2015 Annual Results

Levallois, February 25th, 2016
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- 2015 Highlights
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- Outlook
A new record year (1/2)

**Economic sales**
- 2014: 5.3 bn €
- 2015: 6.0 bn €
  - Increase: +14%

**Consolidated sales**
- 2014: 4.4 bn €
- 2015: 5.0 bn €
  - Increase: +13%

**Operating margin**
- 2014: 393 m €
- 2015: 470 m €
  - Margin: +20%
  - % of sales: 8.8% to 9.4%

**Net profit, group share**
- 2014: 225 m €
- 2015: 258 m €
  - Increase: +15%
  - %: 5.1% to 5.2%
A new record year (2/2)

**EBITDA**
- 2014: 610 m€, 13.7% of sales
- 2015: 691 m€, 13.8% of sales
  - Increase: +13%

**Capex**
- 2014: 326 m€, 7.3% of sales
- 2015: 323 m€, 6.4% of sales

**Free Cash Flow**
- 2014: 83 m€, 1.9% of sales
- 2015: 202 m€, 4.0% of sales
  - Increase: +143%

**Net debt**
- 2014: 390 m€
- 2015: 268 m€
  - Decrease: -31%
Outperformance vs auto production

**Auto production:** +1.5%
- 2015: 85.9 million of vehicles
- 2014: 84.6 million of vehicles

**PO Auto sales:** +7.3%
- at constant exchange rate

**Outperformance:** +5.8pts

Source: IHS January 2016
132 successful launches during 2015

- **North Am.**
  - 13 launches
  - o/w: GM, Volkswagen, Ford, Hyundai

- **Europe**
  - 52 launches
  - o/w: Audi, Citroën, RENAULT, VOLVO, SEAT

- **South Am.**
  - 4 launches
  - o/w: Honda, Renault, Citroën

- **Asia**
  - 63 launches
  - o/w: Ford, CAPSA, BMW, Land Rover, SKODA, Toyota

- **21 launches in innovative products**
9 new plants launched in 2015

- **China, Wuhan Jiangxia**
  SOP January 2015
  Front-end modules for SsangYong
  South Korea, Pyeontaek
  SOP January 2015

- **China, Hangzhou**
  SOP March 2015
  Bumpers for BBAC
  China, Beijing
  SOP March 2015

- **China, Changsha**
  SOP May 2015
  Front-end modules for BMW
  Germany, Regensburg
  SOP March 2015

- **Russia, St-Petersburg**
  SOP September 2015
  Fuel Systems for GM
  USA, Chattanooga
  SOP August 2015

- **USA, Fairfax**
  SOP November 2015
  Fuel Systems for Nissan, Ford & Toyota
  USA, Chattanooga
  SOP August 2015

- **USA, Chattanooga**
  SOP August 2015
  Bumpers for VW
  USA, Fairfax
  SOP November 2015

- **China, Changsha**
  SOP May 2015
  Bumpers for SVW, GAC-Fiat
  China, Changsha
  SOP May 2015

- **Russia, St-Petersburg**
  SOP September 2015
  Fuel Systems for Nissan, Ford & Toyota
  Russia, St-Petersburg
  SOP September 2015

- **Chinese, Wuhan Jiangxia**
  SOP January 2015
  Bumpers for SGM
Operational performance driven by tight cost control, industrial excellence and high loading

**Operating margin**

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating margin in % of sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>8.8% ({}+)</td>
</tr>
<tr>
<td>2015</td>
<td>9.4% ({}+)</td>
</tr>
</tbody>
</table>

**Production & overhead costs**

<table>
<thead>
<tr>
<th>Year</th>
<th>Production &amp; overhead costs in % of sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>30.4% ({}-0.8pt)</td>
</tr>
<tr>
<td>2015</td>
<td>29.6%</td>
</tr>
</tbody>
</table>

**Plant loading**

<table>
<thead>
<tr>
<th>Year</th>
<th>Plant loading in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>83%</td>
</tr>
<tr>
<td>2015</td>
<td>84%</td>
</tr>
</tbody>
</table>

100% = 3 shifts x 5 days a week

**Tf2**

<table>
<thead>
<tr>
<th>Year</th>
<th>Tf2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>5.15</td>
</tr>
<tr>
<td>2015</td>
<td>3.91</td>
</tr>
</tbody>
</table>

Frequency rate = number of lost-time accidents per 1 million hours worked
Record year in order intake

Split of the 2015 order intake by product line and by region

- **New products**: 21%
  - Bumpers: 47%
  - Fuel systems: 32%

- **Asia**: 19%
  - Americas: 49%
  - Europe: 32%

Strong visibility on our activities

Order book

- **2016**: 100% secured
- **2017**: 97% secured
Confirmed success of new product lines

2015 Awards of new product lines

- Tailgates and spoilers: **10 new programs for 6 different carmakers**

- Hybrid car: **2 orders** for pressurized fuel tanks

- **SCR**: **6 new programs for 6 different carmakers**
New Environment products and services

Products
(bring points)

- Paris Trilib
- New semi-underground containers
- New undergrounds containers

Services

- Onboard management
- Access control & management system
- Washing services
## 2015 sales by business

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>% sales</th>
<th>2015</th>
<th>% sales</th>
<th>Δ in %</th>
<th>Δ at constant perimeter &amp; exchange rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Automotive</strong></td>
<td>4,840</td>
<td>92%</td>
<td>5,597</td>
<td>94%</td>
<td>+15.6%</td>
<td>+7.3%</td>
</tr>
<tr>
<td><strong>Environment</strong></td>
<td>410</td>
<td>8%</td>
<td>386</td>
<td>6%</td>
<td>-6.0%</td>
<td>-1.6%</td>
</tr>
<tr>
<td><strong>Economic sales</strong></td>
<td>5,251</td>
<td>100%</td>
<td>5,982</td>
<td>100%</td>
<td>+13.9%</td>
<td>+6.6%</td>
</tr>
<tr>
<td><strong>Joint-ventures</strong></td>
<td>814</td>
<td></td>
<td>973</td>
<td></td>
<td>+19.5%</td>
<td>+15.6%</td>
</tr>
<tr>
<td><strong>Consolidated sales</strong></td>
<td>4,437</td>
<td>100%</td>
<td>5,010</td>
<td>100%</td>
<td>+12.9%</td>
<td>+5.0%</td>
</tr>
</tbody>
</table>
Outperformance per region vs auto production

- **North America**
  - PO sales*: +1.2%
  - 2014: 16.0 million
  - 2015: 16.4 million

- **Europe & Africa**
  - PO sales*: +12.1%
  - 2014: 21.5 million
  - 2015: 22.4 million

- **Asia (excl. China)**
  - PO sales*: +6.3%
  - 2014: 21.7 million
  - 2015: 21.4 million

- **South America**
  - PO sales*: -2.7%
  - 2014: 3.6 million
  - 2015: 2.9 million

- **China**
  - PO sales*: +4.5%
  - 2014: 21.8 million
  - 2015: 22.7 million

- **Outperformance per region vs auto production**
  - North America: +2.6%
  - Europe & Africa: +4.6%
  - Asia (excl. China): -1.2%
  - South America: -20.8%
  - China: +3.9%

* At constant exchange rate

Source: IHS January 2016
2015 economic sales & industrial footprint by region

Increasing worldwide global footprint

→ necessity to be global with the same level of quality standards
2015 Auto economic sales by customer

**19%** French
- PSA: 12%
- Renault: 7%

**20%** Asian
- JLR-Tata: 5%
- HMC: 5%
- Nissan: 3%
- Toyota: 2%
- Volvo-Geely: 1%
- Others: 4%

**31%** German
- VW Group: 17% (VW, Audi, Porsche & Skoda)
- BMW: 9%
- Daimler: 4%
- Opel: 1%

**28%** American
- GM: 16%
- Ford: 6%
- FCA: 6%

**2%** Others
### 2015 Profitability by division

<table>
<thead>
<tr>
<th></th>
<th>In €m 2014</th>
<th>% sales 2014</th>
<th>In €m 2015</th>
<th>% sales 2015</th>
<th>∆ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated sales</strong></td>
<td>4,437</td>
<td>100%</td>
<td>5,010</td>
<td>100%</td>
<td>+12.9%</td>
</tr>
<tr>
<td>Automotive</td>
<td>4,048</td>
<td>91%</td>
<td>4,624</td>
<td>92%</td>
<td>+14.2%</td>
</tr>
<tr>
<td>Environment</td>
<td>389</td>
<td>9%</td>
<td>386</td>
<td>8%</td>
<td>-0.9%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>610</td>
<td>13.7%</td>
<td>691</td>
<td>13.8%</td>
<td>+13.4%</td>
</tr>
<tr>
<td>Automotive</td>
<td>567</td>
<td>14.0%</td>
<td>653</td>
<td>14.1%</td>
<td>+15.3%</td>
</tr>
<tr>
<td>Environment</td>
<td>43</td>
<td>11.1%</td>
<td>38</td>
<td>9.9%</td>
<td>-11.8%</td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
<td>393</td>
<td>8.8%</td>
<td>470</td>
<td>9.4%</td>
<td>+19.6%</td>
</tr>
<tr>
<td>Automotive</td>
<td>364</td>
<td>9.0%</td>
<td>447</td>
<td>9.7%</td>
<td>+22.7%</td>
</tr>
<tr>
<td>Environment</td>
<td>28</td>
<td>7.3%</td>
<td>23</td>
<td>6.0%</td>
<td>-18.9%</td>
</tr>
</tbody>
</table>
### 2015 Profit & Loss account

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>Δ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated sales</strong></td>
<td>4,437</td>
<td>5,010</td>
<td>+12.9%</td>
</tr>
<tr>
<td><strong>Operating margin</strong></td>
<td>393</td>
<td>470</td>
<td>+19.6%</td>
</tr>
<tr>
<td><em>In % of sales</em></td>
<td>8.8%</td>
<td>9.4%</td>
<td></td>
</tr>
<tr>
<td><strong>Other operating expenses</strong></td>
<td>-35</td>
<td>-75</td>
<td></td>
</tr>
<tr>
<td><strong>Financial expenses</strong></td>
<td>-64</td>
<td>-56</td>
<td></td>
</tr>
<tr>
<td><em>In % of sales</em></td>
<td>-1.4%</td>
<td>-1.1%</td>
<td></td>
</tr>
<tr>
<td><strong>Income Tax</strong></td>
<td>-64</td>
<td>-75</td>
<td></td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td>229</td>
<td>263</td>
<td>+14.5%</td>
</tr>
<tr>
<td><em>In % of sales</em></td>
<td>5.2%</td>
<td>5.2%</td>
<td></td>
</tr>
<tr>
<td><strong>Net Result - Group Share</strong></td>
<td>225</td>
<td>258</td>
<td>+15.0%</td>
</tr>
<tr>
<td><em>In % of sales</em></td>
<td>5.1%</td>
<td>5.2%</td>
<td></td>
</tr>
</tbody>
</table>
## 2015 Cash Flow statement

<table>
<thead>
<tr>
<th>in €m</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>4,437</td>
<td>5,010</td>
</tr>
<tr>
<td>Net Debt (beginning of the period)</td>
<td>-410</td>
<td>-390</td>
</tr>
<tr>
<td>Net Operating Cash Flow</td>
<td>555</td>
<td>606</td>
</tr>
<tr>
<td>in % of sales</td>
<td>12.5%</td>
<td>12.1%</td>
</tr>
<tr>
<td>Taxes &amp; Net Financial Interest paid</td>
<td>-129</td>
<td>-115</td>
</tr>
<tr>
<td>Capex and R&amp;D capitalized</td>
<td>-326</td>
<td>-323</td>
</tr>
<tr>
<td>in % of sales</td>
<td>7.3%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Change in WCR</td>
<td>-17</td>
<td>34</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>83</td>
<td>202</td>
</tr>
<tr>
<td>Dividends</td>
<td>-51</td>
<td>-57</td>
</tr>
<tr>
<td>Treasury shares</td>
<td>-14</td>
<td>-17</td>
</tr>
<tr>
<td>Perimeter/Currency/Other</td>
<td>1</td>
<td>-5</td>
</tr>
<tr>
<td>Net Debt (end of the period)</td>
<td>-390</td>
<td>-268</td>
</tr>
</tbody>
</table>
2015 Key Financial metrics

**EBITDA**
- 2014: €610m (13.7% of sales)
- 2015: €691m (13.8% of sales)

**Net Debt**
- 2014: €390m
- 2015: €268m

**Net Debt / EBITDA**
- 2014: 0.6
- 2015: 0.4

**Shareholders' Equity**
- 2014: €1,083m
- 2015: €1,301m

**Gearing**
- 2014: 36%
- 2015: 21%

**ROCE**
- 2014: 26.7%
- 2015: 29.9%
Our Growth Drivers

Gain in market shares
New capacities
Innovation
Gain in market shares: +4 pts (at constant perimeter)

**Bumpers**
- 2015: 11% (89% PO market share)
- 2019: 15% (85% PO market share)

Excluding the acquisition of Faurecia Auto Exterior

**Fuel systems**
- 2015: 21% (79% PO market share)
- 2019: 25% (75% PO market share)
New capacities under construction in growing markets

- **Mexico, San Jose Chiapa**
  - Front-end modules for **Audi**

- **UK, Warrington**
  - Bumpers for **JLR**

- **Mexico, San Luis Potosi**
  - Bumpers for **GM**

- **Mexico, Leon**
  - Fuel systems for **Daimler**

- **China, Chongqing**
  - Fuel systems for **HMC**

- **India, Hansalpur**
  - Fuel systems for **Suzuki**
Innovation: focus on SCR

<table>
<thead>
<tr>
<th>SCR</th>
<th>2015</th>
<th>2016</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>PO Volumes</td>
<td>~600k</td>
<td>&gt; 1M</td>
<td>~2,7M</td>
</tr>
<tr>
<td>PO market share</td>
<td>15%</td>
<td></td>
<td>33%</td>
</tr>
</tbody>
</table>

Orders or development with 13 carmakers

2019 Plastic Omnium target raised to 2.7 million (vs 2.3 previously)

Strong mid-term outlook with orders for different segments of vehicles in different regions

- Pick-up trucks, light and mid duty vehicles
- D segment and above, utility vehicles
- SUV and vans
Our target: continue to outperform the market
2016 Auto Production: +3%

North America
2015: 16.4 million of vehicles
2016: 17.1 million of vehicles
+4.3%

Europe & Africa
2015: 22.4 million of vehicles
2016: 23.0 million of vehicles
+2.6%

Asia (excl. China)
2015: 21.4 million of vehicles
2016: 21.8 million of vehicles
+1.9%

South America
2015: 2.9 million of vehicles
2016: 2.5 million of vehicles
-12.5%

China
2015: 22.7 million of vehicles
2016: 24.1 million of vehicles
+6.0%

Source: IHS February 2016

Auto Prod +2.7 M

2016: 88.6 million of vehicles
2015: 85.9 million of vehicles
155 new launches in 2016 to sustain the growth

- **Europe**: 48 launches
  - o/w: BMW, Audi, Renault, Citroën, Peugeot, Volvo, Hyundai

- **North Am.**: 22 launches
  - o/w: GM, Volkswagen, Ford, Nissan, Hyundai

- **South Am. & Africa**: 11 launches
  - o/w: Land Rover, Honda, Toyota, GM

- **Asia**: 74 launches
  - o/w: GM, Volkswagen, Renault, Hyundai

**37 launches in innovative products**
2016 Financial Outlook

SUSTAIN:

- an outperformance of the automotive production
- a high level of operating performance (at constant perimeter)

Closing of the acquisition of Faurecia Auto Exterior expected in H2 2016
Faurecia Auto Exterior: a strategic acquisition

- December 14th, 2015: signature of the Memorandum of Understanding for an enterprise value of €665m

- As planned, procedures of information of employee representatives are ongoing

- Once this process finished, the transaction must be submitted to the competition authorities.

- The transaction should be finalized in the 2nd half of 2016
Acquisition of the European leader on its market

Acquisition of the European Leader for bumpers and a key global player with a strong presence in Germany
Proposed dividend of €0.41 per share (+11%)

Payout: 24%

• Agenda
  • Shareholders’ meeting on April 28th, 2016
  • Payable on May 12th, 2016
1) Economic sales corresponds to sales including the share from joint ventures in proportion to the Group’s shareholding (BPO, HBPO and YFPO for Plastic Omnium Automotive). It reflects the Group’s operational and managerial position.

2) In accordance with IFRS 10, 11 and 12, consolidated sales does not include the share of revenue from jointly-controlled entities accounted for under the equity method.

3) Operating Margin corresponds to operating income before other income and expense and includes share in net earnings of equity-accounted companies and amortization of Price Purchase Allocation (PPA).

4) EBITDA corresponds to Operating Margin, which includes share in net earnings of equity-accounted companies, before depreciation, amortization and other operating expenses.

5) Free cash flow refers to operating cash flow less expenditure on property, plant and equipment and intangible assets net of disposals, and net disbursements for taxes and financial interest, +/-change in net working capital (net cash generated by operating activities).

6) Net debt equals all long-term borrowings, current loans and bank overdrafts less loans, marketable debt instruments and other non-current financial assets, and cash and cash equivalents.