glossary

1. Economic revenue reflects the Group's operational and managerial reality. It corresponds to consolidated revenue plus the Group's share of revenue from joint ventures based on ownership percentage: BPO (50%) and YFPO (50%) for Plastic Omnium Industries and SHB Automotive Modules (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. 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. For the first nine months of 2020, the effect was negative for €93 million with respect to economic revenue and for €80 million with respect to consolidated revenue.
  - b. During the first nine months of 2020, there was no scope effect.
4. Source: IHS, October 2020.